Kudz Ze Kayah

SILVER-ZINC PROJECT

Feasibility Study Summary

30 November 2020

BMC MINERALS

DISCLAIMER

Nature of this document: *The purpose of this document is to provide general information about BMC MINERALS LTD and a summary of the updated feasibility study of the Kudz Ze Kayah Project completed in November 2020. Unless otherwise stated herein, the information in this document is based on the Company's own information and estimates. In viewing this document you agree to be bound by the following terms and conditions.*

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Forward-looking information may be identified by terminology such as, without limitation, "anticipate", "assumption", "believe", "budget", "compelling", "development", "estimate", "exploration", "expectation", "forward", "flexibility", "focus", "forecast", "future", "growth", "guidance", "initiative", "intend", "on track", "opportunities", "optimization", "outlook", "plan", "positioned", "possibility", "potential", "priority", "probable", "program", "progressing", "project", "pursuing", "ramp-up", "risk", "schedule", "target", "trend", and "upside", similar such words and phrases or statements that certain actions, events or results may, can, could, would, should, might, indicate, or will be taken, and any similar expressions. Forward-looking information is necessarily based upon a number of estimates, assumptions and expectations of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that, while considered reasonable by the Company as of the date of such information, is inherently subject to known and unknown risks, uncertainties, contingencies and assumptions, including, without limitation assumptions about: the ability to raise any necessary additional capital on reasonable terms to advance the production, development and exploration of the Company's properties and assets; future metal prices; the accuracy of any Mineral Reserve and Mineral Resource estimates; production costs; the accuracy of budgeted development costs and expenditures; the price of other commodities such as fuel; future currency exchange rates and interest rates; operating conditions being favourable such that the Company is able to operate in a safe, efficient and effective manner; political and regulatory stability; the receipt of governmental, regulatory and third party approvals, licenses and permits on favourable terms; positive relations with local groups and the Company's ability to meet its obligations under any agreements with such groups.

Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove correct. While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive, and other risks , and uncertainties and contingencies could cause assumptions, estimates and expectations to be incorrect and actual actions, events, conditions, results, performance or achievements to differ materially from those projected in the forward- looking information and, as such, there can be no assurance that forward-looking information will prove to be accurate. These risks, uncertainties and contingencies include, without limitation: actual production, operating cash and all-in sustaining costs may differ from those currently anticipated; metal and commodity price fluctuations; foreign currency fluctuations; risks associated with mining operations, including, but not limited to, environmental hazards and climatic events, industrial accidents, inadequate infrastructure, ground control problems and flooding; geological risks including, but not limited to, unusual or unexpected geological formations and events (including, but not limited to, rock slides and falls of ground), uncertainties in the estimation and modelling of grade, tonnes, metallurgy, continuity of mineral deposits, dilution and Mineral Resource and Mineral Reserve estimates, and actual ore mined and/or metal recoveries varying from such estimates; risks associated with mine plans, including, but not limited to, uncertainties in the mine life or life-of-mine (or LOM) estimates; the possibility that future exploration, development or mining results will not be consistent with expectations; the potential for and effects of labour disputes, labour shortages, community or other civil protests or demonstrations, or other unanticipated difficulties with or interruptions to operations; potential for unexpected costs and expenses, including, without limitation, for mine closure and reclamation at current and historical operations; uncertain political and economic environments; changes in laws or policies or foreign taxation; delays or the inability to obtain and/or maintain necessary governmental approvals and/or permits; regulatory investigations, enforcement, sanctions and/or related or other litigation; reduced demand for the Company's products due to product alternatives and other risks and uncertainties, including, but not limited to, those described in the "Cautionary Statement on Forward-Looking Information" on the Company's website available at www.bmcminerals.com.

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The Feasibility Study encompasses the ABM deposit only and has been undertaken to define the project, understand the project economics, and identify and manage the risks and impacts of the project.

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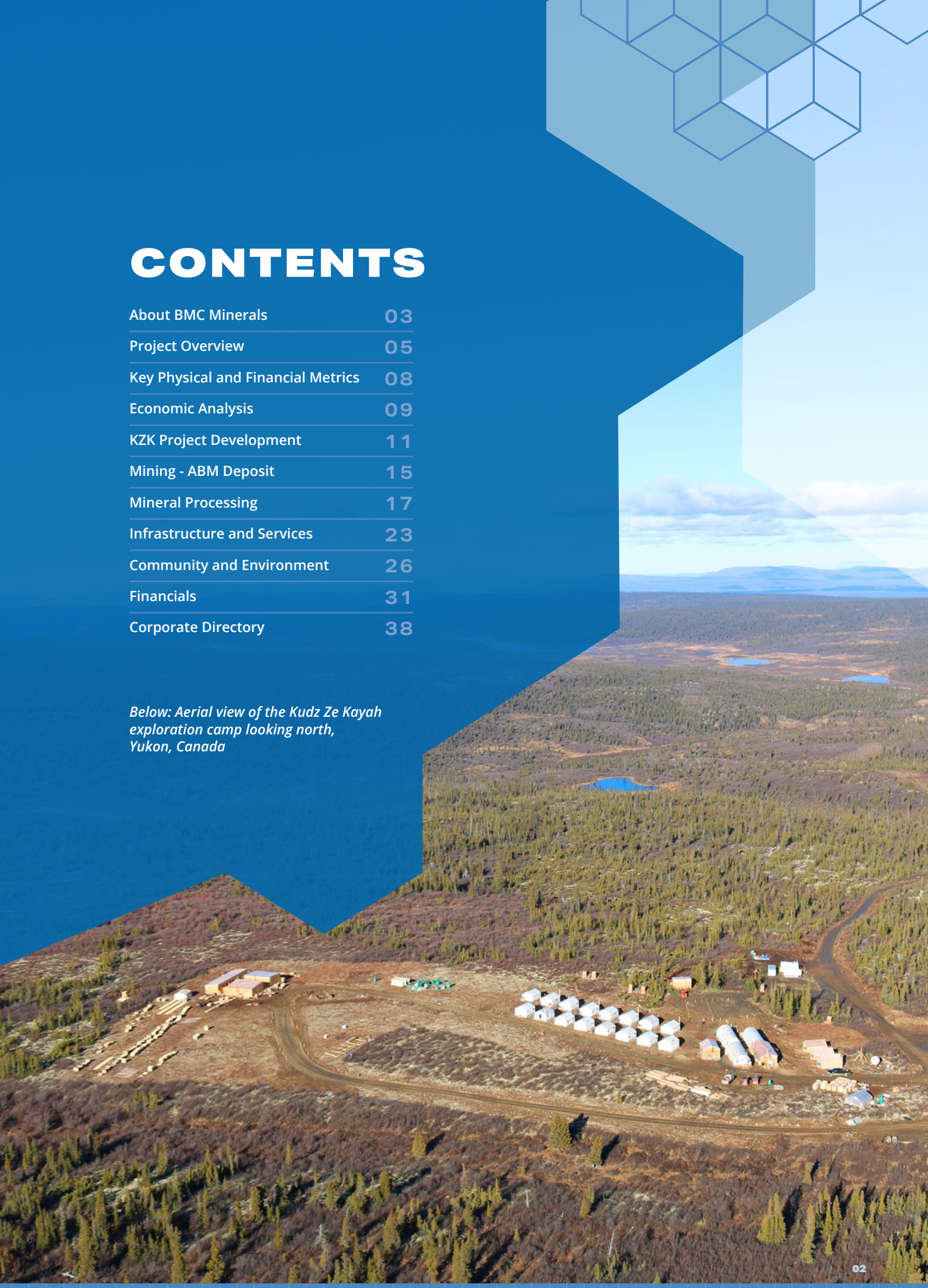

Below: Aerial view of the Kudz Ze Kayah exploration camp looking north, Yukon, Canada

ABOUT BMC MINERALS

BMC's management team have extensive experience in mining, specifically in developing base metals projects from their inception as exploration opportunities through construction and into production.

BMC's focus is to identify emerging opportunities in base metals projects that have passed the stage of geological resource discovery but are as yet undeveloped.

In 2014, BMC identified the Kudz Ze Kayah (KZK) polymetallic base metals project in Yukon, Canada as a development opportunity. This region is known to contain significant volcanogenic massive sulphide (VMS) deposits, and large sections of ground within the KZK property remain under explored. The KZK property is prospective for a diversified commodity mix, primarily silver and zinc, with copper, lead, and gold credits.

BMC purchased the KZK Project in 2015 and during the field season in the same year discovered the new Krakatoa Zone. The discovery of the Krakatoa Zone, coupled with an increase in size of the original ABM Zone, after further resource definition drilling, formed the basis of a new and expanded Mineral Resource Estimate around which a Pre-Feasibility Study (PFS)[1] was completed in 2017. Drilling between 2015 and 2017 was designed to increase BMC's confidence in the understanding of the mineralization and its host rock geology, as well as collecting detailed data for geotechnical, metallurgical, and hydrological studies.

The 2017 PFS confirmed that the KZK Project was technically and economically viable, and work commenced on the Definitive Feasibility Study (DFS) in late 2017. The DFS[2] was completed in June 2019. In 2020 BMC updated the feasibility study and issued the restated DFS[3] in November 2020.

BMC is committed to developing, constructing, and operating the KZK Project in accordance with responsible mining practices. From the outset, BMC has developed the KZK Project with consultation and input from the Kaska First Nations. BMC recognize and respect the Kaska First Nations as traditional owners of the area within which the KZK Project is located and have proposed a project development intended to ensure that the KZK Project delivers a positive legacy for both the company and the project communities.

BMC MINERALS LTD TEAM

Scott Donaldson
President and CEO

Dr Neil Martin
Senior Vice President Exploration and Development

Gerbrand Van Heerden
CFO

George Smith
Group Engineer and Executive Director

Kelli Bergh
Vice President Environment and Permitting

Robin Black
Vice President Exploration

Allan Nixon
Vice President External Affairs

Joel Ray
General Manager

1 "NI43-101 Technical Report Kudz Ze Kayah Property Yukon, Canada", effective date 31st May 2017.

2 "NI43-101 Feasibility Study Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30th June 2019.

3 "NI43-101 Feasibility Study Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30th October 2020.

ESTABLISHED RECORD OF SUCCESS

The BMC team have an established record of successful base metals project development. Our experienced management team have extensive exploration, development and operating credentials.

Above: BMC Minerals 2020 team from left: Ilya Anchevskiy, Stephen Baraclough, Robert Burke, Allan Nixon, Jeff Hamilton, Kathleen Suza, Cassia Jakesta, Scott Donaldson, Kelli Bergh, Neil Martin, Dorothy Dick, George Smith, Robin Black

ABM deposit drill access looking east, prior to reclamation, KZK

PROJECT OVERVIEW

The KZK Project is the first mining project proposed by BMC in the Yukon.

The Project's current Probable Mineral Reserve Estimate for the ABM Deposit (effective date 30 June 2019) is:

15.7 million tonnes (Mt) at 5.8% zinc (Zn), 1.7% lead (Pb), 0.9% copper (Cu), 138 grams per tonne (g/t) silver (Ag) and 1.3g/t gold (Au).*

This Feasibility Study is based on the following parameters:

- Mining of the ABM Deposit is anticipated primarily by open pit methods (89%) with a small underground mine (11%) proposed to exploit the deeper section of the Krakatoa Zone.
- Mining of the ABM Deposit is planned to be completed over a nominal nine year period.
- The low strip ratio (6:1) expected in the initial open pit mining will lend itself towards rapid capital payback in the early stages of mine life. Average Life of Mine (LOM) strip ratio anticipated to be 10:1.
- Average planned ore processing rate of 2 million tonnes per annum (Mtpa).
- Processing of ore using conventional froth flotation technologies will produce approximately 300,000t of mineral concentrates during 'steady state'[4] annual production which will contain: **zinc 106,800t, copper 14,400t and lead 25,300t.**
- The concentrates produced are also expected to contain significant precious metals credits which will provide an added revenue stream with 'steady state'[4] annual production of: **56,500 oz gold and 7.8M oz silver.**

The Company plans to produce three concentrates to be transported by road to the port of Stewart, British Columbia, for sale and transport to Canadian and export markets. Stewart's existing port facilities are capable of mineral concentrate handling.

Peak construction workforce is estimated at approximately 670 and stable operations workforce estimated to be around 320.

BMC plans to utilize existing established infrastructure including existing roads, airstrips, telecommunications and local towns.

The mine plan includes using dry stacked tails which is the deposition of dried and filtered tailings stored in an engineered, purpose built facility that supports the Company's goal of progressive reclamation, and restoration of the Project area to its natural state at completion of mining.

The DFS demonstrates that the KZK Project is financially viable and has the potential to generate positive economic returns based on the assumptions and conditions set out in the Technical Report (effective date 30 October 2020).

KZK Project Location – Yukon Territory, Canada

WORKFORCE ESTIMATE

670 JOBS — Peak Construction

320 JOBS — Operations

*Refer page 14 for further details regarding the Mineral Reserve Estimate.

4 Excludes First and Last Years of production.

Key Project Highlights

MINERAL RESERVE ABM DEPOSIT[5]

Zn Pb Cu Ag Au

15.7Mt @ 5.8%Zn,
1.7%Pb, 0.9%Cu,
138g/t Ag, 1.3g/t Au

FIRST CONCENTRATE SALES SET FOR 2024

LIFE OF MINE SITE OPERATING COST

US$1,070M
US$68.07/T

LIFE OF MINE REVENUE[8]

US$4,197M

NPV AFTER TAX[7,8,9]

US$626M

AFTER TAX IRR[7,8] 46%

OPERATING CASHFLOW MARGIN[7,8] 44%

PROJECT CONSTRUCTION

20 MONTHS

AVERAGE PROCESSING RATE

2 **MTPA**

PREPRODUCTION CAPITAL COSTS

US$376M

INITIAL LOM

9 **YEARS**
STRIP RATIO 10:1

ANNUAL METAL IN CONCENTRATE PRODUCTION AT 'STEADY STATE'[6]

Cu	COPPER	32 Mlb
Zn	ZINC	235 Mlb
Pb	LEAD	56 Mlb
Au	GOLD	56,500 oz
Ag	SILVER	7.8 Moz

ESTIMATED PAYBACK PERIOD[7]

1.8 **YEARS**

Results presented are anticipated or expected results derived from the "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).

5 See Page 14 of this document for further information.
6 Excludes First and Last Years of production.
7 These are non-IFRS Financial Measures. Please refer to description of these terms in the "Non-IFRS Financial Measures" disclaimer at the end of this document.
8 Metal prices and exchange rate based on long term consensus assumptions of Cu US$3.05/lb, Zn US$1.07/lb, Pb US$0.91/lb, Au US$1,561/oz, Ag US$20.55/oz and foreign exchange rate of C$1.00:US$0.77. NPV and IRR calculations are as at the updated Feasibility Study effective date 30 October 2020.
9 Discount rate 7%.

Core removal at the Kudz Ze Kayah exploration camp, Yukon, Canada

KEY PHYSICAL AND FINANCIAL METRICS

	Key Metric	Unit		DFS
Mine Physicals	Life-of-Mine (LOM)	Years		9
	Average Processing Rate	Million tonnes per annum (Mtpa)		2
	Name Plate Capacity @ Average Grade	Mtpa		2.2
	Ore Mined & Processed	Million tonnes (Mt)		15.7
	Strip Ratio	t waste: t ore		10 : 1
	Key Metric	**Unit**	**LOM**	
Capital	Pre-Production Capital Costs	US$M	376	
	Sustaining Capital Costs	US$M	122	
	Reclamation Costs	US$M	48	
Operations	Total Site Operating Costs	US$M	1,070	
	Unit Site Operating Costs	US$ per tonne (US$/t)	68.07	
	First Nation LOM Payments[10]	US$M	38	
	First Nation Payments	US$/t	2.43	
Royalties & Taxes	Yukon Royalties - LOM	US$M	198	
	Yukon Royalties	US$/t	12.62	
	Yukon Tax - LOM	US$M	159	
	Federal Tax - LOM	US$M	199	
Project Financials	LOM Operating Cashflow Margin[11]	US$/t	126	
	LOM Operating Cashflow Margin[11]	%	44	
	Project NPV_7 (after tax)[11]	US$M	626	
	Project IRR (after tax)[11]	%	46.0	
	Payback period (after tax)[11]	Years	1.8	
Production	**Concentrate Production**	**Unit**	**LOM**	**Steady State[12] Annual Avg**
	Copper	Dry metric tonnes (dmt)	401,200	57,600
	Zinc	dmt	1,515,600	205,200
	Lead	dmt	377,000	49,200
	Metal In Concentrate Production	**Unit**	**LOM**	**Steady State[12] Annual Avg**
	Copper	Tonnes (t)	100,200	14,400
	Zinc	t	786,200	106,800
	Lead	t	195,300	25,300
	Gold	Ounce (oz)	431,900	56,500
	Silver	oz	59,800,000	7,800,000

Results presented are anticipated or expected results derived from the "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).

Based on long term metal prices: LOM copper price of $US3.05/lb; LOM zinc price of $US1.07/lb; LOM lead price of US$0.91/lb; LOM gold price of US$1,561/oz.; and LOM silver price of US$20.55/oz.; and foreign exchange rate of C$1.00:US$0.77.

10 First Nation LOM Payments are included in Total Site Operating Costs

11 These are non-IFRS Financial Measures. Please refer to description of these terms in the "Non-IFRS Financial Measures" disclaimer at the end of this document.

12 Excludes First and Last Years of production.

ECONOMIC ANALYSIS

Expected Key Project Financials*

- Forecast LOM Revenue of US$4,197 million.
- Forecast LOM EBITDA[13] of US$2,009 million.
- Estimated pre-production Capital Expenditure of US$376 million (including owners' costs and contingency).
- Net LOM Project Cash Flow of US$1,068 million (after tax).
- An Internal Rate of Return (IRR)[13] of 46.0% (after tax).

KZK Project Advantages

- Feasibility Study indicates strong mid/long term economic fundamentals – low CAPEX and OPEX. Potential for long life project.
- Diversified commodity components – primarily silver and zinc opportunity – significant copper, lead and gold credits anticipated.
- Polymetallic – provides natural hedge (base vs. precious metals price variation).
- Region renowned for significant volcanogenic massive sulphide (VMS) deposits providing exploration upside and meaningful deposit scale and grade.
- Viable freight logistic solutions through use of existing infrastructure, year-round port access for export.
- Jurisdiction with established mining codes, long mining history, clear environmental approval and assessment processes.
- Opportunity to operate and progress active community commitment structures in terms of direct employment/skills training and secondary social contributions.
- Local communities have historically been supportive of and are knowledgeable about mining.

"Project Level" Milestone	Unit	Feasibility Study Base Case
Free Cash Flow (before tax)	US$M	1,426
Free Cash Flow (after tax)	US$M	1,068
After Tax NPV[13] (Feasibility Study completion 30/11/2020)**	US$M	626
After Tax NPV[13] (Notional Construction Commencement, 18 months prior to production)**	US$M	721
After Tax NPV[13] (First Production)**	US$M	1,148

Life of Mine Revenue by Metal

Feasibility Study Metal	Unit	Copper	Zinc	Lead	Gold	Silver	Total
Revenue	US$M	647	1,573	371	566	1,039	4,197
Treatment/Refining Charges, Penalties, Freight	US$M	146	639	149	3	32	969
Net Revenue[13]	US$M	501	934	223	563	1,007	3,228

* Based on long term metal prices: LOM copper price of $US3.05/lb; LOM zinc price of $US1.07/lb; LOM lead price of US$0.91/lb; LOM gold price of US$1,561/oz.; and LOM silver price of US$20.55/oz.; and foreign exchange rate of C$1.00:US$0.77.

** NPV at 7% discount rate.

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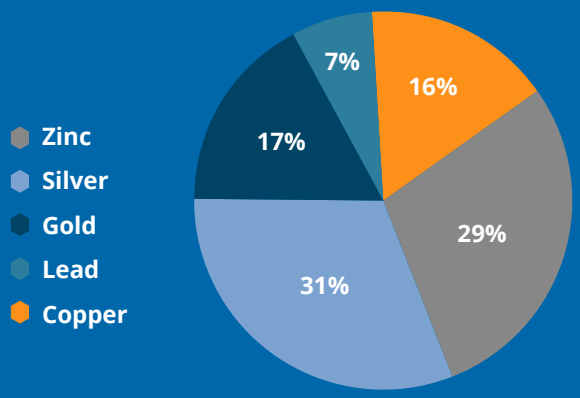
Logging KZK core

Percentage Net Revenue[14] by Metal Produced

The LOM metal price and foreign exchange rate assumptions used in the information beside (in real dollar terms), are based on long term consensus pricing from a range of financial institutions as at 30 October 2020.

Long term forecasts of concentrate charges are sourced from StoneHouse Consulting Inc.

14 These are non-IFRS Financial Measures. Please refer to description of these terms in the "Non-IFRS Financial Measures" disclaimer at the end of this document



Local Trans North Helicopter at Kudz Ze Kayah exploration camp, Yukon, Canada

KUDZ ZE KAYAH PROJECT DEVELOPMENT

Kudz Ze Kayah (KZK) is BMC's proposed mine development project located in the northern Pelly Mountains, 115 km south of Ross River in south central Yukon.

BMC's mineral claims currently cover approximately 35,700 hectares surrounding the ABM, Kona (Fyre Lake) and Wolf VMS deposits within the Finlayson Lake district.

This area is host to at least six known VMS deposits that include the Kona, Kudz Ze Kayah and GP4F deposits, which are either owned or optioned by BMC, as well as the R15, Wolverine and Ice deposits not owned by BMC.

BMC acquired the KZK and Pelly projects in January 2015, the nearby Wolf project in 2016, an option to purchase the Kona property in January 2017, and in March 2018 purchased the Tsa Da Glizsa project thereby expanding the Kona claims area. BMC regards these additional claims and prospects with known mineralization, as assets for potential future exploration.

BMC's extensive work program has included a program of compiling and assessing historical work, resource drilling, economic assessment, baseline environmental monitoring and First Nation and community engagement and acquisition of required permits.

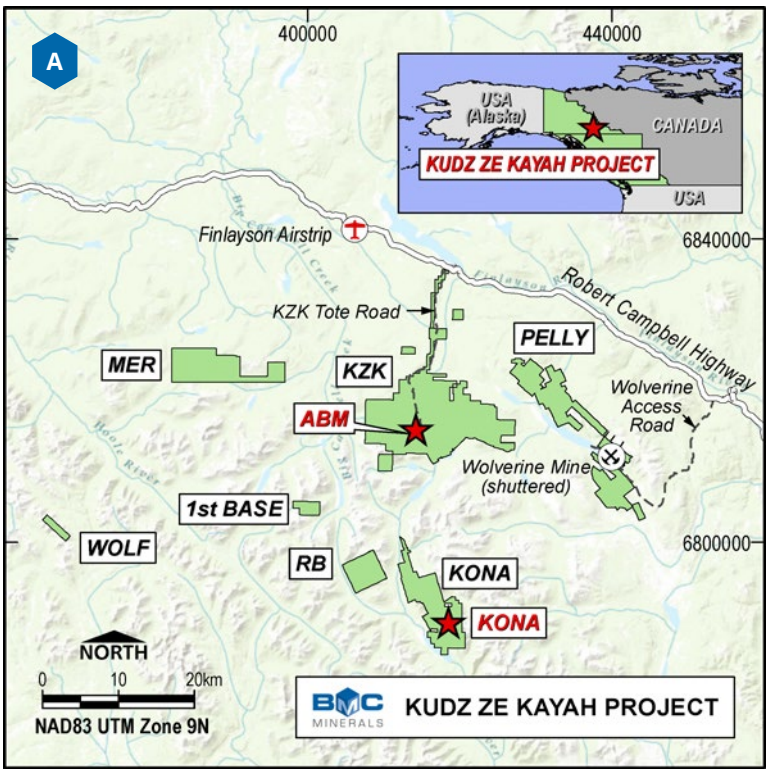
Kudz Ze Kayah Expected Development Timeline

2015	**During**	Environmental baseline studies (Ongoing)
2016	**During**	Technical studies completed
2017	**March**	Environmental and Socio-economic Assessment (Project Proposal) application document lodged
	May	PFS completed and issued
2019	**June**	Feasibility study completion
	July	Ross River Dena Council complete Environmental Assessment Review
	December	YESAB issue Draft Screening Report
2020	**October**	YESAB issue Final Screening Report
2022	**During**	Front-End Engineering Design (FEED)
2022	**During**	Formal decision to construct
2024	**During**	First Concentrate sales

BMC submitted the KZK Project Proposal to the Yukon Environmental and Socio-economic Assessment Board (YESAB) in March 2017, thereby initiating the Environment Assessment. In November 2019, YESAB issued their Draft Screening Report recommending the Project be allowed to proceed to permitting. In October 2020 after 11 months of public comment YESAB's Final Screening Report was issued with the report concluding that the Project may proceed subject to thirty recommended mitigation measures aimed at controlling, reducing, or eliminating adverse effects of the Project, and six recommended monitoring measures to help inform the regulatory processes, aid in adaptive management, and reduce uncertainty in later stages of the Project.

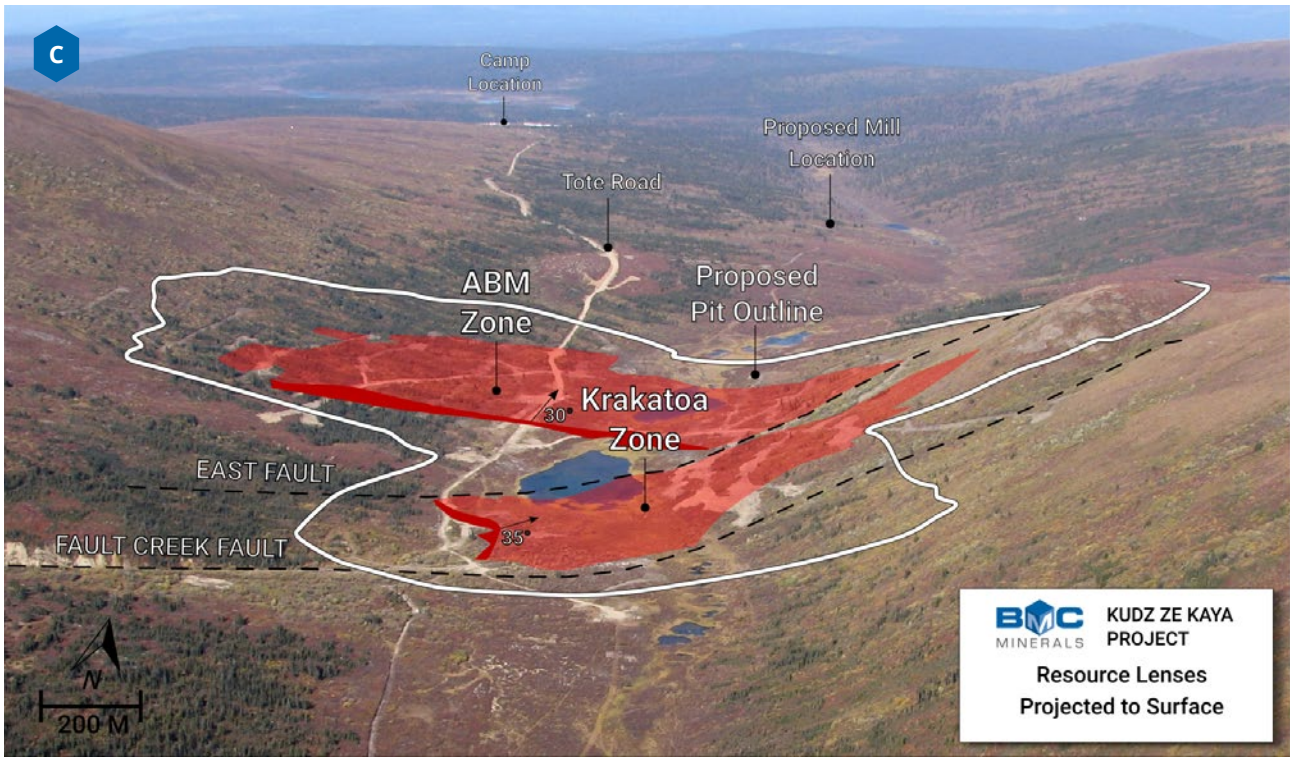
To date some 56,000 m of drilling has been completed resulting in a Probable Mineral Reserve for the ABM Deposit of 15.7Mt @ 5.8% Zn, 1.7% Pb, 0.9% Cu, 138g/t Ag, 1.3g/t Au. (Refer page 14 for further details regarding the Mineral Reserve Estimate).

The Feasibility Study encompasses the ABM Deposit only and has been undertaken to confirm the Project economics; and identify and manage the risks and impacts of the Project.



A BMC Minerals – Mineral Claims in Yukon, Canada B ABM polymetallic sulphide core sample

C KZK Project - ABM Deposit surface projection looking north along existing Tote Road to Robert Campbell Highway



ABM Geology and Mineral Resource

The KZK Mine Project proposal is for the development of the ABM Deposit. The Kudz Ze Kayah Project encompasses seven contiguous claim blocks in the Finlayson District. These are the KZK, Pelly, Wolf, Mer, 1st Base and RB claim blocks (all 100% owned by BMC). The Kona claim block consists of claims both 100% owned and under option to BMC from another party.

The KZK claim block contains the ABM Deposit (the subject of the KZK Feasibility Study and the current permitting process), a polymetallic VMS deposit containing economic concentrations of copper, lead, zinc, gold and silver.

The ABM Deposit comprises the ABM Zone and the Krakatoa Zone, separated by late faulting. Massive sulphide of the ABM Zone is up to 39 metres thick, extending ~700 metres along strike and ~500 metres down dip. It dips to the north-northeast at ~35° near surface, transitioning to a dip of ~15˚ at around 200 metres depth below the valley floor. The up-dip extent of the deposit is truncated by erosion and covered by ~2 to 20 metres of overburden.

Massive sulphide mineralization of the Krakatoa Zone is fault-bound to both the east and west, is covered by 20 to 30 metres of overburden, and dips at ~35˚ to the north- northeast. The massive sulphide is up to 22 metres thick, extending over ~200m of strike and over at least 500 metres down-dip. It remains open at depth.

ABM Deposit Mineral Resource Estimate

A Mineral Resource Estimate for the ABM Deposit was prepared by CSA Global Pty Ltd in accordance with current CIM standards, definitions & guidelines. Mineral Resources tabulated below are inclusive of Mineral Reserves.

The effective date of this Mineral Resource is 31 May 2017 as reported in NI 43-101 Technical Report Kudz Ze Kayah Property Yukon Territory, Canada, and available on SEDAR (all key assumptions, parameters and estimation methods are contained in the same report).

Zone Open Cut	Category	Tonnes (Mt)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Pb metal (kt)	Zn metal (kt)	Au metal (koz)	Ag metal (Moz)
ABM	Indicated	14.6	1.0	1.6	6.1	1.3	132	140.9	229.1	886.6	614.0	62.1
	Inferred	0.3	1.5	1.5	4.5	1.1	115	4.7	4.9	14.4	10.9	1.2
Krakatoa	Indicated	3.5	0.6	3.2	7.2	1.8	213	21.4	113.2	255.5	204.0	24.3
	Inferred	0.1	0.6	2.3	6.3	1.3	142	0.1	2.1	5.9	3.8	0.4

Zone Under-ground	Category	Tonnes (Mt)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Pb metal (kt)	Zn metal (kt)	Au metal (koz)	Ag metal (Moz)
Krakatoa	Indicated	0.2	1.0	2.0	6.1	1.7	170	1.7	3.5	10.5	9.2	0.9
	Inferred	0.4	0.8	1.6	9.5	1.2	165	3.2	6.3	37.5	14.9	2.1

Note: Refer "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).

ABM Mineral Reserve Estimate

The Mineral Reserve Estimate for the ABM Deposit (effective date of 30 June 2019), was prepared by CSA Global Pty Ltd and reported in accordance with the National Instrument 43-101. Mineral Reserves were estimated using current CIM standards, definitions & guidelines, with all Mineral Reserves for the Project classified as Probable.

The reported Mineral Reserves are inclusive of diluting material that will be mined in conjunction with the Mineral Reserves and delivered to the processing plant.

ABM Deposit Probable Mineral Reserve Estimate

	Class	Tonnes (Mt)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Pb metal (kt)	Zn metal (kt)	Au metal (koz)	Ag metal (Moz)
ABM Open Pit	Probable	13.4	0.9	1.5	5.9	1.3	131	125.8	207.2	789.8	559.0	56.6
Krakatoa Open Pit	Probable	0.6	0.4	3.1	6.3	1.9	246	2.6	18.8	38.3	36.9	4.8
Total Open Pit	Probable	14.0	0.9	1.6	5.9	1.3	136	128.4	226.0	828.1	596.0	61.4
Krakatoa Underground	Probable	1.7	0.4	2.3	5.0	1.3	147	7.4	39.7	86.9	69.8	8.2
TOTAL RESERVES	Probable	15.7	0.9	1.7	5.8	1.3	138	135.8	265.7	915.0	665.8	69.5

Note: Refer "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).

BMC Minerals - Global Mineral Resource Estimate Summary

Category	Tonnes (Mt)	Cu (%)	Pb (%)	Zn (%)	Au (g/t)	Ag (g/t)	Cu metal (kt)	Pb metal (kt)	Zn metal (kt)	Au metal (koz)	Ag metal (Moz)
ABM Deposit (BMC 100%)[15]											
Indicated	18.3	0.9	1.9	6.3	1.4	148	164.0	345.8	1,152.6	827.2	87.3
Inferred	0.8	1.0	1.7	7.2	1.2	143	8.0	13.3	57.8	29.6	3.7
Kona Deposit (BMC Option to Purchase 100%)[16]											
Indicated	3.0	1.4	-	-	0.7	4	42.0	-	-	66.0	0.4
Inferred	7.5	1.7	-	-	0.6	4	130.0	-	-	152.0	0.9

15 Refer "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).

16 Refer "NI 43-101 Technical Report Fyre Lake Property, Yukon, Canada", effective date 08 April 2019, available on SEDAR www.sedar.com.

MINING - ABM DEPOSIT

The majority (89% of ore) of mining at the ABM Deposit is planned to be conducted by open pit mining with a smaller underground mine (11% of ore) expected to commence in Year three of production at the lower Krakatoa Zone. Underground mine development is planned to commence once Stage One of the ABM open pit has advanced sufficiently to allow access to in-pit portal locations.

It is expected that a single pit will be mined with the ABM Zone mined over four separate stages, and the Krakatoa Zone expected to be mined in a single stage.

A total of 14.0 Mt of ore and 138.4 Mt of waste is planned to be mined by open pit mining methods, for an expected average LOM strip ratio of 10:1. The remainder of the ore will be sourced from the underground mine.

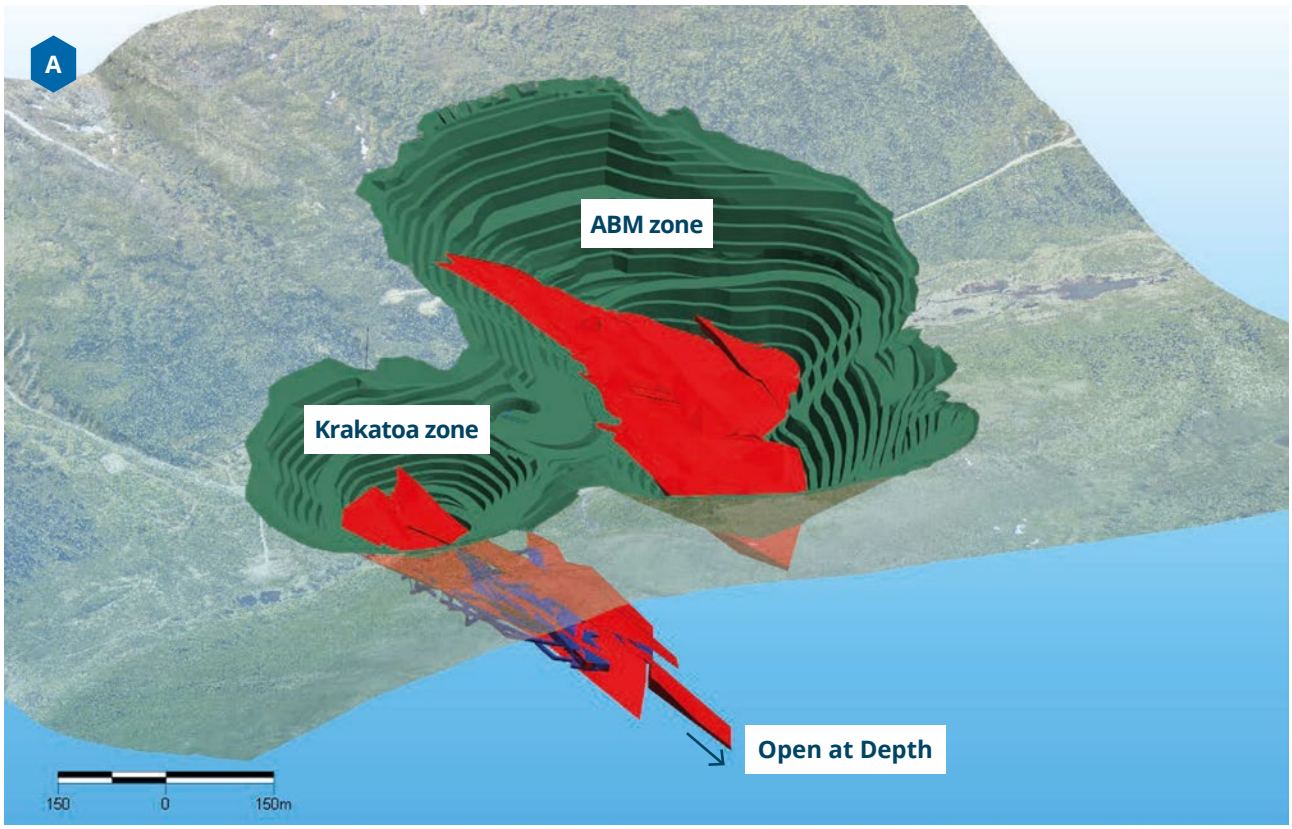
The initial Stage One ABM Zone pit has an expected strip ratio of 6:1, in order to optimize payback of pre-production capital.

Open pit mining is planned to be completed over a period of approximately nine years, inclusive of pre-production mining requirements.

Underground mining has only been considered for the deeper portion of the Krakatoa Zone. The primary mining method planned for the underground mine is underhand long hole stoping. All underground stope voids are planned to be filled with cemented tailings.

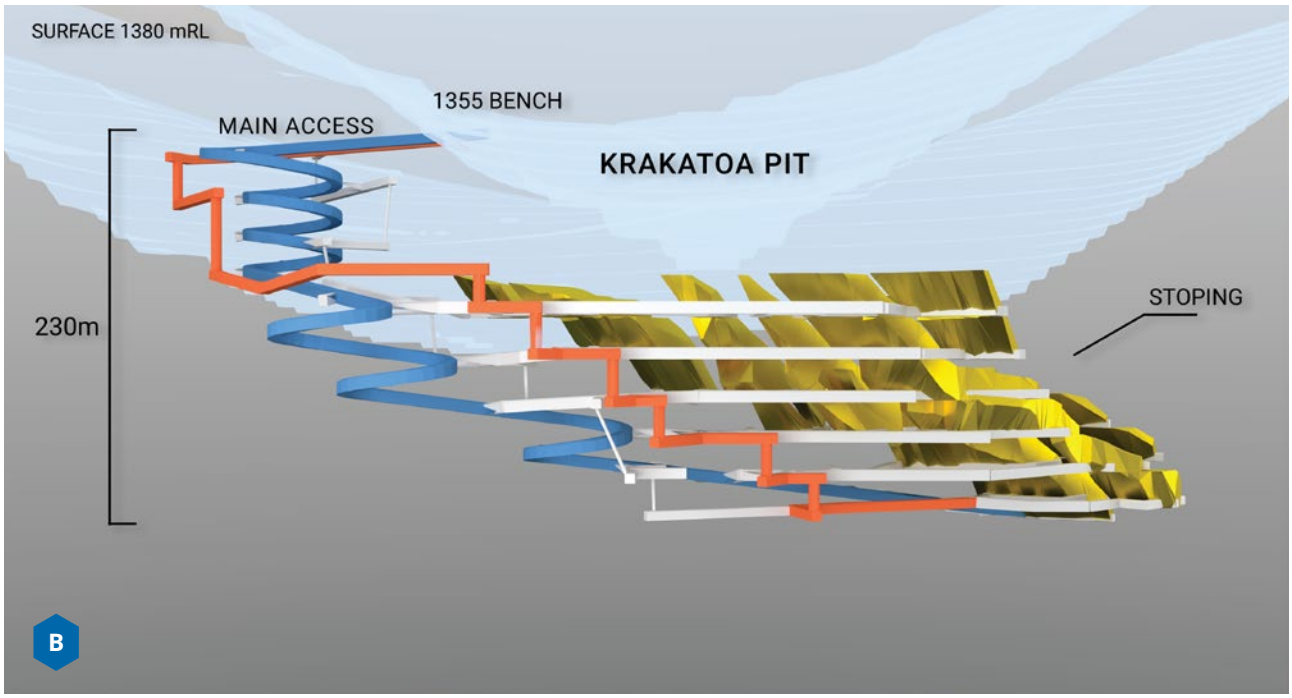
		Stripping Ratio W/O	Ore (kt)	Waste (kt)
ABM Pit	Stage 1	6/1	2,441	14,669
	Stage 2	6/1	2,736	16,427
	Stage 3	17/1	2,997	49,851
	Stage 4	8/1	5,209	40,980
Krakatoa Pit		27/1	612	16,478
Total Open Pit Mining		10/1	13,995	138,405

North Lakes watershed looking northwest across the site of future mining towards Geona Creek valley



A *Isometric view showing the ABM open pit mine and Krakatoa underground mine. Field of view 1,600m*

B *3D sectional projection of Krakatoa Zone Underground mine design - showing portal access inside the ABM open pit*



MINERAL PROCESSING

The KZK ore concentrator (processing plant) and associated service facilities are designed to process run-of-mine (ROM) ore at an average rate of 2.0 million tonne per annum (Mtpa) to produce separate copper, lead and zinc concentrates and tailings.

The processing plant is initially planned to operate for approximately nine years and expected to produce an average of 205,200 t zinc, 57,600 t copper, and 49,200 t lead concentrates annually. Concentrate will be transported by road to port for sale to market.

Key Takeaways

- Conventional flotation process with three concentrate streams: zinc, copper & lead, with copper and lead concentrates having high levels of gold and silver credits.
- BMC metallurgical test work results consistent with previous Cominco work 1994-97.
- Traders confirm marketability of concentrates and expected high value of precious metal credits.
- Traders and end users have expressed interest in securing offtake contract for concentrates. Significant contracts to be expected to be in place by end of 2021. Terms already agreed.
- During Year One the projected ~20,000t of copper commissioning concentrate produced will contain an estimated average grade of 24.7% copper, 22.1g/t gold, 3,990g/t silver with an average of 0.54% arsenic which will drop to c.0.3% arsenic over the LOM.

KZK - Saleable Concentrate

Life of Mine metallurgical recoveries and concentrate grades	Cu %	Pb %	Zn %	Au g/t	Ag g/t
Copper Concentrate Grade	25.0%	-	-	14.1	1,984
Lead Concentrate Grade	-	51.8%	-	16.2	2,190
Zinc Concentrate Grade	-	-	51.9%	1.1	157
Metallurgical Recoveries	73.8%	73.5%	85.9%	64.9%	86.0%

Results presented are anticipated or expected results derived from the "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada" effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).

Concentrate Marketing

The expected markets for KZK concentrates are smelters in the East Asia region, primarily China, Korea and Japan. Anticipated penalties due to impurities have been fully accounted for and are expected to be more than offset by the anticipated value of the silver and gold content.

It is anticipated KZK concentrate will also have a market with world trading houses for blending purposes. European smelters offer a viable destination for zinc concentrates although subject to additional shipping costs.

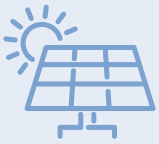
CURRENT BASE METALS MARKET OUTLOOK:

GROWING ZINC SUPPLY GAP

LOOMING COPPER DEFICIT

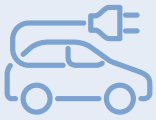
LEAD STOCKS FALLING

GROWING MARKETS FOR BASE METALS IN EMERGING TECHNOLOGIES:



ALTERNATIVE POWER SOURCES

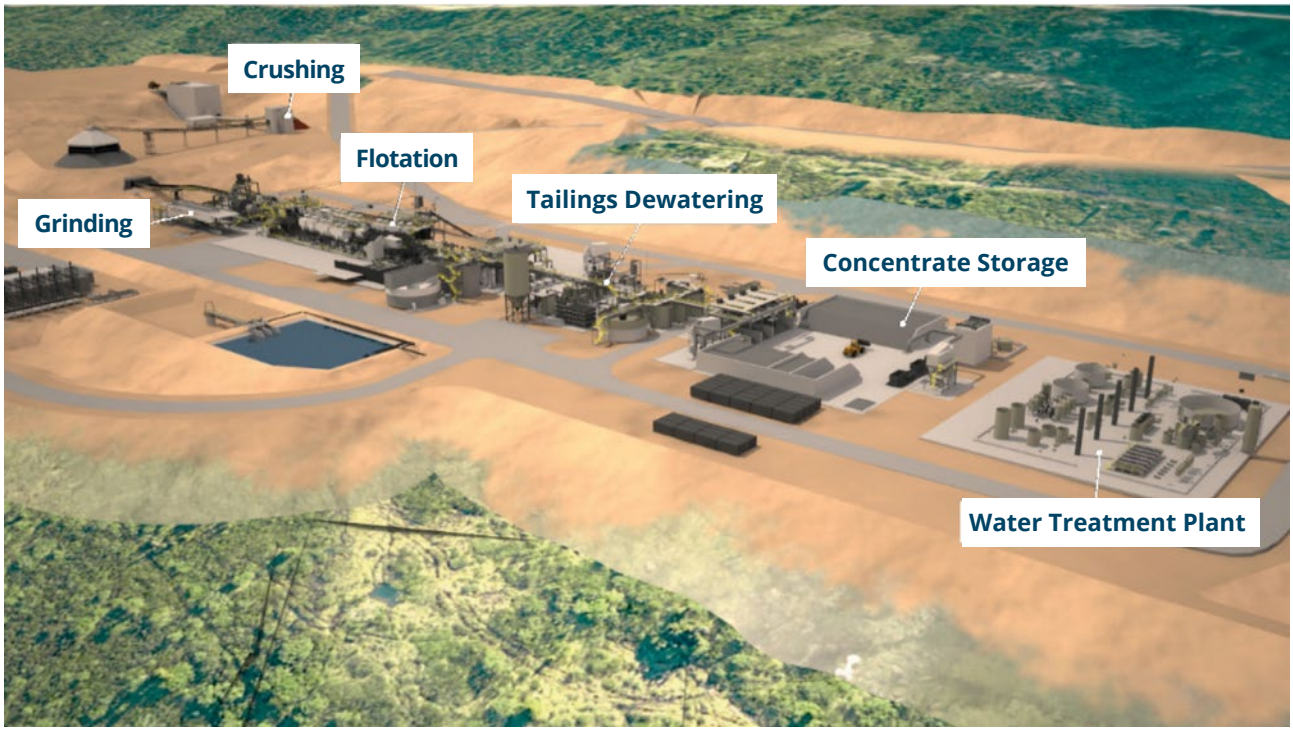
NON-LEAD BASED BATTERIES



ELECTRIC VEHICLES

Aerial view of modified KZK camp accommodation facilities 2020

Proposed KZK Mine Project Process Plant and Infrastructure Layout



PROCESS PLANT DESIGN CRITERIA

The process plant design criteria were derived from the metallurgical test work results. The key design criteria selected for the plant design are:

- Capable of treating both 2.0 Mtpa at the 85th percentile grade and hardness and 270 tph (c. 2.2 Mtpa) at the average head grade of every metal and average comminution parameters.
- Design availability of 93% (after ramp-up) with allowance for standby equipment in most areas to achieve this availability.
- Sufficient plant design flexibility for treatment of blended ore types at the design throughput.

UNIT PROCESS OPERATIONS

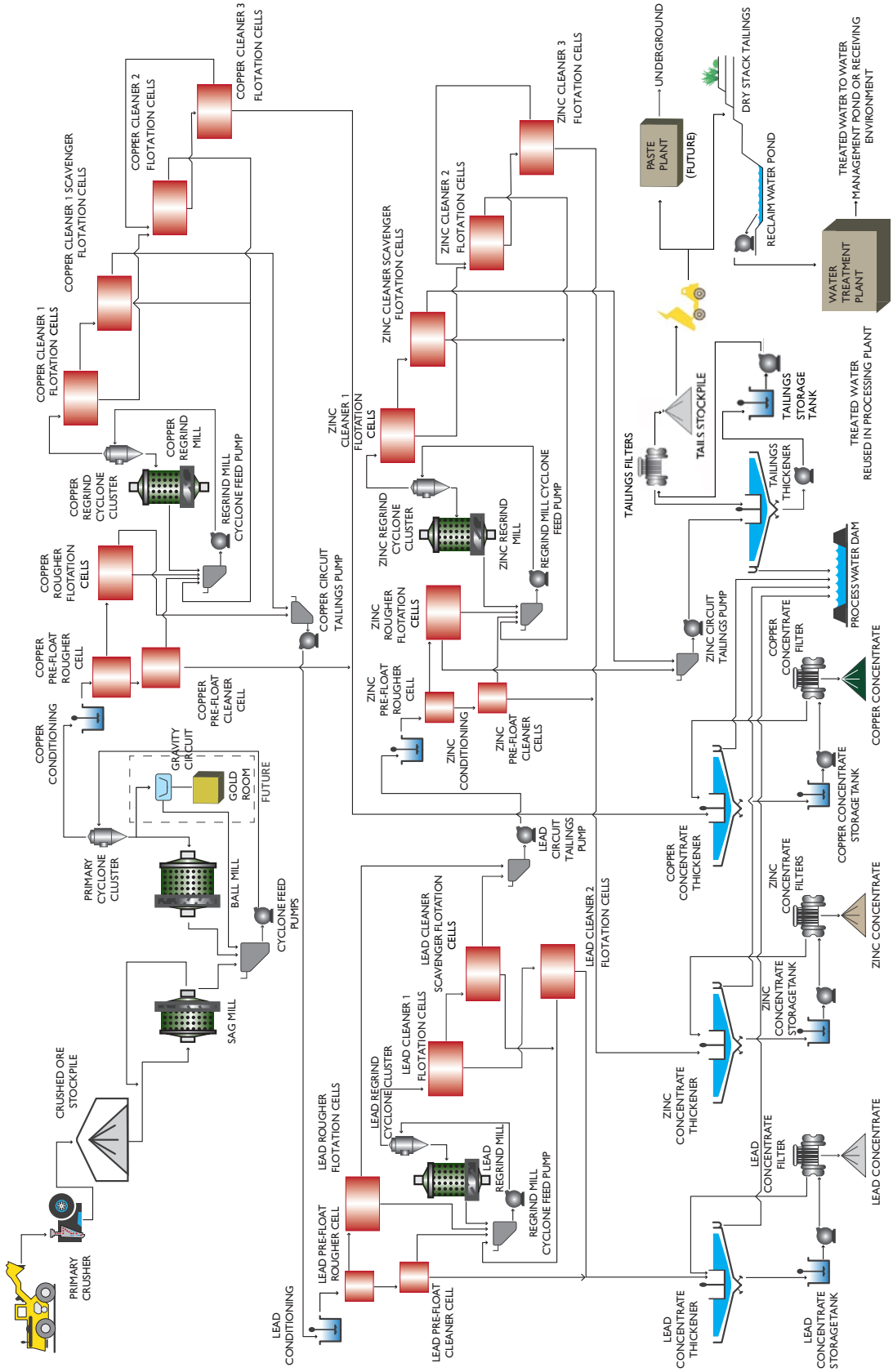
The proposed process plant design is based on a flowsheet (overleaf) with established process technologies in the base metals industry, incorporating the following unit process operations:

- Primary crushing using a jaw crusher to produce a crushed product size of nominally 80% passing (P_{80}) 130 mm.
- Stacking of ore onto a conical, covered stockpile with a nominal 12-hour live capacity.
- Semi-autogenous grinding ("SAG") mill/ball mill configuration comminution circuit including open circuit SAG mill and closed-circuit ball mill grinding with potential for recycle of some of the cyclone underflow to the SAG mill, to produce a P_{80} grind size of 70 µm.
- Sequential flotation of copper, lead and zinc using conventional pre-float, rougher and cleaner flotation cells.
- Regrinding of copper, lead and zinc rougher concentrate with fine grinding mills.
- Thickening and filtration of the separate copper, lead and zinc concentrates.
- Storage of the concentrate and load-out via front end loader and truck.
- Dewatering of the flotation tailings by thickening and filtration with the residual filter cake either transported to the dry stack tailings storage facility or combined with cement to produce underground paste backfill.
- Concentrator water and air services, and associated infrastructure.

A *Copper Flotation laboratory test on Master Composite #1 2016*

B *Zinc Concentrate*

Mineral Process Flowsheet



Stewart World Port

SERVICED BY EXISTING INFRASTRUCTURE

Freight logistic solutions take advantage of the existing infrastructure, including highways and airstrips plus year-round port access for export.

Tote Road from the Robert Campbell Highway to the KZK site

INFRASTRUCTURE AND SERVICES

The Project is serviced by existing infrastructure that includes highways and airstrips. The towns of Watson Lake at 268 km from the Project site and Whitehorse (517 km) provide light industrial support, while Ross River (115 km) provides KZK camp supplies and hosts the local fuel depot. Labour is currently sourced from all of these locations.

ROAD FACILITIES

The KZK Project is currently accessed by an existing 24 km gated Tote Road that extends from the Robert Campbell Highway south to the Project site. The Highway provides part of the 905 km direct route to the Port of Stewart which has year round access to deep water bulk export facilities.

WASTE ROCK AND TAILINGS MANAGEMENT

Management of tailings, waste rock and water has been an integral component of the design of the proposed mine. Tailings from ore processing are to be produced as a filtered tailing product that is designed to be deposited in a purpose designed facility on the western slope of the Geona valley. BMC believes that this method of tailings storage presents a better long term solution than conventional wet tailings disposal, which would require construction of a permanent facility within Geona Creek.

Waste rock is to be classified based on its potential to be acid generating and metal leaching, with Class A having strong potential for acid generation or metal leaching, Class B having weak potential for acid generation or metal leaching and Class C being potentially acid consuming. Tailings are also expected to be classified as Class A material and will be co-disposed with Class A waste rock.

Class A and B Storage Facilities are designed to encapsulate the stored waste products to minimize contact with oxygen and water. A low permeability seepage barrier comprising layers of glacial till, HDPE geomembrane and crushed sand and gravel is planned for construction at both the base and cover of each facility. Progressive reclamation is planned on both facilities to control the amount of material exposed to the environment. A buttress is also planned for construction for waste confinement at the downstream slope of the Class A Storage Facility. The Class C Storage Facility is not expected to require specific encapsulation methods and has been designed for long term physical stability. Progressive reclamation will also be adopted for this facility.

RECLAMATION

Returning the natural environment to a pre-mining state through responsible reclamation that is planned, staged and monitored is a core Company objective.

Exploration drill site revegetation, part of the ongoing program of progressive reclamation

WATER MANAGEMENT

All Project infrastructure has been designed to be contained within a single watershed to minimize impacts on the broader environment. The Feasibility Study provides the framework for a comprehensive approach to water management, addressing water management objectives for construction, operations, decommissioning and post closure. The water management plan involves collecting and managing site runoff from disturbed areas and maximizing the recycling of process water. Clean water that does not come into contact with the Project footprint is anticipated to be diverted around the site.

A water treatment plant (WTP) is planned for construction to treat water to meet site discharge quality requirements. The WTP is unique in that it is expected to be capable of recycling 100% of the processing water if required.

As the WTP treats several different water source streams with variable chemistry, the system is designed to keep the different sources of water segregated. By doing this, treatment can be applied selectively and allow for staged deployment of the treatment system. Reuse of water within the mining and processing facilities has also been planned to limit the amount of raw water required for project operations and therefore limit water requiring treatment prior to discharge from site.

BMC has studied the surface water and the groundwater environments since 2015, building on nearly 20 years of data collection by the previous owner.

The water management will be designed to limit the impacts of mining on the natural environment throughout all stages of development, and enable the reclamation of Geona Creek to a fully functioning aquatic and biophysical environment.

POWER SUPPLY

Power is planned to be generated onsite through the use of five dual-fuel (diesel/natural gas) generators that allow the fuel mix to be varied to take advantage of differences in fuel commodity prices and availability. Installed power generation capacity is designed for 27.5 megawatts (MW), with up to four of the five generators expected to be in operation at one time. Full heat recovery from the generators has been planned to provide heat to the process plant facilities during winter. The incorporation of this system is designed to minimize the emission of greenhouse gases from this facility.

OTHER ONSITE FACILITIES

These include an accommodation facility, fuel and explosive storage facilities, paste backfill plant, warehouse, mine workshop, onsite laboratory, and administration offices.

AIRSTRIP

The Finlayson Lake airstrip is planned to be used during development and operation of the KZK Project. The airstrip is approximately 37 km from the Project site, located adjacent to the Robert Campbell Highway.

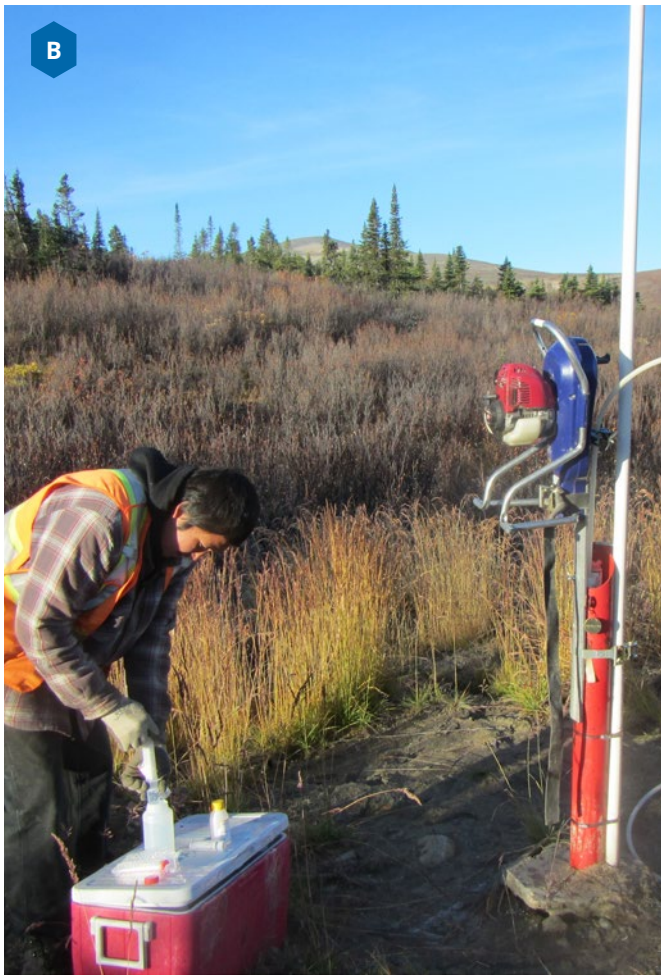
PORT FACILITIES

Stewart World Port has established bulk wharf facilities lying at the end of the deep water Portland Canal. Recent government of Canada funding of CAD$13.1 million is earmarked to increase port capacity with installation of bulk loading conveyor systems and control facilities. The port has a favourable climate, experiences low winds and provides safe anchorage for bulk carriers. Importantly the port is accessible year round being Canada's most northerly ice free port.

Concentrate storage facilities are outlined to be constructed at port for storage of copper and zinc bulk concentrates. Storage capacity requirements have been estimated at 25,000 tonnes. Lead concentrate is to remain in the containers used for road transportation. Additional infrastructure for concentrate handling is expected to include a truck tipper for unloading bulk copper and zinc concentrates and a rotating spreader for handing containerized lead concentrate.

GREENHOUSE GAS EMISSIONS

The Project has been designed to minimize energy consumption and to thereby minimize greenhouse gas emissions. The use of dual fuel (natural gas / diesel) power generation, the use of sophisticated electronic control systems in the concentrator and powerhouse, centralized controls for water pumping systems, the use of modern heat recovery systems, the use of solar panels where possible, the use of gravity in the flotation design and the use of "in-line" process controls and water recycling will all contribute to enable the KZK to minimize energy use and thereby control greenhouse gas and other emissions.



A *Collecting fish (Artic grayling) data at Finlayson Creek*

B *Collecting groundwater data*

C *Surface water baseline data is collected throughout the year*

COMMUNITY AND ENVIRONMENT

Community

BMC has committed to ongoing community engagement including Kaska First Nations throughout the life of the Project. Our relationships with local communities are fundamental to the success of our business. Honest engagement is one of our core values.

Our goal is to ensure our Project legacy is positive and our policies, actions and behaviour are designed with this desire in mind.

ECONOMIC CONTRIBUTION

The KZK Project is expected to represent a significant contribution to the Yukon economy by providing employment opportunities, training and wages, and government revenue.

To ensure Kaska have the capacity and capabilities to take advantage of the mining opportunities presented, BMC has for the last six years, developed early employment and business opportunities, provided education scholarships, supported training initiatives and established an employment mentoring program to assist local Kaska to obtain and maintain employment at the Project.

Beyond the local employment benefits and the contribution to a stronger, more sustainable local economy, the proposed KZK Project represents a significant source of income for local businesses through the mining supply chain and business development opportunities, and also provides revenue to the Yukon and Canadian Governments through direct and indirect corporate taxes, royalties, and employment taxes.

Social and Economic benefits and the distributions from our current operations under the existing Socio-Economic Participation Agreement (SEPA) are reported to Kaska First Nations on an annual basis. These reports are publicly available.

LOCAL PROCUREMENT

To ensure that local communities benefit from our operations, we are committed to sourcing goods and services from local and national suppliers wherever practicable. BMC has and will continue to use a Best Value Procurement process that incorporates consideration of multiple factors in addition to costs including social benefit, environment sustainability, locality. BMC believe that this commitment will ultimately result in increased capacity for local communities and better day to day support for the KZK operations.

A *Tu Lidlini, a local business with service contract supplying to the KZK site*

B *KZK camp kitchen*

C *Drill rig at work*

LOCAL EMPLOYMENT

Development of the KZK Project is proposed over the next three years with consultation and active participation of Kaska First Nations. BMC will use this time to provide the opportunity for local people to learn the technical and business skills that will allow them to be considered as future mining professionals and managers.

In 2016, BMC initiated the Kaska-BMC Education Scholarship program, comprising a scholarship/study assistance program aimed at supporting students that want to commence, continue or complete secondary or post-secondary studies and who would benefit from additional financial support. To date over 120 Kaska students have been supported, well on the way to reaching the target of 200 Kaska students by the time the mine is expected to commence production.

BMC has employed a number of university graduates who have benefited from our support of the Kaska-BMC Education Scholarship program.

LOCAL BUSINESSES

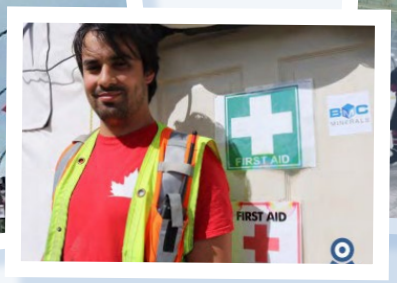
BMC has committed to sharing the anticipated benefits of the KZK Project and help locals and Kaska build capacity to maximize business opportunities and profits from the KZK Project.

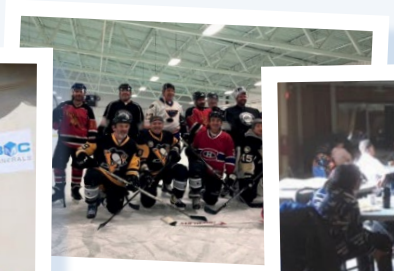
BMC view this as a collaborative approach to building an operation that develops sustainable local businesses. All BMC's major contracts and service agreements contain legally binding clauses to ensure contracting opportunities, training and employment opportunities are provided to Kaska on a preferential basis. BMC have grown the percentage of KZK's major on site contracts awarded to Kaska related businesses from 30% in 2015 to approximately 70% by 2020.

BMC sharing KZK Project information with youth at community event

BMC Minerals - Part of the Community

2014	Engagement with local Kaska (Ross River Dena Council) prior to Project acquisition
2015	KZK Project acquired and policy of local employment initiated
	30% of major contracts awarded to Kaska businesses
2016	55% of major contract expenditures awarded to Kaska or other First Nation related companies
	Recipient of Yukon Government's Robert E. Leckie award for excellence in environmental performance
	BMC-Kaska Education Scholarship and Mentor programs initiated
2017	KZK Project Proposal submitted to Yukon Environmental & Socio-economic Board (YESAB) for assessment
	50% of on site contracts and 60% of contract value awarded to Kaska related companies
	Initiated development of bilateral co-management agreements which include; Traditional Knowledge Protocol; Environmental Management; Cultural & Heritage Management
	BMC maintains and improves on commitment to providing local supplier/contract opportunities
	Second year of BMC-Kaska Education Scholarship
2018	KZK passes through Adequacy Stage with YESAB
	Over 70% of work carried out on KZK was undertaken by Yukon based businesses; all bar one were Kaska businesses or were party to a Kaska Joint Venture
	Two environmental scientists from the Kaska-BMC scholarship program join BMC in permanent graduate roles
	BMC's Kaska mentor program sees 100% retention success for Kaska employees
	By Dec 2018 the Kaska-BMC scholarship program had supported 10 University students, 14 Yukon College students and over 50 High School graduates
2019	75% of on site contracts awarded to Kaska companies
	KZK Feasibility Study completed June 2019
	YESAB issued Draft Screening Report
2020	YESAB issued Final Screening Report
	Updated KZK Feasibility Study completed November 2020
	KZK camp upgrade works awarded to and employing nearly 100% Kaska businesses and employees
2021	BMC-Kaska Scholarship Program awards nine scholarships for 2020/21 school year, with the scholarship program fund totaling CAD$146,000 to date and a total of 120 Kaska students receiving the financial support towards their studies since the program's inception.





Community engagement includes: Education scholarships & sponsorships, vocational training opportunities, community information presentations, community trips to KZK site, sponsorships of community events, provision of funding for special community needs and regular community newsletters

Environment

BMC recognizes that there is a fundamental requirement to conduct activities in an environmentally responsible and ethical manner with due regard to the legacy of our actions. To achieve this BMC has adopted an Environmental Management System that aims to minimize the environmental footprint of the Project operations. The Project Feasibility Study has incorporated management systems designed to minimize pollution and maximize the efficient use of energy.

Since purchasing the KZK Project, BMC has initiated a comprehensive environmental baseline survey program to support a sustainable mining operation. BMC are fortunate to have inherited a legacy of environmental and socio-economic baseline studies completed to a high standard since the 1990s. This has provided over 20 years baseline studies, undertaken by independent specialists.

By understanding all the environmental factors and incorporating First Nation traditional knowledge and land use in and around the proposed mine, BMC can develop the KZK Project in an environmentally and socially responsible way, through construction, into operation and after closure.

In November 2016, BMC Minerals received the Yukon Government's Robert E Leckie Award for "Responsible and Innovative Exploration and Mining Practices". This is an annual award presented to worthy recipients for excellence in environmental stewardship, outstanding social responsibility, and leadership and innovation in overall process.

Environmental monitoring occurs throughout the year at KZK.

View west across the North Lakes from the eastern edge of KZK property

A *South Lake gill net fish monitoring* B *Air quality monitoring*
C *Flora data collection* D *Surface water sampling*

FINANCIALS

Economic Summary[17]	Unit	Amount
Revenue	US$M	4,197
Net Revenue[18]	US$M	3,228
Site Operating Cost	US$/tonne	68.07
Offsite Operating Cost	US$/tonne	62.35
EBITDA[18]	US$M	2,009
NPV[18] 7% discount rate after tax	US$M	626
IRR[18] after tax	%	46.0
Payback period[18]	years	1.8

The Kudz Ze Kayah Project is anticipated to produce separate copper, zinc and lead concentrates. The copper and lead concentrates in particular are expected to contain high levels of precious metals that are projected to provide significant precious metals credits as an offset to operating costs.

Once these by-product credits are accounted for, the Kudz Ze Kayah Project is anticipated to be a low cost producer when compared against other zinc and silver mines.

Capital Costs

Capital costs [17,19]	Pre-production (US$M)	Sustaining (US$M)	Closure (US$M)	Total (US$M)
Open pit mining	$25	$41	-	$66
Underground mining	$0	$76	-	$76
Processing	$150	$3	-	$153
Infrastructure	$55	$1	-	$56
Water Treatment Plant	$17	$2	-	$19
Closure	$0	-	$48	$48
Sub-Total Direct Costs	$247	$122	$48	$417
Owners and Indirects	$94	Included in above	Included in above	$94
Contingency	$36	Included in above	Included in above	$36
Escalation	$1	$0	$0	$1
Total Capital Costs	**$376**	**$122**	**$48**	**$546**

Pre-production capital costs have been estimated at US$376 million, including owner and indirect costs of US$94 million and US$36 million contingency.

Sustaining and closure capital costs over the life of the project have been estimated at US$170 million (Table above). The total capital requirement over the life of mine has been estimated at US$546 million including underground development and closure costs.

The capital cost estimate is accurate to within the normal limits expected for a Feasibility Study as defined in Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources & Mineral Reserves.

17 Results presented are anticipated or expected results derived from the "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).
18 These are non-IFRS Financial Measures. Please refer to description of these terms in the "Non-IFRS Financial Measures" disclaimer at the end of this document.
19 Cost summations may differ slightly from totals due to rounding.

Operating Costs

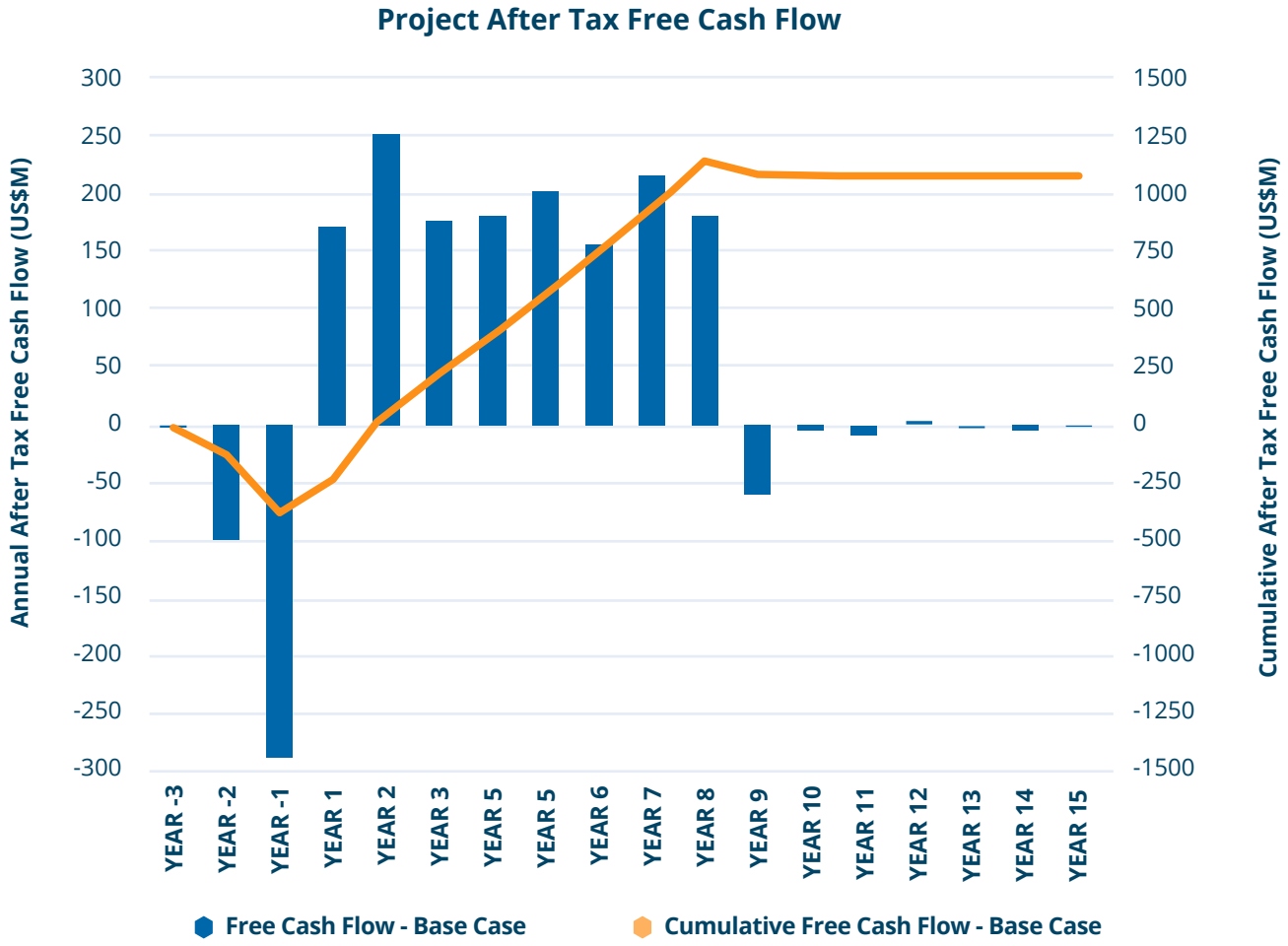
Operating cost estimates are based on a combination of operating experience, reference projects, first principle calculations, third party quotes and estimates, and other factors as appropriate for a Feasibility Study. The total LOM operating cost estimates are summarized in the table below and are accurate to the normal limits expected of a study of this nature and in accordance with CIM. The costs presented exclude capitalized pre-production mining costs which are included in the pre-production capital costs.

Operating Cost [20,21]	Units of Ore Mined (Mt)	Unit Mining Cost (US$/t ore)	LOM Total (US$ million)	Avg Unit Cost (US$/t processed)	Production Cost (US$/lb payable Zn)
Open Pit Mining	14.0	33.25	465	29.59	0.32
Underground Mining	1.7	69.72	121	7.67	0.08
Processing & Water Treatment	-	-	265	16.83	0.18
General & Administration (site)	-	-	120	7.66	0.08
Equipment Leases	-	-	61	3.89	0.04
First Nation (direct payments only)	-	-	38	2.43	0.02
Site Operating Costs	15.7	37.26	1,070	68.07	0.73
Concentrate Marketing (offsite G&A)	-	-	11	0.73	0.01
Transport & Shipping	-	-	437	27.79	0.30
Treatment and Refining Costs	-	-	532	33.83	0.36
By Product Credits	-	-	-2,624	-166.87	-1.79
C1 Cash Costs Zinc[22]	-	-	-573	-36.44	-0.39
Yukon Government Royalties	-	-	198	12.62	0.13
Sustaining Capital	-	-	122	7.79	0.08
AISC Zinc[22]	-	-	-252	-16.04	-0.18

20 Results presented are anticipated or expected results derived from the "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).
21 Cost summations may differ slightly from totals due to rounding.
22 These are non-IFRS Financial Measures. Please refer to description of these terms in the "Non-IFRS Financial Measures" disclaimer at the end of this document.

Geotechnician in KZK core shack recording data collected from diamond drill core

Annual After Tax Free Cash Flow[23, 24]



23 Results presented are anticipated or expected results derived from the "NI 43-101 Technical Report Kudz Ze Kayah Property, Yukon, Canada", effective date 30 October 2020 available on SEDAR www.sedar.com (All key assumptions, parameters and estimation methods are contained in same report).

24 Year 1 is the start of production (ore processing).

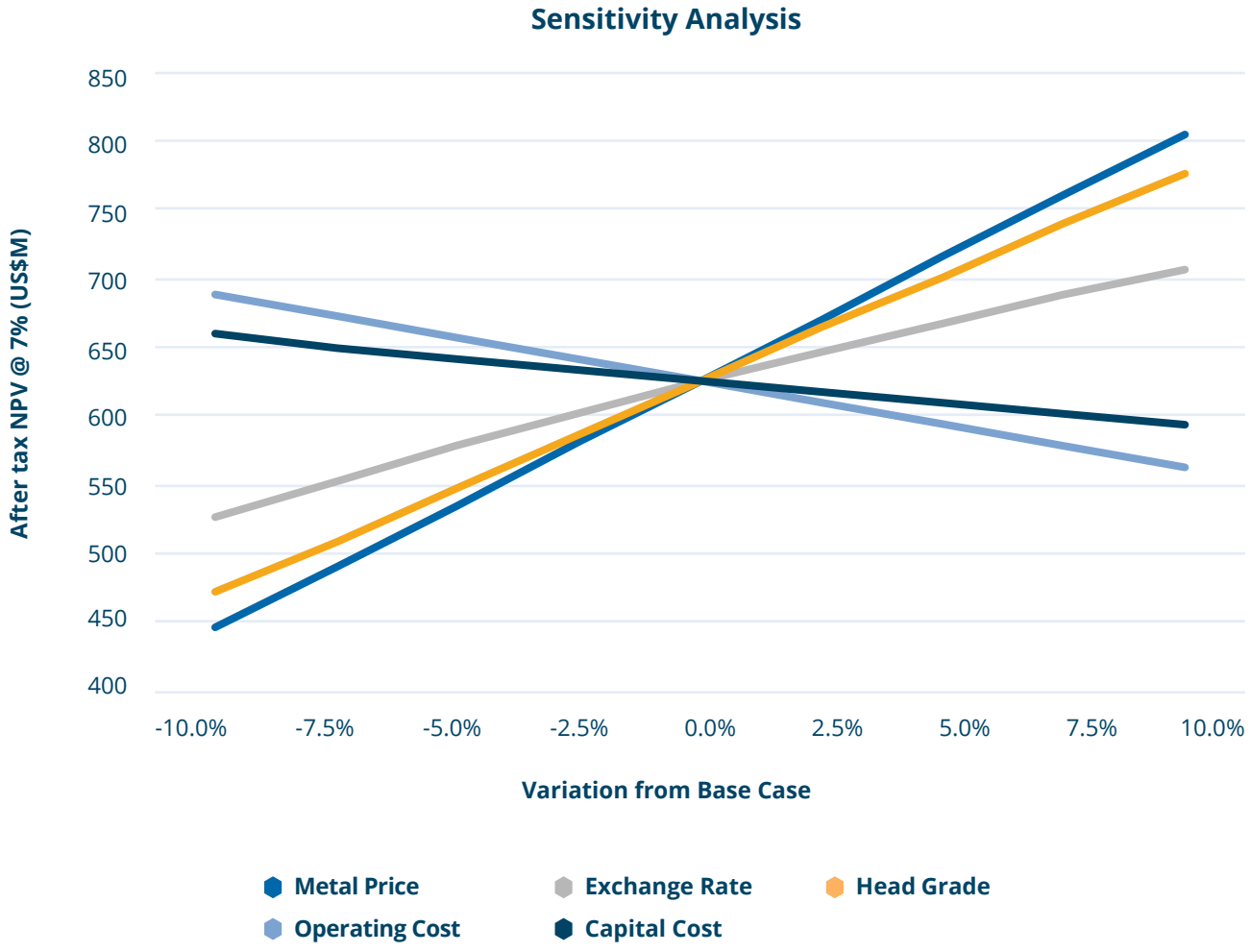
Aurora Geophysics survey crew doing Pelly Project survey work

Sensitivity

The Kudz Ze Kayah Project is anticipated to produce separate copper, zinc and lead concentrates. The copper and lead concentrates in particular are expected to contain high levels of precious metals that are projected to provide significant precious metals credits as an offset to operating costs.

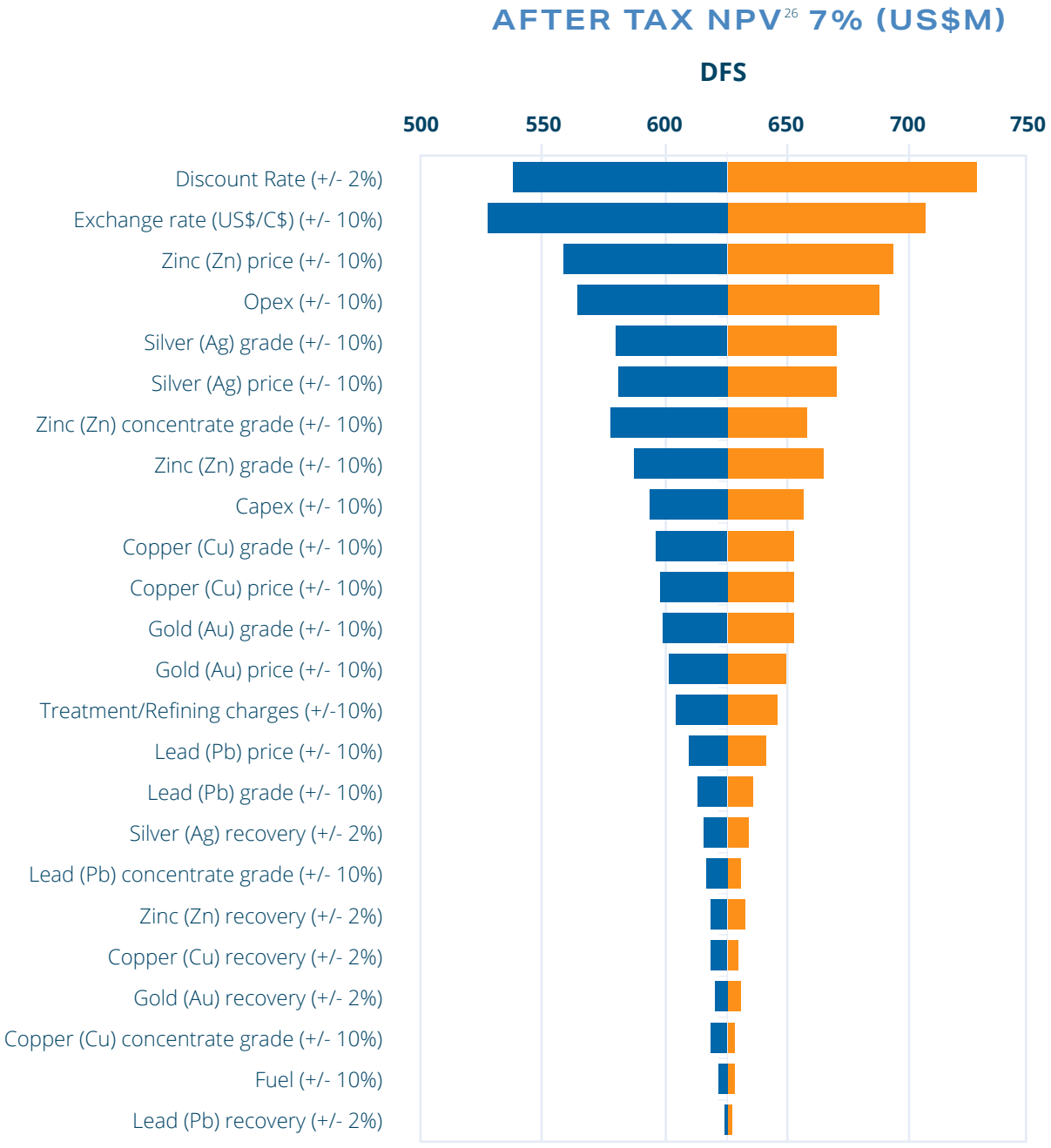
Once these by-product credits are accounted for, the Kudz Ze Kayah Project is anticipated to be a low cost producer when compared against other zinc and silver mines.

AFTER TAX NPV @ 7% (US$M)[25]



25 These are non-IFRS Financial Measures. Please refer to description of these terms in the "Non-IFRS Financial Measures" disclaimer at the end of this document.

Key Variable Sensitivities



The sensitivities of changes in key variables for NPV are shown in the above figure. The sensitivities presented assume a single variable is changed in isolation, with no other changes in related variables. In some instances, this is a simplification. As an example, there is often a direct inverse relationship between metal recovered to concentrate and the concentrate grade. When metal recovery is increased the concentrate grade may decrease due to the increasing additional diluted material often accompanying the increased metal recovery.

26 These are non-IFRS Financial Measures. Please refer to description of these terms in the "Non-IFRS Financial Measures" disclaimer at the end of this document

CAUTIONARY STATEMENT TO US INVESTORS REGARDING MINERAL RESERVES AND MINERAL RESOURCES

The terms "Mineral Resource", "Mineral Reserve", "Probable Mineral Reserve", "Indicated Mineral Resource", and "Inferred Mineral Resource" used in this document are Canadian mining terms as defined in accordance with NI 43-101 under the guidelines set out in the CIM Standards. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

This document uses the terms "Inferred Resources" and "Indicated Resources", which have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred and/or Indicated Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. BMC Minerals advises U.S. investors that while this term is recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize it. U.S. investors are cautioned not to assume that part or all of an Inferred and Indicated resource exists or is economically or legally minable.

NON-IFRS FINANCIAL MEASURES

This announcement contains certain financial measures such as NPV, IRR, EBITDA and others which have no standardized meaning defined under IFRS and therefore amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures or performance prepared in accordance with IFRS.

THE FOLLOWING NON-IFRS DEFINITIONS ARE PROVIDED AS THEY ARE USED IN THIS DOCUMENT.

AISC – All-In Sustaining Costs, includes C1 cash costs, as defined below, plus exploration costs at the Project and sustaining capital expenditures (including progressive expansion of waste storage facilities, permitting and customary improvements to the operations over the life of the project).

ASIC is divided by the number of payable pounds of zinc or ounces of silver, estimated to be produced for the period to arrive at AISC per zinc pound or silver ounce produced.

C1 Cash Cost – Net Direct Cash Cost (C1) represents the cash cost incurred at each processing stage, from mining through to recoverable metal delivered to market, less net by-product credits (if any), divided by the number of payable pounds of zinc or ounces of silver, estimated to be produced for the period to arrive at C1 Cash Cost per zinc pound or silver ounce produced.

Direct Cash Costs cover:

- Mining, ore freight and milling costs.
- Ore purchase and freight costs from third parties in the case of custom smelters or mills.
- Mine-site administration and general expenses.
- Concentrate freight, smelting and smelter general and administrative costs.
- Materials freight, refining and refinery general and administrative costs.
- Marketing costs (freight and selling).

EBIT – Earnings Before Interest and Taxes, or operating earnings, is revenue minus cost of goods sold and the regular selling, general, and administrative costs of running the business, excluding interest and taxes.

EBITDA – Earnings Before Interest, Taxes, Depreciation and Amortization.

IRR – The Internal Rate of Return, is the discount rate that makes the net present value (NPV) of a project zero. In other words, it is the expected compound annual rate of return that will be earned on a project or investment. The IRR formula is as follows:

$$0 = CF_0 + \frac{CF_1}{(1 + IRR)} + \frac{CF_2}{(1 + IRR)^2} + \frac{CF_3}{(1 + IRR)^3} + \ldots + \frac{CF_n}{(1 + IRR)^n}$$

Where: CF0 = Initial Investment / Outlay, CF_1, CF_2, CF_3 .... CF_n = Cash Flows, n = Period number, IRR = Internal Rate of Return.

NPV – Net Present Value, is the value of all future cash flows (positive and negative) over the entire life of an investment discounted to the present. NPV analysis is a form of intrinsic valuation and is used extensively across finance and accounting for determining the value of a business, investment security, capital project, new venture, cost reduction program, and anything that involves cash flow. The cash flows are "real" numbers (not nominal). The NPV formula is as follows:

$$NPV = \sum_{t=0}^{n} \frac{R_t}{(1 + i)^t}$$

Where: R = net cash inflow-outflows during a single period t, i = discount rate or return that could be earned in alternative investments, t = time of cash flow, n = number of time periods.

Discount Rate – A discount rate is the rate of return used to discount future cash flows back to their present value. This rate is often a company's Weighted Average Cost of Capital (WACC), required rate of return, or the hurdle rate investors expect to earn relative to the risk of the investment. The discount rated used by the Company is 7%. The reference point for most precious metals projects is generally accepted to be 5%. The Company has adopted a discount rate of 7% to reflect the reality that the KZK Project derives approximately 49% of its revenue from precious metals and 51% from base metals.

Net Revenue – Revenue less the costs and charges incurred in selling and delivering the concentrate to market once concentrate departs the mine site. It includes deductions for road and sea freight, freight insurance, concentrate treatment and refining charges and concentrate penalty costs.

Operating Cash Flow Margin – a cash flow ratio which measures cash from operating activities as a percentage of Revenue in a given period. Cash from operating activities has been calculated by Net Income + Non-cash Expenses + (Depreciation and Amortization) + Change in Working Capital.

Operating earnings – Has the same meaning as EBIT.

Payback Period – The Payback Period shows how long it takes for a business to recoup its investment. This type of analysis allows firms to compare alternative investment opportunities and decide on a project that returns its investment in the shortest time, if that criteria is important to them.

Revenue – Revenue from sale of mineral concentrates, being the sum of the quantity of each payable metal multiplied by the sale price for each metal, prior to any deductions related to the sale of concentrates.

Management uses these financial measures to assess how the Project is projected to perform and to plan and to assess the overall effectiveness and efficiency of the future mining and processing operation. These performance measures do not have a meaning within International Financial Reporting Standards ("IFRS") and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measures should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Note: All dollar amounts are in US dollars unless otherwise denoted.

Consultants

Various elements of the Feasibility Study for the Project, were prepared by the following consultants:

Allnorth Consultants Ltd (Allnorth)
www.allnorth.com: Process plant and associated site services and facilities engineering design and capital and operating cost estimation, concentrate haulage;

AqualisBraemar LOC (formerly Braemar Technical Services LLC)
www.aqualisbraemar.com: Port and shipping operating cost estimation;

CSA Global Pty Ltd (CSA)
www.csaglobal.com: Estimation of Mineral Resources, open pit and underground mine design, scheduling, capital and operating cost estimation and Mineral Reserve estimation;

Dempers and Seymour Pty Ltd (D&S)
www.dempersseymour.com.au: Mining geotechnical assessment;

Ensero Solutions Canada, Inc. (formerly Alexco Environmental Group)
www.ensero.com : Environmental baseline monitoring, geochemical assessment of waste rock and tailings and environmental management; and closure cost estimates;

Integrated Sustainability Consultants Inc. (ISC)
www.integratedsustainability.ca: Water treatment plant design and capital and operating cost estimation;

JDS Mining & Energy Inc. (JDS)
www.jdsmining.ca: Port concentrate storage facility capital cost estimation;

Knight Piesold Ltd (Knight Piesold)
www.knightpiesold.com: Tailings and waste rock storage engineering design and surface water management engineering design, and capital and operating cost estimates;

Minnovo Pty Ltd
www.minnovo.com.au was a sub consultant to Allnorth specifically responsible for the process plant design and metallurgical testwork;

On Site Engineering (On Site)
www.onsite- engineering.ca: Engineering design and cost estimates to upgrade the Tote Road to a Mine Access Road;

StoneHouse Consulting Inc. (StoneHouse)
Concentrate marketing assessment; and

Tetra Tech Inc
www.tetratech.com: Groundwater modelling.

Technical Disclaimer - Compliance with NI 43-101

Unless otherwise indicated, BMC has prepared the technical information in this document ("Technical Information") based on information contained in the Company's technical report entitled "NI 43-101 Feasibility Study Technical Report Kudz Ze Kayah Property, Yukon, Canada", filed on SEDAR on November 30, 2020 (collectively the "Feasibility Study"), authored by Karl van Olden (CSA Global), Aaron Green (CSA Global), Geoff Davidson (CSA Global), John Fleay (Minnovo), Les Galbraith (Knight Piesold), Jaimie Cathcart (Knight Piesold), Paul Hughes (Dempers and Seymour), AJ MacDonald (Integrated Sustainability), Don Williams (Allnorth), Luc Robillard (Allnorth), Mark Moosaei (Allnorth), Bader Diab (AqualisBraemar), Guy Roemer (Tetra Tech), Cheibany Elemine (Ensero) and Jeremy Araki (Onsite Engineering) each of whom is a qualified person (a "Qualified Person" or "QP") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101"). The Mineral Resource Estimates presented for the Kona Deposit are extracted from "NI 43-101 Technical Report Fyre Lake Project, Yukon, Canada", effective date 25 February 2018, filed on SEDAR April 8, 2019, and publicly available on SEDAR's website www.sedar.com (collectively the "Technical Reports" and, together with the Feasibility Study, the "**Disclosure Documents**"). For readers to fully understand the information in this document they should read the Disclosure Documents in their entirety including all qualifications, assumptions and exclusions that relate to the information set out in this document which qualifies the Technical Information. Readers are advised that mineral resources are not mineral reserves and do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The Technical Information in this document has been prepared in accordance with Canadian regulatory requirements set out in NI 43-101 and reviewed and approved by Mr. Robin Black, VP Exploration for BMC Minerals Ltd and a QP under NI 43-101.

Please see the Disclosure Documents for details regarding, as applicable, (i) the data verification undertaken with respect to the Technical Information included in this document, (ii) for additional details regarding the related exploration information, including interpretations, the QA/QC employed and sample and analytical and testing results and (iii) for additional details regarding the Mineral Resource and Mineral Reserve estimates disclosed herein.

CORPORATE DIRECTORY

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Scott Donaldson	President & CEO
Neil Martin	Executive Director
George Smith	Group Engineer & Executive Director
Dave Ellis	Director
Richard Jennings	Director
Mark Brown	Director
Gerbrand Van Heerden	CFO

Executive Team BMC Minerals

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