

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

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities laws and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the “United States”), or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a “U.S. Person”) unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See “Plan of Distribution”.*

*Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Euro Sun Mining Inc. at 65 Queen Street West, 8<sup>th</sup> Floor, Toronto, Ontario, M5H 2M5 (Telephone: 416-843-2099), and are also available electronically at [www.sedar.com](http://www.sedar.com). See “Documents Incorporated by Reference”.*

## AMENDED AND RESTATED PRELIMINARY SHORT FORM PROSPECTUS (amending and restating the preliminary prospectus dated January 29, 2019)

New Issue

January 29, 2019



EURO SUN MINING INC.

**Up To \$10,000,000  
Up To 25,000,000 Units**

This short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of up to 25,000,000 units (the “**Units**”) of Euro Sun Mining Inc. (the “**Corporation**”) at a price per Unit of \$0.40 per Unit (the “**Offering Price**”). Each Unit will consist of one common share in the capital of the Corporation (a “**Unit Share**”) and one common share purchase warrant of the Corporation (a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one common share in the capital of the Corporation (a “**Warrant Share**”) at an exercise price of \$0.60 per Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is 24 months following the Closing Date (as defined herein).

The Units will be offered for sale on a “best efforts” agency basis without underwriter liability pursuant to the terms and conditions of an agency agreement (the “**Agency Agreement**”) among the Corporation, BMO Nesbitt Burns Inc. and Canaccord Genuity Corp. as lead agents (the “**Lead Agents**”) and a syndicate of agents made up of GMP Securities L.P. and Haywood Securities Inc. (collectively with the Lead Agents, the “**Agents**”). The Offering Price was determined by negotiation between the Corporation and the Lead Agents with reference to the prevailing market price of the common shares of the Corporation (the “**Common Shares**”). See “*Plan of Distribution*”.

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**PRICE: \$0.40 PER UNIT**

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	Price to Public	Agents’ Commission <sup>(1)</sup>	Net Proceeds to the Corporation <sup>(2)</sup>
Per Unit .....	\$0.40	\$0.024	\$0.376
Maximum <sup>(3)</sup> .....	\$10,000,000	\$600,000	\$9,400,000

Notes:

- (1) In consideration for the services rendered by the Agents in connection with the Offering, the Agents will be paid an aggregate cash fee (the “**Agents’ Commission**”), equal to 6% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option (as defined herein)). As additional consideration, the Corporation will grant the Agents broker warrants (the “**Broker Warrants**”) equal to 6% of the total number of Units sold under the Offering (including in respect of any exercise of the

Over-Allotment Option). Each Broker Warrant will entitle the holder thereof to acquire one Common Share (a “**Broker Share**”) at a price of \$0.40 for a period of 24 months from the Closing Date or the closing date of the Over-Allotment Option (as defined herein), if applicable. This Prospectus also qualifies the distribution of the Broker Warrants to the Agents. See “*Plan of Distribution*”.

- (2) Before deducting the expenses of the Offering, which are estimated to be \$250,000, which will be paid by the Corporation from the proceeds of the Offering. See “*Use of Proceeds*”.
- (3) The Corporation has also granted to the Agents an over-allotment option (the “**Over-Allotment Option**”), exercisable in whole or in part in the sole direction of the Agents, for a period of 30 days from and including the Closing Date, to offer up to an additional 3,750,000 Units at the Offering Price (the “**Additional Units**”) solely to cover over-allotments, if any, and for market stabilization purposes. Each Additional Unit consists of one Common Share (each, an “**Additional Unit Share**”) and one common share purchase warrant of the Corporation (each, an “**Additional Warrant**”). Each Additional Warrant will entitle the holder thereof to purchase one Common Share (each, an “**Additional Warrant Share**”) at an exercise price of \$0.60 per Additional Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is 24 months following the Closing Date. The Over-Allotment Option may be exercised by the Agent to offer either: (i) Additional Units at the Offering Price; (ii) Additional Unit Shares at a price of \$0.375 per Additional Unit Share; (iii) Additional Warrants at a price of \$0.025 per Additional Warrant; or (iv) any combination of Additional Units, Additional Unit Shares and Additional Warrants, so long as the aggregate number of Additional Unit Shares and Additional Warrants that may be issued under the Over-Allotment Option does not exceed 3,750,000 Additional Unit Shares and 3,750,000 Additional Warrants. If the Over-Allotment Option is exercised in full for Additional Units, the total number of Units sold under the Offering (assuming that the Offering is fully subscribed) will be 28,750,000 Units, the total price to the public will be \$11,500,000, the total Agents’ Commission will be \$690,000, and the total net proceeds to the Corporation, after deducting the Agents’ Commission, but before deducting the estimated expenses of the Offering, will be \$10,810,000. This Prospectus also qualifies the grant to the Agents of the Over-Allotment Option and the distribution of the Additional Units, Additional Unit Shares and/or Additional Warrants, which may be issued and sold upon exercise of the Over-Allotment Option, and the grant and issuance of additional Broker Warrants (the “**Additional Broker Warrants**”). A purchaser who acquires securities forming part of the Agents’ over-allotment position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “*Plan of Distribution*”.

There is no minimum amount of funds that must be raised under the Offering. This means that the Corporation could complete the Offering after raising only a small proportion of the Offering amount set out above.

The following table sets out the maximum number of securities under options issuable to the Agents in connection with the Offering:

<b>Agents’ Position</b>	<b>Maximum Number of Securities</b>	<b>Exercise Period</b>	<b>Exercise Price</b>
Over-Allotment Option	3,750,000 Additional Unit Shares and/or 3,750,000 Warrants	Up to 30 days from and including the Closing Date	\$0.375 per Additional Unit Share \$0.025 per Additional Warrant
Broker Warrants <sup>(1)</sup>	1,500,000 Broker Warrants(1)	24 months following the date of issuance	\$0.40 per Broker Warrant

Note:

- (1) 1,725,000 Broker Warrants if the Over-Allotment Option is exercised in full.

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**ESM**”. On January 28, 2019, the last day on which the Common Shares traded prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$0.41. The Corporation will apply to list the Unit Shares, Warrants, Warrant Shares and Broker Shares on the TSX (including the Additional Unit Shares, Additional Warrants, Additional Warrant Shares, and additional Broker Shares (“**Additional Broker Shares**”). Listing will be subject to the Corporation fulfilling the applicable listing requirements of the TSX.

Unless the context otherwise requires, all references to the “Offering”, “Units”, “Unit Shares”, “Warrants”, “Warrant Shares”, “Broker Warrants” and “Broker Shares” in this Prospectus includes all securities issuable pursuant to the Over-Allotment Option.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. It is expected that closing of the Offering will occur on or about February 13, 2019 or such other date as may be agreed between the Corporation and the Agents (the “**Closing Date**”). Pending closing of the Offering, all subscription funds will be deposited and held by the Agents in trust pursuant to the terms and conditions of the Agency Agreement. If the Closing Date does not occur within 90 days from the date a receipt is issued for the final short form prospectus or such other time as may be permitted by applicable securities legislation and consented to by persons or companies who subscribed within that period and the Agents, the Offering will be discontinued and all subscription monies will be returned to subscribers without interest, set-off or deduction. See “*Plan of Distribution*”.

The Offering is not underwritten. The Units offered hereunder are conditionally offered on a “best efforts” agency marketed basis by the Agents, as agents of the Corporation, subject to prior sale and if, as and when issued and delivered by the Corporation, and accepted by the Agents in accordance with the terms and conditions contained in the Agency Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters on behalf of the Corporation by Cassels Brock & Blackwell LLP, and on behalf of the Agents by Stikeman Elliott LLP.

**An investment in the Units is highly speculative and involves a high degree of risk.** The risk factors identified under the heading “*Note Regarding Forward-Looking Statements*” and “*Risk Factors*” herein and the other documents incorporated by reference in this Prospectus should be carefully reviewed and evaluated by prospective investors before purchasing the securities being offered hereunder.

**There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants acquired hereunder. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. See “*Risk Factors*”.**

In connection with the Offering, and subject to applicable laws, the Agents may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See “*Plan of Distribution*”.

It is anticipated that the Units will be delivered under the book-based system through CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited in electronic form. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units are purchased and who is a CDS depository service participant. CDS will record the CDS participants who hold Units Shares and Warrants comprising the Units on behalf of owners who have purchased them in accordance with the book-based system. No definitive certificates will be issued unless specifically requested or required. See “*Plan of Distribution*”.

Prospective investors should rely only on the information contained in this Prospectus and the documents incorporated by reference herein. The Corporation has not authorized anyone to provide prospective investors with information different from that contained in this Prospectus. The information contained in the Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Units.

The Corporation’s registered and head office is located at 65 Queen Street West, 8th Floor, Toronto, Ontario, M5H 2M5.

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## **GENERAL MATTERS**

Readers should rely only on the information contained in or incorporated by reference in this Prospectus. The Corporation and the Agents have not authorized any person to provide different information. If an investor is provided with different or inconsistent information, he or she should not rely on it. The Units may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of any offer to buy Units in any jurisdiction where it is unlawful. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the respective dates of the documents incorporated by reference herein, regardless of the time of delivery of this Prospectus or of any sale of the Units offered hereunder. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws.

Unless the context otherwise requires, all references to the “Corporation” includes Euro Sun Mining Inc. and its predecessors and subsidiaries.

### **NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain information provided in this Prospectus and any documents incorporated by reference herein may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation which may include, but is not limited to, information with respect to the Corporation’s expected production from, and further potential of, the Corporation’s properties; the future price of minerals, particularly gold and copper; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information is based on management’s expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Corporation and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include: uncertainties of mineral resource estimates; the nature of mineral exploration and mining; variations in ore grade and recovery rates; cost of operations; fluctuations in the sale prices of products; volatility of gold and copper prices; exploration and development risks; liquidity concerns and future financings; risks associated with operations in foreign jurisdictions; potential revocation or change in permit requirements and project approvals; competition; no guarantee of titles to explore and operate; environmental liabilities and regulatory requirements; dependence on key individuals; conflicts of interests; insurance; fluctuation in market value of the Corporation’s shares; rising production costs; equipment material and skilled technical workers; volatile current global financial conditions; and currency fluctuations; and other risks pertaining to the mining industry, as well as those factors discussed in the section entitled “Risk Factors” in this Prospectus and in the AIF (as defined herein). Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein or incorporated by reference are made as of the date of this Prospectus or as of the date of the documents incorporated by reference, as the case may be, and the Corporation does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained or incorporated by reference in this document is presented for the purpose of assisting shareholders in understanding the financial position, strategic priorities and objectives of the Corporation for the periods referenced and such information may not be appropriate for other purposes.

## CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

This Prospectus contains references to United States dollars and Canadian dollars. Canadian dollars are referred to as “Canadian dollars” or “\$”. United States dollars are referred to as “United States dollars” or “US\$”.

The high, low and closing rates for Canadian dollars in terms of the United States dollar for each of the periods indicated, as reported by the Bank of Canada, were as follows:

	<u>Year Ended December 31,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2018</u>	<u>2017</u>
<b>High</b>	1.3743	1.4589	1.3310	1.3743
<b>Low</b>	1.2128	1.2544	1.2288	1.2128
<b>Closing</b>	1.2545	1.3427	1.2945	1.2480

On January 28, 2019, the daily average exchange rate for United States dollars expressed in terms of the Canadian dollar, as reported by the Bank of Canada, was US\$1.00 = \$1.3260.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Corporation, and, Stikeman Elliott LLP, counsel to the Agents, based on the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder, in force as of the date hereof, the Unit Shares, Warrants, and Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account, as those terms are defined in the Tax Act (collectively referred to as “**Registered Plans**”) or a deferred profit sharing plan (“**DPSP**”) (as defined in the Tax Act), provided that:

- (i) in the case of Unit Shares and Warrant Shares, the Unit Shares or Warrant Shares are then listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX) or the Corporation qualifies as a “public corporation” (as defined in the Tax Act); and
- (ii) in the case of the Warrants,
  - (a) the Warrants are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX); or
  - (b) the Warrant Shares are qualified investments as described in (i) above and neither the Corporation, nor any person with whom the Corporation does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder or subscriber of, or an annuitant under, a Registered Plan, as the case may be, (the “**Controlling Individual**”) will be subject to a penalty tax in respect of Unit Shares, Warrant Shares or Warrants held in the Registered Plan if such securities are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. A Unit Share, Warrant Share or Warrant generally will be a “prohibited investment” for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a “significant interest” (as defined in subsection 207.01(4) the Tax Act) in the Corporation. Controlling Individuals should consult their own tax advisors as to whether the Unit Shares, Warrant Shares, or Warrants will be a prohibited investment in their particular circumstances.

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces of Canada, other than Quebec.** Copies of the documents incorporated herein by reference may be obtained on request, without charge, from the Chief Financial Officer of Corporation at 65 Queen Street West, 8<sup>th</sup> Floor, Toronto, Ontario, M5H 2M5 (telephone: 416-843-

2099), and are also available electronically under the Corporation's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com). The filings of the Corporation through SEDAR are not incorporated by reference in this Prospectus except as specifically set out herein.

The following documents of the Corporation are specifically incorporated by reference in this Prospectus:

- (i) the Corporation's annual information form dated March 23, 2018 (the "AIF"), excluding any references to the Preliminary Economic Assessment – NI 43-101 Technical Report Rovina Exploration Project, South Apuseni Mountains, West-Central Romania, dated May 21, 2010, prepared by PEG Mining Consultants Inc. contained in the AIF;
- (ii) audited consolidated financial statements of the Corporation for the years ended December 31, 2017 and 2016, together with the notes thereto and the auditor's report thereon;
- (iii) the Corporation's management's discussion and analysis for the year ended December 31, 2017;
- (iv) unaudited condensed consolidated interim consolidated financial statements of the Corporation for the three and nine months ended September 30, 2018 and 2017, together with the notes thereto (the "Interim Financial Statements");
- (v) the Corporation's management's discussion and analysis for the three and nine months ended September 30, 2018 and 2017;
- (vi) the management information circular of the Corporation dated July 24, 2018 prepared in connection with the annual meeting of shareholders of the Corporation held on August 22, 2018;
- (vii) the Corporation's press release dated September 19, 2018 in respect of metallurgical test results for the Rovina Valley Project (as defined herein);
- (viii) the Corporation's material change report dated November 14, 2018 in respect of the ratification of the Corporation's exploitation permit and mining license for the Rovina Valley Project in Romania and closing of a non-brokered private placement financing with Orion (as defined herein);
- (ix) the Corporation's term sheet for the Offering dated January 29, 2019 (the "Term Sheet"); and
- (x) the Corporation's corporate presentation dated January 29, 2019 (together with the Term Sheet, the "Marketing Materials").

**Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – Short Form Prospectus Distribution if filed by the Corporation with the securities commissions or similar regulatory authorities in Canada after the date of this Prospectus and prior to the termination of the distribution under the Offering, shall be deemed to be incorporated by reference in this Prospectus.**

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed to constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.**

## **MARKETING MATERIALS**

The Marketing Materials do not form part of this Prospectus to the extent that their contents may have been modified or superseded by a statement contained in this Prospectus. Any template version of “marketing materials” (as defined in NI 41-101) filed after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference herein.

## **THE CORPORATION**

### **General**

The Corporation was incorporated pursuant to the provisions of the *Canada Business Corporations Act* (the “CBCA”) as Ore-Leave Capital Inc. on January 17, 2003. On March 26, 2003, the Corporation amended its articles to remove the private company provisions and the restrictions on share transfers. On June 24, 2004, the Corporation amended its articles to change its name to “Carpathian Gold Inc.” and on August 18, 2016, the Corporation further amended its articles to change its name to “Euro Sun Mining Inc.”.

The Corporation’s registered office and head office is located at 65 Queen Street West, 8th Floor, Toronto, Ontario, M5H 2M5.

### **Summary Description of the Business**

The Corporation is principally a mineral exploration and development company. Through its subsidiaries, the Corporation is currently involved in the exploration and development of mineral properties situated in Romania. The Corporation has carried out extensive exploration programs on three copper-gold porphyry systems referred to as Rovina, Colnic and Ciresata (collectively, the “**Rovina Valley Project**”) with a view to advancing them to the prefeasibility stage. The executive team of the Corporation brings deep project optimization and mine development expertise, and has been the team behind gold assets such as Hounde (Endeavour Mining), Shahuindo (Tahoe Resources) and Fosterville (Kirkland Lake Gold).

### **The Rovina Valley Project**

#### *The Golden Quadrilateral Mining District*

The Rovina Valley Project lies in the Golden Quadrilateral Mining District of the South Apuseni Mountains in west-central Romania, and is one of the largest mineral deposits on the Western Tethyan Orogenic Belt. The Golden Quadrilateral is a highly prospective new gold district for junior and senior gold companies, with approximately 40Moz of gold (all categories) within a 30km<sup>2</sup> area. Other projects in the area include Gabriel Resource’s Rosia Montana project (25km northeast) and Eldorado’s Certej project (17km southeast) (See Figure 1). The Corporation also holds a prospecting permit in the Stanija area, about 3 kilometers east of the Rovina Valley Project (See Figure 2).

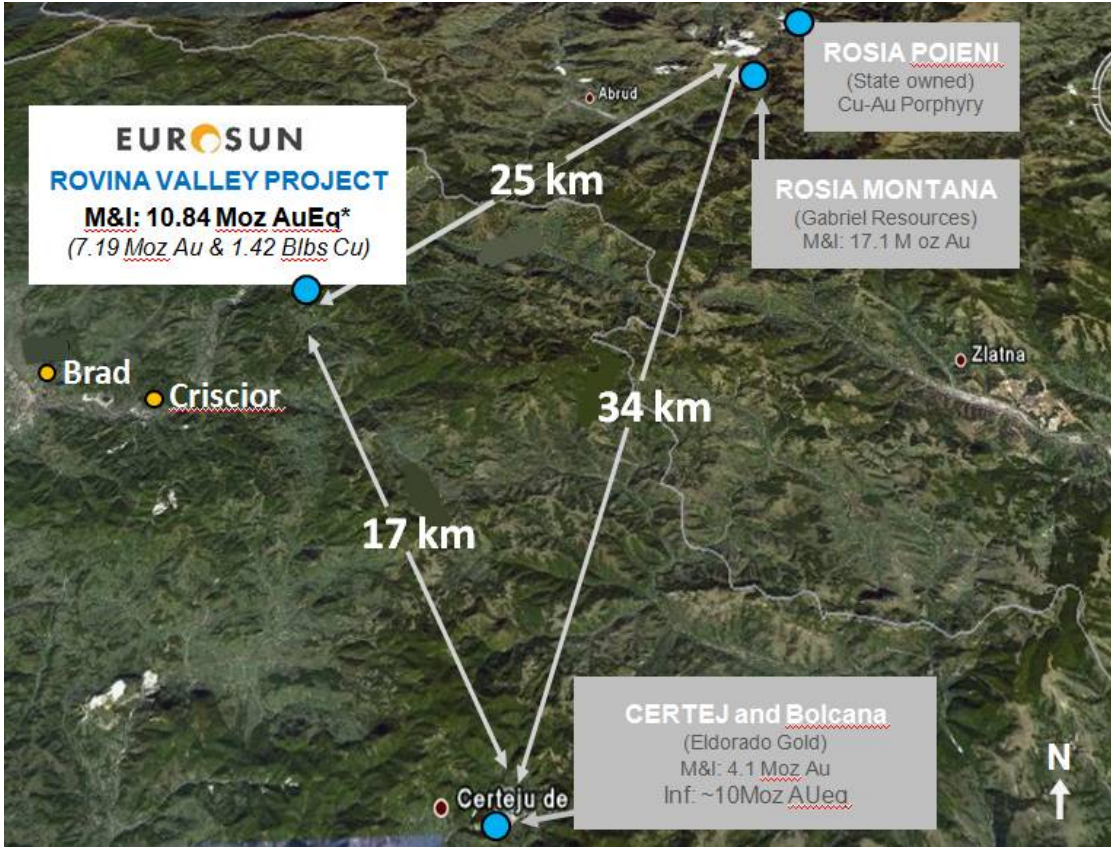


Figure 1.

Note: Mineral resource figures from projects listed were obtained from available public information. ESM’s AuEq calculations were determined by using a gold price of \$US1,370/oz and a copper price of \$3.52/lb ( 3yr trailing avg. as of July 10, 2012), metallurgical recoveries are not taken into account. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

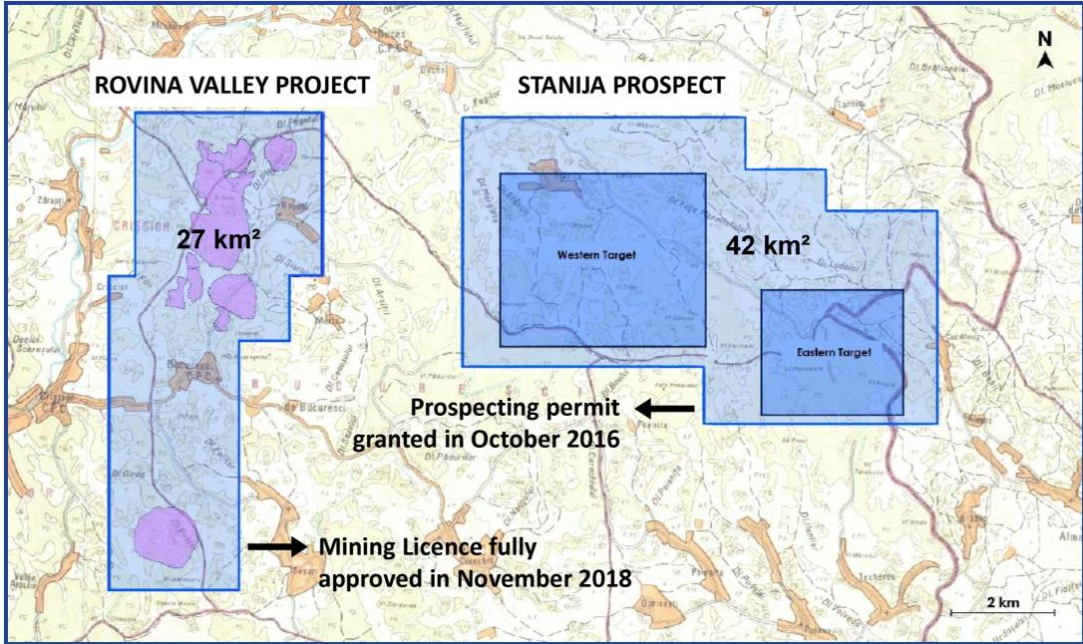


Figure 2.

## Deposits

The Rovina Valley Project is one of the largest gold mineral resources in Europe, consisting of three porphyry deposits: Colnic, Rovina and Ciresata, and hosts measured and indicated mineral resources of 7.19 million ounces of gold and 1.42 Billion pounds of copper, and 10.84 million ounces of gold equivalent (M&I). A more detailed breakdown of the measured and indicated mineral resources is provided in Figure 3, below.

### Measured & Indicated Mineral Resources

Deposits	Tonnage Mt	Au g/t	Cu %	Gold Moz	Copper Mlb	Au eq* Moz	Au Eq* g/t
Rovina	105.3	0.30	0.25	1.01	583	2.50	0.74
Colnic	135.7	0.51	0.10	2.21	312	3.01	0.69
Ciresata	164.8	0.75	0.15	3.95	552	5.37	1.01
<b>Total</b>	<b>405.9</b>	<b>0.55</b>	<b>0.16</b>	<b>7.19</b>	<b>1420</b>	<b>10.84</b>	<b>0.83</b>

Base case cut-off used in the table are 0.35 g/t Au eq. for the Colnic deposit and 0.25% Cu eq. for the Rovina deposit, both of which are amenable to open-pit mining and 0.65 g/t Au eq. for the Ciresata deposit which is amenable to underground bulk mining. For the Rovina and Colnic porphyries, the resource is an in-pit resource derived from a Whittle shell model using gross metal values of \$1,350/oz Au price and \$3.00/lb Cu price, net of payable amounts after smelter charges and royalty for net values of US\$1,313/oz Au and US\$2.57/lb Cu for Rovina and US\$2.27/lb Cu for Colnic).

Figure 3

### Infrastructure and Accessibility

The Golden Quadrilateral Mining district, where the Rovina Valley Project is located, has a long history of mining activity, with developed infrastructure to provide electrical power and paved highway and rail transport (See Figure 4). The nearest electrical power source to the deposit is in the town of Criscior (pop. 13,000), located approximately 5 km to the southwest. The closest rail line available for use is in Brad (pop. 17,000), 5.3 km by road from Criscior, with another rail line in Deva (pop. 80,000), located 41 km by road from Criscior. The towns of Deva and Brad are the closest major centres to the Rovina Valley Project. Multiple smelters are available in the area, as well as a Black Sea port within 700km of the Rovina Valley Project. Romania's location in southeast-central Europe, north of the Balkan Peninsula, also provides for access to labour and capital across Europe.

### Railroad, Hydroelectric Power and Paved Highways in proximity to the project

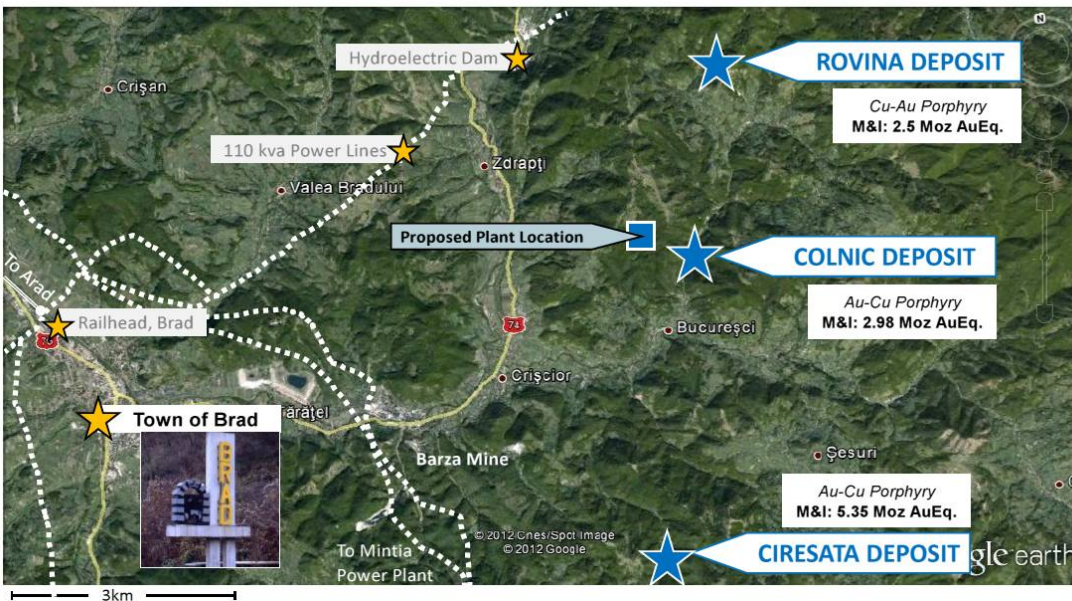


Figure 4.

Note: For Au Eq. calculation, determined by using a gold price of \$US 1,370 per ounce and a copper price of \$3.52/lb (3yr trailing avg. as of July 10, 2012), metallurgical recoveries are not taken into account. In-pit resource calculation based on US\$1,313/oz Au oz and \$2.27 to \$2.57/Cu. Cut-off grades used of 0.25% Cu eq for the Rovina deposit, 0.35 g/t Au eq for the Colnic deposit and 0.65 g/t Au eq for the Ciresata deposit. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

## Romania

Romania has a population of approximately 20 million people, with approximately 2 million people living in the capital city, Bucharest. Romania is a member of the North Atlantic Treaty Organization (NATO), and has been in the European Union since 2007. As of January 1<sup>st</sup>, 2019, and until June 30<sup>th</sup>, 2019, Romania holds the presidency of the Council of the European Union.

The Romanian climate is mild, temperate-continental, with four distinct seasons. Generally, the winter months are from December to March, and snow is common though accumulation is typically less than 30 cm. Mean winter temperatures are in the area of -3°C to -5°C; however, periods of severe temperatures (as low as -20°C) can occur. Springtime temperatures of 5°C to 10°C may start in early April, but patchy snow cover could last until mid-May in the forested areas. The summer months, from June to September, have temperatures ranging from 10°C to 20°C, with rare maximum highs near 35°C.

The national currency of Romania is the Romanian Leu (1 Leu = US\$0.25) and the tax rate for personal income and corporate profits is 16%. Romania is a net exporter of power to the European Union, with low power costs of approximately \$0.07/kwhr. The Romanian government receives a 5% NSR copper royalty and a 6% NSR gold royalty on the Rovina Valley Project.

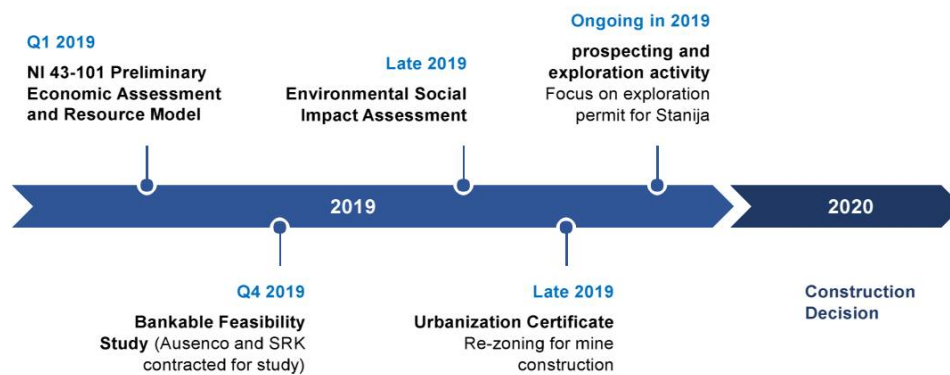
### The Path Forward

The Corporation intends to use the net proceeds of the Offering for:

- Completion of an updated Preliminary Economic Assessment
- Undertaking the Environmental and Social Impact Assessment
- Completing a Feasibility Study
- Exploration
- General & Administrative expenses

See “Use of Proceeds”.

Figure 5 below provides a timeline for which the Corporation plans on implementing the assessments and study.



#### No Permitting Obstacles Expected

- ✓ No planned use of cyanide
- ✓ Full community support
- ✓ No wet tailings
- ✓ No village re-location
- ✓ No archeology sites (baseline completed)
- ✓ No legacy mining issues

Figure 5.

The mandate of the feasibility study is to focus on phased development that better manages upfront capital costs and better mitigates project risk. Figure 6 below provides an outline of this phased development plan.

## Phased Development:

- 1 Colnic Deposit Only**
  - Au-Cu porphyry
    - 135.7 Mt @ 0.51 g/t Au and 0.10% Cu
    - 2.2 Moz Au & 312 Mlbs Cu
  - Simple open pit mining; mineralization at surface
  - 15k-25k tonnes per day
  - Dry stack tailings; no use of cyanide
  - Optimization of pit wall and recoveries

- 2 Rovina Deposit – Open Pit**

- 3 Ciresata Deposit - Underground**

## Metallurgical Testing Results (Sept 2018)

### Colnic Deposit (Phase 1)

- 22% copper concentrate
- 81.3% gold recoveries
- 89.1% copper recoveries
- No use of cyanide

### Rovina Deposit (Phase 2)

- 21% copper concentrate
- 73% gold recoveries
- 95% copper recoveries
- No use of cyanide

**\*No use of cyanide anywhere in the flotation circuit**

Figure 6.

### RECENT DEVELOPMENTS

On November 12, 2018, the Corporation announced that the Romanian Government completed the ratification process of the Corporation's exploitation permit and mining license for the Rovina Valley Project. The fully approved mining license for the Rovina Valley Project was also published in the Official Monitor of the Romanian Government on November 16, 2018. The Corporation announced that it would undertake the Environmental and Social Impact Assessment (ESIA) and would also continue the feasibility study and preliminary economic assessment accelerating the Rovina Valley Project towards a construction decision.

On November 8, 2018, the Corporation completed a non-brokered private placement financing by issuing 4,333,333 Common Shares at a price of \$0.60 per share for gross proceeds of US\$2 million (equivalent to \$2.6 million at the exchange rate of US\$1.00 to \$1.30 at the time of the transaction) (the "**November Private Placement**") with Orion Mine Finance Fund II LP ("**Orion**"). Pursuant to the November Private Placement, Orion was granted the right to nominate one individual to the board of directors of the Corporation (the "**Board of Directors**") provided that Orion continues to hold more than 5% of the issued and outstanding Common Shares. In connection with this right, Michael Barton, a partner with Orion Resource Partners joined the Board of Directors. Mr. Barton replaced Guy Charette, who resigned from the Board of Directors on November 11, 2018.

On October 22, 2018, the Corporation announced that it had received approval from the TSX to extend the expiry date of the 3,932,425 outstanding common share purchase warrants ("**2016 Warrants**") that were originally issued by the Corporation on May 19, 2016. Effective November 5, 2018, the expiry date of the 2016 Warrants was extended by six months to May 19, 2019, subject to the accelerated expiry in accordance with the terms of the 2016 Warrants.

On September 19, 2018, the Corporation announced the results of the comprehensive metallurgical pilot plant test program conducted by Eriez Manufacturing at their test facility in the United States. Bulk samples consisting of approximately 3,000 kg per sample; representing the main geometallurgical domains from the Colnic pit and the Rovina pit were selected under the guidance of SRK Consulting. The results delivered an average gold recovery at the Colnic pit of 81.5% and copper recoveries of 88.6% while the average gold recovery of the Rovina pit was 73.2% and copper recoveries averaged 94.7%, all utilizing no cyanide anywhere in the flotation circuit.

### CONSOLIDATED CAPITALIZATION

There have not been any material changes in the share and loan capital of the Corporation since September 30, 2018, the date of the Interim Financial Statements, other than the issuance of 4,333,333 Common Shares pursuant to the November Private Placement.

## DESCRIPTION OF SECURITIES BEING DISTRIBUTED

### **Common Shares**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, all without nominal or par value, of which, as at the date hereof, 61,908,794 Common Shares and nil preferred shares are issued and outstanding as fully paid and non-assessable.

Holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders of the Corporation, except meetings at which only holders of another class or series of shares are entitled to attend, and are entitled to cast one vote per Common Share on all matters to be voted upon at all such meetings. Holders of Common Shares are entitled to receive such dividends if, as and when declared by the Board of Directors, subject to the rights of the holder of any other class or series of shares ranking senior to the Common Shares. Holders of Common Shares also have rights upon dissolution or winding up of the Corporation. The Common Shares do not carry any preemptive, subscription, conversion or redemption rights, nor do they contain any sinking or purchase fund provisions.

The preferred shares are issuable in series, and the directors of the Corporation have the right, from time to time, to fix the number of, and to determine the designation, rights, privileges and conditions attaching to the shares of series, including the rate or amount of dividends thereon (if any), the method of calculating any dividends, the dates of payment thereof, the right (if any) to convert shares of a series into shares of another series of preferred shares or into another class of shares (including Common Shares), the right (if any) to participate in the remaining assets of the Corporation upon its liquidation or dissolution, as well as any other rights, privileges, restrictions or conditions attached to a series of preferred shares, subject to any limitations set out in the Corporation's articles of incorporation. The holders of preferred shares are not, as such, entitled to receive notice of, to attend or to vote at any meetings of shareholders of the Corporation, subject to the provisions of the CBCA.

### **Warrants**

The Warrants will be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Corporation and TSX Trust Company (the "**Warrant Agent**"), as warrant agent. The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants, which will be filed by the Corporation under its corporate profile on SEDAR following the closing of the Offering. A register of holders will be maintained at the principal offices of the Warrant Agent in Toronto, Ontario.

The Unit Shares and the Warrants comprising the Units will separate following the closing of the Offering. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of \$0.60 on or before 5:00 p.m. (Toronto time) on the date that is 24 months from the Closing Date, after which time the Warrants will be void and of no value.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants);
- (ii) the subdivision, redivision or change of the Common Shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the Common Shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and

- (v) the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares, of evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or a capital reorganization of the Corporation (other than as described in clauses (i) or (ii) above), (b) consolidations, amalgamations, arrangements, mergers or other business combination of the Corporation with or into another entity, or (c) any sale, lease, exchange or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Corporation will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events. No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have. From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants.

Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by “extraordinary resolution”, which will be defined in the Warrant Indenture as a resolution either (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy of Warrants representing not less than 66 $\frac{2}{3}$ % of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution or (ii) adopted by an instrument in writing signed by the holders of not less than 66 $\frac{2}{3}$ % of the aggregate number of all then outstanding Warrants.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Corporation; provided, however, that a holder who is a “qualified institutional buyer” as defined in Rule 144A under the U.S. Securities Act (“**Qualified Institutional Buyer**”) at the time of exercise of the Warrants who purchased Units in the Offering directly, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

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

### **PRIOR SALES**

The following tables set forth the details regarding all issuances of Common Shares and securities convertible into Common Shares during the 12-month period prior to the date of this Prospectus.

<b>Date of Issue</b>	<b>Type of Security</b>	<b>Number of Securities</b>	<b>Issue Price/Exercise Price per Security</b>
November 8, 2018	Common Shares <sup>(1)</sup>	4,333,333	C\$0.60

Note:

- (1) Issued pursuant to the November Private Placement. See “*Recent Developments*”.

## TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the symbol “ESM”. The following table shows the high and low trading prices, as well as the trading volume for the Common Shares on the TSX for the 12-month period indicated:

Month	High (\$)	Low (\$)	Volume
January 2018	1.66	1.17	2,508,960
February 2018	1.44	1.02	1,261,417
March 2018	1.82	1.25	1,930,996
April 2018	1.68	1.33	796,757
May 2018	1.45	1.11	1,052,231
June 2018	1.28	0.92	710,205
July 2018	0.96	0.85	309,713
August 2018	1.16	0.72	790,459
September 2018	0.79	0.62	1,264,666
October 2018	0.69	0.55	401,631
November 2018	1.25	0.55	2,500,329
December 2018	0.59	0.37	2,045,138
January 1 to 28, 2019	0.48	0.40	1,347,422

On January 28, 2019, the last day on which the Common Shares traded prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was \$0.41.

## USE OF PROCEEDS

### **Proceeds**

The gross proceeds to be received by the Corporation from the sale of Units under the Offering will be up to \$10,000,000. The net proceeds to be received by the Corporation if the total amount Offering is achieved, after payment of the Agents’ Commission of \$600,000 and after deducting the expenses of the Offering, estimated to be \$250,000, which includes the Agents’ expenses, will be \$9,150,000.

If the Over-Allotment Option is exercised in full, the Corporation will receive additional net proceeds of \$810,000, after deducting the Agents’ Commission of \$690,000.

### **Use of Proceeds**

The following table indicates the approximate amount of the net proceeds of the Offering intended to be allocated to the forgoing uses, assuming the maximum Offering is achieved:

Use of Proceeds	Amount Allocated <sup>(1)(2)</sup>
Preliminary Economic Assessment	\$264,000
Environmental & Social Impact Assessment	\$745,000
Feasibility Study & Technical Consulting	\$2,911,000
Exploration	\$1,642,000
General & Administrative expenses for 12 months	\$2,073,000
Unallocated working capital	\$1,515,000
<b>TOTAL</b>	<b>\$9,150,000</b>

(1) Based on anticipated net proceeds of the Offering, assuming the total amount of the Offering is achieved.

(2) If the Over-Allotment Option is exercised in full, the additional net proceeds from the exercise of the Over-Allotment Option will be allocated to unallocated working capital.

Completion of the above studies will meet the Corporation’s objective of accelerating the Rovina Valley Project towards a construction decision.

The Corporation currently intends to spend the net proceeds of the Offering available as stated above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary, in which case, the Corporation may spend the net proceeds of the Offering on such reallocated basis. Accordingly, management of the Corporation will have broad discretion in the application of the proceeds of the Offering. See “Risk Factors”.

### **Negative Operating Cash Flow**

The Corporation had negative operating cash flow for the year ended December 31, 2017 and the nine months ended September 30, 2018. If the Corporation continues to have negative cash flow into the future, net proceeds may need to be allocated to fund this negative cash flow. At September 30, 2018, the Corporation had a cash balance of approximately \$712,670, a working capital balance of approximately \$250,158 and current obligations of approximately \$872,263. From January 1, 2018 to September 30, 2018, the Corporation had an average monthly cash operating expenditure rate of approximately \$512,000 per month, and expects such rate to increase in immediate future periods as it continues to progress its Rovina Valley Project. The Corporation anticipates it will continue to have negative cash flow from operating activities in future periods until commercial production is achieved at the Rovina Valley Project. See “*Note Regarding Forward-Looking Statements*” and “*Risk Factors*”.

### **No Minimum Offering**

No minimum amount of funds must be raised under the Offering. This means that the Corporation could complete the Offering after raising only a small proportion of the Offering amount set out above. There is no guarantee that the Corporation will receive sufficient net proceeds from the Offering to accomplish some or all of the objectives set out above. In the event the Offering amount is less than the maximum Offering, the Corporation intends to utilize the proceeds of the Offering in the following priorities:

- Completion of an updated Preliminary Economic Assessment;
- Commencing the Environmental and Social Impact Assessment; and
- Commencing the Feasibility Study & Technical Consulting.

In the event that 15% or less of the maximum Offering is achieved, the Corporation will use the net proceeds of the Offering for working capital purposes and will pursue other sources of financing to meet its business objectives and complete the various studies required. Given that the Corporation has a negative operating cash flow, there can be no assurance that such alternative sources of financing will be available or that the Corporation will be able to meet its business objectives.

### **PLAN OF DISTRIBUTION**

Pursuant to the Agency Agreement, the Corporation has appointed the Agents as its exclusive agents to offer a maximum of 25,000,000 Units to the public on a “best efforts” agency basis at a price of \$0.40 per Unit for aggregate gross proceeds of up to \$10,000,000, subject to the terms and conditions of the Agency Agreement. The Offering Price was determined by negotiation between the Corporation and the Lead Agents, with reference to the prevailing market price of the Common Shares. The obligations of the Agents under the Agency Agreement are several (and not joint nor joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of “material change out”, “disaster out”, “regulatory out”, “market out” and “breach out” provisions in the Agency Agreement and may also be terminated upon the occurrence of certain other stated events. The Agents may, in connection with the Offering and in their discretion, form a selling group consisting of one or more other licensed dealers, brokers and investment dealers (referred to herein as the “**Selling Firms**”) to offer the Units for sale and may receive subscriptions for the Units from the Selling Firms. The Agents are not obligated to purchase any Units under the Agency Agreement.

The Corporation has granted the Agents the Over-Allotment Option, exercisable in whole or in part at the sole discretion of the Agents, for a period of 30 days from the Closing Date, enabling the Agents to offer up to 3,750,000 Additional Units and/or up to 3,750,000 Additional Unit Shares and/or up to 3,750,000 Additional Warrants at the Offering Price, solely to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Agent to offer: (i) Additional Units at the Offering Price; (ii) Additional Unit Shares at a price of \$0.375 per Additional Unit Share; (iii) Additional Warrants at a price of \$0.025 per Additional Warrant; or (iv) any combination of Additional Units, Additional Unit Shares and Additional Warrants, so long as the aggregate

number of Additional Unit Shares and Additional Warrants that may be issued under the Over-Allotment Option does not exceed 3,750,000 Additional Unit Shares and 3,750,000 Additional Warrants. If the Over-Allotment Option is exercised in full for Additional Units, the total number of Units sold pursuant to the Offering (assuming the full amount of the Offering achieved) will be 28,750,000, the total price to the public will be \$11,500,000, the total Agents' Commission will be \$690,000 and the total net proceeds to the Corporation, after deducting the Agents' Commission, but before deducting the estimated expenses of the Offering, will be \$10,810,000. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units, Additional Unit Shares and/or Additional Warrants issuable upon exercise of the Over-Allotment Option, and the grant and issuance of the Additional Broker Warrants. A purchaser who acquires securities forming part of the Agents' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services provided by the Agents in connection with the Offering, and pursuant to the terms of the Agency Agreement, the Corporation has agreed to pay the Agents the Agents' Commission equal to 6% of the gross proceeds from the Offering (including any gross proceeds raised on the exercise of the Over-Allotment Option). The Agents will also receive Broker Warrants to purchase that number of Brokers Shares that is equal to 6% of the Units sold pursuant to the Offering (including any Additional Units, Additional Unit Shares and/or Additional Warrants sold pursuant to the exercise of the Over-Allotment Option). Each Broker Warrant is exercisable to purchase one Broker Share at a price of \$0.40 for a period of 24 months from the Closing Date. This Prospectus also qualifies the distribution of the Broker Warrants, as well as the grant and issuance of the Additional Broker Warrants pursuant to the Over-Allotment Option.

Pursuant to the terms of the Agency Agreement, the Corporation has agreed to reimburse the Agents for their expenses incurred pursuant to the Offering, including legal fees and to indemnify the Agents, their respective affiliates and their respective directors, officers, employees, agents and shareholders of the Agents against certain liabilities and expenses.

The Corporation will apply to list the Unit Shares, Warrants, Warrant Shares and Broker Shares on the TSX (including the Additional Unit Shares, Additional Warrants, Additional Warrant Shares and Additional Broker Shares). Listing will be subject to the Corporation fulfilling the applicable listing requirements of the TSX.

Upon completion of the Offering, the Corporation agrees, that until the date which is 90 days after the Closing Date, it will not, without the prior written consent of the Lead Agents, such consent not to be unreasonably withheld, directly or indirectly, issue, sell, offer, grant an option or right in respect of any Common Shares or securities or other financial instruments convertible into or having the right to acquire Common Shares (other than pursuant to the Over-Allotment Option or pursuant to rights or obligations under securities or instruments outstanding) or enter into any agreement or arrangement under which the Corporation acquires or transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares, whether that agreement or arrangement may be settled by the delivery of Common Shares or other securities or cash, or agree to or publicly announce any intention to do any of the foregoing.

The Corporation has also agreed to cause each director and executive officer of the Corporation to enter into lock up agreements in favour of the Agents evidencing their agreement not to, for a period of 90 days following the Closing Date, sell or agree to sell, any Common Shares or securities exchangeable or convertible into Common Shares, or announce its intention to do any of the foregoing, other than with the prior written consent of the Lead Agents, such consent not be unreasonably withheld, or as otherwise permitted pursuant to the terms of the lock up agreements.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions including: (a) a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities, (b) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was for the purpose of maintaining a fair and orderly market and not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities, or (c) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. Consistent with these requirements, and in connection with this distribution, the Agents may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. If these activities are commenced, they may be discontinued by the Agents at any time. The Agents may carry out these transactions on the TSX or otherwise.

Subscriptions for the Units will be received subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. Closing of the Offering is expected to take place on or about February 13, 2019, or such other date as may be agreed upon by the Corporation and the Agents. Pending closing of the Offering, all subscription funds will be deposited and held by the Agents in trust pursuant to the terms and conditions of the Agency Agreement. If the Closing Date does not occur within 90 days from the date a receipt is issued for the final Prospectus or such other time as may be permitted by applicable securities legislation and consented to by persons or companies who subscribed within that period and the Agents, the Offering will be discontinued and all subscription monies will be returned to subscribers without interest, set-off or deduction.

The Unit Shares and the Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered, sold or delivered, directly or indirectly, to, or for the account or benefit of, a person in the United States or a U.S. Person.

Each Agent has agreed that, except as permitted by the Agency Agreement and as expressly permitted by applicable U.S. federal and state securities laws, it will not offer or sell the Units at any time to, or for the account or benefit of, any person in the United States or any U.S. Person as part of its distribution. The Agency Agreement permits the Agents to offer the Units for sale by the Corporation to Qualified Institutional Buyers that are, or are acting for the account or benefit of, a person in the United States or a U.S. Person in compliance with available exemptions from the registration requirements of the U.S. Securities Act (and pursuant to similar exemptions under applicable state securities laws). Moreover, the Agency Agreement provides that the Agents will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Units, and the Unit Shares and the Warrants comprising the Units, that are offered or sold to, or for the account or benefit of, a person in the United States or a U.S. Person, and any Warrant Shares issued upon the exercise of such Warrants, will be “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and will be subject to restrictions to the effect that such securities have not been registered under the U.S. Securities Act or any applicable state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Warrants will not be exercisable by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing or other evidence to such effect in form and substance reasonably satisfactory to the Corporation; provided, however, that a holder who is a Qualified Institutional Buyer at the time of exercise of the Warrants who purchased Units in the Offering directly, or for the account or benefit of, persons in the United States or U.S. Persons will not be required to deliver an opinion of counsel or such other evidence in connection with the exercise of Warrants that are a part of those Units.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Units to, or for the account or benefit of, a person in the United States or a U.S. Person. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Units, Unit Shares or Warrants within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with exemptions from registration under the U.S. Securities Act and applicable state securities laws.

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Corporation, and Stikeman Elliott LLP, counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act, as of the date hereof, generally applicable to an investor who acquires Unit Shares and Warrants as beneficial owner pursuant to this Prospectus and who, at all relevant times, for the purposes of the Tax Act, acquires and holds their Unit Shares and Warrants and any Warrant Shares acquired on the exercise of the Warrants (collectively, sometimes referred to as the “**Securities**”) as capital property, deals at arm’s length with the Corporation and each of the Agents, and is not affiliated with the Corporation or any of the Agents (a “**Holder**”).

For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated.

Generally, the Common Shares and Warrants will be considered to be capital property to a Holder unless the Holder holds such securities in the course of carrying on a business of trading or dealing in securities or has acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not apply to a Holder (a) that is a “financial institution” for purposes of the mark-to-market rules contained in the Tax Act; (b) that is a “specified financial institution”, as defined in the Tax Act; (c) an interest in which is a “tax shelter investment”, as defined in the Tax Act; (d) that has made a functional currency reporting election under the Tax Act; (e) that has entered or will enter into a “derivative forward agreement” or a “synthetic disposition arrangement”, as defined in the Tax Act, with respect to the Securities; or (f) that receives dividends on the Common Shares under or as part of a “dividend rental arrangement”, as defined in the Tax Act. Such Holders should consult with their own tax advisors with respect to an investment in Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada, and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident corporation for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring Units.

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

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

#### *Allocation of Cost*

A Holder who acquires Units pursuant to this Prospectus will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Unit Share and the one Warrant comprising each Unit in order to determine the cost to such Holder of a Unit Share and whole Warrant for the purposes of the Tax Act.

For its purposes, the Corporation has advised counsel that, of the \$0.40 subscription price for each Unit, it intends to allocate \$0.375 to each Unit Share and \$0.025 to each one Warrant. Although the Corporation believes that this allocation is reasonable, it is not binding on the CRA or on a Holder, and the CRA may not be in agreement with such allocation. Counsel express no opinion with respect to such allocation.

#### *Adjusted Cost Base of a Unit Share*

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to this Prospectus will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

### *Exercise of Warrants*

No gain or loss will be realized by a Holder of a Warrant upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the adjusted cost base of the Warrant to such Holder, plus the amount paid on the exercise of the Warrant. For the purpose of computing the adjusted cost base to a Holder of each Warrant Share acquired on the exercise of a Warrant, the cost of such Warrant Share must be averaged with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the exercise of the Warrant.

### **Holders Resident in Canada**

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

### *Expiry of Warrants*

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

### *Dividends*

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act). Taxable dividends received from a taxable Canadian corporation which are designated by such corporation as "eligible dividends" will be subject to an enhanced gross-up and dividend tax credit regime in accordance with the rules in the Tax Act. There may be limitations on the ability of the Corporation to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations are urged to consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, may be liable to pay a tax under Part IV of the Tax Act (which generally is refundable, subject to the detailed rules of the Tax Act) on dividends received or deemed to be received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year. A "subject corporation" is generally a corporation (other than a private corporation) controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts).

### *Dispositions of Securities*

A Resident Holder who disposes of or is deemed to have disposed of a Common Share or Warrant (other than on the exercise of a Warrant) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Common Share or Warrant immediately before the disposition or deemed disposition. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "*Capital Gains and Capital Losses*".

### *Capital Gains and Capital Losses*

A Resident Holder will generally be required to include in computing its income for the taxation year, one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will be required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) against taxable capital gains realized in the taxation year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

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

A Resident Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay a tax (which is generally refundable, subject to the detailed rules of the Tax Act) on its “aggregate investment income” (as defined in the Tax Act) for the year, which will include taxable capital gains.

### *Minimum Tax*

In general terms, a Resident Holder that is an individual (other than certain trusts) that receives or is deemed to have received taxable dividends on the Common Shares, or realizes a capital gain on the disposition or deemed disposition of Securities, may be liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

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

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not and will not use or hold, and is not and will not be deemed to hold, the Securities in connection with carrying on a business in Canada (“**Non-Resident Holder**”). This summary does not apply to a Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere and such Holders should consult their own tax advisors.

### *Expiry of Warrants*

In the event of the expiry of an unexercised Warrant, a Non-Resident Holder will generally realize a capital loss equal to the Non-Resident Holder’s adjusted cost base of such Warrant. The tax treatment of capital losses by a Non-Resident Holder is discussed in greater detail below under the subheading “*Dispositions of Securities*”.

### *Dividends*

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Corporation to a Non-Resident Holder on the Common Shares will generally be subject to Canadian withholding tax at the rate of 25% on the gross amount of such dividend, unless such rate is reduced by the terms of an applicable tax treaty or convention. Under the *Canada-United States Tax Convention (1980)*, as amended (the “**Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and fully entitled to benefits under the Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Corporation’s voting shares).

### *Dispositions of Securities*

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Security, nor will capital losses arising therefrom be recognized under the

Tax Act, unless the Security is, or is deemed to be, “taxable Canadian property” of the Non-Resident Holder for the purposes of the Tax Act and the Non-Resident Holder is not entitled to an exemption pursuant to the terms of an applicable tax treaty or convention.

Provided that the Common Shares are then listed on a “designated stock exchange” for purposes of the Tax Act (which currently includes the TSX), at the time of disposition, the Securities generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition of the Security (as applicable), (i) 25% or more of the issued shares of any class or series of the capital stock of the Corporation were owned by, or belonged to, any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm’s length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) held a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of such shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, a Security (as applicable) may also be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Security that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention, the consequences described above under the headings “*Holders Resident in Canada - Dispositions of Securities*” and “*- Capital Gains and Capital Losses*” will generally be applicable to such disposition. Non-Resident Holders whose Securities are taxable Canadian property should consult their own tax advisors.

## **RISK FACTORS**

**An investment in the Units is subject to certain risks. Subscribers should carefully consider the risk factors set forth below and under the heading “Risk Factors” in the AIF which is incorporated into and forms part of this Prospectus. In addition, subscribers should carefully review and consider all other information contained in and incorporated by reference in this Prospectus.**

### **Discretion in the Use of Proceeds**

The Corporation currently intends to allocate the net proceeds of the Offering as described under “*Use of Proceeds*”. However, management will have discretion concerning the use of proceeds of the Offering as well as the timing of their expenditures and may elect to allocate the net proceeds other than as described under “*Use of Proceeds*” if they believe it would be in the Corporation’s best interest to do so. As a result, investors will be relying on the judgment of management as to the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation’s results of operations may suffer.

### **Potential Dilution and Future Sales or Issuance of Securities**

The Corporation’s articles of incorporation and by-laws allow it issue an unlimited number of Common Shares for such consideration and on such terms and conditions as established by the Board of Directors, in many cases, without the approval of the Corporation’s shareholders. The Corporation may issue additional Common Shares in subsequent offers (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares, including the Warrants. The Corporation cannot predict the size of future issuances of securities or the effect, if any, that future issuances and offerings of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its earnings per share.

## **Market Price of Securities**

There can be no assurance that an active market for the Common Shares will be sustained after the Offering. Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Securities of companies with small capitalization have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These risk factors included global economic developments and market perceptions of the attractiveness of certain industries. There can be no assurance that continuing fluctuations in price will not occur. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Corporation's performance.

Other factors unrelated to the performance of the Corporation that may have an effect on the price of Common Shares include the following: lessening in trading volume and general market interest in the Corporation's securities may affect a purchaser's ability to trade significant numbers of Common Shares; and the size of the Corporation's public float may limit the ability of some institutions to invest in the Corporation's securities. If an active market for the Common Shares does not continue, the liquidity of a purchaser's investment may be limited and the price of the Common Shares may decline below the Offering Price. If such a market does not continue, purchasers may lose their entire investment in the Common Shares.

The price per Common Share may be adversely affected by a variety of factors relating to the Corporation's business, including fluctuation in the Corporation's operating and financial results, the result of any public announcement made by the Corporation and the Corporation's failure to meet analysts' expectations. Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Corporation's activity and changes in interest and currency rates.

The market value of the Common Shares may also be affected by the Corporation's financial results and political, economic, financial, and other factors that can affect the capital markets generally, the stock exchanges on which the Common Shares are traded and the market segment of which the Corporation is a part.

## **No Current Market for Warrants**

The Warrants constitute a new issue of securities of the Corporation. There is currently no market through which the Warrants may be sold and purchasers of Units may not be able to resell the Warrants purchased under this Prospectus. While the Corporation will apply for the listing of the Warrants on the TSX, such listing is subject to final TSX approval which is not guaranteed. If listed, the Warrants may trade at a discount depending on the market for similar securities, the Corporation's performance, the performance of the Common Shares and other factors. No assurance can be given as to whether an active trading market will develop or be maintained for the Warrants. To the extent that an active trading market for the Warrants does not develop, the liquidity and trading prices for the Warrants may be adversely affected.

## **Warrants are speculative in nature and may not have any value**

The Warrants do not confer any rights of common share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Common Shares and pay an exercise price of \$0.60 per Common Share, subject to certain adjustments, prior to 24 months following the Closing Date, after which date any unexercised Warrants will expire and have no further value. Moreover, following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

**A large number of Common Shares may be issued and subsequently sold upon the exercise of the Warrants. The sale or availability for sale of the Warrants or other securities convertible in Common Shares may depress the price of the Common Shares.**

To the extent that purchasers of Warrants sell Common Shares issued upon the exercise of those Warrants, the market price of the Common Shares may decrease due to the additional selling pressure in the market. The risk of dilution from issuances of Common Shares underlying the Warrants that may be issued pursuant hereto may cause shareholders to sell their Common Shares, which could further contribute to any decline in the Common Share market price.

Any downward pressure on the price of Common Shares caused by the sale of Warrant Shares could encourage short sales by third parties. In a short sale, a prospective seller borrows common shares from a shareholder or broker and sells the borrowed common shares. The prospective seller anticipates that the common share price will decline, at which time the seller can purchase common shares at a lower price for delivery back to the lender. The seller profits when the common share price declines because it is purchasing common shares at a price lower than the sale price of the borrowed common shares. Such short sales of Common Shares could place downward pressure on the price of the Common Shares by increasing the number of Common Shares being sold, which could lead to a decline in the market price of the Common Shares.

### **Negative Operating Cash Flow**

Given that none of the Corporation's properties have yet to enter commercial production and generate cash flow, the Corporation had negative operating cash flow for its financial year ended December 31, 2017. To the extent that the Corporation has negative cash flow in future periods, the Corporation may need to deploy a portion of its cash reserves to fund such negative cash flow.

**All statements regarding the Corporation's business should be viewed in light of these risk factors. Investors should consider carefully whether investment in the Units is suitable for them in light of the information in this Prospectus and in the documents incorporated by reference and their personal circumstances. Such information does not purport to be an exhaustive list. If any of the identified risks were to materialize, the Corporation's business, financial position, results and/or future operations may be materially affected. Additional risks and uncertainties not presently known to the Corporation, or which the Corporation currently deems not to be material, may also have an adverse effect upon the Corporation and the Units.**

### **LEGAL MATTERS**

Certain legal matters in connection with the Offering will be passed upon by Cassels Brock & Blackwell LLP, on behalf of the Corporation, and by Stikeman Elliott LLP, on behalf of the Agents. As of the date hereof, each of Cassels Brock & Blackwell LLP, counsel for the Corporation, and Stikeman Elliott LLP, counsel for the Agents, have provided its opinion on certain matters contained in this Prospectus. As of the date hereof, partners and associates of Cassels Brock & Blackwell LLP and Stikeman Elliott LLP, each as a group, own, directly or indirectly, in the aggregate, less than 1% or no securities of the Corporation.

### **INTEREST OF EXPERTS**

Each of Pierre Desautels, P.Ge. and Gordon Zurowski, P.Eng. of AGP Mining Consultants Inc., is a "qualified person" as defined in NI 43-101, and has been responsible for preparing the technical report dated August 30, 2012 entitled "Carpathian Gold Inc. Rovina Valley Project, West-Central Romania NI 43-101 Technical Report Mineral Resource Estimate Update" referred to in this Prospectus or in documents incorporated herein by reference.

None of the above mentioned experts has any registered or beneficial interest, directly or indirectly, in any securities or other properties of the Corporation. None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Corporation.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

UHY McGovern Hurley LLP is the auditor of the Corporation and is independent within the meaning of the Rules of Professional Conduct of CPA Ontario.

The Corporation's registrar and transfer agent for its Common Shares is TSX Trust Company located at 301-101 Adelaide Street West, Toronto, Ontario, M5H 1S3. TSX Trust Company will also be the Warrant Agent in respect of the Warrants.

## **PURCHASER'S STATUTORY RIGHTS**

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

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

**CERTIFICATE OF THE CORPORATION**

DATED: January 29, 2019

This amended and restated short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Quebec.

(Signed) G. Scott Moore  
Chief Executive Officer

(Signed) Paul Bozoki  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Peter Tagliamonte  
Director

(Signed) Justin Reid  
Director

**CERTIFICATE OF THE AGENTS**

DATED: January 29, 2019

To the best of our knowledge, information and belief, this amended and restated short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Quebec.

BMO Nesbitt Burns Inc.

(Signed) Joshua Goldfarb  
Managing Director

Canaccord Genuity Corp.

(Signed) Craig Warren  
Managing Director

GMP Securities L.P.

(Signed) Michael Barman  
Managing Director

Haywood Securities Inc.

(Signed) Ryan Matthiesen  
Managing Directors