

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Graycliff Exploration Limited** (“Graycliff” or the “Issuer”).

Trading Symbol: **GRAY**

Number of Outstanding Listed Securities: **15,354,882** common shares

Date: **September 30, 2020**

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact. **Graycliff Exploration is a mineral exploration company focused on its 517 hectares of prospective ground, located roughly 80 kilometres west of Sudbury on the prolific Canadian Shield. The Company's Shakespeare Project consists of 24 claims on a property associated with the historic Shakespeare Gold Mine, which operated from 1903 to 1907.**

Effective September 4, 2020, the issuer announced that Mr. Bruce Durham and Mr. Don McKinnon Jr. have joined the Company's Technical Advisory Board (the “Advisory Board”). Both new Advisory Board members bring extensive experience and have deep knowledge of the area hosting Graycliff's Shakespeare Project. Mr. Durham will also serve as the Company's Qualified Person (“QP”).

Mr. Bruce Durham - Mr. Bruce Durham, a Professional Geologist and University of Western Ontario graduate, has held numerous senior positions with successful exploration groups and currently is CEO and Director of Nevada Zinc Corporation. He has worked in mineral exploration for over 40 years with junior and senior mining companies exploring for precious and base metal deposits in Ontario and Quebec as well as with companies exploring across Canada, in the USA, South America, and Africa. Mr. Durham has been an integral member or leader of various exploration teams credited with the discovery of several significant economic mineral deposits including: the David Bell Mine (Hemlo), the Golden Giant Mine (Hemlo), the Redstone Nickel Mine (Timmins), the Bell Creek Mine (Timmins) and deposits being mined at the Nunavik Nickel project in Quebec. In addition to being the first geologist to move to the Hemlo area he was there for the exciting early exploration activity that occurred during the Hemlo Gold Rush in the early 1980's, working with the likes of the late Don McKinnon (senior), who became famous for his involvement in virtually everything that occurred during the Hemlo Gold Rush. Mr. Durham was also instrumental in land acquisition and exploration at both the Bell Creek Mine area and the West Timmins area where Tahoe Resources Ltd. (Pan American Silver) has operations in the Timmins Ontario area. Mr. Durham served in various capacities with Canadian Royalties Inc. including President and CEO during a time when

Canadian Royalties discovered several Ni-Cu-PGE deposits in the area south of the Glencore's Raglan Nickel Mine. The Canadian Royalties project is now in production and operated by a China-based group. Mr. Durham was Chairman of Temex Resources Corp. prior to its sale to Lakeshore Gold Corporation (now Pan American Silver) and until recently he was Chairman of Rockcliff Metals Corporation.

Mr. Don McKinnon - Jr. Don McKinnon is seasoned experienced prospector who has been following in his father's footsteps (Don McKinnon Sr. founder of the Hemlogold camp– Canadas' richest gold mining district) in all aspects of mining and exploration his entire working adult life. Mr. McKinnon was instrumental in bringing Liberty Mines Ltd. to full production in Timmins, Ontario and creating substantial shareholder value as a result. Mr. McKinnon has vast experience actively exploring mining properties in Ontario and internationally. This includes been involved in managing all aspects of exploration from property acquisition and grass roots exploration, to seeing projects through to the development stage. Mr. McKinnon also has an extensive network of business associates throughout Canada as well as internationally.

Effective September 24, 2020, the issuer reported that it has completed a non-brokered private placement offering that was primarily with one strategic investor (the "Financing") for gross proceeds of \$530,000, subject to final regulatory and exchange approvals. The Financing consists of 5% unsecured convertible debentures (the "Debenture") at an issue price of \$1,000 per Debenture. The Debenture will have a maturity of twenty-four (24) months from the closing date of the Financing and will bear interest at a rate of 5% per annum, payable at maturity in cash or common shares of the Company ("Common Shares") at the conversion price. Each Debenture may be converted at the option of the holder into 1,667 Common Shares. The conversion price for the Common Shares is equal to \$0.60 per share and the Debentures are subject to a four-month hold period under applicable Canadian securities law. Graycliff intends to use the net proceeds from the Financing for exploration at the Shakespeare Project as well as marketing and general working capital purposes.

Effective September 28 2020, the issuer announced the commencement of the 2020 exploration program on the Company's 517 hectare Shakespeare Gold Project located on the prolific Canadian Shield near Sudbury, Ontario. As part of the 2020 exploration plan, the Company will focus primarily around the brownfields area surrounding the past producing Shakespeare gold mine. Exploration highlights include:

- Historical data compilation and desktop analysis of historic work
- Line cutting and prospect mapping of all historical trenches
- IP and geophysical surveys - highlight drill targets
- Drilling program - approximately 2,000 metres of diamond drilling

2. Provide a general overview and discussion of the activities of management.
See Item 1
3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.
See Item 1
4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.
N/A
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.
N/A
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.
N/A
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.
N/A
8. Describe the acquisition of new customers or loss of customers.
N/A
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.
N/A
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
See Item 1

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
convertible debentures	530	(2)	

(1) State aggregate proceeds and intended allocation of proceeds.

(2) The Financing for gross proceeds of \$530,000 consists of 5% unsecured convertible debentures (the “Debentures”) at an issue price of \$1,000 per Debenture. The Debentures will have a maturity of September 24, 2022 and will bear interest at a rate of 5% per annum, payable at maturity in cash or common shares of the Company (“Common Shares”) at the conversion price of \$0.60 per common shares (or 1,667 common shares per \$1,000 of Debentures). The Debentures are subject to a four-month hold period under applicable Canadian securities law. Graycliff intends to use the net proceeds for exploration at the Shakespeare Project as well as marketing and general working capital purposes.

15. Provide details of any changes in directors, officers or committee members.

See Item 1

16. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends. **N/A**

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **October 6, 2020**

James Macintosh

Name of Director or Senior
Officer

/s/ James Macintosh

Signature

President and CEO

Official Capacity

<i>Issuer Details</i> Name of Issuer Graycliff Exploration Limited	For Month End September 2020	Date of Report YY/MM/D 20/10/06
Issuer Address 2702 – 401 Bay Street		
City/Province/Postal Code Toronto, ON M5H 2Y4	Issuer Fax No. N/A	Issuer Telephone No. (416) 862-7003
Contact Name James Macintosh	Contact Position President & CEO	Contact Telephone No. (416) 862-7003
Contact Email Address jm@graycliffexploration.com	Web Site Address www.graycliffexploration.com	