# AMERICAN PACIFIC MINING CORP.

# ANNUAL INFORMATION FORM

## FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2021

## DATED AS OF SEPTEMBER 21, 2022

**SUITE 910 - 510 BURRARD STREET**
**VANCOUVER, B.C.**
**V6C 3A8**

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## PRELIMINARY NOTES

In this Annual Information Form (the "**AIF**") American Pacific Mining Corp. is referred to as the "**Company**" or "**APM**". All information in this AIF is as at December 31, 2021 unless otherwise indicated.

All dollar amounts are expressed in thousands of Canadian dollars unless otherwise indicated.

Common shares of the Company are referred to as "**Common Shares**", the "**Shares**" or "**APM Shares**".

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

APM cautions readers regarding forward-looking statements found in this document and in any other statement made by, or on the behalf of the Company. Such statements may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information involves statements that are not based on historical information but rather relate to future operations, strategies, financial results or other developments. Forward-looking information is necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond APM's control and many of which, regarding future business decisions, are subject to change. These uncertainties and contingencies can affect actual results and could cause actual results to differ materially from those expressed in any forward-looking statements made by or on the Company's behalf. Although APM has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. All factors should be considered carefully and readers should not place undue reliance on APM's forward-looking information. Examples of such forward-looking information within this AIF include statements relating to: the future price of minerals, future capital expenditures, success of exploration activities, mining or processing issues, government regulation of mining operations and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "expects", "estimates", "anticipates", or variations of such words and phrases (including negative and grammatical variations) or statements that certain actions, events or results "may", "could", "might" or "occur". Forward-looking information is made based on management's beliefs, estimates and opinions and are given only as of the date of this AIF. The Company undertakes no obligation to update forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

Forward-looking information reflects APM's current views with respect to expectations, beliefs, assumptions, estimates and forecasts about the Company's business and the industry and markets in which the Company operates. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions, which are difficult to predict. Assumptions underlying the Company's expectations regarding forward-looking statements or information contained in this AIF include, among others, the Company's ability to comply with applicable governmental regulations and standards, the Company's success in implementing its strategies, achieving the Company's business objectives, the Company's ability to raise sufficient funds from equity financings in the future to support its operations, and general business and economic conditions. The foregoing list of assumptions is not exhaustive.

Persons reading this AIF are cautioned that forward-looking statements are only predictions, and that the Company's actual future results or performance are subject to certain risks and uncertainties including:

- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title;
- risks related to the Company's history of losses, which may continue in the future;

- risks related to increased competition and uncertainty related to additional financing that could adversely affect the Company's ability to attract necessary capital funding or obtain suitable properties for mineral exploration in the future;
- risks related to the Company's officers and directors becoming associated with other natural resource companies, which may give rise to conflicts of interest;
- uncertainty and volatility related to stock market prices and conditions;
- further equity financing(s), which may substantially dilute the interests of the Company's shareholders;
- risks relating to our exploration operations in the United States;
- dependence on general economic, market or business conditions;
- changes in business strategies;
- environmental risks and remediation measures;
- changes in laws and regulations;
- labour and employment, and dependence on key personnel; and
- other factors described under the heading "*Risk Factors*" in this AIF.

**Material Risks and Assumptions:**

The forward-looking information in this AIF reflects our current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by us, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking information contained in this AIF and documents incorporated by reference, and we have made assumptions based on or related to many of these factors.

Such factors include, without limitation:

- fluctuations in spot and forward markets for silver, gold, base metals and certain other commodities (such as natural gas, fuel oil and electricity)
- our ability to successfully explore mineral properties to achieve profitable commercial mining operations;
- risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, potential unintended releases of contaminants, industrial accidents, unusual or unexpected geological or structural formations, pressures, cave-ins and flooding);
- the uncertainty attributable to the calculation and estimates of mineral reserves and mineral resources and metal grades;
- our ability to secure the additional financing necessary to continue exploration activities;
- our ability to meet the specialized skill and knowledge requirements that APM's business demands;
- increased competition in the mining industry for properties and equipment;

- our ability to meet various property commitments related to land payments, royalties and/or work commitments;
- environmental regulations and legislation;
- the effects of climate change, extreme weather events, water scarcity, and seismic events, and the effectiveness of strategies to deal with these issues;
- restrictions on mining in the jurisdictions in which we operate;
- laws and regulations governing our operation, exploration and development activities;
- our ability to obtain or renew the licenses and permits necessary for the operation and expansion of our existing operations and for the development, construction and commencement of new operations;
- disputes as to the validity of mining or exploration titles or claims or rights, which constitute most of our property holdings;
- our ability to recruit and retain qualified personnel;
- employee relations;
- claims and legal proceedings arising in the ordinary course of business activities;
- the availability of insurance to cover the risks to which APM's activities are subject;
- the limited business history and absence of history of earnings of APM;
- the difficulties for investors located in the United States or outside of Canada to bring an action against directors, officers or experts who are not resident in the United States;
- the speculative nature of mineral exploration and development;
- tax implications for investors if APM is a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code ("**PFIC**");
- the impact of fluctuations in currency markets (such as the U.S. dollar versus the Canadian dollar);
- volatility of the price and volume of the securities markets in the United States and Canada;
- volatility of the metals markets, and its potential to impact our ability to meet our financial obligations;
- our inability to pay dividends;
- inherent risks associated with tailings facilities and heap leach operations, including failure or leakages;
- the inability to determine, with certainty, production and cost estimates;
- relations with and claims by local communities and non-governmental organizations;
- relations with and claims by indigenous populations;
- our ability to continue our exploration operations in the United States;

- inadequate or unreliable infrastructure (such as roads, bridges, power sources and water supplies);
- our ability to complete and successfully integrate acquisitions;
- access restrictions, limited supply of materials, and lack of infrastructure on the Company's mineral properties or those it has an interest in;
- the effectiveness of our internal control over financial reporting; and
- those factors identified under the caption "*Risks Factors*" in this AIF and the documents incorporated by reference herein, if any.

You should not attribute undue certainty to forward-looking information. Although we have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as described. We do not intend to update forward-looking information to reflect changes in assumptions or changes in circumstances or any other events affecting such information, other than as required by applicable law.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

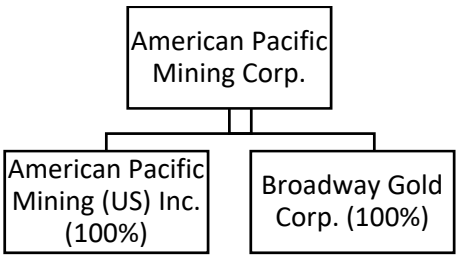
The Company was incorporated under the *Business Corporations Act* (British Columbia) on July 1, 2017 under the name "American Pacific Mining Corp.". The Company's registered and records office is located at Suite 1500 Royal Centre, 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. The Company's head office is located at Suite 910 - 510 Burrard Street, Vancouver, British Columbia V6C 3A8. The Company is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia.

Effective March 8, 2018, the Common Shares commenced trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "USGD", on the Frankfurt Exchange on March 29, 2018 under the symbol "1QC", and on the OTCQX Best Market on February 25, 2022 under the symbol "USGDF". On August 17, 2020, the Common Shares graduated from the OTC Pink Open Market to the OTCQB under the symbol "USGDF".

### Inter-corporate Relationships

The Company has two wholly-owned subsidiaries:

- American Pacific Mining (US) Inc. ("**APM (US)**"), which was incorporated in Nevada, USA; and
- Broadway Gold Corp., incorporated in Montana, USA.



## GENERAL DEVELOPMENT OF THE BUSINESS

### Three Year History

***2019***

- On February 28, 2019, the Company completed a non-brokered private placement of 14,602,000 units at a price of $0.10 for gross proceeds of $1,460,200 (the "**February 2019 Financing**"). Each unit consists of one Common Share and one-half warrant. Each whole warrant entitles its holder to purchase one additional Common Share at an exercise price of $0.20 at any time prior to February 29, 2020, subject to an early expiry of the exercise period if, at any time after four months from closing, the closing price of the Common Shares is greater than $0.25 for five or more consecutive trading days. In connection with the February 2019 Financing, the Company paid as a finder's fee $35,364 and issued 353,640 Finder's Warrants priced at $0.20.

- On April 23, 2019, the Company acquired through staking the historic Gooseberry Mine in Storey County, Nevada, U.S. for a total of US$20,000.

- On July 29, 2019, the Company completed a non-brokered private placement of 9,325,000 units at a price of $0.10 per unit for gross proceeds of $932,500 (the "**July 2019 Financing**"). Each unit consists of one Common Share and one-half warrant. Each whole warrant entitles its holder to purchase one additional Common Share at an exercise price of $0.20 for a period of 12 months, subject to an early expiry of the exercise period if, at any time after four months from closing, the closing price of the Common Shares is greater than $0.25 for five or more consecutive trading days. In connection with the July 2019 Financing, the Company paid $23,400 as a finder's fee and issued 234,000 Finder's Warrants priced at $0.20.

- On October 31, 2019, the Company announced the appointment of a new independent Director to the Board, Mr. Joness Lang. Mr. Lang was previously appointed to the advisory board of APM on May 7, 2018, and will now join the board of directors. Alnesh Mohan resigned from the Board.

***2020***

- On April 14, 2020, the Company signed a definitive agreement with Madison Metals Inc. ("**Madison Metals**") to acquire the Madison Copper Gold Project near Silver Star Montana, USA (see "*Business Description – Non-Material Mineral Properties – Madison Copper Gold Project, Silver Star Montana, U.S.*").

- On April 16, 2020 at the start of market trading, the Company consolidated its Common Shares with a roll back of three old shares for one new share (3 for 1). The record (effective) date for the consolidation was April 17, 2020.

- On May 22, 2020, the Company completed an oversubscribed non-brokered private placement of 23,918,035 units at a price of $0.125 per unit for gross proceeds of $2,989,754.44 (the "**May 2020 Financing**"). Each unit consists of one Common Share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional Common Share at an exercise price of $0.20 for a period of 18 months.

- On June 26, 2020, the Company completed the transaction with Madison Metals and acquired all of the issued and outstanding shares of Broadway Gold Corp. from Madison Metals. Broadway is the owner of the Madison Copper Gold Project near Silver Star Montana, USA.

- On July 23, 2020, the Company announced that it extended the expiration date of 1,554,168 warrants issued pursuant to the July 2019 Financing by 60 calendar days. The expiry date was

extended from July 29, 2020 to September 27, 2020. All other terms and conditions of the warrants remain the same.

- On August 17, 2020, the Common Shares graduated from the OTC Pink Open Market to commence trading on the OTCQB under the symbol "USGDF".

***2021***

- On February 3, 2021, the Company announced that the final payment of $150,000 to Novo Resources Corp. for the Tuscarora Gold Project was made and finalized the Company's 100% ownership of the Tuscarora Gold Project.

- On March 12, 2021, the Company appointed Alnesh Mohan as Chief Financial Officer and Corporate Secretary of the Company. The appointment of Mr. Mohan filled the vacancy created by the resignation of Norman Wareham.

- On May 27, 2021, the Company announced that Rio Tinto commenced drilling at the Company's Madison Copper Gold Project.

- On June 8, 2021, the Company completed a non-brokered private placement of 8,181,964 units at $0.125 per unit for total gross proceeds of $1,022,746 with a strategic investor, Michael Gentile, CFA (the "**June 2021 Financing**"). Each unit is comprised of one Common Share and one transferable common share purchase warrant, with each warrant entitling the holder to purchase one additional Common Share at a price of $0.16 per Common Share for a period of two years.

- On August 30, 2021, the Company announced the resignation of Norm Wareham from the board of directors.

- On September 15, 2021, the Company announced that it entered into a definitive agreement with Ubica Gold Corp, ("**Ubica**") a project generator majority owned by Plethora Private Equity, whereby the Company will acquire the assets Ubica owns, being 77 claims at Tuscarora totaling 1,031 acres in consideration for: (i) the issuance of 3,700,000 Common Shares to Ubica and (ii) a cash payment of $800,000.

- On December 13, 2021, the Company closed an oversubscribed non-brokered private placement raising gross proceeds of $10,146,000 through the issuance of 10,146,000 units at $1.00 each the "**December 2021 Financing**"). Each Unit consists of one Common Share and one-half of one transferable warrant. Each whole Warrant entitles the holder to purchase one additional Common Share at an exercise price of $1.40 for a period of 24 months from the closing, subject to earlier expiry of the exercise period if, at any time after four months from closing, the closing price of the Common Shares is greater than $2.00 for ten or more consecutive trading days. The Company paid finder's fees of $649,320 and 649,320 finder's warrants in connection with the December 2021 Financing.

***Subsequent to Year Ended December 31, 2021***

- On February 25, 2022, the Common Shares commenced trading on the OTCQX Best Market under the ticker symbol of USGDF. The OTCQX Best Market is the highest market tier of OTC Markets on which 11,000 U.S. and global securities trade, providing value and convenience to U.S. investors, brokers and institutions seeking to trade USGDF.

- On August 15, 2022, the Company announced that it agreed to acquire all of the common shares of Constantine Metal Resources Ltd. ("**Constantine**"). Constantine shareholders will be entitled to receive 0.881 of a common share of the Company for each share of Constantine held (the "**Consideration**")pursuant to the terms of an arrangement agreement between the parties dated

August 15, 2022 (the "**Arrangement Agreement**"). The Consideration values Constantine at approximately C$0.43 per share. Upon completion of the transaction, Constantine shareholders are expected to hold approximately 31.4% of the Company's APM Shares.

## BUSINESS DESCRIPTION

### General

The Company is engaged in the business of mineral exploration and its objective is to locate and develop mineral properties in Western United States. At the end of 2021 the Company had no full time employees and two part-time employees.

### Material Mineral Projects

***Gooseberry Mine, Storey, Nevada, U.S.***

On April 23, 2019 the Company staked the historic gold and silver Gooseberry Mine in Storey County Nevada, USA (the "**Gooseberry Property**"). The Gooseberry Property was staked for a total of $20,000 and includes 42 unpatented claims encompassing the prospective 708 acre property. APM intends to undertake data review, sampling and eventual drilling on the Gooseberry Property.

Sporadic hard rock gold and silver mining took place at Gooseberry Property between 1906 - 1991, with little to no exploration occurring beneath the lower levels of the underground mine. The Ramsey district, where the project is located, also remains under-explored compared to many other areas of Nevada. Infrastructure includes power to the area, main highways and some roads through the project which may need minor rehabilitation.

The Gooseberry Property is a low sulphidation, epithermal system with high-grade gold and silver mineralization hosted in quartz carbonate veins. The project was intermittently productive over the last century, and it is believed that there is a lot of exploration potential remaining over the project area.

***Madison Copper Gold Project, Silver Star Montana, U.S.***

The Madison Copper Gold Project (the "**Madison Project**") is located in the heart of Montana's prolific copper-gold belt only 38km southeast of the world-renowned Butte Mining District. The project, a high-grade Cadia-like skarn over porphyry system, encompasses 2,514 acres consisting of six patented lode claims and 136 unpatented mineral claims. Recent interpretations identified multiple priority target areas believed to be associated with large-scale porphyry mineralization at depth and located within a well-mineralized, two-mile-long geological, geophysical and geochemical trend. The project is permitted for mining, surface and underground exploration.

The Broadway mine produced 144,000 ounces of gold from 1880-1950. The Madison mine was developed between 2005 - 2011 and generated 7,570 ounces of gold and 3,020,000 pounds of copper from bulk samples of 19,803 tons (average 0.52 ounce/ton Au and 25% Cu). Approximately 3,000 total feet of underground workings go to a depth of 215 feet underground. Broadway Gold Mining Ltd. refurbished parts of the Madison Mine in 2017, rehabilitating the underground workings in order to access certain stopes and mineralization, allowing for a successful exploration drill program to take place as well. Currently, known skarn mineralization, gold-bearing jasperoid and massive sulphide gold and copper mineralization is proposed to be linked to a deeper porphyry system.

The Madison Project is currently under an earn-in, joint venture agreement signed by Broadway Gold Corp. on April 30, 2019, whereby Kennecott Exploration Company ("**Kennecott**"), part of the Rio Tinto Group must spend an aggregate of US$30 million to earn up to 70% of the project (the "**Madison Option and JV Agreement**").

***Tuscarora Property, Elko County, Nevada, U.S.***

The Tuscarora Property is APM's material property which consists of 91 unpatented lode mining claims covering approximately 761 hectares (1,880 acres) within the Tuscarora Mining District in Elko County, Nevada. The Tuscarora Property is geographically centred at 116º 13' 25" West longitude and 41º 18' 21" North latitude (or UTM coordinates 565,000E and 4,573,000N) within sections 2 and 3, township 39 North, range 51 East and section 35, township 40 North, range 51 East, 40 air-miles northwest of Elko city, Nevada. The Tuscarora Property lies at the foot of Mount Blitzen on the eastern slope of the Northern Tuscarora Range on the Tuscarora and Mount Blitzen quadrangle 7.5-minute topographic map sheets.

**Non-Material Mineral Projects**

***South Lida Property, Nevada, U.S.***

On July 1, 2017, the Company entered into a purchase agreement (the "**South Lida Agreement**") to purchase twelve claims located in Nevada, U.S. (the "**South Lida Property**").

The transaction to acquire the South Lida Property was a non-arm's length transaction pursuant to which the Company acquired an undivided 100% of all the right, title, and interest in and to the South Lida Property. As consideration, the Company issued 500,000 Common Shares on signing of the South Lida Agreement.

**Risk Factors**

An investment in securities of APM involves significant risks, which should be carefully considered by prospective investors before purchasing such securities. Management of APM considers the following risks to be most significant for potential investors in APM, but such risks do not necessarily comprise all those associated with an investment in APM. Additional risks and uncertainties not currently known to management of APM may also have an adverse effect on APM's business. If any of these risks actually occur, APM's business, financial condition, capital resources, results of operations and/or future operations could be materially adversely affected.

In addition to the other information set forth elsewhere in this AIF, the following risk factors should be carefully considered when assessing risks related to APM's business.

***Commodity Price Fluctuations and Cycles***

Resource exploration is significantly linked to the outlook for commodities. When the price of commodities being explored declines investor interest subsides and capital markets become very difficult. The price of commodities varies on a daily basis and there is no proven methodology for determining future prices. Price volatility could have dramatic effects on the results of operations and the ability of APM to execute its business plan. The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Fluctuations in supply and demand in various regions throughout the world are common. In recent years, mineral prices have fluctuated widely. Moreover, it is difficult to predict future mineral prices with any certainty. As APM's business is in the exploration stage and as APM does not carry on production activities, its ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

Gold prices specifically are historically subject to wide fluctuation and are influenced by a number of factors beyond the control or influence of the Company. Some factors that affect the price of gold include: industrial and jewellery demand; central bank lending or purchase or sales of gold bullion; forward or short sales of gold by producers and speculators; future level of gold productions; and rapid short-term changes in supply and demand due to speculative or hedging activities by producers, individuals or funds. Gold prices are also affected by macroeconomic factors including: confidence in the global monetary system; expectations

of the future rate of inflation; the availability and attractiveness of alternative investment vehicles; the general level of interest rates; the strength of, and confidence in the U.S. dollar, the currency in which the price of gold is generally quoted, and other major currencies; global and regional political or economic events; and costs of production of other gold producing companies. All of the above factors can, through their interaction, affect the price of gold by increasing or decreasing the demand for or supply of gold.

***Exploration Activities May Not be Successful***

Exploration for, and development of, mineral properties involves significant financial risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling, to complete a feasibility study and to construct mining and processing facilities at a site for extracting gold or other metals from ore. APM cannot ensure that its future exploration programs will result in profitable commercial mining operations.

Also, substantial expenses may be incurred on exploration projects that are subsequently abandoned due to poor exploration results or the inability to define reserves that can be mined economically. Development projects have no operating history upon which to base estimates of future cash flow. Estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon detailed geological and engineering analysis. There have been no feasibility studies conducted in order to derive estimates of capital and operating costs including, among others, anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, ground and mining conditions, expected recovery rates of the gold or copper from the ore, and anticipated environmental and regulatory compliance costs.

It is possible that actual costs and economic returns of future mining operations may differ materially from APM's best estimates. It is not unusual in the mining industry for new mining operations to experience unexpected problems during the start-up phase and to require more capital than anticipated. These additional costs could have an adverse impact on APM's future cash flows, earnings, results of operations and financial condition.

***Exploration Stage Operations***

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. The Company has implemented safety and environmental measures designed to comply with or exceed government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts as it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

The mineral exploration business is very speculative. All of the Company's properties are at an early stage of exploration. Mineral exploration involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain adequate machinery, equipment and/or labour are some of the risks involved in mineral exploration activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial or any quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that the properties will be brought into commercial production or that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the

deposit, such as size, grade and proximity to infrastructure, as well as gold prices. Most of the above factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

***Calculation of Reserves, Resources and Precious Metal Recoveries***

There is a degree of uncertainty attributable to the calculation and estimates of mineral reserves and mineral resources and the corresponding metal grades to be mined and recovered. Until reserves or resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Company's properties. To date, the Company has not established mineral reserves on any of its mineral properties.

***Additional Funding Requirements***

As APM's business is in the exploration stage and as APM does not carry on production activities, it will require additional financing to continue its operations. Its ability to secure additional financing and fund ongoing exploration is affected by the strength of the economy and other general economic factors. There can be no assurance that APM will be able to obtain adequate financing in the future, or that the terms of such financing will be favourable for further exploration and development of its projects. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources.

***Specialized Skill and Knowledge***

Various aspects of APM's business require specialized skills and knowledge. Such skills and knowledge include the areas of permitting, geology, drilling, metallurgy, logistical planning and implementation of exploration programs as well as finance and accounting. APM's management team and board of directors provide much of the specialized skill and knowledge. APM also retains outside consultants as additional specialized skills and knowledge are required. However, it is possible that delays and increased costs may be experienced by APM in locating and/or retaining skilled and knowledgeable employees and consultants in order to proceed with its planned exploration and development at its mineral properties.

***Competitive Conditions***

APM competes against other companies to identify suitable exploration properties. Competition in the mineral exploration business is intense, and there is a high degree of competition for desirable mineral leases, suitable prospects for drilling operations and necessary exploration equipment, as well as for access to funds. APM is competing with many other exploration companies possessing greater financial resources and technical facilities than that currently held by APM.

***Environmental Protection***

APM's properties are subject to stringent laws and regulations governing environmental quality. Such laws and regulations can increase the cost of planning, designing, installing and operating facilities on our properties. However, it is anticipated that, absent the occurrence of an extraordinary event, compliance with existing laws and regulations governing the release of materials in the environment or otherwise relating to the protection of the environment, will not have a material effect upon APM's current operations, capital expenditures, earnings or competitive position.

***Property Commitments***

APM's mineral properties and/or interests may be subject to various land payments, royalties and/or work commitments. Failure by APM to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

***Environmental Regulatory Risks***

APM's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation and regulation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain exploration industry operations, such as from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Future legislation and regulations could cause additional expenses, capital expenditures, restrictions, liabilities and delays in exploration of any of APM's properties, the extent of which cannot be predicted. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

***Climate Change***

Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulations relating to Greenhouse gas emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend continues, and the increased transitional risks evolve as society and industry work to reduce its reliance on carbon, the operating costs could increase at its operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These physical risks include changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, increased snowpack and extreme weather events. Such events could materially disrupt the APM's operations if they affect the sites of properties, impact local infrastructure or threaten the health and safety of the Company's employees and contractors, and there can be no assurances that APM will be able to predict, respond to, measure, monitor or manage the physical risks posed as a result of climate change factors. Climate-related risks could also result in shifts in demand for certain commodities, including precious metals. The APM's own operations are exposed to climate-related risks as a result of geographical location. APM has sought to reduce its environmental footprint and located its operations in appropriate facilities; however, the Company's operations may be adversely affected by climate change factors. Therefore, such an event could result in material economic harm to the Company.

APM acknowledges international and community concerns around climate change. APM supports initiatives consistent with international initiatives on climate change. While some of the costs associated with reducing Greenhouse gas emissions may be offset by increased energy efficiency and technological innovation, the increased government regulation may result in increased costs at some of APM's mining operations if the current regulatory trend continues.

The occurrence of any climate change violation or enforcement action may have an adverse impact on the Company's operations, the Company's reputation and could adversely affect the Company's results of operations. As well, environmental hazards caused by third parties may exist on a property in which the owners or operators of the mining projects are not aware at present, and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

***Changes in Government Regulation***

Changes in government regulations or the application thereof and the presence of unknown environmental hazards on any of APM's mineral properties may result in significant unanticipated compliance and reclamation costs. Government regulations relating to mineral rights tenure, permission to disturb areas and the right to operate can adversely affect APM.

APM may not be able to obtain all necessary licenses and permits that may be required to carry out exploration on any of its projects. Obtaining the necessary governmental permits is a complex, time consuming and costly process. The duration and success of efforts to obtain permits are contingent upon many variables not within our control. Obtaining environmental permits may increase costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary approvals and permits will be obtained and, if obtained, that the costs involved will not exceed those that we previously estimated. It is possible that the costs and delays associated with the compliance with such standards and regulations could become such that we would not proceed with the development or operation.

***Properties May be Subject to Defects in Title***

APM has investigated its rights to explore and exploit its projects and, to the best of its knowledge, its rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to APM's detriment. There can also be no assurance that APM's rights will not be challenged or impugned by third parties.

Some APM mineral claims may overlap with other mineral claims owned by third parties which may be considered senior in title to the APM mineral claims. The junior claim is only invalid in the areas where it overlaps a senior claim. APM has not determined which, if any, of the APM mineral claims is junior to a mineral claim held by a third party.

Although APM is not aware of any existing title uncertainties with respect to any of its projects, there is no assurance that such uncertainties will not result in future losses or additional expenditures, which could have an adverse impact on APM's future cash flows, earnings, results of operations and financial condition.

***Dependence on Key Personnel***

APM's senior officers are critical to its success. In the event of the departure of a senior officer, APM believes that it will be successful in attracting and retaining qualified successors but there can be no assurance of such success. Recruiting qualified personnel as APM grows is critical to its success. The number of persons skilled in the acquisition, exploration of mining properties is limited and competition for such persons is intense. As APM's business activity grows, it will require additional key financial, administrative, mining and exploration personnel, and potentially additional operations staff. If APM is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of APM.

The mining industry has been impacted by increased worldwide demand for critical resources including industry consultants, engineering firms and technical experts. These shortages have caused increased costs and delays in planned activities. APM is also dependent upon a number of key personnel, including the services of certain key employees and consultants/contractors. APM's ability to manage its activities, and hence its success, will depend in large part on the efforts of these individuals. APM faces intense competition for qualified personnel, and there can be no assurance that Company will be able to attract and retain such personnel. If the Company is unable to attract or retain qualified personnel as required, it may not be able to adequately manage and implement its business plan.

***Labour and Employment***

Relations between the Company and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Company carries on business. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition. As the Company's business grows, it will require additional key financial, administrative, mining, marketing and public relations personnel as well as additional staff for operations.

***Legal and Litigation Risks***

All industries, including the exploration industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which APM may become subject could have a material adverse effect on APM's business, prospects, financial condition, and operating results. Defense and settlement of costs of legal claims can be substantial.

***Risks Relating to Statutory and Regulatory Compliance***

APM's current and future operations, from exploration through development activities and commercial production, if any, are and will be governed by applicable laws and regulations governing mineral claims acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities and in the development and operation of mines and related facilities, generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. APM has received all necessary permits for the exploration work it is presently conducting; however, there can be no assurance that all permits which APM may require for future exploration, construction of mining facilities and conduct of mining operations, if any, will be obtainable on reasonable terms or on a timely basis or at all, or that such laws and regulations would not have an adverse effect on any project which APM may undertake.

Failure to comply with applicable laws, regulations and permits may result in enforcement actions thereunder, including the forfeiture of claims, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or costly remedial actions. APM may be required to compensate those suffering loss or damage by reason of its mineral exploration activities and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits. APM is not currently covered by any form of environmental liability insurance. See "*Risk Factor - Insurance Risk*", below.

Existing and possible future laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on APM and cause increases in capital expenditures or require abandonment or delays in exploration.

***Insurance Risk***

APM is subject to a number of operational risks and may not be adequately insured for certain risks, including: accidents or spills, industrial and transportation accidents, which may involve hazardous materials, labour disputes, catastrophic accidents, fires, blockades or other acts of social activism, changes in the regulatory environment, impact of non-compliance with laws and regulations, natural phenomena such as inclement weather conditions, floods, earthquakes, ground movements, cave-ins, and encountering unusual or unexpected geological conditions and technological failure of exploration methods.

There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of APM, personal injury or death, environmental damage or, regarding the exploration activities of APM, increased costs, monetary losses and potential legal liability and adverse governmental

action, all of which could have an adverse impact on APM's future cash flows, earnings, results of operations and financial condition. The payment of any such liabilities would reduce the funds available to APM. If APM is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

No assurance can be given that insurance to cover the risks to which APM's activities are subject will be available at all or at commercially reasonable premiums. APM is not currently covered by any form of environmental liability insurance, since insurance against environmental risks (including liability for pollution) or other hazards resulting from exploration activities is unavailable or prohibitively expensive. This lack of environmental liability insurance coverage could have an adverse impact on APM's future cash flows, earnings, results of operations and financial condition.

***Limited Business History and No History of Earnings***

APM has only recently commenced operations and has no history of operating earnings. The likelihood of success of APM must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. APM has limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that APM will ultimately generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

In addition, APM's activities are focused primarily on precious metal opportunities in the Western United States. Any adverse changes or developments affecting this project would have a material and adverse effect on APM's business, financial condition, results of operations and prospects.

***Claims by Investors Outside of Canada***

APM is incorporated under the laws of British Columbia and its head office is located in Vancouver, British Columbia. The majority of APM's directors and officers, and some of the experts named herein, are residents of Canada or otherwise reside outside of the United States, and all or a substantial portion of their assets, and a substantial portion of APM's assets, are located outside of the United States. As a result, it may be difficult for investors in the United States or outside of Canada to bring an action against directors, officers or experts who are not resident in the United States. It may also be difficult for an investor to enforce a judgment obtained in a United States court or a court of another jurisdiction of residence predicated upon the civil liability provisions of United States federal securities laws or other laws of the United States or any state thereof or the equivalent laws of other jurisdictions outside of Canada against those persons or APM.

***Changes in the Market Price of Common Shares may be Unrelated to APM's Results of Operations and could have an Adverse Impact on APM***

The APM Shares are listed on the CSE, the Frankfurt Stock Exchange, the OTCQX Best Market and the OTCQB. The price of APM Shares is likely to be significantly affected by short-term changes in the gold price or in its financial condition or results of operations as reflected in its quarterly earnings reports. Other factors unrelated to APM's performance that may have an effect on the price of APM Shares and may adversely affect an investors' ability to liquidate an investment and consequently an investor's interest in acquiring a significant stake in APM include: a reduction in analytical coverage by investment banks with research capabilities; a drop in trading volume and general market interest in APM's securities; a failure to meet the reporting and other obligations under relevant securities laws or imposed by applicable stock exchanges could result in a delisting of APM Shares and a substantial decline in the price of the APM Shares that persists for a significant period of time.

As a result of any of these factors, the market price of APM Shares at any given point in time may not accurately reflect their long-term value. Securities class action litigation often has been brought against

companies following periods of volatility in the market price of their securities. APM 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.

***Passive Foreign Investment Company Under the U.S. Internal Revenue Code***

APM does not believe it is a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code ("**PFIC**") for the current taxable year. If APM derives 75% or more of our gross income from certain types of ''passive'' income (such as rents, royalties, interest, dividends, and other similar types of income), or if the quarterly average value during a taxable year of its ''passive assets'' (generally, assets that generate passive income) is 50% or more of the average value of all assets held by APM, then the PFIC rules may apply to U.S. taxpayers that hold our common shares (regardless of the extent of their ownership interest in us). Several ''look-through'' rules apply in determining PFIC status, including that a 25% or more owned subsidiary corporation's income and assets will be deemed those of its parent for purposes of the PFIC rules. Thus, a sufficiently active subsidiary may allow a parent corporation to avoid PFIC status, depending on the circumstances. Whether APM is considered a PFIC for a specific taxable year is a factual determination that must be made annually at the end of that taxable year. As a result, APM's status in the current and future years will depend on the composition our gross income, our assets and activities in those years and our market capitalization as determined on the end of each calendar quarter, and there can be no assurance that APM will or will not be considered a PFIC for any taxable year.

If APM is classified as a PFIC during any portion of a U.S. taxpayer's holding period for our common shares, as determined for U.S. federal income tax purposes, such taxpayer would be subject to adverse U.S. federal income tax consequences under the PFIC rules. In such case (except as discussed below), any excess distribution (generally a distribution in excess of 125% of the average distribution over a three- year period or shorter holding period for APM Shares) and realized gain on the sale, exchange or other disposition of our common shares will be treated as ordinary income and generally will be subject to tax as if (a) the excess distribution or gain had been realized rateably over the U.S. taxpayer's holding period, (b) the amount deemed realized in each year had been subject to tax in each such year at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before we became a PFIC, which would generally be subject to tax at the U.S. taxpayer's regular ordinary income rate for the current year and would not be subject to the interest charge discussed in (c) below), and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. Where a company that is a PFIC meets certain reporting requirements, a U.S. taxpayer may be able to mitigate certain adverse PFIC consequences described above by making a "qualified electing fund" ("**QEF**") election to be taxed currently on its proportionate share of the PFIC's ordinary income and net capital gains. If APM determines that it is a PFIC for any taxable year, it will determine at that time whether it will comply with the necessary accounting and record keeping requirements that would allow a U.S. taxpayer to make a QEF election with respect to us. We have no obligation to determine whether we are a PFIC and may not make any such determination.

***Price Volatility of Publicly Traded Securities***

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur and, consequently, impact our ability to meet our financial obligations.

***Future Sales May Affect the Market Price of the APM Shares***

In order to finance future operations, APM may raise funds through the issuance of additional Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. APM cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other

securities convertible into Common Shares or the dilutive effect, if any, that future issuances and sales of APM's securities will have on the market price of the Common Shares.

***Dividend Policy***

No dividends on the Common Shares have been paid by APM to date. Payment of any future dividends, if any, will be at the discretion of the Board after taking into account many factors, including APM's operating results, financial condition, and current and anticipated cash needs.

***The Success of the Company Depends on its Relationships with Local Communities and Indigenous Organizations***

Negative relationships with Indigenous and local communities could result in opposition to the Company's projects. Such opposition could result in material delays in attaining key operating permits or make certain projects inaccessible to the Company's personnel. APM respects and engages meaningfully with Indigenous and local communities at all of its operations. APM is committed to working constructively with local communities, government agencies and Indigenous groups to ensure that exploration work is conducted in a culturally and environmentally sensitive manner.

***Risk of Foreign Operations – Political, Economic and Social Risks and Uncertainties***

Currently, all of APM's mineral operations are conducted outside of Canada, resulting in the general risk of foreign operations by the Company.

APM's operations in the United States are exposed to various levels of political, economic and other risks and uncertainties. Risks and uncertainties of operating in the United States vary from time to time, but are not limited to a limited local workforce, poor infrastructure, a complex regulatory regime and harsh weather.

***The Company may experience difficulties managing and integrating acquisitions.***

APM undertakes evaluations from time to time of opportunities to acquire additional mining assets and businesses. Any such acquisitions may be significant in size, may change the scale of the Company's business, may require additional capital, and/or may expose the Company to new geographic, political, operating, financial and geological risks. APM's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully. Any acquisitions would be accompanied by risks such as: (i) a significant decline in the relevant metal price after APM commits to complete an acquisition on certain terms; (ii) the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; (iii) the potential disruption of APM's ongoing business; (iv) the inability of management to realize anticipated synergies and maximize the financial and strategic position of APM; (v) the failure to maintain uniform standards, controls, procedures and policies; (vi) the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and (vii) the potential unknown liabilities associated with acquired assets and businesses.

***The Company may face equipment shortages, access restrictions and a lack of infrastructure.***

The majority of the Company's interests in mineral properties are located in remote and relatively uninhabited areas. Such mineral properties, will require adequate infrastructure, such as roads, bridges and sources of power and water, for future exploration and development activities. The lack of availability of these items on terms acceptable to the Company, or the delay in availability of these items could prevent or delay exploitation or development of the Company's mineral property interests. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability. Natural resource exploration, development, processing and mining activities are dependent on the availability of mining,

drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. A delay in obtaining necessary equipment could have a material adverse effect on the Company's operations and financial results.

***Disclosure and Internal Controls***

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to APM's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of reporting, including financial reporting and financial statement preparation.

While the Company has generally documented and tested its internal controls over financial reporting, it is not required to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("**SOX**") which requires an annual assessment by management and an independent assessment by the Company's independent auditors of the effectiveness of the Company's internal controls over financial reporting.

The Company may fail to achieve and maintain the adequacy of its internal controls over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that its internal controls over financial reporting are effective. The Company's failure to maintain effective internal controls over financial reporting could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of its common shares. No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's controls and procedures could also be limited by simple errors or faulty judgment. The challenges involved in implementing appropriate internal controls over financial reporting will likely increase with the Company's plans for ongoing development of its business and this will require that the Company continues to improve its internal controls over financial reporting.

## THE MADISON PROJECT

### Current Technical Report

The information in this AIF with respect to the Madison Project is derived from a National Instrument 43-101 technical report prepared by Childs Geoscience Inc., titled "NI 43-101 Technical Report Update for the Madison Project, Madison County, Montana, USA" with an effective date of September 15, 2022.

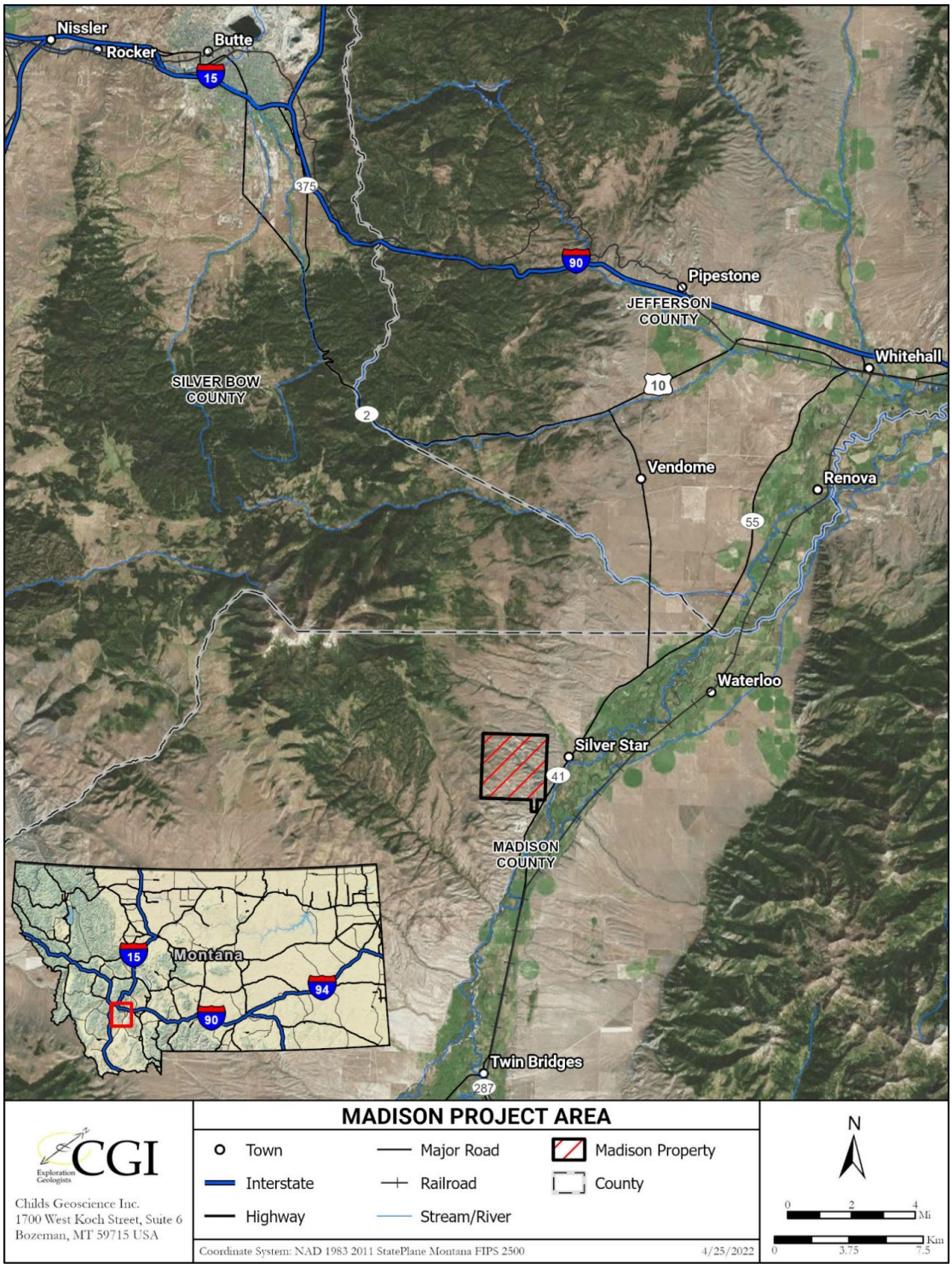
### Property Description and Location

The Madison Project is located on the southeast margin of the Highland Mountains in Madison County, southwest Montana, USA. The Madison Project is approximately 23.6 mi (38 km) southeast of the Butte Mining District and about 1 mi (1.6 km) west of the small community of Silver Star. The Madison Project lies within the Silver Star 7.5 minute quadrangle map sheet and is located in Sections 2, 3, 10, 11, and 14 of Township 02 South, Range 06 West. The center of the Madison Project is located approximately at 397,332 E and 5,059,851 N.

Upon completion of the Broadway Transaction (defined herein) in 2020, the Company acquired the 1,017.4 hectare (2,514 acre) Madison Project that includes a 77.7 hectare (192 acre) deeded land parcel. The Madison Project consists of 6 patented lode claims, 136 unpatented lode claims, and one federal unpatented placer claim. Patented claims require annual payment of taxes. Claim maintenance fees of $165.00 per claim are payable to the Bureau of Land Management (**"BLM**") before September 1st each year after an initial filing fee of $225.00 per claim. Claims must also be recorded with the county recorder when first staked for typical costs ranging between $7.00 to $14.00 per claim.

At the time the technical report was written there is still some doubt as to the exact location of the Joe Bush patented lode claim in the northwestern corner of the Madison Project. This claim is not controlled by the Company and the Company is currently conducting due diligence to determine an exact location for this claim.

The Madison Project is road accessible from the international airports of Butte, Bozeman, Billings, and Missoula with Butte being the closest. Butte also has a regional airport that has flights connecting to Salt Lake City, UT and Denver, CO.




**Location Map for the Madison Project, Silver Star, Montana, USA**

***Agreements and Royalties***

Broadway Transaction

On June 26, 2020, the Company announced in a news release the completion of the transaction with Madison Metals Inc. ("**Madison Metals**") a wholly-owned subsidiary of Broadway Gold Corp. ("**Broadway**"), acquiring all of the issued and outstanding shares of Broadway (the "**Broadway Transaction**"). The Broadway Transaction was approved by the Broadway shareholders with 99.929% of votes cast in favor of the Broadway Transaction. At the time of the Broadway Transaction, the Madison Project was and currently is in a JV agreement that is described below, whereby Kennecott, a subsidiary of Rio Tinto may spend $30 million USD to earn up to 70% of the Madison Project. Broadway Gold is now considered as a subsidiary company of APM.

*Key Terms of the Broadway Transaction*

- APM issued 20,000,000 common shares to Madison Metals.
- APM issued 5,000,000 common share purchase warrants exercisable to acquire additional APM common shares at a price of $0.25 per share to Madison Metals (18-month expiry).
- Madison Metals added one member to the APM advisory board – Duane Parnham, former Chairman and CEO of Broadway.

Broadway-Kennecott Joint Venture (the "**JV**")

On April 30, 2019, Broadway announced in a news release the Madison Option and JV Agreement with respect to the Madison Project.

*Key Terms of the JV*

- Kennecott earn-in milestones in order of dollar value are as follows:
    - $30 million earn-in over 11 years that generates a 30% retained interest for Broadway shareholders; or,
    - $15 million earn-in over eight years that generates a 35% retained interest for Broadway shareholders; or,
    - $5 million earn-in over five years that generates 45% retained interest for Broadway shareholders.
- Minimum of $1 million of exploration expenditures in the first year.
- Cash to Broadway of $225,000 over the first five years.
- Kennecott may request Broadway to conduct exploration on its behalf during the first year in return for a 10% administration charge.
- Broadway has the right to conduct independent drilling and exploration of the skarn zones during the first year.
- Broadway has a Right of First Offer to acquire Kennecott's interest in the Madison Project in the event Kennecott wishes to divest its interest.
- The JV may be formed with 55% to Kennecott and 45% to Broadway upon the satisfaction of the first earn-in; 65% to Kennecott and 35% to Broadway upon the satisfaction of the second earn-in; or 70% to Kennecott and 30% to Broadway upon the satisfaction of the third earn-in.
- Broadway may elect to not fund its interest and be diluted down to a 10% interest. If Broadway is diluted below a 10% interest, its interest will convert to a 2% net smelter royalty capped at $50 million.
- The JV will be managed by Rio Tinto and funded by each participant in accordance with their interest.

***History***

The following information pertaining to the regional and Madison Project history is derived from the previous technical reports on the Madison Project by Mulholland (2019), Metal Mining Consultants (2017), Capps Geoscience (2013), and Price (2005), as well as other references available in the public domain.

Regional Exploration and Mining History

The Madison Project is located within the Silver Star Mining District, also known as the Iron Rod district, in the southeast foothills of the Highland Mountains. The world-famous Butte Mining District is approximately 24 miles to the northwest. The Silver Star district is one of Montana's oldest lode-gold mining districts with two general types of gold deposits: (1) fissure veins cutting Precambrian rocks and (2) gold-rich skarns. Most of the gold produced has come from the skarn type deposits (Gammons et al., 2010). The deposits in the district are related to the various plutons that form part of the Boulder Batholith, which hosts the deposits in the Butte district.

During the latter half of the 19th century, several of the mines in the district were well known and the town of Silver Star was the most important community between Virginia City and Helena. The Green Campbell was the district's first mine and one of the first quartz lode claims to be patented in Montana. Soon after the Green Campbell, other quartz lodes were located and mined, such as the Broadway (aka Victoria) and Iron Rod (aka Golden Rod) mines. To process the ore, several mills were built throughout the 1860s. By the 1880s, the mines and mills were well established and attracted miners from around the state and country, especially after the Northern Pacific Railroad reached Whitehall in 1883. Eventually, a branch line was built to the town of Twin Bridges that eased transport even more. The district produced rather continuously until 1928. In 1910, production began to decline because of exhaustion of high-grade ore, flooding problems, inefficient milling methods, and low prices of metals. Most of the mining activity in the district ceased during World War II and did not resume when the war ended, apart from minimal production at the Broadway and Green Campbell mines. A small chrome mine, the Mohawk, operated during World War II as a contribution to the vital effort to supply chromium for the U.S. and allies. The district was not a major producer of placer gold, though small quantities of placer gold have been recovered from various claims in the district.

Property Mining History

Several small historic mines and prospects are located within the Madison Project, the most notable being the Broadway and Madison mines. The Broadway mine operated intermittently from the 1880's to the 1950's, while the Madison mine was developed from 2005 to 2011.

*Broadway Mine*

The Broadway mine is in Section 2, Township 02 South, Range 06 West, about two miles west of Silver Star. It is composed of the Bowery, Delaware, Maryland, and Victoria claims, which are all patented claims controlled by APM. Discovered in the late 1860s, the Broadway mine was the main producer in the Silver Star district having produced an estimated $1,200,000 (at historic gold prices) with an average grade of approximately 0.24 oz/t plus minor copper and silver (Price, 2005). Mineralization is of the contact type, occurring in gold-copper skarns.

The mine was served by two inclined shafts, the Broadway (No. 1) and East Broadway (No. 2), of 550 feet and 500 feet in depth on the Bowery claim and a 1,100 foot-long tunnel from the Maryland. More than 6,000 feet of lateral workings were driven from the two shafts (Price, 2005). The main shaft levels were driven at 75, 175, 300, 350, and 450 feet. A winze was extended from the lower level down to 650 feet below surface in 1902. The mine is credited with over a million dollars in production; half of which was from 30,000 tons of oxidized ore mined prior to 1880. This oxidized ore was mined from a large stope west of the No. 2 shaft at a depth of less than 200 feet and had an average recovery of $11.75 per ton.

From 1887 to 1900, Shaft No. 1 produced about 5,000 tons of oxidized ore from above the 175-foot level with a further 3,000 tons from the 175-foot level down to the 300-foot level. In the 1890's, the mine was producing a carload of $20 per ton gold ore per day. In 1900, a 20-stamp mill and cyanidation plant were constructed. However, only 60 percent of gold was recovered, so the tails were sent to Butte where they returned $10 to $12 per ton. After the mill and cyanide plant burned down, all the ore from the mine was shipped.

In the early 1930's, the mill tails were reworked for a good profit and by 1935, the mine was acquired by Broadway Gold Mining Company. A 100-stamp mill and cyanide plant were constructed and processed 2,000 to 3,000 tons of ore per month until the operation was shut down during World War II. Production at the Broadway mine resumed in 1949, but production never approached pre-war levels. The mine reported production in nearly every year between 1905 and 1940 with a total return on all ore of $1,050,000 (with historic gold prices of USD $20 to $35/oz). It is estimated that between 1870 and 1942 the mine (from both underground and open pits) produced 450,000 tons of ore averaging 0.32 oz/t Au and produced 144,000 ounces of gold (Price, 2005). Three small open pits (the American, Victoria, and Black Pits) are located a short distance to the northwest of the main entrance and had limited historic mining. The three pits and their down-dip extensions have been targets for exploration. The Broadway shaft was reopened to the 400 level by Homestake Mining in 1976. The accessible workings on the 400 and 100 levels were mapped and 50 samples were collected. Thirty-four of the samples returned an average of 0.144 oz/t Au, 0.181 oz/t Ag, and 0.364% Cu. The remaining sixteen samples averaged 0.015 oz/t Au, 0.074 oz/t Ag, and 0.509% Cu (Price, 2005).

*Hudson Mine*

The Hudson mine is located adjacent to the Broadway in Section 2, T02S, R06W. The mine was comprised of the Hudson, American, Ajax, Morning, and Sample Ore claims. The Company does not control the patented Sample Ore, Hudson, or Morning claims; however, they do control the American and Ajax claims. A 350-foot inclined shaft was the access portal to the mine. Prior to 1900 the mine was estimated to have produced $37,500 in ore, most of which was hauled to Iron Rod and milled in a 15-stamp cyanidation mill. In 1900, production from the mine almost equaled all previous production at $34,500. Then in 1901, the mine was worked by a series of lessees and production slowed. From 1901 to 1910, the mine only produced $35,000. After new owners took over the mine in 1912, a second 300-foot shaft was developed. Total production from 1910 to 1920 was $41,500 and sharply decreased after 1920. Total historical production from the Hudson is reported at around $150,000 (Mulholland, 2019).

*Madison Mine*

In 1986, the Broadway property was renamed as the Madison Gold property after Inspiration Mines Inc., a subsidiary of Anglo-American Corp, and Berglynn Resources Inc. formed the Madison Gold Venture. Drilling by Coronado Resources Ltd ("**Coronado**") and previous operators led to the commencement of a decline in 2007. The decline (collared at 5,150 feet) eventually reached a length of 1,427 feet, developing the 200, 500, and 600 Levels. Three limited, underground drilling programs (U07, U09, and U10) were completed in the following years as shown in the table below. The Madison underground workings are immediately to the north of the Broadway mine, on the American, Maryland, and Delaware claims. Approximately 3,000 feet of underground workings have been driven to a vertical depth of 215 feet.

| Hole No. | East (WGS84_UTM_12N) | North (WGS84_UTM_12N) | Elevation (ft) | Azimuth | Dip | Depth (ft) | From | To | Length (ft) | Oz/t Au | % Cu |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 105 | 109 | 4 | | 2.0 |
| U07-01 | 397607.51 | 5061281.92 | 5101 | 57 | -45 | 142.3 | 109 | 116 | 7 | 0.14 | 3.88 |
| | | | | | | | 116 | 135 | 19 | | 1.45 |
| U07-02 | 397607.51 | 5061281.85 | 5102 | 57 | -30 | 124 | 109 | 122.5 | 13.5 | | 0.253 |
| U07-03 | 397607.5 | 5061281.24 | 5102 | 79 | -35 | 155.3 | 116 | 155.3 | 39.3 | | 0.303 |
| | | | | | | | 95.5 | 130.5 | 35 | | 0.72 |
| U07-04 | 397607.5 | 5061281.54 | 5101 | 69 | -41 | 154 | 130.5 | 143 | 13 | 0.194 | 0.36 |
| | | | | | | | 143 | 154 | 11 | | 1.81 |
| | | | | | | | 0 | 57 | 57 | | 1.356 |
| | | | | | | | 12.5 | 27 | 14.5 | 0.541 | |
| U09-01 | 397539.55 | 5061314.71 | 4958 | 88 | -45 | 81.5 | 35 | 57 | 22 | 0.233 | 1.36 |
| | | | | | | | 50.5 | 57 | 7 | | 8 |
| | | | | | | | 0 | 63 | 63 | | 1.457 |
| U09-02 | 397540.15 | 5061315.48 | 4957 | 69 | -40 | 68 | 22 | 58 | 36 | 0.435 | |
| | | | | | | | 39.5 | 63 | 23.5 | | 2.963 |
| U09-03 | 397538.24 | 5061314.46 | 4958 | 69 | -57 | 89 | 10 | 75.5 | 65.5 | | 0.944 |
| | | | | | | | 28.5 | 70 | 41.5 | 0.639 | |
| | | | | | | | 17.5 | 73 | 55.5 | | 2.975 |
| | | | | | | | 61 | 73 | 12 | | 10.253 |
| U09-04 | 397538.84 | 5061315.65 | 4957 | 54 | -40 | 82 | 23 | 25 | 2 | 0.612 | |
| | | | | | | | 48 | 73 | 25 | 0.588 | |
| U09-05 | 397528.45 | 5061287.53 | 4941 | 278 | -40.5 | 140 | 0 | 140 | 140 | | 0.734 |
| | | | | | | | 0 | 21 | 21 | 0.191 | |
| U09-06 | 397528.82 | 5061310.58 | 4960 | 264 | -40 | 95 | 0 | 95 | 95 | | 1.622 |
| | | | | | | | 0 | 18.5 | 18.5 | 0.153 | 5.616 |
| | | | | | | | 111 | 217 | 106 | | 0.614 |
| | | | | | | | 158 | 163 | 5 | 0.308 | |
| U09-07 | 397605.83 | 5061282.66 | 5100 | 313 | -66 | 211 | 180.5 | 184 | 4 | 0.4 | |
| | | | | | | | 201 | 207 | 6 | 0.172 | 2.391 |
| | | | | | | | 20.5 | 94 | 73.5 | | 0.608 |
| U10-01 | 397535.19 | 5061313.78 | 4958 | 69 | -70 | 142.5 | 29 | 64.4 | 35.4 | 0.779 | |
| | | | | | | | 84 | 94 | 10 | 0.774 | |
| | | | | | | | 12 | 119 | 107 | | 1.289 |
| U10-02 | 397535.31 | 5061313.89 | 4958 | 0 | -90 | 138 | 12 | 19 | 7 | | 13.57 |
| | | | | | | | 45 | 119 | 74 | 0.743 | |
| U10-03 | 397535.18 | 5061313.17 | 4958 | 0 | -90 | 59.5 | 0 | 53 | 53 | | 0.715 |
| | | | | | | | 53 | 59.5 | 6.5 | 0.62 | 0.715 |

**Significant Intercepts from Coronado Underground Drilling from 2007-10**

***(Intervals are reported as drill widths and may not represent true thickness.)***

Trial mining was attempted through numerous samples of the working face and large bulk underground samples. In 2008, the underground development reached its planned target below the high-grade copper zone which had a drilling intercept that included 27 feet of 41% copper. That same year, a contract was secured for copper ore to be delivered by container to a west coast port for shipment to a smelter in China. The first three shipments were made in the fall of 2008 and totaled 1,310 dry short tons with grades of 17% to 24% copper (Capps, 2013).

The Madison mine was in production from 2007 to 2012. It produced 7,570 ounces of gold and 2.68 million pounds of copper from bulk samples of 19,803 tons at an average grade of 0.52 oz/t gold and 25% copper (Mulholland, 2019). The decline was eventually extended to explore the down-dip extension of the copper- and gold-rich skarns below the Black, American, and Victoria pits by Coronado (Sotendahl, 2012). In 2017, Broadway Gold Mining Ltd (Broadway Gold) refurbished the mine while actively expanding known areas of copper and gold mineralization. The restoration work led to an underground drilling program that returned favorable results as displayed in the table below.

| HoleID | East (WGS84_UTM_12N) | North (WGS84_UTM_12N) | Elevation | | From | To | Interval | | Copper | Gold | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | (ft) | (ft) | (ft) | (m) | (%) | (g/t) | (oz/t) |
| **C17-01** | **397404.74** | **5061271.4** | **5279.7** | | **342.5** | **498.5** | **156** | **45.7** | **1.01** | **0.48** | 0.015 |
| | | | | **including** | **404.5** | **413.5** | **9** | **2.7** | **7.14** | **0.56** | 0.018 |
| | | | | **including** | **429.5** | **441.5** | **12** | **3.7** | **0.89** | **2.65** | 0.085 |
| | | | | **including** | **432.5** | **435.5** | **3** | **0.9** | **0.82** | **7.13** | 0.229 |
| **C17-02** | **397404.74** | **5061271.4** | **5279.7** | | | | | | | | |
| **C17-03** | **397398.45** | **5061285.3** | **5293** | | **405** | **573** | **168** | **51.2** | **0.57** | **0.19** | 0.006 |
| | | | | **including** | **411** | **420** | **9** | **2.7** | **1.3** | **0.05** | 0.002 |
| **C17-04** | **397410.75** | **5061286.8** | **5312** | | **267** | **291** | **24** | **7.3** | **0.5** | **1.17** | 0.038 |
| | | | | | **360** | **372** | **12** | **3.7** | **0.2** | **0.81** | 0.026 |
| C17-05 | 397388.69 | 5061240.8 | 5253 | | 353 | 371 | 18 | 5.5 | 0.04 | 1.64 | 0.053 |
| | | | | | 419 | 443 | 24 | 7.3 | 0.6 | 0.02 | 0.001 |
| | | | | | 479 | 608 | 129 | 39.3 | 1.47 | 0.42 | 0.014 |
| | | | | including | 524 | 572 | 48 | 14.6 | 2.13 | 0.18 | 0.006 |
| | | | | including | 566 | 587 | 21 | 10.1 | 2.83 | 0.99 | 0.032 |
| C17-06 | 397402.67 | 5061238.8 | 5256 | | 379 | 418 | 39 | 11.9 | 0.001 | 0.71 | 0.023 |
| C17-07 | 397399.86 | 5061239.9 | 5271 | | 319 | 356 | 37 | 11.3 | 0.04 | 1.74 | 0.056 |
| | | | | including | 337 | 356 | 19 | 5.8 | 0.06 | 2.94 | 0.095 |
| C17-08 | 397375.49 | 5061189 | 5282 | | 810 | 819 | 9 | 2.7 | 101 | 1.152 | 0.037 |
| C17-09 | 397433.82 | 5061238.9 | 5267 | | 246.5 | 357.5 | 111 | 33.8 | 0.001 | 0.76 | 0.024 |
| | | | | | 480.5 | 492.5 | 12 | 3.7 | 1.882 | 4.249 | 0.137 |
| | | | | | 492.5 | 528.5 | 36 | 11 | 0.124 | 0.375 | 0.012 |

| HoleID | East (WGS84_UTM_12N) | North (WGS84_UTM_12N) | Elevation | | From | To | Interval | | Copper | Gold | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | (ft) | (ft) | (ft) | (m) | (%) | (g/t) | (oz/t) |
| | | | | including | 516.5 | 528.5 | 12 | 3.7 | 0.331 | 0.389 | 0.013 |
| C17-10 | 397411.4 | 5061204.8 | 5279 | | 452 | 482 | 30 | 9.1 | 3.122 | 4.288 | 0.138 |
| C17-12 | 397366.13 | 5061260.8 | 5285 | | 540 | 570 | 30 | 9.1 | 1.391 | 0.361 | 0.012 |
| | | | | including | 540 | 555 | 15 | 4.6 | 2.41 | 0.68 | 0.022 |
| C17-13 | 397366.13 | 5061260.8 | 5285 | | 387 | 453 | 66 | 20.1 | 1.466 | 0.253 | 0.008 |
| | | | | including | 405 | 420 | 15 | 4.6 | 6.048 | 0.357 | 0.011 |
| | | | | including | 408 | 414 | 6 | 1.8 | 11.45 | 0.02 | 0.001 |
| C17-14 | 397370.88 | 5061286.5 | 5301 | | 410 | 431 | 21 | 6.4 | 0.14 | 2.467 | 0.079 |
| | | | | including | 413 | 419 | 6 | 1.8 | 0.154 | 8.255 | 0.265 |
| C17-15 | 397353 | 5061292.5 | 5309 | | 438 | 447 | 9 | 2.7 | 0.002 | 1.578 | 0.051 |
| | | | | and | 462 | 486 | 24 | 7.3 | 0.23 | 0.812 | 0.026 |
| C17-16 | 397342.71 | 5061219.2 | 5287 | | 58 | 743 | 162 | 49.4 | 1.725 | 0.097 | 0.003 |
| | | | | including | 641 | 740 | 99 | 30.2 | 2.571 | 0.151 | 0.005 |
| | | | | and | 767 | 776 | 9 | 2.7 | 0.392 | 0.398 | 0.013 |
| C17-17 | 397333.74 | 5061237.9 | 5299 | | 536 | 584 | 48 | 14.6 | 0.228 | 0.015 | 0.000 |
| | | | | and | 614 | 716 | 102 | 31.1 | 1.02 | 0.159 | 0.005 |
| C17-18 | 397303.86 | 5061225.8 | 5302 | | | | | | | | |
| C17-19 | 397431.82 | 5061193.9 | 5318 | | 350 | 359 | 9 | 2.7 | 0.007 | 3.263 | 0.105 |
| | | | | and | 395 | 407 | 12 | 3.7 | 0.004 | 1.977 | 0.064 |
| | | | | and | 629 | 632 | 3 | 0.9 | 0 | 4.07 | 0.131 |
| | | | | and | 728 | 761 | 33 | 10.1 | 0.115 | 2.99 | 0.096 |
| | | | | including | 728 | 731 | 3 | 0.9 | 1.16 | 26.8 | 0.862 |
| | | | | including | 758 | 761 | 3 | 0.9 | 0.03 | 5.57 | 0.179 |
| C17-20 | 397544.83 | 5061383.9 | 5167 | | 270 | 372 | 102 | 31.1 | 0.206 | 0.146 | 0.005 |
| | | | | and | 387 | 399 | 12 | 3.7 | 0.336 | 0.096 | 0.003 |
| | | | | and | 429 | 507 | 78 | 23.8 | 1.247 | 1.843 | 0.059 |
| | | | | including | 480 | 492 | 12 | 3.7 | 2.156 | 3.214 | 0.103 |
| UG17-02 | 397557 | 5061315 | 4893 | | 45 | 57 | 12 | 3.7 | 1.428 | 0.609 | 0.020 |
| UG17-03 | 397556 | 5061311 | 4891 | | 27 | 141 | 114 | 34.7 | 0.163 | 0.7 | 0.023 |
| | | | | including | 27 | 36 | 9 | 2.7 | 0.748 | 4.108 | 0.132 |
| | | | | including | 57 | 75 | 18 | 5.5 | 1.625 | 1.702 | 0.055 |
| | | | | including | 108 | 123 | 15 | 4.6 | 0.353 | 0.289 | 0.009 |
| UG17-04 | 397556 | 5061311 | 4891 | | 30 | 113 | 83 | 25.3 | 1.098 | 1.651 | 0.053 |
| | | | | including | 63 | 87 | 24 | 7.3 | 2.717 | 2.466 | 0.079 |

| HoleID | East (WGS84_UTM_12N) | North (WGS84_UTM_12N) | Elevation | | From | To | Interval | | Copper | Gold | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | (ft) | (ft) | (ft) | (m) | (%) | (g/t) | (oz/t) |
| | | | | including | 105 | 113 | 8 | 2.4 | 0.049 | 4.786 | 0.154 |
| UG17-05 | 397556 | 5061311 | 4891 | | 27 | 126 | 99 | 30.2 | 0.391 | 24.5 | 0.788 |
| | | | | including | 30 | 39 | 9 | 2.7 | 0.366 | 82.87 | 2.664 |
| | | | | including | 33 | 36 | 3 | 0.9 | 0.45 | 145 | 4.662 |
| | | | | including | 75 | 90 | 15 | 4.6 | 0.276 | 68.61 | 2.206 |
| | | | | including | 75 | 78 | 3 | 0.9 | 0.274 | 178.5 | 5.739 |
| UG17-06 | 397556 | 5061311 | 4892 | | 27 | 63 | 36 | 11 | 0.384 | 41.65 | 1.339 |
| | | | | including | 30 | 45 | 15 | 4.6 | 0.271 | 51.84 | 1.667 |
| | | | | including | 57 | 60 | 3 | 0.9 | 0.368 | 90.1 | 2.897 |

**Significant Intercepts from Broadway Gold Surface and Underground Drilling in 2017**

***(Intervals are reported as drill widths and may not represent true thickness.)***

Property Exploration History

The ownership of the Madison Project has changed numerous times during its history and the Broadway mine has been the focus for many exploration programs since the 1970's. A brief synopsis of the various programs that took place on the Madison Project prior to 2005 is provided in Price's (2005) technical report. A more detailed summary of the underlying agreements and encumbrances, excluding those of the Company, is provided in Price (2005), Capps (2013), and Mulholland (2019).

| Year | Summary of Program |
|---|---|
| 1975 | Homestake Mining Company obtained a lease-option agreement from Kibbe and Company of Salt Lake City, Utah, July 1, 1975, on the Broadway-Victoria Property. At that time, the property consisted of seven patented claims and nine unpatented claims. |
| 1983 | Berglynn Resources Inc. (Berglynn), a Vancouver junior Company optioned the property from Victoria Mines Inc., staked additional claims, and drilled 36 drill holes, some of which are now outside the current Property claims |
| 1986 | Inspiration Mines Inc. (a subsidiary of an Anglo-American Corp) formed the Madison Gold Venture (MGV) with Berglynn (67%:33%). The JV completed detailed surface and underground mapping and sampling. Later, the partners drilled 12 core holes and 26 reverse circulation drill holes. |
| 1987 | Western Energy Co. joined the JV with the two JV participants noted above. The new JV completed 28 RVC holes and 2 core holes, a district scale airborne magnetic survey, and other work. |
| 1988 | WestGold (IMI) optioned the property from Berglynn after Western Energy dropped out of the Joint Venture. WestGold drilled 21 RVC holes and 9 core holes and completed a sampling program within 3 trenches and the Black Pit. |
| 1992 | Berglynn changed its name to Arkona Resources Inc. with a consolidation of capital on a 1-new-for-2-old-share basis. Galleon Mining and BMR Gold arranged a JV to option the property from Berglynn/Arkona. |

| Year | Summary of Program |
|---|---|
| 1994 | BMR Gold Corp drilled five RC holes totaling 2,958 feet within the property. |
| 1996 | Billiton Mining Co. acquired the Madison Gold Venture claims, the Rocky Mountain Gold claims and the adjacent Green Campbell mine (owned by others) with a view to exploring the whole package as a major copper-gold project, but Company management and priorities changed and the options were never completed. About this time, the property was also examined by Newmont Mining. |
| 1999 | Arkona Resources Inc. acquired a 100% interest, on behalf of Berglynn Resources (USA) Inc., in the property from BMR Gold |
| 2005 | Lexington Resources Inc., a private Company, purchased 100% equity in Berglynn Resources (USA) Inc. and in the project, from Action Minerals Inc. (formerly Arkona Resources Inc.) |
| 2005 | Minera Capital Corporation initiated the option agreement with Lexington. Subsequently, Minera Capital changed its name to Coronado Resources Ltd. (Coronado) and begins exploration as well as preparation for underground activity |
| 2009 | Coronado acquires 100% interest in the Madison property and continues to operate the Madison Mine until 2011 along with furthering exploration |
| 2016 | Carolina Capital Corp. acquires 100% interest in the Madison Mine and changes its name to Broadway Gold Mining Ltd. |
| 2017 | Broadway Gold completed 26 surface core holes for 6,121 meters and 7 underground core holes for 305 meters; IP/Resistivity, magnetics, and Mise-a-la-Masse surveys, soil and rock sampling, staked 32 additional unpatented claims, rehabilitated the Madison Mine |
| 2018 | Broadway Gold completed core logging and sampling, collected additional soil and rock samples, whole rock sample analysis, geochemical modeling, Cu-Au skarn resource modeling, engineering study, searched for a major mining Company partner |
| 2019 | Broadway Gold enters a Earn-in with option to JV agreement with Kennecott (KEX), part of the Rio Tinto Group, whereby KEX must spend $30 million to earn up to 70% of the Project |
| 2020 | APM acquired the Madison project and all shares from Broadway Gold's subsidiary Madison Metals Inc. and has continued exploration efforts on the Property that are described in detail in Sections 9 and 10 of this Report |

**Summary of the Exploration History of the Madison Project**

*Previous Drilling, Historic Resource Estimations, and Underground Activity*

The Company has acquired various exploration datasets including drilling data that consists of drill logs, assays, and collar information from different operators dating as far back as the 1983 Berglynn Resources ("**Berglynn**") exploration work. Prior to 2019, the drilling database contained 149 drill holes, 11,481 assays, and 498 down hole surveys, which totaled to 18,955 meters (62,189 feet) of drill data (Mulholland, 2019). The author of the technical report did not review the historic drilling data. However, according to previous technical reports, the sampling methods and analyses are thought to have met the industry standards at the time. Several Coordinate systems are represented in the historical data. The northing and easting coordinates are recorded in the North American Datum 27, North American Datum 83, and Coronado used a local project specific coordinate system in feet (verbal communication with Mulholland, 2022). The data provided below has been converted to WGS 84 UTM 12N by KEX and provided to the author. One group of holes remains in North American 27 UTM 12N for the BRM Gold Drilling from 1994.

*Berglynn Resources (1983)*

In 1983, Berglynn conducted exploration work including a core drilling program. Total footage of the program was 3,658 meters (12,000 feet). The drilling was primarily oriented with an azimuth of 035º, perpendicular to the intrusive – limestone contact, with the exception of hole 83-16 which was drilled at an azimuth of 206º, and holes 83-4, 83-10, 83-14, 83-15, and 83-19 16 which were vertical holes. Several holes were not assayed for copper.

*Inspiration Mines Inc. (1986)*

In 1986, Inspiration Mines Inc., a subsidiary of Anglo-American Corporation, completed various exploration activities including both core and reverse circulation ("**RC**") drilling programs. The Company has drill data and collar information for nineteen core holes totaling 5,004 feet and fifteen RC holes totaling at 4,605 feet. Copper assays are not available for holes 86-R1 through 86-R4 and it is unclear if the holes were assayed for copper. Inspiration contacted Vance Thornsberry to provide a resource estimation for the Madison Project. A non-NI 43-101 compliant resource estimation of 1,406,400 tons at 0.102 oz/ton gold using a 0.02 oz/ton cut-off was calculated. This estimation has not been verified by the Company, nor the previous operator, Broadway Gold (Mulholland, 2019).

*Western Energy Company – JV (1987)*

In 1987, Western Energy joined the JV with Inspiration and Berglynn. During this time, the JV conducted drilling, a district scale airborne magnetic survey, and other work. Price (2005) states in his report that the work is not well documented and much of the drilling was off the Property. The Company has drill data for two core and four RC drill holes totaling 3,019 feet. At the end of the program, Western Energy concluded the gold mineralization was confined to the jasperoid and sulfide skarn material.

Western Energy consulted with Garry Anderson and Martin Foote to update the resource estimation for the project. The non-NI 43-101 compliant resource estimation equated to 1,125,000 tons at 0.090 oz/ton gold, using a 0.020 oz/t cutoff (Mulholland, 2019). This estimation has not been verified by the Company, nor the previous operator, Broadway Gold.

*Inspiration – Berglynn JV (1988)*

Western Energy dropped out of the JV leaving only Berglynn and Western Gold Exploration and Mining Company (WestGold), a subsidiary of Inspiration, as the JV partners going into the 1988 season. The 1988 program continued exploration of the open pit potential below the Victoria, American, and Black pits, consisting of surface sampling, trenching, and drilling (Price, 2005). Data and collar information exists for nine core holes. The holes were orientated in various directions with only two drilled perpendicular to the contact of the limestone and the intrusive body. Total footage for the core drilling was 2,560 feet. Additionally, the Company has data and collar information for eight RC holes drilled during the program with a total footage of 3,191 feet. All but one of the RC holes were drilled at an azimuth of 035º.

*BMR Gold Corporation (1992-1994)*

In 1992, BMR Gold Corp acquired an option on the Madison Project and commissioned an evaluation report undertaken by Bourns (1992). After reviewing all existing data and historic estimates, Bourns concluded a historic, non-NI 43-101 compliant, indicated resource on the order of one million tons at 0.090 oz/t gold utilizing a 0.020 oz/t cutoff and 1.9 million tons at 0.64% copper. This historic estimation has not been verified by the Company, nor the previous operator, Broadway Gold. Bourns also suggested that a "high-grade porphyry style of mineralization" was indicated at depth and recommended follow up work including drilling deeper holes to a depth of 600 to 2,000 feet (Mulholland, 2019).

BMR Gold followed up on the recommendations by Bourns and conducted a RC drilling program in 1994 with a total footage of 2,945 feet. As in most of the previous drill campaigns, all holes were drilled at an azimuth of 035º. Data and collar information is available for the five drill holes from 1994.

*Coronado Resources Ltd. (2005-2016)*

After Lexington Resources acquired 100% interest equity in Berglynn and in the Madison Gold project from Action Minerals Inc./Arkona Resources Inc., Minera Capital Corporation initiated an option agreement in 2005. Minera Capital soon changed its name to Coronado Resources Ltd. and began exploration of the Madison Project. A two-phase drilling program was completed in the fall of 2005 and the summer of 2006. The objectives of this program were to duplicate and confirm earlier drill results obtained by previous operators as well as to extend the areas of known mineralization in preparation for underground development (Mulholland, 2019). The program was largely successful. Coronado drilled six holes during the 2005 season totaling 2,419.5 feet and another 2,940.5 feet of core in eight holes in 2006.

The success of the 2005 and 2006 drilling programs led to the decision to commence underground development in 2006. A year later, a decline into the Madison Mine was driven over 1,500 feet at a -15% grade. During the development of this ramp, drill stations were cut in the decline to further test and expand the mineralized zones (Capps, 2013). At the time of her writing, Sotendahl (2012) stated that Coronado was advancing a spiral decline to explore the down dip extension of copper and gold-rich skarn below the Black, American, and Victoria pits. Along with small production, Coronado continued exploration efforts until 2016. In total, they drilled 32 core holes which totaled 2,322 meters (7,617 feet).

During the underground activity from 2007-2012, Coronado completed three small core programs and collected grab samples. For the grab sampling, material was collected by blind sampling of scoop tram buckets. The samples include the level, heading, raise and stope.

In addition to the underground grab sampling, Coronado also conducted bulk underground sampling. The samples were separated at the mine face into gold-rich mineralization or copper-rich mineralization and categorized as massive sulfide, chalcocite, gold-rich jasper, and native copper before being submitted to mill facilities for processing. Two mill facilities were initially used: Barrick Gold Corporation's Golden Sunlight Mine facility (approximately 23 miles from the Madison Project, near Whitehall, Montana) and Echo Bay's (Kinross) Kettle River facility in Republic, Washington. Later on, the Contact Mill and Mining Co. flotation mill near Philipsburg, Montana was used. Coronado's settlement records show that the gold recovery ranged from 40 to 96 percent and had an overall average of 83 percent. A crushing plant, certified weigh scale, and power were also installed on the Madison Project. Lab based recovery tests for the gold-rich jasper averaged above 90 percent for gold and copper at the Norris Lab in Norris, Montana (Capps, 2013).

*Broadway Gold Corporation (2016-2020)*

Refer to the technical report update by Mulholland (2019) for a detailed summary of the exploration work done by Broadway Gold. The 2016-2018 exploration work consisted of detailed mapping, soil sampling, surface and underground rock sampling, geophysical surveys, and the drilling of twenty-six surface holes and seven underground holes. A total of 6,121 meters (20,082 ft) were drilled on surface and 305 meters (1,001 feet) were drilled underground.

The objectives of the first two phases of the drilling program were to verify known areas of copper and gold mineralization and to test for mineralization west of the known mineralization and at depth below the existing underground workings. The results led to the discovery of a larger jasperoid zone with native copper and gold (Mulholland, 2019). The goals for the third phase of the program, completed in the first quarter of 2018, were to follow up on coincident geophysical and geochemical targets as well as the first two phases of drilling, which identified multiple priority targets including areas interpreted to be associated with a copper-gold porphyry at depth. Highlights from the drilling include: 1.7% Cu and 0.097 g/t Au over 49.4 meters (162 feet) in hole C17-16, including 2.57% Cu and 0.15 g/t Au over 30.2 meters (99 feet); 1.02% Cu and 0.159 g/t Au over 31.1 meters (102 feet) in hole C17-17; and 1.247% Cu and 1.8 g/t Au over 23.8 meters in hole C17-20.

Previous Geophysics

A variety of geophysical surveys have been conducted by the various operators on the Madison Project. The Company utilizes the previous geophysical data to varying extents and has also implemented new surveys.

*Western Energy Company JV (1987)*

In 1987, Western Energy contracted Sorex to complete an airborne magnetic survey, centered over the contact zone (Price, 2005). The most critical feature of the magnetic intensity map is a large northwest trending magnetic high that is underlain by the granodiorite and largely trends parallel to the limestone contact. Several other magnetic anomalies were delineated from this survey that may have exploration significance (Price, 2005).

*Coronado Resources Ltd. (2008)*

In the summer of 2008, Coronado contracted Gradient Geophysics to complete a gradient array Induced Polarization ("**IP**") geophysical survey. From this IP survey, four targets were identified. The four targets are interpreted as the following:

- Target 1: a chargeability high next to a resistive low that suggests linear, vertically orientated targets in an area of intensive mineralization
- Target 2: suggests a continuation of the vein system directly to the north
- Target 3: a zone of high chargeability and low resistivity related to the trend along Target 2
- Target 4: a narrow vein system associated with the main east-west trend but offset to the west

The IP survey anomalies appear to be sharply defined to the northeast, while in the southern area, the anomaly weakens considerably where the east-west anomaly strengthens. This may indicate a deep, main source for mineralization along an east-west trend that utilizes a north trending fracture system (Mulholland, 2019). Refer to Mulholland (2019) for the figures and details from the Coronado IP survey.

*Broadway Gold Corporation (2017)*

Broadway Gold employed three different geophysical surveys: (1) IP survey, (2) magnetic survey, (3) Mise-a-la-masse electrical survey. The geophysical surveys conducted by Broadway Gold are briefly described in the following paragraphs and the reader is referred to Mulholland (2019) for more detail.

*IP Survey*

Broadway Gold contracted Peter E. Walcott & Associates Limited to conduct a property-wide deep IP survey. The objective for this IP survey was to search for a deeper copper-gold porphyry system, which is believed to be a feeder for the shallower copper-gold skarn mineralization. The survey consisted of five east-west lines spaced 400 meters (1,312 feet) apart, with a fill-in line between the third and fourth southernmost lines. Based on initial results, it was determined that additional surveying was needed. Another three fill-in lines were surveyed that were 200 meters (656 feet) apart. A total of ten IP lines were surveyed. The results of the survey identified four resistivity lows, four resistivity highs, and seven chargeability highs. Some of the anomalies are proximal to known areas of mineralization, while others are likely deep-seated and could reflect porphyry style mineralization (Mulholland, 2019).

*Magnetic Survey*

Wolcott also conducted a magnetic survey on the Madison Project with north-south traverses spaced 100 meters (328 feet) apart using a GEM SYS walking magnetometer. The two identified magnetic anomalies generally trend to the northwest and do not coincide with any strong chargeability or resistivity anomalies (Mulholland, 2019).

*Mise-a-la-masse Downhole Electromagnetic Survey*

In addition to the IP and magnetic surveys, Broadway Gold employed a mise-a-la-masse electrical downhole survey in both surface and underground drill holes to trace the location, shape, and extent of the massive sulfide zones that were intersected during surface and underground drilling. The survey confirmed a cylindrical ovoid of massive sulfide mineralization that plunges to the west (Mulholland, 2019).

Previous Geochemistry

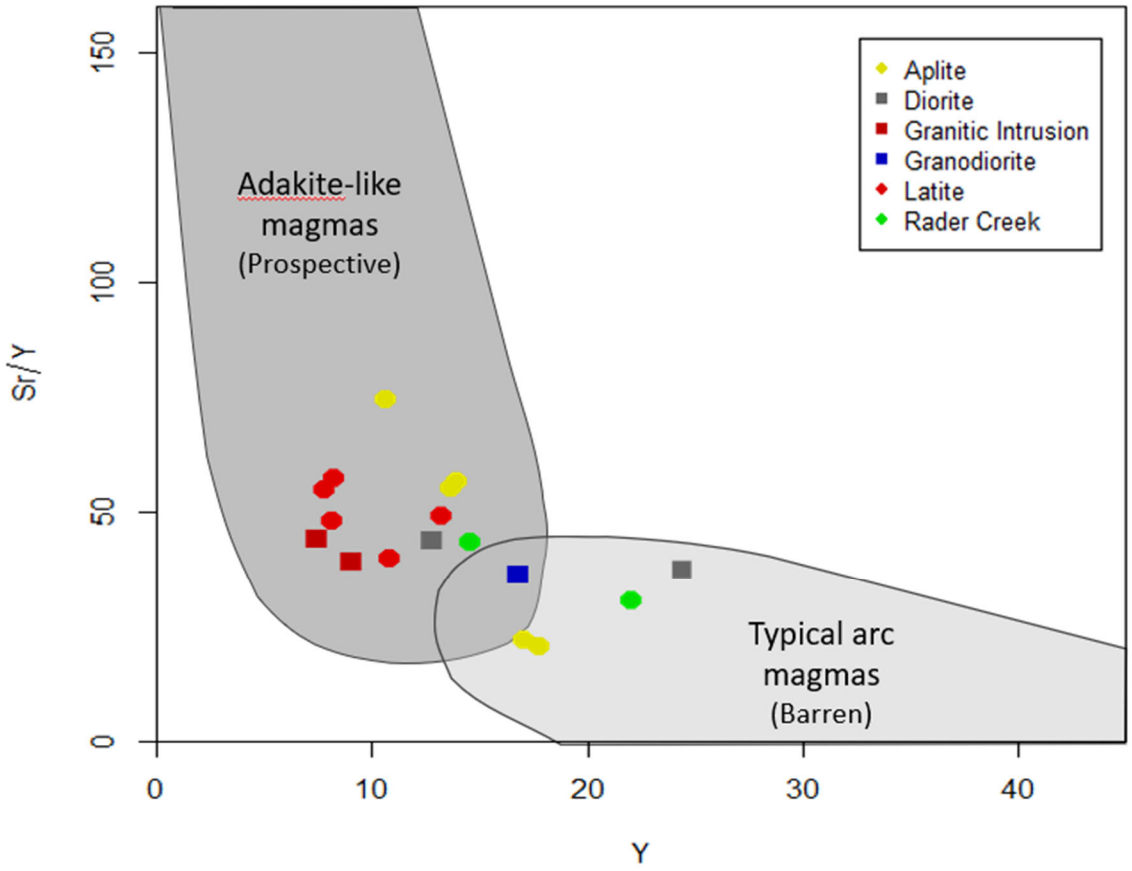
The geochemistry datasets used by the Company include soil and a variety of rock samples from both surface and underground. Underground bulk sampling was conducted by Coronado during their trial mining.

*Broadway Gold Corp (2016-2018)*

As a part of the exploration work done by Broadway Gold from 2016 through 2018, surface rock and soil samples were collected throughout the Madison Project. In 2016, sixty samples were collected from historic dumps. Significant results from this sample set included seventeen samples that returned over 1,000 ppm Cu with individual samples returning values as high as 24,100 ppm or 2.41% Cu. Twenty-eight of the sixty samples returned elevated gold with values as high as 16.14 ppm or 16.14 g/t Au. Later programs included more rock sampling and by 2018, the rock sample dataset totaled 571 samples (Mulholland, 2019). The Company has continued to build on the soil and rock geochemistry datasets.

Broadway Gold conducted multiple soil sampling campaigns that totaled approximately 1,468 soil assays which resulted in several coincident multi-element anomalies that are consistent with porphyry-based mineralization. The soil anomalies consist of coincident gold, silver, copper, molybdenum, manganese, lead, and zinc.

Additionally, Broadway Gold collected seventeen whole rock samples from both surface exposures and drill core in holes C17-22, 23, 24, and 27. The seventeen samples consisted of a variety of lithotypes and were plotted showing the Sr to Y ratios. As displayed below, the majority of samples fall within adakite-like magmas, which are commonly associated with porphyry-style Cu-Au-Mo mineralization. These findings were corroborated from retrospective analysis of Sr/Y ratios for rock and soil samples. The geochemical model based on Sr/Y ratios exposes a 2.4 kilometer (1.5 mile) prospective zone of mineralization. The whole rock geochemical analyses also revealed that the granodiorite tended to be more copper-rich, while the latite tended to be more gold-rich.




**Strontium/Yttrium Ratios for the Different Intrusions Sampled Across the Madison Project**

***Geological Setting, Mineralization and Deposit Types***

Regional Geology

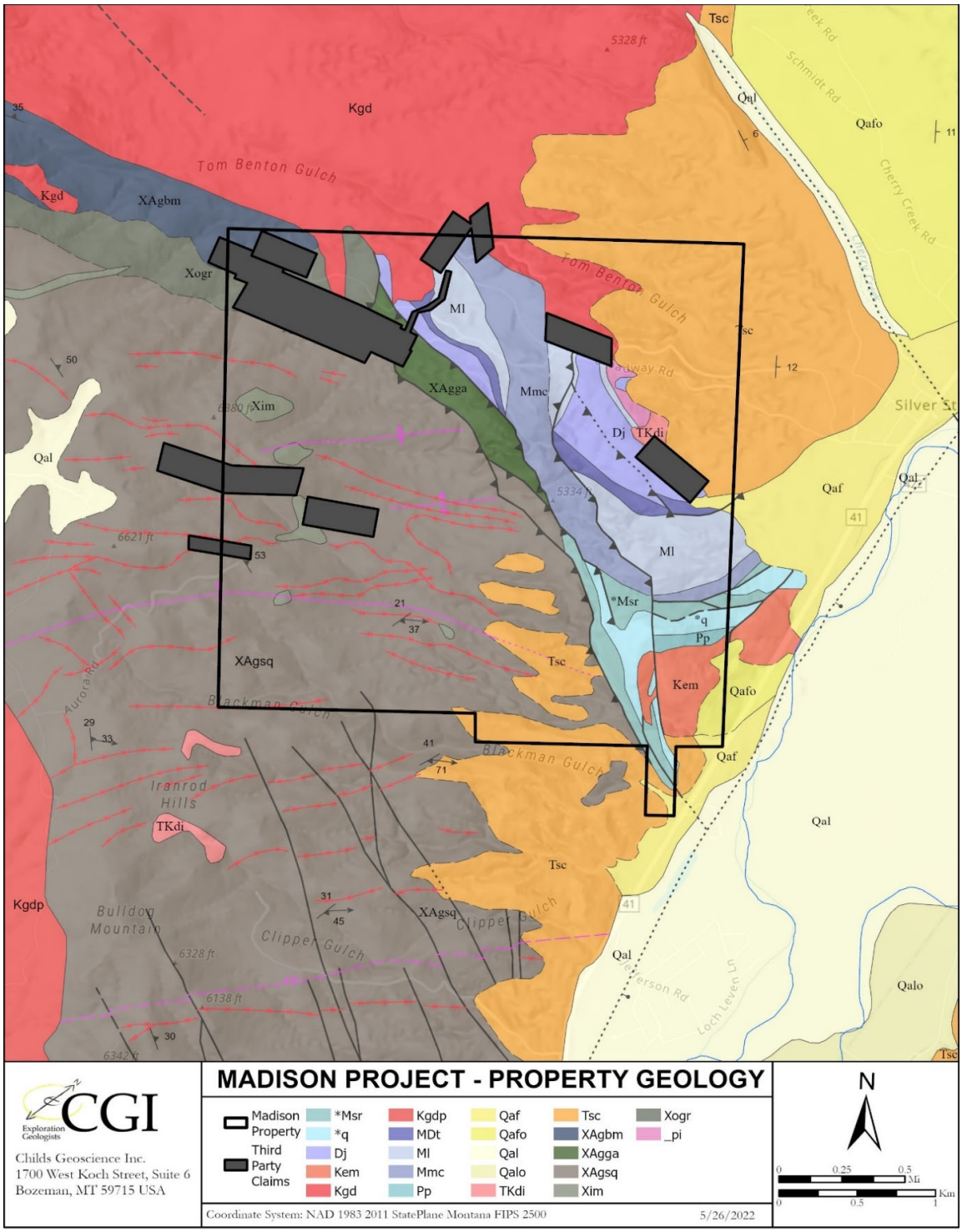
The Madison Project is in the Silver Star Mining District along the south flank of the Rader Creek pluton in southwest Montana. The world-class Butte Mining District, hosted by the rocks of the Late Cretaceous Boulder Batholith, is approximately 39 kilometers (24 miles) to the northwest of the Madison Project. The Boulder Batholith is made up of over 15 plutons, one of which is the Rader Creek pluton. The largest pluton in the batholith is the Butte Quartz Monzonite, which hosts the world-class porphyry-lode deposits of Butte (Sotendahl, 2012).

Situated between the calc-alkaline intrusions of the Butte district to the northwest and the sub-alkaline latite intrusions of the Golden Sunlight mine to the northeast, the Madison Project lies within or just on the margin of a major trend of intrusives and mineralization that coincides with the tectonic feature called the Great Falls Tectonic Zone ("**GFTZ**"). The GFTZ was first described by O'Neill and Lopez (1985) as a northeast trending belt of diverse geological features including geophysical patterns, topographic lineaments, isopachs of Paleozoic sedimentary rocks, as well as the general trend of faulting, extrusive, and intrusive activity, associated with mineralization throughout Idaho and Montana. Further research done on this topic has led to the use of this term in association with the 1.79 – 1.83 billion year (Ga) old Great Falls Orogeny or suturing of the Wyoming Province and the Medicine Hat crustal block (Mueller et al., 2002). The GFTZ is thought to potentially control porphyry and epithermal mineralization because of the strong coincidence between the locations of mineral deposits and the trend of the tectonic zone. The structural setting of southwest Montana includes overlapping features of the Sevier and Laramide deformational events as well

as younger Basin and Range extension. The generally north-south trending Sevier fold and thrust belt diverges eastward along the southwest Montana Transverse Zone ("**SMTZ**"), creating a large bend in the fold-thrust belt known as the Helena Salient. The SMTZ is composed of strike-slip faults that have reactivated along the fault-bounded southern edge of the Helena embayment, which is an eastward extension of the larger Mesoproterozoic Belt Basin. The Madison Project lies along the westward extension of the SMTZ where it intersects the GFTZ. This likely has resulted in some of the structural complexity encountered on the Madison Project.

The basement rocks of the region are comprised of Archean metamorphic rocks, with quartzofeldspathic gneiss and amphibolite being the most abundant lithologies. These basement rocks have been categorized as belonging to the Montana metasedimentary terrane ("**MMT**") of the northern Wyoming Province, although the terrane also includes meta-igneous rocks of tonalite-trondhjemite-granodiorite ("**TTG**") affinity. The TTG derived gneisses are the oldest rocks of the Wyoming Province and have yielded dates that range from 3.5 to 3.1 Ga, with individual zircon grains recording even older ages (Mogk et al., 2020). The MMT rocks are exposed in the Highland Mountains and the adjacent Tobacco Root Mountains. The metamorphic rocks in the Highlands have been strongly reworked by Proterozoic high-grade metamorphism, deformation, and partial melting. Mylonite zones have been mapped immediately to the west of the Madison Project in the Highland Mountains. Locally, formations of the Mesoproterozoic Belt Supergroup unconformably overlie the Archean basement. The Madison Project is located at the southern margin of the Belt Basin.

The Phanerozoic rocks in the region generally consist of marine strata of Paleozoic age, siliciclastic rocks during the Mesozoic, and igneous and sedimentary rocks emplaced during the Cenozoic. A notable exception to these generalizations is the major granitic plutonism that occurred in the Late Cretaceous typified by the Boulder Batholith.




**General Geology of the Madison Project Area Showing Approximate Property Boundary**

*(Geologic map units from MBMG 100k Seamless Geology map server. XAgbm – Archean biotite muscovite gneiss, XAgga – Archean garnet gneiss, XAgsq – Archean gneiss and schist, Xim – Archean mafic intrusion, Xogr – Archean orthogneiss and granite, pi – Cambrian Pilgrim Formation *Msr – Mississippian Snowcrest Range Group, *q – Pennsylvanian quadrant formation, Dj – Devonian Jefferson formation, Kem – Cretaceous Elkhorn Mountain Volcanics, Kgd – Cretaceous Rader Creek Granodiorite, Kgdp – Cretaceous Granodiorite, MDt – Mississippian Devonian Three Forks Formation, Ml –*

*Mississippian Lodgepole Formation, Mmc – Mississippian Mission Canyon Formation, Pp – Permian Phosphoria Formation, Qaf/Qafo – Quaternary Alluvial fan deposits, Qal/Qalo – Quaternary alluvium, Tkdi – Cretaceous to Tertiary diorite, Tsc – Tertiary Sixmile Creek formation.)*

Property Geology

The local geology at the Madison Project has been extensively mapped and compiled by various geologists including Foote (1987) and O'Neil (1996). As seen above, the Madison Project geology consists of a package of Paleozoic sedimentary rocks that have been contact metamorphosed by the Late Cretaceous Rader Creek pluton, to produce the gold-copper skarn that has been mined in the past at the Broadway and Madison mines. The package of Paleozoic metasedimentary rocks is juxtaposed against the Archean aged Cherry Creek metamorphic suite by the Green Campbell Fault, later named the Silver Star Fault, which is a major northwest trending reverse fault of unknown age. The Archean basement rocks that make up the hanging wall of the fault are mostly gneiss, schist, and amphibolite. These rocks are known to host the fissure vein deposits of the nearby historic Green Campbell and Iron Rod mines.

The emplacement of the Rader Creek pluton created an aureole of contact metamorphism, affecting the entire package of Paleozoic rocks found on the Madison Project. The outcrop pattern of the Paleozoic strata near the Madison Mine is thought to be explained by a syncline that is overturned to the northeast. However, this syncline is likely more complicated, with some contacts being structural rather than stratigraphic (Sotendahl, 2012). The metasedimentary Paleozoic strata are comprised of the Cambrian Pilgrim Formation, the Devonian Jefferson Formation, the Devonian-Mississippian Three Forks Formation, the Mississippian Madison Group (divided into the Lodgepole and Mission Canyon Formations), the Pennsylvanian Amsden and Quadrant Formations, and lastly the Permian Phosphoria Formation. These formations can be described as follows:

- Cambrian Pilgrim Fm – commonly mottled, light gray to bluish gray limestone. Zones of intraformational pebble conglomerates and sand. Locally dolomitized, fossiliferous, or oolitic.
- Devonian Jefferson Fm – dark gray, thick-bedded, vuggy, fine-microcrystalline, locally petroliferous dolomite. Tan – orangish tan on the Property due to contact metamorphism, although the lighter colored Birdbear member locally caps the top of the formation.
- Devonian-Mississippian Three Forks Fm – subdivided into three regionally extensive members: the Logan Gulch limestone, the Trident shale and carbonate, and the Sappington sandstone.
- Mississippian Madison Lodgepole Fm – gray, fossiliferous, typically thinly bedded, microcrystalline limestone with yellowish-brown and grayish orange, thin partings and interbeds of micrite/calcareous mudstone.
- Mississippian Madison Mission Canyon Fm – Gray, microcrystalline, thick to thin beds, fossiliferous limestone with abundant gray, black, olive-black, and pale yellowish-brown lensoidal and elongate chert nodules. Solution breccia and paleo-karst features are locally apparent.
- Mississippian-Pennsylvanian Amsden Fm – Mudstone, siltstone, sandstone, and local dolomitic limestone.
- Pennsylvanian Quadrant Fm – Light gray, medium to thick beds, medium to fine grained, well-sorted quartz sandstone.
- Permian Phosphoria Fm – Brown to greenish brown, laminated to thick bedded chert, yellowish sandstone and siltstone, greenish gray, medium to coarse grained, oolitic, phosphatic sandstone, and yellowish gray dolomitic limestone.

All the mentioned lithologies have been metamorphosed by the Rader Creek intrusion, often making them appear differently than at their type localities. The major skarn deposits in the district, including the Broadway and Madison deposits, are hosted by the Madison Group limestone, and to a lesser extent, the Jefferson dolomite (Foote, 1986). Although several prospect pits have been dug into the Three Forks Formation, no significant mineralization has been found in this stratigraphic unit.

The extensive Cretaceous Elkhorn Mountains Volcanics are thought to be cogenetic with and the extrusive equivalents of the Boulder Batholith. The basaltic to andesitic lava flows, dacitic to rhyolitic ignimbrites, breccias, tuffs, and other pyroclastic rocks of the Elkhorn Mountains volcanic field are well preserved locally. A small area of these volcanic rocks is present in the southeast portion of the Madison Project.

Tertiary gravels and other sediment are present capping some of the hills in the south central and northeast portions of the Madison Project. Limestone and Archean basement rocks are the most abundant fragments in the gravels. These are part of a thick sequence of generally coarse sediment that fills the deep intermontane valleys formed due to ongoing Basin and Range normal faulting in southwestern Montana.

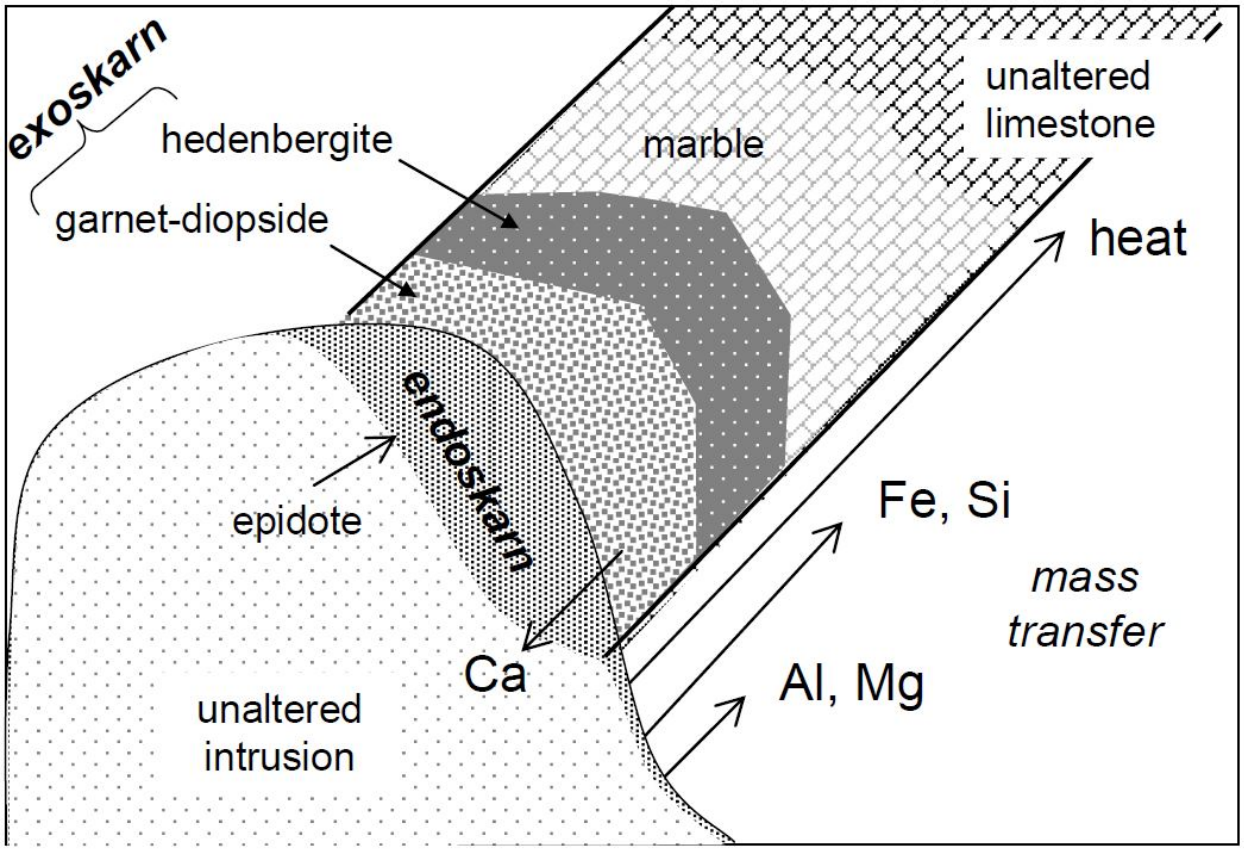
*Rader Creek Pluton*

The Cu-Au+Ag skarn is developed along the contact between the Rader Creek pluton and the Mississippian Madison limestone. A constituent of the composite Boulder Batholith intrusion, the Rader Creek is primarily a medium grained, equigranular granodiorite. However, the pluton varies compositionally and is classified as quartz monzonite and syenodiorite in places. Syenodiorite occurs where potassic metasomatism is pervasive (Mulholland, 2019). The primary minerals in the pluton are plagioclase, potassium feldspar, quartz, hornblende, and biotite, with mafic minerals comprising approximately 15 to 20 % of the total assemblage. Accessory minerals include apatite, zircon, sphene, tourmaline, and monazite (Sotendahl, 2012). Sulfides present, especially at the contact of the intrusion, include pyrite, pyrrhotite, and chalcopyrite. The Rader Creek pluton is the oldest intrusion of the Boulder Batholith with an age of 80.4 + 1.2 million years (Ma), while the Butte Quartz Monzonite (determined in the same study to be a granite rather than a quartz monzonite) has yielded an age of 74.5 + 0.9 Ma (Lund et al., 2002). Although, the Rader Creek pluton has developed the skarn mineralization along the intrusive contact, it is still unclear whether this pluton was the source of the mineralizing fluids. There is increasing evidence that a porphyry system exists at depth and could be the source of mineralization.

In 2019, Kennecott geologists collected twelve samples from various intrusive phases that were intersected in drill holes that year for U-Pb geochronology. Zircon grains from a single latite porphyry sample yielded a late Cretaceous age of 80.3 + 1.4 Ma. This study concluded that the latite has moderate to strong porphyry affinity and weak porphyry fertility. Follow up analysis of other intrusive phases could help map ranges in age and porphyry affinity.

*Madison Skarn*

During and immediately after the intrusion of the Rader Creek pluton, contact metamorphism and metasomatism converted the Madison limestone into skarn proximal to the contact and marble further out from the contact. Like other skarn deposits, the Madison skarn has a complex mineralogy with evidence of multiple, overprinting mineralizing events and a zoned mineralogy. Sotendahl (2012) suggests two phases of skarn metamorphism: a prograde skarn stage and a retrograde skarn stage. The main difference between the prograde and retrograde skarns is the gangue mineral assemblage. The prograde skarn is closer to the contact and generally consists of anhydrous calc-silicate minerals such as pyroxene, garnet, wollastonite and pyrrhotite as the main sulfide. The retrograde skarn is peripheral to the prograde skarn and in contact with the marble. Its gangue minerals are hydrous calc-silicates such as biotite, amphibole, chlorite, and epidote with pyrite as the dominant sulfide. As in most skarns, the Madison skarn includes both endoskarn, or metasomatized intrusive rock, and exoskarn, or metasomatized country rock.




**Schematic Diagram Showing Zonation in Prograde Skarn Minerals at the Madison Project *(Source: Sotendahl, 2012)***

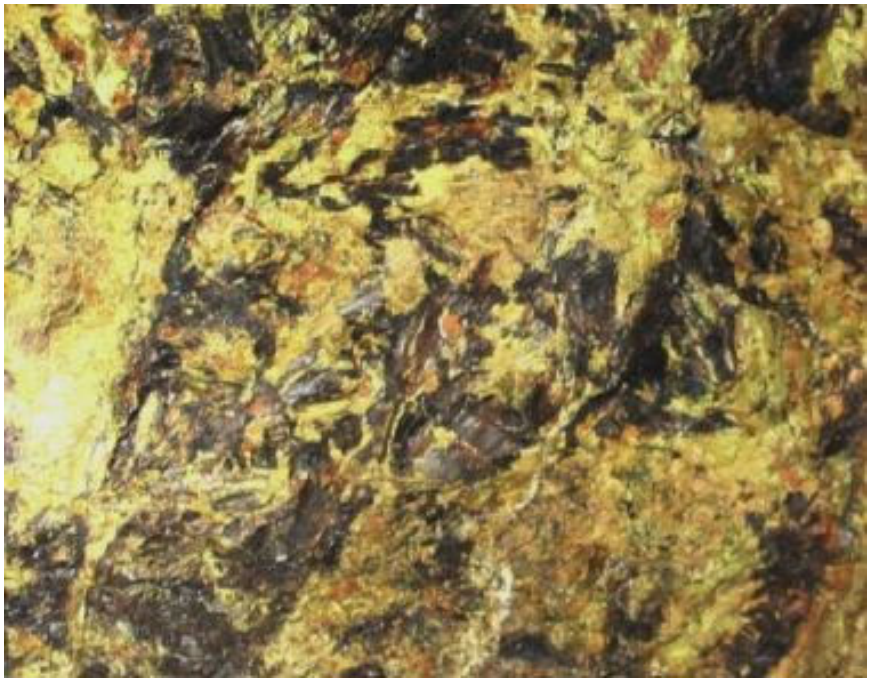
Near its contact with the Madison limestone, the Rader Creek pluton is altered to an epidote-rich endoskarn. The endoskarn can be up to 95% epidote that is prismatic to granular in crystal habit (Mulholland, 2019). Near the boundary between epidote alteration and fresh granodiorite, a thin black band of Mn-oxide occurs (Gammons et al., 2010). Other minerals documented in the endoskarn include salite, garnet, actinolite, quartz, calcite, sphene, zircon, smectite, goethite, byssolite, and minor disseminated sulfides. Although disseminated sulfides are present, the endoskarn has not been found to have elevated copper or gold mineralization (Sotendahl, 2012).

The exoskarn, as mentioned above, formed in the limestone country rock and is the main host for the copper and gold mineralization. The exoskarn forms a zoned pattern with the most proximal zone to the intrusive contact being a garnet-diopside skarn that then grades into a massive hedenbergite skarn, and finally marble. Primary sulfides including pyrrhotite, pyrite, chalcopyrite, and bornite are present throughout the exoskarn, but are especially abundant in the garnet-diopside skarn, locally forming semi-massive to massive pods and bands. This skarn is fine grained, contains grossular to andradite garnet, diopside, and locally contains small amounts of actinolite or hydromica that is replacing pyroxene. More distal from the contact, the hedenbergite skarn is massive and very coarse grained, with radiating clusters of dark green to jet black pyroxene crystals up to 10 cm long. The hedenbergite exoskarn and the sharp contact with the marble is exposed in the Black pit. Also found in the vicinity of the Black pit is a polylithic breccia that is found between the hedenbergite and marble. This unit locally contains native gold. Mineral zonation of the exoskarn is common in many skarns because of the hydrothermal mobility of Al, Mg, Si, and Fe (Gammons et al., 2010). Due to the relative immobility of Al and Mg, garnet and diopside are found closest to the contact, while Fe and Si are more soluble and crystallize hedenbergite at the outer margins. Beyond the furthest extent of metasomatism, dissipation of heat from the intrusion caused the Madison limestone to recrystallize to a coarse-grained, creamy-white to bluish-gray marble.

Property Alteration

There are several alteration phases identified at the Madison Project. A prominent and important alteration that is tied to the secondary enrichment of copper is the oxidation event that produced a gold-bearing jasperoid. A mosaic of fine-grained hematite and goethite cemented by microcrystalline silica comprises the jasperoid. Sotendahl (2012) suggests that the unit is hypogene (i.e., formed from ascending hot fluids) because it cuts across the skarn at a high angle. With the exception of late calcite veins and surficial gossan, all other mineral and vein types are cut by the jasperoid. The jasperoid and jasperoid breccia crop out near the Victoria and American pits. The high iron oxide content of the jasperoid is displayed by its deep orange-brown to red color. This unit is often cut by anastomosing calcite veins and stockworks and can be traced to deep levels of the Madison Mine. In certain areas, it is found along the boundary between the garnet-diopside and hedenbergite skarns, elsewhere it is found in direct contact with the Rader Creek pluton (Gammons et al., 2010). It has been traced nearly 3,000 feet along strike and was the primary target of previous mining activity (Mulholland, 2019).

In addition to the jasperoid that was produced by the oxidation event, several types of clays were deposited as well. It is thought that localized argillic alteration of the calc-silicate minerals in the skarn was caused by the same hot, acidic fluids that formed the jasperoid. It appears that the clay alteration was restricted to the margins of the mineralized system and was most intense where early sulfide minerals had been oxidized and replaced by hematite and/or goethite. Nontronite and other clays locally form massive pods of nearly 100% clay that are surrounded by jasper and are often referred to as “soap” by exploration geologists (Sotendahl, 2012). Nontronite, a bright yellow-green Fe(III)-rich endmember of the smectite mineral group, is the most abundant clay observed in the Madison Mine. It has been reported as replacing hedenbergite topotaxially (i.e., atom by atom) and along cleavage planes. X-ray diffraction (XRD) analysis by Sotendahl (2012) revealed that the nontronite also is found with fine-grained calcite and suggested that the clay and calcite were deposited nearly simultaneously. Another abundant secondary clay found in the Madison mine is hisingerite and like the nontronite, it formed during the weathering of silicate or sulfide minerals rich in iron. Hisingerite is mostly found in association with pyrrhotite-rich portions of the ore body, whereas the nontronite is more closely associated with the hedenbergite.



**Very Coarse Hedenbergite (*dark brown*) Topotaxially Replaced by Nontronite (*yellow-gold*).**

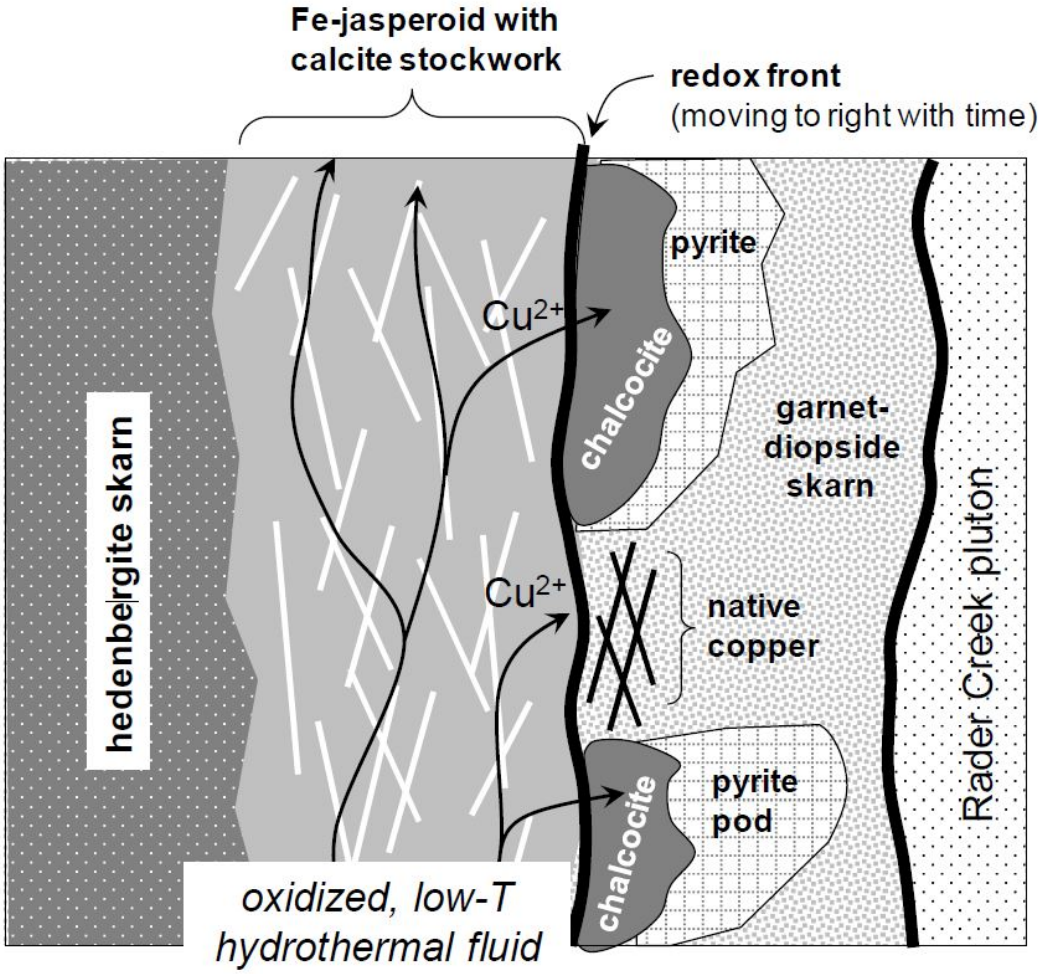
***Photo is about 1 ft across. (Source: Sotendahl, 2012)***

In 2017-18, Broadway Gold conducted drilling (with the deepest hole ending at a depth of 531 meters (1,739 ft)) to test coincident geophysical and geochemical targets that were interpreted to be associated with a copper-gold porphyry system at depth. During this drilling, multiple holes intercepted porphyry-type alteration (Mulholland, 2019). In hole C17-24, at 301 m (988 ft), a porphyritic quartz latite displayed well-developed propylitic alteration at the contact with the adjacent carbonate rocks. At 309 m (1,014 ft), phyllic alteration was observed as selvages around quartz-pyrite and pyrite microveinlets. Assay results from this zone are not significant but do indicate an increase in gold and copper values when pyrite and quartz+pyrite veinlet density increases. Occupying the same drill pad as C17-24, hole C17-27 also intercepted the quartz latite from 272.5 m (894 ft) to 507 m (1,663 ft) and displayed a zone of mixed propylitic and phyllic alteration. The phyllic alteration zones include quartz-calcite-sulfide veinlets and stockworks. Sulfide content ranges between 5-7% as fine-grained disseminations, veinlets, and coarse blebs of pyrite. Some of the veinlets contained pyrite with sphalerite-galena rims within a phyllic alteration selvage invading pervasive propylitic alteration.

Property Mineralization

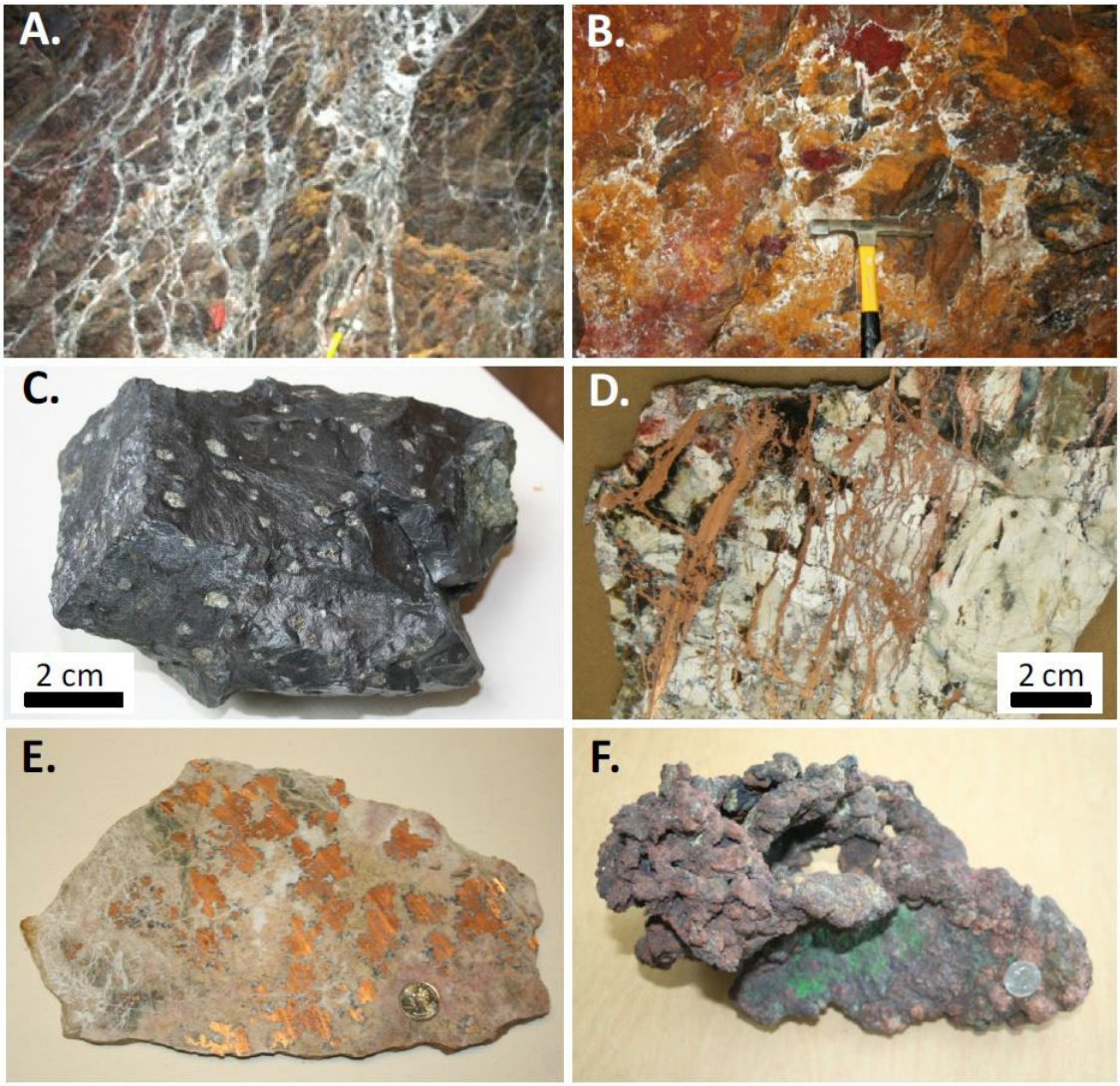
The best known and highest-grade Au-Cu mineralization at the Madison Project is located in the skarn that formed along the contact between the Rader Creek pluton and the Madison limestone. However, there is increasing evidence that porphyry mineralization is present at depth and is potentially the source of the Au-Cu skarn mineralization. At least two stages of mineralization have been identified in the Madison skarn: (1) primary sulfides and (2) secondary copper enrichment associated with the formation of jasperoid. Unweathered skarn is locally rich in primary Fe-Cu sulfides and gold. The gold-bearing jasperoid is accompanied by secondary enrichment of chalcocite and subordinate native copper that are interpreted to have formed during a hypogene oxidation event).

In his Ph.D. dissertation, Foote (1986) focused on the mineralogy and geochemistry of the primary skarn. Gammons and others (2010) agree that the primary mineralization of skarn “protore” was introduced during late stages of the main skarn event. Primary sulfide minerals include pyrrhotite, pyrite, chalcopyrite, and minor bornite. Sulfur isotope data collected by Sotendahl (2012) suggest a magmatic source of sulfur and a high temperature of formation. Copper values locally range up to 13% in the primary mineralization. Gold emplaced with the primary mineralization occurs as small, rounded inclusions within chalcopyrite and as microscopic grains of electrum found with sulfides and calc-silicate minerals. Minor amounts of galena, sphalerite, a variety of bismuth and silver telluride minerals, and trace amounts of scheelite and uraninite were all introduced during this initial stage of mineralization (Sotendahl, 2012).




**Schematic Diagram of the Secondary Hypogene Oxidation Event** ***(Source: Sotendahl, 2012)***

A single drift of "oxidized skarn" located within 61 m (200 ft) from the surface at the historic Broadway Mine is responsible for much of the historic gold production (Price, 2005). This lithology is inferred to correlate with the gold-bearing jasperoid that was mined in the Madison Mine and locally carries gold grades greater than 0.1 oz/t. As mentioned in the previous section, Sotendahl (2012) concluded that this unit was formed during a hypogene oxidation event. Sotendahl found numerous micron-sized inclusions of gold with high purity. During the oxidation event, gold was immobile and was left behind while the silver component of the electrum grains was dissolved by the invading fluid and, along with the copper, was re-deposited elsewhere. Supporting this hypothesis, massive chalcocite and native copper are found along the margins of the jasperoid (Gammons et al., 2010). The chalcocite is especially abundant where the Cu-rich fluids encountered primary sulfides. In some instances, the chalcocite cuts and replaces pyrite or forms masses surrounding euhedral pyrite (Sotendahl, 2012). In places where no primary sulfides were encountered by the oxidizing fluid, native copper was deposited. Unusually abundant in the Madison workings, the native copper occurs as stockwork veins, spherical pods, and amoeboid masses. Individual copper nuggets up to 47 lbs have been excavated by hand from clay-rich oxidized ore in mine dumps and is also found in place. It is estimated that approximately 350 lbs of copper nuggets have been hand-picked from the Madison workings. The richest native copper zones were found along the border of chalcocite ore in the copper stope (Sotendahl, 2012).




**Photos of Secondary Oxidation, Chalcocite, and Native Copper (*A. Jasperoid cut by stockwork of calcite veins (underground photo). B. Unsilicified hematite and goethite gossan cut by lacy calcite veins (white) at top of copper stope on the 300 level. The bright red color is characteristic of oxidation of pre-existing chalcocite. C. High-grade chalcocite (black) with pyrite eyes from the copper stope. D. Native Cu stockworks cutting bleached skarn. E. Native Cu pods embedded in garnet-pyroxene skarn. F. The largest Cu nugget recovered from the Madison Gold Mine, weighing 47 lbs.) (Source: Sotendahl, 2012)***

***Deposit Types***

Skarn Deposits

Skarns are calc-silicate assemblages that form by metasomatic processes during contact metamorphism. Most occur in carbonate rocks adjacent to magmatic intrusions but can also form at a distance from the intrusive contact. Skarns are best developed around small- to moderate-sized, discordant intrusions of intermediate composition, such as monzonites and granodiorites (Guilbert and Park Jr., 1986). Gold skarns often form in orogenic belts at convergent plate margins and are also associated with syn to late island arc intrusions emplaced into calcareous sedimentary sequences in arc or back-arc environments (Ray, 1988). Often hosted in carbonates, calcareous silicilclastics, volcaniclastics, or (rarely) volcanic flows, gold skarns range from irregular lenses and veins to tabular orebodies with lengths ranging up to hundreds of feet.

Orebodies tend to form along sill-dike intersections, sill-fault contacts, bedding-fault intersections, fold axes, and permeable faults or tension zones. Skarns can be mined for several different commodities and are commonly associated with porphyry deposits.

Porphyry Deposits

Porphyry deposits are the source of much of the world's copper, molybdenum, and rhenium as well as provide significant amounts of gold, silver, and other metals. They can be defined as large, low- to medium-grade deposits centered where mineralization, precipitated from hydrothermal fluids, occurs as stockwork veins and veinlets, hydrothermal breccias, disseminations, and wall-rock replacement. Typically, porphyry deposits are centered on felsic to intermediate intrusive centers within an alteration halo that exhibits characteristic mineralogy and chemical zoning. Most porphyries occur in island arc and continental margin environments in orogenic belts and are linked to subduction related magmatism. In other cases, they are associated with the emplacement of high-level stocks during extensional tectonism related to strike-slip faulting and back-arc spreading following continental margin accretion. Wilkinson (2013) suggests four key triggers that may be involved in the formation of large porphyry deposits: (1) cyclical enrichment of magmas with metals and water in the deep crust (2) saturation of magma with sulfide facilitates the concentration of metals into smaller volumes of material from which they can later be released (3) efficient transfer of metals into hydrothermal fluids that are exsolved from the magmas (4) localized processes trigger the precipitation of ore minerals in the crust.

***Exploration***

The disclosure below provides a detailed summary of the exploration work done since Kennecott ("**KEX**") began work on the Madison Project.

Overview

In their first season on the Madison Project in 2019, KEX drilled 14 core holes, conducted radiometric age dating and porphyry affinity analysis, and employed multiple geophysical surveys. In 2020, APM purchased the Madison Project from Broadway and continued to support KEX in exploration of the Madison Project. The 2020 season included the drilling of 9 core holes, soil and rock sampling, and the acquisition of high-resolution WorldView-3 satellite 17-band 30 cm data covering the Madison Project. Exploration activities from the 2021 season included 10 core holes drilled, two geophysical surveys, rock and soil sampling, trench sampling, and the development of new targets.

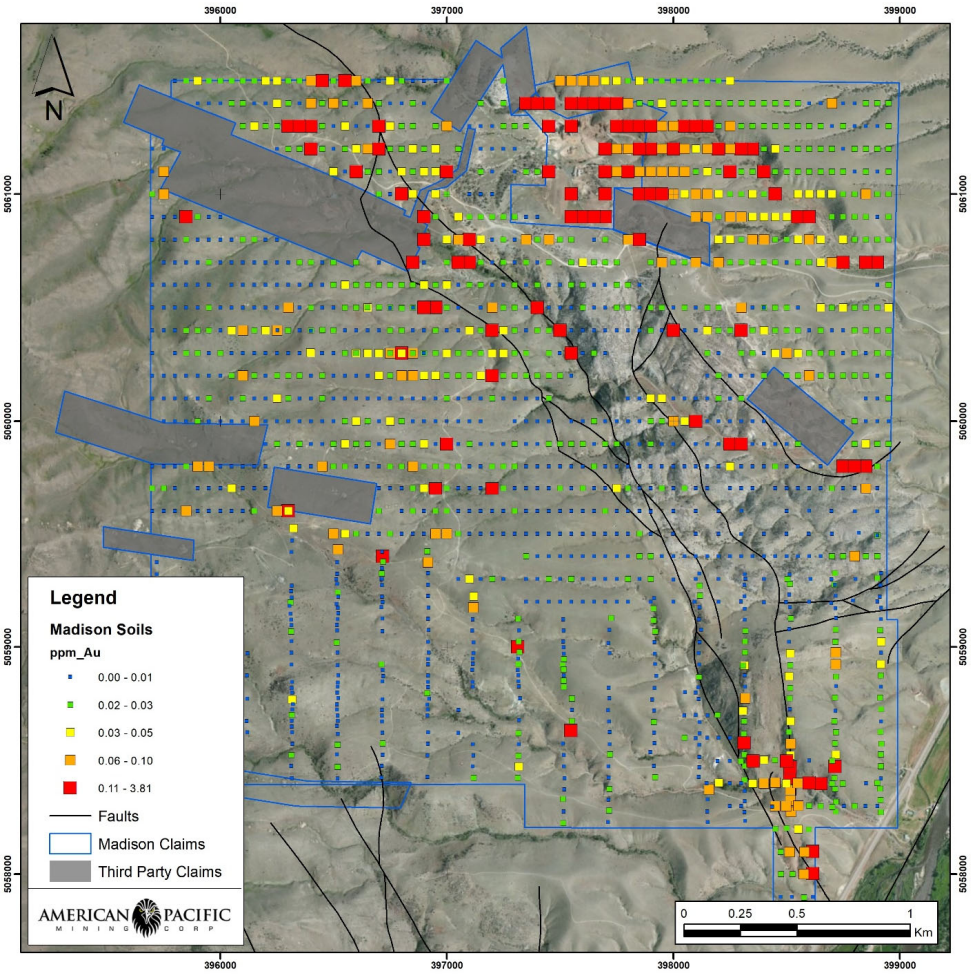
Geochemistry

The JV continues to increase the extensive geochemical data on the Madison Project from surface, subsurface, and trench rock samples as well as a property-wide soil sample grid.

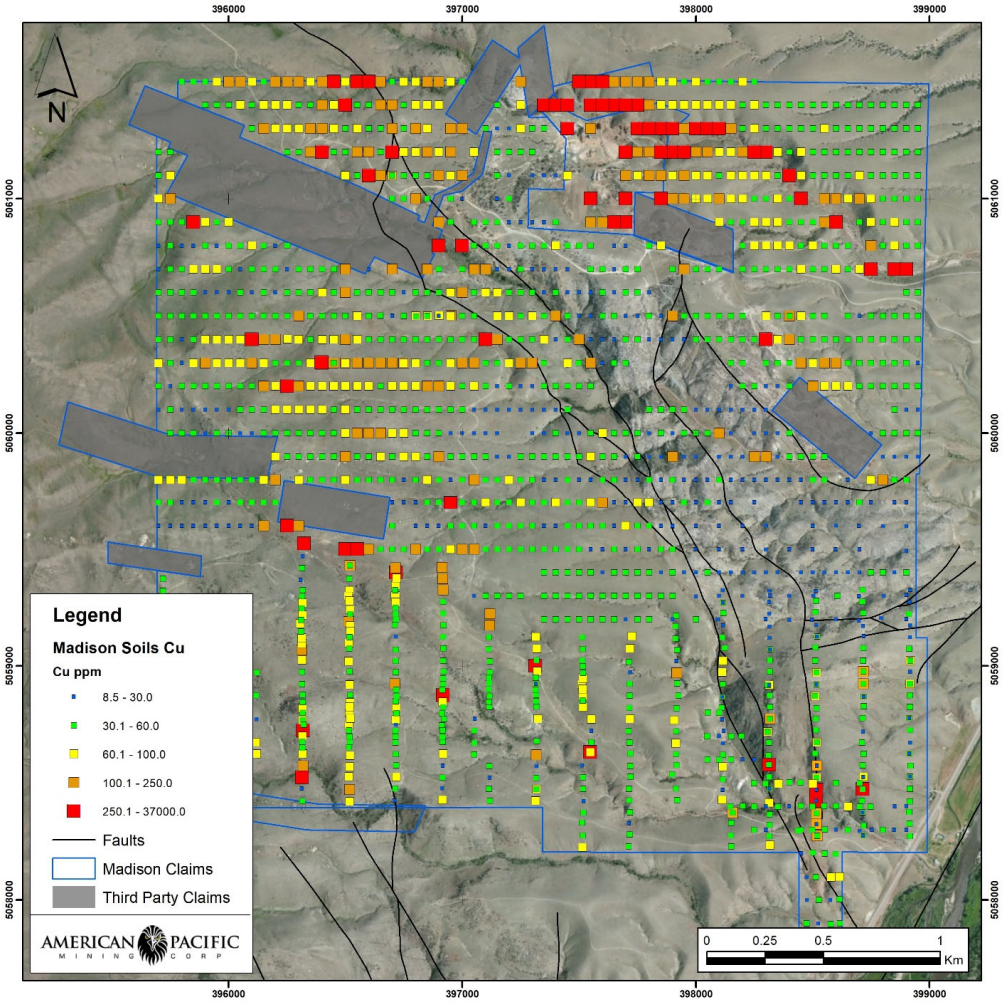
*Soil Sampling*

In the 2021 season, North American Exploration was contracted to conduct a soil survey over the southern half of the Madison Project, collecting 385 soil samples. These, combined with the 1,330 samples previously collected by Broadway, complete a property wide soil sampling survey totaling 1,715 samples across a 13 km2 area. Samples were collected every 50 meters on north-south trending lines that were spaced 200 meters apart.

As displayed below, gold and copper values are elevated near the skarn mineralization in the north part of the Madison Project and these high metal values express the contact area of the Rader Creek granodiorite with the Madison and Jefferson formations. A significant break in both Au and Cu values is shown as a diagonal line across the Madison Project that is likely associated with the major Silver Star fault. An anomalous zone of elevated Au values in soils has been identified at the southern extent of the Silver Star fault and may warrant further investigation.




**Gold Values in Soils from the Completed Property Wide Soil Survey**




**Copper Values in Soils from the Property Wide Soil Survey *(Source: APM)***

*Rock Sampling*

In addition to the rock samples collected by previous operators before KEX's involvement, recent surface sampling includes outcrop, trench, grab/float, and dump samples, bringing the total number of rock samples collected on the Madison Project to approximately 732. Roughly 500 of these samples were collected by either Broadway or KEX and have been analyzed for full multi-element geochemistry including gold, copper, and silver. The historical samples collected by Berglynn included in the rock sample database were only assayed for gold.

Most of the rock sampling was focused near historic dumps, pits, and workings in the north-central portion of the Madison Project. However, favorable results have also derived from trench, dump, outcrop, and float samples in other parts of the Madison Project. Several samples that were collected near the past producing American pit returned elevated Au and Cu values. These samples include sample 40306597 which returned 124.5 g/t Au, 35.2 g/t Ag, and 0.264% Cu from a chip sample of a quartz vein on a granodiorite outcrop as well as sample 40424234 which returned 29 g/t Au, 32.7 g/t Ag, and 1.035% Cu from a float sample of skarn 14. About 400 m (1,312 ft) east of the American pit, geologists identified native gold in sample 40424239 from a quartz vein which returned 12.65 g/t Au, 11.20 g/t Ag, and 0.98% Cu.

Three trenches for a total of 590 m (1,935.7 ft) were completed in 2021 (MADT0001, MADT0002, and MADT0003) with the objective of testing the continuity of vein hosted gold mineralization Previous rock chip sampling and historic workings helped inform the trench locations. The trenches identified multiple zones of elevated gold mineralization.

MADT0001 was designed to cut across three roughly east-west trending veins hosted in Archean gneiss. Results included 8 m (26.3 ft) of 0.27 g/t Au starting at 130 m (426.5 ft). One rock chip sample (40426717) from previous sampling from the nearby dumps returned 48.5 g/t Au and 6.5 g/t Ag warranting further exploration with MADT0001. Deeper excavation under an area of back fill encountered in the trench revealed visible gold-bearing quartz veins that returned grab sample values up to 15.7 g/t Au and 612 g/t Ag from sample 40424227.

MADT0002 was planned to test for shallow Cu-Ag-Au mineralization within the Jefferson Dolomite where previous rock chip sampling returned favorable results. This trench hit mineralization at the contact between the Rader Creek granodiorite and the Jefferson Dolomite where 20 m (65.6 ft) assayed 0.63 g/t Au and 0.27% Cu.

MADT0003 was designed to test for shallow Au mineralization associated with the east-west trending quartz veins in the Archean Gneiss. Previous rock chip sampling by Broadway Gold of old dumps near the third trench returned values up to 19.8 g/t Au in sample V993024. Geologists identified thin quartz Fe-oxide veins with native gold at 83 m (272.3 ft) in the trench and this was the only significant mineralization seen in trench MADT0003.

Geophysics

In addition to the geophysical data collected by Broadway, the JV has conducted several additional geophysical programs. These include a surface electromagnetic survey, a UAV magnetic survey and a downhole electromagnetic survey.

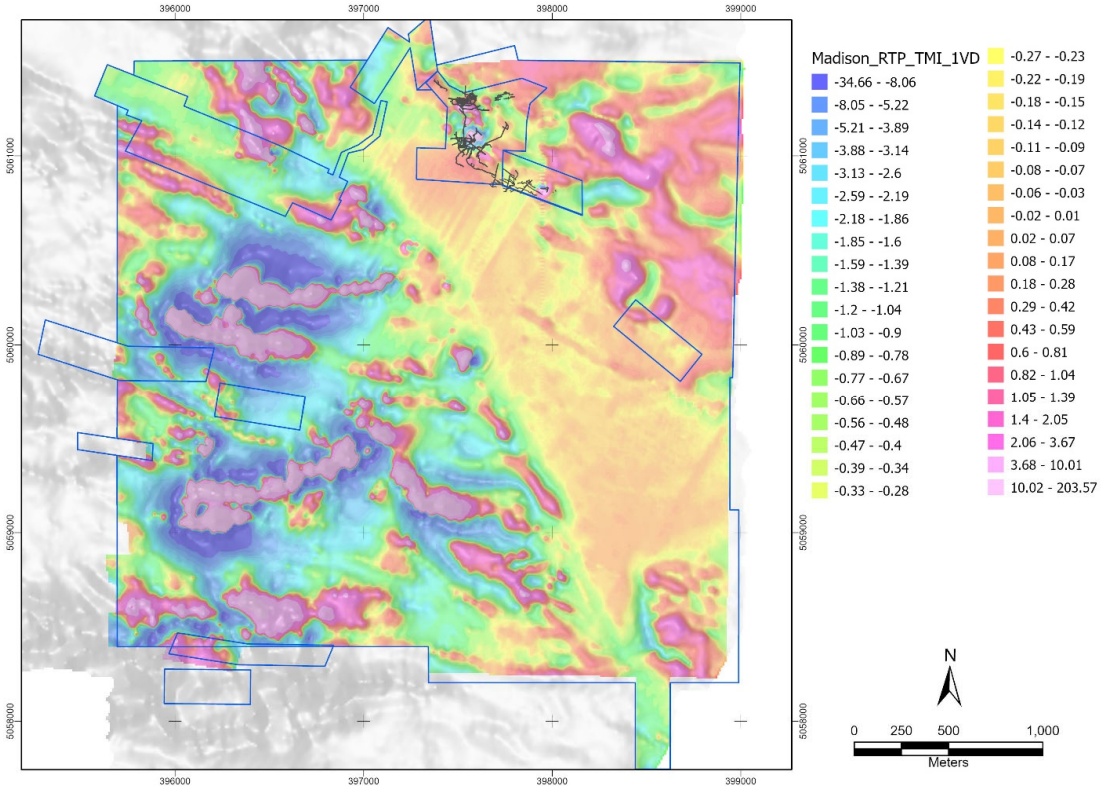
*Surface Electromagnetic Survey*

In the 2019 season, Crone Geophysics conducted two time domain electromagnetic ("**TDEM**") surveys covering the known Madison skarn mineralized area centered on the Madison and Broadway mines. The two high-resolution surveys consisted of 23 lines at a spacing of 25 m and station spacing of 20 m for a total of 773 stations over 14.3 km. Although it was disconnected prior to the surveys, a powerline caused major interference with the surveys. However, there are anomalous readings that are thought to represent conductive massive sulfides. Most of the larger anomalies are negative and potentially caused by disseminated chargeable mineralization.

*UAV Magnetic Survey*

A high-resolution Unmanned Aerial Vehicle ("**UAV**") magnetic survey was flown over the Madison Project in the 2021 season by MWH Geo-Surveys International Inc. of Reno, Nevada. A total of 344 line-kilometers of magnetic data was collected at a line spacing of 25 m or 50 m at a height of 20 m over an area of approximately 11.34 km2. Prior to the collection of magnetic data, a UAV orthophoto survey was conducted to create a digital elevation model to guide the subsequent magnetic survey. The orthophoto survey was conducted with a Wingtra One PPK VTOL mapping drone. Ground control targets were surveyed prior to the UAV photo mapping. The magnetic survey was conducted with a Geometrics MagArrow Cesium Magnetometer operated in conjunction with a Watts Innovation Prism X8 axial quadcopter drone. the MagArrow sensor is suspended on a 2.5 m lanyard to remove it from the electromagnetic noise of the UAV. It takes 1,000 readings per second and is flown at a maximum speed of 12 m/s. Data is down sampled after collection to 10 Hz. The sensor's readings are diurnally corrected via a Geometrics G858 base mag, cycling at 10 readings per second.

The refined results from the high-resolution magnetic survey are displayed below. After the refined processing of the data, several more anomalous magnetic highs (pink shades) and magnetic lows (blue shades) were identified. The magnetic high anomalies that are flanked by magnetic lows are of particular interest and have been interpreted by APM geologists to be alteration associated with an intrusive body at depth. These areas remain untested by drilling. The magnetic highs in the southern half of the Madison Project suggest the presence of structurally controlled intrusives or dikes that may be associated with mineralization. Visible gold and elevated gold values were found in trench and grab samples in the vicinity of these magnetic highs in the southern part of the Madison Project.




**Refined Results from the High-resolution UAV Magnetic Survey *(Source: APM)***

*Downhole Electromagnetic Survey*

The Company and KEX also collected downhole TDEM data for four drill holes in 2021. Big Sky Geophysics completed and interpreted downhole TDEM surveys from holes MADN0025, MADN0026, MADN0027, and MADN0028 with the intent of mapping down hole sulfide zones associated with skarn mineralization. Data from all four holes is generally noisy, possibly from underground adits as well as instrument noise. The best response came from station 255 in MADN0028 which indicates continued, untested sulfide mineralization at depth. Similar responses, but with lower amplitude were received at the bottom of holes MADN0025 and MADN0026, furthering the potential for deeper sulfide mineralization. Hole MADN0027 yielded no significant conductors.

The conductors found in the downhole TDEM survey are positioned within the down-dip projection of the Au-Cu skarn mineralization and indicate that the mineralized zone likely continues at depth.

***Drilling***

Prior to Kennecott's involvement on the Madison Project, a total of 149 RC and diamond core holes had been drilled on the Madison Project. The database contained 18,955 m (62,189 ft) of drilling, including

11,481 assays and 498 down hole surveys. The drilling database now includes 28,576 m (93,755 ft) of drilling data including 14,830 assay results and 737 down hole surveys. KEX uses the database software acQuire to store and manage drilling data including geologic, structural, and geotechnical logs as well as downhole surveys, core samples, and magnetic susceptibility measurements.

Kennecott Drilling

KEX has completed three diamond drilling programs since they became active in the Madison Project in 2019. The first drilling program completed 14 core holes for a total of 4,010.9 m (13,159 ft). The following year, 9 holes were completed for a total of 1962.45 (6438.5 ft). In 2021, KEX completed 10 core holes, totaling 3,598 m (11,804.5 ft). The three programs totaled 33 holes with 9,621.3 m (31,565.9 ft) of core drilled. Drill holes typically start with PQ size core and reduce to HQ size for the rest of the hole. Holes are surveyed every 30 m (98.43 ft) using a single shot survey device. KEX geologists' record a quick-log of the geology on site and then the core is shipped from Montana to Salt Lake City, UT for detailed geologic logging, other data collection, and sampling. The collar information for the drill holes completed during the three programs is displayed below. The northing and easting are represented in the WGS 84 coordinate system.

| Hole ID | East (WGS84_UTM_12N) | North (WGS84_UTM_12N) | Elev. (m) | Azimuth | Dip | TD (m) | Year |
|---|---|---|---|---|---|---|---|
| MADN0001 | 398138 | 5059969 | 1501.97 | 37 | -75 | 470.91 | 2019 |
| MADN0002 | 395992.7 | 5059788 | 1814.26 | 120 | -80 | 532.18 | 2019 |
| MADN0003 | 396291 | 5061199 | 1732 | 305 | -81 | 44.19 | 2019 |
| MADN0004 | 396291 | 5061198 | 1732 | 305 | -81 | 403.4 | 2019 |
| MADN0005 | 396908 | 5061047 | 1686 | 59 | -81 | 467.86 | 2019 |
| MADN0006 | 398405 | 5060289 | 1531.8 | 327 | -64 | 527.3 | 2019 |
| MADN0007 | 397624 | 5061132 | 1615.15 | 26 | -56 | 117.5 | 2019 |
| MADN0008 | 397623.6 | 5061131 | 1615.15 | 26 | -79 | 162.15 | 2019 |
| MADN0009 | 397623.6 | 5061131 | 1615.15 | 229 | -81 | 151.09 | 2019 |
| MADN0010 | 397542 | 5061111 | 1617.54 | 33 | -54 | 254.51 | 2019 |
| MADN0011 | 397542 | 5061111 | 1617.54 | 33 | -44 | 218.69 | 2019 |
| MADN0012 | 397542 | 5061111 | 1617.54 | 31 | -64 | 181.66 | 2019 |
| MADN0013 | 397542 | 5061111 | 1617.54 | 12 | -59 | 272.18 | 2019 |
| MADN0014 | 397542 | 5061111 | 1617.54 | 49 | -55 | 207.26 | 2019 |
| MADN0015 | 397306 | 5061183 | 1614.24 | 35 | -60 | 350.52 | 2020 |
| MADN0016 | 397491 | 5061217 | 1607.9 | 60 | -60 | 239.87 | 2020 |
| MADN0017 | 397490 | 5061219 | 1607.9 | 60 | -50 | 199.95 | 2020 |
| MADN0018 | 397489 | 5061220 | 1607.9 | 60 | -70 | 209.7 | 2020 |
| MADN0019 | 397498 | 5060939 | 1626.24 | 35 | -75 | 138.99 | 2020 |
| MADN0020 | 397360.1 | 5061328 | 1638.2 | 140 | -78 | 51.21 | 2020 |
| MADN0021 | 397360 | 5061328 | 1638.2 | 140 | -81 | 301.14 | 2020 |
| MADN0022 | 397306 | 5061184 | 1614.9 | 20 | -60 | 312.57 | 2020 |
| MADN0023 | 397705 | 5060757 | 1613.18 | 35 | -60 | 158.5 | 2020 |
| MADN0024 | 397299 | 5061178 | 1615.65 | 350 | -70 | 381.61 | 2021 |
| MADN0025 | 397302 | 5061183 | 1615.65 | 345 | -59 | 356.16 | 2021 |
| MADN0026 | 397301 | 5061180 | 1615.65 | 314 | -72.5 | 445.47 | 2021 |

| Hole ID | East (WGS84_UTM_12N) | North (WGS84_UTM_12N) | Elev. (m) | Azimuth | Dip | TD (m) | Year |
|---|---|---|---|---|---|---|---|
| MADN0027 | 397426 | 5061204 | 1610.56 | 19 | -77 | 277.98 | 2021 |
| MADN0028 | 397345 | 5061272 | 1622.02 | 342 | -79.5 | 274.32 | 2021 |
| MADN0029 | 397213 | 5061298 | 1626 | 321 | -70 | 390.75 | 2021 |
| MADN0030 | 397212 | 5061297 | 1626.612 | 323 | -85 | 448.66 | 2021 |
| MADN0031 | 397439 | 5061054 | 1627.19 | 47 | -75 | 243.38 | 2021 |
| MADN0032 | 397548 | 5061162 | 1609.26 | 160 | -70 | 217.32 | 2021 |
| MADN0033 | 397540 | 5061171 | 1609.26 | 283 | -55 | 562.36 | 2021 |

**Collar Information for the 33 KEX Drill Holes**

*2019 Drilling Program*

The 2019 drilling program completed fourteen holes, totaling 4,010.9 m (13,159 ft). The first six holes (MADN0001 – 0006) targeted porphyry style mineralization while the remaining eight holes (MADN0007 – 0014) targeted the down dip and easterly strike extension of the known Madison skarn mineralization. These targets were guided by previous drilling results, geophysical anomalies (IP chargeability and resistivity), and soil geochemistry. The drilling intersected nine different intrusive lithologies, and six hydrothermal alteration phases. Holes MADN0010 and MADN0011 intersected high-grade mineralization associated with skarn alteration and sulfides dominated by pyrrhotite and pyrite within the upper Jefferson Formation. Significant results from the 2019 drilling are presented below.

| Hole ID | From (m) | To (m) | Interval (m) | Au (g/t) | Cu (%) |
|---|---|---|---|---|---|
| MADN0001 | 256.86 | 258.86 | 2 | 0.04 | 0.5 |
| MADN0004 | 84.17 | 85.28 | 1.11 | 1.04 | 0.02 |
| MADN0004 | 349 | 352 | 3 | 1.25 | 0 |
| MADN0007 | 83.5 | 85.82 | 2.32 | 1.06 | 0.76 |
| MADN0009 | 123.06 | 129 | 5.94 | 0.4 | 0.01 |
| MADN0010 | 151.61 | 226 | 74.39 | 1.16 | 0.06 |
| *Including* | 151.61 | 179.98 | 28.37 | **2.27** | 0.1 |
| *Or* | 151.61 | 155.07 | 3.46 | **17.71** | 0.18 |
| *And* | 208 | 226 | 18 | 1.06 | 0.07 |
| MADN0011 | 182 | 184.54 | 2.54 | 1.42 | **2.41** |
| MADN0011 | 203 | 204.23 | 1.23 | 1.59 | 0.01 |
| MADN0012 | 139 | 142 | 3 | 1.72 | 0.02 |
| MADN0013 | 201 | 210.22 | 9.22 | 2.6 | 0.2 |
| Including | 203 | 206.8 | 3.08 | 4.91 | 0.01 |
| MADN0014 | 183 | 186 | 3 | 0.91 | 0.12 |

**Significant Results from the 2019 Drilling Program**

Seven of the eight holes that were targeting skarn intersected zones of semi-massive to massive sulfides. The drilling extended the known mineralization 120 m along strike to the southeast and 90m down dip from previous drill intersections. Twelve samples were collected from various intrusive phases that were analyzed for U-Pb geochronology and porphyry affinity analysis.

*2020 Drilling Program*

The 2020 drilling program completed nine holes for a total of 2,012.4 m (6,602.4 ft). Drilling focused on the extensions of skarn and jasperoid mineralization in various locations near the historic Madison, Broadway, and Hudson mines. Holes were planned as step-outs from known mineralization intersected during previous drilling as well as tests of geophysical anomalies identified in the mise-a-la-masse electrical downhole survey by Broadway Gold. The significant results from the 2020 drilling are presented below.

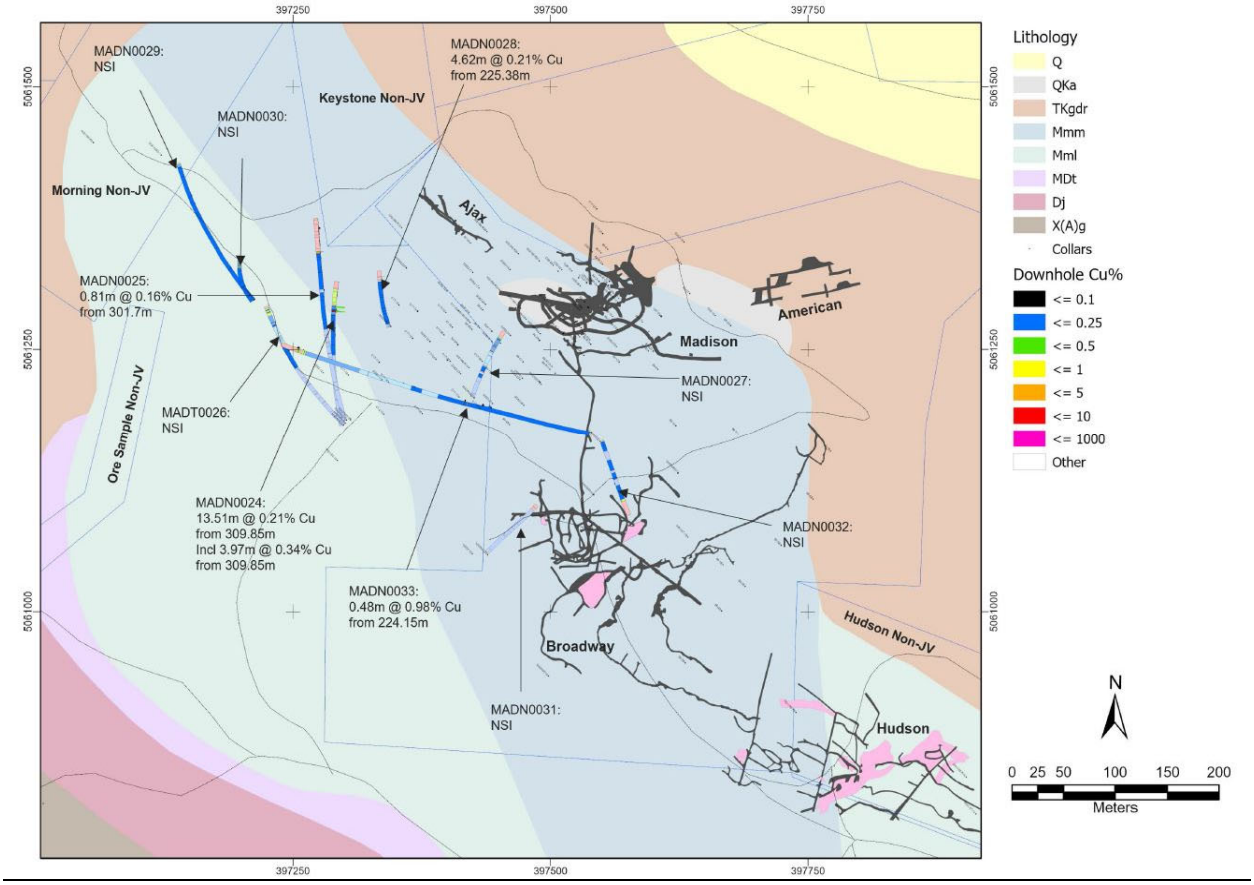
| Hole ID | From (m) | To (m) | Interval (m) | Au (g/t) | Cu (%) |
|---|---|---|---|---|---|
| MADN0017 | 100.51 | 144.17 | 43.66 | 1.09 | |
| *including* | 125.89 | 144.17 | 18.28 | **2.18** | |
| *or* | 138 | 144.17 | 6.17 | **3.98** | |
| *or* | 138 | 139.5 | 1.5 | **11.6** | |
| *or* | 142.5 | 144.17 | 1.67 | **4.13** | |
| MADN0021 | 222.81 | 246.42 | 23.61 | **5.17** | **2.19** |
| *including* | 225.8 | 240.5 | 14.7 | 0.15 | **3.1** |
| *or* | 244.7 | 246.42 | 1.72 | **69.4** | 0.42 |
| MADN0022 | 217.72 | 232 | 14.28 | | 0.98 |
| *including* | 220.5 | 232 | 11.5 | | 1.09 |

**Significant Results from the 2020 Drilling Program**

***(The intervals do not represent true thickness.)***

*2021 Drilling Program*

The 2021 drilling campaign completed ten core holes for a total of 3,598 m (11,804.5 ft). Objectives of the program were to step-out from high-grade skarn and jasperoid mineralization as well as focus on other exploration targets. The figure below shows the drill locations, hole traces, and copper assays as color codes on the side of the traces from the 2021 drilling over the Madison Property geology.




**KEX 2021 Drilling Locations with Significant Results Listed for Cu *(Source: APM)***

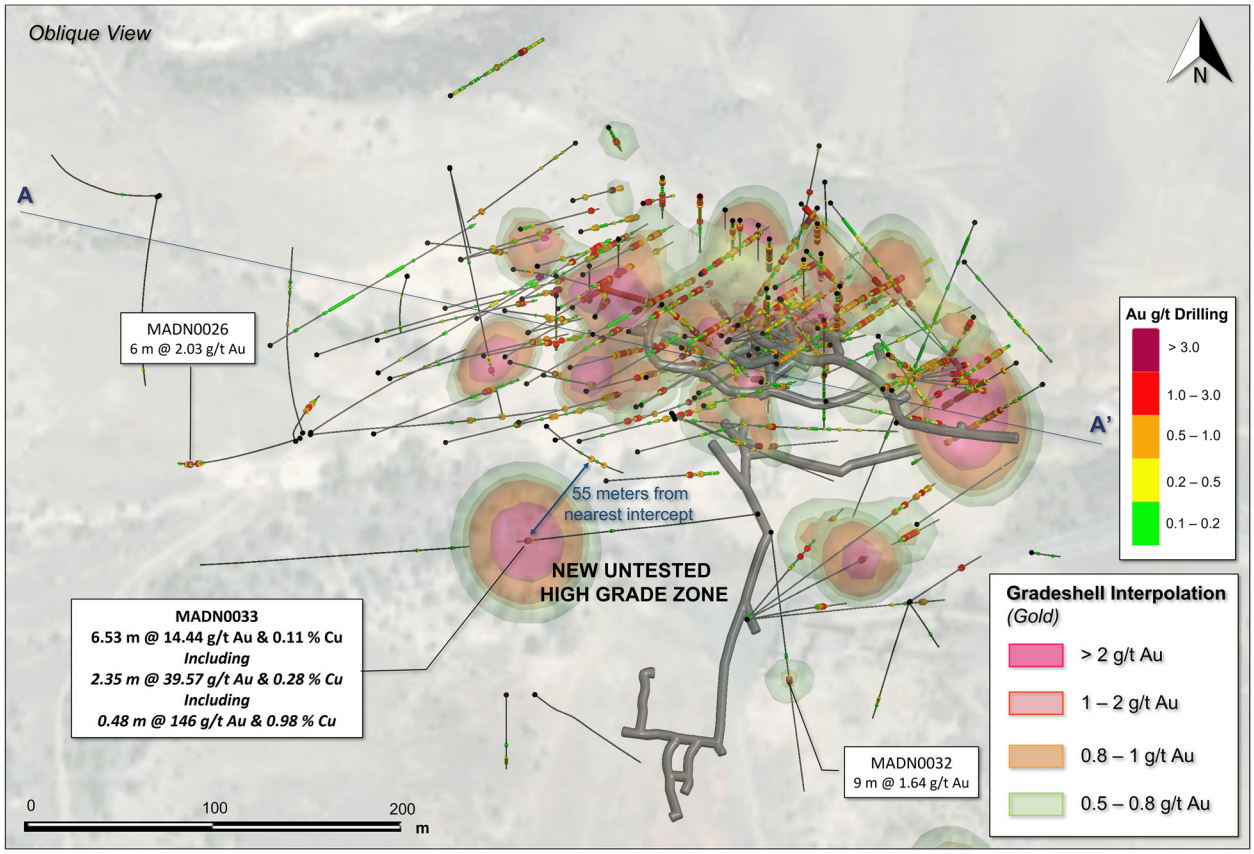
Results from this program identified new zones of skarn-hosted massive sulfide mineralization. In hole MADN0033, the third highest gold intercept ever reported on the Madison Project was encountered at approximately 224 m in depth with 146 g/t Au over 0.48 m (1.6 ft). Hole MADN0026 intercepted elevated gold values of 2.013 g/t over 6 m (19.7 ft). In hole MADN0032, a limestone breccia distal to the skarn yielded 1.64 g/t Au over 9 m (29.5 ft), potentially adding a different style of gold mineralization to the Madison Project.

| Hole ID | From (m) | To (m) | Interval (m) | Au (g/t) | Cu (%) |
|---|---|---|---|---|---|
| MADN0024 | 301.7 | 308.9 | 7.2 | 0.184 | <0.01 |
| *and* | 313.8 | 323.3 | 9.5 | 0.442 | 0.15 |
| *including* | 320.4 | 323.4 | 3 | **1.235** | 0.42 |
| *and* | 338 | 359 | 21 | 0.226 | 0.01 |
| MADN0025 | 281 | 293 | 12 | 0.1312 | 0.01 |
| MADN0026 | 315 | 341 | 26 | 0.316 | <0.01 |
| *and* | 374 | 380 | 6 | **2.013** | <0.01 |
| *and* | 391.7 | 394.75 | 3.05 | 0.968 | 0.05 |
| MADN0027 | 183 | 204 | 21 | 0.118 | <0.01 |

| | | | | | |
|---|---|---|---|---|---|
| MADN0028 | 83.43 | 84.67 | 1.24 | 0.47 | 0.02 |
| *and* | 226.56 | 230 | 3.44 | 0.28 | 0.23 |
| MADN0029 | 107 | 110 | 3 | 0.126 | <0.01 |
| MADN0030 | 265 | 268 | 3 | 0.13 | <0.01 |
| *and* | 380.59 | 383 | 2.41 | 0.457 | <0.01 |
| *and* | 404 | 407 | 3 | 0.223 | <0.01 |
| MADN0031 | Nothing to report | | | | |
| MADN0032 | 120 | 129 | 9 | 1.64 | 0.02 |
| MADN0033 | 175.07 | 190 | 14.93 | 0.015 | 0.06 |
| *and* | 218.1 | 224.63 | 6.53 | **14.44** | 0.11 |
| *and* | 218.1 | 230 | 11.9 | **7.97** | 0.06 |
| *including* | 222.28 | 224.63 | 2.35 | **39.57** | 0.28 |
| *or* | 224.15 | 224.63 | 0.48 | **146** | 0.98 |

**Significant Results from the 2021 Drilling Program**

*(The intervals below do not represent true thickness.)*



**Planimetric View of the 2021 and Prior Drill Hole Traces.**

***Sampling, Analysis and Security***

The author of the technical report was unable to review the data collected and procedures utilized by the various exploration companies that conducted work prior to 2005. However, it is believed that the sampling methods and analysis were to the standards of that time. The author of the technical report was involved as an arms-length consultant on the Madison Project from 2017 to present and can confirm that the sample preparation, analysis, and security employed by previous operators in this time frame were up to industry standards. Refer to Mulholland (2019) for a summary of the sample procedures that were used from 2005 to 2019.

Sampling Methods

Soil and rock sample collection at the Madison Project by KEX geologists follow guidelines and protocols set out by KEX. Soil samples were collected from the B and C horizons on a 50 m by 200 m grid and shipped to the KEX facilities before being sent to the lab for analysis. Rock samples include chip and channel samples from outcrops, grab samples from trenches, float, and mine dumps, and chip samples from sub-crop, float, and pit walls.

Drill core sampling from the 2019 – 2021 seasons also follows guidelines and protocols set out by KEX. After the drill core has been shipped to KEX's facility in Salt Lake City, UT, all core is geologically and geotechnically logged, sampled, and photographed by KEX geologists prior to cutting and bagging the samples. The lithology, mineralization, alteration, and magnetic susceptibility are recorded in acQuire. The entire hole is sampled using sample booklets as well as recording the sample information in the acQuire database. The geologist chooses sample breaks based on changes in lithology, alteration, and mineralization. Samples are no longer than 3 m (9.8 ft) and no shorter than 0.5 m (1.6 ft). QA/QC control samples are inserted in the sample stream at regular intervals without any indication of the identity of the control sample. Samples are cut in half along the core axis with a diamond saw, bagged, and prepared for shipping.

Sample Security

All soil, rock, and drill core samples are attended by authorized KEX personnel. Whole drill core is transported from the drill pad by a flatbed truck to a secure site on the Madison Project before being shipped to the secure KEX warehouse in Salt Lake City, UT. The core is quick logged on the Madison Project and then transferred to KEX's facility in Utah for detailed logging, sampling, cutting, and submission to the lab. Samples are shipped in plastic, locked totes with a chain of custody to the ALS lab facility in Elko, Nevada. Chain of Custody paperwork is included in every sample batch which is signed by ALS and returned to KEX to guarantee the samples arrived at the lab without any signs of tampering.

Sample Preparation and Analysis

All of the Madison Project samples collected by KEX were submitted to ALS Laboratories ("**ALS**") in Elko, Nevada, USA (17025 accredited) for preparation and analysis. Surface rock and core sample were dried, crushed to 70 % passing <2mm, split with a rotary splitter to 1,000g, and pulverized to 85% passing <75µm. Soil samples were dried and screened to 75µm, both fractions were retained. The samples were analyzed for a 51-element suite by super trace four-acid digestion of a 0.25g aliquot followed by an ICP-MS multicollector instrument analysis (ME-MS61L plus additional Au-Pt-Pd from the same digest). Gold assays reported were analyzed by fire assay using a 30g charge followed by an ICP-AES finish (Au-ICP21). Elements reporting overlimit by the primary method were analyzed by four acid digest ICP-AES (X-OG62 for Ag, As, Co, Cu, Mo, Ni, Pb, S, Zn) or by dilution and reanalysis of the original digest liquor (X-ICPDIL for all other elements). Fire assay gold reporting overlimit for the Au-ICP21 method were reanalyzed using a gravimetric finish (Au-GRA21). Samples that reported over-range were analyzed by the appropriate ore grade method for that element, including gravimetric finish for Au. Resistate elements (Cr, Nb, Ta, Ti,

Si, Y, Zr) were analyzed semi-quantitatively by certified portable XRF and VNIR/SWIR spectra were collected on each sample. ALS also analyzed samples using RIOSPEC collection of VNIR-SWIR spectra on crushed material (TRSPEC-20) and aiSIRIS interpretation.

QA/QC Procedures

KEX follows QA/QC practices that meet or exceed the industry standards. For all soil, rock, and drill core samples analyzed, certified reference material (CRMs or standards), blanks, and duplicates were incorporated in the sample streams with no input from APM or ALS. For drill core, QA/QC samples were inserted at a rate of 1 per 20 primary samples, so that a batch of 60 samples contained 1 standard, 1 duplicate, and 1 blank. Additional blanks and standards were inserted at the beginning of batches and in mineralized zones. Duplicate rock and soil samples were taken from the same location and duplicate core samples were made by taking quarter core samples.

Standards from Ore Research and Exploration Ltd (OREAS) of Australia (OREAS-226, OREAS-229b, OREAS-254, OREAS-504c, and OREAS-524) were used for all sampling. The 2021 core sampling also utilized Rio Tinto standards CRMs CCLP-1000 and SK0500, prepared by CDN Laboratories and certified by Barry Smee, an external independent geochemist. Coarse blanks consisted of Lowe's or Home Depot river rock/quartz pebbles.

ALS also employs their own QA/QC protocols which include the re-analysis of samples and the analysis of duplicates, blanks, and internal CRMs. The lab creates pulp duplicates of samples during preparation following industry norms.

***Data Verification***

The author of the technical report has reviewed the exploration work conducted by the Company and KEX including geochemical and geophysical programs and the drilling database. CGI reviewed the data provided by APM and the files correlate with the assay results provided by ALS. Assay data provided by the Company were reviewed by the Author and CGI personnel and no discrepancies were found. In addition to high-grade sample results, randomly selected samples of soils, rock, and drill core assay results were compared with original assay certificates from ALS. The assay data provided by APM were found to be correct, verifiable, and adequate for the purposes for which they are used in this Report.

In reviewing the data provided by KEX, a discrepancy in the data was discovered as part of our QA QC review. Initially a question of the coordinate system used for the collar location prompted a call with Phil Mulholland who explained the many different coordinate systems used by the different companies throughout the life of the project. KEX provided CGI with the latest collar locations which have been converted to WGS84_UTM_12N. The updated NI 43-101 has used the data provided by KEX for the locations of the drillholes using WGS84_UTM_12N for all drill holes except the 1994 BRM Gold drilling project that remains in NA1927_UTM_12N in the data base provided.

In comparing the data sets, a Pivot table was created summing the total g/t for Au, Ag, and %Cu per hole. CGI converted all negative values in the master data file to "0". It appears that KEX converted all negative values to the lowest detection limit of .0002 ppm. This would account for an insignificant change in the data. The two data sets provided by APM and KEX are identified by APM as "dhd_assay_Master2022.csv", and the more recent dataset from (KEX) is identified as "MD_AssayRankedNum.csv". In our analysis, if a significant difference occurred (~ >.5 g/t) the data was flagged and indicated discrepancies between the two data sets. CGI completed its review of the data against the ALS assay reports and have found the data provided by APM titled "dhd_assay_Master2022.csv", to be accurate. For this reason, the author relied on the data provided by APM in the preparation of the technical report.

Site Visit

The author of the technical report visited the Madison Project several times between 2017 and 2018 as part of his work as an arms-length consulting geologist. This work consisted of brief geologic mapping, sampling, discussions with visiting technical experts, and a tour of the underground workings that were open at that time. CGI also assisted with claim staking. Most recently, Childs visited the Madison Project on July 25, 2022, in the company of John Bailey, a geologist with CGI, who assisted in preparing the present report. We met with Philip Mulholland and briefly examined historical drill core, visited key outcrops, visited old mine workings reviewed geologic maps, and observed reclamation activities being conducted by KEX.

***Mineral Processing and Metallurgical Testing***

The Company has not conducted metallurgical testing or mineral processing studies. However, a few studies of this nature were done by previous operators on the Madison Project. The following information was derived from the previous technical report on the Madison Project by Mulholland (2019).

Battle Roll Cyanide

Preliminary mineral processing and metallurgical testing carried out on drill core and RC cuttings during the late 1980's was summarized in an internal report to BMR Gold Corp. by Bourns (1992). Pilot bottle roll cyanide testing was performed on 12 representative samples of the oxide deposit that indicated the need for agitation leaching on several of the composites due to lower recoveries on 3/8-inch material. Results from the testing suggested that a 24-hour bottle roll was sufficient. Sodium cyanide consumption was low, at 0.4 – 0.6 lbs/ton. Bottle roll testing on other oxide composites indicated that a 3/8-inch product would be suitable as recoveries in the +90% range were obtained.

The original twelve composite samples of core were combined into three composites designated A, B, and C. Additional bottle testing at 3/8-inch was preformed to test the effects of pH, retention time, and CN concentration. The results from this testing are summarized below. Two composites, composite B and a 50/50 blend of the Victoria pit material, were subject to 30-day column leach tests. Both tests were done on 3/8-inch ore. The Victoria pit test yielded a recovery 89.0% with a cyanide consumption of 0.67 lbs/ton. After six days the recovery was 85% indicating rapid kinetics. Composite B yielded 80.6% recovery after 30 days.

Conventional flotation of the sulfide component yielded recoveries that ranged from 60-70%. Concentrate grades ranged from 0.9 oz/t to 7.0 oz/t Au and were highly dependent on head grade. A flowsheet that incorporated a flotation tailings cyanide leach increased recovery by 15%. Straight cyanidation leaching of the sulfide ore after pre-aerating with a chemical pretreatment yielded recoveries above 90%.

| | **Gold Extraction %** | |
|---|---|---|
| **Oxide Head Samples** | **Size 100% -3/8"** | **Size 60% -200 mesh** |
| Victoria pit 10812 | 82.61% | 97.83% |
| Victoria pit 10813 | 71.43% | 88.57% |
| Black pit 10814 | 43.86% | 96.43% |
| Black pit 10815 | 63.96% | 98.20% |
| MGV-1 | 58.62% | 97.70% |
| MGV-5 | 52.17% | 95.65% |
| MGV-6 | 65.96% | 98.58% |
| MGV-7 | 66.67% | 92.75% |

**Metallurgical Test Results of Sodium Cyanide Recoveries**

| Parameters | Composite sample | | |
|---|---|---|---|
| | A | B | C |
| Leach time (hours) | 72 | 72 | 72 |
| pH | 10.5 | 10.5 | 10.5 |
| Na CN Concentration | 1 g/l | 5 g/l | 1 g/l |
| Na CN Consumption | 0.4 lbs/ton | 2.7 lbs/ton | 1.1 lbs/ton |
| Recovery | 86.9% | 82.5% | 90.5% |

**Metallurgical Test Results from Composite Samples**

Bond Work Index

Coronado contracted Thomas McIntyre (2007) to undertake metallurgical testing of the underground mineralization. The crushing tests found the silicates and oxides resulted in hard ore. The bond work was 14.5 KM hours per ton. McIntyre's work suggested gravity separation may be the preferred method of copper concentration based on the chalcocite sample he was supplied. Utilizing mill feeds of 14.6% to 15.8% copper he obtained recoveries of 74.5% to 89.1% on a shaking table. His flotation tests on the 14.6% copper material obtained a recovery of 33.4% at pH 9.5 utilizing Sodium Isopropyl Xanthate at 0.02 lbs/ton, or a recovery of 63.45% utilizing Potassium Ethyl Xanthate at 0.02 lbs/ton.

McIntyre (2007) also conducted metallurgical testing on the gold oxide ore. The Mineral Liberation Analysis found the gold to be less than 5 microns in size. His testing on a 0.412 ounce per ton sample obtained recoveries of 79.9% at 2.5-minute grind, 64.9% at 5-minute grind and 63.1% at 7.5-minute grind. A series of actual mill test runs were completed between 2010 and 2013 as detailed below.

Bulk Sample Tests

A bulk sample test was completed in 2010 at the U.S. Grant Mine Mill in Virginia City, Montana. A three-day run was completed September 13, 14 and 20. Both flotation and gravity circuits were utilized. The gravity circuit gold recoveries ranged from 21.14% to 55.56%. The flotation recoveries ranged from 64.1% to 66.2% for copper and 55.6% to 61.3% for gold.

Another bulk sample test was completed in 2011 at the Philipsburg, Montana mill between June 8 and June 12. A total of 934 tons were processed producing 175.78 dry tons of concentrate containing 172.9 ounces of gold, 1,236 ounces of silver and 27.05 tons of copper. Flotation head grades averaged 0.227 opt Au, 2.96 opt Ag and 4.94% Cu. Recoveries were 83.8% for gold, 46% for silver and 60.3% for copper.

In 2012, a bulk sample test was completed at the Philipsburg mill between March 8 and March 12. A total of 1,063.5 tons was processed producing 199.8 dry tons of concentrate containing 248.5 ounces of gold, 1,992 ounces of silver and 42.68 tons of copper. Flotation head grades averaged 0.384 opt Au, 3.31 opt Ag and 5.39% Cu. Recoveries were only 57.4% for gold, 75.4% for silver and 75.4% for copper.

A final bulk sample test was completed in 2013 at the Philipsburg mill between September 3 and September 23. A total of 2,360.3 tons was processed. Roughly 522 wet metric tons of concentrate was produced with 964.7 ounces of gold, 4,996 ounces of silver and 81.62 tons of copper recovered. Flotation head grades averaged 0.401 opt Au, 2.17 opt Ag and 3.13% Cu. Recoveries were 71.5% for gold, 65.2% for silver and 71.1% for copper. McIntyre (2013) reviewed the mill run and provided a summary report.

| | | Flotation Heads | | | Flotation Concentrates | | | Flotation Tailings | | | Recoveries | | | Recoveries | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Day | Tons | % Cu | Oz/t Ag | Oz/t Au | % Cu | Oz/t Ag | Oz/t Au | % Cu | Oz/t Ag | Oz/t Au | Cu % | Ag % | Au % | Tons Cu | Oz Ag | Oz |
| 2010-Sep- | NDA | 0.704 | 0.72 | 0.176 | 3.791 | 17.12 | 0.572 | 0.271 | 0.61 | 0.084 | 66.2 | 15.8 | 61.3 | NDA | NDA | NDA |
| 2010-Sep- | NDA | 1.498 | 1.01 | 0.168 | 7.746 | 6.47 | 0.840 | 0.614 | 1.39 | 0.084 | 64.1 | 47.9 | 55.6 | NDA | NDA | NDA |
| 2010-Sep- | NDA | NDA | 0.8 | 0.244 | NDA | 4.43 | 0.552 | NDA | 1.04 | 0.136 | NDA | NDA | NDA | NDA | NDA | NDA |
| 2011-Jun- | 934 | 4.94 | 2.96 | 0.227 | 15.39 | 7.03 | 0.983 | NDA | NDA | NDA | 60.3 | 46.0 | 83.8 | 27.05 | 1236.17 | 172.8 |
| 2012-Mar- | NDA | 5.96 | 2.72 | 0.391 | 21.59 | 10.77 | 0.988 | 3.04 | 2.33 | 0.251 | NDA | NDA | NDA | NDA | NDA | NDA |
| 2012-Mar- | NDA | 5.53 | 4.87 | 0.336 | 22.80 | 11.12 | 3.628 | 1.94 | 1.37 | 0.186 | NDA | NDA | NDA | NDA | NDA | NDA |
| 2012-Mar- | NDA | 4.68 | 2.35 | 0.424 | 19.55 | 7.42 | 1.310 | 1.31 | 1.05 | 0.100 | NDA | NDA | NDA | NDA | NDA | NDA |
| 2013-Sep- | 54.75 | 4.06 | 2.67 | 0.276 | 13.13 | 4.82 | 1.296 | 1.53 | 1.51 | 0.168 | 70.6 | 63.3 | 45.0 | 2.22 | 146.18 | 15.11 |
| 2013-Sep- | 177.82 | 4.30 | 2.19 | 0.422 | 15.01 | 6.52 | 1.100 | 1.47 | 1.11 | 0.159 | 73.0 | 59.3 | 72.9 | 7.35 | 558.35 | 143.6 |
| 2013-Sep- | 178.60 | 1.82 | 1.19 | 0.239 | 15.63 | 4.94 | 1.370 | 1.32 | 0.61 | 0.133 | 30.2 | 55.8 | 49.1 | 8.15 | 324.16 | 66.08 |
| 2013-Sep- | 175.47 | 4.02 | 2.26 | 0.318 | 12.11 | 4.36 | 1.014 | 1.32 | 0.95 | 0.138 | 75.5 | 74.1 | 65.5 | 6.80 | 281.63 | 59.31 |
| 2013-Sep- | 177.98 | 3.71 | 2.67 | 0.400 | 12.74 | 5.78 | 1.382 | 1.02 | 0.85 | 0.146 | 78.7 | 80.1 | 71.0 | 6.89 | 344.39 | 44.85 |
| 2013-Sep- | 180.32 | 3.34 | 2.22 | 0.368 | 14.80 | 5.74 | 0.982 | 1.44 | 1.34 | 0.160 | 63.0 | 51.7 | 67.5 | 5.77 | 360.64 | 45.44 |
| 2013-Sep- | 180.68 | 3.55 | 2.43 | 0.554 | 11.80 | 5.59 | 0.962 | 1.18 | 1.52 | 0.188 | 74.3 | 51.4 | 82.1 | 6.13 | 455.31 | 61.25 |
| 2013-Sep- | 182.46 | 3.67 | 2.81 | 0.364 | 13.85 | 6.47 | 0.821 | 1.64 | 1.52 | 0.180 | 62.9 | 60.0 | 64.7 | 7.09 | 468.92 | 72.80 |
| 2013-Sep- | 176.30 | 2.90 | 2.46 | 0.412 | 13.45 | 4.30 | 0.922 | 1.42 | 1.28 | 0.196 | 57.1 | 68.3 | 66.6 | 4.56 | 370.23 | 68.40 |
| 2013-Sep- | 162.05 | 2.29 | 1.69 | 0.401 | 8.55 | 3.98 | 1.098 | 0.84 | 0.53 | 0.205 | 70.4 | 79.2 | 60.1 | 3.11 | 233.35 | 53.80 |
| 2013-Sep- | 117.55 | 2.70 | 1.97 | 0.475 | 7.67 | 3.62 | 1.450 | 0.60 | 0.63 | 0.114 | 84.4 | 82.4 | 82.5 | 4.25 | 192.78 | 38.32 |
| 2013-Sep- | 151.13 | 2.47 | 0.97 | 0.402 | 7.75 | 3.97 | 1.200 | 0.70 | 0.72 | 0.155 | 78.8 | 31.5 | 70.6 | 4.34 | 261.45 | 53.65 |
| 2013-Sep- | 158.29 | 2.05 | 1.94 | 0.451 | 6.98 | 3.98 | 1.195 | 0.54 | 0.66 | 0.084 | 79.8 | 79.1 | 87.5 | 3.72 | 291.25 | 73.92 |
| 2013-Sep- | 135.73 | 2.98 | 2.89 | 0.429 | 8.05 | 4.74 | 1.220 | 0.65 | 1.52 | 0.104 | 85.0 | 69.9 | 82.8 | 5.15 | 316.25 | 74.24 |
| 2013-Sep- | 151.13 | 3.33 | 2.45 | 0.460 | 10.80 | 5.83 | 1.013 | 0.92 | 1.18 | 0.155 | 79.1 | 65.0 | 78.3 | 6.10 | 391.43 | 93.85 |

**Coronado Bulk Sample Test Run Summary Results**

Summary

McIntyre (2013) noted the recoveries of pay metals were hampered by lack of control of pH in the mill circuit, resulting from highly oxidized feed material. He felt the broken feed material had sat in the stope and then on surface for too long, allowing thorough oxidation of the sulfide-rich material in addition to free acid generation. Previous mill runs suggested recoveries in excess of 80% were feasible with the pH held in a narrow range between 7.0 and 7.5. The oxidized nature of the feed material caused wild swings in the pH over hourly ranges affecting recoveries.

McIntyre (2013) states that the results of the September 2013 mill run were similar in some ways to most of the earlier mill runs. The results were less than expected when compared to the previous laboratory testing. He concluded this was principally due to the oxidation of the bulk sample material, a result of months of time between the actual mining of the bulk sample and the milling of the bulk sample. Acid formation resulting from the oxidation of marcasite, pyrrhotite and pyrite occurs rapidly in the bulk sample material, mainly due to the speed at which pyrrhotite generates acid which increases the reactivity of the other two iron sulfide species. The quantities of free acid produced prior to milling appear to be more than the normal mill is capable of handling. Additionally, available acid oxidizes the chalcocite that is the predominant copper mineral at Madison. The oxidation results in poor recovery as the collectors utilized in the processing scheme are highly selective to sulfides but are truly ineffective in the recovery of copper oxide minerals. Further, the acid is at times at concentrations that result in pHs less than neutral, i.e., 7.0 which results in destruction of the collector reagents and promoters. This only adds to the inability to put the pay metals into the froth and into the flotation product.

McIntyre further concluded that minimizing time for the ore to oxidize and create acid is the key to getting good results from this particular ore. He suggested either an on-site mill or arranging a milling contract where the broken mineralization could be processed on a daily time frame.

***Interpretation and Conclusions***

Work by KEX and previous companies has defined a significant skarn system with locally bonanza grade gold and copper mineralization. Early drilling was mostly restricted to the upper 600 feet of skarn mineralization. However, drilling and other work since 2017 has defined porphyry-style mineralization at depth and this deeper target, as well as the western, down-dip extension of the skarn have not been thoroughly tested.

Holes drilled from 2019 to 2021 by KEX include hole MADN0007 with 1.06 ppm gold and 1.09% zinc over 2.32 meters and also had anomalous Manganese, Molybdenum and Nickel, hole MADN0010 with of 4.43 ppm silver, 17.71 ppm gold, and 0.7% zinc across 3.46 meters, and hole MADN0028 intercepted 2.25% zinc over a 1.2 meter interval. These intercepts and the presence of sphalerite and galena in the ore at the Madison mine point toward a multielement mineralizing system. Historic rock samples have indicated strongly anomalous zinc and lead values such as 70,200 ppm Zn and 39000 ppm Pb in sample 87262, 5210 ppm Zn in sample 872065, and 7,110 ppm Pb in sample 872088. These results and others indicate that the skarn and, by inference, the porphyry, contains significant base metal values in addition to copper and gold. Possible geochemical zoning that could be indicated by these results should be evaluated, especially as a means to vector into the core of the porphyry system.

A zone of anomalous gold values in surface samples along the southern extent of the Silver Star fault do not appear to have been tested with trenching or drilling. A zone of strong leached and tourmalinated quartz along a southern strand of the Silver Star fault also suggests to the author that this fault may not just be a post-mineral fault that has placed the skarn-porphyry system on the east against relatively unaltered Archean metamorphic rocks to the west but may have been active during development of the porphyry system itself.

The extent and grades of the known mineralization and the strength of the skarn and porphyry mineralization suggest that a large and capable mineralizing system was active on the property. Recent drilling has extended the skarn mineralization in the Broadway mine area 120 feet along strike to the southeast and for 90 feet to the west down the dip. Deeper drilling has confirmed porphyry alteration and mineralization and a variety of intrusive phases, but it appears that the core of the porphyry system remains to be identified. Porphyry alteration includes quartz-sericite, biotite, and K-feldspar.

***Recommendations***

Further drill tests of high-grade zones recognized in recent drilling, some of which appear to be structurally controlled, are warranted. Results from the 2021 drilling program identified new zones of skarn-hosted massive sulfide mineralization. In hole MADN0033, the third highest gold intercept ever reported on the Project was encountered around 224 m in depth with 146 g/t Au over 0.48 m (1.6 ft). Perhaps more importantly some of the drill intercepts contain wider zones that approach underground minable grades such as MADN0033 with 11.9 meters @ 7.97 g/t Au and 2.58 g/t Ag.

Follow-up sampling and drilling of a mineralized limestone breccia recognized in 2021 appear to be warranted because this is a newly recognized type of mineralization outside of the high-grade skarn mineralization that has been mined in the past. In hole MADN0032, a limestone breccia beyond the skarn yielded 1.64 g/t Au over 9 m (29.5 ft), potentially adding a different style of gold mineralization to the Madison Project.

An U-Pb radiometric date of 80 ma was obtained by KEX for the latite porphyry on the Madison Project. This sample had moderate to strong porphyry affinity and weak porphyry fertility. Given the variety of intrusive phases identified on the Madison Project, additional samples should be evaluated as indicators of multiple intrusions and their potential to host a significant porphyry deposit.

Surface outcrops at the southeast end of the Silver Star fault carry interesting values for gold and silver and these warrant follow-up sampling, possibly followed by trenching and drilling. Numerous geophysical anomalies remain untested including TDEM responses in the down dip projection of the copper-gold skarn mineralization in the Broadway mine area. These should be considered for additional work.

Areas where the major mineralized structures in the district make releasing bends hold potential for dilational zones where wider veins and disseminated mineralization could occur. These should be considered in the broader structural context of the district. This is especially true based on the presence of porphyry-style alteration along some structures in the district.

The relationship between the numerous east-west gold veins in the Archean rocks in the southern part of the property and the gold-copper mineralization in the Paleozoic sedimentary rocks and Cretaceous intrusive rocks in the Broadway mine area may not be well understood and may warrant additional work.

Review of the extensive excellent work on skarn formation including Foote (1986) and Sotendahl (2012) should be considered in light of recent work on skarn systems in other parts of the world.

If the relationship between the major Silver Star and related faults in the mine area, and the continuation of these structures off of the property have not been pursued, this could be worthwhile.

Based on the magnetic survey conducted in 2021, several magnetic highs in the southern half of the Madison Project suggest the presence of structurally controlled intrusives or dikes that may be associated with mineralization. Additional drilling could be designed to test these anomalies.

The conductors found in a downhole TDEM survey are positioned within the down-dip projection of the Au-Cu skarn mineralization and indicate that the mineralized zone likely continues at depth. This projection to depth could be tested with follow-on drilling.

Work in recent years has started to piece together an extensive mineralizing system that locally includes high-grade skarn mineralization that is above or adjacent to a newly recognized porphyry system in a part of Montana where major copper-molybdenum and gold porphyries and skarn deposits have been mined for many years. The setting of the Madison Project in a structurally complex intersection between the Great Falls Tectonic Zone and the Southwest Montana Transverse Belt makes it likely that the mineralizing system will have been offset and complication by later deformation. It seems likely that considerable modeling and additional drilling will be required to fully understand the geometry of the mineralization.

Reclamation of drill roads and other disturbances that are no longer needed will be required by the Montana DEQ. Some of this this work was underway by KEX during a visit by the author in July 2022.

## THE GOOSEBERRY PROPERTY

### Current Technical Report

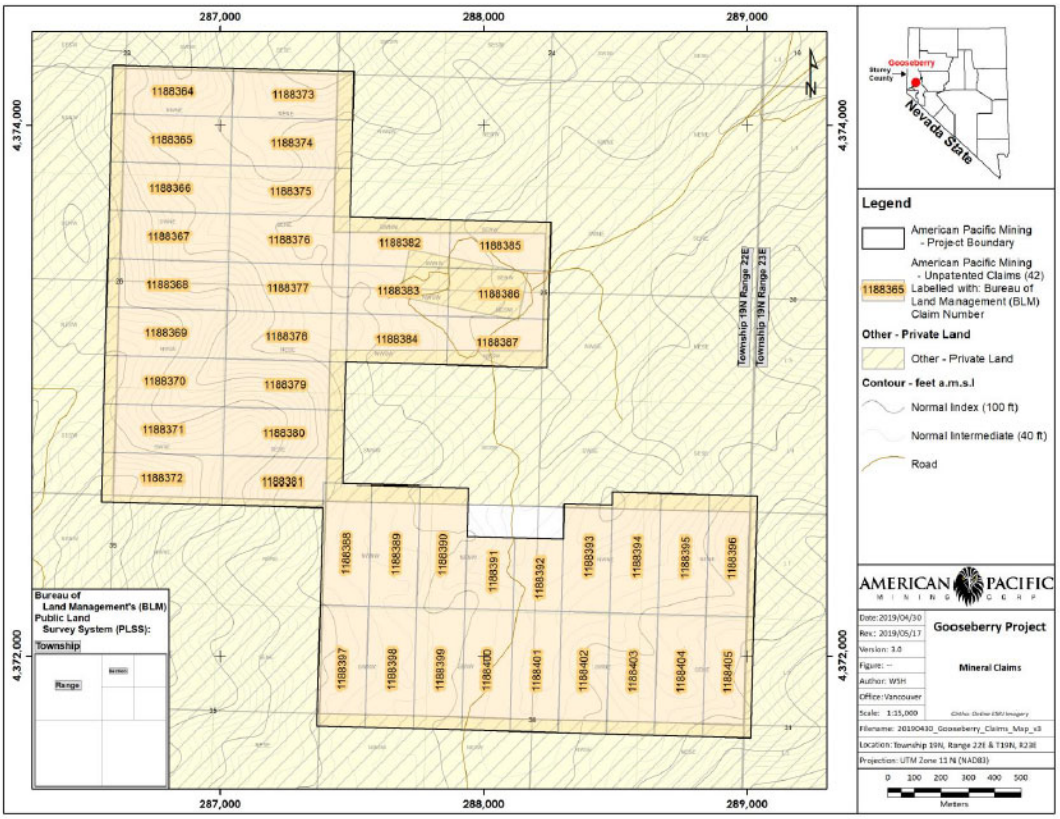
The information in this AIF with respect to the Gooseberry Property is derived from a National Instrument 43-101 technical report prepared by Van Phu Bui, P.Geo, titled "Technical Report, Gooseberry Property, Storey County, Nevada, USA", effective August 15, 2022 (the "**Gooseberry Technical Report**"). References in this section to the "Property" refer to the Gooseberry Property and the "author" refer to Mr. Bui.

### Project Description and Location

The Gooseberry Property is located near the community of Clark in Storey County, approximately 48 road-km (30 road-mi) east of Reno, Nevada. The Property is geographically centered at 287,883 m E and 4373354 m N in Sections 25, 26, and 36 of township 19 North, ranges 22 and 23 East, within the Martin Canyon 7.5-minute Quadrangle (USGS, 2021). It is accessable from Nevada State Route 439.

The Property currently consists of 42 unpatented lode claims covering approximately 343.8 ha (849.6 ac) of land within the Ramsey mining district (Figure 4-3 and Table 4-1). The lode claims were acquired through staking and was registered with the U.S. Department of Interior – BLM on April 10, 2019.

The unpatented lode claims are subject to an annual maintenance fee payment of US $165 per claim due on or before September 1 of each year. In lieu of paying the annual maintenance fee, the claimant may perform assessment work to a minimum of US $100 on each claim. Evidence of assessment work must be recorded with the BLM on or before December 30 of the calendar year in which the assessment year ended. As at the effective date of the Gooseberry Technical Report, all unpatented lode claims associated with the Property are in good standing.




In 2004, a pond down gradient from the tailings pile was chemically treated to mitigate cyanide contaminated water outflow. In 2005, Storey County and Nevada Division of Environmental Protection ("**NDEP**") was granted US $350,000 to perform site characterization, cleanup planning, and community notification works. The plan was developed by AMEC Earth & Environmental Inc., and addressed three potential exposure threats: on-site contact with waste materials by site workers, deterioration of existing groundwater resources, and wildlife exposure. Assessment activities included waste source characterization, hydrologic mapping, and site sampling. In 2006, NDEP placed a soil cover over the top of the tailings pile to mitigate the leaching of cyanide to the downgrading pond. The downgrading pond was also treated once again. Three feet of local borrow material was placed on top of the tailings areas, waste rock dump, and heap leach pad to prevent further exposure and leaching. The "Final Permanent Closure Plan" for the Gooseberry Mine was published in 2007. A "Community Involvement Plan" was developed and implemented throughout the planning process to ensure that local government and local interests had the opportunity to provide input in all aspects of the decision-making process. As at the date of the Gooseberry Technical Report, implementation of the recommendations from the closure plan remains pending.

Although APM holds tenure with subsurface rights to conduct mineral exploration, any future development plans involving surface infrastructure will need to consider these historical environmental liabilities.

***History***

Gold mineralization associated with the historic Gooseberry Mine was discovered in 1906 by an unidentified prospector. The mineral occurrence was worked by various individuals and prospectors until 1928 when it was acquired by J.D. Martin of Fresno, California. During the period 1928 to 1974, the Martin family drove a 333 m (1,000 ft) inclined shaft and developed hundreds of meters (thousands of feet) of underground workings. No production estimates or figures were reported during this period.

APCO Minerals Inc. took ownership of the Gooseberry Mine in 1974 and operated the underground mine until 1976. The company developed a vertical 440 m (1,450-ft) shaft into the Gooseberry vein structure and constructed a 350-ton per day milling facility to begin production.

In 1976, Westcoast Oil & Gas Corporation, a subsidiary of Scurry-Rainbow Oil & Gas Ltd., purchased the mine for US$ 3.0 million (American Institute of Mining Engineers, 1977) and it was in operation until 1981.

In 1980, the 1979 Minerals Yearbook listed West Coast Oil & Gas Corp's Gooseberry Mine as the top silver producer in the state and that the Gooseberry Mine accounted for almost 70% of the State's total silver production output. A total of 64,007 tons of material were sold, containing 9,761 ounces of gold and 478,090 ounces of silver.

In late 1982, Asamera Inc. ("**Asamera**") purchased the mine and surrounding properties from Scurry-Rainbow (a subsidiary of Westcoast Oil and Gas Corp.), which had been operating the Gooseberry Mine at the time of acquisition. In 1984, Asamera reported production figures of 14,938 oz of Au and 617,733 oz. of Ag. The underground mine workings consists of a production shaft, incline shaft, and eight primary levels that span a vertical footprint of over 330 m (1,100 ft) from surface and approximately 1,000 m (3,200 ft) along the strike length of the Gooseberry fault. Asamera continued to operate the mine until 1992.

The Gooseberry Mine was last operated by Pallas Resources in 1998 when it fell into bankruptcy and all mining operations ceased. The mine came under the control of Storey County in 1999 and became part of the Nevada Brownfields Program. Some environmental reclamation took place between 1992 and 2006.

*Historical Exploration Work*

Drilling took place during production in the 1980's but no published results were made available. Scanned and digitized maps, cross sections and longitudinal sections of drilling completed by Asamera during the 1980's are sporadically available through the Nevada Bureau of Mines and Geology website. A 1989 plan map of diamond drill hole surveys verifies that exploration to the southeast and northwest of the historical vein system was undertaken. Underground drilling was completed during drifting but no geochemical results were indicated.

Surface exploration records are incomplete and sporadic. Available records indicate that systematic surface geological mapping and geochemical sampling immediate to the Gooseberry Mine area and the Red Top claims to the south east of the mine was conducted by Asamera Minerals between 1982 and 1990. Asamera contracted Aerodat Limited to conduct an airborne radiometric, apparent resistivity and electromagnetic survey all Asamera land holdings in the Ramsey district in 1990, which included the Gooseberry Mine area.

No recent drilling or surface exploration work has taken place on or around the Property since partial reclamation of the historical Gooseberry Mine in 2006.

***Geological Setting, Mineralization and Deposit Types***

*Regional, Local and Property Geology*

The Gooseberry Property is situated in the Virginia Range, which is located within the Great Basin Geographical Province ("**Great Basin**") that span much of Nevada. The regional geology consists of Precambrian basement unconformably overlain by Paleozoic sediment that was regionally deposited during a period when the Great Basin region was part of the Cordilleran geosyncline. In the Late Proterozoic, breakup of the supercontinent Rodinia led to development of a west-facing passive margin and a westward-thickening wedge of miogeoclinal sediments on the continental slope and shelf. Minor volcanism and igneous activity that began in the Paleozoic increased into the Mesozoic as the margin experienced deposition of marine sediment and accretion of allochthonous terrains. These major rock units underwent deformation and metamorphism and was subsequently intruded by Cretaceous granitic rocks. The region experienced subduction related volcanism in the middle to late Mesozoic, and in the middle Cenozoic,

resulting in the deposition of thick volcanic piles and the formation of porphyry-related mineral deposits. Crustal extension and faulting in the Cenozoic then formed the basin and range – where repetition of deep valleys of unconsolidated sediment separate parallel mountain ranges.

The geology of Rose (1969) indicates a relatively simple layered sequence of volcanic and sediments underlying the Gooseberry Property area and offset by a few smaller scale structures. These various rock types belong to the Kate Peak Formation.

More recently since the 1990s and 2000s, the Kate Peak Formation has been considered part of the Miocene Western Andesite Assemblage which consists of both the thick widespread Alta and Kate Peak Formations. The Alta Formation ranges in age from about 20 to 16 Ma. The Kate Peak Formation ranges in age from 15 to 12 Ma.

The Kate Peak Formation is a distinctive intermediate volcanic with compositions ranging from andesite to rhyolite. The Kate Peak Formation appears relatively fresh are considered to have undergone weak propylitization alteration where biotite was generally oxidized and or commonly altered to magnetite and plagioclase associated with weak clay alteration, especially along fractures and within the groundmass. This minor alteration was noted as being likely a result of both supergene processes and weak hydrothermal activity (Sprecher, 1985).

Near the Gooseberry vein, it consists of a sequence of porphyritic andesite flows with intercalated laterally discontinuous quartz-bearing andesite, flow breccias, and mudflows. The Kate Peak andesite is the host rock for the epithermal veins at Gooseberry and is the most abundant rock unit in the Property area.

The Kate Peak Formation is overlain by fluvial and lacustrine sedimentary rocks designated Truckee Formation. The Truckee is composed predominantly of andesitic-rhyodacitic conglomerate and sandstone derived mainly from the Kate Peak Formation. Quaternary gravel and alluvium unconformably overlie the Kate Peak Formation in the major drainages.

*Mineralization*

The Gooseberry vein is a precious-metal, epithermal, quartz-calcite vein deposited along the east-west trending Gooseberry fault that cuts through the Kate Peak Formation. The Gooseberry fault and vein generally trends 110 degrees azimuth and dips 80 degrees to the south. The vein pinches and swells and vein thickness ranges from a few centimeters to three meters wide, averaging approximately two meters wide. By 1990, it was reported that the Gooseberry vein had been traced by drilling and underground workings for a lateral distance of 1,000 m (3,200 ft) and to a depth 330 m (1,100 ft) from surface.

Potassium-argon age determinations on adularia from the Talapoosa and the Gooseberry Mine give 11 – 10 Ma.

The economic minerals are disseminated or form thin bands in the quartz-calcite mass and consist of electrum, argentite, pyrite, stephanite, polybasite, and fine native gold and silver. Minor chalcopyrite, sphalerite, and galena are also reported to be present. Open space filling and cockade textures are present in the vein in places.

*Deposit Types*

Middle to late Tertiary, epithermal Au-Ag deposits in the northern Great Basin have been a critical source of precious metals for the U.S. since the 1859 discovery of the Comstock Lode. The Gooseberry Mine has been part of studies that investigated widespread hydrothermally altered rocks.

Mineralization from the Property is consistent with low-sulfidation epithermal Au-Ag type deposits. In summary, low-sulfidation epithermal Au-Ag type deposits form in the upper crust at the paleosurface to depths about 1,500 m (4,900 mi) below the water table and at temperatures that range from about 100° to

300°C (200° to 600°F). They are generally related to hydrothermal systems associated with the release of magmatic fluids from crystallizing intrusions at depth and subaerial volcanism. Epithermal deposits commonly occur as veins or breccias developed in local extensional or dilational zones characterized by faults and fractures infilled by quartz, carbonate, adularia, clay, and zeolite minerals. Epithermal veins are typically banded with colloform and crustiform features and exhibit boiling textures such as bladed and plumose quartz.

Low sulfidation epithermal deposits are often spatially and temporally linked to nearby intermediate and high sulfidation epithermal deposits, as well as porphyry deposits. The variation and similarities of these systems should be considered in ongoing exploration target strategies at the Gooseberry Property and mapping of all possible indicator elements in addition to Au and Ag (such as Pb, Mo, and Cu).

During past operation at the Gooseberry Mine, the gold and silver was produced using a thermally enhanced cyanide heap leach process on site. In Nevada, a total of 10 producing gold, silver, or gold/silver mines have geothermal resources on-site or in close proximity to the mine leaching facilities. Recent interest in understanding how to combine geothermal development and mineral exploration can be an important consideration as exploration continues at the Property.

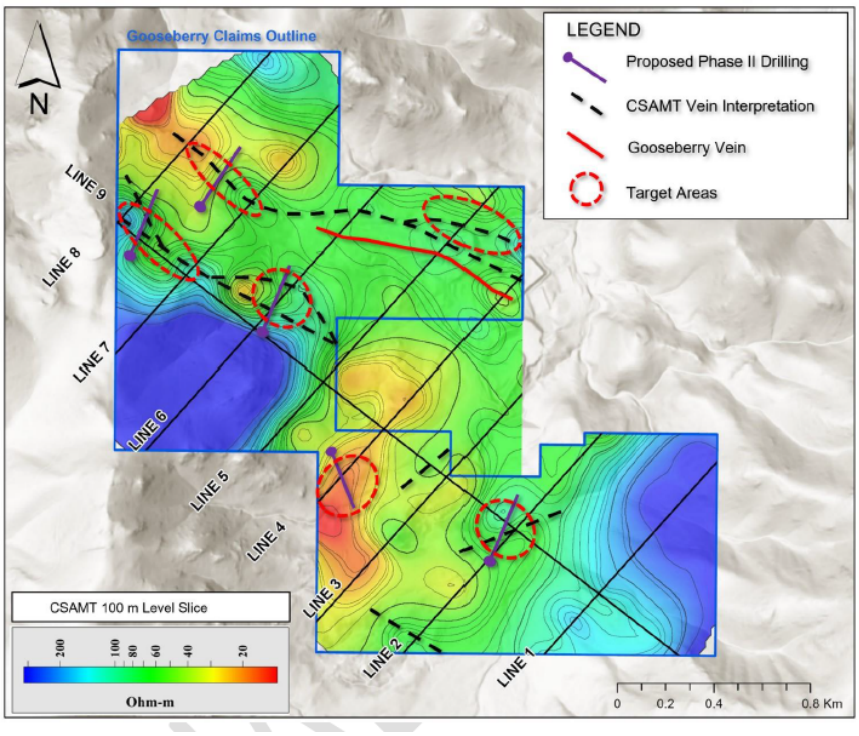
***Exploration***

*2022 CSAMT Ground Geophysical Survey*

APM completed 19.4 line-km of ground-based Controlled-Source Audio-Frequency Magnetotelluric ("**CSAMT**") geophysical survey between April 25, 2022 and May 11, 2022. The survey was performed by Zonge Geoscience and interpreted by Wright Geophysics. The objective of the survey was to identify potential subsurface zones rich in silicification or quartz veining. Line azimuth for the grid was oriented N43°E / S52°E and measurements were collected at 25 m intervals.

CSAMT is a geophysical method used to determine the variation of subsurface resistivity between different rock types – including mineralized and altered quartz veins (high resistivity signatures) in contrast to the surrounding country rock (low resistivity signatures).

The interpreted and mapped CSAMT survey results are spatially consistent with units in the Kate Peak Formation according to Rose (1969). The survey highlighted numerous high-angle, resistivity features interpreted as quartz alteration associated with quartz veins similar to the Gooseberry vein. The interpreted results also suggests that the Gooseberry vein remains open to the northwest beyond the survey area. The possibility of a deep, broader porphyry-style target in the southeast (CSAMT lines 2, 3 and 4) was also suggested. The following figure shows depth slice 50-100m, interpreted veins projected from modelled sections, and drill targets identified by APM. Warmer colors indicate areas of lower resistivity.




*Soil Geochemical Survey*

APM initiated a soil geochemical survey in February of 2022. The goal of the soil geochemistry survey was to identify parallel and off-set geochemical anomalies surrounding the historical Gooseberry vein. A total of 4,161 soil samples were planned at 100 ft by 100 ft sampling intervals. As at the effective date of this Technical Report the work remains on-going and a total of 536 samples have been collected with assay results pending.

***Drilling***

*2021 Drilling Program Summary*

APM completed 4,581 m (15,029 ft) of drilling at the Gooseberry Property between November 3, 2021 and January 17, 2022. The drill program included approximately 1,255 m (4,119 ft) of NQ core drilling in five holes and approximately 3,325 m (10,910 ft) of reverse circulation (RC) drilling in ten holes. Drilling was performed at the eastern and western limits of the underground workings in zones believed to be undeveloped by previous mining. Three core holes and four RC holes were completed from three drill pads to the east of the underground workings. These holes tested 122 m (400 ft) of strike length along the eastern segment of the Gooseberry vein between Level 500 (5000 ft elevation) and Level 800 (4702 ft elevation). The remaining two core holes and six RC holes were completed from five drill pads situated to the west of the underground workings. All drill holes were angled towards the northeast. Drill holes were collared into Kates Peak andesite flows characterized by massive and feldspar porphyritic bodies rimmed by autobrecciated flow margins. A summary of drill hole information is provided in a table below.

*2021 Drilling Program Results*

The table below provides a summary of drill results in metric and imperial units. Grades assume 100% metallurgical recovery. Grade units of “ppm” is equivalent to “g/t”. Where core angles can be determined true thickness is reported. All RC intervals are reported as drill thickness.

Core holes GBC21-01, GBC21-02 and GBC21-03 successfully encountered the Gooseberry fault, which is characterized in drill core as a breccia zone comprised of rounded fragments supported in a rock-flour matrix. The fault is variably silicified and mineralized with fine sulfides and lack vein fragments – suggesting that the structure is syn- or pre-mineral. Quartz-sulfide veins, quartz-calcite veins and quartz dolomite veins are observed in the hanging wall and footwall to the fault breccia. Mineralization has also been observed to be stronger in the footwall veins.

GBC21-02 intersected 1.04 g/t Au and 27.82 g/t Ag over 1.7 m (5.5 ft) estimated true thickness from drill depth of 205.4 m to 208.8 m (674 ft to 685 ft). This intersection includes a higher-grade interval of 4.07 g/t Au and 92.00 g/t Ag over 0.3 m (1.0 ft) estimated true thickness. A second intersection of 0.62 g/t Au and 74.00 g/t Ag over 1.40 m (4.6 ft) estimated true thickness was encountered at the end of the drill hole from drill depth of 217.6 m to 219.5 m (718 ft to 720 ft). This interval includes a higher-grade interval of 1.64 g/t Au and 181.00 g/t Ag over 0.5 m (1.5 ft) estimated true thickness. Drillholes GBC21-01 and GBC21-03 also intersected intervals of anomalous mineralization associated with mineralized sulfide stringers and quartz veinlets.

RC drilling encountered intervals of gold and silver mineralization approximately 76 m to 92 meters (250 ft and 300 ft) west of GBC21-02 in RC holes GB21-09 and GB21-10, respectively, and approximately 49 vertical m (160 vertical ft) from core hole GBC21-03. GB21-09 intersected 16.8 m (55 ft) of 0.91 g/t Au and 99.20 g/t Ag from 246.9 m to 263.7 m (810 ft to 865 ft). The interval includes 4.6 m (15 ft) of 2.98 g/t Au and 313.00 g/t Ag from 246.9 m to 251.5 m (810 ft to 825 ft). GB21-10 intersected 6.1 m (20 ft) of 0.71 g/t Au and 86.38 g/t Ag between 269.7 m to 275.8 m (885 ft to 905 ft). This includes 3.8 m (12.5 ft) of 1.04 g/t Au and 127.60 g/t Ag from 269.7 m to 273.6 m (885.0 ft to 897.5 ft).

| Hole ID | Type | Completion Date | State Plane Nevada West (NAD 27) | | | UTM Zone 11N (NAD 83) | | | Dip (°) | Az (°) | TD (ft) | TD (m) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | East (SP ft) | North (SP Ft) | Elevation (ft) | East (NAD83 m) | North (NAD83 m) | Elevation (m) | | | | |
| GB21-01 | RC | 2021-11-20 | 249611 | 1724656 | 5596 | 287442 | 4373380 | 1706 | -72 | 30 | 1400 | 427 |
| GB21-02 | RC | 2021-12-02 | 249777 | 1724573 | 5600 | 287492 | 4373360 | 1707 | -72 | 30 | 1350 | 412 |
| GB21-03 | RC | 2021-12-06 | 249462 | 1724748 | 5599 | 287397 | 4373410 | 1707 | -71 | 30 | 1095 | 334 |
| GB21-04 | RC | 2021-12-10 | 249455 | 1724748 | 5599 | 287395 | 4373410 | 1707 | -64 | 30 | 1025 | 312 |
| GB21-05 | RC | 2021-12-18 | 249847 | 1724683 | 5601 | 287514 | 4373390 | 1707 | -64 | 44 | 700 | 213 |
| GB21-06 | RC | 2021-12-15 | 249847 | 1724676 | 5601 | 287514 | 4373390 | 1707 | -72 | 44 | 1000 | 305 |
| GB21-07 | RC | 2022-01-08 | 251822 | 1723760 | 5382 | 288111 | 4373100 | 1640 | -49 | 37 | 745 | 227 |
| GB21-08 | RC | 2022-01-09 | 251822 | 1723761 | 5382 | 288111 | 4373100 | 1640 | -55 | 37 | 795 | 242 |
| GB21-09 | RC | 2022-01-15 | 251699 | 1723952 | 5369 | 288075 | 4373160 | 1636 | -63 | 50 | 1300 | 396 |
| GB21-10 | RC | 2022-01-12 | 251699 | 1723951 | 5369 | 288075 | 4373160 | 1636 | -67 | 50 | 1500 | 457 |
| GBC21-01 | Core | 2021-11-10 | 251626 | 1724084 | 5367 | 288053 | 4373200 | 1636 | -61 | 30 | 608 | 185 |
| GBC21-02 | Core | 2021-11-16 | 251622 | 1724087 | 5367 | 288052 | 4373200 | 1636 | -66 | 30 | 728 | 222 |
| GBC21-03 | Core | 2021-11-24 | 251694 | 1723941 | 5369 | 288073 | 4373150 | 1636 | -55 | 40 | 705 | 215 |
| GBC21-04 | Core | 2021-12-08 | 249630 | 1724712 | 5585 | 287448 | 4373400 | 1702 | -69 | 30 | 1106 | 337 |
| GBC21-05 | Core | 2022-01-17 | 249841 | 1724676 | 5601 | 287512 | 4373390 | 1707 | -75 | 38 | 972 | 296 |
| | | | | | | | | | | | 15029 | 4581 |

Anomalous gold and silver mineralization was encountered in GBC21-04, GB21-03, GB21-06 and GB21-06. While GBC21-05, GB21-01, GB21-04 and GB21-05 reached the target depth these drill holes did not encounter anomalous or significant intersections. In cross-section view, it is interpreted that GB21-08 may have terminated before reaching the mineralized zone based on a -84° dip angle projected from the GB21-07 mineralized intersection.

Ultra-trace geochemistry results show elevated concentrations for copper, lead and zinc that correlate with anomalous and significant gold and silver mineralization. Although the base metal concentrations are anomalous, values are not considered significant.

| Hole ID | | From (ft) | To (ft) | Length (ft) | From (m) | To (m) | Length (m) | Vein Angle TCA | Est. True Thickness (ft) | Est. True Thickness (m) | Au (ppm) | Ag (ppm) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GBC21-01 | | 418.0 | 428.0 | 10.0 | 127.4 | 130.5 | 3.0 | 70 | 9.4 | 2.9 | 0.01 | 17.80 |
| GBC21-01 | | 448.0 | 453.0 | 5.0 | 136.6 | 138.1 | 1.5 | unknown | unknown | unknown | 0.00 | 21.00 |
| GBC21-01 | | 468.0 | 473.0 | 5.0 | 142.6 | 144.2 | 1.5 | 55 | 4.1 | 1.3 | 0.00 | 13.00 |
| GBC21-01 | | 514.0 | 516.0 | 2.0 | 156.7 | 157.3 | 0.6 | unknown | unknown | unknown | 0.02 | 17.00 |
| GBC21-01 | | 528.0 | 530.0 | 2.0 | 160.9 | 161.5 | 0.6 | 40 | 1.3 | 0.4 | 0.01 | 16.00 |
| GBC21-02 | | 674.0 | 685.0 | 11.0 | 205.4 | 208.8 | 3.4 | 30 | 5.5 | 1.7 | 1.04 | 27.82 |
| | incl. | 681.0 | 683.0 | 2.0 | 207.6 | 208.2 | 0.6 | 30 | 1.0 | 0.3 | 4.07 | 92.00 |
| GBC21-02 | | 690.0 | 692.0 | 2.0 | 210.3 | 210.9 | 0.6 | 45 | 1.4 | 0.4 | 0.77 | 11.00 |
| GBC21-02 | | 696.0 | 698.0 | 2.0 | 212.1 | 212.8 | 0.6 | 50 | 1.5 | 0.5 | 1.07 | 2.50 |
| GBC21-02 | | 700.0 | 704.0 | 4.0 | 213.4 | 214.6 | 1.2 | 35 | 2.3 | 0.7 | 0.23 | 13.75 |
| GBC21-02 | | 714.0 | 720.0 | 6.0 | 217.6 | 219.5 | 1.8 | 50 | 4.6 | 1.4 | 0.62 | 74.00 |
| | incl. | 718.0 | 720.0 | 2.0 | 218.8 | 219.5 | 0.6 | 50 | 1.5 | 0.5 | 1.64 | 181.00 |
| GBC21-03 | | 690.0 | 692.0 | 2.0 | 210.3 | 210.9 | 0.6 | unknown | unknown | unknown | 0.81 | 57.00 |
| GBC21-04 | | 846.0 | 857.0 | 11.0 | 257.9 | 261.2 | 3.4 | unknown | unknown | unknown | 0.32 | 2.50 |
| GBC21-05 | | No significant or anomalous intersections | | | | | | | | | | |
| GB21-01 | | No significant or anomalous intersections | | | | | | | | | | |
| GB21-02 | | 1287.5 | 1290.0 | 2.5 | 392.4 | 393.2 | 0.8 | unknown | unknown | unknown | 0.14 | 19.00 |
| GB21-03 | | 970.0 | 975.0 | 5.0 | 295.7 | 297.2 | 1.5 | unknown | unknown | unknown | 0.32 | 2.50 |
| GB21-03 | | 1010.0 | 1012.5 | 2.5 | 307.8 | 308.6 | 0.8 | unknown | unknown | unknown | 0.30 | 5.00 |
| GB21-03 | | 1015.0 | 1017.5 | 2.5 | 309.4 | 310.1 | 0.8 | unknown | unknown | unknown | 0.22 | 2.50 |
| GB21-04 | | No significant or anomalous intersections | | | | | | | | | | |
| GB21-05 | | No significant or anomalous intersections | | | | | | | | | | |
| GB21-06 | | 880.0 | 910.0 | 30.0 | 268.2 | 277.4 | 9.1 | unknown | unknown | unknown | 0.42 | 10.75 |
| GB21-06 | incl. | 880.0 | 885.0 | 5.0 | 268.2 | 269.7 | 1.5 | unknown | unknown | unknown | 1.15 | 11.75 |
| GB21-06 | and | 892.5 | 910.0 | 17.5 | 272.0 | 277.4 | 5.3 | unknown | unknown | unknown | 0.32 | 14.00 |
| GB21-07 | | 705.0 | 727.5 | 22.5 | 214.9 | 221.7 | 6.9 | unknown | unknown | unknown | 0.91 | 48.83 |
| | incl. | 705.0 | 715.0 | 10.0 | 214.9 | 217.9 | 3.0 | unknown | unknown | unknown | 1.83 | 99.50 |
| | and | 722.5 | 727.5 | 5.0 | 220.2 | 221.7 | 1.5 | unknown | unknown | unknown | 0.30 | 17.00 |
| GB21-08 | | No significant or anomalous intersections | | | | | | | | | | |
| GB21-09 | | 795.0 | 800.0 | 5.0 | 242.3 | 243.8 | 1.5 | unknown | unknown | unknown | 0.26 | 7.00 |
| GB21-09 | | 810.0 | 865.0 | 55.0 | 246.9 | 263.7 | 16.8 | unknown | unknown | unknown | 0.97 | 99.20 |
| | incl. | 810.0 | 825.0 | 15.0 | 246.9 | 251.5 | 4.6 | unknown | unknown | unknown | 2.98 | 313.00 |
| | and | 855.0 | 865.0 | 10.0 | 260.6 | 263.7 | 3.0 | unknown | unknown | unknown | 0.37 | 23.75 |
| GB21-10 | | 885.0 | 905.0 | 20.0 | 269.7 | 275.8 | 6.1 | unknown | unknown | unknown | 0.71 | 86.38 |
| | incl. | 885.0 | 897.5 | 12.5 | 269.7 | 273.6 | 3.8 | unknown | unknown | unknown | 1.04 | 127.60 |

## ***Sampling, Analysis and Data Verification***

*Sample Security*

Core, RC and soil samples were prepared and stored at the Gooseberry Property mine office in 4 ft x 4 ft shipping crates. Paragon Geochemical provided the company with on-site collection service and delivered the samples to the laboratory located at 1555 Industrial Way, Sparks, NV 89431, United States.

*Sample Preparation*

Drill core collected at the drill rig was placed into cardboard core boxes. A wooden marking block with the drilling depth was placed at the end of each core run and the from-to footage of the box is measured and recorded relative to the marking block. A lid was placed onto each core box prior to transport by pickup truck to the core shack. Core was hand washed with water to remove drilling lubricants and dirt and marking blocks are checked for accuracy to ensure core was laid out in sequential order. Lithological and geotechnical characteristics of the drill core was logged and recorded on paper templates into a digital Microsoft Excel template. The geologist then identified sampling intervals by placing aluminum sample tags into the core box at from-to locations. Sample interval information was then collected on core cutting sheets. Sample interval length range from 1 ft to 7 ft for core and from 2.5 ft to 10 ft for RC chips. Prior to sampling, each core box was photographed using a digital camera and cataloged. Sample intervals were then broken perpendicular to the core axis using a geological hammer. Whole core sample material and their corresponding sample tag were then placed into individual poly bags labeled with the sample number and secured with a zip tie.

Reverse circulation samples are collected directly from the drill's wet rotary splitter. The wet rotary splitter homogenizes the drill cuttings and evenly distributes the cuttings inside chambers. Chambers designated for sample collection moves cuttings into an extraction funnel where the sample is manually caught in sample bags. The remainder of the cuttings are rejected into rice sacs and laid out on the ground away from the drill. The geologist one-site collects one chip tray sample and one assay sample from each 5-foot run. The assay samples are collected wet directly into pre-labeled poly bags and sealed with a zip tie. Sample bags are stored in four by four foot polycarbonate crates. Wet samples were caused by excess drilling water. Ground water was not encountered during drilling. The chip tray sample intended for chip logging is sieved and collected in chip trays.

Soil sample locations were pre-determined using a 100 by 100-foot grid. The sampler traversed to the intended sampling location using a hand held geographical position system (GPS) where a sampling station is marked using an aluminum tag. A sample pit is excavated to a depth of eight to ten inches below surface using a hoe pick tool. A five by eight inch cloth bag was then filled with material from the bottom of the sample pit. Cloth sample bags are pre-labeled with the sample number and secured with a cloth tie. Each sample station was photographed. Batches of 30-40 cloth sample bags were collected into rice sacs, labeled and stored at the core logging facility in four by four foot polycarbonate crates. Soil sample GPS coordinates, sample number and sample description was then compiled into a Microsoft Excel spreadsheet.

*Sample Analysis*

Paragon Laboratory prepared each core, RC and soil sample by drying to 100°C, weighing, crushing to 70% passing 10mesh, riffle splitting 250 g and plate pulverizing to 85% passing 200mesh to produce a homogenized pulp. Using a 30 g pulp sample, gold and silver content was determined using analytical package Au-AA Ag-GR. Gold was analyzed using fire assay with atomic absorption (AA) finish and silver was analyzed using fire assay with gravimetric (GR) finish. Ultra-trace element content was determination using analytical package 50AR-MS. A 0.5 g pulp is subject to Aqua Regia digestion and analyzed by Inductively Coupled Plasma Mass Spectrometry (ICP-MS)

*Quality Assurance – Quality Control*

Sample data collection procedures are established by the Company to mitigate sampling error and contamination. Sample sequence errors were mitigated by using pre-determined sample numbering and recorded on aluminum tags, sample bags and sample preparation logs. In the sample collection process sample contamination for core is avoided as whole core was washed and mechanically broken with a rock hammer at pre-marked boundaries. Cross contamination is avoided in RC drilling as chip material from each sample interval travels through an enclosed inner tube prior to entering the wet rotary splitter. All samples are collected into individual bags and sealed prior to storage in four by four foot polycarbonate crates. Lastly, detailed photography of each core box, chip tray and soil sample location is collected to maintain a sampling record.

The Company inserted a certified reference material or a coarse blank material generally after every 20th sample throughout the sampling sequence for core and RC drill samples. Filed duplicates where not utilized. However, Paragon Laboratory implements duplicate sample checks within the analytical procedure. The Company reviews the analytical results for each certified reference sample and coarse blank sample to determine if the concentrations deviate from the certified or expected concentrations, respectively. Any concentration values that are not within two standard deviations of the certified or expected concentrations are flagged and the sample batch affected is re-run at the laboratory.

*Data Verification*

The author visited the Property on June 3, 2022 accompanied by a representative from APM. Drill collar monument location, the core storage locations, and surface outcrop along the Gooseberry fault were observed.

The author collected handheld GPS coordinates at 13 of 15 drill collar monuments. The author was unable to locate the remaining two drill collar monuments and it is uncertain if the monuments were accidentally covered during the reclamation process. Handheld GPS coordinates collected by the author were consistent with the Company's survey data for the 13 drill collar monument observed. Each drill collar completed by the Company was marked by a steel monument and tag identifying the hole number.

Sample interval information for GBC21-01 was visually inspected by the author. These sample intervals were consistent with intervals reported in the drill hole database. A verification sample from drill core was not collected because whole core from the sample intervals were submitted to the laboratory for analysis. Representative RC chips trays are not located at site and not inspected by the author. However, sample bags containing spit duplicates were observed at several RC drill sites.

The author collected three grab samples from surface outcrop and two float samples from what appears to be mineralized quartz vein material from previous underground activity at the existing mine shaft The verification samples were placed in cloth sample bags, which remained with the author throughout the field visit. The author submitted the samples directly to Paragon Geochemical Laboratory in Reno, NV on the same day.

Paragon Laboratory prepared each verification sample by drying to 100°C, weighing, crushing to 70% passing 10mesh, riffle splitting 250 g and plate pulverizing to 85% passing 200mesh to produce a homogenized pulp. Using a 30 g pulp sample, gold and silver content was determined using analytical package Au-AA Ag-GR. Gold was analyzed using fire assay with atomic absorption (AA) finish and silver was analyzed using fire assay with gravimetric (GR) finish. Ultra-trace element content was determination using analytical package 50AR-MS. A 0.5 g pulp is subject to Aqua Regia digestion and analyzed by Inductively Coupled Plasma Mass Spectrometry (ICP-MS).

The author reviewed the Company's drill hole database that contains five core holes and ten RC holes from the 2021 drilling program. Point and interval data pertaining to collar location, downhole survey, rock quality, alteration, mineralization, lithology, structures, and sample geochemical results were imported into Geosoft Target 9.9.1 (Geosoft Target). Geosoft Target has a database validation function to check for inconsistencies and missing information within a drill hole database. No duplicate records, overlapping intervals, or unexpected gaps in the drill hole database records were identified by the author after completing the database verification function.

The author manually compared the geochemical results from the Company's drill hole database (in Microsoft Excel format) with assay certificates issued by Paragon Geochemical (in PDF file format). A total of 63 samples were selected for the manual comparison, or 5.6% of the sample geochemical results. These samples represent all elevated gold and silver values in the 95th-100th percentile range for the dataset and for the intervals the Company used to report significant results. Database values for gold and silver from the selected 63 samples were consistent with assay certificates issued by Paragon Geochemical. The author did not verify values from the multi-element dataset but have no reason to doubt that they have been compiled accurately based on the comparison completed for gold and silver.

***Exploration Plans***

RC drill testing of the five exploration targets along the three potential new veins identified through the 2022 CSMAT survey is recommended. The proposed drill program is anticipated to occur over two months with the expected cost of US$ 1,034,425. The proposed program consists of 10 RC drill holes each 200 m deep for the total of 2,000 m (or 6562 ft) of drilling.

| Description | Unit | Rate (US$) | Sub-total (US$) |
|---|---|---|---|
| Permits, Bonds, Drilling Support & Consumables | | | $176,234 |
| Drilling Contractor Costs | 6562 ft (2000 m) | $90.00 | $590,551 |
| Geochemical Samples | 2624 samples | $60.00 | $157,480 |
| Geologist | 60 days | $800.00 | $48,000 |
| Geologist Assistant | 60 days | $500.00 | $30,000 |
| Vehicles and Travel | 3600 mi | $0.60 | $2,160 |
| Accommodation & Board | 120 days | $250.00 | $30,000 |
| | | Total | $1,034,425 |

## THE TUSCARORA PROJECT

### Current Technical Report

The information in this AIF with respect to the Tuscarora Project is derived from a National Instrument 43-101 technical report prepared by Van Phu Bui, P. Geo of ARC Geoscience Group Inc., titled "Technical Report, Tuscarora Property, Elko County, Nevada, USA", effective March 31, 2020.

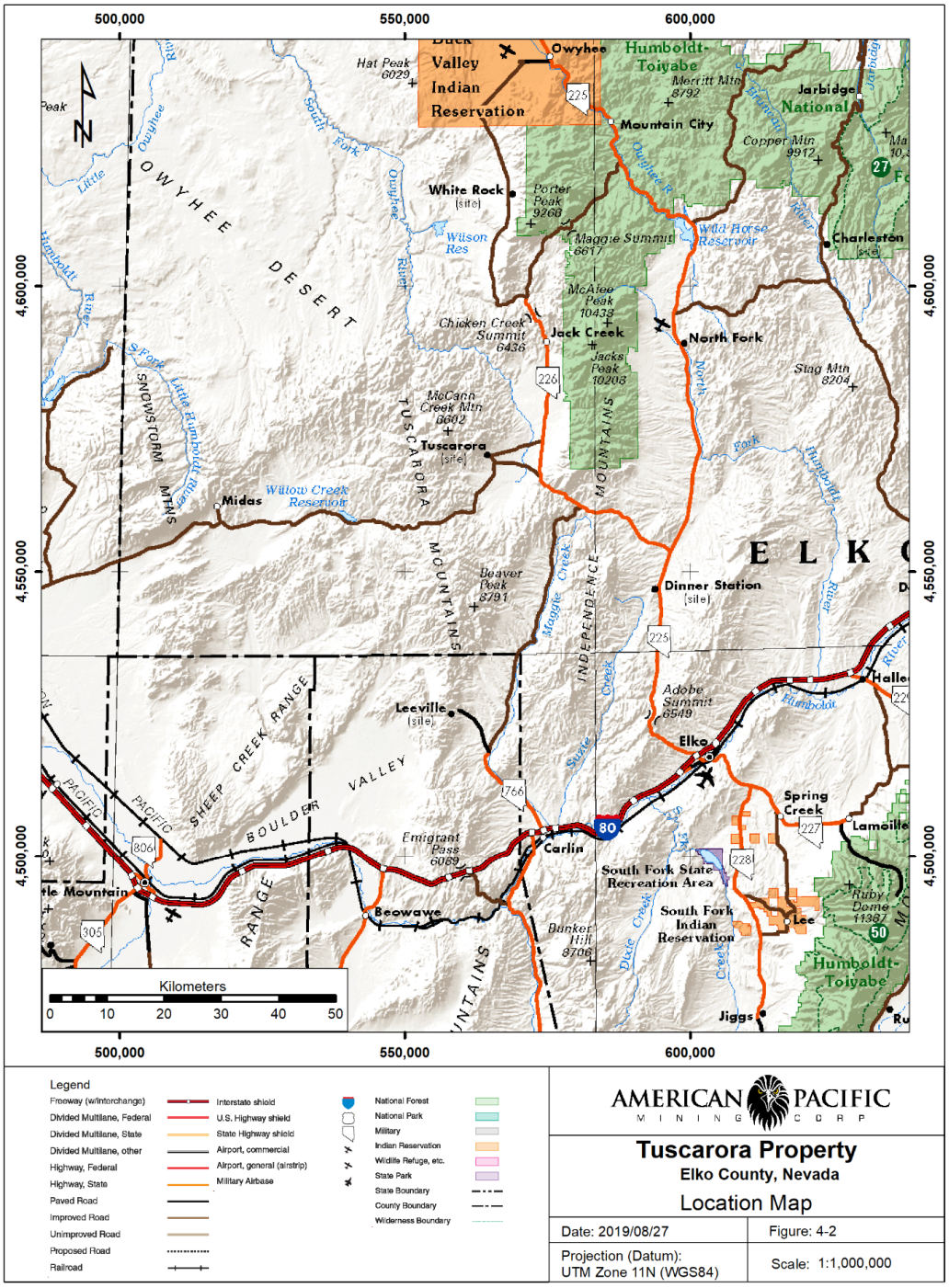
### Project Description and Location

The Tuscarora Project is located adjacent to the town of Tuscarora in Elko County, Nevada. The Tuscarora Project is geographically centered at 116º 13' 25" West longitude and 41º 18' 21" North latitude (or UTM coordinates 565,000E and 4,573,000N) within sections 2 and 3, township 39 North, range 51 East and section 35, township 40 North, range 51 East, 40 air-miles northwest of Elko city, Nevada. The Tuscarora Project lies at the foot of Mount Blitzen on the eastern slope of the Northern Tuscarora Range on the Tuscarora and Mount Blitzen quadrangle 7.5-minute topographic map sheets.

The Tuscarora Project currently consists of 91 unpatented lode mining claims covering approximately 761 ha (1,880 ac) of land within the Tuscarora mining district. The land package includes 24 unpatented lode mining claims totaling 201 ha (496 ac) that are registered under Novo Resources USA Corp. (the "**Novo Claims**"). These claims are subject the Novo Agreement as discussed under "*Agreements and Royalties*" below. In March 2018, APM staked 67 unpatented lode mining claims. These newly staked claims total 560 ha (1,384 ac) and are registered under American Pacific (US) Inc. (the "**APM Staked Claims**").

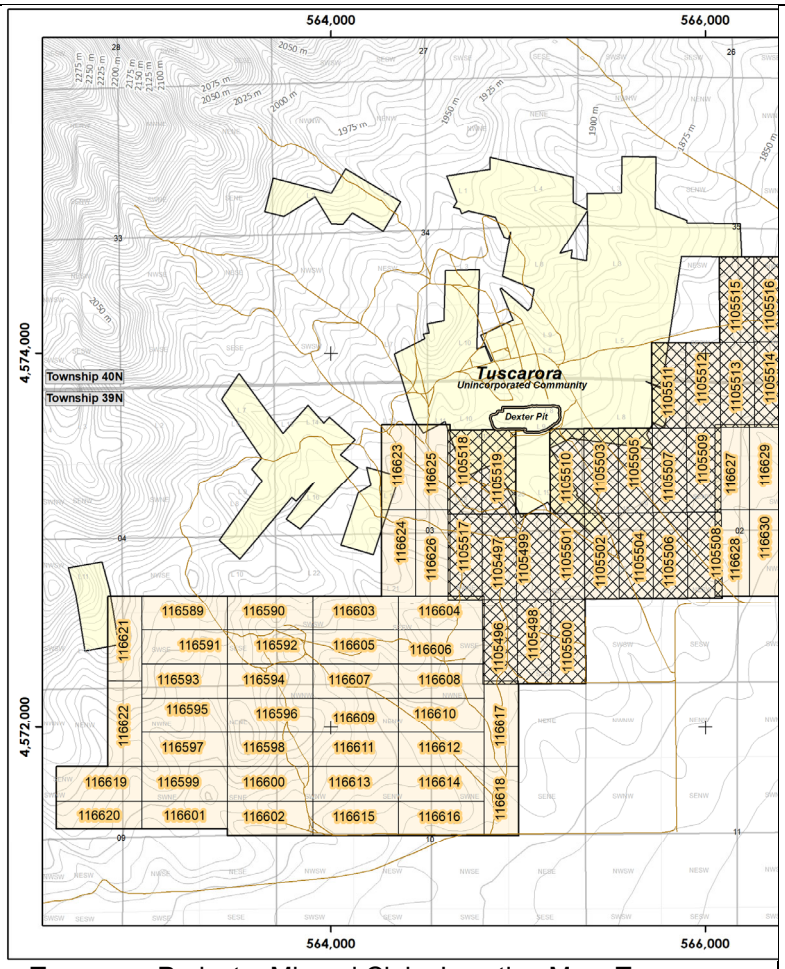
The Tuscarora Project is approximately 85 road-km (53 road-mi) from the city of Elko, Nevada and is accessed by vehicle by traveling 42 km (26 mi) north from Elko on Nevada State Highway 225 and 43 km (27 mi) west on Nevada State Highway 226.

The Tuscarora Project covers a gentle southeast dipping slope at the foothills of Mount Blitzen in the eastern part of the Tuscarora volcanic field and the southern part of Independence Valley. Elevation on the Property ranges from 1,800 to 1,865 m (5,900 to 6,120 ft) above mean sea level. Vegetation is typical of high desert in the Basin and Range terrane, consisting primarily of sagebrush and grasses.




tenure consists

**Tuscarora Project – Property Location Map, Elko County (modified from Nevada Department of Transportation, 2019)**




Tuscarora Project – Mineral Claim Location Map, Tuscarora Mining District

| Count | Tenure ID | Tenure Name | Issue Date | Expiry Date | Area (Acres) | Maintenance Fee (US$) |
|---|---|---|---|---|---|---|
| 1 | 1105496 | TN 1 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 2 | 1105497 | TN 2 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 3 | 1105498 | TN 3 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 4 | 1105499 | TN 4 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 5 | 1105500 | TN 5 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 6 | 1105501 | TN 6 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 7 | 1105502 | TN 7 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 8 | 1105503 | TN 8 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 9 | 1105504 | TN 9 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 10 | 1105505 | TN 10 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 11 | 1105506 | TN 11 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 12 | 1105507 | TN 12 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 13 | 1105508 | TN 13 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 14 | 1105509 | TN 14 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 15 | 1105510 | TN 19 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 16 | 1105511 | TN 20 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 17 | 1105512 | TN 21 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 18 | 1105513 | TN 22 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 19 | 1105514 | TN 23 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 20 | 1105515 | TN 24 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 21 | 1105516 | TN 25 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 22 | 1105517 | TN 26 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 23 | 1105518 | TN 27 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |
| 24 | 1105519 | TN 28 | 2014-09-03 | 2020-09-01 | 20.66 | 155.00 |

| | | |
|---|---|---|
| Total | 495.84 | 3,720.00 |

**Tuscarora Project – Unpatented Lode Claims owned by Novo Resources USA Corp. (Novo Claims)**

| Count | Tenure ID | Tenure Name | Issue Date | Expiry Date | Area (Acres) | Maintenance Fee (US$) |
|---|---|---|---|---|---|---|
| 25 | 116589 | TNAP-1 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 26 | 116590 | TNAP-2 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 27 | 116591 | TNAP-3 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 28 | 116592 | TNAP-4 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 29 | 116593 | TNAP-5 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 30 | 116594 | TNAP-6 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 31 | 116595 | TNAP-7 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 32 | 116596 | TNAP-8 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 33 | 116597 | TNAP-9 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 34 | 116598 | TNAP-10 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 35 | 116599 | TNAP-11 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 36 | 116600 | TNAP-12 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 37 | 116601 | TNAP-13 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 38 | 116602 | TNAP-14 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 39 | 116603 | TNAP-15 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 40 | 116604 | TNAP-16 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 41 | 116605 | TNAP-17 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 42 | 116606 | TNAP-18 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 43 | 116607 | TNAP-19 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 44 | 116608 | TNAP-20 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 45 | 116609 | TNAP-21 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 46 | 116610 | TNAP-22 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 47 | 116611 | TNAP-23 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 48 | 116612 | TNAP-24 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 49 | 116613 | TNAP-25 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 50 | 116614 | TNAP-26 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 51 | 116615 | TNAP-27 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 52 | 116616 | TNAP-28 | 2017-12-01 | 2020-09-01 | 20.66 | 155.00 |
| 53 | 116617 | TNAP-29 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 54 | 116618 | TNAP-30 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 55 | 116619 | TNAP-31 | 2017-12-23 | 2020-09-01 | 20.66 | 155.00 |
| 56 | 116620 | TNAP-32 | 2017-12-23 | 2020-09-01 | 20.66 | 155.00 |
| 57 | 116621 | TNAP-33 | 2017-12-23 | 2020-09-01 | 20.66 | 155.00 |
| 58 | 116622 | TNAP-34 | 2017-12-23 | 2020-09-01 | 20.66 | 155.00 |
| 59 | 116623 | TNAP-35 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |

| Count | Tenure ID | Tenure Name | Issue Date | Expiry Date | Area (Acres) | Maintenance Fee (US$) |
|---|---|---|---|---|---|---|
| 60 | 116624 | TNAP-36 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 61 | 116625 | TNAP-37 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 62 | 116626 | TNAP-38 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 63 | 116627 | TNAP-39 | 2017-12-04 | 2020-09-01 | 20.66 | 155.00 |
| 64 | 116628 | TNAP-40 | 2017-12-04 | 2020-09-01 | 20.66 | 155.00 |
| 65 | 116629 | TNAP-41 | 2017-12-04 | 2020-09-01 | 20.66 | 155.00 |
| 66 | 116630 | TNAP-42 | 2017-12-04 | 2020-09-01 | 20.66 | 155.00 |
| 67 | 116631 | TNAP-43 | 2017-12-04 | 2020-09-01 | 20.66 | 155.00 |
| 68 | 116632 | TNAP-44 | 2017-12-04 | 2020-09-01 | 20.66 | 155.00 |
| 69 | 116633 | TNAP-45 | 2017-12-04 | 2020-09-01 | 20.66 | 155.00 |
| 70 | 116634 | TNAP-46 | 2017-12-04 | 2020-09-01 | 20.66 | 155.00 |
| 71 | 116635 | TNAP-47 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 72 | 116636 | TNAP-48 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 73 | 116637 | TNAP-49 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 74 | 116638 | TNAP-50 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 75 | 116639 | TNAP-51 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 76 | 116640 | TNAP-52 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 77 | 116641 | TNAP-53 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 78 | 116642 | TNAP-54 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 79 | 116643 | TNAP-55 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 80 | 116644 | TNAP-56 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 81 | 116645 | TNAP-57 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 82 | 116646 | TNAP-58 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 83 | 116647 | TNAP-59 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 84 | 116648 | TNAP-60 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 85 | 116649 | TNAP-61 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 86 | 116650 | TNAP-62 | 2017-12-02 | 2020-09-01 | 20.66 | 155.00 |
| 87 | 116651 | TNAP-63 | 2017-12-29 | 2020-09-01 | 20.66 | 155.00 |
| 88 | 116652 | TNAP-64 | 2017-12-29 | 2020-09-01 | 20.66 | 155.00 |
| 89 | 116653 | TNAP-65 | 2017-12-29 | 2020-09-01 | 20.66 | 155.00 |
| 90 | 116654 | TNAP-66 | 2017-12-29 | 2020-09-01 | 20.66 | 155.00 |
| 91 | 116655 | TNAP-67 | 2017-12-29 | 2020-09-01 | 20.66 | 155.00 |
| | | | | Total | 1,384.22 | 10,385.00 |

**Unpatented Lode Claims owned by American Pacific Mining (US) Inc. (APM Staked Claims)**

***Agreements and Royalties***

Novo Agreement

On November 6, 2017, APM entered into an option agreement (the "**Novo Agreement**") with Novo Resources (USA) Corp. ("**Novo**") to acquire 100% right, title and interest to the Novo Claims. In consideration of APM's option to acquire the Novo Claims under the Novo Agreement (the "**Novo Option**"), APM agreed to make cash payments to Novo of CA$375,000.00, in three equal installments of one CA $125,000.00 beginning on the date APM's common shares became listed on the CSE (the "**Listing Date**") or January 31, 2018, whichever came first. Subsequent installments are due on the first and second anniversaries of the first payment. The first installment payment to Novo has been completed. On January 13, 2020, Novo agreed to defer the second installment of the option payment to January 20, 2021, with a revised cash payment amount of CA$150,000.

The terms of the Novo Agreement include provisions for the issuance of APM common shares subsequent to the Listing Date, in the value of CA$200,000 with one-third issued on each of the Listing Date, and the first and second anniversaries of the Listing Date at a share price equal to the price at which APM's common shares were sold in the Company's last equity financing closed on or before the Listing Date.

APM has also agreed to complete a total of US$100,000 in expenditures on the Tuscarora Project starting in the 12-month period commencing on the first anniversary of the Listing Date and per each successive 12-month period thereafter.

APM may exercise the Novo Option at any time after completing the cash and share payments by completing the notice to Novo of such. Following the exercise of the option APM will be obligated to pay the following.

1. Royalty Interest to Novo of one-half percent (0.5%) of Net Smelter Returns. APM may reduce the Royalty Interest to nil by paying US $500,000 to Novo.

2. Royalty Interest to Nevada Select Royalty, Inc. based on the Net Smelter Royalty at a rate based on the New York COMEX price of gold per troy ounce, payable as follows:

| | |
|---|---|
| Less than or equal to US $1,500.00 | Two percent (2.0%) |
| Greater than US $1,500.00 but less than or equal to US $2,000.00 | Three percent (3%) |
| Greater than US $2,000.00 | Four percent (4.0%) |

OceanaGold Agreement

On April 15, 2019, APM entered into an exploration earn-in agreement with Oceana Gold U.S. Holding Inc., a subsidiary of OceanaGold Corporation (together "**OceanaGold**") whereby APM granted OceanaGold the right to explore, evaluate and develop the Tuscarora Project. Subject to APM acquiring a 100% right, title and interest to the Novo Claims under the Novo Option, OceanaGold may then earn up to a seventy-five percent (75%) interest in the Property over an eight-year period by conducting US$10,000,000 in exploration activities on the Tuscarora Project and by making scheduled cash payments to APM in the aggregate of US$250,000. On January 29, 2020, OceanaGold terminated the exploration earn-in agreement upon completing exploration expenditures totaling US$965,766.70.

### *History*

The Tuscarora Mining District is in a modern day major gold producing region of Nevada. During the District's early history (1867-1900) over half of the gold produced in Elko County came from Tuscarora. Placer gold was discovered in the district in 1867 and production of silver-gold lode deposits began in 1875. Total precious metal production between 1867 and 1990 consists of 244,000 ounces of gold and 7,632,000 ounces of silver from quartz veins and quartz stockwork mineralization.

A great deal of information exists regarding the 150 years of historic exploration and production. There are three distinct periods of historical gold and silver production and exploration.

1867 to 1930

In 1867, early gold production came from placer deposits that a Shoshone Indian identified for a trader. The trader convinced six Austin Nevada prospectors to join him on a prospecting expedition. They started on McCann Creek two miles southwest of the future townsite of Tuscarora. The miners organized the District and named it after a warship from the U.S. Civil War. Another 300 miners followed when news of the discovery reached Austin. The following year, nearby vein-type-gold deposits were found, but the mining and milling was not successful.

In 1871, W.O. Weed discovered rich northeast trending silver veins on the east flank of Mt. Blitzen. By 1875, the first shipments of silver ore were made and in 1876 bonanza silver ore was found in east-northeast trending veins at the Grand Prize mine, less than a mile northwest of the town. By 1879, the silver rush was on and production ramped up dramatically. The 1880 census showed 1400 Americans (Chinese placer miners were not tallied), 10 mines, and three mills.

Mines in the northeast trending zone around the Grand Prize included the Independence, Defrees, and Argenta.

Although the Grand Prize was one of the deepest shafts (750 feet), most of the development in the district came from a belt of mines to the west town that developed northwest striking veins. Mines along the northwest trend include the North Commonwealth, Commonwealth, Nevada Queen, North Belle Isle, Bell Isle, Navajo, and Dexter.

Near the end of the 1900's, mining began in the low silver, higher-grade gold, southern part of the district. The Dexter mine located immediately south of town, had the most production; approximately 40,000 ounces of gold and 100,000 ounces of silver, between 1897 and 1935. After 1905, almost all of the district-production came from the Dexter.

Underground mining at the Dexter moved outward from higher grade silver and gold quartz-adularia veins into a broader silicified and adularized zone of lower grade stockwork quartz-adularia veinlets mixed with lesser quartz veins. All of which are hosted in lapilli airfall tuffs & ash flows of dacitic composition and fine-grained epiclastic tuffs.

1930 to 1982

From 1930 to 1982, work focused on bulk-minable, low-grade gold-silver ore. Many of the early dumps were reworked using heap-leaching techniques; these included the Commonwealth, Grand Prize, Navajo, Nevada Queen, and North Belle Isle mines.

Ristorcelli and Goodall (2003) summarized the District-wide exploration from the 1960's forward. Prior to 1982 four companies completed sporadic exploration-drilling programs in several areas throughout the District.

- 1967: Cyprus Minerals-Kings Prospect area
- 1968: Eklund Drilling-Kings Prospect area
- 1968: Standard Magnesia– old Dexter Mine area, adjacent to Tuscarora Project
- 1981: Duval-Modoc Hill area

1982 to Present

Since 1982, the District had a sustained, exploration effort. This effort has been almost continuous with each subsequent operator building on the previous work. Ultimately, this work focused in the area covered by the Tuscarora Project.

From 1982 to 1995, the companies include:

- 1983-1984: Shell Oil-District wide
- 1983: Hecla-Silica Prospect
- 1984: Northern Dynasty-Kings Prospect area and western part of District
- 1986 & 1988: Jedediah Minerals Company & Cruson and Panze Geologists-District wide, including Modoc Hill and Battle Mountain areas
- 1989-1990: Horizon Gold Corporation and Chevron –Dexter Open Pit Mine,

  Crawford (1992) summarized Nevada Department of Taxation records indicating Horizon produced 39,976 ounces of gold and 254,660 ounces of silver from the Dexter Open Pit between 1998 and 1991.

  The Horizon mine occupied the area of the old Dexter Mine area and is immediately adjacent to the Tuscarora Project that is the subject of this report.

  Three of Chevron's holes encountered "significant mineralization" in the area of Revenue Hill, (South Navajo Vein Area). One hole had 100 ft of 0.02 oz Au/ton, and another had 50 ft of 0.05 oz Au/ton.

- 1991: Corona-Silverado Prospect
- 1992: Battle Mountain-western part of District

From 1995 to 2001, Newcrest Resources Inc. followed by Newmont/Franco Nevada Mining Corp carried out district wide exploration campaigns consisting of detailed compilation of historic data, drilling, geophysics, and geologic mapping (Table 2). The later phases of that program drilling focused on the South Navajo Vein Area.

| Year | Company | Work |
|---|---|---|
| 2014 | Nevada Eagle LLC and Platoro West Incorporated | Ground lapsed and restaked |
| 2012/13 | Wolfpack Gold Corp | Permitting and reclamation |
| 2010/11 | Golden Predator Mines US Inc. | Reclamation Work |
| 2009 | Golden Predator Mines US Inc. | Permitting and reclamation |
| 2008 | Golden Predator Mines US Inc. | Permitting |
| 2008 | Canyon Resources Ltd | Aerial Photography |
| 2007 | Canyon Resources Ltd | Geophysics? |
| 2005 | Terraco Gold Corp | 4 RC holes (2,920 feet) |
| 2003 | Terraco Gold Corp | CSAMT Survey |
| 2001 | Franco Nevada Mining Corp | Permitting (Plan of Operation) |
| 2000 | Franco Nevada Mining Corp | Internal Estimation |
| 1998/9 | Newcrest Resources Inc | RC Drilling (27,000 ft); some core) |
| 1997 | Newcrest Resources Inc | RC Drilling (1800 feet); petrography |
| 1996 | Newcrest Resources Inc | Mapping, RC drilling (12,000 feet) |
| 1995 | Newcrest Resources Inc | Compilation and targeting, drilling |

**Summary of Work**

The Tuscarora Project (this report) lies south and east of the Dexter open-pit. Newcrest drilled this area. The table below notes significant results summarized by Lindsay (2016) from the Newcrest Drilling.

| Zone | HoleID | Interval (ft) | Interval (m) | Gold Grade (g/t) | Year |
|---|---|---|---|---|---|
| Navajo/South Navajo Vein | TCN2 | 5 | 1.5 | 30 | 1995 |
| Navajo/South Navajo Vein | TCN3 | 5 | 1.5 | 5.3 | 1995 |
| Navajo/South Navajo Vein | TN38 | 5 | 1.5 | 182 | 1998 |
| Navajo/South Navajo Vein | TN40 | 5 | 1.5 | 19 | 1998 |
| Navajo/South Navajo Vein | TN54 | 5 | 1.5 | 51 | 1998 |
| East Pediment | TN57 | 10 | 3 | 28.2 | 1998 |
| East Pediment | TN63 | 5 | 1.5 | 4.6 | 1998 |

**Newcrest Reported drill intercepts of select target zones in the Tuscarora Property**

(McCusker, 1999)

The assay values demonstrate narrow and somewhat discontinuous shoots of high-grade gold (up to 182 g/t Au). Newcrest described coarse visible gold that created a metallurgical nugget effect.

Subsequent to the Newcrest drilling Franco Nevada, Terraco, Canyon Resources, Golden Predator, and Wolf Pack completed District-wide exploration and/or planning with no new significant additions to the historic exploration data set described above.

In 2015, Novo Resources Corp acquired the 24 TN claims (Table 1) and spent considerable effort to compile and evaluate the historic data using a modern GIS data format. They drilled 10 reverse circulation (RC) drill holes to follow-up on the high gold values drilled by Newcrest (Table 3).

Novo reported the following:

| Hole Number | From (ft) | To (ft) | Length (ft) | Au (opt) | From (m) | To (m) | Length (m) | Au (gpt) |
|---|---|---|---|---|---|---|---|---|
| 16TSRC-001 | 290 | 305 | 15 | 0.039 | 88.4 | 93.0 | 4.6 | 1.21 |
| | 550 | 560 | 10 | 0.192 | 167.7 | 170.7 | 3.1 | 5.96 |
| | 555 | 560 | 5 | 0.232 | 169.2 | 170.7 | 1.5 | 7.20 |
| 16TSRC-002 | 500 | 515 | 15 | 0.029 | 152.4 | 157.0 | 4.6 | 0.90 |
| | 520 | 530 | 10 | 2.385 | 158.5 | 161.6 | 3.1 | 74.18 |
| *including* | **525** | **530** | **5** | **4.614** | **160.1** | **161.6** | **1.5** | **143.50** |
| | 530 | 555 | 25 | 0.022 | 161.6 | 169.2 | 7.6 | 0.69 |
| | 600 | 610 | 10 | 0.035 | 182.9 | 186.0 | 3.1 | 1.09 |
| | 620 | 645 | 25 | 0.055 | 189.0 | 196.7 | 7.6 | 1.70 |
| *including* | **625** | **630** | **5** | **0.145** | **190.6** | **192.1** | **1.5** | **4.51** |
| 16TSRC-003 | 240 | 245 | 5 | 0.040 | 73.2 | 74.7 | 1.5 | 1.25 |
| | 320 | 375 | 55 | 0.023 | 97.6 | 114.3 | 16.8 | 0.73 |
| | 385 | 440 | 55 | 0.031 | 117.4 | 134.1 | 16.8 | 0.96 |
| *including* | **390** | **395** | **5** | **0.100** | **118.9** | **120.4** | **1.5** | **3.11** |
| 16TSRC-004 | 205 | 245 | 40 | 0.048 | 62.5 | 74.7 | 12.2 | 1.50 |
| *including* | **205** | **210** | **5** | **0.167** | **62.5** | **64.0** | **1.5** | **5.20** |
| 16TSRC-005 | 330 | 355 | 25 | 0.029 | 100.6 | 108.2 | 7.6 | 0.89 |
| | 395 | 400 | 5 | 0.068 | 120.4 | 122.0 | 1.5 | 2.10 |
| 16TSRC-006 | 505 | 510 | 5 | 0.691 | 154.0 | 155.5 | 1.5 | 21.50 |
| | 655 | 660 | 5 | 0.065 | 199.7 | 201.2 | 1.5 | 2.03 |
| 16TSRC-007 | Hole lost due to bad ground conditions | | | | | | | |
| 16TSRC-008 | Hole deviated from target | | | | | | | |
| 16TSRC-009 | Hole lost due to bad ground conditions | | | | | | | |
| 16TSRC-010 | 135 | 160 | 25 | 0.038 | 41.2 | 48.8 | 7.6 | 1.18 |
| | 265 | 380 | 115 | 0.055 | 80.8 | 115.9 | 35.1 | 1.72 |
| *including* | **280** | **290** | **10** | **0.237** | **85.4** | **88.4** | **3.1** | **7.37** |
| | 425 | 435 | 10 | 0.077 | 129.6 | 132.6 | 3.1 | 2.40 |

**Tuscarora Project-Novo Resources Corp. Significant Drill Results**

(from Novo Resources Corp., 2016)

Novo drilling summaries and rig-side notes reported visible gold and high-water flows (Sterling, 2016). These communiques noted and discussed discrepancies in assay values and visible gold. As is typical using RC instead of core, when drilling high-grade gold veins Novo saw visible gold in quartz veined areas that returned less grade than might be expected and higher grades where no visible gold was seen. They proposed additional metallurgical and assay work that was not completed.

***Geological Setting, Mineralization and Deposit Types***

*Local and Property Geology*

The Tuscarora volcanic field is the largest example of Eocene age magmatism in Nevada, having formed between ~39.9 and 39.3 Ma, which in part corresponds to the 40 – 37 Ma age of gold mineralization in the Carlin Trend, representing the strongest period of gold mineralization known in the Basin and Range Province. The most intense magmatism occurred to the southeast in an area of ~175 mi² that encompasses at least five major volcanic centers including the Mount Blitzen volcanic center.

The Tuscarora Mining District lies along the southeast side of Mount Blitzen. The geology of the Mount Blitzen volcanic center has been variably mapped as a stratovolcano, a caldera, and a volcano-tectonic graben, which indicates the complex volcano-magmatic nature of this feature. Massive thicknesses of

dacitic domes, dacitic air-fall and pyroclastic ash-flow tuffs, and reworked epiclastic deposits fill this volcanic center (Henry et al, 1998).

The oldest rocks in the area, cropping out approximately 1.5 miles north of the town of Tuscarora, are chert and quartzite of the Ordovician Valmy Formation. This sedimentary basement is overlain by up to 5,000 feet of Eocene Mt. Blitzen and Pleasant Valley volcanic rocks which are composed of dacitic to andesitic flows, dacitic domes, pyroclastic flows, breccias, ashflow tuffs, and tuffaceous sedimentary rocks. These are intruded by porphyritic biotite hornblende dacite. Overlying these rocks are up to 500 feet of Tertiary to Quaternary-age alluvium gravels and lacustrine deposits that thicken southward.

The base of the volcanic sequence is a thick moderately-welded, latitic, lithic and pumice lapilli tuff. The tuff becomes more fine-grained upward gradationally with no apparent depositional breaks. Volcaniclastic and sedimentary rocks that vary greatly in thickness, continuity, and distribution overlie the tuff. Sedimentary rocks in this sequence range from siltstone to conglomerate, and consist of mostly reworked volcanic rocks and some clasts of Paleozoic quartzite, chert, and shale. The volcaniclastic rocks in the sequence include clast-rich breccia and fine pumiceous ash-flow tuffs. Dacitic lava flows unconformably overlay the volcaniclastic sequence. The volcanic sequence consistently dips 10° to 45° southeast, except where disrupted by faulting. In the vicinity of the dacite intrusions, sedimentary rocks are deformed and layering is dipping in a variety of directions. Porphyritic biotite-hornblende dacite dikes, sills, and small stocks intrude the volcanic rocks. These intrusions are in contact with the lithic-pumice lapilli tuff along faults. Contacts are marked by clay-rich rubble zones.

The Tuscarora Mining district lies approximately 25 miles northeast of the Carlin Trend, approximately 14 miles southwest of the Jerritt Canyon deposit, and approximately 30 miles east-northeast of the Midas deposit. The district clearly displays gold and silver in low sulfidation epithermal quartz-adularia veins and stockwork veins associated with dacitic intrusives and structures formed along the southeast margin of Mount Blitzen. The northern silver-rich portion of the precious metals district occurs immediately north of the Project area. The silver-rich portion has high Ag:Au ratios (>100), strong base metals, and typically display narrow alteration selvages around quartz-carbonate veins hosted mostly in intrusive dacite. In contrast the southern gold rich portion of the district, including the historic Dexter Mine and the Tuscarora Project, have relatively low Ag:Au ratios (<15), contain almost no base metals, underwent local boiling, and displays widespread silicification and adularization along with stockwork veining and vug-fills in tuffs and fine-grained epiclastic rocks.

Both zones have relatively high As and Sb, and low Bi, Te, and W, but the northern silver zone has distinctively high Ca, Pb, Mn, Zn, Cd, Tl, and Se, whereas the southern gold zone has high Hg and Mo.

*Mineralization*

Historical work has documented gold and silver production throughout the Tuscarora District. History – *1982 to Present* describes several drilling phases with multiple drill holes containing gold mineralization within the South Navajo Vein and East Pediment areas. Historic drilling by Novo and Newcrest set out above outlined vein zones with 5 to 40 feet of gold mineralization intersected in drilling.

The work completed and data available are insufficient to determine the length, width, depth, or continuity of the mineralization. However, the mineralization indicated by these intervals indicates further work is justifiable. The historic work is not of sufficient density and veracity to determine a quantifiable distribution of gold and no mineral resources or reserves have been defined on the Project.

Novo drilling descriptions indicate the higher-grade gold values and intervals are coincident with sulfide-bearing and oxidized quartz veins. These vein-zones are commonly within quartz-adularia altered tuff or are surrounded by chloritic zones in the tuff.

*Deposit Types*

Gold and silver in the Tuscarora District is found in quartz-adularia veins hosted in volcanic rocks. Gold in placer-type deposits also played an important role in the early development of the District but are no longer of commercial interest.

Geologic work beginning with Nolan (1936) identified the strong association of quartz- adularia, along with carbonate, sericite, and pyrite in veins & vein stockworks. In general there is widespread propylitization throughout the intrusive rocks in the District. More recent work by Castor, et al. (2003) commented, *"The district is a particularly clear example of association of low-sulfidation deposits with igneous activity and structure…"*. They further describe the unusual occurrence of distinct, silver dominance (Ag:Au ratio =110-150) in the northern part of the district and immediately adjacent to that the gold dominance (Ag:Au ratio = 4-14) in the southern part of the district.

The southern gold dominant, low-sulfidation veins and vein stockwork zones are the primary deposit-type of interest in for this Project.

***Exploration***

Recent exploration includes two periods of ground geophysical surveys as described below. Geophysical survey samples locations in 2018 are widely distributed while geophysical sample locations in 2019 were completed in a grid. The author of the tehcnical report reviewed information for these survey locations and is unaware of any factors that may have resulted in sample biases.

2018 Gravity Survey by Magee Geophysical Services

A total of 135 widely spaced gravity station readings were completed in the Tuscarora area by Magee Geophysical Services of Reno, NV between March 28 through April 3, 2018 – including 61 gravity station readings within the Tuscarora Project and 74 gravity station readings outside of the Tuscarora Project. Interpretation of the horizontal gradient from the gravity data successfully revealed north-northeast trending structures that drop bedrock into the basin towards Independence Valley and northwest trending structures that cut and offset the north-northeast structures. The orientation of the southeast trending structures coincides with the orientation of known veins such as the Modoc, South Navajo and East Pediment veins. Horizontal gradient high features tend to coincide with areas of faulted porphyritic dacite intrusions while horizontal gradient low features are interpreted as paleo-channels that correspond with extensions of existing surface drainage. A follow-up property wide gravity and controlled source audio magneto-telluric ("**CSAMT**") survey was recommended by the contractor.

2019 Gravity and CSAMT Surveys by Magee Geophysical Services and Zonge Geoscience

A total 458 gravity station readings and 21-line km (13-line mi) of CSAMT were completed within the Tuscarora Project by Magee Geophysical Services and Zonge Geoscience of Reno, NV between June 6 through June 21, 2019. Results from the 2018 and 2019 gravity station data were merged and processed, producing similar interpreted features as identified in the 2018 survey but at higher resolution. Inverted resistivity cross-sections were created for each survey line from the CSAMT survey data. The inverted resistivity cross-sections revealed potential subsurface orientations of lithological contacts, alteration contacts, cross-cutting structures and vein features. Interpreted structures commonly have north-south and southeast trending orientations. Many of the interpreted structures are apparent in both the gravity and CSAMT data. Numerous vein type CSAMT targets were interpreted and recommended for drill testing by the contractor.

***Drilling***

2018 Drilling Program

APM conducted a drill program between April 23, 2018 and June 21, 2018. A total of 3,143 m (10,120 ft) was completed in 17 drill holes – including 2,187 m (7,175 ft) of RC drilling in 12 holes and 956 m (3,137 ft) of diamond core drilling in five holes. The drilling was focused along the South Navajo vein structure with the objective to explore the down dip potential of the vein structure, which was drilled near surface by previous operators, including Novo Resources in 2016. Collar location information is provided in the table below titled "*2018 Drill Collar Locations*" and a table of significant results is provided in the table below titled "*2018 Drilling Program Assay Results*". A plan map of the drill hole locations is provided in the figures titled "*Property Location Map of Drill Holes, Veins, and Exploration Targets*" and "*Schematic Plan Map of South Navajo Prospect 2018 Drill Hole Locations*."

| Hole ID | Prospect | Type | Easting | Northing | Elevation (m) | Length* (ft) | Length* (m) | Azimuth (°) | Dip (°) |
|---|---|---|---|---|---|---|---|---|---|
| APTU18-001 | South Navajo | Core | 564991 | 4572534 | 1831 | 583.0 | 177.7 | 90.0 | -55.0 |
| APTU18-002 | South Navajo | RC | 564991 | 4572532 | 1831 | 300.0 | 91.4 | 120.0 | -50.0 |
| APTU18-003 | South Navajo | Core | 564930 | 4572774 | 1839 | 455.0 | 138.7 | 90.0 | -55.0 |
| APTU18-004 | South Navajo | Core | 565094 | 4572309 | 1820 | 660.0 | 201.2 | 85.0 | -62.0 |
| APTU18-005 | South Navajo | Core | 564963 | 4572632 | 1831 | 490.0 | 149.4 | 70.0 | -60.0 |
| APTU18-006 | South Navajo | RC | 564961 | 4572631 | 1831 | 700.0 | 213.4 | 115.5 | -54.3 |
| APTU18-007 | South Navajo | Core | 565060 | 4572416 | 1825 | 700.0 | 213.4 | 92.0 | -62.0 |
| APTU18-008 | South Navajo | RC | 565059 | 4572414 | 1825 | 600.0 | 182.9 | 112.7 | -54.6 |
| APTU18-009 | South Navajo | RC | 565094 | 4572311 | 1820 | 600.0 | 182.9 | 66.6 | -65.4 |
| APTU18-010 | South Navajo | RC | 564930 | 4572770 | 1839 | 500.0 | 152.4 | 111.6 | -49.8 |
| APTU18-011 | South Navajo | RC | 564929 | 4572777 | 1839 | 500.0 | 152.4 | 60.6 | -60.5 |
| APTU18-012 | South Navajo | RC | 565093 | 4572307 | 1820 | 720.0 | 219.5 | 107.2 | -55.1 |
| APTU18-013 | Dexter Splay | RC | 564816 | 4573171 | 1854 | 600.0 | 182.9 | 253.1 | -50.4 |
| APTU18-014 | South Navajo | RC | 565063 | 4572419 | 1825 | 700.0 | 213.4 | 81.0 | -54.5 |
| APTU18-015 | South Navajo | RC | 564990 | 4572535 | 1831 | 695.0 | 211.8 | 77.4 | -54.8 |
| APTU18-016 | South Navajo | RC | 564991 | 4572534 | 1831 | 670.0 | 204.2 | 90.6 | -54.4 |
| APTU18-017 | Dexter Splay | RC | 564800 | 4573159 | 1853 | 440.0 | 134.1 | 300.5 | -74.8 |

**2018 Drill Collar Locations**

The 2018 drilling program succeeded in reproducing mineralized intersections between drill holes previously completed by Newcrest Resources and Novo Resources. The drilling also confirmed the occurrence of multiple stacked veins within the mineralized vein structure, as evident by the multiple significant mineralized vein intersections within several of the drill holes (APTU-003, 009, 013, and 016).

Vein mineralization ranged between trace Au and 18.4 g/t Au for fire assay analysis. In contrast, screen metallic analysis ranged between trace Au and 27.2 g/t Au. The median fire assay Au grade is 1.58 g/t Au, the median screen metallic Au grade is 4.0 g/t Au, and the median intersection thickness is 6.1 m. The summary statistics are greatly affected by nugget effect as observed in the differences between the fire assay and the corresponding screen metallic values for the same intervals.

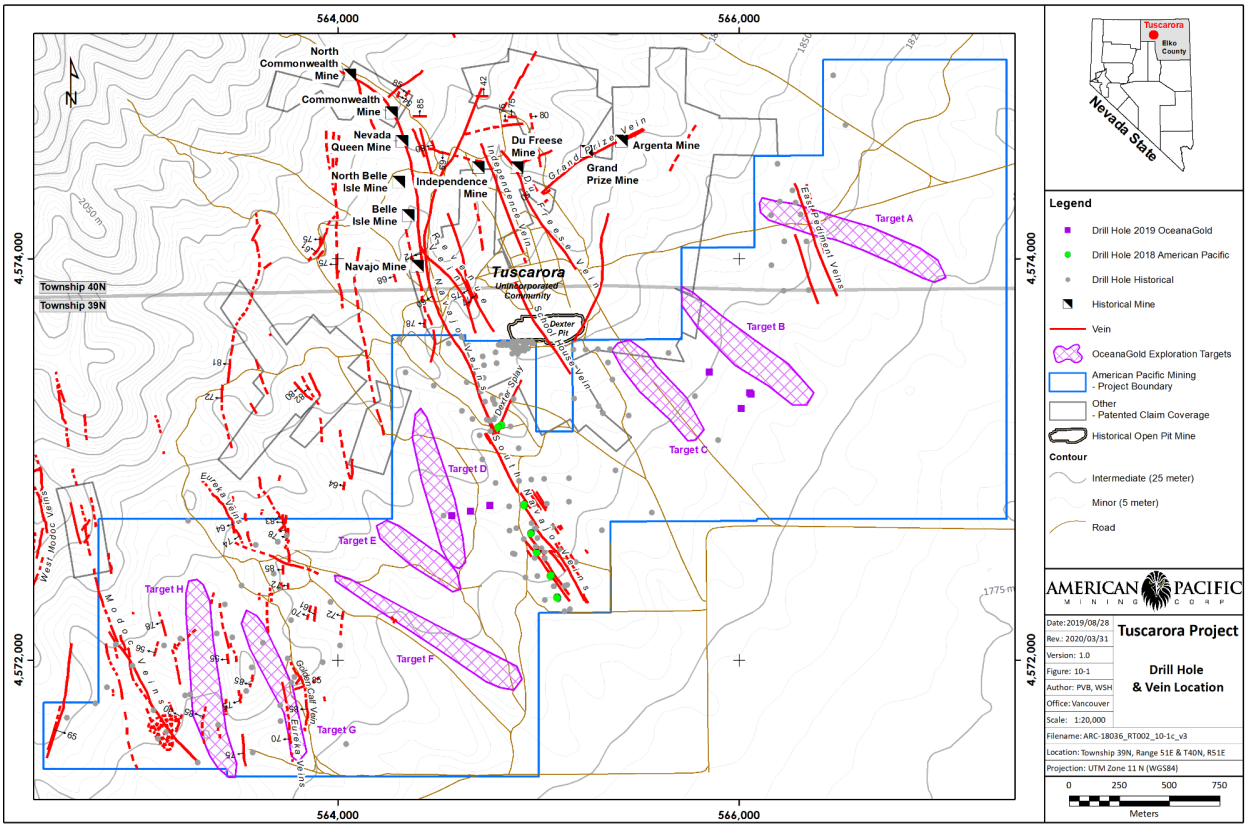
Overall, the results are consistent with Au values and intersection thicknesses reported by Novo Resources and confirm the presence of localized high-grade Au mineralization at the South Navajo prospect.

| Hole ID | Type | From (m) | To (m) | Interval* (m) | Au-GRA22** (Au g/t) | Au-SCR21** (Au g/t) |
|---|---|---|---|---|---|---|
| APTU18-001 | Core | 159.9 | 165.2 | 5.3 | 2.44 | - |
| including | Core | 159.9 | 161.1 | 1.1 | 9.22 | 6.27 |

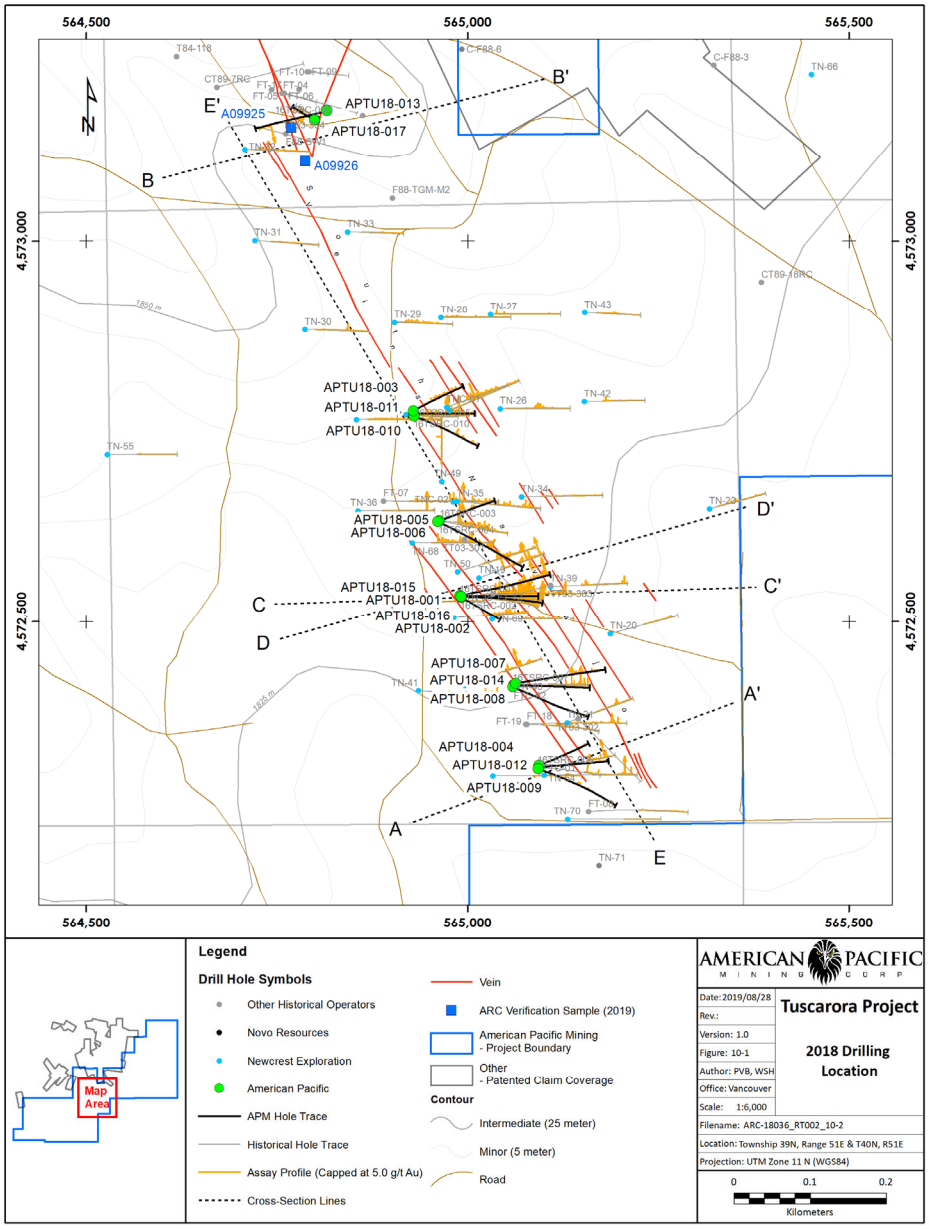
| | | | | | | |
|---|---|---|---|---|---|---|
| APTU18-002 | no significant results | | | | | |
| APTU18-003 | RC | 38.1 | 39.6 | 1.5 | 1.22 | 0.89 |
| and | Core | 45.7 | 55.2 | 9.4 | 0.47 | - |
| and | Core | 77.7 | 97.2 | 19.5 | 0.4 | - |
| and | Core | 109.5 | 132.6 | 23.1 | 0.21 | - |
| APTU18-004 | no significant results | | | | | |
| APTU18-005 | Core | 64 | 70.8 | 6.8 | 1.58 | - |
| including | Core | 68.8 | 70.8 | 2 | 2.98 | - |
| and | Core | 68.8 | 69.3 | 0.5 | 4.01 | 4.05 |
| APTU18-005 | Core | 89.9 | 91.4 | 1.5 | 2.29 | 0.73 |
| and | Core | 128 | 129.5 | 1.5 | 1.36 | - |
| APTU18-006 | RC | 118.9 | 134.1 | 15.2 | 0.96 | - |
| and | RC | 201.2 | 207.3 | 6.1 | 1.24 | - |
| APTU18-007 | Core | 206.4 | 209.4 | 3 | 1.8 | - |
| APTU18-008 | no significant results | | | | | |
| APTU18-009 | RC | 195.1 | 201.2 | 6.1 | 5.01 | - |
| including | RC | 198.1 | 199.6 | 1.5 | 16 | 27.2 |
| APTU18-010 | RC | 96 | 102.1 | 6.1 | 0.66 | - |
| APTU18-011 | RC | 71.6 | 83.8 | 12.2 | 0.5 | - |
| APTU18-012 | no significant results | | | | | |
| APTU18-013 | RC | 53.3 | 61 | 7.6 | 0.76 | - |
| including | RC | 59.4 | 61 | 1.5 | 1.46 | - |
| and | RC | 137.2 | 138.7 | 1.5 | 10.3 | 9.03 |
| APTU18-014 | RC | 225.6 | 231.7 | 6.1 | 0.64 | - |
| APTU18-015 | RC | 172.2 | 185.9 | 13.7 | 1.74 | - |
| and | RC | 193.6 | 205.7 | 12.2 | 3.44 | - |
| including | RC | 201.2 | 202.7 | 1.5 | 18.4 | 16.65 |
| APTU18-016 | RC | 88.4 | 94.5 | 6.1 | 2.06 | - |
| and | RC | 155.5 | 163.1 | 7.6 | 2.47 | - |
| and | RC | 195.1 | 204.2 | 9.1 | 5.88 | - |
| including | RC | 195.1 | 198.1 | 3 | 13.42 | - |
| including | RC | 202.7 | 204.2 | 1.5 | 5.52 | 3.43 |
| APTU18-017 | RC | 1.5 | 3.1 | 1.5 | 1.87 | - |

**2018 Drilling Program Assay Results**

The author of the technical report has reviewed the 2018 drilling data and is of the opinion that there are no known drilling and recovery factors that could materially impact reliability of the results. Due to the lack of quality control samples used in the sampling procedure, the author was unable to verify the accuracy of the laboratory assay results.



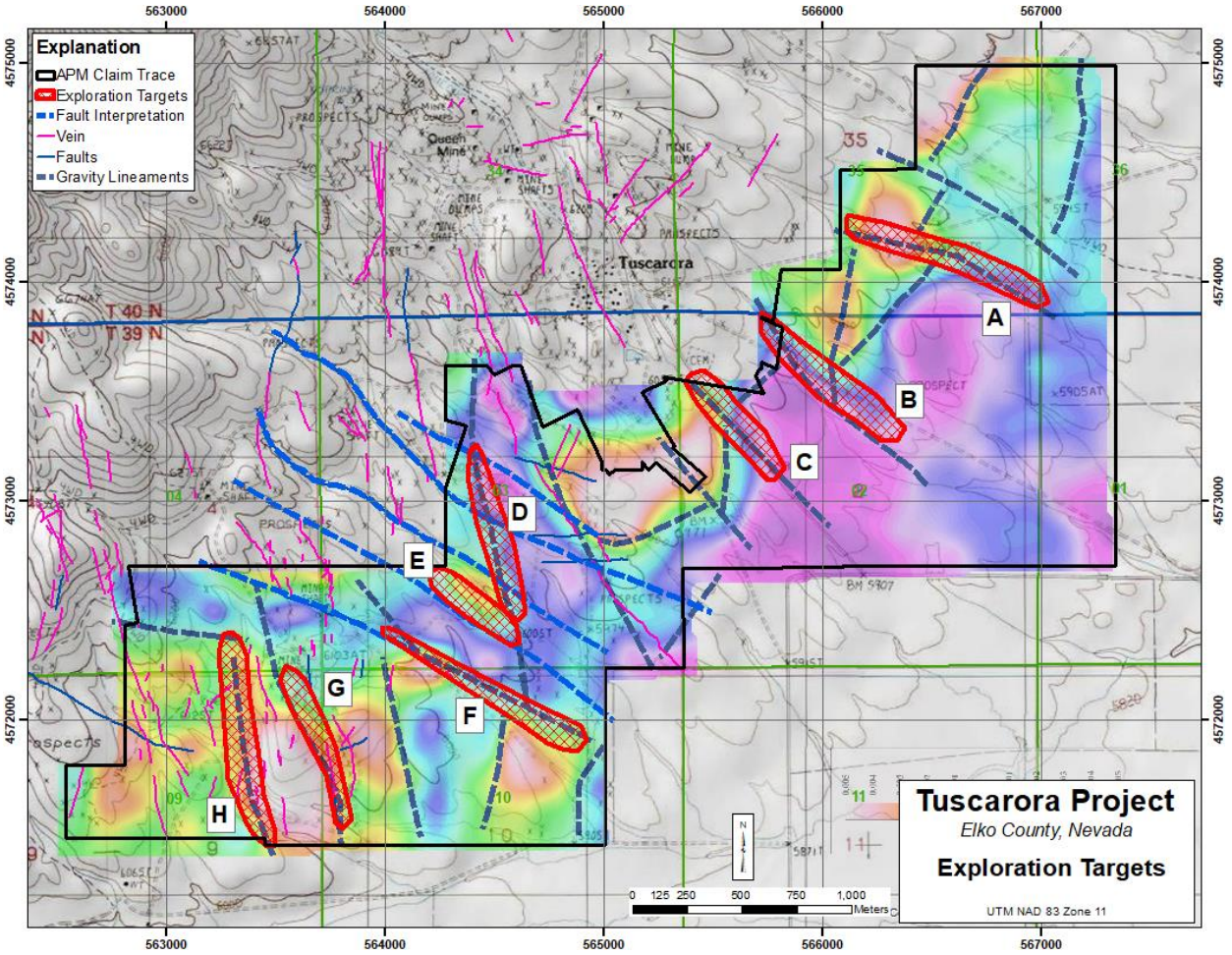

**Property Location Map of Drill Holes, Veins, and Exploration Targets**




**Schematic Plan Map of South Navajo Prospect 2018 Drill Hole Locations (Modified from APM, 2018. Gold values capped at 5 g/t Au for graphic representation)**

2019 Drilling Program

Based on the compilation of structural data, surface rock chip geochemistry, and geophysical surveys, OceanaGold geologists identified eight exploration targets for follow-up work. The exploration targets were listed as Target A to Target H in the figure below. Target B and Target D were selected for drilling based on the premise that these targets have not been previously drilled.




**Exploration Target Map (Kunkel, K. et al, 2019)**

OceanaGold conducted a drill program to test Target B and Target D between September 12, 2019 and October 21, 2019. A total of 2,298 m (7,538 ft) was completed in seven drill holes – including 1,897 m (6,225 ft) of RC drilling in six holes and 400 m (1,313 ft) of diamond core drilling in one hole. Three RC holes and one core hole tested Target B and three RC holes tested Target D. Core hole TUS-001C was drilled adjacent to abandoned RC hole TUS-001. Collar location information and significant results are provided in the tables below. Please note that planned collars TUS-002, TUS-004 and TUS-006 were not completed in this drill program. A plan map of the drill hole locations is provided in in the figure titled "*2019 Drill Hole Location Map*."

| Hole ID | Prospect | Type | Easting | Northing | Elevation (m) | Length* (ft) | Length* (m) | Azimuth (°) | Dip (°) |
|---|---|---|---|---|---|---|---|---|---|
| TUS-001 | Target B | RC | 566061 | 4573325 | 1816 | 530 | 161.544 | 40 | -50 |
| TUS-001C | Target B | Core | 566054 | 4573332 | 1816 | 1313 | 400.2024 | 45 | -55 |
| TUS-003 | Target B | RC | 566012 | 4573255 | 1813 | 1290 | 393.192 | 40 | -50 |
| TUS-005 | Target B | RC | 565853 | 4573436 | 1846 | 970 | 295.656 | 40 | -50 |
| TUS-007 | Target D | RC | 564569 | 4572721 | 1834 | 935 | 284.988 | 255 | -55 |
| TUS-008 | Target D | RC | 564662 | 4572742 | 1832 | 1300 | 396.24 | 255 | -50 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TUS-009 | Target D | RC | 564759 | 4572772 | 1842 | 1200 | 365.76 | 255 | -55 |

** "Length" expressed as drill lengths.*

**2019 Drill Collar Locations**

| Hole ID | Type | From (m) | To (m) | Interval (m) | Au-AA23 (g/t) | Ag-AA45 (g/t) |
|---|---|---|---|---|---|---|
| TUS-001 | RC | Not Sampled | | | | |
| TUS-001C | Core | 359.26 | 360.27 | 0.91 | 1.12 | 18.1 |
| TUS-002 | - | Does not exist | | | | |
| TUS-003 | RC | 199.64 | 201.17 | 1.52 | 1.24 | 0.3 |
| TUS-003 | RC | 365.76 | 368.81 | 3.05 | 1.69 | 0.8 |
| TUS-003 | RC | 379.48 | 381 | 1.52 | 2.08 | 7.5 |
| TUS-003 | RC | 384.05 | 385.57 | 1.52 | 3.47 | 5.3 |
| TUS-004 | - | Does not exist | | | | |
| TUS-005 | RC | No significant results | | | | |
| TUS-006 | - | Does not exist | | | | |
| TUS-007 | RC | No significant results | | | | |
| TUS-008 | RC | No significant results | | | | |
| TUS-009 | RC | 85.34 | 86.87 | 1.52 | 1.18 | 1 |

**2019 Drilling Program Assay Results**

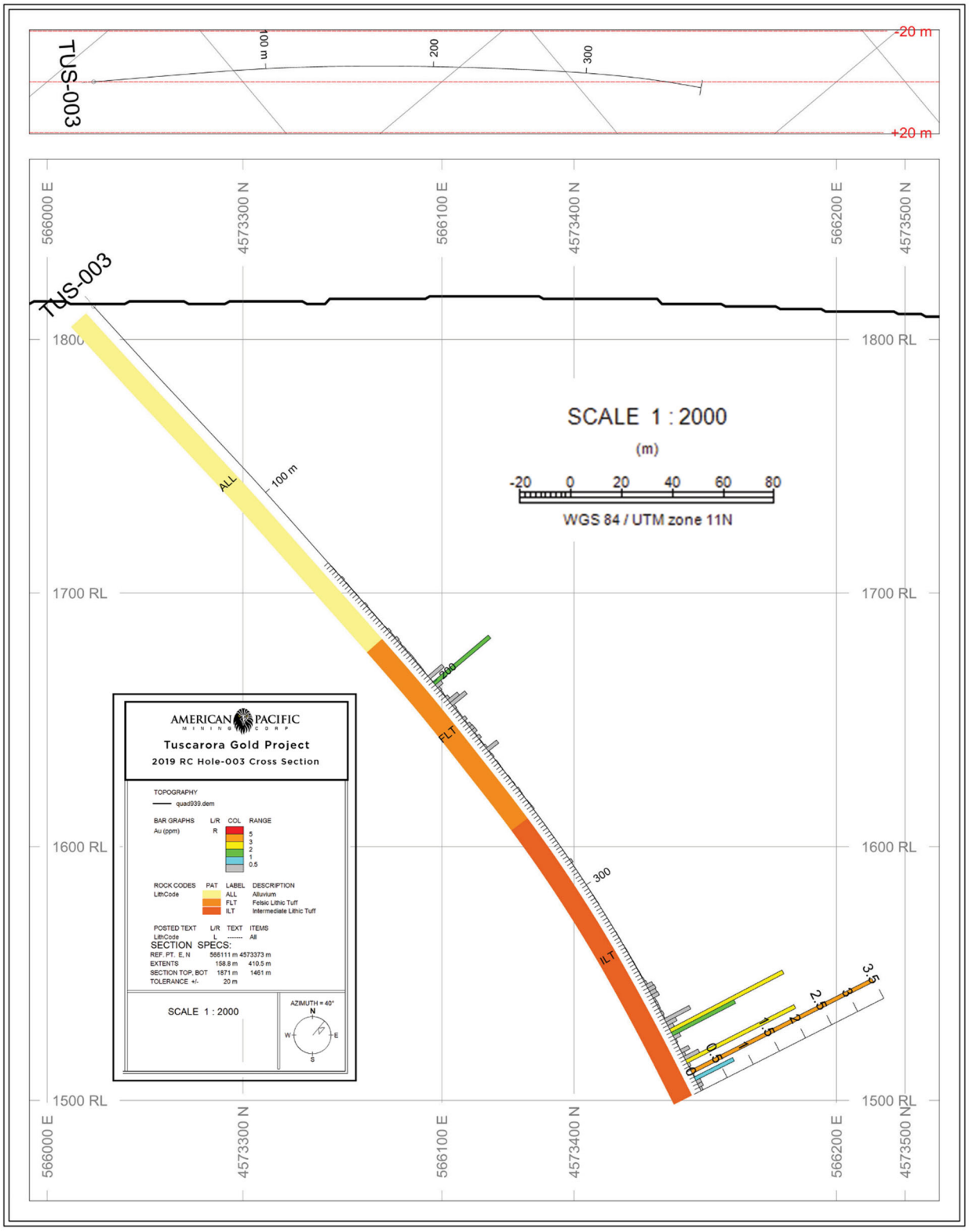
***Target B***

TUS-001, TUS-001C, TUS-003 and TUS-005 were drilled towards the northeast and encountered a fault structure in the hanging wall of an andesite intrusion. TUS-001 was abandoned due to ground conditions and was not sampled. Anomalous mineralization was identified in core hole TUS-001C and consisted of crystalline pyrite within the interval of 356.00 m (1168 ft) to 360.27 m (1182 ft) and 382.22 m (1254 ft) to 382.52 m (1255 ft). Mineralization is associated with open fractures within a felsic lithic tuff. Pyrite-rich massive sulfide stringer mineralization associated with quartz veining was identified at the bottom of TUS-003 in several narrow intervals. No significant alteration and mineralization were encountered in TUS-005.

***Target D***

TUS-007, TUS-008, and TUS-009 were drilled towards the southwest and encountered a fault structure characterized as having minimal wall rock alteration and mineralization. Anomalous mineralization was encountered in RC hole TUS-009, which consists of crystalline pyrite within a fault zone between 82.30 m (270 ft) to 91.44 m (300 ft). No significant alteration and mineralization were encountered in TUS-007 and TUS-008.

The 2019 drilling program was successful in identifying fault structures below cover and the presence of anomalous gold and silver mineralization within Target B and Target D.




**Selected Cross-Section of Drill Hole TUS-001C**

***Sampling, Analysis and Security***

2018 Drilling Program

***Sample Security***

Drill core and RC chip samples were transported by APM personnel via pickup truck from the drill site to the core yard. The core yard is situated on the APM claims and consists of portable core tables and a 20-ft sea container for core and sample storage. Core is secured within waxed cardboard core boxes and stacked inside the sea container, which is locked when not in use. Samples prepared for analytical testing are transported by APM personnel from the core yard to the laboratory by pickup truck.

***Sample Presentation***

Mineralized intersections were selected by the logging geologist and recorded. Core samples are sawn lengthwise in half, with one half sent for testing and the other half placed in the core box for archive. Core sample intervals vary in length from 0.24 m to 4.57 m. From the author's inspection of the available drill core, sample intervals appear to honor geological, alteration and mineralization boundaries. RC samples are sieved to >2mm fractions and placed into chip trays that represent 1.52 m (or 5 ft) RC drill intervals. RC sample intervals are generally 1.52 m in length and represent the depth of each RC interval advanced. Core records indicate that all core was photographed and logged for geological and structural features prior to sawing. Specific gravity measurements were not collected on drill core in the field. Sawn samples intended for analysis were placed into poly bags along with sample identification and sealed with a tie strap. RC samples collected for analysis were placed in cloth bags along with sample identification and sealed with a tie strap.

***Sample Analysis***

Half-core and RC samples were delivered to ALS USA Inc. ("**ALS**") in Elko, NV for preparation and analysis. Preparation by the laboratory includes drying and crushing the sample 90% <2 mm. The crush are rotary split and a 1000 g sub-sample is further pulverized to 85% <75 um. The pulp is analyzed for gold using a 50 g fire assay with gravimetric finish (Au-GRA22). Samples with Au-GRA22 values >1 ppm Au were subsequently analyzed for gold by 30 g fire assay with atomic absorption spectroscopy finish (Au-AA25 and Au-AA25D) and by screen metallic (Au-SCR21) methods. Samples were not analyzed for silver. ALS is ISO 17025 accredited and is independent of APM.

***Quality Assurance – Quality Control***

Duplicate samples and certified referenced materials ("**CRM**", consisting of pulp standards and pulp blanks) were not utilized in the sampling procedure. Check samples selected from one sample per every 100 ft of drilling and from intercepts ranging from 1 ppm to 18.4 ppm were submitted to American Assay Laboratories Inc. ("**American Assay**") in Elko city, NV for analysis. While check sample results from American Assay are in line with results reported by ALS, the author was unable to verify sample accuracy and assess the extent of contamination in sample preparation and analysis due to the lack of CRM in the sampling procedure. American Assay is ISO 17025 accredited and is independent of APM.

***Opinion***

The author of the technical report is of the opinion that the quality assurance (sample security, preparation and analysis) procedures implemented by APM in the 2018 drilling program are in line with industry practice. However, quality control procedures lack the use of CRM and duplicate samples (field or pulp duplicate).

2019 Drilling Program

***Sample Security***

Dried and prepared RC chip samples were stored in sample bins at the drill rig and transported to ALS in Reno, NV, by truck by an ALS representative. Drill core was placed into core boxed at site, palletized, and transported to OceanaGold's warehouse located in Reno, NV, by truck by OceanaGold geologists.

***Sample Presentation***

RC samples were collected from the drill rig cyclone splitter on 1.52 m (5 ft) intervals in poly-canvas bags. Bags are labeled with downhole footage and sample number. Sample bags were laid on the ground away from the drill rig and left to dry. Dried sample bags are then loaded into sample bins in preparation for transport. Drill core was collected from a 1.52 m (5 ft) core tube, oriented using ACT III oriented core tool, and was hydraulically pushed out of the core tube to allow for an orientation line to be marked on the core surface. Core was transferred from the core tubes and stored in core boxes, which were labeled and sealed for transport. Upon arriving at OceanaGold warehouse in Reno, NV, drill. Core records indicate that all core was photographed and logged for geological and structural features prior to sample processing. Specific gravity measurements were not collected on drill core. Mineralized intersections were selected by the logging geologist and recorded. The core is then transported to ALS in Reno, NV for sample processing by ALS personnel. Core samples are sawn lengthwise in half, with one half immediately dried and processed at the laboratory and the other half placed in the core box for archive. Core sample intervals vary in length from 0.61 m (2 ft) to 2.13 m (7 ft) and generally average 1.52 m (5 ft).

***Sample Analysis***

Half-core and RC samples were prepared and analyzed by ALS in Reno, NV. Preparation by the laboratory includes drying and crushing the sample 70% <2 mm. The crush are rotary split and a 250 g sub-sample is further pulverized to 85% <75 um. Core sample pulps were analyzed for gold using a 30 g fire assay with atomic absorption finish (Au-AA23). Silver was analyzed using 0.5 g aqua regia digestion with atomic absorption finish (Ag-AA45). RC sample pulps were analyzed for gold using 50 g fire assay with atomic absorption finish (Au-AA24), silver was analyzed within a 35-element aqua regia and inductively coupled plasma atomic emission spectroscopy package (ICP-AES) (ME-ICP41). Trace mercury was also tested using inductively coupled plasma mass spectrometry (ICP-MS) (Hg-MS42). ALS is ISO 17025 accredited and is independent of OceanaGold and APM.

***Quality Assurance – Quality Control***

Approximately 10% of the sample stream consists of field duplicate, coarse blank and CRM samples. CRM were acquired from Shea Clark Smith Laboratories of Reno, NV. Duplicate RC samples were collected at a frequency of one per 100th sample to evaluate for sampling variability. Coarse blank material comprised of commercial grade landscape gravel was inserted at a frequency of approximately one per 90th sample to evaluate for cross-contamination that may occur during laboratory crushing procedures. Pulp standard material were selectively inserted based on the intensity of mineralization present. Check samples were not utilized.

***Opinion***

The author of the technical report is of the opinion that the quality assurance and quality control procedures implemented by OceanaGold in the 2019 drilling program are in line with industry practice. The author's review of assay results for the CRM and field duplicate samples did not identify material discrepancies.

***Data Verification***

<u>Site Visit</u>

The author of the technical report visited the Tuscarora Project on August 27, 2019. During the site visit, the author collected location coordinates of the 2018 drill hole collar monuments using a handheld global positing system ("**GPS**"). Comparison of the handheld GPS coordinates and the APM drill collar survey data differ by less than six m, which is within the acceptable margin of error for the handheld GPS. Vein

exposures were not identified on the Tuscarora Project due to extensive cover, however; the author was able to collect two verification samples of quartz vein material from two waste rock pile locations along the northern limits of the Navajo South vein structure. The waste rock piles contain excavated rock fragments that are angular in appearance and assumed by the author to have come from the local depression where the material may have been historically mined. While on site, the author reviewed available referenced drill core and RC chip trays from the 2018 drilling to assess various lithologies, alteration and mineralization styles described in the APM drill logs.

The verification samples were submitted in person by the author to ALS in Elko, NV on the same day as the samples were collected. The samples were prepared by drying and crushing to 90% <2mm, riffle split, and pulverised to 85% <75 um. Gold was analyzed by fire assay with an atomic absorption finish for a 30 g pulp sample (Au-AA25) and a 50 g pulp sample (Au-AA26). Additional screen metallic fire assay on fractions between 100-106 um (Au-SCR21) was also completed for gold. Silver was analyzed by fire assay with gravimetric finish (Ag-GRA22) on 50 g pulp. Analytical results are provided in the table below. The resulting screen metallic and fire assay values of 19.35 g/t Au and 2.21 g/t Au are within the ranges reported by APM for the 2018 drilling results.

| Method | WEI-21 | Au-SCR21 | Au-AA25 | Au-AA26 | Ag-GRA22 |
|---|---|---|---|---|---|
| Analyte | Received Weight | Au Total (+)(-) Combined | Au | Au | Ag |
| Sample | kg | g/t | g/t | g/t | g/t |
| A09925 | 1.46 | 19.35 | 13.95 | 15.45 | 15 |
| A09926 | 2.21 | 2.06 | 2.23 | 1.86 | 28 |

**Analytical Results from ARC Verification Samples**

Due to travel restrictions related to the global Covid-19 pandemic as at March 31, 2020, the author was unable to perform a follow-up site visit to inspect the 2019 drilling work that was completed by OceanaGold.

Drill Hole Database

The author of the technical report reviewed the Tuscarora Project drill hole database that contains seven drill holes form 2019, 17 drill holes from 2018, and 194 historical drill holes from 1969-2016. A 10% random check on assay values in the database was cross-referenced with original assay certificates available to APM. No material discrepancies were identified. The author did not check the collar locations, lithology, and alteration information for historical drill holes in the drill hole database in the verification process due to the historical nature of the information.

Opinion

The author of the technical report is of the opinion that the information verified is adequate to support the information reported.

***Exploration, Development, and Production***

The Tuscarora Project is currently under review and APM's further exploration plans will be decided in 2023.

## DESCRIPTION OF CAPITAL STRUCTURE

APM's authorized capital consists of an unlimited number of Common Shares without par value, of which 118,039,209 Common Shares issued and outstanding as of the date of this AIF. The Company is also authorized to issue an unlimited number of preferred shares. There are no preferred shares issued and outstanding as at the date of this AIF.

### Common Shares

The following is a summary of the material provisions that attach to the Common Shares:

(a) *Voting*. The holders of the Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each Common Share held at all meetings of the shareholders of the Company, except meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.

(b) *Dividends*. Subject to the prior rights of the holders of the Preferred Shares and any other shares ranking senior to the Common Shares with respect to priority in payment of dividends, the holders of Common Shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the directors of the Company may from time to time determine and all dividends which the directors of the Company may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding.

(c) *Participation in Liquidation*. In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Common Shares shall, subject to the prior rights of the holders of the Preferred Shares and any other shares ranking senior to the Common Shares in respect of priority in the distribution of assets upon liquidation, dissolution, winding-up or any other distribution of assets for the purpose of winding-up or a reduction of capital, be entitled to share equally, share for share, in the remaining assets and property of the Company.

### Preferred Shares

The preferred shares have certain privileges, restrictions and conditions. Preferred shares may be issued in one or more series and the directors may from time to time fix the number and designation and create special rights and restrictions.

### Stock Options

The Company has a 10% rolling stock option plan will be approved by the Company's Board of Directors (the "**Stock Option Plan**") on March 8, 2018. The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officer, employees, consultants and contractors of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders.

The Stock Option Plan will provide that the aggregate number of securities reserved for issuance will be 10% of the number of Common Shares issued and outstanding from time to time.

The Stock Option Plan is to be administered by the Board, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise prices will be determined by the Board, but will, in no event, be less than the closing market price of Common Shares on (a) the trading say prior to the date of grant of the stock options; and (b) the date of grant of the stock options. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

As at the date of this AIF, the following stock options are outstanding under the Option Plan:

**Table 1: Outstanding Stock Options**

| Number of Options | Exercise Price | Expiry Date |
|---|---|---|
| 50,000 | $0.325 | May 14, 2025 |
| 1,900,000 | $0.49 | July 22, 2025 |
| 1,700,000 | $0.27 | May 27, 2026 |
| 100,000 | $0.71 | July 19, 2026 |
| 2,900,000 | $1.01 | February 28, 2027 |

## Warrants

### *Common Share Purchase Warrants*

Each Common Share Purchase Warrant entitles the holder to purchase one Common Share of the Company.

The Company has the following Warrants outstanding to purchase Common Shares:

| Number of Warrants | Exercise Price | Expiry Date |
|---|---|---|
| 8,181,964 | $0.16 | June 8, 2023 (1) |
| 5,722,320 | $1.40 | December 13, 2023 (2) |

(1) Expire Jun. 8/23. The Company may accelerate the expiry of the Warrants if the twenty (20) day volume-weighted average trading price of the Shares on the Canadian Securities Exchange or such other exchange on which the Shares of the Company may be listed, is greater than $0.30 provided that (i) the Company disseminate a news release announcing the acceleration of the expiry date, and (ii) the accelerated expiry date is not less than 30 calendar days after such news release is disseminated.
(2) Expire December 13, 2023, subject to earlier expiry of the exercise period if, at any time after four months from closing, the closing price of the Shares is greater than $2.00 for ten (10) or more consecutive trading days.

# MARKET FOR SECURITIES

## Trading Price and Volume

The Common Shares are listed and posted for trading on the CSE under the symbol “USGD”. The following table sets out the high and low sale prices and the aggregate volume of trading of the Common Shares on the CSE on a monthly basis for the financial year ended December 31, 2021.

**Table 2: Trading Price and Volume on CSE**

| Month | High ($) | Low ($) | Volume |
|---|---|---|---|
| January 2021 | 0.18 | 0.13 | 4,438,086 |
| February 2021 | 0.20 | 0.135 | 3,418,998 |
| March 2021 | 0.19 | 0.145 | 4,122,470 |
| April 2021 | 0.155 | 0.135 | 1,668,770 |
| May 2021 | 0.315 | 0.13 | 17,447,359 |
| June 2021 | 0.69 | 0.255 | 25,348,891 |
| July 2021 | 0.83 | 0.64 | 11,763,928 |
| August 2021 | 1.02 | 0.73 | 9,187,380 |
| September 2021 | 1.19 | 0.77 | 9,404,222 |
| October 2021 | 1.20 | 0.86 | 7,972,135 |
| November 2021 | 1.32 | 1.02 | 5,445,372 |
| December 2021 | 1.33 | 1.04 | 4,449,672 |

**Prior Sales**

In the financial year ended December 31, 2021 and up until the date of this AIF, APM issued the following securities that were not listed or quoted on any stock exchange:

| Date of Issuance | Number of Securities Issued | Issue/Exercise Price |
|---|---|---|
| May 27, 2021 | 1,700,000 Stock Options | $0.27 |
| June 8, 2021 | 8,181,964 Warrants | $0.16 |
| July 19, 2021 | 100,000 Stock Options | $0.71 |
| December 13, 2021 | 5,073,000 Warrants | $1.40 |
| December 13, 2021 | 649,320 Finder's Warrants | $1.40 |
| February 28, 2022 | 2,900,000 Stock Options | $1.01 |

## DIRECTORS AND EXECUTIVE OFFICERS

**Name, Occupation and Security Holding**

The following table sets out the names, province or state and country of residence, positions with or offices held with APM, and principal occupation for the past five years of each of APM's directors and executive officers, as well as the period during which each has been a director of APM.

The term of office of each director of APM expires at the annual general meeting of shareholders each year.

**Table 3: Directors and Executive Officers**

| Name, Position and Province/State and Country of Residence | Principal Occupation During the Past Five Years | Director Since |
|---|---|---|
| **Warwick Smith**(1) (5)<br>Age 45<br>CEO and Director<br>Vancouver, BC | CEO of Harbourside Consulting Corporation since March 2005; Director of Trailblazer Capital Corp since January 2021; CEO of HealthSpace Informatics Ltd. from April 2015 to October 2016; CEO of Western Pacific Resources Corp. from February 2010 to February 2014. | July 1, 2017 |
| **Eric Saderholm**(2)<br>Age: 62<br>President and Director<br>Nevada, USA | Geologist and Manager of Sirius Exploration LLC since January 2008; Vice President of Exploration of Western Pacific Resources Corp. from February 27, 2013 until July 27, 2016; President of Western Pacific Resources Corp. from September 2010 until February 27, 2013. | January 25, 2018 |
| **Alnesh Mohan** (7)<br>Age 51<br>Chief Financial Officer and Corporate Secretary<br>Vancouver, BC | Partner at Quantum Advisory Partners LLP since September 2005. | |
| **Ken Cunningham**(3) (4) (5)<br>Age 72<br>Director<br>Nevada, USA | Retired in 2016 from Miranda Gold Corp. (President, CEO and Chairman). Past Director of CopperBank Resources Corp, and Red Eagle Mining. | January 25, 2018 |
| **Joness Lang** (5) (6) (8)<br>Age 40<br>Director<br>Toronto, ON | Executive Vice-President of Maple Gold Mines Ltd. (since June 2017); Independent capital markets advisory through EBC Consulting Group Ltd.; Director of Silver Hammer Mining Corp. (since December 2020). | October 31, 2019 |

**Notes:**

(1) Mr. Smith holds 560,333 Common Shares directly and 107,500 Common Shares indirectly through Harbourside Consulting Inc. Mr. Smith also holds Options to purchase 400,000 Common Shares at an exercise price of $0.49 per Common Share, Options to purchase 300,000 Common Shares at an exercise price of $0.27 per Common Share, and Options to purchase 500,000 Common Shares at an exercise price of $1.01 per Common Share.

(2) Mr. Saderholm holds 525,000 Common Shares and Options to purchase 400,000 Common Shares at an exercise price of $0.49 per Common Share, Options to purchase 300,000 Common Shares at an exercise price of $0.27 per Common Share, and Options to purchase 500,000 Common Shares at an exercise price of $1.01 per Common Share.

(3) Mr. Cunningham holds 276,167 Common Shares indirectly through the Cunningham-Brock Trust, Options to purchase 400,000 Common Shares at an exercise price of $0.49 per Common Share, Options to purchase 300,000 Common Shares at an exercise price of $0.27 per Common Share, and Options to purchase 500,000 Common Shares at an exercise price of $1.01 per Common Share.

(4) Member of audit committee.

(5) Member of compensation committee.

(6) Mr. Mohan holds 20,000 Common Shares indirectly through Quantum Advisory Partners LLP, Options to purchase 300,000 Common Shares at an exercise price of $0.27 per Common Share and Options to purchase 350,000 Common Shares at an exercise price of $1.01 per Common Share.

(7) Mr. Lang holds 113,333 Common Shares indirectly through EBC Consulting Group Ltd., a company owned and operated by Mr. Lang. Mr. Lang also holds Options to purchase 400,000 Common Shares at an exercise price of $0.49 per Common Share,

Options to purchase 300,000 Common Shares at an exercise price of $0.27 per Common Share, and Options to purchase 500,000 Common Shares at an exercise price of $1.01 per Common Share.

As of the date of this AIF, the directors and officers of the Company, as a group, own or control or exercise direction over 1,602,333 Common Shares, representing 1.36% of the current issued and outstanding Common Shares.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director or officer of the Company is, or has been within the past ten years, a director or officer of any other issuer that, while such person was acting in that capacity, was:

(a) the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

(b) was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

**Conflicts of Interest**

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best knowledge of APM's management, there are no legal proceedings involving APM or its properties as of the date of this AIF and APM knows of no such proceedings currently contemplated.

No penalties or sanctions have been imposed against APM by a court relating to securities legislation or by a securities regulatory authority during APM's financial year, no penalties or sanctions have been imposed by a court or regulatory body against APM that would likely be considered important to a reasonable investor in making an investment decision and no settlement agreements have been entered into by APM before a court relating to securities legislation or with a securities regulatory authority during the financial year.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the directors and executive officers of APM, there were no material interests, direct or indirect, of directors or executive officers of APM, any shareholder of APM who beneficially owns, directly or indirectly, or exercised control or direction over Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction during the three most recently completed financial year of APM or during the current financial year that has materially affected or is reasonably expected to materially affect APM, other than as disclosed herein.

## AUDITOR, TRANSFER AGENT AND REGISTRAR

APM's auditors are Davidson & Co. LLP, 1200 - 609 Granville St, Vancouver BC V7Y 1G6.

APM's registrar and transfer agent for its Common Shares is TSX Trust Company, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1.

## MATERIAL CONTRACTS

APM's material contracts as of the date of this AIF include:

- the Arrangement Agreement; and
- the Madison Option and JV Agreement.

## INTERESTS OF EXPERTS

Eric Saderholm, President of the Company, is the Qualified Person that has reviewed and approved the scientific and technical information disclosed in this AIF.

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this AIF as having prepared or certified a report, valuation, statement or opinion in this AIF:

- The Technical Report on the Madison Project was prepared by John H Childs, Ph.D., of Childs Geoscience Inc. Mr. Childs has no interest in the Company, the Company's securities or the Madison Project
- The Technical Report on the Gooseberry Property was prepared by Van Phu Bui, P.Geo. Mr. Bui has no interest in the Company, the Company's securities or the Gooseberry Property.
- The Technical Report on the Tuscarora Property was prepared by Ernest L. "Buster" Hunsaker III, CPG 8137 of Hunsaker Inc. Mr. Hunsaker has no interest in the Company, the Company's securities or the Tuscarora Property.

Other than as disclosed herein, none of the foregoing listed experts have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

### *Independent Auditor*

Davidson & Co. LLP, of Vancouver, British Columbia, has prepared the Auditor's Report with respect to the consolidated financial statements of APM for the year ended December 31, 2021. Davidson & Co. LLP is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia and the applicable rules and regulations of the United States Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States).

## AUDIT COMMITTEE INFORMATION

### Audit Committee Charter

The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

The Company's Audit Committee Charter is attached hereto as Schedule "A" to this AIF.

### Composition of the Audit Committee

The Audit Committee of the Company consists of Warwick Smith, Joness Lang and Ken Cunningham. Joness Lang and Ken Cunningham are independent of the Company.

### Relevant Education and Experience

All of the members of the Audit Committee are considered financially literate for the purposes of NI 52-110.

Each member of the Audit Committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

- experience preparing, auditing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and

- an understanding of internal controls and procedures for financial reporting.

Set out below is a brief description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

*Warwick Smith*

Warwick Smith is a seasoned venture capitalist with decades of experience in leadership, corporate finance and M&A with a focus on the resource sector since 1999.

At just 30 years old, Mr. Smith was a founding shareholder of Riverside Resources Inc. before becoming CEO of Western Pacific Resources Corp. at age 33 where he successfully negotiated the transaction to acquire the Deer Trail Mine (now operated by MAG Silver) while concurrently closing $18M in capital.

As current CEO and Director of the Company, Mr. Smith negotiated the transaction to purchase the past-producing Madison Mine in Montana, a joint venture, earn-in agreement with major, Rio Tinto, a transaction that has subsequently been nominated for the S&P Global Platts Deal Of The Year for 2021.
In 2022 Mr. Smith was nominated for CEO of the Year by S&P Global Platts.

As an industry expert, Smith has been featured on Bloomberg, Benzinga, Mining Journal, Northern Mining, S&P Global Platts, Globe and Mail, Kitco, Traders TV and Mining Weekly and continues to be a significant early investor in both technology and mining companies.

*Joness Lang*

Mr. Lang is an executive leader with more than a decade of capital markets and corporate development experience in the natural resource sector. Mr. Lang has led or co-led more than $50 million in capital raises and has significant transaction experience negotiating and structuring project acquisitions, as well as joint-venture and strategic alliance partnerships. Joness is currently the Executive VP with Maple Gold Mines Ltd. (TSX-V: MGM) and has served as an executive / provided advisory services for numerous clients in the precious metals sector throughout his career. Mr. Lang holds a BCom degree (honours) from Royal Roads University and a Marketing Management Entrepreneurship diploma (honours) from the British Columbia Institute of Technology.

*Ken Cunningham, Director*

Mr. Cunningham brings over forty years' experience in worldwide, diversified mineral exploration and mining geology from geologist to executive management. Ken has proven skills in management and organization of exploration and mining activities backed by an advanced skillset in all aspects of managing a public company. During his career he has been involved in detailed project evaluations and pre-feasibility work and has been involved in numerous discoveries and acquisitions, including several that have gone into production.

Mr. Cunningham previously served as the President and Chief Executive Officer of Miranda Gold Corp. During this period he was instrumental in establishing Miranda's exploration group, acquiring key projects, negotiating numerous joint ventures as well as fund raising and interacting with the financial community. He also served on Red Eagle Mining's Board of Directors from 2011 to 2015. Mr. Cunningham was also previously a Director for Copperbank Resources Corp. Mr. Cunningham has a BS degree in geology from Oregon State University and a MS degree in geology from Texas Christian University. He is a licensed Professional Geologist and past president of the Geologic Society of Nevada.

## Pre-Approval Policies and Procedures

The Audit Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

1. the pre-approval policies and procedures are detailed as to the particular service;

2. the Audit Committee is informed of each non-audit service; and

3. the procedures do not include delegation of the Audit Committee's responsibilities to management.

## External Auditor Service Fees

The following table discloses the aggregate fees billed for each of the last two fiscal years for professional services rendered by the Company's auditor for various services.

Fees incurred with Davidson & Co. LLP (the "**Auditor**" or "**Davidson LLP**") for the years ended December 31, 2021 and December 31, 2020.

**Table 4: Audit Fees**

| Nature of Services | December 31, 2021 | December 31, 2020 |
|---|---|---|
| Audit Fees | $55,488 | $20,305 |
| Audit-Related Fees | Nil | Nil |
| Tax Fees | $30,864 | $35,437 |
| All Other Fees | Nil | Nil |
| Total | $86,352 | $55,732 |

Notes:

(1 "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice.

(4) "All Other Fees" include all other non-audit services.

## ADDITIONAL INFORMATION

Additional information relating to APM, including directors' and officers' remuneration and indebtedness, principal holders of APM's securities, and securities authorized for issuance under equity compensation plans, is contained in annual financial statements, management's discussion and analysis, proxy circulars and interim financial statements of the Company, available under the Company's profile on SEDAR at www.sedar.com.

# SCHEDULE A

## Audit Committee Charter

**Mandate**

The audit committee (the "**Audit Committee**") of American Pacific Mining Corp. (the "**Company**") will assist the board of directors (the "**Board**") in fulfilling its financial oversight responsibilities. The Audit Committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each Audit Committee member must obtain an understanding of the principal responsibilities of Audit Committee membership as well and the Company's business, operations and risks.

**2. Composition**

The Board will appoint from among their membership an Audit Committee after each annual general meeting of the shareholders of the Company. The Audit Committee will consist of a minimum of three directors.

*2.1 Independence*

A majority of the members of the Audit Committee must not be officers, employees or control persons of the Company.

*2.2 Expertise of Committee Members*

Each member of the Audit Committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the Audit Committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

**3. Meetings**

The Audit Committee shall meet in accordance with a schedule established each year by the Board, and at other times that the Audit Committee may determine. The Audit Committee shall meet at least annually with the Company's chief financial officer and external auditors in separate executive sessions.

**4. Roles and Responsibilities**

The Audit Committee shall fulfill the following roles and discharge the following responsibilities:

*4.1 External Audit*

The Audit Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the Audit Committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

*4.2 Internal Control*

The Audit Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the Audit Committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and

(b) ensure that the external auditors discuss with the Audit Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

*4.3 Financial Reporting*

The Audit Committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the Audit Committee shall:

*General*

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

*Annual Financial Statements*

(a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

*Interim Financial Statements*

(a) review and approve the interim financial statements prior to their release to the public; and

(b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

*Release of Financial Information*

(a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

*4.4 Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the Audit Committee.

*Delegation of Authority*

(a) The Audit Committee may delegate to one or more independent members of the Audit Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Audit Committee at its next scheduled meeting.

*De-Minimis Non-Audit Services*

(a) The Audit Committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

(a) The Audit Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the Audit Committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the Audit Committee's responsibilities to management.

*4.5 Other Responsibilities*

The Audit Committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

*4.6 Reporting Responsibilities*

The Audit Committee shall regularly update the Board about Audit Committee activities and make appropriate recommendations.

**5. Resources and Authority of the Audit Committee**

The Audit Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the Audit Committee; and

(c) communicate directly with the internal and external auditors.

**6. Guidance – Roles & Responsibilities**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

*6.1 Internal Control*

(a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

(b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

(c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

*6.2 Financial Reporting*

*General*

(a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;

(b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

(c) understand industry best practices and the Company's adoption of them.

*Annual Financial Statements*

(a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its Common Shares;

(b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(d) consider management's handling of proposed audit adjustments identified by the external auditors; and

(e) ensure that the external auditors communicate all required matters to the committee.

*Interim Financial Statements*

(a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

(c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

(i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

(ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the company's operations and financing practices;

(iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions;

(vi) the Company's financial and operating controls are functioning effectively;

(vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

*6.3 Compliance with Laws and Regulations*

(a) periodically obtain updates from management regarding compliance with this policy and industry “best practices”;

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and

(c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

*6.4 Other Responsibilities*

(a) review, with the Company’s counsel, any legal matters that could have a significant impact on the Company’s financial statements.