

JOINT INFORMATION CIRCULAR
OF
CREST PETROLEUM CORP.
&
GFG RESOURCES INC.

FOR ANNUAL GENERAL AND SPECIAL MEETINGS TO BE HELD

On October 14, 2016

**With respect to a Proposed Plan of Arrangement involving
Crest Petroleum Corp. and GFG Resources Inc.**

September 7, 2016

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has expressed an opinion about or in any way passed upon the merits of the securities or transactions described in this Information Circular and it is an offence to claim otherwise.

CREST PETROLEUM CORP.

Suite 610 – 815 West Hastings Street
Vancouver, B.C.
V6C 1B4

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 14, 2016

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Crest Meeting**”) of the shareholders of Crest Petroleum Corp. (“**Crest**”) will be held at Suite 610 – 815 West Hastings Street, Vancouver, B.C., on Friday, October 14, 2016, at 10:00 a.m. (Vancouver time) for the following purposes:

1. To receive the audited financial statements of Crest for the years ended February 29, 2016 and February 28, 2015 and the report of the auditor on those statements.
2. To set the number of directors for the ensuing year at four.
3. To elect directors for the ensuing year.
4. To appoint the auditor for Crest for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider and, if deemed advisable, pass, with or without variation, an ordinary resolution (the “**Acquisition Resolution**”), the full text of which is set out in the accompanying information circular dated September 7, 2016 (the “**Circular**”), to approve the acquisition of 100% of the issued and outstanding securities of GFG Resources Inc. (“**GFG**”) in exchange for like securities of Crest, on a one for one basis, in connection with a plan of arrangement involving GFG and its securityholders (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) and the change in control of Crest resulting therefrom, all as more particularly described in the Circular.
6. To consider and, if deemed advisable, pass, with or without variation, an ordinary resolution adopting a new “rolling” stock option plan (the “**2016 Stock Option Plan**”) for the Resulting Issuer (as defined in the Circular) reserving, on a rolling basis, for issuance thereunder up to a maximum of 10% of the issued shares of the Resulting Issuer at the time of granting of the stock option as more particularly described in the Circular.
7. To transact such other business as may properly come before the Crest Meeting or any adjournments thereof.

This notice is accompanied by the Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders (collectively the “**Crest Materials**”). **Reference is made to the Circular for the details of matters to be considered at the Crest Meeting. The full text of the Acquisition Resolution and the Plan of Arrangement are as set forth in Schedule “B-1” and Schedule “C” of the Circular, respectively. In order to become effective, the Acquisition Resolution must be approved by a majority of the votes cast by the shareholders present in person or by proxy at the Crest Meeting (but excluding those votes attaching to shares owned by non-arm’s length parties required to be excluded under applicable securities legislation and/or exchange policies).** Shareholders are requested to read the Circular and, if unable to attend the Crest Meeting in person, complete, date, sign and return the proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Crest Meeting.

The Board of Directors of Crest has fixed the close of business on August 31, 2016 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Crest Meeting and any adjournment thereof. The Board of Directors has also fixed 10:00 a.m. (Vancouver time) on Wednesday, October 12, 2016, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Crest Meeting or any adjournment thereof shall be deposited with Crest’s transfer agent, TSX Trust Company.

DATED at Vancouver, British Columbia, as of the 7th day of September, 2016.

CREST PETROLEUM CORP.

(signed) "*Richard S. Silas*"

By:

Richard S. Silas
President and Chief Executive Officer

GFG RESOURCES INC.

2018 Skyview Drive
Casper, Wyoming
82601-9640

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 14, 2016

NOTICE IS HEREBY GIVEN that pursuant to an order (the “**Interim Order**”) of the Supreme Court of British Columbia dated September 7, 2016, a special meeting (the “**GFG Meeting**”) of the shareholders (the “**GFG Shareholders**”) of GFG Resources Inc. (“**GFG**”) will be held at Suite 650 – 1188 West Georgia Street, Vancouver, B.C., on Friday, October 14, 2016, at 11:00 a.m. (Vancouver time) for the following purposes:

1. To consider and, if deemed advisable, pass, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set out in the accompanying information circular dated September 7, 2016 (the “**Circular**”), to approve a plan of arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), all as more particularly described in the Circular.
2. To transact such other business as may properly come before the GFG Meeting or any adjournments thereof.

Reference is made to the Circular for the details of matters to be considered at the GFG Meeting. The full text of the Arrangement Resolution and the Plan of Arrangement are as set forth in Schedule “B-2” and Schedule “C” to the Circular, respectively. In order to become effective, the Arrangement Resolution must be approved by at least 66 2/3% of the votes cast by the GFG Shareholders present in person or by proxy at the Meeting.

All GFG Shareholders are invited to attend the GFG Meeting; however, only GFG Shareholders at the close of business on September 6, 2016 (the “**GFG Record Date**”) are entitled to receive notice of and vote at the GFG Meeting. If you are unable to attend the GFG Meeting in person, please complete, date and sign the enclosed form of proxy (the “**GFG Proxy**”) and return it, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, to GFG’s solicitors, Gregory T. Chu, A Law Corporation, at Suite 650 – 1188 West Georgia Street, Vancouver, B.C., V6E 4A2, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the GFG Meeting or any adjournment thereof. As set out in the notes to the GFG Proxy, the GFG Proxy is solicited by management, but you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the GFG Meeting. Unregistered shareholders who received the GFG Proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary. We thank you for your participation as a shareholder of GFG.

Pursuant to the Interim Order and the BCBCA, GFG Shareholders are entitled to exercise rights of dissent in respect of the proposed Arrangement and to be paid fair value for common shares of GFG (“GFG Shares”). Holders of GFG Shares wishing to dissent with respect to the Arrangement must send a written objection to the registered office of GFG at Suite 650 – 1188 West Georgia Street, Vancouver, British Columbia, V6E 4A2, Attention: The President prior to the time of the GFG Meeting, such that the written objection is received by GFG no later than 4:00 pm (Vancouver time) on Wednesday, October 12, 2016 or by 4:00 pm (Vancouver time) on the day which is two business days prior to the date on which any adjournment or postponement of the GFG Meeting is held, in order to be effective.

A GFG Shareholder's right to dissent is more particularly described in the Circular and the text of sections 237 through 247 of the BCBCA is reproduced in Schedule “D” to the Circular. Failure to strictly comply with these requirements may result in the loss of any right of dissent. Persons who are beneficial owners of GFG Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of such shares are entitled to dissent.

Accordingly, a beneficial owner of GFG Shares desiring to exercise the right of dissent must make arrangements for the GFG Shares beneficially owned to be registered in his name prior to the time the written objection to the Arrangement Resolution is required to be received by GFG or, alternatively, make arrangements for the registered holder of such shares to dissent on his behalf.

DATED at Saskatoon, Saskatchewan, this 7th day of September, 2016.

By order of the Board of Directors of

GFG RESOURCES INC.

(signed) *“Brian N. Skanderbeg”*

By: _____
President and Chief Executive Officer

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CERTIFICATE OF CREST PETROLEUM CORP.

CERTIFICATE OF GFG RESOURCES INC.

3. GLOSSARY OF TERMS

“**2016 Stock Option Plan**” means the new stock option plan to be adopted at the Crest Meeting in place and stead of Crest’s existing stock option plan under which new stock options of the Resulting Issuer will be granted.

“**Acquisition**” means the acquisition by Crest of 100% of the issued and outstanding GFG Shares and GFG Options pursuant to the Arrangement and the Arrangement Agreement.

“**Acquisition Resolution**” means the ordinary resolution of the Crest Shareholders approving the Acquisition, substantially in the form and content as set out in Schedule B-1 hereto.

“**Affiliate**” means a Company that is affiliated with another Company as described below.

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

“**Alternative Transaction**” a bona fide proposal or offer by a third party, whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of all or a material portion of the assets of a Party, or to acquire in any manner, directly or indirectly, beneficial ownership or control or direction over more than 20% of the outstanding voting shares of a Party, whether by arrangement, amalgamation, merger, consolidation or other business combination, by means of sale of shares in the capital of a Party, tender offer or exchange offer or similar transaction involving a Party, including without limitation any single or multi-step transaction or series of related transactions which is structured to permit such third party to acquire beneficial ownership of all or a material portion of the assets of a Party or to acquire in any manner, directly or indirectly, more than 20% of the outstanding voting securities of a Party (other than the transactions contemplated by the Arrangement Agreement).

“**APEX**” means Apex Geoscience Ltd., the author of the Rattlesnake Report.

“**Arrangement**” means the arrangement under the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement subject to any amendment or supplement thereto made in accordance with the Arrangement Agreement or made at the direction of the Court in the Final Order.

“**Arrangement Agreement**” means the arrangement agreement dated September 2, 2016, as it may be subsequently amended, between Crest and GFG, including all schedules attached thereto, which was entered into for the purpose of effecting the Arrangement, a copy of which is available on SEDAR at www.sedar.com.

“**Arrangement Resolution**” means the special resolution of the GFG Shareholders approving the Arrangement, substantially in the form and content as set out in Schedule B-2 hereto.

“**Associate**” when used to indicate a relationship with an individual or Company, means:

- (a) an issuer of which the individual or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

- (b) any partner of the individual or Company;
- (c) any trust or estate in which the individual or Company has a substantial beneficial interest or in respect of which an individual or Company serves as trustee or in a similar capacity; or
- (d) in the case of an individual, a relative of that person, including:
 - (i) that individual's spouse or child, or
 - (ii) any relative of the individual or of his spouse who has the same residence as that person;

but

- (e) where the Exchange determines that two Persons will, or will not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination will be determinative of their relationships in the application of Rule D (as defined in applicable Exchange Policies) with respect to that Member firm, Member corporation or holding company.

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

“**Break Fee**” means a fee equal to US\$250,000.

“**Business Day**” means any day other than a Saturday, a Sunday or statutory holiday, in Vancouver, British Columbia.

“**Circular**” means this joint information circular of Crest and GFG dated September 7, 2016, as may be amended from time to time, furnished in connection with the solicitation of proxies for use at the Meetings.

“**Closing**” means the completion of the Arrangement on the Effective Date, at the Effective Time.

“**Company**” unless specifically indicated otherwise, includes a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“**Control Person**” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

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

“**Crest**” means Crest Petroleum Corp., a corporation incorporated under the BCBCA.

“**Crest Board**” means the board of directors of Crest.

“**Crest Meeting**” means the annual general and special meeting of the Crest Shareholders to be held on Friday, October 14, 2016, to consider and if deemed advisable, approve, among other things, the Acquisition Resolution.

“**Crest Replacement Options**” means the stock options of Crest to be issued to GFG Optionholders in exchange for GFG Options pursuant to the terms and conditions of the Plan of Arrangement.

“**Crest Shares**” means the common shares without par value in the capital of Crest.

“**Crest Shareholders**” means the holders of Crest Shares.

“**Depository**” means TSX Trust Company.

“**Dissent Notice**” means a written objection to the Arrangement Resolution made by a registered GFG Shareholder in accordance with the Dissent Rights.

“**Dissent Procedures**” means the dissent procedures described under Item 5.4 “DISSENT RIGHTS”, describing the procedures required to be taken by a registered holder of GFG Shares to exercise the right of dissent in respect of such GFG Shares in connection with the Arrangement.

“**Dissent Rights**” means the right of a registered GFG Shareholder to dissent in respect of the Arrangement Resolution in strict compliance with the procedures described in the Plan of Arrangement and the BCBCA as more particularly described in Schedule “D” hereto.

“**Dissenting Shareholders**” means GFG Shareholders who validly exercise their Dissent Rights and thereby become entitled to receive the fair value of their GFG Shares.

“**Dissenting Shares**” means GFG Shares in respect of which a Dissenting Shareholder has validly exercised a Dissent Right.

“**Effective Date**” means the date upon which the Arrangement becomes effective, being the fifth Business Day following the date the Final Order is granted by the Court or such other date as Crest and GFG may agree.

“**Effective Time**” means 12:00 noon (Vancouver Time) on the Effective Date, at which time the Arrangement becomes effective in accordance with its terms.

“**Exchange**” means the TSX Venture Exchange Inc.

“**Exchange Policies**” means the policies of the Exchange and all orders, policies, rules, regulations and by-laws of the Exchange as amended from time to time.

“**Final Exchange Bulletin**” means the bulletin to be issued by the Exchange following Closing of the Arrangement and the submission of all required documentation announcing its acceptance of the Arrangement.

“**Final Order**” means the final order of the Court approving the Arrangement to be applied for following the GFG Meeting and Crest Meeting pursuant to Section 291 of the BCBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

“**GFG**” means GFG Canada and, if the context requires, includes GFG US.

“**GFG Board**” means the board of directors of GFG.

“**GFG Canada**” means GFG Resources Inc., a corporation incorporated under the BCBCA.

“**GFG Financial Statements**” means audited financial statements of GFG Canada and GFG US for the periods ended June 30, 2016 included as Schedule J to this Circular.

“**GFG Letter of Transmittal**” means the letter of transmittal addressed to the Depositary pursuant to which GFG Shareholders shall request the issuance of certificates representing the number of Crest Shares which such GFG Shareholders shall be entitled to receive upon completion of the Arrangement.

“**GFG Meeting**” means the special meeting of GFG Shareholders to be held on Friday, October 14, 2016, to consider and if deemed advisable, approve, among other things, the Arrangement Resolution.

“**GFG Options**” means the outstanding stock options of GFG, each GFG Option entitling the holder thereof to acquire one GFG Share at a price of US\$0.25 as more particularly described in Item 21.2 “DESCRIPTION OF SECURITIES – Consolidated Capitalization” of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC.” to this Circular.

“**GFG Optionholders**” means the holders of GFG Options.

“**GFG Securities**” means, collectively, the GFG Shares and GFG Options.

“**GFG Securityholders**” means, collectively, the GFG Shareholders and GFG Optionholders.

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

“**GFG Shares**” means common shares without par value in the capital of GFG.

“**GFG US**” means GFG Resources (US) Inc., a wholly-owned subsidiary of GFG incorporated under the laws of the State of Nevada, U.S.A. and holding all of GFG’s interests in the Rattlesnake Hills Project.

“**GFG US Shares**” means common shares with a par value of US\$0.001 each in the capital of GFG US.

“**IFRS**” means International Financial Reporting Standards.

“**Insider**” if used in relation to a Company, means (a) a director or senior officer of a Company; (b) a director or senior officer of a Company that is an Insider or subsidiary of a Company; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of a Company; or (d) a Company itself if it holds any of its own securities.

“**Interim Order**” means the interim order of the Court dated September 7, 2016 concerning the Arrangement under Section 291 of the BCBCA, containing declarations and directions with respect to the Arrangement and the holding of the GFG Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction, a copy of which Interim Order is attached as Schedule “E” to this Circular.

“**Letter Agreement**” means the letter agreement dated June 10, 2016, as amended and restated June 17, 2016 between Crest and GFG with respect to the Acquisition.

“**Mandatory Pooling Restrictions**” means the mandatory pooling restrictions to which all Crest Shares issued to GFG Shareholders in exchange for GFG Shares as at the Effective Time will be subject pursuant to the Plan of Arrangement.

“**Material Adverse Change**” or “**Material Adverse Effect**” means any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights or liabilities, whether contractual or otherwise, of a Party, taken as a whole, and which change or effect has or may reasonably be expected to have a material and adverse effect on a Party other than a change or effect (i) which arises out of a matter that has been publicly disclosed or otherwise disclosed in writing by the Party to the other Party prior to the date of the Arrangement Agreement, (ii) resulting from conditions affecting the mineral resource industry as a whole, (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions (including without limitation, the price of gold) in Canada or elsewhere, or (iv) any change in the market price of the securities of the Party.

“**Meetings**” means, collectively, the Crest Meeting and the GFG Meeting and “**Meeting**” means either the Crest Meeting or the GFG Meeting, as the context requires.

“**Member**” means a member of the Exchange as defined in the TSX Venture Exchange Rules.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Securityholders in Special Transactions*.

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

“**Non-Arms Length Party**” means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons, and in relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.

“**Party**” means a party to the Arrangement Agreement, being Crest or GFG and “**Parties**” means both of them.

“**Person**” means a Company or individual.

“**Plan of Arrangement**” means the plan of arrangement set out in Exhibit “A” to the Arrangement Agreement as amended or supplemented from time to time and which Plan of Arrangement is attached as Schedule “C” to this Circular.

“**Rattlesnake Hills Project**” or “**Rattlesnake Hills Property**” means the district scale intermediate stage gold exploration project comprised of 1,281 unpatented lode mining claims and 7 state fee land leases totaling approximately 26,500 acres in Natrona County, Wyoming, U.S.A. in which GFG US owns, subject to underlying royalties, a 100% undivided interest as more particularly described in Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC.”.

“**Rattlesnake Report**” means the independent technical report on the Rattlesnake Hills Project dated August 15, 2016 prepared by APEX in accordance with NI 43-101 as more particularly described in Item 19.2 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – *Narrative Description of the Business – Mineral Project*”.

“**Record Date**” means August 31, 2016 in respect of the Crest Meeting and September 6, 2016 in respect of the GFG Meeting.

“**Registrar**” means the Registrar of Companies for the Province of British Columbia.

“**Regulation S**” means Regulation S under the U.S. Securities Act.

“**Related Party Transaction**” means a “related party transaction” as defined in MI 61-101, including a related party transaction that is determined by the Exchange to be a Related Party Transaction.

“**Resulting Issuer**” means Crest, after completion of the Arrangement.

“**Resulting Issuer Shares**” means the common shares in the capital of Crest, after completion of the Arrangement.

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

“**RwE Fairness Opinion**” means the fairness opinion dated August 31, 2016 prepared for Crest by RWE, a copy of which is attached as Schedule “F” to this Circular.

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

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval as located on the Internet at www.sedar.com.

“**Semeniuk**” means Stephen W. Semeniuk, B. Comm, MBA, CFA.

“**Semeniuk Fairness Opinion**” means the fairness opinion dated September 2, 2016 prepared for GFG by Semeniuk, a copy of which is attached as Schedule “G” to this Circular.

“**Superior Offer**” means any unsolicited bona fide written Alternative Transaction which a Party’s board of directors determines, acting reasonably and in good faith and after consultation with its financial advisors, constitutes a commercially feasible transaction which would be carried out within a time frame that is reasonable in the circumstances, for which adequate financial arrangements have been or would reasonably be expected to be made and which would, if consummated, be superior to the Arrangement from a financial point of view to a Party.

“**Tax Act**” means the *Income Tax Act* (Canada) R.S.C. 1985, c. 1 as amended, including the regulations promulgated thereunder.

“**TSX Trust**” means TSX Trust Company, the registrar and transfer agent of Crest.

“**Voting Agreements**” means voting agreements entered into by certain directors, officers and shareholders of each of Crest and GFG in connection with the Arrangement confirming that such Persons will vote in favor of the Arrangement.

“**Termination Date**” means November 30, 2016.

“U.S.” or “United States” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“U.S. Person” means a “U.S. person” as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

Words importing the masculine shall be interpreted to include the feminine or neuter and the singular to include the plural and vice versa where the context so requires.

In this Circular and the appendices included herein, other words and phrases that are capitalized have the meanings assigned in this Circular or the appendices, as the case may be.

All references to “\$”, “US\$” or “dollars” in this Circular are to lawful currency of the United States unless otherwise expressly stated. References to “C\$” are to Canadian dollars.

4. SUMMARY

The following is a summary of information relating to Crest, GFG and the Resulting Issuer (assuming completion of the Arrangement) and is qualified in its entirety by and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular, including the appendices and schedules attached hereto, which are incorporated herein and form part of this Circular. Certain capitalized words and terms used in this Summary are defined in the Glossary and elsewhere in this Circular.

Parties

Crest

Crest is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario whose common shares are listed for trading on the NEX board of the Exchange under the symbol “CTP.H”. Crest is also a “capital pool company” or “CPC” as designated under Exchange Policies whose principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business (a “**Qualifying Transaction**”). As of the date of this Circular, Crest has not yet commenced operations and has no significant assets other than cash. For additional information concerning Crest, please see Appendix 1 “*Information Concerning Crest Petroleum Corp. Prior to the Arrangement*” and Appendix 3 “*Information Concerning the Resulting Issuer*”.

GFG

GFG is a private British Columbia company engaged in the acquisition and exploration of mineral resource properties in the State of Wyoming, U.S.A. Currently, GFG owns, indirectly through GFG US and subject to underlying royalties, a 100% undivided interest in the Rattlesnake Hills Project, a district scale intermediate stage gold exploration prospect comprising 1,281 unpatented lode mining claims and 7 state fee land leases totaling approximately 26,500 acres in Natrona County, Wyoming, U.S.A. For additional information concerning GFG, please see Appendix 2 “*Information Concerning GFG Resources Inc.*” and Appendix 3 “*Information Concerning the Resulting Issuer*”.

The Parties have agreed to combine their respective businesses, properties and assets through the implementation of the Arrangement such that, upon completion of the Arrangement, GFG will be a wholly-owned subsidiary of the Resulting Issuer and the Resulting Issuer will continue the business of GFG as a mineral exploration company. Please see Appendix 1 “*Information Concerning Crest Petroleum Corp. Prior to the Arrangement*”, Appendix 2 “*Information Concerning GFG Resources Inc.*” and Appendix 3 “*Information Concerning the Resulting Issuer*” for further information.

The Meetings

The Crest Meeting will be held on Friday, October 14, 2016 at 10:00 a.m. (Vancouver time) for the purposes set forth in the notice of meeting applicable to Crest and attached to this Circular including, among other matters, to consider and, if deemed advisable, approve annual general meeting matters, the Acquisition and all related matters as contemplated by the Arrangement Agreement.

The GFG Meeting will be held on Friday, October 14, 2016 at 11:00 a.m. (Vancouver time) for the purposes set forth in the notice of meeting applicable to GFG and attached to this Circular, including, among other matters, to consider and, if deemed advisable, approve the Arrangement and all related matters as contemplated by the Arrangement Agreement.

The record date for determining the registered Crest Shareholders entitled to vote at the Crest Meeting is August 31, 2016 and the registered GFG Shareholders entitled to vote at the GFG Meeting is September 6, 2016. See Item 5.2 "BUSINESS OF THE CREST MEETING" and Item 5.3 "BUSINESS OF THE GFG MEETING" for further information.

The Arrangement

The Arrangement provides for the Acquisition of all of the issued and outstanding GFG Shares and GFG Options by Crest. The Arrangement Agreement establishes the Plan of Arrangement which provides for the following transactions to occur and be deemed to occur in the following chronological order without further act or formality at the Effective Time:

1. GFG Shares held by Dissenting Shareholders will be deemed to be transferred back to GFG and the Dissenting Shareholders will cease to have any rights as GFG Shareholders other than the right to be paid fair value for their GFG Shares;
2. each registered holder of GFG Shares, with the exception of Dissenting Shareholders, will be deemed to exchange all of their GFG Shares for Crest Shares on the basis of one Crest Share for each one GFG Share held;
3. with respect to the GFG Shares (other than GFG Shares held by Crest and the Dissenting Shares):
 - (a) the holders of such GFG Shares shall cease to be GFG Shareholders as of the Effective Time; and
 - (b) Crest shall become the sole GFG Shareholder as at the Effective Time;
4. the Crest Shares issued to former registered holders of GFG Shares in exchange for their GFG Shares will be subject to the Mandatory Pooling Restrictions and placed in pool with Crest as at the Effective Time for release as follows:
 - (a) 25% of the Crest Shares will be released from pool as at the Effective Time; and
 - (b) the remaining 75% of the Crest Shares will be released from pool on the six month anniversary of the Effective Date; and
5. each outstanding GFG Option will be exchanged for a Crest Replacement Option to purchase that number of Crest Shares equal to the number of GFG Shares issuable under the GFG Option at a price equal to the exercise price under the GFG Option and each GFG Option shall thereafter be cancelled and cease to be outstanding. Save and except as agreed by Crest and the holders of GFG Options, the term to expiry, conditions to and manner of exercising, the status under applicable laws, and all other terms and conditions of the Crest Replacement Options will be otherwise unchanged from those contained in or otherwise applicable to the exchanged GFG Options.

As a result of the Arrangement:

- (a) GFG will become a wholly-owned subsidiary of Crest;
- (b) GFG Shareholders will become holders of Crest Shares holding, in the aggregate, an indirect interest in GFG, through their combined shareholdings in Crest, of approximately 88.99%;

- (c) GFG Optionholders will become holders of Crest Replacement Options, each Crest Replacement Option entitling the holder thereof to purchase Crest Shares at a price of US\$0.25 per share in the same number and on the same terms and conditions as the exchanged GFG Option; and
- (d) The Resulting Issuer will hold all of the assets of GFG and Crest, either directly or indirectly.

Immediately following the completion of the Arrangement, the following steps will also occur:

- (a) Richard Silas, Michael Keast, Toby Pierce and David Schmidt will resign from the Crest Board and Crest will appoint Brian Skanderbeg, Patrick Downey, Jonathan Awde and Stephen de Jong to the board of directors of the Resulting Issuer;
- (b) Richard Silas will resign as the President and Chief Executive Officer of Crest;
- (c) The Resulting Issuer will appoint Brian Skanderbeg as President and Chief Executive Officer, Timothy Brown as Vice-President, Exploration, Marc Lepage as Vice-President, Business Development and Richard Silas as Corporate Secretary. Michael Waldkirch, currently Chief Financial Officer of Crest, will remain as Chief Financial Officer of the Resulting Issuer; and
- (d) Subject to the approval of the Crest Shareholders at the Crest Meeting, the Resulting Issuer will adopt the 2016 Stock Option Plan.

No fractional securities will be issued. Any fractions shares resulting from the Arrangement resulting will be rounded up to down to nearest whole number.

Assuming completion of the Arrangement, as of the Effective Date, the Resulting Issuer will have approximately 43,153,483 common shares issued and outstanding of which approximately 38,403,483 shares or 88.99% will be held by the former holders of GFG Shares and 4,750,000 shares or 11.01% held by the former holders of Crest Shares.

For more detailed information regarding the Arrangement, see “THE ARRANGEMENT – *Arrangement Agreement*” and the Plan of Arrangement attached to this Circular as Schedule “C”.

Background to the Arrangement

The provisions of the Arrangement Agreement are the result of negotiations amongst representatives of GFG and Crest and their respective legal advisors.

GFG US was incorporated under the laws of the State of Nevada on June 19, 2015 for the purposes of engaging in the acquisition and exploration of gold properties in the United States. For most of 2015, GFG US efforts were focused primarily on raising seed capital and acquiring its interests in the Rattlesnake Hills Project in Natrona County, Wyoming. See Item 18.2 in Appendix 2 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions*”.

In November, 2015 GFG US entered into a non-binding letter of intent with an arm’s length publicly listed company with respect to a potential business combination involving an exchange of shares between the shareholders of GFG US and the public company with a view to obtaining a listing of the GFG US Shares on the Exchange. Following extensive negotiations and ongoing due diligence, GFG US and the public company were unable to reach a final agreement on the terms of the share exchange and the negotiations were terminated in December 2015.

During early 2016, GFG US continued to investigate other companies and opportunities for securing a public listing of the GFG US Shares on a recognized stock exchange in Canada or the United States with a view to providing liquidity for its shareholders.

In April, 2016 GFG Canada was incorporated under the BCBCA with a view to acquiring all of the issued and outstanding common shares of GFG US in order to facilitate a public listing of the GFG US Shares. In early May, 2016 GFG Canada reached an agreement in principle with GFG US to acquire (the “**GFG US Acquisition**”) all of the issued and outstanding shares of GFG US in exchange for common shares of GFG Canada, on a one share for one share equivalent basis. On July 5, 2016, GFG US and GFG Canada entered into a formal agreement and plan of share exchange pursuant to which GFG Canada subsequently acquired all of the issued and outstanding GFG US shares in consideration for an initial

payment of 19,050,419 GFG Shares and US\$22,687.50 cash. See Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *History – Acquisition of GFG US*” in Appendix 2 of this Circular.

In anticipation of completing the GFG US Acquisition, GFG Canada raised a total of US\$3,685,141, by way of a private placement of 14,740,564 GFG Shares at a price of US\$0.25 per share (the “**Initial GFG Financing**”) in late June and early July, 2016 to fund, inter alia, the initial exploration and ongoing maintenance of the Rattlesnake Hills Project and for general corporate and working capital purposes. On September 2, 2016, GFG Canada issued, by way of private placement, a further 2,350,000 GFG Shares at a price of US\$0.25 per share for additional proceeds of US\$587,500 (the “**Secondary GFG Financing**”) and, collectively with the Initial GFG Financing, the “**GFG Financings**”). As a result of the GFG US Acquisition and GFG Financings, there are currently 36,140,983 GFG Shares issued and outstanding

Throughout this period, Crest was also seeking out new capital and mineral properties for potential acquisition with a view to completing its Qualifying Transaction. As a result of certain existing relationships and common shareholders between GFG and Crest, various informal discussions began to take place between GFG and Crest during the second half of May 2016 with a view to entering into a potential business combination. During the ensuing weeks, management of Crest and GFG corresponded and met a number of times to discuss the basis upon which each of them would consider merging the two companies and preliminary indicative terms were discussed. On June 9, 2016 Crest delivered a draft non-binding letter of intent to GFG. That day the board members of GFG US and GFG Canada conferred to review the proposed business combination and draft letter of intent. Following further negotiations and changes, Crest and GFG Canada entered into a non-binding letter of intent with respect to the Acquisition on June 10, 2016. Subsequent to entering into the non-binding letter of intent, Crest requested that such letter of intent be converted into a binding letter of intent and on June 17, 2016, GFG and Crest entered into the Letter Agreement with respect to the Acquisition on a binding basis. Next, Crest engaged RWE to prepare the RWE Fairness Opinion and GFG engaged Semeniuk to prepare the Semeniuk Fairness Opinion.

The Parties continued their negotiations respecting the terms of the proposed Arrangement and consulted with legal counsel and investment advisors to obtain corporate, securities, investment and tax advice.

On August 21, 2016, the Crest Board received an initial draft of the Arrangement Agreement. On August 24, 2016 the Crest Board received an initial draft of the RWE Fairness Opinion and conferred shortly thereafter to review the opinion, the terms of the Arrangement as they had developed to that time and the draft Arrangement Agreement. The Crest Board received the final RWE Fairness Opinion on September 2, 2016. After considering all of the factors, the Crest Board, with Richard Silas and Michael Keast abstaining from voting (see “*Recommendations of the Boards of Directors*” below), determined that the Arrangement was fair to the Crest Shareholders from a financial point of view and was in the best interests of Crest. It then approved the Arrangement and the definitive Arrangement Agreement.

On August 21, 2016 the GFG Board received the draft Arrangement Agreement. On August 23, 2016, the GFG Board received a draft of the Semeniuk Fairness Opinion with the final Semeniuk Fairness Opinion following on September 2, 2016. After reviewing the draft Arrangement Agreement and final Semeniuk Fairness Opinion, and considering all of the factors, the GFG Board, with Jonathan Awde abstained from voting (see “*Recommendations of the Boards of Directors*” below), approved the Arrangement and the definitive Arrangement Agreement on September 2, 2016.

Effective September 2, 2016, Crest and GFG entered into the Arrangement Agreement. Please see “THE ARRANGEMENT – *Background to the Arrangement*”.

Benefits of the Arrangement

The directors and senior management of Crest and GFG believe that the Arrangement is in the best interests of their respective securityholders and that the Arrangement provides a number of benefits for their securityholders including the following:

1. the Resulting Issuer will be a stronger company than either GFG or Crest alone and will have greater financial resources and anticipated greater access to capital and services to develop the Resulting Issuer’s properties and assets;
2. certain members of GFG’s and Crest’s management and technical teams are expected to continue with the Resulting Issuer increasing the combined knowledge and experience of the Resulting Issuer’s management in order to better optimize the assets and opportunities of the Resulting Issuer; and

3. the Resulting Issuer will possess increased capitalization and liquidity, through greater size and diversity, more exposure to potential investment opportunities and enhanced share trading liquidity.

Please see “THE ARRANGEMENT – *Benefits of the Arrangement*” for further information.

Conditions to the Arrangement

The obligations of Crest and GFG to complete the Arrangement are subject to the satisfaction or waiver of certain mutual conditions, including, among others:

1. the Acquisition Resolution being approved by the Crest Shareholders at the Crest Meeting and the Arrangement Resolution being approved by the GFG Shareholders at the GFG Meeting;
2. the Final Order being granted by the Court;
3. the approval of the Exchange to the Arrangement and the issuance of the Crest Shares pursuant thereto being received;
4. holders of no greater than 5.0% of the total outstanding GFG Shares exercising their Dissent Rights; and
5. the issue of the Crest Shares shall be exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws and the prospectus requirements of applicable securities laws in each province of Canada in which GFG Securityholders reside.

Please see “THE ARRANGEMENT – *Arrangement Agreement – Conditions to the Arrangement*” for further information.

Termination of the Arrangement Agreement

Pursuant to the Arrangement Agreement, Crest and GFG have agreed that they will not, directly or indirectly, solicit or participate in any discussions or negotiations regarding an Alternative Transaction or potential Alternative Transaction, provided that neither Party is restricted from considering, discussing or negotiating a bona fide unsolicited proposal believed to be a Superior Offer and required to be considered by such Party’s board in order to discharge their fiduciary duties. In the event of a Superior Offer, each Party is entitled to a five Business Day period within which to exercise a right to match. A Party is entitled to a Break Fee, being US\$250,000 payable in cash, if the other Party provides notice of its intention to recommend, accept or enter into a Superior Offer. The Break Fee is due within five Business Days of the termination of the Arrangement Agreement.

In addition to the foregoing, the Arrangement Agreement may also be terminated by the mutual agreement of the Parties, by either Party if the Effective Date has not occurred by November 30, 2016, by either Party if either the Crest Shareholders or the GFG Shareholders do not approve the Arrangement, or by one Party if the other Party continues in material breach of any material term of the Arrangement Agreement for a period of 30 days following receipt of notice of such breach. For additional information please see, “THE ARRANGEMENT – *Arrangement Agreement*”.

Fairness Opinions

In deciding to approve the Arrangement Agreement and the terms of the Arrangement, Crest considered, among other things, the RWE Fairness Opinion. The RWE Fairness Opinion concludes that, as of June 30, 2016, the Arrangement is fair, from a financial point of view, to the Crest Shareholders. The complete text of the RWE Fairness Opinion, which sets out certain assumptions made, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this Circular as Schedule “F”. The RWE Fairness Opinion is not and should not be construed as a valuation of Crest or GFG or their respective assets or securities or as a recommendation to any Crest Shareholder to vote in favor of the Acquisition Resolution.

Crest Shareholders are urged to read the RWE Fairness Opinion in its entirety. See “THE ARRANGEMENT – *Fairness Opinions*” for further information.

In deciding to approve the Arrangement Agreement and the terms of the Arrangement, the GFG Board considered, among other things, the Semeniuk Fairness Opinion. The Semeniuk Fairness Opinion concludes that, as of September 2, 2016, the proposed exchange ratio under Arrangement of 1.0 Crest Share for each 1.0 GFG Share and the exchange of GFG Options for similar Crest Replacement Options is fair, from a financial point of view, to GFG and its securityholders as a whole and to the minority non-controlling securityholders of GFG. The complete text of the Semeniuk Fairness Opinion, which sets out certain assumptions made, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this Circular as Schedule “G”. The Semeniuk Fairness Opinion is not and should not be construed as a valuation of Crest or GFG or their respective assets or securities or as a recommendation to any GFG Shareholder to vote in favor of the Arrangement Resolutions.

GFG Shareholders are urged to read the Semeniuk Fairness Opinion in its entirety. See “THE ARRANGEMENT – *Fairness Opinions*” for further information.

Recommendations of the Boards of Directors

The independent members of the Crest Board have considered the proposed Acquisition of GFG on the terms and conditions as provided in the Arrangement Agreement and have unanimously determined that the Arrangement is in the best interests of Crest and is fair to the Crest Shareholders. The Crest Board unanimously recommends that the Crest Shareholders vote in favor of the Acquisition. Richard Silas, the President, Chief Executive Officer and a director of Crest, is the Corporate Secretary of GFG US, a shareholder of GFG and will be appointed as the Corporate Secretary of the Resulting Issuer on completion of the Arrangement. In addition, Michael Keast, an independent director of Crest, is a principal shareholder of Medalist, a private Ontario company which owns more than 5% of the issued and outstanding GFG Shares. As a result, Messrs. Silas and Keast abstained from voting on the directors’ resolution approving the Arrangement but are in agreement with the decision and recommendations of the Crest Board.

The GFG Board has considered the proposed Arrangement with Crest on the terms and conditions as provided in the Arrangement Agreement and determined that the Arrangement is in the best interests of GFG and is fair to the GFG Securityholders. The GFG Board recommends that the GFG Shareholders vote in favor of the Arrangement. Mr. Jonathan Awde, a director and shareholder of GFG, is a greater than 5% shareholder of Crest and will be appointed as a director of the Resulting Issuer on completion of the Arrangement. See Item 35 “*Executive Compensation*” in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER” for details of the consulting fees proposed to be paid to Mr. Awde by the Resulting Issuer upon completion of the Arrangement for ongoing consulting and advisory services to be provided to the Resulting Issuer. As a result, Mr. Awde abstained from voting on the directors’ resolution approving the Arrangement but is in agreement with the decision and recommendations of the GFG Board.

Please see “THE ARRANGEMENT – *Recommendations of the Board of Directors*” for further information.

Procedural Steps and Approvals

Procedural Steps

The Arrangement shall be carried out pursuant to the BCBCA. In addition to the terms of the Interim Order obtained from the Court by GFG on September 7, 2016, a copy of which is attached hereto as Schedule “E”, the following procedural steps must be completed in order for the Arrangement to become effective:

1. the Arrangement must be approved by a special resolution of the GFG Shareholders and a majority of the Crest Shareholders, excluding any votes attached to shares held by Non-Arm’s Length Parties to the Arrangement (see “*Shareholder Approvals*” below);
2. if approved by the GFG Shareholders and Crest Shareholders, and assuming all conditions precedent to the Arrangement set out in the Arrangement Agreement, are either satisfied or waived by the applicable Party, a hearing before the Court must be held to approve the Arrangement; and
3. the Final Order must be issued by the Court.

Please see “THE ARRANGEMENT – *Procedural Steps and Approvals*” for additional information.

Shareholder Approvals

The Acquisition Resolution approving the Acquisition and the Arrangement Agreement must be passed, with or without variation, by a majority of all votes cast with respect to the Acquisition Resolution by the Crest Shareholders, present in person or by proxy at the Crest Meeting, but excluding those votes attaching to shares owned by any Non-Arm's Length Party to the Arrangement required to be excluded under applicable securities legislation and/or Exchange Policies. See "INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON" and "MI 61-101 MATTERS" in Item 5.1 "GENERAL PROXY INFORMATION" below.

Pursuant to the BCBCA, the articles of GFG and the Interim Order, the Arrangement Resolution approving the Arrangement and the Arrangement Agreement must be passed, with or without variation, by two-thirds of all votes cast with respect to the Arrangement Resolution by the GFG Shareholders present in person or by proxy at the GFG Meeting.

Notwithstanding the foregoing, the Acquisition Resolution authorizes the Crest Board, without further notice to or approval of the Crest Shareholders, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Acquisition and to revoke the Acquisition Resolution at any time prior to completion of the Arrangement Agreement.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the GFG Board, without further notice to or approval of the GFG Shareholders, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to completion of the Arrangement Agreement.

If more than 5.0% of the GFG Shares become the subject of Dissent Rights, the Arrangement may be terminated.

Please see "THE ARRANGEMENT – *Shareholder Approvals*" for further information.

Court Approval

Under the BCBCA the Arrangement must be approved by the Court. Prior to mailing of the Circular, GFG obtained the Interim Order providing for the calling and holding of the GFG Meeting and other procedural matters relating to the Arrangement. A copy of the Interim Order is attached hereto as Schedule "E".

Provided that the Arrangement is approved by the requisite majorities of the Crest Shareholders and the GFG Shareholders and certain other conditions are met, GFG will make application to the Court for the Final Order at 9:45 a.m. Vancouver time (or so soon thereafter as counsel can be heard) on October 18, 2016 at the Court House, 800 Smithe Street, Vancouver, British Columbia. See Schedule M "Notice of Hearing of Petition for Final Order". At the hearing for the Final Order any security holder or creditor of Crest or GFG has the right to appear, be heard and present evidence if such person is of the view that his or her interests may be prejudiced by the Arrangement. (See also Schedule "E" – Interim Order and "THE ARRANGEMENT – *Court Approval*").

Approval of TSX Venture Exchange

As of the date of this Circular, the Exchange has not yet granted its conditional acceptance of the Arrangement. If, as and when such conditional acceptance is received, final approval for the Arrangement and the listing of the Crest Shares to be issued in exchange for the GFG Shares will be subject to fulfillment of the general listing requirements of the Exchange, which are expected to be met in conjunction with the completion of the Arrangement, and other customary filings with the Exchange. It is a condition of the Arrangement that the Crest Shares to be issued or issuable to the GFG Shareholders be accepted for listing on the Exchange and that the Exchange accepts for filing the Arrangement.

Please see "THE ARRANGEMENT – *Approval of the Exchange*".

Voting Agreements

Certain directors, executive officers and shareholders of each of Crest and GFG have entered into Voting Agreements pursuant to which they have agreed, subject to the terms and conditions thereof, to, inter alia, vote in favor of the Acquisition Resolution and the Arrangement Resolution, respectively. As of September 7, 2016, these directors, officers and shareholders held 1,982,000 Crest Shares, representing approximately 41.72% of the issued Crest Shares on such date and 7,120,129 GFG Shares, representing approximately 19.70% of the issued GFG Shares on such date.

See “THE ARRANGEMENT – *Voting Agreements*”.

Appointment of New Directors and Executive Officers of Resulting Issuer

Upon Closing, Crest will appoint Brian Skanderbeg, Patrick Downey, Jonathan Awde and Stephen de Jong to the Crest Board and will appoint Mr. Skanderbeg as its President and Chief Executive Officer, Timothy Brown as its Vice-President, Exploration, Marc Lepage as its Vice-President, Business Development and Richard Silas as its Corporate Secretary. For more detailed information please see Item 34 “*Directors, Officers and Promoters*” in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER”.

Securities Laws Information for Canadian Shareholders

The issuances of the Crest Shares and Crest Options pursuant to the Arrangement will be exempt from the prospectus requirements of applicable securities legislation in Canada. The Crest Shares may be resold in each of the provinces and territories of Canada, without significant restriction, provided the trade is not by a Control Person, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale. The Crest Options will be non-transferable. Notwithstanding the foregoing, it is a term of the Arrangement Agreement that any Crest Shares issued to GFG Shareholders pursuant to the Arrangement will be subject to a pooling restriction of six months from the Effective Date of the Arrangement, with 25% of such Crest Shares being released from pool on the Effective Date and the remaining 75% released six months thereafter. For further information, see “THE ARRANGEMENT – *Resale of Crest Shares*.” See also Item 39 “*Escrowed Securities*” in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER”.

Securities Law Information for United States Shareholders

The Crest Shares to be issued to GFG Shareholders under the Arrangement will not be registered under the U.S. Securities Act or the securities or “blue sky” laws of any state of the United States and will be issued pursuant to the exemption from the registration requirements provided under Section 3(a)(10) of the U.S. Securities Act and exemptions under applicable state securities law.

Neither Crest nor GFG has a class of securities registered with the SEC and, accordingly, neither is a reporting company in the United States.

For further information, see “THE ARRANGEMENT – *Resale of Crest Shares – Application of U.S. Securities Laws to Resales*”.

Exchange of Share Certificates

Following completion of the Arrangement, the Resulting Issuer shall mail the GFG Letter of Transmittal to those registered GFG Shareholders to whom share certificates for GFG Shares were previously issued for use in surrendering and exchanging those certificates for certificates representing Crest Shares. The GFG Letter of Transmittal contains complete instructions on how such persons are to exchange their securities. **Registered GFG Shareholders should read and follow these instructions. The GFG Letter of Transmittal, when properly completed and delivered together with certificates representing the applicable GFG Shares and all other required documents, will enable former registered shareholders to obtain the certificates for Crest Shares to which they are entitled pursuant to the Arrangement.** Certificates will be mailed to registered GFG Shareholders as soon as is practicable following receipt by the Depository of a completed GFG Letter of Transmittal and other required documents at the address specified in such GFG Letter of Transmittal. If requested, certificates may be picked up by the holder at the office of the Depository.

Any certificate that immediately prior to the Effective Date, represented outstanding GFG Shares and that has not been surrendered with all of the instruments required by the Plan of Arrangement on or before the sixth anniversary of the Effective Date, will cease to represent any claim against or interest in any kind or nature in Crest, GFG or the Depository. Accordingly, persons who tender certificates for GFG Shares after this sixth anniversary will not receive Crest Shares and will not own any interest in Crest, GFG or the Resulting Issuer and will not be paid any cash or other compensation.

All other registered GFG Shareholders who were issued their former GFG Shares in book entry form only and did not receive an actual share certificate will be mailed certificates for the Crest Shares to which they are entitled pursuant to the Arrangement at their respective addresses recorded in the central securities register of GFG as soon as practicable following the Effective Date.

As of the Effective Time, the holders of certificates or agreements formerly representing GFG Options will be deemed to hold certificates or agreements representing Crest Options and will not be required to surrender such certificates or agreements to the Resulting Issuer upon completion of the Arrangement.

Please see “THE ARRANGEMENT – *Exchange of Securities*” for more information.

Right to Dissent

The Arrangement Agreement provides the GFG Shareholders with the right to dissent and be paid the fair value of their GFG Shares in accordance with Sections 237 through 247 of the BCBCA as modified by the Interim Order and the Plan of Arrangement, provided that such shareholders give notice that they object to the Arrangement and Crest and GFG proceed to make the Arrangement effective. See Schedule “D” attached hereto for the full text of Sections 237 through 247 of the BCBCA, Schedule “C” attached hereto for the Plan of Arrangement and Schedule “E” attached hereto for the Interim Order.

STRICT COMPLIANCE WITH THE NOTICE AND DISSENT PROCEDURES MUST BE OBSERVED. It is a condition to the completion of the Arrangement that Dissent Notices for GFG Shares not exceed 5.0% of GFG’s issued and outstanding GFG Shares because that may make the Arrangement, in the opinion of Crest and GFG, impractical or no longer in the best interests of Crest or GFG. See “*Rights of Dissent*” for further information.

Income Tax Considerations

Canadian Federal Income Tax Considerations

See the summary of Canadian federal income tax considerations contained in this Circular under the heading “*Income Tax Considerations*”. **All securityholders should consult their own tax advisers for advice with respect to their own particular circumstances.**

U.S. Federal Income Tax Considerations

United States securityholders of GFG are advised to consult their tax advisers to determine the particular United States 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. United States tax considerations applicable to GFG Securityholders in the United States have not been included in the Circular. There may be material United States tax issues for U.S. securityholders of Crest and GFG and as a result of the Arrangement, which may include, without limitation, the possibility that the Arrangement is a taxable transaction, in whole or in part, for United States federal income tax purposes, and the possibility that Crest may be classified as a “passive foreign investment company,” as such term is defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, for United States tax purposes, which classification would subject holders to special, generally adverse tax consequences.

Interest of Insiders, Promoters or Control Persons

The chart below indicates the total number and percentage of Crest Shares and GFG Shares held, directly or indirectly, by insiders, promoters and control persons of Crest and GFG as of the Record Date:

Name and Position	Number of Crest Shares	Percentage of Issued and Outstanding Crest Shares	Number of GFG Shares	Percentage of Issuer and Outstanding GFG Shares
Richard Silas President, Chief Executive Officer and Director of Crest	280,000	5.89%	297,500	0.82%
Michael Keast –Director of Crest	Nil ⁽⁴⁾	N/A ⁽⁴⁾	Nil ⁽⁴⁾	N/A ⁽⁴⁾
Toby Pierce - Director of Crest	268,000 ⁽²⁾	5.64%	Nil	N/A
David Schmidt – Director of Crest	58,000 ⁽³⁾	1.22%	Nil	N/A
Michael Waldkirch Chief Financial Officer of Crest	6,800	0.14%	175,000	0.48%
Brian Skanderbeg President, Chief Executive Officer and director of GFG	Nil	N/A	1,400,000	3.87%
Jonathan Awde President and director of GFG US , Director of GFG ⁽¹⁾	456,000 ⁽²⁾⁽³⁾	9.60%	2,525,576	7.22%
Timothy R. Brown Vice-President, Exploration of GFG US	Nil	N/A	40,000	0.11%
Marc Lepage Vice-President, Business Development of GFG	Nil	N/A	100,000	0.28%
TOTAL	1,068,800	22.49%	4,538,076	12.56%

- (1) As of the date of this Circular, Kristin Awde, Mr. Awde’s wife, beneficially owns 450,000 Crest Shares and 425,000 GFG Shares.
- (2) Mr. Pierce has agreed to transfer 128,000 of these shares (currently held in escrow with TSX Trust) to Jonathan Awde upon closing of the Arrangement. See Item 39 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Escrowed Securities*”.
- (3) Mr. Schmidt has agreed to transfer these shares (currently held in escrow with TSX Trust) to Jonathan Awde upon closing of the Arrangement. See Item 39 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Escrowed Securities*”.
- (4) Mr. Keast is a principal shareholder of Medalist, a private Ontario company which owns a total of 470,000 Crest Shares (9.89%) and 2,332,053 GFG Shares (6.45%) of the issued and outstanding shares of GFG.

Selected Pro Forma Consolidated Financial Information

The following information should be read in conjunction with the (a) pro forma financial statements of the Resulting Issuer following completion of the Arrangement, which are attached as Schedule “K” hereto; (b) the interim financial statements of Crest for the three month period ended May 31, 2016 and MD&A filed in connection therewith, which form part of Schedules “H” and “I” hereto, respectively; (c) the audited financial statements of Crest for the years ended

February 29, 2016, February 28, 2015 and February 28, 2014 and MD&A filed in connection therewith, which form part of Schedules “H” and “I” hereto, respectively; (d) the audited financial statements of GFG US for the year ended June 30, 2016 and for the period from June 19, 2015 (date of incorporation) to June 30, 2015 and the audited financial statements of GFG Canada for the period from April 5, 2016 (date of incorporation) to June 30, 2016, which are attached hereto as Schedule “J”, all of which are incorporated in and form part of this Circular.

The following table sets out certain financial information for Crest, GFG US and GFG Canada as at June 30, 2016 and pro forma financial information for the Resulting Issuer after giving effect to the Arrangement and certain other adjustments.

Selected Financial Information

Balance Sheet Data	Crest May 31, 2016	GFG US June 30, 2016	GFG Canada June 30, 2016	Resulting Issuer Pro Forma June 30, 2016⁽¹⁾
	US\$	US\$	US\$	US\$
Assets:				
Current Assets	84,965	954,002	3,621,403	4,718,771
Other Assets	-	3,226,933	-	3,276,933
Total Assets	84,965	4,180,935	3,621,403	7,995,704
Liabilities:				
Current Liabilities	13,102	1,068,526	21,419	357,380
Other Liabilities	-	-	-	-
Total Liabilities	13,102	1,068,526	21,419	357,380
Shareholder’s Equity:				
Share Capital	621,041	3,888,339	3,621,391	8,763,798
Shares to be issued	-	137,500	-	137,500
Reserves	40,894	162,126	-	38,611
Deficit	(576,978)	(1,075,556)	(21,407)	(1,301,585)
Accumulated other comprehensive loss	(13,094)	-	-	-
Total Equity	71,863	3,112,409	3,599,984	7,638,324
Income / Loss	(28,508)	(1,035,069)	(21,407)	(1,311,013)
Number of Shares Issued and Outstanding	4,750,000	21,383,557	14,485,564	45,252,724

□ (1) After giving effect to the Arrangement.

After giving effect to the proposed Arrangement, the Resulting Issuer will have pro forma working capital of approximately US\$4,361,391 as at June 30, 2016 available to it (before deduction of the expenses relating to the Arrangement) to achieve its business objectives. The Resulting Issuer intends to use the available funds for purposes set out in Item 32 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Available Funds and Principal Purposes*” following completion of the Arrangement. It is expected that the Resulting Issuer will principally apply these resources toward the exploration and maintenance of the Rattlesnake Hills Project and for general working capital.

Market for Securities

The Crest Shares are listed on the Exchange under the trading symbol “CTP.H”. The closing price of the Crest Shares on June 9, 2016, being the last day on which the Crest Shares traded prior to the trading halt issued in respect of the Acquisition on June 10, 2016, was C\$0.21.

The GFG Shares are not listed for trading on any stock exchange or quotation system.

Crest has not yet received conditional acceptance from the Exchange for the Acquisition and listing of the Crest Shares to be issued to the GFG Shareholders pursuant to the Arrangement and accordingly Closing remains subject to the fulfillment of all of the requirements of the Exchange. It is a mutual condition precedent to the completion of the Arrangement that the approval of the Exchange be obtained. See “THE ARRANGEMENT – *Approval of the Exchange*” for further information.

Conflicts of Interest

The proposed directors and officers of the Resulting Issuer are involved in other projects, including projects in the mining industry, and may have a conflict of interest in allocating their time between the business of the Resulting Issuer and other businesses or projects in which they are or will become involved. See Item 34.7 “*Conflicts of Interest*” and Item 34.8 “*Other Reporting Issuer Experience*” in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Directors, Officers and Promoters*”.

Interests of Experts

To the best of Crest’s and GFG’s knowledge, none of the experts currently hold or will receive following completion of the Arrangement any direct or indirect interest in Crest or GFG. See Item 42 “GENERAL MATTERS – *Experts*” for more information.

Timing

It is anticipated that the Arrangement will become effective after the requisite approvals of the Crest Shareholders, GFG Shareholders, Court and regulatory authorities have been obtained and all other conditions to the Arrangement have been satisfied or waived. It is anticipated that the Arrangement will become effective on or about October 21, 2016.

Risk Factors

In considering approval of the Arrangement, Crest Shareholders and GFG Shareholders should carefully consider certain risks associated with the Arrangement and the proposed business of the Resulting Issuer. Following the completion of the Arrangement, the Resulting Issuer will hold all of Crest’s assets and all GFG’s assets and will carry on the business and activities of GFG described in this Circular. See Item 5.4 “RISK FACTORS”.

Accompanying Documents

This Circular is accompanied by numerous schedules and appendices which are incorporated by reference into, form an integral part of, and should be read in conjunction with this Circular. It is recommended that Crest Shareholders and GFG Shareholders read this Circular and the attached schedules and appendices in their entirety.

NOTICE TO U.S. SECURITYHOLDERS

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN RECOMMENDED OR APPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The securities to be issued by Crest to GFG Securityholders pursuant to the Arrangement have not been registered under the U.S. Securities Act or applicable state securities laws and will be issued in reliance on an exemption from the registration requirements under the U.S. Securities Act and exemptions from applicable state securities law. The solicitation of proxies by Crest and GFG pursuant to this Circular is not subject to the requirements of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers (as defined in a rule under the U.S. Exchange Act). This Circular has been prepared in accordance with the applicable disclosure requirements in Canada, which are different from the requirements applicable to proxy solicitations under the U.S. Exchange Act. The financial statements and pro-forma and historical financial information included in this Circular have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee and thus are not comparable in all respects to financial statements of United States companies.

In addition, United States tax considerations applicable to United States securityholders have not been included in this Circular. United States securityholders are advised to consult their tax advisers to determine the particular United States 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. There may be material United States tax issues for U.S. securityholders as a result of the Arrangement, which may include, without limitation, the possibility that the Arrangement is a taxable transaction, in whole or in part, for United States federal income tax purposes, and the possibility that the Resulting Issuer may be classified as a “passive foreign investment company,” as such term is defined in Section 1297 of the U.S. Internal Revenue Code of 1986, as amended, for United States tax purposes, which classification would subject holders to special, generally adverse tax consequences. **Accordingly, United States securityholders and other non-resident securityholders are advised to consult their tax advisers to determine the particular tax consequences to them of the Arrangement.** See “INCOME TAX CONSIDERATIONS” in this Circular for certain information concerning tax consequences of the Arrangement for Crest Shareholders and GFG Securityholders who are resident in Canada.

The U.S. Securities Act imposes restrictions on the resale of securities received pursuant to the Arrangement by persons who were “affiliates” of GFG prior to the Arrangement and persons who are affiliates of the Resulting Issuer after the Arrangement. See “The Arrangement – Resale of Crest Shares – Application of U.S. Securities Laws to Resales”.

The enforcement by U.S. securityholders or investors of civil liabilities under United States securities laws may be affected adversely by the fact that GFG and Crest are organized under the laws of a jurisdiction outside the United States, that most, if not all, of their officers and directors are residents of countries other than the United States, that certain of the experts named in this Circular are residents of countries other than the United States, and that all or a substantial portion of the assets of Crest and GFG may be located outside the United States. United States securityholders may not be able to sue such persons or their officers or directors in a non-U.S. court for violations of U.S. securities laws. Furthermore, it may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the U.S. or to enforce a judgment by a court in the U.S.

Information concerning GFG’s mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of U.S. securities laws applicable to U.S. companies subject to the reporting and disclosure requirements of the SEC. It is Canadian practice to report measured, indicated and inferred resources, in accordance with standards of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101, which are generally not permitted in disclosure filed with the SEC.

Under SEC standards, mineralization may not be classified as a proven or probable “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time of the reserve determination, and the SEC does not recognize the reporting of mineral deposits which do not meet the SEC’s definition of “Reserve”. United States securityholders are cautioned not to assume that all or any part of any reported resources, if any, will ever be converted into reserves. Further, “inferred resources” have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Disclosure of “contained ounces” is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report “resources” as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and, if applicable, resources contained in this Circular may not be comparable to information made public by other United States companies subject to the reporting and disclosure requirements of the SEC.

FORWARD LOOKING STATEMENTS

The information provided in this Circular, including the appendices and schedules included herein, contains “forward - looking statements” and “forward looking information” about GFG, Crest and/or the Resulting Issuer. In addition, GFG and Crest may make or approve certain statements or information in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of GFG or Crest in connection with this Arrangement that are not statements of historical fact and may also constitute forward-looking statements and forward looking information.

All statements and information, other than statements or information of historical fact, made by GFG or Crest that address activities, events or developments that GFG or Crest expect or anticipate will or may occur in the future are forward-looking statements or forward looking information, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Forward-looking statements or forward looking information may relate to future financial conditions, results of operations, plans, objectives, performance or business developments.

Forward-looking statements and forward looking information reflect GFG’s and Crest’s current expectations and assumptions, and are subject to a number of known and unknown risks, uncertainties and other factors that may cause GFG’s or the Resulting Issuer’s actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements and forward looking information, including without limitation:

- GFG’s limited operating history;
- Crest’s and GFG’s history of losses and expectation of future losses;
- uncertainty as to GFG’s and the Resulting Issuer’s ability to continue as a going concern;
- the existence of mineral resources on GFG’s mineral properties;
- GFG’s and the Resulting Issuer’s ability to obtain adequate financing for exploration and development;
- GFG’s and the Resulting Issuer’s ability to attract and retain qualified personnel;
- foreign currency fluctuations;
- uncertainty as to the Resulting Issuer’s ability to maintain effective internal controls;
- the involvement by some of the Resulting Issuer’s directors and officers with other natural resource companies;
- the uncertain nature of estimating mineral resources and reserves;
- uncertainty surrounding GFG’s ability to successfully explore and develop its mineral properties;
- exploration, development and mining risks, including risks related to infrastructure, accidents and equipment breakdowns;
- title defects to GFG’s mineral properties;
- GFG’s ability to obtain all necessary permits and other approvals;
- risks related to equipment shortages, access restrictions and inadequate infrastructure;
- increased costs and restrictions on operations due to compliance with environmental legislation and potential lawsuits;
- fluctuations in the market price of gold and other metals;
- intense competition in the mining industry; and
- GFG’s ability to comply with applicable regulatory requirements.

In making the forward-looking statements and developing the forward looking information included in this Circular and the appendices and schedules included herein, GFG and Crest have made various material assumptions, including, but not limited to:

- the results of GFG’s proposed exploration programs on the Rattlesnake Hills Project will be consistent with current expectations;
- GFG’s assessment and interpretation of potential geological structures and mineralization at the Rattlesnake Hills Project are accurate in all material respects;
- the sufficiency of the Resulting Issuer’s anticipated working capital to carry out the recommended work programs and drilling on the Rattlesnake Hills Project as recommended in the Rattlesnake Report on a timely basis;

- the price for gold and other precious metals will not fall significantly below current levels;
- the Resulting Issuer will be able to secure additional financing to continue exploration and, if warranted, development activities on the Rattlesnake Hills Project and meet future obligations as required from time to time;
- GFG and the Resulting Issuer will be able to obtain regulatory approvals and permits in a timely manner and on terms consistent with current expectations;
- GFG will be able to procure drilling and other mining equipment, energy and supplies in a timely and cost efficient manner to meet GFG's needs from time to time;
- GFG's and the Resulting Issuer's capital and operating costs will not increase significantly from current and/or anticipated levels;
- key personnel of GFG and Crest will continue their employment with the Resulting Issuer and the Resulting Issuer will be able to obtain and retain additional qualified personnel, as needed, in a timely and cost efficient manner;
- there will be no significant adverse changes in the Canada/U.S. currency exchange rate;
- there will be no significant changes in the ability of GFG to comply with environmental, safety and other regulatory requirements; and
- the absence of any material adverse effects arising as a result of political instability, terrorism, sabotage, natural disasters, equipment failures or adverse changes in government legislation or the socio-economic conditions in Wyoming and the surrounding area with respect to GFG's Rattlesnake Hills Project and operations.

GFG's and Crest's ability to predict the results of the Resulting Issuer's operations or the effects of various events on its operating results is inherently uncertain. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements and forward looking information or the assumptions on which GFG's and Crest's forward-looking statements and forward looking information are based. Reader are advised to carefully review and consider the risk factors identified in this Circular including, but not limited, Item 5.5 "RISK FACTORS" and in the appendices and schedules included herein for a discussion of the factors that could cause GFG's and the Resulting Issuer's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking statements and forward looking information.

Although GFG and Crest believe that the assumptions on which the forward-looking statements are made and forward looking information is provided are reasonable, based on the information available to GFG and Crest on the date such statements were made or such information was provided, no assurances can be given as to whether these assumptions will prove to be correct. The forward-looking statements and forward looking information contained in this Circular and in the appendices and schedules included herein are expressly qualified in their entirety by the foregoing cautionary statements. Furthermore, the above risks are not intended to represent a complete list of the risks that could affect GFG or the Resulting Issuer and readers should not place undue reliance on forward-looking statements and forward looking information in this Circular or in the appendices or schedules included herein.

Forward-looking statements and forward looking information speak only as of the date the statements are made or such information is provided. GFG and Crest assume no obligation to update publicly or otherwise revise any forward-looking statements or forward looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking statements or forward looking information, except to the extent required by applicable laws. If GFG or Crest do update one or more forward-looking statements or forward looking information, no inference should be drawn that GFG or Crest will make additional updates with respect to those or other forward-looking statements or forward looking information. See Item 5.5 "RISK FACTORS".

INTRODUCTION

This Circular is furnished in connection with the solicitation of proxies by the management of Crest and GFG for use at the Crest Meeting and GFG Meeting, respectively, both to be held on October 14, 2016, and any adjournment thereof. No person has been authorized to give any information or make any representations in connection with the Arrangement or other matters to be considered at the Meetings, other than those contained in this Circular and if given or made, any such information or representation must not be relied upon as having been authorized.

The information concerning GFG contained in this Circular has been provided by GFG. Although Crest has no knowledge that would indicate that any of such information is untrue or incomplete, Crest does not assume any responsibility for the accuracy or completeness of such information or the failure by GFG to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Crest.

Conversely, the information concerning Crest contained in this Circular has been provided by Crest. Although GFG has no knowledge that would indicate that any of such information is untrue or incomplete, GFG does not assume any responsibility for the accuracy or completeness of such information or the failure by Crest to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to GFG.

Except where otherwise indicated, information contained in this Circular is made as of September 7, 2016.

The Meetings have been called primarily for the purpose of considering and, if deemed advisable, passing the Acquisition Resolution and the Arrangement Resolution approving the Acquisition and the Arrangement, respectively.

All summaries of, and references to, the Arrangement and other material contracts in this Circular are qualified in their entirety by reference to the complete text of the Arrangement Agreement, Plan of Arrangement or material contract, as the case may be. **You are urged to carefully read the full text of the Arrangement Agreement, Plan of Arrangement or material contract, copies of which may be viewed on SEDAR at www.sedar.com.** A copy of the Plan of Arrangement is also attached to this Circular as Schedule "C".

All capitalized terms used in this Circular have the meanings set forth under "*Glossary of Terms*" or as otherwise defined herein.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Crest Shareholders and GFG Shareholders are urged to consult their own professional advisers in connection therewith.

5.1 GENERAL PROXY INFORMATION

The information contained in this Circular, unless otherwise indicated, is as of September 7, 2016.

Solicitation of Proxies

Crest Meeting

This Circular is being mailed by the management of Crest to everyone who was a shareholder of record of Crest on August 31, 2016 (the “**Crest Record Date**”), which is the date that has been fixed by the Crest Board as the record date to determine the Crest Shareholders who are entitled to receive notice of and to vote at the Crest Meeting.

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Crest for use at the Crest Meeting to be held on Friday, October 14, 2016 at 10:00 a.m. (Vancouver time) at Suite 610 – 815 West Hastings Street, Vancouver, B.C. The solicitation of proxies will be primarily by mail. Certain officers, employees or directors of Crest may also solicit proxies by telephone, email or in person who will not be directly compensated therefor. The cost of solicitation for the Crest Meeting will be borne by Crest. Crest has arranged for intermediaries to forward the Crest Materials to beneficial owners of the Crest Shares held of record by those intermediaries and Crest may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Under Crest’s Articles, one or more persons present and being, or representing by proxy, two or more Crest Shareholders entitled to attend and vote at the Crest Meeting must be present at the Crest Meeting before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, Crest will reschedule the Crest Meeting.

GFG Meeting

This Circular is being mailed by the management of GFG to everyone who was a shareholder of record of GFG on September 6, 2016 (the “**GFG Record Date**”), which is the date that has been fixed by the GFG Board as the record date to determine the GFG Shareholders who are entitled to receive notice of and to vote at the GFG Meeting.

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of GFG for use at the GFG Meeting to be held on Friday, October 14, 2016 at 11:00 a.m. (Vancouver time) at Suite 650 – 1188 West Georgia Street, Vancouver, B.C. The solicitation of proxies will be primarily by mail. Certain officers, employees or directors of GFG may also solicit proxies by telephone, email or in person who will not be directly compensated therefore. The cost of solicitation for the GFG Meeting will be borne by GFG.

Under GFG’s Articles, one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the GFG Meeting must be in attendance at the GFG Meeting before any action may validly be taken at the GFG Meeting. If such a quorum is not present in person or by proxy, GFG will reschedule the GFG Meeting.

Voting

How a Vote is Passed

Voting at the Meetings will be by a show of hands with each Crest Shareholder and GFG Shareholder, as the case may be, having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each share held. In order to approve a motion proposed at the Meetings a majority of greater than 50% of the votes cast will be required (an “ordinary resolution”) unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a “special resolution”).

Who Can Vote?

Registered Crest Shareholders whose names appear on Crest’s central securities register maintained by TSX Trust, Crest’s registrar and transfer agent, as of the close of business on August 31, 2016, the Crest Record Date, are entitled to attend and vote at the Crest Meeting. Each Crest Share is entitled to one vote.

Registered GFG Shareholders whose names appear on GFG’s central securities register as of the close of business on September 6, 2016, the GFG Record Date, are entitled to attend and vote at the GFG Meeting. Each GFG Share is entitled to one vote.

If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled “Non-Registered Shareholders” set out below.

How to Vote

If you are a registered Crest Shareholder and eligible to vote, you can vote your shares in person at the Crest Meeting or by signing and returning the accompanying form of proxy (the “**Crest Proxy**”) by mail in the envelope provided or by fax as indicated on the form or vote using the Internet as indicated on the form. Please see “Registered Shareholders” below.

If you are a registered GFG Shareholder and eligible to vote, you can vote your shares in person at the GFG Meeting or by signing and returning the accompanying form of proxy (the “**GFG Proxy**”) by mail or by fax as indicated on the form. Please see “Registered Shareholders” below.

If your shares are not registered in your name but are held by a nominee (usually a bank, trust company, securities broker or other financial institution), please see “Non-Registered Shareholders” below.

REGISTERED SHAREHOLDERS

You are a registered shareholder if your shares are registered in your name on the central securities register maintained by Crest or GFG, as the case may be.

Voting in Person

If you plan to vote in person at the Meeting do NOT complete and return the applicable form of Proxy.

Instead, you will need to register with Crest or GFG, as the case may be, when you arrive at the Meeting and your vote will be taken and counted at the Meeting.

If your Crest Shares or GFG Shares, as the case may be, are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer’s authority should be presented at the Meeting.

Voting by Proxy

If you do not wish to or cannot attend the Meeting in person, you may appoint someone else to attend the Meeting and act as your proxyholder to vote in accordance with your instructions.

To do so, complete the Proxy or any other proper form of proxy, sign, date and return it, together with the power of attorney or other authority if any, under which it was signed or a notarially certified copy, to:

1. in the case of Crest, to its transfer agent, TSX Trust at:

TMX Trust Company
200 University Avenue, Suite 300
Toronto, Ontario M5H 4H1
Fax Number. (416) 595 – 9593
Vote by Internet: www.voteproxyonline.com.

You will need to insert your 12 digit control number found at the top of the first page of the Crest Proxy to vote via the Internet.

2. in the case of GFG, to its solicitors at

GFG Resources Inc.
c/o Gregory T. Chu, A Law Corporation
Suite 650 – 1188 West Georgia Street
Vancouver, B.C. V6E 4A2
Fax number: 1-604-531 - 6885

Whichever method you choose, the Crest Proxy or the GFG Proxy, as the case may be, must be received or voting instructions completed at least forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Crest Meeting or GFG Meeting, as applicable, or any adjournment thereof. In the case of a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

You May Choose Your Own Proxyholder

Accompanying this Circular are forms of proxy for each of the Crest Shareholders and GFG Shareholders. The persons named in the Crest Proxy and GFG Proxy are directors and/or executive officers of Crest and GFG, respectively. **YOU HAVE THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT ON YOUR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS. TO EXERCISE THIS RIGHT, YOU MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS AND INSERT THE NAME OF YOUR NOMINEE IN THE SPACE PROVIDED OR COMPLETE ANOTHER PROXY.**

Your Voting Instructions

The persons named in the Crest Proxy and GFG Proxy, as applicable, will vote or withhold from voting the Crest Shares and GFG Shares, as the case may be, in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions thereon, and if you specify a choice with respect to any matter to be acted upon, the Crest Shares or GFG Shares will be voted accordingly. In the absence of such specifications, your Crest Shares or GFG Shares, as the case may be, will be voted in favour of each of the applicable matters referred to herein. Each such matter is described in greater detail elsewhere in this Circular.

Each of the Crest Proxy and GFG Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the applicable Notice of Meeting and other matters which may properly come before the Crest Meeting or the GFG Meeting. **It is the intention of the persons designated in the Crest Proxy and GFG Proxy to vote in accordance with their best judgement on such matters or business.** At the time of printing of this Circular, neither management of Crest nor GFG is aware that any such amendments, variations or other matters are to be presented for action at the Crest Meeting or GFG Meeting.

Revocation of Proxies

A Proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and either delivered to:

- (a) **in the case of Crest**, Crest's head office at Suite 610 – 815 West Hastings Street, Vancouver, B.C. V6C 1B4 at any time up to 4:00 p.m. (Vancouver time) on the last Business Day preceding the day of the Crest Meeting, or any adjournment thereof, or deposited with the Chairman of the Crest Meeting on the day of the Crest Meeting, prior to the hour of commencement; and
- (b) **in the case of GFG**, GFG's registered office at Suite 650 – 1188 West Georgia Street, Vancouver, B.C. V6E 4A2 at any time up to 4:00 p.m. (Vancouver time) on the last Business Day preceding the day of the GFG Meeting, or any adjournment thereof, or deposited with the Chairman of the GFG Meeting on the day of the GFG Meeting, prior to the hour of commencement.

Only registered shareholders have the right to revoke a proxy. Non-Registered Holders (as defined below under "Non-Registered Shareholders") who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.

NON-REGISTERED SHAREHOLDERS

Crest Non-Registered Shareholders

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Crest Meeting. However, most Crest Shareholders 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 the brokerage firm, bank or trust company through which they purchased their shares. Crest Shares beneficially owned by a Non-Registered Holder are

registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, Crest has distributed copies of its notice of meeting, this Circular and the instruments of proxy (collectively, the “**Crest Materials**”) to the clearing agencies and Intermediaries for onward distribution to its Non-Registered Holders.

Intermediaries are required to forward the Crest Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them under NI 54-101. Intermediaries often use service companies, such as Broadridge Financial Solutions Inc. (“**Broadridge**”), to forward proxy materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive proxy materials will either:

- (a) be given a form of proxy which **has already been signed by the Intermediary** (typically by facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise incomplete. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deliver it to TSX Trust as provided above**; or
- (b) more typically, be given a voting instruction form which is **not signed by the Intermediary**, and which when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (such as Broadridge), will constitute voting instructions (often called a “voting instruction form” or “VIF”) which the Intermediary must follow. Typically, the VIF will consist of a one page pre-printed form. The Non-Registered Holder must properly complete and sign the VIF and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of Crest Shares which they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Crest Meeting.**

Should a Non-Registered Holder who receives one of the above forms wish to vote at the Crest Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the persons named in the form of proxy or VIF and insert the name of such Non-Registered Holder or such other person’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or VIF is to be delivered.**

Every Intermediary has its own instructions on how to return the VIF; however, generally, you can submit your VIF as follows:

By Mail or Fax

Complete the enclosed VIF, sign and return it in the envelope provided or by fax to TSX Trust at (416) 595 - 9593.

By Internet

If you want to submit your voting instructions using the Internet, see the enclosed VIF for details.

By Appointing Someone Else

You may also appoint someone else, who need not be a shareholder of Crest, to attend the Crest Meeting and vote for you. Follow the instructions on the enclosed VIF.

If you are voting by instruction, you are subject to an earlier deadline so that your nominee has enough time to submit your instructions to us. Every Intermediary has its own procedures to follow, therefore please read your VIF carefully.

Voting in Person

If you plan to vote in person at the Crest Meeting:

- nominate yourself as appointee by printing your name in the space provided on the VIF. Your vote will be counted at the Crest Meeting so do NOT complete the voting instructions on the form;
- sign and return the VIF, following the instructions provided by your Intermediary; and
- register with the scrutineer when you arrive at the Crest Meeting.

You may also nominate yourself as proxyholder online, if available, by typing your name in the “Appointee” section on the electronic ballot.

If you bring your VIF to the Crest Meeting, your vote will NOT count. Your vote can only be counted if you have returned the VIF in accordance with the instructions above and attend the Crest Meeting and vote in person.

Your Voting Instructions

If you do not specify how you want to vote, the persons named in the VIF as appointees will vote FOR each item of business. If you appoint someone else to attend the Crest Meeting and vote on your behalf, he or she can vote as they see fit.

Revocation of Voting Instructions

A Non-Registered Holder may revoke a VIF or a waiver of the right to receive the Crest Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive the Crest Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Crest Meeting.

Notice to Non-Registered Shareholders

Crest’s Notice of Meeting, this Circular and Crest’s financial statements and accompanying MD&A for the fiscal years ended February 29, 2016, February 28, 2015 and February 28, 2014 are being sent to both registered and non-registered owners of Crest Shares. If you are a non-registered owner, and Crest or its agent has sent these materials directly to you, your name and address and information about your holdings of Crest Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, Crest (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions form.

GFG Non-Registered Holders

As a non-reporting issuer, GFG is not required to comply with the requirements of NI 54-101.

However, in accordance with the terms of the Interim Order, GFG shall, at least three business days prior to the 21st day before the GFG Meeting, distribute the requisite number of copies of the GFG meeting materials to Intermediaries and registered nominees to facilitate the distribution of such meeting materials to GFG non-registered holders. Accordingly, any GFG Shareholders whose GFG Shares are registered in the name of an Intermediary should contact their Intermediary directly to determine the method, timing and procedure for voting their GFG Shares at the GFG Meeting.

UNITED STATES SHAREHOLDERS

This solicitation of proxies involves the securities of certain corporations incorporated in British Columbia, Canada and is being effected in accordance with the corporate laws of the British Columbia and securities laws of the provinces of Canada. The proxy solicitation rules under the U.S. Exchange Act are not applicable to Crest, GFG or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that both Crest and GFG are incorporated under the *Business Corporations Act* (British Columbia), most of their directors and executive officers are residents of Canada and a significant portion of their assets and the assets of such directors and/or executive officers are located outside the United States. Shareholders may not have standing to

bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. Furthermore, it may be difficult to compel a foreign corporation or its officers and directors to subject themselves to a judgment by a United States court.

Requisite Shareholder Approvals

Each Crest Shareholder of record at the close of business on the Record Date will be entitled to receive notice of and vote at the Crest Meeting.

As of the Record Date, Crest had 4,750,000 Crest Shares issued and outstanding and each Crest Share is entitled to one vote.

In order to be effective, the Acquisition Resolution to be submitted to the Crest Shareholders at the Crest Meeting must be approved by the affirmative vote of a majority of the votes cast thereon, but excluding those votes attaching to shares owned by any Non-Arm's Length Party to the Arrangement required to be excluded under applicable securities legislation and/or Exchange Policies. A quorum at the Crest Meeting will consist of one or more persons present and being, or representing by proxy, two or more Crest Shareholders entitled to attend and vote at the Crest Meeting.

Each GFG Shareholder of record at the close of business on the Record Date will be entitled to receive notice of and vote at the GFG Meeting.

As of the Record Date, GFG had 36,140,983 GFG Shares issued and outstanding and each GFG Share is entitled to one vote.

In order to be effective, the Arrangement Resolution to be submitted to the GFG Shareholders at the GFG Meeting must be approved by the affirmative vote of at least two-thirds of the votes cast thereon. A quorum at the GFG Meeting will consist of one or more persons present and being, or representing by proxy, two or more GFG Shareholders entitled to attend and vote at the GFG Meeting.

Interest of Certain Persons in Matters to be Acted on at the Meetings

Other than as disclosed below and elsewhere in this Circular including, but not limited to, the appendices and schedules included herein, none of the directors or executive officers of either of Crest or GFG, no proposed nominee for election as a director of Crest at the Crest Meeting, none of the persons who have been directors or executive officers of Crest or GFG since the commencement of either of Crest's or GFG's last completed financial year, none of the other insiders of Crest or GFG and no Associate or Affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Crest Meeting or the GFG Meeting.

In considering the recommendation of the Crest Board to vote in favor of the Acquisition Resolution, Crest Shareholders should be aware that the following directors and executive officers of Crest have interests in the Acquisition that are different from, or in addition to, the interests of Crest Shareholders generally.

Richard Silas, the President, Chief Executive Officer and a director of Crest, is also the Corporate Secretary of GFG US and a shareholder of GFG. As of the date of this Circular, Mr. Silas owns, directly and indirectly, a total of 297,500 GFG Shares and 75,000 GFG Options. It is anticipated that prior to the Effective Date Mr. Silas will exercise all of his GFG Options such that he will receive a total of 372,500 Crest Shares under the Arrangement. In addition, upon completion of the Arrangement it is anticipated that Mr. Silas will be appointed as Corporate Secretary of the Resulting Issuer and will receive a consulting fee for providing administrative and consulting services to the Resulting Issuer.

Michael Waldkirch, the Chief Financial Officer of Crest, is also a consultant to and a shareholder of GFG. As of the date of this Circular, Mr. Waldkirch owns, directly and indirectly, a total of 175,000 GFG Shares and 75,000 GFG Options. It is anticipated that prior to the Effective Date Mr. Waldkirch will exercise all of his GFG Options such that he will receive a total of 250,000 Crest Shares under the Arrangement. In addition, upon completion of the Arrangement it is anticipated that Mr. Waldkirch will remain as the Chief Financial Officer of the Resulting Issuer and will receive a consulting fee for providing financial management and bookkeeping services to the Resulting Issuer. See Item 35 of Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – Executive Compensation" for details of the proposed compensation to be paid to Mr. Waldkirch by the Resulting Issuer upon completion of the Arrangement.

Michael Keast, a director of Crest, is a principal shareholder of Medalist, a private Ontario company. As of the date of this Circular, Medalist owns a total of 2,332,053 GFG Shares and 300,000 GFG Options. It is anticipated that prior to the Effective Date Medalist will exercise all of its GFG Options such that it will receive a total of 2,632,053 Crest Shares under the Arrangement.

In considering the recommendation of the GFG Board to vote in favor of the Arrangement Resolution, GFG Shareholders should be aware that the following directors and executive officers of GFG have interests in the Arrangement that are different from, or in addition to, the interests of GFG Shareholders generally.

Upon completion of the Arrangement, Brian Skanderbeg, the President and Chief Executive Officer of GFG, will be appointed as the President and Chief Executive Officer of the Resulting Issuer and is expected to receive a salary from the Resulting Issuer in consideration for managing the day to day business and operations of the Resulting Issuer. See Item 35 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – Executive Compensation” for details of the proposed compensation to be paid to Mr. Skanderbeg by the Resulting Issuer upon completion of the Arrangement.

Jonathan Awde, a director of GFG, currently owns a total of 456,000 Crest Shares and, upon completion of the Arrangement, will be appointed a director of the Resulting Issuer. Kristin Awde, Mr. Awde’s wife, also owns 450,000 Crest Shares. In addition, it is anticipated that Mr. Awde will continue to provide consulting services to GFG and the Resulting Issuer after the Arrangement has been completed. See Item 35 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – Executive Compensation” for details of the proposed compensation to be paid to Mr. Awde by the Resulting Issuer upon completion of the Arrangement.

MI 61-101 Matters

Crest is a reporting issuer in the provinces of British Columbia, Alberta and Ontario and the Crest Shares are listed for trading on the NEX board of the Exchange. As a result, Crest is required to comply with MI 61-101. MI 61-101 regulates insider bids, issuer bids, business combinations and related party transactions to ensure equality of treatment among securityholders, generally by requiring enhanced disclosure, minority securityholder approval, and, in certain instances, independent valuations and approvals and oversight of certain transactions by a special committee of independent directors.

Richard Silas, Michael Waldkirch and Michael Keast are officers and/or directors of Crest and as a result of holding such positions, Messrs. Silas, Waldkirch and Keast are related parties to Crest for the purposes of MI 61-101.

Under the Arrangement, GFG Shareholders and GFG Optionholders will exchange all of their GFG Shares and, if applicable, GFG Options, respectively, to Crest. As of the date of this Circular, Mr. Silas owns 297,500 GFG Shares and 75,000 GFG Options and Mr. Waldkirch owns 175,000 GFG Shares and 75,000 GFG Options. In addition, Mr. Keast is a principal shareholder of Medalist, which owns a total of 2,332,053 GFG Shares and 300,000 GFG Options. As a result, the Acquisition is considered a Related Party Transaction for the purposes of MI 61-101. In addition, as of the date of this Circular, Jonathan Awde, the President of GFG US and a director and shareholder of GFG, owns 456,000 Crest Shares. Kristin Awde, Mr. Awde’s wife, also owns 450,000 Crest Shares.

Part 5 of MI 61-101 requires that an issuer obtain a formal valuation for a Related Party Transaction and the approval of a majority of the “minority shareholders”.

As Crest is listed on the Exchange and is not listed or quoted on any stock exchange outside of Canada or the United States, MI 61-101, provides an exemption from the general requirement to obtain a valuation for a transaction that is a Related Party Transaction. In addition, to Crest’s knowledge, no formal valuations of Crest, GFG or the Rattlesnake Hills Project have been made in the last 24 months and Crest has not receive any bona fide offers from other parties during the 24 months prior to the announcement of the Acquisition.

However, there is no equivalent exemption in MI 61-101 from the requirement to obtain approval of a majority of the “minority shareholders” and Crest is not able to avail itself of any other exemption from the minority shareholder approval requirement in MI 61-101. Accordingly at the Crest Meeting, Crest shall seek the approval of the Acquisition Resolution from a majority of the votes cast by the “minority shareholders”.

In determining who constitutes the “minority shareholders”, Crest must exclude the votes attached to affected securities, that to the knowledge of Crest or its directors and officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by any directors, officers or insiders of Crest or any other related parties (including, if

applicable, the directors, officers and insiders of GFG) having an interest in the Acquisition or who will otherwise receive a “collateral benefit” (as such term is defined in MI 61-101) as a result of the Acquisition.

Based on the foregoing, Crest has determined that the votes attached to 1,662,800 Crest Shares, representing 35.0% of the issued and outstanding Crest Shares as of the Record Date, held by Richard Silas, Michael Waldkirch, Michael Keast (indirectly through Medalist), Jonathan Awde and Kristen Awde must be excluded from voting on the Acquisition Resolution, which must be approved by a majority of the “minority shareholders” voting in person or by proxy at the Crest Meeting. See “Interest of Insiders, Promoters or Controls Persons” in Item 4 “SUMMARY” above.

Interest of Informed Persons in Material Transactions

Other than disclosed elsewhere in this Circular including, but not limited to, the appendices and schedules included herein or in their capacity as a Crest Shareholder or a GFG Shareholder and being treated equally to all other Crest Shareholders and GFG Shareholders, respectively, no informed person (as such term is defined under applicable securities legislation), proposed nominee for election as a director of Crest, or any Associate or Affiliate of any informed person or proposed nominee, has had a material interest, direct or indirect, in any transaction with Crest or GFG or any of their respective subsidiaries or in any proposed transaction since the beginning of either of Crest’s or GFG’s last completed financial year that has materially affected Crest or GFG or any of their respective subsidiaries or is likely to do so.

For the above purposes, “informed person” means: (a) a director or executive officer of Crest or GFG; (b) a director or executive officer of a Person that is itself an informed person or subsidiary of Crest or GFG; (c) any Person who beneficially owns, or controls or directs, directly or indirectly, voting securities of Crest or GFG or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of Crest or GFG other than voting securities held by the Person as underwriter in the course of a distribution; and (d) Crest or GFG after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Indebtedness of Directors, Executive Officers and Senior Officers

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of Crest, and no associate of any of the foregoing persons has been indebted to Crest at any time since the commencement of Crest’s last completed financial year.

No person who is or at any time since the incorporation of GFG was a director, executive officer or senior officer of GFG, and no associate of any of the foregoing persons has been indebted to GFG at any time since the incorporation of GFG.

Record Dates

Only Crest Shareholders of record on the close of business on August 31, 2016 and GFG Shareholders of record on the close of business on September 6, 2016, who either personally attend the Crest Meeting or GFG Meeting, respectively, who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the headings “*Voting of Proxy*” and “*Revocation of Proxies*” will be entitled to have his or her Crest Shares or GFG Shares voted at the Crest Meeting or GFG Meeting, respectively, or any adjournment thereof.

Voting Shares and Principal Shareholders

Crest

Crest has only one class of shares entitled to be voted at the Crest Meeting, namely, common shares without par value. All issued Crest Shares are entitled to be voted at the Crest Meeting and each has one vote. As of August 31, 2016 there were 4,750,000 Crest Shares issued and outstanding.

To the knowledge of the directors and senior officers of Crest as of the Record Date, no person owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Crest.

GFG

GFG has only one class of shares entitled to be voted at the GFG Meeting, namely, common shares without par value. All issued GFG Shares are entitled to be voted at the GFG Meeting and each has one vote. As of September 6, 2016 there were 36,140,983 GFG Shares issued and outstanding.

To the knowledge of the directors and senior officers of GFG as of the Record Date, no person owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of GFG.

5.2 BUSINESS OF THE CREST MEETING

Financial Statements

The Crest Shareholders will receive and consider the audited financial statements of Crest for the years ended February 29, 2016 and February 28, 2015, together with the auditor’s reports thereon. These financial statements have been mailed to the Crest Shareholders together with this Circular.

Election of Directors

It is proposed to fix the number of directors at four. This requires the approval of the Crest Shareholders by an ordinary resolution, which approval will be sought at the Crest Meeting.

Directors of Crest are elected for a term of one year. Management proposes to nominate the persons named under the heading “Nominees for Election” below for election as directors of Crest. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of Crest or he becomes disqualified to act as a director. However, if the Arrangement is completed, all of the nominees will resign as directors and be replaced by nominees of GFG. See “*Proposed Directors of the Resulting Issuer Upon Closing of the Arrangement*” in this Item 5.2 below.

Nominees for Election

The following table and notes thereto state the names, provinces/states and countries of residence of all persons proposed to be nominated for election as directors, the date on which each of them first became a director of Crest, all positions and offices with Crest held by each of them, the principal occupation or employment of each of them, and the approximate number of Crest Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as at the date of this Circular. The biographical information set out below as to principal occupation of, and number of Crest Shares owned by, each of the nominees, not being within the knowledge of the Company, has been furnished by the nominees.

Name, Province/State and Country of Residence and Position with Crest	Present Principal Occupation ⁽¹⁾	Previously a Director Since	Shares Owned ⁽²⁾
Richard Silas ⁽³⁾ B.C., Canada <i>President, Chief Executive Officer and Director</i>	Principal of Universal Solutions Inc., private company providing management and administration services to TSX Venture Exchange issuers; Corporate Secretary and director of Gold Standard Ventures Corp. (TSXV; NYSE-MKT – GSV), July 2010 to present	April 8, 2015	280,000
Michael Keast ⁽³⁾ B.C., Canada <i>Director</i>	Managing Partner, Allied Pioneer Industries; July 2015 to present; Partner (Syndication and Compliance), Medalist Capital Ltd., August 2013 to May 2015; Trade Desk Associate, Casimir Capital LP, January 2011 to July 2013	April 8, 2015	Nil ⁽⁴⁾

Name, Province/State and Country of Residence and Position with Crest	Present Principal Occupation ⁽¹⁾	Previously a Director Since	Shares Owned ⁽²⁾
Toby Pierce ⁽³⁾ London, United Kingdom <i>Director</i>	Chief Executive Officer and director, TAG Oil Ltd. (TSX: TAO), June 2015 to present; former President and Chief Executive Officer of Crest Petroleum Corp.; January 2012 to April 2015; Managing Director; Burnt Ridge Advisory; February 2012 to May 2015; Partner and Oil and Gas Analyst, GMP Europe Securities LLP; January 2010 to February 2012	January 24, 2012	268,000 ⁽⁵⁾
David Schmidt B.C., Canada <i>Director</i>	Self-employed consultant to mineral exploration companies; President and Chief Executive Officer of Oceanside Capital Corp.; Chief Financial Officer of G4G Capital Corp (TSXV-GGC); Director of Eyecarrot Innovations Corp.	January 24, 2012	58,000 ⁽⁶⁾

- (1) Includes occupations for preceding five years unless the director was elected at the previous annual meeting and was shown as a nominee for election as a director in the information circular for that meeting.
- (2) The approximate number of Crest Shares carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as of August 31, 2016. This information is not within the knowledge of the management of Crest and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by Crest's transfer agent or from insider reports filed by the individuals and available through the Internet at www.sedi.ca.
- (3) Member of audit committee.
- (4) Michael Keast is a principal shareholder of Medalist, a private company which owns a total of 470,000 Crest Shares.
- (5) Pursuant to an agreement dated June 7, 2016, Mr. Pierce has agreed to transfer 128,000 of these shares, currently held in escrow with TSX Trust, to Jonathan T. Awde, the President of GFG US and a proposed director of the Resulting Issuer, in conjunction with the Arrangement. See Appendix 1 - "INFORMATION CONCERNING CREST PETROLEUM CORP. PRIOR TO ARRANGEMENT - Escrowed Shares" and Appendix 3 - INFORMATION CONCERNING THE RESULTING ISSUER - Escrowed Securities" to this Circular.
- (6) Pursuant to an agreement dated June 7, 2016, Mr. Schmidt has agreed to transfer these shares, currently held in escrow with TSX Trust, to Jonathan T. Awde, the President of GFG US and a proposed director of the Resulting Issuer, in conjunction with the Arrangement. See Appendix 1 - "INFORMATION CONCERNING CREST PETROLEUM CORP. PRIOR TO ARRANGEMENT - Escrowed Shares" and Appendix 3 - INFORMATION CONCERNING THE RESULTING ISSUER - Escrowed Securities" to this Circular.

Crest does not have an executive committee. Pursuant to the provisions of the *BCBCA* Crest is required to have an audit committee whose members are indicated above. See Appendix 1 "INFORMATION CONCERNING CREST PETROLEUM CORP. PRIOR TO THE ARRANGEMENT - *Audit Committee*".

Crest's management recommends that shareholders vote in favour of the nominees for election as directors. **Unless you give other instructions, the persons named in the enclosed form of Crest Proxy intend to vote FOR the election of the four nominees as directors of Crest for the ensuing year.**

Corporate Cease Trade Orders or Bankruptcy

Save and except as disclosed below, as of the date of this Circular, no proposed nominee for election as a director of Crest is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including Crest) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (c) 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.

Richard S. Silas is a former director and officer of Northern Star Mining Corp. (“**Northern Star**”), a reporting issuer whose common shares were previously listed for trading on the Exchange. Effective August 18, 2010, Northern Star filed a Notice of Intention to Make a Proposal (the “**Proposal**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**Bankruptcy Act**”) and appointed Deloitte & Touche Inc. as its trustee. On January 24, 2011, the deadline for filing its Proposal under the Bankruptcy Act expired and Northern Star was deemed to have filed an assignment in bankruptcy as of such date. Richard Silas resigned as a director and officer of Northern Star effective such date.

Mr. Silas is also a former director of Spirit Bear Capital Corp., a CPC company that was suspended from trading by the TSX Venture Exchange on May 15, 2014 for failure to complete a qualifying transaction within 24 months of its listing.

Penalties or Sanctions

As at the date of this Circular, the proposed nominees for election as directors of Crest are not, or have not been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcy

As at the date of this Circular, the proposed nominees for election as the directors of Crest have not, within the ten 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 directors.

Unless the shareholder directs that his or her Crest Shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed Crest Proxy will vote FOR the election of the four (4) nominees whose names are set forth above. Management does not contemplate that any of the following nominees will be unable to serve as a director but if that should occur for any reason prior to the Crest Meeting, the persons named in the enclosed Proxy shall have the right to vote for another nominee in their discretion.

Conflicts of Interest

The directors of Crest are required by law to act honestly and in good faith with a view to the best interest of Crest and to disclose any interests which they may have in any project or opportunity of Crest. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Crest will participate in any project or opportunity, the directors will primarily consider the degree of risk to which Crest may be exposed and its financial position at that time.

Except as disclosed in this Circular, to Crest’s knowledge, there are no known existing or potential conflicts of interest among Crest and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management now or may in the future serve as directors, officers, promoters and members of management of other public companies, some of which are or may be involved in mineral exploration and development, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of Crest and their duties as a director, officer, promoter or member of management of such other companies.

Proposed Directors of the Resulting Issuer Upon Closing of the Arrangement

Concurrent with the completion of the proposed Arrangement all of the above nominees will resign as directors of Crest and Brian Skanderbeg, Patrick Downey, Jonathan Awde and Stephen de Jong will be appointed as directors of Crest to fill the casual vacancies on the Crest Board or as additional directors in accordance with the *BCBCA*. See Item 34 in Appendix 3 – “INFORMATION CONCERNING THE RESULTING ISSUER – *Directors, Officers and Promoters*”. **Crest Shareholders will not be entitled to vote for the appointment of Messrs. Skanderbeg, Downey, Awde or de Jong as directors of the Resulting Issuer.**

Appointment of the Auditor

MNP LLP, Chartered Professional Accountants, are the current auditors of Crest and were first appointed as auditors on February 27, 2014.

In the event the Arrangement does not take place, management recommends the re-appointment of MNP LLP, Chartered Professional Accountants, as the auditor of Crest to hold office until the close of the next annual meeting of the Crest Shareholders. In the event that the Acquisition and Arrangement are approved by the Crest Shareholders and GFG Shareholders, respectively, and completed, Dale Matheson Carr-Hilton Labonte LLP, GFG’s current auditors, will act as the Resulting Issuer’s auditor to hold office until the close of the next annual meeting of the Resulting Issuer. See Item 30 in Appendix 3 – “INFORMATION CONCERNING THE RESULTING ISSUER – *Auditor, Transfer Agent and Registrar*”.

Unless you give other instructions, the persons named in the enclosed form of Crest Proxy intend to vote FOR the appointment of MNP LLP, Professional Chartered Accountants, as the auditor of Crest in the event the Arrangement is not completed and also intend to vote FOR the proposed resolution to authorize the Crest Board to fix the remuneration to be paid to the auditor.

Adoption of 2016 Stock Option Plan

Policy 4.4 of the Exchange specifies that all listed issuers must implement a stock option plan. Crest’s current stock option plan is a “rolling” plan as characterized by Exchange Policies pursuant to which the aggregate number of Crest Shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of Crest’s issued and outstanding common shares from time to time. Exchange Policies requires that shareholder approval for “rolling” stock option plans must be obtained annually.

In anticipation of the Arrangement, the Parties have determined to adopt, subject to the approval of the Crest Shareholders, a new “rolling” stock option plan (the “**2016 Stock Option Plan**”) for the Resulting Issuer, which better reflects the current policies of the Exchange and applicable securities legislation, under which all future options will be granted.

The principal purposes of the 2016 Stock Option Plan are to provide the Resulting Issuer with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Resulting Issuer; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Resulting Issuer; to encourage such persons to remain with the Resulting Issuer; to attract new talent to the Resulting Issuer; and to reduce the cash compensation the Resulting Issuer would otherwise have to pay.

The material terms of the 2016 Stock Option Plan are as follows:

1. The number of shares subject to each option is determined by the board of the Resulting Issuer, or if appointed, by a special committee of directors appointed from time to time by the board of the Resulting Issuer, provided, at the time the options are granted, that:
 - (a) the number of shares subject to option, in the aggregate, shall not exceed 10% of the Resulting Issuer’s then issued shares;
 - (b) no more than 5% of the issued shares of the Resulting Issuer may be granted to any one optionee in any 12 month period (unless the Resulting Issuer has obtained “disinterested” shareholder approval);

- (c) no more than 2% of the issued shares of the Resulting Issuer may be granted to any one consultant in any 12 month period; and
 - (d) no more than an aggregate of 2% of the issued shares of the Resulting Issuer may be granted to persons employed to provide "investor relations activities" in any 12 month period.
2. The exercise price of the options cannot be set at less than the last closing price of the Resulting Issuer's shares on the stock exchange on which the common shares of the Resulting Issuer are then listed before the date on which the options are granted by the Resulting Issuer, less the maximum allowable discount from market as may be permitted under the policies of such exchange, if any, or such other minimum exercise price as may be required by such exchange.
 3. The options may be exercisable for a period of up to 10 years.
 4. All options are non-assignable and non-transferable and, if granted at an exercise price less than market, will be legended with a four month Exchange hold period commencing on the date the stock options are granted.
 5. The options shall be subject to such vesting requirements, if any, as may be determined by the board of the Resulting Issuer from time to time provided that options granted to consultants performing "investor relations activities" must vest in stages over 12 months with no more than 1/4 of the options vesting in any three month period.
 6. Reasonable topping up of options granted to an individual will be permitted.
 7. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Resulting Issuer, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed ninety (90) days, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation.
 8. In the event of death of an optionee, the option previously granted to him shall be exercisable as to all or any of the common shares in respect of which such option has not previously been exercised at the date of the optionee's death (including the right to purchase common shares not otherwise vested at such time), by the legal representatives of the optionee at any time up to and including (but not after) a date ninety (90) days following the date of death of the optionee or the expiry time of the option, whichever occurs first.
 9. Options may provide that, in the event of the sale by the Resulting Issuer of all or substantially all of the property and assets of the Resulting Issuer or in the event of a take-over bid or tender offer for the common shares of the Resulting Issuer, the optionees under such options shall be entitled, for a stated period of time thereafter, to exercise and acquire all common shares under their option, including common shares available under the option that are not otherwise vested at that time.
 10. Disinterested shareholder approval for any reduction in the exercise price of a previously granted option shall be obtained prior to the exercise of such option if the optionee is an "insider" of the Resulting Issuer at the time of the proposed reduction.

A copy of the 2016 Stock Option Plan is attached to this Circular as Schedule "A".

At the Crest Meeting the Crest shareholders will be asked to consider, and if deemed advisable, to pass the following resolutions:

"RESOLVED, as an ordinary resolution, THAT:

1. the new stock option plan, to be designated the "2016 Stock Option Plan", in the form attached to Crest's information circular dated September 7, 2016, subject to any amendments made by the directors of Crest prior to and presented for approval at the meeting (the "**2016 Stock Option Plan**"), be and the same is hereby adopted and approved and that the directors of Crest be and are hereby authorized to make such amendments or revisions to the 2016 Stock Option Plan from time to time after the meeting, without further shareholder approval, as may be required by the TSX Venture Exchange or any other stock exchange upon which Crest's shares may be listed for trading in order to cause the 2016 Stock Option Plan to fully comply with the requirements of the TSX Venture Exchange or such other exchange and to fully carry out this resolution;

2. all options to acquire common shares of Crest previously issued by Crest to directors, officers, employees and consultants of Crest or any subsidiary of Crest and currently outstanding shall be deemed to have been granted and issued under the 2016 Stock Option Plan and otherwise be governed by the terms and conditions of the 2016 Stock Option Plan, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such options;
3. the reservation under the 2016 Stock Option Plan of up to a maximum of 10% of the issued shares of Crest, on a rolling basis, as at the time of granting of the stock option pursuant to the 2016 Stock Option Plan be and the same is hereby authorized and approved; and
4. any one director or officer of Crest be and is hereby authorized and directed, for and on behalf of Crest, 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 of the Board

The Crest Board unanimously recommends that the Crest Shareholders vote in favour of adopting and approving the 2016 Stock Option Plan.

Unless you give other instructions, the persons named in the enclosed form of Crest Proxy intend to vote FOR the approval and adoption of the 2016 Stock Option Plan.

Approval of the Acquisition

Crest and GFG have entered into the Arrangement Agreement providing for the Acquisition by Crest of 100% of the issued and outstanding GFG Shares and GFG Options in exchange for Crest Shares and Crest Replacement Options which will result in a change of control of Crest. The Acquisition is subject to certain conditions as set forth in the Arrangement Agreement, a copy of which is available for review under Crest’s profile on SEDAR at www.sedar.com. See “THE ARRANGEMENT” below.

At the Crest Meeting, the Crest Shareholders will be asked to consider and, if deemed advisable, approve the Acquisition Resolution set forth in Schedule B -1 hereto to approve the Acquisition.

The Acquisition Resolution must be approved by a majority of votes cast at the Crest Meeting, but excluding any votes attached to Crest Shares held by any Non-Arm’s Length Party to the Arrangement required to be excluded under applicable securities legislation or Exchange Policies. It is the intention of the persons named in the enclosed Crest Proxy, in the absence of instructions to the contrary, to vote the proxy **FOR** the Acquisition Resolution.

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5.3 BUSINESS OF THE GFG MEETING

Approval of the Arrangement

GFG and Crest have entered into the Arrangement Agreement providing for the acquisition by Crest of 100% of the GFG Shares and GFG Options in exchange for Crest Shares and Crest Replacement Options which will result in a change of control of Crest. The Arrangement is subject to certain conditions as set forth in the Arrangement Agreement, a copy of which is available for review under Crest's profile on SEDAR at www.sedar.com. See "THE ARRANGEMENT" below.

At the GFG Meeting, the GFG Shareholders will be asked to consider and, if deemed advisable, approve the Arrangement Resolution set forth in Schedule B-2 hereto to approve the Arrangement.

The Arrangement Resolution must be approved by two-thirds of votes cast at the GFG Meeting. It is the intention of the persons named in the enclosed GFG Proxy, in the absence of instructions to the contrary, to vote the proxy **FOR** the Arrangement Resolution.

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THE ARRANGEMENT

Purpose of the Arrangement

GFG and Crest have agreed to complete a merger of their businesses and assets by way of a Plan of Arrangement.

GFG is a private company incorporated in British Columbia engaged, indirectly through its wholly-owned subsidiary GFG US, in the acquisition and exploration of mineral resource properties in Wyoming, U.S.A. Currently, GFG owns, subject to underlying royalties, a 100% undivided interest in the Rattlesnake Hills Project. The Rattlesnake Hills Project is a district scale intermediate stage gold exploration prospect comprised of 1,281 unpatented lode mining claims and 7 state fee land leases totaling approximately 26,500 acres in Natrona County, Wyoming, U.S.A. See Item 19.2 in Appendix 2 – INFORMATION CONCERNING GFG RESOURCES INC. – *Narrative Description of the Business – Material Project*”.

Crest was incorporated on January 24, 2012, under the laws of the Province of British Columbia, Canada. Following the completion of its initial public offering on June 26, 2012, Crest secured designation as a Capital Pool Company or CPC according to Exchange Policies.

Crest’s principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business (a “**Qualifying Transaction**” or “**QT**”). Crest has not yet commenced operations and has no significant assets other than cash.

Crest did not complete a Qualifying Transaction within the prescribed time frame designated by the Exchange and accordingly Crest’s listing was transferred to the NEX trading board of the Exchange on October 7, 2014. Crest is presently listed for trading on the NEX under the symbol “CTP.H” and is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

The purpose of the Arrangement is to, among other things, provide GFG with increased exposure and access to capital to fund its ongoing acquisition and exploration activities through a listing of the Resulting Issuer’s shares on the Exchange and provide the GFG Shareholders with a means of liquidity for their investment in GFG. The Arrangement is intended to constitute Crest’s Qualifying Transaction and provide the Crest Shareholders with an opportunity to participate in an active junior exploration company holding an interest in a district scale intermediate stage gold exploration project in Wyoming, U.S.A. Without acquiring GFG, Crest will remain listed on the NEX board of the Exchange as an inactive company.

The Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is available for review under Crest’s profile on SEDAR, and the Plan of Arrangement, a copy of which is attached as Schedule “C” hereto. Each of these documents should be read carefully in its entirety.

The Arrangement provides for the Acquisition of all of the issued and outstanding GFG Shares and GFG Options by Crest. The Arrangement Agreement establishes the Plan of Arrangement which provides for the following transactions to occur and be deemed to occur in the following chronological order without further act or formality at the Effective Time:

1. GFG Shares held by Dissenting Shareholders will be deemed to be transferred back to GFG and the Dissenting Shareholders will cease to have any rights as GFG Shareholders other than the right to be paid fair value for their GFG Shares.
2. each registered holder of GFG Shares, with the exception of Dissenting Shareholders, will be deemed to exchange all of their GFG Shares for Crest Shares on the basis of one Crest Share for each one GFG Share held.
3. with respect to the GFG Shares (other than GFG Shares held by Crest and the Dissenting Shares):
 - (a) the holders of such GFG Shares shall cease to be GFG Shareholders as of the Effective Time; and
 - (b) Crest shall become the sole GFG Shareholder as at the Effective Time.

4. the Crest Shares issued to former registered holders of GFG Shares in exchange for their GFG Shares will be subject to the Mandatory Pooling Restrictions and placed in pool with Crest as at the Effective Time for release as follows:
 - (a) 25% of the Crest Shares will be released from pool as at the Effective Time; and
 - (b) the remaining 75% of the Crest Shares will be released from pool on the six month anniversary of the Effective Date.

6. each outstanding GFG Option will be exchanged for a Crest Replacement Option to purchase that number of Crest Shares equal to the number of GFG Shares issuable under the GFG Option at a price equal to the exercise price under the GFG Option and each GFG Option shall thereafter be cancelled and cease to be outstanding. Save and except as agreed by Crest and the holders of GFG Options, the term to expiry, conditions to and manner of exercising, the status under applicable laws, and all other terms and conditions of the Crest Replacement Options will be otherwise unchanged from those contained in or otherwise applicable to the exchanged GFG Options.

Assuming completion of the Arrangement, as of the Effective Time:

- (a) GFG will become a wholly-owned subsidiary of Crest;
- (b) GFG Shareholders will become holders of Crest Shares holding, in aggregate, an indirect interest in GFG, through their combined shareholdings in Crest of approximately 88.99%;
- (c) GFG Optionholders will become holders of Crest Replacement Options, each Crest Replacement Option entitling the holder thereof to purchase Crest Shares at a price of US\$0.25 per share in the same number and on the same terms and conditions as the exchanged GFG Option; and
- (d) The Resulting Issuer will hold the all of the assets of GFG and Crest, either directly or indirectly.

See also “Arrangement Agreement”, “Exchange of GFG Securities”, “Dissent Rights” and “Income Tax Considerations” below.

No fractional securities will be issued. Any fractions resulting from the Arrangement will be rounded up or down to the nearest whole number.

Assuming there are 38,403,483 GFG Shares (which includes the 2,262,500 GFG Shares issuable upon the exercise of 2,262,500 GFG Options which expire on the day immediately preceding the Effective Date) and 4,750,000 Crest Shares outstanding immediately prior to the Effective Time and no Dissenting Shareholders, the Resulting Issuer will have approximately 43,153,483 Crest Shares issued and outstanding upon the completion of the Arrangement. Based upon the foregoing assumptions, upon the completion of the Arrangement, former GFG Shareholders will own approximately 88.99% of the then outstanding Crest Shares of the Resulting Issuer and current Crest Shareholders will own approximately 11.01% of the then outstanding Crest Shares on an undiluted basis. See Item 31.2 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – Fully Diluted Share Capital”.

Post-Arrangement Matters

Immediately following the completion of the Arrangement, the following steps will also occur:

- (a) Richard Silas, Michael Keast, Toby Pierce and David Schmidt will resign from the Crest Board and Crest will appoint Brian Skanderbeg, Patrick Downey, Jonathan Awde and Stephen de Jong to the board of the Resulting Issuer;
- (b) Richard Silas will resign as the President and Chief Executive Officer of Crest.
- (c) The Resulting Issuer will appoint Brian Skanderbeg as President and Chief Executive Officer, Timothy Brown as Vice-President, Exploration, Marc Lepage as Vice-President, Business Development and Richard Silas as Corporate Secretary. Michael Waldkirch, the current Chief Financial Officer of Crest, will remain as Chief Financial Officer of the Resulting Issuer; and

- (d) Subject to the approval of the Crest Shareholders at the Crest Meeting, the Resulting Issuer will adopt the 2016 Stock Option Plan.

Treatment of GFG Shares and GFG Options

Following the Effective Date, the Resulting Issuer will mail either the GFG Letter of Transmittal or the certificates representing the Crest Shares to which each former holder of GFG Shares is entitled pursuant to the Arrangement, as applicable, to the address of such holder on the central securities register of GFG Shares maintained by GFG.

The Arrangement Agreement and the Plan of Arrangement provide that as of the Effective Time each outstanding GFG Option will be exchanged for a Crest Replacement Option entitling the holder thereof to purchase Crest Shares at a price of US\$0.25 per share in the same number and on the same terms and conditions as the exchanged GFG Option. The stock option agreements evidencing the former GFG Options will be deemed to represent Crest Replacement Options and the holders of such agreements need not return the agreements to the Resulting Issuer.

Background to the Arrangement

The provisions of the Arrangement Agreement are the result of negotiations amongst representatives of GFG and Crest and their respective legal advisors.

GFG US was incorporated under the laws of the State of Nevada on June 19, 2015 for the purposes of engaging in the acquisition and exploration of gold properties in the United States. For most of 2015, GFG US efforts were focused primarily on raising seed capital and acquiring its interests in the Rattlesnake Hills Project in Natrona County, Wyoming. See Item 18.2 in Appendix 2 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions*”

In November, 2015 GFG US entered into a non-binding letter of intent with an arm’s length publicly listed company with respect to a potential business combination involving an exchange of shares between the shareholders of GFG US and the public company with a view to obtaining a listing of the GFG US shares on the Exchange. Following extensive negotiations and ongoing due diligence, GFG US and the public company were unable to reach a final agreement on the terms of the share exchange and the negotiations were terminated in December 2015.

During early 2016, GFG US continued to investigate other companies and opportunities for securing a public listing of its shares on a recognized stock exchange in Canada or the United States with a view to providing liquidity for its shareholders.

In April, 2016 GFG Canada was incorporated under the BCBCA with a view to acquiring all of the issued and outstanding common shares of GFG US in order to facilitate a public listing of the GFG US shares. In early May, 2016 GFG Canada reached an agreement in principle with GFG US to acquire (the “**GFG US Acquisition**”) all of the issued and outstanding shares of GFG US in exchange for common shares of GFG Canada, on a one share for one share equivalent basis. On July 5, 2016, GFG US and GFG Canada entered into a formal agreement and plan of share exchange pursuant to which GFG Canada subsequently acquired all of the issued and outstanding GFG US shares in consideration for a total of 19,050,419 GFG Shares and US\$22,687.50 cash. GFG has also allotted and reserved for issuance up to an additional 2,145,388 GFG Shares in connection with the GFG US Acquisition pending receipt of withholding tax clearance certificates from the United States Internal Revenue Service. See Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *History – Acquisition of GFG US*” in Appendix 2 to this Circular.

In anticipation of completing the GFG US Acquisition, GFG Canada completed the Initial GFG Financing in late June and early July, 2016 comprised of 14,740,564 GFG Shares at a price of US\$0.25 per share for gross proceeds of US\$3,685,141 to fund, inter alia, the initial exploration and ongoing maintenance of the Rattlesnake Hills Project and for general corporate and working capital purposes. In September, 2016, GFG Canada completed the Secondary GFG Financing of an additional 2,350,000 GFG Shares at a price of US\$0.25 per share for gross proceeds of US\$587,500. As a result of the GFG US Acquisition and GFG Financings, there are a total of 36,140,983 GFG Shares issued and outstanding as of the date of this Circular.

Throughout this period, Crest was also seeking out new capital and mineral properties for potential acquisition with a view to completing its Qualifying Transaction. As a result of certain existing relationships and common shareholders between GFG and Crest (see “INTEREST OF CERTAIN PERSONS IN MATTER TO BE ACTED ON AT THE MEETINGS” and “MI 61-101 MATTERS” above), various informal discussions began to take place between GFG and Crest during the second half of May 2016 with a view to entering into a potential business combination. During the ensuing weeks, management of Crest and GFG corresponded and met a number of times to discuss the basis upon which each of them would consider merging the two companies and preliminary indicative terms were discussed. On June 9, 2016 Crest

delivered a draft non-binding letter of intent to GFG. That day the board members of GFG US and GFG Canada conferred to review the proposed business combination and draft letter of intent. Following further negotiations and changes, Crest and GFG Canada entered into a non-binding letter of intent with respect to the Acquisition on June 10, 2016. Subsequent to entering into the non-binding letter of intent, Crest requested that such letter of intent be converted into a binding letter of intent and on June 17, 2016, GFG and Crest entered into the Letter Agreement with respect to the Acquisition on a binding basis. Next, Crest engaged RWE to prepare the RWE Fairness Opinion and GFG engaged Semeniuk to prepare the Semeniuk Fairness Opinion.

Thereafter, the Parties continued their negotiations respecting the terms of the proposed Arrangement and consulted with legal counsel and investment advisors to obtain corporate, securities, investment and tax advice.

On August 21, 2016, the Crest Board received an initial draft of the Arrangement Agreement. On August 24, 2016 the Crest Board received an initial draft of the RWE Fairness Opinion and conferred shortly thereafter to review the opinion and the terms of the Arrangement Agreement as they had developed to that time. The Crest Board received the final RWE Fairness Opinion on September 2, 2016. After considering all of the factors, the Crest Board, with Richard Silas and Michael Keast abstaining from voting (see “*Recommendations of the Boards of Directors*” below), determined that the Arrangement was fair to the Crest Shareholders from a financial point of view and was in the best interests of Crest. It then unanimously approved the Arrangement and the definitive Arrangement Agreement.

On August 21, 2016, the GFG Board received the draft Arrangement Agreement. On August 23, 2016, the GFG Board received a draft of the Semeniuk Fairness Opinion with the final Semeniuk Fairness Opinion following on September 2, 2016. After reviewing the draft Arrangement Agreement and the final Semeniuk Fairness Opinion, and considering all of the factors, the GFG Board, with Jonathan Awde abstaining from voting (see “*Recommendations of the Boards of Directors*” below), unanimously approved the Arrangement and the definitive Arrangement Agreement.

Effective September 2, 2016, Crest and GFG entered into the Arrangement Agreement. Please see “THE ARRANGEMENT – *Benefits of the Arrangement – Arrangement Agreement*” below.

Benefits of the Arrangement

The directors and senior management of Crest and GFG believe that the Arrangement is in the best interests of their respective securityholders and that the Arrangement provides a number of benefits for their securityholders including the following:

1. the Resulting Issuer will be a stronger company than either GFG or Crest alone and will have greater financial resources and anticipated greater access to capital and services to develop the Resulting Issuer’s properties and assets;
2. certain members of GFG’s and Crest’s management and technical teams are expected to continue with the Resulting Issuer increasing the combined knowledge and experience of the Resulting Issuer’s management in order to better optimize the assets and opportunities of the Resulting Issuer;
3. the Resulting Issuer will possess increased capitalization and liquidity, through greater size and diversity, more exposure to potential investment opportunities and enhanced share trading liquidity; and
4. the shares of the Resulting Issuer will be qualified investments under the *Income Tax Act* (Canada) for a trust governed by a particular registered retirement savings plan, registered retirement income fund, registered education savings plan, or tax free savings account by virtue of the Resulting Issuer’s listing on the Exchange thereby providing eligible shareholders of the Resulting Issuer with greater investment flexibility which would not be possible if GFG were to continue as a private company due to its primary business being conducted outside of Canada.

See also “Fairness Opinions” and “*Recommendation of the Boards of Directors*”, below.

Arrangement Agreement

The Arrangement will be effected in accordance with the Arrangement Agreement, a copy of which has been filed under Crest's profile on SEDAR at www.sedar.com as a material document. The Arrangement Agreement contains certain representations and warranties made by each of GFG and Crest in respect of their assets, liabilities, capital, financial position and operations. In addition, each of GFG and Crest provide covenants which govern the conduct of their operations and affairs prior to the completion of the Arrangement. The Arrangement Agreement also contains a number of conditions precedent to the obligations of GFG and Crest thereunder and unless all of such conditions are satisfied or, to the extent capable, waived by the party or parties for whose benefit such conditions exist, the Arrangement will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all. Upon the conditions being fulfilled or waived, the Parties will seek to complete the Arrangement within five Business Days following the granting of the Final Order.

Representations and Warranties

The Arrangement Agreement contains representations and warranties made by each of GFG and Crest relating to, among other things, incorporation and qualification; ownership of subsidiaries; absence of conflict with or violation of constating documents, agreements or applicable laws; authority to execute and deliver the Arrangement Agreement and perform its obligations under the Arrangement Agreement; due authorization and enforceability of the Arrangement Agreement; capital structure; options, warrants or other rights for the purchase or issuance of securities; indebtedness; receipt of all required consents; financial statements, records and accounts; employment matters; ownership of assets and conduct of operations; absence of adverse litigation, judgment or order; absence of investigation proceedings; absence of adverse material change; taxation matters; material agreements; reporting issuer and listing status; and matters related to the Arrangement.

However, the assertions contained in such representations and warranties are solely for the purposes of the Arrangement Agreement and may not, in every case, be accurate or complete as of any specified date because they are qualified by certain disclosure provided by the Parties or are subject to a standard of materiality or are qualified by a reference to the concept of a "Material Adverse Effect" or "Material Adverse Change" (which concepts are defined in the Arrangement Agreement and in some respects are different from the materiality standards generally applicable under securities laws). Accordingly, GFG Shareholders and Crest Shareholders should not rely on the representations and warranties as statements of factual information.

Covenants

GFG and Crest have each given to the other usual and customary covenants in respect of the Arrangement, including to take all necessary actions in order to enable it to participate in and effect the Arrangement and use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to the obligations of the other Party.

Each Party covenanted and agreed with the other that, except as otherwise contemplated in the Arrangement Agreement, until the Effective Date or the day upon which the Arrangement Agreement is terminated, whichever is earlier, it shall (i) conduct its business only in, and not take any action other than in the ordinary and normal course of business and consistent with past practice; (ii) provide the other and its representatives with full access to its books and records; (iii) notify the other of any event that may cause its representations or warranties to be incorrect or misleading, cause the non-fulfillment of any condition precedent or any other material adverse change; and (iv) use its reasonable commercial efforts to obtain all required consents and approvals as may be required to complete the Arrangement. In addition, each Party has agreed to indemnify and save harmless the other Party and its directors, officers, employees and agents from and against all claims caused by or arising from any misrepresentation or alleged misrepresentation of one another in the Arrangement Agreement or any other materials filed in compliance with applicable securities laws.

Additionally, Crest covenanted and agreed with GFG (i) to submit the 2016 Stock Option Plan to the Crest Shareholders at the Crest Meeting; (ii) on the Effective Date, to obtain the resignations of Richard Silas, Michael Keast, Toby Pierce and David Schmidt as directors of Crest and to appoint Brian Skanderbeg, Patrick Downey, Jonathan Awde and Stephen de Jong to the Crest Board; and (iii) to obtain the resignation of Richard Silas as President and Chief Executive Officer and appoint Brian Skanderbeg as President and Chief Executive Officer, Timothy Brown as Vice-President, Exploration, Marc Lepage as Vice-President, Business Development and Richard Silas as Corporate Secretary of Crest. Michael Waldkirch will continue as Chief Financial Officer of Crest.

Mandatory Pooling Restrictions

It is a term of the Arrangement Agreement that all Crest Shares issued to GFG Shareholders in exchange for GFG Shares pursuant to the Arrangement will be subject to a mandatory six month pooling restriction pursuant to which 25% of such Crest Shares will be released from pool as at the Effective Time and the remaining 75% of such Crest Shares will be released from pool six months thereafter. The Mandatory Pooling Restrictions are in addition to any escrow and/or resale restrictions to which the GFG Shareholders may be subject under applicable securities legislation or Exchange Policies.

Conditions to the Arrangement

The respective obligations of GFG and Crest to complete the transactions contemplated by the Arrangement Agreement are subject to a number of conditions which must be satisfied or waived in order for the Arrangement to become effective. There is no assurance that these conditions will be satisfied or waived on a timely basis. Notwithstanding the foregoing, the Acquisition Resolution and the Arrangement Resolution authorize the Crest Board and the GFG Board, respectively, without further notice to or approval of the Crest Shareholders of GFG Shareholders, respectively, to amend the Arrangement Agreement or to decide not to proceed with the Arrangement and to revoke the Acquisition Resolution or Arrangement Resolution, as applicable, at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA. Unless all of the conditions are satisfied or waived, the Arrangement will not proceed. Significant conditions, in addition to other conditions, contained in the Arrangement Agreement include the following:

- (a) the GFG Shareholders and Crest Shareholders shall have approved the Arrangement Resolution and the Acquisition Resolution, respectively, in accordance with applicable laws;
- (b) all required Court approvals for the Plan of Arrangement, including the Interim Order and the Final Order shall have been obtained;
- (c) all documents, records or information required by any governmental entities having jurisdiction shall have been accepted for filing;
- (d) there shall not be in force any order or decree restraining or enjoining the completion of the Arrangement and there shall be no proceeding of a judicial or administrative nature or otherwise, in progress or threatened that relates to or results from the transactions contemplated by the Arrangement Agreement that would, if successful, result in an order or ruling that would preclude completion of the transactions contemplated by the Arrangement Agreement in accordance with the terms thereof or would otherwise be inconsistent with the regulatory approvals which have been obtained;
- (e) all necessary third party and regulatory requirements, consents, orders, negotiations and approvals, including regulatory and judicial approvals and orders necessary or desirable for the completion of the Arrangement and the conditional acceptance of the Exchange, have been obtained or received, each in a form acceptable to both Parties;
- (f) the Crest Shares will be free-trading following the issuance thereof without qualification by a prospectus or reliance on an exemption from prospectus filing requirements under applicable Canadian securities legislation subject to the restrictions on resale applicable to Control Persons, any escrow or resale restrictions imposed by Exchange Policies, and the Mandatory Pooling Restrictions under the Arrangement Agreement (see “*Resale of Crest Shares*” below and Item 39 in Appendix 3 “*INFORMATION CONCERNING THE RESULTING ISSUER – Escrowed Securities*”);
- (g) RWE and Semeniuk shall not have withdraw their respective fairness opinions;
- (h) there has been no actual or threatened change or amendment to any applicable legislation, regulation or regulatory or administrative practice or policy or issuance of an order by a court, tribunal, government agency or other regulatory authority or administrative agency, board or commission which directly or indirectly would or may have a Material Adverse Effect on the Arrangement, or the current business, financial condition, operations or prospects of GFG and Crest;
- (i) there shall not exist any prohibition at law against the completion of the Arrangement; and
- (j) Dissent Rights shall not have been exercised prior to the Effective Date by GFG Shareholders representing in the aggregate more than 5.0% of the total GFG Shares outstanding at such time.

The obligation of GFG to complete the transactions contemplated by the Arrangement Agreement is subject to the fulfillment or waiver of certain conditions, as set forth in the Arrangement Agreement, at or before the Effective Time, including, but not limited to:

- (a) Crest shall have performed each covenant or obligation to be performed by it under the Arrangement Agreement and the representations and warranties of Crest in the Arrangement Agreement shall be true in all material respects as of the Effective Time with the same effect as though made at and as of such time;
- (b) there shall not have been any material adverse change in the business, operations or assets of Crest nor shall any change of law have occurred which, in the reasonable judgment of GFG, has or will have a material adverse effect on the business, assets, financial condition or results of operations of Crest;
- (c) each of the Voting Agreements, as pertaining to directors, officers and shareholders of Crest shall be and remain in full force and effect, unamended, and each of the parties thereto, shall be in all material respects, in full compliance with their respective obligations thereunder;
- (d) except as previously disclosed to and consented to by GFG, no material transaction out of the ordinary course of business of Crest has occurred and no material litigation has been commenced, contemplated or threatened against Crest or any of its assets.

The obligation of Crest to complete the transactions contemplated by the Arrangement Agreement is subject to the fulfillment or waiver of certain conditions, as set forth in the Arrangement Agreement, at or before the Effective Time, including, but not limited to:

- (a) GFG shall have performed each covenant or obligation to be performed by it under the Arrangement Agreement and the representations and warranties of GFG in the Arrangement Agreement shall be true in all material respects as of the Effective Time with the same effect as though made at and as of such time;
- (b) there shall not have been any material adverse change in the business, operations or assets of GFG nor shall any change of law have occurred which, in the reasonable judgment of Crest, has or will have a material adverse effect on the business, assets, financial condition or results of operations of GFG;
- (c) each of the Voting Agreements, as pertaining to directors, officers and shareholders of GFG shall be and remain in full force and effect, unamended, and each of the parties thereto, shall be in all material respects, in full compliance with their respective obligations thereunder; and
- (d) except as previously disclosed to and consented to by Crest, no material transaction out of the ordinary course of business of GFG or GFG US has occurred and no material litigation has been commenced, contemplated or threatened against GFG, GFG US or any of their assets.

No Solicitation

Pursuant to the Arrangement Agreement, each of GFG and Crest has terminated and caused to be terminated any and all solicitations, initiations, encouragements, discussions and negotiations with any other parties conducted within the preceding six month period by GFG or Crest, or their respective officers, directors, employees, financial advisors, legal counsel, representatives or agents, with respect to any Alternative Transaction. In addition, each has agreed not to solicit, encourage or participate in discussions for any Alternative Transaction, furnish any information, or accept, recommend, approve or enter into any agreement to implement an Alternative Transaction. The Arrangement Agreement prohibits either of GFG or Crest from releasing any third party from any confidentiality or standstill agreement to which Crest or GFG and such third party is a party or amending any of the foregoing. Additionally, a Party must notify the other Party immediately if any discussions or negotiations are sought to be initiated or any such information is requested with respect to an Alternative Transaction or potential Alternative Transaction or if an Alternative Transaction is received or indicated to be forthcoming.

Notwithstanding the foregoing, a Party is not restricted from considering, discussing, negotiating, or providing any information (including access to management) to a third party in respect of a bona fide unsolicited Alternate Transaction

proposal to a Party or its shareholders that the board of directors of such Party, upon consultation with its financial and legal advisors, determines, in good faith, to be a Superior Offer and required to be considered by it in order to discharge its fiduciary duties. A Party shall provide to the other Party a copy of any Superior Offer proposal and will provide such other Party written notice of intent to recommend, accept or enter into an agreement with respect to such Superior Offer proposal not less than five Business Days before any recommendation, acceptance or entry into such an agreement, at which time the Arrangement Agreement shall terminate.

Either Party may, in respect of an Alternative Transaction, accept, approve or recommend and/or enter into an agreement to effect an Alternative Transaction if:

- (a) the Alternative Transaction constitutes a Superior Offer;
- (b) the Party (the “**Terminating Party**”) provides the other Party (the “**Non-Terminating Party**”) with a copy of the document containing the Superior Offer (with such deletions as may be necessary to protect confidential sections, provided that material terms and conditions and the identity of the offeror may not be deleted);
- (c) five Business Days have elapsed from the date of receipt by the Non-Terminating Party of the Terminating Party’s written notice of its determination to accept, approve, recommend or enter into an agreement in respect of a Superior Offer and the Non-Terminating Party has not agreed to amend the terms of the Arrangement Agreement such that the consideration thereunder matches the Superior Offer, as determined by the directors of the Terminating Party in good faith; and
- (d) the Non-Terminating Party has elected not to match the Superior Offer, the Terminating Party terminates the Arrangement Agreement and pays the Break Fee to the Non-Terminating Party.

During the five Business Day period referred to above, the Non-Terminating Party shall have the right, but not the obligation, to offer to amend the terms of the Arrangement Agreement. The board of directors of the Terminating Party will review any proposal by the Non-Terminating Party to amend the terms of the Arrangement Agreement in good faith in order to determine whether the Non-Terminating Party’s amended proposal upon acceptance by the Terminating Party would result in such Superior Offer ceasing to be a Superior Offer. If the board of directors of the Terminating Party continues to believe, in good faith and after consultation with its financial advisors and outside legal counsel, that such Superior Offer remains a Superior Offer and therefore rejects the Non-Terminating Party’s amended proposal, the Terminating Party may, on termination of the Arrangement Agreement in accordance with its terms and payment of the Break Fee as required pursuant to the Arrangement Agreement, accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Offer.

In the event that the Terminating Party provides the Non-Terminating Party with a written notice of termination on a Superior Offer on a date that is less than five Business Days prior to the GFG Meeting or the Crest Meeting, the Parties shall adjourn the GFG Meeting and Crest Meeting to a date that is not less than seven Business Days and not more than 30 Business Days after such notice.

Termination of the Arrangement Agreement

The Arrangement Agreement may, prior to the Effective Date, be terminated by mutual agreement of GFG and Crest and by either Party if:

- (a) the Effective Date has not occurred by November 30, 2016;
- (b) if the GFG Shareholders or Crest Shareholders do not approve the Arrangement or the Acquisition, respectively;
- (c) such Party intends to recommend, accept or enter into an agreement concerning a Superior Offer, provided that the non-solicitation provisions described above have been complied with and the Break Fee has been paid;
- (d) the other Party is in material breach of any material term of the Arrangement Agreement and such other Party has been provided with written notice of such default by the Party and the other Party has failed to correct such breach within 30 days;

- (e) a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining, or otherwise prohibiting any of the transactions contemplated by the Arrangement Agreement and such order, decree, ruling or other action shall have become final and non-appealable, provided that the Party seeking to terminate the Arrangement Agreement shall have used all commercially reasonable efforts to remove such order, decree, ruling or injunction; or
- (f) upon any other circumstances under the Arrangement Agreement that give rise to a termination of the Arrangement Agreement by such Party, including the non-satisfaction or non-waiver of a condition precedent in favour of such Party.

Expenses

Each of Crest and GFG will bear its own expenses in relation to the Arrangement.

Fairness Opinions

RwE Fairness Opinion

The Crest Board retained RwE, of Vancouver, B.C. to provide advice and an opinion to the Crest Board in respect of the fairness of the terms of the Arrangement, from a financial point of view, to the Crest Shareholders.

RwE is a specialized group of seasoned professionals providing strategic and tactical assurance and advisory financial services, as well as capital, to firms in a select set of industries. Mr. Richard W. Evans, MBA, CBV, ASA, the principal of RwE, prepared the RwE Fairness Opinion on behalf of Crest. Mr. Evans has 15 years experience working in the areas of valuation, litigation support, mergers & acquisitions and capital formation and been involved in the preparation of over 2,000 technical and assessment reports, business plans, business valuations, and feasibility studies. Mr. Evans 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. He also holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser and is a member in good standing with both the Canadian Institute of Chartered Business and the American Society of Appraisers.

On August 24, 2016, RwE delivered an initial draft of the RwE Fairness Opinion to the Crest Board which was followed by the final opinion on September 2, 2016. The final RwE Fairness Opinion concludes that, based upon and subject to the factors, assumptions and limitations set out therein, as of June 30, 2016, the terms of the Arrangement are fair, from a financial point of view, to the Crest Shareholders. In considering fairness, from financial point of view, RwE considered the Arrangement from the perspective of the Crest Shareholders as a group and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.

The complete text of the RwE Fairness Opinion, which sets forth the assumptions made, matters considered and limitations on the review undertaken in connection with the opinion is attached to this Circular as Schedule "F". **The RwE Fairness Opinion addresses only the fairness of consideration under the Arrangement from a financial point of view and is not and should not be construed as a valuation of Crest or GFG or any of their respective assets or securities or a recommendation to any Crest Shareholder as to whether to vote in favour of the Acquisition Resolution. Crest Shareholders are urged to, and should, read the RwE Fairness Opinion in its entirety.**

The Crest Board concurs with the views expressed in the RwE Fairness Opinion and such views were an important consideration in its decision to enter into the Arrangement Agreement and proceed with the Arrangement.

Neither RwE nor any of its Affiliates is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (British Columbia)) of Crest or GFG or any of their respective Associates or Affiliates. RwE was paid a fee upon delivery of the RwE Fairness Opinion to the Crest Board.

Semeniuk Fairness Opinion

The GFG Board retained Semeniuk, of West Vancouver, British Columbia, to provide advice and an opinion to the GFG Board with respect to the fairness of the terms of the Arrangement, from a financial point of view, to the GFG Securityholders.

Semeniuk specializes in valuations of public and private companies and mineral exploration and development properties and holds an M.B.A. and Bachelor of Commerce degree and is a CFA charter holder. He is a past President of CFA Vancouver and a member of the Canadian Institute of Mining, Metallurgy and Petroleum, the Association for Mining, Metallurgy and Exploration, Inc. as well as other professional associations.

On August 23, 2016, Semeniuk delivered an initial draft of the Semeniuk Fairness Opinion to the GFG Board which was followed by the final opinion on September 2, 2016. The final Semeniuk Fairness Opinion concludes that, based upon and subject to the factors, assumptions and limitation set out therein, as of September 2, 2016, the proposed exchange ratio under Arrangement of 1.0 Crest Share for each 1.0 GFG Share and the exchange of GFG Options for similar Crest Replacement Options is fair, from a financial point of view, to GFG and its securityholders as a whole and to the minority non-controlling securityholders of GFG.

The complete text of the Semeniuk Fairness Opinion, which sets forth the assumptions made, matters considered and limitations on the review undertaken in connection with the opinion is attached to this Circular as Schedule "G". **The Semeniuk Fairness Opinion addresses only the fairness of consideration under the Arrangement from a financial point of view and is not and should not be construed as a valuation of GFG or Crest or any of their respective assets or securities or a recommendation to any GFG Shareholder as to whether to vote in favour of the Arrangement Resolution. GFG Shareholders are urged to, and should, read the Semeniuk Fairness Opinion in its entirety.**

The GFG Board concurs with the views expressed in the Semeniuk Fairness Opinion and such views were an important consideration in its decision to enter into the Arrangement Agreement on behalf of GFG and proceed with the Arrangement.

Neither Semeniuk nor any of his Affiliates is an insider, associate or affiliate (as such terms are defined in the *Securities Act* (British Columbia)) of GFG or Crest or any of their respective Associates or Affiliates. Semeniuk was paid a fee upon delivery of the Semeniuk Fairness Opinion to the GFG Board.

Considerations of Fairness Advisors

In connection with rendering the RWE Fairness Opinion and the Semeniuk Fairness Opinion, RWE and Semeniuk, as applicable (i) reviewed and analyzed the Letter Agreement, the terms of the Arrangement, the Rattlesnake Report and relevant publicly available documents; (ii) reviewed and analyzed certain financial statements and other information, publicly available and otherwise, of Crest and GFG; (iii) performed a comparison of the multiples implied under the terms of the Arrangement to an analysis of recent precedent transactions; and (iv) performed a comparison of the consideration payable under the terms of the Arrangement to the recent trading levels of the Crest Shares and subscription prices for the GFG Shares.

Each of RWE and Semeniuk have assumed and relied upon, without independent verification, the completeness, accuracy and fair presentation of all of the information (financial or otherwise) data, documents, opinions, appraisals, valuations or other information and materials of whatsoever nature or kind reviewed by RWE and Semeniuk and all information respecting the Arrangement, Crest, GFG and their subsidiaries, if any, obtained from public sources and from senior management of Crest and GFG.

Recommendations of the Boards of Directors

Crest Board

The Crest Board has considered the proposed business combination with GFG on the terms and conditions as provided in the Arrangement Agreement and the independent members of such Board (Richard Silas and Michael Keast abstaining) have unanimously determined that the Acquisition is in the best interests of Crest and is fair from a financial point of view to the Crest Shareholders. The independent members of the Crest Board (Richard

Silas and Michael Keast abstaining) unanimously recommend that the Crest Shareholders vote in favour of the Acquisition. The President and Chief Executive Officer of Crest, Richard Silas is the Corporate Secretary of GFG US, a shareholder of GFG and will be appointed as the Corporate Secretary of the Resulting Issuer on completion of the Arrangement. In addition, it is anticipated that Mr. Silas, indirectly through Universal Solutions Inc. (a private company controlled by Mr. Silas), will be engaged by the Resulting Issuer to provide ongoing administrative services to the Resulting Issuer upon completion of the Arrangement. Michael Keast, a director of Crest, is a principal shareholder of Medalist, a private Ontario company which owns a total of 2,332,053 GFG Shares and 300,000 GFG Options. As a result of the foregoing, Messrs. Silas and Keast declared their respective interests in the Acquisition and abstained from voting on the resolutions approving the Acquisition but are in agreement with the decision and recommendations of the Crest Board.

In arriving at its conclusion, the Crest Board considered, among other matters, the following:

- (a) information with respect to the financial condition, business and operations, on both a historical and prospective basis, of both Crest and GFG, including information in respect of Crest and GFG on a pro forma consolidated basis;
- (b) the terms of the Acquisition will result in holders of Crest Shares owning, indirectly, an interest in all of the assets and mineral interests currently held by GFG;
- (c) certain directors, officers and shareholders of Crest, holding in the aggregate 1,982,000 Crest Shares or 41.72% of the issued and outstanding Crest Shares, have indicated their support of the Acquisition and entered into the Voting Agreements with GFG pursuant to which, among other things, they have agreed to vote their Crest Shares in favour of the Acquisition Resolution;
- (d) information provided by GFG with respect to its Rattlesnake Hills Project and the absence of any ownership interest by Crest in any other businesses or properties;
- (e) Crest's current working capital position and the lack of access to capital to seek out and acquire other potential businesses or opportunities worthy of a Qualifying Transaction;
- (f) current industry, economic and market conditions and trends;
- (g) the procedures by which the Acquisition is to be approved, including the requirement for approval by ordinary resolution of the Crest Shareholders at the Crest Meeting (but excluding those votes attaching to shares owned by any Non-Arm's Length Party to the Acquisition required to be excluded under applicable securities legislation and/or Exchange Policies) and by the Court after a hearing at which fairness will be considered;
- (h) the management group and technical team of the Resulting Issuer;
- (i) the RWE Fairness Opinion;
- (j) the terms and conditions of the Arrangement Agreement do not prevent an unsolicited third party from making a proposal or preclude the Crest Board from considering and acting on such a proposal, provided Crest complies with the terms of the Arrangement Agreement (including payment of the Break Fee); and
- (k) the benefits of the Arrangement set forth under "*Benefits of the Arrangement*" herein.

The Crest Board also identified and considered disadvantages associated with the Acquisition, including that the Crest Shareholders after the Acquisition will be subject to:

- (a) substantial dilution of their interest in Crest through their diluted percentage holding in the Resulting Issuer;
- (b) the risk factors applicable to GFG and the Resulting Issuer; and

- (c) the possibility that there may be adverse tax consequences to certain holders of securities of Crest. See “INCOME TAX CONSIDERATIONS” and “NOTICE TO U.S. SECURITYHOLDERS”.

The foregoing summary of the information and factors considered by the Crest Board is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Acquisition, the Crest Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. After consideration of all of the above-noted factors and in light of the Crest Board’s collective knowledge of the business, financial condition and prospects of GFG and the advice of financial, technical and legal advisers to Crest, the Crest Board considered that the Acquisition and the terms of the Arrangement Agreement, overall, represent a reasonable business risk for Crest and that Crest will receive fair market value as consideration for the Crest Shares to be issued upon completion of the Acquisition. In addition, individual members of Crest’s Board may have assigned different weights to different factors. See Item 20 of Appendix 2 – “INFORMATION CONCERNING GFG RESOURCES INC. – *Selected Financial Information and Management’s Discussion and Analysis*” attached to this Circular. The Crest Board’s recommendation also involves forward-looking statements and is subject to the inherent risks and assumptions associated with forward-looking statements. See “FORWARD-LOOKING STATEMENTS”.

GFG Board

The GFG Board has considered the proposed business combination with Crest on the terms and conditions as provided in the Arrangement Agreement and the independent members of such Board (Jonathan Awde abstaining) has unanimously determined that the Arrangement is in the best interests of GFG and is fair from a financial point of view to the GFG Securityholders. The independent members of the GFG Board (Jonathan Awde abstaining) unanimously recommend that the GFG Shareholders vote in favour of the Arrangement. Jonathan Awde, the President of GFG US and a director of GFG, owns more than 5% of the issued and outstanding Crest Shares. As a result of the foregoing, Mr. Awde declared his interest in the transaction and abstained from voting on the resolution approving the Arrangement but is in agreement with the decision and recommendations of the GFG Board. See also Item 34 “*Directors, Officer and Promoters*” and Item 35 “*Executive Compensation*” in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER” for details of the proposed compensation to be paid Jonathan Awde and Brian Skanderbeg, the current directors of GFG, in their proposed capacities as directors and/or officers of the Resulting Issuer upon completion of the Arrangement.

In arriving at its conclusion, the GFG Board considered, among other matters, the following:

- (a) information with respect to the financial condition, business and operations, on both a historical and prospective basis, of both GFG and Crest, including information in respect of GFG and Crest on a pro forma consolidated basis;
- (b) the terms of the Arrangement will result in holders of GFG Shares continuing to own, indirectly, an interest in all of the assets currently held by GFG, through each GFG Shareholder’s respective ownership of Crest Shares;
- (c) certain directors, officers and shareholders of GFG, holding in the aggregate 7,120,129 GFG Shares or 19.70% of the issued and outstanding GFG Shares, have indicated their support of the Arrangement and entered into the Voting Agreements with Crest pursuant to which, among other things, they have agreed to vote their GFG Shares in favour of the Arrangement Resolution;
- (d) the liquidity to the GFG Shareholders which will result from the Arrangement;
- (e) current industry, economic and market conditions and trends;
- (f) the procedures by which the Arrangement is to be approved, including the requirement for approval by special resolution of the GFG Shareholders at the GFG Meeting and by the Court after a hearing at which fairness will be considered;
- (g) the availability of Dissent Rights to GFG Shareholders with respect to the Arrangement;
- (h) the management group and technical team of the Resulting Issuer;

- (i) the Semeniuk Fairness Opinion;
- (j) the terms and conditions of the Arrangement Agreement do not prevent an unsolicited third party from making a proposal or preclude the GFG Board from considering and acting on such a proposal, provided GFG complies with the terms of the Arrangement Agreement (including payment of the Break Fee in certain circumstances); and
- (k) the benefits of the Arrangement set forth under “*Benefits of the Arrangement*” herein.

The GFG Board also identified and considered disadvantages associated with the Arrangement, including that the GFG Shareholders after the Arrangement will be subject to:

- (a) dilution of their interest in GFG’s Rattlesnake Hills Project through their diluted percentage holding in the Resulting Issuer;
- (b) the risk factors applicable to Crest and the Resulting Issuer;
- (c) implementing the Arrangement will require the input of significant management time and attention and expense, which will have to be diverted from the existing business of GFG and which could have an adverse impact on GFG; and
- (d) the possibility that there may be adverse tax consequences to certain holders of securities of GFG. See “INCOME TAX CONSIDERATIONS” and “NOTICE TO U.S. SHAREHOLDERS”.

The foregoing summary of the information and factors considered by the GFG Board is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Arrangement, the GFG Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. After consideration of all of the above-noted factors and in light of the GFG Board’s knowledge of the business, financial condition and prospects of Crest and the advice of financial, technical and legal advisers to GFG, the GFG Board considered that the Arrangement and the terms of the Arrangement Agreement, overall, represent a reasonable business risk for GFG and that the GFG Securityholders will receive fair market value in consideration for their GFG Securities upon completion of the Arrangement. See Appendix 3 – “INFORMATION CONCERNING THE RESULTING ISSUER” attached to this Circular. The GFG Board’s recommendation also involves forward-looking statements and is subject to the inherent risks and assumptions associated with forward-looking statements. See “FORWARD-LOOKING STATEMENTS”.

Procedural Steps and Approvals

In order for the Arrangement to become effective the following steps and procedures must be taken pursuant to the Arrangement Agreement and Part 9, Division 5 of the BCBCA:

- (a) the Arrangement must be approved by the GFG Shareholders in the manner set forth in the Interim Order;
- (b) the Acquisition must be approved by a majority of the Crest Shareholders, but excluding any votes attached to Crest Shares held by any Non-Arm’s Length Party to the Acquisition required to be excluded under applicable securities legislation or Exchange Policies;
- (c) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate Party;
- (d) if the Arrangement is approved by the GFG Shareholders and Crest Shareholders as required, a hearing before the Court must be held to obtain the Final Order approving the Arrangement; and
- (e) if the Final Order is granted by the Court, any documents, records or information required to be filed with the Registrar under the BCBCA to give effect to the Arrangement must be filed in conjunction with the Closing.

Shareholder Approvals

Crest Meeting

Richard Silas, the President and Chief Executive Officer of Crest, is the Corporate Secretary of GFG US and a shareholder of GFG. In addition, Michael Keast, a director of Crest, is a principal shareholder of Medalist, a private Ontario company which owns a total of 2,332,053 GFG Shares and 300,000 GFG Options. Pursuant to MI 61-101, the Acquisition constitutes a “*related party transaction*” and is subject to the approval of a majority of the Crest Shareholders at the Crest Meeting, but excluding all shares beneficially owned or over which control or direction is exercised by any “interested party” (as defined in MI 61-101) to the Acquisition. See “INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON” and “MI 61-101 MATTERS” above.

Notwithstanding the foregoing, the Acquisition Resolution authorizes the Crest Board, without further notice to or approval of the Crest Shareholders, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Acquisition and to revoke the Acquisition Resolution at any time prior to completion of the Arrangement Agreement.

GFG Meeting

Pursuant to the BCBCA, the articles of GFG and the Interim Order, the Arrangement Resolution approving the Arrangement and the Arrangement Agreement must be passed, with or without variation, by two-thirds of all votes cast with respect to the Arrangement Resolution by the GFG Shareholders, present in person or by proxy at the GFG Meeting.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the GFG Board, without further notice to or approval of the GFG Shareholders, subject to the terms of the Arrangement Agreement, to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to completion of the Arrangement Agreement.

If the Crest Shareholders or GFG Shareholders fail to approve the Acquisition Resolution or the Arrangement Resolution, respectively, pursuant to the Interim Order or otherwise, the Arrangement will be terminated.

Furthermore, if more than 5.0% of the GFG Shares become the subject of Dissent Rights, the Arrangement may be terminated.

Court Approvals

GFG obtained the Interim Order from the Court on September 7, 2016, a copy of which is attached to this Circular as Schedule “E”. Subject to the terms of the Arrangement Agreement and, provided that the Acquisition Resolution and Arrangement Resolution are approved at the Crest Meeting and the GFG Meeting, respectively, GFG will apply to the Court for the Final Order at the Court House, 800 Smithe Street, Vancouver, B.C. on October 18, 2016, at 9:45 a.m. (Vancouver time) or as soon thereafter as counsel may be heard. See Schedule M “Notice of Hearing of Petition for Final Order” included in this Circular for further information on participating or presenting evidence at the hearing for the Final Order.

The issuance of Crest Shares and Crest Replacement Options pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities or “blue sky” laws of any State of the United States and will be effected in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions provided under the securities laws of each state of the United States in which GFG Securityholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. At the hearing for the Final Order, the Court will be advised that if the terms and conditions of the Arrangement are approved by the Court, the Crest Shares and Crest Replacement Options issued pursuant to the Arrangement will not require registration under the U.S. Securities Act. Accordingly, if granted, the Final Order of the Court will constitute the basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the Crest Shares and, as applicable, the Crest Replacement Options to GFG Shareholders and GFG Optionholders, respectively, in connection with the Arrangement.

At the hearing for the Final Order, securityholders and creditors of each of GFG and Crest are entitled to appear in person or by counsel and to make a submission regarding the Arrangement, subject to filing and serving a response to petition in the prescribed form and satisfying any other applicable requirements. The Court will also consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every Person affected. The Court has broad discretion under the BCBCA when making orders with respect to arrangements. The Court may approve the Arrangement either as proposed, or make the Arrangement subject to such terms and conditions as the Court considers appropriate, or may dismiss the application. Depending upon the nature of any required amendments, GFG and/or Crest may determine not to proceed with the Arrangement if any amendment ordered by the Court is not satisfactory to any of such Party, acting reasonably.

Approval of the Exchange

It is a condition precedent to the Arrangement becoming effective that all necessary regulatory approvals be obtained, including, without limitation, the acceptance of the Exchange for the listing of the Crest Shares to be issued in exchange for the GFG Shares (including any Crest Shares to be issued upon the exercise of Crest Replacement Options issued in exchange for GFG Options). As of the date of this Circular, the Exchange had not yet granted its conditional acceptance of the Arrangement. If, as and when such conditional acceptance is granted, final acceptance by the Exchange will be subject to the filing of various documents and information, including evidence of requisite shareholder approvals, fairness opinions and court approval.

Voting Agreements

Certain directors, executive officers and shareholders of Crest and GFG have entered into Voting Agreements pursuant to which they have agreed, subject to the terms thereof, to, inter alia, vote in favour of the Acquisition Resolution or Arrangement Resolution, as applicable, vote against any transactions inconsistent with the Arrangement, not sell or transfer any of their Crest Shares or GFG Shares, as the case may be, to any Person unless such Person executes a voting agreement and not tender Crest Shares or GFG Shares, as the case may be, to any takeover bid. The Voting Agreements may be terminated by mutual consent, in the event the Arrangement has not been completed by November 30, 2016, or if either the Crest Shareholders or GFG Shareholders fail to approve the Acquisition and the Arrangement, respectively. Crest Shareholders who have executed Voting Agreements hold approximately 1,982,000 Crest Shares or 41.72% of the issued and outstanding Crest Shares and GFG Shareholders who have executed Voting Agreements hold approximately 7,120,129 GFG Shares or 19.70% of the issued and outstanding GFG Shares.

Resale of Crest Shares

GFG Shareholders, including shareholders residing elsewhere than in Canada, are urged to consult their legal advisors to determine the extent of all applicable resale provisions.

Application of Canadian Securities Law to Resales

The Crest Shares to be issued to GFG Shareholders pursuant to the Arrangement will be issued in reliance on exemptions from prospectus requirements of applicable securities laws of the various applicable provinces in Canada and will generally, subject to the discussion regarding the Mandatory Pooling Restrictions under the Arrangement and applicable escrow and resale restrictions imposed by the Exchange (see Item 39 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Escrowed Securities*”), be “freely tradable” (and not subject to any “restricted period” or “hold period”) if the following conditions are met: (i) the trade is not a control distribution (as defined in applicable securities legislation); (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (iv) if the selling securityholder is an insider or an officer of the Resulting Issuer, the selling securityholder has no reasonable grounds to believe that the Resulting Issuer is in default of securities legislation.

Application of U.S. Securities Law to Resales

There is no established public market in the United States for any of the Crest Shares or GFG Shares prior to the Effective Date of the Arrangement, and none is expected to develop for the foreseeable future in the United States for the Crest Shares after completion of the Arrangement. It is a condition to the Arrangement that the Crest Shares to be issued to the GFG Shareholders (including any Crest Shares issuable to GFG Optionholders upon the exercise of Crest Replacement Options issued in exchange for GFG Options) be accepted for listing on the Exchange and that the Exchange approve the Arrangement.

The Crest Shares to be issued under the Arrangement to GFG Shareholders have not been and will not be registered under the U.S. Securities Act. Such shares will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, 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. The Court will conduct a hearing to determine the fairness of the terms and conditions of the Arrangement.

The Crest Shares will be freely tradable under the U.S. Securities Act, except by Persons who are “affiliates” of Crest or GFG after the Arrangement or were “affiliates” of GFG 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 the Crest Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such Crest Shares outside the United States without registration under the U.S. Securities Act pursuant to and in accordance with Regulation S.

The foregoing discussion is only a general overview of certain requirements of the U.S. Securities Act applicable to the resale of the Crest Shares to be received upon completion of 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 foregoing discussion does not address the Canadian securities laws that will apply to the issue or resale of the Crest Shares within Canada. Shareholders reselling their Crest Shares in Canada must comply with Canadian securities laws, as outlined above.

Additional Securities, Tax and Financial Statements Information for GFG Shareholders and Crest Shareholders in the United States

THE SECURITIES ISSUABLE BY THE RESULTING ISSUER IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN RECOMMENDED OR APPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

Each of GFG and Crest is a “foreign private issuer,” as defined in and for purposes of the U.S. Securities Act and the U.S. Exchange Act. Neither Crest nor GFG has a class of securities currently registered under the U.S. Exchange Act and, as a result, neither files periodic reports or other information with the SEC.

The Crest Shares and Crest Replacement Options to be issued to the GFG Shareholders and GFG Optionholders, respectively, under the Arrangement have not been registered under the U.S. Securities Act or the securities or “blue sky” laws of any State of the United States and are being issued in reliance on the exemption from registration described under “*Court Approvals*” above and exemptions provided under applicable state securities laws. This Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that such requirements are different from the disclosure requirements in the United States applicable to proxy statements under the U.S. Exchange Act. Likewise, information concerning the properties and operations of GFG and Crest has been prepared in accordance with Canadian standards, and may not be comparable to similar information for United States companies.

Financial statements included herein or incorporated by reference have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee, and thus may not be comparable to financial statements of United States companies. GFG Securityholders and Crest Shareholders should be aware that the exchange of the securities described herein may have tax consequences both in the United States and in Canada, which are not described in this Circular. **GFG Securityholders and Crest Shareholders are advised to consult their tax advisors to determine the tax consequences to them of the Arrangement in their own particular circumstances.**

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that GFG and Crest are incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein may be residents of a foreign country, and that all or a substantial portion of the assets of GFG and Crest and said persons may be located outside the United States.

Exchange of GFG Securities

Following the Arrangement and as of the Effective Time, the former registered holders of GFG Shares shall be deemed to be registered holders of Crest Shares in accordance with the Plan of Arrangement. Until surrendered, each certificate which immediately prior to the Effective Time represented GFG Shares will be deemed, at any time after the Effective Time, to represent only the right to receive upon such surrender the certificate representing Crest Shares that the holder thereof has the right to receive in respect of such share certificate pursuant to the Plan of Arrangement.

The holders of certificates deemed to represent Crest Shares are required to surrender such GFG certificates pursuant to the GFG Letter of Transmittal and upon such surrender, will be entitled to receive certificates representing the number of Crest Shares to which they are so entitled under the Plan of Arrangement.

Crest Shares held by Crest Shareholders immediately prior to the Effective Time are not being exchanged pursuant to the Plan of Arrangement and will continue to represent the same number of Crest Shares after the Effective Time.

The GFG Letter of Transmittal, which will be mailed to those registered GFG Shareholders to whom share certificates for GFG Shares were previously issued by GFG, contains instructions as to the procedure required for former registered holders of GFG Shares to exchange their certificates representing former GFG Shares for certificates representing Crest Shares.

GFG Shareholders whose former GFG Shares are registered in the name of a broker, dealer, bank, trust company or other nominee must contact their nominee holder to arrange for completion of the GFG Letter of Transmittal.

All other registered GFG Shareholders who were issued their former GFG Shares in book entry form only and did not receive an actual share certificate will be mailed certificates for the Crest Shares to which they are entitled pursuant to the Arrangement at their respective addresses as shown on the central securities register maintained by GFG as soon as practicable following the Effective Date.

As of the Effective Time, the holders of agreements or certificates formerly representing GFG Options will be deemed to hold agreements or certificates representing Crest Replacement Options and will not be required to surrender such agreements or certificates to the Resulting Issuer upon completion of the Arrangement.

GFG Letter of Transmittal

The GFG Letter of Transmittal will set out the details for the surrender of the certificates representing the former GFG Shares and the address of the Depositary. Provided that a GFG Shareholder has delivered and surrendered to the Depositary all certificates representing such shareholder's former GFG Shares, together with a GFG Letter of Transmittal, duly completed and executed in accordance with the instructions thereon or in an otherwise acceptable form and such other documents as may be required by the Depositary, the Depositary will forward the certificates representing the Crest Shares that the former GFG Shareholder is entitled to receive to such address or addresses as the GFG Shareholder may direct in the GFG Letter of Transmittal or, in the absence of any direction, to the address of the GFG Shareholder as shown on the central securities register maintained by GFG.

Cancellation after Six Years

Certificates representing the Crest Shares to which former GFG Shareholders would otherwise have been entitled, will be held by the Depository for a maximum of six (6) years from the Effective Date. **If former GFG Shareholders fail to return the certificates representing the former GFG Shares together with a duly completed GFG Letter of Transmittal and such other required documents prior to six (6) years from the Effective Date, each such former certificate representing GFG Shares shall cease to represent a right or claim of any kind or nature including the right of such former holders of GFG Shares to receive certificates representing Crest Shares.** Accordingly, Persons who tender certificates for GFG Shares after this sixth anniversary will not receive Crest Shares and will not own any interest in Crest, GFG or the Resulting Issuer and will not be paid any cash or other compensation. The Crest Shares issued to such former GFG Shareholders under the Plan of Arrangement shall be deemed to be surrendered to the Resulting Issuer, together with all dividends or distributions thereon declared or held for such holder.

Fractional Shares

No fractional Crest Shares will be issued to GFG Shareholders and no rights to acquire fractional Crest Shares will be granted to holders of former GFG Options. No cash will be paid in lieu of fractional shares. Any fractions resulting from the Arrangement will be rounded up or down to the nearest whole number.

The foregoing information is a summary only and is subject to and qualified in its entirety by the Plan of Arrangement and the Arrangement Agreement. For further details of procedures, see also Article 5 “Outstanding Certificates” of the Plan of Arrangement, which is attached as Schedule “C” hereto.

5.4 DISSENT RIGHTS

Pursuant to the Plan of Arrangement and the Interim Order, any holder of GFG Shares is entitled to be paid the fair value of such shares by the Resulting Issuer in accordance with the Dissent Rights in the Plan of Arrangement and the provisions of Sections 237 to 247 of the BCBCA if the GFG Shareholder dissents to the Arrangement Resolution and the Arrangement becomes effective. A GFG Shareholder who dissents to the Arrangement Resolution and is paid the fair value of his shares will not be entitled to receive any Crest Shares. The fair value of such shareholder’s GFG Shares will be determined as of the close of business on the Business Day before the adoption of the Arrangement Resolution and will be paid by GFG.

The statutory provisions dealing with the right of dissent are technical and complex. GFG Shareholders who wish to exercise their Dissent Rights should seek independent legal advice, as failure to comply strictly with the provisions of Sections 237 to 247 of the BCBCA, the Plan of Arrangement and the Interim Order may result in the loss of Dissent Rights.

Registered GFG Shareholders as of the Record Date of the GFG Meeting may exercise Dissent Rights pursuant to and in the manner set forth in Sections 237 to 247 of the BCBCA, the Plan of Arrangement and the Interim Order, provided that the Dissent Notice duly executed by such GFG Shareholder is received by GFG not less than two Business Days in advance of the date of the GFG Meeting. Dissenting Shareholders are ultimately entitled to be paid fair value for their Dissenting Shares and shall be deemed to have transferred their Dissenting Shares to GFG for cancellation immediately at the Effective Time and in no case shall GFG be required to recognize such Persons as holding GFG Shares after the Effective Time.

Voting against, abstaining from voting or executing or exercising of a proxy to vote against the Arrangement Resolution does not constitute a Dissent Notice, but a GFG Shareholder need not vote against the Arrangement Resolution in order to dissent. On the other hand, a GFG Shareholder who consents to or votes in favour of the Arrangement Resolution, other than as a proxy for a different GFG Shareholder whose proxy required an affirmative vote, or otherwise acts inconsistently with the dissent, will cease to be entitled to exercise any Dissent Rights.

GFG Shareholders who do not properly exercise their Dissent Rights are not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a GFG Shareholder who is not a Dissenting Shareholder and shall receive Crest Shares on the same basis as every other GFG Shareholder.

Pursuant to the terms of the Arrangement Agreement, the obligation of GFG and Crest to complete the Arrangement is subject to GFG not having received notices of dissent in respect of more than 5.0% of the total issued and outstanding GFG Shares as at the Effective Date, which condition may be waived by the Parties. If, for any reason, the Arrangement does not complete including, but not limited to, the failure of the GFG Shareholders or Crest Shareholders to approve the Arrangement Resolution or Acquisition Resolution, respectively, or GFG receiving Dissent Notices in excess of 5.0% of the issued and outstanding GFG Shares as at the Effective Date, Dissenting Shareholders will not be entitled to receive fair value for their GFG Shares.

Prior to the Arrangement becoming effective, GFG will send a notice of intention to act to each Dissenting Shareholder stating that the Arrangement Resolution has been passed and informing the Dissenting Shareholder of its intention to act on such Arrangement Resolution. A notice of intention need not be sent to any GFG Shareholder who voted in favour of the Arrangement Resolution or who has withdrawn his Dissent Notice. Within one month of the date of the notice given by GFG of its intention to act, the Dissenting Shareholder is required to send written notice to GFG that he requires GFG to purchase all of his GFG Shares and at the same time to deliver certificates representing those GFG Shares to GFG. Upon such delivery, a Dissenting Shareholder will be bound to sell and GFG will be bound to purchase the GFG Shares subject to the demand for a payment equal to their fair value as of the day before the day on which the Arrangement Resolution was passed by the GFG Shareholders, excluding any appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable). Every Dissenting Shareholder who has delivered a demand for payment must be paid the same price as the other Dissenting Shareholders.

A Dissenting Shareholder who has sent a demand for payment or GFG may apply to the Court which may: (a) require the Dissenting Shareholder to sell and GFG to purchase the GFG Shares in respect of which a Dissent Notice has been validly given; (b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors; (c) join in the application of any other Dissenting Shareholder who has delivered a demand for payment; and (d) make consequential orders and give such directions as it considers appropriate. No Dissenting Shareholder who has delivered a demand for payment may vote or exercise or assert any rights of a GFG Shareholder in respect of the GFG Shares for which a demand for payment has been given, other than the rights to receive payment for those GFG Shares. Until a Dissenting Shareholder who has delivered a demand for payment is paid in full, that Dissenting Shareholder may exercise and assert all the rights of a creditor of GFG. No Dissenting Shareholder may withdraw his demand for payment unless GFG consents.

Once the Arrangement becomes effective, none of the resulting changes to GFG will affect the rights of the Dissenting Shareholders or GFG or the price to be paid for the Dissenting Shareholder's GFG Shares. If the Court determines that a person is not a Dissenting Shareholder or is not otherwise entitled to dissent, the Court, without prejudice to any acts or proceedings that GFG or the GFG Shareholders may have taken during the intervening period, may make the order it considers appropriate to remove the restrictions on the Dissenting Shareholder from dealing with his GFG Shares.

Strict adherence to the procedures set forth above will be required and a GFG Shareholder's failure to do so may result in the loss of all Dissent Rights. Accordingly, each GFG Shareholder who may wish to exercise Dissent Rights should carefully consider and fully comply with the provisions set forth above and below and consult his or her legal advisor.

Sections 237 -247 of the BCBCA

The following is a brief summary of the provisions of Sections 237 -247 of the BCBCA. A Dissenting Shareholder who duly gives notice of dissent to the Arrangement may require GFG, if the Arrangement becomes effective, to purchase all of the GFG Shares held by such GFG Shareholder at the fair value of such GFG Shares as of the day before the date on which the Arrangement Resolution was passed. A GFG Shareholder may give Dissent Notice in respect of the Arrangement by registered mail addressed to GFG at the addresses for Dissent Notices noted below. **The Dissent Notice must be received at the registered office of GFG, as specified below, at least 2 business days before the GFG Meeting.** As a result of giving a Dissent Notice such GFG Shareholder may, on receiving a notice of intention to act under Sections 237 - 247 of the BCBCA, require GFG to purchase all the GFG Shares of such GFG Shareholder in respect of which the Dissent Notice was given. The text of Sections 237 to 247 of the BCBCA is set out in Schedule "D" to this Circular. **Reference should also be made to the Plan of Arrangement attached as Schedule "C" and in particular Article 4 – "Dissenting Shareholders" thereof.**

Address for Dissent Notices

All Dissent Notices of a GFG Shareholder, in accordance with the provisions of the Plan of Arrangement, should be addressed to GFG at its registered office, Suite 650 – 1188 West Georgia Street, Vancouver, British Columbia, Canada V6E 4A2, Attention: The President.

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to be a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such shareholder's GFG Shares, and is qualified in its entirety by reference to the Interim Order and Sections 237 -247 of the BCBCA, the full texts of which are attached to this Circular respectively as Schedule "E" and Schedule "D", and the Plan of Arrangement, attached as Schedule "C" and which is an exhibit to the Arrangement Agreement filed as a material document under Crest's profile on SEDAR at www.sedar.com. The Dissent Rights in the Plan of Arrangement and the provisions of sections 237 -247 of the BCBCA require strict adherence to the procedures established therein and failure to do so may result in the loss of Dissent Rights. Accordingly, each GFG Shareholder who might desire to exercise Dissent Rights should carefully consider and comply with the provisions of those sections and should consult a legal advisor.

The Arrangement Agreement provides, as a condition to the obligations to complete the Arrangement, that holders of not more than 5.0% of the issued and outstanding GFG Shares shall have exercised Dissent Rights in connection with the Arrangement.

INCOME TAX CONSIDERATIONS

In the opinion of Thorsteinssons LLP, Canadian tax counsel to Crest, the following summary fairly describes the principal Canadian federal income tax considerations relating to the Arrangement generally applicable to GFG Securityholders who, for purposes of the Tax Act (i) hold their GFG Securities, and will hold their Crest Securities as capital property, (ii) deal at arm's length with GFG and Crest, and (iii) are not affiliated with GFG or Crest.

GFG Securities and Crest Securities will generally be considered to be capital property to a holder thereof, unless such securities are held in the course of carrying on a business of buying and selling securities or were acquired in a transaction considered to be an adventure in the nature of trade. Certain shareholders who are resident in Canada and who might not otherwise be considered to hold their GFG Shares or Crest Shares as capital property may be entitled to have them treated as capital property by making the irrevocable election provided by subsection 39(4) of the Tax Act. Any person contemplating making a subsection 39(4) election should first consult their tax adviser for advice as the making of such election will affect the income tax treatment of the person's disposition of other Canadian securities. GFG Options acquired by the holder as employee stock options are not "capital property" to the holder and are discussed separately below. See "Exchange of GFG Options for Crest Options"

This summary is not applicable to a GFG Securityholder (i) that is a "financial institution" for the purposes of the market-to-market rules contained in the Tax Act, (ii) is a "specified financial institution" as defined in the Tax Act, (iii) an interest in which would be a "tax shelter investment" (as defined in the Tax Act), (iv) who has made a functional currency election pursuant to the Tax Act, (v) that is a corporation resident in Canada (for purposes of the Tax Act) that is, or becomes a part of a series of transactions that includes the acquisition of the GFG Shares or Crest Shares, controlled by a non-resident corporation for the purposes of the foreign affiliate dumping rules in Section 212.3 of the Tax Act, (vi) that is exempt from tax under the Tax Act, (vii) that has or will enter into a "derivative forward agreement" or "synthetic disposition agreement" with respect to the GFG Shares or Crest Shares, or (viii) acquires or has acquired GFG Shares or Crest Shares upon the exercise of an employee stock option.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**"), and counsel's understanding of the current administrative practices and policies of the Canada Revenue Agency (the "**CRA**"). This summary also takes into account all specific proposals to amend the Tax Act and Regulations (the "**Proposed Amendments**") announced by the Minister of Finance (Canada) prior to the date hereof, and assumes that all Proposed Amendments will be enacted in their present form. If the Proposed Amendments are not enacted as presently proposed, the tax consequences may not be as described below in all cases. This summary does not take into account or anticipate any other changes in law or administrative or assessing practice, whether by legislative, governmental, or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

THIS SUMMARY IS OF A GENERAL NATURE ONLY, AND IS NOT EXHAUSTIVE OF ALL POSSIBLE CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY GFG SECURITYHOLDER. ACCORDINGLY, GFG SECURITYHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS FOR ADVICE AS TO THE INCOME TAX CONSEQUENCES TO THEM OF THE ARRANGEMENT IN THEIR PARTICULAR CIRCUMSTANCES.

Securityholders Resident in Canada

The following portion of the summary is applicable to a GFG Securityholder who, at all material times, is or is deemed to be resident in Canada for purposes of the Tax Act.

Exchange of GFG Shares for Crest Shares

A holder of GFG Shares who deals at arm's length with Crest and receives Crest Shares in consideration for the holder's GFG Shares will be deemed to have disposed of the holder's GFG Shares for proceeds of disposition equal to the holder's adjusted cost base of those shares immediately before the exchange, unless the holder of GFG Shares included in computing the holder's income for that year any portion of the gain or loss, otherwise determined, from the disposition of the GFG Shares. Consequently, the holder of GFG Shares will realize neither a capital gain nor a capital loss as a result of the exchange. The holder of GFG Shares will be deemed to have acquired the Crest Shares at an aggregate cost equal to the proceeds of disposition of the holder's GFG Shares. If the holder of GFG Shares owns any other Crest Shares at the time of the exchange, the cost of each Crest Share owned by such holder immediately after the exchange will be determined by averaging the cost of the Crest Shares acquired on the exchange with the adjusted cost base of those other Crest Shares.

Exchange of GFG Options for Crest Options

A person who holds GFG options to which the employee stock option rules in section 7 of the Tax Act apply (the "**GFG Employee Options**") and who only receives Crest options in the course of the Arrangement in exchange for the GFG Employee Options will be deemed to receive an employment benefit as a result of that exchange, if, at the time of the exchange (i) the amount by which the fair market value of the Crest Shares exceeds the exercise price to acquire such shares under the Crest Options (the "**Crest Option Value**") is greater than (ii) the amount by which the fair market value of the GFG Shares exceeds the exercise price to acquire such shares under the GFG Employee Options (the "**GFG Option Value**"). In those circumstances, the amount by which the fair market value of the Crest Option exceeds the amount, if any, paid by the person to acquire the GFG Employee Options will be included in income as an employment benefit for the year in which the exchange occurs. If the Crest Option Value does not exceed the GFG Option Value at the time of the exchange, then the Crest Options received on the exchange for the GFG Employee Options will be deemed to be the same as and a continuation of the GFG Employee Options for tax purposes and no employment benefit will arise.

Dissenting Shareholders

A GFG Shareholder who, as a result of validly exercising Dissent Rights in respect of the Arrangement, receives a cash payment from GFG in consideration for the holder's GFG Shares will be deemed to receive a taxable dividend equal to the amount by which the amount received (excluding interest) from GFG exceeds the paid-up capital of the Dissenting Shareholder's GFG Shares. In the case of a Dissenting Shareholder that is a corporation, in some circumstances, the amount of such deemed dividend may be treated as proceeds of disposition and not a dividend. See "*Taxation of Dividends*" below for a general description of the treatment of dividends under the Tax Act. The Dissenting Shareholder will also be deemed to have received proceeds of disposition for the GFG Shares equal to the amount received by the Dissenting Shareholder from GFG less the amount of the deemed dividend referred to above. Consequently the Dissenting Shareholder will realize a capital gain (or capital loss) to the extent that such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of such Dissenting Shareholder's GFG Shares. See "*Taxation of Capital Gains or Capital Losses*" below for a general description of the treatment of capital gains and losses under the Tax Act.

Taxation of Dividends

In the case of a shareholder who is an individual, dividends received or deemed to be received on shares of a taxable Canadian corporation will be included in computing the individual's income and will be subject to gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations. Dividends received from a taxable Canadian corporation which designates the dividends as "eligible dividends" in accordance with

the Tax Act will be treated as an eligible dividend for the purposes of the Tax Act and a shareholder who is an individual will be entitled to an enhanced dividend tax credit in respect of such dividend. Dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

In the case of a shareholder that is a corporation, dividends received or deemed to be received on shares of a taxable Canadian corporation will be included in computing the corporation's income and will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a holder that is a corporation as proceeds of disposition or a capital gain. Shareholders that are corporations should consult their own tax advisors having regard to their own circumstances. A shareholder that is a "private corporation" or a "subject corporation", each as defined in the Tax Act, may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on shares to the extent that such dividends are deductible in computing taxable income.

Disposition of Crest Shares

The disposition or deemed disposition of Crest Shares by a holder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of those shares immediately before the disposition. See "*Taxation of Capital Gains and Losses*" below for a general description of the tax treatment of capital gains and losses under the Tax Act.

Taxation of Capital Gains and Losses

One-half of any capital gain (a "**taxable capital gain**") realized by a shareholder in a taxation year will be included in the shareholder's income for the year. One-half of any capital loss (an "**allowable capital loss**") realized by the shareholder in a year may be deducted against taxable capital gains realized in the year. Any excess of allowable capital losses over taxable capital gains in a taxation year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the Tax Act.

The amount of any capital loss arising on the disposition or deemed disposition of any shares by a shareholder that is a corporation may be reduced by the amount of certain dividends received or deemed to have been received by it on such shares to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns such shares or where a trust or partnership of which the corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares.

A shareholder that is throughout the relevant taxation year a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax on its "aggregate investment income", which is defined in the Tax Act to include an amount in respect of taxable capital gains, for the year.

A taxable capital realized by a shareholder that is an individual (excluding certain trusts) may give rise to a liability for alternative minimum tax under the Tax Act.

Alternative Minimum Tax on Individuals

The Tax Act provides for an alternative minimum tax applicable to individuals (including certain trusts and estates) resident in Canada, which is computed by reference to an adjusted taxable income amount. Eighty percent of capital gains (net of capital losses) and the actual amount of taxable dividends (not including any gross-up) are included in adjusted taxable income. Any additional tax payable by an individual under the minimum tax provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years; however this carry forward amount will only be creditable in a particular year to the extent that the individual's tax payable for the year, calculated without reference to the minimum tax provisions, exceeds the tax payable under the minimum tax provisions for the year.

Securityholders Not Resident in Canada

The following portion of this summary is applicable to a GFG Securityholder who (i) has not been, is not, and will not be resident or deemed to be resident in Canada for purposes of the Tax Act, and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, GFG Securities or Crest Securities 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.

Exchange of GFG Shares for Crest Shares, Exchange of GFG Options for Crest Options

The discussion above, applicable to GFG Securityholders resident in Canada under the headings “*Exchange of GFG Shares for Crest Shares*”, “*Exchange of GFG Options for Crest Options*” also applies to a Non-Resident Holder. The tax treatment of a capital gain or a capital loss realized by a Non-Resident Holder is described generally below under the heading “*Taxation of Capital Gains and Losses*”.

Dissenting Non-Resident Shareholders

The discussion above applicable to Canadian resident GFG Shareholders under the heading “*Dissenting Shareholders*”, also applies to a dissenting Non-Resident Holder of GFG Shares. The tax treatment of a capital gain or capital loss and a deemed dividend realized by a Non-Resident Holder of GFG Shares as a consequence of exercising Dissent Rights to the Arrangement are described generally below under the headings “*Exchange of (or Disposition of) GFG Shares for Crest Shares and Subsequent Dispositions of Crest Shares*” and “*Taxation of Dividends*”.

Canadian withholding tax may apply to any interest awarded by a court to a Non-Resident Holder that is paid or credited to the dissenting Non-Resident Holder. Interest paid to a Dissenting Shareholder that is a Non-Resident Holder who deals at arm’s length with the payor of the interest is not subject to withholding tax under the Tax Act.

Exchange of (or Disposition of) GFG Shares for Crest Shares and Subsequent Dispositions of Crest Shares

Under the Tax Act a Non-Resident Holder whose GFG Shares are exchanged for Crest Shares under the Arrangement and who does not file a Canadian return of income for the taxation year in which the exchange occurs to include in his income any portion of the gain or loss otherwise determined as a result of the share exchange, will be deemed to have disposed of his or her GFG Shares for proceeds of disposition equal to the adjusted cost base of such GFG Shares. Therefore, no gain or loss will be realized on the exchange. The adjusted cost base of the Crest Shares received in such circumstances will be equal to the adjusted cost base of the GFG Shares immediately before the exchange.

A Non-Resident Holder whose GFG Shares are exchanged for Crest Shares (or who disposes of GFG Shares as a Dissenting Shareholder) will not be subject to tax under the Tax Act on any capital gain realized on such exchange (or disposition) unless the GFG Shares are “taxable Canadian property” to the Non-Resident Holder at the Effective Time and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention at the time of the exchange.

Similarly, any capital gain realized by a Non-Resident Holder on a disposition or deemed disposition of Crest Shares acquired under the Arrangement will not be subject to tax under the Tax Act unless the Crest Shares are “taxable Canadian property” to the Non-Resident Holder at the time of the disposition and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention at the time of disposition.

Generally, the Crest Shares will not constitute taxable Canadian property of a Non-Resident Holder provided that:

1. the shares are listed on a designated stock exchange (which includes the Exchange) for the purposes of the Tax Act at the time of disposition;
2. at no time during the 60 month period immediately preceding the disposition of the shares were 25% or more of the issued shares of any class or series of the capital stock of Crest owned by the Non-Resident Holder, by persons with whom the Non-Resident Holder did not deal at arm’s length, or by the Non-Resident Holder, together with such persons; and
3. the shares are not otherwise deemed to be taxable Canadian property.

The GFG Shares will not constitute taxable Canadian property of a Non-Resident Holder provided that:

1. at no time during the 60 month period immediately preceding the disposition of the shares, was more than 50% of the fair market value of the GFG Shares derived directly or indirectly from one or a combination of real property situated in Canada or Canadian resource properties or options in respect of, or interests in, either real property situated in Canada or Canadian resource properties; and
2. the shares are not otherwise deemed to be taxable Canadian property.

A disposition or deemed disposition of shares by a Non-Resident Holder whose shares are taxable Canadian property and who is not entitled to an exemption under an applicable income tax convention, will give rise to a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, less the reasonable costs of disposition, exceed (or are less than) the adjusted cost of such shares to the Non-Resident Holder at the time of actual or deemed disposition. Generally, one-half of any capital gain realized will be required to be included in income as a taxable capital gain and taxed at applicable Canadian tax rates. One-half of any capital loss will be deductible, subject to certain limitations, against certain taxable capital gains in the year of disposition or the three preceding years or any subsequent year in accordance with the detailed provisions of the Tax Act. Non-Resident Holders to whom these rules may be relevant should consult their own tax advisers in this regard.

Taxation of Dividends

Dividends paid or credited or deemed under the Tax Act to be paid or credited to a Non-Resident Holder on GFG Shares or Crest Shares will be subject to Canadian withholding tax at a rate of 25%. This rate may be reduced in the case of a Non-Resident Holder that is entitled to the protection of an income tax convention.

5.5 RISK FACTORS

An investment in Crest Shares should be considered highly speculative, not only due to the nature of GFG's and Crest's existing businesses and operations, but also because of the uncertainty related to completion of the Arrangement and the business of the Resulting Issuer upon completion of the Arrangement. In evaluating the Arrangement, Crest Shareholders and GFG Shareholders should carefully consider not only the following risk factors relating to the Arrangement but the risk factors associated with the businesses of Crest, GFG and the Resulting Issuer set out below. The following risk factors are not a definitive list of all risk factors associated with the Arrangement, Crest, GFG and the Resulting Issuer. Additional risks and uncertainties, including those currently unknown or considered immaterial by Crest or GFG, may also adversely affect the GFG Shares, the Crest Shares and/or the businesses of Crest, GFG and the Resulting Issuer. **Crest Shareholders and GFG Shareholders should carefully consider each of, and the cumulative effect of the following factors, which assume the completion of the Arrangement, in addition to the other information in this Circular.**

Risks Relating to the Arrangement

There are risks associated with the Arrangement including:

Market Reaction

The market reaction to the Arrangement and the future trading prices of the Crest Shares cannot be predicted. If the Arrangement is not consummated, the market price of the Crest Shares may decline to the extent that the current market price of the Crest Shares reflects a market assumption that the Arrangement will be completed.

Costs of Arrangement

Certain costs related to the Arrangement, such as legal, accounting and certain financial advisor fees incurred by Crest and GFG must be paid by Crest and GFG, respectively, even if the Arrangement is not completed, as well as the costs associated with diversion of management attention away from the conduct of their respective businesses in the ordinary course.

Failure to Secure a More Attractive Offer

If the Arrangement is not completed and the Crest Board or GFG Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the consideration to be received pursuant to the Arrangement.

Termination of the Arrangement in Certain Circumstances

Each of Crest and GFG has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can the Parties provide any assurances that the Arrangement Agreement will not be terminated by either Crest or GFG before the completion of the Arrangement. In addition, the completion of the Arrangement is subject to a number of conditions precedents, certain of which are outside the control of Crest or GFG including

shareholder, regulatory and court approvals. See “THE ARRANGEMENT – *Arrangement Agreement - Conditions to the Arrangement*”. There is no certainty that these conditions will be satisfied on a timely basis or at all. If for any reason the Arrangement is delayed or not completed, the market price of Crest Shares may be adversely affected. See “*Market Reaction*” above.

Interests of Crest and GFG Directors and Executive Officers May Differ

In considering the recommendation of the Crest Board and GFG Board to vote in favour of the Acquisition Resolution and the Arrangement Resolution, respectively, Crest Shareholders and GFG Shareholders should be aware that certain members of the Crest Board, GFG Board and respective management teams have agreements or arrangements that provide them with interests in the Arrangement that differ from, or are in addition to, those of the Crest Shareholders and GFG Shareholders generally. See Item 5.1 “GENERAL PROXY INFORMATION – *Interest of Certain Persons in Matters to be Acted Upon*” in this Circular.

Failure to Integrate

There is uncertainty as to whether the Arrangement will have a positive impact on the Resulting Issuer. The Arrangement will involve the integration of companies that previously operated independently. As a result, the Arrangement will present challenges to management, including the integration of the operations, systems, technologies and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, diversion of management’s attention, operational interruptions and the loss of key employees. The difficulties which the Resulting Issuer’s management encounters in the transition and integration processes could have an effect on the level of expenses and operating results of the Resulting Issuer. As a result of these factors, it is possible that some of the benefits expected from the Arrangement will not be realized.

Fixed Share Exchange Ratio

Under the Plan of Arrangement, each GFG Share will be exchanged for one Crest Share. This share exchange ratio is fixed and will not increase or decrease due to fluctuations in the market price of the Crest Shares or fair market value of the GFG Shares. The market value of the consideration that GFG Securityholders will receive pursuant to the Arrangement will depend on the market price of the Crest Shares on the Effective Date. If the market price of the Crest Shares increases or decreases, the market value of the Crest Shares or Crest Replacement Options that GFG Securityholders receive will correspondingly increase or decrease. The number of Crest Shares being issued in connection with the Arrangement will not change despite decreases or increases in the market price or value of Crest Shares or GFG Shares. Many of the factors that affect the market price or value of the Crest Shares or GFG Shares are beyond the control of Crest and GFG. These factors include prevailing conditions in the capital markets, changes in the regulatory environment, adverse political developments, interest rate and exchange rate fluctuations and fluctuations in the price of gold and other minerals.

Risks Associated with Dilution

Crest currently expects that in connection with the Arrangement it will issue approximately 38,403,483 Crest Shares. The issue of these new Crest Shares and their sale could depress the market price for Crest Shares.

Risks Related to Income Taxation

The Arrangement may give rise to significant adverse tax consequences to non-Canadian securityholders and each such securityholder is urged to consult their own tax advisor. See “Income Tax Considerations” above. See also “*Notice to U.S. Securityholders*”.

Risks Relating to GFG, Crest and the Resulting Issuer

Limited Operating History

GFG has a limited history of operations, is in the early stage of development and must be considered a start-up. As such, GFG is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. GFG has no history of earnings, and there is no assurance that any of its current or future mineral properties will generate earnings, operate profitably or provide a return

on investment in the future. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of GFG's early stage of operations. GFG has no intention of paying any dividends in the foreseeable future.

The exploration of the Resulting Issuer's properties depends on its ability to obtain additional required financing. There is no assurance that the Resulting Issuer will be successful in obtaining the required financing, which could cause it to postpone its exploration plans or result in the loss or substantial dilution of its interest in its properties as disclosed in this Circular.

Mineral Properties

Upon completion of the Arrangement, the Resulting Issuer will have an interest in one mineral resource project located in the State of Wyoming, U.S.A., being the Rattlesnake Hills Project.

The Rattlesnake Hills Project is in the exploration stage and without known resources or reserves. The proposed work programs are exploratory in nature and are designed to search for and/or confirm the existence of a mineral deposit.

Development of this or any future mineral properties will only follow upon obtaining satisfactory results. Exploration for and the development of minerals involve a high degree of risk and few properties, which are explored, are ultimately developed into producing properties. There is no assurance that our exploration and, if warranted, development activities will result in any discoveries of commercial bodies of ore. The long-term success of our operations will be in large part directly related to the cost and success of our exploration programs, which may be affected by a number of factors.

The Resulting Issuer expects to incur losses unless and until such time as one or more of its properties enters into commercial production and generates sufficient revenue to fund its continuing operations.

Calculations of Mineral Resources

To the extent that the Resulting Issuer's future exploration and drilling work enables it to make an estimate of mineral resources or mineral reserves for the Rattlesnake Hills Project, such estimate will be subject to uncertainty. The estimating of mineral reserves and mineral resources is a subjective process and the accuracy of such estimates is a function of the quantity and quality of available data and the assumptions used and judgments made in interpreting engineering and geological information. There is significant uncertainty in any mineral reserve or mineral resource estimate, and the actual deposits encountered and the economic viability of mining a deposit may differ materially from our estimates. Estimated mineral resources may have to be recalculated based on changes in metal prices, further exploration or development activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence estimates of mineral resources. Any material change in the quantity of mineral resources, mineralization, grade or stripping ratio may affect the economic viability of our property. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Furthermore, any resource estimates for the Rattlesnake Hills Project will be prepared in accordance with standards of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in NI 43-101. These practices are different from the practices used to report reserve and resource estimates in reports and other materials filed with the SEC. It is Canadian practice to report measured, indicated and inferred resources, which are generally not permitted in disclosure filed with the SEC. In the United States, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further, "inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report "resources" as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources that we prepare may not be comparable to information made public by other United States companies subject to the reporting and disclosure requirements of the SEC.

Nature of Exploration and Mining

Resource exploration and development is a speculative business and involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. There is no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, a property will be brought into commercial production or that the metallurgical processing will produce economically viable saleable products. The discovery of commercial deposits is dependent upon a number of factors not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a deposit once discovered and the decision as to whether it should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) market prices for the minerals to be produced; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control. Our ability to sell and profit from the sale of any eventual mineral production from any of our properties will be subject to the prevailing conditions in the marketplace at the time of sale. Many of these factors are beyond our control and therefore represent a market risk which could impact our long term viability and operations.

Operating Hazards and Risks

In the course of exploration, development and production of mineral properties, certain risks may occur including, but not limited to, difficult surface or underground conditions, water conditions, unexpected or unusual rock conditions or geological operating conditions including rock bursts, cave-ins, ground fall, slope failures and landslides, fires, explosions, flooding and earthquakes. Additional risks include unanticipated variations in grade and other geological problems, failure of pit walls or dams, adverse environmental conditions or hazards, mechanical and equipment performance problems, industrial accidents, labour disputes, changes in the regulatory environment, damage to mineral properties or facilities and personal injury or death.

It is not always possible to fully insure against such risks and we may decide not to insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of our securities.

While we intend to obtain insurance to insure against general commercial liability claims, such insurance will not cover all of the potential risks associated with our operations. We may also be unable to obtain insurance to cover other risks at economically feasible premiums or at all. Insurance coverage may not continue to be available, or may not be adequate to cover liabilities. We might also become subject to liability for environmental, pollution or other hazards associated with mineral exploration and production which may not be insured against, which may exceed the limits of our insurance coverage, or which we may elect not to insure against because of premium costs or other reasons. Currently, we are not insured against environmental risks.

Losses from any one or more of these events may cause us to incur significant costs that could materially adversely affect our financial condition and our ability to fund activities on our properties. A significant loss could force us to reduce or terminate our operations and even result in bankruptcy.

Insufficient Resources or Reserves

Substantial additional expenditures will be required to establish either resources or reserves on our mineral properties and to develop processes to extract the minerals. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis on terms acceptable to us or at all.

History of Net Losses

Neither GFG nor Crest has received any revenue to date from its operations or exploration activities on its properties and each of GFG and Crest has only incurred losses since its incorporation. Furthermore, no development activity on the Rattlesnake Hills Project is warranted at this time. Even if the Resulting Issuer does undertake development activity on the Rattlesnake Hills Project or another property in the future, there is no certainty that the Resulting Issuer will produce revenue, operate profitably or provide a return on investment in the future.

Maintaining Interests in Mineral Properties

The Resulting Issuer's ability to maintain ownership in GFG's current mineral property and to initially establish and subsequently maintain ownership in any future mineral properties will be dependent upon compliance with applicable laws and with agreements to which it is a party. There is no assurance that the Resulting Issuer will be able to obtain and/or maintain all required permits and licenses to carry on its operations. Additional expenditures will be required by the Resulting Issuer to maintain its interests in its properties. There can be no assurance that the Resulting Issuer will have the funds, will be able to raise or will be able to comply with the provisions of the agreements relating to its properties which would entitle it to an interest therein and if the Resulting Issuer fails to do so its interest in certain of these properties may be reduced or be lost.

Significant Additional Capital Required

Substantial expenditures will be required to establish resources or proven and probable reserves through drilling and analysis, to develop metallurgical processes to extract metal and develop the mining and processing facilities and infrastructure at any mine site. In addition to the funds the Resulting Issuer has budgeted for drilling in 2016, it will be required to expend significant amounts for geological and geochemical analysis, assaying, and, if warranted, feasibility studies with regard to the results of its exploration. The Resulting Issuer may not benefit from such investments if it is unable to identify commercially exploitable resources. If the Resulting Issuer is successful in identifying resources, it will require significant additional capital to construct a mill and other facilities necessary to extract those resources. That funding, in turn, depends upon a number of factors, including the state of the national and worldwide economy and the price of gold. The Resulting Issuer may not be successful in obtaining the required financing for these or other purposes, in which case, its ability to continue operating would be adversely affected. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and the possible, partial or total loss of the Resulting Issuer's potential interest in certain properties.

The Resulting Issuer will also require additional funding to acquire further property interests. The Resulting Issuer's ability to arrange such financing in the future will depend, in part, upon the prevailing capital market conditions as well as its business performance. There can be no assurance that the Resulting Issuer will be successful in its efforts to arrange additional financing on terms satisfactory to it or at all. If the Resulting Issuer raises additional financing through the issuance of shares from its treasury, control of the Resulting Issuer may change and existing security holders will suffer additional dilution.

Future Operations Contingent on Production

GFG has only just begun operations and has no history of revenues or earnings. To become profitable, the Resulting Issuer must first establish resources at GFG's mineral resource properties, and then either develop such properties or locate and enter into agreements with third party operators. It could be years before the Resulting Issuer receives any revenues from the production of gold or other precious metals, if ever. The Resulting Issuer may suffer significant additional losses in the future and may never be profitable. The Resulting Issuer does not expect to receive revenue from operations in the foreseeable future, if at all. Even if the Resulting Issuer does achieve profitability, it may not be able to sustain or increase profitability on a quarterly or annual basis.

Reliance on Key Personnel

The success of the Resulting Issuer will be largely dependent upon the performance of its management and key employees. In assessing the risk of an investment in the Crest Shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the proposed management of the Resulting Issuer. GFG and Crest do not, nor do they foresee the Resulting Issuer will, maintain life insurance policies in respect of its key personnel. The Resulting Issuer could be adversely affected if such individuals do not remain with the Issuer.

The Resulting Issuer's future success will also be highly dependent on its ability to attract and retain key individuals to act as directors and/or executives who have the necessary skills and abilities to successfully grow the Resulting Issuer.

Locating mineral deposits depends on a number of factors, not the least of which is the technical skill and expertise of the personnel involved. The competition for qualified personnel in the mineral resource industry is intense and there can be no assurance that the Resulting Issuer will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Failure to retain these individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Resulting Issuer's success.

Competition

The Resulting Issuer will compete with many companies in the mining industry, including large, established mining companies with substantial capabilities, personnel and financial resources. There is a limited supply of desirable mineral lands available for claim-staking, lease or acquisition in the United States and other areas where the Resulting Issuer may conduct exploration activities. The Resulting Issuer may be at a competitive disadvantage in acquiring mineral properties, since it will be competing with these individuals and companies, many of which have greater financial resources and larger technical staffs. From time to time, specific properties or areas which would otherwise be attractive to the Resulting Issuer for exploration or acquisition may be unavailable to it due to their previous acquisition by other companies or the Resulting Issuer's lack of financial resources. Competition in the industry is not limited to the acquisition of mineral properties but also extends to the technical expertise to find, advance, and operate such properties; the labor to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis. Such competition may result in the Resulting Issuer being unable not only to acquire desired properties, but to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and advance its properties. The Resulting Issuer's inability to compete with other companies for these resources would have a material adverse effect on its results of operation and business.

Title

The Resulting Issuer's ability to explore and operate its properties depends on the validity of title to its properties. The mineral claims currently making up the Rattlesnake Hills Project are primarily unpatented mining claims.

Unpatented mining claims are unique property interests and are generally considered to be subject to greater risk than other real property interests because the validity of unpatented mining claims is often uncertain. Unpatented mining claims provide only possessory title and their validity is often subject to contest by third parties or the federal government. These uncertainties relate to such things as the sufficiency of mineral discovery, proper posting and marking of boundaries, assessment work, unregistered agreements, undetected defects and possible conflicts with other claims not determinable from descriptions of record. Since a substantial portion of all mineral exploration, development and mining in the United States now occurs on unpatented mining claims, this uncertainty is inherent in the mining industry.

While GFG has investigated title to its Rattlesnake Hills Project, this should not be construed as a guarantee of title. There may be valid challenges to the title to its properties, particularly its unpatented claims, which, if successful, could impair development and/or operations and result in the loss of all or a portion of the properties to which the title defect relates.

No assurances can be given that title defects to GFG's current property or any future properties in which the Resulting Issuer may seek to acquire an interest do not exist.

The Resulting Issuer will also remain at risk that the mining claims may be forfeited either to the United States or to rival private claimants due to failure to comply with statutory requirements as to location and maintenance of the claims or challenges to whether a discovery of a valuable mineral exists on every claim.

GFG's current mineral property is also subject to annual compliance with assessment work requirements, property taxes and lease payments. Any failure to make such payments or comply with such requirements could result in the loss of all or a portion of GFG's interest in the properties.

Environmental Risks

Due to the early stage of GFG's operations and its minimal capitalization any environmental issues or any changes in environmental regulations would seriously adversely affect the Resulting Issuer. All phases of the Resulting Issuer's operations will be subject to federal, state and local environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Future changes in environmental regulation, if any, may adversely affect the Resulting Issuer's operations, make its operations prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on GFG's current property and on properties in which the Resulting Issuer may hold interests in the future that are unknown to GFG at the present and that have been caused by GFG or by previous owners or operators of the properties, or that may have occurred naturally.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Future production, if any, at the Resulting Issuer's properties will involve the use of hazardous materials. Should these materials leak or otherwise be discharged from their containment systems, the Resulting Issuer may become subject to liability. Neither Crest nor GFG has and the Resulting Issuer may not purchase insurance for environmental risks including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production, as it is not generally available at a reasonable price.

Potential Environmental Lawsuits

Neighbouring landowners and other third parties could file claims based on environmental statutes and common law for personal injury and property damage allegedly caused by the release of hazardous substances or other waste material into the environment on or around the Resulting Issuer's properties. There can be no assurance that the Resulting Issuer's defense of such claims will be successful. A successful claim against the Resulting Issuer could have a material adverse affect on its business prospects, financial condition and results of operations.

Governmental and Regulatory Requirements

Both GFG's current and the Resulting Issuer's future operations including exploration and, if warranted, development activities and commencement of production on its properties, require permits from various federal, state and local governmental authorities, as well as approval of members of surrounding communities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. Permits and studies may be necessary prior to operation of the exploration properties in which the Resulting Issuer has an interest and there can be no guarantee that the Resulting Issuer will be able to obtain or maintain all necessary permits that may be required to commence construction or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. The Resulting Issuer cannot be certain that all permits and approvals which it may require for its future operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project, which it might undertake. To the extent such permits and approvals are required and are not obtained, the Resulting Issuer may be delayed or prohibited from proceeding with planned exploration or development of mineral properties which would adversely affect its business, prospects and operations.

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

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

Proposed Legislation

Periodically, members of the U.S. Congress have introduced bills which would supplant or alter the provisions of the General Mining Law of 1872, which governs the unpatented claims that GFG currently controls within its Rattlesnake Hills Project. One such amendment has become law and has imposed a moratorium on patenting of mining claims, which reduced the security of title provided by unpatented claims such as those in GFG's project. If additional legislation is enacted, it could substantially increase the cost of holding unpatented mining claims by requiring payment of royalties, and could significantly impair the Resulting Issuer's ability to develop mineral resources on unpatented mining claims. Such bills have proposed, among other things, to make permanent the patent moratorium, to impose a federal royalty on production from unpatented mining claims and to declare certain lands as unsuitable for mining. Although it is impossible

to predict at this time what royalties may be imposed in the future, the imposition of such royalties could adversely affect the potential for development of such mining claims, and the economics of existing operating mines on federal unpatented mining claims. Passage of such legislation could adversely affect the Resulting Issuer's business.

Adequate Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on the availability of adequate infrastructure. Reliable roads, bridges, power sources, fuel and water supply and the availability of skilled labour and other infrastructure are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Resulting Issuer's business, operations, condition and results of operations.

Water Supply

In accordance with the laws of the State of Wyoming, the Resulting Issuer will need to obtain permits to drill water wells in connection with its future exploration, development and, if applicable, production activities. However, the amount of water that the Resulting Issuer will be entitled to use from those wells will not be determined by the appropriate regulatory authorities until a future date. A final determination of these rights will be dependent in part on the Resulting Issuer's ability to demonstrate a beneficial use for the amount of water that its intend to use. Unless the Resulting Issuer is successful in developing the properties to a point where it can commence commercial production of gold or other precious metals, it may not be able to demonstrate such beneficial use. Accordingly, there is no assurance that the Resulting Issuer will have access to the amount of water needed to operate a mine at the properties.

Factors Beyond the Resulting Issuer's Control

The potential profitability of the Resulting Issuer's mineral properties is dependent upon many factors beyond its control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Resulting Issuer cannot predict and are beyond its control, and such fluctuations will impact on profitability and may eliminate profitability altogether. The economics of developing a mineral property will also be affected by grade of ore, fluctuating mineral markets, costs of processing equipment, competition, extensions on licenses and other factors such as government regulations, including regulations relating to title to mineral concessions, royalties, allowable production, importing and exporting of minerals and environmental protection. Also, the Resulting Issuer will rely upon consultants and others for construction and operating expertise. Many of the above factors are beyond the Resulting Issuer's control. Depending on the price of minerals produced, the Resulting Issuer may determine that it is impractical to either commence or continue commercial production.

Fluctuating Gold Prices

Even if the Resulting Issuer is successful in identifying resources, its ability to raise the significant additional capital to construct a mill and other facilities necessary to extract those resources and its potential for future profitability will be directly impacted by, among other things, the market price of minerals, particularly gold. A decrease in the price of gold at any time during future exploration and development may prevent the Resulting Issuer's properties from being economically mined or result in the write off of assets whose value is impaired as a result of lower gold prices.

The market price of gold has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the Resulting Issuer's control, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies), interest rates, global or regional consumption patterns, speculative activities, the purchase and sale of gold by central banks, and increased production due to improved mining and production methods. In particular, the supply of and demand for minerals are affected by, among other factors, political events, economic conditions and production costs in various producing regions. The effect of these factors cannot be predicted.

Although it may in the future be possible for the Resulting Issuer to protect some price fluctuations by hedging if it identifies commercially minable resources or reserves on its properties, the volatility of mineral prices represents a substantial risk, which no amount of planning or technical expertise can eliminate. In the event gold prices decline and

remain low for prolonged periods of time, the Resulting Issuer might be unable to develop its properties or produce any revenue.

Indemnification of Directors

The laws of the Province of British Columbia provide that the Resulting Issuer's directors will not be liable to the Resulting Issuer or its shareholders for monetary damages for all but certain types of conduct as directors of the Resulting Issuer. The Resulting Issuer's articles require the Resulting Issuer to indemnify its directors and officers against all damages incurred in connection with the Resulting Issuer's business to the fullest extent provided or allowed by law. The exculpation provisions may have the effect of preventing shareholders from recovering damages against the directors caused by their negligence, poor judgment or other circumstances. The indemnification provisions may require the Resulting Issuer to use its limited assets to defend its directors and officers against claims, including claims arising out of their negligence, poor judgment, or other circumstances.

Risk of Being a "Passive Foreign Investment Company"

None of Crest, GFG nor the Resulting Issuer have determined whether they meet the definition of a Private Foreign Investment Company ("PFIC"), within the meaning of Sections 1291 through 1298 of the U.S. Internal Revenue Code of 1986, as amended. A U.S. shareholder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to numerous special U.S. federal income taxation rules, which may have adverse tax consequences to such shareholder including special rules generally intended to reduce or eliminate any benefits from the deferral of United States federal income tax that a U.S. shareholder could derive from investing in a non-United States company that does not distribute all of its earnings on a current basis. A U.S. securityholder should consult its own U.S. tax advisor with respect to an investment in Crest Shares to ascertain the tax impact on such securityholder.

Loss of "Foreign Issuer" Status

Both GFG and Crest are currently a "foreign issuer," as such term is defined in Rule 3b-4 under the U.S. Exchange Act and are not currently subject to public company reporting requirements in the United States. However, due to the majority of GFG's assets being located in the United States, it is possible that the Resulting Issuer may lose its status as a "foreign issuer" under U.S. securities laws in the future. In order to maintain such status for U.S. securities law purposes, the Resulting Issuer must not have more than 50% of its outstanding voting securities directly or indirectly held of record by residents of the United States as of the last Business Day of its most recently completed second fiscal quarter.

If the Resulting Issuer were to lose its status as a "foreign issuer" under U.S. securities laws, it may be required to register the Crest Shares under the U.S. Exchange Act and incur the costs associated with reporting as a public company in the United States. Further, raising capital may become difficult for the Resulting Issuer until such time as it registers the Crest Shares under the U.S. Exchange Act, and thereafter the Resulting Issuer may be required by investors to file registration statements and resale registration statements under the U.S. Securities Act related to such financing activities and incur significant costs associated with such filings.

Difficulty Enforcing Civil Liabilities

Both Crest and GFG are, and the Resulting Issuer will be, a company existing under the laws of the Province of British Columbia, Canada. In addition, the majority of the Resulting Issuer's directors and officers will be residents of countries other than the United States. As a result, it may be difficult for securityholders in the United States to affect service of process within the United States upon the Resulting Issuer and its directors and officers, or to realize in the United States upon judgments of courts of the United States predicated upon civil liability of the Resulting Issuer and its directors and officers under United States federal securities laws.

Dilution

The Resulting Issuer may in the future grant to some or all of its directors, officers, key employees and consultants options to purchase common shares at exercise prices equal to market prices at times when the public market is depressed. To the extent that significant numbers of such options are granted and exercised, the interests of the Resulting Issuer's then existing shareholders will be subject to additional dilution.

The Resulting Issuer's board of directors will have the authority to authorize the offer and sale of additional securities without the vote of or notice to existing shareholders. Based on the need for additional capital to fund expected

expenditures and growth, it is likely that the Resulting Issuer will issue additional securities to provide such capital and that such additional issuances may involve a significant number of shares at prices less than the current market price for the Crest Shares. Such additional issuances will dilute the percentage interest of existing shareholders and may reduce the price at which the Crest Shares are able to be sold.

Limited Trading Market

During the past year trading in the Crest Shares has been limited and sporadic and there can be no assurance that an active market for the Crest Shares will develop or be sustained after the Arrangement. If an active public market for the Crest Shares does not develop in the future, or if developed, is not sustained, the liquidity of an investor's investment may be limited and the share price may decline below the current market price for the Crest Shares.

Conflicts of Interest

Certain of the proposed directors and officers of the Resulting Issuer are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (British Columbia). In addition, some of the Resulting Issuer's directors and officers are or may become directors or officers of other companies engaged in the acquisition, exploration, development and production of mineral resource properties. In order to avoid the possible conflict of interest which may arise between the directors' duties to the Resulting Issuer and their duties to the other companies on whose boards they serve, the Resulting Issuer's proposed directors and officers have agreed to the following:

- (1) participation in other business ventures offered to the directors will be allocated between the various companies on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate;
- (2) no commissions or other extraordinary consideration will be paid to such directors and officers; and
- (3) business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to the Resulting Issuer except on the same or better terms than the basis on which they are offered to third party participants.

Currency Fluctuation and Foreign Exchange Controls Risks

The Resulting Issuer's operations will be conducted primarily in the United States making it subject to foreign currency fluctuation and such fluctuations may materially affect its financial position and results. The Resulting Issuer's currency fluctuation exposure will be primarily to the U.S. dollar as all material commitments are in Canadian or U.S. dollars.

In addition, stock markets generally have experienced extreme price and volume fluctuations and the market prices of securities generally have been highly volatile. These fluctuations are often unrelated to operating performance of a company and may adversely affect the market price of the Resulting Issuer Shares. As a result, securityholders may be unable to resell their shares at a fair price.

Financial Statements

The financial statements of the Resulting Issuer will be prepared in accordance with IFRS, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies.

Dividend Policy

Neither Crest nor GFG have paid a dividend on their common shares to date, and the Resulting Issuer is unlikely to be in a position to pay dividends in the foreseeable future. The Resulting Issuer's ability to pay dividends will depend on its ability to successfully develop one or more properties and generate revenue from operations. Further, its initial earnings, if any, will likely be retained to finance growth. Any future dividends will depend upon the Resulting Issuer's earnings, if any, its then-existing financial requirements and other factors, and will be at the discretion of its board of directors.

Recent Global Financial Conditions

Recent global financial conditions have been subject to increased volatility and uncertainty which has negatively impacted capital markets. These factors may impact the ability of the Resulting Issuer to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the value and the price of the Crest Shares could be adversely affected.

Uninsured Risks

The Resulting Issuer, as a participant in mining and exploration activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, the Resulting Issuer may incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

6. – 16. INFORMATION CONCERNING CREST PETROLEUM CORP. PRIOR TO THE ARRANGEMENT

See Appendix 1 to this Circular.

17. – 27. INFORMATION CONCERNING GFG RESOURCES INC.

See Appendix 2 to this Circular.

28. – 40. INFORMATION CONCERNING THE RESULTING ISSUER

See Appendix 3 to this Circular.

GENERAL MATTERS

41. Sponsorship

The Exchange has granted the Resulting Issuer an exemption from the sponsorship requirements of Exchange Policy 2.2 in connection with the Arrangement.

42. Experts

GFG retained APEX, of Edmonton, Alberta to prepare an independent NI 43-101 report on the Rattlesnake Hills Project located in Natrona County, Wyoming. The Rattlesnake Report is referenced at Item 19.2 “NARRATIVE DESCRIPTION OF THE BUSINESS – *Mineral Project*” in Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC”.

RwE was retained by Crest to provide the RwE Fairness Opinion with respect to the Acquisition which is attached to this Circular as Schedule “F”.

Semeniuk was retained by GFG to provide the Semeniuk Fairness Opinion with respect to the Arrangement which is attached to this Circular as Schedule “G”.

Thorsteinssons LLP was retained by GFG to provide the tax opinion with respect to the principal Canadian federal income tax considerations relating to the Arrangement under “INCOME TAX CONSIDERATIONS” in this Circular.

MNP LLP, Chartered Professional Accountants, prepared the auditor’s report for the audited annual financial statements of Crest for the years ended February 29, 2016 and February 28, 2015. MNP LLP, Crest’s auditor, is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, prepared the auditor’s report for the audited financial statements of GFG Canada for the period from April 5, 2016 (date of incorporation) to June 30, 2016 and the audited financial statements of GFG US for the fiscal year ended June 30, 2016 and the period from June 19, 2015 (date of incorporation) to June 30, 2015. Dale Matheson Carr-Hilton Labonte LLP, GFG’s auditor, is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

To the knowledge of Crest and GFG, none of the experts above or their respective Associates or Affiliates, beneficially owns, directly or indirectly, any securities of Crest or GFG, has received or will receive any direct or indirect interests in the property of Crest or GFG or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or any Associate or Affiliate thereof.

43. Other Material Facts

To the knowledge of the respective management teams of Crest and GFG, there are no other material facts relating to the Arrangement that are not otherwise disclosed in this Circular or the appendices or schedules included herein or are necessary for the Circular to contain full, true and plain disclosure of all material facts relating to the Arrangement.

Additional Information - Crest

Additional information relating to Crest is available on SEDAR at www.sedar.com. Shareholders may contact Crest at its head office at Suite 610 – 815 West Hastings Street, Vancouver, British Columbia, V6C 1B4 to request copies of Crest’s financial statements and MD&A or a copy of this Circular, or any of the Crest documents incorporated by reference herein.

Additional Information – GFG

Shareholders may contact GFG at its registered office at Suite 650 – 1188 West Georgia Street, Vancouver, B.C. V6E 4A2 to request copies of GFG’s financial statements or a copy of this Circular.

Crest Business

As of the date of this Circular, the Crest Board does not know of any other matters to be brought before the Crest Meeting, other than those set forth in the notice of meeting pertaining to Crest accompanying this Circular. If other matters are properly brought before the Crest Meeting, the persons named in the enclosed Crest Proxy will vote the proxy on such matters in accordance with their best judgment.

GFG Business

As of the date of this Circular, the GFG Board does not know of any other matters to be brought before the GFG Meeting, other than those set forth in the notice of meeting pertaining to GFG accompanying this Circular. If other matters are properly brought before the GFG Meeting, the persons named in the enclosed GFG Proxy will vote the proxy on such matters in accordance with their best judgment.

43. Board Approval

The contents and sending of this Circular have been approved by the Crest Board and GFG Board.

Crest has provided the information contained in this Circular concerning Crest and its business, including its financial information and financial statements. GFG assumes no responsibility for the accuracy of such information.

GFG has provided the information contained in this Circular concerning GFG and its business, including its financial information and financial statements. Crest assumes no responsibility for the accuracy of such information.

APPENDIX 1
INFORMATION CONCERNING CREST PETROLEUM CORP.
PRIOR TO THE ARRANGEMENT

INTRODUCTION

This Appendix 1 contains certain information on Crest before the completion of the Arrangement and reflects the current business, financial and share position of Crest. See Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER” for pro forma business, financial and share capital information following the completion of the Arrangement. Certain capitalized terms used in this Appendix 1 without definition have the meanings ascribed to them in the “Glossary of Terms” of the Circular to which this Appendix 1 is attached.

All dollar (\$) amounts stated in this Appendix 1 refer to Canadian dollars, unless otherwise indicated. References to “US\$” are to United States dollars.

6. CORPORATE STRUCTURE

Crest was incorporated on January 24, 2012, under the laws of the Province of British Columbia, Canada. Following the completion of its initial public offering on June 26, 2012, Crest secured the designation and was listed on the Exchange as a “Capital Pool Company” or “CPC” under the symbol “CT”. As of the date of this Circular, Crest is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

The head office of Crest is located at Suite 610 – 815 West Hastings Street, Vancouver, British Columbia, V6C 1B4. The registered office of Crest is located at Suite 1000 – 595 Burrard Street, Vancouver, British Columbia V7X 1S8.

Crest does not currently have any subsidiaries. However, see Item 28.2 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Corporate Structure - Inter-corporate Relationships*” for details of the Resulting Issuer’s inter-corporate relationships following completion of the Arrangement.

7. GENERAL DEVELOPMENT OF THE BUSINESS OF CREST

As a CPC company, Crest’s principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business (a “**Qualifying Transaction**”). Crest has not yet commenced operations and has no significant assets other than cash.

On October 23, 2013, Crest completed a non-brokered private placement of 1,000,000 common shares at a price of \$0.25 per share for gross proceeds of \$250,000 for general working capital purposes and to establish a cash reserve for the purposes of affecting a Qualifying Transaction.

On June 25, 2014, Crest entered into an agreement in principle with Sara Creek Gold Corp. to acquire a non-operated working interest in two oil fields in Southern California as its Qualifying Transaction for the Exchange. On October 6, 2014, Crest terminated this agreement.

By October 7, 2014, Crest had not completed a Qualifying Transaction within the time frame prescribed by the Exchange and accordingly its listing was transferred by the Exchange to the NEX trading board where Crest is presently listed under the symbol “CTP.H”.

On or about November 28, 2014, Crest consolidated its issued and outstanding common shares on a five for one basis, each five shares before consolidation being consolidated into one share after consolidation. In addition, in conjunction with Crest’s transfer to the NEX board, 250,000 post-consolidated common shares of Crest were cancelled in accordance with Exchange Policies.

In April 2015, Richard Silas was appointed as a director and the President and CEO of Crest with a view to identifying and acquiring one or more properties or businesses to facilitate Crest’s completion of a Qualifying Transaction. At the same time Michael Keast was appointed as an additional director of Crest and Jess Meidl and James Greig resigned from the Crest Board. Toby Pierce resigned as the President and CEO of Crest but remains as director of Crest pending completion of the Acquisition.

In June 2015, Crest completed a non-brokered “working capital” private placement of 3,000,000 common shares at a price of \$0.055 per share for gross proceeds of \$165,000, prior to share issuance costs of \$5,328.

In July 2015, Michael Waldkirch was appointed Chief Financial Officer of Crest to replace James Greig who had previously resigned.

As at May 31, 2016, Crest had cash of \$104,385 (unaudited) and a working capital surplus of \$94,209 (unaudited). See Item 8 “SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS – *Liquidity and Capital Resources*” below for further details.

Arrangement

In May, 2016, Crest began informal discussions with GFG with a view to a potential business combination between the two companies, which discussions led to Crest and GFG entering into the Letter Agreement on June 17, 2016. Effective September 2, 2016, Crest and GFG entered into the Arrangement Agreement. See “THE ARRANGEMENT – Background to the Arrangement” in the Circular for details regarding the terms and conditions of the Arrangement.

The Arrangement is subject to the acceptance of the Exchange and other closing conditions customary for transactions of such nature and completion of the Arrangement is scheduled to take place on or about October 21, 2016. See “THE ARRANGEMENT – Conditions to the Arrangement” in the Circular.

Upon completion of the Arrangement, GFG will become a wholly-owned subsidiary of the Resulting Issuer and the business of GFG will be the business of the Resulting Issuer. See Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER”.

Significant Acquisitions and Dispositions

Except as disclosed above, no other significant acquisitions or significant dispositions have been completed by Crest during the last three financial years or are contemplated, with the exception of the Arrangement.

Stated Business Objectives

Crest’s principal activity is the identification, evaluation and negotiation of a Qualifying Transaction. Crest has not yet commenced operations and has no significant assets other than cash.

On June 17, 2016, Crest entered into the Letter Agreement with GFG to acquire 100% of the issued and outstanding GFG Shares in exchange for Crest Shares on a one GFG Share for one Crest Share basis. Effective September 2, 2016, Crest and GFG entered into the Arrangement Agreement with a view to completing the Acquisition by way of a statutory plan of arrangement under the BCBCA. Upon completion of the Arrangement GFG will become a wholly-owned subsidiary of Crest and the new Resulting Issuer will proceed to carry out the recommended exploration programs on GFG’s Rattlesnake Hills Project (see Item 19.2 in Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – *Narrative Description of the Business - Material Project*” and Item 32 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Available Funds and Principal Purposes*”).

The Resulting Issuer will also continue to assess additional mineral properties, initially in Wyoming, U.S.A., with a view to acquiring same if the Resulting Issuer concludes they have sufficient geological or economic potential and if the Resulting Issuer has sufficient financial resources to complete such acquisitions.

8. SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS

Selected Annual Financial Information

The following table sets forth selected financial information for Crest for the three most recently completed fiscal years ended February 29, 2016, February 28, 2015 and February 28, 2014 and should be read in conjunction with Crest’s audited financial statements and related notes for such periods.

The following information has been prepared in accordance with IFRS and is expressed in Canadian dollars.

	2016	2015	2014
Total Revenue	-	-	-
Loss and comprehensive loss	\$(49,114)	\$(339,319)	\$(117,337)
Basic and diluted loss per share	\$(0.01)	\$(0.19)	\$(0.09)
Weighted average shares outstanding ⁽¹⁾	3,823,770	1,819,490	1,274,285
Total assets	\$113,025	\$19,651	\$362,095

(1) These figures reflect the five to one share consolidation completed by Crest on or about November 28, 2014.

Crest's loss and comprehensive loss for the year ended February 29, 2016 was \$49,114 or \$0.01 per share (basic and diluted) compared to a loss and comprehensive loss of \$339,319 or \$0.19 per share (basic and diluted) for the year ended February 28, 2015 and \$117,337 or \$0.09 per share (basic and diluted) for the year ended February 28, 2014. The much larger loss in 2015 compared to 2014 and 2016 was the result of substantially higher professional fees of \$225,458 (2016 - \$31,959; 2014 - \$44,345) and travel and promotional expenses of \$44,505 (2016 - nil; 2014 - \$49,920) incurred by Crest in connection with its proposed Qualifying Transaction and due diligence of a working interest in two oil fields in Southern California from Sara Creek Gold Corp. See Item 7 "GENERAL DEVELOPMENT OF THE BUSINESS OF CREST" above. Crest's 2016 loss was considerably smaller than its 2014 loss as Crest was not as actively engaged in looking for potential Qualifying Transactions during fiscal 2016 in large part due to the very difficult capital markets for junior issuers throughout calendar 2015.

Crest's general and administration expenses for the year ended February 29, 2016 totaled \$49,114 compared to \$339,696 in 2015 and \$119,137 in 2014. The major expenses for the year ended February 29, 2016 were professional fees of \$31,959 (2015 - \$225,458; 2014 - \$44,345) and registration and filing fees of \$10,670 (2015 - \$35,705; 2014 - \$18,987). The higher professional and registration and filing fees in 2015 and 2014 compared to 2016 is the result of Crest devoting more management time and resources to the identification and negotiation of potential Qualifying Transactions in 2015 and 2014.

Summary of Quarterly Results

The following information has been prepared in accordance with IFRS and is expressed in Canadian dollars.

	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter
Three Months Ended	May 31, 2016	Feb 29, 2016	Nov 30, 2015	Aug 31, 2015
Total Revenue	-	-	-	-
Loss and Comprehensive Loss	\$(3,705)	\$(9,645)	\$(4,679)	\$(19,676)
Loss per share-basic and diluted	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)

	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter
Three Months Ended	May 31, 2015	Feb 28, 2015	Nov 30, 2014	Aug 31, 2014
Total Revenue	-	-	-	-
Loss and Comprehensive Loss	\$(15,114)	\$(36,136)	\$(37,524)	\$(119,027)
Loss per share-basic and diluted	\$(0.01)	\$(0.02)	\$(0.02)	\$(0.06)

Crest has not yet commenced operations and its activities to date have been directed and focused towards the identification and acquisition of potential properties or businesses with a view to completing a Qualifying Transaction and listing on the Exchange.

Accordingly, Crest's expenditures to date have been incurred primarily on professional fees and travel and promotion associated with identifying and negotiating Qualifying Transactions. The variation and fluctuation in quarterly expenditures and corresponding losses in the preceding table are reflective of those periods of more or less activity associated with identifying and investigating potential Qualifying Transactions for acquisition.

Liquidity and Capital Resources

Crest has no active business and accordingly does not generate cash from operations. Crest finances its general and administrative expenses including professional fees and travel and promotional expenses associated with investigating potential Qualifying Transactions by raising capital from equity markets from time to time and will continue to do so for the foreseeable future. There can be no assurance that equity financing will always be available to Crest in any amount.

In June 2015, Crest completed a non-brokered “working capital” private placement of 3,000,000 common shares at a price of \$0.055 per share for gross proceeds of \$165,000, prior to share issuance costs of \$5,328.

As at May 31, 2016 Crest had a working capital surplus of \$94,209 (unaudited) compared to a surplus of \$97,914 as at February 29, 2016 (audited). Crest’s liquidity and capital resources as at May 31, 2016 were as follows:

	May 31, 2016 (unaudited)	February 29, 2016 (audited)
Cash and cash equivalents	\$104,385	\$104,807
Prepaid expenses	\$7,000	\$8,218
Total current assets	\$111,385	\$113,025
Trade payables and accrued liabilities	\$17,176	\$15,111

Crest’s financial success will be dependent upon the extent to which it can identify and complete a Qualifying Transaction and generate revenues and cash flow therefrom. Crest will require additional equity investment in the near future to continue its pursuit of a Qualifying Transaction and for working capital purposes.

Contractual commitments

Save and except with respect to the Arrangement, Crest has no material contractual commitments.

Off-Balance Sheet Arrangements

Crest has no off-balance sheet arrangements.

Transactions with Related Parties

Save as disclosed below, during the years ended February 29, 2016, February 28, 2015 and February 28, 2014 Crest did not engage in any related party transactions.

As at February 28, 2015, Crest was indebted to certain directors and officers in the aggregate amount of \$1,304 (2014 - \$10,963) for advances made to Crest to fund ongoing obligations and payables. These advances were unsecured, non-interest bearing and due on demand. As at February 29, 2016, these advances had been repaid to the directors and officers in full.

During the year ended February 28, 2014, certain directors and officers of Crest purchased a total of 140,000 common shares at a price of \$0.25 per share for gross proceeds of \$35,000 pursuant to Crest’s working capital private placement of 1,000,000 common shares at \$0.25 per share completed on October 23, 2013. These shares were subsequently consolidated on a five to one basis in November 2014. See Item 7 “GENERAL DEVELOPMENT OF THE BUSINESS OF CREST” above.

During the year ended February 29, 2016, Richard Silas, the President and Chief Executive Officer of Crest, purchased a total of 280,000 common shares at a price of \$0.055 per share for an aggregate cost of \$15,400 pursuant to Crest’s working capital private placement of 3,000,000 common shares at \$0.055 per share in June 2015. See Item 7 “GENERAL DEVELOPMENT OF THE BUSINESS OF CREST” above.

Trends and Business Risks

Crest has not yet commenced operations, has no active business and does not generate cash from operations. Crest has limited capital resources and has to rely upon the sale of equity securities in order to secure the cash required to fund its ongoing administrative expenses.

The continuing operations of Crest are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and complete its Qualifying Transaction. As of the date hereof, Crest has entered into the Arrangement Agreement to acquire all of the issued and outstanding GFG Shares and will, upon completion of the Acquisition, proceed to carry out the recommended exploration programs on GFG's Rattlesnake Hills Project (see Item 19.2 of Appendix 2 "INFORMATION CONCERNING GFG RESOURCES INC. – *Narrative Description of the Business - Material Project*" and Item 32 of Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – *Available Funds and Principal Purposes*"). However, even if Crest is successful in completing the Acquisition of GFG, Crest does not expect to generate any revenues from operations in the near future and will be required to continue to rely upon the sales of its equity securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt, equity or otherwise, will be available to Crest in the amount required at any particular time or for any period and that such financing can be obtained on terms satisfactory to Crest.

The recovery of expenditures on mineral properties and related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Resulting Issuer to obtain financing necessary to complete the exploration and development of its mineral properties and future profitable production, or alternatively, on the sufficiency of proceeds from disposition as well as market conditions beyond the control of the Resulting Issuer. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Resulting Issuer's efforts will be successful. See Item 5.5 "RISK FACTORS" in the Circular.

In addition, Crest is exposed to uncertainties related to the closing of the Arrangement including, but not limited to, obtaining the requisite shareholder, regulatory and court approvals. See "THE ARRANGEMENT – Conditions to the Arrangement" in the Circular. Upon completion of the Arrangement, the Resulting Issuer's success will depend on a number of factors, including inherent risks in the mining industry, market price fluctuations and operating in a foreign country and foreign currencies. See Item 5.5 "RISK FACTORS" in the Circular.

9. DESCRIPTION OF SECURITIES

Share Capital

The authorized capital of Crest consists of an unlimited number of common shares without par value.

As of the Record Date, there were 4,750,000 Crest Shares issued and outstanding.

The holders of Crest Shares are entitled to vote at all meetings of shareholders of Crest, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of Crest. Distribution in the form of dividends, if any, will be set by the Crest Board. See "DIVIDEND POLICY" below for particulars of Crest's dividend policy.

Provisions as to the modification, amendment or variation of the rights attached to the capital of Crest are contained in Crest's Articles and the *BCBCA*. Generally speaking, substantive changes to the share capital require the approval of the shareholders by special resolution (at least 66 2/3% of the votes cast).

See Item 31 in Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – *Pro Forma Consolidated Capitalization*" for details of the pro-forma issued and outstanding share capital of the Resulting Issuer after giving effect to the Arrangement.

10. OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

At present, Crest has a "rolling" stock option plan in place for its directors, officers, and consultants pursuant to which the aggregate number of common shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the issued and outstanding Crest Shares. In conjunction with the Arrangement, Crest has adopted, subject to the approval of the Crest Shareholders, a new "rolling" stock option plan (the "**2016 Stock Option Plan**") which better

reflects the current policies of the Exchange and applicable securities legislation, under which all future options will be granted as more particularly described under Item 5.2 “BUSINESS OF THE CREST MEETING – Adoption of 2016 Stock Option Plan” in the Circular to which this Appendix 1 is attached.

The principal purposes of the 2016 Stock Option Plan are to provide Crest with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of Crest; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of Crest; to encourage such persons to remain with Crest; to attract new talent to Crest; and to reduce the cash compensation Crest would otherwise have to pay.

Upon completion of the Arrangement the 2016 Stock Option Plan will become the stock option plan of the Resulting Issuer.

As of the Record Date, Crest had a total of 100,000 stock options outstanding at an exercise price of \$0.50 per share and expiring on June 26, 2022. See Item 38 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Options to Purchase Securities*” for details of the stock options anticipated to be held by the directors, executive officers, employees and consultants of GFG and the Resulting Issuer upon completion of the Arrangement.

The following table summarizes the Crest options outstanding as of the Record Date:

Group	Number of Optionees Within Group	Aggregate Number of Shares	Exercise Price	Expiry Date
Stock Options				
Executive Officers (including past executive officers) of Crest as a group	2	40,000	\$0.50	June 26, 2022
Directors (including past directors) of Crest who are not also executive officers as a group	3	60,000	\$0.50	June 26, 2022
All Other Employees of Crest as a group	Nil	N/A	N/A	N/A
All consultants of Crest as a group	Nil	N/A	N/A	N/A
TOTAL	5	100,000		

There are no assurances that the above options will be exercised in whole or in part.

Save as aforesaid there are no options, warrants or other rights to acquire Crest Shares outstanding.

See Item 38 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER - *Options to Purchase Securities*” for details of the options, warrants and other rights to acquire Crest Shares that are expected to be outstanding following the Arrangement.

11. PRIOR SALES

Crest has not issued any securities during the 12 month period preceding the date of this Circular.

11.1 Stock Exchange Price

Crest Shares are currently listed on the NEX board of the Exchange under the symbol “CTP.H”. The closing price of the Crest Shares on June 9, 2016 was \$0.21, being the last day on which the Crest Shares traded prior to the Crest Shares being halted on June 10, 2016 in connection with the Acquisition and, as of the Record Date, trading in Crest Shares remains halted.

The following table sets out Crest's trading history on the NEX on a monthly basis for each of the 12 months preceding the date of the Circular.

Period	High	Low	Volume
September 1 - 7, 2016 - Halted	N/A	N/A	N/A
August 2016 – Halted	N/A	N/A	N/A
July 2016 - Halted	N/A	N/A	N/A
June 10 – June 30, 2016 – Halted	N/A	N/A	N/A
June 1 - 9, 2016	0.21	0.21	40,000
May 2016	0.20	0.12	2,400
April 2016	0.17	0.12	2,300
March 2016	-	-	-
February 2016	0.12	0.10	17,000
January 2016	-	-	-
December 2015	0.15	0.10	55,000
November 2015	0.26	0.15	95,500
October 2015	-	-	-
September 2015	0.40	0.26	3,600

ESCROWED SHARES

As of the date of this Circular, there are a total of 382,000 Crest Shares in escrow held by certain directors and former directors and principals of Crest (collectively the “**Crest Escrow Shareholders**”).

By agreement dated June 7, 2016 among the Crest Escrow Shareholders and Jonathan T. Awde, the Crest Escrow Shareholders have agreed to sell and Mr. Awde has agreed to purchase all of such escrow shares at a price of \$0.30 per share for an aggregate purchase price of \$114,600 on the fifth Business Day following the acceptance of such transfer within escrow by the Exchange. Mr. Awde is the President of GFG US and a proposed director of the Resulting Issuer. It is anticipated that such transfer within escrow will be completed in conjunction with the Closing of the Arrangement.

See Item 39 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Escrowed Securities*” for details of the Crest Shares to be held in escrow with TSX Trust or otherwise subject to escrow restrictions following completion of the Arrangement.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of Crest as of the Record Date, no person owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Crest.

DIRECTORS AND EXECUTIVE OFFICERS

The following table and notes thereto state the names, provinces/states and countries of residence of the directors and officers of Crest, the positions and offices presently held with Crest, the principal occupation or employment of each of them, and the approximate number of Crest Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as of the Record Date. The biographical information set out below as to principal occupation of, and number of Crest Shares owned by, each of the directors and officers, not being within the knowledge of Crest, has been furnished by the directors and officers themselves.

Name, Province/State and Country of Residence and Position with Crest	Present Principal Occupation ⁽¹⁾	Previously a Director Since	Shares Owned ⁽²⁾
Richard Silas ⁽³⁾ B.C., Canada <i>President, Chief Executive Officer and Director</i>	Principal of Universal Solutions Inc., private company providing management and administration services to TSX Venture Exchange issuers; Corporate Secretary and director of Gold Standard Ventures Corp. (TSXV; NYSE-MKT – GSV), July 2010 to present	April 8, 2015	280,000
Michael Keast ⁽³⁾ Manitoba, Canada <i>Director</i>	Managing Partner, Allied Pioneer Industries; July 2015 to present; Partner (Syndication and Compliance), Medalist Capital Ltd., August 2013 to May 2015; Trade Desk Associate, Casimir Capital LP, January 2011 to July 2013	April 8, 2015	Nil ⁽⁴⁾
Toby Pierce ⁽³⁾ London, United Kingdom <i>Director</i>	Chief Executive Officer and director, TAG Oil (TSX: TAO), June 2015 to present; former President and Chief Executive Officer of Crest Petroleum Corp.; January 2012 to April 2015; Managing Director; Burnt Ridge Advisory; February 2012 to May 2015; Partner and Oil and Gas Analyst, GMP Europe Securities LLP; January 2010 to February 2012	January 24, 2012	268,000 ⁽⁵⁾
David Schmidt B.C., Canada <i>Director</i>	Self-employed consultant to mineral exploration companies; President and Chief Executive Officer of Oceanside Capital Corp.; Chief Financial Officer of G4G Capital Corp (TSXV-GGC); Director of Eyecarrot Innovations Corp.	January 24, 2012	58,000 ⁽⁶⁾
Michael Waldkirch B.C., Canada <i>Chief Financial Officer</i>	Chartered Professional Accountant since 1998, Chief Financial Officer, Gold Standard Ventures Corp. (TSXV; NYSE-MKT – GSV), July 2010 to present	N/A	6,800

(1) Includes occupations for preceding five years.

(2) The approximate number of Crest Shares carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as of August 31, 2016. This information is not within the knowledge of the management of Crest and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by Crest’s transfer agent or from insider reports filed by the individuals and available through the Internet at www.sedi.ca.

(3) Member of audit committee.

(4) Mr. Keast is a principal shareholder of Medalist, a private Ontario company which owns a total of 470,000 Crest Shares or approximately 9.89% of the issued and outstanding shares of Crest.

(5) Pursuant to an agreement dated June 7, 2016, Mr. Pierce has agreed to transfer 128,000 of these shares, currently held in escrow with TSX Trust, to Jonathan T. Awde, the President of GFG US and a proposed director of the Resulting Issuer, in conjunction with the Arrangement. See “ESCROWED SHARES” above. See also Item 39 in Appendix 3 – INFORMATION CONCERNING THE RESULTING ISSUER – Escrowed Securities” to this Circular.

(6) Pursuant to an agreement dated June 7, 2016, Mr. Schmidt has agreed to transfer these shares, currently held in escrow with TSX Trust, to Jonathan T. Awde, the President of GFG US and a proposed director of the Resulting Issuer, in conjunction with the Arrangement. See “ESCROWED SHARES” above. See also Item 39 in Appendix 3 – INFORMATION CONCERNING THE RESULTING ISSUER – Escrowed Securities” to this Circular.

Corporate Cease Trade Orders or Bankruptcy

Save and except as disclosed below, to the knowledge of management of Crest, none of the current directors or officers of Crest are, or have been, within ten years before the date of this Circular, a director or executive officer of any company (including Crest) that, while that person was acting in that capacity:

- (b) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (c) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (d) 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.

Richard S. Silas and Michael N. Waldkirch are former directors and/or officers of Northern Star Mining Corp. (“**Northern Star**”), a reporting issuer whose common shares were previously listed for trading on the Exchange. Effective August 18, 2010, Northern Star filed a Notice of Intention to Make a Proposal (the “**Proposal**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**Bankruptcy Act**”) and appointed Deloitte & Touche Inc. as its trustee. On January 24, 2011, the deadline for filing its Proposal under the Bankruptcy Act expired and Northern Star was deemed to have filed an assignment in bankruptcy as of such date. Messrs. Silas and Waldkirch resigned as a directors and/or officers of Northern Star effective such date.

Mr. Waldkirch is a director and officer, and Mr. Silas is a former director, of Spirit Bear Capital Corp., a capital pool company that was suspended from trading by the Exchange on May 15, 2014 for failure to complete a qualifying transaction within 24 months of its listing.

Penalties or Sanctions

To the knowledge of management of Crest, as at the date of this Circular, none of the directors or officers of Crest is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcy

To the knowledge of management of Crest, none of the directors or officers of Crest has, within the ten 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 directors or officers.

Conflicts of Interest

The directors of Crest are required by law to act honestly and in good faith with a view to the best interests of Crest and to disclose any interests which they may have in any project or opportunity of Crest. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Crest will participate in any project or opportunity, the directors will primarily consider the degree of risk to which Crest may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the knowledge of Crest’s management, there are no known existing or potential conflicts of interest among Crest and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management now or may in the future serve as directors, officers, promoters and members of management of other public companies, some of which are or may be involved in mineral exploration and development, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of Crest and their duties as a director, officer, promoter or member of management of such other companies.

See also Item 5.1 “GENERAL PROXY INFORMATION – *Interest of Certain Persons in Matters to be Acted on at the Meetings*” in the Circular.

Indebtedness of Directors, Executive Officers and Senior Officers

No person who is or at any time since the commencement of Crest’s last completed financial year was a director, executive officer or senior officer of Crest, and no associate of any of the foregoing persons has been indebted to Crest at any time since the commencement of Crest’s last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by Crest at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

Interest of Management and Others in Material Transactions

Other than as disclosed in this Circular, none of the directors, executive officers or principal shareholders, if any, of Crest or any associate or affiliate of the foregoing has had a material interest, direct or indirect, in any transactions in which Crest has participated within the three year period prior to the Record Date, which has materially affected or will materially affect Crest. See Item 5.1 “GENERAL PROXY INFORMATION – *Interest of Certain Persons in Matters to be Acted on at the Meetings*” in the Circular.

12. EXECUTIVE COMPENSATION

12.1 Disclosure

Compensation Discussion and Analysis

As a CPC, Crest is not permitted to pay salaries, consulting fees, management contract fees or directors’ fees under Exchange Policies. Thus, while Crest remains a CPC, the only compensation that it is permitted to offer its directors and executive officers is incentive stock options. As a CPC, Crest does not have a formal compensation policy. However, remuneration plays an important role in attracting, motivating, rewarding and retaining knowledgeable and skilled individuals to Crest’s management team. The main objectives Crest hopes to achieve through its compensation are:

- to attract and retain executives critical to its success, who will be key in helping Crest achieve its corporate objectives and increase shareholder value, which as a CPC means identifying and completing a Qualifying Transaction;
- to recognize the contribution of Crest’s executive officers and directors to the overall success and strategic growth of Crest;
- to motivate Crest’s management team to meet or exceed targets; and
- to align the interests of management and Crest Shareholders by providing performance based compensation.

The Crest Board determines an appropriate amount of compensation for its executives, reflecting the need to provide incentive and compensation for the time and effort expended by the executives while taking into account Crest’s financial and other resources and the limitations imposed on Crest as a CPC under the Exchange Policies. However, given Crest’s current size and limited mandate of identifying and completing a Qualifying Transaction, Crest does not believe its limited compensation policy is likely to have a material adverse effect on Crest.

Crest’s management is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Crest’ equity securities granted as compensation or held, directly or indirectly, by management.

The Crest Board determines the allocation and terms of any stock option grants. When granting stock options, the Crest Board considers the amount of past options which have been granted.

Option-based Awards

As the only form of compensation permitted to be paid by Crest, as a CPC, to its Named Executive Officers, the Crest Board seeks to provide incentive stock options its Named Executive Officers commensurate with the level of responsibility of the executive as well as his impact or contribution to the longer-term operating performance of Crest with specific emphasis on increasing shareholder value. The CEO typically puts forth a proposal for stock option grants for directors, officers and employees, which is reviewed and discussed by Crest's Board and ultimately approved by the Crest Board. The following factors are taken into consideration when new stock option grants are proposed:

- the optionee's length of service and responsibility level;
- past performance and expected future performance;
- previous option grants; and
- the number of issued and outstanding Crest Shares.

The Crest Board has not established specific target levels for stock options grants as of the date of this Circular.

However, see Item 5.2 "BUSINESS OF THE CREST MEETING - *Adoption of 2016 Stock Option Plan*" of the Circular for details of the new stock option plan to be adopted for the Resulting Issuer upon completion of the Acquisition.

Compensation Governance

The Crest Board determines an appropriate amount of compensation for its executives (currently limited solely to incentive stock options), reflecting the need to provide incentive and compensation for the time and effort expended by the executives while taking into account the financial and other resources of Crest and the restrictions imposed by the Exchange. Crest does not have a Compensation Committee.

Named Executive Officers

For the purposes of this Appendix 1, a "Named Executive Officer" of Crest means each of the following individuals:

- (a) the Chief Executive Officer or CEO; and
- (b) the Chief Financial Officer or CFO.

Crest had four Named Executive Officers during its most recently completed financial year ended February 29, 2016, being Richard Silas, Crest's CEO (appointed April 8, 2015), Michael Waldkirch, Crest's CFO (appointed July 28, 2015), Toby Pierce, Crest's former CEO (resigned April 8, 2015) and James Greig, Crest's former CFO (resigned April 8, 2015).

12.2 Compensation

Summary Compensation Table

The following table sets out certain information respecting the compensation paid to Crest's Named Executive Officers for the three most recently completed fiscal years ended February 29, 2016, February 28, 2015 and February 28, 2014.

Name and principal position	Fiscal Year	Salary ⁽¹⁾	Share based Awards	Option Based Awards ⁽²⁾	Non-equity incentive plan compensation		Pension Value	All other Compensation (\$)	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans			
Richard Silas ⁽³⁾ Chief Executive Officer	2016	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
Michael Waldkirch ⁽⁴⁾ Chief Financial Officer	2016	Nil	Nil	Nil	N/A	N/A	N/A	N/A	Nil

Toby Pierce ⁽⁵⁾ (former CEO)	2016	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2015	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2014	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
James Greig ⁽⁶⁾ (former CFO)	2016	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2015	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil
	2014	Nil	Nil	Nil	N/A	N/A	N/A	Nil	Nil

Notes:

- (1) Crest has not paid any cash compensation to its Named Executive Officers since its incorporation on January 24, 2012 and does not intend to pay any compensation, other than incentive stock options, to its Named Executive Officers until such time as it has completed its Qualifying Transaction. See Item 35 of Appendix C "INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*" of this Circular for details of the anticipated compensation to be paid to the proposed executive officers of the Resulting Issuer upon completion of the Arrangement.
- (2) Refer to options granted under Crest's current stock option plan. See Item 10 "OPTIONS TO PURCHASE SECURITIES" in this Appendix 1.
- (3) Richard Silas was appointed Chief Executive Officer of Crest on April 8, 2015.
- (4) Michael Waldkirch was appointed Chief Financial Officer of Crest on July 28, 2015.
- (5) Toby Pierce resigned as the President and Chief Executive Officer of Crest on April 8, 2015.
- (6) James Greig resigned as the Chief Financial Officer of Crest on April 8, 2015.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all option-based and share-based awards outstanding for each Named Executive Officer at February 29, 2016:

Name	Option-based Awards				Share-based Awards ⁽²⁾	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money-options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)
Richard Silas CEO	Nil	N/A	N/A	N/A	N/A	N/A
Michael Waldkirch CFO	Nil	N/A	N/A	N/A	N/A	N/A
Toby Pierce ⁽³⁾ (former CEO)	20,000	0.50	June 26, 2022	Nil	N/A	N/A
James Greig (former CFO)	20,000	0.50	June 26, 2022	Nil	N/A	N/A
TOTAL	40,000	0.50	June 26, 2022	Nil	N/A	N/A

- (1) Based on the difference between the closing price of the Crest Shares on the Exchange on February 29, 2016 (being the last trading day during fiscal 2016) of \$0.12 and the stock option exercise price, multiplied by the number of common shares under option. If the option was not-in-the-money then a NIL value was assigned.
- (2) Crest has not granted any share-based awards.
- (3) Mr. Pierce remains a director of Crest pending completion of the Qualifying Transaction with GFG.

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards or share-based awards were vested in, and no other non-equity incentive plan compensation was paid to, the Named Executive Officers of Crest during the year ended February 29, 2016.

Pension Plan Benefits

Crest does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

Termination and Change of Control Benefits

Crest has not entered into any compensatory plans, contracts or arrangements with any of its Named Executive Officers whereby such officers are entitled to receive compensation as a result of the resignation, retirement or any other termination of employment of the Named Executive Officer with Crest or from a change in control of Crest or a change in the Named Executive Officer's responsibilities following a change in control.

Management/Employment Contracts

Crest does not currently have any management/employment agreements in place with its Named Executive Officers. See Item 35 "EXECUTIVE COMPENSATION" in Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER" of the Circular for details of the proposed compensation to be paid to the Named Executive Officers of the Resulting Issuer upon completion of the Arrangement.

Compensation of Directors

Crest currently has four directors, two of whom, Richard Silas and Toby Pierce, are also Named Executive Officers for the purposes of this Circular. For a description of the compensation paid to Messrs. Silas and Pierce, see the "Summary Compensation Table" above.

Crest does not currently pay any cash compensation, fees or stipends to its non-executive directors. In addition, due to its size, early stage of development and that fact that it is still a CPC, Crest does not pay retainers or meeting fees to its non-executive directors. Accordingly, currently, Crest only compensates its non-executive directors through incentive stock options.

Director Compensation Table

The following table sets forth information regarding the compensation paid to Crest's directors, other than directors who are or were Named Executive Officers listed in the "Summary Compensation Table" above, during the fiscal year ended February 29, 2016.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)⁽¹⁾	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)⁽²⁾
Michael Keast	Nil	Nil	Nil	Nil	Nil	Nil
David Schmidt	Nil	Nil	Nil	Nil	Nil	Nil
Jesse Meidl (former director) ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	Nil	Nil	Nil	Nil	Nil	Nil

(1) Refer to options granted under Crest's current stock option plan.

(2) Compensation information for Richard Silas and Toby Pierce, also directors of Crest, and James Greig, the former Chief Financial Officer and former director of Crest, is contained in the "Summary Compensation Table" for the Named Executive Officers above.

(3) Mr. Meidl resigned as a director of Crest on April 8, 2015.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

There were no option-based or share-based awards outstanding for any director of Crest, who was not a Named Executive Officer, at February 29, 2016.

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards or share-based awards were vested in, and no other non-equity incentive plan compensation was paid to, any director of Crest, who was not a Named Executive Officer, during the year ended February 29, 2016.

12.3 Management Contracts

Management functions of Crest are not, to any substantial degree, performed by a Person or Persons other than the directors and executive officers of Crest.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of Crest nor any of their Associates or Affiliates are or have been indebted to Crest since the commencement of Crest's most recently completed fiscal year ended February 29, 2016.

AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires Crest, as a venture issuer, to disclose in this Circular certain information concerning the constitution of its Audit Committee and its relationship with Crest's external auditor as set forth below.

1. The Audit Committee Charter

Crest's audit committee is governed by an audit committee charter, the text of which is set out below:

*“The Audit Committee is appointed by the board of directors of the Company (the “**Board**”) to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee's primary duties and responsibilities are to:*

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;*
- (b) recommend to the Board the compensation of the external auditor;*
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;*
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor;*
- (e) review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;*
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;*
- (g) establish procedures for:*
 - (1) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and*
 - (2) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and*
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.*

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.”

2. Composition of Audit Committee

The following are the members of the Audit Committee:

Michael Keast	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Richard Silas	Non-Independent ⁽¹⁾	Financially literate ⁽¹⁾
Toby Pierce	Non-Independent ⁽¹⁾	Financially literate ⁽¹⁾

⁽¹⁾ As defined by NI 52-110 *Audit Committee*.

3. Relevant Education and Experience

All of the Audit Committee members are business persons with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

All members of the Audit Committee have the ability to read, analyze, and understand the complexities surrounding the issuance of Crest’s financial statements.

Mr. Keast is the Managing Partner of Allied Pioneer Industries Ltd., a manufacturer of plastic and speciality bags based in Winnipeg, Manitoba. Mr. Keast also spent four years in the brokerage industry as a partner in syndication and compliance with Medalist Capital Ltd., an exempt market dealer in, among other provinces, Ontario, and as a trade desk associate and liability trader with Casimir Capital LP. Mr. Keast holds an undergraduate degree in sociology from Augusta State University in Augusta, Georgia.

Mr. Silas is the President of Universal Solutions Inc., a private company providing management and administrative services to TSXV listed companies, and has served as a director and/or officer of various publicly traded companies over the past 15 years including Gold Standard Ventures Corp. and Consolidated Westview Resources Corp. Mr. Silas also holds a certificate (securities program) from Simon Fraser University in British Columbia.

Mr. Pierce, currently the Chief Executive Officer and a director of Tag Oil Ltd. (TSX: TAO), is a natural-resource executive with more than 19 years of extensive transactional and valuation experience in deal sizes ranging from several million to \$1.3 billion in value. He began his career as a geologist with Hunter Dickinson, then moved to Pierce Geological, a privately held oil and gas consulting company. As Director of Oil and Gas Institutional Research at Tristone Capital, Mr. Pierce worked in both the Calgary and London offices. Remaining in London, Mr. Pierce became Partner and Lead Oil and Gas Analyst for GMP, where he covered a variety of oil and gas companies with market capitalizations ranging from \$30 million to \$15 billion, and provided strategic advice and valuation expertise both internally to the investment banking and sales partners, and externally to energy company management on asset acquisitions, financings, and capital markets. Mr. Pierce recently held a senior management position as Managing Director of Burnt Ridge Advisory, a natural resources advisory firm focused on acquisitions, valuation, investments, M&A, deal structuring, and due diligence for resource companies and investors, as well as being a co-founder of Crest. Mr. Pierce is a graduate of the Rotman School of Management at the University of Toronto where he earned an M.B.A. degree in Finance, and also holds a B.Sc. degree in Earth Sciences from the University of Victoria.

See also Item 5.2 “BUSINESS OF THE CREST MEETING – Election of Directors” in the Circular.

4. Audit Committee Oversight

To date, the Audit Committee has not made a recommendation to nominate or compensate an external auditor that has not been adopted by the Crest Board.

5. Reliance on Certain Exemptions

Crest is relying upon the exemption in section 6.1 of NI 52-110, which provides that Crest, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

At no time since the commencement of Crest’s most recently completed fiscal year ended February 29, 2016 has Crest relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

6. Pre-Approval Policies and Procedures

Save for its duty and responsibility to pre-approve all non-audit services to be provided to Crest by Crest’s external auditor, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services will be considered by the Audit Committee, and where applicable the Crest Board, on a case-by-case basis.

7. External Audit Service Fees (By Category)

In the following table, “audit fees” are fees billed by Crest’s external auditor for services provided in auditing Crest’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of Crest’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees incurred by Crest to its external auditor, MNP LLP, Chartered Professional Accountants, in each of the last two fiscal years for audit and other fees are as follows:

Fiscal Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
February 29, 2016	\$6,400	Nil	Nil	Nil
February 28, 2015	\$6,200	Nil	Nil	Nil

CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines, which apply to all public companies. Crest has reviewed its own corporate governance practices in light of these guidelines. In certain cases, Crest’s practices comply with the guidelines, however, the Crest Board considers that some of the guidelines are not suitable for Crest as a CPC and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) also requires Crest to disclose in this Circular certain information concerning its corporate governance practices. As a “venture issuer” Crest is required to make such disclosure with reference to the requirements of Form 58-101F2, which disclosure is set forth below.

Independence of Members of Crest Board

The Crest Board consists of four directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. David Schmidt and Michael Keast are independent. Richard Silas is not independent by virtue of his management position as the President and Chief Executive Officer of Crest and Toby Pierce is not independent as the former President and Chief Executive Officer of Crest.

Management Supervision by Crest Board

As a CPC, Crest’s size is such that all of Crest’s operations are conducted by a small management team which is also represented on the Crest Board. The Crest Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors have full and unrestricted access to management.

Participation of Directors in Other Reporting Issuers

The directors or executive officers of Crest are currently directors or executive officers of the following other reporting issuers:

Name of Director	Name of Other Reporting Issuer	Position	Dates
Richard Silas	Gold Standard Ventures Corp. Consolidated Westview Resource Corp. Barksdale Capital Corp.	Director and Corporate Secretary Director and Corporate Secretary Director, President and CEO	April 2009 to present March 2014 to present August 2016 to present
Michael Keast	N/A	N/A	N/A
Toby Pierce	Tag Oil Ltd. Crystal Exploration Inc. Chelsea Oil and Gas Ltd.	CEO and director Director Director	June 2015 to present February 2013 to present Sept 2013 to present
David Schmidt	EyeCarrot Innovations Corp. G4G Capital Corp. Oceanside Capital Corp.	Director CFO, Secretary and Director President, CEO and Director	Sept. 2011 to present June 2015 to present May 2015 to present

Orientation and Continuing Education

While Crest does not have formal orientation and training programs, new Crest Board members are provided with:

1. access to recent, publicly filed documents of Crest and Crest's internal financial information; and
2. access to management.

Crest Board members are 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. Crest Board members have full access to Crest's records.

Ethical Business Conduct

The Crest Board views good corporate governance as an integral component to the success of Crest and to meet responsibilities to shareholders.

Nomination of Directors

The Crest Board as a whole has responsibility for identifying potential board candidates. The Crest Board assesses potential board candidates to fill perceived needs on the Crest Board for required skills, expertise, independence and other factors. Members of the Crest Board are consulted for possible candidates.

Compensation of Directors and Executive Officers

As a CPC, Crest is not currently permitted to pay, other than incentive stock options, any cash compensation to its executive officers and directors. See Item 12 "EXECUTIVE COMPENSATION" in this Appendix A for further details regarding Crest's current compensation policies and objectives. See also Item 35 in Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*" for a discussion of the proposed compensation to be paid to the executive officers and directors of the Resulting Issuer upon completion of the Qualifying Transaction.

Board Committees

As the directors are actively involved in the operations of Crest and the size of the Crest's operations does not warrant a larger board of directors, the Crest Board has determined that additional committees are not necessary at this stage of Crest's development.

Assessments

The Crest Board does not consider that formal assessments would be useful at this stage of Crest's development.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which Crest has in place is its current stock option plan which was last approved by the Crest Shareholders on September 17, 2014. The Crest stock option plan has been established to attract and retain employees, consultants, officers and directors to Crest and to motivate them to advance the interests of Crest by affording them with the opportunity to acquire an equity interest in Crest. The plan is administered by the Crest Board and provides that the number of Crest Shares issuable under the plan, together with all of Crest's other previously established or proposed share compensation arrangements, may not exceed 10% of Crest's issued and outstanding shares from time to time. See Item 5.2 "BUSINESS OF THE CREST MEETING – *Adoption of 2016 Stock Option Plan*" for details of the proposed 2016 Stock Option Plan to replace Crest's existing plan upon completion of the Arrangement.

The following table sets out, as at Crest's last completed financial year ended February 29, 2016, information regarding outstanding options, warrants and rights (other than those granted pro rata to all shareholders) granted by Crest under its equity compensation plans.

Equity Compensation Plan Information as at February 29, 2016

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of shares remaining available for issuance under equity compensation plans
Equity compensation plans approved by shareholders	100,000	\$0.50	375,000
Equity compensation plans not approved by shareholders	Nil	N/A	N/A
Total	100,000	\$0.50	375,000

DIVIDEND POLICY

Crest has not declared or paid any dividends on the Crest Shares since its incorporation and will not pay any prior to the completion of the Arrangement.

PROMOTERS

Other than its directors and officers, there is no person who is or who has been within the two years immediately preceding the Record Date, a "promoter" of Crest as defined under applicable Canadian securities laws.

13. NON-ARM'S LENGTH PARTY TRANSACTIONS

13.1 Non-Arm's Length Party Transactions

Save as disclosed below or otherwise in this Circular, Crest has not entered into any non-arm's length transactions with any director or officer of Crest, any principal shareholder of Crest as disclosed herein, or an Associate or Affiliate of such Persons within the 24 months prior to the Record Date.

Richard Silas, the President, Chief Executive Officer and a director of Crest, is also the Corporate Secretary of GFG US and a shareholder of GFG. As of the date of this Circular, Mr. Silas owns, directly and indirectly, a total of 297,500 GFG Shares and 75,000 GFG Options. Assuming the exercise of Mr. Silas' GFG Options, Mr. Silas will receive 372,500 Crest Shares under the Arrangement. In addition, upon completion of the Arrangement it is anticipated that Mr. Silas will be appointed as Corporate Secretary of the Resulting Issuer and will receive a consulting fee for providing administrative and consulting services to the Resulting Issuer.

Michael Waldkirch, the Chief Financial Officer of Crest, is also a consultant to and a shareholder of GFG. As of the date of this Circular, Mr. Waldkirch owns, directly and indirectly, a total of 175,000 GFG Shares and 75,000 GFG Options. Assuming the exercise of Mr. Waldkirch's GFG Options, Mr. Waldkirch will receive 250,000 Crest Shares under the Arrangement. In addition, upon completion of the Arrangement it is anticipated that Mr. Waldkirch will remain as the Chief Financial Officer of the Resulting Issuer and will receive a consulting fee for providing financial management and bookkeeping services to the Resulting Issuer. See Item 35 of Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – Executive Compensation" for details of the proposed compensation to be paid to Mr. Waldkirch by the Resulting Issuer upon completion of the Arrangement.

Michael Keast, a director of Crest, is a principal shareholder of Medalist, a private Ontario company. As of the date of this Circular, Medalist owns a total of 2,332,053 GFG Shares and 300,000 GFG Options. Assuming the exercise of Medalist's GFG Options, Medalist will receive 2,632,053 Crest Shares under the Arrangement.

As a result of the foregoing, the proposed Arrangement constitutes a "related party transaction" within the meaning of MI 61-101, and Crest has relied upon the exemption from the requirement to obtain a formal valuation for the Arrangement on the basis that the Crest Shares are not listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the NYSE-MKT (formerly American Stock Exchange), the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States, other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

However, pursuant to MI 61-101, the Acquisition remains subject to the approval of a majority of the Crest Shareholders at the Crest Meeting, excluding all shares beneficially owned or over which control or direction is exercised by any "interested party" (as defined in M 61-101) to the Acquisition. See "THE ARRANGEMENT – Shareholder Approvals" in the Circular. See also "INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETINGS" and "MI 61-101 MATTERS" in the Circular.

14. LEGAL PROCEEDINGS

Crest is not a party to any legal proceedings and no such proceedings are known by Crest to be contemplated or pending.

15. AUDITOR, TRANSFER AGENT AND REGISTRAR

15.1 Auditor

The auditor of Crest is MNP LLP, Chartered Professional Accountant, of 1500 – 640 5th Avenue SW, Calgary, Alberta, T2P 3G4. See also Item 5.2 "BUSINESS OF THE CREST MEETING – Appointment of the Auditor" in the Circular.

15.2 Transfer Agent and Registrar

The registrar and transfer agent of the Crest Shares is TSX Trust, of 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1.

16. MATERIAL CONTRACTS

The only material contract of Crest that is outstanding as at the Record Date is the Arrangement Agreement dated September 2, 2016 between Crest and GFG. See "THE ARRANGEMENT" in the Circular.

The Arrangement Agreement may be inspected at the offices of Crest, Suite 610 – 815 West Hastings Street, Vancouver, British Columbia, during normal business hours prior to the date of the Crest and GFG Meetings and for a period of 30 days thereafter. A copy of the Arrangement Agreement is also available for review under Crest's profile on SEDAR at www.sedar.com.

APPENDIX 2

INFORMATION CONCERNING GFG RESOURCES INC.

INTRODUCTION

This Appendix 2 contains certain information on GFG before the completion of the Arrangement and reflects the current business, financial and share position of GFG. See Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER” for pro forma business, financial and share capital information of the Resulting Issuer following the completion of the Arrangement. Certain capitalized terms used in this Appendix 2 without definition have the meanings ascribed to them in the “Glossary of Terms” of the Circular to which this Appendix 2 is attached. See also the “Glossary of Technical Terms” below.

All dollar (\$) amounts stated in this Appendix 2 refer to United States dollars, unless otherwise indicated. References to “C\$” are to Canadian dollars.

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain technical terms used in this Appendix 2:

Ag - silver.

Anticline - a flexure or fold in a rock formation that takes the form of an arch.

Antimony - brittle metallic chemical element; a toxic crystalline element that occurs in metallic and nonmetallic forms. Source: ores, e.g. stibnite. Use: alloys, electronics.

Anomaly - any departure from the norm which may indicate the presence of mineralization in the underlying bedrock.

AOI – area of influence.

Assay - in economic geology, to analyze the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.

Au - gold.

Breccia - a coarse-grained clastic rock, composed of angular broken rock fragments held together by a mineral cement or in a fine-grained matrix; it differs from conglomerate in that the fragments have sharp edges and unworn corners. Breccia may originate as a result of talus accumulation, explosive igneous processes, collapse of rock material, or faulting.

Carbonates - a sedimentary rock composed of carbonate minerals, including limestone (CaCO₃) and dolomite (CaMg(CO₃)₂)

Clastic - A sedimentary rock (such as shale, siltstone, sandstone or conglomerate) or sediment (such as mud, silt, sand, or pebbles) composed of fragments (clasts) of pre-existing rock or fossils.

Conglomerate - rock comprising pieces of other rocks: coarse-grained sedimentary rock containing fragments of other rock larger than 2 mm (0.08 in.) in diameter, held together with another material such as clay.

CSAMT survey – controlled source, audio-frequency, magnetotelluric survey.

Cu - copper.

Diorite - an intrusive igneous rock composed chiefly of sodic plagioclase, hornblende, biotite and/or pyroxene.

Dip - the angle at which a stratum is inclined from the horizontal.

Dyke - a sheet-like body of igneous rock that is discordant to the structural planes of the host rock.

Facies - a rock or stratified body distinguished from others by its appearance or composition.

Feldspar - a group of common rock-forming minerals that crystallized from magma.

Felsic - a term used to describe light-colored igneous rocks with an abundance of light-colored minerals, especially feldspars and quartz.

g/t – grams per tonne.

Geochemical - pertaining to various chemical aspects (e.g. concentration, associations of elements) of natural media such as rock, soil and water.

Geophysical survey - the exploration of an area by exploiting differences in physical properties of different rock types. Geophysical methods include seismic, magnetic, gravity, induced polarization and other techniques.

GPS - Global Positioning System.

Grade - the amount of valuable metal in each tonne of ore, expressed as grams per tonne (g/t) for precious metals, as percent (%) for copper, lead, zinc and nickel.

Gradient - similar meaning as "slope". The higher the gradient of a graph at a point, the steeper the line is at that point. A negative gradient means that the line slopes downwards.

Granodiorite - an intrusive igneous rock similar to granite, but contains more plagioclase than potassium feldspar. It usually contains abundant biotite and hornblende giving it a darker appearance than true granite.

Hematite - iron ore (Fe_2O_3) a black, brown, or red mineral consisting of iron oxide.

Host - a rock or mineral that is older than rocks or minerals introduced into it.

Hydrothermal - relative to the circulation of hot water within Earth's crust .

Intrusive - an igneous rock body that crystallized from a magma slowly cooling below the surface of the Earth.

ICP – inductively coupled plasma (geochemical analytical method).

Limestone - a sedimentary rock composed mainly of calcite (CaCO_3) often deposited as a by-product of biological activity in the ocean.

Mafic - a term used to describe minerals or igneous rocks that are rich in iron and/or magnesium. Mafic igneous rocks have a high percentage of dark-colored (mafic)

Metamorphic rocks - rocks which have undergone a change in texture or mineral composition as the result of exposure to heat and/or pressure.

Outcrop - an exposure of bedrock at the surface.

Oxide mineralization - any naturally occurring inorganic compound with a structure based on close-packed oxygen atoms in which smaller, positively charged or other ions occur in interstices. Oxides are distinguished from other oxygen-bearing compounds such as the silicates, borates, and carbonates, which have a readily definable group containing oxygen atoms covalently bonded to an atom of another element.

Porphyry - any igneous rock in which relatively large crystals, called phenocrysts, are set in a fine-grained groundmass.

ppb - parts per billion.

ppm - parts per million.

Pyrite - a common iron sulfide mineral (FeS_2) with a brassy metallic luster.

Sedimentary rocks - secondary rocks formed from material derived from other rocks mainly deposited under water. Examples are limestone, shale and sandstone.

Silica - a combination of silicon dioxide (SiO₂); quartz.

Silicification - the introduction of, or replacement by, silica, generally resulting in the formation of fine-grained quartz, chalcedony, or opal, which may fill pores and replace existing minerals.

Skarn - name for the metamorphic rocks surrounding an igneous intrusive where it comes in contact with a limestone or dolostone formation.

Stratigraphy - strictly, the description of bedded rock sequences; used loosely, the sequence of bedded rocks in a particular area.

Sulphide - a group of minerals in which one or more metals are found in combination with sulphur.

Tuff - rock composed of fine volcanic ash.

Veinlets - a small vein.

Volcanic rocks - igneous rocks formed from magma that has flowed out or has been violently ejected from a volcano.

VTEM - versatile time domain electromagnetic geophysical survey.

Zn – Zinc.

Conversion

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

To Convert From	To	Multiply By
Feet (“ft”)	Metres (“m”)	0.305
Metres (“m”)	Feet (“ft”)	3.281
Miles (“mi”)	Kilometers (“km”)	1.609
Kilometers (“km”)	Miles (“mi”)	0.621
Acres	Hectares (“ha”)	0.405
Hectares (“ha”)	Acres	2.471

17. CORPORATE STRUCTURE

17.1 Name and Incorporation

GFG was incorporated on April 5, 2016 under the *Business Corporations Act* (British Columbia) under the name “*GFG Resources Inc.*” with an authorized share structure of an unlimited number of common shares without par value. See Item 21 “DESCRIPTION OF SECURITIES” below.

The operations office of GFG is located at 2018 Skyview Drive, Casper, Wyoming 82601-9640. The registered and records office of GFG is located at Suite 650 – 1188 West Georgia Street, Vancouver, B.C. V6E 4A2.

GFG is not a reporting issuer in any province of Canada and the GFG Shares are not listed for trading on any recognized stock exchange or quotation system.

17.2 Inter-corporate Relationships

Currently, GFG has two wholly-owned subsidiaries (direct and indirect) as follows:

Name of Subsidiary	Nature of Ownership	Jurisdiction of Formation	Date of Formation
GFG Resources (US) Inc. ⁽¹⁾	Direct	Nevada, U.S.A.	June 19, 2015
JMO Exploration (US) Inc. ⁽²⁾	Indirect	Nevada, U.S.A.	October 8, 2015

(1) GFG Resources (US) Inc. (“**GFG US**”) is the US operating subsidiary of GFG and holds GFG’s interests in the Rattlesnake Hills Project.

(2) JMO Exploration (US) Inc. (“**JMO**”) is a wholly-owned subsidiary of GFG US and was formed for the purposes of staking certain mining claims forming part of the Rattlesnake Hills Project.

See Item 28.2 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Corporate Structure - Inter-corporate Relationships*” for details of the Resulting Issuer’s inter-corporate relationships following completion of the Arrangement.

18. GENERAL DEVELOPMENT OF THE BUSINESS OF GFG

18.1 History

GFG US

GFG US was incorporated on June 19, 2015 under the laws of the State of Nevada for the purposes of acquiring and exploring for gold and other precious metals in the United States.

Acquisition of Rattlesnake Hills Project

On July 28, 2015, GFG US acquired a 100% undivided interest in and to 614 unpatented lode mining claims and a mining lease covering an additional 30 unpatented lode mining claims totaling an aggregate of approximately 5,235 hectares and three Wyoming state leases covering an additional 533 hectares in Natrona County, Wyoming (collectively the “**EVG Rattlesnake Property**”), including a reclamation bond in the amount of US\$286,000 for License to Explore 289LE from the Wyoming Department of Environmental Quality (the “**WDEQ**”) from Evolving Gold Corp. (“**EVG**”), a British Columbia company listed on the Exchange (TSXV: EVG), and its indirect wholly-owned subsidiary, Rattlesnake Mining (Wyoming) Company, a Wyoming company (“**Rattlesnake Wyoming**”) for a purchase price of US\$1,600,000 cash and 2,000,000 GFG US Shares at a price of US\$0.25 per share. The EVG Rattlesnake Property is subject to, inter alia, a two (2%) percent net smelter returns royalty (the “**EVG Royalty**”) on production arising from the mining claims comprising the EVG Rattlesnake Property, save and except for the 30 leased claims, subject to a buy-down of one-half of the Royalty (i.e. 1% net smelter returns royalty) by GFG US for a price of US\$1,000,000 exercisable at any time in perpetuity. See Item 18.2 “*Significant Acquisitions – EVG Agreement*” below for further details regarding GFG US’ acquisition of the EVG Rattlesnake Property.

On October 8, 2015, GFG US acquired a 100% undivided interest in and to 90 unpatented lode mining claims (the “**EDG Claims**”) and one Wyoming state mining lease (the “**Endurance Lease**”) and an option (the “**Glasscock Option**”) to acquire an additional 208 unpatented lode mining claims (the “**EDG Option Claims**”) and three Wyoming State mining leases (the “**Glasscock Leases**”) located in Natrona County, Wyoming (collectively the “**EDG Rattlesnake Property**”) from Endurance Gold Corporation., a British Columbia company listed on the Exchange (TSXV: EDG) and its wholly-owned subsidiary, Endurance Resources Inc., a Virginia company (together “**EDG**”), for a purchase price of US\$150,000 cash and 1,400,000 GFG US Shares at a price of US\$0.25 per share. See Item 18.2 “*Significant Acquisitions – EDG Agreement*” below for further details regarding GFG US’ acquisition of the EDG Rattlesnake Property. On December 31, 2015, GFG US exercised the Glasscock Option to acquire the EDG Option Claims and Glasscock Leases from the optionor, John Glasscock (“**Glasscock**”), for an additional 97,000 GFG US Shares at a price of US\$0.25 per share and US\$70,000 cash. The EDG Rattlesnake Property is adjacent to or contiguous with the EVG Rattlesnake Property.

The EDG Rattlesnake Property is subject to a two (2%) percent net smelter returns royalty on production arising from the EDG Claims and EDG Option Claims, a one (1%) percent net smelter returns royalty on production arising from the Endurance Lease and Glasscock Leases (collectively the “**EDG Leases**”) and a one (1%) percent net smelter returns royalty on production arising from any private fee simple mineral rights acquired within certain areas in and around the EDG Rattlesnake Property by GFG US or any affiliate or assignee of GFG US (collectively the “**EDG Royalty**”), which EDG Royalty is subject to a buy-down of one-half of the royalty (i.e. 1% net smelter returns royalty on the EDG Claims and EDG Option Claims and 0.5% net smelter returns on the EDG Leases and any private mineral rights) by GFG US for a price of US\$750,000 cash on or before December 31, 2017 or US\$1,500,000 cash at any time after December 31, 2017. The EDG Rattlesnake Property is also subject to additional underlying royalties including, but not limited to, a one (1%) percent net smelter returns royalty on certain portions of the EDG Rattlesnake Property (excluding the Glasscock Leases and certain private mineral lands within the EDG Rattlesnake Property) in favour of Glasscock (the “**Glasscock Royalty**”), which royalty is subject to buy-down of 50%, or 0.5% net smelter returns, at any time for US\$500,000. On August 30, 2016, GFG US purchased the entire Glasscock Royalty, being 1.0% net smelter returns, from Glasscock for US\$50,000 cash.

During the fall of 2015, GFG US staked, through its wholly-owned subsidiary JMO, an additional 339 unpatented lode mining claims covering approximately 2,757 hectares (6,813 acres) in and around the EVG Rattlesnake Property and the EDG Rattlesnake Property, collectively the Rattlesnake Hills Project, at a cost of approximately US\$67,325.

See Item 19.2 “*NARRATIVE DESCRIPTION OF THE BUSINESS – Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming - Royalties*” below for a summary of the royalties burdening the Rattlesnake Hills Project.

In late spring 2016, GFG began actively consolidating and analyzing the historic EVG and EDG datasets and has outlined a regional geochemical sampling and structural mapping program. GFG US has also commenced a district-scale airborne VTEM survey to assist in its understanding of the gold systems and regional targeting efforts and is planning to carry out a 6,000 to 8,000 metre drill program in the fall of 2016. See Item 19.2 “*NARRATIVE DESCRIPTION OF THE BUSINESS – Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming - Recommendations*” below for details of the recommended Phase 1 exploration program for the Rattlesnake Hills Project.

As at June 30, 2016, GFG US had incurred exploration expenditures (inclusive of claim maintenance fees and lease payments of US\$267,070) totalling approximately US\$509,903 (audited) on the Rattlesnake Hills Project.

For most of 2015, GFG US’ efforts were focused primarily on raising seed capital and acquiring its interests in the Rattlesnake Hills Project with a view to seeking a listing of its shares on the Exchange.

In November, 2015 GFG US entered into a non-binding letter of intent with an arm’s length publicly listed company with respect to a potential business combination involving an exchange of shares between the shareholders of GFG US and the public company with a view to obtaining a listing of the GFG US shares on the Exchange. Following extensive negotiations and ongoing due diligence, GFG US and the public company were unable to reach a final agreement on the terms of the share exchange and the negotiations were terminated in December 2015.

During early 2016, GFG US continued to investigate other companies and opportunities for securing a public listing of its shares on a recognized stock exchange in Canada or the United States with a view to providing liquidity for its shareholders.

GFG Canada

GFG was incorporated on April 5, 2016 under the laws of British Columbia.

Acquisition of GFG US

GFG Canada was formed for the purposes of acquiring all of the issued and outstanding common shares of GFG US in order to facilitate a public listing of the GFG US Shares. In early May, 2016 GFG Canada reached an agreement in principle with GFG US to acquire (the “**GFG US Acquisition**”) all of the issued and outstanding shares of GFG US in exchange for common shares of GFG Canada, on a one share for one share equivalent basis.

On July 5, 2016, GFG Canada entered into an agreement and plan of share exchange with GFG US (the “**GFG US Exchange Agreement**”) pursuant to which GFG Canada agreed to acquire, subject to majority approval of the GFG US shareholders, 100% of the issued and outstanding GFG US Shares, being 21,286,557 GFG US Shares, in exchange for a combination of GFG Shares and cash (the “**GFG US Purchase Price**”) on a basis equivalent to one GFG Share for every one GFG US Share.

The GFG US Exchange Agreement was approved, by way of consent resolution, by a majority of the GFG US Shareholders on or about July 29, 2016 and completed effective August 24, 2016 resulting in GFG US becoming a wholly-owned subsidiary of GFG.

Pursuant to U.S. tax laws, GFG was required to withhold and remit to the United States Internal Revenue Service (the “**IRS**”) in cash 15% of the GFG US Purchase Price (the “**Withholding Amount**”) payable to non-U.S. resident shareholders of GFG US (the “**Non-Resident GFG US Shareholders**”), subject to the right of such Non-Resident GFG US Shareholders to apply to the IRS for a clearance certificate (a “**Clearance Certificate**”) confirming that a lesser amount or no withholding was required to be withheld based on the individual Non-Resident GFG US Shareholder’s cost base for his or her GFG US Shares. GFG US shareholders resident in the United States were not subject to withholding tax and therefore entitled to received one GFG Share for each GFG US Share held.

Based on the estimated income tax payable by the Non-Resident GFG US Shareholders, using an assumed fair market value of US\$0.25 per GFG US share, GFG withheld and remitted to the IRS a total of US\$22,687.50 cash from the GFG US Purchase Price payable to the Non-Resident GFG US Shareholders and issued an aggregate of 19,050,419 GFG Shares representing the balance of the GFG US Purchase Price due to the GFG US Shareholders under the GFG US Exchange Agreement. GFG also remitted an additional US\$162,396.60 in income tax to the IRS on behalf of certain Non-Resident GFG US Shareholders who did not apply to the IRS for Clearance Certificates. This amount was fully funded to GFG by the applicable Non-Resident GFG US Shareholders. GFG has also allotted and reserved for issuance an additional 2,145,388 GFG Shares (the “**Contingent GFG Shares**”) for potential issuance to Non-Resident GFG US Shareholders upon receipt of Clearance Certificates from the IRS confirming that a lesser or no amount of withholding tax was payable under the GFG US Acquisition. Upon receipt of such Clearance Certificates, the applicable number of Contingent GFG Shares will be issued by GFG to the Non-Resident GFG US Shareholders. Any Contingent GFG Shares for which a Clearance Certificate is not received from the IRS will be cancelled and the fair market value thereof in cash (using an assumed fair market value of US\$0.25 per share) will be remitted to the IRS by way of additional withholding tax.

GFG, on behalf of certain Non-Resident GFG US Shareholders, has applied to the IRS for Clearance Certificates from the Withholding Amount. Although the applicable regulations state that the IRS must act within 90 days of its receipt of an application for a clearance certificate, in practice the process can take longer. There are no assurances that the IRS will act favorably on any request for reduced withholding tax.

GFG Financings

In anticipation of completing the GFG US Acquisition, in late June and early July, 2016 GFG Canada completed the Initial GFG Financing consisting of 14,740,564 GFG Shares at a price of US\$0.25 per share for gross proceeds of US\$3,685,141 to fund, inter alia, the initial exploration and maintenance of the Rattlesnake Hills Project and for general corporate and working capital purposes. In early September, 2016, GFG Canada completed the Secondary GFG Financing comprised of a further 2,350,000 GFG Shares at a price of US\$0.25 per share for additional proceeds of US\$587,500 for general corporate purposes.

As a result of the GFG US Acquisition and GFG Financings, there are currently 36,140,983 GFG Shares issued and outstanding. See Item 21.2 “DESCRIPTION OF SECURITIES – *Consolidated Capitalization*” and Item 23 “PRIOR SALES” in this Appendix 2.

Plan of Arrangement with Crest

Throughout this period, Crest was also seeking out new capital and mineral properties for potential acquisition with a view to completing its Qualifying Transaction. As a result of certain existing relationships and common officers and shareholders between GFG and Crest (see “INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETINGS” and “MI 61-101 MATTERS” in the Circular), various informal discussions began to take place between GFG and Crest during the second half of May 2016 with a view to entering into a potential business combination. During the ensuing weeks, management of Crest and GFG corresponded and met on a number of occasions to discuss the basis upon which each of them would consider merging the two companies and preliminary indicative terms were discussed. On June 9, 2016 Crest delivered a draft non-binding letter of intent to GFG. That day the board members of GFG US and GFG Canada conferred to review the proposed business combination and draft letter of intent. Following further negotiations and changes, Crest and GFG Canada entered into a non-binding letter of intent with respect to the Acquisition on June 10, 2016. Subsequent to entering into the non-binding letter of intent, Crest requested that such letter of intent be converted into a binding letter of intent and on June 17, 2016, GFG and Crest entered into the Letter Agreement with respect to the Acquisition on a binding basis. Effective September 2, 2016, GFG and Crest entered into the Arrangement Agreement. See “THE ARRANGEMENT” in the Circular to which this Appendix 2 is attached for further details regarding the Arrangement between GFG and Crest.

Save and except for management, GFG presently has no employees. See “DIRECTORS AND EXECUTIVE OFFICERS” and Item 24 “EXECUTIVE COMPENSATION” below.

Upon closing of the Arrangement, the Resulting Issuer will complete Phase 1 of the recommended exploration program on the Rattlesnake Hills Project initiated by GFG in July, 2016. Phase 1 consists of soil sampling and an airborne VTEM geophysical survey paired with detailed geologic and structural mapping at a budgeted cost of approximately US\$393,000. As of the date of this Circular, GFG has not received any results from Phase 1 and, contingent upon such results, the Resulting Issuer will carry out Phase 2 of the recommended exploration program for the Rattlesnake Hills Project. Phase 2 consists of further soil sampling, drilling and metallurgical test work designed to continue the evaluation and development of known mineralized target areas as well as other previously untested areas of the Rattlesnake Hills Property at an estimated cost of approximately US\$1,620,000.

See Item 19.2 “NARRATIVE DESCRIPTION OF THE BUSINESS – Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming - Recommendations” below.

18.2 Significant Acquisitions

EVG Agreement

On July 28, 2015, GFG US entered into an asset purchase agreement (the “**EVG Agreement**”) with, among others, EVG and Rattlesnake Wyoming pursuant to which GFG US acquired a 100% undivided interest in and to the EVG Rattlesnake Property in Natrona County, Wyoming, including a reclamation bond in the amount of US\$286,000 for License to Explore 289LE from the WDEQ, for a purchase price of US\$1,600,000 cash and 2,000,000 GFG US Shares at a price of US\$0.25 per share, of which US\$1,000,000 cash and 2,000,000 GFG US Shares were paid upfront on closing and a non-interest bearing promissory note for the balance of US\$600,000 (the “**EVG Note**”) due on the first anniversary of closing was issued to Rattlesnake Wyoming. The EVG Note was paid in full to Rattlesnake Wyoming on July 27, 2016.

Pursuant to the terms of the EVG Agreement, GFG US issued an additional 200,000 GFG US Shares to EVG on February 15, 2016 following GFG US’ failure to make significant progress towards completing a listing, by way of an initial public offering, reverse takeover or other qualifying transaction, of the GFG US Shares on a recognized stock exchange in Canada or the United States on or before February 15, 2016.

As further consideration for the EVG Rattlesnake Property, Rattlesnake Wyoming retains the two (2%) percent EVG Royalty on production arising from the mining claims comprising the EVG Rattlesnake Property, save and except for the 30 leased claims, subject to a buy-down of one-half of the Royalty (i.e. 1% net smelter returns royalty) by GFG US for a price of US\$1,000,000 exercisable at any time in perpetuity.

It is further term of the EVG Agreement that if, on or before the fourth anniversary of the closing date, being July 28, 2019, GFG US obtains a NI 43-101 compliant report on the EVG Rattlesnake Property delineating a resource of not less than 1,000,000 ounces of gold, GFG US will issue an additional 1,500,000 GFG US Shares (the “**EVG Bonus Shares**”) to Rattlesnake Wyoming. This contingent obligation will be assumed by the Resulting Issuer upon completion of the Arrangement.

As part of the purchase price for the EVG Rattlesnake Property, GFG US acquired an existing cash bond with the WDEQ in the amount of US\$286,000. GFG US paid US\$271,000 to EVG for this bond and withheld the remaining \$15,000 in trust to cover 50% of any reclamation costs, up to a maximum of \$30,000, for restoring the EVG Rattlesnake Property to its original condition as a result of prior work on the EVG Rattlesnake Property by EVG. Any excess balance from such holdback after payment of the reclamation costs will be released to EVG.

EDG Agreement

On October 6, 2015, GFG US entered into an asset purchase agreement (the “**EDG Agreement**”) with EDG to acquire a 100% undivided interest in and to the EDG Rattlesnake Property for a purchase price of US\$150,000 cash and 1,400,000 GFG US shares. A total of US\$150,000 cash and 850,000 GFG US Shares were paid to EDG on closing of the EDG Agreement and an additional 550,000 GFG US Shares (the “**Additional EDG Shares**”) are due on or before February 6, 2017. This obligation will be assumed by the Resulting Issuer upon completion of the Arrangement.

The EDG Option Claims and the Glasscock Leases were subject to an underlying option agreement dated July 8, 2013 (the “**Glasscock Option Agreement**”) between Glasscock, as optionor, and EDG, as optionee, entitling EDG to acquire the EDG Option Claims and Glasscock Leases upon payment to Glasscock of the remaining option payments of US\$35,000 cash and 97,000 EDG shares on October 8, 2015 and an additional US\$35,000 cash on or before December 31, 2015. As a term of the EDG Agreement, GFG US assumed the obligations of EDG under Glasscock Option Agreement and exercised the Glasscock Option by issuing 97,000 GFG US Shares at a price of US\$0.25 per share and paying US\$70,000 cash to Glasscock prior to December 31, 2015.

As further consideration for the EDG Rattlesnake Property, EDG retains the EDG Royalty, subject to a buy-down of one-half of the royalty (i.e. 1% net smelter returns royalty on the EDG Claims and EDG Option Claims and 0.5% net smelter returns on the EDG Leases and any private mineral rights) by GFG US for a price of US\$750,000 cash on or before December 31, 2017 or US\$1,500,000 cash at any time after December 31, 2017.

On August 30, 2016, GFG US bought out the Glasscock Royalty over certain portions of the EDG Property in full for US\$50,000 cash. See Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *History*” above.

See also Item 19.2 “NARRATIVE DESCRIPTION OF THE BUSINESS – *Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming - Royalties*” below for a summary of the total royalties burdening the Rattlesnake Hills Project.

It is further term of the EDG Agreement that if, within seven years after closing, being October 8, 2022:

- (a) a “discovery hole” is drilled on any portion of the EDG Rattlesnake Property, GFG US shall issue EDG an additional 375,000 GFG US Shares (the “**First Bonus Shares**”); and
- (b) GFG US obtains a NI 43-101 compliant report on the EDG Rattlesnake Property delineating a resource of not less than 500,000 ounces of gold, GFG US will issue a further 375,000 common shares (the “**Second Bonus Shares**”) to EDG.

For the purposes of the EDG Agreement, a “**Discovery Hole**” means a reverse circulation or core drill hole returning a gold and/or gold-equivalent silver assay of 100 gram-metres of gold or more (calculated by multiplying the length of the intercept in metres by the average gold and/or gold-equivalent grade of the intercept measured in grams/tonne with any equivalent calculations for silver based on the then 30-day average price for an ounce of silver as published by the London Bullion Market Association).

It is also a term of the EDG Agreement that EDG shall provide GFG US with not less than five days advance notice of any proposed sale of more than 30,000 GFG US Shares (including the Additional EDG Shares, and if applicable, the First Bonus Shares and Second Bonus Shares) in any 10 day period, provided that if EDG has pre-arranged for the sale of such GFG US Shares to a specific buyer, GFG US may, in its sole discretion, waive such advance notice requirement.

This obligation to issue the Additional EDG Shares and, if applicable, the First Bonus Shares and Second Bonus Shares to EDG, will be assumed by the Resulting Issuer upon completion of the Arrangement.

The Arrangement

Pursuant to Arrangement Agreement between Crest and GFG, Crest has agreed to acquire 100% of the issued and outstanding GFG Shares in exchange for Crest Shares, on a one GFG Share for one Crest Share basis, as more particularly described in the Circular under the heading “THE ARRANGEMENT”.

To date, save and except as aforesaid, no other significant acquisitions or significant dispositions have been completed by GFG.

19. NARRATIVE DESCRIPTION OF THE BUSINESS

19.1 General

The principal business carried on and intended to be carried on by GFG is the acquisition, exploration and, if warranted, development of district scale and other gold prospects in the United States. At present, GFG holds, subject to underlying royalties, a 100% undivided interest in the Rattlesnake Hills Project, a district scale intermediate stage gold exploration project comprised of 1,281 unpatented lode mining claims and 7 state fee land leases totaling approximately 26,500 acres in Natrona County, Wyoming, U.S.A.

On June 17, 2016, GFG entered into the Letter Agreement with Crest to affect a business combination whereby all of the shareholders of GFG will exchange their GFG Shares for Crest Shares, on a one GFG Share for one Crest Share basis, resulting in a reverse takeover of Crest by the GFG Shareholders. Effective September 2, 2016 GFG and Crest entered into the Arrangement Agreement. See “THE ARRANGEMENT” in the Circular. Upon completion of the Arrangement GFG will become a wholly-owned subsidiary of Crest and the new Resulting Issuer will proceed to carry out the recommended exploration programs on GFG’s Rattlesnake Hills Project. See Item 19.2 “*Mineral Project*” below. See also Item 32 in Appendix 3 – INFORMATION CONCERNING THE RESULTING ISSUER – *Available Funds and Principal Purposes*. The Resulting Issuer will also continue to identify and assess new mineral properties, initially in Wyoming, U.S.A., with a view to acquiring same if the Resulting Issuer concludes they have sufficient geological or economic potential and if the Resulting Issuer has sufficient financial resources to complete such acquisitions.

19.2 Mineral Project

Rattlesnake Hills Project, Natrona County, Wyoming

GFG’s sole mineral project is the Rattlesnake Hills Project in Natrona County, Wyoming. A technical report dated August 15, 2016 prepared in accordance with NI 43-101 on the Rattlesnake Hills Project entitled “Technical Report on the Rattlesnake Hills Property Natrona County, Wyoming, USA” (the “**Rattlesnake Report**”) has been co-authored by Andrew Turner, B.Sc., P. Geol., Philo Schoeman, M.Sc., P.Geo., Pr.Sci.Nat., and Bryan R. Atkinson, B.Sc., P. Geol. of APEX. The Rattlesnake Report is available for review under Crest’s profile on the SEDAR database at www.sedar.com. A copy of the Rattlesnake Report may also be inspected prior to the Crest and GFG Meetings at the registered office of GFG located at Suite 650 – 1188 West Georgia Street, Vancouver, B.C.V6E 4A2 during normal business hours prior to the Crest and GFG Meetings and for a period of 30 days thereafter.

The Rattlesnake Report is the source of all scientific and technical disclosure contained herein relating to the Rattlesnake Hills Project and the following summary is derived from information detailed in the Rattlesnake Report except where noted.

Property Description and Location

Description and Location

The Rattlesnake Hills Project is located in Central Wyoming approximately 100 km southwest of Casper on the western side of Natrona County (See Figure 2.1 below). The Rattlesnake Hills Project encompasses almost the entire Rattlesnake Hills Gold District and is considered a district scale exploration play (Figures 2.1 and 4.1).

Figure 2.1. GFG Resources (US) Inc.'s Rattlesnake Hills Project Location

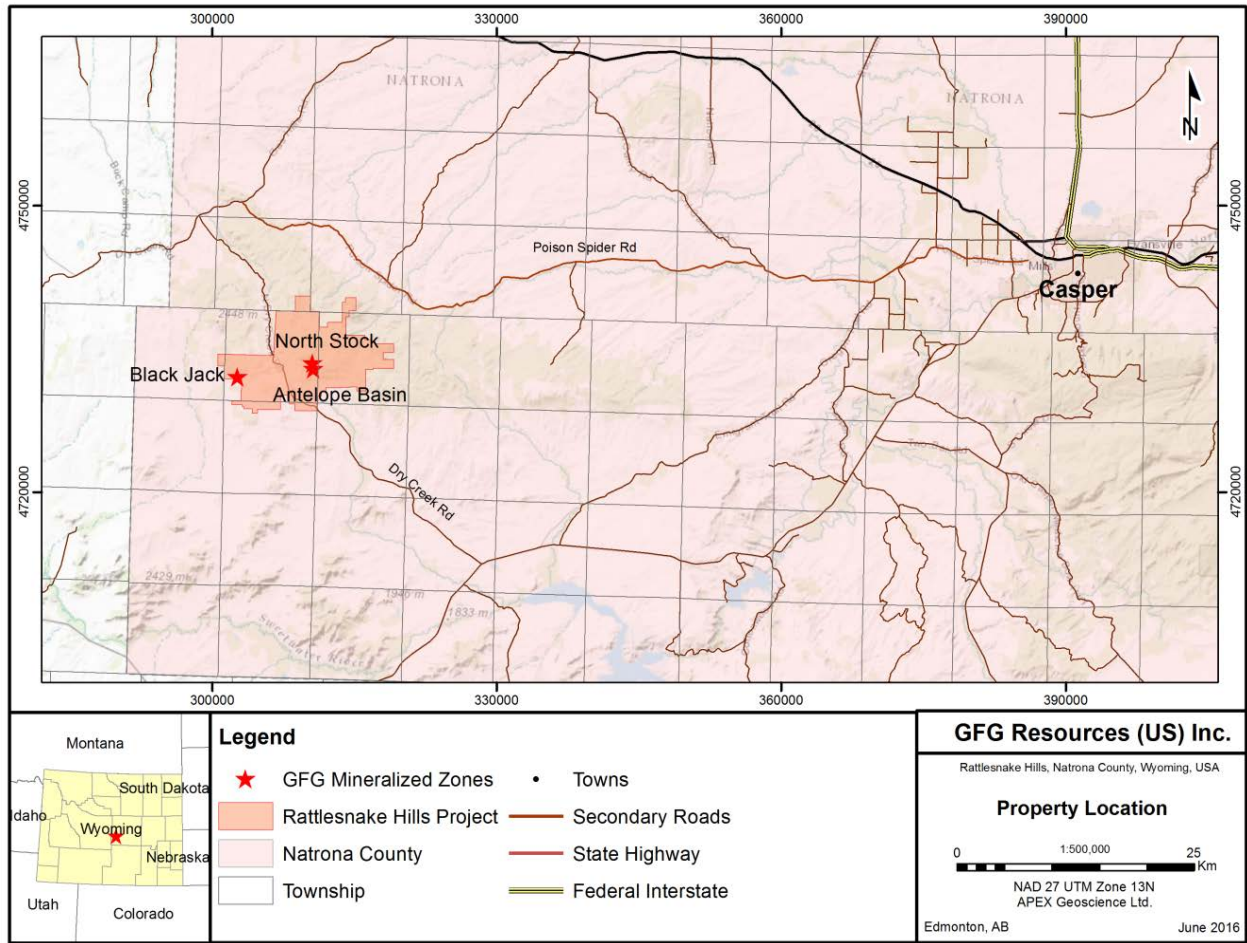
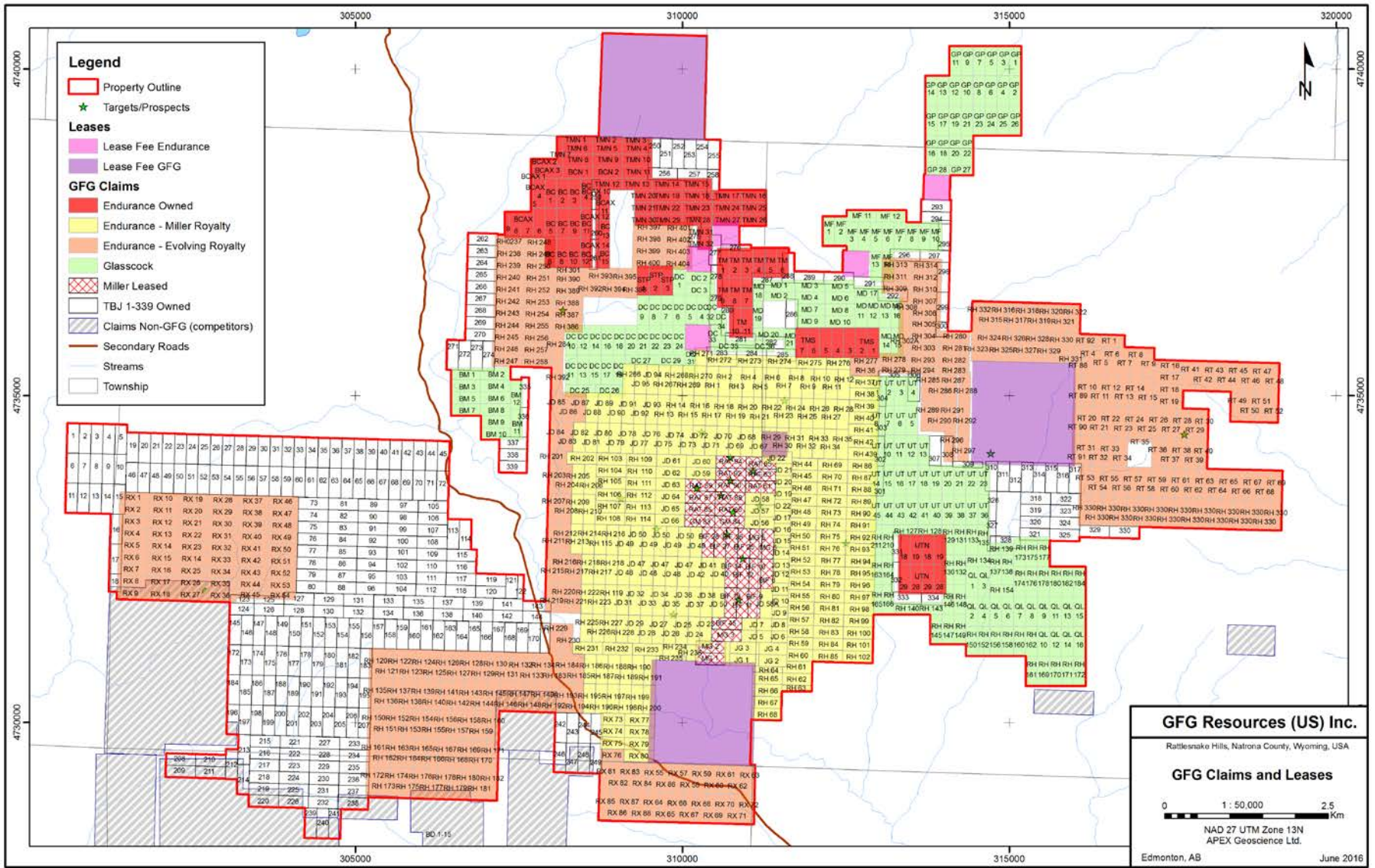


Figure 4.1: Rattlesnake Hills Project Claims and Leases.



The Rattlesnake Hills Project comprises 1,281 unpatented lode mining claims as well as 7 Wyoming State mining leases and covers an area of approximately 10,725 hectares (ha) or 26,501 acres (Figure 4.1; Tables 4.1 and 4.2).

Table 4.1: Rattlesnake Hills Unpatented Lode Mineral Claims Summary.

Unpatented Lode Claims			
Acquisition Agreement	Number of Claims	Approximate Area (ha)*	Approximate Area (acres)
Evolving APA**	644	5,132	12,681
Endurance APA**	298	2,493	6,160
Newly Staked	339	2,757	6,813
Total	1,281	10,382	25,654

*Does not account for overlap of certain mineral claims and does not include leases

**APA = Asset purchase agreement

Table 4.2: Rattlesnake Hills Lease Summary.

Leases			
Acquisition Agreement	Lease No.	Approximate Area (ha)*	Expiration Date
Evolving APA	0-40861	259	2024-02-01
Evolving APA	0-40848	259	2023-09-01
Evolving APA	0-40862	15.6	2024-02-01
Endurance APA / Glasscock Option	0-42981	259	2023-04-01
Endurance APA / Glasscock Option	0-42970	32.4	2022-10-02
Endurance APA / Glasscock Option	0-42971	32.4	2022-10-01
Endurance APA / Glasscock Option	0-42972	16.2	2022-10-01

Total: **873.6**

*does not account for overlap of approximately 531 ha

**APA = Asset purchase agreement

Surface rights to the area covered by unpatented lode mining claims at the Rattlesnake Hills Project are vested with the Bureau of Land Management (BLM), from whom permits must be obtained for the completion of mineral exploration and development work. GFG has the legal right to access the lands to which it owns mineral rights. These rights have either been negotiated in agreements regarding private lands and State leased lands or are allocated by Federal Mining Laws with respect to BLM lands. Surface rights on Wyoming State lease lands are vested with the State of Wyoming. Surface rights for potential future development and infrastructure can be leased from the BLM or the State of Wyoming.

Unpatented BLM claims are valid so long as the annual required federal claim maintenance fee of US\$155 per claim is timely paid to the BLM. The assessment year is from September 1 to September 1 of the following year. Claims were located using compass and chain and hand-held GPS surveying, but have not been officially surveyed. State leases are year-to-year leases are valid for a 10-year period and require annual payments of US\$1 per acre for the first five years and US\$2 per acre for the second five-year period. The annual carrying costs of the current Rattlesnake Hills Project holdings including all lease payments described below totals approximately US\$224,000 (Table 4.3).

Table 4.3: Summary of the Rattlesnake Hills Property holding costs.

Category	Due Date	Amount	Notes
State Leases (Fee Land)			
WY 0-40861	2016-02-02	\$1,280	\$2 per acre
WY 0-40862	2016-02-02	\$78	\$2 per acre
WY 0-40848	2016-09-02	\$1,280	\$2 per acre
WY 0-42970 (Glasscock)	2016-10-01	\$80	\$1 per acre (increases to \$2/acre after five years)
WY 0-42971 (Glasscock)	2016-10-01	\$80	\$1 per acre (increases to \$2/acre after five years)
WY 0-42972 (Glasscock)	2016-10-01	\$40	\$1 per acre (increases to \$2/acre after five years)
WY 0-42981	2016-04-02	\$640	\$1 per acre (increases to \$2/acre after five years)
Miller Lease (Unpatented Claims)			
Lease Payment	2016-06-01	\$20,000	Does not increase over term of the lease
Storage Fee	2016-06-01	\$600	
Permit Fee Payments			
Storm Water Discharge Permit	2016-09-01	\$400	Bill sent by WYDEQ; payable within 60 days
Claim Maintenance (Includes ALL claims)			
BLM Fees (1,281 claims)	2016-08-31	\$198,555	1,281 claims at \$155/claim
County Filing Fees	2016-11-01	\$800	Approximation; recording fee is based on the total number of Affidavits (\$12 for first page + \$3 each additional page + \$1 per section with the first ten sections free)

\$223,833

Exclusive of the monthly Quinn lease payment for core storage

Royalties

EVG Rattlesnake Property

The claims acquired from EVG pursuant to the EVG Agreement are subject to various royalties as depicted in Figure 4.2 and described herein. The EVG claims themselves are subject to a 2% net smelter royalty (NSR) in favour of Rattlesnake Wyoming, a wholly owned subsidiary of EVG, subject to the right of GFG to purchase 1% of the NSR for US\$1,000,000. The Rattlesnake Wyoming royalty only applies to those claims not subject to the Miller Royalty (described next).

The 30 Miller Claims acquired as part of the EVG Agreement are subject to a 4% NSR owned by Miller *et al.* (the “**Miller Royalty**”). The Miller Royalty contains a one mile area of interest (AOI) clause which subjects any claim defined in the EVG Agreement which lies within one mile of the Miller Claims to a 4% NSR. GFG has the option to purchase 2% of the Miller Royalty for US\$2,000,000. The entire land package covered by the EVG Agreement is subject to an additional 0.5 % NSR held by Orion (successor to Golden Predator) (the “**Orion Royalty**”). The Orion Royalty has an additional AOI, which is not clearly defined, in which claims are subject to a 0.5% NSR.

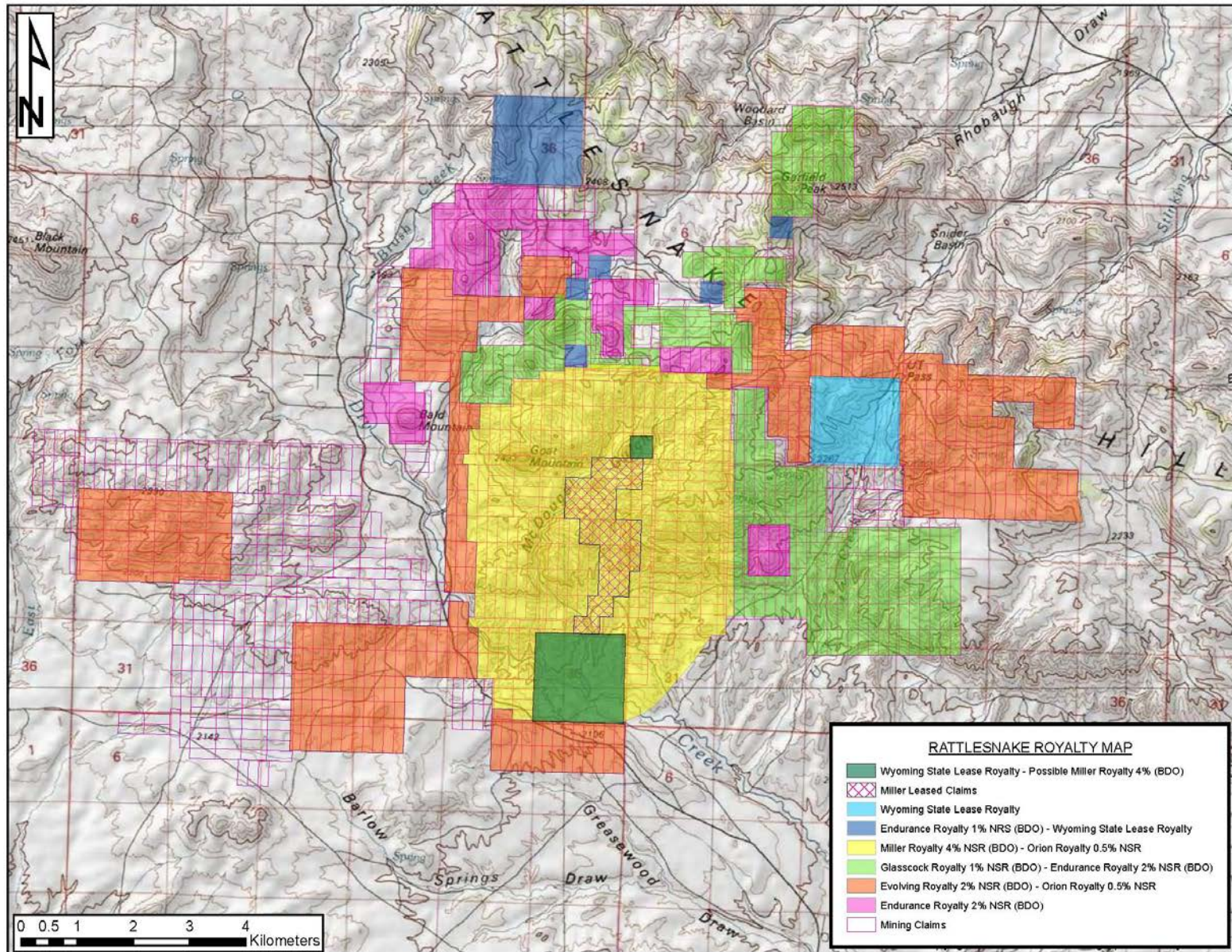
EDG Rattlesnake Property

The 90 unpatented lode mining claims acquired in the EDG pursuant to the EDG Agreement are subject to a 2% NSR in favour of Endurance Resources Inc., a wholly owned subsidiary of EDG (Figure 4.2). GFG has the option to purchase one-half, or 1% NRS, of the EDG Royalty for US\$750,000 by the end of 2017 or for US\$1,500,000 at a later date.

Staked TBJ Claims

The newly staked TBJ claims are not subject to any royalty agreement. However, due to the poorly defined AOI associated with the Orion Royalty some of the TBJ claims may be subject to a 0.5% NSR if they fall within the AOI once it is properly defined.

Figure 4.2: Rattlesnake Hills Property Royalties.



Glasscock Claims

The 208 Glasscock unpatented lode mining claims acquired through the EVG Agreement and Glasscock Option Agreement are subject to the same 2% NSR and buy down criteria as the EDG Rattlesnake Property described above. A second 1% NSR in favour of John Glasscock (Figure 4.2) was bought out in full by GFG for US\$50,000 on August 30, 2016.

State Leases

The Wyoming state leases are subject to specific royalties as outlined in each of the EVG Agreement and the EDG Agreement. (See Figure 4.2). State leases within one mile of the Miller Claims are subject to a 4% NSR held by Miller *et al.* The Wyoming State leases covered in the EDG Agreement (EDG and Glasscock leases) are subject to a 1% NSR held by EDG. GFG has the option to purchase 0.5% of the EDG Royalty for US\$750,000 by the end of 2017 or for US\$1,500,000 at a later date.

With regard to the Wyoming state Leases, gold is grouped together as an “other unspecified mineral” rather than being identified specifically with a particular royalty rate (as is the case with uranium, oil, gas, etc.). Due to this, the royalty rate owed to the State of Wyoming on the leased state lands ranges between 5% and 10% depending on the “Adjusted Sales Value per Ton.” However, note that the state leases specifically state: “after a lease becomes an operating lease, the Board of Land Commissions may reduce the royalty payable to the State as to all or any of the lands, formations, deposits, or resources covered in the lease, if it determines that such a reduction is necessary to allow the lessee to undertake operations or to continue to operate with a reasonable expectation that the operations will be profitable.”

Wyoming State Severance Tax

A state imposed severance tax applies to all minerals pulled from the ground. Gold is grouped together as an “other valuable mineral” and thus has a current tax rate of 2% on “gross products” calculated by either: (a) the fair market value of the product when sold to a third-part at the “mouth of the mine” (i.e., after mining but before processing); or (b) the value of the product at the “mouth of the mine” which is to be obtained by way of an appraisal agreement between the operator and the State of Wyoming.

Environmental Liabilities and Permits

Environmental permitting is required for advanced exploration activities such as trenching, road building and drilling. The appropriate permits must be applied for with the BLM and the Wyoming Department of Environmental Quality (“WDEQ”).

The WDEQ recently approved GFG’s Licence to Explore by Dozing (289LE) renewal application. GFG has also received an extension to their Storm Water Discharge permit through to the end of July, 2016. Temporary Water Use Agreements and Pipeline Right of Way applications are currently being prepared.

GFG needs to either amend (update) the current Plan of Operations (“**POO**”) for the Rattlesnake Hills Project or submit a new POO, as well as a Notice of Intent (“**NOI**”) for work at Black Jack.

Bonds for reclamation of roads and drill sites are commonly required by the BLM.

To date, there has not been any significant development work at the Rattlesnake Hills Project and thus there are no significant environmental liabilities at the project. GFG has indicated that some reclamation and re-contouring work of past drill roads and pads would be required at the Rattlesnake Hill Project should it fall dormant with no further exploration work contemplated.

Sage Grouse

The Greater Sage-Grouse was considered a candidate for listing as a threatened or endangered species by the U.S. Fish and Wildlife Service (a part of the U.S. Department of the Interior) over the past several years. Conservation plans proposed by numerous State and Federal agencies, land owners, industry groups and other partners have satisfied the U.S. Fish and Wildlife Service's original concerns, and in September 2015, a decision was reached to not list the Greater Sage-Grouse as a threatened or endangered species.

The State of Wyoming has an active Sage-Grouse management program that is governed by an executive order of the Governor of Wyoming. The purpose of the executive order is to acknowledge the importance of business to the State of Wyoming while protecting Sage-Grouse Habitat. The State of Wyoming has developed and implemented a Greater Sage-Grouse Core Area protection plan that outlines their strategy for both managing Greater Sage-Grouse habitat and permitting activities within these Core Areas.

The effects of this order on the exploration efforts in the Rattlesnake Hills Project currently includes a restriction on mechanized activity from March 15 to June 30 each year as well as the generation of a Density Disturbance Calculation Tool Assessment Area (“**DDCT**”), which estimates the amount of disturbance by all activities within a general project area. Exploration activities to date in the Rattlesnake Hills Project area, as well as those proposed, have not exceeded the maximum 5% disturbance threshold within the DDCT Assessment Area. The completion of a DDCT is a major requirement for the exploration permitting process from both the BLM and Wyoming State agencies perspectives. GFG has submitted two separate DDCT estimates for the Rattlesnake Hills Project, covering the entire project area. The DDCT estimates are awaiting approval.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Rattlesnake Hills Property is located in Central Wyoming approximately 100 km west of Casper on the western side of Natrona County. The property is accessed by travelling approximately 80 km SW of Casper on State Highway 220, followed by travelling 27 km northwest on County Road 321 (Dry Creek Road). County Road 321 transects the western half of the Rattlesnake Hills Project. The northern portion of the Rattlesnake Hills Property can be accessed via County Road 201 (Poison Spider Road). Access within the property is gained via privately maintained roads to both the North Stock / Antelope Basin and Black Jack areas, access throughout the remaining portion of the Rattlesnake Hills Property is currently limited to foot or all-terrain vehicle where permitted.

Topography, Elevation and Vegetation

The project’s namesake, the Rattlesnake Hills, are the main topographic feature in the region comprising a 48 km long northwest-southeast trending mountain range. The Rattlesnake Hills have moderate relief with elevations ranging between 2,000 and 2,500 m above sea level (“**ASL**”). Portions of the Rattlesnake Hills Property also cover valleys adjacent to the Rattlesnake Hills, which have more subdued topographic relief and lower elevations down to ~1,750 m ASL.

Vegetation is sparse throughout the property and largely consists of grasses and scattered shrubs and bushes, including Wyoming Sage. A few Juniper trees are present along north facing slopes.

Climate

The area has a semi-arid climate with long cold winters and hot dry summers. Daily maximum temperatures range on average from 0°C in January to 31°C in July and August with lows dipping down the -20°C in the winter. Average annual precipitation in the area amounts to approximately 320 mm, of which snowfall averages approximately 193 mm. Exploration can be carried out year round.

Local Resources and Infrastructure

Casper Wyoming, which is located some 100 km to the east northeast of the Rattlesnake Hills Property, is the nearest population center to the property where equipment, supplies, accommodations and skilled labour can be sourced. Casper can be accessed daily by regularly scheduled commercial airline flights through the Casper-Natrona County International Airport.

Other than a few dirt roads, there is no significant infrastructure currently located at the Rattlesnake Hills Property. High-voltage power lines are located just beyond the southern property boundary. Dry Creek is an ephemeral creek with flowing water eight months of the year. In the past, water for drilling has been sourced from Dry Creek using a small dam and a pipeline with several pumping stations.

History

The Rattlesnake Hills district has been the focus of only sporadic exploration programs dating back to the early 1900's through to the early 1980's (Hausel, 1996). Very little data is available for the early exploration though Ray (1988) notes that 20 to 30 shallow exploration pits and two 10 to 20 ft deep shafts were constructed, probably in the early part of the 1900's. No production data is available for any work conducted on the Rattlesnake Hills Property in the early 1900's.

Modern exploration at the Rattlesnake Hills Property commenced in the mid 1970's when American Copper and Nickel Company ("ACNC") completed a limited geochemical sampling program following up on reports of gold and copper mineralization in Archean schists and iron formations by Pekarek (1974; 1978). ACNC's sampling identified gold mineralization up to 3.8 g/t Au within the current property boundary. ACNC had to abandon their exploration efforts at the Rattlesnake Hills district when it was noted that there were existing claims held by Frontier Energy over the area of interest.

Systematic exploration within the Rattlesnake Hills district began in the early 1980's with the first publicly acknowledged discovery of gold by Mr. Dan Hausel with the Wyoming State Geological Survey ("WSGS"), who collected a composite chip sample from Precambrian pyritiferous metacherts that assayed 7.55 g/t Au (Hausel and Jones, 1982; Hausel, 1996). Exploration since then has continued off and on, on a campaign basis through to 2014. Recent exploration has resulted in over 77,000 m of combined reverse circulation (RC) and diamond (core) drilling, the collection of nearly 11,000 surficial geochemical samples as well as extensive detailed geological mapping along with various ground and airborne geophysical surveys. Recent exploration is summarized by company below in Table 6.1.

Table 6.1: Summary of historic exploration by company.

Type of Work	Company							Total
	ACNC	Canyon Resources/ Newmont	Newmont	EVG	Agnico-Eagle/ Evolving Gold Joint Venture	EDG	Crescent Resources	
Rock and Channel Sampling	1214		501	2272	406	75*	95	4488
Soil Sampling	753		911		4208	1279*		5872
Stream Sediment Sampling	68		7		23			98
Trenching and Road Cuts			18					18
Diamond Drill Holes		2		158	26			186
Diamond Drill Meterage		417		62398	8685			71500
Diamond Drill Samples		270		41133	5648			47051
RC Drill Holes	33	12						45
RC Drill Meterage	3068	2847						5915
RC Drill Samples	1873	1955						3828
Geophysics Line-km (IP)	?		8.05	8.78				16.83
Geophysics Line-km (Mag)	?		35.4	170				205.4
Geophysics Line-km (VLF-R)			35.4					35.4
Geophysics Line-km (VLEM)	?							0
Geophysics Line-km (HLEM)	?							0
Geophysics Line-km (CSAMT)				74.8		15.1		89.9
Geophysics (Gravity) km2				450				450
Geophysics Line-km (Ground Radiometrics)			35.4	50				85.4
Geophysics Line-km (Airborne Mag+Radiometric)					2172			2172
Borehole Geophysics (Resistivity and Gamma)				5				5
Borehole Geophysics (Optical Acoustical Surveying)				3				3

* Missing 2010 Data

** Details Unavailable

Historic Work by Previous Companies

(1) American Copper and Nickel Company

ACNC returned to the Rattlesnake Hills district in the early 1980's and conducted regional scale systematic exploration including; mapping, soil and rock sampling and geophysical surveying. In 1985 ACNC negotiated a lease agreement with Frontier Energy and expanded the property via additional claim staking. Surficial exploration continued through to 1987 resulting in the collection of 753 soil and 68 stream sediment samples.

ACNC completed 33 RC drill holes for a total of 3,068 m over a period of three years from 1985 to 1987. The drilling was largely focussed on the mineralized Archean stratigraphy (Main Zone East and West) identified by Pekarek (1974) as well as in and around an Eocene quartz monzodiorite plug called the North Zone (equivalent to Antelope Basin in the current nomenclature). The drilling was successful in identifying broad zones of low grade gold mineralization.

(2) Canyon Resources / Newmont Exploration Ltd.

Canyon Resources (“**Canyon**”) acquired the Rattlesnake Hills Property in 1992 and completed additional mapping and geochemical sampling. In 1993 Canyon entered into a joint venture agreement with Newmont Exploration Ltd. (“**Newmont**”). Under the joint venture a sizeable exploration program including rock and soil sampling, trenching, drilling and ground geophysical surveying was completed. In total 501 rock, 911 soil and 7 stream sediment samples were collected. Additionally, seven trenches were completed, five at North Stock and two at Antelope Basin (MacLeod, 2003).

Canyon and Newmont completed 12 RC (2,847 m) and 2 core (417 m) drill holes at North Stock. The drilling was successful in identifying both broad zones of low grade as well as zones of high grade gold mineralization at North Stock. (Table 6.4 and Figure 6.8)

Limited ground magnetic and IP ground geophysical surveys were also conducted by Newmont.

Newmont terminated the joint venture with Canyon in 1995. Canyon relinquished the ground in 1997.

Table 6.4: Selected Newmont and Canyon drilling highlights.

Hole ID	From (m)	To (m)	Length (m)*	Au (ppm or g/t)
RS-1	10.67	67.06	56.39	0.42
RS-1	82.30	94.49	12.19	0.40
RS-1	112.78	167.64	54.86	0.41
RS-2	56.39	248.41	192.02	1.24
RS-3	86.87	141.73	54.86	0.82
RS-4	70.10	188.98	118.88	0.81
RS-5	114.30	123.44	9.14	1.80
RS-5	178.31	242.32	64.01	0.64
RS-6	204.22	230.12	25.91	1.64
RS-8	112.78	192.02	79.25	0.77
RS-12	62.48	70.10	7.62	4.81

*Length (m) is drill hole length

** These historic holes have not been confirmed and should not be relied upon. They are presented to provide an indication of the possible gold mineralization in the Rattlesnake Hills Project and as a guide to future exploration.

(3) Bald Mountain Mining Co.

In June 2003, Bald Mountain Mining Co. (“**BMMC**”) leased 30 unpatented lode claims from David Miller and Dick Fruchey. These 30 claims make up the core of the current Rattlesnake Hills Property. BMMC compiled and digitized all of the available historic data from ACNC, Canyon and Newmont. No new exploration work was carried out by BMMC during their tenure.

(4) Evolving Gold Corp.

In January 2008 EVG entered into an option agreement with Golden Predator Mines (US) Inc. (“**Golden Predator**”) to acquire the rights to the 30 original unpatented lode mining claims as well as an additional 97 unpatented lode mining claims staked in 2006 and 276 ha of Wyoming State lease lands. Later in 2008 and 2009 EVG staked an additional 515 unpatented lode mining claims and increased its holdings of Wyoming State lease lands to 515 ha. EVG’s Rattlesnake Hills Property totalled approximately 5,225 ha.

Early work by EVG included compiling a property wide 1:10,000 geological map. Subsequent to the geological map compilation, EVG conducted property wide rock grab and chip sampling from 2008 through to 2010, which resulted in the collection of 2,272 samples over an area of 220 km² with a focus on the North Stock and Antelope Basin areas. From 2008 to 2010, EVG completed detailed ground geophysical surveys including 8.78 line kilometers (ln-km) of Induced Polarization (IP) Resistivity surveying, 74.8 ln-km of Controlled Source Audio Magnetotelluric (CSAMT) surveying, as well as gravity and radiometric surveying. The inverted IP resistivity data successfully identified zones of sulphide mineralization associated with alteration (Turner, 2012). The CSAMT survey aided in refining lithological contacts as well as structures within the survey area. The widely spaced (200 x 500 m to 500 x 1000 m) gravity survey confirmed that structures identified at surface continued at depth (Turner, 2012). A limited ground magnetics orientation survey was completed but the resulting data was insufficient to produce a useful anomaly map. The ground radiometrics survey was cut short due to poor weather.

In 2011 EVG entered into an option agreement with Agnico-Eagle Mines Ltd. (“**Agnico**”) whereby Agnico had the option to earn a 70% interest in the Rattlesnake Hills Property by meeting certain expenditure commitments. During the Agnico option, a total of 406 rock, 4,208 soil and 23 stream sediment samples were collected. Agnico terminated its option and interest in the project in 2012. Rock and stream sediment sampling was completed on a regional basis, whereas the soil sampling was conducted over areas of known mineralization in order to investigate the distribution of gold within these areas and to test the applicability of soil sampling in identifying additional zones of mineralization within the district. The soil and rock sampling show coincident geochemical anomalies to the areas where drilling has yielded anomalous precious metals in RC and core drilling.

EVG commenced drilling at the project in 2008 and continued through to 2010. EVG drilled a total of 62,398 m in 158 core holes in that time period (Table 6.1). Under the joint venture with Agnico an additional 26 core holes for 8,685 m were completed (Table 6.1). The 2008 through 2012 EVG drilling focussed on the North Stock, Antelope Basin and South Stock mineralized areas (Figures 6.7 and 6.8 below). Collar and down hole surveying was completed for most of the drill holes. Drilling was successful in identifying both narrow high grade as well as broad low grade gold and silver mineralization at depth. Selected highlight drill intersections for North Stock are presented in Table 6.5. Anomalous gold mineralization is highlighted at North Stock in plan on Figure 6.8. North Stock drilling highlights include average grades of 26.21 g/t Au over 16.76 m hole length in hole RSC-020 (Table 6.5; Figure 6.8) and 2.08 g/t Au over 150.88 m hole length in hole RSC-039 (Table 6.5 and Figure 6.8).

Drilling highlights for the Antelope Basin drilling are presented in Table 6.6 and are presented in plan view on Figure 6.8. Highlights from the Antelope Basin drilling include average grades of 1.91 g/t Au over 76.2 m hole length in hole RSC-042 along with a higher grade interval of 11.8 g/t Au over 1.52 m hole length.

Table 6.5: Selected EVG and Agnico North Stock drilling highlights.

Hole	From (m)	To (m)	Length (m)*	Au (g/t)	Ag (g/t)
RSC-003	205.74	240.79	35.05	4.79	3.29
RSC-007	108.20	344.36	236.16	1.85	2.65
RSC-020	143.26	198.91	55.66	9.73	16.64
Including	160.02	176.78	16.76	26.21	40.39
Including	170.69	172.21	1.52	122.00	122.00
RSC-039	25.91	176.78	150.88	2.08	2.97
Including	103.63	106.68	3.05	12.95	0.00
RSC-089	83.82	213.36	129.54	2.08	6.47
RSC-089	216.41	243.84	27.43	7.85	7.33
RSC-089	278.89	286.51	7.62	10.65	2.76
Including	228.60	230.12	1.52	82.90	33.90
RSC-093	134.11	163.07	28.96	5.21	11.34
RSC-122	155.45	228.60	73.15	1.78	4.45
RSC-123	83.82	163.07	79.25	1.49	6.31
RSC-126	196.60	256.03	59.44	2.58	4.23
RSC-130	170.69	205.74	35.05	3.95	5.69
RSC-132	112.78	329.18	216.41	1.58	3.68
Including	137.16	140.21	3.05	17.96	12.30
RSC-135	83.82	160.02	76.20	4.68	9.28
Including	144.78	147.83	3.05	45.30	34.80
RSC-136	222.50	263.65	41.15	3.10	3.90
RSC-141	30.48	172.21	141.73	1.90	6.46
RSC-144	91.44	147.83	56.39	2.09	9.49
RSC-144	205.74	251.46	45.72	3.23	7.16
RSC-145	137.16	192.02	54.86	3.20	6.91
RSC-145	204.22	281.94	77.72	4.20	3.75
RSC-145	239.27	240.79	1.52	128.00	23.00
Including	143.26	147.83	4.57	15.67	27.87

*Length (m) is core length

** See "Data Verification" below for a discussion of the procedures undertaken by the author of the Rattlesnake Report to verify the reliability of the historical drill assay data base and the results thereof.

Table 6.6: Selected EVG and Agnico Antelope Basin drilling highlights.

Hole	From (m)	To (m)	Length (m)*	Au (g/t)	Ag (g/t)
RSC-001	169.16	182.88	13.72	2.69	0.62
RSC-019	83.82	181.36	97.54	1.21	0.52
Including	167.64	169.16	1.52	9.35	8.00
RSC-042	147.83	224.03	76.20	1.91	0.50
Including	185.93	187.45	1.52	11.80	7.00
RSC-045	12.19	48.77	36.58	1.44	0.00
RSC-047	97.54	170.69	73.15	1.26	0.17
Including	167.64	169.16	1.52	6.71	0.00
RSC-051	243.84	280.42	36.58	1.33	0.21
RSC-078	173.74	251.46	77.72	1.63	1.60
Including	216.41	217.93	1.52	7.48	3.00
RSC-087	166.12	204.22	38.10	1.34	0.48
RSC-099	77.72	143.26	65.53	1.76	0.44
RSC-100	196.60	271.27	74.68	1.21	0.67
Including	245.36	246.89	1.53	6.26	2.00
RSC-153	143.26	160.02	16.76	2.97	1.45
RSC-153	111.25	120.40	9.14	2.28	0.83
RSC-153	164.59	195.07	30.48	2.09	1.05
RSC-155	134.11	187.45	53.34	1.25	0.80
RSC-180	199.64	202.69	3.05	9.30	6.50

*Length (m) is core length

** See “Data Verification” below for a discussion of the procedures undertaken by the author of the Rattlesnake Report to verify the reliability of the historical drill assay data base and the results thereof.

Downhole geophysical logs were recorded in eight drill holes in 2009 and 2010. Resistivity, spontaneous potential and gamma response logs were collected from five holes in 2009. The three holes surveyed in 2010 were surveyed using Colog’s optical acoustical equipment to measure fracture orientations. The purpose of these logs was to assist in the interpretation of the surface geophysical data sets.

Additionally, in 2009 a LiDar survey was completed over the portion the Rattlesnake Hills Project comprising the EVG Rattlesnake Property.

EVG submitted three batches of mineralized material to the Advanced Mineralogy Research Center at the Colorado School of Mines for QEMSCAN analysis.

In 2011, a district-scale airborne magnetic and radiometric survey was completed. In total, 2,172 ln-km of data were collected. The survey was successful in identifying several new intrusive bodies as well as providing better outlines of the known Eocene intrusives and major controlling structures (Turner, 2012).

An extensive mapping program was completed at the Rattlesnake Hills Property in 2012 that was focused on geological features most relevant to gold and silver mineralization.

Figure 6.7: Historic drill hole collars.

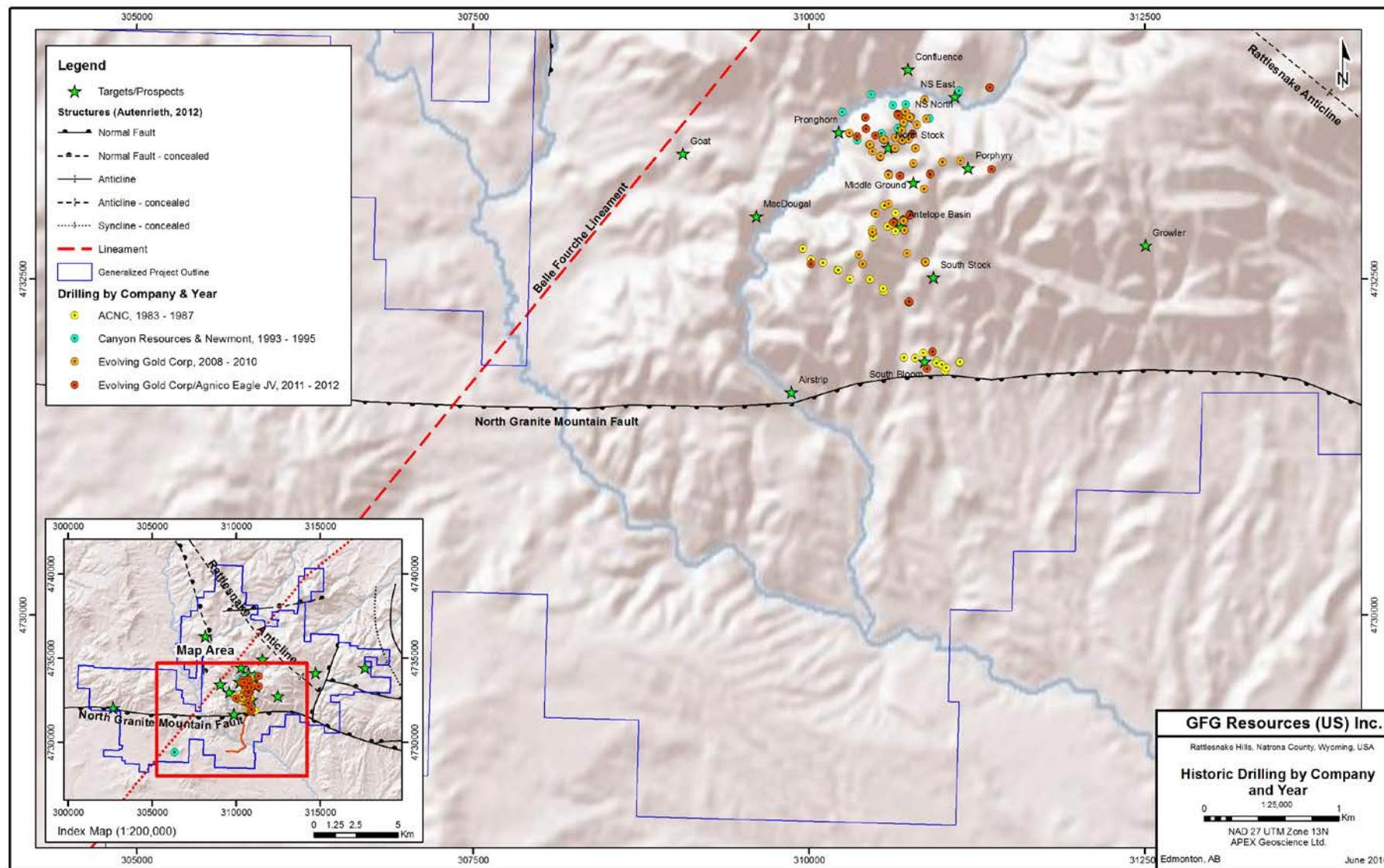
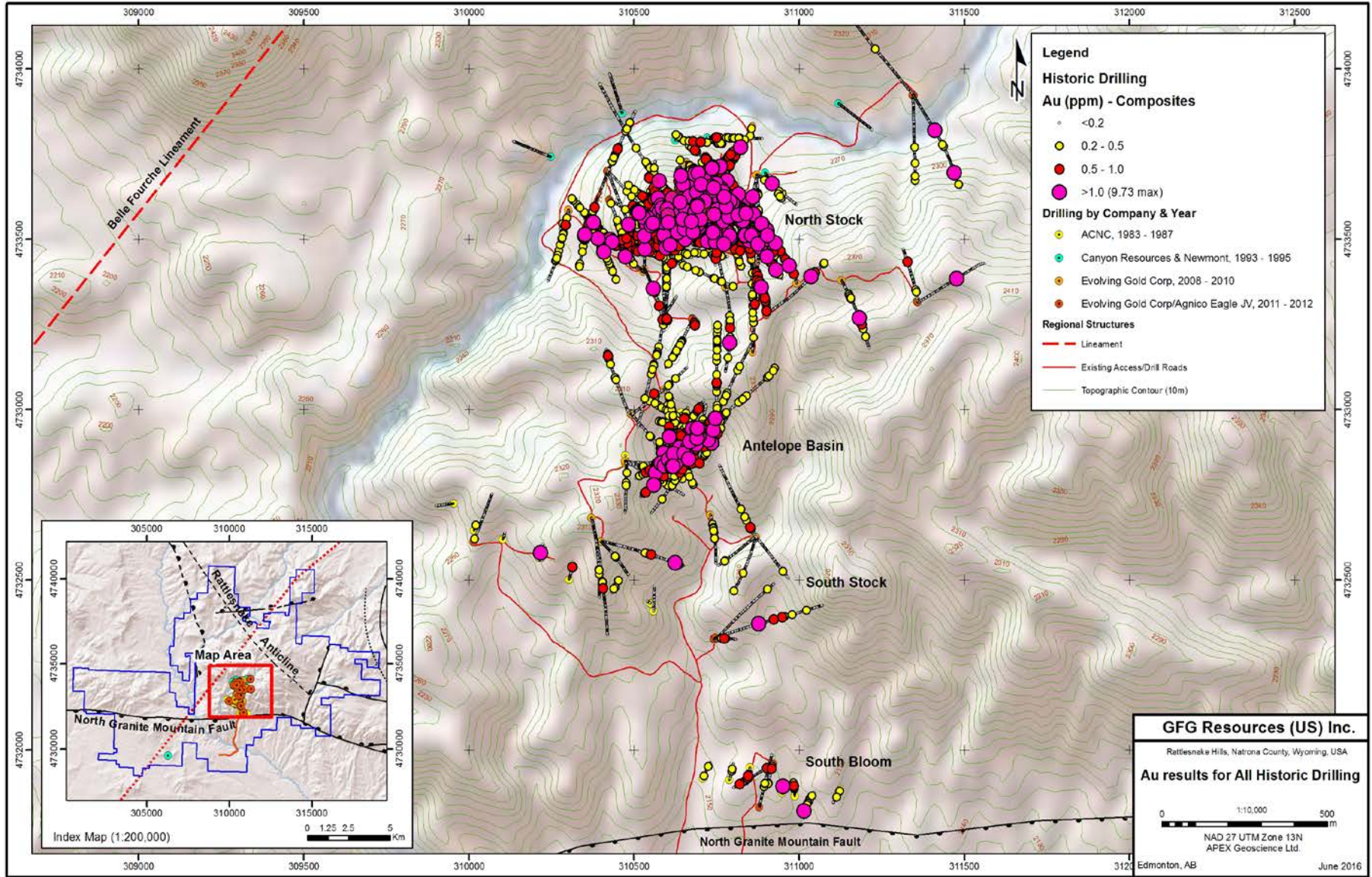


Figure 6.8: Gold in historic drill holes.



The following summary of results of EVG's exploration programs is taken from Koehler (2012):

“Au is associated with As, Sr, and Mn, ± Mo and Zn. As, Sr and Mn show a general spatial association with the strongly altered Au-enriched zones at Antelope Basin and North Stock and often show spatial correlation with As anomalies in surface samples and drill core. Sr and Mn are associated with the carbonate alteration minerals dolomite, ferroan dolomite/calcite, strontianite, rhodochrosite or manganiferous dolomite, and calcite.

- *proximal to Au zones: apparent enrichment in Li, Ba, Zn, V, Sc, K, Al, Mg ± Y, and P*
- *more distal to Au zones: Cu, Ti, Ca and Na are enriched.*

Ag, Sb, Pb and Bi typically occur in less than lower detection limit quantities in rock chip samples, but were observed by petrographic and SEM studies. Te and F were not tested with rock chip geochemistry, although petrographic and mineralogical studies indicate both elements are sporadically present within the system.

EGC determined that Au values >0.1 g/t in rock chip samples are significant and that Au and As show a strong positive correlation. This is true for both of the known gold zones at North Stock and Antelope Basin and is a good exploration criterion. Preliminary assay values for 2011 sampling have identified new targets at South Stock and in a zone of breccia-veins ~1 kilometer east of South Stock.

Enrichment of Zn, Cu and Mo occurs at different distances from the Au enriched zones and show rough zoning. Zn values in drill core range from 0-1,000 ppm and appear to correlate with the major feldspar porphyry rock unit. Surface samples indicate a broad zone of Zn enrichment northeast of Antelope Basin, extending north to the east flank of North Stock where feldspar porphyry comes to the surface. Cu values in core range from 0-700 ppm with Cu enrichment almost never occurring with Au (although the Cu minerals chalcopyrite and bornite have been identified in gold-rich zones by petrographic studies). The best Cu values in core occur approximately halfway between Antelope Basin and North Stock and at depth (as seen in drill holes 50, 52, 58, 61), suggesting a deep heat source and possible porphyry mineralization. Cu values in surface samples are as high as 1%, especially in carbonate-malachite (after chalcopyrite) veins located southwest and south of Antelope Basin. Mo shows minor enrichment in the quartz monzodiorite and feldspar porphyry (especially where Au-bearing) in core. At surface, Mo enrichment occurs in areas of limited size, often with As and Au. Overall, the base metal zoning is continuous across the core project area and suggests one large system, as opposed to multiple smaller systems.”

(5) Endurance Gold Corp.

In 2013 EDG acquired the option to approximately 6,997 acres of land comprising 298 unpatented lode mining claims and four Wyoming State leases. The EDG Rattlesnake Property marked the northern extension of the known Rattlesnake Hills Gold District at the time. Work by EDG comprised the collection of 75 rock and 1,279 soil samples spread over 5 grids. The grids were completed north of the main North Stock area and yielded a number of anomalous soil samples.

EDG was successful in identifying copper mineralization at the QL Copper Prospect with assays of up to 2.65% copper (Cu) returned from individual rock grab samples. Soil sampling at QL defined a 400 x 100 m > 50 ppm copper-in-soil anomaly. The QL prospect is underlain by Archean metasediments proximal to an Eocene age quartz latite intrusion.

Additional regional sampling completed by EDG identified several areas of gold-in-soil anomalies with similar geochemical signatures to other alkalic intrusive associated gold mineralization in the region.

Historic Geophysical Surveys

Generally speaking, the ground geophysical surveys over the Rattlesnake Hills Property to date have been quite limited considering that their effectiveness to aid in mapping and identification of potential mineralization and targets has been proven.

A limited amount of ground geophysical surveys was conducted by Newmont in the period 1993 to 1995, mostly comprised of ground magnetics, VLF and radiometrics with a small IP survey. However, the majority of the ground

geophysical surveys were conducted by EVG during the period 2008 to 2010. These surveys displayed a number of distinct magnetic anomalies, including “bulls-eye” magnetic highs and lows associated with a number of the intrusions, along with visible “dipole” effects. In general, magnetics are well known to assist in the mapping of alteration, intrusions and even skarn mineralization and the ground magnetic survey for EVG over the Rattlesnake Hills area looks to provide typical responses.

An orientation regional gravity survey and a limited radiometric survey by EVG both yielded somewhat moderate results.

EVG also completed a total of 74.8 line-km of controlled source audio-frequency magneto tellurics (CSAMT) along 29 lines as well as an orientation IP survey of 8.78 line-km along three lines of the CSAMT grid. Tuner (2012) indicates that “*Inverted IP and resistivity depth sections appear to acceptably map sulfide mineralization associated with alteration in the project area as well as structure and lithology contrasts.*”. No further IP or conductivity surveys appear to have been conducted at the Rattlesnake Hills Property including any airborne conductivity surveys.

In 2011, Agnico in a joint venture with EVG conducted a property scale fixed wing magnetic and radiometric airborne survey comprised of 2,172 line-km which successfully outlined many of the known intrusives by combining magnetics and radiometrics, as well as outlining some geophysical features to be investigated on the ground.

Any future work at the Rattlesnake Hills Property should include compiling and reinterpreting all of the available airborne and ground geophysics for the property.

Geological Setting and Mineralization

The Rattlesnake Hills Property is centrally located within a roughly 1,500 km-long belt of alkalic intrusive complexes that occur along the eastern side of the Rocky Mountains from Montana to New Mexico, several of which are associated with significant gold deposits. Examples of such deposits analogous to the Rattlesnake Hills Property, with transitional epithermal to porphyry styles of precious metal mineralization include Cripple Creek, Colorado and Golden Sunlight, Montana (Jensen and Barton, 2000). The authors of the Rattlesnake Report have not visited these deposits and the mineralization referred to may or may not be indicative of the mineralization at the Rattlesnake Hills Project. Although there are no NI 43-101 compliant mineral resources defined at the Rattlesnake Hills Property, four significant zones of gold and silver mineralization have been identified (North Stock, Antelope Basin, South Stock and Black Jack). The zones are associated with Eocene age alkalic intrusions that are part of the Rattlesnake Alkali Intrusive (RAI) complex. The RAI complex intrudes Archean age crystalline basement in the project area consisting of banded tonalite gneisses, granites and an Archean greenstone belt sequence comprising metavolcanic and metasedimentary rocks (Hausel, 1996).

Gold mineralization was first discovered in the area by Mr. Dan Hausel in 1982 in a Precambrian sulphide rich chert (Hausel, 1982, 1996). Mineralization at that time was categorized into stratabound (within the Archean rocks) and disseminated styles. Epithermal gold associated with the RAI complex was identified along zones of highly fractured and altered metasediments as well as within the intrusive themselves.

Regional Geology

The Rattlesnake Hills of Central Wyoming lie along the north-eastern edge of the Granite Mountains located within the Archean Wyoming geological province. Several authors note that the Archean Wyoming Province has a complex accretion and rifting history (Frost and Frost, 1993; Snoke, 1993). The Rattlesnake Hills are the result of erosion of the northwest plunging Rattlesnake anticline. During the mid to late Eocene, volcanic debris was deposited along this erosional surface. The Granite Mountains comprise 3,200 Ma tonalite gneisses through to 2,610 Ma granites (Pekarek, 1977). These Archean gneisses and granites are covered by scattered metasedimentary and metavolcanic pendants.

The Rattlesnake Anticline is an early Laramide asymmetrical compressional feature with a relatively steep southwest limb and a shallow northeast limb. The Rattlesnake Hills anticline was formed as a result of uplift along the Emmigrant Trail thrust and is part of a series of en echelon northwest plunging regional anticlines (Autenrieth, 2012). One of the metavolcanic metasedimentary pendants described above forms the core of the Rattlesnake anticline. This Archean Pendant was likely deposited in a back-arc basin and consists of older mica schists and cherts overlain by metabasalts. The entire Archean rock package has been metamorphosed to amphibolite facies grade at around 2,860 Ma (Peterman and Hildreth, 1978). Archean lithologies present in the region include; sedimentary and volcanic rocks of the Barlow Springs Formation; McDougal Gulch metabasalts; and volcanics of the UT Creek Formation. The biotite rich Granite Mountains batholith intruded the Archean rocks around 2,550 Ma (Peterman and Hildreth, 1978) resulting in

silicification, chlorite and epidote alteration. East-northeast trending diabase dykes were emplaced throughout central Wyoming at approximately 2,510 Ma (Peterman and Hildreth, 1978).

Unconformably overlying the Archean basement are sedimentary rocks ranging in age from Cambrian to Eocene best exposed along the shallowly dipping northeast limb of the Rattlesnake Anticline. Paleozoic and Mesozoic rocks along the northern fringe of the Rattlesnake Hills form part of the southern margin of the Wind River Basin (Koehler, 2012).

During the Eocene the Archean rocks in the Rattlesnake Hills were intruded by the RAI complex. The RAI complex covers an area of approximately 125 km² and is analogous to gold-bearing alkalic systems in Montana (Golden Sunlight), South Dakota (Wharf) and Colorado (Cripple Creek) (Koehler, 2012). The RAI complex intruded along the intersection of three prominent regional structures:

- North Granite Mountain (NGM) Fault: east – west trending fault which bounds the Sweetwater Arch to the north;
- Belle Fourche Lineament (BFL): north east trending lineament which links the RAI complex to alkali intrusive complexes in southwestern and northeastern Wyoming (Leucite Hills and Bear Lodge Mountain respectively);
- Rattlesnake Hills Anticline.

The NGM fault has been interpreted as a late Laramide reactivation of a sub-vertical Proterozoic zone of weakness extending from the Laramide Mountains to the Wind River Range (Love, 1970; Bayley *et al.*, 1973; Peterman and Hildreth, 1978). Further uplift of the Granite Mountains occurred as a result of reverse movement along the NGM during the early Eocene (Snoko, 1993). Both the NGM and BFL are interpreted to have been reactivated on several occasions resulting in multiple episodes of movement (Autenrieth, 2012).

The RAI complex is made up of upwards of 42 domes, vents and stocks which intruded into the Rattlesnake Hills greenstone belt during the middle Eocene (Pekarek, 1974). The RAI complex, also known as the Rattlesnake Hills Volcanic complex, is made up of the eastern felsic group (EFG), the Western Felsic Group (WFG) and the Central Alkalic Group (CAG).

Property Geology

The Rattlesnake Hills Property is underlain by Precambrian basement rocks intruded by the Eocene Rattlesnake Hills Alkalic Complex and related volcanoclastics of the Wagon Bed Fm. These basement lithologies are overlain by Miocene lacustrine and fluvial sedimentary rocks of the Split Rock Fm.

The east-west trending North Granite Mountain NGM fault, which runs through the Rattlesnake Hills Property area, separates a northern Archean greenstone belt from a southern Archean granite – gneiss terrane. The northern greenstone belt consists of a sequence of interlayered dacite, pillow basalts, metasediments, chert and iron formation (Norby, 1995). The Archean stratigraphy is roughly parallel to the metamorphic foliation trending westward on the eastern portion of the property and swinging to the northwest through the central and western portion of the property. The swing in foliation is suggestive of a north trending fold axis traversing the property. A dominant northeast trend, defined by volcanoclastics, phonolites and structures, is present in the North Stock area and appears to control high grade gold mineralization in the area.

Upwards of 42 Eocene trachyte, phonolite and quartz monzodiorite stocks, dome, dykes and plugs have been mapped throughout the Property (Figure 7.3) intruding into the greenstone rocks, which comprise the RAI complex (Autenrieth, 2012). Cross cutting relationships indicate the quartz monzodiorite was emplaced first and may be genetically related to the latite and latite porphyry supracrustals at North Stock. Paleomagnetic (Shive *et al.*, 1977) and geochronological (Autenrieth, 2012) studies indicate that the entire RAI complex was emplaced over a relatively short time span of approximately 1 Ma. Volcanoclastic rocks of the Wagon Bed Formation, interpreted to be coeval with the emplacement of the RAI complex, are preserved within the North Stock Structural Basin (Norby, 1995).

Several of the large phonolite domes, such as North Stock and Northeast Stock are oval in plan and drilling suggests these bodies taper at depth. The South Stock appears to be a multiphase intrusive body fed by multiple narrow feeder zones creating the large surface expression with little cohesiveness at depth.

Hoch and Frost (1993) divided the RAI complex into three groups (EFG, WFG and CAG, discussed above) based largely on location and lithology. The EFG intrusions are located along the northeast limb of the Rattlesnake anticline and comprise quartz latites and rhyolites. The WFG, which makes up the southwest portion of the RAI complex, is mineralogically and chemically similar to the EFG only differing texturally (Koehler, 2012). The WFG straddles the

NGM which separates it from the CAG. The EFG and WFG consist of large, up to 1,800 m in diameter, domes. The bulk of the mineralization identified to date in the Project area is hosted within the CAG. The CAG comprises phonolite, trachyte and latites domes of less than 500 m in diameter located proximal to the axis of the Rattlesnake anticline (Pekarek, 1977). The three groups broadly lie along the BFL which links the RAI complex to other alkalic complexes regionally.

A secondary set of broadly north – south trending structures are evident in drainages throughout the central portion of the Rattlesnake Hills Property. These north – south structures may explain the linear orientation of and connect the mineralization and alteration identified at North Stock, Antelope Basin and along the west side of South Stock (Koehler, 2012). The north – south structures may also be responsible for the slight dextral offset of the Precambrian stratigraphy southwest of South Stock and may be responsible for focussing the intrusions at Antelope Basin.

The recently identified mineralization at Black Jack is situated within a window of Eocene volcanic breccias surrounded by Archean gneisses and granites. The volcanic rocks consist of heterolithic breccias, alkalic tuffs and subaqueous tuffaceous sediments believed to represent a volcanic center. In the vicinity of Black Jack, the roughly East – West NGM is the dominant structural feature, though historic mapping does not project the surface trace through the area. Drilling indicates that the mineralized volcanic package is relatively thin.

Mineralization

The Rattlesnake Hills Property currently contains four identified zones of significant gold mineralization: North Stock, Antelope Basin, South Stock and Black Jack. The mineralized zones are associated with Eocene age alkalic intrusions that are part of the Rattlesnake Alkali Intrusive (RAI) complex. Gold mineralization was first discovered by American Copper and Nickel Company (ACNC) in the 1970's and early 1980's, with the first publicly reliable anomalous gold identified in the area by Mr. Dan Hausel in 1982 who identified up to 7.55 g/t Au in a chip sample from Precambrian sulphide rich chert. Mineralization at that time was broken into two categories: stratabound (within the Archean rocks) and disseminated. Subsequently epithermal gold associated with the RAI complex was identified along zones of highly fractured and altered metasediments as well as within the intrusives themselves. Shortly thereafter, ACNC intersected the first anomalous gold mineralization in drill holes in 1986 at what today is the Antelope Basin mineralized zone. Canyon and Newmont discovered gold at North Stock with drilling in the early to mid 1990's.

The main mineralized zones along with a number of prospects, a number of the mapped Eocene intrusions and main structural elements are presented in Figure 7.4 below.

Precious metal mineralization at the North Stock area has been defined by historic and more recent drilling and is outlined in a broad 100 m x 300 m tabular mineralized zone, extending to a depth of about 500 m. North Stock drilling highlights include average grades of 26.21 g/t Au over 16.76 m hole length in hole RSC-020 and 2.08 g/t Au over 150.88 m hole length in hole RSC-039.

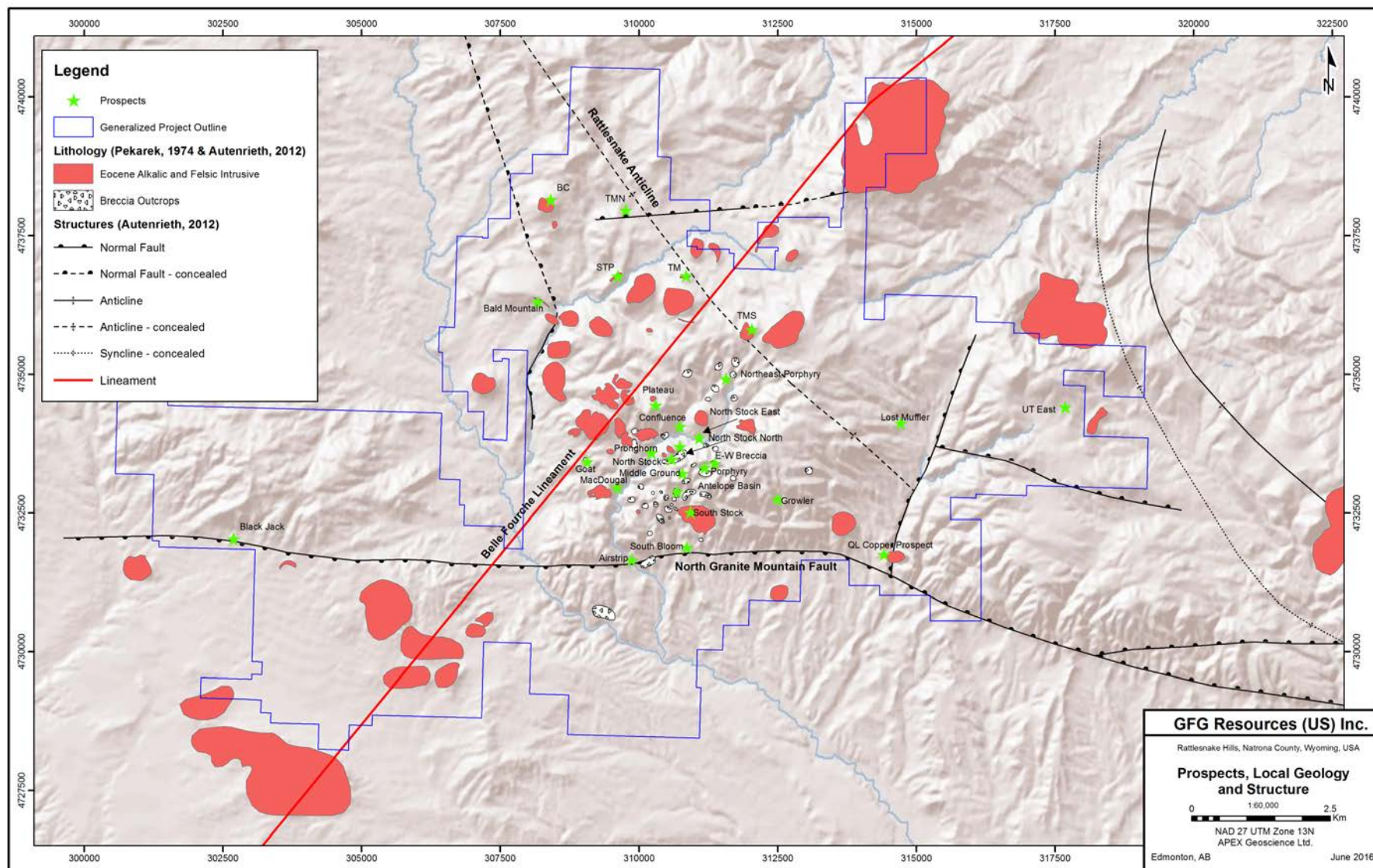
Mineralization at Antelope Basin has been defined by drilling over an area of 200 m x 350 m and to a depth of 200 m. Highlights from the Antelope Basin drilling include average grades of 1.91 g/t Au over 76.2 m hole length in hole RSC-042 along with a higher grade interval of 11.80 g/t Au over 1.52 m hole length.

The recently discovered mineralization at Black Jack includes drill intersections of up to 1.35 g/t Au across 33 m.

All four mineralized zones remain open along strike and at depth and the potential exists to connect the North Stock and Antelope Basin mineralization. Gold mineralization throughout the project area is structurally and stratigraphically controlled and is spatially associated with hydrothermal alteration resulting from Eocene aged alkalic intrusions into Archean metamorphic rocks (Koehler, 2012).

The structural evolution of the Rattlesnake Hills Project area and its relation to mineralization are poorly understood at present, though it is evident that the mineralization occurs along and within the metamorphic foliation. The intersection of the poorly defined north – south oriented structures and the dominant east – west metamorphic foliation appears to focus alteration and mineralization within the property.

Figure 7.4: Rattlesnake Hills Mineralized Zones.



Although the general exploration target at the Rattlesnake Hills Project is Alkalic Intrusion – Related gold (+/- silver) mineralization, six (6) distinct styles of mineralization are currently recognized on the Property and are discussed below.

1. *Archean Massive Sulphide*

Drilling has identified multiple horizons of massive sulphide with associated calc-silicate alteration in the area of South Stock within Archean greenstone lithologies. These massive sulphide lenses are up to 5 m wide and have been traced along strike for up to 2 km.

2. *Quartz Monzodiorite Hosted Veinlets*

In the vicinity of Antelope Basin gold mineralization is hosted in quartz monzodiorites and host schists. Gold bearing veinlets have been identified from surface to a vertical depth of 200 m. The gold bearing veinlets are oriented south – southwest subparallel to the trend of the quartz monzodiorites themselves.

3. *Adularia and Sulphide Veinlet*

Structurally controlled gold mineralization in the North Stock area is hosted within a northeast – southwest trending tabular body. Mineralization has been traced from surface to a depth of 300 m. At shallower levels the gold mineralization is hosted within diatreme breccias along the hanging wall whereas at depth it is contained within the Archean schists of the footwall.

The deeper footwall hosted gold mineralization, up to 7 g/t Au, is associated with adularia + pyrite +/- sericite veinlets. Studies indicate that the gold mineralization is spatially and genetically associated with pervasive potassic alteration. This style of mineralization is believed to be transitional to the porphyry style of mineralization present in the project area (Koehler, 2012).

4. *Vein and Breccia*

High-grade vein and breccia hosted gold mineralization has been identified on the northeast side of North Stock. This mineralization is associated with carbonate alteration and is situated within the upper hanging wall diatreme breccias. The highest gold grades are hosted in veinlets, fracture fill and breccia cement associated with early adularia and dolomite (potassic and carbonate alteration).

5. *Porphyry*

Disseminated and stockwork sulphide mineralization associated with alkalic porphyry dyke swarms has been identified to the south and east of North Stock. Gold mineralization and associated alteration is hosted by stockwork adularia – dolomite – sulphide veinlets as well as disseminated mineralization all within the dykes and contact aureoles. Sulphides associated with the gold mineralization include pyrite and lesser chalcopyrite. Early evidence suggests that sodium rich trachyte porphyry dykes are a preferable host to gold mineralization and associated potassic alteration (adularia flooding).

6. *Quartz Vein*

Gold mineralization hosted within quartz veins has recently been discovered at Black Jack. The mineralized quartz veins are hosted within Archean granitic and amphibolite gneisses.

The recently discovered quartz vein hosted Au-Ag mineralization at Black Jack is likely related to the mineralization at North Stock and Antelope Basin. In principal, gold mineralization at Black Jack is related to alkalic intrusions but its characteristics are more typical of a low sulphidation epithermal deposit type. The majority of the quartz veining occurs within the Archean succession, although limited mineralization has been identified within the Eocene volcanoclastics. The Black Jack mineralization remains open at depth, down-dip and along strike. Soil sampling completed subsequent to the drilling indicates that the mineralized body continues to the northwest and possibly to the northeast.

Alteration

Extensive widespread alteration footprints have been mapped throughout the Rattlesnake Hills Property. In total, ten distinct alteration assemblages (four major and six minor) have been identified. The major alteration types in decreasing order of abundance are: carbonate, potassic, clay and Fe-Mn oxide-hydroxide (FEOH). The minor alteration

assemblages include late silica/chalcedony, sericitization, actinolite-riebeckite-magnetite, roscoelite, talc, epidote-hematite and phlogopite.

Carbonate alteration is the most pervasive alteration assemblage on the Property and is common within the mineralized zones. The mapped potassic alteration is again spatially associated with the known mineralized zones and appears to mark the selvage of intense hydrothermal alteration (e.g. proximal). Limited coincident discrete clay and FEOH alteration assemblages are juxtaposed against mineralized zones.

Koehler (2012) suggests the following paragenetic sequence for the alteration:

1. Epidote – hematite, talc and other calc-silicates;
2. Potassic;
3. Overlapping carbonate and adularia (Potassic) with phlogopite selvages, clay, roscoelite and sericite;
4. Chalcedony and silica with late carbonate;
5. Actinolite – riebeckite – magnetite;
6. FEOH, clay and anhydrite.

The above preliminary paragenetic sequence of alteration shows just how complex and multiphase the hydrothermal events affecting the lithologies within the Property are. The extensive hydrothermal alteration footprint mapped throughout the property is also indicative of a large prolonged or multiphase hydrothermal event. Using the alteration present at surface will aid in vectoring further exploration throughout the newly consolidated land package.

At Black Jack, the Eocene volcanoclastic rocks are variably bleached, iron stained and possibly potassic altered. Localized silicification extends across the northern contact of the volcanoclastics with the surrounding Archean gneisses.

Deposit Types

The gold mineralization at the Rattlesnake Hills Project is related to Eocene magmatic and hydrothermal activity and can best be described by Schroeter and Cameron's (1996) Alkalic Intrusion Associated Au – Ag deposit model. In addition, gold mineralization showing characteristics more typical of mesothermal, porphyry and low sulphidation epithermal deposit types has also been identified in the project area.

Alkalic Intrusion Associated Au – Ag

The Alkalic Intrusion Associated Au – Ag deposit type of Schroeter and Cameron (1996) is the dominant deposit type for the Rattlesnake Hills Project. Much of the precious metal mineralization identified throughout the project is clearly related to Eocene alkalic intrusions regardless of the more specific deposit types described below.

Alkalic Intrusion Associated Au – Ag deposits typically include quartz veining with associated sulphides and disseminated pyritic zones within structural zones and stockworks in alkalic intrusions, diatremes, coeval volcanics and surrounding sedimentary host rocks. Argillic, silica, potassic and carbonate alteration are common in these deposit types. The morphology of Alkalic Intrusion Associated Au – Ag deposits is highly variable and can include sheeted veins, discrete structural and disseminated zones as well as stratabound lenses – all of which have been observed at Rattlesnake Hills.

Jensen and Barton (2000) note that Alkalic Intrusion Associated Au – Ag deposits are typically related to shallow alkaline magmatism and usually form clusters. The deposits can span the epithermal – porphyry temperature and depth regimes.

These deposits are associated with alkalic intrusive rocks, commonly developed in sedimentary cover rocks above continental crust, generally related to extensional faulting or transcurrent “pull-apart” structures. Tertiary examples in the USA that are related to continental rifting such as the Rio Grande rift for Cripple Creek, and the Great Falls tectonic zone for the Montana deposits.

Grade and tonnages of this deposit type are highly variable, from very low mineable grades (e.g., 0.53 g/t Au at Zortman) to very high bonanza grades (e.g., 126 g/t Au at the Cresson vug, Cripple Creek). Recovered gold from the Cripple Creek district totals in excess of 600 tonnes. Grades at Howell Creek include 58 m of 1.3 g/t Au in silicified limestone, with grab samples containing up to 184 g/t at Flathead (Schroeter and Cameron, 1996).

Mesothermal gold deposits

Mesothermal gold deposits are also known as Archean lode gold, orogenic, greenstone-belt, shear-zone-hosted and mesozonal gold deposits. They are important sources of gold and account for more than 18% of global gold production. The deposits are generally formed 5 to 10 km deep in metamorphic terrains and the gold occurs in quartz veins and adjoining wall rocks within shear zones associated with major regional-scale structures. Common host rocks include various types of volcano-sedimentary lithologies, including iron formations. In economic deposits the gold may be enriched more than one hundred times background and the tonnages may exceed 60 million tonnes at 7–17 g/t Au (13–33 million ounces Au). The gold may be associated with important quantities of silver often produced as a by-product. Mesothermal deposits are almost exclusively restricted in time to the Archean (~2.7 Ga) with only a few occurring in the Mesozoic.

Porphyry

Porphyry precious metal and copper deposits are hosted in a wide range of rocks including sedimentary, volcanic and intrusive igneous rocks. These deposits are common in subduction zones and their formation is related to residual magmatic hydrothermal fluids generated near the top of cooling magmas at depths of 1 to 5 km. The magmas are typically generated by fluids evolving from subducting ocean plates. The residual hydrothermal fluid emanating from the magma moves upward and outward away from the magma body into the country rock. The wall rocks are typically fractured by the associated hydrostatic pressure, producing breccia and network of fractures and joints into which the ore and gangue minerals are precipitated.

Low-sulphidation Epithermal Deposits

Epithermal precious metal vein systems are commonly found in association with calc-alkaline Tertiary volcanism, around the margins of tectonic plates. They form at relatively shallow depths in the earth's crust (< 1,500 meters) and at relatively low temperatures (< 300° C) as described by Simmons et al. (2005). Precipitation of the valuable elements is promoted by one or more of three mechanisms involving mixing with groundwater, boiling, or reduction by sulphide or carbon-rich strata.

Low-sulphidation epithermal deposits are formed by near neutral sulphur bearing hydrothermal fluids. The hydrothermal system is powered by heat from deep seated magmatic systems or higher geothermal gradients associated with tectonic processes. Low-sulphidation deposits typically consist of discrete veins to stock worked veins.

Epithermal deposits include deposits of Au and/or Ag that are formed at or close to the earth's surface and occur as veins, breccias, and disseminations (Simmons et al., 2005). They are generally enriched in a wide variety of unusual elements including arsenic (As), antimony (Sb), mercury (Hg), tellurium (Te), bismuth (Bi), vanadium (V), uranium (U), and base metals. Epithermal deposits are typically intrusion related and commonly occur in young geologic terranes with poor preservation potential. They may also occur in orogenic terrains and may be higher level expressions of deep-seated vein-type mesothermal systems (Simmons et al., 2005).

In low sulphidation vein deposits, the metals and related gangue minerals commonly form in depth-related bonanza-grade bands with less than a few hundreds of meters of vertical extent (Simmons et al., 2005). The high grade silver-gold bonanza mineralization generally has definite tops and bottoms. The bonanza mineralization forms within and immediately above the boiling zone, with most of the base metals concentrated below. The presence of bladed calcite or quartz pseudomorphs after such calcite in an epithermal system is considered to be indicative of a boiling zone at depth.

Vein mineralization is a combination of open space filling in dilatent zones near the axis of the vein system with stockworks and disseminations in the commonly brecciated adjoining wall rocks. Stockworks and disseminated mineralization may also occur in permeable beds that adjoin or cover a vein system (Simmons et al., 2005).

Characteristic vein mineralogy and textures and wall rock alteration assemblages define the low-sulphidation epithermal vein model (Buchanan, 1981; Hedenquist *et al.*, 2000; Gemmill, 2007; Simmons *et al.*, 2005). In this model, veins consist of chalcedony and or quartz and may be discrete, sheeted, or stockworks. The quartz may be massive, colloform banded, or crustiform. Calcite and adularia may be present in variable amounts and calcite may form coarse blades. Chalcedony and quartz may precipitate on and pseudomorphously replace the calcite blades to result in bladed chalcedony/quartz. Boiling of the hydrothermal fluid facilitates the formation of the bladed calcite-quartz morphology that associates with gold deposition.

The banded multi-phase quartz carbonate veins observed at Cesar Jesus fit the low-sulphidation epithermal vein model. Parts of the veins display banding or laminations and contain bladed calcite and chalcedony/quartz. Sericite/illite and pyrite alter (bleach) the footwall adjacent to the vein. Beyond the bleached zones the rock is propylitically-altered to chlorite and epidote. Jones (2009) and Juras and Jones (2010) suggest that the range front chalcedony/quartz veins exhibit textures consistent with a hydrothermal system that boiled, thereby providing a mechanism to precipitate precious and base metals along with pathfinder elements.

Possible Mineral Deposit Analogs Along The Eastern Flank Of The Rocky Mountains

The Rattlesnake Hills Project is centrally located within a roughly 1,500 kilometer-long belt of alkalic intrusive complexes that occur along the eastern side of the Rocky Mountains from Montana to New Mexico, several of which are associated with significant gold deposits (Jenson and Barton, 2000) (see Figure 8.1). There are no NI 43-101 compliant mineral resources at the Rattlesnake Hills Project. However, four significant zones of precious metal (gold and silver) mineralization have been identified by drilling at the project that are associated with Eocene age alkalic intrusions (North Stock, Antelope Basin, South Stock and Black Jack). These zones have the potential to yield resources with future work.

Several important Alkalic Intrusion – related precious metal deposits that are situated along the eastern Flank of the Rocky Mountains that could be potential analogs for mineralization at the Rattlesnake Hills Project are described below. Readers are cautioned that the authors of the Rattlesnake Report have not visited the projects discussed below nor have they had the opportunity to verify any of the resources or historic production figures provided. Furthermore, the mineralization discussed at these other projects is in no way indicative of mineralization at the Rattlesnake Hills Project. These analog projects are simply described in order to provide insight into potential examples of the styles of mineralization and mineral deposits that the Rattlesnake Hills Project has the potential to host.

Copper King Project

The Strathmore Minerals Corp. (Strathmore) Copper King project, covering approximately 5 km², is located in southeastern Wyoming, 32 km west of the city of Cheyenne, on the southeastern margin of the Laramie Range. Strathmore acquired its interest in the Copper King project in May 2012. It is proposed that the Copper King gold-copper deposit be mined by open-pit methods using flotation for recovery of ore minerals.

The Copper King project is located within the Silver Crown mining district, which is underlain by Proterozoic rocks that make up the southern end of the Precambrian core of the Laramie Range. Metavolcanic and metasedimentary rocks metamorphosed to amphibolite-grade are intruded by the approximately 1.4 Ga Sherman Granite and related felsic rocks. Within the project area, foliated granodiorite is intruded by aplitic quartz monzonite dikes, thin mafic dikes, and younger pegmatite dikes.

Copper King mineralization has been interpreted as a shear-zone controlled, disseminated and stockwork gold-copper deposit in Proterozoic intrusive rocks. Higher-grade mineralization occurs within a central core of thin quartz veining and stockwork mineralization that is surrounded by a zone of lower-grade disseminated mineralization. Disseminated sulfides and native copper with stockwork malachite and chrysocolla are present at the surface, and chalcopyrite, pyrite, minor bornite, primary chalcocite, pyrrhotite, and native copper are present at depth. Gold occurs as free gold.

A recent NI 43-101 compliant mineral resource estimate completed in 2012 utilized data from 120 drill holes totaling 18,105 m. The resource was calculated using 6.1x6.1x6.1 m (20x20x20 ft) blocks and a cut-off grade of 0.514 g/t Au equivalent (“AuEq”) was calculated using the following formula based on a gold price of US\$ 1,000.00 per ounce, and a copper price of US\$ 3.00 per pound:

$$\text{g/t AuEq} = \text{g Au/t} + (2.057143 * \% \text{Cu})$$

The resulting in situ Measured and Indicated mineral resource at Copper King was estimated to be 54.2 million tonnes at a grade of 0.53 g/t Au and 0.187% Cu for a total of 926,000 ounces of Au and 223 million pounds of Cu. An additional inferred resource of 14.1 million tonnes at a grade of 0.38 g/t Au and 0.2% Cu for a total of 174,000 ounces of Au and 62.5 million pounds of Cu are also reported to exist.

Carissa Gold Mine

The historic Carissa Mine is located near Atlantic City, within the South Pass City historical site. The historic mine was initially discovered in 1867 when more than 400 ounces of gold were recovered using primitive hand tools and mortars.

Past gold production from the mine is poorly documented, but available statistics suggest 50,000 to more than 180,000 ounces of gold were produced prior to 1950. The Carissa shaft was sunk to a depth of 350 ft. with more than 2,300 ft. of drifts constructed on four levels over a strike length of 750 ft. A winze was later sunk to a 5th level at a depth of 400 ft. below surface.

The Carissa ore was identified as structurally controlled and is interpreted as a saddle reef deposit where high-grade gold is localized in fold closures and healed fractures. Based on drilling, mining and surface sampling, the Carissa mineralized body has a minimum strike length of 950 ft. and is reported to be open at either end. The mineralization is more than 1000 ft. wide and is open at depth. The shear structure is traced on the surface to the northeast and southwest for several thousand feet and most of it remains unsampled (Hausel, 1989).

Wharf (Coeur Mining)

The Wharf mine is an open pit mine located four miles west of Lead, South Dakota, in the northern Black Hills region within the Bald Mountain mining district. It was acquired by Coeur Mining Inc. ("Coeur") in February 2015. The mine has been in continuous operation since 1983 with production expected to continue through to 2022.

Wharf lies along the easternmost uplift of the Laramide orogeny, having risen from the surrounding plains at approximately 50 Ma. The elongate dome is nearly 100 km in width by 200 km in length. It consists of a core of Precambrian metamorphic and igneous rocks, flanked by exposures of Paleozoic through Mesozoic sedimentary rocks, and is intruded by a trend of Tertiary igneous bodies in the northern Black Hills. The mined units are the Cambrian Deadwood Formation and Tertiary porphyritic trachyte sills. Manto - like deposits of disseminated gold in the lower sandstone of the Deadwood Formation contain the highest grade mineralization at Wharf. Gold is also concentrated along near-vertical fractures in the remainder of the Deadwood. Much of the ore mined is considered porphyry-like, which is mineralized within pervasive fracture zones. Overlying rocks present in the mine area are the Ordovician Winnipeg and Whitewood, Devonian Englewood, and Mississippian Pahasapa Formations.

The Wharf Operation is split into two mining areas: Wharf and Golden Reward. The Wharf mining area contains the American Eagle, Green Mountain, and Portland Ridgeline pits. The Golden Reward mining area contains the Harmony pit. The pits at the Wharf mining area are all part of the same deposit, and represent distinct mining phases (Nelson *et al.*, 2015).

Cripple Creek (Newmont)

The Cripple Creek and Victor Gold Mine (Cripple Creek), formerly the Cresson Mine, is an active gold mine located near the town of Victor, in the Cripple Creek mining district in Colorado. In August 2015 Newmont Mining Corporation finalized the purchase of the mine from AngloGold Ashanti.

The district is known for its historic underground mining activities that produced nearly 21 million ounces of gold prior to 1970 from narrow, high-grade, sheeted vein systems that contain gold-telluride mineralization (Thompson *et al.*, 1985; Newmont Mining Corp. Website 2016; Wikipedia 2016). Currently, the truck and shovel mining method is being employed at large, low-grade open pit operations. The Cripple Creek Mine has produced more than 5 million ounces of gold since 1995 (AngloAshanti Annual Report, 2015; Newmont Annual Report, 2015; Wikipedia, 2016).

The dominant geological feature of the district is a 34 Ma to 28 Ma phonolite diatreme - intrusive that erupted through Precambrian rocks (Thompson *et al.*, 1985). The diatreme - intrusive complex is 6.4 km long, 3.2 km wide and consists of diatreme breccia that has been intruded by stocks, dykes and discordant breccias. Diatreme breccia lithologies include breccias composed exclusively of volcanic, Precambrian or sedimentary material or any combination of the three. Early intrusions are predominantly within these alkaline phonolite - phonotephrite series of rocks and were followed by later lamprophyres. All rocks have undergone minor structural deformation and a complex history of hydrothermal alteration. Gold mineralization is hosted in all rock types contained in veins.

Exploration activities during 2014 focused on upgrading of the Mineral Resource to allow for conversion to Ore Reserve for the low - grade, heap leach operations; and drill testing of high-grade zones that lie outside the current pit designs, but could be mined by underground methods. Nearly 31,000 m were drilled during 2014, which included approximately 29,000 m of RC and 2,000 m of core drilling. Reserves as of 2014 at Cripple Creek total 165.8 million tonnes at a grade of 0.74 g/t Au for a total of 3.96 million ounces of Au.

Golden Sunlight (Barrick)

The Golden Sunlight mine, currently operated by Barrick Gold Corp., is located in Jefferson County in southwestern Montana, 55 km east of Butte and 8 km northeast of Whitehall. The property lies on the eastern flank of the fault-bounded Bull Mountains. The active mine has produced more than 3 million ounces of gold since 1983 (Oyer *et al.*, 2014).

The Golden Sunlight gold - silver deposit is hosted by a breccia pipe that cuts sedimentary rocks of the Middle Proterozoic Belt Supergroup and sills of a Late Cretaceous rhyolite porphyry. Gold and silver in the region is concentrated along northeast - striking, high angle faults and shear zones, some of which cut the breccia pipe and along which lamprophyre dikes have been emplaced (Oyer *et al.*, 2014).

Golden Sunlight is mined by conventional underground and open-pit methods. The ore treatment plant uses conventional carbon-in-pulp technology as well as Sand Tailing Retreatment (STR), designed to recover gold that would otherwise be lost in the process. Golden Sunlight produced 68,000 ounces of gold in 2015. Proven and probable mineral reserves as of December 31, 2015, were 74,000 ounces of gold. In 2016, gold production is expected to be 30,000 - 45,000 ounces at an all-in sustaining costs of \$1,000 - \$1,050 per ounce (Barrick Website, 2016).

The proximity of the above mines and deposits to the Rattlesnake Hills Project is not necessarily indicative of the mineralization on the Rattlesnake Hills Project.

Exploration

2014 Exploration

During 2014, NV Gold carried out surface exploration on the EVG's portion of the Rattlesnake Hills Project under an option agreement with EVG. The lands explored during 2014 are part of the EVG Rattlesnake Property. The 2014 sampling program focussed on several satellite occurrences in the project area.

In total, 71 rock samples were collected from the Bald Mountain, Black Jack, South Stock and Growler occurrences. The rock sampling was successful in confirming historic high grade gold values at all of the prospects sampled. Of the 71 samples, eighteen returned assays above 0.2 g/t Au with the highest assays being 38.78 g/t Au and 2,470 g/t Ag in two separate samples. The three highest gold assay values from the 2014 rock sampling program (38.78 g/t, 26.00 g/t and 21.80 g/t) were collected from the Bald Mountain prospect. The highest silver assay was returned from a sample collected at the Black Jack prospect. Nine rock samples returned silver assay results greater than 10 g/t Ag, seven of which were collected from rocks in the Bald Mountain area. In general, high silver assays are associated with high gold values.

After significant gold mineralization was intersected in the 2014 RC drilling at the Black Jack prospect, a soil sampling program was carried out in order to guide future drilling. The soil grid covers an area of 360 m N - S by 810 m E - W with grid and line spacing of 30 m and resulted in the collection of 364 samples. A highly anomalous V - shaped gold-in-soil anomaly, with values up to 0.85 g/t Au, is situated directly above the mineralization identified in drilling. The Black Jack gold-in-soil anomaly extends to the northwest and for some 300 m to the northeast indicating a potential to expand or extend the known zone of gold mineralization at the prospect. Silver results from the soil sampling program show a similar pattern to gold and several highly anomalous results were returned up to a maximum value of 16.60 g/t Ag. The significant silver-in-soil anomaly correlates well with the gold-in-soil anomaly and indicates a potential to extend the currently identified zone of mineralization at Black Jack to the northeast and potentially to the northwest.

The 2014 exploration program was successful in identifying and confirming the existence of significant mineralization outside of the main North Stock and Antelope Basin mineralized zones. The results of the 2014 rock and soil sampling programs indicate that the Rattlesnake Hills Project has the potential to host additional significant gold and silver mineralization, whether the mineralization is blind in areas of known prospects or in previously untested areas.

2016 Exploration

The 2016 field program consisted of a site visit by the primary author of the Rattlesnake Report, Mr. Andrew Turner, B.Sc., P.Geol., a Principal and Senior Consultant with APEX ("Turner"). The site visit was conducted on May 18 and 19, 2016. Turner was accompanied by GFG geologist Timothy Brown. A total of 10 rock grab and core samples were collected from outcrop in the project area and drill core stored at GFG's warehouse in Casper (Table 9.1 and Figure 9.7).

Table 9.1: 2016 Site visit sample summary.

Sample ID	X_NAD27 zone 13N	Y_NAD27 zone 13N	Material	Area/Prospect	Au (ppm)	Ag (ppm)	Comments
16ATP001	310904.02	4732232.05	Outcrop	South Stock	0.01	0.2	30 cm Quartz Vein in Old Trench/Small Test Pit
16ATP002	311106.90	4732615.34	Subcrop/talus	South Stock	0.301	2.92	Phonolite with Historic Sample Tags
16ATP003	310684.43	4732964.97	Outcrop	Antelope Basin	0.162	0.24	Quartz Diorite in road cut ~50m west of a PAD
16ATP004	310641.12	4733471.58	Outcrop	North Stock	0.064	0.27	Rusty shear in Schist cut bank Behind a PAD
16ATP005	310432.69	4733617.66	Subcrop/talus	North Stock	0.036	0.55	Rusty shear in Phonolite Breccia in cut bank behind a PAD
16ATP006	302670.87	4732049.29	Angular float	Blackjack	0.862	28.5	PAD1
16ATP007	302670.87	4732049.29	Angular float	Blackjack	0.295	10.25	PAD1
16ATP008	-	-	HQ drill core	Antelope Basin	0.538	1.76	Historic Hole RSC-133 (513ft-514ft) - Quartz Diorite Dyke
16ATP009	-	-	HQ drill core	North Stock	1.065	22.8	Historic Hole RSC-020 (439ft-440ft) - Schist
16ATP010	-	-	HQ drill core	North Stock	1.89	4.03	Historic Hole RSC-160 (673ft-674ft) - Schist Breccia

On May 18, the project tour commenced with a brief visit to GFG's office and warehouse (core logging and storage) facility located in an industrial area of Casper, WY. The field visit commenced shortly thereafter with the first field stop an examination of outcrops of Archean schist and iron formation adjacent to the Phonolite of the South Stock. A sample (16ATP001) was collected from an old test pit located immediately southwest of the South Stock, which contained rusty altered quartz vein in mafic schists. The west and north sides of the South Stock were then traversed where several large outcrops of altered phonolite were observed, which were mapped by Autenrieth (2012) as intensely potassic altered phonolite. Sample 16ATP002 comprised altered phonolite and was collected on the north side of the South Stock.

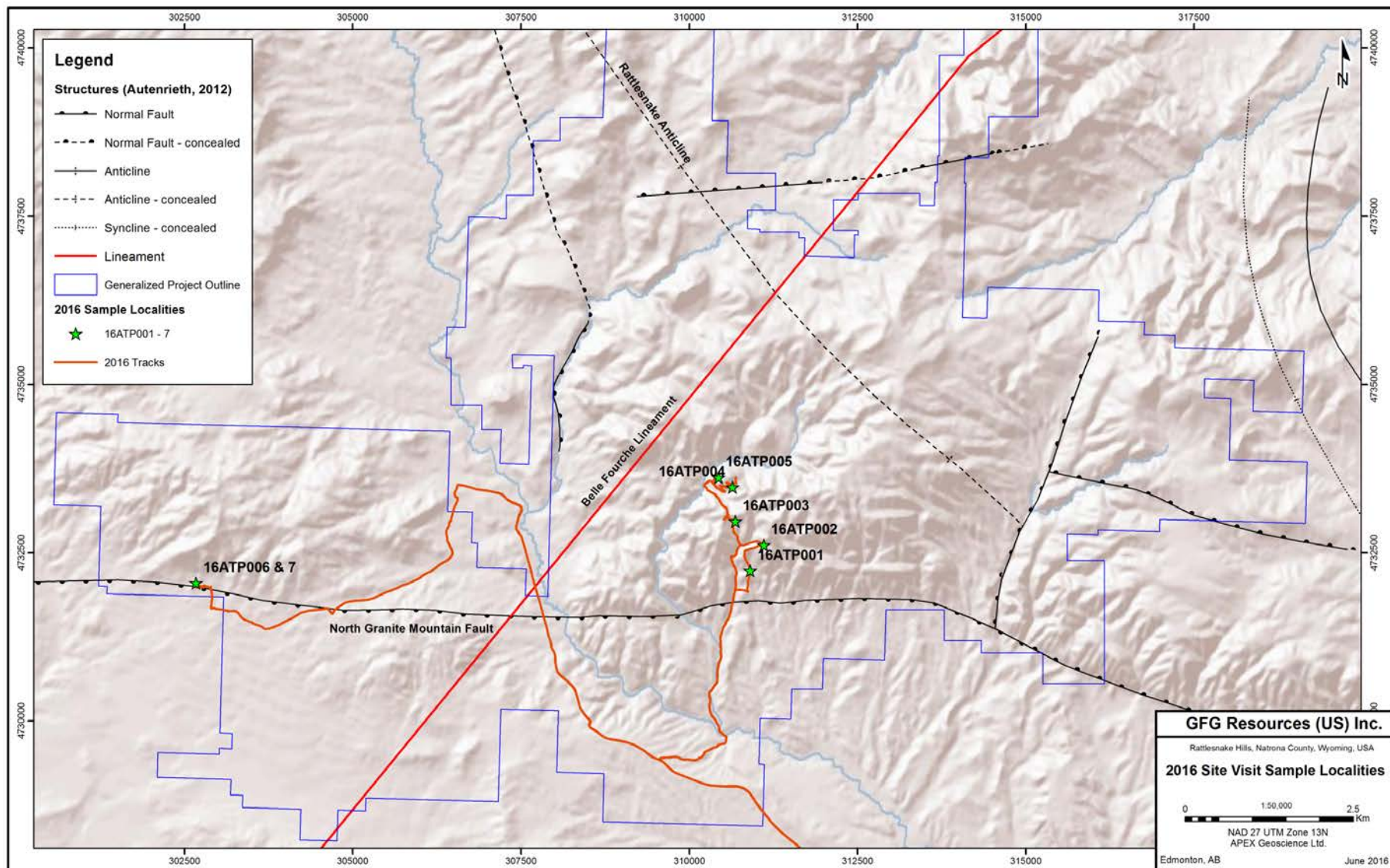
The property tour continued by driving drill roads further north through the Antelope Basin area (between the South and North Stocks). Several road cuts were examined including one that contained a 50 m exposure of a NW – SE trending quartz diorite dyke. The quartz diorite body is apparently an important control on gold mineralization in this part of the project as it is associated with several significantly mineralized intersections and is altered (K and Na, Riebeckite) and mineralized with up to 5-10% finely disseminated pyrite throughout. Sample 16ATP003 was collected from a road cut through the Quartz Diorite dyke (Table 9.1).

Further to the north, the North Stock area was examined by walking along several drill roads and examining exposed variably altered and brecciated phonolite. Two samples (16ATP004 and 16ATP005), one of altered and rusty phonolite and the other of phonolite breccia were collected in the area.

Throughout the main project area (South Stock, Antelope Basin and North Stock areas) extensive evidence of the historic exploration programs conducted at the Property was observed including water pipes and an extensive network of roads and drill pads. Although collar ID markers were not observed on drill pads in the field, their locations (from hand-held GPS measurements) coincided with collar locations within the Rattlesnake Hills drill hole database.

The property tour ended with a drive over to the recently discovered Black Jack Prospect. The Black Jack drill pads, although reclaimed, were evident and several were located by GPS by Turner and were found to coincide with collar locations in the drilling database. There is no outcrop in the immediate vicinity of the Black Jack drill area. However, two samples (16ATP006 and 16ATP007) of altered and brecciated angular float were collected for analysis from the hole NVJ-001 drill pad (see Table 9.1).

Figure 9.7: 2016 Site Visit Sample Localities.



Turner spent the following morning (May 19, 2016) examining drill core from the project stored at GFG's core facility in Casper. Three drill hole intersections were examined including, RSC-133 from the Antelope Basin area, and RSC-020 and RSC-160 from the North Stock area. Extensive evidence of hydrothermal alteration and mineralization were observed in all three drill holes and a sample was collected by Turner from each hole (see Table 9.1).

Drilling

In addition to the surface rock and soil sampling program, the 2014 NV Gold Rattlesnake Hills exploration program under option from EVG included a small RC drill program conducted at two satellite prospects within the project area. GFG purchased the prospects and underlying lands as part of the EVG Agreement.

The 2014 drill program comprised the initial drill testing of two newly identified prospects at Bald Mountain and Black Jack. The program comprised 1,557.79 m of drilling in 14 holes (Figure 10.1).

The drilling at Bald Mountain, which comprised 6 holes totaling 589.79 m (Figure 10.1), was not able to identify a bedrock source for the significant surface (rock and soil) gold anomalies that had been identified previously at the prospect with only one weakly anomalous intersection returned (Table 10.2). A cross-section showing the anomalous intersection at the Bald Mountain prospect is provided as Figure 10.2.

Eight RC drill holes were completed at the Black Jack occurrence for a total of 967.75 m (Figure 10.1). Significantly anomalous gold intersections were returned from seven of the eight holes (Table 10.2). Drill hole NVJ-001 intersected 1.33 g/t Au and 19.56 g/t Ag over 33.53 m hole length from surface as well as 0.54 g/t Au and 11.35 g/t Ag over 32.00 m hole length from 97.54 m (Table 10.2). Hole NVJ-008 was drilled beneath the intersection from NVJ-001, the hole returned an intersection of 0.74 g/t Au and 33.08 g/t Ag over 13.72 m hole length at a depth of 68.58 m (Table 10.2). A cross section showing a number of the anomalous Black Jack intersections is provided as Figure 10.3.

Table 10.2: 2014 Drilling Significant Intersections.

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
Bald Mountain					
NVB-001	67.06	70.10	3.05	0.37	9.50
NVB-002	19.81	21.34	1.52	0.10	0.00
NVB-003	108.20	109.73	1.52	0.04	0.00
NVB-004	9.14	10.67	1.52	0.04	0.00
NVB-005	56.39	57.91	1.52	0.10	0.00
NVB-006	21.34	22.86	1.52	0.08	1.20
Black Jack					
NVJ-001	0.00	33.53	33.53	1.33	19.56
<i>including</i>	18.28	19.81	1.53	3.55	30.40
NVJ-001	42.67	57.91	15.24	0.55	21.71
NVJ-001	97.54	129.54	32.00	0.54	11.35
NVJ-002	0.00	4.57	4.57	0.53	1.40
NVJ-003	0.00	6.10	6.10	0.67	1.28
NVJ-004	0.00	6.10	6.10	0.37	2.13
NVJ-005	45.72	48.77	3.05	0.83	2.60
NVJ-005	51.82	56.39	4.57	0.79	6.30
NVJ-007	111.25	118.87	7.62	1.07	11.86
NVJ-008	68.58	82.30	13.72	0.74	33.08

Figure 10.1. 2014 Drill hole locations.

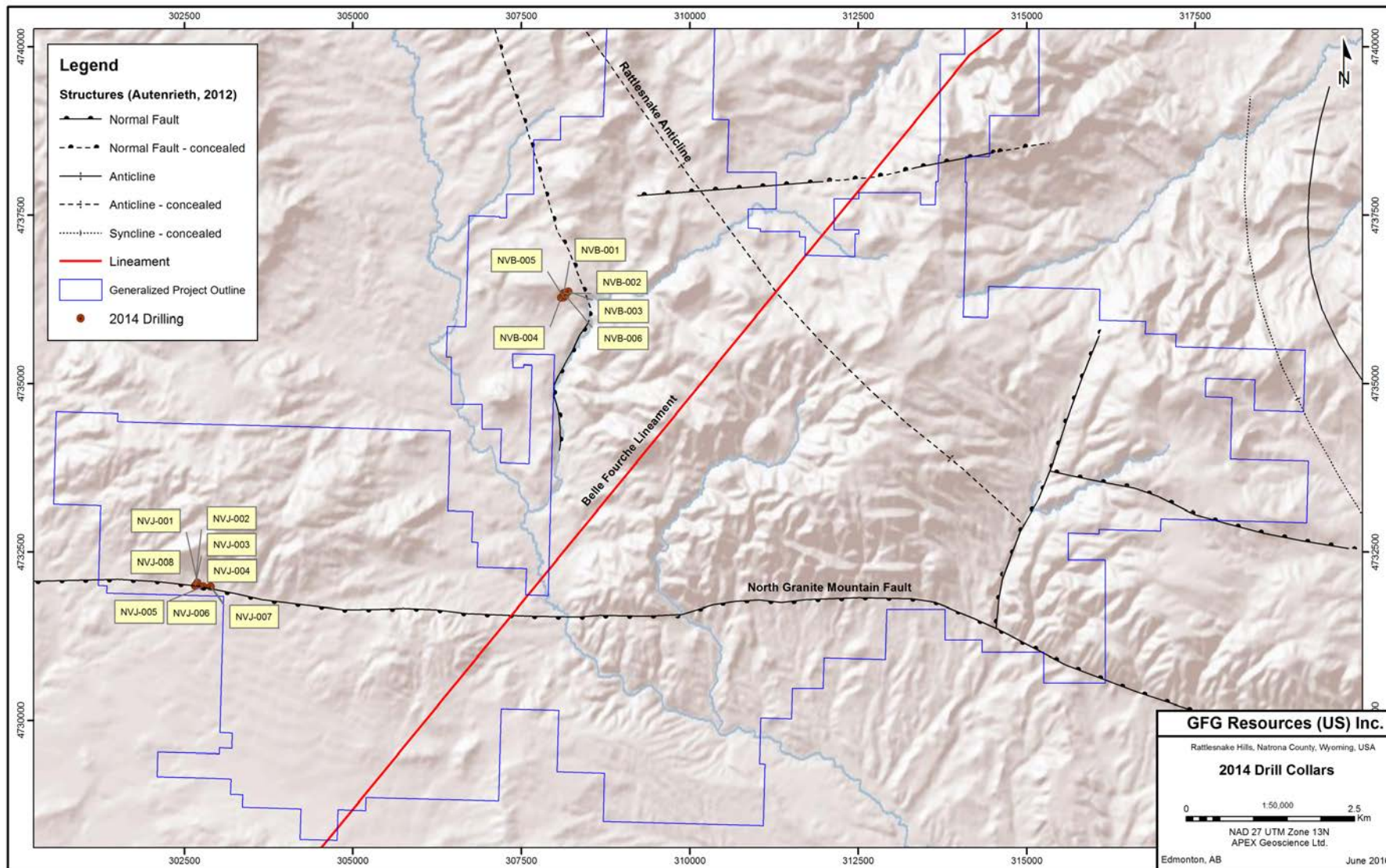


Figure 10.2: 2014 Bald Mountain drill section.

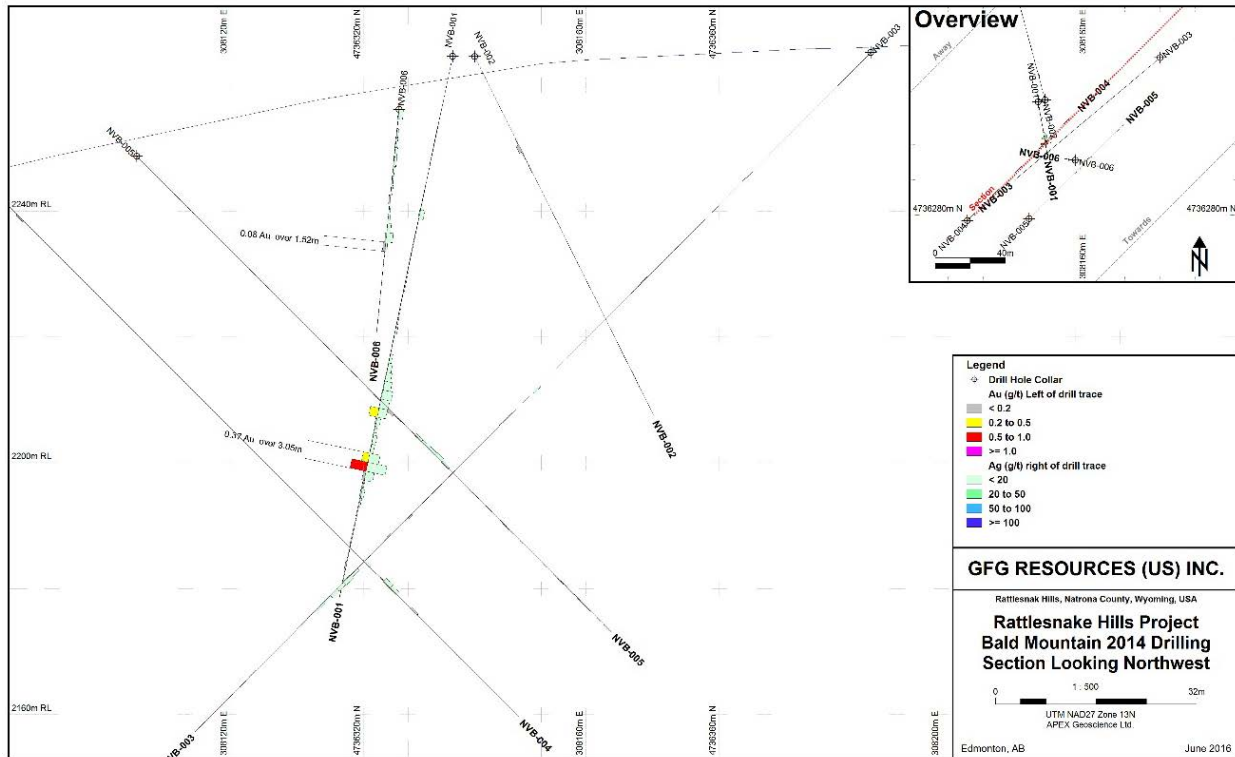
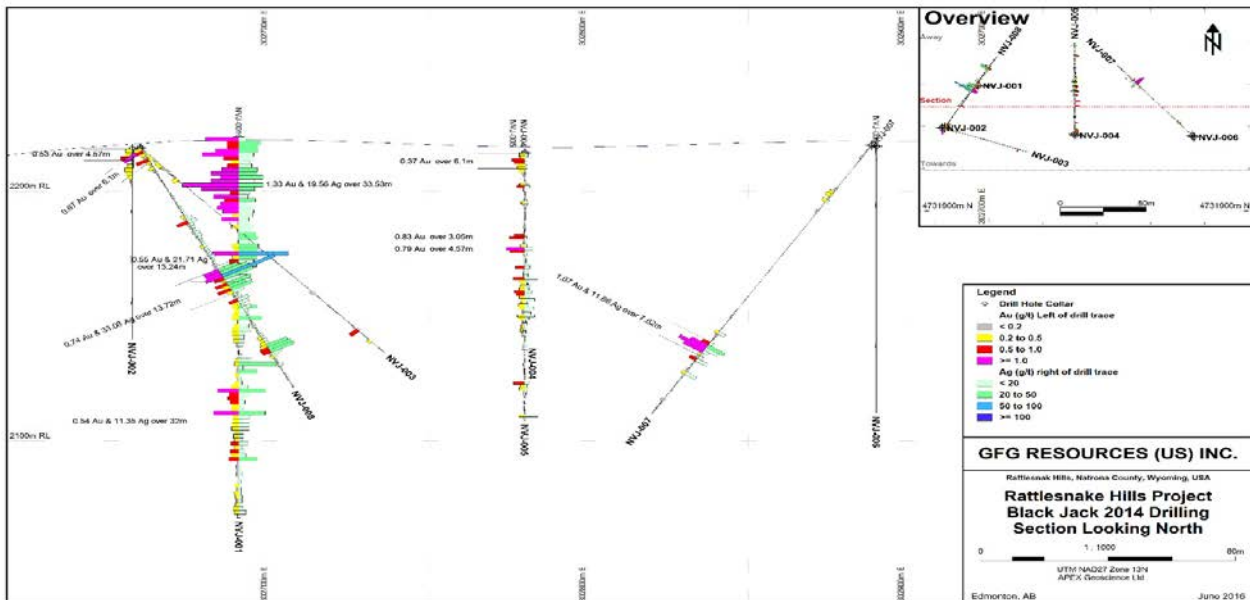


Figure 10.3: 2014 Black Jack drill section.



Sample Preparation, Analyses and Security

2014 RC Drill Program

All of the RC drilling and rock grab samples collected in 2014 at the Rattlesnake Hills Property were sent to ALS Geochemistry Laboratories (ALS) in Reno, Nevada for analysis. All of the soil samples collected during the 2014 exploration program were sent to Acme Laboratories (Acme) in Vancouver, BC for analysis. No issues with respect to sample shipment and/or security were noted.

ALS Minerals is an internationally accredited independent analytical company with ISO9001 and ISO/IEC 17025 certification. Samples submitted to ALS are logged into a computer-based tracking system, sorted, weighed and dried. The entire sample is crushed so that +75% passes a 2 millimetre screen. A 250 g ram (~0.5 pound) split is then selected and pulverized to better than 85% passing a 75-micron screen. Samples were analyzed for gold using a fire assay fusion and an atomic absorption spectroscopy (AAS) finish on a 30-gram aliquot. The 2014 RC samples were also analyzed for a suite of 33 elements by ICP-AES (Inductively Coupled Plasma – Atomic Emission Spectroscopy) following *aqua regia* digestion. The rock samples were analyzed for a suite of 51 elements by ICP-AES following *aqua regia* digestion.

The 2014 soils samples were submitted to Acme for analysis, which is an internationally accredited independent analytical company with ISO9001 and ISO/IEC 17025 certification. The soil samples submitted to Acme Labs were dried at 60 degrees Celsius and screened to -180 microns then a 100 gram split was separated for analysis. The splits were analyzed for gold using a fire assay fusion and an emission spectroscopy (ES) finish on a 30-gram aliquot. Soil samples were also analyzed for a suite of 45 elements by ICP-MS (Inductively Coupled Plasma – Mass Spectroscopy) following *aqua regia* digestion.

2016 APEX Site Visit

Limited rock grab and drill core sampling was conducted by Turner with the aim to confirm the presence of reported gold mineralized zones. Rock grab samples were collected from the approximate location of previous rock samples. Individual rock samples were collected in the field by placing the sample material in a plastic sample bag. Sample locations were recorded by hand-held GPS and were described in the field with the information subsequently transferred to digital files. Drill core samples were collected from labelled core boxes and down hole depths were recorded by measuring from the nearest meterage block.

Samples were processed as rock samples for geochemical analyses. The samples were grouped and banded together. Samples were transported to Edmonton, AB, Canada by their collector, Turner, and were then shipped via commercial carrier to ALS Geochemistry in North Vancouver, BC. No issues with respect to sample shipment and/or security were noted.

Samples submitted to ALS Minerals are logged into a computer-based tracking system, sorted, weighed and dried. The entire sample is crushed so that +75% passes a 2 millimetre screen. A 250 gram (~0.5 pound) split is then selected and pulverized to better than 85% passing a 75-micron screen. Samples were analyzed for gold using a fire assay fusion and an atomic emission spectroscopy (AES) finish on a 50 gram split. Multi-element data was obtained via ICP-MS (Inductively Coupled Plasma – Mass Spectroscopy) following *aqua regia* digestion.

Data Verification

Confirmation rock grab and drill core sampling was conducted by Turner during the site visit on May 18 and 19, 2016 to independently confirm the presence of gold and silver mineralization at the Rattlesnake Hills Project and verify reported historic assays. The confirmation sampling also allows a basis for assessing the quality of sample collection techniques, laboratory work and data management. The 2016 confirmation rock samples were sent to ALS Laboratories in North Vancouver, BC an internationally accredited independent analytical laboratory with ISO 9001:2008 accreditation and with a comprehensive internal Quality Assurance/Quality Control (“QA/QC”) program which was utilized during analysis of the confirmation samples. The rock samples and their analytical results are described in greater detail in under “Exploration” above. However, the sampling confirmed the presence of gold and silver mineralization and returned values with similar grades to those reported by previous companies for the Rattlesnake Hills Project. The 2016 select core samples represent 1 ft. (~0.3 m) of core whereas the drill database samples represent 5 ft. of core thus one would not expect the assays from the resamples to exactly match the original samples. The 2016 core sample gold and silver assay results correlate well with the original assays (Table 12.1). The presence at the Rattlesnake Hills Property of precious metal (gold and silver) mineralization, along with significant zones of hydrothermal alteration, was confirmed as a result of the 2016 site visit by Turner.

Table 12.1: Comparison of 2016 select core samples with original core samples.

Drill Hole	Sample Interval (ft.)		Sample ID		Results			
	Historic	2016	Historic	2016	Original Au (ppm)	2016 Au (ppm)	Original Ag (ppm)	2016 Ag (ppm)
RSC-133	510'-515'	513'-514'	199895	16ATP008	0.051	0.54	<2	1.76
RSC-020	435'-440'	439'-440'	117413	16ATP009	5.72	1.07	14	22.8
RSC-160	670'-675'	673'-674'	225767	16ATP010	1.238	1.89	2.9	4.03

All drill core from the previous drilling campaigns on the Rattlesnake Hills Project by Newmont, Evolving Gold, Agnico Eagle and the American Copper and Nickel Company are stored in a secure core facility in Casper, WY near the property and were available for viewing by Turner.

A review of the QA/QC protocols implemented by NV Gold for the 2014 RC drilling program was undertaken in order to verify the accuracy of the drilling assay database and the discussion below is included in this section for this purpose. Evolving Gold also carried out rigorous QA/QC protocols in relation to their drilling. Eggleston (2010) and Koehler (2012) provide detailed reviews of the Evolving Gold QA/QC program.

During the 2014 RC drilling program 51 certified standards (CRMs) were inserted into the sample stream. Of these, 11 standards were high-grade with a certified value of 5.181 ppm Au and 29.1 ppm Ag (SL77); 18 standards were medium-grade with a certified value of 0.229 ppm Au (CDN-GS-P2A); and the remaining 22 standards were low grade with a certified value of 0.0836 g/t Au (OXA89). Overall the standard performance was acceptable with only two analyses of CDN-GS-P2A lying outside of the two standard deviation (2SD) acceptable limit.

In addition to the high, medium and low grade standards, 54 blank pulp samples (blanks) were inserted into the 2014 RC drilling sample stream. Overall, the analysis of the blanks was found to be acceptable with only 3 analyses returning values above the 0.01 ppm (10ppb) Au detection threshold. For 2 of the 3 samples that assayed above 0.01 ppm Au, assay values were returned that are very similar to two of the standard gold values discussed above and thus it is conceivable that standard pulps were accidentally switched with blank pulps for these samples.

No significant issues with the Rattlesnake Hills drilling and surface sampling databases were identified by APEX during the preparation of the Rattlesnake Hills Report. Given the significant level of the work completed to date on the Rattlesnake Hills Property, along with the samples collected and mineralization and alteration observed by Turner, the data in the drill assay database is believed to be representative of the type and tenor of the gold mineralization present in the known mineralized zones at the Rattlesnake Hills Project.

Mineral Processing and Metallurgical Testing

Given the early stages of exploration at the Rattlesnake Hills Project, no systematic metallurgical testing has been completed. However, EVG did perform a limited number of metallurgical tests from samples collected during the 2008 and 2009 drill programs. Twenty sulphide bearing core samples from the 2008 drill core were submitted to SGS Mineral Services for cyanidation bottle roll tests (results discussed below).

More comprehensive and applicable metallurgical testing was carried out by Resource Development Inc. (RDI) in 2009 on behalf of EVG. The RDI work examined 15 composite samples ranging in size from 6 to 10 kg (kilograms) comprising sulphide bearing drill core. The 2009 metallurgical test work included compositing of samples, head grade analysis, grind studies, gravity and flotation concentration tests, cyanide leach tests and limited roasting and leaching of flotation concentrate tests. Additional metallurgical testing completed in 2010 was designed to develop a better understanding of the various mineralized domains identified throughout the Property. The 2010 test work involved testing several hundred 1.5 m core intervals from selected drill holes. Samples were analyzed for leachable gold, carbonate content and sulphide-sulphur levels.

The results of the metallurgical test work completed to date are summarized in Eggleston (2010) and Koehler (2012):

- Oxidized and transition mineralized material leaches well. Whole-ore cyanide leach tests sometimes had recoveries approaching or exceeding 100% of the fire assay gold content, presumably reflecting greater recovery of the coarse elemental gold of both primary and secondary origin. Cyanide leach tests on a single drill hole at Antelope Basin (drill hole RSH-042) showed favourable gold leach recoveries from surface to 200 m down-hole.

- Initial gravity testing indicated that 15% to 40% of the gold can be recovered in a gravity concentrate. However, the initial upgrading ratio of gold in the concentrate was poor (three to five times).
- Primary mineralized material provided mixed leach results, reflecting the mixture of primary sulphidic gold which is mildly refractory and primary elemental gold which is non-refractory. Whole-ore leaching of low-grade sulphidic material often resulted in gold extractions below 50%.

The sulphidic mineralized material performed well in initial flotation tests. The test procedures included a simple un-optimized flotation process using a common reagent suite. Initial tests indicate flotation recovered 90% of the gold in concentrate, with an upgrading of four to eight times. The weight recovery of the concentrate was 10% to 20%. Favorable gold recoveries resulted from leaching of flotation concentrate that was oxidized by roasting. The mineralized material and concentrates reflect a relatively clean sulfide mineralizing system with little silver, almost no base metals, no carbon or other refractory components.

Results from these preliminary metallurgical tests provide some insight into the metallurgy of the mineralization at the Rattlesnake Hills Project though they should not be considered definitive. Further comprehensive metallurgical testing is required to fully understand the tenure and potential recoverability of the Rattlesnake Hills mineralization.

Mineral Resource Estimates

No NI 43-101 compliant mineral resource estimation work has been completed for the Rattlesnake Hills Project.

Adjacent Properties

GFG has recently consolidated a district scale land package at the Rattlesnake Hills Project in central Wyoming through staking and a series of asset purchase and option agreements. As a result, GFG now controls the majority of the claims in the area. The only other claim holder of significance is Innovation Exploration Ventures LLC (“IEV”), which owns a series of 11 claim blocks located adjacent to the Rattlesnake Hills Property, mainly to the south. These claims have a combined area of approximately 2,072 ha.

IEV’s website (www.innovationexplorationventures.com) indicates the presence of high gold in rock and soil samples from several locations south of the Rattlesnake Hills, and in particular, south of the Black Jack Prospect. IEV apparently drilled two RC holes approximately 1,000 ft. south of the Black Jack drill holes, one of which “*encountered slightly anomalous gold from 275 to 340 feet (TD). In contrast, a sample of the reject cuttings assayed 3.15 ppm*”. The quote is taken directly from IEV’s website. The authors of the Rattlesnake Report have not had the opportunity to verify this information, which information is not necessarily indicative of the mineralization on the Rattlesnake Hills Project.

GFG is currently in discussions with IEV with a view to acquiring IEV’s claim blocks adjacent to the Rattlesnake Hills Project. As of the date of this Circular, no agreement has been entered into between GFG and IEV with respect to these blocks and there are no assurances that GFG will be successful in acquiring same on reasonably commercial terms or at all.

GFG may also acquire, by way of staking, lease or otherwise, additional claims in and about the Rattlesnake Hills Project as warranted from time to time.

Other Relevant Data and Information

The authors of the Rattlesnake Report are not aware of any other information of a material nature relating to the Rattlesnake Hills Project. There is no information relating to the property, mineralization, metallurgical, environmental or social issues known to the authors not mentioned in the Rattlesnake Report.

Interpretation and Conclusions

The Rattlesnake Hills Project is centrally located within a roughly 1,500 km-long belt of alkalic intrusive complexes that occur along the eastern side of the Rocky Mountains from Montana to New Mexico, several of which are associated with significant gold deposits. Examples of such deposits analogous to the Rattlesnake Hills Property, with transitional epithermal to porphyry styles of precious metal mineralization include Cripple Creek, Colorado and Golden Sunlight, Montana (Jensen and Barton, 2000). The authors of the Rattlesnake Report have not visited these deposits and the mineralization referred to may or may not be indicative of the mineralization at the Rattlesnake Hills Project. There are

no NI 43-101 compliant mineral resources currently defined at the Rattlesnake Hills Project. However, four significant zones of alteration and precious metal (gold and silver) mineralization have been identified that are associated with Eocene age alkalic intrusions at North Stock, Antelope Basin, South Stock and Black Jack. All four zones have been drilled and broad zones of low grade, as well as narrow discrete zones of high grade, gold and silver mineralization have been identified.

The Rattlesnake Hills Project is located in Central Wyoming approximately 100 km southwest of Casper on the western side of Natrona County. The property encompasses the Rattlesnake Hills Gold District nearly in its entirety and is considered a district scale exploration play comprising 1,281 unpatented lode mining claims as well as 7 Wyoming State mining leases covering an area of approximately 10,725 ha (26,501 acres). The Rattlesnake Hills Project is owned, or beneficially owned, 100% by GFG, although certain portions of the property are subject to a number of royalty agreements. The annual carrying costs of the current project holdings, including all lease payments, totals approximately US\$224,000.

Modern exploration at the Rattlesnake Hills Property commenced in the 1970's when ACNC completed a limited geochemical sampling program following up on reports of gold and copper mineralization in Archean schists and iron formations by Pekarek (1974; 1978). Systematic exploration within the Rattlesnake Hills district began in the early 1980's after the discovery of gold by Mr. Dan Hausel, continuing on a campaign basis through to 2014. Recent exploration has resulted in over 77,000 m of combined RC and core drilling, the collection of nearly 11,000 surficial geochemical samples as well as extensive detailed geological mapping and ground and airborne geophysical surveying. The exploration work completed at the Rattlesnake Hills Property to date has resulted in the identification of four zones of significant gold mineralization (North Stock, Antelope Basin, South Stock and Black Jack) where drilling highlights include the following:

Prospect	Drillhole	From (m)	To (m)	Interval (m)	Au (ppm [g/t])	Ag (ppm [g/t])
North Stock	RSC-089	228.60	230.13	1.52	82.90	33.90
North Stock	RSC-007	108.21	344.43	236.22	1.86	2.65
Antelope Basin	RSC-153	91.44	193.55	102.11	1.72	1.54
South Stock	RSC-180	199.65	202.69	3.05	9.30	6.50
Black Jack	NVJ-001	0.00	33.53	33.53	1.33	19.56

The Rattlesnake Hills of Central Wyoming lie along the north-eastern edge of the Granite Mountains, which are located within the Archean age Wyoming Geological Province. During the Eocene the Archean rocks in the Rattlesnake Hills were intruded by the Rattlesnake Alkaline Intrusive (RAI) complex. The RAI complex is made up of upwards of 42 domes, vents and stocks which intruded into the Rattlesnake Hills greenstone belt during the middle Eocene (Pekarek, 1974). The RAI complex, also known as the Rattlesnake Hills Volcanic complex, is made up of the eastern felsic group (EFG), the Western Felsic Group (WFG) and the Central Alkalic Group (CAG). The RAI complex covers an area of approximately 125 km² and is analogous to gold-bearing alkalic systems located in Montana (Golden Sunlight), South Dakota (Wharf) and Colorado (Cripple Creek) (Koehler, 2012). The RAI complex intruded along the intersection of three prominent regional structures:

- North Granite Mountain (NGM) Fault: east – west trending fault which bounds the Sweetwater Arch to the north;
- Belle Fourche Lineament (BFL): north east trending lineament which links the RAI complex to alkali intrusive complexes in southwestern and northeastern Wyoming (Leucite Hills and Bear Lodge Mountain respectively);
- Rattlesnake Hills Anticline.

The primary exploration target at the Rattlesnake Hills Project is bulk mineable Alkalic Intrusion Associated gold - silver mineralization. Mesothermal, porphyry and low sulphidation epithermal gold mineralization may also be present.

Recent exploration at the Rattlesnake Hills Property comprises a significant exploration campaign during 2014. During 2014, NV Gold carried out surface exploration on EVG's portion of the Rattlesnake Hills Project under an option agreement. GFG subsequently purchased these lands from EVG pursuant to the EVG Agreement. Rock and soil sampling during 2014 was focused on several satellite occurrences in the project area including the Bald Mountain and Black Jack prospects. Exploration during 2014 included drill testing of the Bald Mountain and Black Jack areas. Eight RC drill holes were completed at Black Jack with significantly anomalous gold intersections in seven of the eight holes. Drill hole NVJ-001 intersected 1.33 g/t Au and 19.56 g/t Ag over 33.53 m hole length from surface as well as 0.54 g/t Au and

11.35 g/t Ag over 32.00 m hole length from 97.54 m down hole. Hole NVJ-008 was drilled beneath the intersection in NVJ-001, and returned an intersection of 0.74 g/t Au and 33.08 g/t Ag over 13.72 m hole length.

During 2014, a total of 71 rock samples were collected from the Bald Mountain, Black Jack, South Stock and Growler occurrences. The rock sampling was successful in confirming historic high grade gold values at all of the prospects sampled. Of the 71 samples, eighteen returned assays above 0.2 g/t Au with a maximum of 38.78 g/t Au and 2,470 g/t Ag. The three highest gold assay values from the 2014 rock sampling program (38.78 g/t, 26.00 g/t and 21.80 g/t) were collected from the Bald Mountain prospect. Nine rock samples returned silver assay results greater than 10 g/t Ag, seven of which were collected from rocks in the Bald Mountain area. The highest silver value was from a sample collected at the Black Jack Prospect. In general, high silver assays are associated with high gold values.

After significant gold mineralization was intersected in 2014 RC drilling at Black Jack, a soil sampling program was carried out in order to guide future drilling. The soil grid covers an area of 360 m N – S by 810 m E – W with grid and line spacing of 30 m and resulted in the collection of 364 samples. A highly anomalous V – shaped gold- in- soil anomaly, with values up to 0.85 g/t Au, is situated directly above the mineralization identified in drilling. The Black Jack gold- in- soil anomaly extends to the northwest and for some 300 m to the northeast indicating potential to expand or extend the known zone of Black Jack gold mineralization. Silver results from the soil sampling program were also extremely promising and show a similar pattern to gold and several highly anomalous results were returned up to a maximum value of 16.60 ppm Ag. The significant silver- in- soil anomaly correlates well with the gold-in-soil anomaly and again indicates a potential to extend the currently identified zone of mineralization at Black Jack to the northeast and potentially to the northwest from the current drilling.

The 2014 exploration program was successful in identifying and confirming the existence of significant mineralization outside of the main North Stock and Antelope Basin mineralized zones. The results of the 2014 rock and soil sampling programs indicate that the Rattlesnake Hills Property has the potential to host additional significant gold and silver mineralization, in areas of known mineralization that may be blind or in previously untested areas.

As discussed under “Data Verification” above, APEX has conducted data verification of recent exploration work at the Rattlesnake Hills Project with particular emphasis on the sizeable 2014 drilling campaign. As a result, APEX found that the historic exploration databases are in excellent condition and contain reliable data with no unusual risks associated with their future use at the Rattlesnake Hills Project other than those normally associated with mineral exploration activities.

Recommendations

Based on the results of the exploration completed to date on the Rattlesnake Hills Property, the favourable geological setting, mapped areas of extensive hydrothermal alteration and the presence of gold and silver mineralization identified on surface and in drilling, the project is considered to be at an intermediate stage of exploration and is considered a ‘property of merit’ that warrants further exploration.

A phased approach to future exploration at the Rattlesnake Hills Property is recommended. Based upon a preliminary review of the available drill data for Rattlesnake Hills, the authors of the Rattlesnake Report recommend a Phase 1 field program comprising soil sampling, an airborne VTEM geophysical survey paired with detailed geologic and structural mapping. For budgeting purposes, it is estimated that the Phase 1 field program (and subsequent reporting), for the Rattlesnake Hills Project would require an expenditure of approximately US\$393,000 (Table 18.1).

Dependant on the results of the Phase 1 program described above, it is recommended that a Phase 2 exploration program be conducted at the Rattlesnake Hills Property. The Phase 2 program would include further soil sampling, drilling and metallurgical test work that should be designed to continue the evaluation and development of known mineralized target areas as well as other previously untested areas of the Rattlesnake Hills Property. A focus of the Phase 2 drilling program should be on expanding and delineating additional zones of oxide mineralization and should include both infill and step-out drilling to provide additional detail to currently drilled mineralized zones and testing of additional high priority mineralized zones. Further to the field program, data compilation and validation should be completed with the ultimate goal of developing an NI 43-101 compliant mineral resource estimate at North Stock and Antelope Basin. The data compilation and resource work should include the creation of three dimensional geological and structural models in order to further examine the potential controls on specific mineralized zones and to facilitate a reliable model for 3D wireframing of the mineralized zones and eventually leading to block modeling. The phase 2 sampling, drilling, metallurgical and resource estimation program is estimated to cost approximately US\$1,620,000 (Table 18.1).

Table 18.1: Recommended Phase 1 and 2 Exploration Program Summaries.

Phase 1	
Item	Cost (USD)
Soil sampling and assaying	50,000
VTEM geophysical survey	323,000
Geologic mapping	10,000
Structural study	10,000
Phase 1 Total	393,000

Phase 2	
Item	Cost (USD)
Expanded soil surveys and assaying	82,500
Relogging core	25,000
RC drilling (40,000 ft/11,700 m)	961,500
Core drilling (2,000 ft/600 m)	100,000
Drilling assays	331,000
Roads and pads	30,000
Metallurgical work	40,000
NI 43-101 compliant Resource Estimation	50,000
Phase 2 Total	1,620,000

Total Phase 1 and Phase 2	2,013,000
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Business Objectives and Milestones

GFG was incorporated for the purpose of acquiring, exploring and, if warranted, developing and commercially exploiting gold and other precious metal projects.

Upon completion of the Arrangement GFG's primary focus will be to carry out the recommended exploration programs on its Rattlesnake Hills Project as set out in the Rattlesnake Report. See Item 19.2 "NARRATIVE DESCRIPTION OF THE BUSINESS – *Material Project*" for further details of the recommended work programs for the Rattlesnake Hills Project. See also Item 32 of Appendix 3 "INFORMATION RELATING TO THE RESULTING ISSUER – *Available Funds and Principal Purposes*" for details of the funds allocated by the Resulting Issuer towards exploration of the Rattlesnake Hills Project. If the results from such exploration programs are encouraging the Resulting Issuer will require additional capital in order to carry out further exploration and development of such project. There are no assurances that such additional funding will be available to the Resulting Issuer on commercially reasonable terms or at all. See Item 5.5 "RISK FACTORS" of the Circular.

GFG may also review additional mineral exploration opportunities in other areas.

Phase 1 of the recommended exploration program on the Rattlesnake Hills Project is currently underway and is expected to be complete by November, 2016.

Competitive Conditions

The mining industry is a highly competitive business. GFG competes with many other companies and individuals in the search for and the acquisition of attractive mineral resource prospects. The ability of GFG to acquire mineral resource prospects in the future will depend not only on its ability to develop its present properties, but also on its ability to select

and acquire suitable producing properties or prospects for mineral exploration. See Item 5.5 “RISK FACTORS” in the Circular.

Trends and Business Risks

GFG is in the exploration stage and has no revenue or income from operations. GFG has limited capital resources and has to rely upon the sale of equity securities in order to secure the cash required for exploration purposes, for maintenance of its properties, for acquisitions and its general administration.

Since GFG does not expect to generate any revenues from operations in the near future and will be required to continue to rely upon the sales of its equity securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to GFG in the amount required by GFG at any particular time or for any period or that such financing can be obtained on terms satisfactory to GFG.

The continuing operations of GFG are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and fund its mineral exploration programs. The ability to obtain financing and to recover the expenditures incurred to date in acquiring and exploring the Rattlesnake Hills Project is dependent upon the discovery and development of economically recoverable mineral resources on such project as well as market conditions beyond the control of GFG. See Item 5.5 “RISK FACTORS” of the Circular. There is no assurance that GFG’s efforts will be successful.

In addition to the foregoing, GFG is exposed to uncertainties related to the Closing of the Arrangement including, but not limited to, obtaining the requisite shareholder, regulatory and court approvals. See “THE ARRANGEMENT – Conditions to the Arrangement” in the Circular. Upon the completion of the Arrangement, the Resulting Issuer’s success will depend on a number of factors, including inherent risks in the mining industry, market price fluctuations and operating in a foreign country and foreign currencies. See Item 5.5 “RISK FACTORS” of the Circular.

20. SELECTED FINANCIAL INFORMATION AND MANAGEMENT’S DISCUSSION AND ANALYSIS

Unless otherwise stated, the following discussion and analysis is dated as of September 7, 2016 and provides information that in the opinion of GFG’s management is relevant to an assessment and understanding of GFG’s operations and financial condition and should be read in conjunction with the audited financial statements of GFG Canada and GFG US and the related notes thereto which appear elsewhere in this Circular. All figures are in United States dollars unless otherwise noted.

Furthermore, all statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential financings, exploration results and future plans are forward looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could or will differ materially from those anticipated in such statements. See the Circular - “FORWARD LOOKING STATEMENTS”.

Overview

GFG Canada was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on April 5, 2016. GFG US was incorporated under the laws of the State of Nevada, U.S.A. on June 19, 2015.

GFG is in the process of exploring its Rattlesnake Hills Property and has not yet determined whether such property contains reserves that are economically recoverable. The recoverability of amounts shown for the Rattlesnake Hills Property in the GFG Financial Statements is dependent upon the discovery of economically recoverable reserves, confirmation of GFG’s interest in the underlying mineral properties, the ability of GFG to secure the necessary capital to complete development, and upon future profitable production.

History

Effective August 24, 2016, GFG Canada acquired all of the issued and outstanding shares of GFG US in exchange for a total of 19,050,419 GFG Shares and a cash payment aggregating US\$22,687.50, which cash payment was withheld from the GFG US Purchase Price payable to certain Non-Resident GFG U.S. Shareholders in accordance with U.S. tax laws and remitted directly to the IRS. GFG also remitted an additional US\$162,396.60 in income tax to the IRS on behalf of certain Non-Resident GFG US Shareholders who did not apply to the IRS for Clearance Certificates. This amount was

fully funded to GFG by the applicable Non-Resident GFG US Shareholders. GFG has also allotted and reserved for issuance an additional 2,145,388 Contingent GFG Shares for potential issuance to Non-Resident GFG US Shareholders upon receipt of Clearance Certificates from the IRS confirming that a lesser or no amount of withholding tax was payable under the GFG US Acquisition. Upon receipt of such Clearance Certificates, the applicable number of Contingent GFG Shares will be issued by GFG to the Non-Resident GFG US Shareholders. This obligation will be assumed by the Resulting Issuer upon completion of the Arrangement. Any Contingent GFG Shares for which a Clearance Certificate is not received from the IRS will be cancelled and the fair market value thereof in cash (using an assumed fair market value of US\$0.25 per share) will be remitted to the IRS by way of additional withholding tax. See Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *History – Acquisition of GFG US*” in this Appendix 2 above.

On July 28, 2015, GFG US, entered into the EVG Agreement with EVG to acquire, subject to the EVG Royalty, a 100% undivided interest in the EVG Rattlesnake Property for an upfront cash payment of US\$1,000,000 and 2,000,000 GFG US Shares at a price of US\$0.25 per share. An additional 200,000 GFG US Shares were issued to EVG on February 15, 2016 following GFG US’s inability to make significant progress towards completing a going public transaction on or before February 15, 2016. On July 27, 2016 GFG US paid the second and final payment of US\$600,000 cash to EVG in full satisfaction of the purchase price for the EVG Property. See Item 18.2 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions – EVG Property*” in this Appendix 2 above.

On October 8, 2015, GFG US acquired, subject to the EDG Royalty, a 100% undivided interest in the EDG Rattlesnake Property for a cash payment of US\$150,000 and 850,000 GFG US Shares at a price of \$0.25 per Share. An additional 550,000 GFG US Shares are payable to EDG on February 6, 2017. See Item 18.2 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions – EVG Property*” in this Appendix 2 above. This obligation will be assumed by the Resulting Issuer upon completion of the Arrangement.

The GFG US Shares issued to EVG pursuant to the EVG Agreement and the GFG US Shares issued to EDG pursuant to the EDG Agreement were exchange for GFG Shares, on a one share for one share basis, pursuant to the GFG US Acquisition completed on August 24, 2016.

During the fall of 2015, GFG US staked, through its wholly-owned subsidiary JMO, an additional 339 unpatented lode mining claims covering approximately 2,757 hectares (6,813 acres) in and around the EVG Rattlesnake Property and the EDG Rattlesnake Property at a cost of approximately US\$67,325. Such additional staked claims, together with the EVG Rattlesnake Property and EDG Rattlesnake Property, collectively comprise the Rattlesnake Hills Project.

Currently, GFG holds, subject to underlying royalties, a 100% undivided interest in the Rattlesnake Hills Project, an district sale immediate stage gold exploration prospect comprised of 1,281 unpatented lode mining claims and 7 state fee land leases totaling approximately 26,500 acres in Natrona County, Wyoming, U.S.A. See Item 19.2 “NARRATIVE DESCRIPTION OF THE BUSINESS - *Mineral Project*” in this Appendix 2 above.

In spring 2016, GFG began actively consolidating and analyzing the historic EVG and EDG datasets and has outlined a regional geochemical sampling and structural mapping program. GFG US has also commenced a district-scale airborne VTEM survey to assist in its understanding of the gold systems and regional targeting efforts and is planning to carry out a 6,000 to 8,000 metre drill program in the fall of 2016. See Item 19.2 “NARRATIVE DESCRIPTION OF THE BUSINESS - *Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming - Recommendations*” in this Appendix 2 above for details of the recommended Phase 1 and Phase 2 exploration programs for the Rattlesnake Hills Project in the Rattlesnake Report.

As at June 30, 2016, GFG US had incurred capitalized exploration expenditures (inclusive of claim maintenance fees and lease payments of US\$267,070) totalling US\$509,903 (audited) on the Rattlesnake Hills Project.

For most of 2015 and the first part of 2016, GFG’s efforts were focused primarily on raising seed capital, acquiring its interests in the Rattlesnake Hills Project and structuring its capital with a view to seeking a listing of its shares on the Exchange. In May 2016 various informal discussions began to take place between GFG and Crest with a view to entering into a potential business combination. In early June, 2016 GFG and Crest reached agreement on the principal terms of the business combination and entered into the Letter Agreement on June 17, 2016. See “THE ARRANGEMENT” in the Circular to which this Appendix 2 is attached.

In anticipation of completing the GFG US Acquisition and funding the initial exploration of the Rattlesnake Hills Project and general working capital expenses pending completion of the Arrangement, GFG Canada completed the Initial GFG Financing of 14,740,564 GFG Shares at a price of US\$0.25 per share for gross proceeds of US\$3,685,141

in late June and early July, 2016. In early September, 2016, GFG completed the Secondary GFG Financing of an additional 2,350,000 GFG Shares at a price of US\$0.25 per share for gross proceeds of US\$587,500 to add to its treasury. See Item 21 “DESCRIPTION OF SECURITIES” and Item 23 “PRIOR SALES” in this Appendix 2.

Save and except for management, GFG presently has no employees. However, see Item 34 “DIRECTORS, OFFICERS AND PROMOTORS” and Item 35 “EXECUTIVE COMPENSATION” in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER” for details of the proposed directors and executive officers of the Resulting Issuer and the compensation to be paid to such directors and officers following completion of the Arrangement.

Upon completion of the Arrangement, GFG will complete the recommended Phase 1 exploration program on the Rattlesnake Hills Project consisting of, among other things, soil sampling and assaying, VTEM geophysical survey, geological mapping and a structural survey for a total budgeted cost of US\$393,000. Dependent upon the results from Phase 1, GFG will then proceed to carry out Phase 2 of the exploration program recommenced in the Rattlesnake Report consisting of expanded soil surveys and assaying, 40,000 feet (11,700 m) of RC and 2,000 feet (600 m) of core drilling, metallurgical work and a NI 43-101 compliant resource estimate at a budgeted cost of US\$1,620,000. See Item 19.2 “NARRATIVE DESCRIPTION OF THE BUSINESS - *Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming - Recommendations*” in this Appendix 2 above.

20.1 Selected Financial Information

The following is a summary of selected financial information for GFG Canada and GFG US, on an unconsolidated basis, for the periods indicated and has been prepared in accordance with IFRS. This summary should be read in conjunction with the audited financial statements of GFG Canada for the period from April 5, 2016 (date of incorporation) to June 30, 2016 and the audited financial statements of GFG US for the year ended June 30, 2016 and the period from June 19, 2015 (date of incorporation) to June 30, 2015 appearing elsewhere in this Circular.

	GFG Canada		GFG US	
	For the period April 5, 2016 (date of incorporation) to June 30, 2016 (audited)		For the year ended June 30, 2016 (audited)	
	US\$		US\$	
Revenues	-	-	-	
Expenses				
General and Administrative	21,407	1,005,319	40,487	
Loss and Comprehensive Loss	21,407	1,035,069	40,487	
Loss/share – basic and diluted	(0.00)	(0.07)	(0.01)	
Working Capital (Deficit)	3,599,984	(114,524)	(36,851)	
Exploration and Evaluation Assets	-	2,930,933	-	
Total Assets	3,621,403	4,180,935	154,537	
Total Long-Term Liabilities	Nil	Nil	Nil	
Deficit	(21,407)	(1,075,556)	(40,487)	
Number of shares outstanding at period end	14,485,564	21,383,557	5,136,400	

20.2 Quarterly Information

GFG Canada and GFG US are not reporting issuers and have not prepared quarterly financial statements for any quarter prior to June 30, 2016.

20.4 Management's Discussion and Analysis

Results of Operations

GFG Canada

GFG Canada was incorporated on April 5, 2016 and to date its business has consisted of the raising of seed capital and completing the GFG US Acquisition.

During the period from incorporation on April 5, 2016 to June 30, 2016, GFG Canada sold, by way of private placement, a total of 14,485,564 GFG Shares at a price of US\$0.25 per share for gross proceeds of US\$3,621,391. Subsequent to June 30, 2016, GFG Canada sold a further 2,605,000 GFG Shares at a price of US\$0.25 per share for additional gross proceeds of US\$651,250.

During the period from incorporation on April 5, 2016 to June 30, 2016, GFG Canada incurred expenses totaling US\$21,407, of which the largest expenses consisted of professional fees of US\$10,000 and consulting fees of US\$5,419 incurred primarily in connection with the GFG US Acquisition.

GFG Canada's loss and comprehensive loss for the period from incorporation on April 5, 2016 to June 30, 2016 was US\$21,407 or US\$0.00 per share (basic and diluted).

As at June 30, 2016 GFG had total assets of US\$3,621,403 consisting of cash of US\$3,471,403 and an advance of US\$150,000 to GFG US. See "ASSETS AND PROPERTY" below.

The total liabilities of GFG Canada as of June 30, 2016 were US\$21,419 and consisted entirely of accrued liabilities.

GFG Canada has not paid any dividends to date. GFG Canada intends to retain its future earnings, if any, for use in its business and does not expect to pay dividends on the GFG Shares in the foreseeable future. See "DIVIDEND POLICY" below in this Appendix 2.

GFG US

GFG US was incorporated on June 19, 2015 and to date its business has consisted of raising seed capital and acquiring the Rattlesnake Hills Project.

During the year ended June 30, 2016, GFG US incurred US\$2,421,030 in property acquisition and staking costs and US\$509,903 in deferred exploration expenses (including claim maintenance fees and lease payments of US\$267,070) on the Rattlesnake Hills Project. Following Closing of the Arrangement, GFG US will complete the recommended Phase 1 and, if warranted, Phase 2 exploration programs on the Rattlesnake Hills Project as more particularly described under Item 19.2 "NARRATIVE DESCRIPTION OF THE BUSINESS - *Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming - Recommendations*" in this Appendix 2 above.

For the year ended June 30, 2016, GFG US incurred general and administrative expenses of US\$1,005,319 comprised primarily of management and consulting fees, professional fees, rent and office and share based compensation expense. Management and consulting fees paid to GFG US' executive officers and consultants comprised the largest expense totaling US\$323,949 (see Item 24 "EXECUTIVE COMPENSATION" below). GFG US also incurred professional fees of US\$295,037 and travel and related expenses of US\$19,356 during the period primarily in connection with GFG US' capital raising activities, the acquisition of the Rattlesnake Hills Project and the GFG US Acquisition. During the period GFG US also incurred share based compensation expense of US\$162,126 in connection with the granting of stock options to purchase up to 875,000 GFG US Shares to certain directors, officers and consultants of GFG US. See Item 24.2 "EXECUTIVE COMPENSATION – *Compensation - Incentive Plan Awards*" below.

For the period from incorporation on June 19, 2015 to June 30, 2015, GFG US incurred expenses of US\$40,487 consisting primarily of US\$40,388 in professional fees associated with GFG US' initial seed capital offering and the acquisition of the EVG Rattlesnake Property from EVG.

GFG US' loss and comprehensive loss for the year ended June 30, 2016 was US\$1,035,069 or US\$0.07 per share (basic and diluted) compared to a loss and comprehensive loss of US\$40,487 or US\$0.00 per share (basic and diluted) for the period from incorporation on June 19, 2015 to June 30, 2015.

As at June 30, 2016 GFG US had total assets of US\$4,180,935. See "ASSETS AND PROPERTY" below.

The total liabilities of GFG US as of June 30, 2016 were US\$1,068,526 and consisted of accounts payable and accrued liabilities of US\$307,859, advances of US\$165,000 (including US\$150,000 due to GFG Canada) and a note payable of US\$595,667 (US\$600,000 – principal amount) due to EVG pursuant to the EVG Agreement. The US\$150,000 advance due to GFG Canada and the US\$600,000 note due to EVG were both paid out in full subsequent to June 30, 2016.

GFG US has not paid any dividends to date. As a wholly-owned subsidiary of GFG Canada, GFG US intends to retain its future earnings, if any, for use in its business and does not expect to pay dividends in the foreseeable future. See "DIVIDEND POLICY" below.

Liquidity and Capital Resources

GFG Canada has not generated any revenue from operations and the only source of financing to date has been from the sale of GFG Shares. To date, GFG Canada has sold a total of 17,090,564 GFG Shares at a price of US\$0.25 share for aggregate gross proceeds of US\$4,272,641. See Item 23 "PRIOR SALES" in this Appendix 2 below.

GFG US has not generated any revenue from operations and, other than certain short term advances from GFG Canada, the only source of financing to date has been from the sale of GFG US Shares. To date, GFG US has raised a total of US\$2,491,950 through the sale of 15,798,000 GFG US Shares at prices ranging from US\$0.001 per share to US\$0.25 per share. GFG US also issued a total of 2,438,557 GFG US Shares at prices ranging from US\$0.20 per share to US\$0.25 per share in settlement of certain debts including promissory notes and advances. See Item 23 "PRIOR SALES" in this Appendix 2 below.

GFG's ability to meet its obligations and finance future exploration and, if warranted, development activities depends on its ability to generate cash flow through the issuance of GFG Shares pursuant to equity offerings and short term or long term loans. Capital markets may not be receptive to offerings of new equity from treasury or debt, whether by way of private placements or public offerings. This may be further complicated by the limited liquidity for GFG's shares, restricting access to some institutional investors. GFG's growth and success is dependent on external sources of financing which may not be available on acceptable terms. See also "CAPITAL EXPENDITURE COMMITMENTS" below.

Working Capital

As of June 30, 2016, GFG Canada had a working capital surplus of US\$3,599,984 (audited) comprised of current assets of US\$3,621,403 and current liabilities of US\$21,419. Subsequent to June 30, 2016, GFG Canada sold a further 2,605,000 GFG Shares at a price of US\$0.25 per share for additional gross proceeds of US\$651,250.

As of June 30, 2016, GFG US had a working capital deficit of US\$114,524 (audited) comprised of current assets of US\$954,002 and current liabilities of US\$1,068,526.

Cash and Cash Equivalents

GFG Canada had cash of US\$3,471,403 and GFG US had cash of US\$910,388 for an aggregate of US\$4,381,791 as at June 30, 2016. Management of cash balances is conducted in-house based on internal investment guidelines. Cash is deposited with major Canadian financial institutions. Cash required for immediate operations is held in a chequing account. Excess funds may be invested in conservative money market instruments that bear interest and carry a low degree of risk. Some examples of instruments in which GFG may invest its cash are treasury bills, money market funds, bank guaranteed investment certificates and bankers' acceptance notes. The objective of these investments is to preserve funds for the advancement of GFG's mineral project.

Cash Flows from Operating Activities

Cash used in operating activities by GFG Canada during the period from incorporation on April 5, 2016 to June 30 2016 was US\$21,419 and was expended solely on accrued liabilities.

Cash used in operating activities by GFG US during the fiscal year ended June 30, 2016 was US\$457,914. Cash was spent primarily on accounts payable and accrued liabilities. For the period from incorporation on June 19, 2015 to June 30, 2015, GFG did not use any cash for accounts payable and accrued liabilities.

Cash Flows Used in Investing Activities

Total cash used in investing activities by GFG US during the fiscal year ended June 30, 2016 was US\$1,588,643 and consisted primarily of cash costs related to the acquisition of the Rattlesnake Hills Project (US\$1,292,643) and a reclamation bond with respect thereto (US\$271,000). For the period from incorporation on June 19, 2015 to June 30, 2015, GFG used US\$150,000 in investing activities for a deposit towards the acquisition of the Rattlesnake Hills Project.

GFG Canada did not use any cash in investing activities during the period from incorporation on April 5, 2016 to June 30, 2016.

Cash Flows from Financing Activities

Cash flows from financing activities for GFG Canada during the period from incorporation on April 5, 2016 to June 30, 2016 was US\$3,621,391. These funds were obtained through the issuance of an aggregate of 14,485,564 GFG Shares at a price of US\$0.25 per share. From this amount, a total of US\$150,000 was advanced to GFG US by way of loan resulting in net cash flows from financing activities of US\$3,471,391 for the period. See Item 23 "PRIOR SALES" in this Appendix 2 below.

Cash flows from financing activities for GFG US during the year ended June 30, 2016 totaled US\$2,956,044. These funds were obtained through the issuance of an aggregate of 10,661,600 GFG US Shares at prices ranging from US\$0.001 per share to US\$0.25 per share for gross proceeds of US\$2,338,314, US\$3,636 by way of subscription receivables, US\$512,200 by way of advances including US\$150,000 from GFG Canada and US\$101,894 by way of proceeds from related parties. For the period from incorporation on June 19, 2015 to June 30, 2015, GFG US generated cash totaling US\$151,000 from financing activities including US\$150,000 (net of a subscription receivable of US\$3,636) through the issuance of 5,136,400 GFG Shares at prices ranging from US\$0.001 to US\$0.10 per share and an advance of US\$1,000. See Item 23 "PRIOR SALES" in this Appendix 2 below.

Requirement of Additional Equity Financing

To date, GFG US and GFG Canada have relied primarily on equity financings and short term loans for all funds raised to date for their operations. GFG will need more funds to fund the exploration and, if warranted, development of the Rattlesnake Hills Project or acquire additional mineral properties. Until GFG starts generating profitable operations from exploration, development and sale of minerals, GFG intends to continue relying upon the issuance of securities and short term loans to finance its operations and acquisitions.

Capital Expenditure Commitments

Currently, the annual cost to maintain the Rattlesnake Hills Project in good standing including annual lease payments, BLM maintenance fees, Wyoming state lease payments and other state and county recording and filing expenses is approximately US\$224,000.

In addition, GFG plans to carry out the recommended Phase 1 and, if warranted, Phase 2 exploration programs on the Rattlesnake Hills Project contained in the Rattlesnake Report. The Phase 1 program consists of soil sampling, an airborne VTEM geophysical survey paired with detailed geologic and structural mapping at an estimated cost of US\$393,000. Dependant on the results from Phase 1, the Phase 2 program would include further soil sampling, drilling and metallurgical test work that should be designed to continue the evaluation and development of known mineralized target areas as well as other previously untested areas of the Rattlesnake Hill Project at an estimated cost of US\$1,620,000. See Item 19.2 "NARRATIVE DESCRIPTION OF THE BUSINESS - *Material Project – Rattlesnake Hills Project – Natrona County, Wyoming - Recommendations*".

GFG intends to fund the recommended exploration programs out of its existing working capital surplus. See Item 32 in Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – *Available Funds and Principal Purposes*". Additional debt or equity financing will be required to finance further exploration and, if warranted, development programs on the Rattlesnake Hills Project.

In July 2015, GFG US entered into a commercial lease agreement for an office space in Casper, Wyoming for a term of 12 months expiring July 31, 2016, with a monthly rent payment of US\$4,650. In July 2016, GFG US extended the lease to July 31, 2017. In addition, GFG US paid a security deposit of US\$10,000.

In August 2015, GFG US entered into a consulting agreement with Jonathan Awde, the President and Chief Executive Officer of GFG US, to provide management consulting services to GFG US for an indefinite term effective August 1, 2015. The agreement requires payments of US\$10,000 per month and provides for a two year payout in the event of termination without cause and a two year payout in the event of a change in control of GFG US followed by a “trigger event”. See Item 24 “EXECUTIVE COMPENSATION” below. See also Item 35 in Appendix C “INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*” for details of the compensation proposed to be paid to Mr. Awde by the Resulting Issuer upon completion of the Arrangement.

In December 2015, GFG US entered into an employment agreement with Timothy Brown to act its Vice-President, Exploration on a full time basis at a salary of US\$8,000 per month (US\$96,000 per annum), increasing to US\$11,000 per month (US\$132,000 per annum) upon completion of the Arrangement. The employment arrangement is for an indefinite term and provides for a two year payout in the event of termination without cause and a two year payout in the event of a change in control of GFG US followed by a “trigger event”. See Item 24 “EXECUTIVE COMPENSATION” below. See also Item 35 in Appendix C “INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*” for details of the compensation proposed to be paid to Mr. Brown by the Resulting Issuer upon completion of the Arrangement.

In June 2016, GFG Canada entered into an employment agreement with Brian Skanderbeg, the President and Chief Executive Officer of GFG Canada, to provide management services to GFG Canada for an indefinite term at a fee of C\$10,000 per month (C\$120,000 per annum), increasing to C\$20,833 per month (C\$250,000 per annum) upon completion of the Arrangement. The agreement also provides for a two year payout in the event of termination without cause and a three year payout in the event of a change in control of GFG Canada (excluding the proposed Arrangement with Crest) followed by a “trigger event”. See Item 24 “EXECUTIVE COMPENSATION” in this Appendix 2 below. See also Item 35 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*” for details of the compensation proposed to be paid to Mr. Skanderbeg by the Resulting Issuer upon completion of the Arrangement.

Effective September 1, 2016, GFG Canada engaged Marc Lepage to act as its Vice-President, Business Development at a salary of C\$600 per day, increasing to C\$12,917 per month (C\$155,000 per annum) upon completion of the Arrangement. The engagement is for an indefinite term and provides for a two year payout in the event of termination without cause and a two year payout in the event of a change in control of GFG Canada followed by a “trigger event”. See Item 24 “EXECUTIVE COMPENSATION” in this Appendix 2 below. See also Item 35 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*” for details of the compensation proposed to be paid to Mr. Lepage by the Resulting Issuer upon completion of the Arrangement.

Except as disclosed above, GFG does not have any material commitments for capital expenditures, there are no known trends or expected fluctuations in GFG’s capital resources and GFG has no sources of financing that have been arranged but not yet used.

Contractual Obligations

Other than the Arrangement Agreement, the EVG Agreement, the EDG Agreement, various underlying surface and/or mineral leases with respect to the Rattlesnake Hills Project, an office lease and miscellaneous consulting and/or employment agreements as otherwise disclosed herein, GFG has no material contractual commitments.

Off-Balance Sheet Arrangements

Neither GFG Canada nor GFG US utilizes off-balance sheet arrangements.

Transactions with Related Parties

Since its incorporation on June 19, 2015, GFG US has issued certain GFG US Shares to its directors and officers as follows:

Name of Director/Officer	Number of GFG US Shares ⁽¹⁾	Price Per Share US\$	Gross Proceeds US\$
Jonathan Awde President, CEO and sole director	1,500,000 ⁽²⁾	0.001	1,500
	90,000 ⁽³⁾	0.20	18,000
	335,576 ⁽⁴⁾	0.25	83,894
Sub-total	1,925,576		103,394
Richard Silas Corporate Secretary	200,000 ⁽⁵⁾	0.001	200
	100,000 ⁽⁵⁾	0.25	25,000
	50,000 ⁽⁴⁾⁽⁵⁾	0.25	12,500
Sub-total	350,000		\$37,700
TOTAL	2,275,576		\$141,094

- (1) These shares were transferred to GFG Canada in exchange for GFG Shares pursuant to the GFG US Acquisition. See Item 18.2 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *History – Acquisition of GFG US*”.
- (2) Kristin Awde, Mr. Awde’s wife, also acquired 500,000 GFG US Shares at a price of US\$0.25 per share for a total purchase price of US\$125,000.
- (3) These shares were issued in settlement of outstanding debt at a price of US\$0.20 per share.
- (4) These shares were in settlement of outstanding debt at a price of US\$0.25 per share.
- (5) These shares were issued to a private company controlled by Mr. Silas.

On June 30, 2016, Brian Skanderbeg purchased a total of 1,200,000 GFG Shares and Timothy Brown purchased 40,000 GFG Shares from GFG Canada at a price of US\$0.25 per share for an aggregate purchase price of US\$300,000 and US\$10,000 respectively. Subsequent to June 30, 2016, Mr. Skanderbeg acquired an additional 300,000 GFG Shares by way of private transactions and transferred 100,000 GFG Shares to Marc Lepage, GFG’s Vice-President, Business Development.

See Item 23 “PRIOR SALES” below.

During the fiscal year ended June 30, 2016, GFG US paid or accrued a total of US\$171,580 to a private company controlled by Jonathan Awde, the President and sole director of GFG US, in respect of management services provided to GFG US. See Item 24 “EXECUTIVE COMPENSATION” in this Appendix 2 below. No consulting fees were paid to Mr. Awde, directly or indirectly, by GFG US for the period from incorporation on June 19, 2015 to June 30, 2015.

During the fiscal year ended June 30, 2016, GFG US paid or accrued a total of US\$89,965 to a private company controlled by Richard Silas, the Corporate Secretary of GFG US, in respect of administrative services provided to GFG US. See Item 24 “EXECUTIVE COMPENSATION” in this Appendix 2 below. No consulting fees were paid to Mr. Silas, directly or indirectly, by GFG US for the period from incorporation on June 19, 2015 to June 30, 2015.

The above transactions occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Proposed Transactions

Except as disclosed under Item 19.2 “NARRATIVE DESCRIPTION OF THE BUSINESS – Mineral Project” above and the Arrangement as disclosed in the Circular under the heading “THE ARRANGEMENT”, there are no asset or business acquisitions or dispositions currently being proposed by the directors or senior management of GFG that will have a material effect on the financial condition, results of operations or cash flows of GFG.

Critical Accounting Estimates

In the application of GFG's accounting policies, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty:

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant source of estimation uncertainty is related to carrying amount and the recoverability of exploration and evaluation assets and the valuation of stock based compensation.

GFG has determined that exploration, evaluation and related costs incurred which have been capitalized may have future economic benefits and may be economically recoverable. GFG uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and technical information.

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of stock options granted as stock based compensation. This option valuation model requires the input of highly subjective assumptions particularly the expected stock price volatility. As changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

Exploration and evaluation assets

General exploration and evaluation expenditures incurred prior to acquiring the legal right to explore are charged to the profit or loss as incurred.

Subsequent to acquisition of the legal rights and after having made an assessment of the property's suitability for geophysical surveying, sampling, testing and drilling, and management has made a firm decision to proceed with further development of the property, GFG capitalizes costs related to mineral property acquisitions costs, license costs, geophysical costs, drilling costs, directly attributable overheads such as geologist salaries and exploration and evaluation expenditures, net of any recoveries. Costs are capitalized until such time as the extent of mineralization has been determined and mineral property interests are either developed or the mineral rights are allowed to lapse.

All capitalized exploration and evaluation expenditures are reviewed annually, on a property-by-property basis, to consider whether there are any conditions that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or GFG's assessment of its ability to sell the property for an amount exceeding the capitalized costs, provision is made for the impairment value.

From time to time, GFG may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received.

Restoration and environmental obligations

A provision for restoration and environmental obligations is recognized when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and environmental provision relating to exploration and development activities is capitalized into the cost of the related assets and amortized on the same basis as the related asset. Changes in the estimate of the provision of restoration and environmental obligations are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognized as a finance cost rather than being capitalized into the cost of the related asset. At June 30, 2016 and 2015, GFG has no restoration or environmental obligations.

Impairment of tangible and intangible assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the cost less accumulated depreciation would have been had the impairment not been recognized.

Share-based compensation

GFG accounts for share-based compensation using the fair-value based method with respect to all share-based payments to directors and employees. For directors and employees, the fair value of the options is measured at the date of grant. The fair value of the options is accrued and charged to operations over the vesting period, with the offset credited to reserves. If and when the stock options are ultimately exercised, the applicable amounts of reserves are transferred to share capital.

Financial instruments

GFG's financial instruments consist of the following:

Financial Assets:	Classification:
Cash	Loans and receivables
Restricted Cash	Loans and receivables
Long-term deposit	Loans and receivables
Reclamation bond	Loans and receivables
Financial liabilities	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Advances	Other financial liabilities
Promissory note	Other financial liabilities
Share repurchase obligation	Other financial liabilities

Loans receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of comprehensive loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

GFG presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of GFG by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and similar instruments outstanding that may add to the total number of common shares. As at June 30, 2016 and 2015, GFG's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

Standards issued or amended but not yet effective

At the date of the GFG Financial Statements, a number of standards and interpretations were in issue but not effective. GFG considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on GFG's financial statements.

Financial Instruments and Risk Management

The Company has exposure to the following risks from its use of financial instruments.

(a) Credit Risk

Credit risk is the risk of financial loss to GFG if a customer or counterparty to a financial instrument fails to meet its obligations. GFG's exposure to credit risk is on its cash held with Bank of Montreal. The carrying amounts represent the maximum credit exposure.

(b) Liquidity Risk

Liquidity risk is the risk that GFG will incur difficulties meeting its financial obligations as they are due. GFG's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to GFG's reputation. GFG US has a working capital deficiency of US\$114,524 at June 30, 2016. However, GFG Canada had a working capital surplus of US\$3,599,984 at June 30, 2016.

(c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. GFG has determined there is no material exposure related to interest rate risk.

(d) Foreign Exchange Risk

Foreign exchange risk is the risk that fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates.

GFG's functional currency and reporting currency is the US dollar and major purchases are transacted in US dollars.

As of June 30, 2016, US\$74,811 of GFG US' cash is denominated in Canadian dollars and US\$113,655 of GFG US' advances are denominated in Canadian dollars.

As of June 30, 2016, US\$44,061 of GFG Canada's cash is denominated in Canadian dollars and US\$5,637 of GFG Canada's accrued liabilities are denominated in Canadian dollars.

Disclosure of Outstanding Security Data of GFG

	Authorized	Outstanding as at June 30, 2016	Outstanding as at September 7, 2016
Voting or Equity Securities Issued and Outstanding	Unlimited Common Shares	14,485,564 ⁽¹⁾	36,140,983 ⁽¹⁾⁽²⁾
Securities convertible, exercisable into or exchangeable for Voting or Equity Securities	N/A	875,000	2,562,500 ⁽³⁾

(1) See also Item 21.2 "DESCRIPTION OF SECURITIES – Consolidated Capitalization" below.

(2) After giving affect to the GFG US Acquisition and GFG Financings.

(3) By their terms, 2,262,500 of these GFG Options will expire and cease to exist as of the Effective Date if they are not exercised by the holders thereof prior to Closing of the Arrangement. Accordingly, it is anticipated that all of such GFG Options will be exercised prior to Closing in which event the number of issued and outstanding GFG Shares as of the Effective Date will increase to 38,403,483 GFG Shares. However, there are no assurances that these GFG Options will be exercised in whole or in part. Unless exercised, the remaining 300,000 GFG Options will be exchanged for Crest Replacement Options under the Arrangement. See "THE ARRANGEMENT – The Arrangement" in the Circular. See also Item 38 in Appendix 3 "INFORMATION CONCERNING THE

RESULTING ISSUER – *Options to Purchase Securities*” for details of the stock options, warrants and other rights to acquire Resulting Issuer Shares that are held or will be held upon completion of the Arrangement.

Additional Disclosure for IPO Venture Issuers Without Significant Revenue

The following is a breakdown of the capitalized exploration expenditures incurred by GFG US in respect of the Rattlesnake Hills Project during the periods stated below:

Type of Expenditure	For the year ended June 30, 2016 (audited) US\$	For the period from incorporation on April 5, 2016 to June 30, 2016 (audited) US\$
Property acquisition and staking costs	2,421,030	-
Exploration Expenses:		
Claim maintenance fees	245,830	-
Consulting	66,000	-
Lease payment	21,240	-
Geological	168,153	-
Site development	1,260	-
Supplies	812	-
Travel	6,608	-
Balance as at June 30, 2016 and June 30, 2015, respectively	2,930,933	-

See the Statements of Comprehensive Loss contained in the GFG Financial Statements included as Schedule “J” to the Circular for details of the general and administrative expenses incurred by GFG US for the fiscal year ended June 30, 2016 and the period from incorporation on June 19, 2015 to June 30, 2015 and by GFG Canada for the period from incorporation on April 5, 2016 to June 30, 2016.

Additional Disclosure for Junior Issuers

See Item 32 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Available Funds and Principal Purposes*” for details of the proposed expenditures relating to the Rattlesnake Hills Project and estimated general and administrative expenses of the Resulting Issuer for the 12 month period immediately following completion of the Arrangement.

Assets and Property

As at June 30, 2016, GFG Canada had current assets of cash on hand of US\$3,471,403 and a short term advance receivable from GFG US of US\$150,000.

As at June 30, 2016, GFG US had current assets totalling US\$954,002 comprised of cash of US\$910,388, restricted cash of US\$15,000 and prepaid expenses of US\$28,614. In addition, GFG US had its interest in the Rattlesnake Hills Project totalling US\$2,930,933, a reclamation bond in the amount of US\$286,000 and a long-term deposit of US\$10,000 in respect of its commercial office space in Casper, Wyoming.

Save as aforesaid, neither GFG Canada nor GFG US owns any other assets.

As at June 30, 2016, GFG Canada’s total liabilities were US\$21,419 comprised entirely of accrued liabilities.

As at June 30, 2016, GFG US had total liabilities of US\$1,068,526 comprised of accounts payable and accrued liabilities of US\$307,859, advances due of US\$165,000 (including US\$150,000 due to GFG Canada) and a note payable of US\$595,667 (principal amount - US\$600,000) due to EVG pursuant to the EVG Agreement.

Subsequent to June 30, 2016, GFG US repaid the US\$150,000 advance from GFG Canada and paid off in full the US\$600,000 note due to EVG pursuant to the acquisition of the EVG Rattlesnake Property.

Save and except as disclosed under “CAPITAL EXPENDITURE COMMITMENTS” above or elsewhere in this Circular, neither GFG Canada nor GFG US has any commitments for material capital expenditures over either the near or long term and none are presently contemplated over normal operating requirements.

Dividend Policy

GFG has not paid any dividends. GFG intends to retain future earnings, if any, for use in its business and does not expect to pay dividends on the GFG Shares in the foreseeable future. Thereafter, any decision to pay dividends on GFG Shares will be made by the GFG Board on the basis of the earnings, financial requirements and other conditions existing at such time.

See Item 32.3 “Dividends” in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER” regarding the dividend policy of the Resulting Issuer upon completion of the Arrangement.

20.5 Trends

See “Trends and Business Risks” in Item 19 “NARRATIVE DESCRIPTION OF THE BUSINESS” of this Appendix 2 for a description of the trends and business risks affecting GFG and its business.

21. DESCRIPTION OF SECURITIES

21.1 Securities

The authorized capital of GFG consists of an unlimited number of GFG Shares without par value. As of the Record Date, there were 36,140,983 GFG Shares issued and outstanding (after giving effect to the GFG US Acquisition and GFG Financings).

The holders of GFG Shares are entitled to vote at all meetings of GFG Shareholders, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of GFG. Distribution in the form of dividends, if any, will be set by the GFG Board. See Item 20.4 “MANAGEMENT’S DISCUSSION AND ANALYSIS – Dividend Policy” above for particulars of GFG’s dividend policy.

Provisions as to the modification, amendment or variation of the rights attached to the GFG Shares are contained in GFG’s Articles and the BCBCA. Generally speaking, substantive changes to the share capital require the approval of the GFG Shareholders by special resolution (at least 66 2/3% of the votes cast).

21.2 Consolidated Capitalization

The following table sets forth the capitalization of GFG as at June 30, 2016, being the date of GFG’s most recent statement of financial position contained in this Circular, and as at September 7, 2016, being the date of this Circular:

Designation of security	Amount authorized or to be authorized	Amount outstanding as at June 30, 2016⁽¹⁾	Amount outstanding as at September 7, 2016⁽²⁾
		(audited)	(unaudited)
GFG Shares	Unlimited	14,485,564 (US\$3,621,391)	36,140,983 (US\$7,394,426)
Note Payable	N/A	US\$600,000 ⁽³⁾	Nil

(1) Prior to giving affect to the GFG US Acquisition and Secondary GFG Financing. See “Acquisition of GFG US” and “GFG Financings” under Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG” in this Appendix 2.

(2) After giving affect to the GFG US Acquisition and the Secondary GFG Financing. See “Acquisition of GFG US” and “GFG Financings” under Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG” in this Appendix 2.

- (3) This note was issued to EVG as part of the purchase price for the EVG Rattlesnake Property pursuant to the EVG Agreement. The note is non-interest bearing and due on July 28, 2016. Subsequent to June 30, 2016, this note was paid by GFG to EVG in full.

See Item 31 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Pro Forma Consolidated Capitalization*” for details of the pro-forma issued and outstanding share capital of the Resulting Issuer after giving effect to the Arrangement.

The following table summarizes those options, warrants and other rights to acquire GFG Shares that are outstanding as of the Record Date:

Holder	Number of GFG Shares Issuable if Option/Warrant is Fully Exercised	Exercise Price	Expiry/Due Date
GFG Options			
Officers of GFG as a group	800,000	US\$0.25	Earlier of the Effective Date and September 1, 2021
Directors of GFG as a group (excluding directors who are also officers)	Nil	N/A	N/A
Officers of subsidiaries of GFG as a group	375,000	US\$0.25	Earlier of the Effective Date and September 1, 2021
	75,000	US\$0.25	August 1, 2020
	125,000	US\$0.25	September 1, 2021
Directors of subsidiaries of GFG as a group (excluding directors who are not also officers)	Nil	N/A	N/A
All other employees of GFG as a group	Nil	N/A	N/A
All consultants of GFG as a group	1,087,500	US\$0.25	Earlier of the Effective Date and September 1, 2021
	100,000	US\$0.25	August 1, 2020
All former directors and officers of GFG as a group	N/A	N/A	N/A
Share purchase warrants	Nil	N/A	N/A
Sub-total	2,562,500⁽¹⁾		
GFG Warrants			
N/A	Nil	N/A	N/A
Other Rights			
EDG Agreement	550,000 ^{(2) (6)}	N/A	February 6, 2017
EDG Agreement	750,000 ^{(3) (6)}	N/A	October 8, 2022
EVG Agreement	1,500,000 ^{(4) (6)}		July 28, 2019
Contingent GFG Shares	2,145,388 ^{(5) (6)}	N/A	N/A
TOTAL	8,257,888		

- (1) By their terms, 2,262,500 of these GFG Options will expire and cease to exist on the day immediately preceding the Effective Date if they are not exercised by the holders thereof prior to Closing of the Arrangement. Accordingly, it is anticipated that all of such GFG Options will be exercised prior to Closing in which event the number of issued and outstanding GFG Shares as of the Effective Date will increase to 38,403,483 GFG Shares. However, there are no

assurances that these GFG Options will be exercised in whole or in part. Unless exercised, the remaining 300,000 GFG Options will be exchanged for Crest Replacement Options under the Arrangement. See “THE ARRANGEMENT – *The Arrangement*” in the Circular. See also Item 38 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Options to Purchase Securities*” for details of the stock options, warrants and other rights to acquire Resulting Issuer Shares that are held or will be held upon completion of the Arrangement.

- (2) Pursuant to the terms of the EDG Agreement, these GFG Shares are due to EDG on or before February 6, 2017. See Item 18.2 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions – EDG Agreement*” in this Appendix 2.
- (3) Pursuant to the terms of the EDG Agreement, GFG US has agreed to issue 375,000 First Bonus Shares and an additional 375,000 Second Bonus Shares to EDG if certain conditions with respect to the EDG Rattlesnake Property are satisfied within seven years from the closing date of the EDG Agreement. See Item 18.2 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions – EDG Agreement*” in this Appendix 2.
- (4) Pursuant to the terms of the EVG Agreement, GFG US has agreed to issue 1,500,000 EVG Bonus Shares to EVG if certain conditions with respect to the EVG Rattlesnake Property are satisfied within four years from the closing date of the EVG Agreement. See Item 18.2 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions – EVG Agreement*” in this Appendix 2.
- (5) Pursuant to the GFG US Exchange Agreement, GFG has allotted and reserved for issuance up to an additional 2,145,388 Contingent GFG Shares for issuance to certain Non-Resident GFG US Shareholders upon receipt of Clearance Certificates from the IRS confirming that a lesser amount or no withholding tax was required to be withheld by GFG from the GFG US Purchase Price payable to such Non-Resident GFG US Shareholders in connection with the GFG US Acquisition. See Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *History – Acquisition of GFG US*” in this Appendix 2.
- (6) It is a term of the Arrangement Agreement that upon Closing of the Arrangement the Resulting Issuer will assume the obligation for issuing these shares.

There are no assurances that the options, warrants or other rights described above will be exercised or issued in whole or in part.

Save as aforesaid, there are no options, warrants or other rights to acquire GFG Shares outstanding.

See Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER - *Options to Purchase Securities*” for details of the options, warrants and other rights to acquire shares of the Resulting Issuer that will be outstanding following the Arrangement.

23. PRIOR SALES

23.1 Prior Sales

Since their respective incorporations, GFG US and GFG Canada have issued the following securities:

GFG US

Effective Date	Type of Transaction	Number of Shares ⁽¹⁾	Price US\$	Gross Proceeds US\$
June 19, 2015	Founders' shares	4,950,000	0.001	4,950.00
June 24, 2015	Seed stock	1,500,000	0.10	150,000.00
July 27, 2015	Private placement	2,468,000	0.25	617,000.00
July 28, 2015	Property acquisition	2,000,000	0.25	500,000.00
Sep 16 to Oct 16, 2015	Private placement	2,580,000	0.25	645,000.00

Effective Date	Type of Transaction	Number of Shares ⁽¹⁾	Price US\$	Gross Proceeds US\$
October 8, 2015	Property acquisition	850,000	0.25	212,500.00
October 8, 2015	Property acquisition	97,000	0.25	24,250.00
October 14, 2015	Debt settlement	180,000	0.25	45,000.00
February 15, 2016	Property acquisition	200,000	0.25	50,000.00
Apr 11 to 19, 2016	Private placement	4,300,000	0.25	1,075,000.00
May 9, 2016	Debt settlement	595,000	0.20	119,000.00
May 9 to June 2, 2016	Debt settlement	1,663,557	0.25	415,889.25
July 8, 2016 ⁽²⁾	Share Repurchase	(97,000)	(0.25)	(24,250.00)
TOTAL		21,286,557		3,834,339.25

- (1) See “DIRECTORS AND EXECUTIVE OFFICERS” below for details of the GFG US Shares acquired by the directors and executive officers of GFG.
- (2) Effective July 8, 2016, GFG US repurchased a total of 97,000 GFG US Shares from an existing shareholder at the issue price of US\$0.25 per share for a total repurchase price of US\$24,250.

GFG Canada

Effective Date	Type of Transaction	Number of Shares ⁽¹⁾	Price US\$	Gross Proceeds US\$
April 5, 2016	Incorporators share	1 ⁽²⁾	0.10	0.10
June 30, 2016	Private Placement	14,485,564	0.25	3,621,391.00
July 5, 2016	Private placement	255,000	0.25	63,750.00
August 24, 2016	GFG US Acquisition	19,050,419 ⁽³⁾⁽⁴⁾	0.25	4,762,604.75
September 2, 2016	Private Placement	2,350,000	0.25	587,500.00
TOTAL		36,140,983		9,035,245.75

- (1) See “DIRECTORS AND EXECUTIVE OFFICERS” below for details of the GFG Shares acquired by the directors and executive officers of GFG.
- (2) This share was repurchased by GFG Canada at the issue price of \$0.10 and cancelled.
- (3) See Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Acquisition of GFG US*” for details of the GFG US Acquisition and exchange of GFG US Shares for GFG Shares.
- (4) Pursuant to the GFG US Exchange Agreement, GFG has allotted and reserved for issuance up to an additional 2,145,388 GFG Shares for issuance to certain Non-Resident GFG US Shareholders upon receipt of Clearance Certificates from the IRS confirming that a lesser amount or no withholding tax was required to be withheld by GFG from the GFG US Purchase Price payable to such Non-Resident GFG US Shareholders in connection with the GFG US Acquisition. See Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *History – Acquisition of GFG US*” in this Appendix 2.

23.2 Stock Exchange Price

The GFG Shares are not currently listed for trading on any recognized stock exchange or quotation system.

ESCROWED SHARES

As of the date of this Circular, there are no GFG Shares held in escrow.

However, see Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Escrowed Securities*” for details of the Resulting Issuer Shares to be held in escrow with TSX Trust or otherwise subject to escrow restrictions following the completion of the Arrangement.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and senior officers of GFG as of the Record Date, no person owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of GFG.

DIRECTORS AND EXECUTIVE OFFICERS

The following table and notes thereto state the names, provinces/states and countries of residence of the directors and officers of GFG, the positions and offices presently held with GFG, the principal occupation or employment of each of them, and the approximate number of GFG Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as of the Record Date. The biographical information set out below as to principal occupation of, and number of GFG Shares owned by, each of the directors and officers of GFG, not being within the knowledge of GFG, has been furnished by the directors and officers themselves.

Name, Province/State and Country of Residence and Position with GFG	Present Principal Occupation ⁽¹⁾	Previously a Director Since	Shares Owned ⁽²⁾
Brian N. Skanderbeg Saskatchewan, Canada <i>President, Chief Executive Officer and Director</i>	President and Chief Executive Officer of GFG; July, 2015 to present; former President and Chief Executive Officer, Claude Resources Inc. (former TSX; NYSE-MKT listed company), November 2014 to May 2016 (held other senior executive and management positions with Claude Resources since April, 2007)	June 30, 2016	1,400,000
Jonathan T. Awde B.C., Canada <i>Director</i>	President and Chief Executive Officer, Gold Standard Ventures Corp. (TSXV; NYSE-MKT – GSV); July 2010 to present; President and sole director of GFG US; June 2015 to present	August 25, 2016	2,525,576
Timothy R. Brown Colorado, U.S.A. Vice-President, Exploration	Registered professional geologist, Wyoming State, USA (PG-2655), August 1995 to present; Technical Consultant to GFG US, January, 2016 to present; former Exploration manager, Newmont, August 2015 to November 2015; former Exploration manager, AngloGold Ashanti; August 2006 to August 2015	N/A	40,000
Marc J. Lepage Saskatchewan, Canada Vice-President, Business Development	Vice-President, Business Development, GFG Resources Inc.; September 2016 to present (previously a consultant from July 2016 to August 2016); Manager, Investor Relations, Claude Resources Inc. (former TSX; NYSE-MKT listed company), January 2009 to May 2016	N/A	100,000

Name, Province/State and Country of Residence and Position with GFG	Present Principal Occupation ⁽¹⁾	Previously a Director Since	Shares Owned ⁽²⁾
Richard S. Silas B.C., Canada <i>Corporate Secretary – GFG US</i>	See “DIRECTORS AND EXECUTIVE OFFICERS” in Appendix 1 “Information Concerning Crest Petroleum Corp. Prior to the Arrangement” for a description of Mr. Silas’ principal occupations for the preceding five years	N/A	297,500

(1) Includes occupations for preceding five years.

(2) The approximate number of shares of GFG Shares carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each officer and director as of the Record Date. This information has been extracted from GFG’s central securities register after giving effect to the GFG US Acquisition.

Corporate Cease Trade Orders or Bankruptcy

Save and except as disclosed below, to the knowledge of management of GFG, none of the current directors or officers of GFG are, or have been, within ten years before the date of this Circular, a director or executive officer of any company (including GFG) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (c) 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.

Jonathan Awde and Richard Silas are former directors and officers of Northern Star Mining Corp. (“**Northern Star**”), a reporting issuer whose common shares were previously listed for trading on the Exchange. Mr. Awde resigned as a director and officer of Northern Star on July 13, 2010. Effective August 18, 2010 Northern Star filed a Notice of Intention to Make a Proposal (the “**Proposal**”) under the *Bankruptcy and Insolvency Act* (Canada) (the “**Bankruptcy Act**”) and appointed Deloitte & Touche Inc. as its trustee. On January 24, 2011, the deadline for filing its Proposal under the Bankruptcy Act expired and Northern Star was deemed to have filed an assignment in bankruptcy as of such date. Mr. Silas resigned as a director and officer of Northern Star effective such date.

Mr. Silas is a former director of Spirit Bear Capital Corp., a capital pool company that was suspended from trading by the Exchange on May 15, 2014 for failure to complete a “qualifying transaction” within 24 months of its listing.

Penalties or Sanctions

Save and except as disclosed below, to the knowledge of management of GFG, none of the directors or officers of GFG are, or have been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

On September 2, 2014, Jonathan T. Awde was fined a total of \$46,000 by the Quebec court for 11 counts of failing to file insider reports within the prescribed time period required under applicable securities legislation in respect of certain trades in securities of Northern Star during the period from November 2008 to April 2010. The fine has been paid in full.

Personal Bankruptcy

To the knowledge of management of GFG, none of the directors or officers of GFG has, within the ten 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 his assets.

Conflicts of Interest

The directors of GFG are required by law to act honestly and in good faith with a view to the best interest of GFG and to disclose any interests which they may have in any project or opportunity of GFG. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will, in accordance with the BCBCA, disclose his interest and abstain from voting on such matter. In determining whether or not GFG will participate in any project or opportunity, the directors will primarily consider the degree of risk to which GFG may be exposed and its financial position at that time.

There are potential conflicts of interest to which the directors and officers of GFG will be subject in connection with the operations of GFG. In particular, certain of the directors and officers of GFG are involved in managerial or director positions with other mineral exploration companies whose operations may, from time to time, be in direct competition with those of GFG or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of GFG. Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA.

Indebtedness of Directors, Executive Officers and Senior Officers

No person who is or at any time since the incorporation of GFG was a director, executive officer or senior officer of GFG, and no Associate of any of the foregoing persons has been indebted to GFG at any time since the incorporation of GFG. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by GFG at any time since the incorporation of GFG with respect to any indebtedness of any such person.

Interest of Management and Others in Material Transactions

Other than as disclosed herein, none of the directors or executive officers or any Associate or Affiliate of the foregoing have had a material interest, direct or indirect, in any transactions in which GFG has participated since the incorporation of GFG, which has materially affected or will materially affect GFG.

24. EXECUTIVE COMPENSATION

24.1 Disclosure

As a private company, GFG's compensation philosophy for its Named Executive Officers has been designed to attract and retain well qualified individuals by paying competitive management and/or consulting fees until such time as its completes a going public transaction and listing of the GFG Shares on the Exchange. The Named Executive Officers were also afforded the opportunity to acquire seed stock in GFG at favourable prices thereby enabling the Named Executive Officers to participate in any appreciation of the market value of the GFG Shares over time in order to reinforce their commitment to long-term growth and shareholder value. See Item 20.4 "MANAGEMENT'S DISCUSSION AND ANALYSIS – Transactions with Related Parties", Item 23 "PRIOR SALES" and "DIRECTORS AND EXECUTIVE OFFICERS" above.

As a private company, GFG has not adopted a formal stock option plan but has made individual stock option grants to its Named Executive Officers as set forth under Item 24.2 "COMPENSATION - Incentive Plan Awards" below.

Upon completion of the Arrangement, GFG anticipates that the compensation paid to its Named Executive Officers will be augmented by the addition of both short and long term incentive compensation in the form of discretionary cash bonuses, phantom units and stock options or other suitable long term incentives. See Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*” for details of the Resulting Issuer’s compensation philosophy and the estimated compensation to be paid to the Named Executive Officers of the Resulting Issuer upon completion of the Arrangement.

See also “BUSINESS OF THE CREST MEETING – *Adoption of 2016 Option Plan*” in the Circular for details of the proposed stock option plan to be adopted at the Crest Meeting for the use by the Resulting Issuer upon completion of the Arrangement.

24.2 Compensation

Summary Compensation Table

The following table summarizes the compensation paid by GFG to the following Named Executive Officers during the period from incorporation to June 30, 2016. All figures are shown in US dollars.

Name and principal position ⁽¹⁾	Year	Salary	Share based Awards	Option Based Awards	Non-equity incentive plan compensation		Pension Value	All other Compensation (\$) ⁽²⁾	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans			
Brian Skanderbeg President and CEO of GFG	2016	\$5,419 ⁽³⁾	Nil	Nil ⁽⁴⁾	Nil	Nil	Nil	Nil	\$5,419
Jonathan T. Awde President and CEO of GFG US	2016	\$171,580 ⁽⁵⁾	Nil	\$55,588 ⁽⁶⁾⁽⁷⁾	Nil	Nil	Nil	Nil	\$227,168
	2015	Nil ⁽⁸⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Timothy R. Brown VP, Exploration of GFG US	2016	\$51,000 ⁽⁹⁾	Nil	\$13,892 ⁽¹⁰⁾⁽⁷⁾	Nil	Nil	Nil	Nil	\$64,892
Richard Silas Corporate Secretary of GFG US	2016	\$89,965 ⁽¹¹⁾	Nil	\$9,265 ⁽¹²⁾⁽⁷⁾	Nil	Nil	Nil	Nil	\$99,230
	2015	Nil ⁽⁸⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Francis Fernandes (former President of GFG) ⁽¹³⁾	2016	\$6,000	Nil	Nil	Nil	Nil	Nil	Nil	\$6,000

Notes:

- (1) Marc Lepage was appointed Vice-President, Business Development of GFG on September 1, 2016 and accordingly is not shown in the above summary compensation table as at June 30, 2016. See Item 35 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*” for a discussion of the proposed compensation to be paid to Mr. Lepage by the Resulting Issuer upon completion of the Arrangement.
- (2) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer’s total compensation for the financial year.
- (3) Mr. Skanderbeg joined GFG as a consultant on June 9, 2016 and was appointed President and Chief Executive Officer effective June 30, 2016. This amount reflects the compensation paid to Mr. Skanderbeg by GFG for the period June 9, 2016 to June 30, 2016. See Item 35 of Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*” for a discussion of the proposed compensation to be paid to Mr. Skanderbeg by the Resulting Issuer upon completion of the Arrangement.

- (4) Subsequent to June 30, 2016, Mr. Skanderbeg was granted stock options to purchase up to 600,000 GFG Shares at a price of US\$0.25 per share exercisable on or before the earlier of (i) the day immediately preceding the Effective Date of the Arrangement, and (ii) September 1, 2021. See Item 21.2 “DESCRIPTION OF SECURITIES – Consolidated Capitalization” above.
- (5) This amount was paid by GFG US to a private company controlled by Mr. Awde for management services for the period August 1, 2015 to June 30, 2016 at a fee of US\$10,000 per month and includes a year-end bonus of US\$61,580.
- (6) During the period, Mr. Awde was granted stock options to purchase a total of 300,000 GFG Shares for a period of five years at an exercise price of US\$0.25 per share.
- (7) The fair value of these options is obtained by multiplying the number of options granted by their value established according to the Black Scholes option pricing model assuming the following: life expectancy of 5 years, a risk free rate of 0.72%, a forfeiture rate of 0% and volatility of 100%.
- (8) For the period from incorporation of GFG US on June 19, 2015 to June 30, 2015.
- (9) Mr. Brown was appointed Vice-President, Exploration of GFG US effective January 4, 2016.
- (10) During the period, Mr. Brown was granted stock options to purchase a total of 75,000 GFG Shares for a period of five years at an exercise price of US\$0.25 per share.
- (11) This amount was paid by GFG US to a private company controlled by Mr. Silas for administrative services for the period from July 2015 to June 30, 2016 at a fee of \$7,500 per month.
- (12) During the period, Mr. Silas was granted options to purchase a total of 50,000 GFG Shares for a period of five years at an exercise price of US\$0.25 per share.
- (13) Mr. Fernandes resigned as the President of GFG on June 30, 2016.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all option-based and share-based awards outstanding for each Named Executive Officer at June 30, 2016:

Name	Option-based Awards				Share-based Awards ⁽¹⁾	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of unexercised in-the-money-options (\$) ⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)
Brian Skanderbeg President and CEO	Nil	N/A	N/A	N/A	N/A	N/A
Jonathan Awde President and CEO (GFG US)	300,000	US\$0.25 ⁽²⁾	Earlier of Effective Date and Aug. 1, 2020	N/A	N/A	N/A
Timothy R. Brown VP, Exploration (GFG US)	75,000	US\$0.25 ⁽²⁾	Aug. 1, 2020	N/A	N/A	N/A
Richard Silas Corporate Secretary (GFG US)	50,000	US\$0.25 ⁽²⁾	Earlier of Effective Date and Aug. 1, 2020	N/A	N/A	N/A
Francis Fernandes (former President)	Nil	N/A	N/A	N/A	N/A	N/A
TOTAL	425,000					

- (1) GFG has not granted any share-based awards.
- (2) GFG is a non-reporting company and there is no publicly traded market for the GFG Shares. The exercise price of US\$0.25 per share is the same price as the offering price of the GFG Shares under the GFG Financings. See Item 23 “PRIOR SALES” above.

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards or share-based awards were vested in, and no other non-equity incentive plan compensation was paid to, the Named Executive Officers of GFG during the year ended June 30, 2016.

Pension Plan Benefits

GFG does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

Termination and Change of Control Benefits

GFG is a party to consulting and/or employment agreements (collectively the “**Executive Agreements**”) with three of the Named Executive Officers, being Brian Skanderbeg, Jonathan Awde and Timothy Brown (or private companies controlled by such Named Executive Officers) which provide for termination payments in certain circumstances. An amount equal to two times each Named Executive Officer’s annual fee plus bonus is payable in the event that the Named Executive Officer is terminated without cause, and each Named Executive Officer is entitled to terminate his engagement with GFG and receive a payment in an amount equal to three times, in the case of Mr. Skanderbeg, and two times, in the case of Messrs. Awde and Brown, his annual base plus bonus if: (a) there is a “change of control” of the Company; and (b) a specified “trigger event” occurs. Each such Named Executive Officer has a period of six months from the occurrence of the trigger event to exercise the termination right under his Executive Agreement.

Under the Executive Agreements, a “change of control” may include the occurrence of, inter alia, one or more of the following events: (a) the acquisition of a 20% voting interest in GFG by a shareholder of GFG; (b) the completion of a consolidation, merger, amalgamation or statutory arrangement between GFG and another Person pursuant to which all or part of the outstanding voting shares of GFG are changed in any way, reclassified or converted into, exchanged or otherwise acquired for shares or other securities of GFG or any other Person or for cash or any other property; (c) the sale by GFG of property or assets, (i) aggregating more than 50% of the consolidated assets of GFG and its subsidiaries as at the end of the most recently completed financial year of GFG, or (ii) which during the most recently completed financial year of GFG generated, or during the then current financial year of GFG are expected to generate, more than 50% of the consolidated operating income or cash flow of GFG, to any other Person or Persons (other than one or more of its subsidiaries); (iv) a resolution is adopted to wind-up, dissolve or liquidate GFG, or (v) a change in the composition of the GFG Board, which occurs at a single meeting of the GFG Shareholders or a succession of meetings occurring within six months of each other, whereby individuals who were members of the GFG Board immediately prior to such meeting or succession of meetings, as applicable, cease to constitute a majority of the GFG Board.

A “trigger event” under the Executive Agreements may include the occurrence of, inter alia, one or more of the following events: (i) a substantial and/or material adverse change in the nature of the services to be performed by the Named Executive Officer; (ii) a material reduction or adverse change in the base fee/salary or any other form of compensation payable by GFG, (iii) a material breach by GFG of any provision of the Executive Agreement; (iv) a change in the city or place in which the Named Executive Officer is regularly required to carry out the terms of his Executive Agreement or a requirement to re-locate from such city or place; (v) GFG ceases to operate as a going concern; (vi) GFG fails to pay when due a material amount payable by it under the Executive Agreement; or (vii) the successor, if any, fails to effectively assume GFG’s obligations under the Executive Agreement.

Assuming June 30, 2016 annual base fees/salary and discretionary and/or target bonus levels, if a change of control occurred followed by a trigger event, and each of the Named Executive Officers exercised his rights under his respective Executive Agreement, such Named Executive Officers would be entitled to change of control payments aggregating approximately US\$1,105,931 or approximately US\$368,644 per Named Executive Officer on average.

The following table sets out estimates of the incremental amounts payable to each Named Executive Officer upon identified termination events, assuming each such event took place on the last Business Day of fiscal year 2016. The table below assumes the exercise of all unexercised options (both vested and unvested) on June 30, 2016.

	Brian Skanderbeg (US\$) ⁽¹⁾⁽²⁾	Jonathan Awde (US\$)	Timothy Brown (US\$)
Termination Without Cause/Constructive Dismissal			
Base Fee/Termination Payment	184,488	240,000	192,000
Benefits and Perks	18,449	Nil	12,000
Annual Incentives	92,244 ⁽³⁾	123,160	96,000 ⁽⁴⁾
Long-Term Incentives ⁽⁵⁾	Nil	Nil	Nil
Pension Benefits	Nil	Nil	Nil
Triggering Event Following a Change in Control			
Base Fee/Termination Payment	276,732	240,000	192,000
Benefits and Perks	27,673	Nil	12,000
Annual Incentives	138,366 ⁽³⁾	123,160	96,000 ⁽⁴⁾
Long-Term Incentives ⁽⁵⁾	Nil	Nil	Nil
Pension Benefits	Nil	Nil	Nil

- (1) These amounts have been converted from Canadian dollars into U.S. dollars using the Bank of Canada noon exchange rate on June 30, 2016 of C\$1.00 = US\$0.7687.
- (2) These figures reflect Mr. Skanderbeg's annual salary of US\$92,244 (C\$120,000) as at June 30, 2016. Under the terms of his Executive Agreement, Mr. Skanderbeg's salary will increase to US\$192,175 per annum (C\$250,000) upon completion of the Arrangement. See Item 35 of Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*".
- (3) Mr. Skanderbeg's Executive Agreement provides for a "deemed" bonus of 50% of his annual salary in the event of termination during the first year of his employment.
- (4) Mr. Brown's employment agreement provides for a "deemed" bonus of 50% of his annual salary in the event of termination during the first year of his employment.
- (5) GFG is a private company and there is no publicly traded market for the GFG Shares.

Under the terms of his employment agreement with GFG, Marc Lepage, GFG's Vice-President, Business Development, is entitled to an amount equal to two times his annual salary plus bonus in the event he is terminated without cause, and is entitled to terminate his employment with GFG and receive a payment in an amount equal to two times his annual base plus bonus if: (a) there is a "change of control" of GFG; and (b) a specified "trigger event" occurs on terms substantially similar to those of Timothy Brown as set out above. See Item 35 of Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*" for further details of Mr. Lepage's employment agreement with GFG.

Other than set out above, there is no compensatory plan, contract or arrangement whereby a Named Executive Officer is entitled to receive any payment from GFG or its subsidiaries in the event of (a) the resignation, retirement or any other termination of the officer's employment with GFG or its subsidiaries; (b) a change of control of GFG or any of its subsidiaries; or (c) a change in the officer's responsibilities following a change in control.

Compensation of Directors

During the period from incorporation on June 19, 2015 to June 30, 2016, Jonathan Awde acted as the sole director of GFG US.

During the period from incorporation on April 5, 2016 to June 30, 2016, Francis Fernandes and Brian Skanderbeg acted as the sole directors of GFG.

See "*Summary Compensation Table*" above for details of the total compensation paid to Messrs. Awde, Fernandes and Skanderbeg during such periods.

See also Item 35 “INFORMATION CONCERNING THE RESULTING ISSUER – *Executive Compensation*” in Appendix 3 for details of the proposed compensation to be paid to directors of the Resulting Issuer, who will not be Named Executive Officers, for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert of the Resulting Issuer during the 12 month period immediately following the completion of the Arrangement.

See also “BUSINESS OF THE CREST MEETING – Adoption of 2016 Stock Option Plan” in the Circular for details of the proposed stock option plan to be adopted at the Crest Meeting for the use by the Resulting Issuer upon completion of the Arrangement.

Indebtedness of Directors and Executive Officers

None of the directors or executive officers of GFG US or GFG nor any of their Associates or Affiliates are or have been indebted to GFG US or GFG since their respective incorporations on June 19, 2015 and April 5, 2016.

24.3 Management Contracts

Management functions of GFG are not, to any substantial degree, performed by a Person or Persons other than the directors or executive officers of GFG.

AUDIT COMMITTEE

As a private company GFG is not required to have and does not have an audit committee.

See Appendix 1 “INFORMATION CONCERNING CREST PETROLEUM CORP. PRIOR TO THE ARRANGEMENT ISSUER – *Audit Committee*” for details of the current audit committee charter of Crest. See also Item 34 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Directors, Officers and Promoters*” for details of, inter alia, the individuals proposed to be appointed to the audit committee of the Resulting Issuer upon completion of the Arrangement.

CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines, which apply to all public companies. While such guidelines do not apply to GFG as a non-reporting company, the GFG Board and senior management consider good corporate governance to be central to the effective and efficient operation of GFG and intend to adopt, where suitable, the corporate governance guidelines set out in NP 58-201 for the Resulting Issuer upon completion of the Arrangement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

GFG does not have any equity compensation plans, whether approved by the GFG Shareholders or not, in place for its directors, executive officers, employees, consultants or otherwise. See Item 5.2 “BUSINESS OF THE CREST MEETING – Adoption of 2016 Stock Option Plan” in the Circular for details of the 2016 Stock Option Plan to be adopted by Crest for use by the Resulting Issuer upon completion of the Arrangement. See also Item 28 in Appendix 3 “INFORMATION CONCERNING THE RESULTING ISSUER – *Options to Purchase Securities*” for details of the incentive stock options expected to be held by directors, executive officers, employees and consultants of the Resulting Issuer upon completion of the Arrangement.

PROMOTERS

Jonathan T. Awde is considered the promoter of GFG in that he took the initiative in founding and organizing the business of GFG US. See “DIRECTORS AND EXECUTIVE OFFICERS” above for a description of Mr. Awde’s business experience and employment background.

See also Item 20.4 “MANAGEMENT’S DISCUSSION AND ANALYSIS – *Transactions with Related Parties*” in this Appendix 2.

25. NON-ARM'S LENGTH PARTY TRANSACTIONS

25.1 Non-Arm's Length Party Transactions

Save as otherwise disclosed in this Circular, neither GFG US nor GFG has entered into any non-arm's length transactions with any director or executive officer of GFG, any principal shareholder of GFG as disclosed herein, or any Associate or Affiliate of such Persons since its respective incorporation on June 19, 2015 and April 5, 2016.

See also Item 20.4 "MANAGEMENT'S DISCUSSION AND ANALYSIS – *Transactions with Related Parties*" and Item 24 "EXECUTIVE COMPENSATION" in this Appendix 2 for details of the GFG Shares acquired by and the compensation paid to the directors and executive officers of GFG US and GFG since incorporation.

26. LEGAL PROCEEDINGS

GFG is not a party to any legal proceedings currently material to it or of which the Rattlesnake Hills Project is the subject matter, and no such proceedings are known by GFG to be contemplated or pending.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of GFG is Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, of Suite 1500 – 1140 West Georgia Street, Vancouver, British Columbia, V6E 4G1. Upon completion of the Arrangement it is proposed that Dale Matheson Carr-Hilton LaBonte LLP will remain on as the auditor of the Resulting Issuer.

The central securities register for GFG is currently maintained by the management of GFG. Upon completion of the Arrangement, it is proposed that Crest's registrar and transfer agent, TSX Trust, of 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 will remain on as the registrar and transfer agent of the Resulting Issuer.

See Item 40 of Appendix 3 "INFORMATION CONCERNING THE RESULTING ISSUER – *Auditor, Transfer Agent and Registrar*".

27. MATERIAL CONTRACTS

The following are the material contracts of GFG that are outstanding as at the Record Date:

1. Arrangement Agreement dated September 2, 2016 between GFG and Crest with respect to the Arrangement. See "THE ARRANGEMENT" in the Circular.
2. EVG Agreement dated July 28, 2015 among, inter alia, GFG US, EVG and Rattlesnake Wyoming with respect to the EVG Rattlesnake Property comprising part of the Rattlesnake Hills Project. See Item 18.2 "GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions – EVG Agreement*" in this Appendix 2 to the Circular.
3. EDG Agreement dated October 8, 2015 among, inter alia, GFG US, EDG and Endurance Resources Inc. respect to the EDG Rattlesnake Property comprising part of the Rattlesnake Hills Project. See Item 18.2 "GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions – EDG Agreement*" in this Appendix 2 to the Circular.
4. Seven (7) Wyoming state leases forming part of the Rattlesnake Hills Project. See Item 19.2 "NARRATIVE DESCRIPTION OF THE BUSINESS – *Material Project – Rattlesnake Hills Project, Natrona County, Wyoming*" in this Appendix 2 to the Circular.

The material contracts described above may be inspected at the registered office of GFG, Suite 650 – 1188 West Georgia Street, Vancouver, British Columbia, during normal business hours prior to the GFG Meeting and Crest Meeting and for a period of 30 days thereafter.

APPENDIX 3

INFORMATION CONCERNING THE RESULTING ISSUER

INTRODUCTION

This Appendix 3 contains pro forma business, financial and share capital information for the Resulting Issuer following completion of the Arrangement. Certain capitalized terms used in this Appendix 3 without definition have the meanings ascribed to them in the “Glossary of Terms” of the Circular to which this Appendix 3 is attached.

All dollar (\$) amounts stated in this Appendix 3 refer to United States dollars, unless otherwise indicated. References to “C\$” are to Canadian dollars.

28. CORPORATE STRUCTURE

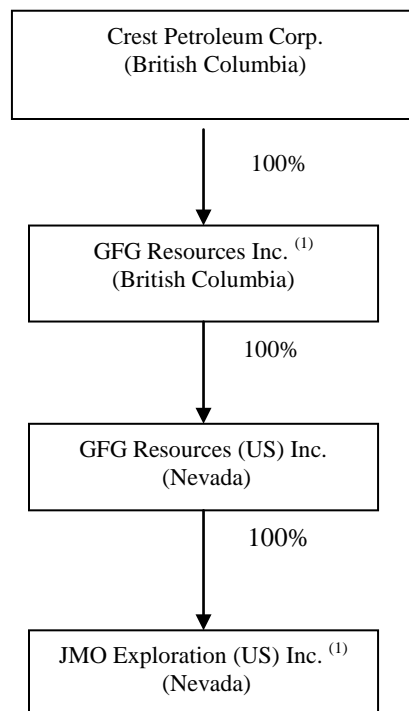
28.1 Name and Incorporation

Upon completion of the Arrangement, GFG will be a wholly owned subsidiary of the Resulting Issuer and both GFG and the Resulting Issuer will be governed by the BCBCA.

The head office as well as the registered and records offices of GFG and the Resulting Issuer will be located at Suite 610 – 815 West Hastings Street, Vancouver, British Columbia, V6C 1B4.

28.2 Inter-corporate Relationships

The following diagram sets forth the corporate structure of the Resulting Issuer after completion of the Arrangement:



- (1) Upon completion of the Arrangement, the Resulting Issuer will seek to simplify its corporate structure and reduce ongoing administrative and accounting expenses by collapsing any unnecessary subsidiaries.

29. NARRATIVE DESCRIPTION OF THE BUSINESS OF THE RESULTING ISSUER

Stated Business Objectives

Upon completion of the Arrangement, the Resulting Issuer intends to carry out and develop GFG's business plan and mineral project as described in Item 19.2 of Appendix 2 "INFORMATION CONCERNING GFG RESOURCES INC. – NARRATIVE DESCRIPTION OF THE BUSINESS – *Material Project*". The Resulting Issuer will also seek to identify additional mineral resource properties for acquisition worthy of exploration. The combined funds of Crest and GFG will be utilized to carry out the recommended Phase 1 and, if warranted, Phase 2 exploration programs for the Rattlesnake Hills Project as recommended in the Rattlesnake Report, further acquisitions and for general working capital. See Item 32 "AVAILABLE FUNDS AND PRINCIPAL PURPOSES" below.

Milestones

The Resulting Issuer's material property will be the Rattlesnake Hills Project as more particularly described in Item 19.2 of Appendix 2 "INFORMATION CONCERNING GFG RESOURCES INC. – NARRATIVE DESCRIPTION OF THE BUSINESS – *Material Project*". Upon completion of the Arrangement, the Resulting Issuer will complete the recommended Phase 1 work program commenced by GFG in July 2016 and, if warranted, carry out the recommended Phase 2 exploration program for the Rattlesnake Hills Project as set out in the Rattlesnake Report. The Resulting Issuer has budgeted immediate exploration expenditures of US\$2,013,000 for the Rattlesnake Hills Project out of the estimated total funds that will be available to the Resulting Issuer upon completion of the Arrangement. See Item 32 "AVAILABLE FUNDS AND PRINCIPAL PURPOSES".

The Resulting Issuer will also pay the ongoing maintenance fees, taxes and underlying lease payments necessary to maintain the Rattlesnake Hills Project in good standing. Estimated BLM fees, county/state recording fees and taxes and Wyoming State and underlying lease payments for the Rattlesnake Hills Project over the next 12 months are approximately US\$224,000. See Item 18.2 of Appendix 2 "INFORMATION CONCERNING GFG RESOURCES INC. – GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – *Significant Acquisitions*".

Exploration and Development

The Resulting Issuer will have one material mineral resource property upon completion of the Arrangement, being the Rattlesnake Hills Project.

Immediately following Closing of the Arrangement, the Resulting Issuer will complete Phase 1 of the exploration program (commenced by GFG in July 2016) on the Rattlesnake Hills Project recommended in the Rattlesnake Report consisting of soil sampling, an airborne VTEM geophysical survey paired with detailed geologic and structural mapping at a budgeted cost of approximately US\$393,000. Dependent upon the results from Phase 1, the Resulting Issuer will proceed to carry out the Phase 2 exploration program for the Rattlesnake Hills Project recommended in the Rattlesnake Report consisting of further soil sampling, drilling and metallurgical test work designed to continue the evaluation and development of known mineralized target areas as well as other previously untested areas of the Rattlesnake Hills Property. A focus of the Phase 2 drilling program will be to expand and delineate additional zones of oxide mineralization and will include both infill and step-out drilling to provide additional detail to currently drilled mineralized zones and testing of additional high priority mineralized zones with the ultimate goal of developing a NI 43-101 compliant mineral resource estimate at North Stock and Antelope Basin. The Phase 2 sampling, drilling, metallurgical and resource estimation program is estimated to cost approximately US\$1,620,000.

See Item 19.2 of Appendix 2 "INFORMATION CONCERNING GFG RESOURCES INC. – NARRATIVE DESCRIPTION OF THE BUSINESS - *Material Project – Rattlesnake Hills Project, Natrona County, Wyoming – Recommendations*". See also Item 38 "AVAILABLE FUNDS AND PRINCIPAL PURPOSES" below and Item 5.4 "RISK FACTORS" in the Circular.

30. DESCRIPTION OF THE SECURITIES

Upon completion of the Arrangement, the Crest Shares will be the Resulting Issuer Shares. For a description of the attributes of the Crest Shares, see Item 9 of Appendix 1 "INFORMATION CONCERNING CREST PETROLEUM CORP. PRIOR TO THE ARRANGEMENT - *Description of Securities*" in this Circular.

31. PRO FORMA CONSOLIDATED CAPITALIZATION

31.1 Pro Forma Consolidated Capitalization

The following table sets out the Resulting Issuer's pro forma consolidated capitalization as at the date indicated after giving effect to the Arrangement.

Designation of Security	Amount Authorized	Amount outstanding at the Effective Date after giving effect to the Arrangement (unaudited)
Resulting Issuer Shares ⁽¹⁾⁽²⁾	Unlimited	45,252,724 shares ⁽³⁾⁽⁴⁾⁽⁵⁾
Notes Payable	N/A	Nil

- (1) As at June 30, 2016, the date of the pro forma consolidated statement of financial position included in Schedule "K" to the Circular, the Resulting Issuer's deficit was US\$1,301,585.
- (2) On completion of the Arrangement, up to an additional 3,200,000 Resulting Issuer Shares will be issuable in connection with options, warrants and other share issuance commitments of the Resulting Issuer under the Arrangement Agreement. See Item 31.2 "Fully Diluted Share Capital" below.
- (3) This figure assumes that a total of 2,099,241 Resulting Issuer Shares are issued to Non-Resident GFG US Shareholders upon the receipt of Clearance Certificates from the IRS confirming that a lesser amount or no withholding was required to be withheld by GFG in connection with the GFG US Acquisition and that 46,147 Contingent GFG Shares are forfeited by certain Non-Resident GFG US Shareholders as a result of GFG having to remit an additional US\$11,536.70 in withholding taxes to the IRS. See Item 18.1 "GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – History – Acquisition of GFG US" in Appendix 1 of this Circular.
- (4) This figure assumes that 2,262,500 GFG Options to acquire a total of 2,262,500 GFG Shares are exercised by the holders thereof at a price of US\$0.25 per share prior to the Effective Date and that such GFG Shares are subsequently exchanged for Resulting Issuer Shares, on a one GFG Share for one Resulting Issuer Share basis, under the Arrangement.
- (5) Based on the pro forma consolidated statement of financial position of the Resulting Issuer as at June 30, 2016 included in Schedule "K" to the Circular, these shares will have an aggregate capital value of US\$8,763,798 after giving effect to the Arrangement and other subsequent event adjustments.

31.2 Fully Diluted Share Capital

The following table sets out the share capital of the Resulting Issuer, on a fully-diluted basis, immediately following completion of the Arrangement:

Description of Security	# of Shares / Percentage of Total
Current Issued and Outstanding Crest Shares	4,750,000 or 9.80%
Crest Shares to be issued to GFG Shareholders pursuant to the Arrangement (ratio 1:1)	38,403,483 or 79.26% ⁽¹⁾
Total Resulting Issuer Shares issued and outstanding upon completion of Arrangement	43,153,483 or 89.06%
Resulting Issuer Shares reserved for issuance to certain Non-Resident GFG US Shareholders upon receipt of Clearance Certificates from the IRS confirming that a lesser amount or no withholding was required to be withheld by GFG in connection with the GFG US Acquisition ⁽²⁾	2,099,241 or 4.33% ⁽³⁾
Resulting Issuer Shares reserved for issuance pursuant to the exercise of outstanding stock options (including Crest Replacement Options)	400,000 or 0.83% ⁽⁴⁾

Description of Security	# of Shares / Percentage of Total
Resulting Issuer Shares reserved for issuance to EDG pursuant to the EDG Agreement ⁽⁵⁾	550,000 or 1.14%
Resulting Issuer Shares reserved for issuance to EDG, subject to satisfaction of the underlying conditions for the issuance of First Bonus Shares and Second Bonus Shares pursuant to the EDG Agreement ⁽⁶⁾	750,000 or 1.55%
Resulting Issuer Shares reserved for issuance to EVG, subject to satisfaction of the underlying conditions for the issuance of EVG Bonus Shares pursuant to the EVG Agreement ⁽⁷⁾	1,500,000 or 3.09%
Total Resulting Issuer Shares that are presently known will or may be outstanding on completion of Arrangement on fully diluted basis	48,452,724 or 100%

- (1) This figure assumes that 2,262,500 GFG Options to acquire a total of 2,262,500 GFG Shares are exercised by the holders thereof at a price of US\$0.25 per share prior to the Effective Date and that such GFG Shares are subsequently exchanged for Resulting Issuer Shares, on a one GFG Share for one Resulting Issuer Share basis, under the Arrangement.
- (2) See Item 18.1 “GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – History – Acquisition of GFG US” in Appendix 2 of this Circular.
- (3) This figure assumes that 46,147 Contingent GFG Shares are forfeited by certain Non-Resident GFG US Shareholders as a result of GFG having to remit an additional US\$11,536.70 in withholding taxes to the IRS.
- (4) See Item 38 “OPTIONS TO PURCHASE SECURITIES” in this Appendix 3.
- (5) See Item 18.2 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – Significant Acquisitions – EDG Agreement” for details of the 550,000 Additional EDG Shares due to EDG on or before February 6, 2017.
- (6) See Item 18.2 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – Significant Acquisitions – EDG Agreement” for details of the potential 375,000 First Bonus Shares and 375,000 Second Bonus Shares to be issued to EDG pursuant to the EDG Agreement upon satisfaction of certain conditions.
- (7) See Item 18.2 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – GENERAL DEVELOPMENT OF THE BUSINESS OF GFG – Significant Acquisitions – EVG Agreement” for details of the potential 1,500,000 EVG Bonus Shares to be issued to EVG pursuant to the EVG Agreement upon satisfaction of certain conditions.

32. AVAILABLE FUNDS AND PRINCIPAL PURPOSES

32.1 Funds Available

The following table sets forth the pro forma estimated funds that will be available to the Resulting Issuer after giving effect to the Arrangement as at June 30, 2016:

Pro Forma Consolidated Current Assets	US\$4,718,771 ⁽¹⁾⁽²⁾
Less: Pro Forma Consolidated Current Liabilities	US\$ 357,380 ⁽¹⁾
Pro Forma Consolidated Working Capital⁽³⁾	US\$4,361,391

- (1) This figure was extracted from the pro forma consolidated statement of financial position of the Resulting Issuer as at June 30, 2016 included in Schedule “K” to the Circular.

- (2) This figure assumes the exercise in full of 2,262,500 GFG Options at a price of US\$0.25 per share for gross proceeds of US\$565,625 prior to the Effective Date. However, there are no assurances that these GFG Options will be exercised in whole or in part.
- (3) Working capital means current assets minus current liabilities.

32.2 Principal Purposes of Funds

It is intended that the pro forma estimated funds available to the Resulting Issuer as at June 30, 2016 will be expended as follows in order of priority:

Description	Estimated Cost in US\$ ⁽¹⁾ (assuming 2,262,500 GFG Options are exercised prior to Effective Date)	Estimated Cost in US\$ ⁽¹⁾ (assuming no GFG Options are exercised prior to the Effective Date)
Estimated Cost of Arrangement ⁽²⁾	300,000	300,000
To fund general and administrative expenses for a period of 12 months ⁽³⁾	1,000,000	1,000,000
To fund the estimated BLM fees, Wyoming state/county recording fees and taxes and underlying lease payments in connection with the Rattlesnake Hills Project for the ensuing 12 months ⁽⁴⁾	224,000	224,000
To fund the Phase 1 exploration program on the Rattlesnake Hills Project recommended in the Rattlesnake Report ⁽⁵⁾	393,000	393,000
If warranted, to carry out the Phase 2 exploration program on the Rattlesnake Hills Project recommended in the Rattlesnake Report ⁽⁵⁾	1,620,000	1,620,000
Unallocated Working Capital	824,391	258,766
TOTAL	4,361,391	3,795,766

- (1) As applicable, all Canadian figures have been converted into U.S. dollars using the Bank of Canada noon exchange rate on June 30, 2016 of C\$1.00 = U.S.\$0.7687.
- (2) This figure includes an estimated US\$210,000 in transaction costs related to the Arrangement and an additional US\$90,000 in transaction costs associated with GFG US Acquisition and related withholding and US income tax filings.
- (3) See Item 35 “EXECUTIVE COMPENSATION” for details of the proposed compensation to be paid to the Resulting Issuer’s executive officers and directors during the 12 month period following the Arrangement.
- (4) See Item 19.2 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC.– NARRATIVE DESCRIPTION OF THE BUSINESS – *Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming*”.
- (5) See Item 19.2 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC.– NARRATIVE DESCRIPTION OF THE BUSINESS – *Mineral Project – Rattlesnake Hills Project, Natrona County, Wyoming - Recommendations*”.

Following completion of the Arrangement, the Resulting Issuer will spend the funds available to it primarily on the exploration and maintenance of the Rattlesnake Hills Project and for general working capital and corporate purposes as set out above.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

32.3 Dividends

The proposed directors of the Resulting Issuer anticipate that the Resulting Issuer will retain all future earnings and other cash resources for the future operation and development of its business, and accordingly, do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Resulting Issuer's board of directors after taking into account many factors including the Resulting Issuer's operating results, financial condition and current and anticipated cash needs.

33. PRINCIPAL SECURITYHOLDERS

To the knowledge of management of Crest and GFG, no persons will own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the issued and outstanding shares of the Resulting Issuer after give effect to the Arrangement.

34. DIRECTORS, OFFICERS AND PROMOTERS

34.1 Name, Province/State of Residence, Occupation and Security Holdings

The following are the names and provinces/states and countries of residence of those persons who are proposed to be directors, officers and promoters of the Resulting Issuer following the Arrangement, the positions and offices they are to hold with the Resulting Issuer, their principal occupations within the five preceding years, and the number of Resulting Issuer Shares which will be beneficially held by each of them upon the completion of the Arrangement. Each director will hold office until the next annual general meeting of the Resulting Issuer unless his office is earlier vacated in accordance with the provisions of the *BCBCA* or the Articles of the Resulting Issuer.

Name, Province/State and Country of residence and proposed position with Resulting Issuer	Principal occupation during last five years	Date of first appointment as a Director of Crest or GFG	Resulting Issuer Shares held at Effective Date	Percentage of Resulting Issuer Shares held at Effective Date
Brian N. Skanderbeg Saskatchewan, Canada <i>President, Chief Executive Officer and Director</i>	President and Chief Executive Officer of GFG; July, 2015 to present; former President and Chief Executive Officer, Claude Resources Inc. (former TSX; NYSE-MKT listed company), Nov. 2014 to May 2016 (held other senior executive and management positions with Claude Resources since April 2007)	Director of GFG since June 30, 2016	2,000,000 ⁽¹⁾	4.63% ⁽¹⁾
Patrick G. Downey B.C., Canada <i>Director</i>	President of Patrick Downey and Associates	N/A	1,050,000 ⁽¹⁾	2.43% ⁽¹⁾
Jonathan T. Awde B.C., Canada <i>Director and Promoter</i>	President and Chief Executive Officer of Gold Standard Ventures Corp. (TSXV: NYSE-MKT – GSV), July 2010 to present; President and sole director of GFG US since incorporation	Director of GFG US since incorporation on June 19, 2015	3,663,576 ⁽¹⁾⁽²⁾	8.49% ⁽¹⁾
Stephen de Jong B.C., Canada <i>Director</i>	President and Chief Executive Officer, Integra Gold Corp. (TSXV: ICG), 2012 to present (director since 2011); Director, of Eastmain Resources Inc. (TSX: ER); former President and CEO of Rogue Resources Inc. (TSXV: RRS) from 2010 to 2012	N/A	230,000 ⁽¹⁾	0.53% ⁽¹⁾

Name, Province/State and Country of residence and proposed position with Resulting Issuer	Principal occupation during last five years	Date of first appointment as a Director of Crest or GFG	Resulting Issuer Shares held at Effective Date	Percentage of Resulting Issuer Shares held at Effective Date
Michael N. Waldkirch B.C. , Canada <i>Chief Financial Officer</i>	Certified General Accountant since 1998, Chief Financial Officer, Gold Standard Ventures Corp. (TSXV: NYSE-MKT – GSV), July 2010 to present	N/A	256,800 ⁽¹⁾	0.60% ⁽¹⁾
Timothy R. Brown Colorado, U.S.A. <i>Vice-President, Exploration</i>	Registered professional geologist, Wyoming State, USA (PG-2655), August 1995 to present; Technical Consultant to GFG US, January, 2016 to present; former Exploration manager, Newmont, August 2015 to November 2015; former Exploration manager, AngloGold Ashanti; August 2006 to August 2015	N/A	40,000	0.09%
Marc J. Lepage Saskatchewan, Canada <i>Vice-President, Business Development</i>	Vice-President, Business Development, GFG Resources Inc.; September 2016 to present (previously a consultant from July 2016 to August 2016); Manager, Investor Relations, Claude Resources Inc. (former TSX; NYSE-MKT listed company), January 2009 to May 2016	N/A	300,000 ⁽¹⁾	0.70% ⁽¹⁾
Richard S. Silas B.C., Canada <i>Director and Corporate Secretary</i>	Principal of Universal Solutions Inc., private company providing management and administration services to TSX Venture Exchange issuers; Corporate Secretary and director, Gold Standard Ventures Corp. (TSXV: NYSE-MKT-GSV); July 2010 to present	Director of Crest since April 2015	652,500 ⁽¹⁾	1.51% ⁽¹⁾

- (1) These figures assume that all GFG Options currently held by the proposed directors, officers and promoters of the Resulting Issuer are exercised prior to the Effective Date and exchanged for Crest Shares on a one GFG Share for one Crest Share basis under the Arrangement. See Item 21.2 in Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – Description of Securities – Consolidated Capitalization” for details of the GFG Options currently outstanding as of the date of the Circular.
- (2) After giving effect to the transfer within escrow of 382,000 Crest Shares from certain former principals of Crest. See Item 39 “ESCROWED SECURITIES” below.

The proposed members of the Resulting Issuer’s audit committee as of the Effective Date will include Patrick Downey (Chair), Stephen de Jong and Jonathan Awde. Upon completion of the Arrangement, it is anticipated that the directors of the Resulting Issuer will adopt the form of audit committee charter attached to this Circular as Schedule “L” as the audit committee charter for the Resulting Issuer.

On the Effective Date, the directors, officers and promoters of the Resulting Issuer, as a group, will beneficially own, directly or indirectly, 8,192,876 Resulting Issuer Shares, representing 18.99% of the total issued and outstanding Resulting Issuer Shares.

34.2 Management and Directors

The following sets forth further particulars on those individuals who will be members of management and directors of the Resulting Issuer, including the positions they will hold with the Resulting Issuer, the proportion of their time to be devoted to the Resulting Issuer, and their relevant work and educational background.

Brian N. Skanderbeg (age 40), President and Chief Executive Officer

Mr. Skanderbeg is a professional geologist and former President and Chief Executive Officer of Claude Resources Inc. (“**Claude Resources**”), a former TSX listed gold exploration and mining company that was taken over by Silver Standard Resources Inc. (TSX: SSO; NASDAQ: SSRI) on May 31, 2016 under a plan of arrangement valued at approximately C\$450 million. Previously, Mr. Skanderbeg worked for Goldcorp, Inco Ltd. and Helio Resources, holding positions in both exploration and operations. He holds a B. Sc. from the University of Manitoba, a M.Sc. from Rhodes University, South Africa and brings extensive experience in gold systems which include operational management, cost and asset optimization as well as strategic analysis.

Upon completion of the Arrangement, it is anticipated that Mr. Skanderbeg will be employed by the Resulting Issuer or a subsidiary to manage the day to day functions of the Resulting Issuer and plans to devote approximately 90% of his working time to the Resulting Issuer and GFG. Mr. Skanderbeg will be primarily responsible for the implementation and execution of the Resulting Issuer’s business plan and operations.

Michael N. Waldkirch (age 46), Chief Financial Officer

Mr. Waldkirch holds a Bachelor of Arts in Economics from the University of British Columbia and has been a Chartered Professional Accountant since 1998. From 1997 to 2011, he held the position of principal with JBH Professional Services Inc., a business consulting firm located in Richmond, B.C., Canada. Since 1999, Mr. Waldkirch has also held the position of Senior Partner with the Public Accounting firm Michael Waldkirch and Company Inc., Chartered Professional Accountants, in Vancouver, B.C.

Mr. Waldkirch will be engaged by the Resulting Issuer or a subsidiary as an independent consultant and plans to devote approximately 30% of his working time to the Resulting Issuer and GFG. Mr. Waldkirch will be primarily responsible for the day to day financial management of the Resulting Issuer.

Timothy R. Brown (age 58), Vice-President, Exploration

Mr. Brown is a registered professional geologist (Wyoming - PG-2655) with over 30 years experience in the gold mining industry in both exploration and production having worked extensively in the western United States as well as Canada, Central America and South America. Prior to joining GFG Resources, Mr. Brown enjoyed a 21-year career at Cripple Creek, Colorado. During this time he spent 9 years as Exploration Manager with CC&V Gold Mining Company (“**CC&V**”), during which period several million ounces of gold were added to reserves. He also held positions as Chief Exploration Geologist, Senior Exploration Geologist, Ore Control Geologist and Exploration Geologist with CC&V. Prior to his time at Cripple Creek Mr. Brown had 10 years of additional experience as an exploration geologist. Mr. Brown holds a BSc in Geology from Southern Methodist University, a MSc in Geology from the University of Minnesota and a MBA from the University of Colorado.

It is anticipated that Mr. Brown will be engaged by the Resulting Issuer or a subsidiary as a full time employee. Mr. Brown will be primarily responsible for designing and implementing the Resulting Issuer’s exploration programs on the Rattlesnake Hills Project.

Marc J. Lepage (age 34), Vice-President, Business Development

Before joining GFG, Mr. Lepage spent nearly eight years with Claude Resources as Manager, Investor Relations, prior to it being acquired by Silver Standard Inc. (TSX: SSO; NASDAQ: SSRI) in May, 2016 under a plan of arrangement valued at approximately C\$450 million. Prior to that, Mr. Lepage held marketing and business development positions in the consumer products and financial sectors.

Mr. Lepage holds a Bachelor of Commerce degree from the University of Saskatchewan and a Certified Professional Investor Relations designation from the Richard Ivey School of Business.

It is anticipated that Mr. Lepage will be engaged by the Resulting Issuer or a subsidiary as a full-time employee. Mr. Lepage will be primarily responsible for designing and implementing the Resulting Issuer’s business development and investor relations programs.

Richard S. Silas (age 44), **Corporate Secretary**

Mr. Silas is the President of Universal Solutions Inc., a private company providing management and administrative services to TSXV listed companies, and has served as a director and/or officer of various publicly traded companies over the past 15 years including Gold Standard Ventures Corp. and Consolidated Westview Resources Corp. Mr. Silas also holds a certificate (securities program) from Simon Fraser University in British Columbia.

Mr. Silas will be engaged by the Resulting Issuer or a subsidiary as an independent consultant and plans to devote approximately 20% of his working time to the Resulting Issuer and GFG. Mr. Silas will be primarily responsible for the day to day administration of the Resulting Issuer's business and affairs including, but not limited to, regulatory filings and general administrative matters.

Patrick G. Downey (age 55), **Chairman**

Mr. Downey brings over 30 years of international experience in the resource industry. Most recently, Mr. Downey served as a director of Claude Resources Inc. and continues to serve as director with Dalradian Resources, Orezone Gold Corporation, Argentix Mining Corporation and Pan Global Resources Inc. Prior to joining Claude Resources, Mr. Downey held the position of President, CEO and Director of Elgin Mining Inc., which was acquired by Mandalay Resources Inc. in June 2014. Prior to joining Elgin Mining, Mr. Downey held the position of President, CEO and Director of Aura Minerals Inc. Mr. Downey was President, CEO and Director of Viceroy Exploration Ltd. before its acquisition by Yamana Gold Inc. in 2006. He also served as President of Oliver Gold Corporation and completed the merger of that company to form Canico Resources which was subsequently purchased by Vale Corporation. He has held numerous senior engineering positions at several large scale gold mining operations and has also held operating positions at several mining projects for Anglo American Corporation in South Africa. Mr. Downey holds a Bachelor of Science (Hon.) degree in Engineering from Queen's University in Belfast, Ireland.

Upon completion of the Arrangement, it is anticipated that Mr. Downey will serve as an independent director and Chairman of the Resulting Issuer and plans to devote such portion of his working time to the Resulting Issuer as needed from time to time to effectively carry out his duties as a director thereof.

Jonathan T. Awde (age 38), **Director**

Mr. Awde is the President and Chief Executive Officer of Gold Standard Ventures Corp. (TSXV and NYSE-MKT: GSV). Mr. Awde has spent the last 12 years financing junior resource companies and has focused on institutional accounts. He has raised over \$200 million for public and private companies in the resource sector. As a co-founder, President, CEO and a director of Gold Standard, he oversees all financing, strategy, corporate activities and developments for that company.

Mr. Awde holds a Bachelor of Arts (Economics and Finance) from Acadia University in Nova Scotia (1999) and is a former sales and trading professional at a Canadian broker dealer.

Upon completion of the Arrangement, it is anticipated that Mr. Awde will serve as a director and consultant to the Resulting Issuer and plans to devote approximately 20% of his working time to the Resulting Issuer. See Item 35 "EXECUTIVE COMPENSATION" below for details of the anticipated fees to be paid to Mr. Awde during the 12 month period immediately following Closing of the Arrangement in consideration for providing strategic management and advisory services to Resulting Issuer.

Stephen de Jong (age 32), **Director**

Mr. de Jong is the President and Chief Executive Officer of Integra Gold Corp. (TSXV: ICG) ("**Integra**"). At the time of his joining in July 2012, Integra had a moderate-size, high-grade resource in Quebec and an approximate market capitalization of \$20 million. Under Mr. de Jong's leadership, and amidst four challenging years in the mining and resource sector, Integra has attracted a high caliber team of geologists, engineers, entrepreneurs and consultants and raised over C\$85 million at subsequently higher prices giving Integra a market capitalization of over \$200 million on March 31, 2016. Mr. de Jong is also a director of Eastmain Resources Inc. (TSX: ER) and the former President and CEO of Rogue Resources Inc. (TSXV: RRS) from 2010 to 2012.

Upon completion of the Arrangement, it is anticipated that Mr. de Jong will serve as an independent director of the Resulting Issuer and plans to devote such portion of his working time to the Resulting Issuer as needed from time to time to effectively carry out his duties as a director thereof.

None of the members of the Resulting Issuer's management or directors have entered into a non-competition agreement with GFG and it is not proposed that they enter into any such agreements with GFG or the Resulting Issuer following completion of the Arrangement. Messrs. Skanderbeg, Awde, Brown and Lepage are bound by certain confidentiality restrictions as part of their Executive Agreements with GFG. See Item 24 "EXECUTIVE COMPENSATION" in Appendix 2 "INFORMATION CONCERNING GFG RESOURCES INC." and Item 35 "EXECUTIVE COMPENSATION" below for further details of GFG's Executive Agreements with Messrs. Skanderbeg, Awde, Brown and Lepage. The remaining members of the Resulting Issuer's proposed management and directors have not entered into non-disclosure agreements with GFG but will be bound by their fiduciary duties as directors and/or officers of the Resulting Issuer under the BCBCA and common law.

34.3 Promoter Consideration

Jonathan T. Awde may be considered the promoter of GFG and the Resulting Issuer as he took the initiative in founding GFG US and is a proposed director and consultant of the Resulting Issuer. Mr. Awde has not received, nor is expected to receive anything of value, including money, property, contracts, options or rights of any kind to be received by him directly or indirectly from the Resulting Issuer or a subsidiary of the Resulting Issuer, except as disclosed below or elsewhere in this Circular.

Upon Closing of the Arrangement, Mr. Awde will receive a total of 2,825,576 Resulting Issuer Shares (assuming the exercise prior to the Effective Date of 300,000 GFG Options currently held by Mr. Awde) in exchange for his GFG Shares pursuant to the Plan of Arrangement and an additional 382,000 Crest Shares, by way of transfer within escrow from certain former principals of Crest. These shares, together with Mr. Awde's current 456,000 Crest Shares, will represent, in the aggregate, 3,663,576 shares or approximately 8.49% of the then issued and outstanding common shares of the Resulting Issuer. See Item 34.1 "DIRECTORS, OFFICERS AND PROMOTERS – *Name, Province/State of Residence, Occupation and Security Holdings*" above and Item 35 "EXECUTIVE COMPENSATION" below for details of, inter alia, the proposed compensation to be paid to Mr. Awde by the Resulting Issuer following completion of the Arrangement. See also "THE ARRANGEMENT" in the Circular and Item 39 "ESCROWED SECURITIES" below.

34.4 Corporate Cease Trade Orders or Bankruptcies

Corporate Cease Trade Orders

To the knowledge of Crest and GFG, except as disclosed below, no proposed director, officer or promoter of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or any personal holding company of such persons, is, or within the ten years prior to the date of the Circular, has been, a director, chief executive officer or chief financial officer of any other issuer that was the subject of a cease trade or similar order, or an order that denied the other issuer access to any statutory exemptions, for a period of more than thirty consecutive days:

- (a) while that person was acting as a director, chief executive officer or chief financial officer; or
- (b) after that person ceased acting as a director, chief executive officer or chief financial officer which resulted from an event that occurred while that person was acting in that capacity.

Mr. Waldkirch is a director and officer, and Mr. Silas is a former director, of Spirit Bear Capital Corp., a capital pool company that was suspended from trading by the Exchange on May 15, 2014 for failure to complete a qualifying transaction within 24 months of its listing.

Corporate Bankruptcies

To the knowledge of Crest and GFG, except as disclosed below, no proposed director, officer or promoter of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or any personal holding company of such persons, is, or within the ten years prior to the date of the Circular has been, a director or executive officer of any other issuer that, while that person was acting in that capacity, or within one 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.

Messrs. Awde, Silas and Waldkirch are former directors and/or officers of Northern Star Mining Corp., a reporting issuer whose common shares were previously listed for trading on the Exchange. Mr. Awde resigned as a director and officer of Northern Star on July 13, 2010. Effective August 18, 2010 Northern Star filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) and appointed Deloitte & Touche Inc. as its trustee. On January 24, 2011, the deadline for filing its Proposal under the Bankruptcy Act expired and Northern Star was deemed to have filed an assignment in bankruptcy as of such date. Messrs. Silas and Waldkirch resigned as directors and/or officers of Northern Star effective such date.

34.5 Penalties or Sanctions

To the knowledge of Crest and GFG, except as disclosed below, no proposed director, executive officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities to materially affect the control of the Resulting Issuer, or any personal holding company of such persons, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder making a decision about the Arrangement.

On September 2, 2014, Mr. Awde was fined \$46,000 by the Autorité Des Marchés Financiers in Quebec for 11 counts of filing late insider trading reports in respect of Northern Star Mining Corp. The fine has been paid in full.

34.6 Personal Bankruptcies

To the knowledge of Crest and GFG, no proposed director, executive officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or any personal holding company of such persons, has, within the ten years prior to the date of the Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his or her assets.

34.7 Conflicts of Interest

Certain of the proposed directors and officers of the Resulting Issuer are currently, or may in the future become, involved in managerial or director positions with other mineral exploration companies whose operations may, from time to time, be in direct competition with those of the Resulting Issuer or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Resulting Issuer.

In such event, the directors and officers of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests which they may have in any project or opportunity of the Resulting Issuer and abstain from voting thereon. In determining whether or not the Resulting Issuer will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

See also Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – *Directors and Executive Officers – Conflicts of Interest*”.

34.8 Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the five years prior to the date of this Circular, directors, officers or promoters of other reporting issuers.

Name	Name and jurisdiction of reporting issuer	Name of trading market	Position	From	To
Brian N. Skanderbeg	Claude Resources Inc.	TSX/ NYSE-MKT (previously listed)	President and CEO, Chief Operating Officer, VP Exploration and Exploration Manager (director from November 2014 to May 2016)	March 2007	May 2016

Patrick Downey	Claude Resources Inc.	TSX/NYSE-MKT (previously listed)	Director	January 2015	May 2016
	Dalradian Resources Inc.	TSX; London-AIM	Director	June 2015	Present
	Pan Global Resources Inc.	TSXV: PGZ	Director	February 2008	Present
	Argentex Mining Corp.	TSXV: ATX	Director	Sep 2008	Present
	Orezone Gold Corporation	TSXV: ORE	Director	April 2011	Present
	Elgin Mining Inc.		Director	June 2011	Sep 2014
	Andina Minerals Inc.		Director	March 2009	Dec 2012
	Corex-Gold Corporation		Director	Sep 2009	Aug 2012
Jonathan T. Awde	Gold Standard Ventures Corp	TSXV/NYSE-MKT	President, CEO and director	July 2010	Present
	Consolidated Westview Resource Corp.	TSXV	President, CEO and Director	Dec 2014	Present
	Battle Mountain Gold Inc.	TSXV	Director	June 2016	Present
Stephen de Jong	Integra Gold Corp.	TSXV	President, CEO and director	2011	Present
	Eastmain Resources Inc.	TSXV	Director	April 2016	Present
	Rogue Resources Inc.	TSXV	Director President and CEO	2011 2010	May 2016 2012
Michael Waldkirch	Gold Standard Ventures Corp	TSXV/NYSE-MKT	Chief Financial Officer	July 2010	Present
	Consolidated Westview Resource Corp.	TSXV	Chief Financial Officer	March 2014	Present
	NuLegacy Gold Corporation	TSXV	Chief Financial Officer	May 2013	Present
	Spirit Bear Capital Corp.	TSXV-NEX	CEO, CFO and Director	Nov 2011	Present
	Clear Mountain Resources Corp	TSXV	Director and CFO	May 2013	March 2016
	Barksdale Capital Corp.	TSXV	Chief Financial Officer	August 2016	Present
Timothy R. Brown	N/A				
Marc J. Lepage	N/A				
Richard S. Silas	Gold Standard Ventures Corp	TSXV/NYSE-MKT	Director and Secretary	July 2010	Present
	Consolidated Westview Resource Corp.	TSXV	Director and Secretary	March 2014	Present
	Barksdale Capital Corp.	TSXV	Chief Executive Officer	August 2016	Present
	Spirit Bear Capital Corp.	TSXV-NEX	Director	Nov 2011	March 2016

35. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table summarises the proposed compensation to be paid by the Resulting Issuer to its Chief Executive Officer (“CEO”), its Chief Financial Officer (“CFO”), and each other executive officer whose total compensation is anticipated to exceed C\$150,000 (collectively, the “**Named Executive Officers**”) during the 12 month period following completion of the Arrangement. These figures are shown in U.S. dollars.

Name and principal position	Year	Salary ⁽¹⁾	Share based Awards	Option Based Awards	Non-equity incentive plan compensation		Pension Value	All other Compensation (\$) ⁽²⁾	Total Compensation ⁽¹⁾
					Annual Incentive Plans	Long-Term Incentive Plans			
Brian Skanderbeg CEO	2017	\$192,175 ⁽³⁾	(4)	(5)	Nil	Nil	Nil	Nil	\$192,175
Michael Waldkirch CFO	2017	\$73,795 ⁽⁶⁾	Nil	(5)	Nil	Nil	Nil	Nil	\$73,795
Timothy Brown VP-Exploration	2017	\$144,000 ⁽⁷⁾	Nil	(5)(8)	Nil	Nil	Nil	Nil	\$144,000
Marc Lepage VP – Business Development	2017	\$119,149 ⁽⁹⁾	Nil	(5)	Nil	Nil	Nil	Nil	\$119,149

- (1) Where applicable, all figures have been converted into U.S. dollars using the Bank of Canada noon exchange rate on June 30, 2016 of US\$1.00 = C\$0.7687.
- (2) The aggregate amount of perquisites and other personal benefits, securities or property to be received by the Named Executive Officers from the Resulting Issuer or any subsidiary is not expected to exceed the lesser of \$50,000 and 10% of the total annual salary/fee and bonus of the Named Executive Officers.
- (3) Pursuant to his Executive Agreement with GFG (see Item 24 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – *Executive Compensation*”), Mr. Skanderbeg’s annual salary will increase from US\$92,244 (C\$ 120,000) to US\$192,175 (C\$250,000) upon completion of the Arrangement.
- (4) Pursuant to his Executive Agreement with GFG, Mr. Skanderbeg is entitled to receive a minimum of 300,000 non-transferable restricted phantom units (“**Phantom Units**”), subject to such higher number as may be acceptable to the Exchange up to a maximum of 600,000 Phantom Units, upon completion of the Arrangement. The Phantom Units will be granted as notional units that are economically equivalent to owning shares and, subject to vesting, will involve the payment of cash or, in Mr. Skanderbeg’s discretion and subject to the acceptance of the Exchange, the issuance of common shares of the Resulting Issuer. The Phantom Units will vest over a period of three years commencing on the Effective Date of the Arrangement as follows: 25% on the Effective Date and an additional 25% on each of the first, second and third anniversary of the Effective Date.
- (5) Each Named Executive Officer will be entitled to participate in the 2016 Stock Option Plan of the Resulting Issuer. See Item 5.2 “BUSINESS OF THE CREST MEETING – *Adoption of 2016 Stock Option Plan*” in the Circular
- (6) This amount will be paid to a private company controlled by Mr. Waldkirch in consideration for financial management and administrative services to be provided to the Resulting Issuer and its subsidiaries.
- (7) This amount will be paid to Mr. Brown in his capacity as Vice-President, Exploration in consideration for exploration services to be provided to the Resulting Issuer and its subsidiaries. Pursuant to his employment agreement with GFG (see Item 24 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC. – *Executive Compensation*”), Mr. Brown’s annual salary will increase from US\$102,000 to US\$144,000 upon completion of the Arrangement.
- (8) See Item 38 “OPTIONS TO PURCHASE SECURITIES” below for details of the Crest Replacement Options to be exchanged for the 200,000 GFG Options currently held by Mr. Brown upon completion of the Arrangement.
- (9) Mr. Lepage will be entitled to receive an annual salary of C\$155,000 in his capacity as Vice-President, Business Development of the Resulting Issuer.

Long Term Incentive Plan or LTIP Awards (Non Equity)

As of the date of this Circular, the Resulting Issuer does not propose to grant any LTIP awards (non-equity) to its Named Executive Officers during the first year following completion of the Arrangement.

Stock Options/SARs

It is a term of the Arrangement that any GFG Options outstanding as of the Effective Time will be exchanged for Crest Replacement Options to purchase common shares of the Resulting Issuer under the 2016 Stock Option Plan to be adopted

at the Crest Meeting. See Item 5.2 “BUSINESS OF THE CREST MEETING – Adoption of 2016 Stock Option Plan” in the Circular.

As of the date of this Circular, there are a total of 2,562,500 GFG Options outstanding, of which 2,262,500 GFG Options shall expire on the day immediately preceding the Effective Date unless exercised by the holders thereof prior to Closing of the Arrangement. The remaining 300,000 GFG Options will be exchanged for 300,000 Crest Replacement Options on the Effective Date pursuant to the Arrangement. See Item 38 “OPTIONS TO PURCHASE SECURITIES” below.

Pension and Retirement Plans

As of the date of this Circular, the Resulting Issuer does not propose to establish any retirement plans, pension plans or other form of retirement compensation for its Named Executive Officers or other key employees during the first year following completion of the Acquisition.

Termination of Employment, Change in Responsibilities and Employment Contracts

Save as disclosed below, as of the Effective Date of the Arrangement, the Resulting Issuer will not be a party to or bound by any agreement or arrangement with any Named Executive Officer whereby such officer will be entitled to receive more than \$100,000 in the event of the resignation, retirement or any other termination of the Named Executive Officer’s employment with the Resulting Issuer or GFG, a change of control of the Resulting Issuer or GFG, or a change in the Named Executive Officer’s responsibilities following any change of control of the Resulting Issuer or GFG.

Each of Brian Skanderbeg, Timothy Brown and Marc Lepage is entitled to receive an amount equal to two (2) times his annual salary plus bonus in the event he is terminated by GFG without cause, and each Named Executive Officer is entitled to terminate his employment with the Resulting Issuer and receive a payment in an amount equal to three times, in the case of Mr. Skanderbeg, and two times, in the cases of Messrs. Brown and Lepage, his annual salary plus bonus if: (a) there is a “change of control” of the Resulting Issuer; and (b) a specified “trigger event” occurs. Each such Named Executive Officer has a period of six months from the occurrence of the trigger event to exercise the termination right under his employment agreement. See Item 24 “EXECUTIVE COMPENSATION” in Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC.” for further details of the termination payments payable to the Named Executive Officers in the event of termination by GFG without cause or in the event of a change in control of the Resulting Issuer followed by a “trigger event”.

Compensation of Directors

Following the Arrangement, it is anticipated that the independent directors of the Resulting Issuer will receive a modest director’s fee or stipend in their capacities as directors of the Resulting Issuer, which fee or stipend will be reviewed annually by the board of the Resulting Issuer. The directors will also be entitled to reimbursement for transportation and other out-of-pocket expenses incurred for attendance at board of directors meetings and in connection with discharging their director functions.

Non-management directors of the Resulting Issuer will also be entitled to participate in the 2016 Stock Option Plan of the Resulting Issuer. See Item 38 “OPTIONS TO PURCHASE SECURITIES” below.

Pursuant to his Executive Agreement with GFG US, Jonathan Awde will continue to receive a fee of US\$10,000 per month following completion of the Arrangement in consideration for providing strategic management and advisory services to GFG US. See Item 24 “EXECUTIVE COMPENSATION” in Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC.” for further details of Mr. Awde’s Executive Agreement with GFG US including the termination payments payable to Mr. Awde in the event of his termination by GFG US without cause or in the event of a change in control of the Resulting Issuer followed by a “trigger event”.

36. INDEBTEDNESS OF DIRECTORS AND OFFICERS

No individual who is, or at any time since the beginning of the most recently completed financial year of Crest or since the incorporation of GFG US on June 19, 2015 was, a director or officer of Crest or GFG, no proposed director or officer of the Resulting Issuer, and no Associate of any such director or officer or proposed director or officer, is indebted to Crest or GFG (other than for “routine indebtedness” as defined by applicable securities legislation) or has any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Crest or GFG.

37. INVESTOR RELATIONS ARRANGEMENTS

Neither Crest nor GFG has reached any written or oral agreement or understanding with any Person to provide any promotional or investor relations services for the Resulting Issuer.

38. OPTIONS TO PURCHASE SECURITIES

38.1 Options to Purchase Securities

The following table sets out information, as at September 7, 2016, on the options to purchase common shares of the Resulting Issuer that will be held upon completion of the Arrangement to the extent presently known and subject to applicable regulatory approvals.

Holder	Number of Resulting Issuer Shares Issuable if Option is Fully Exercised	Exercise Price	Expiry Date
Proposed officers of the Resulting Issuer as a group	75,000	US\$0.25	January 4, 2021
	125,000	US\$0.25	September 1, 2021
Proposed directors of the Resulting Issuer as a group (excluding directors who are also officers)	N/A	N/A	N/A
Officers of subsidiaries of the Resulting Issuer as a group	N/A	N/A	N/A
Directors of subsidiaries of the Resulting Issuer as a group (excluding directors who are not also officers)	N/A	N/A	N/A
All other employees of the Resulting Issuer as a group	N/A	N/A	N/A
All consultants of the Resulting Issuer as a group	100,000	US\$0.25	August 1, 2020
All former directors and officers of Crest as a group	100,000	C\$0.50	June 26, 2022
TOTAL	400,000		

38.2 Stock Option Plan

Crest proposes to adopt the 2016 Stock Option Plan at the Crest Meeting, which plan will constitute the stock option plan for the Resulting Issuer following completion of the Arrangement. See Item 5.2 “BUSINESS OF THE CREST MEETING – Adoption of 2016 Stock Option Plan” in the Circular for details of the 2016 Stock Option Plan.

As of the date of this Circular, there are no warrants to purchase shares of Crest or GFG outstanding.

See Item 31.2 “PRO FORMA CONSOLIDATED CAPITALIZATION - Fully Diluted Share Capital” above for details of other rights to acquire Resulting Issuer Shares that will be outstanding following completion of the Arrangement.

39. ESCROWED SECURITIES

Securities Escrowed Prior to Completion of the Arrangement

As of the date of this Circular, there are a total of 382,000 Crest Shares (the “Crest Escrowed Shares”) held in escrow or subject to escrow restrictions.

Pursuant to an agreement dated June 7, 2016 Jonathan Awde, President and Chief Executive Officer of GFG US and a proposed director of the Resulting Issuer, has agreed to purchase the Crest Escrowed Shares from certain existing and former directors and officers of Crest at a price of C\$0.30 per share for an aggregate purchase price of C\$114,600 concurrent with the completion of the Arrangement. Upon completion of such transfer within escrow, the Crest Escrow Shares will be subject to release from escrow on substantially the same terms described under “*Escrowed Securities on Completion of the Arrangement*” below.

Escrowed Securities on Completion of the Arrangement

Any shares of the Resulting Issuer held by Persons who will be considered principals (i.e. directors, senior officers, promoters or 10% shareholders) of the Resulting Issuer (“**Principals**”) upon completion of the Arrangement will be subject to the Exchange’s escrow requirements.

Generally, if at least 75% of the Resulting Issuer Shares issued pursuant to the Arrangement are “Value Securities”, then all Resulting Issuer Shares issued to Principals of the Resulting Issuer pursuant to the Arrangement will be deposited into escrow pursuant to a value security agreement (the “**Value Security Escrow Agreement**”).

“Value Securities” are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement.

However, if at least 75% of the Resulting Issuer Shares issued pursuant to the Arrangement are not Value Securities, all securities issued to Principals of the Resulting Issuer pursuant to the Arrangement will be deposited into a surplus security escrow agreement (a “**Surplus Security Escrow Agreement**”).

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow and the requirement for cancellation of any surplus escrow shares upon the loss or abandonment of the property or discontinuance of the operations for which such surplus escrow shares were issued.

If the Resulting Issuer is a Tier 2 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for a three year escrow release mechanism with 10% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, and 15% of the escrowed securities being releasable every 6 months thereafter, on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the Final Exchange Bulletin.

If the Resulting Issuer is a Tier 2 issuer, when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement also provides for a three year escrow release mechanism but with:

- (a) 5% of the escrowed securities being releasable at the time of the Final Exchange Bulletin and 5% on the six month anniversary of the Final Exchange Bulletin;
- (b) 10% of the escrowed securities being releasable in six month intervals on each of the 12 and 18 month anniversaries of the Final Exchange Bulletin;
- (c) 15% of the escrowed securities being releasable in six month intervals on each of the 24 and 30 month anniversaries of the Final Exchange Bulletin; and
- (d) 40% of the escrowed securities being releasable on the 36 month anniversary of the Final Exchange Bulletin.

In the case of a Resulting Issuer that is a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with an additional 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that is a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement also provides for an 18 month escrow release mechanism with:

- (a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin,
- (b) 20% of the escrowed securities being releasable on the 6 month anniversary of the Final Exchange Bulletin;

- (c) 30% of the escrowed securities being releasable on the 12 month anniversary of the Final Exchange Bulletin; and
- (d) 40% of the escrowed securities being releasable on the 18 month anniversary of the Final Exchange Bulletin.

To the knowledge of Crest and GFG, as of the date of the Circular, the following is a summary of the Resulting Issuer Shares that are anticipated to be held in escrow or otherwise subject to escrow restrictions on completion of the Arrangement further to applicable Exchange requirements.

Name and Province/State of Residence of Registered and Beneficial Owner	Prior to Giving Effect to the Acquisition		After Giving Effect to the Acquisition	
	Number of Crest Shares or GFG Shares held in Escrow	Percentage of Crest Shares or GFG Shares Outstanding	Number of Resulting Issuer Shares that may be held in Escrow ⁽¹⁾	Percentage of Resulting Issuer Shares Outstanding
Brian Skanderbeg Saskatchewan, Canada	Nil	N/A	2,000,000 ⁽²⁾	4.63%
Michael Waldkirch B.C., Canada	Nil	N/A	256,800 ⁽²⁾	0.60%
Timothy Brown Colorado, USA	Nil	N/A	40,000	0.09%
Marc Lepage Saskatchewan, Canada	Nil	N/A	300,000 ⁽²⁾	0.70%
Richard Silas B.C., Canada	Nil	N/A	652,500 ⁽²⁾	1.51%
Patrick Downey B.C., Canada	Nil	N/A	1,050,000 ⁽²⁾	2.43%
Jonathan Awde B.C., Canada	Nil ⁽³⁾	N/A	3,663,576 ⁽²⁾⁽³⁾	8.49%
Stephen de Jong B.C., Canada	Nil	N/A	230,000 ⁽²⁾	0.53%
Non-Principal GFG Shareholders	Nil	N/A	3,100,000 ⁽⁴⁾	7.20%
TOTAL	Nil	N/A	11,292,876	26.18%

- (1) It is anticipated that 10% of these shares will be released from escrow on the issuance of the Final Exchange Bulletin, being the Initial Release, and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release.
- (2) This figure assumes the exercise of all GFG Options currently held by the proposed Principal of the Resulting Issuer prior to the Effective Date. See Item 21.1 of Appendix 2 “INFORMATION CONCERNING GFG RESOURCES INC – Description of Securities – Consolidated Capitalization”.
- (3) Mr. Awde has agreed to purchase the 382,000 Crest Escrowed Shares currently held in escrow with TSX Trust from certain existing and former principals of Crest upon completion of the Arrangement at a price of C\$0.30 per share. See “Securities Escrowed Prior to Completion of the Arrangement” above.
- (4) Under Exchange Policies, any Resulting Issuer Shares issued to GFG Shareholders who will not be Principals of the Resulting Issuer upon completion of the Arrangement (“Non-Principals”) in exchange for GFG Shares that were acquired by the Non-Principals at a price of C\$0.05 per GFG Share or less will be subject to escrow restrictions in accordance with the Value Security Escrow Agreement.

It is anticipated that TSX Trust will be appointed to act as the escrow agent for the Resulting Issuer Shares to be held in escrow following completion of the Arrangement.

Restricted Shares

Exchange Policies provide that certain Resulting Issuer Shares issued to Non-Principals upon completion of the Arrangement may be subject to hold periods imposed by the Exchange under its seed share resale matrix. The purchase price of the underlying GFG Shares transferred to Crest in exchange for Resulting Issuer Shares pursuant to the Arrangement and the time of their purchase relative to the date of conditional acceptance of the Arrangement by the Exchange determines which, if any, Exchange hold periods apply. This hold period does not apply to Principals or Non-Principals who are subject to the escrow provisions set out above. Based on an analysis of the GFG Shares to be exchanged for Resulting Issuer Shares by Non-Principals under the Arrangement, no additional Resulting Issuer Shares are required to be subject to resale restrictions under Exchange Policies.

Mandatory Pooling Restrictions under the Arrangement

It is a term of the Arrangement Agreement that all Resulting Issuer Shares issued to GFG Shareholders in exchange for GFG Shares under the Arrangement will be subject to Mandatory Pooling Restrictions. Under the Mandatory Pooling Restrictions, all Resulting Issuer Shares issued to GFG Shareholders pursuant to the Arrangement, being an estimated 38,403,483 shares, will be deposited in pool with the Resulting Issuer and released on the basis of 25% of such shares on the Effective Date and the remaining 75% of such shares on the six month anniversary of the Effective Date. The Mandatory Pooling Restrictions are in addition to any escrow or resale restrictions to which the GFG Shareholders may be subject under applicable securities legislation or Exchange Policies.

40. AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

It is anticipated that the auditor of the Resulting Issuer following completion of the Arrangement will be Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, of Suite 1500 – 1140 West Georgia Street, Vancouver, B.C., V6E 4G1. Dale Matheson Carr-Hilton LaBonte LLP is the current auditor of GFG.

Transfer Agent and Registrar

It is anticipated that the registrar and transfer agent for the Resulting Issuer will be TSX Trust of 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1.

SCHEDULE "A"

2016 STOCK OPTION PLAN OF CREST

CREST PETROLEUM CORP.

2016 STOCK OPTION PLAN

1. Objectives

The Plan is intended as an incentive to attract and retain qualified directors, senior officers, Employees, Management Company Employees, Consultants and Consultant Companies of the Company and its Affiliates, to promote a proprietary interest in the Company and its Affiliates among such persons, and to stimulate the active interest of such persons in the development and financial success of the Company and its Affiliates.

2. Definitions

2.1 As used in the Plan, the terms set forth below shall have the following respective meanings:

- (a) “**Affiliate**”, when referring to the relationship between two companies, means that one of them is the subsidiary of the other, or each of them is controlled by the same person or entity;
- (b) “**Black Out Period**” means a temporary period during which the Company may not grant Options and Optionees may not exercise their Options;
- (c) “**Board**” means the board of directors of the Company;
- (d) “**Committee**” means the Board or such committee of the Board that the Board may, in accordance with section 3.1 hereof, designate to administer the Plan;
- (e) “**Company**” means Crest Petroleum Corp., a company existing under the *Business Corporations Act* (British Columbia);
- (f) “**Consultant**” means, in relation to the Company, an individual or Consultant Company, other than an Employee or a Director/Officer of the Company, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities;
 - (ii) provides the services under a written contract between the Company or the Affiliate of the Company and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (g) “**Consultant Company**” means, for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (h) “**Date of Grant**” means the date an Option is granted by the Committee to the Optionee, subject to any regulatory or other approvals or conditions;
- (i) “**Directors/Officers**” means directors, senior officers or Management Company Employees of the Company or any subsidiary of the Company;

- (j) **“Employee”** means:
- (i) an individual who is considered an employee of the Company or its subsidiary under the Income Tax Act (Canada);
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (k) **“Exchange”** means the TSX Venture Exchange (or any successor stock exchange thereof);
- (l) **“Insider”** in relation to the Company means:
- (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or
 - (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares;
- (m) **“Investor Relations Activities”** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, except for such activities that the Exchange specifically states to not be Investor Relations Activities;
- (n) **“Management Company Employee”** means an individual employed by an entity providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding an entity engaged in Investor Relations Activities;
- (o) **“Market Price”** in relation to a Share subject to an Option on the Date of Grant of the Option means the last closing price of the Shares on the Exchange before such Date of Grant;
- (p) **“Option”** means an option to purchase Shares granted under or subject to the terms of the Plan, including the Pre-Plan Options;
- (q) **“Option Agreement”** means a written agreement between the Company and an Optionee that sets forth the terms, conditions and limitations applicable to an Option;
- (r) **“Option Period”** means the period during which an Option may be exercised;
- (s) **“Optionee”** means a person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;
- (t) **“Plan”** means this Stock Option Plan of the Company;
- (u) **“Pre-Plan Options”** has the meaning set forth in section 4.2; and
- (v) **“Shares”** means common shares in the capital of the Company.

3. Administration of the Plan

- 3.1 The Plan shall be administered by the Committee. With respect to Option grants to directors of the Company, the Board shall serve as the Committee. With respect to any other Options the Board may specifically constitute a committee of two or more directors of the Company as the Board may designate from time to time to serve as the Committee for the Plan, all of the members of which shall be and remain directors of the Company. Notwithstanding the foregoing, the Board may resolve to be the Committee to administer the Plan with respect to all of the Plan or certain participants and/or awards made or to be made under the Plan.
- 3.2 The Committee shall have full and exclusive power to interpret the Plan, to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan, and to reserve and issue Shares issuable pursuant to the exercise of Options. The Committee may, in its discretion but subject to section 17 below and any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company, provide for the extension of the exercisability of an Option, accelerate the vesting or exercisability of any Option, eliminate or make less restrictive any restrictions contained in an Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either (a) not adverse to the Optionee holding such Option or (b) consented to by such Optionee. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent the Committee deems necessary or desirable to carry it into effect. Any decision of the Committee in the interpretation and administration of the Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Committee shall be liable for anything done or omitted to be done by such member, by any member of the Committee or by any officer of the Company in connection with the performance of any duties under the Plan, except for such member's own wilful misconduct or as expressly provided by statute.
- 3.3 All administrative costs of the Plan shall be paid by the Company.

4. Eligibility

- 4.1 Options may be granted to Employees, Directors/Officers (including Management Company Employees) and Consultants (and Consultant Companies as may be permitted by the Exchange) who are in the opinion of the Committee in a position to contribute to the success of the Company or any of its Affiliates or who, by virtue of their service to the Company or any predecessors thereof or to any of its Affiliates are, in the opinion of the Committee, worthy of special recognition. The granting of Options is entirely discretionary and nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted an Option and designation of an Optionee in any year shall not require the designation of such person to receive an Option in any other year. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amount and terms of their respective Options.
- 4.2 Any options previously granted by the Company (the "Pre-Plan Options") which remain outstanding as at the effectiveness of the Plan will be deemed to have been issued under and will be governed by the terms of the Plan and, in the event of any inconsistency between the terms of the agreements governing the Pre-Plan Options and the terms of the Plan, the terms of such agreements shall govern. Any Shares issuable upon exercise of the Pre-Plan Options will be included for the purpose of calculating the amounts set out in sections 5 and 6 hereof.
- 4.3 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in exchange for outstanding options granted by the Company or any predecessor company thereof or any Affiliate thereof, whether such outstanding options are granted under the Plan, under any other stock option plan of the Company or any predecessor company or any Affiliate thereof, or under any stock option agreement with the Company or any predecessor corporation or Affiliate thereof.

- 4.4 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in substitution for outstanding options of another company in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other company and the Company or any of its subsidiaries.

5. Number of Shares Reserved under the Plan

The maximum aggregate number of Shares issuable pursuant to the exercise of Options granted under the Plan from time to time shall not exceed in aggregate 10% of the Company's Shares issued and outstanding at the time of grant (including Shares issuable upon exercise of any Pre-Plan Options assumed by the Plan upon its effectiveness pursuant to section 20 hereof), provided that:

- (a) if any Shares covered by an Option subject to the Plan are forfeited, or if an Option has expired, terminated or been cancelled for any reason whatsoever, then the Shares covered by such Option shall again be, or shall become, Shares with respect to which Options may be granted hereunder, and
- (b) such maximum number of Shares shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares.

6. Number of Optioned Shares per Optionee

The determination regarding the number of Shares that may be the subject of Options granted to each Optionee pursuant to an Option will be made by the Committee and will take into consideration the Optionee's present and potential contribution to the success of the Company and applicable legal and regulatory requirements and, if and for so long as the Company is listed on the Exchange, shall be subject to the following limitations:

- (a) Subject to sections 6(b) and 6(c), the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, or as incentive stock options, to any one Optionee in a 12-month period must not exceed 5% of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the Exchange, disinterested shareholder approval is obtained;
- (b) The number of Shares subject to Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Shares (determined at the Date of Grant);
- (c) The aggregate number of Shares subject to Options granted to all Optionees who are employed to provide Investor Relations Activities must not exceed 2% of the issued and outstanding Shares in any 12-month period (determined at the Date of Grant);
- (d) The number of Options granted to Insiders within a 12-month period to acquire Shares reserved for issuance under the Plan must not exceed 10% of the issued and outstanding Shares, unless, as may be required by the Exchange, disinterested shareholder approval is obtained; and
- (e) Subject to any longer vesting period as may be set out in the related Option Agreement, an Option granted to a Consultant performing Investor Relations Activities shall vest in stages over 12 months with no more than 25% of the Shares subject to the Option vesting in any three-month period.

7. Price

- 7.1 The exercise price per Share subject to an Option shall be determined by the Committee at the time the Option is granted, provided that the exercise price shall not be less than the Market Price less applicable discounts permitted by the Exchange, or such other minimum exercise price as may be required by the Exchange.

7.2 Subject to section 17.3 below and any applicable regulatory requirements and approval, the Committee may reprice the prevailing exercise price of an Option. Any reduction in the exercise price of an Option held by an Optionee who is an Insider at the time of the proposed amendment is, however, subject to disinterested shareholder approval if and as required by the Exchange.

8. Term and Exercise of Options

8.1 The Option Period shall be determined by the Committee at the time the Option is granted and may be up to ten years from the Date of Grant. The Option Period is also subject to reduction pursuant to the provisions of section 10. Subject to the applicable maximum Option Period provided for in this section 8.1 and subject to section 17.3 below and any applicable regulatory requirements and approvals, the Committee may extend the Option Period for an Option. Notwithstanding anything contained herein, if the Option Period expires during a Black Out Period or within 2 business days of a Black Out Period, the Option Period shall be extended to 10 days from the end of the Black Out Period.

8.2 Subject to subsection 6(e), the vesting schedule for each Option shall be determined by the Committee at the time the Option is granted and shall be specified in the Option Agreement in respect of the Option.

8.3 Notwithstanding the foregoing provisions of this section 8, if there is a takeover bid or tender offer made for all or any of the issued and outstanding Shares or a consolidation, merger, amalgamation, arrangement or other similar business combination or transaction proposed for the Company or any of its affiliates with another corporation or other entity, as a result of which the holders of Shares prior to the completion of such combination or transaction will hold less than 50% of the outstanding shares of the successor corporation after completion of such combination or transaction, then the Committee may, by resolution, permit all Options outstanding to become immediately exercisable in order to permit the Shares issuable under such Options to be tendered to such bid or offer or to participate in such combination or transaction.

8.4 The vested portion of Options will be exercisable, either all or in part, at any time after vesting. If less than all of the Shares included in the vested portion of any Option are purchased, the remainder may be purchased, subject to the Option's terms, at any subsequent time prior to the expiration of the Option Period.

8.5 The exercise of any Option will be contingent upon receipt by the Company of payment for the full exercise price of the Shares being purchased in cash by way of certified cheque, bank draft or wire transfer. No Optionee or the legal representatives, legatees or distributees of the Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issued to the Optionee or such other persons under the terms of the Plan.

9. Stock Option Agreement

Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement setting out the number of Shares subject to the Option, the exercise price per Share, the Option Period, and the vesting schedule for the Option, if any, and incorporating the terms and conditions of the Plan and any other requirements of applicable regulatory authorities and such other terms and conditions as the Committee may determine are necessary or appropriate, subject to the terms of the Plan. Without limiting the generality of the foregoing and if and for so long as the Company is listed on the Exchange, for Options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and representing in an Option Agreement that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

10. Effect of Termination of Employment or Death

- 10.1 Options granted to any Optionee who is a Director/Officer, Employee, Consultant or Management Company Employee shall expire on the earlier of: (a) such date within a reasonable period of time, not to exceed ninety (90) days, after the Optionee ceases to be in at least one of such categories as provided for in the Option Agreement with the Optionee, and (b) the expiry of the Option Period, provided that if the Director/Officer, Employee, Consultant or Management Company Employee is terminated by the Company for cause, breach of contract or breach of fiduciary duty, the Options granted to such Director/Officer, Employee, Consultant or Management Company Employee shall expire immediately upon such termination.
- 10.2 Notwithstanding section 10.1, in the event of the death of an Optionee while in service to the Company, each outstanding Option to the extent not previously exercised (including in respect of the right to purchase Shares not otherwise vested at such time) shall be exercisable until the earlier of (a) the expiration of ninety (90) days following such death unless an earlier date is provided for in the Option Agreement with the Optionee, and (b) the expiry of the Option Period, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or by the laws of descent and distribution.
- 10.3 Notwithstanding the foregoing provisions of this section 10 and subject to section 17 below and any applicable regulatory approvals, the Committee may, in its discretion, provide for the extension of the exercisability of an Option for any period that is not beyond the applicable expiration date thereof, accelerate the vesting or exercisability of an Option, eliminate or make less restrictive any restrictions governing an Option, waive any restriction or other provision of this Plan or an Option or otherwise amend or modify the Option in any manner that is either (a) not adverse to such Optionee or (b) consented to by such Optionee.

11. Adjustment in Shares Subject to the Plan

- 11.1 The exercise price for and the number of Shares covered by an Option will be adjusted, with respect to the then unexercised portion thereof, by the Committee from time to time (on the basis of such advice as the Committee considers appropriate, including, if considered appropriate by the Committee, a certificate of the auditor of the Company) in the event and in accordance with the provisions and rules set out in this section 11. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Committee, and any such determination will be binding on the Company, the optionee and all other affected parties.
- (a) In the event that a dividend is declared upon the Shares, payable in Shares (other than in lieu of dividends paid in the ordinary course), the number of Shares then subject to any Option shall be adjusted by adding to each such Share the number of Shares which would be distributable thereon if such Share had been outstanding on the date fixed for determining shareholders entitled to receive such stock dividend.
- (b) In the event that the outstanding Shares are changed into or exchanged for a different number or kind of Shares or other securities of the Company or of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then there shall be substituted for each Share subject to any Option the number and kind of Shares or other securities of the Company or another corporation into which each outstanding Share shall be so changed or for which each such Share shall be exchanged.
- (c) In the event that there is any change, other than as specified above in this section 11, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, then, if the Committee, in its sole discretion, determines that such change equitably requires an adjustment to be made in the number or kind of Shares then subject to any Option, an equitable adjustment shall be made in the number

or kind of Shares, such adjustment shall be made by the Committee and be effective and binding for all purposes.

- (d) In the event that the Company distributes by way of a dividend, or otherwise, to all or substantially all holders of Shares, property, evidences of indebtedness or shares or other securities of the Company (other than Shares) or rights, options or warrants to acquire Shares or securities convertible into or exchangeable for Shares or other securities or property of the Company, other than as a dividend in the ordinary course, then, if the Committee, in its sole discretion, determines that such action equitably requires an adjustment in the exercise price of the Option or number of Shares subject to any Option, or both, such adjustment shall be made by the Committee and shall be effective and binding for all purposes.

11.2 In the case of any such substitution or adjustment as provided for in this section 11, the exercise price in respect of each Option for each Share covered thereby prior to such substitution or adjustment will be proportionately and appropriately varied, such variation shall generally require that the number of Shares or securities covered by the Option after the relevant event multiplied by the varied option exercise price be equal to the number of Shares covered by the Option prior to the relevant event multiplied by the original exercise price of the Option.

11.3 No adjustment or substitution provided for in this section 11 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.

11.4 The grant of an Option shall not affect in any way the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

12. Non-Assignability

All Options, benefits and rights accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable, except as specifically provided in section 10.2 in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

13. Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with, or the provision of services to, the Company or any of its Affiliates, or interfere in any way with the right of the Company or any of its Affiliates to terminate the Optionee's employment or services at any time. Participation in the Plan by an Optionee is voluntary.

14. Record Keeping

The Company shall maintain a register in which shall be recorded or maintained:

- (a) the name and address of each Optionee;
- (b) the number of Shares subject to Options granted to each Optionee, the number of Shares issued to each Optionee upon the exercise of Options, and the number of Shares subject to Options remaining outstanding;
- (c) a copy of each outstanding Option Agreement; and
- (d) such other information as the Committee may determine.

15. Regulatory Approvals

- 15.1 The Plan is subject to the approval of regulatory authorities having, or which may have, jurisdiction over the securities of the Company, and the Board is authorized to amend the text thereof from time to time in order to comply with any changes thereto required by such applicable regulatory authorities.
- 15.2 The obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchange or stock quotation system on which the Shares are listed for trading or quoted which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price for an Option paid to the Company shall be returned to the Optionee.

16. Hold Periods, Securities Regulation and Tax Withholding

- 16.1 If and for so long as the Company is listed on the Exchange and in addition to any resale restrictions under applicable securities laws, for Options having an exercise price per Share that is less than the Market Price, any Shares issued on the exercise of such Options will be subject to a four-month hold period commencing on the particular Date of Grant of the Option, and certificates for the Shares will bear a restrictive legend setting out any such applicable hold period.
- 16.2 Where necessary to effect exemption from registration or distribution of the Shares under securities laws applicable to the securities of the Company, an Optionee shall be required, upon the acquisition of any Shares upon the exercise of Options, to acquire such Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the Committee an undertaking to that effect in a form acceptable to the Committee. The Committee may cause a legend or legends to be placed upon any certificates for the Shares to make appropriate reference to applicable resale restrictions. The Committee may take such other action or require such other action or agreement by such Optionee as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the underlying Shares under any securities laws applicable to the securities of the Company.
- 16.3 The Committee and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares pursuant to the Plan or the grant or exercise of Options under the Plan. Without limiting the generality of the foregoing, the Company shall, as a condition to the exercise of any Option, require that the Optionee pay to the Company, concurrently with the payment of the full exercise price of the Shares being purchased, by way of certified cheque, bank draft or wire transfer, an amount in cash equal to any withholding taxes that the Company is required to remit to the Canada Revenue Agency on account of payroll withholding obligations (including, but not limited to, income tax, UIC and/or CPP) as a result of the exercise of the Option by the Optionee.
- 16.4 Issuance, transfer or delivery of certificates for Shares purchased pursuant to the Plan may be delayed, at the discretion of the Committee, until the Committee is satisfied that the applicable requirements of securities and income tax laws have been met.

17. Amendment and Termination of Plan

- 17.1 The Board reserves the right to amend or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject to any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company and, where applicable, the approval of the shareholders of the Company.

- 17.2 The types of amendments that do not require the approval of the shareholders of the Company include, but are not limited to:
- (a) amendments of a “housekeeping” nature, including those required to clarify any ambiguity or rectify any inconsistency in the Plan;
 - (b) amendments made pursuant to section 15.1 hereof to comply with any changes required by applicable regulatory authorities having jurisdiction over securities of the Company from time to time including, but not limited to, the Exchange or other mandatory provisions of applicable law;
 - (c) amendments which are advisable to accommodate changes in tax laws;
 - (d) the extension of accelerated expiry dates to, but not beyond, the expiry date originally set at the time of the Option grant;
 - (e) amendments to the vesting provisions of any Option granted under the Plan; and
 - (f) amendments to the terms of Options in order to maintain Option value in connection with an adjustment in the Shares of the Company as contemplated in section 11 hereof.
- 17.3 Notwithstanding the provisions of section 17.2, the Board may not, without the prior approval of the shareholders of the Company, make amendments to the Plan for any of the following purposes:
- (a) to increase in the maximum number of Shares issuable under the Plan as set out in section 5;
 - (b) subject to section 17.4, to reduce the exercise price of any outstanding Options held by an Insider;
 - (c) subject to section 17.4, to extend the Option Period of any outstanding Options held by an Insider, except where the Option Period is extended because it would have expired during a Black Out Period;
 - (d) to amend the Plan to permit the grant of an Option with an Option Period of more than 10 years from the Date of Grant;
 - (e) to amend the non-assignability provision contained in section 12 hereof, except as otherwise permitted by the Exchange or for estate planning or estate settlement purposes;
 - (f) to expand the class of Optionees to whom Options may be granted under the Plan; and
 - (g) to amend this Section 17.3.
- 17.4 The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, disinterested shareholder approval is required for: (i) a reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment; or (ii) an extension of the Option Period of an Option if the Optionee is an Insider at the time of the proposed amendment.
- 17.4 If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

18. No Representation or Warranty

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

19. General Provisions

- 19.1 Nothing contained in the Plan shall prevent the Company or any of its Affiliates from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the issuance of securities of the Company (subject to shareholder approval if such approval is required by applicable securities regulatory authorities) and such arrangements may be either generally applicable or applicable only in specific cases.
- 19.2 The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any option agreement, and all determinations made and actions taken pursuant hereto shall be governed by and determined in accordance with the laws of the Province of British Columbia, Canada.
- 19.3 If any provision of the Plan or any Option is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person or Option and the remainder of the Plan and any such Option shall remain in full force and effect.
- 19.4 Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates and an Optionee or any other person.
- 19.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

20. Effective Date of the Plan

- 20.1 Subject to the ratification and approval of the Plan by the shareholders of the Company and all necessary regulatory approvals pursuant to section 15 hereof, the Plan will be effective as of the 14th day of October, 2016.

Adopted by the Board of Directors as of the 2nd day of September, 2016.

SCHEDULE "B"

ACQUISITION / ARRANGEMENT RESOLUTIONS

Schedule B-1
Crest Petroleum Corp. – Acquisition Resolution

RESOLVED THAT:

1. The acquisition (the “**Acquisition**”) of 100% of the issued and outstanding securities of GFG Resources Inc. (“**GFG**”) by Crest Petroleum Corp. (“**Crest**”) in exchange for like securities of Crest, on a one for one basis, pursuant to the terms and conditions of an arrangement agreement dated September 2, 2016 between Crest and GFG (the “**Arrangement Agreement**”) and as more particularly described in the joint information circular of Crest and GFG dated September 7, 2016 and the change in control of Crest resulting therefrom be and is hereby authorized and approved and the Board of Directors of Crest (the “**Board**”) be and is hereby authorized to amend or revise the terms and conditions of the Acquisition in its discretion to the extent permitted by the Arrangement Agreement without further notice to or approval of the shareholders of Crest;
2. The Arrangement Agreement between Crest and GFG be and is hereby ratified, confirmed, authorized and approved and the Board be and is hereby authorized and empowered to amend or revise the Arrangement Agreement in its discretion to the extent permitted therein without further notice to or approval of the shareholders of Crest;
3. Notwithstanding that the Acquisition has received the approval of the shareholders of Crest, the Board may, subject to the terms of the Acquisition, (i) amend the Arrangement Agreement; or (ii) decide not to proceed with the Acquisition or revoke this resolution at any time prior to the Effective Time (as defined in the Arrangement Agreement) without further notice to or approval of the shareholders of Crest; and
4. Any one director or officer of Crest be and is hereby authorized and empowered, acting for, in the name of and on behalf of Crest, to do all such acts and things and execute, under the corporate seal of Crest or otherwise, deliver and file, as the case may be, or cause to be delivered and filed all other documents and instruments necessary or desirable to carry out this resolution including the filing of all documents with regulatory authorities and the TSX Venture Exchange.

Schedule B-2

GFG Resources Inc. – Arrangement Resolution

RESOLVED, as a special resolution, **THAT**:

1. The arrangement (as may be modified or amended, the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) involving GFG Resources Inc. (“**GFG**”) and its securityholders as set forth in the plan of arrangement (the “**Plan of Arrangement**”) attached as Exhibit “A” to the arrangement agreement dated September 2, 2016 (the “**Arrangement Agreement**”) between GFG and Crest Petroleum Corp. (“**Crest**”) and as more particularly described and set forth in the joint information circular of GFG and Crest dated September 7, 2016 (the “**Circular**”) be and is hereby authorized, adopted and approved;
2. The Arrangement Agreement between GFG and Crest, and all transactions contemplated therein, the actions of the directors of GFG in approving the Arrangement and the actions of the officers of GFG in executing and delivering the Arrangement Agreement and any amendments thereto be and is hereby ratified, confirmed, authorized and approved;
3. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of GFG (the “**GFG Shareholders**”) or that the Arrangement has been approved by the Supreme Court of British Columbia, the board of directors of GFG (the “**Board**”) be and are hereby authorized and empowered, without further notice to, or approval of, the GFG Shareholders:
 - (a) to amend the Arrangement Agreement and/or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement or to revoke this resolution at any time prior to the Effective Time (as defined in the Arrangement Agreement); and
4. Any one director or officer of GFG is hereby authorized and empowered, acting for, in the name of and on behalf of GFG, to do all such acts and things and execute, under the corporate seal of GFG or otherwise, deliver and file, as the case may be, or cause to be delivered and filed all such agreements, forms, waivers, notices, certificates confirmations and other documents and instruments as in the opinion of such director or officer may be necessary or desirable to carry out or give 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, but not limited to, all actions required to be taken by or on behalf of GFG and all necessary filings to obtain the necessary approvals, consents and acceptances of applicable regulatory authorities and the TSX Venture Exchange and the signing of all certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by GFG.

SCHEDULE "C"

PLAN OF ARRANGEMENT

**PLAN OF ARRANGEMENT MADE PURSUANT TO PART 9, DIVISION 5
OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**

**Article 1
INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires:

“**Acquisition**” means the acquisition by Crest of all of the issued and outstanding securities of GFG pursuant to the Arrangement Agreement.

“**Acquisition Resolution**” means the ordinary resolution of the Crest Shareholders to approve the Acquisition as set forth in the Joint Information Circular to be considered and voted upon by the Crest Shareholders at the Crest Meeting.

“**Arrangement**” means the arrangement involving GFG, the GFG Securityholders and Crest to be completed pursuant to the provisions of Part 9, Division 5 of the BCBCA and on the terms and conditions set out in this Plan and any amendments hereto or variations hereof made in accordance herewith and the Arrangement Resolution.

“**Arrangement Agreement**” means the agreement made as of September 2, 2016 between Crest and GFG with respect to the Arrangement, as amended, supplemented and/or restated in accordance therewith prior to the Effective Date, providing for, among other things, the Arrangement.

“**Arrangement Resolution**” means the special resolution of the GFG Shareholders to approve the Arrangement as set forth in the Joint Information Circular to be considered and voted upon by the GFG Shareholders at the GFG Meeting.

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

“**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the City of Vancouver, British Columbia.

“**Closing**” means the completion of the Arrangement.

“**Court**” means the Supreme Court of the Province of British Columbia;

“**Crest**” means Crest Petroleum Corp., a company incorporated under the BCBCA.

“**Crest Meeting**” means the annual general and special meeting of Crest Shareholders to be held to consider and if thought fit, approve, inter alia, the Acquisition and other matters, if any, related thereto.

“**Crest Replacement Options**” means the non-transferable stock options of Crest to be exchanged for GFG Options pursuant to this Plan.

“**Crest Shareholder**” means a holder of Crest Shares.

“**Crest Shares**” means the common shares without par value in the capital of Crest as presently constituted on the date hereof.

“Depository” means Equity Financial Trust Company or such other Person that may be appointed by GFG for the purpose of, inter alia, exchanging certificates representing GFG Shares in connection with the Arrangement, at such offices as will be set out in the GFG Transmittal Letter.

“Dissent Rights” has the meaning set out in Section 4.1.

“Dissenting Shareholder” means a registered holder of GFG Shares (excluding a holder of GFG Options), if any, who has properly exercised Dissent Rights and has not withdrawn or been deemed to have withdrawn such Dissent Rights.

“Dissenting Shares” means the GFG Shares which are deemed to have been cancelled as of the Effective Time in accordance with the provisions of Section 3.1(a).

“Effective Date” means the fifth Business Day following the date the Final Order is granted by the Court or such other date as Crest and GFG may agree.

“Effective Time” means 12:00 noon (Vancouver time) on the Effective Date.

“Exchange” means the TSX Venture Exchange.

“Final Order” means the final order of the Court approving the Arrangement to be applied for following the Meetings pursuant to the provisions of Part 9, Division 5 of the BCBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

“GFG” means GFG Resources Inc., a company incorporated under the BCBCA.

“GFG Meeting” means the special meeting of the GFG Shareholders to be held to consider and, if thought fit, approve, inter alia, the Arrangement.

“GFG Optionholder” means a holder of GFG Options.

“GFG Options” means the outstanding stock options of GFG to purchase GFG Shares at a price of US\$0.25 per GFG Share.

“GFG Securities” means, collectively, the GFG Shares and the GFG Options.

“GFG Securityholders” means, collectively the GFG Shareholders and the GFG Optionholders.

“GFG Shareholder” means a holder of GFG Shares.

“GFG Shares” means the common shares without par value in the capital of GFG as presently constituted on the date hereof.

“GFG Transmittal Letter” means the letter of transmittal to be sent by GFG to GFG Shareholders for use by the GFG Shareholders to surrender the certificates representing their GFG Shares.

“Interim Order” means the interim order of the Court to be applied for under Part 9, Division 5 of the BCBCA containing declarations and directions with respect to the Arrangement and the calling, holding and conduct of the GFG Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

“Joint Information Circular” means the joint information circular containing information relating to GFG and Crest to be sent to, inter alia, the GFG Shareholders in connection with the GFG Meeting and to the Crest Shareholders in connection with the Crest Meeting.

“Mandatory Pooling Restrictions” has the meaning set out in Section 3.1(d).

“**Meetings**” means, collectively the Crest Meeting and the GFG Meeting.

“**Person**” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, company, unincorporated association or organization, government body, syndicate or other entity, whether or not having legal status.

“**Plan**” means this plan of arrangement as amended or supplemented from time to time and “hereby”, “hereof”, “hereunder”, “herewith” and similar terms refer to this Plan and not any particular provision of this Plan.

1.2 Sections and Headings

The division of this Plan into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan. Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan.

1.3 Number and Gender

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; and words importing any gender shall include all genders.

1.4 Date for Any Action

In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.5 Statute References

References in this Plan to any statute or sections thereof shall include such statute as amended or substituted and any regulations or rules promulgated thereunder from time to time in effect.

1.6 Money

Unless otherwise stated all references in this Plan to sums of money are expressed in lawful money of the United States of America.

1.7 Time

Time shall be of the essence in every matter or action contemplated hereunder.

Article 2 PURPOSE AND EFFECT OF THE ARRANGEMENT

2.1 Purpose of the Plan

The purpose of the Plan is to effect an acquisition of all of the issued and outstanding securities of GFG by Crest, with the result that GFG becomes a wholly-owned subsidiary of Crest.

2.2 Arrangement Agreement

This Plan is made pursuant to, is subject to the provisions of and forms part of, the Arrangement Agreement.

2.3 Binding Effect

This Plan will become effective at, and be final and conclusively binding at and after, the Effective Time upon GFG, the GFG Shareholders, the GFG Optionholders and Crest.

Article 3 ARRANGEMENT

3.1 Arrangement

Subject to the provisions of Article 4, commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur in the following order without any further act or formality notwithstanding that certain procedures related thereto may not be completed until after the Effective Time:

- (a) the GFG Shares held by Dissenting Shareholders will be deemed to have been transferred back to GFG and the Dissenting Shareholders will cease to have any rights as GFG Shareholders other than the right to be paid fair value for their GFG Shares in accordance with Article 4;
- (b) each registered holder of GFG Shares, with the exception of Dissenting Shareholders, will be deemed to exchange all of its GFG Shares for Crest Shares on the basis of one Crest Share for each one GFG Share held at the Effective Time;
- (c) with respect to the GFG Shares exchanged pursuant to Section 3.1(b) (other than GFG Shares held by Crest and the Dissenting Shares):
 - (i) the holders of such GFG Shares shall cease to be GFG Shareholders as of the Effective Time; and
 - (ii) Crest shall become the sole GFG Shareholder as at the Effective Time;
- (d) the Crest Shares issued to former registered holders of GFG Shares in exchange for their GFG Shares pursuant to Section 3.1(b) will be subject to mandatory pooling restrictions (the “**Mandatory Pooling Restrictions**”) and placed in pool with Crest as at the Effective Time for automatic release as follows:
 - (i) 25% of the Crest Shares will be released from pool as at the Effective Time; and
 - (ii) the remaining 75% of the Crest Shares will be released from pool on the six month anniversary of the Effective Date.
- (e) each outstanding GFG Option will be exchanged for a Crest Replacement Option to purchase that number of Crest Shares equal to the number of GFG Shares issuable under the GFG Option at a price equal to the exercise price under the GFG Option and each GFG Option shall thereafter be cancelled and cease to be outstanding. Save and except as agreed to by Crest and the holders of GFG Options, the term to expiry, conditions to and manner of exercising, the status under applicable laws, and all other terms and conditions of the Crest Replacement Options issued pursuant to this Section 3.1(e) will otherwise be unchanged from those contained in or otherwise applicable to the exchanged GFG Options; and
- (f) GFG shall become a wholly owned subsidiary of Crest.

3.2 No Fractional Securities

No fractional Crest Shares or fractional Crest Replacement Options or rights to acquire fractional Crest Shares or fractional Crest Replacement Options will be issued to the former GFG Shareholders or former GFG Optionholders, respectively, under the Arrangement. If any fractional Crest Shares or fractional Crest Replacement

Options would be issuable to a GFG Shareholder or GFG Optionholder, respectively, under Section 3.1, such GFG Shareholder or GFG Optionholder shall receive that number of Crest Shares or Crest Replacement Options, as the case may be, as the GFG Shareholder or GFG Optionholder is entitled to receive pursuant to Section 3.1

- (a) rounded up to the nearest whole Crest Share or Crest Replacement Option, as the case may be, in the event of a fractional security greater than 0.5; and
- (b) rounded down to the nearest whole Crest Share or Crest Replacement Option, as the case may be, in the event of a fractional security of 0.5 and less.

Article 4

DISSENTING SHAREHOLDERS

4.1 Rights of Dissent

Notwithstanding section 3.1, registered holders of GFG Shares are entitled to exercise rights of dissent with respect to such shares substantially in the manner set forth in Part 8, Division 2 of the BCBCA as modified by the Interim Order, the Final Order and this Section 4.1 (the “**Dissent Rights**”) in connection with the Arrangement; provided that, notwithstanding subsection 242(2) of the BCBCA, the written objection to the Arrangement Resolution must be received by GFG not later than 4:00 p.m. (Vancouver time) on the date which is two Business Days immediately preceding the date of the GFG Meeting or by 4:00 p.m. (Vancouver time) on the date which is two Business Days prior to the date on which any adjourned GFG Meeting is held. Registered holders of GFG Shares who exercise Dissent Rights as granted by the Interim Order and who:

- (a) are ultimately entitled to be paid fair value for their GFG Shares in respect of which they dissent in accordance with the provisions of such Interim Order, whether by order of the Court or by acceptance of any offer made pursuant to such Interim Order, shall be deemed to have transferred such GFG Shares to GFG for cancellation and such GFG Shares shall be deemed to no longer be issued and outstanding as of the Effective Time, or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their GFG Shares in respect of which that dissent was filed shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of GFG Shares and shall receive Crest Shares on the basis set forth in Article 3 of this Plan,

but in no case shall GFG or any other Person be required to recognize such former GFG Shareholders at or after the Effective Time, and at the Effective Time the names of such former GFG Shareholders shall be deleted from the central securities register of GFG.

4.2 Registered Holders Only

In no circumstances shall GFG or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of the GFG Shares in respect of which such Dissent Rights are sought to be exercised.

4.3 Dissent Right Availability

A registered holder of GFG Shares is not entitled to exercise Dissent Rights with respect to GFG Shares if such holder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the Arrangement Resolution.

Article 5 OUTSTANDING CERTIFICATES

5.1 Share Certificates

After the Effective Date certificates formerly representing GFG Shares which are held by a GFG Shareholder will, subject to Section 5.4 and except for shares held by Dissenting Shareholders, represent only the right to receive certificates representing Crest Shares, all in accordance with the terms of the Arrangement.

5.2 Distributions With Respect to Unsurrendered Certificates

All dividends paid or distributions made in respect of Crest Shares issued to a former GFG Shareholder for which a certificate representing Crest Shares has not been delivered to such former security holder in accordance with Section 5.3 shall be paid or delivered to the Depository to be held in trust for such former security holder for delivery to the former security holder, net of all withholding and other taxes, upon delivery of the certificate(s) for the applicable GFG Shares in accordance with Section 5.3.

5.3 Exchange of Share Certificates

At or prior to the Effective Time, Crest shall deposit with the Depository, for the benefit of the GFG Shareholders, sufficient certificates representing Crest Shares as required to give effect to this Plan. At the Effective Time, each GFG Shareholder to whom a share certificate representing its GFG Shares was issued shall be entitled to receive the certificates representing the Crest Shares to which such holder is entitled pursuant to the provisions hereof as soon as practical after the Effective Date upon delivery to the Depository of a duly completed GFG Transmittal Letter and surrender of the certificates formerly representing the GFG Shares, together with such other documents and instruments as would have been required to effect the transfer of the GFG Shares formerly represented by such certificates under the BCBCA and the articles of GFG, and such additional documents and instruments as the Depository, GFG or Crest may reasonably require. The Depository shall register and make available or send by regular mail (postage prepaid) certificates representing Crest Shares as directed in each properly completed GFG Transmittal Letter.

Any GFG Shareholder who was issued its GFG Shares in book entry form only and did not receive an actual share certificate representing its GFG Shares will be mailed certificates representing the Crest Shares to which such holder is entitled pursuant to the provisions hereof to its address as shown on the central securities register maintained by GFG as soon as practical after the Effective Date.

5.4 Extinction of Rights

Any certificate representing former GFG Shares that is not deposited with the Depository on or before the sixth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and the right of the former GFG Shareholder to receive any certificate representing Crest Shares shall be deemed to be surrendered to Crest, together with all dividends, distributions or cash payments thereon held for such GFG Shareholder.

5.5 Lost Certificates

In the event any certificate, which immediately before the Effective Time represented one or more GFG Shares that were exchanged pursuant to Section 3.1 is lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depository will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing the Crest Shares deliverable in accordance with such holder's GFG Transmittal Letter. When authorizing such issuances in exchange for any lost, stolen or destroyed certificate, the Person to whom certificates representing Crest Shares are to be issued or delivered will, as a condition to the issuance thereof, give a bond satisfactory to Crest and its transfer agent in such sum as Crest may direct and otherwise provide Crest with a satisfactory indemnify against any claim that may be made against it or GFG with respect to the certificate alleged to have been lost, stolen or destroyed.

5.6 Option Certificates or Agreements

Crest shall not issue replacement certificates or agreements representing Crest Replacement Options upon completion of the Arrangement. After the Effective Date, certificates or agreements formerly representing GFG Options shall be deemed to represent Crest Replacement Options on the same terms and conditions as the former GFG Options.

Article 6 AMENDMENTS AND WITHDRAWAL

6.1 Right to Amend

GFG and Crest reserve the right to amend, modify and/or supplement this Plan 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:

- (a) agreed to by Crest and GFG;
- (b) filed with the Court and, if made following either the GFG Meeting or the Crest Meeting, approved by the Court; and
- (c) communicated to GFG Securityholders in the manner required by the Court (if so required).

6.2 Amendment Before Meetings

Any amendment, modification or supplement to this Plan may be proposed by the Parties at any time prior to or at the GFG Meeting; provided that, Crest and GFG shall have consented thereto with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the GFG Meeting (other than as may be required under the Interim Order), shall become part of this Plan for all purposes.

6.3 Amendment After Meetings

Any amendment, modification or supplement to this Plan which is approved by the Court following the Meetings shall be effective only:

- (a) if it is consented to by Crest and GFG; and
- (b) if required by the Court or applicable law, it is consented to by the GFG Shareholders.

6.4 Administrative Amendments

Any amendment, modification or supplement to this Plan may be made by GFG and Crest without approval of the GFG Shareholders provided that it concerns a matter which, in the reasonable opinion of GFG and Crest, is of an administrative or ministerial nature required to better give effect to the implementation of this Plan and is not materially adverse to the financial or economic interests of any of GFG Securityholder or Crest Shareholder.

6.5 Withdrawal

This Plan may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

Article 7
TERMINATION

7.1 Termination

This Plan will automatically terminate and be of no further force and effect upon the termination of the Arrangement Agreement in accordance with its terms.

Article 8
FURTHER ASSURANCES

8.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan without any further act or formality, each of the Parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

SCHEDULE "D"

SECTIONS 237 – 247 OF THE BCBCA – DISSENT RIGHTS

DISSENT RIGHTS

PART 8, DIVISION 2 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*

“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, or

(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,

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 to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(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.

(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) or (f) 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; and
- (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 "E"

INTERIM ORDER



No. S-168186
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 291 OF THE *BUSINESS CORPORATIONS ACT*
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
GFG RESOURCES INC. AND ITS SECURITYHOLDERS
AND INVOLVING CREST PETROLEUM CORP.

GFG RESOURCES INC.

PETITIONER

ORDER MADE AFTER APPLICATION

BEFORE MASTER

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Wednesday, the 7th day of
September, 2016

ON THE APPLICATION of the Petitioner, GFG Resources Inc. ("GFG"), without notice coming on for hearing at Vancouver, British Columbia, on the 7th day of September, 2016 and on hearing Gregory T. Chu, counsel for the Petitioner, and ON READING the affidavit #1 of Jonathan T. Awde sworn on September 6, 2016 (the "Awde Affidavit") and the material filed herein,

THIS COURT ORDERS THAT:

DEFINITIONS

1. As used in this Order Made After Application (this "Interim Order"), unless otherwise defined, terms beginning with capital letters shall have the respective meanings set out in the draft joint information circular (the "Circular") relating to the special meeting of the shareholders of the Petitioner attached as Exhibit "A" to the Awde Affidavit.

SPECIAL MEETING

2. GFG is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of the holders of its common shares ("**GFG Shareholders**") to be held at the offices of Gregory T. Chu, A Law Corporation, Suite 650 – 1188 West Georgia Street, Vancouver, B.C. at 11:00 a.m. (Vancouver time) on October 14, 2016, or as otherwise provided by this Interim Order of this Court, for the following purposes:
 - (a) to consider and, if deemed advisable, pass, with or without variation, a special resolution (the "**Arrangement Resolution**") to approve a plan of arrangement (the "**Arrangement**") under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") among GFG and its securityholders and involving Crest Petroleum Corp. ("**Crest**"), the full text of which is attached as Schedule B-2 to the Circular, which is attached as Exhibit "A" to the Awde Affidavit; and
 - (b) to transact such further and other business as may properly come before the Meeting or any adjournment or postponement thereof.
3. The Meeting shall be called, held and conducted in accordance with the BCBCA, the notice of special meeting (the "**Notice**") convening the Meeting, substantially in the form contained in the Circular attached as Exhibit "A" to the Awde Affidavit, the Circular, the articles of GFG and applicable securities laws, subject to the terms of this Interim Order and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency this Interim Order shall govern and, if not specified in this Interim Order, the Circular shall govern.
4. The Chair of the Meeting is at liberty to call on the assistance of legal counsel to the Petitioner 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 quorum required at the Meeting shall be the quorum required by the articles of GFG. In all other respects, except as modified by this Interim Order, the terms, conditions and restrictions of the articles of GFG shall apply in respect of the Meeting.

AMENDMENTS

4. Prior to the Meeting, GFG is authorized to make, in the manner contemplated by and subject to the Arrangement Agreement, such amendments, revisions or supplements to the Arrangement as it may determine without any additional notice to the GFG Securityholders. The Arrangement, as so amended, revised or supplemented, shall be the Arrangement to be submitted to the Meeting and the subject of the Arrangement Resolution.

RECORD DATE

5. The record date for determining the GFG Shareholders entitled to receive notice of, attend and vote at the Meeting shall be the close of business on September 6, 2016 (the "**Record Date**"), as previously approved by the Board of Directors of GFG (the "**GFG Board**").

NOTICE OF MEETING AND MEETING MATERIALS

6. GFG shall give notice of the Meeting, substantially in the form of the Notice, subject to GFG's ability to change the dates and other relevant information in the final form of the Notice. The Notice shall be mailed, delivered or transmitted in accordance with paragraph 9 of this Interim Order.
7. GFG is hereby authorized to distribute the Circular, subject to such amendments, revisions or supplements as GFG may determine, and the Circular will be deemed to have included in it the statement required by section 290(1)(a) of the BCBCA. The Circular shall be mailed, delivered or transmitted in accordance with paragraphs 9 and 10 of this Interim Order and GFG shall not be required to send to the GFG Shareholders any other or additional statement pursuant to section 290(1)(a) of the BCBCA. The Circular shall have the Notice of Hearing of Petition for final Order substantially in the form attached as Exhibit "B" to the Awde Affidavit (the "**Notice of Hearing**") and this Interim Order attached as schedules thereto.
8. GFG is authorized to use proxies for GFG Shareholders at the Meeting in substantially the form of proxy attached as Exhibit "C" to the Awde Affidavit, subject to GFG's ability to insert dates and other relevant information in the final form of proxy and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate. GFG is authorized, at its expense, to solicit proxies directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine. GFG may waive, in its discretion, the time limits for the deposit of proxies by the GFG Shareholders if GFG deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair. The procedures for the use of proxies at the Meeting and revocation of proxies shall be as set out in the Notice and the Circular.
9. The Notice of Hearing, this Interim Order, the Notice, the Circular, the form of proxy and any other communications or documents determined by GFG to be necessary or desirable and not inconsistent with the terms of this Interim Order (collectively the "**Meeting Materials**"), shall be distributed by GFG to:
 - (a) the registered GFG Shareholders (the "**Registered GFG Shareholders**") by prepaid ordinary mail, by delivery, in person or by courier, or by email (in the case of those Registered GFG Shareholders who have consented in writing to receive by email from GFG notices and other documents to be sent to GFG Shareholders), as

determined by GFG to be the most appropriate method of communication, not later than twenty-one (21) days prior to the date established for the Meeting in the Notice, excluding the date of mailing, delivery or transmission and the date of the Meeting. Distribution to Registered GFG Shareholders shall be to their addresses as they appear in the central securities register of GFG as of the Record Date, or such later date as GFG may determine in accordance with the BCBCA;

- (b) non-registered GFG Shareholders (whose names do not appear in the central securities register of GFG) (the “Beneficial GFG Shareholders”), by providing, at least three business days before the 21st day prior to the Meeting, the requisite number of copies of the Meeting Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to Beneficial GFG Shareholders; and
- (c) the directors and auditors of GFG by prepaid ordinary mail or by delivery in person or by recognized courier service or by email at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmission and the date of the Meeting,

and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.

10. GFG is directed to distribute to the GFG Optionholders the Circular (including all appendices and schedules thereto) by any method permitted for notice to the Registered GFG Shareholders set forth in paragraph 9 above, concurrently with the distribution of the Meeting Materials to the Registered GFG Shareholders. Distribution to the GFG Optionholders shall be to their addresses as they appear on the books and records of GFG at the close of business on the Record Date.
11. Failure or omission to give notice of the Meeting or distribute the Meeting Materials in accordance with paragraphs 9 and 10 of this Interim Order as a result of mistake or of events beyond the reasonable control of GFG (including, without limitation, any inability due to the disruption of postal services), or the non-receipt of such notice or any of the Meeting Materials by any one or more GFG Shareholders, shall not constitute a breach of this Interim Order or, in relation to the Notice to GFG Shareholders, a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceedings taken at the Meeting, but if such failure or omission is brought to the attention of GFG, then GFG shall use its reasonable commercial efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.
12. No one other than those listed in the paragraphs 9 and 10 of this Interim Order shall be entitled to receive the Meeting Materials.

13. The sending of the Meeting Materials, including the Notice of Hearing, or any portion thereof substantially in compliance with the requirements set out in paragraphs 9 and 10 of this Interim Order shall constitute good and sufficient service on all persons who are entitled to receive notice of this proceeding or the Meeting and no other form of service need be made and no other material need be served on such persons in respect of this proceeding or the Meeting, and such service shall be deemed effective on the day on which the Meeting Meetings or any portion thereof are mailed, couriered, delivered in person or emailed, as the case may be.
14. The form of documents substantially in the form set forth in Exhibits "A", "B" and "C" to the Awde Affidavit are approved for use in connection with the Meeting.

UPDATING MEETING MATERIALS

15. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Registered GFG Shareholders, the Beneficial GFG Shareholders, the GFG Optionholders, directors and auditors by press release, news release, newspaper advertisement or by notice sent to those persons or entities by any of the means set forth in paragraph 9 or 10 of this Interim Order, as determined to be the most appropriate method of communication by the GFG Board.

PERMITTED ATTENDEES

16. The only persons entitled to attend the Meeting shall be:
 - (a) Registered GFG Shareholders as at the close of business on the Record Date, or their respective proxyholders;
 - (b) GFG directors, officers, auditors and advisors;
 - (c) representatives of Crest; and
 - (d) any other person with the permission of the Chair of the Meeting.

SCRUTINEER

17. The scrutineer for the Meeting shall be Gregory T. Chu, A Law Corporation, the solicitors for GFG, (acting through its representatives for that purpose). The duties of the scrutineer shall include:
 - (a) invigilating and reporting to the Chair on the deposit and validity of proxies;
 - (b) reporting to the Chair on the quorum of the Meeting;

- (c) reporting to the Chair on the polls taken or ballots cast, if any, at the Meeting; and
- (d) providing to GFG and to the Chair written reports on matters related to their duties.

VOTING

18. The only persons entitled to vote at the Meeting shall be the Registered GFG Shareholders as at the close of business on the Record Date or their proxyholders. Each GFG Share shall carry one vote at the Meeting.
19. To be voted at the Meeting, any instrument of proxy must be deposited at the offices of GFG's solicitors, Gregory T. Chu, A Law Corporation at Suite 650 – 1188 West Georgia Street, Vancouver, British Columbia V6E 4A2 by mail delivery or fax as set out in the form of proxy, substantially in the form set forth in Exhibit "C" to the Awde Affidavit, no later than 11:00 a.m. (Vancouver time) on October 12, 2016, or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the start of such adjourned or postponed meeting, subject to the direction of the Chair of the Meeting to accept proxies after this deadline, provided that if the Chair accepts any proxies after this deadline, the Chair must accept all proxies deposited after this deadline.
20. The Arrangement Resolution shall be deemed to be approved by the GFG Shareholders if it is approved by not less than two-thirds of the total votes cast by the GFG Shareholders present in person or by proxy and entitled to vote at the Meeting, provided that any illegible votes, spoiled votes, defective votes and extensions shall be deemed not to be votes cast. Such votes shall be sufficient to authorize and direct GFG to do all such acts and things as may be necessary or desirable to give effect to the Arrangement on a basis consistent with what is provided for in the Circular without the necessity of any further approval by the GFG Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

ADJOURNMENTS AND POSTPONEMENTS

21. Once commenced, the Meeting may, subject to the terms of the Arrangement Agreement, be adjourned from time to time and no further notice of such adjournment or the holding of any adjourned meeting or meetings need be given thereafter unless the period of adjournment is greater than 30 days.
22. Notwithstanding the provisions of the BCBCA and the articles of GFG, the GFG 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 GFG Shareholders respecting the adjournment or postponement. Notice of any such adjournment or postponement shall be given by press release, news release, newspaper advertisement or notice sent to the Registered GFG Shareholders, Beneficial GFG Shareholders, GFG Optionholders, directors and auditors by one of the methods specified

in paragraph 9 or 10 of this Interim Order, as determined to be the most appropriate method of communication by the GFG Board.

DISSENT RIGHTS

23. Each Registered GFG Shareholder shall be entitled to exercise rights of dissent (the "Dissent Rights") in respect of the Arrangement Resolution pursuant to and in accordance with the provisions of Sections 237 to 247 of the BCBCA, as modified by this Interim Order and by Article 4 of the Arrangement and to seek the fair value of their GFG Shares. A beneficial holder of GFG Shares registered in the name of a broker, custodian, trustee, nominee or other intermediary who wishes to dissent must make arrangements for the Registered GFG Shareholder to dissent on its behalf or, alternatively, make arrangements to become a Registered GFG Shareholder.
24. Notwithstanding anything in the BCBCA, a Registered GFG Shareholder who wishes to exercise Dissent Rights must ensure that a written notice of dissent is received by GFG at its registered office at Suite 650 – 1188 West Georgia Street, Vancouver, British Columbia V6E 4A2 on or before 4:00 p.m. (Vancouver time) on October 12, 2016, or in the case of the postponement or adjournment of the Meeting date, on or before 4:00 p.m. (Vancouver time) on the date that is two business days immediately preceding the date of the postponed or adjourned Meeting date and, in either case, must strictly comply with the dissent procedures set out in the Circular and in the Arrangement.
25. GFG Optionholders shall not be entitled to exercise Dissent Rights.
26. Subject to the further Order of this Court, the rights available to the Registered GFG Shareholders under the BCBCA, as modified by this Interim Order and by Article 4 of the Arrangement, to dissent from the Arrangement shall constitute full and sufficient rights of dissent for the Registered GFG Shareholders with respect to the Arrangement.

HEARING OF THE APPLICATION FOR A FINAL ORDER AND DECLARATION

27. If the Arrangement is approved by the GFG Shareholders at the Meeting, the Petitioner shall be at liberty to apply to this Court on October 18, 2016, or such other date as may be set by this Court, for a final Order approving the Arrangement and for related orders and declarations.
28. Each of:
 - (a) the delivery of the Meeting Materials (including the Notice of Hearing) to the GFG Shareholders; and
 - (b) the distribution of the Circular (including the Notice of Hearing) to the GFG Optionholders,

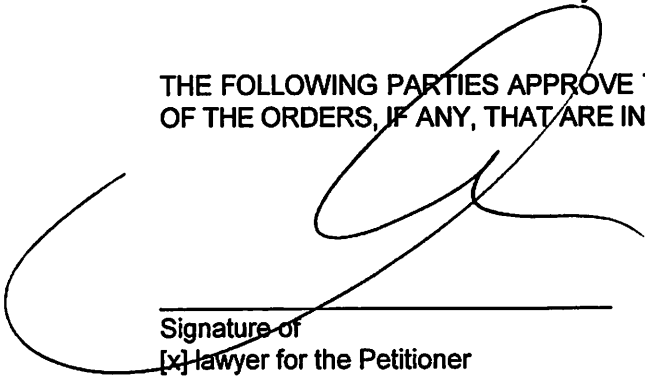
in accordance with the terms of this Interim Order, shall constitute good and sufficient service of notice of the date of hearing of the application for the final Order and no other material need be served on any person unless a response to petition substantially in the form of Form 67 of the *Supreme Court Civil Rules* (the "Response to Petition") is filed and served in accordance with the terms of paragraph 29 of this Interim Order.

- 29. Any GFG Shareholder or GFG Optionholder may appear on the application for the Final Order provided they file the Response to Petition with this Court and deliver the filed Response to Petition to the lawyers for the Petitioner by 4:00 p.m. (Vancouver time) on October 14, 2016.
- 30. In the event the application for a final Order does not proceed on the date set forth on the Notice of Hearing, and is adjourned, only those persons who served a Response to Petition shall be entitled to be given notice of the adjourned application date.
- 31. The Final Order, if granted, will provide the basis for the parties to rely on the exemption from registration provided in Section 3(a)(10) of the United States *Securities Act of 1933* with respect to the issuance of the Crest Shares and Crest Replacement Options to be issued pursuant to the Arrangement.

VARIANCE


- 32. GFG shall be entitled to seek leave to vary the terms of this Interim Order on the giving of such notice as this Court may direct.


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.



Signature of
 lawyer for the Petitioner
Gregory T. Chu

BY THE COURT



Registrar 



SCHEDULE "F"

RwE FAIRNESS OPINION

FAIRNESS OPINION

prepared for:

CREST PETROLEUM CORP.

VANCOUVER, BRITISH COLUMBIA

August 31, 2016



RwE GROWTH PARTNERS, INC.

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August 31, 2016

CREST PETROLEUM CORP.

Suite 610 - 815 West Hastings Street
Vancouver, British Columbia
V6C 1B4

Attention: Mr. Richard Silas, President

Dear Sirs:

Re: Fairness Opinion on Transaction between Crest Petroleum Corp. and GFG Resources Inc.

1.0 Background and Engagement

- 1.01 RWE Growth Partners, Inc. (“RWE” or the “authors of the Report”) was requested and engaged by the Board of Directors of Crest Petroleum Corp. (“Crest Petroleum”, “CPC” or the “Public Company”) to prepare this document regarding CPC’s intended completion of a Plan of Arrangement between Crest Petroleum and GFG Resources Inc. (“GFG” or the “Private Company”), a company incorporated under the laws of the Province of British Columbia, having its registered and records offices at Suite 650 – 1188 West Georgia Street, Vancouver, B.C. (the “Proposed Transaction”).
- 1.02 GFG Resources (US) Inc. (“GFG-US”) is a wholly-owned subsidiary of GFG incorporated under the laws of the State of Nevada, U.S.A. and holding all of GFG’s interests in the Rattlesnake Hills Project or Property. The Rattlesnake Hills Project or Rattlesnake Hills Property – including the adjacent claims acquired from Endurance Gold Corporation - (referred collectively to as the “Rattlesnake Property” or the “GFG Property”) is the gold exploration project comprised of 1,281 unpatented lode mining claims and 7 state fee land leases totaling approximately 26,500 acres in Natrona County, Wyoming, U.S.A. in which GFG-US owns, subject to underlying royalties, a 100% undivided interest in.
- 1.03 RWE understands that CPC is a reporting issuer whose shares are listed for trading on the NEX Board of the TSX Venture Exchange (“Exchange”). RWE further understands that the Proposed Transaction between CPC and GFG involves the amalgamation and/or acquisition of 100% of the issued and outstanding shares of GFG by CPC. The entire basis of the Proposed Transaction can be found from a review of the Joint Information Circular of CPC and GFG (the “Joint Circular”). The reader is advised and recommended to refer and read the entire Joint Circular for additional information on each of the companies and the business and operation. The Joint Circular also contains a summary of August 15, 2016 National Instrument (“NI”) 43-101 Technical Report prepared by APEX Geoscience Ltd. (“APEX”) of Edmonton, Alberta. APEX’s technical writers were



RWE GROWTH PARTNERS, INC.

Mr. Andrew Turner, B.Sc., P.Geo., Mr. Philo Schoeman, M.Sc., P.Geo., Pr.Sci.Nat., and MR. Bryan R. Atkinson, B.Sc., P.Geo. (the “APEX Technical Report”). APEX was engaged by GFG to complete the APEX Technical Report for the Rattlesnake Hills Property, including a review of the available historic exploration data and an evaluation of the precious metal potential of the Rattlesnake Project. The actual Rattlesnake Hills project is located in central Wyoming approximately 100 km southwest of Casper on the western side of Natrona County.

In connection with the Proposed Transaction, RWE understands that the CPC Board has conducted its own review of the Proposed Transaction and has approved it in principal and will recommend it to the Crest Petroleum shareholders – but has also requested RWE’s opinion and independent verification of the fairness of the Proposed Transaction from the CPC’s shareholders’ point of view.

- 1.04 Given the above, RWE was requested to undertake the Report in order to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view, to only the shareholders of CPC. In preparing the Report, RWE carefully considered both the quantitative and qualitative factors related to the Proposed Transaction. The Report is prepared for the Company’s Board of Directors and may also be submitted to the Exchange and to the B.C. Supreme Court (if needed) and any related regulatory bodies.

The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding whether any particular outside party(ies) will accept the fairness assessment and/or conclusions in this Report. RWE only advises that the fairness conclusions in this Report are RWE’s independent conclusions as to the fairness of the Proposed Transaction (from Crest Petroleum’s shareholders’ point of view) between CPC and GFG as at June 30, 2016 (i.e., the Valuation Date).

As RWE has relied on information, materials and representations provided by the representatives of CPC and GFG, the authors of the Report required that the Public Company and the Private Company both confirm to RWE that they have had reviewed the final Report in detail and that the information and management’s representations contained in the final Report are accurate, correct and complete to the best of the Companies’ collective knowledge, that there are no material omissions of information that would affect the conclusions contained in the Report. CPC/GFG has done this.

RWE, its principals and partners, staff and associates, do not assume any responsibility or liability for losses incurred by CPC, GFG, any related company to CPC, the CPC Board, the Exchange, GFG, the GFG Board and/or any related parties and/or the CPC and/or GFG shareholders and/or any other parties as a result of the circulation, publication, reproduction, or use of the Report, or its use contrary to the terms and conditions and all aspects of the Report.



- 1.05 RWE also reserves the right to review all calculations and conclusions included or referred to in the Report and, if RWE considers it necessary, to revise the Report in light of any information existing at June 30, 2016 (i.e., the Valuation Date) which becomes known to RWE after the date of the Report. For the purpose of this Report, the Valuation Date is June 30, 2016. Unless otherwise indicated, all monetary amounts are stated in United States (US\$).

2.0 Conclusion

- 2.01 RWE has concluded, given the scope of work conducted as part of this Report, *that the Proposed Transaction is fair, from a financial of view to the shareholders of Crest Petroleum Corp. as at the Valuation Date.*
- 2.02 This Report is subject to the scope of the work conducted (refer to section 5.0), as well as the assumptions made (refer to section 6.0), and to all of the other sections of the Report.
- 2.03 RWE has prepared the Report given a limited level of diligence work undertaken. The level of work undertaken – as prepared here - contains conclusions on the value of shares and/or assets based on a limited review and analysis of data and information and it involves limited collaboration of such information. This Report has been prepared as per the Calculation Valuation Report guidelines established by the Canadian Institute of Business Valuators (“CICBV”), and in relation to the American Society of Appraisers. In line with the above, RWE did undertake and perform certain analysis of the materials and information collected.
- 2.04 APEX Technical Report’s Recommendations:

Based on the results of the exploration completed to date on the Rattlesnake Hills Property, favorable geological setting, mapped areas of extensive hydrothermal alteration and the presence of gold and mineralization identified on surface and in drilling, the project is considered to be at an intermediate stage of exploration and is considered a ‘property of merit’ which warrants further exploration.

A phased approach to future exploration at the Rattlesnake Hills Property is recommended. Based upon a preliminary review of the available drill data for Rattlesnake Hills, the authors of the Rattlesnake Report recommend a Phase 1 field program comprising soil sampling, an airborne VTEM geophysical survey paired with detailed geologic and structural mapping. For budgeting purposes, it is estimated that the Phase 1 field program (and subsequent reporting), for the Rattlesnake Hills Project would require an expenditure of approximately US\$393,000.

Dependent on the results of the Phase 1 program described above, it is recommended that a Phase 2 exploration program be conducted at the Rattlesnake Hills Property. The Phase 2 program would include further soil sampling, drilling and metallurgical test work that should be designed to continue the evaluation and development of known mineralized



target areas as well as other previously untested areas of the Rattlesnake Hills Property. A focus of the Phase 2 drilling program should be on expanding and delineating additional zones of oxide mineralization and should include both infill and step-out drilling to provide additional detail to currently drilled mineralized zones and testing of additional high priority mineralized zones.

Further to the field program data compilation and validation should be completed with the ultimate goal of developing an NI 43-101 compliant mineral resource estimate at North Stock and Antelope Basin.

The data compilation and resource work should include the creation of three dimensional geological and structural models in order to further examine the potential controls on specific mineralized zones and to facilitate block modeling. The phase 2 sampling, drilling, metallurgical and resource estimation program is estimated to cost in the region of or approximately US\$1,620,000.

Recommended Phase 1 and 2 Exploration Programs:

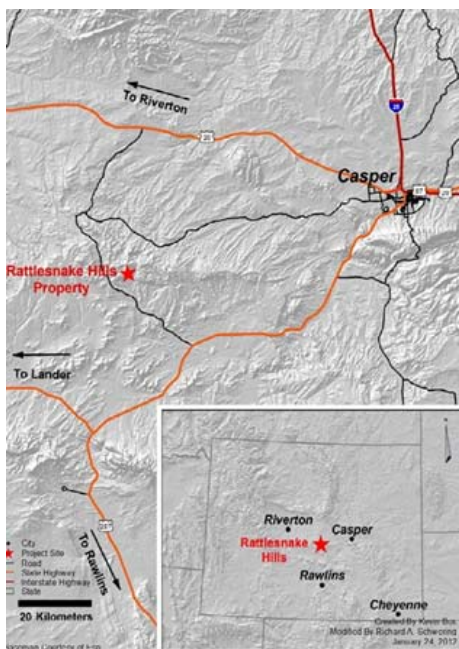
Phase 1

Item	Cost (USD)
Soil sampling and assaying	50,000
VTEM geophysical survey	323,000
Geologic mapping	10,000
Structural study	10,000
Phase 1 Total	393,000

Phase 2

Item	Cost (USD)
Expanded soil surveys and assaying	82,500
Relogging core	25,000
RC drilling (40,000 ft/11,700 m)	961,500
Core drilling (2,000 ft/600 m)	100,000
Drilling assays	331,000
Roads and pads	30,000
Metallurgical work	40,000
NI 43-101 compliant Resource Estimation	50,000
Phase 2 Total	1,620,000

Total Phase 1 and Phase 2	2,013,000
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3.0 Conditions and Restrictions

3.01 The Report is for CPC's Board of Directors and for the Public Company's strategic planning purposes and for discussion with the Private Company. The Report may only be submitted to the B.C. Supreme Court, the TSX Venture Exchange or noted and contained in the Joint Circular.

Only the final signed Report may be used for inclusion in any TSX-V stock exchange submissions or public listing processes in connection with any transactions or as part of the regulatory approval.

3.02 As defined above, any use beyond that defined above is done so without the consent of RWE and readers are advised of such restricted use as set out above.

3.03 As set out in the engagement letter, any use beyond that defined in the engagement letter and here within is done so without the consent of RWE and readers are advised of such restrictions.

3.04 RWE did rely extensively and heavily only on the information, materials and representations provided to it by the Public and Private Companies and management. RWE did apply generally accepted valuation principles to the financial information it did receive from the Company. RWE has assumed that the information which is contained in the Report, is accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Company is aware of. The reader should note that RWE did not attempt to audit the accuracy or completeness of the data and information available – we accepted the data that was provided. In preparing the Report, as per CIMVal Standards, RWE has relied extensively on information, materials, findings and conclusions that were contained in the APEX Technical Report and mineral descriptions and assessments found on GFG-US' Website. We collected data from these sites and relied on their assessments as to the extent and details of the validity and potential of the MRI and AMC properties and mineral rights and assets.

3.05 Should any of the assumptions used in the Report be found to be incorrect, then the valuation and fairness conclusion would be rendered invalid and would likely have to be reviewed in light of correct and/or additional information; which may be materially different.

3.06 RWE's assessments and conclusion is based on the information that has been made available to it. RWE reserves the right to review all information and calculations included or referred to in the Report and, if it considers it necessary, to revise part and/or its entire Report in light of any information which becomes known to RWE during or after the date of this Report.



- 3.07 RWE denies any responsibility, financial or legal or otherwise, for any use and/or improper use of the Report however occasioned.
- 3.08 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.

4.0 Definition of Fair Market Value

- 4.01 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.
- 4.02 With respect to the market for the Company or shares or units of a company viewed "en bloc" there are, in essence, as many "prices" for any business interest as there are purchasers.

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.

- 4.03 In this engagement RWE was not able to expose the Company 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 or greater than the fair market value (assuming the existence of special interest purchasers) outlined in the Report.



As noted above, special interest purchasers might be prepared to pay a price higher than fair market value for the synergies noted above.

5.0 **Scope of Work Conducted**

5.01 In arriving at the assessment and conclusion as to the fair market value of CPC and GFG as at the Valuation Date and the fairness related to the Proposed Transaction from the Crest Resources shareholders point of view, RWE has relied on the following documents and information:

- Answers to various questions from CPC and GFG management in August of 2016. RWE found that GFG management does have a reasonable understanding of the goals/objectives of the Rattlesnake Property and the overall plans and Private Company and the CPC management does have a decent understanding of how to further tactically advance the mineral exploration property as well as the resulting issuer's strategic and tactical development plans.
- CPC and GFG management did not provide any business or other financial projections for any go-forward multi-year period.
- Reviewed CPC's audited 2015 and 2016 financial statements.
- Reviewed Evolving Gold Corp.'s 2009 to 2015 development and exploration efforts related to the Rattlesnake Property and actual costs incurred.
- Reviewed management-prepared GFG-US and GFG financial statements for the period ending June 30, 2015 – 2016. Readers are cautioned regarding these.
- Reviewed the notes to the two companies 2015 and 2016 financial statements.
- Reviewed information on the natural resource, mining and exploration and base mineral markets from such sources as: Kitco Inc., the ScotiaMocatta Metal Matters Monthly Reports, Canadian Mining News, InfoMine, International Council of Mining and Metals, The Economist, U.S. Energy Information Administration and Northern Miner.
- Collected information from www.mineweb.com and with due diligence and information from Bloomsbury Minerals Economics Ltd.
- Reviewed information on the Company's market from such online and offline sources as: Reuters, Datamonitor, Wall Street Journal, NY Times, British Columbia Ministry of Energy Mines & Petroleum Resources and the BC Geological Survey.
- Reviewed financial and stock market trading data on certain comparable firms whose shares are listed for trading on North American Stock exchanges.



- Reviewed financial, stock market trading and resource/reserve data on mining and exploration Company whose shares are listed for trading on the TSX and TSX Venture Exchanges.
- Reviewed certain valuation materials as it relates to mineral properties:
- Bureau of Economic Analysis. Accounting for Subsoil Mineral Resources. Survey of Current Business, February 2000. Found at: <http://www.bea.gov./scb/pdf>.
- Carson, Carol S. 1994. Accounting For Mineral Resources: Issues and BEA's Initial Estimates. (Bureau of Economic Analysis). Found at: <http://www.encyclopedia.com/doc/1G1-15280053.html>.
- De Vera, Benjamin and Bennagen, Ma. Eugenio C. 2000. Philippine Mineral Accounts.
- Environmental and Natural Resources Accounting Project (ENRAP 4). Department of Environment and Natural Resources. Paper presented to the Conference on Resource Accounting and Policy, February 3 and 4, 2000.
- Essentials of Ecosystem Valuation. Found at: http://www.ecosystemvaluation.org/market_price.htm.
- Farzin Y. Hossein. The Effect of the Discount Rate on Depletion of Exhaustible Resources; *The Journal of Political Economy*, Vol. 92, No. 5 (Oct., 1984), pp. 841-851.
- Khanna, Nelia, 2001. On the Economics of Non-Renewable Resources. Found at: <http://www.binghamton.edu.wp/WPO102.pdf>. Accessed date: February 23, 2007
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- Roscoe, William E. Valuation of Mineral Exploration Properties Using the Cost Approach. Found at: http://www.cim.org/mes/pdf/VALDAYBill_Roscoe.pdf.
- Rowthorn, Bob and Gardner Brown. 1999. When a High Discount Rate Encourages Biodiversity. *International Economic Review* 40 (2), 315–332.
- Reviewed and relied extensively on information, materials, findings and conclusions that were contained in the APEX Technical Report and also found within the Joint Circular as well as historical data found on Evolving Gold Corp.'s Website.



- Reviewed all materials provided from responses to RWE's questions.
- Reviewed the Company's documents as provided to us by management as well as documents provided to us by management. Reviewed documentation provided to RWE and contained in our working paper files.
- 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/silver companies can be valued on different categories of resource, measured, indicated, inferred. With regard to companies that are not yet at this stage (i.e., are at the "pre-inferred resources" stage or the "exploration target" stage within NI 43-101 standards) the most difficult task is to ascertain value related to a "prospective" resource in valuing companies which have properties they want to explore (especially high grade veins) where extensive exploration drilling has, or has not, yet occurred.

- Limitation and Qualification:

RWE did review and entirely relied upon the above and the various materials and documentation as outlined above as well as the APEX Technical Report and the Private Company's management verbal presentations to RWE.

RWE has, therefore, relied on these materials and verbal management disclosures with respect to the Private Company's development efforts and expenditures and the nature of the business and mineral exploration.

The reader is also cautioned and advised that RWE did not compile, review and/or audit the Private Company and/or the Private Company's incorporation, its legal background and formation, its shareholder list, its financial statements and any or all financial and/or business obligations.

Specifically, RWE was not provided, nor did RWE review, any audited financial statements and/or any reviewed prepared financial statements for GFG.

RWE did rely on the APEX Technical Report and the disclosures found within Joint Circular. RWE did not visit the Rattlesnake Property and/or its field offices or its businesses or explorations locations as this was not part of the engagement; instead, RWE relied entirely on the APEX Technical Report and the Public Company and the Private Company management's joint public disclosures.

- The reader should note that access to additional information and outside sources may have resulted in a different valuation conclusion, and such conclusions may have been materially different.



6.0 Assumptions

6.01 In determining the fair market value of CPC and of GFG (including the Rattlesnake Property) and in preparing this Fairness Opinion Report, RWE has made certain critical assumptions:

- (a) As at the Valuation Date, the assets of the Private Company (including its subsidiaries) are as noted in the Report and there are no material liabilities related to these entities and/or CPC or to any of CPC and/or GFG's shareholder ownership; all of which is based entirely from Private Company and Public Company management.
- (b) As at the Valuation Date all assets and liabilities of both CPC and GFG (and all subsidiaries) have been recorded in their respective accounts and financial statements and follow IFRS.
- (c) Audits of both GFG and GFG-US's financial statements for the periods ended June 30, 2015 and 2016; and a re-auditing of CPC's May 31, 2016 financial statements would not result in any material changes to any of the stated financial statements and disclosures provided to RWE.
- (d) There is no material change in the financial position of either CPC and/or GFG (and all subsidiaries) between the date of all of the provided financial statements and the Valuation Date and the closing of the Proposed Transaction unless noted in the Report.
- (e) The prepared consolidated GFG financial statements – i.e., the prepared combined balance sheet – is 100% accurate and complete and reflects the true financial position of GFG as at or before the closing of the Proposed Transactions.
- (f) The book value of CPC and GFG's assets at the Valuation Date equaled their fair market value unless otherwise noted and adjusted in the Report.
- (g) CPC and/or GFG (all subsidiaries) and all directors and management have no litigations, or balance sheet, or off-balance sheet, liabilities and that the current cash balance in combined GFG bank account is sufficient for a going concern assumption of GFG.
- (h) The go-forward tax rate related to the Public Company is 40% and there is no value to any loss carry forwards for CPC and/or for GFG.
- (i) The Private Company (and all subsidiaries) have satisfactory title to all of its assets; i.e., its assets and there are no liens or encumbrances on such assets nor have any assets been pledged in any way unless otherwise disclosed by the Private Company.
- (j) GFG and GFG-US have complied with all shareholder, corporate governance,



government taxation and regulatory practices as well as all aspects of its contractual agreements that would have an effect on the Private Company and the Report, and there are no other material agreements entered into by the Private Company that are not disclosed in the Report that would have an effect on the assets of GFG.

- (k) The Private Company and all of its related parties and their principals had no contingent liabilities, shareholder actions, and/or claims, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against the Private Company's assets, that are not clearly stated and included in the Report that would affect the Report.
- (l) All conditions precedent to the closing of the Proposed Transaction have, or will be, as concluded in the [Joint Circular](#), as at or after the closing of the Proposed Transaction and the Proposed Transaction is completed without any material changes to the Plan of Arrangement/Arrangement Agreement.
- (m) There are certain stated "GFG-US conditional dilutive events" that will be the responsibility of CPC. These will be based on certain timeframes and/or events happening in the future. Given this, RWE considered and calculated the effect of such possible issuances in the future from CPC as follows:
 - i. There is an additional share consideration of 550,000 common shares of GFG-US payable on or before February 6, 2017 to Endurance Gold Corporation. These additional shares have been added in and included in the Fairness Consideration and Calculation in Schedule 11.0 as they will be likely issued by February 6, 2017.
 - ii. Upon drilling of a Discovery Hole on the Endurance Claims prior to October 8, 2022, GFG-US will issue to Endurance Gold Corporation a further 375,000 common shares. As management has indicated this is likely in the Phase 2 Work Program of the APEX Technical Report (which is budgeted for), RWE have included these additional shares in the Fairness Consideration and Calculation in Schedule 11.0.
 - iii. If GFG-US is unsuccessful in making significant progress towards completing the Going Public Transaction on/or before February 15, 2016, Given this, GFG-US issued 200,000 common shares of GFG-US to Evolving Gold Corp. (issued at a value of \$50,000). These shares were issued to Evolving Gold and hence were included.
 - iv. Upon delivering a NI 43-101-compliant resource exceeding 500,000 ounces of gold at the Endurance Claims prior to October 8, 2022, GFG-US will issue to Endurance Gold Corporation a further 375,000 common shares. Given uncertainty as to whether such findings will happen, or the timeframe as to when such findings will occur, these shares have not been included in



the Fairness Consideration and Calculation in Schedule 11.0.

v. Upon delivering a NI 43-101-compliant resource exceeding 1.0 million ounces of gold at the Rattlesnake Property prior to July 28, 2019, GFG-US will issue to Evolving Gold Corp. a further 1,500,000 common shares. Given uncertainty as to whether such findings will happen, or the timeframe as to when such findings will occur, these shares have not been included in the Fairness Consideration and Calculation in Schedule 11.0.

(n) There will be no unforeseen and/or material negative tax consequences to CPC's shareholders through the closing of the Proposed Transaction. Full withholding taxes will be required to be withheld by GFG in connection with the share exchange effected under the Share Exchange Agreement.

(o) Any further financing, if needed by CPC in the future – will be on normal market rates and terms and conditions at the time and not based on any non-standard highly dilutive basis – not contemplated as at the Valuation Date.

(p) The CPC Board is not aware of any other facts or data involving the Proposed Transaction or any other matter that would have any material effect on the conclusions in the Report that has not been provided to RWE.

6.02 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. Reader caution - additional information may have resulted in material changes to the valuation and fairness conclusions in the Report; and such value changes may be material.

7.0 Valuation Methodologies

7.01 The first stage in determining which approach to utilize in valuing business assets or a company is to determine whether the assets or the company is a going concern or whether it should be valued based on a liquidation assumption. Assets or a business is deemed to be a going concern if it is both conducting operations at a given date and has every reasonable expectation of doing so for the foreseeable future after that date. If a company is deemed to not be a going concern, it is valued based on a liquidation assumption.

7.02 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.

Where there is evidence of open market transactions having occurred involving the shares, or operating assets, of a business interest, those transactions may often form the basis for establishing the value of the company.

In the absence of 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.

- 7.03 The Income/Cash Flow Approach is a general way of determining a value indication of assets or a business (or its underlying assets), using one or more methods wherein a value is determined by capitalizing or discounting anticipated future benefits.

This approach contemplates the continuation of the operations, as if the business is a “going concern”.

- 7.04 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 businesses, business ownership interests and securities (investments) that have been sold. Examples of methods applied under this approach include, as appropriate: (a) the “Guideline Public Company Method”, (b) the “Merger and Acquisition Method”; and (c) analyses of prior transactions of ownership interests in the subject entity.

- 7.05 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 material, labor and overhead costs, indirect administrative costs, and all forms of obsolescence applicable to the asset.

- 7.06 The Asset-Based Approach is adopted where either: (a) liquidation is contemplated because the business is not viable as an ongoing operation; (b) the nature of the business is such that asset values constitute the prime determinant of corporate worth (e.g., vacant land, a portfolio of real estate, marketable securities, or investment holding company, etc.); or (c) there are no indicated earnings/cash flows to be capitalized.

If consideration of all relevant facts establishes that the Asset-Based Approach is applicable, the method to be employed will be either a going-concern scenario (“Adjusted Net Asset Method”) or a liquidation scenario (on either a forced or an orderly basis), depending on the facts.



7.07 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.

8.0 Valuation Method Used

8.01 Standards Approach

Mining industry standards and guidelines for valuations and valuation reports are found in the Canadian Institute of Mining, Metallurgy and Petroleum Standards and Guidelines for Valuation of Mineral Properties (“CIMVal”) published in February, 2003 (www.cim.org). CIMVal consists of two parts, Standards and Guidelines. The Standards are mandatory and must be followed in order for a valuation to be CIMVal compliant. The Guidelines in CIMVal are not mandatory, but are strongly recommended.

The TSX-V Stock Exchange notes that, *“CIMVal Standards be used by public companies and their professional advisors when preparing valuations and valuation reports on mineral properties. The CIMVal Guidelines should be followed by Issuers and their professional advisors in preparing valuation reports on mineral properties, with the exception that the valuation methods and guidelines must be followed.*

“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.”*

8.02 Overview of Methods Considered and Used

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 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, labor 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. Per above, in this analysis no discount or premium to historical development costs was utilized.



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 mineral assets.

Given the approaches of valuation outlined above as well as the above section, it is the view of the authors of the Report that that the most appropriate method in determining the range of the fair market value of CPC is a weighted method of considering:

- (a) The adjusted tangible asset backing of CPC; and
- (b) Trading price history of CPC.

Given the approaches of valuation outlined above as well as the above section, it is the view of the authors of the Report that that the most appropriate method in determining the range of the fair market value of GFG (including all subsidiaries) is a weighted method of considering:

- (a) The adjusted book value of a consolidated GFG balance sheet (after undertaking a Modified Appraised Value Approach); and
- (b) considering the historical transaction involving GFG and GFG-US.

8.03 Mineral Assets – Stage of Maturity – GFG-US Rattlesnake Property

RwE reviewed the Rattlesnake Property and the exploration and technical work done to date. RwE compared the work done with other firms doing exploration and technical work within the mineral exploration fields and found that mineral assets and mineral securities can be defined by their level of 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.

It is RwE’s opinion, and the APEX Technical Report, the vast majority of the GFG-US Rattlesnake falls within (i).



8.04 The reader should note that RWE also attempted to use a variety of other traditional and acceptable valuation approaches (e.g., comparable transactions, relief from royalty, etc.). In this regard, RWE considered all valuation approaches but were unable to use any of them as there was either a lack of data and information available or such information was not certain and/or detailed enough and/or relevant to use.

9.0 Valuation of Crest Petroleum Corp and GFG Resources Inc.

9.01 RWE has undertaken to assess and calculate the value of CPC and GFG. This work is outlined in Schedules 1.0 to 10.0 below.

9.02 Crest Petroleum Corp.

Schedule 1.0 indicates the Balance Sheet of CPC as at May 31, 2016.

9.02.1 Adjusted Tangible Asset Backing Approach

In determining the underlying value of the shares of an entity, it is often important and useful to view the adjusted tangible asset backing as at the Valuation Date. Valuation theory holds that the value of a firm's tangible assets affects a purchaser's analysis of the risk inherent in investing in that firm.

Tangible asset backing is defined as the aggregate fair market value of all tangible and identifiable intangible assets of a business, where the latter have values that can be separately determined under a going-concern assumption, minus all liabilities. Valuation theory holds that tangible asset backing is relevant, given the higher tangible asset backing, generally the higher the value of a firm.

With regard to CPC, RWE took the tangible asset backing and adjusted it by adding in the notional value attached to being a TSX-V public company. In doing that, RWE calculated the adjusted tangible asset backing in Schedule 2.0.

Given the status of CPC, its cash position, its efforts to find deals, the exploration focus of its business, there is clear evidence that one method to determine the value of CPC is to simply use its adjusted tangible asset backing as there is likely little intangible goodwill.

In doing this work, RWE found the Adjusted Tangible Asset Backing to be in the range of C\$370,0000.

9.02.2 Trading Price Approach

In arriving at the fair market value of the CPC shares under the Trading Price Method, RWE considered the average trading price of CPC over the 10 days, 30 days, 60 days and 90+ days preceding the Valuation Date.



This extended period of trading data was considered so as to provide a timeframe where limited short-term market spikes or rises would be dramatic and so that reasonable trading prices and volumes could be measured and utilized. Given the CPC shares have historically traded in not significant volumes, the authors of the Report deemed it prudent to use an average of 10, 30, 60 and 90+ (90-364) trading days since it does represent the actual ability of shareholders to realize cash for their shares (i.e., sell) or the short and longer-term. Under the Trading Price Method, RWE found that the indicated value of CPC was in the range of C\$1.1 million. The reader is advised to refer to Schedule 3.0 for more details.

9.02.3 Weighted Valuation Approach

After conducting the above work in Schedules 1.0 through 3.0, RWE determined it was appropriate to apply a weighting and/or sensitivity to the Adjusted Tangible Asset Backing Approach and the Trading Price Approach. In our view, an acquirer of may very well look at all of these methods in accessing a purchase price and hence made weighting the approaches reasonable.

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 market value of CPC, at the Valuation Date, is in the range of C\$500,000 to C\$700,000; if asked to provide a specific number we would conclude it to be C\$600,000. This work is shown in Schedule 4.0.

9.03 *GFG Resources Inc. (all subsidiaries)*

Schedule 5.0 indicates the Balance Sheet of a consolidated GFG as at June 30, 2016. Schedule 6.0 indicates the Tangible Assets Backing of consolidated GFG as at June 30, 2016.

9.03.1 Modified Appraised Value Approach (then Adjusted Book Value Approach)

Mineral exploration properties are those on which an economically viable mineral deposit has not yet been discovered. Such properties are bought, sold, optioned and joint ventured on the basis of their perceived potential for the existence and discovery of a viable mineral deposit.

This Appraised Value method uses a cost approach to value exploration properties.

It is based on the premise that an exploration property is worth a percentage of the meaningful past exploration expenditures plus some percentage of the warranted future costs to test remaining exploration potential. A modified appraised value approach only considers historical costs and expenditures.



Results of past exploration work are analyzed in order to retain only those past expenditures that are productive in terms of identifying remaining potential and then only a percentage of such expenditures makes sense for fair market value. Warranted future costs comprise a reasonable exploration budget to test that potential.

The Appraised Value Method is based on the premise that the real value of an exploration property or a marginal development property lies in its potential for the existence and discovery of an economic mineral deposit.

The Modified Appraised Value Method assumes that the amount of exploration expenditure justified on a property is related to its value. The cost approach is given some validity by the fact that option agreements on mineral properties are often based on expenditures required to “earn an interest”.

There is also often a reference to past exploration expenditures in option agreements, which can be related to value of the residual interest of the optionee. The Appraised Value Method is described in papers by Roscoe (1986, 1988, 1994, 1999), Agnerian (1996a), Thompson (1991) and Lawrence (1989, 1998).

An important element of this method, which is often overlooked in its application, is that only a percentage of those past expenditures which are considered reasonable and productive are retained as value. Productive means that the results of the work give sufficient encouragement to warrant further work by identifying potential for the existence and discovery of an economic mineral deposit.

Warranted future costs comprise a reasonable exploration budget to test the identified potential, which can be geophysical or geochemical anomalies, or promising showings or mineralized zones already identified. As noted previously, if exploration work downgrades potential, it is not productive and its cost should not be retained as value or should be reduced.

Obviously, if the property is considered to have negligible exploration potential, it has little or no value. Past expenditures are usually analyzed on an annual basis, using a NI 43-101 type expert or other technical expertise to assess which expenditures to retain and which to reject in terms of identifying remaining exploration potential. In times of high inflation, past expenditures are escalated to the effective date of valuation or current unit costs are applied to the work retained.

Usually little of the expenditures more than five or so years prior to the effective valuation date are retained. In the case of dual or multiple property ownership, the Appraised Value of the whole property is determined first. Then the value is apportioned to one or more of the property owners.

During an option or earn-in period, the property interests of each party are assumed to be the final earned interests. Some properties carry a royalty, commonly as a net smelter



return or net profits interest. Such royalties are deducted as a pro rata percentage from the Appraised Value apportioned to the non-royalty holder.

This is done to recognize the existence of the royalty and is not meant to imply a value for the royalty. In some cases, it may be necessary to differentiate between a net smelter return and net profits interest royalty by using a higher percentage for the former relative to the latter.

The derivation of an Appraised Value by adding a percentage of the retained past expenditures to a percentage of the warranted future costs should be thought of as an exercise to determine the cost of an exploration 'play' on a property, which is considered to be the Appraised Value. It should not be thought of in terms of who pays for the future exploration program, although it is similar to the earn-in aspect of some option agreements.

The Appraised Value Method is best applied to properties which are actively or are very shortly going to be explored. The key to the valuation of "to be explored" or "inactive" properties is a realistic assessment of the remaining exploration potential, which could be in the form of untested targets, potential to increase the grade or tonnage of the existing resource, or potential for development or potential with changes in technology or economic conditions.

RwE carefully considered the amount of historical expenditures that were conducted on strictly exploration work (administrative and other costs were removed). RwE also had to consider that although a material amount of monies had been spent on the Rattlesnake Property historically (over a long time) that in July of 2015 it was acquired by GFG-US in an arms' length transaction for US\$2.1 million (\$1.6 million in cash and \$500,000 in stock). GFG also paid US\$150,000 cash and 1.4m shares valued at US\$350,000 to Endurance Gold for its portion of the Rattlesnake Property.

Hence, these exploration and financial realities also means that such work has fair market value related to it that is less than the actual costs incurred on such projects and properties. Coupled with this, is the fact that fair market value would only relate to geotechnical and exploration and mining work conducted over the past ten years as such work represents building mineral and fundamental value that may still be able to be realized at today's date and in the foreseeable future. The Rattlesnake Property has no historical mineral resource or mineral reserve estimates for gold/silver mineralization; though there is mining work undertaken in the area and region. There has been fairly extensive mapping, numerous surface samples have been collected from the Rattlesnake Property and there has been a certain amount geophysical surveying has been conducted and drilling.

Given that GFG and GFG-US management has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, GFG has not yet generated cash flows from its operations. As at June 30, 2016, GFG-US has an



accumulated deficit in excess of US\$1.0 million from 2015 and 2016 and working capital of around US\$3.4 million, which looks like it will be sufficient to support GFG's needs for cash during the coming year. In addition, GFG may require additional funding to be able to advance exploration and to meet ongoing requirements for general operations.

When one considers all of the above, it is fair to apply certain discount percentages to Evolving Gold Corp.'s and GFG-US' previous exploration and development work from 2009 to the Valuation Date. In undertaking this work, RWE has assessed the likely fair market value of the Rattlesnake Property and mineral rights under the Modified Appraised Value Approach was in the range of US\$2.4 million to US\$2.9 million. Schedule 7.0 outlines the specific work undertaken and all of the adjustments made to get to the Modified Appraised Value Method. After this, RWE then inserted this identifiable intangible asset on the consolidated balance sheet of GFG and hence adjusted the book value of GFG as at the Valuation. This work is shown in Schedule 8.0 and one arrives at an Adjusted Book Value of GFG is in the range of US\$6.1 million to US\$6.6 million.

9.03.2 Historical Transactions Approach

Given the 2015 and 2016 investments in GFG-US (all at US\$0.25 per share) and the guidelines surrounding valuation theory, RWE deemed it important to consider the implied value of the Private Company's "historical transactions" in determining the fair market value of GFG (a non-arms' length party) as well as investments in 2016 into GFG at US\$0.25 per share. All of these have to be factored into the Private Company as at the Valuation Date given that they are material and represent a fair size percentage of GFG-US and GFG. RWE placed a weighting on the GFG-US and GFG transactions (on a 60%/40% and 50%/50% basis) when calculating the fair market value of GFG using this historical transactions approach. Using this approach results in a calculated value in the range of US\$6.5 million to US\$6.9 million. However, given the implied value of the historical transactions relative to the fundamental value method (i.e., a modified appraised value approach) - RWE deemed it reasonable to weight both valuation approaches in a balanced mannered. The reader should refer to Schedule 9.0.

9.03.3 Weighted Valuation Approach

After conducting the above work in Schedules 5.0 through 9.0, RWE determined it was appropriate to apply a weighting and/or sensitivity to the Modified Appraised Value Approach (then Adjusted Book Value) and the Historical Transactions Approach.

In our view, an acquirer of may very well look at all of these methods in accessing a purchase price and hence made weighting the approaches reasonable. In undertaking the above described valuation approaches, it was apparent that based on and subject to all of the foregoing, it is reasonable for RWE to outline that the fair market value of GFG, at the Valuation Date, is in the range of US\$6.2 million to US\$6.8 million; if asked to provide a specific number we would conclude it to be US\$6.5 million. This work is shown in Schedule 10.0.



10.0 Fairness Considerations for Crest Petroleum Corp.

10.1 Introduction

The fairness of the Proposed Transaction for the CPC shareholders is tested by:

- i. assessing the financial statements of CPC and consolidated GFG (including all related parties), at the time of the completion of the Proposed Transaction;
- ii. calculating whether the fair market value of the shares held in CPC post-Proposed Transaction (i.e., the “Resulting Issuer”) by CPC’s existing pre-Proposed Transaction shareholders is in at least a comparable range upon completion of the Proposed Transaction as the fair market value of their holding of CPC shares prior to the Proposed Transaction; and
- iii. 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) aspects of the closing process.

This section calculates the fair market value of the Resulting Issuer upon completion of the Proposed Transaction.

10.2 Fair Market Value of CPC attributed to one (1) common share – PRE-Proposed Transaction

The fair market value of one (1) common share of CPC (on a PRE-Proposed Transaction basis) as at the Valuation Date was calculated to be in the range of US\$0.098.

The reader is advised to refer to Schedule 11.0 – Fairness Calculations regarding the Proposed Transaction.

10.3 Fair Market Value of one (1) common share of the Resulting Issuer – POST-Proposed Transaction

RwE has calculated the fair market value of the Resulting Issuer on a POST-Proposed Transaction basis in order to compare the difference in fair market value of CPC shareholders’ interest in the Resulting Issuer (on a PRE-Proposed Transaction basis) as at the Valuation Date compared to one share of CPC on a PRE-Proposed Transaction basis.

The reader is advised to refer to Schedule 11.0 – Fairness Calculations regarding the Proposed Transaction.



First, the fair market value of the Resulting Issuer (Post – Proposed Transaction) is calculated by:

- 1) Adding the fair market value of GFG as at the Valuation Date.
- 2) Adding the fair market value of GFG being acquired by CPC as per the terms and conditions of the Letter-of-Intent as at the Valuation Date.
- 3) Point 1) above – also includes within GFG (on a PRE-Proposed Transaction basis) the net proceeds of its recent US\$3.7 million financing) undertaken previous to the closing of the Proposed Transaction.
- 4) Deducting the estimated costs of the Proposed Transaction.

This is then examined against the increased number of shares that would be issued on a post consolidation and a POST-Proposed Transaction basis to the Resulting Issuer through the combination of CPC and GFG and the underlying assets of CPC and the assets and overall Rattlesnake Property, exploration and mineral assets.

All of this is shown in Schedule 11.0. Overall, the fair market value of CPC and GFG that creates the Resulting Issuer upon the closing of the Proposed Transaction is estimated to be in the range of:

- US\$0.171 per share.

Given the terms of the Proposed Transaction, the CPC shareholders will have equal or more value per share POST-Proposed Transaction, than PRE-Proposed Transaction.

11.0 Overall Fairness Conclusions

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 are fair, from a financial point of view, to the shareholders of CPC.**

There are a number of additional qualitative factors associated with the completion of the Proposed Transaction that the CPC shareholders might consider in determining the overall fairness of the Proposed Transaction.

In assessing the fairness of the Proposed Transaction to the shareholders of CPC, RWE has considered, *inter alia*, the following:

1. Comparison of the fair market value of CPC prior to completion of the Proposed Transaction, to the fair market value, on a pro-forma basis, of the CPC shareholders' holdings in the Resulting Issuer (i.e., their pro rata ownership interest) on a POST-Proposed Transaction basis.



2. Other potential benefits that may be realized subsequent to the completion of the Proposed Transaction include possible synergies between CPC and GFG. RWE has not attempted to quantify these additional qualitative potential benefits.

Certain additional potential benefits are as follows:

- i. Ability to look for new, more public market interested exploration and development projects and businesses separately that can be of more overall value and financial interest.
- ii. Private placements remain difficult for firms that have not developed positive cash flows over the extended period that GFG has operated.
- iii. Terms and conditions do not appear as favorable to such companies as at the Valuation Date as they once did. More than ever, focused exploration versus development properties need to be separated and rated differently.
- iv. The dilution related to exploration versus development work now tied directly to monies raised for each area of work or investment.
- v. Private placements remain a viable financing option for more senior and strong middle-tier companies, especially those with a focus on precious metals; however, typical deal structures and terms are changing.
- vi. Terms and conditions do not appear favorable to junior mining and exploration companies.
- vii. CPC's cash position (compared to GFG) provides needed funds and a true commercial scale project.
- viii. GFG can complete its Phase 1 and 2 exploration and technical work that needs to be done on the Rattlesnake Property in a timely manner given it has the capital already on-hand.
- ix. The material financings already secured by GFG prior to the close of the Proposed Transaction.
- x. Ongoing capital market conditions and results in Canada, the U.S. and Europe resource sectors indicate likely semi-depressed and still possible slower-than expected recovering junior exploration capital markets - making capital raising much more difficult for firms that are still doing difficult and extended exploration and mineral discovery work or are just public entities.

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 CPC.



12.0 Qualifications and Independence

- 12.01 The Report preparation was carried out by Mr. Richard W. Evans, MBA, CBV, ASA and was supported by certain qualified staff members of RWE.

RWE Growth Partners, Inc. is a specialized group of seasoned professionals providing strategic and tactical assurance and advisory financial services, as well as capital, to firms in a select set of industries.

We focus on “helping companies grow” by first understanding your current and projected needs and finding practical business and financial solutions. The Company’s background is full described on its corporate website: www.rwegrowthpartners.com.

Since 1993 Richard W. Evans has been involved in the financial services and management consulting fields and has been involved in the preparation of over 2,000 technical and assessment reports, business plans, business valuations, and feasibility studies. Richard Evans is the principal of RWE Growth Partners, Inc.

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, marketing, project manager, channels management and senior management positions.

Prior to focusing on expanding and diversifying a small financial consulting firm in Western Canada, 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 C\$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.

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 industrial and technology companies, especially firms needing advice and assistance with mergers and acquisitions, operating plans and their valuations.



Richard has conducted and 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, the U.S., China and Australia as well as for the Family Court in B.C.

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.

- Bachelor of Administration, Simon Fraser University, 1981
- Specialization in Business and Marketing
- Masters Degree in Business Administration (MBA), University of Portland, 1984
- Specialization in High Technology
- Graduated with Honors - Beta Gamma Sigma (Graduated Top 10% of Class)
- Chartered Business Valuator, Canadian Institute of Chartered Valuators, 2001
- Accredited Senior Appraiser, American Society of Appraisers, 2008

Corporate, public company and transaction-based resource industry valuations performed by RWE during past few years:

CIC Resources Inc.	Sandstorm Resources Inc.	Luna Gold Corp.
Selkirk Metals Corp.	Lowell Mineral Exploration	Cosigo Resources Inc.
Sino Coking	Horseshoe Gold Mining, Inc.	Able Trust Inc.
Terra Mining Corp.	Imperial Metals Corp.	Batero Gold Corp.
Columbus Gold Corp.	Western Mountain Index	Sandstorm Metals & Energy
Hutton Capital Corp.	East Asia Minerals	Canex Minerals Inc.
Confederation Minerals	Virginia Energy Resources	Athabasca Basin Minerals



Richard is extensively involved in sports coaching management and volunteer work throughout BC helping young adults and volunteer associations.

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 the American Society of Appraisers.

RwE was paid a professional fee plus out-of-pocket disbursements for the preparation of the Report and was paid at the time of initiation and completion of the work and compensation was not based on any transaction(s) occurring or event(s).

The fee established for the Report has not been contingent upon the value or other opinions presented.

RwE and I have performed no (or the specified) services, as a valuator/ appraiser or in any other capacity, regarding CPC and/or GFG-US within the two-year period immediately preceding acceptance of this Engagement.

The authors of the Report have no present or prospective interest in CPC, GFG, GFG-US and/or the Resulting Issuer and/or any entity/company/individual that is the subject of this Report, and we have no personal interest with respect to any of the parties involved.

Yours very truly,

RwE GROWTH PARTNERS, INC.



Richard W Evans, MBA, CBV, ASA
Principal

Office: (778) 373-5432

E-Mail: rwevans@rwegrowthpartners.com

Chartered Business Valuator – Canadian Institute of Chartered Business Valuators
Accredited Senior Appraiser – American Society of Appraisers



RwE GROWTH PARTNERS, INC.

Crest Petroleum Corp.
Consolidated Balance Sheet
as at as at May 31, 2016 and February 29, 2016

Schedule 1.0

Canadian Dollars	May 31, 2016	February 29, 2016
	<u>Mgt. Prepared</u>	<u>Audited-MNP</u>
Assets		
<i>Current</i>		
Cash and cash equivalents	104,385	104,807
Prepaid expenses	7,000	8,218
	<u>111,385</u>	<u>113,025</u>
<i>Other and Capital Assets</i>		
Exploration and evaluation assets	-	-
Other - Intangible Assets	-	-
	<u>-</u>	<u>-</u>
Total Assets	<u><u>111,385</u></u>	<u><u>113,025</u></u>
Liabilities		
<i>Current</i>		
Trade and other payables	17,176	15,111
Other	-	-
	<u>17,176</u>	<u>15,111</u>
<i>Non-Current</i>		
Loans	-	-
Other	-	-
	<u>-</u>	<u>-</u>
Total Liabilities	<u><u>17,176</u></u>	<u><u>15,111</u></u>
Shareholders' Equity		
Share capital	692,508	692,508
Reserves	45,600	45,600
Accumulated deficit	(643,899)	(640,194)
Stated Book Value	<u>94,209</u>	<u>97,914</u>
Total Liabilities & Shareholders' Equity	<u><u>111,385</u></u>	<u><u>113,025</u></u>

Crest Petroleum Corp.
Adjusted Tangible Asset Backing
as at Valuation Date

Schedule 2.0

Canadian Dollars	May 31, 2016 Book Value	Adjustment	TAB as at Valuation Date	Note
Assets				
<i>Current</i>				
Cash and cash equivalents	\$104,385		\$104,385	
Prepaid expenses	\$7,000		\$7,000	
	\$111,385		\$111,385	
<i>Current Liabilities</i>				
Trade and other payables	\$17,176		\$17,176	
Working Capital Position	\$94,209		\$94,209	
<i>Other and Capital Assets</i>				
Exploration and evaluation assets	\$0		\$0	
Other - Intangible Assets	\$0	\$275,000	\$275,000	1
	\$0		\$275,000	
<i>Other Liabilities</i>				
Loans	\$0		\$0	
Other	\$0		\$0	
	\$0		\$0	
Assets Less Liabilities	\$94,209		\$369,209	
Tangible Asset Backing			\$370,000	
Tangible Asset Backing, say			\$ 370,000	

Notes

- 1** RWE added the value of CPC being a company listed for trading on the NEX of the TSX-V Exchange. RWE found costs to list companies at between C\$250,000 and C\$300,000 and believed a mid-point of C\$275,000 was realistic to assign as value of being listed. This includes the fact that such a process is often between six to twelve months.

Crest Petroleum Corp.
Trading Price Method
as at the Valuation Date

Schedule 3.0

Trading Volume	Average
10-Days Preceding	Nil
30-Days Preceding	Nil
60-Days Preceding	Low
90-Days Preceding	Low

Trading Price	Minimum	Weighted Average	Maximum
10-Days Preceding	\$0.210	\$0.210	\$0.210
30-Days Preceding	\$0.210	\$0.210	\$0.210
60-Days Preceding	\$0.015	\$0.210	\$0.210
90+-Days Preceding	\$0.360	\$0.400	\$0.420

Total Shares Issued and Outstanding	4,750,000
--	------------------

Market Capitalization Based on Average Share Price - C\$			
Days Preceding the Valuation Date			
10	30	60	90
\$1,000,000	\$1,000,000	\$1,000,000	\$1,900,000

	Low	High
Indicated Value, say	\$1,000,000	\$1,200,000

Crest Petroleum Corp.
WEIGHTED VALUATION APPROACH
as at the Valuation Date

Schedule 4.0

Low Range

<i>Method</i>	<i>Fair Market Value</i>	<i>Weighting</i>	<i>FMV</i>
Adjusted Tangible Asset Backing	370,000	70%	259,000
Trading Price Method	1,000,000	30%	200,000
Fair Market Value, say			500,000
		100%	

High Range

<i>Method</i>	<i>Fair Market Value</i>	<i>Weighting</i>	<i>FMV</i>
Adjusted Tangible Asset Backing	370,000	30%	222,000
Trading Price Method	1,200,000	70%	480,000
Fair Market Value, say			700,000

Fair Market Value, midpoint: 600,000
in Canadian dollars

GFG Resources Inc.
Created Consolidated Balance Sheet
as at August 15, 2016

Schedule 5.0

United States dollars

August 15, 2016

Adjusted/Estimated

RwE consolidated

Assets	
<i>Current</i>	
Cash and cash equivalents	3,791,791
Restricted cash	15,000
Prepaid expenses	33,743
	<u>3,840,534</u>
<i>Other and Capital Assets</i>	
Long-term deposit	10,000
Rattlesnake Property and Mineral Assets - Adjusted to FMV	-
Reclamation bond	286,000
	<u>296,000</u>
	<u>4,136,534</u>
Total Assets	<u>4,136,534</u>
Liabilities	
<i>Current</i>	
Trade and other payables	307,858
Restoration and environmental obligations	25,000
	<u>332,858</u>
<i>Non-Current</i>	
Deferred income tax liability	-
Other	-
	<u>-</u>
	<u>332,858</u>
Total Liabilities	<u>332,858</u>
Shareholders' Equity	
Adjusted Share capital	4,597,421
Reserves	162,126
Reserve for share based payments	
Accumulated other comprehensive income	
Deficit	(955,871)
	<u>3,803,676</u>
Total Liabilities & Shareholders' Equity	<u>4,136,534</u>

GFG Resources Inc.
Tangible Asset Backing
as at Valuation Date

Schedule 6.0

United States dollars	Adjusted/Estimated August 15, 2016 Book Value	Adjustment	TAB as at Valuation Date	Note
Assets				
<i>Current</i>				
Cash and cash equivalents	\$3,791,791		\$3,791,791	
Restricted cash	\$15,000		\$15,000	
Prepaid expenses	\$33,743		\$33,743	
	<u>\$3,840,534</u>		<u>\$3,840,534</u>	
<i>Current Liabilities</i>				
Trade and other payables	<u>\$307,858</u>		<u>\$307,858</u>	
Working Capital Position	<u>\$3,532,676</u>		<u>\$3,532,676</u>	
<i>Other and Capital Assets</i>				
Long-term deposit	\$10,000		\$10,000	
Reclamation bond	<u>\$286,000</u>		<u>\$286,000</u>	
	<u>\$296,000</u>		<u>\$296,000</u>	
<i>Other Liabilities</i>				
Restoration and environmental obligations	\$25,000	75,000	\$100,000	1
Other	\$0		\$0	
	<u>\$25,000</u>		<u>\$100,000</u>	
Assets Less Liabilities	<u>\$3,803,676</u>		<u>\$3,728,676</u>	
Tangible Asset Backing			<u>\$3,730,000</u>	
Tangible Asset Backing, say			<u>\$ 3,730,000</u>	

Note

1 RWE adjusted to reclamation work to likely costs based on review of file; hence now equal to FMV.

F&G Resources Inc.
COST APPROACH - MODIFIED APPRAISED VALUE METHOD
as at the Valuation Date

Schedule 7.0

Rattlesnake Hills Project - conducted by Evolving Gold Corp. from 2009 to 2015

Property Highlights

Drilling

- 228 drill holes totalling over 76,800 meters of drilling has been completed to date
- Total of 93 drill holes completed in 2008 and 2009, for a total of 36,154 meters
- 25,600 meters drilled in 2010 - assays pending for some holes
- 60% of 2010 drilling as infill and expansions of known mineralized zones
- 40% of 2010 drilling on up to six new exploration targets
- 24 holes and 8,193 meters drilled in 2011
- New drill targets identified for upcoming drill program

North Stock Zone

- RSC- 003 146.3 meters @ 2.92 gpt Au
- RSC-020 67.1 meters @ 10.80 gpt Au
- RSC-089 158.5 meters @ 2.64 gpt Au

Summer 2012 - Work Program

- RSC-006 14.3 meters @ 2.21 gpt Au
- RSC-027 35.1 meters @ 1.74 gpt Au
- RSC-027 30.5 meters @ 1.89 gpt Au

Geology

- Alkalic gold system with potential for a multi-million ounce gold deposit
- Multiple phases of gold mineralization
- Multiple porphyry targets, including southeast porphyry zone
- Supported by alteration and distribution of mineralization
- Mineralized porphyry dikes -- 30.5m at 1.89 gpt Au, including 15.2m at 3.11 gpt Au
- Deep stockwork mineralization with grades to 8.2 gpt Au

Antelope Basin

- RSC-019 163.1 meters @ 1.25 gpt Au
- RSC-042 76.2 meters @ 1.70 gpt Au
- RSC-078 76.2 meters @ 1.77 gpt Au

1980s: American Copper and Nickel (ACNC) drilled a series of shallow (nothing deeper than 500 feet) reverse circulation holes along a Precambrian massive sulfide horizon, and in the Antelope Basin target. They showed limited surface mineralization in the massive sulfide horizon, and continuous moderate gold in Antelope Basin down to about 300 feet below surface.

1990s: Newmont drilled 2 diamond core and 12 reverse circulation holes in the North Stock target, and 1 reverse circulation at a target called Eureka Peak. About half of the North Stock holes showed moderate to strong gold, with occasional high grade. The Eureka Peak hole did not have significant results.

2008: EVG drilled 15 diamond core holes (RSC-001 thru RSC-015), with 1 at Antelope Basin, 1 toward South Stock, and 13 at North Stock. The purpose of most holes was to prove successes by Newmont and ACNC at North Stock and Antelope Basin. At North Stock, holes were also drilled deeper, as many Newmont holes ended in grade. Also, by using diamond core, EVG saw a net increase in gold grades of about ~15%.

2009: EVG drilled 78 diamond core holes (RSC-016 thru RSC-093), totaling about 98,000 feet. At North Stock, EVG filled in large gaps left by 2008 drilling, hitting multiple zones of high grade and showing high grade at depths as great as 700m below surface. Also at North Stock, EVG intercepted multiple zones of mineralized porphyry, which built into the porphyry-as-gold-source model that is still used now. Subsequent testing in 2010 and 2011 attempted to find extensions that might have slipped through gaps we identified by modeling AB during the off season: on the east, south, and north flanks. We did see an extension in 2010 to the northwest in hole RSC-147, but were not able to prove it further in very limited drilling in 2011. There also might be structures cross cutting and truncating the gold zone as well that we have not drilled across. One of the difficulties at Rattlesnake is that the terrain has not allowed us to drill on an easy grid. Other exploration drilling targeted South Stock, the Middle Zone, and the Porphyry Target.

2010: EVG drilled 63 diamond core holes (RSC-094 thru RSC-156) totaling about 85,000 feet. Drilling at North Stock was intended to fill remaining gaps, and explore for a deep (>400m) source (porphyry). Multiple porphyry bodies were intercepted, but EVG was not successful at locating a large mineralized porphyry system. Drilling at Antelope Basin was intended to test for extensions to the east, north, and south of the gold body. This was not successful. Exploration targeted Antelope South (unsuccessful), Porphyry (moderate grades in short intercepts), and Middle Zone (moderate grade over 100m).

2011: Agnico-Eagle – EVG joint venture drilled 24 diamond core holes (RSC-157 thru RSC-180) totaling about 24,000 feet. Drilling at North Stock was limited to due diligence testing of known mineralization. Exploration drilling tested South Bloom (limited low grade gold), ACNC West (little gold), South Stock (high grade structure intercepted), Porphyry (moderate grade porphyry dikes with 300-400m strike length, but narrow 3-5 meters), NorthEast Stock (large but poorly mineralized porphyry), and Middle Zone (showed moderate grades connecting North Stock and Antelope Basin).

2012: AE/EVG JV drilled 2 holes before terminating agreement. Holes tested South Stock area with sporadic low grade. Some reclamation activity, and resumption of target generation exploration (sampling of rock and soil).

2013 to 2015: Have continued to do exploration work and other sampling of rock and soil.

APEX Technical Report (2016). Further work is recommended in the current NI 43-101. Recommendations for future exploration on the Property is budgeted to be approximately US\$2.0m over two phases.

Modified Appraised Value			% Applied		Notes
	Low	High	Low	High	
Current Cash Value of Recorded Past Work - Core Expenditures Attributable to Fair Market Value	\$10,233,324	\$10,964,276	56%	60%	1
Current Fair Market Value of Future Exploration Work (Recommendations in NI 43-101 = US\$2.0 m)	\$0	\$0	0%	0%	2
Appraised Current Value Attributable to Property - Given Work	\$10,233,324	\$10,964,276			
Range of Premium/Discount to Add to the Property as at Valuation Date - Given Delays/Exploration Timeframes/Issues	-40%	-60%			
Modified Appraised Value with no "premium"	\$6,140,000	\$4,390,000			

Notes

1 Retained Portion of Past Expenditures

- 56% - 60% Property with resources and extensive drilling, but no resource report or PEA work done. Usually a property with strong indications + of resources and maybe some reserves, but has real NI 43-101 identified resources done within last 1 - 3 years.
- 50% - 55% Property with resources but no drilling work done. Some future drilling and other work is warranted. Usually a property with strong indications of resources and has a real NI 43-101 done with an "indication of merit" from expert.
- 40% - 49% Property with subeconomic resources, and NI 43-101 indicates some real potential in future, conditional on commodity prices, infrastructure, improved technology, economic conditions, etc. Specific work program identified on a current NI 43-101 Report. Could be a property with potential for drilling but not really certain yet. Work done within the last 1- 5 years.
- 30% - 39% Inactive property with sub-economic resources with the hope for further exploration/development, previous to any NI 43-101 report situation. The possible resources represent potential but there is no assurance that eventual development can be achieved.
- 10% - 29% Inactive property with no resources and negligible or very little exploration potential. Could be a property with all of the geophysical targets tested that will be dropped when assessment credits run out.
- 0% - 9% Inactive property with indeterminate but low or negligible exploration potential. Could be a property with little or no data available but in a geologically interesting area.

MINERAL PROPERTIES EXPENDITURES									
	Totals as at	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	Sale of Asset	31-Mar-15	31-Mar-14	31-Mar-13	30-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-09
Opening Balance		19,621,161	19,615,611	19,215,161	19,106,544	12,497,405	2,911,270	52,314	
Assays and reports	1,999,614	-	-	-	7,374	760,979	1,054,783	176,478	
Drilling	12,137,707			(6,771)	-	4,231,980	5,980,983	1,931,515	
Field expenses and other	1,668,948	321,581	5,550	132,226	2,471	423,553	627,485	145,405	10,677
Geological consulting	2,921,124			124,304	40,817	988,807	1,298,083	427,476	41,637
Geophysical and geological studies	646,627			51,200		87,880	454,156	53,391	
Licenses and fees	30,945							30,945	
Staking and recording	537,777			99,491	57,955	115,940	170,645	93,746	
	19,942,742	321,581	5,550	400,450	108,617	6,609,139	9,586,135	2,858,956	52,314
Year-end Balance	19,942,742	19,942,742	19,621,161	19,615,611	19,215,161	19,106,544	12,497,405	2,911,270	52,314
Deduct Non-core activities:									
Office and other expenses	1,668,948	321,581	5,550	132,226	2,471	423,553	627,485	145,405	10,677
	1,668,948	321,581	5,550	132,226	2,471	423,553	627,485	145,405	10,677
Total Core-Past Expenditures	18,273,794								

\$	2,100,000	\$	2,100,000	Sale of the Rattlesnake Property to GFG-US in July of 2016
\$	150,000	\$	150,000	Sale of the Rattlesnake Property from Endurance Gold to GFG-US

Work done by GFG-US in 2016 per Financial Statements

	LOW	HIGH
Additional Staking / Assays and Reports	288,075	288,075
Drilling	-	-
Field expenses and other	66,000	66,000
Geological consulting	168,153	168,153
Geophysical and geological studies	-	-
Site development / leases	35,000	35,000
Travel and other	7,420	7,420
Staking and recording	245,830	245,831
	810,478	810,479
Year-end Balance	3,060,478	3,060,479

Deduct Non-core activities:		
GFG-US Share Consideration - Rattlesnake sale	500,000	-
Office and other expenses	6,000	6,000
Travel and other	7,420	7,420
	513,420	13,420

U.S. Dollars		
Net FMV Attributable to Rattlesnake Property, say	2,500,000	3,000,000

- 2** Based on a review of all material provided and a logical next step for future reasonable exploration. Also, reviewed and based further on recommended work by APEX Technical Report.

GFG Resources Inc.
Adjusted Book Value
as at Valuation Date

Schedule 8.0

Pre-Proposed Transaction						
United States dollars	<u>Adjusted/Estimated</u>			Adjusted to FMV	Adjusted to FMV	Notes
	August 15, 2016 Book Value	FMV Adjustments LOW	FMV Adjustments HIGH			
Assets						
Cash and cash equivalents	\$3,791,791			3,791,791	3,791,791	
Restricted cash	\$15,000			15,000	15,000	
Prepaid expenses	\$33,743			33,743	33,743	
Long-term deposit	\$10,000			10,000	10,000	
Rattlesnake Property and Mineral Assets - Adjusted to FMV	\$0	2,500,000	3,000,000	2,500,000	3,000,000	1
Reclamation bond	\$286,000			286,000	286,000	
	<u>\$4,136,534</u>			<u>\$6,636,534</u>	<u>\$7,136,534</u>	
Liabilities						
Trade and other payables	\$307,858			307,858	307,858	
Restoration and environmental obligations	\$25,000	75,000	75,000	100,000	100,000	2
Other	\$0			0	0	
Total Liabilities	<u>\$332,858</u>			<u>\$407,858</u>	<u>\$407,858</u>	
Assets Less Liabilities	<u>\$3,803,676</u>			<u>\$6,228,676</u>	<u>\$6,728,676</u>	
Adjusted Book Value				<u>\$6,228,676</u>	<u>\$6,728,676</u>	
Adjusted Book Value, say				<u>\$6,200,000</u>	<u>\$6,700,000</u>	

Notes

- 1** Refer to Schedule 7.0.
- 2** Refer to Schedule 6.0.

GFG Resources Inc.
HISTORICAL TRANSACTIONS APPROACH
Schedule 9.0

US\$ Financing Rounds	Shares Issued	Ave. Price Per Share	Gross Proceeds	% of GFG-US Issued	Implied Value
Balance, June 30, 2015 GFG-US					
Total Shares Issued and Monies Raised in GFG-US	21,383,557	\$ 0.18	\$ 3,858,589		\$ 3,858,589
Debt Conversion Financings 2015 - 2016	1,492,233	\$ 0.23	\$ 347,808	7.0%	\$ 4,984,059
All Other 2015/2016 External Financings	14,338,557	\$ 0.25	\$ 3,584,639	67.1%	\$ 5,342,234
Total Shares Issued and Implied Value of GFG-US	21,383,557	\$ 0.25			\$ 5,345,889
Simple Average Implied Value of GFG-US, say					\$ 4,880,000

A

Based On Adding In the GFG Raise in Canada, say	14,485,564	\$ 0.25	\$3,621,391	40.4%	\$ 8,970,000
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B

Financing Rounds	Implied Value	Weighting		FMV	
		LOW	HIGH	LOW	HIGH
A - 2015 and 2016 GFG-US Fund Raising	\$4,880,000	60.0%	50.0%	\$2,928,000	\$2,440,000
B - 2016 GFG Fund Raising	\$8,970,000	40.0%	50.0%	\$3,588,000	\$4,485,000
Fair Market Value, say				\$6,500,000	\$6,900,000

GFG Resources Inc.
WEIGHTED VALUATION APPROACH
as at the Valuation Date

Schedule 10.0

Low Range

<i>Method</i>	<i>Fair Market Value</i>	<i>Weighting</i>	<i>FMV</i>
Modified Appraised Value (Adjusted Book Value)	6,200,000	80%	4,960,000
Historical Transaction	6,500,000	20%	1,300,000
Fair Market Value, say			6,300,000
		100%	

High Range

<i>Method</i>	<i>Fair Market Value</i>	<i>Weighting</i>	<i>FMV</i>
Modified Appraised Value (Adjusted Book Value)	6,700,000	20%	1,340,000
Historical Transaction	6,900,000	80%	5,520,000
Fair Market Value, say			6,900,000
		100%	

Fair Market Value, midpoint: 6,600,000

Crest Petroleum Corp. with GFG Resources Inc. - the Proposed Transaction
Fairness Calculations - from Crest Petroleum Corp. Shareholders' Financial Point of View

Schedule 11.0

Fair Market Value of Crest Petroleum Corp. Pre-Proposed Transaction*

	<u>LOW</u>	<u>HIGH</u>
Fair Market Value, say (C\$) *	\$500,000	\$700,000
Fair Market Value, say (converted to US\$) *	\$387,000	\$541,800
Shares Outstanding in Crest Petroleum Corp.	4,750,000	4,750,000
Fair Market Value Per Share (US\$)	\$0.0815	\$0.1141

Fair Market Value of CPC Post-Proposed Transaction (US\$)

	<u>LOW</u>	<u>HIGH</u>
Fair Market Value of CPC, say	\$387,000	\$541,800
Fair Market Value of GFG, say	\$6,300,000	\$6,900,000
Proceeds from Additional Offering at US\$0.25 per share	\$587,500	\$587,500
Proceeds-Pre-Proposed Trans. Option Exercise - "In-the-Money" (US\$.025)	\$565,625	\$565,625
Proceeds from POST Option Exercise - "In-the-Money" - US\$.025 per mgt.	\$100,000	\$100,000
Proceeds from Any "In-the-Money" Warrant Exercise	\$0	\$0
Net Proceeds from Additional Financing - US\$	\$0	\$0
Expenses to Close Proposed Transaction - CPC	-\$100,000	-\$125,000
Working Capital issued for Proposed Transaction	\$0	\$0
Expenses to Close Proposed Transaction - GFG	-\$100,000	-\$125,000
FMV of Resulting Issuer - POST Proposed Transaction, say	\$7,740,000	\$8,440,000
Shares Outstanding in Resulting Issuer - POST Proposed Transaction	46,001,750	46,001,750

	<u>LOW</u>	<u>HIGH</u>
FMV per share of Resulting Issuer - POST Proposed Transaction	\$0.168	\$0.183

* - assumes completion of the Proposed Transaction.

Fair Market Value of GFG Resources Inc. Pre-Proposed Transaction

	<u>LOW</u>	<u>HIGH</u>
Fair Market Value of GFG Resources, Inc. say	\$6,300,000	\$6,900,000

Calculation of Shares Outstanding in Resulting Issuer Post-Proposed Transaction

	<u>LOW</u>	<u>HIGH</u>
Shares to be Held/Maintained/Received by Existing CPC Shareholders	4,750,000	4,750,000
Shares Issued to GFG Resources Inc. (as part of completing the Proposed Transaction)	35,114,250	35,114,250
Shares likely to be Issued (GFG-US payable - 02/06/2017 to Endurance Gold Corporation)	550,000	550,000
Shares likely to be Issued - Endurance Holes (GFG-US payable to Endurance Gold Corporation)	375,000	375,000
Shares Issued from Additional Offering	2,350,000	2,350,000
Shares Issued/Converted from Any "In-the-Money" Options Exercise - PRE-Proposed Transaction	2,262,500	2,262,500
Shares Issued from Any "In-the-Money" Options Exercise - POST-Proposed Transaction	400,000	400,000
Shares Issued from Any "In-the-Money" Warrant Exercise	0	0
Shares Issued to Evolving Gold	200,000	200,000
Shares Issued for Transaction/Financing Fees - Per Mgt.	0	0
Shares Outstanding in Resulting Issuer - POST Proposed Transaction	46,001,750	46,001,750

Assumed Shareholdings in Resulting Issuer - POST Proposed Transaction

Shares held/maintained by the CPC Shareholders	4,750,000	10.3%
Shares outstanding in GFG (per mgt. disclosures)	35,114,250	76.3%
Shares likely to be Issued (GFG-US payable - 02/06/2017 to Endurance Gold Corporation)	550,000	1.2%
Shares likely to be Issued - Endurance Holes (GFG-US payable to Endurance Gold Corporation)	375,000	0.8%
Shares Issued from Additional Offering	2,350,000	5.1%
Shares Issued from Any "In-the-Money" Options Exercise - PRE	2,262,500	4.9%
Shares Issued from Any "In-the-Money" Options Exercise - POST	400,000	0.9%
Shares Issued to Evolving Gold	200,000	0.4%
Shares Issued for Transaction/Financing Fees - Per Mgt.	0	0.0%
	46,001,750	100.0%

POST PROPOSED TRANSACTION
PRE PROPOSED TRANSACTION

Combined Fair Market Value of the Resulting Issuer (POST Proposed Transaction), say: \$8,100,000
Fair Market Value of Resulting Issuer held by CPC Shareholders (no minority discount), say: \$840,000
Realizable Value of CPC on a Pre-Proposed Transaction (consolidated share position): \$460,000

(x)
(y)

** based on assumption the Proposed Transaction does close.

(x) is equal to or greater than (y) so the Proposed Transaction is Fair to the Crest Petroleum Corp. Shareholders

SCHEDULE "G"

SEMIENIUK FAIRNESS OPINION

Stephen W. Semeniuk, CFA

Capital Research & Consulting

GFG Resources Inc.

**Fairness Opinion on the Proposed Arrangement
with Crest Petroleum Corp.**

Prepared by: Stephen W. Semeniuk, CFA

Submitted: September 2, 2016

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Summary and Conclusions

This report presents the fairness opinion on the plan of arrangement ('Arrangement') by which Crest Petroleum Corp. ('Crest Petroleum'), will acquire, by a 1.0 share for 1.0 share exchange, all outstanding shares of GFG Resources Inc. ('GFG Canada'). Crest Petroleum will issue 1.0 Share for each 1.0 GFG Canada Share. On completion, it is expected that Crest Petroleum shares will again qualify to trade on the TSX Venture Exchange ('TSXV'). The proposed Arrangement constitutes a Reverse Takeover ('RTO') as defined under Policy 5.2 of TSXV. The directors of GFG Canada have ascribed a value to Crest Petroleum of US\$0.25 per Share in order to complete the RTO process and list their shares on the TSXV. The value is based on the private placement of 14,740,564 Shares priced at US\$0.25 completed by GFG Canada in late June and early July 2016 that raised a gross amount of US\$3,685,141. Another private placement of 2,350,000 Shares was completed by September 2, 2016 that raised an additional US\$587,500. The pricing of the GFG Canada private placements was used to set the price of the Share exchange between GFG Canada and GFG US as described herein. As explained in the report, the Arrangement appears to impart a premium to Crest Petroleum shareholders as their Shares in a corporate shell, appear to have a calculated value of perhaps CAD\$0.078 to CAD\$0.141.

The definition of fair market value applied in the report requires price to be expressed in terms of money or money's worth. Where unlisted shares are exchanged for an exploration property not shown to contain mineral resources, the value of such shares is indeterminable as a buyer for such shares may not exist and a bank will typically not lend on the basis of such securities. Consequently, a conservative estimate of the underlying value for GFG Canada shares should be based on actual cash expenditures to acquire the Rattlesnake Project plus the working capital of GFG Canada that will remain intact on completion of the Arrangement. This resulting calculation arrived at an adjusted supporting value for GFG Canada Shares of CAD\$0.165 per Share as there was a commensurate decline in the cash backing per GFG Canada Share as a result of the additional GFG Canada shares issued in connection with the acquisition of GFG US. Prior to completing the acquisition of GFG US, the underlying value of GFG Canada would approach approximately US\$0.249, based on 19,353,064 shares then outstanding. As a result of the acquisition of GFG US, the cash backing of per GFG Canada Share declined to approximately US\$0.125 or CAD\$0.165. based on GFG Canada's net cash position of approximately US\$4.816 million divided by 38,403,483 Shares.

Crest Petroleum has a public listing, which represents a valuation premium relative to an unlisted company, a fact that is supported by numerous studies published in the literature of finance. Consequently, the Arrangement has significant value implications for current GFG Canada shareholders as well as the incoming shareholders of GFG US. Significant discounts apply to the value of private companies relative to similar publicly listed peer companies, meaning that the value of GFG Canada Shares, should the Arrangement not proceed, would not be US\$0.25 a share based on the pricing of its private placement financings, but rather a significant discount to US\$0.25. Using a discount of 50%, for illustration, the cost to the GFG Canada shareholders who participated in the private placement financings and expected exercise of options would be approximately US\$2.4 million with the calculation being 50% of US\$4,838,266. Also, it can be argued that the implication of illiquidity studies is that the

underlying value of GFG Canada Shares in the market place, should the Arrangement not proceed, would not be CAD\$0.165 a Share, but a lower number as considerable time and effort would be required to find a buyer for such unlisted and un-marginable Shares.

In that case, should the Arrangement not proceed, GFG Canada shareholders would be faced with a loss of wealth that could exceed any apparent premium that the Arrangement may provide to Crest Petroleum shareholders who will only hold an 11.0% interest in the Company on a post Arrangement basis. This fact makes the Arrangement look attractive to GFG Canada shareholders as well as to Crest Petroleum shareholders. In addition to the apparent minor premium that the Arrangement provides to Crest Petroleum shareholders, the fact that Crest Petroleum shares likely will be relisted on TSXV will facilitate the Company's efforts in future fund raising to continue exploration on the Company's Rattlesnake Project as well facilitate the hiring of personnel with the pre requisite professional skills to be needed as GFG Canada, through the Crest Petroleum listing, expands its exploration efforts

Based on the above information, observations and analyses by the writer as well as other relevant factors applying to the companies, **it is the writer's considered opinion that the proposed exchange ratio under the Arrangement of 1.0 Crest Petroleum Share for each 1.0 GFG Canada Share and the exchange of GFG Canada options for similar Crest Petroleum options, is fair, from a financial point of view, to GFG Canada and its securityholders as a whole and to the minority non-controlling securityholders of the Company.**

This opinion is given for the sole and exclusive use of the Board of Directors of GFG Canada and the company's shareholders and is given as of this date. The writer reserves the right to amend or withdraw the conclusions reached in this Fairness Opinion, if a material change occurs in any of the facts, representations and reports which have been relied upon in preparing this report, or if information provided to the writer and upon which he has relied, is inaccurate in any material respect. This report has been prepared solely for the purpose of providing information. It should not be construed as a recommendation to buy or sell any of the securities mentioned herein and no representations or warranties of any kind are intended, implied nor inferred.

September 2, 2016

Board of Directors
GFG Resources Inc.
#600 – 224 4th Avenue S.
Saskatoon, SK
S7K 5M5

Gentlemen:

Re: Arrangement Involving Crest Petroleum Corp. and GFG Resources Inc.

Introduction

The writer was engaged to provide a fairness opinion on the proposed share exchange ratio by which Crest Petroleum Corp. ('Crest Petroleum' or the 'Company') is to acquire 100% of the issued and outstanding shares ('Shares') of GFG Resources Inc. ('GFG Canada'). GFG Canada shareholders will receive Crest Petroleum Shares on a 1.0 share for 1.0 share exchange basis. All outstanding GFG Canada stock options will be exchanged for Crest Petroleum stock options on an economically equivalent basis consistent with the share exchange ratio proposed under the Arrangement.

GFG Canada is a private British Columbia company that has recently acquired all of the Shares of GFG Resources (US) Inc. ('GFG US'), a private Nevada corporation, in exchange for GFG Canada Shares on a 1.0 Share for 1.0 Share basis. GFG US owns or controls a 100% undivided interest in the Rattlesnake gold exploration project ('Rattlesnake Project') comprising 1,281 unpatented lode mining claims and seven state fee land leases totaling approximately 26,500 acres in Natrona county in the State of Wyoming. In conjunction with the GFG US acquisition, GFG Canada has raised approximately US\$4.27 million by way of private placements in the total amount of 17,090,564 Shares priced at US\$0.25 per Share to finance, inter alia, the exploration and maintenance of the Rattlesnake Project, and for general corporate and working capital purposes. In addition, GFG Canada expects to raise an additional US\$565,625 through the exercise of 2,262,500 stock options at a price of US\$0.25 per share prior to closing of the share exchange with Crest Petroleum. Accordingly, it is anticipated that the capitalization of GFG Canada will consist of approximately 38,403,483 Shares immediately prior to the Arrangement with Crest Petroleum. On the closing of the Arrangement, Crest Petroleum will issue approximately 38,403,483 Shares to GFG Canada shareholders so on completion of the Arrangement current Crest Petroleum shareholders will hold their current number of 4,750,000 Shares, i.e. 11.0% and GFG Canada shareholders will hold 89.0% of the then outstanding 43,153,483 Crest Petroleum Shares.

Crest Petroleum is a capital pool company ('CPC') as defined in Policy 2.4 – Capital Pool Companies of the TSX Venture Exchange ('TSXV') that was incorporated under the laws of British Columbia on January

24, 2012 and began trading on the TSX Venture Exchange ('TSXV') on June 26, 2012 after completing an initial public offering of Shares. On October 23, 2013, Crest Petroleum completed a non-brokered private placement of 1,000,000 Shares priced at \$0.25 for gross proceeds of \$250,000 for general working capital purposes and to establish a cash reserve for the purposes of affecting a Qualifying Transaction. On June 25, 2014, Crest Petroleum entered into an agreement in principle to acquire a non-operated working interest in two oil fields in Southern California as its Qualifying Transaction but subsequently Crest Petroleum terminated this agreement. By October 7, 2014, Crest Petroleum had not completed a Qualifying Transaction within the time frame prescribed by the TSXV and its listing on the TSXV was transferred to the NEX trading board.

On or about November 28, 2014, Crest Petroleum consolidated its shares on a five for one basis with each five Shares before consolidation being consolidated into one Share after consolidation. In conjunction with Crest Petroleum's transfer to the NEX board, 250,000 post-consolidated Shares of Crest Petroleum were cancelled in accordance with the policies of the TSXV. The closing price per Crest Petroleum Share on June 10, 2016, the last day the Shares traded on the NEX board prior to the announcement of the Transaction, was \$0.21.

Description of GFG Canada

GFG Canada is a private British Columbia company that has recently acquired all of shares of GFG US, a private Nevada corporation, in exchange for shares of GFG Canada, on a one share for one share basis. In conjunction with the GFG US acquisition, GFG Canada has raised approximately US\$4,272,641 by way of private placements totaling 17,090,564 shares at a price of US\$0.25 per Share to finance, inter alia, the exploration and maintenance of the Rattlesnake Project and for general corporate and working capital purposes. In addition, GFG Canada expects to raise an additional US\$565,625 through the exercise of 2,262,500 GFG Canada stock options at a price of US\$0.25 per share prior to closing of the Arrangement at which time GFG Canada's capitalization will consist of approximately 38,403,483 Shares.

The proposed transaction between Crest Petroleum and GFG Canada is a Reverse Takeover ('RTO') as defined under Policy 5.2 of the TSX Venture Exchange ('TSXV') and is subject to the execution of definitive documentation, completion of satisfactory due diligence inspections and approval of Crest Petroleum shareholders. The transaction is also subject to the approval of the GFG Canada securityholders and the Supreme Court of British Columbia, pursuant to the arrangement provisions of the Business Corporations Act (British Columbia). It is anticipated that after the closing of the Arrangement, the resulting Company will qualify as a Tier 2 Mining Issuer under the listing requirements of the TSXV.

Description of the Rattlesnake Project

According to the 43-101 compliant Technical Report submitted by APEX Geoscience Ltd. ('APEX') dated August 15, 2016, GFG US has consolidated a district scale land package (the "Property") comprised of a total of 10,725 hectares (26,501 acres) and encompassing the Rattlesnake Hills Gold District nearly in its

entirety. The Project contains all the known significant zones of precious metal mineralization within the Rattlesnake Hills.

The Rattlesnake Project is centrally located within a roughly 1,500 kilometer-long belt of alkali intrusive complexes that occur along the eastern side of the Rocky Mountains from Montana to New Mexico, several of which are associated with a number of significant gold (Au) deposits. Although there are currently no National Instrument (NI) 43-101 resources defined at the Rattlesnake Property, four significant zones of alteration and precious metal mineralization have been identified.

The Rattlesnake Property was acquired in four phases including two Asset Purchase Agreements, claim staking, and an option agreement assigned to GFG US. At the present time, GFG US has completed all obligations associated with the acquisition of the Property and claims and leases, save for 550,000 shares due to a vendor on February 6, 2017. The annual carrying costs of the Rattlesnake Hills Property total approximately US\$224,000. According to the Technical Report prepared by APEX, gold mineralization was first discovered by American Copper and Nickel Company (ACNC) in the 1970's.

'Systematic exploration within the Rattlesnake Hills district began in the early 1980's continuing on a campaign basis through to 2014. Recent exploration has resulted in over 77,000 m of combined reverse circulation (RC) and core drilling, the collection of nearly 11,000 surficial geochemical samples as well as extensive detailed mapping and ground and airborne geophysical surveying. NV Gold carried out a small RC drill program in 2014 on two satellite prospects within GFG's current land holdings, Bald Mountain and Black Jack. The 2014 drill program comprised 1,557.8 metres ('m') in 14 holes. The drilling at Bald Mountain, 6 holes for 589.8 m intersected only weakly anomalous precious metals and did not confirm the highly anomalous mineralization observed at surface. Eight RC drill holes were completed at Black Jack for a total of 967.8 m. Significantly anomalous gold intersections were intersected in seven of the eight holes. Drill hole NVJ-001 intersected 1.33 grams per tonne (g/t) Au and 19.56 g/t Ag over 33.53 m from surface as well as 0.54 g/t Au and 11.35 g/t Ag over 32.00 m from 97.54 m down hole. Hole NVJ-008 was drilled beneath the intersection in NVJ-001, and returned an intersection of 0.74 g/t Au and 33.08 g/t Ag over 13.72 metres.

'The 2014 exploration program was successful in identifying and confirming the existence of significant precious metal mineralization outside of the known main North Stock and Antelope Basin occurrences. The results of the 2014 drilling, rock and soil sampling programs indicate that the Rattlesnake Hills Property has the potential to host additional significant gold and silver mineralization including buried and blind mineralization in known areas of mineralization and in previously untested areas.

"Based upon the favourable geological setting of the Rattlesnake Hills Property and the results of exploration work completed to date, which includes the mapping of significant areas of hydrothermal alteration and the identification of gold and silver mineralization on surface and in drilling, the Project is considered by the authors of this report to represent a 'property of merit' and warrants further exploration. A phased approach to future exploration at the Rattlesnake Hills Property is recommended. Based upon a review of the available drilling and surficial data for Rattlesnake Hills, the authors

recommend a Phase 1 field program comprising soil sampling, an airborne time domain electromagnetic (VTEM) geophysical survey paired with detailed geological and structural mapping. It is estimated that the Phase 1 field program (and subsequent reporting), for the Rattlesnake Hills Project would require an expenditure of approximately US\$393,000.

“Dependent upon the results of the Phase 1 program described above, the following Phase 2 exploration program is recommended. The Phase 2 program should include one or more of further soil sampling, ground geophysical surveys, drilling and metallurgical test work designed to continue the evaluation and advancement of known mineralized target areas as well as targeting new areas of mineralization in other previously untested areas of the Property. A focus of the Phase 2 drilling program should be on expanding known oxide mineralization and delineating additional zones of oxide mineralization and should include both infill and step-out drilling to provide additional detail to currently drilled mineralized zones. In addition, existing and new high priority target areas should be drill tested in order to identify additional zones of precious metal mineralization. The Phase 2 program should include additional data compilation and validation of historic drill hole data in order to evaluate whether a NI 43-101 compliant mineral resource estimate should be completed at the North Stock and Antelope Basin occurrences. The data compilation should include the creation of three dimensional geological, structural and mineralization models in order to further examine the potential controls on specific mineralized zones and to facilitate lode interpretation and wire framing. The Phase 2 sampling, drilling, ground geophysics, metallurgical and three dimensional lode interpretation program is estimated to cost approximately US\$1,620,000.’

Reasons for the Arrangement

Crest Petroleum and GFG Canada have proposed the Arrangement in order that shareholders of GFG Canada can hold shares of a public company which will provide GFG Canada shareholders with liquidity for their investment by giving them the ability to either dispose of their holdings or to increase their holdings. Additionally, a quoted market price facilitates the valuation of their shareholdings that would not be possible, if GFG Canada were to continue as a private company. GFG Canada’s Board of Directors believes that the conduct of the Company’s business activities as well as market interest and future fund raising and access to professional expertise for conducting exploration activities will be facilitated through a public company domiciled in British Columbia rather than continuing as a private company.

On completion of the Arrangement, Crest Petroleum will continue GFG US’ business and operations as a junior mining exploration company focused on precious and base metals. In addition, the acquisition of GFG Canada by Crest Petroleum will enable the current shareholders of Crest Petroleum to own shares in an active junior exploration company holding interests in exploration properties and engaging in on going exploration activities on a property of merit in Wyoming. Without acquiring GFG Canada, Crest Petroleum would have continued as a capital company incurring costs in a search for a viable business.

Assignment

The writer was engaged by the Board of Directors of GFG Canada to provide a fairness opinion on the proposed Arrangement by which Crest Petroleum is to acquire all outstanding GFG Canada Shares on a 1.0 Share for 1.0 Share exchange basis. In preparing this fairness opinion report, the writer has not, nor has he been requested to, complete an independent estimate of the likely value of Crest Petroleum's Shares or the likely trading range of the Shares on completion of the Arrangement.

Definition of Value

Normally, the definition of value that applies for a valuation report or fairness opinion is 'Fair Market Value'. This concept of value, assuming a going concern scenario, is the highest price obtainable, expressed in terms of money, in an open and unrestricted market between knowledgeable, prudent and willing parties, dealing at arm's length, who are fully informed and not under compulsion to transact.

A characteristic in the mineral exploration sector is that most exploration and development companies have no operating revenue but are typically faced with significant cash outflows that arise from ongoing exploration commitments. As long as such exploration companies are able to finance their activities by accessing internal or external sources of funding, the going concern criterion is appropriate.

The issue of fairness applying to Arrangements do not have operating sources of revenue between companies is usually based on the values that can be attributed to shareholders' ownership rights. On a post-Acquisition basis, the pro rata tangible and intangible values attributed to such shareholders' interests should equate to or exceed the prior amount of such values.

Credentials of the Writer

The writer is a CFA® charter holder awarded by the CFA Institute, a global membership organization that awards the Chartered Financial Analyst® (CFA®) designation upon completion of an assigned curriculum and examinations. The CFA Institute leads the investment industry by setting the highest standards of ethics and professional excellence and vigorously advocating fair and transparent capital markets. The writer also holds an M.B.A. degree with a major in finance granted by Michigan State University.

From 1987 to 1991, the writer was Vice President, Research, LOM Western Securities Ltd., now known as Canaccord Genuity Corp., a leading underwriter of resources and industrial companies in Western Canada. As a condition of his employment, the writer was required to pass the Partners, Directors and Officers examination administered by the Canadian Securities Institute and was subsequently registered by the British Columbia Securities Commission under the category: Trading Partner, Director, Officer.

The writer is a past director of the Canadian Council of Financial Analysts and since 1991, the writer has been an Independent Financial Consultant providing securities valuation services, fairness opinions, financial research and related consulting services and assignments for approximately four hundred

Canadian and International clients such as mining and exploration companies and companies operating in other sectors, financial institutions, law firms, governments and investment dealers. The writer is knowledgeable in the valuation of mineral resources and his two peer reviewed articles pertaining to this subject appeared in the August 2002 and April 2011 issues of Mining Engineering, a publication of the Society for Mining, Metallurgy and Exploration. The writer is a member in good standing of that organization. The writer co-authored one of the high quality submissions to the 2011 Toronto CFA Society and Hillsdale Management Research Award.

The writer also acts as an advisor to companies on merger and acquisition matters. The writer has been accepted by the Tax Court of Canada, the British Columbia Supreme Court and the Alberta Court of the Queen's Bench as an expert witness on matters relating to the stock market and mineral exploration company share prices, coal mining, placer gold mining, gold company share prices and mineral claims and mineral royalty matters. The writer served as a Research and Financial Analyst with the Vancouver Stock Exchange & Securities Regulation Commission (i.e. Matkin Commission) in 1993.

Relationship of the Writer with Interested Parties

The writer meets the independence requirements as set out in Part 6 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. The writer has no past, present or intended interest in the Shares and interests of GFG Canada, GFG US, Crest Petroleum and those Companies' associates, customers and suppliers. The writer has had no prior association or affiliation with such parties before accepting this engagement. The writer will be paid a fee for this work in accordance with normal professional consulting practice.

Scope of the Review

In performing this assignment, the writer relied on information provided by the managements of Crest Petroleum and GFG Canada and the Companies' legal advisor and referred to publicly available information on Crest Petroleum and on information provided by GFG Canada particularly the NI 43-101 compliant technical report on the Rattlesnake Project in Wyoming prepared by APEX dated August 15, 2016 and the disclosures found in the draft Information Circular prepared by Crest Petroleum and its advisers. Other information on Crest Petroleum and its stock trading data was accessed through a database available to the writer through subscription as well from public sources.

In the course of this engagement, the writer held a number of discussions with the respective managements of Crest Petroleum and GFG Canada, GFG US and the companies' legal advisor. The writer had access to all information requested from the Companies and no suggestions were requested of or offered by the Companies as to the approach or methodology used in the preparation of this fairness opinion. Documents and sources of information accessed by the writer include:

- Crest Petroleum, condensed interim financial statements for the period ended on May 31, 2016 and audited financial statements for the year ended February 29, 2016

- GFG Canada, Financial Statements for the period ended June 30, 2016
- GFG US, Financial Statements for the period ended June 30, 2016
- Arrangement Agreement, in draft form, between Crest Petroleum and GFG Canada
- The Joint Information Circular of the Companies, in draft form, for their upcoming meetings
- Technical Report on the Rattlesnake Hills Property prepared by APEX, dated August 15, 2016
- Crest Petroleum, selected regulatory filings available on SEDAR
- Trading data on Crest Petroleum common shares available on Canada Stockwatch.

Considerations as to Fairness

In assessing the fairness of the Arrangement to GFG security holders, the writer has analyzed, reviewed and considered numerous factors. Among these are the following:

- the pricing of the GFG Canada's financing with respect to 17,090,564 shares and intended exercise of 2,262,5000 options all priced at US\$0.25 each
- the past trading volumes and prices of Crest Petroleum Shares on TSXV prior to being halted on June 10, 2016
- prior work performed on the Rattlesnake Project, the recommended budget for Phase 1 and Phase 2
- the respective working capital positions of the companies and the exploration and development and financing requirements recommended for the Rattlesnake Project
- the potentially improved liquidity position the Arrangement provides to the GFG Canada shareholders as their Shares will be exchanged for those of a publicly traded company thereby increasing interest and visibility of their Share holdings
- additionally, GFG Canada shareholders acquiring Crest Petroleum Shares will be able to dispose of their Shares or acquire additional Shares in the public market place much easier than if they continued to hold Shares in a private company
- the dilution implications inherent in the Arrangement because Crest Petroleum shareholders in aggregate will hold 11.0% of their company on completion of the Arrangement on a primary basis
- the Arrangement with Crest Petroleum is cost and time effective to GFG Canada shareholders as they will hold Shares of a public company without the attendant costs and delays in seeking to list GFG Shares on TSXV as a new company.

Recent Trading History of Crest Petroleum Shares

On June 25, 2014, Crest Petroleum entered into an agreement with Sara Creek Gold Corp. ('Sara Creek') to acquire a non-operated interest in two oil fields in Southern California, but the agreement was terminated by the Company on October 6, 2014. On October 21, 2014, Crest Petroleum announced plans to consolidate its Shares on a 1:5 basis. The original pricing of the Company's IPO was \$0.10 per Share, but on the announcement of the proposed qualifying transaction with Sara Creek, the Shares had traded at much higher prices. Subsequent to the consolidation of shares and transfer of the Company's listing to NEX, the Shares have traded at lower prices. According to Stockwatch, Crest Petroleum Shares

have only traded on 24 days since October 2014 for total volume in that period of 1,875,900. Excluding the three trading days on which 1,596,000 Shares traded between October 28 and November 4, 2014 that may have been associated with the termination of the Sara Creek agreement, the subsequent volume of trading over the next 19 months only amounted to 279,900 Shares to the current halt in trading as of June 10, 2012.

During this period of limited trading, the Share prices ranged from a low of \$0.03 to \$0.40. It should be noted that prior to the trading halt on June 10, 2016, 40,000 Shares traded at a price of \$0.21 but the indicated closing prices for the five other days when the Shares did trade in 2016 was \$0.12 per Share. Over an extended period of time, the assumed value of a corporate shell in the Vancouver market was assumed to be approximately \$300,000. For Crest Petroleum, this amount would translate into a value of \$0.063 per share. Perhaps inflation in professional fees and the decline in the value of Canadian currency has doubled this amount. If so, the recent 2016 trading prices of the Crest Petroleum Shares, prior to June 9, 2016 seems reasonable. Adding in Crest Petroleum's net cash balance as indicated in the Company's balance sheet as of May 31, 2016 would add \$71,000 to the Company's value thereby providing a range of value for Crest Petroleum of \$0.078 to \$0.141 per share.

The limited price and trading volume history of Crest Petroleum shares, as provided by Stockwatch, is shown on below. The total trading volume indicated in the table amounts to 1,875,900 Shares. Crest Petroleum shares commenced trading after a 1:5 Share roll back on November 7, 2014 at which time the Company's listing was transferred to NEX.

Crest Petroleum Trading Subsequent to Sara Creek Termination Announcement

symbol	date	exchange	high	low	close	volume
CTP.H	20141028	VN	0.04	0.04	0.04	250,000
CTP.H	20141029	VN	0.04	0.035	0.035	740,000
CTP.H	20141104	VN	0.025	0.025	0.025	606,000
CTP.H	20141205	VN	0.03	0.03	0.03	1,000
CTP.H	20141224	VN	0.105	0.105	0.105	2,000
CTP.H	20150316	VN	0.10	0.10	0.10	5,000
CTP.H	20150401	VN	0.07	0.07	0.07	1,600
CTP.H	20150514	VN	0.205	0.205	0.205	3,600
CTP.H	20150601	VN	0.21	0.21	0.21	2,200
CTP.H	20150612	VN	0.23	0.23	0.23	500
CTP.H	20150714	VN	0.23	0.23	0.23	200
CTP.H	20150717	VN	0.40	0.35	0.40	48,000
CTP.H	20150916	VN	0.26	0.26	0.26	1,100
CTP.H	20150924	VN	0.26	0.26	0.26	2,000
CTP.H	20150928	VN	0.26	0.26	0.26	500
CTP.H	20151103	VN	0.26	0.20	0.20	51,500
CTP.H	20151104	VN	0.15	0.15	0.15	44,000
CTP.H	20151211	VN	0.105	0.10	0.10	55,000
CTP.H	20160301	VN	0.12	0.12	0.12	17,000
CTP.H	20160406	VN	0.17	0.17	0.12	2,200
CTP.H	20160418	VN	0.12	0.12	0.12	100

CTP.H	20160503	VN	0.20	0.20	0.12	2,000
CTP.H	20160518	VN	0.12	0.12	0.12	400
CTP>H	20160609	VN	0.21	0.21	0.21	40,000

Relative Values of the Companies

As shown in the previous section, the estimated range of value that can be accorded to Crest Petroleum as a corporate shell is within a range of \$0.078 to \$0.141 per Share. The range of value is comprised of \$300,000 to \$600,000 as the value of a corporate shell in the Vancouver market and the Company's net cash position of approximately \$71,000 as indicated on the Company's interim financial statements as of May 31, 2016. The capitalization of Crest Petroleum remains at 4,750,000 Shares.

Based on its financial statements to June 30, 2016, GFG Canada had 14,485,564 shares outstanding. Subsequent to June 30, 2016, GFG Canada issued an additional 19,050,419 shares pursuant to the acquisition of GFG US (on a 1.0 share for 1.0 share basis) and 17,090,564 shares at a price of US\$0.25 per share by way of private placement financings. It is also expected that GFG Canada will issue a further 2,262,500 shares at a price of US\$0.25 per share pursuant to the exercise of stock options prior to the Arrangement such that upon completion of the Arrangement, the capitalization of Crest Petroleum will increase by 38,403,483 Shares to 43,153,483 Shares.

The writer calculated the incoming values to Crest Petroleum on completion of the Arrangement based on the disclosures of GFG Canada and GFG US in their respective financial statements as of June 30, 2016 as well as the draft Information Circular provided to the writer. The values, expressed in US Currency, are outlined in the following table. The conversion to Canadian currency is based on a conversion factor of US\$0.76, which is the rounded down noon rate as published by the Bank of Canada for June 30, 2016. As of August 31, 2016 the noon rate was US\$0.763.

Net cash position of GFG Canada, 6/30	US\$3.600 million
Post 6/30 estimated gross financings	1.216
Net B.V. of GFG US ex Rattlesnake Project	0.181
Carried value Rattlesnake Project, GFG US	<u>2.931</u>
Apparent Incoming Values	US\$7.928 million
Conversion @ CAD\$1.00 = US\$0.76	\$10.432
Per Share acquisition price (base 38.4035)	CAD\$0.272 p.s.
Share component, Rattlesnake Acquisition	CAD\$0.031 p.s. i.e. (0.9/.76)/38.4035
In-coming cash backing	CAD\$0.165 p.s. i.e. (4.816/.76)/38.4035

On completion of the Arrangement with GFG Canada, the Crest Petroleum's capitalization will increase by approximately 38,403,483 Shares giving the acquisition of GFG Canada an apparent value to the Company of CAD\$0.272 per share. However, as no measured mineral resources have been outlined on the Rattlesnake Project, the asset must be considered an 'exploration property' as categorized under

CIMVal standards. The only valuation approaches applicable to an exploration property is cost or market comparable transactions. Whereas some earth scientists had previously included historic incurred costs plus recommended future expenditures in property valuations, the TSXV 'Valuation Standards and Guidelines for Mineral Properties' states:

The Exchange does not generally accept inclusion of warranted future expenditures for the purposes of the appraised value method. Associated administrative costs will generally not be accepted.

Additionally, it may be argued that an attrition factor applies to properties that are not actively being explored and that past expenditures become less relevant with the passage of time due to changes in technology and exploration methods.

The Rattlesnake Project is carried on the GFG US financial statements as US\$2,930,933. But this amount includes subsequent expenditures of US\$509,903 over the acquisition cost of the project stated, for accounting purposes, as US\$2,421,030. From a valuation perspective, such subsequent added costs, some of which were paid in illiquid shares, do not necessarily add to the value of the Rattlesnake project as no resources have been outlined on the Project. The concept of value used in this report is defined as the highest price obtainable, expressed in terms of money, in an open and unrestricted market between knowledgeable, prudent and willing parties, dealing at arm's length, who are fully informed and not under compulsion to transact. In the writer's opinion the GFG Canada Shares exchanged for GFG US Shares do not meet the unrestricted market criterion as no market for the shares existed at the time of the exchange and, as a consequence from a valuation perspective, the GFG Canada Shares would be subject to an significant illiquidity discount.

Additionally, the represented value of the Rattlesnake Project from the perspective of GFG US contains a number of conditional items as well as approximately 3,600,000 shares issued at an assumed issue price of US\$0.25 per Share. The latter amount is easily understood as prior to closing GFG Canada raised US\$3,685,141 by way of private placements totalling 14,740,564 shares priced at US\$0.25 per share and an additional US\$587,500 by way of a private placement of 2,350,000 shares at US\$0.25 per share after closing. As indicated in the calculations presented on the following page, the apparent asset backing per GFG Canada share on completion of the acquisition of GFG US will be approximately CAD\$0.272, based on 38,403,483 Shares then outstanding. However, the cash backing of per GFG Canada Share will decline to approximately CAD\$0.165 per Share based on the expected incoming capitalization of 38,403,483 GFG Canada Shares. On closing, Crest Petroleum's capitalization will consist of 43,153,483 Shares with the latter number including Crest Petroleum's 4,750,000 Shares and the cash backing per Crest Petroleum share will decline to CAD\$0.147 per Share. The latter calculation is based on GFG Canada's expected gross cash position of approximately US\$4.816 million divided by 43,153,483 Shares that would then be outstanding. No provision was made for anticipated costs to be incurred prior to closing.

The directors of GFG Canada have ascribed a value to Crest Petroleum of US\$0.25 per Share in order to complete the process to have their shares listed on the TSXV. The value is based on the private placements priced at US\$0.25 completed by GFG Canada that raised a gross amount of US\$4,272,641.

The Arrangement appears to impart a premium to Crest Petroleum shareholders as the Shares of their Company, worth perhaps within a range of CAD\$0.081 to CAD\$0.145, are being exchanged for GFG Canada with a conservatively calculated value of CAD\$0.165 per Share. However, Crest Petroleum has a public listing, which holds a valuation premium relative to an unlisted company, a fact that is supported in much literature in the field of finance.

The implication of such studies is that the value of GFG Canada shares, should the Arrangement not proceed, would not be US\$0.25 a Share or CAD\$0.272 a Share, but a much lower number as considerable time and effort would be required to find a buyer for such unlisted and un-marginable Shares. Using a discount of 50%, for illustration, the cost to current GFG Canada shareholders of remaining as shareholders in a private company could be approximately US\$2.4 million for the investors that participated in the private placements and exercise of options (pending) that raised US\$4,838,266.

Post Arrangement Working Capital Position of Crest Petroleum

It is estimated that on closing of the Arrangement, the majority of GFG Canada's cash position of approximately US\$4.8 million will remain intact through Crest Petroleum. Such funds will be available for the ongoing business requirements of the Company and will be sufficient to cover the costs of the Phase 1 and Phase 2 in the total amount of US\$2,013,000 as recommended in the technical report on the Rattlesnake Hills Property prepared by APEX Geoscience Ltd. dated August 15, 2016.

Observations and Conclusions

The Arrangement appears to impart a small premium to current Crest Petroleum shareholders as the Shares of their Company worth perhaps within a range of CAD \$0.078 to CAD\$0.141 per Share, are being exchanged for GFG Canada shares, that after the latter's exchange of Shares with GFG US with a conservative value of CAD\$0.165 per share rather than the private placements completed by GFG Canada priced at US\$0.25 per share. However, Crest Petroleum has a public listing, which represents a valuation premium relative to an unlisted company, a fact that is supported by numerous studies published in the literature of finance. This is borne out by the fact that in anticipation of becoming a publicly traded company, GFG Canada was able to undertake a private placement financings priced at US\$0.25 per Share that raised, to date, a gross amount of US\$4,272,641. The private placement financings are an endorsement of the Arrangement because it will establish a quoted market value for the Shares held by current GFG Canada shareholders.

The Arrangement has significant value implications for current GFG Canada shareholders. Significant discounts apply to the value of private companies relative to similar publicly listed peer companies. The implication is that the value of GFG Canada shares, should the Arrangement not proceed, would not be

US\$0.25 a share based on the pricing of the private placement financing, but rather a significant discount to US\$0.25. Using a discount of 50%, for illustration, the cost to the GFG Canada shareholders who participated in the private placement financings and exercise of options (pending) would be approximately US\$2.4 million with the calculation being 50% of US\$4,838,266.

One of the most important qualitative features of the Arrangement is that shareholders of GFG Canada, including GFG US shareholders, will hold shares of a public company and have liquidity for their investment either to dispose of or to increase their holdings. The fact that Crest Petroleum shares will be relisted on TSXV will facilitate the efforts of the management of GFG Canada to raise funds required to continue exploration on the Company's Rattlesnake Project as well facilitate the hiring of personnel with the pre requisite professional skills to be needed as GFG Canada, through the Crest Petroleum listing, expands its exploration efforts.

Conclusions as to Fairness

Based on the above information, observations and analyses as well as other relevant factors applying to the companies, **it is the writer's considered opinion that the proposed exchange ratio under the Arrangement of 1.0 Crest Petroleum Share for each 1.0 GFG Canada Share and the exchange of GFG Canada options for similar Crest Petroleum options, is fair, from a financial point of view, to GFG Canada and its securityholders as a whole and to the minority non-controlling securityholders of the Company.**

This opinion is given for the sole and exclusive use of the Board of Directors of GFG Canada and the Company's shareholders and is given as of this date. The writer reserves the right to amend or withdraw the conclusions reached in this Fairness Opinion, if a material change occurs in any of the facts, representations and reports which have been relied upon in preparing this report, or if information provided to the writer and upon which he has relied, is inaccurate in any material respect. This report has been prepared solely for the purpose of providing information. It should not be construed as a recommendation to buy or sell any of the securities mentioned herein and no representations or warranties of any kind are intended, implied nor inferred.

Yours truly,



Stephen W. Semeniuk, CFA

Certificate of Qualifications

I, Stephen Semeniuk, of 3845 Southridge Avenue, West Vancouver, Canada hereby certify that:

1. I graduated with a B. Comm. (Hons.) degree from the University of Windsor in 1961.
2. I was granted a M.B.A. in finance from Michigan State University in 1963.
3. I am a CFA® charter holder, having completed the program offered by the Institute of Chartered Financial Analysts in 1982.
4. I have been practicing as an independent financial consultant since January 1991 in providing securities valuation services, fairness opinions, and financial consulting and research services to lawyers, government, investment dealers and industry.
5. I was formerly Vice President, Research of LOM Western Securities Ltd., at that time, the leading underwriter of junior resources and industrial companies in Western Canada. I have also held securities research positions with Vancouver-based Odium Brown Ltd. and Brink Hudson and Lefever Ltd.
6. I have also held financial planning and operations analysis positions with B.C.R.I.C., Power Corporation of Canada, Chemcell Ltd. and Ford Motor Company of Canada.
7. The attached Fairness Opinion on the Arrangement between Crest Petroleum Ventures Corp. and GFG Resources Inc., was prepared for the Board of Directors of GFG Resources Inc. and is based on information, documents, and data provided to me as well as other data, materials and analyses I collected or prepared. I reserve the right to amend or withdraw the conclusions reached in this report, if a material change occurs in or if any of the facts, information or representations provided to me is materially inaccurate.
8. In preparing this Fairness Opinion, I was not required to visit the Rattlesnake Project located in Wyoming.
9. I have no past, present or intended interest in the shares or holdings of the companies discussed in this report.
10. I consent to use of this Fairness Opinion by Crest Petroleum Corp. and GFG Resources Inc. for corporate, judicial and regulatory purposes and for its inclusion in the Companies' Information Circular and public files. The report, however, should not be construed as a recommendation to buy or sell any shares mentioned in this report. No such representations are intended or implied.



Stephen W. Semeniuk, B. Comm., MBA, CFA

West Vancouver, B.C., September 2, 2016.

SCHEDULE "H"

FINANCIAL STATEMENTS OF CREST

Crest Petroleum Corp.
(A Capital Pool Company)

Condensed Interim Financial Statements
For the three months ended May 31, 2016 and 2015
(Expressed in Canadian Dollars – Unaudited)

CREST PETROLEUM CORP.
(A Capital Pool Company)
Index to Condensed Interim Financial Statements
For the three months ended May 31, 2016
(Expressed in Canadian Dollars – Unaudited)

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CREST PETROLEUM CORP.
(A Capital Pool Company)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars - Unaudited)

	May 31, 2016	February 29, 2016
	\$	\$
ASSETS		
Current		
Cash	104,385	104,807
Prepaid expenses	7,000	8,218
TOTAL ASSETS	111,385	113,025
LIABILITIES		
Current		
Trade payables and accrued liabilities (Note 3)	17,176	15,111
SHAREHOLDERS' EQUITY		
Share capital (Note 4)	692,508	692,508
Reserves (Note 4)	45,600	45,600
Accumulated deficit	(643,899)	(640,194)
	94,209	97,914
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	111,385	113,025

Nature and continuance of operations (Note 1)

Subsequent event (Note 7)

These condensed interim financial statements are authorized for issuance by the Board of Directors on September 7, 2016.

On behalf of the Board of Directors:

"Michael Keast"
Director

"Richard Silas"
Director

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

CREST PETROLEUM CORP.
(A Capital Pool Company)
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars – Unaudited)

	For the three months ended May 31,	
	2016	2015
	\$	\$
Expenses		
Bank charge and interest	21	39
Office and general	-	6,111
Professional fees	1,500	6,826
Registration and filing fees	2,184	2,138
Loss and comprehensive loss for the period	(3,705)	(15,114)
Basic and diluted loss per share	(0.00)	(0.01)
Weighted average number of common shares outstanding	4,750,000	1,750,000

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

CREST PETROLEUM CORP.
(A Capital Pool Company)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars - Unaudited)

	For the three months ended May 31,	
	2016	2015
	\$	\$
Cash flows used in operating activities		
Net loss for the period	(3,705)	(15,114)
Changes in non-cash working capital items		
Prepaid expenses	1,218	934
Trade payables and accrued liabilities	2,065	11,954
	<u> </u>	<u> </u>
Net change in cash	(422)	(2,226)
Cash, beginning of period	<u>104,807</u>	<u>16,540</u>
Cash, end of period	<u>104,385</u>	<u>14,314</u>

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

CREST PETROLEUM CORP.**(A Capital Pool Company)**

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars - Unaudited)

	Number of Shares Issued	Share Capital	Reserves	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
		\$	\$	\$	\$
Balance at February 28, 2015	1,750,000	532,836	45,600	(591,080)	(12,644)
Net loss for the period	-	-	-	(15,114)	(15,114)
Balance at May 31, 2015	1,750,000	532,836	45,600	(606,194)	(27,758)
Shares issued in private placement	3,000,000	165,000	-	-	165,000
Share issuance costs	-	(5,328)	-	-	(5,328)
Net loss for the period	-	-	-	(34,000)	(34,000)
Balance at February 29, 2016	4,750,000	692,508	45,600	(640,194)	97,914
Net loss for the period	-	-	-	(3,705)	(3,705)
Balance at May 31, 2016	4,750,000	692,508	45,600	(643,899)	94,209

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

CREST PETROLEUM CORP.

(A Capital Pool Company)

Notes to Condensed Interim Financial Statements

For the three months ended May 31, 2016

(Expressed in Canadian Dollars – Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Crest Petroleum Corp. (the “Company”) was incorporated on January 24, 2012, under the laws of the province of British Columbia, Canada. Following the completion of its initial public offering (“IPO”) on June 26, 2012, (the “Listing Date”), the Company secured designation as a Capital Pool Company (“CPC”), according to the TSX Venture Exchange (the “Exchange”).

The head office of the Company is located at Suite 610 - 815 West Hastings Street, Vancouver, British Columbia, V6C 1B4.

The Company’s principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business (“Qualifying Transaction”) and thereby qualifies as a Tier 2 issuer on the Exchange. The Company has not commenced operations and has no significant assets other than cash.

As of October 7, 2014, the Company had not completed a Qualifying Transaction within the prescribed time frame and, therefore, the Company's listing was transferred from the Exchange to the NEX trading board. The Company is presently listed and trading on the NEX under the symbol “CTP.H”. As at May 31, 2016, the Company has not yet completed a Qualifying Transaction.

Going concern

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company cannot be expected to continue operations for the foreseeable future. As at May 31, 2016, the Company had incurred accumulated operating losses of \$643,899 and had working capital of \$94,209.

Management believes there are sufficient funds on hand to fund day-to-day operating expenses over the next twelve months and to continue the search for a Qualifying Transaction. However, additional financing will, in all likelihood, be required to fund the completion of a Qualifying Transaction which would be sought through equity and/or debt issuances. In the event the Company is successful in securing a Qualifying Transaction, there can be no assurance that any required additional financing can be secured. These circumstances cast significant doubt about the Company’s ability to continue as a going concern.

These condensed interim financial statements do not give effect to adjustments that would be necessary to the reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these condensed interim financial statements.

Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”).

CREST PETROLEUM CORP.

(A Capital Pool Company)

Notes to Condensed Interim Financial Statements

For the three months ended May 31, 2016

(Expressed in Canadian Dollars – Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Statement of compliance (continued)

This condensed interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the financial statements of the Company for the year ended February 29, 2016.

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended February 29, 2016.

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to income tax provisions and note disclosures.

Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the three months ended May 31, 2016 and have not been applied in preparing these condensed interim financial statements:

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on the Company's financial statements.

IFRS 15 – Revenue from Contracts with Customers: On May 28, 2014, the IASB issued the final revenue standard, IFRS 15 Revenue from Contracts with Customers, which will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue - Barter Transactions Involving Advertising Services. The new standard will be mandatorily effective for fiscal years beginning on or after January 1, 2018, and interim periods within that year. Earlier application is permitted. The Company is currently analyzing the impact, if any, that the adoption of this standard will have on its financial statements.

CREST PETROLEUM CORP.**(A Capital Pool Company)**

Notes to Condensed Interim Financial Statements

For the three months ended May 31, 2016

(Expressed in Canadian Dollars – Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Accounting standards issued but not yet effective (continued)**

IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company is currently assessing the impact of this new standard on its financial statements.

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

3. TRADE PAYABLES AND ACCRUED LIABILITIES

	May 31, 2016	February 29, 2016
Trade payables	\$ 7,176	\$ 6,611
Accrued liabilities	10,000	8,500
	17,176	15,111

4. SHARE CAPITAL AND RESERVE**Authorized share capital**

Unlimited number of common shares without par value.

Escrow shares

As at May 31, 2016, the Company had 382,000 (February 29, 2016 – 382,000) shares held in escrow.

Issued share capital

In June 2015, the Company closed a non-brokered private placement of 3,000,000 shares at a price of \$0.055 per share for gross proceeds of \$165,000 and incurred share issuance costs of \$5,328 in connection with this private placement.

CREST PETROLEUM CORP.**(A Capital Pool Company)**

Notes to Condensed Interim Financial Statements

For the three months ended May 31, 2016

(Expressed in Canadian Dollars – Unaudited)

4. SHARE CAPITAL AND RESERVE (continued)**Stock Options**

There was no option activity during the three months ended May 31, 2016 or year ended February 29, 2016. A summary of the stock options outstanding and exercisable at May 31, 2016 is as follows:

Exercise price	Number outstanding and exercisable	Expiry date
\$		
0.50	100,000	June 26, 2022

The weighted average remaining life of the options outstanding at May 31, 2016 is 6.07 years.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's trade payables and accrued liabilities approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited its cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Trade payables and accrued liabilities are due within the current operating period and the Company has sufficient cash to settle current these liabilities. The Company has working capital of \$94,209 so the liquidity risk is assessed as low.

CREST PETROLEUM CORP.

(A Capital Pool Company)

Notes to Condensed Interim Financial Statements

For the three months ended May 31, 2016

(Expressed in Canadian Dollars – Unaudited)

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates. The risk of loss is low.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.

As a CPC, the Company is subject to externally imposed capital requirements as outlined in Policy 2.4 and summarized below:

- 1) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a Qualifying Transaction;
- 2) Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a Qualifying Transaction;
- 3) No more than the lesser of \$210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate Qualifying Transaction; and
- 4) After the completion of its IPO and until the completion of a Qualifying Transaction, a CPC may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

As at May 31, 2016, the Company was in compliance with the above capital restrictions.

There were no changes in the Company's approach to capital management during the three months ended May 31, 2016.

CREST PETROLEUM CORP.

(A Capital Pool Company)

Notes to Condensed Interim Financial Statements

For the three months ended May 31, 2016

(Expressed in Canadian Dollars – Unaudited)

7. SUBSEQUENT EVENT

In September 2016, the Company entered into an arrangement agreement (“Agreement”) with GFG Resources Inc. (“GFG Resources”) to acquire 100% of the issued and outstanding shares of GFG Resources (“GFG Shares), a private British Columbia mineral company, in exchange for shares of the Company which would result in a reverse take-over of the Company by the shareholders of GFG Resources (the “Transaction”).

Pursuant to the terms of the Agreement, the shareholders of GFG (the “GFG Shareholders”) will exchange all GFG Shares for common shares of the Company on a one for one basis. Likewise, all outstanding GFG stock options will be exchanged for stock options of the Company on the same basis.

The Agreement may be terminated by either party if closing of the Transaction has not occurred on or before November 30, 2016. Upon completion of the transaction, the combined entity will qualify as a Tier I Mining Issuer (as defined by the TSX-V).

Crest Petroleum Corp.
(A Capital Pool Company)

Financial Statements
For the year ended February 29, 2016
(Expressed in Canadian Dollars)

CREST PETROLEUM CORP.
(A Capital Pool Company)
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For the year ended February 29, 2016
(Expressed in Canadian Dollars)

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Independent Auditors' Report

To the Shareholders of Crest Petroleum Corp.:

We have audited the accompanying financial statements of Crest Petroleum Corp. (the "Company"), which comprise the statements of financial position as at February 29, 2016 and February 28, 2015, and the statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Crest Petroleum Corp. as at February 29, 2016 and February 28, 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 in the financial statements which discloses matters and conditions that indicate the existence of a material uncertainty that casts substantial doubt about the Company's ability to continue as a going concern.

Calgary, Alberta
June 28, 2016

MNP LLP

Chartered Professional Accountants

MNP LLP

CREST PETROLEUM CORP.
(A Capital Pool Company)
 Statements of Financial Position
 (Expressed in Canadian Dollars)

	February 29, 2016	February 28, 2015
	\$	\$
ASSETS		
Current		
Cash	104,807	16,540
Prepaid expenses	8,218	3,111
TOTAL ASSETS	113,025	19,651
LIABILITIES		
Current		
Trade payables and accrued liabilities (Note 3)	15,111	32,295
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 4)	692,508	532,836
Reserves (Note 4)	45,600	45,600
Accumulated deficit	(640,194)	(591,080)
	97,914	(12,644)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	113,025	19,651

Nature and continuance of operations (Note 1)
Subsequent event (Note 9)

These financial statements are authorized for issuance by the Board of Directors on June 28, 2016.

On behalf of the Board of Directors:

 "Michael Keast"
 Director

 "Richard Silas"
 Director

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

CREST PETROLEUM CORP.
(A Capital Pool Company)
 Statements of Comprehensive Loss
 (Expressed in Canadian Dollars)

	For the year ended	
	February 29, 2016	February 28, 2015
	\$	\$
Expenses		
Bank charge and interest	160	348
Office and general	6,325	33,680
Professional fees	31,959	225,458
Registration and filing fees	10,670	35,705
Travel and promotion	-	44,505
	(49,114)	(339,696)
Foreign exchange loss	-	(452)
Interest income	-	829
	-	377
Loss and comprehensive loss for the year	(49,114)	(339,319)
Basic and diluted loss per share	(0.01)	(0.19)
Weighted average number of common shares outstanding	3,823,770	1,819,490

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

CREST PETROLEUM CORP.
(A Capital Pool Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended	
	February 29, 2016	February 28, 2015
	\$	\$
Cash flows used in operating activities		
Net loss for the year	(49,114)	(339,319)
Changes in non-cash working capital items		
Accounts receivable	-	1,177
Prepaid expenses	(5,107)	(3,111)
Trade payables and accrued liabilities	(17,184)	(3,125)
	<u>(71,405)</u>	<u>(344,378)</u>
Cash flow from financing activities		
Shares issued for cash (Note 4)	165,000	-
Share issuance costs (Note 4)	(5,328)	-
	<u>159,672</u>	<u>-</u>
Net change in cash	88,267	(344,378)
Cash, beginning of year	<u>16,540</u>	<u>360,918</u>
Cash, end of year	<u>104,807</u>	<u>16,540</u>

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

CREST PETROLEUM CORP.
(A Capital Pool Company)
 Statements of Changes in Shareholders' Equity (Deficiency)
 (Expressed in Canadian Dollars)

	Number of Shares Issued	Share Capital	Reserves	Accumulated Deficit	Total Shareholders' Equity (Deficiency)
		\$	\$	\$	\$
Balance at February 28, 2014	2,000,000	532,836	45,600	(251,761)	326,675
Shares cancelled	(250,000)	-	-	-	-
Net loss for the year	-	-	-	(339,319)	(339,319)
Balance at February 28, 2015	1,750,000	532,836	45,600	(591,080)	(12,644)
Shares issued in private placement	3,000,000	165,000	-	-	165,000
Share issuance costs	-	(5,328)	-	-	(5,328)
Net loss for the year	-	-	-	(49,114)	(49,114)
Balance at February 29, 2016	4,750,000	692,508	45,600	(640,194)	97,914

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Crest Petroleum Corp. (the “Company”) was incorporated on January 24, 2012, under the laws of the province of British Columbia, Canada. Following the completion of its initial public offering (“IPO”) on June 26, 2012, (the “Listing Date”), the Company secured designation as a Capital Pool Company (“CPC”), according to the TSX Venture Exchange (the “Exchange”).

The head office of the Company is located at Suite 610 - 815 West Hastings Street, Vancouver, British Columbia, V6C 1B4.

The Company’s principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business (“Qualifying Transaction”) and thereby qualifies as a Tier 2 issuer on the Exchange. The Company has not commenced operations and has no significant assets other than cash.

As of October 7, 2014, the Company had not completed a Qualifying Transaction within the prescribed time frame and, therefore, the Company's listing was transferred from the Exchange to the NEX trading board. The Company is presently listed and trading on the NEX under the symbol “CTP.H”. As at June 28, 2016, the Company has not yet completed a Qualifying Transaction.

Going concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company cannot be expected to continue operations for the foreseeable future. As at February 29, 2016, the Company had incurred accumulated operating losses of \$640,194 and had working capital of \$97,914.

Management believes there are sufficient funds on hand to fund day-to-day operating expenses over the next twelve months and to continue seeking a Qualifying Transaction. However, additional financing will, in all likelihood, be required to fund the completion of a Qualifying Transaction which would be sought through equity and/or debt issuances. In the event the Company is successful in securing a Qualifying Transaction, there can be no assurance that any required additional financing can be secured. These circumstances cast significant doubt about the Company’s ability to continue as a going concern.

These financial statements do not give effect to adjustments that would be necessary to the reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these financial statements.

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”) in effect on March 1, 2015.

These financial statements were approved and authorized for issue by the audit committee and board of directors on June 28, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation and functional currency

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to income tax provisions and note disclosures. Actual results may differ from those estimates and judgments.

Cash

Cash includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Share capital

Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For the year presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company.

Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the statement of comprehensive loss. The Company's cash is classified as fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Other financial liabilities are subsequently measured at amortized cost. The Company has classified its trade payable and accrued liabilities as other financial liabilities.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

Taxes

Current tax

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxes (continued)

Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Share-based compensation

The fair value of equity-settled share based payment transactions is estimated at the date of grant using the Black-Scholes option pricing model. This expense is recognized over a graded vesting period, the fair value of each tranche is recognized over its respective vesting period. When recognizing the fair value of each tranche over its respective vesting period, the Company incorporates an estimate of the number of options expected to vest and revises the estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates. These fair values are recognized as share based payments in the statement of comprehensive loss with a corresponding increase to reserves over the vesting period of the grant.

As the options are exercised, the consideration paid, together with the amount previously recognized in reserves, is recorded as an increase to share capital. In the event that vested options expire, previously recognized compensation expense associated with such stock options is not reversed.

Equity-settled share based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended February 29, 2016 and have not been applied in preparing these financial statements:

IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting standards issued but not yet effective (continued)

IFRS 15 Revenue from Contracts with Customers: On May 28, 2014, the IASB issued the final revenue standard, IFRS 15 Revenue from Contracts with Customers, which will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue - Barter Transactions Involving Advertising Services. The new standard will be mandatorily effective for fiscal years beginning on or after January 1, 2018, and interim periods within that year. Earlier application is permitted. The Company is currently analyzing the impact, if any, that the adoption of this standard will have on its financial statements.

IFRS 16 Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company is currently assessing the impact of this new standard on its financial statements.

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

3. TRADE PAYABLES AND ACCRUED LIABILITIES

	February 29, 2016	February 28, 2015
	\$	\$
Trade payables	6,611	30,991
Accrued liabilities	8,500	-
Amounts due to related parties (Note 5)	-	1,304
	15,111	32,295

4. SHARE CAPITAL AND RESERVE

Authorized share capital

Unlimited number of voting common shares without par value.

Escrow shares

As at February 29, 2016, the Company had 382,000 (2015 – 382,000) shares held in escrow.

Issued share capital

In November 2014, the Company consolidated its common shares on a 1:5 basis. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation, unless otherwise indicated.

During the year ended February 28, 2015, 250,000 common shares were cancelled.

In June 2015, the Company closed a non-brokered private placement of 3,000,000 shares at a price of \$0.055 per share for gross proceeds of \$165,000 and incurred share issuance costs of \$5,328 in connection with this private placement.

Stock Options

There were no new options granted in fiscal 2016 and 2015. A summary of the stock options outstanding and exercisable at February 29, 2016 is as follows:

Exercise price	Number outstanding and exercisable	Expiry date
\$ 0.50	100,000	June 26, 2022

The weighted average remaining life of the options outstanding at February 29, 2016 is 6.33 years.

5. RELATED PARTY TRANSACTIONS

As at February 29, 2016, the Company's total indebtedness to related parties for reimbursement of expenses amounted to \$nil (2015 - \$1,304) which was included with trades payable and accrued liabilities. The amounts due to related parties were unsecured, non-interest bearing and due on demand.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's trade payables and accrued liabilities approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited its cash with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Trade payables and accrued liabilities are due within the current operating period. The Company has sufficient cash to settle current liabilities and has working capital of \$97,914.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

7. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms and approved by the TSX-V.

As a CPC, the Company is subject to externally imposed capital requirements as outlined in Policy 2.4 and summarized below:

- 1) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a Qualifying Transaction;
- 2) Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a Qualifying Transaction;
- 3) No more than the lesser of \$210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate Qualifying Transaction;
- 4) After the completion of its IPO and until the completion of a Qualifying Transaction, a CPC may not issue any securities unless written acceptance of the TSX-V is obtained before the issuance of the securities.

As at February 29, 2016, the Company was in compliance with the above capital restrictions.

There were no changes in the Company's approach to capital management during the year ended February 29, 2016.

CREST PETROLEUM CORP.
(A Capital Pool Company)
Notes to Financial Statements
For the year ended February 29, 2016
(Expressed in Canadian Dollars)

8. TAXES

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

	February 29, 2016	February 28, 2015
	\$	\$
Loss before income taxes	(49,114)	(339,319)
Statutory tax rate	26%	26%
Expected income tax recovery at statutory tax rates	(12,770)	(88,223)
Permanent differences	-	1,281
Changes in deferred tax asset not recognized	12,770	86,942
Total tax recovery	-	-

Details of the unrecognized deductible temporary differences are as follows:

	February 29, 2016	February 28, 2015
	\$	\$
Non-capital losses carry forward	672,321	610,389
Share issuance costs	18,065	25,556
Unrecognized deductible temporary differences	690,386	635,945

The non-capital losses carry forward expire as follows:

	\$
2032	5,682
2033	123,060
2034	135,505
2035	346,142
2036	61,932
	672,321

Deferred tax benefits which may arise as a result of these deductible temporary differences have not been recognized in these financial statements due to the uncertainty of their realization.

9. SUBSEQUENT EVENT

In June 2016, the Company entered into a binding letter of intent (“LOI”) with GFG Resources Inc. (“GFG Resources”) to acquire 100% of the issued and outstanding shares of GFG Resources (“GFG Shares), a private British Columbia mineral company, in exchange for shares of the Company which would result in a reverse take-over of the Company by the shareholders of GFG Resources (the “Transaction”).

9. SUBSEQUENT EVENT (CONTINUED)

Pursuant to the terms of the LOI, the shareholders of GFG (the “GFG Shareholders”) will exchange all GFG Shares for common shares of the Company on a one for one basis. Likewise, all outstanding GFG stock options will be exchanged for stock options of the Company on the same basis.

The LOI may be terminated by either party if closing of the Transaction has not occurred on or before October 17, 2016. Upon completion of the transaction, the combined entity will qualify as a Tier I Mining Issuer (as defined by the TSX-V).

Crest Petroleum Corp.

(A Capital Pool Company)

FINANCIAL STATEMENTS

For the year ended February 28, 2015

Expressed in Canadian Dollars

Independent Auditors' Report

To the Shareholders of Crest Petroleum Corp.:

We have audited the accompanying financial statements of Crest Petroleum Corp., which comprise the statements of financial position as at February 28, 2015 and 2014 and the statements of comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Crest Petroleum Corp. as at February 28, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter - Going Concern

Without qualifying our opinion, we draw attention to Note 2 to the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Crest Petroleum Corp.'s ability to continue as a going concern.

Calgary, Alberta
June 26, 2015

MNP LLP
Chartered Accountants

Crest Petroleum Corp.
 Statements of Financial Position
 (Expressed in Canadian dollars)

	Notes	February 28, 2015	February 28, 2014
ASSETS			
Current assets			
Cash and cash equivalents	6	\$ 16,540	\$ 360,918
Accounts receivable	7	-	1,177
Prepaid expenses		3,111	-
TOTAL ASSETS		\$ 19,651	\$ 362,095
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	\$ 32,295	\$ 35,420
TOTAL LIABILITIES		32,295	35,420
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	5	532,836	532,836
Reserves	5	45,600	45,600
Deficit		(591,080)	(251,761)
TOTAL EQUITY		(12,644)	326,675
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		\$ 19,651	\$ 362,095

Going concern (Note 2)
 Subsequent event (Note 13)

On behalf of the Board:

"Toby Pierce", Director

"David Schmidt", Director

Crest Petroleum Corp.
 Statements of Comprehensive Loss
 (Expressed in Canadian dollars)

	Notes	Year ended February 28, 2015	Year ended February 28, 2014
Expenses			
Bank charge and interest		\$ 348	\$ 338
Travel and promotion		44,505	49,920
Office and general		33,680	5,547
Professional fees		225,458	44,345
Registration and filing fees		35,705	18,987
		(339,696)	(119,137)
Other items			
Interest income		829	1,800
Foreign exchange loss		(452)	-
		377	
Net loss and comprehensive loss for the year		(339,319)	(117,337)
Loss per share – basic and diluted		\$ (0.19)	\$ (0.09)
Weighted average number of shares outstanding		1,819,490	1,274,285

See accompanying notes to the financial statements.

Crest Petroleum Corp.
 Statements of Changes in Shareholders' Equity (Deficiency)
 (Expressed in Canadian dollars)

	Share Capital		Reserves	Deficit	Total
	Number of shares	Amount			
Balance at February 28, 2013	1,000,000	\$ 293,082	\$ 45,600	\$ (134,424)	\$ 204,258
Shares issued for cash	1,000,000	250,000	-	-	250,000
Share issue costs	-	(10,246)	-	-	(10,246)
Net loss for the year	-	-	-	(117,337)	(117,337)
Balance at February 28, 2014	2,000,000	\$ 532,836	\$ 45,600	\$ (251,761)	\$ 326,675
Balance at February 28, 2014	2,000,000	\$ 532,836	\$ 45,600	\$ (251,761)	\$ 326,675
Shares cancelled	(250,000)	-	-	-	-
Net loss for the year	-	-	-	(339,319)	(339,319)
Balance at February 28, 2015	1,750,000	\$ 532,836	\$ 45,600	\$ (591,080)	\$ (12,644)

See accompanying notes to the financial statements.

Crest Petroleum Corp.
 Statements of Cash Flows
 (Expressed in Canadian dollars)

	Note	Year ended February 28, 2015	Year ended February 28, 2014
Operating activities			
Loss for the year		\$ (339,319)	\$ (117,337)
Items not affecting cash			
Changes in non-cash working capital items:			
Accounts receivable		1,177	152
Prepaid expenses		(3,111)	-
Accounts payable and accrued liabilities		(3,125)	15,287
Net cash flows used in operating activities		(344,378)	(101,898)
Financing activities			
Shares issued for cash		-	250,000
Share issuance costs		-	(10,246)
Net cash flows from financing activities		-	239,754
Increase (decrease) in cash and cash equivalents		(344,378)	137,856
Cash and cash equivalents, beginning		360,918	223,062
Cash and cash equivalents, ending		\$ 16,540	\$ 360,918

1. Description of business and nature of operations

Crest Petroleum Corp. (the "Company") was incorporated on January 24, 2012, under the laws of the province of British Columbia, Canada. Following the completion of its initial public offering ("IPO") on June 26, 2012, (the "Listing Date"), the Company secured designation as a Capital Pool Company ("CPC"), as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The head office of the Company is located at Suite 800 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

The Company's principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business ("Qualifying Transaction") and thereby qualify as a Tier 2 issuer on the Exchange. The common shares of the Company have traded on the Exchange under the trading symbol "CTP.P" since June 26, 2012. The Company has not commenced operations and has no significant assets other than cash.

The Company entered into an agreement in principle dated June 25, 2014, with Sara Creek Gold Corp., pursuant to which the Company will acquire a non-operated working interest in two oil fields in Southern California. The proposed transaction would have constituted a qualifying transaction as that term is defined by the TSX Venture Exchange. On October 6, 2014, the Company terminated this agreement.

As of October 7, 2014, the Company had not completed a qualifying transaction within the prescribed time frame, and the Company's listing had transferred to the NEX. The Company's tier classification changed from Tier 2 to the NEX, and the filing and service office changed from Vancouver to the NEX.

The financial statements of the Company for the year ended February 28, 2015 were approved and authorized for issuance by the Board of Directors of Crest Petroleum Corp. on June 26, 2015.

2. Going concern

In addition to securing TSX Venture Exchange approval, Qualifying Transactions are generally subject to shareholder approval. Where acquisition or participation is warranted, additional funding will more likely than not be required. The ability of the Company to fund its potential future operations and commitments is dependent upon its ability to obtain additional financing. There can be no assurance that such additional financing can be secured.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company cannot be expected to continue operations for the foreseeable future. For the year ended February 28, 2015, the Company had incurred accumulated operating losses in the amount of \$591,080 and as at that date, the Company had working capital deficit of \$12,644 and has not completed a Qualifying Transaction.

Although management believes there is sufficient funds on hand to fund day-to-day operating expenses and the search for a Qualifying Transaction over the next twelve months, additional financing will in all likelihood be required to fund a Qualifying Transaction. Additional financing would be sought through equity and/or debt issuances. In the event the Company is successful in securing a Qualifying Transaction, there can be no assurance that any required additional financing can be secured. These circumstances cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not give effect to adjustments that would be necessary to their reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

3. Significant accounting policies and basis of preparation

a) Statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the year ended February 28, 2015, using the significant accounting policies outlined below.

b) Basis of preparation and functional currency

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

3. Significant accounting policies and basis of preparation (continued)

c) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value of share-based compensation, agents warrants, income tax provisions and note disclosures. Actual results may differ from those estimates and judgments.

d) Cash

Cash includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

e) Share capital

Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital.

f) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For the year presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company.

Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year.

3. Significant accounting policies and basis of preparation (continued)

g) Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the statement of comprehensive loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Other financial liabilities are subsequently measured at amortized cost.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

3. Significant accounting policies and basis of preparation (continued)

i) Taxes

Current tax:

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

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

Deferred tax:

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Significant accounting policies and basis of preparation (continued)

j) Share-based compensation

The fair value of equity-settled share based payment transactions is estimated at the date of grant using the Black-Scholes option pricing model. This expense is recognized over a graded vesting period, the fair value of each tranche is recognized over its respective vesting period. When recognizing the fair value of each tranche over its respective vesting period, the Company incorporates an estimate of the number of options expected to vest and revises the estimate when subsequent information indicates that the number of options expected to vest differs from previous estimates. These fair values are recognized as share based payments in the statement of comprehensive loss with a corresponding increase to reserves over the vesting period of the grant.

As the options are exercised, the consideration paid, together with the amount previously recognized in reserves, is recorded as an increase to share capital. In the event that vested options expire, previously recognized compensation expense associated with such stock options is not reversed.

Equity-settled share based payment transactions with parties other than employees and those providing similar services are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

4. Accounting standards issued but not yet effective

Recent pronouncements issued

The Company will be required to adopt the following applicable new standards and amendments as issued by the IASB. The Company is currently evaluating the impact on the financial statements as discussed below.

- i) IFRS 9, "Financial Instruments" establishes principles for the disclosure of financial assets and financial liabilities that will present information that is useful for the assessment of the amounts, timing and uncertainty of an entity's future cash flows. The IFRS is applicable to all items that fall within the scope of IAS 39. "Financial Instruments: Recognition and Measurement". This IFRS is effective for annual periods commencing on or after January 1, 2018 and is to be applied retrospectively. The Corporation intends to adopt IFRS 9 in its financial statements for the annual period beginning March 1, 2019.
- ii) IFRS 15, "revenue from contracts with customers" replaces the existing revenue recognition guidance with a new framework to determine the timing and measurement of revenue, providing users of the financial statements more information and relevant disclosures. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company continues to assess this new standard, but does not expect it to have a significant impact.

5. Share capital

Authorized share capital

Unlimited number of common shares, without par value.

Issued share capital

At February 28, 2015 there were 1,750,000 issued and fully paid common shares.

During the year ended February 28, 2015, 76,400 shares were held in escrow and 250,000 shares were cancelled.

Pursuant to a resolution passed by the Directors on November 7, 2014, the Company consolidated its capital on a 1:5 basis. Effective at the opening on November 28, 2014, the common shares of the Company commenced trading on a consolidated basis. The financial statement are presented on the consolidated basis.

On October 23, 2013, the Company completed a private placement which consisted of 1,000,000 common shares at a price of \$0.25 per share for gross proceeds of \$250,000. The shares issued pursuant to the offering are subject to a four-month hold period expiring on February 24, 2014. In connection with the private placement, as of February 28, 2014, the Company had recognized issuance costs that included cash payments totaling \$10,246.

Options

During the year ending February 28, 2013, the Company granted 100,000 options with an exercise price of \$0.50 and a contractual life of 10 years to Directors of the Company and share-based compensation expense of \$37,200 was recorded. The fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions; annualized volatility – 100%, risk-free rate – 1.15%, forfeiture rate – 0%, dividend rate – 0%.

There were no options granted in fiscal 2015 and 2014.

The weighted average remaining contractual life of the options outstanding at February 28, 2015 is 7.33 years (February 28, 2014 - 8.33).

Warrants

A summary of share purchase warrants activity for the year ended February 28, 2015 is as follows:

	Number of Warrants	Exercise Price
Balance, February 28, 2014	32,000	\$0.10
Expired	(32,000)	\$0.10
Balance, February 28, 2015	-	-

6. Cash and cash equivalents

The components of cash are as follows:

	February 28, 2015	February 28, 2014
Cash at bank	\$ 16,540	\$ 210,918
Short-term investment (guaranteed investment certificate)	-	150,000
	\$ 16,540	\$ 360,918

7. Accounts receivable

Receivables consist of sales tax and interest receivable.

8. Accounts payable and accrued liabilities

	February 28, 2015	February 28, 2014
Accounts payable	\$ 30,991	\$ 24,457
Amounts due to related parties	1,304	10,963
	\$ 32,295	\$ 35,420

9. Taxes

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

	Year ended February 28, 2015	Year ended February 28, 2014
Net loss	\$ (339,319)	\$ (117,337)
Statutory tax rate	<u>26.0%</u>	<u>25.92%</u>
Expected tax recovery at the statutory tax rate	\$ (88,223)	\$ (30,414)
Differences due to recognition of items for tax purposes:		
Permanent differences	1,281	853
Change in enacted tax rates	-	(1,863)
Tax effect of share issuance costs	-	(2,664)
Change in deferred tax asset not recognized	<u>86,942</u>	<u>34,088</u>
Income tax recovery	<u>\$ -</u>	<u>\$ -</u>

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	Year ended February 28, 2015	Year ended February 28, 2014
Deferred tax assets		
Loss carry-forwards	\$ 158,701	\$ 68,704
Share issuance and financing costs	<u>6,645</u>	<u>9,700</u>
	165,346	78,404
Deferred tax asset not recognized	<u>(165,346)</u>	<u>(78,404)</u>
Deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The Company has available for deduction against future taxable income non-capital losses of approximately \$610,389 (2014 - \$264,247). These losses, if not utilized, will expire starting 2032. Deferred tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial due to the uncertainty of their realization.

The tax pools relating to these deductible temporary differences expire as follows:

Year of origin	Non-capital loss	Year of expiry
2012	\$ 5,682	2032
2013	123,060	2033
2014	135,505	2034
2015	<u>346,142</u>	2035
	<u>\$ 610,389</u>	

10. Related party transactions

As at February 28, 2015 the Company's total indebtedness to related parties amounted to \$1,304 (2014 - \$10,963) and is included with accounts payable and accrued liabilities. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

In the year ended February 28, 2014 directors and officers of the Company had subscribed for a total of 140,000 of the Company's fully paid and issued or allotted shares outstanding at a price of \$0.25 per share for gross proceeds of \$35,000.

During the years ended February 28, 2015 and February 28, 2014, there was no other compensation paid to key management.

11. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash of \$16,540 (2014 - \$360,918). Cash is held with one financial institution, resulting in concentration of credit risk. This risk is managed by using a major financial institution with a high credit rating as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Financial instruments that subject the Company to liquidity risk consist primarily of accounts payable and accrued liabilities of \$32,295 (2014 - \$35,420).

The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

During the year ended February 28, 2015, the Company's sole source of funding has been the issuance of equity securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk. The Company is primarily exposed to interest rate risk.

11. Financial risk management (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has a low exposure to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are exposed to interest rate fluctuations on renewal.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company currently operates only in Canada and is not exposed to this risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to this risk.

Categories of financial instruments

Financial assets included in the statement of financial position are as follows:

	February 28, 2015	February 28, 2014
Fair value through profit or loss:		
Cash	\$ 16,540	\$ 360,918
Loans and receivables:		
Accounts receivables	-	1,177
	\$ 16,540	\$ 362,095

Financial liabilities included in the statement of financial position are as follows:

	February 28, 2015	February 28, 2014
Non-derivative financial liabilities:		
Accounts payable and accrued liabilities	\$ 32,295	\$ 35,420
	\$ 32,295	\$ 35,420

11. Financial risk management (continued)

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short term maturities.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash and cash equivalents are classified as level 1.

12. Capital management

Capital is comprised of the Company's shareholders equity, any debt that it may issue and working capital. As at February 28, 2015, working capital deficit amounted to \$12,644 (2014 – working capital of \$326,675) and current liabilities amounted to \$32,295 (2014 - \$35,420). The Company's objectives when managing capital are to ensure its ability to continue as a going concern and allow it to identify an appropriate business or asset in order to complete a qualifying transaction. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets, including successful capital deployment. The Company prepares annual budgets in order to facilitate the management of its capital requirements. To maintain or adjust the capital structure, the Company may from time to time, issue common shares, raise debt, adjust its capital spending or change dividends paid to manage its current and projected debt levels.

The Company is dependent on capital markets as its principal source of operating capital and the Company's capital resources are largely determined by: the strength of the junior capital markets; the strength of the Company's assets, if any in relation to these markets and by its ability to compete for investor support of its business plans. The Company is not subject to externally imposed capital requirements.

13. Subsequent event

On June 22, 2015, the Company closed its non-brokered private placement of 3,000,000 shares at a price of \$0.055 per share to raise gross proceeds of \$165,000. The securities issuable in the private placement will have a hold period of four months from the closing. The gross proceeds of \$165,000 are intended to be used for working capital and to fund future property acquisitions.

SCHEDULE "T"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CREST

Crest Petroleum Corp.
(A Capital Pool Company)

Management Discussion & Analysis

For the three months ended May 31, 2016

CREST PETROLEUM CORP.

(A Capital Pool Company)

Management discussion and analysis

For the three months ended May 31, 2016

This Management Discussion and Analysis (“**MD&A**”) was prepared as at July 29, 2016 to assist readers in understanding Crest Petroleum Corp’s (the “**Company**”) financial performance for three months ended May 31, 2016. This MD&A should be read in conjunction with the condensed interim financial statements for the three months ended May 31, 2016 and related notes (the “**Interim Financial Statements**”) and the audited financial statements for the year ended February 29, 2016 and related notes (the “**Annual Financial Statements**”). The Interim Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information can be found at the website www.sedar.com.

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Company’s plans, objectives, and budgets may differ materially from actual results. See additional discussion under “Risks and Uncertainties” section.

CORPORATE PROFILE AND OVERALL PERFORMANCE

The Company was incorporated on January 24, 2012, under the laws of the Province of British Columbia, Canada. Following the completion of its initial public offering (“**IPO**”) on June 26, 2012, (the “**Listing Date**”), the Company secured designation as a Capital Pool Company (“**CPC**”), according to the TSX Venture Exchange (the “**Exchange**”).

The Company’s principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business (“**Qualifying Transaction**” or “**QT**”). The Company has not yet commenced operations and has no significant assets other than cash.

On October 7, 2014, the Company had not completed a Qualifying Transaction within the prescribed time frame and the Company’s listing was transferred from the Exchange to the NEX trading board. The Company is presently listed and trading on the NEX under the symbol “**CTP.H**”.

The head office of the Company is located at Suite 610 - 815 West Hastings Street, Vancouver, British Columbia, V6C 1B4.

As at May 31, 2016, the Company had cash of \$104,385 and working capital of \$94,209. See “**Liquidity and Capital Resources**” for further details.

Subsequent event:

In June 2016, the Company entered into a binding letter of intent (“LOI”) with GFG Resources Inc. (“GFG Resources”) to acquire 100% of the issued and outstanding shares of GFG Resources (“GFG Shares), a private British Columbia mineral company, in exchange for shares of the Company which would result in a reverse take-over of the Company by the shareholders of GFG Resources (the “Transaction”).

Pursuant to the terms of the LOI, the shareholders of GFG (the “GFG Shareholders”) will exchange all GFG Shares for common shares of the Company on a one for one basis. Likewise, all outstanding GFG stock options will be exchanged for stock options of the Company on the same basis.

The LOI may be terminated by either party if closing of the Transaction has not occurred on or before October 17, 2016. Upon completion of the transaction, the combined entity will qualify as a Tier I Mining Issuer (as defined by the TSX-V).

RESULTS OF OPERATIONS

As at May 31, 2016, the Company was a CPC. Accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses. See the summary of results, below:

Selected Financial Data

	Three months ended May 31, 2016	Three months ended May 31, 2015
	\$	\$
Revenue	-	-
Loss and comprehensive loss	(3,705)	(15,114)
Basic and diluted loss per share	(0.00)	(0.01)
Working capital (deficit)	94,209	(27,758)
Total assets	111,385	16,491
Total shareholders’ equity (deficit)	94,209	(27,758)

Net and comprehensive loss

For the three months ended May 31, 2016, the Company did not yet achieve profitable operations and incurred a net and comprehensive loss of \$3,705 (May 31, 2015 - \$15,114) which has resulted in accumulated losses of \$643,899 (May 31, 2015 - \$606,194) since inception. The loss for the period resulted in a net loss per share (basic and diluted) for the three months ended May 31, 2016 of \$0.00 (May 31, 2015 - \$0.01).

Results of Operations

The Company has yet to generate any revenue since its inception from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

CREST PETROLEUM CORP.
(A Capital Pool Company)
Management discussion and analysis
For the three months ended May 31, 2016

The operating and administrative expenses for the three months ended May 31, 2016 totalled \$3,705 (May 31, 2015 - \$15,114). The table below details the changes in major expenditures for the three months ended May 31, 2016 as compared to the corresponding three months ended May 31, 2015.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Office and general	Decrease of \$6,111	Decreased due to reduced corporate activity.
Professional fees	Decrease of \$5,326	Decreased due to reduced corporate activity.

Summary of quarterly results for the last consecutive 8 quarters

Historical quarterly financial information derived from the Company's eight most recently completed quarters is as follows:

	Quarters Ended			
	May 31, 2016	February 29, 2016	November 30, 2015	August 31, 2015
	\$	\$	\$	\$
Revenue (interest income)	-	-	-	-
Net and comprehensive loss	(3,705)	(9,645)	(4,679)	(19,676)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)
Working capital (deficit)	94,209	97,914	107,559	112,238
	May 31, 2015	February 28, 2015	November 30, 2014	August 31, 2014
	\$	\$	\$	\$
Revenue (interest income)	-	-	286	543
Net and comprehensive loss	(15,114)	(3,697)	(37,524)	(119,027)
Basic and diluted loss per share	(0.01)	(0.00)	(0.02)	(0.06)
Working capital (deficit)	(27,758)	(12,644)	(8,947)	28,577

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity.

The Company's liquidity and capital resources are as follows:

	May 31, 2016	February 29, 2016
	\$	\$
Cash	104,385	104,807
Prepaid expenses	7,000	8,218
Total current assets	111,385	113,025
Trade payables and accrued liabilities	17,176	15,111
Working capital	94,209	97,914

As at May 31, 2016, the Company had cash of 104,385 (February 29, 2016 - \$104,807) and had working capital of \$94,209 (February 29, 2016 - 97,914). The Company has not pledged any of its assets as security for loans, or otherwise, and is not subject to any debt covenants.

During the three months ended May 31, 2016 and 2015, the Company used cash to fund administrative expenses and activities. There were no financing or investing activities during these periods.

As of the date hereof, the Company did not have any commitments for capital expenditures.

As a CPC, the Company is subject to externally imposed capital requirements as outlined in Exchange Policy 2.4 and summarized below:

- 1) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a QT;
- 2) Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a QT;
- 3) No more than the lesser of \$210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate QT; and
- 4) After the completion of its IPO and until the completion of a QT, a CPC may not issue any securities unless written acceptance of the Exchange is obtained before the issuance of the securities.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements as at May 31, 2016 or as of the date of this report.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to income tax provisions and note disclosures.

ACCOUNTING STANDARDS AND AMENDMENTS NOT YET ADOPTED

There were no changes to the Company's accounting policies during the three months ended May 31, 2016.

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the three months ended May 31, 2016 and have not been applied in preparing the Interim Financial Statements.

- a) IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on its financial statements.
- b) IFRS 15 – Revenue from Contracts with Customers: On May 28, 2014, the IASB issued the final revenue standard, IFRS 15 Revenue from Contracts with Customers, which will replace IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue - Barter Transactions Involving Advertising Services. The new standard will be mandatorily effective for fiscal years beginning on or after January 1, 2018, and interim periods within that year. Earlier application is permitted. The Company is currently analyzing the impact, if any, that the adoption of this standard will have on its financial statements.
- c) IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. The Company is currently assessing the impact of this new standard on its financial statements.

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

CREST PETROLEUM CORP.

(A Capital Pool Company)

Management discussion and analysis

For the three months ended May 31, 2016

RISKS & UNCERTAINTIES

The Company currently has no source of recurring income, has not commenced commercial operations, has no significant assets other than cash, has no history of earnings and does not intend to pay dividends. In addition, there can be no assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all.

The Company's success depends to a certain degree upon key members for the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

Business Strategy

The Company is actively trying to complete a Qualifying Transaction. There is no assurance that the transactions contemplated by the LOI will be completed as proposed, or at all. Closing of the RTO is subject to a number of conditions that may not be met, including, but not limited to, completion of satisfactory due diligence, approval of the RTO by the Exchange and the completion of securities offerings to raise sufficient capital to meet the requirements of the Exchange.

Uncertainty of Funding

The Company has limited financial resources, and the completion of a Qualifying Transaction will require additional financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company. Further searching and acquisition efforts will depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its Qualifying Transaction or reduce or terminate its operations.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

General Economic Conditions

The unprecedented events in global financial markets during the last few years have had a profound effect on the global economy. Many industries, including the mining and energy industries, are affected by these market conditions. Some of the key effects of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

Substantial Volatility of Share Price

In recent years, the securities markets have experienced a high level of price and volume volatility, and the securities of many junior companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

Potential Dilution of Present and Prospective Shareholdings

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents held in bank accounts. The Company has deposited the cash and cash equivalents with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Trade payables and accrued liabilities are due within the current operating period and the Company has sufficient cash to settle current these liabilities. The Company has working capital of \$94,209 so the liquidity risk is assessed as low.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates. The risk of loss is low.

Capital Management

The Company defines capital as the Company's shareholders' equity. The Company's objectives when managing capital is to safeguard its accumulated capital by maintaining a sufficient level of funds to complete the Company's Qualifying Transaction while providing adequate returns to shareholders.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES AND OPTIONS

As at May 31, 2016 and the date of this report, the Company had:

- a. 382,000 shares held in escrow;
- b. 4,750,000 common shares issued and outstanding; and
- c. 100,000 stock options outstanding and exercisable.

The following table summarizes the options outstanding and exercisable at the date of this report:

Exercise price	Number outstanding and exercisable	Expiry date
\$		
0.50	100,000	June 26, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's Interim Financial Statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- the Company's condensed interim financial statements for the three months ended May 31, 2016; and
- the Company's audited financial statements for the year ended February 29, 2016

This MD&A has been approved by the Board on July 29, 2016.

Crest Petroleum Corp.
(A Capital Pool Company)

Management Discussion & Analysis

For the year ended February 29, 2016

This Management Discussion and Analysis (“**MD&A**”) was prepared as at June 28, 2016 to assist readers in understanding Crest Petroleum Corp’s (the “**Company**”) financial performance for year ended February 29, 2016. This MD&A should be read in conjunction with the audited annual financial statements for the year ended February 29, 2016 and related notes (the “**Annual Financial Statements**”). These Annual Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in Canadian dollars. Additional information can be found at the website www.sedar.com.

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Readers are cautioned that these statements which describe the Company’s plans, objectives, and budgets may differ materially from actual results. See additional discussion under “Risks and Uncertainties” section.

CORPORATE PROFILE AND OVERALL PERFORMANCE

The Company was incorporated on January 24, 2012, under the laws of the Province of British Columbia, Canada. Following the completion of its initial public offering (“**IPO**”) on June 26, 2012, (the “**Listing Date**”), the Company secured designation as a Capital Pool Company (“**CPC**”), according to the TSX Venture Exchange (the “**Exchange**”).

The head office of the Company is located at Suite 610 - 815 West Hastings Street, Vancouver, British Columbia, V6C 1B4.

The Company’s principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business (“**Qualifying Transaction**” or “**QT**”). The Company has not yet commenced operations and has no significant assets other than cash.

On October 7, 2014, the Company had not completed a Qualifying Transaction within the prescribed time frame and the Company’s listing was transferred from the Exchange to the NEX trading board. The Company is presently listed and trading on the NEX under the symbol “**CTP.H**”.

In April 2015, Richard Silas was appointed director, President and CEO while Michael Keast was appointed director of the Company. Toby Pierce resigned as president and CEO but remained as a director while Jesse Meidl and James Greig both resigned as directors of the Company.

In June 2015, the Company closed a non-brokered private placement of 3,000,000 shares at a price of \$0.055 per share for gross proceeds of \$165,000 and incurred share issuance costs of \$5,328 in connection with this private placement.

In July 2015, Michael Waldkirch was appointed CFO of the Company.

As at February 29, 2016, the Company had cash of \$104,807 and working capital of \$97,914. See “Liquidity and Capital Resources” for further details.

Subsequent event:

In June 2016, the Company entered into a binding letter of intent (“LOI”) with GFG Resources Inc. (“GFG Resources”) to acquire 100% of the issued and outstanding shares of GFG Resources (“GFG Shares), a private British Columbia mineral company, in exchange for shares of the Company which would result in a reverse take-over of the Company by the shareholders of GFG Resources (the “Transaction”).

Pursuant to the terms of the LOI, the shareholders of GFG (the “GFG Shareholders”) will exchange all GFG Shares for common shares of the Company on a one for one basis. Likewise, all outstanding GFG stock options will be exchanged for stock options of the Company on the same basis.

The LOI may be terminated by either party if closing of the Transaction has not occurred on or before October 17, 2016. Upon completion of the transaction, the combined entity will qualify as a Tier I Mining Issuer (as defined by the TSX-V).

RESULTS OF OPERATIONS

As at February 29, 2016, the Company was a CPC. Accordingly, the Company has not recorded any revenues, and depends upon share issuances to fund its administrative expenses. See the summary of results, below:

Selected Annual Financial Data

	Year ended		
	February 29, 2016	February 28, 2015	February 28, 2014
	\$	\$	\$
Interest income	-	829	1,800
General and administrative expenses	(49,114)	(339,696)	(119,137)
Net and comprehensive loss	(49,114)	(339,319)	(117,337)
Basic and diluted loss per share	(0.01)	(0.19)	(0.09)
Working capital (deficit)	97,914	(12,644)	326,675
Total assets	113,025	19,651	362,095
Total shareholders’ equity (deficiency)	97,914	(12,644)	326,675

Net and comprehensive loss

For the year ended February 29, 2016, the Company had not yet achieved profitable operations and incurred a net and comprehensive loss of \$49,114 (February 28, 2015 - \$339,319) which resulted in accumulated losses of \$640,194 (February 28, 2015 - \$591,080) since inception. This loss for the year resulted in a net loss per share (basic and diluted) for the year ended February 29, 2016 of \$0.01 (February 28, 2015 - \$0.19).

Results of Operations

The Company has yet to generate any revenue since its inception from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

The operating and administrative expenses for the year ended February 29, 2016 totalled \$49,114 (February 28, 2015 - \$339,696). The table below details the changes in major expenditures for the year ended February 29, 2016 as compared to the corresponding year ended February 28, 2015.

CREST PETROLEUM CORP.
(A Capital Pool Company)
Management discussion and analysis
For the year ended February 29, 2016

Expenses	Increase / Decrease in Expenses	Explanation for Change
Office and general	Decrease of \$27,355	Decreased as the Company had more corporate activity in the comparative year due to an attempt to complete a Qualifying Transaction in the prior year
Professional fees	Decrease of \$193,499	Decreased as the Company incurred significantly higher legal fees in connection with an attempt to complete a Qualifying Transaction in the prior year
Registration and filing fees	Decrease of \$25,035	Decreased as the Company incurred higher filing fees in connection with an attempt to complete a Qualifying Transaction in the prior year
Travel and promotion	Decrease of \$44,505	Decreased as management incurred higher travel related costs in connection with an attempt to complete a Qualifying Transaction in the prior year

Summary of quarterly results for the last consecutive 8 quarters

Historical quarterly financial information derived from the Company's eight most recently completed quarters is as follows:

	Quarters Ended			
	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015
	\$	\$	\$	\$
Revenue (interest income)	-	-	-	-
Net and comprehensive loss	(9,645)	(4,679)	(19,676)	(15,114)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.01)
Working capital (deficit)	97,914	107,559	112,238	(27,758)
	February 28, 2015	November 30, 2014	August 31, 2014	May 31, 2014
	\$	\$	\$	\$
Revenue (interest income)	-	286	543	-
Net and comprehensive loss	(3,697)	(37,524)	(119,027)	(179,071)
Basic and diluted loss per share	(0.00)	(0.02)	(0.06)	(0.10)
Working capital (deficit)	(12,644)	(8,947)	28,577	147,604

FOURTH QUARTER

The general and administrative expenses for the three months ended February 29, 2016 totalled \$9,645. The major expenses for the quarter ended February 29, 2016 were professional fees of \$8,308 and registration and filing fees of \$1,312.

As at February 29, 2016, the Company had cash of \$104,807 consisting mainly of proceeds from the June 2015 private placement. Cash decreased by \$19,607 during the current period as the result of funding the Company's administrative costs.

There were no material adjustments or other events affecting the Company's financial condition or performance in the fourth quarter.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity.

The Company's liquidity and capital resources are as follows:

	February 29, 2016	February 28, 2015
	\$	\$
Cash	104,807	16,540
Prepaid expenses	8,218	3,111
Total current assets	113,025	19,651
Trade payables and accrued liabilities	15,111	32,295
Working capital (deficit)	97,914	(12,644)

As at February 29, 2016, the Company had cash of \$104,807 (February 28, 2015 - \$16,540) and had working capital of \$97,914 (February 28, 2015 – working capital deficit \$12,644). The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

In June 2015, the Company closed a non-brokered private placement of 3,000,000 shares at a price of \$0.055 per share for gross proceeds of \$165,000 which will be used for working capital purposes.

During the year ended February 29, 2016, the Company spent \$71,405 in operating activities whereas cash used in operating activities in the comparative year ended February 28, 2015 was significantly higher (in the amount of \$344,378).

As of the date hereof, the Company did not have any commitments for capital expenditures.

As a CPC, the Company is subject to externally imposed capital requirements as outlined in Exchange Policy 2.4 and summarized below:

- 1) No salary, consulting, management fees or similar remuneration of any kind may be paid directly or indirectly to a related party of the Company or a related party of a QT;
- 2) Gross proceeds realized from the sale of all securities issued by a CPC may only be used to identify and evaluate assets or businesses and obtain shareholder approval for a QT;
- 3) No more than the lesser of \$210,000 and 30% of the gross proceeds from the sale of securities issued by a CPC may be used for purposes other than to identify and evaluate QT;
- 4) After the completion of its IPO and until the completion of a QT, a CPC may not issue any securities unless written acceptance of the Exchange is obtained before the issuance of the securities.

RELATED PARTY TRANSACTIONS

As at February 29, 2016, the Company's total indebtedness to related parties for reimbursement of expenses amounted to \$nil (February 28, 2015 - \$1,304) which is included with trades payable and accrued liabilities. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements as at February 29, 2016 or as of the date of this report.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to income tax provisions and note disclosures. Actual results may differ from those estimates and judgments.

ACCOUNTING STANDARDS AND AMENDMENTS NOT YET ADOPTED

There were no changes to the Company's accounting policies during the year ended February 29, 2016.

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended February 29, 2016 and have not been applied in preparing the Annual Financial Statements.

- a) IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on its financial statements.

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

RISKS & UNCERTAINTIES

The Company currently has no source of recurring income, has not commenced commercial operations, has no significant assets other than cash, has no history of earnings and does not intend to pay dividends. In addition, there can be no assurance that the Company will be able to obtain additional financing in the future on terms acceptable to the Company or at all.

The Company's success depends to a certain degree upon key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management team or certain key employees could have a material adverse effect on the Company.

Business Strategy

The Company is actively trying to complete a Qualifying Transaction. There is no assurance that the transactions contemplated by the LOI will be completed as proposed, or at all. Closing of the RTO is subject to a number of conditions that may not be met, including, but not limited to, completion of satisfactory due diligence, approval of the RTO by the Exchange and the completion of securities offerings to raise sufficient capital to meet the requirements of the Exchange.

Uncertainty of Funding

The Company has limited financial resources, and the completion of a Qualifying Transaction will require additional financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company. Further searching and acquisition efforts will depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its Qualifying Transaction or reduce or terminate its operations.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

General Economic Conditions

The unprecedented events in global financial markets during the last few years have had a profound effect on the global economy. Many industries, including the mining and energy industries, are affected by these market conditions. Some of the key effects of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

Substantial Volatility of Share Price

In recent years, the securities markets have experienced a high level of price and volume volatility, and the securities of many junior companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

Potential Dilution of Present and Prospective Shareholdings

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents held in bank accounts. The Company has deposited the cash and cash equivalents with a high credit quality financial institution as determined by rating agencies. The risk of loss is low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when due. Trade payables and accrued liabilities are due within the current operating period. The Company has sufficient cash to settle current liabilities and has working capital of \$97,914.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions and management actively negotiates favorable market related interest rates.

Capital Management

The Company defines capital as the Company's shareholders' equity. The Company's objectives when managing capital is to safeguard its accumulated capital by maintaining a sufficient level of funds to complete the Company's Qualifying Transaction while providing adequate returns to shareholders.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES AND OPTIONS

As at the date of this report, the Company had:

- a. 382,000 shares held in escrow;
- b. 4,750,000 common shares issued and outstanding; and
- c. 100,000 stock options outstanding and exercisable.

The following table summarizes the options outstanding and exercisable at the date of this report:

Exercise price	Number outstanding and exercisable	Expiry date
\$		
0.50	100,000	June 26, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's Annual Financial Statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- the Company's audited financial statements for the years ended February 29, 2016 and February 28, 2015.

This MD&A has been approved by the Board on June 28, 2016.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

Introduction

Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Crest Petroleum Corp.'s (the "Company") financial statements for the year ended February 28, 2015. The discussion should be read in conjunction with the audited financial statements of the Company and the notes thereto for the year ended February 28, 2015. The effective date of this report is June 26, 2015. The audited financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless expressly stated otherwise, all financial information is presented in Canadian dollars which is the Company's functional and presentation currency. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business and Overview

Crest Petroleum Corp. (the "Company") was incorporated on January 24, 2012, under the laws of the province of British Columbia, Canada. Following the completion of its initial public offering ("IPO") on June 26, 2012, (the "Listing Date"), the Company secured designation as a Capital Pool Company ("CPC"), as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The Company's principal activity is the identification, evaluation and negotiation for the acquisition of assets or a business ("Qualifying Transaction") and thereby qualify as a Tier 2 issuer on the Exchange. The common shares of the Company have traded on the Exchange under the trading symbol "CTP.P" since June 26, 2012.

The Company is a Capital Pool Company ("CPC") as defined in the TSX-V Policy 2.4. As a Capital Pool Corporation, the principal business of the Company is the evaluation and identification of assets or a business and, once identified and evaluated, to negotiate participation or acquisition in a business. This Qualifying Transaction will be subject to shareholder approval, and if required, acceptance by regulatory authorities.

Although the Corporation believes it has enough capital resources to complete a Qualifying Transaction, there is no guarantee that the Company will be able to do so, or to secure additional financings in the future.

The Company's head office, principal address and registered and records office is located at 800 - 1199 West Hastings Street, Vancouver B.C., V6E 3T5.

As of October 7, 2014, the Company had not completed a qualifying transaction within the prescribed time frame, and the company's listing had transferred to the NEX, the company's tier classification changed from Tier 2 to the NEX, and the filing and service office changed from Vancouver to the NEX.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

The Company has entered into an agreement in principle dated June 25, 2014, with Sara Creek Gold Corp., pursuant to which Crest will acquire a non-operated working interest in two oil fields in Southern California. The proposed transactions will constitute a qualifying transaction as that term is defined by the TSX Venture Exchange. On October 6, 2014, the Company terminated this previously announced agreement.

Pursuant to a resolution passed by the directors on Nov. 7, 2014, Crest Petroleum Corp. has consolidated its capital on a 1:5 basis. Effective at the opening on Friday, Nov. 28, 2014, the common shares of Crest Petroleum commenced trading on the TSX Venture Exchange on a consolidated basis.

Selected Annual Information

The following table sets forth selected audited financial information of the Company for the last two completed financial years:

	February 28, 2015	February 28, 2014	February 28, 2013
Revenue	\$829	\$1,800	\$1,562
Net Loss	(\$339,319)	(\$117,337)	(\$128,742)
Loss per Share – Basic and Diluted	(\$0.18)	(\$0.09)	(\$0.10)
Total Assets	\$19,651	\$362,095	\$224,391
Total Liabilities	\$32,295	\$35,420	\$20,133
Working Capital (Deficit)	(\$12,644)	\$326,675	\$204,258

Summary of Quarterly Results

The following table sets forth selected information from the Company's unaudited quarterly financial statements prepared in accordance with IFRS.

For the quarters ended:

	Three-months ended February 28, 2015	Three-months ended November 30, 2014	Three-months ended August 31, 2014	Three-months ended May 31, 2014
Total Revenue	\$ Nil	\$ 286	\$ 543	\$ Nil
Net Loss	3,697	37,524	119,027	179,071
Loss per Share (basic & diluted)	0.00	0.02	0.06	0.10
Total Assets	19,651	79,175	119,576	290,615
Total Liabilities	32,295	88,122	90,999	143,011
Working Capital (Deficit)	\$ (12,644)	\$ (8,947)	\$ 28,577	\$ 147,604

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

	Three-months ended February 28, 2014	Three-months ended November 30, 2013	Three-months ended August 31, 2013	Three-months ended May 31, 2013
Total Revenue	\$ 1,177	\$ Nil	\$ 623	\$ Nil
Net Loss	71,182	12,167	30,546	3,442
Loss per Share (basic & diluted)	0.03	0.00	0.00	0.00
Total Assets	362,095	410,328	173,299	213,816
Total Liabilities	35,420	2,225	3,029	12,999
Working Capital	\$ 326,675	\$ 408,103	\$ 170,270	\$ 200,817

Results of Operations

During the year ended February 28, 2015, the Company's net loss was \$339,319 compared to \$117,337 in 2014. Professional fees increased from \$44,345 in 2014 to \$225,458, bank charges increased from \$338 in 2014 to \$348, travel and promotion decreased from \$49,920 in 2014 to \$44,505, office increased from \$5,547 in 2014 to \$33,680 and filing fees increased from \$18,987 in 2014 to \$35,705. These variances were mainly because of the fact that in the fiscal 2015 the Company spent more on identifying and acquisition of a Qualifying Transaction.

Fourth Quarter

- Professional fees were (\$22,656)
- Bank fees were \$33
- Office, travel and promotion were \$41,164
- Filing fees were (\$7,726)

Capital Resources and Liquidity

At February 28, 2015, the Company had cash and cash equivalents of \$16,540 (2014 - \$360,918) and working capital deficit of \$12,644 (2014 – working capital of \$326,675). The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants.

The Company's cash is highly liquid and held at a major Canadian financial institution.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

	Increase (decrease) in cash and cash equivalents for the Years Ended February 28, 2015 and 2014	
	2015	2014
Operating activities	\$ (344,378)	\$ (101,898)
Investing activities	-	-
Financing activities	-	239,754
Total change in cash and cash equivalents	(344,378)	137,856
Cash and cash equivalents, beginning of the year	360,918	223,062
Cash and cash equivalents, end of the year	\$ 16,540	\$ 360,918

Operating Activities

Cash used in operating activities primarily consist of general and administrative expenditures. The \$242,480 increase in the use of cash for operating activities for the year ended February 28, 2015 over the prior period is mainly attributable to the additional professional and other fees incurred for the Qualifying Transaction.

Investing Activities

There was no cash from investing activities during the years ended February 28, 2015 and 2014.

Financing Activities

The Company currently has no revenues from operations and has been dependent on equity financing to fund its operations. There was no financing activities during the year ended February 28, 2015. In the prior comparative period, the Company completed a private placement raising \$250,000 less \$10,246 in issuance costs.

Management has been successful in accessing the equity markets in the current and prior year, but there is no assurance that such sources will be available, on acceptable terms, or at all in the future. Factors which could impact management's ability to access the equity markets include the state of capital markets, market prices for natural resources and the non-viability of the projects.

Related Party Transactions

As at February 28, 2015 the Company's total indebtedness to related parties amounted to \$1,304 (2014- \$10,963) and is included with accounts payable and accrued liabilities. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

In the year ended February 28, 2014 directors and officers of the Company had subscribed for a total of 140,000 of the Company's fully paid and issued or allotted shares outstanding at a price of \$0.25 per share for gross proceeds of \$35,000.

During the years ended February 28, 2015 and February 28, 2014, there was no other compensation paid to key management.

Share Capital and Disclosure of Outstanding Share Data

As at February 28, 2015, the authorized share capital was an unlimited number of common shares and there were 1,750,000 common shares issued and outstanding. As at the date of this MD&A, there Company had 4,750,000 common shares issued and outstanding.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

Stock Options

The following summarizes information on the number of stock options outstanding at February 28, 2015:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Number of options</u>
June 26, 2022	\$ 0.50	100,000
Total		100,000

At February 28, 2015, the weighted-average remaining contractual life of stock options was 7.33 years (February 28, 2014- 8.33).

Outstanding Share Data

As at the date of this report, the Company's fully diluted shares outstanding is as follows:

Common shares	4,750,000
Options	100,000
Warrants	Nil
Fully diluted shares outstanding	4,850,000

As at the date of this report, 76,400 shares are held in escrow.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Subsequent Events

On April 8, 2015, the Company announced that it has arranged a non-brokered private placement of up to 3,000,000 shares at a price of \$0.055 per share to raise gross proceeds of up to \$165,000. The securities issuable in the private placement will have a hold period of four months from the closing. The gross proceeds of up to \$165,000 are intended to be used for working capital and to fund future property acquisitions. On May 14, 2015, the Company announced that it expects to close its financing on or before June 22, 2015.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

Additional Disclosures for Companies without Significant Revenue

The following is the detailed breakdown of material components of costs for the years ended February 28, 2015 and 2014:

	Year ended February 28, 2015	Year ended February 28, 2014
Exploration and development costs: deferred or expensed	\$ Nil	\$ Nil
Share-based payments	\$ Nil	\$ Nil
Professional fees	\$ 225,458	\$ 44,345
Bank charge and interest	\$ 348	\$ 338
Travel and promotion	\$ 44,505	\$ 49,920
Office and general	\$ 33,680	\$ 5,547
Registration and filing fees	\$ 35,705	\$ 18,987
Total	\$339,696	\$119,137

Critical Accounting Policies and Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value of share-based compensation, agents warrants, income tax provisions and note disclosures. Actual results may differ from those estimates and judgments.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, which 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:

- accrued liabilities;
- the recognition of deferred income tax assets; and
- the assumptions used in the calculation of the fair value assigned to share-based payments and agent warrants.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

Critical accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

- the determination of the categories in which financial assets and liabilities are classified;
- the determination of environmental obligations; and
- the impairment and recoverability of capitalized exploration and evaluation assets.

Accounting Standards

Recent pronouncements issued

The Company will be required to adopt the following applicable new standards and amendments as issued by the IASB. The Company is currently evaluating the impact on the financial statements as discussed below.

- a) IFRS 9, "Financial Instruments" establishes principles for the disclosure of financial assets and financial liabilities that will present information that is useful for the assessment of the amounts, timing and uncertainty of an entity's future cash flows. The IFRS is applicable to all items that fall within the scope of IAS 39. "Financial Instruments: Recognition and Measurement". This IFRS is effective for annual periods commencing on or after January 1, 2018 and is to be applied retrospectively. The Corporation intends to adopt IFRS 9 in its financial statements for the annual period beginning March 1, 2019.
- b) IFRS 15, "revenue from contracts with customers" replaces the existing revenue recognition guidance with a new framework to determine the timing and measurement of revenue, providing users of the financial statements more information and relevant disclosures. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Company continues to assess this new standard, but does not expect it to have a significant impact.

Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash of \$16,540 (2014 - \$360,918). Cash is held with one financial institution, resulting in concentration of credit risk. This risk is managed by using a major financial institution with a high credit rating as determined by rating agencies.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Financial instruments that subject the Company to liquidity risk consist primarily of accounts payable and accrued liabilities of \$32,295 (2014 - \$35,420).

The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

During the year ended February 28, 2015, the Company's sole source of funding has been the issuance of equity securities for cash. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk. The Company is primarily exposed to interest rate risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has a low exposure to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are exposed to interest rate fluctuations on renewal.

ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company currently operates only in Canada and is not exposed to this risk.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to this risk.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

d) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash and cash equivalents are classified as level 1.

Business Strategy

As part of the TSX Venture Exchange's requirements, the Company has sought and will continue to seek a Qualifying Transaction ("QT"). In pursuit of such opportunities, it may fail to select appropriate acquisition candidates, negotiate appropriate acquisition terms, conduct sufficient due diligence to determine all related liabilities or to negotiate favourable financing terms. The Company may encounter difficulties in transitioning the business, including issues with the integration of the acquired businesses or its personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit its business.

Uncertainty of Funding

The Company has limited financial resources, and the search, acquisition and completion of a Qualifying Transaction in which the Company is required to under TSX Venture guidelines will require financial expenditures to be made by the Company. There can be no assurance that adequate funding will be available to the Company. Further searching and acquisition efforts will depend upon the Company's ability to obtain financing through joint venturing of projects, debt financing or equity financing or other means. Failure to obtain financing on a timely basis could cause the Company to forfeit all or parts of its Qualifying Transaction search efforts or reduce or terminate its operations.

Potential Conflicts of Interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

General Economic Conditions

The unprecedented events in global financial markets during the last few years have had a profound effect on the global economy. Many industries, including the mining and energy industries, are affected by these market conditions. Some of the key effects of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability.

Substantial Volatility of Share Price

In recent years, the securities markets have experienced a high level of price and volume volatility, and the securities of many junior companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports.

Potential Dilution of Present and Prospective Shareholdings

In order to finance future operations and development efforts, the Company may raise funds through the issue of common shares or the issue of securities convertible into common shares. The Company cannot predict the size of future issues of common shares or the issue of securities convertible into common shares or the effect, if any, that future issues and sales of the Company's common shares will have on the market price of its common shares. Any transaction involving the issue of shares, or securities convertible into shares, could result in dilution, possibly substantial, to present and prospective holders of shares.

Management's Responsibility for Financial Information

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

Crest Petroleum Corp.
Management Discussion and Analysis
For the year ended February 28, 2015

Additional Information

Additional information relating to the Company is available on www.sedar.com.

SCHEDULE "J"

FINANCIAL STATEMENTS OF GFG CANADA AND GFG US

GFG RESOURCES INC.

FINANCIAL STATEMENTS

PERIOD FROM INCORPORATION ON APRIL 5, 2016 TO JUNE 30, 2016

EXPRESSED IN U.S. DOLLARS

GFG RESOURCES INC.

June 30, 2016

(Expressed in U.S. Dollars)

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Independent Auditor's Report

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GFG Resources Inc.,

We have audited the accompanying financial statements of GFG Resources Inc., which comprise the statement of financial position as at June 30, 2016, and the statements of comprehensive loss, cash flows, and changes in shareholders' equity for the period from incorporation of April 5, 2016 to June 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GFG Resources Inc. as at June 30, 2016, and its financial performance and its cash flows for the period from incorporation of April 5, 2016 to June 30, 2016 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt on GFG Resources Inc.'s ability to continue as a going concern.

A handwritten signature in black ink that reads "DMCL".

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
September 7, 2016

An independent firm associated with
Moore Stephens International Limited

MOORE STEPHENS

GFG RESOURCES INC.
Statement of Financial Position
(Expressed in U.S. Dollars)

	As at June 30, 2016
	\$
ASSETS	
Current	
Cash	3,471,403
Short-term advance (Note 3)	<u>150,000</u>
TOTAL ASSETS	<u>3,621,403</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	
Accrued liabilities (Note 5)	<u>21,419</u>
SHAREHOLDERS' EQUITY	
Share capital (Note 4)	3,621,391
Deficit	<u>(21,407)</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>3,621,403</u>

Commitments (Note 9)

Subsequent Events (Note 10)

These financial statements are authorized for issuance by the Director on September 7, 2016.

 “Brian Skanderbeg”
Brian Skanderbeg, CEO and President

 “Jonathan Awde”
Jonathan Awde, Director

The accompanying notes are an integral part of these financial statements

GFG RESOURCES INC.
Statement of Comprehensive Loss
(Expressed in U.S. Dollars)

	Period from incorporation on April 5, 2016 to June 30, 2016
	\$
Expenses	
Bank charges	304
Consulting fees	5,419
Foreign exchange gain	(316)
Management fees (Note 5)	6,000
Professional fees	10,000
	<hr/>
Net loss and comprehensive loss for the period	(21,407)
	<hr/>
Basic and diluted loss per share	(0.00)
	<hr/>
Weighted average number of common shares outstanding - basic and diluted	4,884,667
	<hr/>

The accompanying notes are an integral part of these financial statements

GFG RESOURCES INC.

Statement of Cash Flows
(Expressed in U.S. Dollars)

	Period from incorporation on April 5, 2016 to June 30, 2016
	\$
Cash flows from operating activities	
Net loss for the period	(21,407)
Changes in non-cash working capital item	
Accrued liabilities	21,419
	<u>12</u>
Cash flows from financing activities	
Short-term advance	(150,000)
Proceeds from issuance of share capital	3,621,391
	<u>3,471,391</u>
Net change in cash	3,471,403
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>3,471,403</u>

The accompanying notes are an integral part of these financial statements

GFG RESOURCES INC.

Statement of Changes in Shareholders' Equity

(Expressed in U.S. Dollars)

	Number of Shares Issued	Share Capital \$	Accumulated Deficit \$	Total Shareholders' Equity \$
Balance at April 5, 2016 (date of incorporation)	-	-	-	-
Shares issued for cash (Note 4)	14,485,564	3,621,391	-	3,621,391
Net loss for the period	-	-	(21,407)	(21,407)
Balance at June 30, 2016	14,485,564	3,621,391	(21,407)	3,599,984

The accompanying notes are an integral part of these financial statements

GFG RESOURCES INC.

Notes to Financial Statements

For the period ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 1 - Nature and Continuance of Operations

GFG Resources Inc. (the “Company” and “GFG”) was incorporated under the Business Corporations Act of British Columbia on April 5, 2016. The principal business of the Company is the identification and evaluation of assets or a business and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company’s head office address is suite 203 – 1965 West 4th Avenue, Vancouver, British Columbia, Canada. The Company’s registered and records office address is suite 650 – 1188 West Georgia Street, Vancouver, British Columbia, Canada.

Going concern

These financial statements have been prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of \$21,407. The Company’s ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. The Company’s financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its proposed operations. Management will pursue funding initiatives if, as and when required to meet the Company’s requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient. There is no assurance that the Company will be able to obtain further financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

NOTE 2 - Significant Accounting Policies and Basis of Preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) for the period presented. The policies set out below are based on IFRS issued and effectiveness as of September 7, 2016, the date the Board of Director approved the financial statements.

These financial statements have been prepared on an accrual basis and are based on historical costs. These financial statements are presented in U.S. dollars.

Foreign currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the U.S. dollar.

Transactions in currencies other than the functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate. Non-monetary assets and liabilities are translated at historical rates. Exchange differences are recognized in profit or loss in the period which they arise.

GFG RESOURCES INC.

Notes to Financial Statements

For the period ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 2 - Significant Accounting Policies and Basis of Preparation (continued)

Critical judgements

The critical judgements that members of management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements are determination of functional currency and assessment of the going concern assumption.

The Company determines the functional currency through the analysis of several indicators such as expenses and cash flow, financing activities, and frequency of transactions with the reporting entity.

The assessment of the validity of the going concern assumption, given facts and circumstances described in note 1, requires significant judgement by management related to the Company's ability to achieve profitable operations, raise debt and/or equity financing in the future and meet its obligations as they come due.

Use of estimates

In the application of the Company's accounting policies, which are described in this note, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty:

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant source of estimated uncertainty is related to realizing deferred tax assets.

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Financial instruments

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Loans and receivables
Short-term advance	Loans and receivables
Financial liabilities:	Classification:
Accrued liabilities	Other financial liabilities

Loans receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

GFG RESOURCES INC.

Notes to Financial Statements

For the period ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 2 - Significant Accounting Policies and Basis of Preparation (continued)

Financial instruments (continued)

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of comprehensive loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

GFG RESOURCES INC.

Notes to Financial Statements

For the period ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 2 - Significant Accounting Policies and Basis of Preparation (continued)

Financial instruments (continued)

Loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and similar instruments outstanding that may add to the total number of common shares. As at June 30, 2016, the Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

Standards and interpretations issued and not adopted

At the date of the approval of the consolidated financial statements, a number of standards and interpretations were in issue but not effective. The Company considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

NOTE 3 – Short-term Advance

During the period ended June 30, 2016, the Company advanced \$150,000 to GFG Resources (US) Inc. The advance is unsecured, non-interest bearing and due on demand. Subsequent to June 30, 2016, the balance was repaid in full.

NOTE 4 - Share Capital and Reserves

Authorized Share Capital

Unlimited number of common shares without par value.

Issued Share Capital

During the period ended June 30, 2016, the Company completed various private placements of 14,485,564 shares of the Company at a price of \$0.25 per share for proceeds totalling \$3,621,391.

NOTE 5 – Related party disclosure

The Company entered into the following transactions with related parties:

	2016
	\$
Management fees paid or accrued to a former director of the Company	6,000

As at June 30, 2016, included in accrued liabilities is \$6,000 owed to a former director of the Company.

NOTE 6 – Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments.

a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's exposure to credit risk is on its cash held with Bank of Montreal and the advance to GFG-US. The carrying amounts represents the maximum credit exposure.

GFG RESOURCES INC.

Notes to Financial Statements

For the period ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 6 – Financial Risk Management – (continued)

b. Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company has a working capital of \$3,599,984 at June 30, 2016.

c. Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has determined there is no material exposure related to interest rate risk.

d. Foreign Exchange Risk

Foreign exchange risk is the risk that fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates.

The Company's functional currency and reporting currency is the US dollar and major purchases are transacted in US dollars. As of June 30, 2016, \$44,061 of the Company's cash is denominated in Canadian dollars and \$5,637 of the Company's accrued liabilities are denominated in Canadian dollars.

NOTE 7 - Capital Management

The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of shareholders' equity comprising of share capital and deficit. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may issue new shares through private placement, incur debt or return of capital to shareholders.

NOTE 8 – Income Taxes

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the accompanying statements of comprehensive loss is provided below:

	2016
	\$
Loss before income taxes	(21,407)
Statutory tax rate	26%
Expected income tax recovery at statutory tax rates	(5,566)
Change in unrecognized deductible temporary difference	5,566
Total income tax recovery	-

Significant components of deferred tax assets that have not been recognized are as follows:

	2016
	\$
Non-capital losses	5,566
Unrecognized deferred tax assets	(5,566)
Net deferred tax assets	-

GFG RESOURCES INC.

Notes to Financial Statements

For the period ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 8 – Income Taxes – (continued)

Significant components of unrecognized deductible temporary differences and unused tax losses that have not been recognized on the statements of financial position are as follows:

	2016	Expiry date
	\$	
Non-capital losses carried-forward	21,000	2036

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

NOTE 9 – Commitments

In June 2016, the Company entered into an agreement with a consultant, who will be hired as the Chief Executive Officer (“CEO”) of the Company upon completion of the share exchange transaction with GFG-US to provide management consulting services to the Company for an indefinite period. The Company pays C\$10,000 per month as consulting fee and increases pay to C\$20,833 per month as salary upon closing of GPT.

Concurrent to completion of the GPT, the Company will issue the restricted common shares of the Company at a minimum of 300,000 shares up to a maximum of 600,000 shares. The shares vest over 3 years commencing the date of completion of GPT with 25% on the completion date and 25% on each of the first, second, and third anniversary of the completion date.

The Company will also grant the right to purchase 600,000 common shares of the Company at a price of \$0.25 per share for a period of 5 years following the completion date. The stock options vest as follows: 25% on the completion date and 25% on the 25% on each of the first, second, and third anniversary of the completion date.

In the event of termination for any reason or not for just cause or in the event of death or disability, the agreement provides for a payment equal to two times annual salary. All outstanding stock options become immediately exercisable in full and all outstanding restricted shares vest immediately.

In the event of change of control of the Company, the agreement provides a payment equal to three times annual salary. All outstanding stock options become immediately exercisable in full.

NOTE 10 – Subsequent Events

- a) In July 2016, the Company entered into the agreement and plan of share exchange with GFG-US. According to the terms of the agreement, the Company exchanged all issued and outstanding common shares of GFG-US with common shares of the Company on a 1:1 basis. Upon completion of the share exchange, the Company became the legal parent of GFG-US. The share exchange transaction was completed in August 2016.
- b) In July 2016, the Company completed various private placements of 2,605,000 shares of the Company at a price of \$0.25 per share for proceeds totalling \$651,250.
- c) In September 2016, the Company entered into an agreement with its Vice-President, Business Development. The Company agreed to pay C\$600 per day and increased to C\$155,000 per year upon closing of GPT. In the event of change of control, the agreement provides for a payment of two times the annual salary.
- d) In September 2016, the Company granted 1,687,500 stock options exercisable for a period of five years with an exercise price of \$0.25 per option.

GFG RESOURCES INC.

Notes to Financial Statements

For the period ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 10 – Subsequent Events – (continued)

- e) In September 2016, the Company entered into an arrangement agreement (“Agreement”) with Crest Petroleum Corp. (“Crest”) whereby Crest will acquire 100% of the issued and outstanding shares of the Company (“Shares”) in exchange for shares of Crest which would result in a reverse take-over of Crest by the shareholders of the Company (the “Transaction”).

Pursuant to the terms of the Agreement, the shareholders of the Company will exchange all Shares for common shares of Crest on a one for one basis. Likewise, all outstanding stock options of the Company will be exchanged for stock options of Crest on the same basis.

The Agreement may be terminated by either party if closing of the Transaction has not occurred on or before November 30, 2016.

GFG RESOURCES (US) INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

EXPRESSED IN U.S. DOLLARS



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GFG Resources (US) Inc.

We have audited the accompanying consolidated financial statements of GFG Resources (US) Inc., which comprise the consolidated statements of financial position as at June 30, 2016 and 2015, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the year ended June 30, 2016 and for the period from incorporation on June 19, 2015 to June 30, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GFG Resources (US) Inc. as at June 30, 2016 and 2015, and its financial performance and its cash flow for the year then ended June 30, 2016 and for the period from incorporation on June 19, 2015 to June 30, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about GFG Resources (US) Inc.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
September 7, 2016

GFG RESOURCES (US) INC.
Consolidated Statements of Financial Position
(Expressed in U.S. Dollars)

	June 30, 2016	June 30, 2015
	\$	\$
Assets		
Current		
Cash (Note 3)	910,388	901
Restricted cash (Note 5)	15,000	-
Subscriptions receivable (Note 10)	-	3,636
Prepaid expenses (Note 4)	28,614	-
	<u>954,002</u>	<u>4,537</u>
Long-term deposit (Notes 5 and 15)	10,000	150,000
Exploration and evaluation assets (Note 5)	2,930,933	-
Reclamation bond (Note 6)	286,000	-
	<u>4,180,935</u>	<u>154,537</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 7)	307,859	40,388
Advances (Note 8)	165,000	1,000
Promissory note (Note 9)	595,667	-
	<u>1,068,526</u>	<u>41,388</u>
Shareholders' equity		
Share capital (Note 10)	3,888,339	153,636
Shares to be issued (Note 5)	137,500	-
Stock option reserve (Note 10)	162,126	-
Deficit	(1,075,556)	(40,487)
	<u>3,112,409</u>	<u>113,149</u>
	<u>4,180,935</u>	<u>154,537</u>

Commitments (Note 15)

Subsequent Events (Note 16)

These consolidated financial statements are authorized for issuance by the Director on September 7, 2016.

“Jonathan Awde”

Jonathan Awde, Director

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

GFG RESOURCES (US) INC.
Consolidated Statements of Comprehensive Loss
(Expressed in U.S. Dollars)

	Year ended June 30, 2016	Period from incorporation on June 19, 2015 to June 30, 2015
	\$	\$
Expenses		
Bank charges and interest (Note 9)	54,415	99
Consulting fees (Note 11)	152,369	-
Financing fee	23,172	-
Foreign exchange loss	10,485	-
Insurance	8,333	-
Management fees (Note 11)	171,580	-
Penalty shares (Note 5)	50,000	-
Office	7,296	-
Professional fees	295,037	40,388
Rent	51,150	-
Share-based compensation (Notes 10 and 11)	162,126	-
Travel	19,356	-
	<u>(1,005,319)</u>	<u>(40,487)</u>
Other expense		
Loss on settlement of debts (Notes 10 and 11)	<u>(29,750)</u>	<u>-</u>
Loss and comprehensive loss for the period	<u>(1,035,069)</u>	<u>(40,487)</u>
Basic and diluted loss per share	<u>(0.07)</u>	<u>(0.01)</u>
Weighted average number of common shares outstanding	<u>14,440,330</u>	<u>4,511,400</u>

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

GFG RESOURCES (US) INC.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in U.S. Dollars)

	<u>Number of Shares Issued</u>	<u>Share Capital</u>	<u>Obligation to Issue Shares</u>	<u>Stock Option Reserves</u>	<u>Deficit</u>	<u>Total Shareholders' Equity</u>
		\$	\$	\$	\$	\$
Balance at June 19, 2015	-	-	-	-	-	-
Shares issued for cash	5,136,400	153,636	-	-	-	153,636
Net loss for the period	-	-	-	-	(40,487)	(40,487)
Balance at June 30, 2015	5,136,400	153,636	-	-	(40,487)	113,149
Shares issued for cash	10,661,600	2,338,314	-	-	-	2,338,314
Shares issued for debts settlement	2,438,557	609,639	-	-	-	609,639
Shares issued for exploration and evaluation assets	2,947,000	736,750	-	-	-	736,750
Penalty shares issued	200,000	50,000	-	-	-	50,000
Share-based compensation	-	-	-	162,126	-	162,126
Obligation to issue shares	-	-	137,500	-	-	137,500
Net loss for the period	-	-	-	-	(1,035,069)	(1,035,069)
Balance at June 30, 2016	21,383,557	3,888,339	137,500	162,126	(1,075,556)	3,112,409

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

GFG RESOURCES (US) INC.
Consolidated Statements of Cash Flows
(Expressed in U.S. Dollars)

	Year ended June 30, 2016	Period from incorporation on June 19, 2015 to June 30, 2015
	\$	\$
Cash flows used in operating activities		
Net loss for the period	(1,035,069)	(40,487)
Items not affecting cash:		
Share-based compensation	162,126	-
Accretion interest	50,212	-
Penalty shares issued	50,000	-
Loss on settlement of debt	29,750	-
Changes in non-cash working capital items		
Increase in prepaid expenses and deposit	(27,339)	-
Increase in accounts payable and accrued liabilities	312,406	40,388
	<u>(457,914)</u>	<u>(99)</u>
Cash flows used in investing activities		
Reclamation bond	(271,000)	-
Restricted cash	(15,000)	-
Long-term deposit	(10,000)	(150,000)
Exploration and evaluation assets expenditures	(1,292,643)	-
	<u>(1,588,643)</u>	<u>(150,000)</u>
Cash flows from financing activities		
Proceeds from related parties	101,894	-
Proceeds from share issuances	2,338,314	150,000
Proceeds from subscriptions receivable	3,636	-
Proceeds from advances	512,200	1,000
	<u>2,956,044</u>	<u>151,000</u>
Net change in cash	909,487	901
Cash, beginning of period	<u>901</u>	<u>-</u>
Cash, end of period	<u>910,388</u>	<u>901</u>
Non-cash transactions		
Shares issued in advance of subscriptions received	-	3,636
Shares issued for exploration and evaluation assets	736,750	-
Shares to be issued for exploration and evaluation	137,500	-
Exploration and evaluation assets expenditures in accounts payable at period end	68,585	-
Promissory note issued for exploration and evaluation assets	545,455	-
Proceeds held in trust for vendor's share of reclamation costs	15,000	-
Reclassification from deposit to exploration and evaluation assets	150,000	-
Prepaid expenses and deposits in accounts payable at period end	1,275	-

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

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 1 - Nature and Continuance of Operations

GFG Resources (US) Inc. (the “Company”) was incorporated on June 19, 2015 under the laws of the state of Nevada. The Company’s principal business activities include the acquisition, exploration, and development of exploration and evaluation assets domiciled in the United States.

The Company’s head office, address is suite 610 – 815 West Hastings Street, Vancouver, British Columbia, Canada. The Company’s registered office address is 6121 Lakeside Drive, Suite 260, Reno, Nevada, United States,

These consolidated financial statements have been prepared on a going concern basis of presentation, which assumes that the Company will continue operations for the foreseeable future and be able to realize the carrying value of its assets and discharge its liabilities and commitments in the normal course of business. To date, the Company has not earned significant revenue and has an accumulated deficit of \$1,075,556. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing and or achieve profitable operations in the future.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. The Company's financing efforts to date, while substantial, are not sufficient in and of themselves to enable the Company to fund all aspects of its operations. Management will pursue funding initiatives if, as and when required to meet the Company's requirements on an ongoing basis. Nevertheless, there is no assurance that these initiatives will be successful or sufficient. There is no assurance that the Company will be able to obtain further financing in the future or that such financing will be on terms advantageous to the Company. These circumstances comprise a material uncertainty which may cast significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

NOTE 2 - Significant Accounting Policies and Basis of Preparation

Statement of compliance

These consolidated financial statements, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The policies set out below are based on IFRS issued and effective as of September 7, 2016, the date the Board of Directors approved the financial statements.

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs. The consolidated financial statements are presented in U.S. dollars.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of GFG Resources (US) Inc. and its wholly owned subsidiary, JMO Exploration (US) Inc, which is incorporated under the laws of the State of Nevada. Intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the U.S. dollar.

Transactions in currencies other than U.S. dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Exchange differences are recognized in profit or loss in the period which they arise.

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 2 - Significant Accounting Policies and Basis of Preparation (continued)

Critical judgments

The critical judgments that members of management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements are determination of functional currency and assessment of the going concern assumption.

The Company determines the functional currency through the analysis of several indicators such as expenses and cash flow, financing activities, and frequency of transactions with the reporting entity.

The assessment of the validity of the going concern assumption, given facts and circumstances described in note 1, requires significant judgment by management relating to the Company's ability to achieve profitable operations, raise debt and/or equity financing in the future and meet its obligations as they come due.

Use of estimates

In the application of the Company's accounting policies, which are described in this note, management is required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty:

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant source of estimation uncertainty is related to carrying amount and the recoverability of exploration and evaluation assets and the valuation of stock based compensation.

The Company has determined that exploration, evaluation and related costs incurred which have been capitalized may have future economic benefits and may be economically recoverable. The Company uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and technical information.

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of stock options granted as stock based compensation. This option valuation model requires the input of highly subjective assumptions particularly the expected stock price volatility. As changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 2 - Significant Accounting Policies and Basis of Preparation – (continued)

Exploration and evaluation assets

General exploration and evaluation expenditures incurred prior to acquiring the legal right to explore are charged to the profit or loss as incurred.

Subsequent to acquisition of the legal rights and after having made an assessment of the property's suitability for geophysical surveying, sampling, testing and drilling, and management has made a firm decision to proceed with further development of the property, the Company capitalizes costs related to mineral property acquisitions costs, license costs, geophysical costs, drilling costs, directly attributable overheads such as geologist salaries and exploration and evaluation expenditures, net of any recoveries. Costs are capitalized until such time as the extent of mineralization has been determined and mineral property interests are either developed or the mineral rights are allowed to lapse.

All capitalized exploration and evaluation expenditures are reviewed annually, on a property-by-property basis, to consider whether there are any conditions that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the capitalized costs, provision is made for the impairment value.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received.

Restoration and environmental obligations

A provision for restoration and environmental obligations is recognized when there is a present obligation as a result of exploration and development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of dismantling and removal of facilities, restoration and monitoring of the affected areas. The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and environmental provision relating to exploration and development activities is capitalized into the cost of the related assets and amortized on the same basis as the related asset. Changes in the estimate of the provision of restoration and environmental obligations are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognized as a finance cost rather than being capitalized into the cost of the related asset. At June 30, 2016 and 2015, the Company has no restoration and environmental obligations.

Impairment of tangible and intangible assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the fair value less costs to sell and value in use. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the assets at the date the impairment is reversed does not exceed what the cost less accumulated depreciation would have been had the impairment not been recognized.

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 2 - Significant Accounting Policies and Basis of Preparation (continued)

Share-based compensation

The Company accounts for share-based compensation using the fair-value based method with respect to all share-based payments to directors, and employees. For directors and employees, the fair value of the options is measured at the date of grant. The fair value of the options is accrued and charged to operations over the vesting period, with the offset credited to reserves. If and when the stock options are ultimately exercised, the applicable amounts of reserves are transferred to share capital.

Financial instruments

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	Loans and receivables
Restricted cash	Loans and receivables
Long-term deposit	Loans and receivables
Reclamation bond	Loans and receivables

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Advances	Other financial liabilities
Promissory note	Other financial liabilities
Share repurchase obligation	Other financial liabilities

Loans receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of comprehensive loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 2 - Significant Accounting Policies and Basis of Preparation – (continued)

Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

The Company presents basic loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, warrants and similar instruments outstanding that may add to the total number of common shares. As at June 30, 2016 and 2015, the Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

Standards issued or amended but not yet effective

At the date of the approval of the consolidated financial statements, a number of standards and interpretations were in issue but not effective. The Company considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

NOTE 3 – Cash

	June 30, 2016	June 30, 2015
	\$	\$
Cash at bank	900,531	901
Cash held in trust accounts	9,857	-
	910,388	901

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 4 – Prepaid Expenses

	June 30, 2016	June 30, 2015
	\$	\$
Insurance	1,785	-
Annual license	9,926	-
Consulting	16,903	-
	28,614	-

NOTE 5 – Exploration and Evaluation Assets

Expenditures for the fiscal period related to exploration and evaluation assets located in Wyoming, USA are as follows:

	Rattlesnake
	\$
Balance as at June 30, 2015	-
Property acquisition and staking costs	2,421,030
Exploration expenses	
Claim maintenance fees	245,830
Consulting	66,000
Lease payment	21,240
Geological	168,153
Site development	1,260
Supplies	812
Travel	6,608
Balance as at June 30, 2016	2,930,933

In July 2015, the Company entered into an asset purchase agreement with Evolving Gold Corp. (“Evolving Gold”) to acquire a 100% interest in certain claims and Wyoming State leases comprising the Rattlesnake Property in Wyoming (“Rattlesnake Acquisition”).

Total consideration consisted of:

- (1) Initial deposit of \$150,000 (paid and recognized as long-term deposit in 2015);
- (2) Cash payment of \$564,000 payable upon closing (paid);
- (3) Share payment of 2,000,000 common shares of the Company payable upon closing a value of \$0.25 per share (“Consideration shares”) (issued);
- (4) Issuance of promissory note of \$600,000 (recorded at its estimated fair value on closing of \$545,455 subsequently repaid in full) (Note 9);
- (5) Share payment of 1,500,000 common shares of the Company provided that the Rattle Property contains an aggregate mineral resource over 1,000,000 ounces of gold (not recorded as the probability is not yet determinable); and
- (6) Share payment of 200,000 common shares of the Company provided that insignificant progress towards completion of the Company going public was made by February 15, 2016 (“Penalty Shares”) (issued with an estimated fair value of \$50,000 and recorded as an expense).

In conjunction with the Rattlesnake Acquisition, the Company acquired the reclamation bond of \$286,000 with the Wyoming Department of Environmental Equality from Evolving Gold. The Company paid \$271,000 to Evolving Gold and holds the remaining of \$15,000 in trust to cover 50% of the reclamation cost, up to a maximum of \$15,000, for restoring the Rattlesnake Property.

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 5 – Exploration and Evaluation Assets – (continued)

The Rattlesnake Property is subject to a 2% Net Smelter Return (“NSR”), which becomes payable after commencement of commercial production. The Company has the right to purchase one-half of the royalty for a price of \$1,000,000.

In October 2015, the Company entered into an asset purchase agreement with Endurance Gold Corporation (“Endurance”) to acquire a 100% interest in certain mining claims and leases adjacent to the Rattlesnake Property in Wyoming (“Rattlesnake Claims”).

Total consideration consisted of:

- (1) Initial deposit of \$25,000 (paid);
- (2) Cash payment of \$125,000 payable upon closing (paid);
- (3) Share payment of 850,000 common shares of the Company payable upon closing at a value of \$0.25 per share (issued);
- (4) Share payment of 550,000 common shares of the Company payable on or before February 6, 2017 (recognized as obligation to issue shares at a value of \$137,500);
- (5) Share payment of 375,000 common shares of the Company upon drilling of a discovery hole on the Endurance Claims prior to October 8, 2022; and
- (6) Share payment of 375,000 common shares of the Company provided that upon delivering a NI 43-101-compliant resource exceeding 500,000 ounces of gold at the Endurance Claims prior to October 8, 2022.

The additional common shares issuable upon drilling a discovery hole and delivering the 43-101 compliant resource of at least 500,000 ounces of gold prior to October 8, 2022 have not been recorded as the probability of achieving these objectives is not yet determinable.

The acquisition of the Rattlesnake Claims is subject to an underlying option agreement to acquire a 100% interest in certain lode mining claims and Wyoming state leases, of the option agreement. The remaining terms of the option agreement assumed by the Company are as follows:

- Cash payment of \$35,000 on or before October 8, 2015 (paid);
- Cash payment of \$35,000 on or before December 31, 2015 (paid);
- Share payment of 97,000 common shares of the Company on closing (issued); and
- Exploration expenditures of \$260,000 incurred on or before December 31, 2015 (incurred).

The Rattlesnake claims are subject to:

- 2% NSR on production arising from mining claims; and
- 1% NSR on production arising from mining leases.

The Company has the right to purchase one-half of the royalties for a price of \$750,000 before December 31, 2017 and \$1,500,000 after December 31, 2017.

NOTE 6 - Reclamation Bond

In relation to the Rattlesnake Property, the Company has posted a reclamation bond with the Wyoming Department of Environmental Quality in the amount of \$286,000 (2015 - \$nil).

NOTE 7 – Accounts Payable and Accrued Liabilities

	June 30, 2016	June 30, 2015
	\$	\$
Accounts payable	232,999	-
Accrued liabilities	74,860	40,388
	307,859	40,388

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 8 - Advances

During the year ended June 30, 2016, the Company received an advance of \$150,000 from GFG Resources Inc., a company that the Company is performing a transaction with (Note 16), and an amount payable to Evolving Gold relating to the acquired reclamation bond (Note 5). The advances are unsecured, non-interest bearing and due on demand. Subsequent to June 30, 2016, the balance of \$150,000 was repaid in full.

During the year ended June 30, 2015, the Company received an advance of \$1,000, which is unsecured, non-interest bearing and due on demand.

NOTE 9 – Promissory Notes

The table below summarizes the promissory notes of the Company issued and fully settled during the year ended June 30, 2016:

Principal Outstanding at Issue	Principal Outstanding at June 30, 2016	Interest Rate per Annum
\$ 1,000	\$ -	5%
45,000	-	0%
25,000	-	5%
10,000	-	5%
50,000	-	5%
15,000	-	5%
200,000	-	5%
90,924	-	0%
<u>\$ 436,924</u>	<u>\$ -</u>	

During the year ended June 30, 2016, \$438,732 of promissory notes were settled with 1,492,233 common shares of the Company and a cash payment of \$90,924. The Company issued the common shares at a fair value of \$373,058 and recognized a loss on settlement of debt of \$25,250. The Company incurred financing costs of \$22,731 (2015 - \$Nil).

In July 2015, the Company issued a promissory note of \$600,000 to Evolving Gold, as consideration of acquiring certain claims of the Rattlesnake Property (Note 5). The note does not bear interest and is secured by the Rattlesnake Property. It was due and payable in full on July 15, 2016. At the issuance date, the fair value of the promissory note was estimated to be \$545,455 determined using an estimated market rate of 10%. During the year end June 30, 2016, the Company recognized accretion interest expense of \$50,212. Subsequent to June 30, 2016, the note was repaid in full.

During the year ended June 30, 2016, the Company recorded interest expenses of \$52,020 (2015- \$Nil).

NOTE 10 - Share Capital and Reserves

Authorized share capital

75,000,000 common shares with a par value of \$0.001.

Issued share capital

During the period ended June 30, 2015, the Company completed private placements of 5,136,400 common shares for proceeds totalling \$153,636. Out of the shares issued, 3,636,400 common shares were issued at a price of \$0.001 and 1,500,000 common shares were issued at a price of \$0.10

In July 2015, the Company issued 2,000,000 common shares to Evolving Gold pursuant to the Rattlesnake Acquisition (Note 5). The fair value of common shares issued was estimated to be \$500,000.

In October 2015, the Company issued 850,000 common shares to Endurance Gold and issued a further 97,000 common shares for the underlying option agreement pursuant to the acquisition of the Rattlesnake Mining Claims (Note 5).

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 10 - Share Capital and Reserves – (continued)**Issued share capital (continued)**

The fair value of common shares issued was estimated to be \$236,750.

In February 2016, the Company issued 200,000 common shares to Evolving Gold pursuant to the Rattlesnake Property Acquisition (Note 5). The fair value of common shares issued was estimated to be \$50,000.

During the year ended June 30, 2016, the Company issued 2,438,557 common shares with an estimated fair value of \$609,639 in settlement of debts including promissory notes and advances. A loss of \$29,750 was realized as a result of the debts settlement.

During the year ended June 30, 2016, the Company completed private placements of 10,661,600 common shares at a price of \$0.25 per share for proceeds totalling \$2,338,314.

Stock options

In August 2015, the Company granted 800,000 stock options exercisable for a period of five years, valued at \$0.18 per option for a total value of \$148,234 calculated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk free rate of 0.72%, a forfeiture rate of 0%, and volatility of 100%.

In January 2016, the Company granted 75,000 stock options exercisable for a period of five years, valued at \$0.18 per option for a total value of \$13,892 calculated using the Black-Scholes option pricing model assuming a life expectancy of five years, a risk free rate of 0.68%, a forfeiture rate of 0%, and volatility of 100%.

A summary of stock options activities are as follows:

	Number of options	Weighted average exercise price
		\$
Outstanding at June 19, 2015 and June 30, 2015	-	-
Granted	875,000	0.25
Outstanding at June 30, 2016	875,000	0.25

A summary of the stock options outstanding and exercisable at June 30, 2016 is as follows:

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
\$			
0.25	800,000	800,000	August 1, 2020
0.25	75,000	75,000	January 4, 2021
	875,000	875,000	

Stock option reserve

The stock option reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If vested options expire unexercised or are forfeited, the amount previously recorded is transferred to deficit.

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 11 - Related Party Transactions

Summary of key management personnel compensation:

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer.

	For the year ended June 30, 2016	Period from incorporation on June 19, 2015 to June 30, 2015
	\$	\$
Consulting fees	67,465	-
Management fees	171,580	-
Exploration and evaluation assets expenditures	51,000	-
Share-based compensation	78,744	-
	368,789	-

In connection with the private placements completed during the period ended June 30, 2015, a director of the Company and a company controlled by a director of the Company purchased 1,500,000 common shares for proceeds of \$1,500 and 1,500,000 common shares for proceeds of \$150,000 respectively.

In connection with the private placements completed during the year ended June 30, 2016, a director and a family member of a director and a company controlled by the director purchased 600,000 common shares for proceeds of \$150,000.

Share for debt exchange

During the year ended June 30, 2016, the Company issued 998,580 shares valued at \$249,645 to settle related party debt of \$236,145. Among the shares issuance, 425,576 shares were issued to a director and 573,004 were issued to companies controlled by a directors of the Company.

NOTE 12 - Capital Disclosure and Management

The Company manages its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of shareholders' equity. The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may issue new shares through private placement, incur debt or return of capital to shareholders.

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 13 – Income Taxes

The reconciliation of the U.S. federal income tax rate to the income tax recovery presented in the accompanying statements of comprehensive loss is provided below:

	For the year ended June 30, 2016	Period from incorporation on June 19, 2015 to June 30, 2015
	\$	\$
Loss before income taxes	(1,035,069)	(40,487)
U.S. federal statutory rate	34.00%	34.00%
Expected income tax recovery at statutory tax rates	(352,000)	(14,000)
Non-deductible expenditures	55,000	-
Unrecognized benefit of non-capital losses	297,000	14,000
Total deferred taxes	-	-

The Company's deductible temporary differences are estimated as follows:

	As of June 30, 2016		As of June 30, 2015	
	\$	Expiry date	\$	Expiry date
Non-capital losses	889,000	2035-2036	40,000	2035

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

NOTE 14 - Financial Instruments and Risk Management

The Company has exposure to the following risks from its use of financial instruments.

a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's exposure to credit risk is on its cash held with Bank of Montreal. The carrying amounts represents the maximum credit exposure.

b. Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company has a working capital deficiency of \$114,524 at June 30, 2016.

c. Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company has determined there is no material exposure related to interest rate risk.

d. Foreign Exchange Risk

Foreign exchange risk is the risk that fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates.

GFG RESOURCES (US) INC.

Notes to Consolidated Financial Statements

For the year ended June 30, 2016

(Expressed in U.S. Dollars)

NOTE 14 - Financial Instruments and Risk Management (continued)

The Company's functional currency and reporting currency is the US dollar and major purchases are transacted in US dollars. As of June 30, 2016, \$74,811 of the Company's cash is denominated in Canadian dollars and \$113,655 of the Company's advances are denominated in Canadian dollars.

NOTE 15 - Commitments

- a. In July 2015, the Company entered into a commercial lease agreement which expires on July 31, 2016. In July 2016, the Company extended the term to July 31, 2017. The Company paid a security deposit of \$10,000.

	Total
	\$
2017	55,800
2018	4,650
Total	60,450

- b. In August 2015, the Company entered into a financial advisory agreement with a consultant for an indefinite term whereby the Company pays \$10,000 per month. In the event of termination without cause, change of controls, and Triggering Events, the agreement provides for a payment of two times the annual payment.
- c. In December 2015, the Company entered into an employment agreement with Vice-President of Exploration for an indefinite term whereby the Company pays \$8,000 per month. In the event of termination without cause, change of controls, and Triggering Events, the agreement provides for a payment of two times the annual payment.

For commitment b) and c), Triggering Events are the following events that occur without the agreement of the consultants:

- i)* Substantial change to the nature of the services to be performed by the consultant,
- ii)* A material breach by the Company of any provision of the agreement,
- iii)* Cease of operation of the Company,
- iv)* Failure of paying when due a material amount payable by the Company to the consultant, and
- v)* A material reduction of the fee.

NOTE 16 – Subsequent Events

1. In July 2016, the Company entered into an agreement and plan of share exchange with GFG Resources Inc. According to the terms of the agreement, the Company exchanged all issued and outstanding common shares of the Company with the common shares of GFG Resources Inc. on a 1:1 basis. Upon completion of the share exchange, GFG Resources Inc. became the legal parent of the Company. The share exchange transaction was completed in August 2016.
2. In July 2016, the Company reacquired 97,000 common shares of the Company from one shareholder for \$24,250.
3. In July 2016, the Company exercised its option to buy-down certain NSR for \$50,000 (Note 5).

SCHEDULE "K"

PRO FORMA FINANCIAL STATEMENTS OF THE RESULTING ISSUER

CREST PETROLEUM CORP.

PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited - Prepared by Management)
(Expressed in U.S. Dollars)

June 30, 2016

CREST PETROLEUM CORP.
PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)
AS AT JUNE 30, 2016

	Crest Petroleum Corp. May 31, 2016	GFG Resources (US) Inc. June 30, 2016	GFG Resources Inc. June 30, 2016	Note	Pro-forma Adjustments	Pro-forma Consolidated June 30, 2016
	\$	\$	\$		\$	\$
	(Schedule 1)					
ASSETS						
Current						
Cash	79,625	910,388	3,471,403	2(d)	651,250	4,669,817
				2(e)	(90,000)	
				2(e)	(210,000)	
				2(f)	(24,250)	
				2(g)	(600,000)	
				2(b)	(34,224)	
				2(h)	(50,000)	
				2(k)	565,625	
Short-term advance	-	-	150,000	2(i)	(150,000)	-
Restricted cash	-	15,000	-		-	15,000
Prepaid expenses and deposit	5,340	28,614	-		-	33,954
	84,965	954,002	3,621,403		58,401	4,718,771
Long-term deposit	-	10,000	-		-	10,000
Exploration and evaluation assets	-	2,930,933	-	2(h)	50,000	2,980,933
Reclamation bond	-	286,000	-		-	286,000
TOTAL ASSETS	84,965	4,180,935	3,621,403		108,401	7,995,704

The accompanying notes are integral part of these pro-forma consolidated financial statements.

CREST PETROLEUM CORP.**PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**

(Unaudited – Prepared by Management)

(Expressed in U.S. Dollars)

AS AT JUNE 30, 2016

	Crest Petroleum Corp. May 31, 2016	GFG Resources (US) Inc. June 30, 2016	GFG Resources Inc. June 30, 2016	Note	Pro-forma Adjustments	Pro-forma Consolidated June 30, 2016
	\$	\$	\$		\$	\$
	(Schedule 1)					
LIABILITIES						
Current						
Accounts payable and accrued liabilities	13,102	307,859	21,419		-	342,380
Advances	-	165,000	-	2(i)	(150,000)	15,000
Note payable	-	595,667	-	2(g)	(595,667)	-
	<u>13,102</u>	<u>1,068,526</u>	<u>21,419</u>		<u>(745,667)</u>	<u>357,380</u>
Shareholders' equity						
Share capital	621,041	3,888,339	3,621,391	2(d)	651,250	8,763,798
				2(e)	(90,000)	
				2(e)	(71,863)	
				2(f)	(24,250)	
				2(k)	565,625	
				2(k)	207,074	
				2(b)	(34,224)	
				2(c)	(621,041)	
				2(c)	71,863	
				2(b)	(3,621,391)	
				2(b)	3,599,984	
Shares to be issued	-	137,500	-		-	137,500
Reserves	40,894	162,126	-	2(j)	83,559	38,611
				2(c)	(40,894)	
				2(k)	(207,074)	
Deficit	(576,978)	(1,075,556)	(21,407)	2(j)	(83,559)	(1,301,585)
				2(e)	(138,137)	
				2(c)	576,978	
				2(g)	(4,333)	
				2(b)	21,407	
Accumulated other comprehensive loss	(13,094)	-	-	2(c)	13,094	-
	<u>71,863</u>	<u>3,112,409</u>	<u>3,599,984</u>		<u>854,068</u>	<u>7,638,324</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	84,965	4,180,935	3,621,403		108,401	7,995,704

The accompanying notes are integral part of these pro-forma consolidated financial statements.

CREST PETROLEUM CORP.
PRO-FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)
PERIOD ENDED JUNE 30, 2016

	Crest Petroleum Corp.	GFG Resources (US) Inc.	GFG Resources Inc. Period from April 5, 2016 to June 30, 2016	Note	Pro-forma Adjustments	Pro-forma Consolidated
	Year ended May 31, 2016	Year ended June 30, 2016	Year ended June 30, 2016			
	\$	\$	\$		\$	\$
	(Schedule 2)					
Expenses						
Bank charges and interest	107	54,415	304	2(g)	4,333	59,159
Consulting fees	-	152,369	5,419		-	157,788
Foreign exchange loss (gain)	-	10,485	(316)		-	10,169
Financing fee	-	23,172	-		-	23,172
Insurance	-	8,333	-		-	8,333
Management fees	-	171,580	6,000		-	177,580
Office	162	7,296	-		-	7,458
Penalty shares	-	50,000	-		-	50,000
Professional fees	20,137	295,037	10,000	2(e)	138,137	463,311
Registration and filing fees	8,102	-	-		-	8,102
Rent	-	51,150	-		-	51,150
Share-based compensation	-	162,126	-	2(j)	83,559	245,685
Travel and related	-	19,356	-		-	19,356
	(28,508)	(1,005,319)	(21,407)		(226,029)	(1,281,263)
Other expense						
Loss on settlement of debts	-	(29,750)	-		-	(29,750)
Loss and comprehensive loss for the period	(28,508)	(1,035,069)	(21,407)		(226,029)	(1,311,013)

The accompanying notes are integral part of these pro-forma consolidated financial statements.

CREST PETROLEUM CORP.
SCHEDULE TO PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)
AS AT JUNE 30, 2016

STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2016

Schedule 1

	May 31, 2016	Foreign exchange adjustment	May 31, 2016
	C\$	C\$	US\$
ASSETS			
Current			
Cash and cash equivalent	104,385	(24,760)	79,625
Prepaid expenses and deposit	7,000	(1,660)	5,340
TOTAL ASSETS	111,385	(26,420)	84,965
Liabilities			
Current			
Accounts payable and accrued liabilities	17,176	(4,074)	13,102
Shareholders' equity			
Share capital	692,508	(71,467)	621,041
Reserves	45,600	(4,706)	40,894
Deficit	(643,899)	66,921	(576,978)
Accumulated other comprehensive loss	-	(13,094)	(13,094)
	94,209	(22,346)	71,863
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	111,385	(26,420)	84,965

The accompanying notes are integral part of these pro-forma consolidated financial statements.

CREST PETROLEUM CORP.**SCHEDULE TO PRO-FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS**

(Unaudited – Prepared by Management)

(Expressed in U.S. Dollars)

PERIOD ENDED JUNE 30, 2016

**STATEMENT OF COMPREHENSIVE LOSS OF CREST PETROLEUM CORP.
FOR THE YEAR ENDED MAY 31, 2016**

Schedule 2

	Year ended February 29, 2016	Three months ended May 31, 2015	Nine months from June 1, 2015 to February 29, 2016	For the three months ended May 31, 2016	Foreign exchange adjustment	Year ended May 31, 2016
	C\$	C\$	C\$	C\$	C\$	US\$
Expenses						
Bank charges and interest	160	(39)	121	21	(35)	107
Office	6,325	(6,111)	214	-	(52)	162
Professional fees	31,959	(6,826)	25,133	1,500	(6,496)	20,137
Registration and filing fees	10,670	(2,138)	8,532	2,184	(2,614)	8,102
Loss and comprehensive loss for the period	(49,114)	(15,114)	(34,000)	(3,705)	9,197	(28,508)

The accompanying notes are integral part of these pro-forma consolidated financial statements.

CREST PETROLEUM CORP.**NOTES TO PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in U.S. Dollars)

JUNE 30, 2016

1. BASIS OF PRESENTATION

The accompanying unaudited pro-forma consolidated financial statements of Crest Petroleum Corp. ("Crest" or "the Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") from information derived from the financial statements of Crest and the financial statements of GFG Resources Inc. ("GFG") and the financial statements of GFG Resources (US) Inc. ("GFG-US") together with other information available to the Company. The unaudited pro-forma consolidated financial statements have been prepared for inclusion in an Information Circular dated September 6, 2016, in conjunction with the acquisition of 100% of the issued and outstanding share capital of GFG, pursuant to an arrangement agreement. The acquisition is subject to acceptance by Crest and GFG's shareholders and certain securities regulatory approvals. Prior to the Crest's acquisition of GFG, GFG acquired all of the issued and outstanding common shares of GFG-US, pursuant to an agreement and plan of share exchange. In the opinion of the Company's management, the pro-forma consolidated financial statements include all adjustments necessary for fair presentation of the transactions as described below.

The unaudited pro-forma consolidated financial statements are not necessarily indicative of the financial position or results of operations which would have resulted if the combination had actually occurred as set out in Note 2.

The unaudited pro-forma consolidated financial statements should be read in conjunction with the February 29, 2016 audited financial statements of Crest, the May 31, 2016 and 2015 unaudited interim financial statements of Crest, the June 30, 2016 audited financial statements of GFG, and the June 30, 2016 audited financial statements of GFG-US.

The unaudited pro-forma consolidated financial statements of the Company have been compiled from and include:

- a) Crest's audited financial statements as at February 29, 2016 and for the year then ended;
- b) Crest's unaudited interim financial statements as at May 31, 2016 and for the three months then ended;
- c) Crest's unaudited interim financial statements as at May 31, 2015 and for the three months then ended;
- d) GFG's audited financial statements as at June 30, 2016 and for the period from incorporation on April 5, 2016 to June 30, 2016;
- e) GFG-US's audited financial statements as at June 30, 2016 and for the year then ended; and
- f) the additional information set out in Note 2.

2. PRO-FORMA TRANSACTIONS

The pro-forma consolidated financial statements were prepared based on the following assumptions:

- a) The unaudited pro-forma consolidated statement of financial position gives effect to the acquisitions as if it had occurred on June 30, 2016. The unaudited pro-forma consolidated statement of comprehensive loss gives effect to the acquisitions as if it occurred on the first day of the period presented.

CREST PETROLEUM CORP.
PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)
JUNE 30, 2016

2. PRO-FORMA TRANSACTIONS (continued)

- b) As consideration for acquiring 100% of the outstanding common shares of GFG-US, GFG issued 21,149,660 common shares to the shareholders of GFG-US. GFG paid \$34,224 to the Internal Revenue Service (“IRS”) as withholding taxes for certain shareholders. As a result of the payment to IRS, GFG reduced 136,897 shares to be issued to the shareholders of GFG-US on whose account this payment will be made.

As a result of the share exchange between GFG and GFG-US described above, the former shareholders of GFG-US acquired control of GFG. Accordingly, the acquisition constituted a reverse takeover of GFG and is accounted for as a recapitalization of GFG-US with the net assets of GFG.

The assets and liabilities of GFG assumed on the recapitalization are as follows:

	\$
Cash and cash equivalents	3,471,403
Short-term advance	150,000
Accrued liabilities	<u>(21,419)</u>
Net assets	<u>3,599,984</u>

The net assets of GFG of \$3,599,984 assumed on the recapitalization are added to share capital.

- c) As consideration for acquiring 100% of the outstanding common shares of GFG, the Company will issue 40,502,724 common shares to the shareholders of GFG.

As a result of the share exchange between Crest and GFG described above, the former shareholders of GFG will acquire control of Crest. Accordingly, the acquisition constitutes a reverse takeover of Crest and is accounted for as a recapitalization of GFG with the net assets of Crest.

The assets and liabilities of Crest assumed on the recapitalization are as follows:

	\$
Cash and cash equivalents	79,625
Prepaid expenses	5,340
Accounts payable and accrued liabilities	<u>(13,102)</u>
	<u>71,863</u>

The net assets of Crest of \$71,863 assumed on the recapitalization are added to share capital.

- d) GFG completed various private placements of 2,605,000 shares of the Company at a price of \$0.25 per share for proceeds totalling \$651,250.
- e) GFG and GFG-US will incur approximately \$90,000 in transaction costs relating to the recapitalization. These costs are charged against share capital. Crest and GFG will incur approximately \$210,000 in transaction costs relating to the recapitalization. These costs are charged against share capital to the extent of cash held by the Company of \$71,863 with the excess expensed to operations.
- f) GFG-US reacquired 97,000 common shares of GFG-US from one shareholder for \$24,250
- g) GFG-US repaid \$600,000 of a promissory note owing to Evolving Gold Corp. related to the acquisition of the Rattlesnake Property.

CREST PETROLEUM CORP.
PRO-FORMA CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in U.S. Dollars)
JUNE 30, 2016

2. PRO-FORMA TRANSACTIONS (continued)

- h) GFG-US paid \$50,000 to reduce the royalty rate of certain claims of the exploration and evaluation assets.
- i) GFG-US repaid the short-term advance of \$150,000 to GFG.
- j) GFG granted 1,687,500 stock options to various consultant of the Company with an exercise price of \$0.25 per share for a period of 5 years. The stock options are valued at \$0.05 per option for a total value of \$83,559 calculated using the Black-Scholes option pricing model assuming a life expectancy of three months, a risk free rate of 0.65%, a forfeiture rate of 0%, and volatility of 100%.
- k) GFG received a total of \$565,625 from the exercise of 2,262,500 stock options. The fair value of \$207,074 attributable to these stock options was reclassified from reserves to share capital.

3. SHARE CAPITAL

Share capital as at June 30, 2016 in the unaudited pro-forma consolidated financial statements is comprised of the following:

	Notes	Number of Shares	Share Capital \$	Reserves \$
Authorized:				
Unlimited common shares without par value				
Issued:				
Share capital of GFG-US as at June 30, 2016		21,383,557	3,888,339	162,126
Shares issued for cash	2(d)	2,605,000	651,250	-
Transaction costs related to the arrangement	2(e)	-	(161,863)	-
Shares reacquired	2(f)	(97,000)	(24,250)	-
Stock options granted by GFG	2(j)	-	-	83,559
Shares issued on exercise of stock options	2(k)	2,262,500	772,699	(207,074)
Shares reduction for the IRS payment	2(b)	(136,897)	(34,224)	-
Issued shares of GFG	2(b)	14,485,564	3,599,984	-
Reversal of GFG-US shares on recapitalization of GFG-US	2(b)	(21,149,660)	-	-
Shares issued pursuant to recapitalization of GFG-US	2(b)	21,149,660	-	-
Total share capital of GFG		40,502,724	8,691,935	38,611
Issued shares of Crest	2(c)	4,750,000	71,863	-
Reversal of GFG shares on recapitalization of GFG	2(c)	(40,502,724)	-	-
Shares issued pursuant to recapitalization of GFG	2(c)	40,502,724	-	-
Total share capital of Crest		45,252,724	8,763,798	38,611

4. EFFECTIVE INCOME TAX RATE

The effective income tax rate applicable to the pro-forma consolidated financial statements is 26%.

SCHEDULE "L"

AUDIT COMMITTEE CHARTER OF THE RESULTING ISSUER

CREST PETROLEUM CORP.

AUDIT COMMITTEE CHARTER

PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the “Committee”) of the board of directors (the “**Board**”) of the Company is to provide an open avenue of communication between management, the Company’s external auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s external auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of a minimum of three directors who are appointed and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The external auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Committee is responsible for recommending to the Board the external auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the external auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the external auditor including the resolution of any disagreements between management and the external auditor regarding financial reporting. The external auditor shall report directly to the Committee. The Committee is also entitled to engage independent counsel and other advisers in the performance of its duties and to set and pay the compensation for such counsel or advisers.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any changes to the Board from time to time.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the external auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the external auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management the Company's financial statements, MD&A and any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the external auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the external auditor without the presence of management.
8. Review with management and the external auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve and monitor all non-audit services to be provided to the Company by the external auditor.
10. Monitor the independence of the external auditor by reviewing all relationships between the external auditor and the Company including reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the Company's current and former external auditors.
11. Establish and review the Company's procedures for the:
 - (a) receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - (b) confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.

SCHEDULE "M"

NOTICE OF HEARING OF PETITION FOR FINAL ORDER



No. S-168186
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 291 OF THE BUSINESS CORPORATIONS ACT,
S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
GFG RESOURCES INC. AND ITS SECURITYHOLDERS
AND INVOLVING CREST PETROLEUM CORP.

GFG RESOURCES INC.

PETITIONER

NOTICE OF HEARING OF PETITION FOR FINAL ORDER

To: The Shareholders and Optionholders of GFG Resources Inc.

And To: Crest Petroleum Corp.

NOTICE IS HEREBY GIVEN that a Petition has been filed by the Petitioner, GFG Resources Inc. ("**GFG**") in the Supreme Court of British Columbia (the "**Court**") for sanction and approval, pursuant to section 291 of the *Business Corporations Act*, S.B.C., 2002, c. 57, as amended (the "**BCBCA**"), of an arrangement (the "**Arrangement**") contemplated in an arrangement agreement dated as of September 2, 2016 between GFG and Crest Petroleum Corp. ("**Crest**"), which Arrangement is described in greater detail in the joint information circular of GFG and Crest dated September 7, 2016 accompanying this Notice of Hearing of Petition.

AND NOTICE IS FURTHER GIVEN that the Court, by an Interim Order pronounced September 7, 2016, has given declarations and directions with respect to the Arrangement and as to the calling of a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Shares**") of GFG for the purpose of such Shareholders considering and voting upon a resolution to approve the Arrangement, and the Court has directed that the Shareholders shall have the right to dissent under the provisions of sections 237 to 247 of the BCBCA, as modified by the Arrangement and the Interim Order.

AND NOTICE IS FURTHER GIVEN that if the Arrangement is approved by the Shareholders at the Meeting, further to the Interim Order, the Petition for an Order approving the Arrangement (the "**Final Order**") and declaring it to be fair and reasonable to the Shareholders and registered holders of stock options to purchase Shares of GFG (the "**Optionholders**") shall be made before the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on October 18, 2016, at 9:45 a.m. (Vancouver time), or as soon thereafter as counsel may be heard (the "**Final Application**").

AND NOTICE IS FURTHER GIVEN that, if granted, the Final Order approving the Arrangement will constitute the basis for an exemption from the registration requirements under the United States *Securities Act of 1933*, as amended, upon which the parties will rely for the issuance and exchange of common shares and stock options in connection with the Arrangement.

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Final Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition ("**Response**") in the form prescribed by the Supreme Court Civil Rules and delivered a copy of the filed Response, together with all affidavits and other material on which such person intends to rely at the hearing of the Final Application, including an outline of such person's proposed submission, to the Petitioner at its address for delivery set out below as soon as reasonably practicable and, in any event, no later than two days before the hearing of the Final Application.

The Petitioner's address for delivery is:

Gregory T. Chu, A Law Corporation
Suite 650 – 1188 West Georgia Street
Vancouver, B.C.
V6E 4A2

Attention: Gregory T. Chu

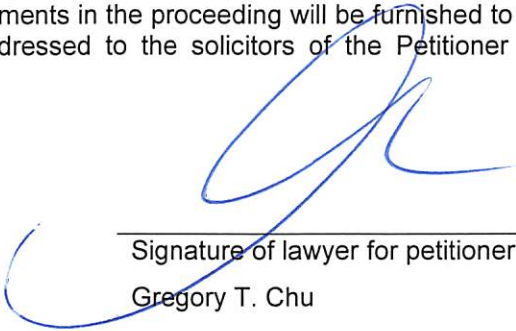
IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE FINAL APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of "Response" as aforesaid. You may obtain a form of "Response" at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE FINAL APPLICATION the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE and attend either in person or by counsel at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Shareholders and Optionholders.

A copy of the said Petition and other documents in the proceeding will be furnished to any Shareholder or Optionholder upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out above.

Date: September 7, 2016



Signature of lawyer for petitioner

Gregory T. Chu

CERTIFICATE OF CREST PETROLEUM CORP.

Date: September 7, 2016

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Crest Petroleum Corp. assuming completion of the Acquisition.

(signed) "Richard S. Silas"

Richard Silas
Chief Executive Officer

(signed) "Michael N. Waldkirch"

Michael Waldkirch
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Toby Pierce"

Toby Pierce
Director

(signed) "David Schmidt"

David Schmidt
Director

(signed) "Michael Keast"

Michael Keast
Director

CERTIFICATE OF GFG RESOURCES INC.

Date: September 7, 2016

The foregoing document as it relates to GFG Resources Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of GFG Resources Inc.

(signed) “**Brian N. Skanderbeg**”

Brian N. Skanderbeg
Chief Executive Officer and Acting Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) “**Brian N. Skanderbeg**”

Brian N. Skanderbeg
Director

(signed) “**Jonathan T. Awde**”

Jonathan T. Awde
Director

