Form 45-106F2
Confidential Offering Memorandum

Date:	September 22, 2017

The Issuer

Name:	**AJN Resources Inc. (“Company”, “Us” or “We”)**	
Head office:	Address:	Suite 206 – 595 Howe Street Vancouver, BC V6C 2T5
	Phone #:	778 218 9638
	E-mail address:	jagjns@outlook.com
	Fax #:	n/a

Currently listed or quoted?	**These securities do not trade on any exchange or market.**
Reporting issuer?	No.
SEDAR filer?	No.

The Offering

Securities offered:	Special warrants (“Special Warrants”) in the capital of the Company.
Price per security:	$0.10
Minimum/Maximum offering:	$0/ $200,000, consisting of a minimum of 0 Special Warrants and a maximum of 2,000,000 Special Warrants. **You may be the only purchaser. Funds available under the offering may not be sufficient to accomplish our proposed objectives.**
Minimum subscription amount:	The minimum amount each investor must invest is $50 (500 Special Warrants).
Payment terms:	Cheque, Money Order or Bank Draft.
Proposed closing date(s):	December 31, 2017, or other date as may be set by resolution of the Board of Directors.
Selling agent?	No.

Resale restrictions
You will be restricted from selling your securities for an indefinite period. See item 10.

Purchaser’s rights
You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11.

No securities regulatory authority has assessed the merits of these securities or reviewed this offering memorandum. Any representation to the contrary is an offence. This is a risky investment. See item 8.

Item 1 Use of Available Funds

1.1 *Available Funds*

		Assuming min. offering	Assuming max. offering
A	Amount to be raised by this Offering	$0	$200,000
B	Selling commissions and fees	$0	$0
C	Estimated Offering costs (e.g., legal, accounting, audit)	$5,000	$5,000
D	Available funds: D = A - (B+C)	($5,000)	$195,000
E	Additional sources of funding required	$0	$0
F	Working capital as at August 31, 2017	$115,602	$115,602
G	Total: G = D + E + F	$110,602	$310,602

1.2 *Use of Available Funds*

Description of intended use of available funds listed in order of priority	**Assuming min. offering**	**Assuming max. offering**
To pay for phase 1 exploration expenditures on the Salt Wells Lithium Project	$50,000*	$102,000
To pay for annual filing expenses on the Property	$17,500	$17,500
To provide funding sufficient to meet administrative, legal, audit and office overhead costs for 12 months	$42,000	$42,000
Unallocated working capital	$1,102	$149,102
Total: Equal to G in the Funds table above	$110,602	$310,602

* The recommended phase 1 exploration expenditures totals an estimated $102,000 and if the Company does not raise any funds in this Offering, then the Company will need to raise an additional $52,000 to pay for the remaining costs of the phase 1 program.

1.3 *Reallocation*

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

Item 2 Business of the Company

2.1 *Structure*

The Company was incorporated under the *Business Corporations Act* (British Columbia) on September 1, 2016.

2.2 *Our Business*

The Company is engaged in the business of mineral exploration in the USA and its objective is to locate and, if warranted, develop economic mineral properties.

The Company holds an option to acquire a 100% interest in 78 placer claims comprising the Salt Wells Lithium Project (the "Property") pursuant to an option agreement (the "Option Agreement") dated April 25, 2017 as amended June 9, 2017 and July 3, 2017 between the Company and Great Basin Oil, LLC (the "Optionor"). Pursuant to the Option Agreement as amended, the Company has agreed to make the following cash payments and incur the following exploration expenditures:

- Cash payment of US$19,890 representing initial claim filing fees (paid) within 60 days after signing the Option Agreement;
- Incur US$60,000 of exploration expenditures on the Property during the first year of the Option Agreement; and
- Incur US$80,000 of exploration expenditures on the Property during the second year of the Option Agreement.

The Company has committed to payment of US$167.00 per claim for annual filing expenses on the Property.

The Property is subject to a 4.5% net smelter returns royalty ("NSR") to the Optionor. The Company has the right to purchase 1.5% of the NSR for US$500,000 within 90 days of the Property going into production, and an additional 1.5% of the NSR for US$1,250,000 within 180 days of the Property going into production. The Company is required to make a cash payment of US$250,000 to the Optionor upon the Property attaining commercial production. The Property has a 6-mile area of interest, and any and all present or future mineral interests not held by third parties within this area that the Company acquires, directly or indirectly, other than from the Vendor, will become part of the Option Agreement.

The Property is located in Churchill County, Nevada, 22 kilometres southeast, by road, of the city of Fallon, Nevada, USA. The Property is located within the Basin and Range Province in west-central Nevada.

The option to acquire the Property is the sole material property of the Company at this time, and the Company seeks to list its common shares on the Canadian Securities Exchange with the Property as its qualifying property.

The Company commissioned and received an independent technical report on the Property, in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Project*s ("NI 43-101"). The "NI 43-101 Technical Report on the Salt Wells Lithium Property, Nevada, USA" dated July 9, 2017 was prepared by Case Lewis, P.Geo. (the "Technical Report"). Mr. Lewis (the "Author") is an independent and "Qualified Person" for purposes of NI 43-101.

During the period of the Offering, a copy of the Technical Report will be held at the office of the Company, Suite 206 – 595 Howe Street, Vancouver, BC, where it may be examined during normal business hours. The following information has been extracted from the Technical Report and has been revised in respect to certain references.

The Property hosts a lithium brine prospect which has been subject to minimal exploration until recently. This prospect is located across the Eight-Mile and Four-Mile Flats in the Salt Wells Basin.

Lithium brine deposits are accumulations of saline groundwater that are enriched in dissolved lithium. Large deposits are mined in the Salar de Atacama, Chile (SQM and Albemarle), Salar de Hombre Muerto, Argentina (FMC) and Clayton Valley, Nevada (Albemarle), the only North American producer.

Geological Setting and Mineralization

Regional Geology

The Salt Wells Property is located in the Basin and Range Province of Nevada. The mountains and upland areas of Churchill County are underlain by Mesozoic and Cenozoic rocks. Paleozoic rocks are present in the eastern part of the New Pass Mountains. The valleys are occupied by late Cenozoic deposits, which include lacustrine deposits of Lake Lahontan and contemporaneous lakes, alluvial material, wind-blown sand, and some basaltic lava and tuff. (Speed & Willden, 1974)

Pre-tertiary rocks exposed throughout Churchill County are almost all of Mesozoic age, and with the exception of granitic plutons of known or presumed Cretaceous age, are largely Middle Triassic to Middle Jurassic in age. Mesozoic rocks are widely exposed in the northeastern and southeastern parts of the county, whereas in other parts, they crop out only in small erosional windows in Cenozoic deposits. (Speed & Willden, 1974)

Volcanic rocks and lacustrine and fluviatile sedimentary deposits of Cenozoic age cover most of Churchill County. The volcanic rocks are mostly of Tertiary age and are found in all of the mountain or upland areas. Sedimentary deposits are interlayered with the Tertiary volcanic rocks in some areas, but most of the Cenozoic sedimentary deposits are of Quaternary age and occur as alluvial fans or as fine-grained sedimentary deposits of the Pleistocene lakes that occupied most of the valleys. (Speed & Willden, 1974)

Local Geology

The enclosed Salt Wells Basin covers approximately 110 square kilometres in the southeastern part of the Carson Sink. The basin is approximately 19 kilometres long in a northwest direction and averages 6 kilometres in width. Tertiary age siliceous tuffs surround Salt Wells. Much of the rhyolites that had been exposed were later covered by tertiary basalt flows.

Geothermal System

The northwestern Great Basin in the western USA hosts abundant, generally amagmatic geothermal activity. Significant geothermal exploration is ongoing, but controls on fluid flow in the geothermal systems are generally poorly understood.

The Property is located on the Salt Wells geothermal system, where surface features define a 12-kilometre-long area that matches the subsurface aquifer. Large areas of playa at Salt Wells are fed by geothermal groundwater. Individual upwellings of thermal water can be identified from patterns of surface evaporite dissolution and precipitation.

Property Geology

The local stratigraphy consists of middle to late Miocene basalt lavas and lesser interbedded sedimentary rock. Well data suggest that the basalt exceeds 400 m in thickness and overlies Oligocene ash-flow tuffs and/or Mesozoic granitic and metamorphic basement. The basalts are overlain by Quaternary alluvial fans and lacustrine deposits from Pleistocene Lake Lahontan. (Faulds, Hinz, & Coolbaugh, 2010)

The Cocoon Mountains and Bunejug Mountains to the southwest of the Salt Wells playa are comprised of younger Tertiary basalts and andesite flows. The Stillwater Range lies to the east and similarly consists of younger Tertiary basalts and andesite flows, along with younger Tertiary sedimentary rocks (Speed & Willden, 1974).

The Sand Spring Mountain range to the southeast is comprised primarily of Jurassic to Tertiary granitic rocks, principally granodiorite and quartz monzonite of Cretaceous and/or Tertiary age. Further to the south, the Sand Spring range is comprised of alternating volcaniclastic rocks and limestone units (Speed & Willden, 1974).

Structural Geology

The structural framework of the southern portion of the Salt Wells area is characterized by gently to moderately-east tilted fault blocks bounded by steep west-dipping, northerly striking normal fault zones. To the north, a major east-dipping, northerly striking normal fault zone (here referred to as the Salt Wells fault zone) bounds the west side of the Salt Wells basin and is marked by several Holocene scarps cutting Pleistocene silicified sand deposits (Coolbaugh, Sladek, Kratt, Shevenell, & Faulds, 2006). North-striking normal faults with steep dips bound the Bunejug and Cocoon Mountains (Faulds, Coolbaugh, Vice, & Edwards, 2006).

Most major faults in the Bunejug and Cocoon Mountains are inferred to dip steeply to the west, inferred from the gentle eastward tilts (<30°) of associated fault blocks. This fault system appears to terminate at the southern end of the Salt Wells Basin, where it splits into a horse-tailing pattern consisting of multiple splays of subparallel faults. (Skord, Cashman, Coolbaugh, & Hinz, 2011)

Normal range front faults on the northwestern flank of the Cocoon Mountains are inferred to dip steeply to the west, and are thought to intersect the east-dipping Bunejug fault system in the subsurface beneath Simpson Pass. A small northwest-striking displacement transfer zone also occurs along the southern margin of the basin and appears to be roughly on strike with the Walker Lane structural belt. The lateral extent of this northwest-striking splay is unknown and may continue to the southeast of the geothermal field along the northeastern edge of the Cocoon Mountains. (Faulds, Coolbaugh, Vice, & Edwards, 2006)

Geothermal Activity

The Salt Wells geothermal field occupies the southwestern margin of the Salt Wells basin. Initial temperature gradient drilling at the site in the early 1980s by Anadarko Petroleum Corporation (APC) defined a large, 12-km-long heat flow anomaly along the Salt Wells fault zone, which dies out southward where it merges with the west-dipping fault system in the vicinity of the geothermal system. (Edmiston & Benoit, 1984) (Coolbaugh, Sladek, Kratt, Shevenell, & Faulds, 2006)

In early 2009, Enel Green Power completed construction of a 14 MWe binary power plant that taps a shallow geothermal reservoir with an estimated temperature of ~145°C. Geothermometry suggests that a deeper reservoir may exist at temperatures of 180–190°C. This area lies near the intersection of the Walker Lane and central Nevada seismic belt, where several historic 6.0 to 7.0 magnitude normal and normal-dextral earthquakes have occurred (Caskey et al., 2004) (Faulds, Coolbaugh, Vice, & Edwards, 2006) (Skord, Cashman, Coolbaugh, & Hinz, 2011).

Productive geothermal wells appear to be localized along the steeply east-dipping Salt Wells fault zone as it loses displacement southward, breaks into several splays (i.e., horsetails), and intermeshes with the west-dipping fault system. The increased fracture density generated by the multiple intersecting faults produced greater permeability in the area, which has in turn provided convenient channel ways for geothermal fluids. The steep dips of the intersecting faults may have produced both sub-vertical and sub-horizontal conduits of highly fractured bedrock, which may have generated multiple geothermal reservoirs at depth. However, some of these reservoirs may be limited in lateral or vertical extent. (Coolbaugh, Sladek, Kratt, & Shevenell, 2006)

Mineralization

Although discrete locations bearing significant lithium values assaying up to 212.0 ppm Li from sampling carried out by AJN in 2017, mineralized zones have yet to be defined on the Property.

The northwest corner of the Property, at the northwestern extent of the Eight-Mile Flat, is presently considered to be the most promising target for anomalous lithium brines, as the highest assaying salt encrustation samples were returned from this area. In addition, the inferred extension of the Salt Wells fault (NW-SE trending) intersects inferred faulting underlying the northwest corner of the Property.

Deposit Types

Continental Lithium-Bearing Brines

The following is largely quoted from USGS Open-File Report 2013-1006:

Continental lithium brines are the primary source of lithium products worldwide, accounting for about three-fourths of the world's lithium production (U.S. Geological Survey, 2011). According to Bradley, et al. (2016) in USGS Open-File Report 2013-1006, producing lithium brine deposits share a number of first-order characteristics: (1) arid climate; (2) closed basin containing a playa or salar; (3) tectonically driven subsidence; (4) associated igneous or geothermal activity; (5) suitable lithium source-rocks; (6) one or more adequate aquifers; and (7) sufficient time to concentrate a brine. In essence, lithium is liberated by weathering or derived from hydrothermal fluids from a variety of rock sources within a closed basin. The single most important factor determining if a non-marine basin can accumulate lithium brine is whether or not the basin is closed. This also means that the basin must remain closed over longer time spans, with evaporation exceeding precipitation. (Bradley, et al., 2016).

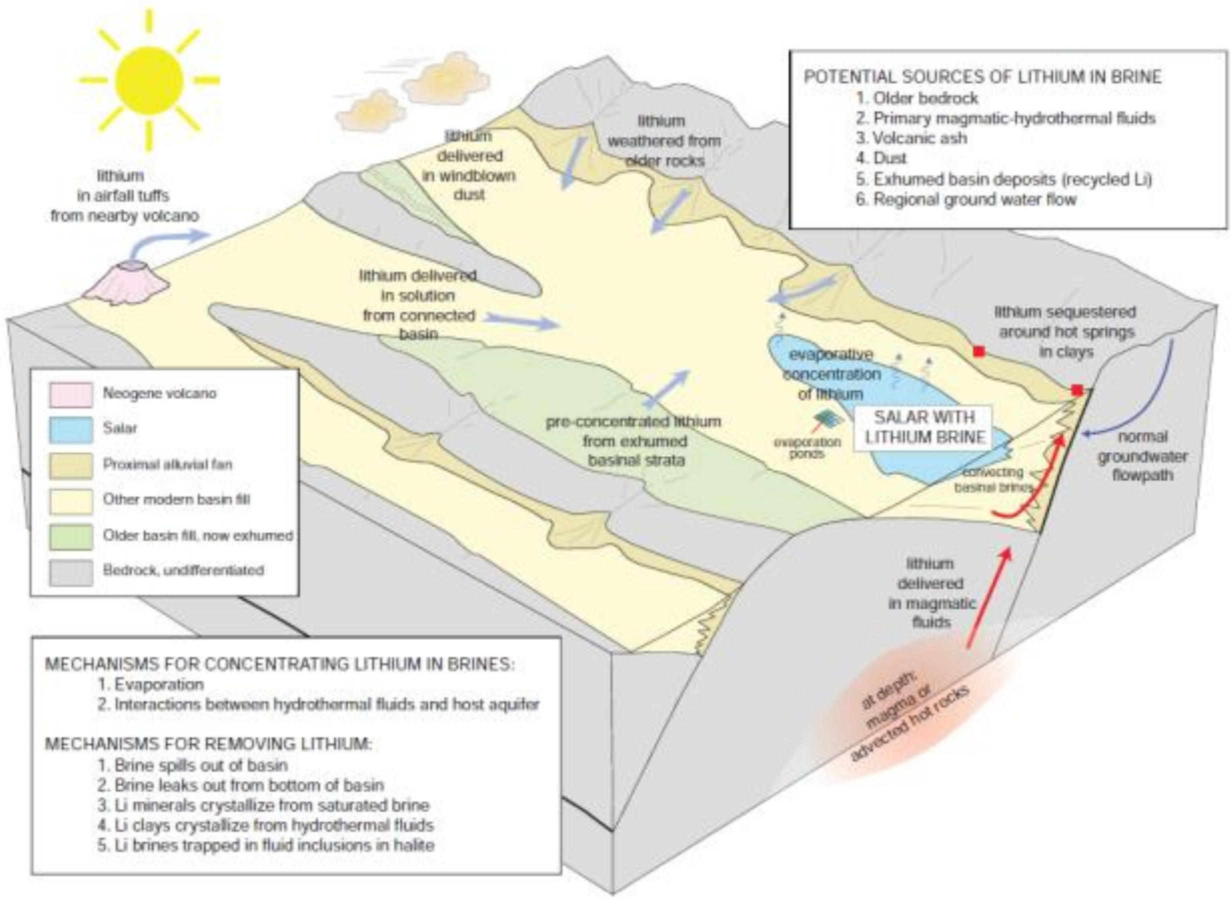

Figure 2.1. Summary diagram of the geologic, geochemical, and hydrogeologic features of lithium brines emphasizing the sources, transport and fate of lithium (from Lithium Brines: A Global Perspective, Munk, et al., 2016; adapted from Bradley et al., 2013)

The Li atom does not readily form evaporite minerals, remains in solution and concentrates to high levels, reaching 4,000 ppm at Salar de Atacama. Large deposits are mined in the Salar de Atacama, Chile (SQM and Albemarle), Salar de Hombre Muerto, Argentina (FMC) and Clayton Valley, Nevada (Albemarle), the only North American producer.

Other elements in solution, such as boron and potassium, may be recovered as byproducts or coproducts; brines can also contain undesirable elements that create problems in processing (magnesium) or toxic elements that require care in waste disposal (Garrett, 2004).

Potential Analogue: Clayton Valley

An example of a lithium brine system most analogous to the model applied at Salt Wells is the Clayton Valley lithium brine deposit in Esmerelda County, Nevada. Clayton Valley lies within the Basin and Range Province and is an internally drained, fault bounded and closed basin. Basin-filling, asymmetrically thicker to the east, strata compose the aquifer system which hosts and produces the lithium-rich brine. Specifically, the lithium-enriched brines are hosted in an extensional half-graben system between a young metamorphic core complex and its breakaway zone (Bradley, et al., 2016) (Oldow and others, 2009). Multiple wetting and drying periods during the Pleistocene resulted in the formation of lacustrine deposits, salt beds, and lithium-rich brines. Miocene silicic tuffs and rhyolites along the basin’s eastern flank have Li concentrations as high as 228 ppm (Price et al., 2000). In addition, hectorite in the surface playa sediments contain between 350 to 1,171ppm Li. (Kunasz, 1974) (Spanjers, 2015)

Davis et al. (1986) proposed that the Li at Clayton Valley, Nevada was concentrated by the same processes as Cl and therefore must have been trapped as an Li- rich fluid when the halite formed. They also hypothesized that in the last 10,000 years meteoric water entered the basin and dissolved the halite to form brines with evaporative signatures. Munk et al. (2011) indicated that other sources and processes were likely involved in the formation of the brines in the system because non-halite aquifers produce brine with higher Li concentrations than the halite aquifer. It may be that a combination of hydrothermal activity and leaching from volcanic ash and clays are major sources of Li in the aquifers in Clayton Valley, Nevada. (Munk, L. A., et al., 2016).

Surface Sampling

A site visit was carried out on May 28, 2017. 9 samples of salt encrustations were taken in various locations on the Property. The results from this survey are shown in Table 9.1.

Table 9.1. AJN Salt Sampling (May 2017)

Sample Number	Easting	Northing	Li (ppm)	Mg (%)	Na (%)
67359	367876	4355818	58.3	0.21	>10.0
67360	367804	4355577	83.9	0.23	>10.0
67361	367882	4355433	**212.0**	0.48	9.7
67362	369489	4353587	**102.5**	1.77	>10.0
67363	372665	4350543	38.9	0.31	>10.0
67364	372648	4349942	45.4	0.74	8.04
67365	372640	4349707	57.0	0.87	8.58

Sample Number	Easting	Northing	Li (ppm)	Mg (%)	Na (%)
67366	372639	4349670	46.6	0.74	9.69
67367	372653	4349522	8.9	0.13	>10.0

A limited salt sampling program was carried out in and around the Salt Wells Property by Great Basin Oil LLC in January 2017. The samples were analyzed at ALS Minerals in Reno, Nevada, by Inductively Coupled Plasma - Atomic Emission Spectroscopy (ICP - AES) (Code ME-ICP61) The results from this survey are shown below in Table 9.2.

Table 9.2 Great Basin Oil - Salt Sampling (January 2017)

Sample Number	Easting	Northing	Li (ppm)	Mg (%)	Na (%)
SW-1	364193	4358394	N/A	N/A	N/A
SW-2	371681	4351012	40	0.57	>10.0
SW-3	368367	4352049	20	0.35	>10.0
SW-4	366526	4354513	200	0.52	>10.0
SW-5	369358	4352967	70	1.09	>10.0
SW-6	372830	4348665	10	0.3	>10.0
SW-7	372501	4350785	50	0.84	>10.0
SW-10	372363	4347628	0	<0.01	>10.0
SW-11	366438	4357179	80	0.73	>10.0
SW-12	367143	4356167	410	1.05	8.88
SW-13	368696	4354014	90	0.56	>10.0
SW-14	369428	4353906	60	0.85	>10.0
SW-15	374609	4350285	10	0.24	>10.0
SW-16	376595	4349228	30	0.74	>10.0
SW-17	375953	4348280	80	1.02	7.33
SW-18	376061	4348260	10	0.31	>10.0
SW-19	370465	4352967	70	1.26	>10.0

Gravity Survey

Following the sampling, a gravity survey was carried out in mid-June 2017. The resulting calculated depth of the basement unit is shown in Figure 9.2.

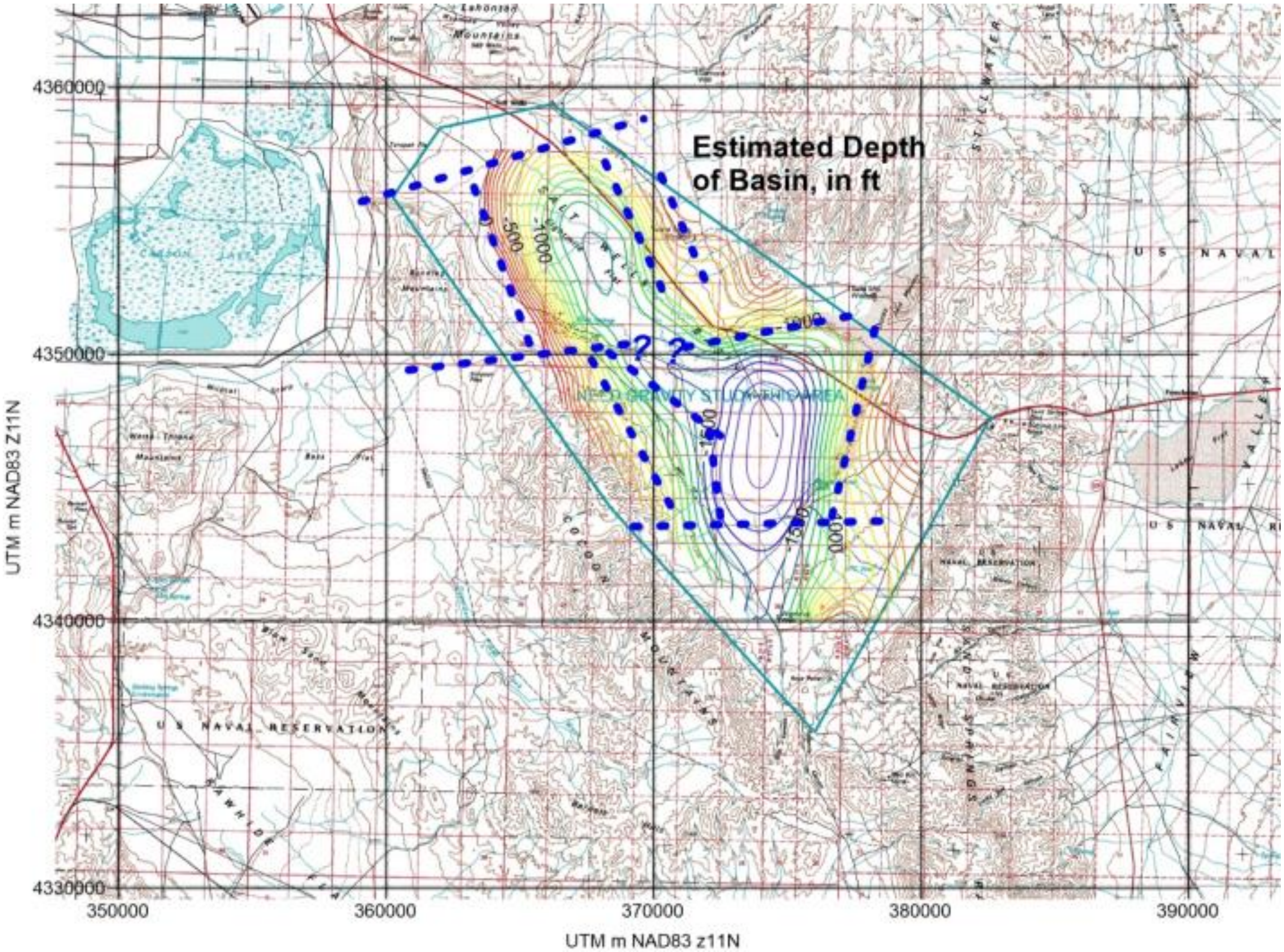

Figure 9.2. Gravity survey - calculated depth (ft).

No mineral resource estimates have been completed on the Property. Although some land has been staked to the northwest, no significant properties are adjacent to the Salt Wells Property.

Interpretation and Conclusions

The Author has reviewed the historical data available for the Salt Wells Property and conducted its own due diligence in analyzing historical data and exploration potential of the Property. It is the recommendation of the Author that this Property be subject to further exploration, particularly around the central northwest area of the claim block. It should be noted that minimal exploration has been conducted and further targets, beyond the northwest zone, may be identified from subsequent exploration work.

Based on available information, this area appears to be prospective for lithium-bearing brines.

Although the entirety of the claim has been subject to very little substantial exploration, the main target for further exploration may lie within the northwestern extent of the Eight-Mile Flat area, in the northwest corner of the Salt Wells Property, based on the relatively high assay values returned for this area, as well as intersections of interpreted subsurface structures.

Due to the nature of lithium brines at Salt Wells, an extensive geophysical survey across the entire Property is recommended, including 2D seismic and magnetotellurics (CSAMT). This work may be carried out at the same time as a sediment sampling grid across the entire Property. Recommendations are detailed in the following section.

Recommended Work

The Author recommends the following two phases of work on the Property:

<u>Phase 1 – 2D Seismic Survey, Trenching and Mapping Survey</u>

Salt Sample Grid

A salt sampling grid across the surface of the Property is a cost-effective first-pass program on the Property. Variance in lithium content of surface salt encrustations is likely correlated to the location of faults and hydrothermal fluid flow, and may also correlated with aquifer locations. Further work must be carried out to determine the nature of correlation of salt sampling with sources of lithium-enriched brines.

2D Seismic Survey

A short 2D seismic survey is proposed to gain an understanding of the depths and nature of the subsurface structures underlying the Salt Wells playa. Due to the high cost of 2D seismic, a first-pass survey of 2 kilometres along a northwest-southeast line in the northwestern area of the claim strikes a sufficient balance between minimum relevant data required for a basic interpretation and project budget. This line may be further extended during a modified Phase 2 or later.

Magnetotelluric Survey ("CSAMT")

Controlled-source audio-frequency magnetotellurics ("CSAMT") is a commonly used surface-based geophysical method which provides resistivity information of the subsurface. This technique has been used extensively by the minerals, geothermal, hydrocarbon and groundwater exploration industries since 1978 when equipment systems first became available commercially.

The CSAMT method involves transmitting a controlled signal at a suite of frequencies into the ground from a transmitter site and measuring the received electric and magnetic fields at a receiver site, with resistivity values being calculated from the CSAMT data. Primary factors affecting resistivity include rock or sediment porosity and the density of pore fluids, which gives an indication of the concentration of dissolved salts, including those of lithium, in the pore fluids.

Approximately 5 line-kilometres will cover the most potentially interesting structural areas of the Property.

ASTER Imagery Interpretation

At Salt Wells, individual upwellings of thermal water can be identified from patterns of evaporate dissolution and precipitation. Particularly, these features may be identified by spectral imaging, either airborne (either helicopter or drone-borne), or on a small scale at ground-level. Analyses on new hyperspectral data or existing ASTER data may be carried out to identify some of these favourable mineral compositions.

Total cost for Phase 1 will be approximately **$102,000.**

Phase 2 – Exploration Diamond Drilling

Dependent on the success of Phase 1, an initial drilling campaign of approximately 900 metres across the Property should be completed, particularly into any targets defined from Phase 1, allowing direct sampling of brines.

Total cost for Phase 2 will be approximately **$198,300** and is dependent on the success of Phase 1. Both phases combined will total **$300,300.**

2.3 *Development of Business*

Since incorporation on September 1, 2016, the Company has been looking to acquire an interest in a suitable property.

In April 2017 the Company entered into the Option Agreement to acquire a 100% interest in the Salt Wells Lithium Project, subject to a NSR royalty (see item 2.2 *Our Business* above).

In June 2017 the Company closed a private placement offering of shares raising $234,000.

To date, we have not engaged in any business activities other than those described in this offering memorandum.

We have had no operating history nor any revenues from operations since our incorporation. As of July 31, 2017, we have incurred losses totaling $26,898 since inception.

2.4 *Long Term Objectives*

Our long term objectives are to raise capital and to carry out exploration activities on the Salt Wells Lithium Project and to acquire other mineral claims and then carry out exploration activities on such other claims.

The Company intends to a preliminary prospectus upon completion of this offering. Upon a receipt for a final prospectus being issued, we will become a reporting issuer and the common shares to be issued upon the deemed exercise of the Special Warrants shall be qualified.

2.5 *Short Term Objectives and How We Intend to Achieve Them -*

Our objectives over the next 12 months are to raise sufficient funds to pay for and complete the phase 1 exploration program on the Property as recommended in the Technical Report, pay for annual filing expenses on the Property, and to pay for the accounting, auditing, legal and filing fees associated with filing a non-offering prospectus and, upon obtaining a receipt therefor, to apply for a listing of the Company's common shares on the Canadian Securities Exchange. There is no assurance that we will be successful in filing a prospectus or attaining a listing for trading of our common shares.

A budget of $161,500 is required to support the first year's activities.

The following table sets out how we intend to meet our objectives for the next 12 months:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Phase 1 exploration program recommended in the Technical Report which would cover the first year's work requirements under the Option Agreement. We will retain consultants to carry out this work.	4 months	$102,000
Pay annual filing expenses on the Property. We will carry out this work.	1 months	$17,500
Accounting, auditing, legal and filing fees. We will retain consultants to carry out this work.	12 months	$42,000
TOTAL:		$161,500

2.6 Insufficient Proceeds

The proceeds of the Offering may not be sufficient to accomplish all of our proposed objectives and there is no assurance that alternative financing will be available.

2.7 Material Agreements

We are a party to the following material agreements:

1. Option Agreement dated April 25, 2017 between the Company and Great Basin Oil, LLC (the "Optionor") as amended June 9, 2017 and July 3, 2017.

   Pursuant to the Option Agreement as amended the Company has been granted an option to acquire a 100% interest in the Salt Wells Lithium Project (the "Property"), whereby the Company has agreed to make the following cash payments and incur the following exploration expenditures:

   - Cash payment of US$19,890 representing initial claim filing fees (paid) within 60 days after signing the Option Agreement;
   - Incur US$60,000 of exploration expenditures on the Property during the first year of the Option Agreement; and
   - Incur US$80,000 of exploration expenditures on the Property during the second year of the Option Agreement.

   The Company has committed to payment of US$167.00 per claim for annual filing expenses on the Property.

   The Property is subject to a 4.5% net smelter returns royalty ("NSR") to the Optionor. The Company has the right to purchase 1.5% of the NSR for US$500,000 within 90 days of the Property going into production, and an additional 1.5% of the NSR for US$1,250,000 within 180 days of the Property going into production. The Company is required to make a cash payment of US$250,000 to the Optionor upon the Property attaining commercial production. The Property has a 6-mile area of interest, and any and all present or future mineral interests not held by third parties within this area that the Company acquires, directly or indirectly, other than from the Vendor, will become part of the Option Agreement.

Item 3 Directors, Management, Promoters and Principal Holders

3.1 *Compensation and Securities Held*

The following table provides information about each director, officer and promoter of the Company and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Company (a "principal holder").

Name and municipality of principal residence	**Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position**	**Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year**		**Number, type and percentage of securities of the issuer held after completion of min. offering** [1]	**Number, type and percentage of securities of the issuer held after completion of max. offering** [1]
Jag Sandhu Surrey, BC CEO, President and Director	CEO, President, Director and promoter of the Company since September 1, 2016	Since inception to Y-E July 31, 2017: Nil	Anticipated Y-E July 31, 2018: Nil	1,550,000 common shares (14.1% of all common shares)	1,550,000 common shares (14.1% of all common shares)
Klaus Eckhof Monaco, Monaco Director	Director of the Company since September 2, 2016	Since inception to Y-E July 31, 2017: Nil	Anticipated Y-E July 31, 2018: Nil	750,000 common shares (6.8% of all common shares)	750,000 common shares (6.8% of all common shares)
Nigel Ferguson Perth, WA, Australia Director	Director of the Company since September 2, 2016; CFO since August 5, 2017	Since inception to Y-E July 31, 2017: Nil	Anticipated Y-E July 31, 2018: Nil	2,250,000 common shares (20.5% of all common shares)	2,250,000 common shares (20.5% of all common shares)
Mark Gasson Monaco, Monaco Director	Director of the Company since September 2, 2016	Since inception to Y-E July 31, 2017: Nil	Anticipated Y-E July 31, 2018: Nil	2,250,000 common shares (20.5% of all common shares)	2,250,000 common shares (20.5% of all common shares)

[1] Assuming that the named individuals do not acquire any common shares in this Offering and assuming that none of the Special Warrants are converted to common shares at that time.

3.2 *Management Experience*

The following table sets out the principal occupations of each of the Company's directors and senior officers over the past five years, together with any relevant experience in a business similar to the Company's.

Name	Principal occupation and related experience
Jag Sandhu	Mr. Sandhu is the President of JNS Capital Corp., a corporate development and advisory firm since January 7, 2007. Mr. Sandhu is the President of NSS Resources Inc., a junior mining exploration company trading on the CSE since March 28, 2012, and was the President of Nava Resources Inc., a junior mining exploration company trading on the OTCBB in the United States from July 2005 to December 2013. Mr. Sandhu has over 18 years' experience with public companies trading on the Exchange and has extensive knowledge of corporate development and investor relations to public companies. Mr. Sandhu received his Bachelor of Economics degree from Simon Fraser University in 1991.
Klaus Eckhof	Mr. Eckhof has a degree in geology from the Technical University in Munich, Germany and migrated 1988 to Australia, where he is involved in the mineral exploration industry in Australia, Africa (in particular in the Democratic Republic of Congo ("DRC")), West Africa and South America. Several companies Mr. Eckhof founded or was involved with discovered deposits and successfully went in production or were taken over. One of the most successful companies was Moto Goldmines where Mr. Eckhof was instrumental in the discovery of 20 million oz of gold within 4 years in northeastern DRC. As a partner of a consulting business in Perth, Corporate Resource Consultants (CRC) Mr. Eckhof was involved in capital raisings, public listings as well as management of public companies. Since February 2012 Mr. Eckhof has been a director of Burey Gold Ltd. which operates in French Guinee and DRC; since January 2008 he has been a director of Carnaval Resources Ltd.; from May 2006 to August 2014 he was a director of Panex Resources Corp.; and from November 2013 to February 2014 Mr. Eckhof was a director and President of Alphamin Resources Inc.
Nigel Ferguson	Mr. Ferguson is a geologist with over 30 years of experience in gold and base metals exploration, resource definition and feasibility studies. He has held senior management positions for the past 16 years and has experience in overseas locations including Saudi Arabia, South East Asia, South and Central America with a focus on Africa. Mr. Ferguson was Country Manager – Tanzania for Ashanti Goldfields, being instrumental in assessing and the acquisition of the now multi-million ounce Geita Gold Project. He has been active in the DRC since 2004 in gold and base metals exploration and resource development.
Mark Gasson	Mr. Gasson is a qualified geologist based in Switzerland and has 28 years' experience in mining and exploration. He has held senior positions with a number of Australian and international mining companies operating in Africa. He was a Non-Executive Director, Technical Services Division of Alphamin Resources Corp. (TSXV: AFM.V) from December 2011 until December 2014 and most recently was the Managing Director of Erongo Energy Limited (ASX:ARN). Previously he was the Exploration Manager-East Africa for Gallery Gold Limited and the Executive Director of Exploration for Tiger Resources Limited.

3.3 Penalties, Sanctions and Bankruptcy

(a) Except as disclosed herein, during the past 10 years there has been no penalty or sanction, or any cease trade order that has been in effect for a period of more than 30 consecutive days against

(i) a director, executive officer or control person of our Company, or

(ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at the time.

Klaus Eckhof was a director of De Beira Goldfields Inc. (now Panex Resources Inc.) ("De Beira") when De Beira became subject to a cease trade order issued on June 23, 2006 by the British Columbia Securities Commission (the "BCSC") for failure to file an independent technical report in support of its disclosure of mineral resources contrary to S.4.2(1)(J)(I) and S.5.3(1)(E) of National Instrument 43-101 *Standards of Disclosures for Mineral Projects* ("NI 43-101"). De Beira subsequently completed a NI 43-101 report but it did not reapply to the BCSC to lift the cease trade order. The cease trade order remains in effect. Mr. Eckhof resigned as a director of De Beira on July 24, 2014.

(b) During the past 10 years there has not been in effect any declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, with regard to any

(i) director, executive officer or control person of our Company, or

(ii) an issuer of which a person referred to in (i) above was a director, executive officer or control person at that time.

3.4 Loans

As at August 31, 2017, no debentures or loans were due to or from any directors, management, promoters or principal holders of the Company.

Item 4 Capital Structure

4.1 *Share Capital*

The following is a summary about the outstanding securities of the Company both before and after the Offering:

Description of security	**Number authorized to be issued**	**Number outstanding as at August 31, 2017**	**Number outstanding after min. offering**	**Number outstanding after max. offering**
Common shares	unlimited	11,000,000	11,000,000	11,000,000
Special warrants[1]	2,000,000	Nil	Nil	2,000,000

[1] The special warrants may be exercised by the holder, in whole or in part, at any time. Any unexercised special warrants will be deemed to be exercised on that day which is the earlier of (a) the first business day following the day on which a receipt for a (final) prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and in such other jurisdictions as may be determined by the Company qualifying the distribution of the common shares be issued upon exercise of the special warrants; and (b) the tenth (10th) anniversary of the date of the special warrant certificate.

4.2 *Long Term Debt*

The Company has no long-term debt.

4.3 *Prior Sales*

Over the past 12 months, the Company has issued the following securities:

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
June 30, 2017	Common shares	8,000,000	$0.03	$240,000

Item 5 Securities Offered

5.1 Terms of Securities

We are offering to sell up to a total of 2,000,000 special warrants ("Special Warrants").

Each Special Warrant entitles the holder thereof, upon exercise or deemed exercise, to acquire without additional payment or consideration, one underlying common share (a "Share") of the Company, subject to adjustment as described below. Each Special Warrant may be exchanged by the holder for one Share at any time until the first to occur ("Exchange Date") of: (i) the business day following the day ("Qualification Date") on which a receipt for a (final) prospectus has been issued by or on behalf of the last of the securities regulatory authorities in the Province of British Columbia and such other jurisdictions as may be determined by the Company qualifying the distribution of the Shares to be issued upon exercise of the Special Warrants (the issuance of such receipt being hereinafter referred to as the "Qualification"); and (ii) the tenth (10th) anniversary of the date of the Special Warrant certificates. Any Special Warrants not exercised prior to 4:00 p.m. (Vancouver Time) on the Exchange Date shall be deemed to have been exercised at that time without any further action on the part of the holder.

A Special Warrantholder will not be required to return his or her Special Warrant Certificate for the deemed exercise to take place. The Shares, in respect of which the Special Warrants are exercised, will be deemed to have been issued on the date of such exercise, at which time the Special Warrantholder will be deemed to have become the holder of record of such Shares. The Special Warrants are, with limited exceptions, non-transferable.

All of the Company's Shares are without par value and rank equally as to voting rights and any distribution of assets on dissolution, winding up or liquidation. The holders of Shares are entitled to receive notice of all meeting of shareholders and to attend and vote the Shares at the meetings. Each Share carries one vote at all annual and special meetings of the common shareholders of the Company. The holders of Shares are entitled to receive, proportionate to their shareholdings, such dividends, if any, as may be declared by the Company's board of directors. Dividends may be declared and paid at any time on any class of shares of the Company to the exclusion of any other class. There are no indentures or agreements, existing or proposed, limiting the payment of dividends and there are no pre-emptive rights, conversion rights, special liquidation rights or subscription rights attaching to any of the Company's shares.

These securities offered are subject to statutory restrictions on resale (see item 10 *Resale Restrictions*). Investors are encouraged to discuss these restrictions on resale with their qualified legal advisors.

The foregoing description of the Special Warrants and Shares is a summary only and is subject to the terms and conditions set forth in the certificates representing the Special Warrants and the detailed provisions set forth in the Company's notice of articles and articles.

5.2 *Subscription Procedure*

Investors can subscribe for Special Warrants under this Offering by completing and signing a subscription agreement and a risk acknowledgement form (Form 45-106F4) and delivering both to the Company at Suite 206 – 595 Howe Street, Vancouver, BC V6C 2T5, together with a cheque, money order or bank draft made payable to "AJN Resources Inc." or cash for the full amount of the purchase price for the number of Special Warrants being purchased.

Subscriptions for the Special Warrants are subject to acceptance by the Company and the Company reserves the right in its sole discretion to accept or reject, reduce or allot any or all subscriptions, with or without cause, or terminate the Offering at any time without notice. If a subscription is rejected, monies received by the Company for that subscription will be returned to the investor. No interest will be paid to an investor pending acceptance or rejection of his/her subscription.

Payment for the Special Warrants will be held in trust by the Company for two business days during which you have the right to cancel your purchase. To do so, send a notice to the Company stating that you want to cancel your purchase. You must send the notice before midnight on the second business day after you sign the subscription agreement to purchase the securities. You can send the notice by email or deliver it in person to the Company at Suite 206 – 595 Howe Street, Vancouver, BC V6C 2T5; email: jagjns@outlook.com.

The closing of the Offering is not subject to a minimum offering amount. You may be the only purchaser. We expect to close the Offering on December 31, 2017. We may close the Offering on an earlier or later date as we may determine.

Item 6 Income Tax Consequences and RRSP Eligibility

6.1 You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

6.2 Income tax consequences are not a material aspect of the securities being offered.

6.3 Not all securities are eligible for investment in a registered retirement savings plan (RRSP). You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities.

Item 7 Compensation Paid to Sellers and Finders

The Company will not pay any finders' fees in connection with this Offering.

Item 8 Risk Factors

Potential investors should carefully consider the following risks before they decide to buy the securities we are offering:

Investment Risks:

The securities offered are highly speculative in nature and you could lose part or all of your investment.

An investment in the securities offered involves a high degree of risk and is appropriate only for investors who are prepared to have their money invested for a long period of time, and have the capacity to absorb a loss of some or all of their investment.

Because there is no public trading market for our common stock and because there are resale restrictions, you may not be able to resell your Special Warrants or the Shares underlying the Special Warrants.

There is no public trading market for the securities we are offering. This means that there is no central place, like a stock exchange or stock quotation system, to resell your Special Warrants or the Shares underlying the Special Warrants. In addition, there are restrictions on the resale of the Special Warrants and the Shares underlying the Special Warrants, which may make it difficult or impossible for you to sell your securities. See item 10 *Resale Restrictions* for details. This means that even if you locate a buyer and negotiate your own sale, you may still not be allowed to resell your securities. In addition, there is no obligation on our company to repurchase from you any securities that you may buy.

We do not expect to pay any cash dividends.

We may not achieve a level of profitability to permit payments of cash dividends to shareholders.

Investors should not expect on receiving any money for retirement.

Investors who deposit the securities in a self-directed retirement savings plan should not depend on selling the securities or receiving dividends from the securities to fund their retirement. These securities may not be RRSP eligible.

Arbitrary price for securities.

The price for the securities we are offering was arrived at arbitrarily and may not bear relationship to the actual value of our company. The offering price bears no necessary relationship to our company's assets, book value, net worth or any other recognized criterion of value. Among factors considered by us in determining the offering price were estimates of our business potential, our financial resources, the amount of equity and control desired to be retained by our present shareholder, and the general condition of the securities markets.

Issuer Risks:

If we do not obtain additional financing, our business may fail.

Our current operating funds are not adequate to carry out our 12-month objectives of completing a phase 1 exploration program on our Property, pay for annual filing expenses on the Property, and to pay for the accounting, auditing, legal and filing fees associated with filing a non-offering prospectus and, upon obtaining a receipt therefor, to apply for a listing of the Company's common shares on the Canadian Securities Exchange. We will need to obtain additional financing in order to carry out all of these objectives. As of July 31, 2017, we had cash in the amount of approximately $124,171. We expect that the exploration of our mineral claims, the filing of a prospectus and the filing of an application for the listing of the Company's shares on the Canadian Securities Exchange will cause our Company to incur significant expenses.

We believe the only realistic source of future funds presently available to us is through the sale of equity capital via a public offering or a private placement, or from loans. Any sale of share capital will result in dilution to existing shareholders. At the present time, we have not made any plans to raise additional money and there is no assurance that we would be able to raise additional money in the future.

If we need additional money and can't raise it, we will have to suspend or cease operations, which could adversely affect our share price. In addition, depending on the number of properties that we may acquire and their size, we may not have sufficient funds to maintain the minimum exploration expenditures required for us to keep such property(ies). This may cause us to lose our rights to any properties that we may acquire, which could further adversely affect our share price.

Our company has no operating history or revenue which would permit you to judge the probability of our success.

We were incorporated in 2016 and we have not started our business operations, other than some initial exploration work carried out on our Property. We have not realized any revenues. We have no operating history or any revenues or profits from operations since our incorporation. Our lack of operating history makes it very difficult for you to make an investment decision based upon an evaluation of our managerial skill. In the event our business fails as a result of our lack of experience, you could lose your entire investment.

We expect losses to continue, and the failure to generate revenues could cause us to go out of business.

Our net loss since inception is $26,898 (as at July 31, 2017). Our ability to achieve and maintain profitability and positive cash flow is dependent upon

* our ability to locate and put into production a profitable mineral property,
* our ability to generate revenues, and
* our ability to reduce exploration stage costs.

Based upon current plans, we expect to incur operating losses in future periods. This will happen because there are expenses associated with the research and exploration of mineral properties. We cannot guarantee that we will be successful in generating revenues or raising funds in the future. Failure to generate revenues or raise sufficient funds will cause us to go out of business and you could lose your entire investment.

We are subject to risks inherent in the establishment of a new business enterprise.

We are subject to risks inherent in the establishment of a new business enterprise including limited capital resources, possible delays in the exploration of any properties that we may acquire, and possible cost overruns. If we are not able to address these events, should they occur, we may have to curtail or suspend our operations.

Title to Assets.

While we have followed and intend to follow certain due diligence procedures with respect to title for any concessions in which the Company has or will acquire a material interest, there is no guarantee that title to such concessions will be not challenged or impugned. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title opinion provides only minimal comfort that the holder has title. Also, in many countries, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries. We have not obtained a title opinion on the Property or on our rights and responsibilities under to the Option Agreement.

Our property does not contain a known commercially viable mineral deposit.

We hold an option to acquire mineral claims but they do not contain any known commercially viable mineral deposits. Both the size of a deposit and the cost of extracting ore are key factors in determining whether a mineral deposit is commercially viable. If we do not find a viable mineral reserve on any of our claims or if we cannot develop a mineral reserve that may be found, either because of insufficient funds or because it will not be economically feasible to do so, we may have to cease operations and you could lose your entire investment.

Our directors and officers will devote only a small amount of their time to our operations.

Our four directors and officers have other interests. Because they have other interests, they will be devoting only a limited amount of their time to our operations.

Management.

Our management has never before successfully managed a profitable mining company and has a lack of specific mining expertise. Our management may not be successful in managing our business and our company may fail as a result which could cause you to lose your entire investment.

Our management is under no contractual obligation to remain with us and management's departure could cause our business to fail.

We are dependent on the services of four directors and officers who have varied business interests and are involved with other companies. No member of management has signed a written employment agreement with us and we cannot afford to pay our management. In the event that any or all of our directors and officers decide to resign, we may be unable to attract other qualified officers or directors, and their departure could cause our business to fail.

Compared to other mineral exploration companies, we are very small, have few resources and we must limit our exploration.

We are a small, junior mineral exploration company in an industry dominated by many larger companies that have substantial amounts of capital and management expertise. We do not have the human resources or financial resources to compete with senior mineral exploration companies, which could and probably would spend more time and money exploring mineral exploration properties and have better odds of finding a mineral reserve. As a result, we must limit our exploration and we will likely be unsuccessful in finding a mineral reserve or, if we do, we may not have sufficient financial resources or management expertise to effectively develop such a reserve, which means that you could lose a portion or all of your investment.

We will have to suspend our exploration plans if we do not have access to all of the supplies and materials we need.

Competition and unforeseen limited sources of supplies in the industry could result in occasional spot shortages of supplies, like dynamite, and equipment like bulldozers, drill rigs and excavators that we might need to conduct exploration. If we cannot find the products and equipment we need, we will have to suspend our exploration plans until we do find the products and equipment we need. This could have a negative impact on our share price.

There are inherent dangers involved in mineral exploration and we face a risk that we may incur liability or damages as we conduct our business

The search for valuable minerals involves numerous hazards. As a result, we may become subject to liability for such hazards, including pollution, cave-ins and other hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material adverse effect on our financial position.

Industry Risks

If we become subject to burdensome government regulation or other legal uncertainties, our business will be negatively affected.

There are numerous provincial and federal governmental regulations that materially affect the operations of mineral exploration and mining companies. In addition, the legal and regulatory environment that pertains to the exploration and development of mineral exploration properties is uncertain and may change. Uncertainty and new regulations could increase our costs of doing business and prevent us from exploring or developing mineral deposits. The growth of demand for minerals may also be significantly slowed. This could delay growth in potential demand for and limit our ability to generate revenues. In addition to new laws and regulations being adopted, existing laws may be applied to mineral exploration activities that are carried out by companies such as us, which may negatively affect us. New laws may be enacted that may increase our cost of doing business with the result that our financial condition and operating results may be harmed.

New mineral exploration companies have a high failure rate.

Potential investors should be aware of the difficulties normally encountered by new mineral exploration companies and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the exploration of the mineral properties that we hope to undertake. These potential problems include, but are not limited to, unanticipated problems relating to exploration, and additional costs and expenses that may exceed current estimates. Very few mineral exploration properties actually contain commercially viable mineral deposits. We have no history upon which to base any assumption as to the likelihood that our business will prove successful, and we can provide no assurance to investors that we will generate any operating revenues or ever achieve profitable operations. If we are unsuccessful in addressing these risks, our business will most likely fail.

Item 9 Reporting Obligations

As a registered shareholder of the Company you will receive notices of any meetings of the shareholders.

Corporate information about the Company is available from:

- BC Registries, PO Box 9431, Stn. Prov. Govt., Victoria, BC V8W 9V3. The BC Registries website address is www.bcregistryservices.gov.bc.ca.

Item 10 Resale Restrictions

10.1 General Statement

Resale Restrictions in Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon:

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period

Restricted Period for Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon:

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Company becomes a reporting issuer in any province or territory of Canada.

10.3 Manitoba Resale Restrictions

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless

(a) the Company has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for that prospectus, or

(b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

Item 11 Purchasers' Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

1. Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

2. Statutory Rights of Action in the Event of a Misrepresentation

British Columbia Subscribers

If there is a misrepresentation in this offering memorandum, you have a statutory right to sue:

(a) the Company to cancel your agreement to buy these securities, or

(b) for damages against (i) the Company, (ii) every director of the Company at the date of this offering memorandum, and (iii) every person who signed this offering memorandum.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement not more than 180 days after the date of the transaction that gave rise to the cause of action. You must commence your action for damages not more than the earlier of

(i) 180 days after you first had knowledge of the facts giving rise to the cause of action, or
(ii) 3 years after the date of the transaction that gave rise to the cause of action.

A “misrepresentation” is defined in the B.C. *Securities Act* as an untrue statement of a material fact or an omission to state a material fact that is required to be stated, or necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. Under the B.C. *Securities Act*, a “material fact” means, where used in relation to securities issued or proposed to be issued, a fact that significantly affects, or could reasonably be expected to significantly affect, the market price or value of those securities.

The right of action for rescission or damages is in addition to and not in derogation from any other right that you may have. If you elect to exercise a right of rescission against the Company then you will have no right of action for damages against the Company.

In an action for damages under (b) above, the defendant is not liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation. The amount recoverable by a plaintiff pursuant to the foregoing must not exceed the price at which the securities were offered under this offering memorandum.

Rescission Rights Under Prospectus

The Company intends to file a prospectus to qualify the proposed issuance of the Shares to the holders of the Special Warrants on the deemed exercise of the Special Warrants, free of any resale restrictions in such Canadian jurisdictions where this offering may be made, other than those resale restrictions imposed on a “control person”, as that term is defined in the applicable securities laws, rules, regulations or policies. If you acquire Shares on the deemed exercise of the Special Warrants purchased by you, and are or become entitled under applicable securities laws, rules, regulations or policies to the remedy of rescission by reason of such prospectus or any amendment thereto containing a misrepresentation, you will be entitled to rescission not only of the your exercise of such Special Warrants, but also of your subscription hereunder, and will be entitled in connection with such rescission to a full refund from the Company of all consideration paid to the Company on the acquisition of such Special Warrants. The foregoing is in addition to any other right or remedy available to you under applicable securities laws, rules, regulations or policies or otherwise at law.

<u>Subscribers in Other Jurisdictions</u>

Contractual Rights of Action in the Event of a Misrepresentation

If the securities legislation of the jurisdiction in which you are resident does not provide purchasers with statutory rights in the event of a misrepresentation in an offering memorandum and if there is a misrepresentation in this offering memorandum, then you have a contractual right for rescission or damages that:

(a) is available to you if this offering memorandum, or any information or documents incorporated or deemed to be incorporated by reference into this offering memorandum, contains a misrepresentation, without regard to whether you relied on the misrepresentation,

(b) is enforceable by you delivering a notice to the Company
   - (i) in the case of an action for rescission, within 180 days after you sign the agreement to purchase the securities,
     or
   - (ii) in the case of an action for damages, before the earlier of
     - A) 180 days after the purchaser first has knowledge of the facts giving rise to the cause of action,
       or
     - B) 3 years after the date you sign the agreement to purchase the securities,

(c) is subject to the defence that you had knowledge of the misrepresentation,

(d) in the case of an action for damages, provides that the amount recoverable
   - (i) must not exceed the price at which the securities were offered, and
   - (ii) does not include all or any part of the damages that the Company proves does not represent the depreciation in value of the securities resulting from the misrepresentation, and

(e) is in addition to, and does not detract from, any other right of the purchaser.

You may have other rights in addition to those described above. For information about your rights, you should consult a lawyer.

Item 12 Financial Statements

AJN RESOURCES INC.
FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

July 31, 2017

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July 31, 2017

Index to Financial Statements

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Directors of AJN Resources Inc.

We have audited the accompanying financial statements of AJN Resources Inc., which comprise the statement of financial position as at July 31, 2017 and the statement of loss and comprehensive loss, shareholders' equity, and cash flows for the period from September 1, 2016 (date of incorporation) to July 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of AJN Resources Inc. as at July 31, 2017 and its financial performance and its cash flows for the period from September 1, 2016 (date of incorporation) to July 31, 2017, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about AJN Resources Inc.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
Chartered Professional Accountants

Vancouver, Canada
August 4, 2017

AJN RESOURCES INC.
Statement of Financial Position
(Expressed in Canadian dollars)
As at July 31, 2017

ASSETS	
Current	
Cash	$ 124,171
Receivables (Note 7)	9,969
	134,140
Long-term	
Exploration and evaluation asset (Note 5)	130,000
TOTAL ASSETS	$ 264,140
LIABILITIES AND SHAREHOLDERS' EQUITY	
LIABILITIES	
Current	
Trade payables	$ 18,538
SHAREHOLDERS' EQUITY	
Share capital (Note 7)	270,000
Subscriptions received in advance (Note 7)	2,500
Deficit	(26,898)
	245,602
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 264,140

Going concern (Note 2)

Approved by the Board of Directors on August 4, 2017:

"Jag Sandhu", Director

"Klaus Eckhof", Director

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

Statement of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
For the period from September 1, 2016 (date of incorporation) to July 31, 2017

EXPENSES		
Consulting fees	$	18,000
Office and miscellaneous		873
Professional fees		8,025
NET LOSS AND COMPREHENSIVE LOSS	$	(26,898)
LOSS PER SHARE - Basic and diluted	$	(0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - Basic and diluted		3,978,397

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

AJN RESOURCES INC.
Statement of Shareholders' Equity
(Expressed in Canadian dollars)
For the period from September 1, 2016 (date of incorporation) to July 31, 2017

	Share capital		Subscriptions received in advance	Deficit	Total
	Shares	Amount			
BALANCE, SEPTEMBER 1, 2016 (date of incorporation)	3,000,000	$ 30,000	$ -	$ -	$ 30,000
Transactions with owners, in their capacity as owners, and other transfers:					
Shares issued for cash (Note 7)	8,000,000	240,000	-	-	240,000
Subcriptions received in advance (Note 7)	-	-	2,500	-	2,500
Net loss for the period	-	-	-	(26,898)	(26,898)
Balance, July 31, 2017	11,000,000	$ 270,000	$ 2,500	$ (26,898)	$ 245,602

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

AJN RESOURCES INC.

Statement of Cash Flows

(Expressed in Canadian dollars)

For the period from September 1, 2016 (date of incorporation) to July 31, 2017

OPERATING ACTIVITIES	
Net loss for the period	$ (26,898)
Changes in non-cash working capital items:	
Receivables	(3,969)
Net cash flows used in operating activities	(30,867)
INVESTING ACTIVITY	
Exploration and evaluation asset	(111,462)
Net cash flows used in investing activity	(111,462)
FINANCING ACTIVITIES	
Issuance of share capital	264,000
Subscriptions received in advance	2,500
Net cash flows provided by financing activities	266,500
CASH, End of period	$ 124,171
Supplemental cash flow information:	
Subscriptions receivable	$ 6,000
Exploration and evaluation asset expenditures recorded in trade payables	$ 18,538

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

1. CORPORATE INFORMATION

AJN Resources Inc. (the "Company") is in the business of the exploration and evaluation of mineral properties in Nevada, USA. The Company was incorporated under the Business Corporations Act of British Columbia on September 1, 2016.

The address of the Company's registered and records office and principal place of business is Suite 206, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 Canada.

2. BASIS OF PRESENTATION

a) **Statement of Compliance**

These financial statements have been prepared in accordance and compliance with International financial reporting Standards ("IFRS") as issued by the International accounting Standards Board ("IASB").

b) **Basis of Measurement**

The financial statements have been prepared on a historical cost basis except for financial instruments classified as financial assets or liabilities at fair value through profit or loss and available-for-sale financial assets which are presented at their fair value. These financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

c) **Functional and Presentation Currency**

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

d) **Going Concern of Operations**

The Company has not generated revenue from operations. The Company incurred a comprehensive loss of $26,898 during the period ended July 31, 2017. The Company intends to raise further financing through private placements.

These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful thus far in doing so, there is no assurance it will be able to do so in the future. These material uncertainties raise significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Foreign Currency Translation

Foreign currency transactions are translated into their functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

b) Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is classified as ‘mines under construction’. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

d) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken at least annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets to which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the profit or loss, except to the extent the impairment loss reverses gains previously recognized in other comprehensive loss/income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial Instruments

Financial Assets

Financial assets are classified and subsequently measured, based on the purpose for which the asset was acquired, as presented below. All transactions related to financial instruments are recorded on a trade date basis.

Financial assets at fair value through profit or loss ("FVTPL")

FVTPL assets are initially measured at fair value without transaction costs, and subsequent gains or losses are recognized in profit or loss.

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held-to-Maturity Investments

Held-to-maturity investments are measured at amortized cost.

Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchases and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

Impairment of Financial Assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Financial Instruments (continued)

Financial Liabilities

Financial liabilities are classified as other financial liabilities or financial liabilities at FVTPL, based on the purpose for which the liability was incurred.

Other Financial Liabilities

These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried on the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Financial Liabilities at FVTPL

FVTPL liabilities are initially measured at fair value without transaction costs, and subsequent gains or losses are recognized in profit or loss.

f) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

h) Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss 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.

i) Significant Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgement in the process of applying the accounting policies.

On an on-going basis, management evaluates its estimates and assumptions in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include stock-based awards and payments, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

j) Significant Judgments

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

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

(Expressed in Canadian dollars)

4. ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

IFRS 9 – 'Financial Instruments'

The Company has not early adopted this standard, however the Company is currently assessing what impact the application of this standard will have on the financial statements of the Company.

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

5. EXPLORATION AND EVALUATION ASSET

The Company entered into an Option Agreement dated April 25, 2017 (the "Option Agreement"), and as last amended on July 3, 2017, to acquire a 100% interest in certain claims comprising the Salt Wells Lithium Project located in Nevada, USA. Pursuant to the Option Agreement, the Company was obligated to pay US$255 per claim for initial filing fees ((paid $26,666) (USD$19,125)) and will pay a further US$167 per claim annually, thereafter. The Company is also obligated to complete an exploration development program with a first year work requirement of US$60,000 and a second year work requirement of US$80,000.

The Salt Wells Lithium Property is subject to a 4.5% Net Smelter Return as payable to the Vendor, 1.5% of which the Company shall have the right to buy back from the vendor within 90 days of the property going into production for US$500,000, and an additional 1.5% of which the Company shall have the right to buy back from the Vendor within 180 days of the property going into production for US$1,250,000.

Furthermore, a cash payment of US$250,000 is payable to the vendor upon the property attaining commercial production.

Acquisition costs	$	26,666
Exploration costs		
Field expenses		4,384
Geological consulting (Note 6)		86,291
Geophysical		12,659
		103,334
Total	$	130,000

6. RELATED PARTY TRANSACTIONS

During the period ended July 31, 2017, the Company paid $25,000 for geological consulting to a corporation owned by a director and officer of the Company.

7. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares.

Issued

Upon incorporation, the Company issued 3,000,000 common shares at $0.01 per share for proceeds of $30,000.

During the period, the Company issued 8,000,000 common shares at $0.03 per share for proceeds of $240,000, of which $6,000 has been recorded in receivables at July 31, 2017.

Subscriptions received in advance

To July 31, 2017, the Company has received subscriptions in advance of $2,500.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and trade payables. The carrying values of these financial instruments approximate their respective fair values due to the short-term nature of these instruments.

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

As at July 31, 2017, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk: Credit risk is the unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. With cash on deposit with sound financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

Liquidity risk: Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at July 31, 2017, the Company had current liabilities totaling $18,538 and cash of $124,171 and is not exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

Market risk: Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

(Expressed in Canadian dollars)

9. CAPITAL MANAGEMENT

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the period ended July 31, 2017. The Company is not subject to any external covenants.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates within the reported taxes is as follows:

Loss for the period	$	(26,898)
Tax rate		26%
Expected income tax recovery		6,994
Change in unrecognized benefit of non-capital losses		(6,994)
Income tax recovery	$	-

At July 31, 2017, subject to confirmation by Canadian income tax authorities, the Company has approximately $27,000 in Canadian non-capital tax losses of available for carry-forward to reduce future years' taxable income, which expires in 2037.

The potential benefits of these carry-forward non-capital losses has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

Item 13 Date and Certificate

September 22, 2017

This offering memorandum does not contain a misrepresentation.

"Jag Sandhu"
Jag Sandhu
President, Chief Executive Officer, Promoter and Director

"Nigel Ferguson"
Nigel Ferguson
Chief Financial Officer and Director

ON BEHALF OF THE BOARD

"Klaus Eckhof"
Klaus Eckhof
Director

"Mark Gasson"
Mark Gasson
Director