

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any applicable state securities laws. Accordingly, the securities offered hereby may not be offered or sold to, or for the account or benefit of persons within the United States of America, its territories and possessions, any state of the United States or the District of Columbia (collectively, the “United States”). This preliminary short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Cassiar Gold Corp. at our head office located at Suite 1500 – 850 2nd Street S.W., Calgary, Alberta T2P 0R8, and are also available electronically at www.sedar.com.

New Issue

March 8, 2022

PRELIMINARY SHORT FORM PROSPECTUS



CASSIAR GOLD CORP.

\$10,000,000.50

6,666,667 Flow-Through Units

Price: \$1.50 per Flow-Through Unit

This preliminary short form prospectus (the “**Prospectus**”) qualifies the distribution (the “**Offering**”) of 6,666,667 flow-through units (the “**Units**”) of Cassiar Gold Corp. (“**Cassiar**” or the “**Company**”) at a price of \$1.50 per Unit (the “**Offering Price**”). Each Unit consists of one common share in the capital of the Corporation (a “**Unit Share**”) issued as “flow-through shares” (the “**Flow-Through Shares**”) within the meaning of the *Income Tax Act* (Canada) (the “**Tax Act**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). The Warrants shall not qualify as “flow-through shares” within the meaning of the Tax Act. Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (a “**Warrant Share**”) at an exercise price of \$1.60 for a period of 24 months following the Closing Date (as defined herein).

The Units are being issued and sold pursuant to an underwriting agreement dated March 8, 2022 (the “**Underwriting Agreement**”) between the Company and Red Cloud Securities Inc. and Raymond James Ltd. (collectively, the “**Co-Lead Underwriters**”), as co-lead underwriters and joint bookrunners, together with BMO Nesbitt Burns Inc. (collectively with the Co-Lead Underwriters, the “**Underwriters**”).

The Company will incur (or be deemed to incur) sufficient “Canadian exploration expenses” (“**CEE**”) as defined in the Tax Act, on or before December 31, 2023, so as to enable the Company to renounce, on or before December 31, 2022, in favour of the purchasers of

Units, an amount equal to the gross proceeds raised from the issuance of Flow-Through Shares forming part of the Units. See “*Flow-Through Shares — Renunciation of CEE*” and “*Certain Canadian Federal Income Tax Considerations*”.

The Company understands that purchasers of Units may subsequently donate some or all of such Units to registered charitable organizations and/or sell some or all of such Units to purchasers arranged by the Underwriters, and the registered charitable organizations may also choose to sell, in each case, on the Closing Date (as defined herein) or the closing date for the Over-Allotment Option (as defined herein), as applicable, such Units to purchasers arranged by the Underwriters (collectively, the “**Redistributed Units**”). The Flow-Through Shares partially comprising the Redistributed Units will only qualify as “flow-through shares” for purposes of the Tax Act for the original subscriber and will not qualify as “flow-through shares” for a registered charity or subsequent purchaser and consequently, the Company will only renounce CEE to the original subscriber of the Redistributed Units. This Prospectus qualifies the issuance of the Units as well as the subsequent resale of the Redistributed Units on the Closing Date or the closing date for the Over-Allotment Option, as applicable, to purchasers arranged by the Underwriters.

The outstanding common shares in the capital of the Company (the “**Common Shares**”) are listed and posted for trading on the TSX Venture Exchange (the “**TSXV**”) under the trading symbol “GLDC” and the OTCQX Best Market (“**OTC**”) under the trading symbol “CGLCF”. On March 1, 2022, the last full trading day prior to the public announcement of the Offering, the closing price of the Common Shares on the TSXV and OTC was \$1.23 per Common Share and US\$0.967 per Common Share, respectively, and on March 7, 2022, the last trading day prior to filing this Prospectus, the closing price of the Common Shares on the TSXV and OTC was \$1.23 and US\$0.9650, respectively. Cassiar has applied to list the Unit Shares comprising part of the Units distributed hereunder, the Warrant Shares underlying the Warrants comprising part of the Units, and the Broker Warrant Shares underlying the Broker Warrants on the TSXV. The TSXV has not conditionally approved the Company’s listing application and there is no assurance that the TSXV will approve the listing application. Listing will be subject to Cassiar fulfilling all the listing requirements of the TSXV.

There is no market through which the Warrants comprising the Units may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. In addition, the Warrants will not be listed for trading on the TSXV or any other stock exchange following the Closing Date. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of the issuer regulation. See “*Risk Factors*”.

The Offering Price was determined based on arm’s length negotiations between the Company and the Co-Lead Underwriters, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares. The Units will be offered in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia. See “*Description of Securities Being Distributed*” and “*Plan of Distribution*”.

	<u>Price to the Public</u>	<u>Underwriting Commission⁽¹⁾</u>	<u>Net Proceeds to the Company⁽²⁾</u>
Per Unit	\$1.50	\$0.08595	\$1.41405
Total ⁽³⁾	\$10,000,000.50	\$573,000.03	\$9,427,000.47

- Notes:
- (1) Pursuant to the Underwriting Agreement, the Company has agreed to pay to the Underwriters a fee (the “**Underwriting Commission**”) representing 6% of the aggregate gross proceeds of the Offering, including any proceeds realized from the exercise of the Over-Allotment Option (as defined herein), subject to a reduced fee of 3.0% on up to \$900,000 of the gross proceeds of the Offering to certain purchasers designated by the Company and agreed to by the Underwriters (the “**President’s List**”). As additional consideration for the services rendered in connection with the Offering the Company has agreed to issue the Underwriters such number of broker warrants (“**Broker Warrants**”) as is equal to 6% of the number of Units sold under the Offering, subject to a reduced number of Broker Warrants equal to 3.0% of the number of Units sold in the Offering to President’s List purchasers. Figures above reflect the maximum allocation to President’s List purchasers. Each Broker Warrant will be exercisable into one Common Shares (a “**Broker Warrant Share**”) at an exercise price of \$1.50 for a period of 24 months from the Closing Date. This Prospectus also qualifies the distribution of the Broker Warrants. See “*Plan of Distribution*”.
 - (2) After deducting the Underwriting Commission, but before deducting the expenses related to this Offering, estimated at \$300,000, which will be paid by Cassiar from the proceeds of the Offering. See “*Use of Proceeds*”.
 - (3) The Company has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part in the sole discretion of the Underwriters at any time until the date which is 30 days following the Closing Date (as defined herein), to purchase up to an additional 1,000,000 Units (the “**Over-Allotment Units**”) at the Offering Price per Over-Allotment Unit to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total “Price to the Public”, the “Underwriting Commission” and the “Net Proceeds to the Company” (before deducting expenses of the Offering) will be \$11,500,000.50, \$663,000.03 and 10,837,000.47, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units upon exercise of the Over-Allotment Option. Any purchaser who acquires Over-Allotment Units forming part of the over-allotment position of the Underwriters pursuant to the Over-Allotment Option acquires such securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “*Plan of Distribution*”.

The following table sets out the number of Over-Allotment Units that may be issued by the Company to the Underwriters pursuant to the Over-Allotment Option:

<u>Underwriter's Position</u>	<u>Maximum size</u>	<u>Exercise period</u>	<u>Exercise price</u>
Over-Allotment Option	Up to 1,000,000 Over - Allotment Units	Up to 30 days from and including the Closing Date	\$1.50 per Over-Allotment Unit
Broker Warrants ⁽¹⁾	Up to 442,000 Broker Warrants	Any time up to 24 months from the Closing Date	\$1.50 per Broker Warrant

Note:

(1) Assumes the Over-Allotment Option is exercised in full.

Unless the context otherwise requires, when used herein, all references to the “Offering” include the exercise of the Over-Allotment Option, all references to “Units” include Over-Allotment Units and Redistributed Units, all references to “Unit Shares” include the Unit Shares issuable upon exercise of the Over-Allotment Option, all references to “Warrants” include the Warrants issuable upon exercise of the Over-Allotment Option, and all references to “Warrant Shares” include the Common Shares issuable upon exercise of the Warrants issuable upon exercise of the Over-Allotment Option.

The Co-Lead Underwriters, as principals, conditionally offer the Units and Redistributed Units (collectively, the “**Offered Units**”), subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “*Plan of Distribution*” and subject to the approval of certain legal matters relating to the Offering on behalf of the Company by Dentons Canada LLP and on behalf of the Underwriters by Peterson McVicar LLP.

Subscriptions for Offered Units will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. **The Underwriters may decrease the price of which the Offered Units are distributed from the Offering Price. See “*Plan of Distribution*”.**

It is expected that the closing of the Offering will take place on or about March 24, 2022 or such other date as may be agreed upon by the Company and the Underwriters, but in any event not later than 42 days after the date of the receipt for the (final) short form prospectus (the “**Closing Date**”).

It is expected that the Unit Shares and Warrants comprising the Units will be delivered under the book-based system of registration, to be registered to CDS Clearing and Depository Services Inc. (“**CDS**”) and deposited with CDS on the Closing Date. No certificates evidencing the Unit Shares or Warrants will be issued to purchasers of the Offered Units, except in limited circumstances. Purchasers of Offered Units will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Offered Units is purchased.

In connection with the Offering and subject to applicable laws, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares in accordance with applicable market stabilization rules. Such transactions, if commenced, may be discontinued at any time. The Offered Units sold by the Underwriters to the public will initially be offered at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Units at the Offering Price specified on the cover page, the Underwriters may decrease the Offering Price and the other selling terms to an amount not greater than the Offering Price set forth on the cover page, and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Units is less than the gross proceeds paid by the Underwriters to the Company. Any such reduction will not affect the proceeds received by the Company. See “*Plan of Distribution*”.

The Offered Units may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus is not an offer to sell or a solicitation of an offer to buy the Offered Units in any jurisdiction where it is unlawful. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Offered Units, except in the case of documents incorporated or deemed to be incorporated by reference into the Prospectus after the date hereof.

Marco Roque, the President, Chief Executive Officer and a director of the Company, and Michael Wood, a director of the Company, reside outside of Canada and have appointed Dentons Canada LLP, c/o Dentons Canada LLP, 1500, 850 – 2nd Street S.W., Calgary, Alberta T2P 0R8, Canada as their agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, or resides outside of Canada, even if the party has appointed an agent for service of process.

An investment in the Offered Units is highly speculative and involves significant risks that should be carefully considered by prospective investors. The risks outlined in this Prospectus and in the documents incorporated herein by reference should be carefully reviewed and considered by prospective investors. See “Risk Factors” and “Cautionary Statements Regarding Forward-Looking Statements” in this Prospectus, and “Risk Factors” in the AIF (as defined herein).

Prospective investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, territorial, local, foreign and other tax consequences of acquiring, holding or disposing of the Common Shares and Warrants.

No Canadian securities regulator nor the United States Securities and Exchange Commission nor any state has approved or disapproved of the securities offered hereby, passed upon the accuracy or adequacy of this Prospectus or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

Cassiar’s registered and head office is located at 1500, 850 – 2nd Street S.W. Calgary, Alberta T2P 0R8.

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ABOUT THIS PROSPECTUS

Prospective investors should rely only on the information contained in or incorporated by reference into this Prospectus. Neither the Company nor the Underwriters have authorized anyone to provide prospective investors with different information. Information contained on the Company's website shall not be deemed to be a part of this Prospectus or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the Offered Units. Neither the Company nor the Underwriters are making an offer of the Offered Units in any jurisdiction where the offer or sale is not permitted. Prospective investors should assume that the information appearing in this Prospectus is accurate only as of the date on the front of this Prospectus, or the date of any documents incorporated by reference herein. The Company's business, operating results, financial condition and prospects may have changed since the date of this Prospectus.

Market data and certain industry forecasts used in this Prospectus and the documents incorporated by reference herein were obtained from market research, publicly available information and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information.

The Company's annual consolidated financial statements that are incorporated by reference into this Prospectus have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

In this Prospectus, unless the context otherwise requires, references to "we", "us", "our" or similar terms, as well as references to "Cassiar" or the "Company", refer to Cassiar Gold Corp. together with any subsidiaries.

MARKETING MATERIALS

The Marketing Materials (defined below) are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus or any amendment. Any "template version" of any "marketing materials" (as defined in National Instrument 41-101 — *General Prospectus Requirements*) that are utilized by the Underwriters in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Any template version of any marketing materials filed on SEDAR at www.sedar.com after the date of this Prospectus but before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the marketing materials) is deemed to be incorporated by reference in this Prospectus.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated by reference, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws, which include, but are not limited to, statements or information concerning the timing and closing of the Offering; the satisfaction of the conditions to closing of the Offering, including the receipt, in a timely manner, of regulatory and other required approvals, including the approval of the TSXV; the proposed use of proceeds of the Offering; mineral resource estimates; targeting additional mineral resources and expansion of deposits; the Company's expectations, including the Company's planned exploration and development activities and expenses; the results of future exploration and drilling and estimated completion dates for certain milestones; successfully adding or upgrading mineral resources and successfully developing new deposits; the timing, receipt and maintenance of approvals, licences and permits from applicable government, regulator or administrative bodies; production and processing estimates; future financial or operating performance and condition of the Company and its business, operations and properties; certain statements relating to "flow-through" shares as defined in the Tax Act, and the tax considerations relating thereto; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements, and involve known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of Cassiar to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-looking statements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "estimates", "forecasts", "intends", "anticipates", "will" or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Statements relating to “mineral resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the mineral resources described exist in the quantities predicted or estimated and may be profitably produced in the future. There is no certainty that it will be commercially viable to produce any portion of the mineral resources.

Although the forward-looking statements contained in this Prospectus and in the documents incorporated by reference herein are based upon assumptions which the Company believes to be reasonable, the Company cannot assure potential purchasers of Units that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this Prospectus and in the documents incorporated by reference herein, the Company has made assumptions regarding: the timing of obtaining regulatory approvals relating to the Offering, the completion of the Offering; future commodity prices and royalty regimes; the impact of COVID-19 on the Company’s operations; availability of skilled labour; timing and amount of capital expenditures; future currency exchange and interest rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies; the receipt of required permits; royalty rates; future tax rates; future operating costs; availability of future sources of funding; and ability to obtain financing and assumptions underlying estimates related to adjusted funds from operations. The Company has included the above summary of assumptions and risks related to forward-looking information provided in this Prospectus and in the documents incorporated by reference herein in order to provide holders of Units with a more complete perspective on the Company’s future operations and such information may not be appropriate for other purposes. The Company’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive therefrom. These forward-looking statements are made as of the date of this Prospectus and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Many of these assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, and other factors that are not within the control of Cassiar and could thus cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking statements and forward-looking information.

Furthermore, such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cassiar to be materially different from any future results, performance or achievements expressed or implied. Such factors include, among others: risks related to operations as a result of the COVID-19 pandemic; risks related to the operations, exploration and development of a mineral property, including the speculative nature of exploration and development projects, the possibility of diminishing quantities or grades of mineralization, the inability to recover certain expenditures and the exposure to operational hazards typically encountered in the exploration, development and production of mineral properties; risks that the mineral reserve and resource estimates may prove to be incorrect; risk of decreases in commodity prices and commodity price risks could impact the Company and feasibility of its projects; risks of decreases in exchange rates that could impact the Company and feasibility of its projects; risk of failure to achieve estimates or material increases in costs could affect future cash flows, business results, results of operations and financial condition; the ability of the Company to retain skilled and experienced personnel and contractors; risks related to volatility in the market price of the Common Shares; failure or delays in obtaining or renewing, or a failure to obtain or renew, permits and licenses necessary for current or future operations, or failure to comply with the terms of such permits; risks related to government regulation and government and community approvals, including the ability to obtain required government and community approvals, the impact of changing government regulations and shifting political attitudes, and the ability of Canadian regulatory authorities to impose fines or shut down operations in cases of non-compliance; risks inherent in mining operations, including accidents, labour disputes, environmental hazards and unfavourable operating conditions; uncertainty related to the performance of contractors; uncertainty regarding the impact of certain amendments to applicable legislation; risks associated with reclamation costs; costs, delays and other risks associated with statutory and regulatory compliance; reliance on a limited number of operations to drive the success of the Company; the Company’s history of negative operating cash flow and incurred losses; potential dilution of voting power or earnings per share as a result of the exercise of convertible securities of the Company, future financings or future acquisitions financed by the issuance of equity; risks relating to the ownership of more than 10% of the Common Shares by the Company’s major shareholders; the reliance by the Company on its information technology systems and the risk of cyber-attacks on such systems; property and mineral title risk, including defective title to mineral claims or property and risks associated with unpatented mineral claims; availability of adequate infrastructure; limits of insurance coverage and uninsurable risk; environmental risks and hazards; competitive conditions in mineral exploration and mining businesses; potential acquisitions and their integration with the Company’s current business; the identification of the presence of endangered species on the Company’s properties and risks related to the required management of this presence influence of third-party stakeholders; risks related to sales of Common Shares by existing

shareholders; risks of litigation; conflicts of interest; the Company's designation as a "passive foreign investment corporation"; dependence on key management personnel; the adequacy of the Company's system of internal controls; credit risk and the adverse effect of changes to interest rates and or liquidity risk; risks of changes to interest rates; changes to the Company's dividend policy; increased regulation associated with climate change; the exercise of the Over-Allotment Option; other factors discussed under "*Risk Factors*"; and other risks and uncertainties described elsewhere in this Prospectus and in the documents incorporated by reference herein.

Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward-looking statements or forward-looking information, there may be other factors that could cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

Forward-looking statements and forward-looking information contained herein are made as of the date of this Prospectus and we disclaim any obligation to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

NATIONAL INSTRUMENT 43-101

The Company's flagship asset is its 100% owned Cassiar Gold Property (the "**Cassiar Gold Property**") located in northern British Columbia, approximately 75 km south of the BC/Yukon border, within the traditional territory of the Kaska First Nation and within the Liard Mining Division. Unless stated otherwise, information of a scientific or technical nature regarding the Cassiar Gold Property is summarized, derived or extracted from, respectively, the technical report titled "*National Instrument 43-101 Technical Report on the Cassiar Gold Property (Amended)*" prepared for the Company by Scott Zelligan, P.GeO with an effective date of November 12, 2019 (the "**Technical Report**"). Scott Zelligan, P.GeO is independent as defined by NI 43-101 — Standards of Disclosure for Mineral Projects ("**NI 43-101**").

The Technical Report has been filed with the Canadian securities regulatory authorities and is available for review at www.sedar.com under the Company's profile. Reference should be made to the full text of the Technical Report for a complete description of assumptions, qualifications and procedures associated with the information in it.

The mineral resource estimates contained in the Technical Report are only estimated and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified resource will ever qualify as a commercially mineable or viable deposit which can be legally and economically exploited. The resource estimates described in the Technical Report should not be interpreted as assurance of mine life or of profitability of future operations. Investors are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. Unless otherwise indicated, all mineral resource estimates contained in the technical disclosure have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to "\$" or "dollars" in this Prospectus refer to Canadian dollars and all references to "US\$" in this Prospectus refer to United States dollars. The financial statements of the Company incorporated by reference in this Prospectus are reported in Canadian dollars. The daily average exchange rate on March 7, 2022 as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US\$1.00 equals \$1.2773.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of Cassiar at Suite 1500, 850 – 2nd Street S.W., Calgary, Alberta T2P 0R8 and are also available electronically at www.sedar.com.

The following documents of Cassiar, filed with the securities commissions or similar authorities in Canada in which the Company is a reporting issuer, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the annual information form of the Company for the year ended September 30, 2021 dated February 14, 2022 (the “**AIF**”);
- (b) the audited annual consolidated financial statements of the Company as at and for the years ended September 30, 2021 and September 30, 2020, together with the notes thereto, and the independent auditor’s report thereon (the “**Annual Financial Statements**”);
- (c) the management’s discussion and analysis of financial conditions and results of operations of the Company for the year ended September 30, 2021 dated January 26, 2022 (the “**Annual MD&A**”);
- (d) the unaudited consolidated financial statements of the Company as at and for the three months ended December 31, 2021 and December 31, 2020, together with the notes thereto (the “**Interim Financial Statements**”);
- (e) the management’s discussion and analysis of financial conditions and results of operations of the Company for the three and nine months ended December 31, 2021, dated February 23, 2022 (the “**Interim MD&A**”);
- (f) the management information circular of the Company dated February 11, 2022 relating to the annual general meeting of shareholders of Cassiar to be held on March 16, 2022; and
- (g) the template version of the term sheet dated March 3, 2022 in connection with the Offering (the “**Marketing Materials**”).

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

Any document of the type required to be incorporated into the Prospectus by item 11.1 of Form 44-101F1 — *Short Form Prospectus* (excluding confidential material change reports and excluding those portions of documents that are not required pursuant to National Instrument 44-101 — *Short Form Prospectus Distributions* to be incorporated by reference herein) filed by the Company after the date of this Prospectus and before the termination of the distribution are deemed to be incorporated by reference in this Prospectus. Copies of the documents incorporated by reference may be obtained without charge from the Chief Financial Officer of Cassiar at Suite 1500, 850 – 2nd Street S.W., Calgary, Alberta T2P 0R8 and are also available electronically on the SEDAR website at www.sedar.com.

THE COMPANY

Incorporation

Cassiar was incorporated under the *Business Corporation Act* (Alberta) on August 5, 2009 as “Carmen Energy Inc.”. On August 16, 2010, the Company amended its articles of incorporation to remove certain restrictions on transfer contained therein, and filed a final prospectus with respect to its initial public offering as a Capital Pool Company under policy 2.4 of the TSXV. In January of 2011, the Company completed the initial public offering and the Common Shares began trading on the TSXV. On July 22, 2013, the Company amended its articles to change its name to “Margaux Resources Ltd.” On September 23, 2020, the Company amended its articles of incorporation to change its name to “Cassiar Gold Corp.” and to consolidate its issued and outstanding Common Shares on the basis of one post-consolidation Common Share for each five previously outstanding Common Shares.

The Company's registered and head office is located at 1500, 850- 2nd Street Avenue SW, Calgary, Alberta T2P 0R8. The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia and the Common Shares of the Company are presently listed and posted for trading on the TSXV under the trading symbol "GLDC" and on the OTCQX Best Market, under the symbol "CGLCF".

Overview

Cassiar is a gold exploration company, currently engaged in the exploration for gold on its flagship Cassiar Gold Property in northern British Columbia. The Company also owns a 100% interest in the Sheep Creek gold camp located near Salmo, British Columbia. Further information regarding the business of the Company, its operations and its mineral property can be found in the AIF and the materials incorporated by reference into this Prospectus. See "*Documents Incorporated by Reference*".

CONSOLIDATED CAPITALIZATION

Other than as disclosed below and under the heading "*Prior Sales*", there have been no material changes to the share and loan capital of Cassiar since December 31, 2021.

The following table sets out the capitalization of Cassiar: (i) as at December 31, 2021, being the date of the Interim Financial Statements; (ii) as at December 31, 2021 after giving effect to the Offering, and (iii) as at December 31, 2021 after giving effect to the Offering and assuming the Over-Allotment Option is exercised in full, as though they had closed on December 31, 2021. The table should be read in conjunction with the Interim Financial Statements and Interim MD&A, which are incorporated by reference in this Prospectus as well as the other disclosure contained in this Prospectus, including the risk factors described under the heading "*Risk Factors*" in this Prospectus and in the AIF.

	<u>As at December 31, 2021⁽¹⁾</u>	<u>As at December 31, 2021 (after giving effect to the closing of the Offering)</u>	<u>As at December 31, 2021 (after giving effect to the closing of the Offering and the Over-Allotment Option)⁽²⁾</u>
Common Shares ⁽³⁾	\$26,257,857 (62,455,568 Common Shares)	\$33,814,560 (69,122,235 Common Shares)	\$35,089,350 (70,122,235 Common Shares)
Offering Warrants ⁽⁴⁾	Nil	3,715,334	4,275,334
Common Share purchase warrants ⁽⁵⁾	24,242,821	27,958,155	28,518,155
Options Outstanding ⁽⁶⁾	4,694,000	4,694,000	4,694,000
Restricted Share Units ⁽⁷⁾	216,000	216,000	216,000
Deferred Share Units ⁽⁸⁾	394,000	394,000	394,000

- Notes:
- (1) These figures have been derived from the Interim Financial Statements.
 - (2) Assumes the Over-Allotment Option is exercised in full.
 - (3) Since December 31, 2021, the Company issued 2,438,470 Common Shares pursuant to the exercise of 2,438,470 Old Warrants, for aggregate gross proceeds of \$1,174,613. As of the date hereof the Company has 65,084,038 Common Shares issued and outstanding, and after giving effect to the Offering and assuming full exercise of the Over-Allotment Option, the Company will have 72,750,705 Common Shares issued and outstanding. See "*Prior Sales*".
 - (4) Includes the Warrants issuable under the Offering as well as the Broker Warrants issuable subject to a reduced number of Broker Warrants equal to 3.0% of the number of Units sold in the Offering to President's List purchasers.
 - (5) As of the date hereof, there are 21,637,187 common share purchase warrants issued and outstanding ("**Old Warrants**"), each such Old Warrant exercisable to acquire one Common Share at a weighted average exercise price of \$0.69.
 - (6) As at September 30, 2021, there were 4,156,000 Common Share purchase options outstanding under the Company's stock option plan, exercisable to acquire Common Shares at a weighted average exercise price of \$0.71 per Common Share. See "*Prior Sales*".
 - (7) Since September 30, 2021, the Company issued 4,714,271 Common Shares pursuant to the exercise of 4,714,271 Old Warrants, for aggregate gross proceeds of \$2,637,261. As of the date hereof the Company has 65,084,038 Common Shares issued and outstanding, and after giving effect to the Offering and assuming full exercise of the Over-Allotment Option, the Company will have 72,750,705 Common Shares issued and outstanding. See "*Prior Sales*".
 - (8) As of the date hereof, there are 216,000 restricted share units ("**Restricted Share Units**") issued and outstanding pursuant to the Company's share unit plan (the "**Share Unit Plan**") dated November 15, 2021. The Share Unit Plan and any awards granted thereunder remain subject to the approval of the TSXV and disinterested shareholder approval at the Company's next annual and special meeting of shareholders, expected to be held on March 16, 2022. Each vested Restricted Share Unit entitles the holder thereof to receive, at the discretion of the Company's board of directors, either: (i) one Common Share; or (ii) a cash amount equal to the closing price of the Common Shares on the last trading date prior to the vesting date. The Restricted Share Units will vest over a period

of two years, with one third vesting upon the receipt of TSXV approval of the plan, and one third vesting on each of the first and second anniversary of the date of grant.

- (9) As of the date hereof, there are 394,000 deferred share units (“**Deferred Share Units**”) issued and outstanding pursuant to the Share Unit Plan. The Share Unit Plan and any awards granted thereunder remain subject to the approval of the TSXV and disinterested shareholder approval at the Company’s next annual and special meeting of shareholders, expected to occur on March 16, 2022. Each Deferred Share Unit shall vest upon the termination of the holder’s services to the Company (other than termination for cause or without the Company’s consent) and includes eligible retirement or death of the holder. Each vested Deferred Share Unit entitles the holder to receive, at the discretion of the board of directors of the Company, either: (i) one Share; or (ii) a cash amount equal to the closing price of the Common Shares on the last trading date prior to the vesting date.

USE OF PROCEEDS

The Company will use an amount equal to the gross proceeds of the Offering resulting from the sale of the Units to incur CEE, relating to the development of the Cassiar Gold Property, as set out below.

The estimated net proceeds received by the Company from this Offering (assuming exercise in full of the Over-Allotment Option) will be \$10,537,000.47 (determined after deducting the Underwriting Commission of \$663,000 and estimated expenses of the Offering of \$300,000). If the Over-Allotment Option is not exercised in full, the estimated net proceeds received by the Company from the Offering will be \$9,127,000 (determined after deducting the Underwriting Commission of \$573,000 and estimated expenses of the Offering of \$300,000).

Cassiar currently intends to use the net proceeds under the Offering through to the end of 2022 as follows:

<u>Activity or Nature of Expenditure</u>	<u>Approximate Use of Net Proceeds⁽¹⁾</u>
Expanded 2022 drill program on the Cassiar Gold Property	\$9,127,000
Total	\$9,127,000

Note:

- (1) Assumes no exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the Company will use the expected net proceeds of \$10,537,000.47 towards the 2022 drill program on the Cassiar Gold Property. Assumes full allocation available to President’s List purchasers.

Cassiar Gold Corp. plans to carry out approximately 20,000 meters of diamond drilling at the Cassiar Gold Project in 2022. The drill program objectives will be to identify extensions of the Taurus and Cassiar South deposits as well as to test other regional exploration targets on the large, district-scale, 59,000 hectare property.

The drill program is expected to commence in early June and continue until late October with up to three drill rigs operating on the property.

Although the Company intends to use the net proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary from those allocations set out above, depending on future developments in relation to the Cassiar Gold Property or unforeseen events, including those listed under “Risk Factors” of this Prospectus and the AIF. Potential investors are cautioned that notwithstanding the Company’s current intentions regarding the use of the net proceeds of the Offering, there may be circumstances where a reallocation of the net proceeds may be advisable for reasons that management believes, in its discretion, are in the Company’s best interests.

Business Objectives and Milestones

The Company’s current objective is the advancement of the Cassiar Gold Property. The Company’s three main near-term objectives to be pursued with the net proceeds of the Offering and other available funds, and which the Company expects would occur during the remainder of 2022, are to: (i) continue project exploration to potentially upgrade and expand current mineral resources established at the Taurus Deposit on the Cassiar North project area of the Cassiar Gold Property; (ii) continue project exploration at the Cassiar South project area of the Cassiar Gold Property near and around past-producing vein systems to possibly define new compliant mineral resources; and (iii) to embark on project exploration at the Cassiar North project area on high-value regional bulk-tonnage targets such as Snow Creek and Wings Canyon. There is no assurance the foregoing goals and objectives will be achieved. The exploration, development and construction of mineral projects are subject to a number of risks and uncertainties. See “Risk Factors”.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Dentons Canada LLP, counsel to the Company, and Peterson McVicar LLP, counsel to the Underwriters, the following is, as at the date of this Prospectus, a summary of the principal Canadian federal income tax considerations under the Tax Act and the regulations thereunder (the “**Regulations**”) generally applicable to a purchaser who, as beneficial owner, acquires Units, consisting of Unit Shares and Warrants, and who, at all relevant times for purposes of the Tax Act, (i) acquires and holds their Unit Shares, Warrants and Warrant Shares as capital property, (ii) acquires Warrant Shares pursuant to the exercise or deemed exercise of Warrants, and (iii) deals at arm’s length with, and is not affiliated with, the Company, the Underwriters or a subsequent purchaser of such securities, and (iv) is resident or deemed to be resident in Canada (a “**Holder**”). For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated.

The Unit Shares, Warrant Shares and Warrants will generally be considered capital property to a Holder unless either the Holder holds or uses or is deemed to hold or use such Unit Shares, Warrant Shares and Warrants in the course of carrying on a business of buying and selling securities or the Holder has acquired or has been deemed to acquire them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder (i) that is a “principal-business corporation” within the meaning of the Tax Act, (ii) whose business includes trading or dealing in rights, licences or privileges to explore for, drill or take minerals, oil, natural gas or other related hydrocarbons, (iii) an interest in which constitutes a “tax shelter investment” within the meaning of the Tax Act, (iv) that is a “financial institution” as defined in the Tax Act for the purpose of the “mark-to-market” provisions of the Tax Act, (v) that is a partnership or a trust, (vi) that is a “specified financial institution” for purposes of the Tax Act; (vii) that has made a “functional currency” election under the Tax Act to determine its Canadian tax results in a currency other than the Canadian currency; (viii) that has entered or will enter into a “derivative forward agreement” or “synthetic disposition arrangement” (each as defined in the Tax Act) in respect of the Units; (ix) that is exempt from tax under Part I of the Tax Act; or (x) that is a corporation resident in Canada that is, or becomes, controlled by a non-resident person (or group of non-resident persons that do not deal with each other at arm’s length) for purposes of the “foreign affiliate dumping” rules in Section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

In addition, this summary does not address the deductibility of interest by a Holder of Units that has borrowed money or otherwise incurred debt to acquire Units pursuant to the Offering.

This summary is based on the Tax Act and the Regulations in force as at the date hereof taking into account all published proposals for the amendment thereof to the date hereof (the “**Proposed Amendments**”) and upon counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary does not otherwise take into account or anticipate any change in law or administrative practice, nor does it take into account provincial or territorial tax laws of Canada or tax laws of any foreign country. No assurances can be given that the Proposed Amendments will be enacted as proposed or at all or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder of Units. This summary is not exhaustive of all Canadian federal income tax considerations and in particular does not discuss all of the tax consequences to purchasers of Redistributed Units. Accordingly, prospective Holders of Units should consult their own tax advisors having regard to their own particular circumstances.

This summary assumes that (i) the Company will incur CEE in an amount not less than the aggregate gross subscription proceeds for the issuance of the Units that is attributable to the Unit Shares (the “**Commitment Amount**”), (ii) CEE in an amount equal to the Commitment Amount will be renounced to Holders who acquire Unit Shares hereunder with an effective date or dates of no later than December 31, 2022, (iii) such CEE will be incurred during a period (the “**Expenditure Period**”) commencing on the Closing Date and ending on the earlier of (A) the date on which the Commitment Amount has been fully incurred in accordance with the terms of the relevant subscription agreements and (B) December 31, 2023, and (iv) all expenses discussed herein will be reasonable in amount. This summary also assumes that the Company will make all filings in respect of the issuance of the Unit Shares and the renunciation of CEE in the manner and within the time required by the Tax Act and that all renunciations will be validly made. In addition, while the Company will furnish each Holder who acquires Flow-Through Shares hereunder with information with respect to renounced CEE for purposes of filing income tax returns, the preparation and filing of returns will remain the responsibility of each Holder. This summary is based upon the representation of the Company that it will be a “principal-business corporation” at all material times and that its Unit Shares, when issued, will be “flow-through shares” and will not be “prescribed shares”, all within the meaning of the Tax Act. If any

of the above assumptions are incorrect, the Company may be unable to renounce some or all of the CEE which it has agreed to renounce hereunder.

The Canadian federal income tax consequences to a particular Holder of Units will vary according to a number of factors, including the particular province in which the Holder resides, carries on business or has a permanent establishment, the legal characterization of the Holder as an individual or a corporation, the amount that would be the Holder's taxable income but for the investment in the Units and the manner in which the proceeds from the issuance of the Units are expended.

Allocation of Purchase Price

A Holder who acquires Offered Units pursuant to the Offering will be required to allocate the purchase price paid for each Unit on a reasonable basis between the Unit Share and the one-half of one Warrant comprising each Unit, in order to determine their respective costs to such Holder for the purposes of the Tax Act. The Company will allocate \$1.499 to each Unit Share, and \$0.001 to each one-half of one Warrant comprising the Units. Although the Company believes that its allocation is reasonable, it is not binding on the CRA or the Holder and the Company expresses no opinion with respect to such allocation. Holders are encouraged to consult their own tax advisors in this regard.

Exercise of Warrants

The exercise or deemed exercise of a Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act. As a result, no gain or loss will be realized by a holder on the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised or is deemed to be exercised, the holder's cost of the Warrant Share acquired thereby will be the aggregate of the holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the holder of all Common Shares owned by the holder as capital property immediately prior to such acquisition.

Canadian Exploration Expense

The Company will be entitled to renounce to a Holder of Unit Shares hereunder certain CEE incurred by the Company during the Expenditure Period in an amount equal to the relevant subscription price of the Unit Shares as permitted by and in accordance with the Tax Act. The CEE will be renounced to the Holder with an effective date or dates on or before December 31, 2022. Such CEE that is properly renounced to a Holder will be deemed to have been incurred by that Holder on the effective date of the renunciation and will be added to such Holder's "cumulative Canadian exploration expense" (as defined in the Tax Act) ("CCEE") account.

The Tax Act contains a one year "look-back" rule which, if certain conditions are satisfied, entitles the Company to renounce certain CEE incurred by it in 2023 to Holders effective on December 31, 2022. For this rule to apply in respect of a Unit Share, the Holder must have paid the consideration in money for such share, the Holder and the Company must deal with each other at arm's length (for purposes of the Tax Act) throughout 2023, and the relevant subscription agreement in respect of such share must have been entered into, on or prior to December 31, 2022. In the event that the Company does not incur the amounts renounced under the one year "look-back" rule by the end of 2023, the Company will be required to reduce the amount of CEE renounced to the Holders and the Holders' income tax returns for the years in which the CEE was claimed will be reassessed accordingly. A Holder will not be subject to any penalties for any such reassessment and will not be subject to any interest charges for any additional taxes payable if such taxes are paid by the Holder on or prior to April 30, 2024.

A Holder may deduct in computing such Holder's income from all sources for a taxation year an amount not exceeding 100% of the balance of such Holder's CCEE account at the end of that taxation year. Deductions claimed by a Holder reduce the Holder's CCEE account. To the extent that a Holder does not deduct the balance of such Holder's CCEE account at the end of the taxation year, the balance may be carried forward and deducted in subsequent taxation years in accordance with the provisions of the Tax Act. The right to deduct CCEE accrues to the initial Holder of Unit Shares and is not transferable.

A Holder of Unit Shares who is an individual (other than a trust) will be entitled to a non-refundable investment tax credit equal to 15% of a "flow-through mining expenditure" renounced to the Holder. A "flow-through mining expenditure" is defined in subsection 127(9) of the Tax Act to include certain CEE incurred in conducting certain mining exploration activity from or above the surface of the earth for the purpose of determining the existence, location, extent or quality of a mineral resource described in paragraph (a) or (d) of the definition of "mineral resource" as defined in the Tax Act. The investment tax credit may be deducted in accordance with detailed rules

in the Tax Act against tax payable under the Tax Act in the taxation year in which the flow-through mining expenditure is incurred, or carried back three years and forward twenty years. The Company has agreed to incur and renounce CEE that will qualify for this investment tax credit.

The Holder's CCEE account at any time in a taxation year will be reduced by an amount equal to any investment tax credit claimed for a previous taxation year. If the reduction in the Holder's CCEE account causes the CCEE account to become negative, the amount of the negative balance will be included in the Holder's income and the Holder's CCEE will thereupon have a nil balance.

Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and on certain reorganizations of a corporate Holder. Corporate Holders should consult their own independent tax advisors for advice with respect to the potential application of these rules to them having regard to their own particular circumstances.

If a Holder acquires Units through a Registered Plan (as defined above under the heading "*Eligibility for Investment*"), the CEE renounced will not be available as a deduction against the income of the annuitant, holder or beneficiary of such plan and the associated tax benefits will be lost.

Dividends

Dividends received or deemed to be received on a Holder's Common Shares will be included in the Holder's income as taxable dividends received from a taxable Canadian corporation. The normal gross-up and dividend tax credit rules applicable to taxable dividends received from a taxable Canadian corporation, including the enhanced gross up and dividend tax credit in respect of "eligible dividends" properly designated as such by the Company to a Holder, will apply to dividends received by a Holder who is an individual. There may be limitations on the ability of the Company to designate dividends as eligible dividends.

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

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

Disposition of Common Shares and Warrants

A disposition or deemed disposition of a Common Share (other than to the Company unless purchased by the Company in the open market in the manner in which Common Shares are normally purchased by a member of the public in the open market) or Warrant (other than upon the exercise thereof), will result in the realization of a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition exceed (or are less than) the adjusted cost base of such security and reasonable expenses incurred by the Holder for the purposes of making such disposition. The tax treatment of capital gains and capital losses is described below under the heading "*Taxation of Capital Gains and Capital Losses*".

Generally, the cost of a common share (other than a "flow-through share" as defined in the Tax Act) for tax purposes will be the amount paid to acquire such shares and reasonable costs associated with the acquisition. However, Flow-Through Shares purchased hereunder will be deemed under the Tax Act to have been acquired by the Holder for an initial cost of nil regardless of the subscription price paid. The adjusted cost base to a Holder of a Common Share will generally be the average tax cost of all Common Shares (including the Flow-Through Shares) of the Company held by such Holder as capital property at a particular time. Any tax consequences arising from a subsequent disposition of a Common Share will be measured by reference to the adjusted cost base of the Common Shares based on this averaging rule.

A Holder who disposes of Flow-Through Shares will retain the entitlement to the renunciation of CEE from the Company as described above as well as the ability to deduct any CCEE not previously deducted, and a subsequent purchaser of such shares will not be entitled to any renunciations of CEE.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a “taxable capital gain”) must be included in computing the income of a Holder for the year in which the disposition takes place, while one-half of any capital loss (an “allowable capital loss”) will be required to be deducted against taxable capital gains realized by the Holder in the same taxation year. Allowable capital losses not deducted in the year in which they arise may be deducted by a Holder from taxable capital gains realized in any of the three preceding years, or any subsequent year, subject to the detailed provisions of the Tax Act in that regard.

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

Minimum Tax

Under the Tax Act, a minimum tax is payable by an individual, other than certain trusts, equal to the amount by which the minimum tax exceeds the tax otherwise payable. In calculating adjusted taxable income for the purpose of determining minimum tax, certain deductions and credits otherwise available, such as the deduction for CEE not used to reduce resource income, are disallowed and certain amounts not otherwise taxable are included in income, such as 80% of net capital gains. Whether and to what extent the tax liability of a particular Holder will be increased by the minimum tax will depend upon the amount of such Holder’s income, the sources from which it is derived and the nature and amounts of any deductions that such Holder claims. Any additional tax payable for a year from the application of the minimum tax provisions is recoverable in subsequent years to the extent that tax otherwise determined exceeds the minimum tax for any of the following seven taxation years. Holders should consult their own independent tax advisors with respect to the potential alternative minimum tax consequences to them having regard to their own particular tax circumstances.

Cumulative Net Investment Loss

One-half of the amount of the CEE renounced to and deducted by a Holder will be added to the Holder’s cumulative net investment loss (“CNIL”) account, as defined in the Tax Act. A Holder’s CNIL account may impact a Holder’s ability to access the lifetime capital gains exemption available on the disposition of certain qualified small business corporation shares and qualified farm property.

ELIGIBILITY FOR INVESTMENT

In the opinion of Dentons Canada LLP, counsel to the Company, and Peterson McVicar LLP, counsel to the Underwriters, based on the provisions of the Tax Act and Regulations in force on the date of this Prospectus, the Unit Shares, Warrants and Warrant Shares would be, if issued on the date hereof, “qualified investments” under the Tax Act for a trust governed by a “registered retirement savings plan”, a “registered retirement income fund”, a “registered education savings plan”, a “registered disability savings plan”, a “tax-free savings account” (collectively, “**Registered Plans**”) and a “deferred profit sharing plan” (“**DPSP**”), all as defined in the Tax Act, provided that at such time:

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

Notwithstanding the foregoing, the annuitant, holder or subscriber, as the case may be (the “**Controlling Individual**”) of the Registered Plan, will be subject to a penalty tax under the Tax Act if the Unit Shares, Warrants and Warrant Shares are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. A Unit Share, Warrant or Warrant Share generally will not be a prohibited investment for a Registered Plan provided the Controlling Individual of the Registered Plan: (i) deals at arm’s length with the Company for the purposes of the Tax Act; and (ii) does not have a “significant interest” (as defined in the Tax Act for purposes of the prohibited investment rules) in the Company. In addition, the Unit Shares and Warrant Shares will not be a prohibited investment if such securities are “excluded property” (as defined in the Tax Act for purposes of the prohibited investment rules) for the Registered Plan. Persons who intend to hold Unit Shares, Warrants or Warrant Shares in a Registered Plan should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

It is not anticipated that Registered Plans or a DPSP would subscribe for Units directly, as Registered Plans and DPSPs, or the holders, annuitants or subscribers of such Registered Plans or DPSPs, as the case may be, would not be able to use the tax deductions or credits with respect to the Flow-Through Shares described above under the heading “*Certain Canadian Federal Income Tax Considerations*”. Persons who may be intending to acquire Units in a Registered Plan or DPSP are urged to consult their own tax advisors.

DESCRIPTION OF SECURITIES BEING OFFERED

Units

Each Unit consists of one Unit Share and one half of one Warrant.

Unit Shares

Each Unit Share is a Common Share of the Company, and will initially be issued as a Flow-Through Share. The authorized capital of Cassiar is an unlimited number of Common Shares and an unlimited number of preferred shares (“**Preferred Shares**”), all without nominal or par value. As at the date hereof, there were 65,084,038 Common Shares issued and outstanding. The Company currently has no Preferred Shares issued and outstanding.

All of the Common Shares are of the same class and, once issued, rank equally as to dividends, voting powers and participation in assets. Holders of Common Shares are entitled to one vote for each Common Share held of record on all matters to be acted upon by the shareholders. Subject to the rights of any other class of shares ranking senior to the Common Shares, holders of Common Shares are entitled to receive such dividends as may be declared from time to time by the Company’s board of directors, in its discretion, out of funds legally available therefor.

Subject to the rights of holders of any class of shares ranking senior to the Common Shares, upon liquidation, dissolution or winding up of the Company, holders of Common Shares are entitled to receive pro rata the assets of the Company, if any, remaining after payments of all debts and liabilities. There are no pre-emptive rights or conversion rights and no provisions for redemption or purchase for cancellation, surrender or sinking or purchase fund.

Provisions as to the modification, amendment or variation of such rights or provisions are contained in our articles and in the *Business Corporations Act* (Alberta). See “*Risk Factors*”.

Flow-Through Shares — Renunciation of CEE

The Flow-Through Shares will be common shares issued as “flow-through shares” as that term is defined under subsection 66(15) of the Tax Act and, except as a consequence of an agreement to which the Company is not a party, should not be “prescribed shares” as defined in the Regulations. Pursuant to the Flow-Through Share Subscription Agreements (as defined below), the Company will incur (or be deemed to incur) sufficient CEE, on or before December 31, 2023 so as to enable the Company to renounce, effective on or before December 31, 2022, in favour of the purchasers of Flow-Through Shares, an amount equal to the gross proceeds raised from the Offering in respect of the Flow-Through Shares (the “**Flow-Through Funds**”). There is no guarantee that an amount equal to the Flow-Through Funds will be expended by the Company as indicated.

If the Company is unable to renounce an amount equal to the entire amount of the Flow-Through Funds, in accordance with the Flow-Through Share Subscription Agreements, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the amount of deductions purchasers will be able to claim for income tax purposes will be correspondingly reduced. Under the Flow-Through Share Subscription Agreements, the Company agrees to indemnify a purchaser as to, and pay in settlement therefor to the purchaser, an amount equal to the amount of any tax payable under the Tax Act (and under any corresponding provincial legislation) by the purchaser as a consequence of such failure or reduction. See “*Certain Canadian Federal Income Tax Considerations*”. The Flow-Through Share Subscription Agreements will contain additional representations, warranties, covenants and agreements by the Company in favour of the purchaser of Units which are consistent with and supplement the Company’s obligations as described in this Prospectus.

The Flow-Through Share Subscription Agreements will also provide representations, warranties and agreements of the purchaser, and by its purchase of Units, each purchaser of Units offered hereunder will be deemed to have represented, warranted and agreed, for the benefit of the Company and the Underwriters that: (i) the purchaser, if an individual, is of the full age of majority and otherwise is

legally competent to enter into the Flow-Through Share Subscription Agreements; (ii) other than as provided herein and in the Flow-Through Share Subscription Agreements, the purchaser waives any right that it may have to any potential incentive grants, credits and similar or like payments or benefits which accrue as a result of the operations relating to CEE and acknowledges that all such grants, credits, payments or benefits accrue to the benefit of the Company; (iii) the purchaser has received and reviewed a copy of this Prospectus; and (iv) the purchaser has not entered into and will not knowingly enter into any agreement or arrangement to which the Company is not a party which will cause the Flow-Through Shares to become “prescribed shares” within the meaning of Section 6202.1 of the Regulations.

The Flow-Through Share Subscription Agreements will contain additional representations, warranties and covenants by the purchaser in favor of the Company. In addition, each purchaser will acknowledge that the purchaser has been encouraged to and should obtain independent legal and tax advice with respect to such purchaser’s subscription of Units and, accordingly, has been independently advised as to the meanings of all terms contained in the Flow-Through Share Subscription Agreements relevant to the purchaser for the purposes of giving representations, warranties and covenants under the Flow-Through Share Subscription Agreements.

Notwithstanding the foregoing, the Company may enter into one or more subscription and renunciation agreements for Units on such other terms as may be agreed to by the Company and the applicable purchaser.

Warrants

The following is a summary of the principal attributes of the Warrants and certain anticipated provisions of the Warrant Indenture (as defined below). This summary does not purport to be complete and is qualified in its entirety by the detailed provisions of the Warrant Indenture. A copy of the Warrant Indenture may be obtained from the Corporation and will be available electronically at www.sedar.com and reference should be made to the Warrant Indenture for the full text of the attributes of the Warrants.

Each Warrant entitles the holder, upon the payment of the exercise price of \$1.60, to purchase one Warrant Share for a period of 24 months following the Closing Date. See “*Plan of Distribution*”.

The Warrants will be governed by an agreement to be entered into on the Closing Date (the “**Warrant Indenture**”) between the Company and Computershare Trust Company of Canada (the “**Warrant Agent**”), as warrant agent. The Company will designate the Warrant Agent, at its Calgary office, as agent for the Warrants. Prior to the closing of the Offering, the Company may name any other agent with respect to the Warrants.

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

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

The Warrant Indenture will also provide for adjustment in the class and/or number of securities or other property issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events:

- i. the reclassification of the Common Shares;
- ii. the amalgamation, arrangement or merger with or into any other corporation or other entity (other than an amalgamation, arrangement or merger which does not result in any reclassification of the Company's outstanding Common Shares or a change of the Common Shares into other shares); or
- iii. the transfer of the Company's undertakings or assets as an entirety or substantially as an entirety to another corporation or entity.

No adjustment in the exercise price or number of Warrant Shares will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price then in effect.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, the Corporation will give notice to Warrant holders of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 10 business days prior to the record date or effective date, as the case may be, of such event.

No fraction of a Warrant Share will be issued upon the exercise of a Warrant and no cash payment will be made in lieu thereof. Warrant holders are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll for such resolution, or (2) adopted by an instrument in writing signed by the holders of not less than 66 2/3% of the aggregate number of all the then outstanding Warrants.

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

Broker Warrants

As additional consideration for the Underwriters' services to the Corporation in connection with the Offering, the Underwriters will receive Broker Warrants to purchase a number of Broker Warrant Shares equal to 6% of the Units sold under the Offering, including any Over-Allotment Units issued upon the exercise of the Over-Allotment Option (subject to a reduced number of Broker Warrants equal to 3.0% of the number of Units sold in the Offering to President's List purchasers). Each Broker Warrant will be exercisable to acquire one Broker Warrant Share at a price of \$1.50 per Broker Warrant Share for a period of 24 months from the Closing Date.

The terms governing the Broker Warrants will be set out in the respective certificates representing the Broker Warrants and will include, among other things, customary provisions for adjustments upon the occurrence of certain events including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Company, or any merger, arrangement, consolidation or amalgamation of the Company with another corporation or entity as well as customary amendment provisions. The Broker Warrants will be non-transferable without the express written consent of the Company and approval of the TSXV. The Underwriters, as holders of the Broker Warrants, will not have any voting rights attached to the underlying Broker Warrant Shares until such Broker Warrant Shares are acquired in accordance with the terms of the Broker Warrants.

This Prospectus qualifies the distribution of the Broker Warrants. See "*Plan of Distribution*".

PRIOR SALES

The following table summarizes the issuances by Cassiar of Common Shares and securities convertible into Common Shares within the 12 months prior to the date of this Prospectus:

Date of Issuance	Number and Type of Securities Issued	Issue / Exercise Price (C\$)	Reason for Issuance
March 23, 2021	1,764,000 Options	\$0.60	Option grant
August 13, 2021	5,833,332 Common Shares	\$0.60	Private placement
August 13, 2021	5,833,332 Old Warrants	\$0.675	Components of units issued in a private placement
August 13, 2021	256,083 compensation warrants	\$0.675	Compensation to certain finders in connection with a private placement
August 31, 2021	150,000 Options	\$0.45	Option grant
November 15, 2021	650,000 Options	\$0.79	Option grant
November 15, 2021	216,000 Restricted Share Units ⁽¹⁾	N/A	Restricted Share Unit Grant
November 15, 2021	394,000 Deferred Share Units ⁽²⁾	N/A	Deferred Share Unit Grant
November 22, 2021	36,000 Common Shares	\$0.60	Exercise of Warrants
November 29, 2021	260,000 Common Shares	\$0.60	Exercise of Warrants
December 9, 2021	400,000 Common Shares	\$0.60	Exercise of Warrants
December 17, 2021	106,500 Common Shares	\$0.60	Exercise of Warrants
December 20, 2021	111,111 Common Shares	\$0.75	Exercise of Warrants
December 20, 2021	522,000 Common Shares	\$0.85	Exercise of Warrants
December 29, 2021	756,857 Common Shares	\$0.75	Exercise of Warrants
December 29, 2021	83,333 Common Shares	\$0.675	Exercise of Warrants
January 6, 2022	100,000 Common Shares	\$0.50	Exercise of Options
January 10, 2022	150,000 Common Shares	\$0.70	Exercise of Warrants
January 10, 2022	388,283 Common Shares	\$0.60	Exercise of Warrants
January 19, 2022	493,158 Common Shares	\$0.60	Exercise of Warrants
January 19, 2022	29,166 Common Shares	\$0.90	Exercise of Warrants
February 4, 2022	90,000 Common Shares	\$0.93	Issued in connection with a property acquisition transaction
February 22, 2022	320,000 Common Shares	\$0.60	Exercise of Warrants
February 22, 2022	243,888 Common Shares	\$0.70	Exercise of Warrants
February 22, 2022	20,833 Common Shares	\$0.90	Exercise of Warrants
February 22, 2022	400,000 Common Shares	\$0.675	Exercise of Warrants

Notes:

- (1) Issued pursuant to the Company's share unit plan (the "Share Unit Plan") dated November 15, 2021. The Share Unit Plan and any awards granted thereunder remain subject to the approval of the TSXV and disinterested shareholder approval at the Company's next annual and special meeting of shareholders, expected to occur on March 15, 2022. Each vested Restricted Share Unit entitles the holder to receive, at the discretion of the board of directors of the Company, either: (i) one Share; or (ii) a cash amount equal to the closing price of the Common Shares on the last trading date prior to the vesting date. The Restricted Share Units will vest over a period of three years, with one third vesting immediately upon receipt of final approval of the Share Unit Plan from the TSXV, and one third vesting at the end of the first and second anniversary of the date of grant.
- (2) Issued pursuant to the Share Unit Plan on November 15, 2021. The Share Unit Plan and any awards granted thereunder remain subject to the approval of the TSXV and disinterested shareholder approval at the Company's next annual and special meeting of shareholders, expected to occur on March 15, 2022. Each Deferred Share Unit shall vest upon the termination of the holder's services to the Company (other than termination for cause or without the Company's consent) and includes eligible retirement or death of the holder. Each vested Deferred Share Unit entitles the holder to receive, at the discretion of the board of directors of the Company, either: (i) one Share; or (ii) a cash amount equal to the closing price of the Common Shares on the last trading date prior to the vesting date.

TRADING PRICE AND VOLUME

Cassiar's outstanding Common Shares are listed for trading on the TSXV under the symbol "GLDC" and on the OTC under the symbol "CGLCF". The following table sets forth the high and low trading price and trading volumes of the Common Shares as reported by the TSXV and the OTC, respectively, for the periods indicated:

TSXV

Month	High (\$)	Low (\$)	Volume
March 1 – 7, 2022	1.25	1.03	2,372,658
February 2022	1.30	0.86	5,205,366
January 2022	1.33	0.84	6,825,672
December 2021	1.38	0.71	4,439,600
November 2021	1.01	0.60	6,310,100
October 2021	0.60	0.36	3,652,700
September 2021	0.56	0.35	2,912,000
August 2021	0.48	0.37	2,626,400
July 2021	0.52	0.41	1,999,200
June 2021	0.62	0.46	1,184,500
May 2021	0.66	0.41	2,307,100
April 2021	0.50	0.44	836,000
March 2021	0.47	0.40	2,084,100

OTC

Month	High (US\$)	Low (US\$)	Volume
March 1 – 7, 2022	1.04	0.83	1,399,006
February 2022	1.03	0.68	2,509,780
January 2022	1.15	0.66	3,187,038
December 2021	1.10	0.56	3,781,800
November 2021	0.81	0.46	4,893,500
October 2021	0.49	0.28	2,257,500
September 2021	0.43	0.28	1,798,000

August 2021	0.38	0.29	700,300
July 2021	0.45	0.33	663,700
June 2021	0.51	0.37	418,400
May 2021	0.44	0.34	468,500
April 2021	0.40	0.34	425,000
March 2021	0.38	0.32	345,400

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement dated March 8, 2022 between the Company and the Underwriters, the Company has agreed to sell and the Underwriters have agreed severally, and not jointly or jointly and severally, to purchase or arrange for purchase by substituted purchasers, on the Closing Date, of an aggregate of 6,666,667 Offered Units at the Offering Price for gross proceeds of \$10,000,000.50 payable in cash to the Company against delivery of the Offered Units, subject to the terms and conditions of the Underwriting Agreement. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the basis of the “disaster out”, “regulatory out”, “material change out” and “breach out” provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are, however, obligated to take up and pay for all of the Offered Units if any of the Offered Units are purchased under the Underwriting Agreement. The Offering Price was determined by arm’s length negotiation between the Company and the Co-Lead Underwriters, on behalf of the Underwriters, with reference to the prevailing market price of the Common Shares.

The Company has also granted the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters for a period of 30 days from and including the Closing Date, to purchase or arrange for purchase up to 1,000,000 Over-Allotment Units at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes.

If the Over-Allotment Option is exercised in full for Over-Allotment Units, the total “*Price to the Public*”, “*Underwriting Commission*” and “*Net Proceeds to Cassiar*” (before payment of the expenses of the Offering) will be \$11,500,000.50, \$663,000.03 and \$10,837,000.47, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units to be issued upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters’ over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases; provided, however, that the Underwriters have agreed not to fill any over-allocation position through secondary market purchases, as such Common Shares purchased in the secondary market would not be Flow-Through Shares.

In consideration for the services provided by the Underwriters in connection with the Offering and pursuant to the terms of the Underwriting Agreement, the Company has agreed to pay the Underwriters the Underwriting Commission, equal to 6% of the aggregate gross proceeds of the Offering, including in respect of any exercise of the Over-Allotment Option (subject to a reduced commission of 3.0% for gross proceeds raised from President’s List purchasers). The Company has also agreed to issue the Broker Warrants to the Underwriters equal to 6% of the total amount of the Units and Over-Allotment Units sold under the Offering (subject to a reduced number of Broker Warrants equal to 3.0% of the number of Units sold in the Offering to President’s List purchasers). This Prospectus also qualifies the issuance of the Broker Warrants. The Company will also pay certain expenses incurred by the Underwriters in connection with the Offering as set forth in the Underwriting Agreement.

The Company has agreed in the Underwriting Agreement to indemnify the Underwriters against certain liabilities, including liabilities under Canadian securities laws, and, where such indemnification is unavailable, to contribute to payments that the Underwriters may be required to make in respect of such liabilities.

The Offered Units will be offered in the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia, through the Underwriters or their affiliates who are registered to offer the Offered Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. The TSXV has not conditionally approved the Company’s listing application and there is no assurance that the TSXV will approve the listing application. Such listing will be subject to the Company fulfilling all of the listing requirements of the TSXV.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares for their own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

Subscriptions for the Offered Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Offering is expected to occur on or about March 24, 2022, or such other date as the Company and the Underwriters may agree upon, however, the Offered Units offered pursuant to this Prospectus are to be taken up by the Underwriters, if at all, on or before a date that is not later than 42 days after the date of the receipt for the final prospectus to be filed in connection with the Offering.

It is anticipated that the Unit Shares and Warrants will be delivered under the book based system through CDS or its nominee and deposited in registered or electronic form with CDS on the Closing Date. Except in limited circumstances, a purchaser of Units will receive only a customer confirmation from the registered dealer through which the Units are purchased.

Pursuant to the Underwriting Agreement, the Company has also agreed that it will use commercially reasonable efforts to cause each of the directors and executive officers of the Company to enter into lock-up agreements dated the Closing Date in a form satisfactory to the Co-Lead Underwriters, acting reasonably, to be executed concurrently with the closing of the Offering, pursuant to which each such person agrees to not, for a period ending 90 days following the Closing Date, without the prior written consent of the Co-Lead Underwriters, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, directly or indirectly offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company.

Until the date that is 120 days from the Closing Date, the Company also agreed not to, without the prior written consent of the Co-Lead Underwriters, such consent not to be unreasonably withheld or delayed, authorize, sell or issue or announce its intention to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Company (including those that are convertible or exchangeable into securities of the Company) other than (i) pursuant to the Offering; (ii) the issuance of non-convertible debt securities; (iii) the grant or exercise of stock options, share units and other similar issuances pursuant to the stock option plan or Share Unit Plan of the Company and other stock-based compensation arrangements including, for greater certainty, any existing director, officer, employee or consultant incentive plans or the sale of any shares issued thereunder; (iv) the exercise or conversion of outstanding convertible securities including outstanding warrants; or (v) in connection with an arm's length acquisition transaction.

The Underwriters propose to offer the Offered Units initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Offered Units at the Offering Price, the Offering Price may be decreased, and the compensation to be realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers of the Offered Units is less than the gross proceeds paid by the Underwriters to the Company. Any such reduction will not affect the net proceeds received by the Company.

The Unit Shares, Warrants, and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and, subject to registration under the U.S. Securities Act and applicable U.S. state securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person. Each Underwriter has agreed that, except as permitted under the Underwriting Agreement, it will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Offered Units at any time within the United States or to, or for the account or benefit of, any U.S. Person.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the

Offered Units within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

Flow-Through Shares

Subscriptions for the Units will be made pursuant to one or more subscription and renunciation agreements (collectively, the “**Flow-Through Share Subscription Agreements**”) to be made between the Company and the purchasers, but executed by one or more of the Underwriters or one or more sub-agents of an Underwriter, as agent for, on behalf of and in the name of all purchasers of the Units. The execution and delivery of a Flow-Through Share Subscription Agreement by the Underwriters or a sub-agent of an Underwriter, as agent on behalf of the purchaser, will bind such purchaser to the terms thereof as if such purchaser had executed the Flow-Through Share Subscription Agreement personally. Each purchaser who places an order to purchase Units with an Underwriter or any sub-agent of an Underwriter will be deemed to have authorized any of such Underwriters or such sub-agents to execute and deliver, on the purchaser’s behalf, the Flow-Through Share Subscription Agreement. The Underwriters acknowledge that they will have the authority to bind a purchaser to the Flow-Through Share Subscription Agreement upon receipt of an order to purchase Units from the said purchaser.

The Company understands that purchasers of Units may subsequently donate such Units to registered charitable organizations and/or sell such Units to purchasers arranged by the Underwriters, and the registered charitable organizations may also choose to sell such Units to purchasers arranged by the Underwriters. The Unit Shares comprising part of the Redistributed Units will not qualify as “flow-through shares” for a registered charity or any subsequent purchaser and consequently the Company will only renounce CEE to the original purchaser of the Units and Over-Allotment Units. This Prospectus qualifies the issuance of the Units as well as the subsequent resale of the Redistributed Units on the Closing Date or the closing date for the Over-Allotment Option, as applicable, to purchasers arranged by the Underwriters.

RISK FACTORS

An investment in the Offered Units involves a high degree of risk and must be considered speculative due to the nature of the Company’s business and present stage of exploration and development of its mineral property. Before making an investment decision, prospective purchasers should carefully consider the risks and uncertainties described below, as well as the other information contained in or incorporated by reference in this Prospectus, including the AIF. These risks and uncertainties are not the only ones facing us. Resource exploration is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity or quality to return a profit from production.

Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any such risks actually occur, our business, financial condition and operating results could be materially harmed, the value of our securities could decline and you may lose all or part of your investment. This Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See “Cautionary Note Regarding Forward-Looking Information.”

Prospective purchasers of Offered Units offered hereby should carefully consider the risk factors set out below, as well as the information included or incorporated by reference in this Prospectus before making an investment decision to purchase the Offered Units. See “Documents Incorporated by Reference”.

Risks and Other Considerations Related to this Offering

Need for Future Financing

The future development of the Company’s business will require additional financing or refinancings. There are no assurances that such financing or refinancings will be available, or if available, available upon terms acceptable to the Company. If sufficient capital is not available, the Company may be required to delay the expansion of its business and operations, which could have a material adverse effect on the Company’s business, financial condition, prospects or results of operations.

The Shares are Subject to Market Price Volatility

The market price of the Common Shares may be adversely affected by a variety of factors relating to Cassiar's business, including fluctuations in the Company's operating and financial results, the results of any public announcements made by Cassiar and the failure to meet analysts' expectations.

The market prices of securities of Cassiar have experienced wide fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of Cassiar. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. This volatility may adversely affect the market price of the Common Shares.

The price of the Common Shares is also likely to be significantly affected by short-term changes in gold prices. Other factors unrelated to the Company's performance that may have an effect on the price of the Common Shares include the following: (i) the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; (ii) lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of Common Shares; (iii) the size of the Company's public float may limit the ability of some institutions to invest in the Common Shares; and (iv) a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from the TSXV, the OTC or from any other exchange upon which the Common Shares may trade from time to time, further reducing market liquidity.

As a result of any of these factors, the market prices of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Discretion in the Use of Proceeds

Cassiar currently intends to apply the net proceeds received from the Offering as described above under the heading "*Use of Proceeds*". However, management of the Company will have discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of the Company's management for the application of the net proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of proceeds are uncertain. If the proceeds are not applied effectively, the Company's results may suffer.

Potential Dilution

Cassiar's articles of incorporation allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as shall be established by its board of directors, in many cases, without the approval of the shareholders.

Except as described under the heading "*Plan of Distribution*", the Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of options or warrants.

There are currently 65,084,038 Common Shares issued and outstanding. The increase in the number of Common Shares issued and outstanding through further issuances may have a depressive effect on the price of the Common Shares and will dilute the voting power of the Company's existing shareholders and the potential value of each of the Common Shares.

Negative Operating Cash Flow

The Company has not generated operating revenue from operations to date and has negative cash flow from operating activities. Therefore, it is subject to many risks common to comparable companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues. The Company anticipates that it will continue to have negative cash flow until such time that commercial production is achieved at one or more of the Company's properties.

To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. There can be no assurance that additional funding will be available to the Company for the exploration

and development of its projects. Furthermore, the Company may require additional financing to continue exploration of the Cassiar Gold Property, including drilling additional targets, or funding the acquisition of other property interests. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be on terms that are favourable to the Company.

Indigenous Peoples

Various national and provincial laws, codes, resolutions, conventions, guidelines and other materials relate to the rights of First Nations and Metis (“**Indigenous peoples**”). The Company operates in an area presently or previously inhabited or used by Indigenous peoples. Many of these materials impose obligations on the government to respect the rights of Indigenous peoples. Some mandate that the government consult with Indigenous peoples regarding government actions which may affect Indigenous peoples, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various national materials pertaining to Indigenous peoples continue to evolve and be defined. The Company’s current and future operations are subject to a risk that one or more groups of Indigenous peoples may oppose continued operation, further development or new development of Cassiar’s projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests or other forms of public expression against the Company’s activities. Opposition by Indigenous peoples to the Company’s operations may require modification of, or preclude operation or development of, the Company’s projects or may require the Company to enter into agreements with Indigenous peoples with respect to the Company’s projects. There can be no assurance that delays or new objections will not occur in connection with obtaining all necessary renewals of permits for the existing operations or additional permits with respect to possible future operations.

Market for Warrants

The Warrants will not be listed for trading on any stock exchange following the closing of the Offering and there is no market through which the Warrants may be sold. The Company has no intention to apply to any stock exchange for the listing of the Warrants. As a result, purchasers may not be able to resell the Warrants comprising part of the Units that are purchased under this Prospectus. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation.

Canadian Tax Treatment of Flow-Through Shares

The tax treatment applicable to mining activities and flow-through shares constitutes a major factor when considering an investment in Flow-Through Shares. Investors are cautioned that the taxation laws and regulations and the current administrative practices of both the federal and provincial tax authorities may be amended or construed in such a way that the tax considerations for a purchaser holding Flow-Through Shares will be altered and, moreover, there may be differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Flow-Through Shares, the status of such Flow-Through Shares and the activities contemplated by the Company’s development programs. See “*Flow-Through Shares — Renunciation of CEE*” and “*Certain Canadian Federal Income Tax Considerations*” above.

The Flow-Through Shares are designed for investors whose income is subject to high marginal tax rates. The right to deduct CEE accrues to the initial purchaser of the Units and is not transferable. No guarantee can be given that Canadian tax laws will not be amended, that the amendments announced with respect to such laws will be adopted or that the current administrative practices of the tax authorities will not be modified. In addition, there is no guarantee that the CEE incurred (or deemed to be incurred) by the Company or the expected tax deductions will be accepted by the Canada Revenue Agency. Consequently, the tax considerations for purchasers acquiring, holding or selling Flow-Through Shares may be fundamentally altered. See “*Flow-Through Shares — Renunciation of CEE*” and “*Certain Canadian Federal Income Tax Considerations*” above.

There is no guarantee that an amount equal to the total proceeds of the sale of the Units attributable to the Flow-Through Shares will be expended on or prior to December 31, 2023 as CEE resulting in the deductions described under “*Flow-Through Shares — Renunciation of CEE*” and “*Certain Canadian Federal Income Tax Considerations*” above. If the Company does not renounce to the purchaser, effective on or before December 31, 2022, CEE in an amount equal to the aggregate purchase price paid by such purchaser for the Units attributable to the Flow-Through Shares, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the Company shall indemnify the purchaser and pay to the latter on or before the twentieth business day following the date the amount is determined pursuant to the receipt by a purchaser of a notice of assessment or reassessment issued by the CRA (or any corresponding provincial tax authority) describing such reduction and is communicated in writing to the Company, an amount equal to the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the purchaser

(or if the purchaser is a partnership, the partners thereof) as a consequence of such failure or reduction; however, there is no guarantee that the Company will have the financial resources required to satisfy such indemnity.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Company is MNP LLP, Chartered Professional Accountants, located at 1500, 640 – 5th Avenue S.W., Calgary, Alberta T2P 3G4. MNP LLP is independent from the Company within the meaning of the rules of professional conduct of the Chartered Professional Accountants of Alberta.

Computershare Trust Company of Canada, at its principal office in Calgary, Alberta, is the Transfer Agent and registrar of the Common Shares.

AGENT FOR SERVICE OF PROCESS

Marco Roque, the President, Chief Executive Officer and a director of the Company, and Michael Wood, a director of the Company reside outside of Canada and have appointed Dentons Canada LLP, c/o Dentons Canada LLP, 1500, 850 – 2nd Street S.W., Calgary, Alberta T2P 0R8, Canada as their agent for service of process in Canada.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

LEGAL MATTERS

Certain legal matters of Canadian law in connection with the Offering will be passed upon on behalf of the Company by Dentons Canada LLP and on behalf of the Underwriters by Peterson McVicar LLP. As of the date of this Prospectus, to the best of the Company's knowledge, the partners and associates of Dentons Canada LLP, as a group, and the partners and associates of Peterson McVicar LLP, as a group, each beneficially own, directly or indirectly, in the aggregate less than 1% of the issued and outstanding Common Shares.

INTERESTS OF EXPERTS

The Technical Report relating to the Cassiar Gold Property was prepared by Scott Zelligan, P.Geo, in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). A copy of the Technical Report is available electronically on SEDAR at www.sedar.com.

All scientific and technical information contained or incorporated by reference in this Prospectus has been reviewed and approved by Jill Maxwell, P.Geo, Exploration Manager for the Company, who is a qualified person as defined under NI 43-101.

To the best of the Company's knowledge, none of the foregoing experts held any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or any of its associates or affiliates and no securities or other property of the Company or any of its associates or affiliates were subsequently received or are to be received by such experts.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the warrants are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays

additional amounts upon exercise of the warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: March 8, 2022

This short form prospectus, together with the documents incorporated by reference in this prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia.

(signed) "*Marco Roque*"

President and Chief Executive Officer

(signed) "*Don Nguyen*"

Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Stephen Letwin*"

Director

(signed) "*Wenhong Jin*"

Director

CERTIFICATE OF THE UNDERWRITERS

Dated: March 8, 2022

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference in this prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia.

RED CLOUD SECURITIES INC.

(signed) "Bruce Tatters"

Bruce Tatters
Chief Executive Officer

RAYMOND JAMES LTD.

(signed) "John Willett"

John Willett
Managing Director

BMO NESBITT BURNS INC.

(signed) "Carter Hohmann"

Carter Hohmann
Managing Director