DLP Resources Inc.

Financial Statements

For the period ended July 31, 2019

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To the Directors of
DLP Resources Inc.

Opinion

We have audited the accompanying financial statements of DLP Resources Inc. ("the Company"), which comprise the statement of financial position as at July 31, 2019, and the related statements of comprehensive loss, changes in equity and cash flows for the period from incorporation on June 7, 2019 to July 31, 2019 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2019, and its financial performance and its cash flows for the period from incorporation on June 7, 2019 to July 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $58,257 for the period from incorporation on June 7, 2019 to July 31, 2019 and, as of July 31, 2019, the Company has an accumulated deficit was $58,257. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the Management's Discussion and Analysis.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

BDO Canada LLP

Chartered Professional Accountants
Vancouver, British Columbia
October 31, 2019

DLP Resources Inc.
Statement of Financial Position
(Expressed in Canadian Dollars)

As at July 31,		2019
Assets		
Current		
Cash	$	46,789
Mineral properties (Note 4)		40,000
	$	86,789
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	$	55,046
Shareholders' Equity		
Share capital (Note 6)		90,000
Accumulated deficit		(58,257)
		31,743
	$	86,789

Refer Note 1 for nature of operations and going concern, and Note 11 for subsequent events

On behalf of the Board:

Director

James Stypula

Director

Leslie Anne "Robin" Sudo

DLP Resources Inc.
Statement of Comprehensive Loss
(Expressed in Canadian Dollars)

For the period from incorporation on June 7, 2019 to July 31,		2019
General and administrative costs		
Bank charges and interest	$	50
Exploration		30,977
Professional fees		26,883
Travel		347
Comprehensive loss	$	(58,257)
Weighted average number of Common Shares outstanding during the period		31,136,000
Basics and diluted loss per share	$	(0.001)

DLP Resources Inc.
Statement of Changes in Equity
(Expressed in Canadian Dollars)

For the period from incorporation on June 7, 2019 to July 31, 2019

	Shares Capital				Accumulated Deficit		2019
	Number		Amount				
Balance, beginning of the period	-	$	-	$	-	$	-
Issuance of Common Shares for cash	**17,777,780**		**50,000**		**-**		**50,000**
Exchange of Common Shares for Properties (Note 4)	**14,222,220**		**40,000**		**-**		**40,000**
Comprehensive loss for the period	**-**		**-**		**(58,257)**		**(58,257)**
Balance, end of the period	**32,000,000**	**$**	**90,000**	**$**	**(58,257)**	**$**	**31,743**

DLP Resources Inc.
Statement of Cash Flows
(Expressed in Canadian Dollars)

For the period from incorporation on June 7, 2019 to July 31,	2019
Cash flows used in operating activities	
Cash paid to suppliers	$ (3,161)
Interest paid	(50)
	(3,211)
Cash flows from financing activity	
Proceeds from issuance of share capital	50,000
Net increase in cash	46,789
Cash, beginning of period	-
Cash, end of period	$ 46,789

1. NATURE OF OPERATIONS AND GOING CONCERN

DLP Resources Inc. ("DLP" or the "Company") is a privately-held mineral exploration company and is pursuing opportunities relating to the acquisition and exploration of mineral property interests in British Columbia, Canada. The Company was incorporated on June 7, 2019 under the laws of British Columbia. The registered office, head office and records office of the Company are located at 558 Celia Rd., Cranbrook, V1C 6V9, British Columbia, Canada.

As the Company was formed on June 7, 2019 there are no comparative periods presented in these audited financial statements ("financial statements").

The Company has no wholly-owned or partially-owned subsidiaries.

These financial statements have been prepared in accordance with IFRS applicable to a going concern, which assumes that the Company will be able to meet its obligations and trade on the TSX Venture Exchange after listing on the same following finalisation of its Amalgamation Agreement with MG Capital Corp (Note 11). Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At July 31, 2019, the Company had no source of operating revenues, had not yet achieved profitable operations and the Company expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern.

To alleviate this situation, the Company is in the process of completing a financing for gross proceeds totaling $1,100,000. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital or through joint ventures, and/or proceeds from the disposition of a property. As at July 31, 2019, the Company has an accumulated deficit of $58,257 and has working capital of ($8,257). The Company's current forecast indicates that it will have sufficient cash available for the next year to continue as a going concern.

2. BASIS OF PRESENTATION

a) Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical cost basis.

These financial statements were approved for issue by the board of directors on October 31, 2019.

b) Basis of measurement

These financial statements include the accounts of DLP Resources Inc.

These financial statements are presented in Canadian dollars.

The accounting policies have been applied consistently in these financial statements, unless otherwise indicated.

2. BASIS OF PRESENTATION (Continued)

c) Judgments and estimates

The preparation of financial statements in compliance with IFRS requires management to exercise judgment in applying the Company's accounting policies and make certain critical accounting estimates. The areas involving critical judgments in applying accounting policies have the biggest impact on the assets and liabilities recognized in the financial statements are:

Economic recoverability and probability of future economic benefits of mineral properties

Management has determined that acquisition costs, which are capitalized as mineral properties (Note 4), have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit that may include geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of fair value on contributed mineral property assets by related parties

Assets contributed to the Company by related parties are to be recorded at an exchange fair value comparable to an arms-length transaction. As there is no market value for mineral property assets contributed, judgement was used in determining the fair value measurement of the contributed mineral property assets. The Company determined the fair value of the mineral property assets is consistent with the fair value of Common Shares issued to the related parties in accordance with IFRS 2.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Exploration and evaluation expenditures

Exploration and evaluation expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves.

Recognition and measurement

Exploration and evaluation expenditures include costs of conducting geological surveys, and exploratory drilling and sampling. Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license/permit to explore are expensed as incurred.

Costs related to the acquisition of an exploration asset are capitalized as mineral property assets. The Company will capitalize, once a license/permit has been secured, the cost of maintaining its interest, exploring and developing mineral properties as exploration assets when future inflow of economic benefits from the properties is probable and until such time as the properties are placed into development, abandoned, sold or considered to be impaired in value.

To date the Company has not obtained a license/permit to explore the mineral properties, accordingly, no amounts have been capitalized in respect of exploration and evaluation expenditure.

Exploration costs that do not relate to any specific property are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment

Management tests for impairment when facts and circumstances indicate that the carrying value of mineral property asset might exceed recoverable amounts or when the technical feasibility and commercial viability of mineral resources is demonstrable.

b) Equipment

The company owns no equipment as at July 31, 2019. In the future, equipment is to be comprised of office and computer equipment which will be carried at cost and amortized on a declining balance basis over the estimated service lives of the assets at rates ranging from 20% to 30%. Amortization methods, useful lives and residual values are to be reviewed at each reporting date.

c) Cash

Cash includes cash on hand and deposits held with banks.

d) Share capital

Common Shares are classified as equity. Incremental costs directly attributable to the issue of new Common Shares or stock options are shown in equity as a deduction from the related proceeds, net of applicable tax.

e) Earnings/loss per share

Basic earnings/loss per share is computed by dividing the net income or loss applicable to Common Shares by the weighted average number of Common Shares outstanding for the relevant period.

Diluted earnings per share is computed by dividing the net income applicable to Common Shares by the sum of the weighted average number of Common Shares issued and outstanding and all additional Common Shares that would have been outstanding, if potentially dilutive instruments were converted.

Basic earnings/loss per share amounts are calculated by dividing the net income or loss for the period by the weighted average number of Common Shares outstanding during the period.

f) Share-based compensation

Share-based compensation arises when the Company issues equity instruments as consideration for services received from employees and non-employees. Its amount is calculated based on the fair value of Common Shares or stock options awarded to employees, measured on their grant date. The fair value of shares or stock options awarded to non-employees is measured on the date that the goods or services are received.

The fair value of the Common Shares and stock options is recognized as an expense over their vesting period with a corresponding increase in equity.

The Company determined the fair value of mineral property assets contributed in accordance with IFRS 2.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Standards and interpretations

The Company applies IFRS 9, Financial Instruments, which sets out the accounting standards for the classification and measurement of financial instruments. The IFRS 9 standard provides a model for the classification and measurement of financial instruments, a single forward-looking "expected loss" impairment model, and a reformed approach for hedge accounting.

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the income statement in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the income statement. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Future Standards and interpretations

Leases under IFRS 16

IFRS 16, Leases is effective for accounting periods beginning on or after January 1, 2019. IFRS 16 Leases specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company assessed this new standard and the Company does know that it adoption will not have a material impact on the financial position or results of the Company.

4. MINERAL PROPERTIES

During the period from incorporation on June 7, 2019 to July 31, 2019, 3 properties, Aldridge 1, Aldridge 2 and Redburn, were acquired by the Company from 4 shareholders of which 2 are directors/key management of the Company (Note 7.2). In consideration of the acquired properties, a total of 14,222,220 shares were issued at a fair value of $40,000, being the fair value comparable to the arms-length share issuances of $0.0028125 per common share of the Company at and around the same time as the acquired mineral property assets.

Aldridge 1 (RJ) and Aldridge 2 (JR) Properties – Pb/Zn prospect

The Aldridge 1(RJ) and Aldridge 2 (JR) mineral properties are separate claim blocks located 52 km southwest of Cranbrook B.C. in the East Kootenay region of the province. Both are in the Leadville corridor and are Pb/Zn prospects. They are separated by about 5.7 km north-south on NTS map-sheets 082F01 and 082F08. The Aldridge 2 property is 5 claims totaling 1,855.17 hectares; the Aldridge 1 property is 9 claims totaling 2,914.43 hectares. Both properties are owned 100% by the Company and have no ongoing commitments other than the future commitment of the net smelter royalty commitment noted in Note 7.3.

Redburn Property - Cu prospect

Redburn Creek claims are 12 claim blocks totaling 5,359.5 hectares and is 15 km northeast of Golden, B.C.

The Redburn Creek claims are within an anomalous horizon at the top of the Cambrian Chancellor formation shales. This horizon has been traced from Elkford, B.C. to North of Golden, B.C. which hosts a massive sulfide deposit at Cummings Creek and the Kicking Horse Monarch mine at Field, B.C. These deposits are in the same horizon as the Redburn Creek Property. The property is owned 100% by the Company and has no ongoing commitments.

(Expressed in Canadian Dollars)

5. INCOME TAXES

		Period from incorporation on June 7, 2019 to July 31, 2019
Loss before income taxes	$	(58,257)
Income tax rate		27%
Income recovery calculated using statutory rate		(15,729)
Change in unrecognized deferred tax assets		15,729
INCOME TAX EXPENSE (RECOVERY)	**$**	**-**

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at July 31, 2019, summarized as follows:

		July 31, 2019
Deferred Tax Assets		
Non-Capital loss carry forwards	$	15,729
		15,729
Unrecognized deferred tax assets		(15,729)
	$	-

6. SHARE CAPITAL

Common Shares

The Company is authorized to issue an unlimited number of Class A Common Shares with nopar value (“**Common Shares**”).

During the period from incorporation of June 7 to July 31, 2019, the Company issued 17,777,780 Common Shares for $50,000 ($0.0028125 per share) in cash, including 7,111,110 to 2 directors in exchange for $20,000 cash. Another 14,222,220 Common Shares were issued, in exchange for 3 properties, at a fair value of $40,000 ($0.0028125 per share). The properties were transferred to the Company by 4 parties of which 2 are directors/key management (Note 4 and Note 7.2).

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

1) The Company's related parties include key management personnel and directors and any transactions with such parties for goods and/or services are made on regular commercial terms and are considered to be at arm's length. Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and comprise the Chief Executive Officer, Chief Financial Officer and Vice-President, Exploration of the Company. There was no compensation to key management or directors of the Company.

2) Key management personnel of the Company contributed mineral property assets to the Company (Notes 4 and 6) for a total fair value of $20,000 ($10,000 each) with the allocation of $12,000 in exchange for Aldridge 1 and $8,000 in exchange for Aldridge 2.

3) Regarding transfer of the mineral property assets to the Company (Note 4), 2 directors shall retain and be entitled to a royalty (the "**Royalty"**) entitling such directors to 0.5% each (total of 1%) of all Net Smelter Returns on the area currently comprising the mineral claims named "JR 1", "JR 2" and "JR 3" (collectively, the "**Royalty Area**") in accordance with the terms and conditions set out. The Royalty shall constitute an interest in land and will be a covenant running with the Royalty Area.

8. EARNING/LOSS PER SHARE

		Period from incorporation on June 7, 2019 to July 31, 2019
Loss attributable	$	(58,257)
Basic and diluted loss per share	$	(0.001)

9. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

Risk Management

The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Fair value

The Company's financial instruments include cash, and other payables and other liabilities. IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- Level 1 - applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 - applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 - applies to assets or liabilities for which there are unobservable market data.

The recorded amounts of cash and accounts payables and other liabilities approximate their respective fair values due to their short-term nature.

Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash in a major Canadian Bank. The carrying amount of financial assets represents the maximum credit exposure.

Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

The exposure to interest rates for the Company is considered minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing other liabilities. Most of the Company's financial liabilities are due within one year.

10. CAPITAL MANAGEMENT

The Company monitors its cash and Common Shares as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations. The Company is not exposed to any externally imposed capital requirements.

11. SUBSEQUENT EVENTS

Subsequent to July 31, 2019, the Company entered into an amalgamation agreement dated September 26, 2019 with MG Capital Corp, a corporation incorporated under the laws of Alberta ("MG") and 1224395 B.C. Ltd. a wholly owned corporate subsidiary of MGincorporated under the laws of the Province of British Columbia (the "**Amalgamation Agreement**")..

Summary of the Amalgamation Agreement

Pursuant to the terms of the Amalgamation Agreement, and subject to certain conditions, including receipt of applicable regulatory and shareholder approvals, DLP will amalgamate with 1224395 B.C. Ltd. pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "**Amalgamation**"). The amalgamated entity ("**AmalCo**") will be a wholly-owned subsidiary of MG and the shareholders of DLP will be issued one common share of MG (each an "**MG Share**") for every one DLP Common Share held immediately prior to the completion of the Amalgamation. Upon completion of the Amalgamation, DLP will become a wholly-owned subsidiary of MG and the former securityholders of DLP will become securityholders of MG. The Amalgamation (and the other transactions contemplated by the Amalgamation Agreement) will constitute the Qualifying Transaction of MG (the "**Transaction**"), as defined in the policies of the TSX Venture Exchange ("**TSXV**").

The Amalgamation Agreement provides that no party will solicit or negotiate with any other entities in opposition to or in competition with the Transaction.

The completion of the Transaction is subject to the satisfaction of conditions, including but not limited to:

(i) the DLP Financing (defined below), raising gross proceeds of not less than $1.1 million;
(ii) approval of the Amalgamation by the shareholders of DLP;
(iii) the absence of any material adverse change in the business, operations or capital of either MG or DLP;
(iv) the absence of any prohibition at law against the Transaction;
(v) the termination by MG of 540,000 of the currently outstanding stock options held by its current directors and officers; and
(vi) receipt of all requisite third party consents, waivers, permits, orders and approvals, including the approval of the TSXV.

Accordingly, there can be no assurance that the Transaction will be completed on the terms proposed above or at all. For avoidance of doubt, the Transaction is not subject to the approval the shareholders of MG.

Each of MG and DLP will bear their own costs in respect of the Transaction except that DLP will pay all third party costs required to be paid to complete the Transaction, including, but not limited to sponsorship fees and any and all TSXV filing fees.

The Transaction will result in MG, as the listed issuer resulting from the Transaction (the "**Resulting Issuer**"), owning 100% of the Common Shares of DLP.

In connection with its role in connecting MG and DLP in contemplation of the Transaction, there is a finder's

11. SUBSEQUENT EVENTS (Continued)

Summary of the Amalgamation Agreement (Continued)

fee payable to Haywood Securities Inc. ("**Haywoo**d") to be satisfied through delivery to Haywood of $192,500, through the issuance of DLP Shares at a price of $0.10 per DLP Share. Haywood elected to receive its fees in shares.

Private Placement

The Transaction is subject to the completion of a financing by DLP (see Private Placement Proceeds in Notes below) for minimum aggregate gross proceeds of $1,100,000 (the "**DLP Financing**"). In the DLP Financing, DLP expects to raise a minimum of $500,000 through the issuance of flow-through Common Shares (each a "**DLP FT Share**") at a price of $0.13 per DLP FT Share and $600,000 through the issuance of units of DLP (each a "**DLP Unit**") at a price of $0.10 per DLP Unit. Each DLP Unit will be comprised of one DLP Share and one-half of one common share purchase warrant of DLP (each whole warrant, a "**DLP Warrant**"). Each DLP Warrant will entitle the holder thereof to purchase one additional DLP Share at an exercise price of $0.15 per DLP Share for a period of 24 months from the date of issue, subject to the Acceleration Right (as defined below). Each DLP FT Share will be a flow-through share which will qualify as a "flow-through share" as defined in s. 66(15) of the *Income Tax Act* (Canada).

The "**Acceleration Right**" means the right of DLP to accelerate the expiry date of the DLP Warrants if the closing price of the shares of the Resulting Issuer on the TSXV, or any other stock exchange on which such shares are then listed, is at a price equal to or greater than $0.25 for a period of twenty consecutive trading days.

DLP expects to pay a cash commission equal to up to 7.5% of the aggregate combined gross proceeds raised from the sale of applicable DLP Units and DLP FT Shares to subscribers introduced to DLP by qualified finders and also expects to issue such number of non-transferable warrants that is equal to 7.5% of the gross proceeds raised in respect of the issuance of DLP FT Shares and DLP Units, as applicable, purchased under the DLP Financing by subscribers introduced to DPL by the finders.

There is no assurance that the DLP Financing will be completed. All sales, exchanges, and issuances of any units, shares, warrants, and securities in connection to the DLP Financing and the Transaction will be subject to regulatory approval including, but not limited to, the approval of the TSXV and, as applicable, may be subject to the prior approval of the shareholders of either or both of MG and/or DLP.

Private Placement Proceeds/Common Share Issuance

Subsequent to July 31, 2019, the Company raised $1,152,007 gross proceeds upon completion of the private placement on October 11, 2019. DLP issued 1,323,131 DLP FT Shares and 9,800,000 DLP Units prior to the Qualifying Transaction, for gross proceeds of $1,152,007 comprised of the sale of $172,007 of DLP FT Shares at a price of $0.13 per DLP FT Share and $980,000 of DLP Units at a price of $0.10 per DLP Unit.

Resulting Issuer

The Resulting Issuer will carry on the mineral exploration business conducted by DLP, and the Resulting Issuer Shares will be listed under a new trading symbol. On closing of the Transaction, the Resulting Issuer anticipates meeting the TSXV's initial listing requirements for a mining issuer.

11. SUBSEQUENT EVENTS (Continued)

Bridge Loan

Subsequent to July 31, 2019, the company entered into a bridge loan with MG Capital Corp for $25,000. The loan accrues interest at 10% per annum and is unsecured. All amounts outstanding will be repayable on the completion date of the qualifying transaction or if the qualifying transaction is not complete, 90 days from the date of September 26, 2019.

Staking of Hungry Creek Property – Cu/Co prospect

Subsequent to July 31, 2019, the Company staked the Hungry Creek property, which is 4261.5 hectares in size and is located 35 km west of Kimberley, B.C. It was staked as recent prospecting in the stream bed of Hungry Creek discovered numerous boulders of massive to semi massive sulfides. The Hungry Creek Property is 100% owned by the Company.

Staking of Strategy claim

Subsequent to July 31, 2019, the Company staked the stand-alone Strategy claim which is 211 hectares in size and located 1 km west of the Aldridge 1 property. It was staked in response to competitor ground coming available.