ANNUAL INFORMATION FORM

FOR THE 232-DAY PERIOD ENDED JUNE 30, 2021

September 27, 2021

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1. PRELIMINARY COMMENTS AND FORWARD-LOOKING STATEMENTS

In this annual information form ("**Annual Information Form**"), unless the context otherwise requires, Monarch Mining Corporation is referred to as the "**Corporation**" or "**Monarch Mining Corporation**". The information in this Annual Information Form is dated as at June 30, 2021, unless indicated otherwise. Unless otherwise indicated in this Annual Information Form, all references to "$", "CAD$" or "dollars" refer to Canadian dollars and all references to "US$" refer to United States ("**U.S.**") dollars.

This Annual Information Form contains forward-looking statements which relate to future events or future performance and reflect management's expectations and assumptions regarding the Corporation's growth, results, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to it. In some cases, forward-looking statements can be identified by words such as "may", "would", "could", "will", "should", "expect", "intend", "aim", "attempt", "anticipate", "believe", "study", "target", "estimate", "forecast", "predict", "outlook", "mission", "aspire", "plan", "schedule", "potential", "progress" or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements regarding the Corporation's future results, the intended exploration, development, operation and performance of the Beaufor Mine (as defined herein), the McKenzie Property (as defined herein), the Croinor Property (as defined herein), the Swanson Property (as defined herein) and the Beacon Mill (as defined herein), the economic performance, as well as the Corporation's achievement of milestones, including the ability to obtain sufficient financing for the Beaufor Mine and the Beacon Mill, are or involve forward-looking statements.

Forward-looking information is based on reasonable assumptions that have been made by the Corporation as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to, the actual results of current exploration, development, engineering and planning activities, access to capital and future prices of gold. Risks are discussed in the section entitled "*Risk Factors*" in this Annual Information Form. Forward-looking information in this Annual Information Form contains, among other things, disclosure regarding: the future sale of gold-based products; the ability of the Corporation to reach, sustain or increase levels of gold production; the Corporation's ability to develop projects that demonstrate attractive economic feasibility; the Corporation's development activities and production plans, including the development and operation of the Beaufor Mine and the Beacon Mill; the exploration and development of the McKenzie Property, the Croinor Property and the Swanson Property; the expected future mining operations at the Beaufor Mine as well as the expected future ore processing activities at the Beacon Mill; the revenues to be generated from the Corporation's production activities at the Beaufor Mine and processing activities at the Beacon Mill; the Corporation's dependence upon the Beaufor Mine and Beacon Mill; the estimates of mineral resources and mineral reserves; the impact of the COVID-19 pandemic ("**COVID-19**") on the Corporation's operations; the future outlook, corporate development and strategy of the Corporation; the government regulation of mining operations, environmental regulation and compliance; the ability to obtain sufficient financing and the permitting required for the Corporation's projects; and business opportunities that become available to, or are pursued by, the Corporation.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: the market price of the metals or minerals being mined; general business and economic conditions; there being no direct operational impacts resulting from infectious diseases or pandemics such as the ongoing COVID-19 pandemic; the supply and demand for, deliveries of, and the level and volatility of prices for gold; the speculative nature of mineral exploration and development; changes in mineral production performance, exploitation and exploration successes; the risk that exploration or development data may be incomplete and additional work may be required to complete further evaluation, including but not limited to drilling, engineering, and socioeconomic studies and investment; the receipt of necessary regulatory and governmental permits and approvals for the Beaufor Mine and the Beacon Mill; the availability of financing for the development of the Corporation's properties and the construction of its facilities and installations on reasonable terms; the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; production costs and estimates; costs, delays, suspensions and technical challenges associated with the development and reopening of the Beaufor Mine and the Beacon Mill; the ability to attract and retain skilled staff; development and production timetables; competition and market risks; the accuracy of the Corporation's mineral resource and mineral reserve estimates as well as the geological, operational and price assumptions on which they are based; the fact that certain of the initiatives described in this Annual Information Form are still in the early stages and may not materialize; business continuity and crisis management; and such other assumptions and factors as set out herein and elsewhere in this Annual Information Form.

Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that may cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. **The Corporation does not undertake to update or revise any forward-looking information that is included herein, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.**

2. CORPORATE STRUCTURE

2.1 Name, Address and Incorporation

The Corporation was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") under the name "MONARCH MINING CORPORATION / CORPORATION MINIÈRE MONARCH" pursuant to the Articles of Incorporation of the Corporation dated November 11, 2020.

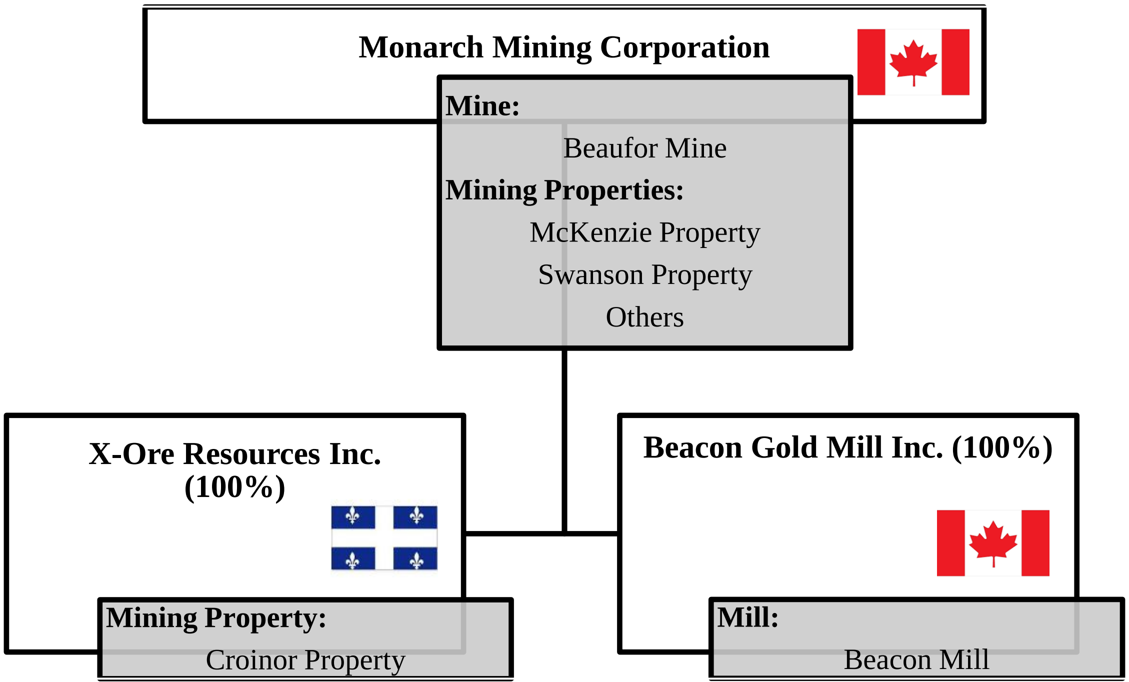
The Corporation's head and registered offices are located at 68 avenue de la Gare, Suite 205, Saint-Sauveur, Québec J0R 1R0.

2.2 Intercorporate Relationship

As of the date of this Annual Information Form, the Corporation beneficially owns 100% of the voting shares of X-Ore Resources Inc. ("**X-Ore**"), incorporated under Part 1A of the *Companies Act* (Québec) (the "**CA**") and continued under the *Business Corporations Act* (Québec) (the "**BCA**"), Beacon Gold Mill Inc. ("**Beacon**"), incorporated under the CBCA, 11306448 Canada Inc. ("**11306448**"), incorporated under the CBCA and Louvem Mines Inc. ("**Louvem Mines**" and collectively with X-Ore, Beacon, 11306448, the "**Subsidiaries**"), incorporated under Part 1A of the CA and continued under the BCA. X-Ore currently holds the Croinoir Property. Beacon currently holds the Beacon Mill. 11306448 and Louvem Mines are currently inactive.

The following corporate chart illustrates the aforementioned intercorporate relationships between the Corporation and its material subsidiaries as at the date of this Annual Information Form, indicating their jurisdiction of incorporation. All the common shares of the Subsidiaries are directly held by the Corporation.

Figure 1 – Corporate Organization Chart



3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Introduction and Outlook

The Corporation is a fully integrated gold mining company focused on pursuing growth through its diversified portfolio of advanced projects in the Abitibi mining camp, in Québec, Canada. The Corporation owns four gold projects, including the fully permitted past-producing Beaufor mine and property (the "**Beaufor Mine**"), which has produced more than 1 million ounces of gold over the years. Other advanced projects owned by the Corporation include the Croinor Gold property (the "**Croinor Property**"), the McKenzie Break property (the "**McKenzie Property**") and the Swanson property (the "**Swanson Property**"), all located near the Corporation's wholly owned and fully permitted 750 tonnes per day ("**tpd**") Beacon Gold mill (the "**Beacon Mill**"). The Corporation owns 28,702 hectares ("**ha**") (287 square-kilometers ("**km^2**")) of mining assets in the prolific Abitibi mining camp in Québec, Canada, that host 714,982 ounces of combined measured and indicated gold resources and 421,793 ounces of combined inferred resources.

Table 1 – Mining Properties

Monarch Mining Corporation	
Beaufor Mine	The Beaufor Mine is expected to be brought into production by June 2022.
McKenzie Property	The McKenzie Property is an advanced exploration project.
Swanson Property	The Swanson Property is an advanced exploration project.
X-Ore Resources Inc.	
Croinor Property	The Corporation has a certificate of authorization for mine operations at the Croinor Property.
Beacon Gold Mill Inc.	
Beacon Mill	The Beacon Mill is fully permitted, including a certificate of authorization by the *Ministère de l'Environnement et de la Lutte contre les changements climatiques* (the "**MDELCC**") for the processing of 1.8 million tonnes of tailings, equivalent to approximately nine (9) years of mineral processing at full capacity. The Beacon Mill is expected to restart by June 2022.

3.2 History

The events described below have influenced the general development of the business of the Corporation from the date of its incorporation until the end of the 232-day period ended June 30, 2021, and up to the date of this Annual Information Form.

3.2.1 232-day period ended June 30, 2021 and up to the date of this Annual Information Form

Arrangement between Monarch Gold Corporation and Yamana Gold Inc.

The Corporation was incorporated under the CBCA on November 11, 2020, for the purposes of completing an arrangement under Section 192 of the CBCA (the "**Arrangement**") between Yamana Gold Inc. ("**Yamana**") and Monarch Gold Corporation ("**MGC**"). Effective January 21, 2021, MGC transferred the Beaufor Mine, the McKenzie Property, the Croinor Property, the Swanson Property, the Beacon Mill, and other assets and liabilities to its newly formed subsidiary, the Corporation, and Yamana acquired the other properties and the other mill of MGC by acquiring all of the issued and outstanding common shares of MGC (the "**MGC Common Shares**"). As provided in the Arrangement, on January 21, 2021, the Corporation was spinned-out: it ceased to be a wholly owned corporation of MGC, and 100% of the issued and outstanding common shares of the Corporation (the "**Common Shares**") were owned by the former shareholders of MGC. Under the Arrangement, the former shareholders of MGC received, for each MGC Common Share held: (i) 19.2 cents in cash from Yamana; (ii) 0.0376 of a common share of Yamana (a "**Yamana Common Share**"); and (iii) 0.20 of a Common Share. On January 26, 2021, shortly following the completion of the Arrangement, the Common Shares started trading on the Toronto Stock Exchange ("**TSX**") under the symbol "GBAR".

Trading on the OTCQX Market

On May 20, 2021, the Corporation announced that it started trading on the OTCQX under the symbol "GBARF". The Corporation upgraded to the OTCQX from the Pink Open Market. Upgrading to the OTCQX is an important step for companies seeking to provide transparent trading for their U.S. investors. To qualify for OTCQX, companies must meet high financial standards, follow best corporate governance practices, and demonstrate compliance with applicable securities laws.

DTC Eligibility

On June 7, 2021, the Corporation received confirmation from the Depository Trust Company ("**DTC**") that its Common Shares were now eligible for electronic clearing and settlement through DTC in the U.S. DTC is a subsidiary of The Depository Trust & Clearing Corp. DTC manages the electronic clearing and settlement of publicly traded companies in the United States. Securities that are eligible to be electronically cleared and settled through DTC are considered DTC eligible. This electronic method of clearing securities accelerates the settlement process for investors and brokers, enabling a security to be traded over a much wider selection of brokerage firms.

Beaufor Mine

On January 28, 2021, the Corporation announced an updated mineral resource estimate for its Beaufor Mine. Effective December 18, 2020, the Beaufor Mine contained a measured resource of 121,000 tonnes grading at 5.62 grams per tonne of Gold ("**g/t Au**") for a total of 21,900 ounces of gold, an indicated resource of 310,100 tonnes grading at 7.10 g/t Au for a total of 70,800 ounces, and an inferred resource estimated at 134,600 tonnes grading 6.96 g/t Au for a total of 30,100 ounces.

On April 29, 2021, the Corporation announced results from its 42,500-metre ("**m**") diamond drilling program (the "**2020-2021 Beaufor Drilling Program**"). The results include several high-grade assays, including 187.0 g/t Au over 0.5 m, 151.5 g/t Au over 0.5 m and 147.5 g/t Au over 0.3 m.

On May 10, 2021, the Corporation announced that it awarded a mineral resource estimate contract for the Beaufor Mine (the "**2021 Beaufor MRE**") to the engineering consulting group BBA Inc. ("**BBA**") to update the mineral resource estimate for the Beaufor Mine. Up until December 2020, mineral resource estimates for the Beaufor Mine used a polygonal method on cross sections. The 2021 Beaufor MRE to be produced by BBA was intended to represent the first block model type resource estimate for the Beaufor Mine. The estimate would include much of the historical information as well as results of the 2020-2021 Beaufor Drilling Program. This work is in line with the Corporation's vision and approach of using new and more advanced technologies to treat vast amounts of historical data that had previously been worked and viewed in a predominantly 2D format.

On June 3, 2021, the Corporation announced its plan to reopen its wholly-owned Beaufor Mine and Beacon Mill by June 2022, and its intention to focus on operating the Beaufor Mine through two accesses (the production ramp near the mine (500 m) and the shaft), instead of the shaft access only. The 2020-2021 Beaufor Drilling Program was ongoing with four (4) drills operating underground. The Corporation also started moving into recruiting mode in preparation for the reopening of its facilities.

On July 7, 2021, the Corporation announced additional results from its 2020-2021 Beaufor Drilling Program as it continued to test for potential mineral resources in proximity to the historical mine. The results included several high-grade assays, including 119.0 g/t Au over 0.5 m within a wider zone of 18.93 g/t Au over 3.5 m, 56.1 g/t Au over 0.8 m within a wider zone of 29.53 g/t Au over 1.78 m and 45.6 g/t Au over 0.75 m within a wider zone of 27.60 g/t Au over 1.65 m. Since the previously reported results, the Corporation drilled 42 additional underground exploration holes (4,928 m).

On July 28, 2021, the Corporation announced the results of the 2021 Beaufor MRE, which was prepared by BBA and resulted in a 136% increase in measured and indicated gold resources and a 307% increase in inferred resources. As of July 28, 2021, the Beaufor Mine contained an estimated measured mineral resource of 328,500 tonnes grading at 5.7 grams per tonne of gold for a total of 59,900 ounces of gold, an estimated indicated mineral resource of 956,400 tonnes grading at 5.2 g/t Au for a total of 159,300 ounces, and an estimated inferred resource estimated at 818,900 tonnes grading 4.7 g/t Au for a total of 122,500 ounces of gold. On August 24, 2021, the Corporation announced the filing of the 2021 Beaufor MRE.

McKenzie Property

On February 8, 2021, the Corporation announced an updated mineral resource estimate for its McKenzie Property (the "**2021 McKenzie MRE**"). The 2021 McKenzie MRE follows diamond drilling programs performed over 2018-2020 that included 75 drill holes totalling 20,037.9 m. The 2018-2020 program focused on better defining and expanding the mineralization within the previously proposed pitshell and the deeper known mineralization covering an area measuring 1,300 m along strike by 900 m and to a vertical depth of 455 m. The updated estimate represented a 44% increase in the indicated resource to 145,982 ounces of gold and a nearly 300% increase in the inferred category to 250,593 ounces of gold.

On March 8, 2021, the Corporation announced that it increased the size of its McKenzie Property by map-staking 36 new mining cells totalling 1,940 ha (19.4 km^2), extending the property southward. The staking expanded the property to 169 claims covering 7,070 ha (70.7 km^2).

On March 22, 2021, the Corporation announced the first set of results from its 2020-2021 exploration diamond drilling program on its McKenzie Property. The results include several significant gold intersections as the Corporation continues to expand the high-grade section of the estimated resource towards the south, east and west. Phase 1 diamond drilling was carried out on 50-metre step-out holes with 5,912 m drilled. Assay results were available for six (6) of the 12 holes drilled. The most significant result included 8.46 g/t Au over 13.8 m from hole MK-20-259, drilled 50 m south of hole MK-20-255, which returned an assay of 13.95 g/t Au over 14.35 m. Results were also obtained 50 m west of hole MK-20-255, with 19.5 g/t Au over 1.0 m and 7.83 g/t Au over 1.0 m in hole MK-20-257.

On June 22, 2021, the Corporation announced more results for its exploration diamond drilling program on its McKenzie Property. The results included several significant intersections as the Corporation continued to extend the high-grade portion of the recently estimated mineral resource towards the northeast and south. Hole MK-20-276 intersected 70.80 g/t Au over 0.4 m and 10.20 g/t Au over 1.2 m, extending the resource envelope approximately 50 m to the south. Hole MK-20-266 intersected 8.80 g/t Au over 1.0 m within a wider section of 6.47 g/t Au over 3.0 m, and a second zone of 2.25 g/t Au over 12.0 m, including 13.8 g/t Au over 1.0 m, thus extending the mineral resource envelope 75 m to the northeast. Phase 2 of the 2020-2021 diamond drilling program on the McKenzie Property started in April 2021 and was accelerated in June 2021 with the addition of a second drill rig.

Swanson Property

On February 1, 2021, the Corporation announced an updated mineral resource estimate for its Swanson Property (the "**2021 Swanson MRE**"). The Swanson Property hosts a known gold deposit. The mineral resource estimate indicated that: (i) geological and grade continuity are demonstrated for the four (4) gold-bearing zones; (ii) the estimated mineral resources are reported for combined constrained pit and underground scenarios; (iii) the total indicated resource stands at 113,800 ounces of gold, corresponding to 1,945,000 t at 1.82 g/t Au; (iv) the total inferred resource stands at 10,300 ounces of gold, corresponding to 116,000 t at 2.76 g/t Au; and (v) it is likely that additional diamond drilling at depth would increase the inferred tonnage and allow some of the inferred resources to be upgraded to the indicated category. The 2021 Swanson MRE represented 9% more gold in the indicated category and 45% more gold in the inferred category.

Croinor Property

On May 18, 2021, the Corporation announced that it completed a 5,286 m (26 holes) diamond drilling program on its Croinor Property, focused on exploration targets outside the deposit and current mineral resource envelope. The best high-grade drill results for the Bug Lake Zone included 24.70 g/t Au over 0.6 m in hole CR-20-706 and 17.70 g/t Au over 1.2 m in hole CR-20-713. Broader zones of lower-grade mineralization were intersected in the Bug Lake Zone, including 1.79 g/t Au over 21.0 m in hole CR-20-710 and 2.32 g/t Au over 9.6 m in hole CR-20-711. High-grade mineralization within the Busmac claims included 16.9 g/t Au over 0.4 m intersected in hole CR-20-703. Anomalous gold mineralization was traced for several hundred metres along strike within the Croinor and Busmac horizons. Semi-massive sulphides were intersected over 7 m in the northwest part of the Croinor Property. Significant mineralization was also intersected in the area of the Busmac showing, located 4.5 kilometers ("**km**") west of and stratigraphically below the Croinor deposit.

$11.25 Million Transaction with Gold Royalty Corp.

On August 5, 2021, the Corporation announced the closing of a transaction with Gold Royalty Corp. ("**Gold Royalty**") whereby Gold Royalty acquired the following royalty interests from the Corporation for cash proceeds of $11.25 million: a $2.50 per tonne royalty on all material processed through the Beacon Mill originating from the Beaufor Mine operations; and a 2.5% net smelter return ("**NSR**") royalty on each of the Croinor Property, the McKenzie Property and the Swanson Property, of which half (1.25%) can be bought back by the Corporation for $2 million per property in the future, subject to certain conditions being met. As a condition and as part of the transaction, Gold Royalty acquired a 1% NSR on the Beaufor Mine from the *Caisse de dépôt et placement du Québec* ("**CDPQ"),** and the Corporation's existing buy back right relating to a 1% NSR held by the CDPQ was cancelled and extinguished, following which CDPQ held a 2% NSR and Gold Royalty a 1% NSR on the Beaufor Mine. CDPQ's royalty interest will be reduced to a 1% NSR once it has received royalty payments aggregating $5 million. Gold Royalty made a first cash payment of $7.5 million at closing and will make the final payment of $3.75 million six months later.

$13.5 Million Financing with Investissement Québec

On August 16, 2021, the Corporation announced the closing, on August 13, 2021, of a $13.5 million senior secured term loan agreement (the "**Loan**") with *Investissement Québec* ("**IQ**"). The Loan has a three-year term and bears interest at an annual rate of 6% until the restart of the Beaufor Mine and Beacon Mill, 5% during the first year of production and 4% for the subsequent years, subject to certain pre-established terms and conditions.

Technical Reports

On January 28, 2021, the Corporation filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") a technical report entitled *NI 43-101 Technical Report and Mineral Resource Estimate for the Beaufor Mine* effective as of December 18, 2020.

On February 1, 2021, the Corporation filed on SEDAR a technical report entitled *NI 43-101 Technical Report and Mineral Resource Estimate for the Swanson Project* effective as of January 22, 2021 (the "**Swanson Technical Report**"). This technical report was prepared by Ms. Christine Beausoleil, P. Geo., and Mr. Alain Carrier M. Sc., P. Geo, InnovExplo Inc. ("**InnovExplo**") (collectively, the "**Authors of the Swanson Technical Report**"). See Section "*Description of the Business – Swanson Property*" for further details.

On February 11, 2021, the Corporation filed on SEDAR a technical report entitled *NI 43-101 Technical Evaluation Report on the McKenzie Break Project* effective as of February 1, 2021 (the "**McKenzie Technical Report**"). This technical report was prepared by Mr. Alain-Jean Beauregard, P. Geo., and Mr. Daniel Gaudreault, P. Eng. from Geologica Groupe-Conseil Inc. ("**Geologica**"), and Mr. Merouane Rachidi, P. Geo., and Mr. Claude Duplessis, P. Eng., of GoldMinds GeoServices Inc. ("**GoldMinds GeoServices**") (collectively, the "**Authors of the McKenzie Technical Report**"). See Section "*Description of the Business – McKenzie Property*" for further details.

On August 23, 2021, the Corporation filed on SEDAR a technical report entitled *NI 43-101 Technical Report and Mineral Resource Estimate for the Beaufor Mine Project, Project, Val-d'Or, Québec, Canada* effective as of July 23, 2021 (the "**Beaufor Technical Report**" and, collectively with the Swanson Technical Report and the McKenzie Technical Report, the "**Technical Reports**"). This technical report was prepared., Ms. Charlotte Athurion, P. Geo., Mr. Clovis Auger, P. Geo. and Mr. Dario Evangelista, P. Eng., each of them from BBA (Val-d'Or, Québec) (collectively, the "**Authors of the Beaufor Technical Report**"). See Section "*Description of the Business – Beaufor Mine*" for further details.

Issuances for Cash Consideration

$5.1 Million Bought Deal Private Placement of Flow-Through Shares

On March 4, 2021, the Corporation closed a bought deal private placement for aggregate gross proceeds of approximately $5,080,000. This offering was conducted pursuant to the terms and conditions of an underwriting agreement entered into among the Corporation, Sprott Capital Partners LP and Stifel GMP, as co-lead underwriters and joint bookrunners. This offering consisted of the issuance of (i) 857,143 Québec flow-through Common Shares at a price of $1.75 per Québec flow-through Common Share, and (ii) 2,587,841 flow-through Common Shares at a price of $1.38 per flow-through Common Share.

$6.7 Million Bought Deal Private Placement of Units

On June 29, 2021, the Corporation completed a bought deal private placement for aggregate gross proceeds of $6,655,600. This offering was conducted pursuant to the terms and conditions of an underwriting agreement entered into among the Corporation, Sprott Capital Partners LP and Stifel GMP, as co-lead underwriters and joint bookrunners. This offering included the exercise by Sprott Capital Partners LP and Stifel GMP of their over-allotment option for additional gross proceeds of $655,600. This offering consisted of the issuance of 8,319,500 units of the Corporation at a price of $0.80 per unit. Each unit consisted of one Common Share and one-half of one Common Share purchase warrant. Each Common Share purchase warrant entitles the holder thereof to purchase one Common Share at an exercise price of $1.05 for a period of 24 months from the date of issuance thereof.

3.3 General Trends for Fiscal Year Ending June 30, 2022

Beaufor Mine

The Beaufor Mine initially began commercial production in the early 1930s and, over the years, has produced over 1.1 million ounces of gold. In June 2019, the Beaufor Mine was put into care and maintenance, which was taken as an opportunity to drill-test targets throughout the mine area.

On May 7, 2020, the CDPQ purchased, from the previous owner, a 3% NSR royalty on the gold production at the Beaufor Mine for $5 million. This investment was a turning point for the Beaufor Mine, as it allowed to start a new drilling program to test mainly areas near historical high-grade drill intersections and areas associated with known vein structures that remained open, as well as testing the deposit's potential at depth. In June 2020, the 2020-2021 Beaufor Drilling Program was initiated to test two types of targets: the areas around historical high-grade intersections near the existing underground infrastructure, and isolated resource blocks, which are typically defined by a single drill intersection.

Further to positive results from the 2020-2021 Beaufor Drilling Program, the Corporation announced, on June 3, 2021, its intention to bring the Beaufor Mine into production by June 2022, which will allow it to take advantage of a strong gold market and to once again create high-quality jobs for local communities.

As of the date of this Annual Information Form, the Corporation considers that its financial situation enables it to restart operations at the Beaufor Mine and the Beacon Mill during 2022.

McKenzie Property

The McKenzie Property has shown excellent drilling results over a short period of time and continues to hold strong exploration potential. The Corporation's goal is to further expand and delineate the mineralization in order to increase the project's gold resource with a new updated mineral resource estimate planned in 2022.

Swanson Property

The Swanson Property continues to have promising exploration potential. The Corporation intends to initiate a diamond drilling program to test the extensions of the various known and defined mineralized zones of the Swanson Property.

Croinor Property

The Corporation intends to continue to focus on advancing the development of the Croinor deposit while at the same time exploring other showings in this vast land package covering multiple favourable horizons over more than 25 km of strike length.

Beacon Mill

In order to process the ore from the Beaufor Mine, which is scheduled to restart by June 2022, the Corporation plans to simultaneously re-open its fully permitted Beacon Mill.

Market Opportunities

For the fiscal year ending on June 30, 2022, the Corporation intends to stay abreast of market opportunities such as acquisitions, partnership, financings and other transactions.

Capital Allocation

For the fiscal year ending on June 30, 2022, the Corporation will continue to invest in its properties in accordance with its disciplined and prudent capital allocation strategy.

4. <u>DESCRIPTION OF THE BUSINESS</u>

4.1 General

4.1.1 The Corporation

The Corporation is an integrated gold mining company with projects and assets located in the Province of Québec, Canada. As of the date of this Annual Information Form, the Corporation has no mine in operation and is focused on the restart of its Beaufor Mine and Beacon Mill and on advancing the exploration and development of its diversified portfolio of advanced projects in the Abitibi mining camp, in Québec, Canada. As of the date of this Annual Information Form, the Corporation owns 28,702 ha (287 km²) of mining assets, including the Beaufor Mine, the Croinor Property, the McKenzie Property, the Swanson Property and the Beacon Mill.

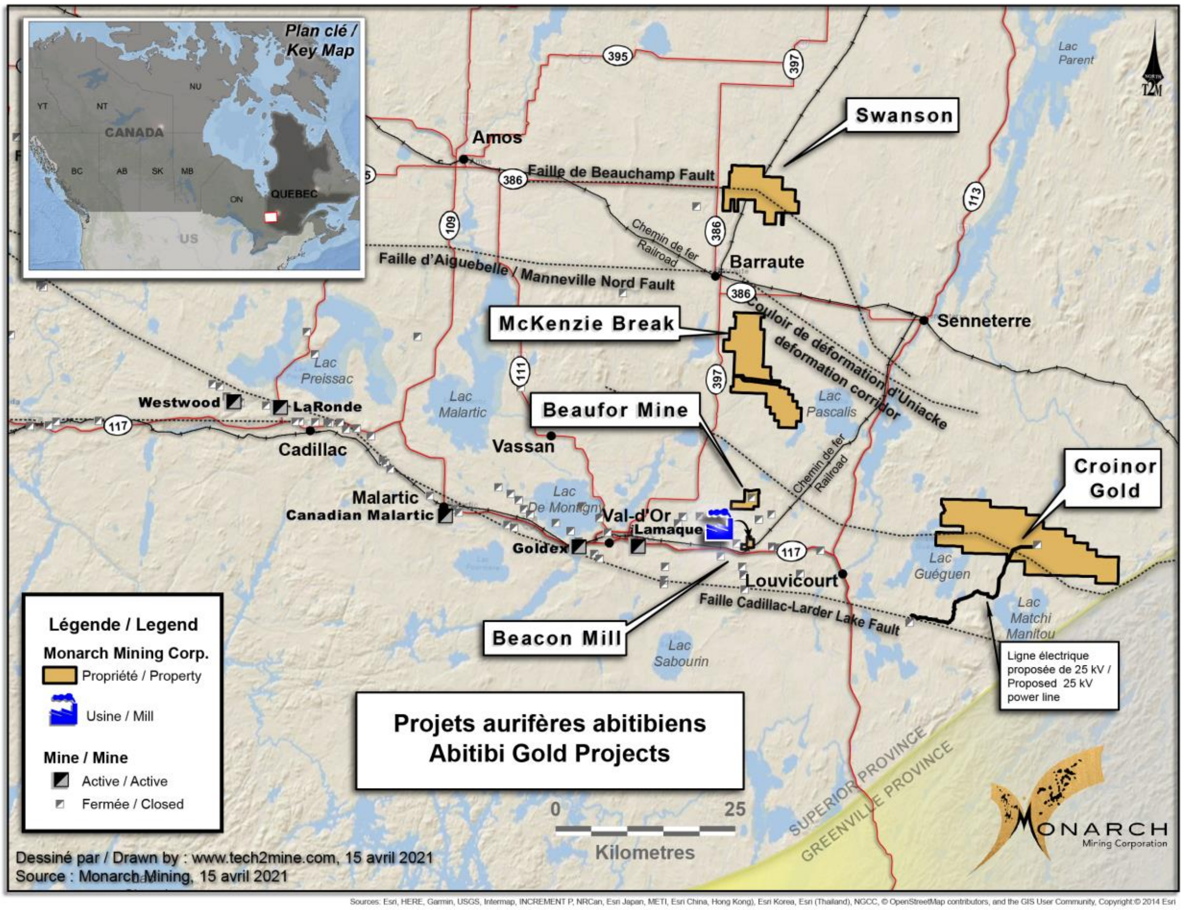
4.2 Description of the Mining Properties

As of the date of this Annual Information Form, the most significant properties of the Corporation and its Subsidiaries are as follows:

Table 2 – Mining Properties

Entity	Properties	Mining concessions			Area (ha)	Mining Lease			Area (ha)	Number of claims	Rights (%)
		Number	Date of Registration	Expiry Date		Number	Date of Registration	Expiry Date			
Monarch Mining Corporation	Beaufor Mine	CM-280PTA	1936-05-09	None	112,91	None	N/A	N/A	N/A	23	100%
		None	N/A	N/A	N/A	BM-858	2003-03-12	2023-03-11	21,83		
			N/A	N/A	N/A	BM-1018	2013-09-17	2033-09-16	32,62		
			N/A	N/A	N/A	BM-750	1986-06-03	2026-06-02	37,5		
	McKenzie Property	None	N/A	N/A	N/A	None	N/A	N/A	N/A	169	100%
	Swanson Property	None	N/A	N/A	N/A	BM-885	2011-07-20	2031-07-19	93,01	127	100%
X-Ore Resources Inc.	Croinor Property	None	N/A	N/A	N/A	BM-862	2004-07-06	2024-07-05	89,72	337	100%
Beacon Gold Mill Inc.	Beacon Mill	CM—356PTB	1947-08-12	None	92,65	None	N/A	N/A	N/A	11	100%

Figure 2 – Map of Properties



4.3 Material Mining Properties

The Corporation acquired the Beaufor Mine, the McKenzie Property, the Swanson Property and the Croinor Property on January 21, 2021, pursuant to the Arrangement between Yamana and MGC.

4.3.1 Beaufor Mine, Val-d'Or, Québec, Canada

Introduction

The Beaufor Mine began commercial production in the early 1930s and has produced over 1.1 million ounces of gold over the years. In June 2019, the production activities at the Beaufor Mine were suspended for an undetermined period and the mine was put into care and maintenance. On June 3, 2021, following continuous strong results from its 42,500-metre drilling campaign and a new plan for the operation of the mine, the Corporation announced its intention to restart production activities in 2022.

The Beaufor Mine consists of a contiguous group of 23 claims, three (3) mining leases and one (1) mining concession. All the claims are registered in the name of the Corporation for a total area of 691.6 ha. Other than the royalties listed herein after, the Corporation does not assume any royalties in regards to the Beaufor Mine: (i) a royalty in favour of Hecla Québec Inc. ("**Hecla**"), based on tonnage and the price of gold, on 50% of the production from the Pascalis bloc, Colombière bloc and mining concession CM-280 Part A; (ii) a royalty in favour of Hecla, based on tonnage and the price of gold, on the Perron bloc; (iii) a 1% NSR royalty owned by Metalla Royalty and Streaming Ltd. once an aggregate production of a 100,000 ounces of gold has been reached since October 2, 2017; (iv) a 2% NSR royalty in favor of CDPQ Sodémex Inc., which will be reduced to a 1% NSR once the royalty payments aggregate $5 million; (v) a 1% NSR owned by Gold Royalty; (vi) a $2.50 per tonne royalty in favor of Gold Royalty on all material processed through the Beacon Mill originating from the Beaufor Mine operations; and (vii) a 2% NSR that may affect the Perron bloc 2.

Unless otherwise indicated, the following description of the Beaufor Mine has been summarized from the Beaufor Technical Report that was prepared by the Authors of the Beaufor Technical Report, each of whom is a "qualified person" and "independent" of the Corporation, as at the issuance date of the Beaufor Technical Report, within the meaning of *Regulation 43-101 respecting Standards of Disclosure for Mineral Projects* and National Instrument 43-101 *Standards of Disclosure of Mineral Projects* (collectively, "**NI 43-101**") and is qualified in its entirety with reference to the full text of the Beaufor Technical Report. The below summary is subject to all the assumptions, conditions and qualifications set forth in the Beaufor Technical Report. The Beaufor Technical Report was prepared in accordance with NI 43-101 and for additional technical details, reference should be made to the complete text of the Beaufor Technical Report which was filed with the applicable regulatory authorities and posted on SEDAR at www.sedar.com on August 23, 2021.

Defined terms and abbreviations used in this section and not otherwise defined in this Annual Information Form have the meanings attributed to them in the Beaufor Technical Report. Readers are cautioned that the information provided in this section is provided as of the effective date of the Beaufor Technical Report, being July 23, 2021. The Authors of the Beaufor Technical Report have verified the disclosure below that has been summarized from the Beaufor Technical Report and have consented to the use thereof in connection with the filling of this Annual Information Form.

Property Description, Location and Access

The Beaufor Mine is a gold mine currently in care and maintenance located in the Province of Québec, in the Abitibi region, in Québec, Canada.

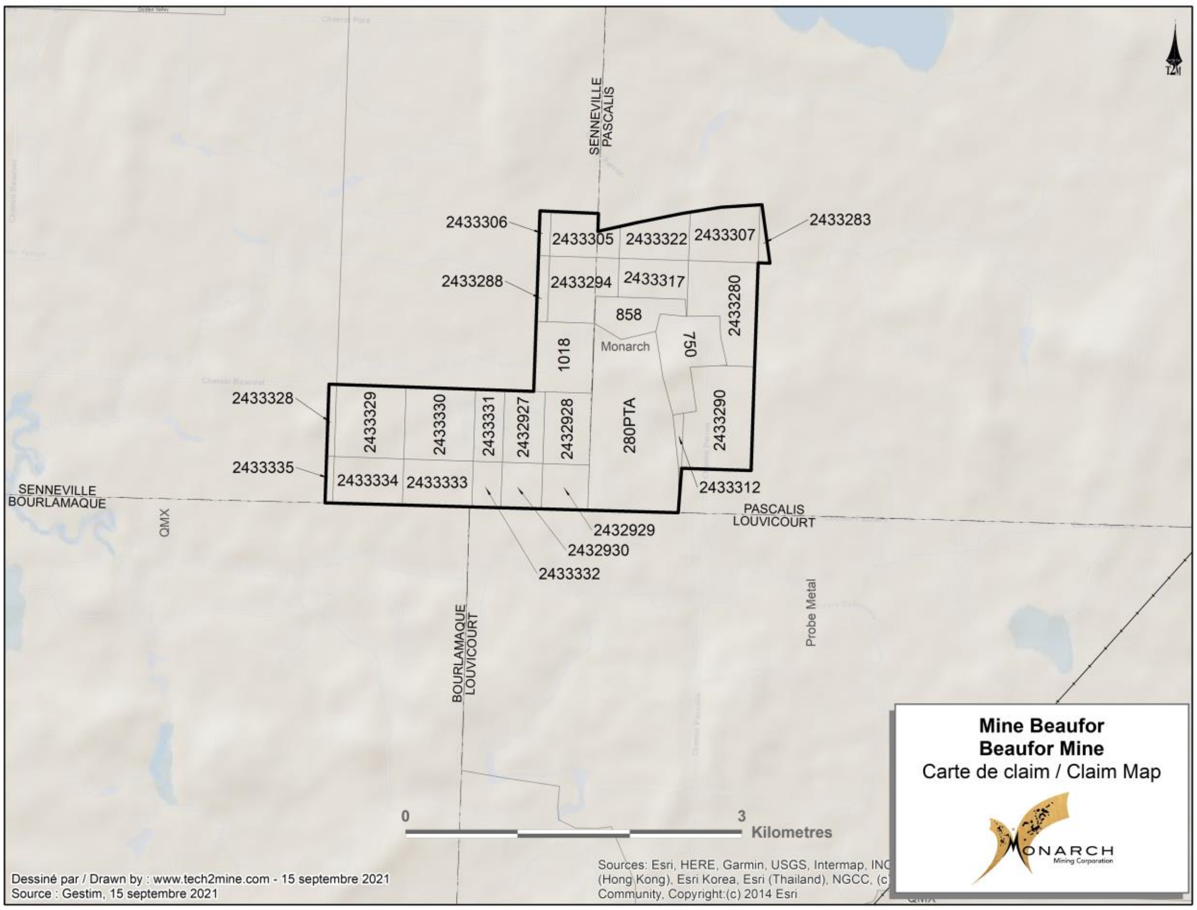
The Beaufor Mine is centred at latitude 48.16°' North ("**N**") and longitude 77.56° West ("**W**") (309464E, 5336894N UTM grid projection of North American Datum ("**UTM NAD**") 83 Zone 18), about 20 km northeast of the town of Val-d'Or, in Québec, Canada and 16 km northwest of the municipality of Louvicourt, in Québec, Canada. The Beaufor Mine underlies National Topographic Service ("**NTS**") map sheet 32C/04.

Claim status was verified using the Governement of Québec's official mining title management system ("**GESTIM**"), available on the website of the *Ministère de l'Énergie et des Ressources naturelles*. As of July 23, 2021, the Beaufor Mine consists of a contiguous group of 27 mineral titles (23 claims, three (3) mining leases and one (1) mining concession). All the claims are registered in the name of the Corporation for a total area of 691.6 ha.

The Beaufor Mine is easily accessible via paved highways from local communities, such as Val-d'Or, in Québec, Canada. The Beaufor Mine is located approximately 20 km northeast of Val-d'Or Township nearby the Provincial Highway 117 and turning north on the chemin Pascalis gravel access road. The Beaufor Mine can be accessed and operated on a year-round basis. Surface exploration work (mapping, channel sampling) should be planned from mid-May to mid-October to avoid snow. Electric installations are already on site.

To the Authors of the Beaufor Technical Report's knowledge, there are no significant factors, risks or legal issues that may affect access, title, the right or ability to perform work on the Beaufor Mine.

Figure 3: Claim Map of the Beaufor Mine



History

Perron Mine (1931-1951)

The Perron Property was staked by prospector Jack Matthews, who discovered spectacular surface gold veining in Pascalis Township in the spring of 1931. The Property was then optioned by Noranda Inc. ("**Noranda**"), which proceeded with trenching and diamond drilling on the Matthews Vein in January 1932. Due to mediocre results, Noranda abandoned its option, which was subsequently procured by Alex J. Perron, who established Matthews Gold Mines Limited ("**Matthews Gold**").

In January 1933, a test mill with a capacity of 10 short tons per day was built on site to treat the mineralized material from the Matthews Vein. The Perron No. 2 shaft was sunk to a depth of 53 m and several gold bearing veins were discovered and developed. In 1934, Perron Gold Mines Limited ("**Perron Gold**") was formed and the Perron No. 2 shaft reached its ultimate depth of 99 m. In 1935, Perron Gold signed an agreement with the Beaufor Mine Corporation ("**Beaufor**") that led to the construction of a new mill, and the sinking of a shaft on the adjacent property. The Beaufor No. 4 shaft was connected to the underground workings of the Perron Mine in 1936, and the milling capacity of the project was increased to 125 tons per day. The mill capacity reached 320 tons per day in 1937. At that time, the Beaufor No. 4 shaft was deepened to 191 m and three levels were developed. In 1938, the last shaft, Perron No. 5, was sunk on the Perron property, reaching a depth of 648 m in 1941. The mine was in production until 1951 and produced 1,605,428 t of mineralized material at an average grade of 8.48 g/t Au for a total of 437,511 ounces of gold.

Beaufor Mine (1930-1942)

The original Beaufor property was staked during the fall of 1930 by George Bussières. The discovery by Matthews on the neighbouring Perron property prompted prospectors to explore for the extension of the Matthews Vein on their own ground. Beaufor Gold Mines Limited ("**Beaufor Gold**") was incorporated in July 1931, and in the spring of 1932, an inclined shaft was sunk along the Matthews Vein to a depth of 76 m. Mine workings were developed on two levels, but due to great irregularities in both shape and grade of the mineralized zones, works were suspended in December 1932. While Perron Gold was pursuing underground development on the Beaufor property, it was purchased by the Cournor Mining Company Limited ("**Cournor**") in 1939. Mineralized material from Beaufor Mine was milled at Cournor's Bussières Mine (the Old Cournor Mine) located a few kilometres to the south. The Beaufor Mine remained in operation until 1942 when a forest fire destroyed the village of Pascalis and the Cournor office at the Bussières Mine. From 1945 to 1950, exploration work was carried out from the underground workings in Perron Mine, but results were not successful enough to restart the Beaufor operations. Total production from the Beaufor property was 161,287 tonnes at an average grade of 7.01 g/t Au for 36,342 ounces of gold.

Pascalis Property

Pascalis Gold Mines Limited ("**Pascalis Gold**") carried out surface trenching and diamond drilling on their property in 1934 and 1935. Exploration work indicated that the Perron deposit extended onto the Pascalis property. As Pascalis Gold and Perron Gold could not reach an agreement to share their underground and surface infrastructures, the Pascalis No. 1 shaft was sunk in 1941. In the context of World War II and for other unknown reasons, work on Pascalis was suspended and no production was ever achieved. In 1962, the company was reorganized into New Pascalis Gold Mines Limited ("**New Pascalis Gold**"). In 1981, SOQUEM Inc. ("**SOQUEM**") acquired three claims that became the Pascalis property. In 1983, Société Minière Louvem Inc. ("**Louvem**"), owned by SOQUEM, became independent and the operator of the Pascalis Project. Under an agreement with Perron Gold, Louvem rebuilt the headframe over the Perron No. 5 shaft in 1984. Louvem carried out exploration work and test-mining on the extension of the Perron deposit on the Pascalis property. A total of 54,450 tonnes were extracted at an average grade of 6.91 g/t Au, for a total gold production of 12,097 ounces. Due to a lack of funding, Louvem ceased mining operations at Pascalis in 1988.

Perron, Pascalis and Beaufor Consolidated History (1960-2015)

During the 1960s, Cournor carried out exploration work on the Beaufor property. In 1965, surface drill hole C-108 intersected two mineralized zones approximately 400 m south of the Perron shafts, on the Beaufor ground. Little exploration work was carried out until 1983, when Cournor ceded their mineral rights in the Beaufor and Bussières mines to Louvem. In 1987, while Louvem was conducting its mining program on Pascalis, the company formed a joint venture with D'Or Val Mines Limited ("**D'Or Val**") to conduct a vast exploration program on the Beaufor property. Surface drilling in the vicinity of drill hole C-108 successfully outlined gold structures, namely the B and C zones. Underground drilling, drifting and development was initiated during that period.

Based on the long-term economic extraction envisaged at the time, a second phase of exploration was developed. In 1988, D'Or Val merged with Perron Gold to form Aurizon Mines Limited ("**Aurizon**"). In 1989, Aurizon earned a 50% interest in the Beaufor property by incurring the required exploration expenses. Drilling and drifting were suspended for property assessment and geological compilation.

In 1993, the project was reactivated with Aurizon as the operator. The Perron, Beaufor and Pascalis properties were then regrouped as the Beaufor project. In 1994, mineralized material from Beaufor was processed at Richmont's Camflo Mill near the town of Malartic. Richmont became involved in the project through its growing shareholder position in Louvem. In January 1996, commercial production was declared, but underground operations were suspended in August 2000 because Aurizon suspected that crown pillar conditions were not safe enough to fully guarantee the safety of underground workers. In 2001, Richmont acquired Aurizon's interest and became operator of the Beaufor Mine. After consolidation work on the crown pillar and in the shaft, the Beaufor Mine resumed operations in January 2002. In March 2010, the Beaufor Mine reached the 1-million-ounce production milestone, nearly 80 years after the original discovery of the deposit. In July 2010, Richmont completed the acquisition of Louvem's interest and became the sole owner of the Beaufor Mine. Ownership changed again in September 2017 when Monarch Gold purchased the Beaufor Mine.

2016-2017 Drilling Programs

From January 2017 to the end of September 2017 (the effective date of the 2017 Technical Report by Pelletier et al., 2017), a total of 20,263.95 m had been drilled in 126 drill holes, all from the underground infrastructure, and drilling was ongoing. The 2017 drilling program was designed to define known mineralization as well as to test lateral and vertical extensions. Monarch Gold became operator of the mine in October of 2017 and completed an additional 65 underground holes (5,899 m) by year-end. Plans for further drilling to test the areas south of the Beaufor Fault and between the Perron/Central and Beaufor faults in 2018 were tabled.

Historic Resource Estimates (2015-2017)

In 2015, Richmont completed an in-house mineral resource and mineral reserve estimate accompanied by a technical report as of December 31, 2015 (Thelland and Manda Mbomba, 2016). Measured and indicated category materials totalled 842,800 tonnes at an average grade of 6.34 g/t Au for, 171,900 ounces, whereas the inferred category materials were estimated at 135,100 tonnes at an average grade of 6.44 g/t Au, for 28,000 ounces. The Proven and Probable Reserves materials totalled 302,100 tonnes at an average grade of 6.57 g/t Au, for 63,850 ounces. These "Resources" and "Reserves" are historical in nature and should not be relied upon. The qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Although they were most likely prepared using the CIM Definition Standards and Best Practice Guidelines that were in effect at that time and most likely disclosed according to the current NI 43-101 Standard, their relevance and reliability have not been verified. They are included in this section for illustrative purposes only and the issuer is not treating the historical estimate as current mineral resources.

After acquiring the Beaufor Mine from Richmont in late 2017, Monarch Gold updated their mineral resource and mineral reserve estimates (the "**2017 MRE**") for the Project supported by a technical report (Pelletier et al., 2017). The database used for the 2017 MRE contained 10,308 diamond drill holes ("**DDH**"), including 184,520 assays and lithological information, and a total of 63 distinct mineralized zones. The estimation method was polygonal on cross-section.

Monarch Gold Corporation Acquisition (2017)

On September 11, 2017, Richmont Mines Inc. entered into a definitive agreement with Monarch Gold, to acquire Richmont's Québec-based assets including the Beaufor Mine. In addition, Monarch Gold issued additional common shares to Richmont (19.9%) of the undiluted issued and outstanding common shares of Monarch Gold, inclusive of the Subscription Shares. Monarch Gold also assumed responsibility for all environmental and other liabilities related to the Québec Assets and announced the closing of the Transaction in a press release on October 2, 2017. In 2018, Monarch Gold mandated Pioneer Aerial Survey Ltd. to complete a high-resolution low altitude drone magnetic survey. A total of 160.82 km linear was flew on the entire Property from September 26 to 29 and November 19 in 2018. Anomalies that may be associated to similar geological and structural context as Beaufor were identified and further interpretation before additional exploration work is recommended.

Property Production and Reconciliation

The information provided in this section was taken from the previous MRE (2020 MRE) produced by Pelletier and Langton (2020). The total production for the Beaufor Property, which includes the Beaufor Mine (1939 to 2019) and the former Perron Mine (1933 to 1951), is presented in the Table 3. The mines are located on the Perron, Pascalis and Beaufor properties and have produced approximately 5.1 Mt of mineralized material at an average grade of 7.3 g/t Au for 1.2 Moz of gold.

Table 3 – Past production on Perron, Beaufor and Pascalis Properties

Mine (years)	Operator	Property	Tonnes	Grade (Au g/t)	Gold Ounces
Perron (1933-1951)	Perron Gold Mines Limited	Perron	1,605,428	8.48	437,511
Beaufor (1939-1942)	Cournor Mining Company Limited	Beaufor	161,287	7.01	36,342
Pascalis (1984-1987)	Société Minière Louvem Inc.	Pascalis	54,450	6.91	12,097
Beaufor (1989-2000)	Aurizon Mines Limited	Perron/ Pascalis/ Beaufor	777,145	8.26	206,289
Beaufor (2002-2017/09)	Richmont Mines Inc.	Perron/ Pascalis/ Beaufor	2,339,521	6.52	490,578
Beaufor (2017/10 to 2019/06)	Monarch Gold Corporation	Perron/ Pascalis/ Beaufor	194,606	4.55	28,467
Total:			**5,132,437**	**7.34**	**1,211,284**

Geology of the Beaufor Mine and Mineralization Types

The Beaufor Mine is located within the Bourlamaque Batholith at the eastern contact with the Dubuisson Formation. The Bourlamaque Batholith, a massive, circular, syn-volcanic intrusion with a diameter of approximately 12 km (at surface) is a major geological feature of the Val-d'Or mining camp. This quartziferous granodiorite batholith, intruded by fine-grained dioritic dikes, intrudes the mafic and ultramafic rocks of the Dubuisson and Jacola formations (Malartic Group), as well as the intermediate rocks of the Val-d'Or Formation (Louvicourt Group). The batholith hosts several past-producing mines, such as Belmoral, Wrightbar, Bussières (Old Cournor), Bras d'Or (Dumont) and Lac Herbin.

The Beaufor Mine mineralization presents characteristics of typical Archean greenstone-hosted orogenic gold deposits. In those deposits, gold mineralization occurs in all rock types but is more commonly located within intrusive bodies that acted as competent rock units promoting fracture during deformation. In the Val-d'Or district, in Québec, Canada, there are two (2) main generations of gold quartz veins: young deposits in which the gold mineralization did not experience much deformation after its emplacement; and early mineralization in which mineralized bodies are commonly affected by D2 asymmetric folds, are highly strained and locally dismembered. In a few deposits both generations are present.

In the Beaufor Mine, gold mineralization occurs in quartz-tourmaline fault-fill veins associated with extension fractures in shear zones, which dip moderately south. Gold-bearing veins show a close association with the mafic dikes that intrude the granodiorite. All the gold-bearing veins are contained in a strongly altered granodiorite in the form of chlorite-silica forming anastomosing corridors 5 m to 30 m thick. Some major mineralized zones, e.g., the C and Q zones, have been traced along strike and down dip for 450 m x 250 m and 550 m x 250 m, respectively.

Exploration

Besides the actual drilling program, the Corporation did not carry out exploration work since the previous MRE (2020).

Drilling, Sampling Method, Analysis and Data Verification

The 2021 Beaufor MRE in the Beaufor Technical Report is based on drill data from several eras of drilling on the Perron and Beaufor Mine that include Matthews Gold Mines, Cournor Mining, Louvem, Aurizon Mines, Richmont and now the Corporation since 2017.

The Corporation has been exploring the Beaufor Mine from 2017 to today and has completed 301 DDH as of May 18, 2021 – the closure date of the resource database. Since October 27, 2020, they carried out 5,066.6 m of drilling in 22 surface DDH, and 12,729.3 m of drilling in 131 underground DDH focusing on the Beaufor Mine. The results are incorporated in the 2021 Beaufor MRE.

Since the close-out date of the last MRE (October 27, 2020; Pelletier and Langton, 2020), the samples were shipped to ALS and to AGAT Laboratories in Val-d'Or, in Québec, Canada. Both the ALS and AGAT laboratories have ISO/IEC 17025:2005 accreditation through the Canadian Association for Laboratory Accreditation Inc. They are both independent commercial laboratories.

Quality control samples are inserted into the sample batches sent to the laboratory. Inserts include blank samples and standards. Pulp duplicates are requested after the batch analysis on specific samples.

The QP of the 2021 Beaufor Technical Report, Ms. Charlotte Athurion, P. Geo., reviewed the sample preparation, analytical and security procedures, as well as insertion rates and the performance of blanks, standards and duplicates for the 2020-2021 drilling programs and concluded that the observed failure rates are within expected ranges and that no significant assay biases are present. According to the Authors of the Beaufor Technical Report's opinion, the procedure and the quality of the data are adequate to industry standards and support the 2021 Beaufor MRE.

Ms. Charlotte Athurion, P. Geo., visited the Beaufor Mine on April 12, 2021, as part of the current mandate. The purpose of the visit was to review the Beaufor Mine with the Corporation team and to observe the underground geology. The 2021 Beaufort Visit included visual inspections of drill cores, a tour of the core storage facility, a field tour of the underground's main geological features, and discussions of the current geological interpretations with geologists from Beaufor. Ms. Charlotte Athurion, P. Geo., was also able to see one of the drill rigs in operation on the Beaufor Mine. A review of sampling procedures, QA/QC and drillhole procedures, downhole survey methodologies, and descriptions of lithologies, alterations and structures were also completed during the site visit.

For the purpose of the 2021 Beaufor MRE, BBA performed a basic verification on the entire Beaufor Mine database. All data were provided by the Corporation in UTM NAD 83 zone 18N. The original assay certificate, localization survey and downhole survey data for the 2020-2021 drilling programs were checked against the Geotic database. The data verification shows that the database for the Beaufor Mine is of good overall quality as the observed failure rates are within expected ranges and that no significant assay biases are present.

The Author of the Beaufor Technical Report is of the opinion that the drilling, sampling and assaying protocols in place are adequate. According to the opinion of the Author of the Beaufor Technical Report, the Beaufor Mine database is suitable for use in the 2021 Beaufor MRE.

Mineral Processing and Metallurgical Testing

The Corporation has not carried out mineral processing or metallurgical testing analyses on the Beaufor Mine.

Mineral Resource Estimate

The 2021 Beaufor MRE was prepared by Ms. Charlotte Athurion, P. Geo., using all available information including historical and recent DDH, with an effective date as of July 23, 2021.

The geological wireframes were constructed in Leapfrog Geo™ by BBA's geologists in collaboration with Mr. Martin Lacaille, P. Geo., and Mr. Christian Tessier, P. Geo., both from the Corporation. Leapfrog Geo V.2021.1.2 was also used to generate mineralized intercepts and for the compositing. Leapfrog Edge V.2021.1.2 was used for the 3D block modelling, interpolation, classification and reporting. Statistical studies were undertaken using Excel and Snowden Supervisor v. 8.14. Deswik version 2021.1.552, was used for the stope optimizations. The Leapfrog project was set-up in the UTM NAD 83 zone 18N coordinates system.

The database close-out date for the 2021 resource estimate is May 18, 2021. The resource database contains 10,572 drillholes. Of these 10,572 drillholes, a subset of 6,509 holes cuts across the mineralized zones with a total of 45,513 assays. The resource database was validated before proceeding to the resource estimation.

The herein Block Model comprises 166 mineralized lenses (which have a minimum thickness of 2.4 m). All the lenses were modelled in 3D for the purpose of the 2021 Beaufor MRE in order to convert previous polygonal mineral resource estimate.

The estimate is categorized as Measured, Indicated and Inferred resources based on data density, geological continuity, search ellipse criteria, drillhole density and specific interpolation parameters. The effective date of the estimate is July 23, 2021. The cut-off grade used for the 2021 Beaufor MRE are 2.80 g/t Au for the mineralized zones with a dip greater than or equal to 45° and 3.20 g/t Au for mineralized zones with a dip less than 45°. Mineral resources were estimated for an underground scenario.

Table 4 – Measured, Indicated and Inferred 2021 Mineral Resource Statement for the Beaufor Mine Project

	Tonnage (t)	**Grade (Au g/t)**	**Ounces Au (oz)**
Measured + Indicated	**1 284 900**	**5.3**	**219 200**
Measured	328 500	5.7	59 900
Indicated	956 400	5.2	159 300
Inferred	818 900	4.7	122 500

Notes:

1. The independent qualified person for the 2021 Beaufor MRE, as defined by NI 43-101 guidelines, is Ms. Charlotte Athurion, P. Geo., of BBA Inc. The effective date of the 2021 Beaufor MRE is July 23, 2021.
2. These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
3. The mineral resource estimate follows Canadian Institute of Mining, Metallurgy and Petroleum for Standards on Mineral Resources and Reserves (2014) ("**CIM**") definitions.
4. Results are presented diluted and considered to have reasonable prospects for economic extraction. Isolated and discontinuous blocks above the stated cut-off grades are excluded from the 2021 Beaufor MRE. Must-take material, i.e. isolated blocks below cut-off grade located within a potentially mineable volume, was included in the mineral resource statement.

5. The resources include 166 mineralized zones with a minimum true thickness of 2.4 m using the grade of the adjacent material when assayed or a value of 0.00025 when not assayed. High-grade capping varies from 20 to 65 g/t Au (when required) and was applied to composited assay grades for interpolation using an Ordinary Kriging interpolation method (ID2 for 96_02, 96_03, 20 zones, 21_01, 140, 367 zones and 350 zones) based on 1.5 m composite and block size of 5 m x 5 m x 5 m, with bulk density values of 2.75 (g/cm^3). A second capping was applied for the second and third passes in order to restrict high-grade impact at greater distance.
6. Inferred Mineral Resources were defined for blocks within the units that have been informed by a minimum of two (2) drillholes within 50 m of a drillhole (100 m of drill spacing); Indicated Mineral Resources were defined for blocks within the units that have been informed by a minimum of three (3) drill holes within 12.5 m of a drillhole (25 m of drill spacing); Measured Mineral Resources were defined for blocks within the units that have been informed by a minimum of three (3) drillholes within 5 m of a drillholes (10 m of drill spacing) or 3 m around voids. Measured Mineral Resources were only defined for zones with a good reliability of the geological continuity or supported by underground workings.
7. The estimate is reported for potential underground scenario at cut-off grades of 2.8 g/t Au (>=45 degree dip) and 3.2 g/t Au (<45 degree dip). The cut-off grades were calculated using a gold price of US$1,550 per ounce, a USD:CAD exchange rate of 1.32 (resulting in C$1,914 per ounce gold price); mining cost C$125/t (>=45 degree dip); C$150/t (<45 degree dip); processing cost C$35/t; G&A C$16/t; metallurgical recovery of 97%; royalties of US$37.52 per ounce; and refining and transport cost of US$1.50 per ounce.
8. The number of metric tonnes and ounces were rounded to the nearest hundred and the metal contents are presented in troy ounces (tonne x grade/31.10348). Rounding may result in apparent summation differences between tonnes, grades and contained metals content.
9. The QP is not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issues not reported in the Beaufor Technical Report that could materially affect the 2021 Beaufor MRE.

Recent Diamond Drilling

In 2020-2021, the Corporation undertook a 42,500 m exploration diamond drilling campaign to test two (2) types of targets: the areas around historical high-grade intersections near the existing underground infrastructure, and isolated resource blocks, which are typically defined by a single drill intersection.

4.4 Other Mining Properties

4.4.1 McKenzie Property, Val-d’Or, Québec, Canada

Introduction

The McKenzie Property is owned 100% by the Corporation since January 21, 2021. On March 8, 2021, it increased the size of its McKenzie Property by map-staking 36 new mining cells totalling 1,940 ha (19.4 km^2), extending the property southward. The property now comprises 169 claims covering 7,070 ha (70.7 km^2). Other than the royalties listed herein after, the Corporation does not assume any royalties in regard to the McKenzie Property: (i) a 1.5% NSR royalty in favor of Agnico Eagle Mines Limited (“**Agnico**”) on nine mineral claims covering a total area of 336.3 ha, which can be reduced to 1% NSR by paying $700,000; and (ii) a 2.5% NSR royalty in favor of Gold Royalty, of which half (1.25%) can be bought back by the Corporation for $2 million.

Unless otherwise indicated, the following description of the McKenzie Property has been summarized from the McKenzie Technical Report that was prepared by the Authors of the McKenzie Technical Report, each of whom is a "qualified person" and "independent" of the Corporation, as at the issuance date of the McKenzie Technical Report, within the meaning of NI 43-101 and is qualified in its entirety with reference to the full text of the McKenzie Technical Report. The below summary is subject to all the assumptions, conditions and qualifications set forth in the McKenzie Technical Report. The McKenzie Technical Report was prepared in accordance with NI 43-101 and for additional technical details, reference should be made to the complete text of the McKenzie Technical Report which was filed with the applicable regulatory authorities and posted on SEDAR at www.sedar.com on February 11, 2021.

Defined terms and abbreviations used in this section and not otherwise defined in this Annual Information Form have the meanings attributed to them in the McKenzie Technical Report. Readers are cautioned that the information provided in this section is provided as of the effective date of the McKenzie Technical Report, being February 1, 2021. The Authors of the McKenzie Technical Report have verified the disclosure below that has been summarized from the McKenzie Technical Report and have consented to the use thereof in connection with the filling of this Annual Information Form.

Property Description, Location and Access

The McKenzie Property is located in the Abitibi region, in Québec, Canada, 35 km north of the city of Val-d'Or, in Québec, Canada and 10 km south of the town of Barraute, in Québec, Canada. The McKenzie Property, which is composed of 133 claims totaling 5,130 ha, is part of the Fiedmont and Courville Townships in NTS sheet map 32C05. All claims are in good standing and are 100% registered to the Corporation. The status of the claims was validated using GESTIM, and no surface rights are associated to the land holdings.

The former ramp site is easily accessible using the National paved road 397 ("**Route 397**"), connecting Val-d'Or to Barraute, via a 5 km year-round gravel road which was built in the year 2000's (Figure 4). The topography is barely hilly and there is a concentration of wetlands in the northern part of the property. The bedrock is covered by glacial tills mainly consisting of sand, gravel and clay ranging from 1 to 20 m depth. The outcrop areas are rather rare, except in the area corresponding to the former ramp site at the center of the McKenzie Property. The geodetic reference system used is the UTM NAD (UTM NAD 83 Zone 18) and the property is centered at coordinates 310,000 m East ("**E**") and 5,357,000 m N (Figure 5).

Figure 4 – General Location

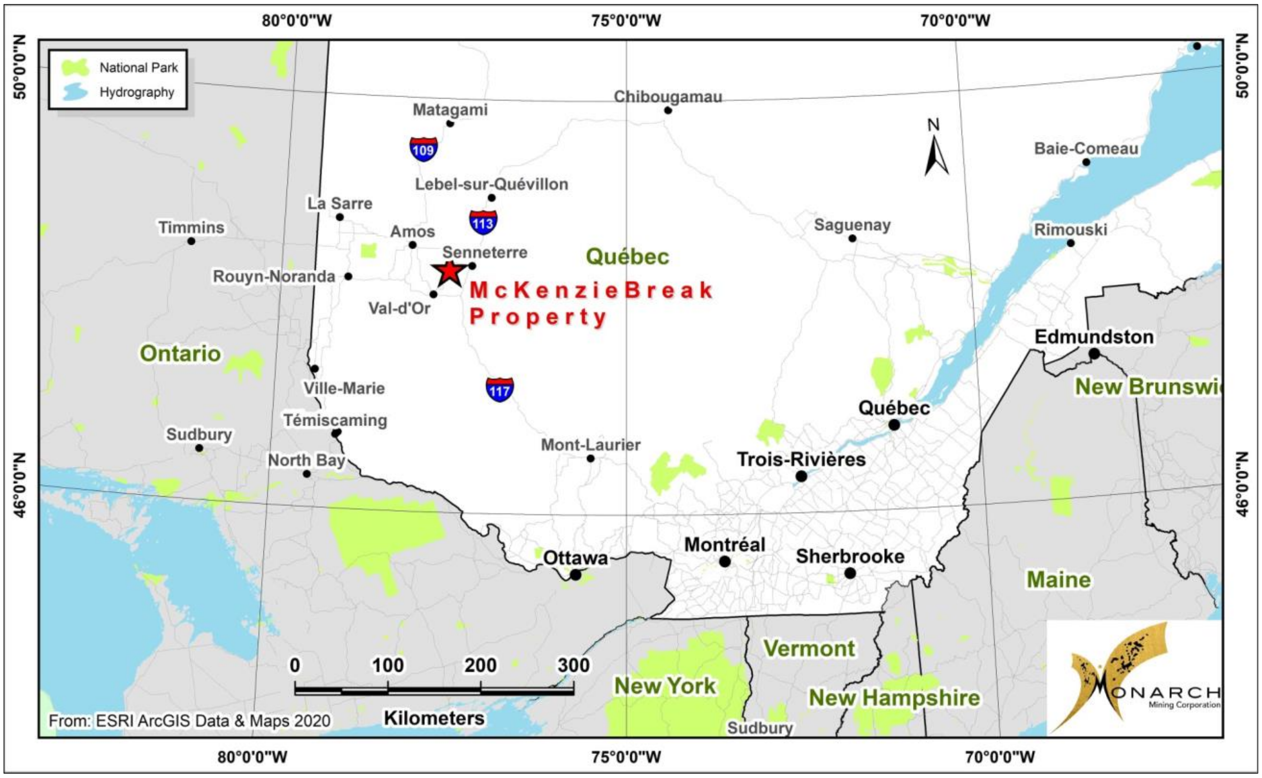


Figure 5 – Detailed Location

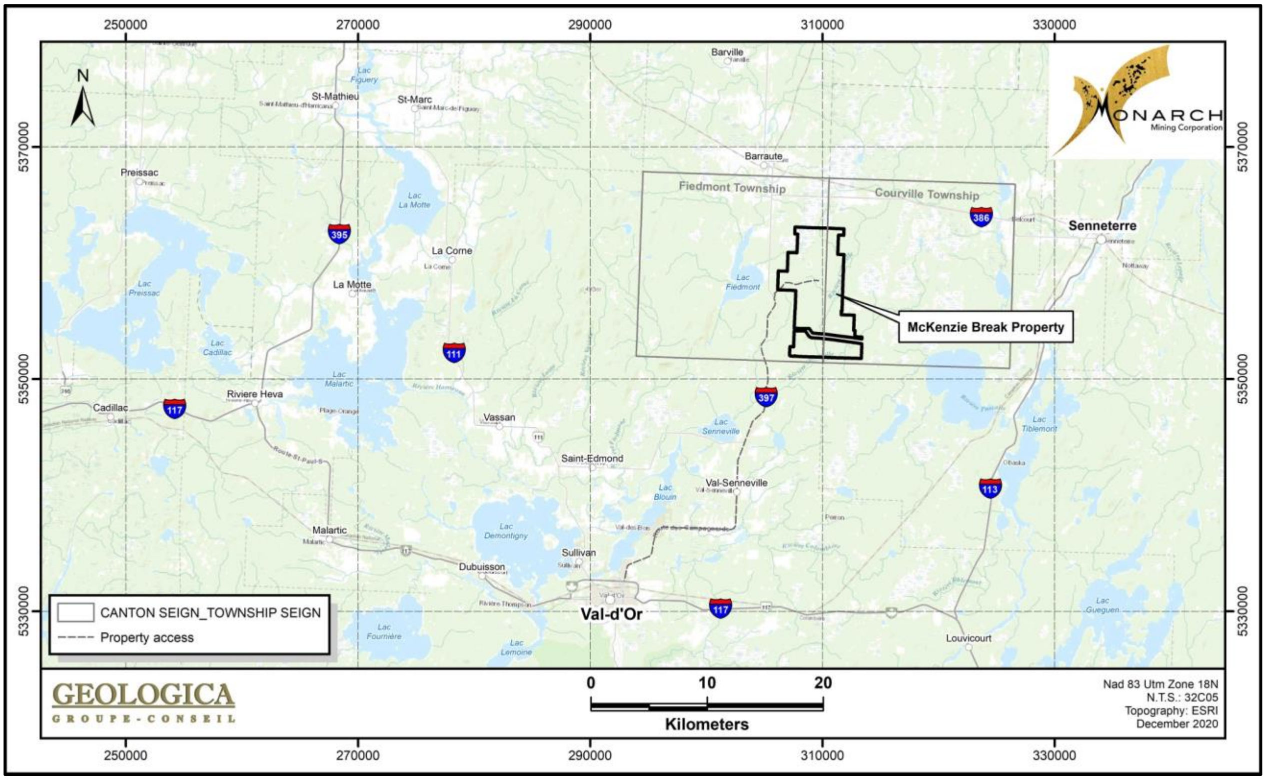
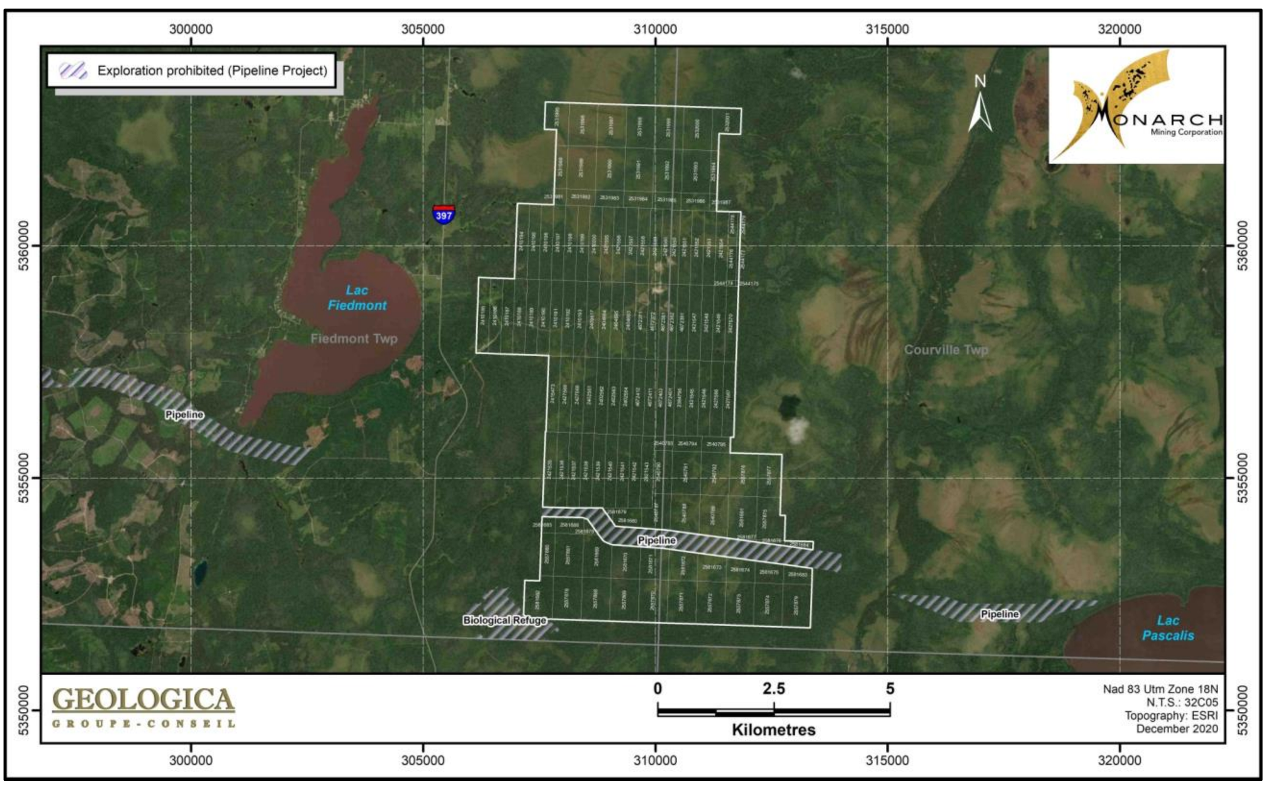


Figure 6 – McKenzie Claim Map



History

Since 1938, sporadic prospecting and local trenching was completed revealing low gold values in the Swanson Property and McKenzie Property area. Tundra Gold Mines Ltd. ("**Tundra Gold**") undertook the first systematic exploration efforts.

The current site of the McKenzie Property has hosted many drilling programs in the past. In addition to drilling in the vicinity of the deposit, several drill programs have been carried out throughout the McKenzie Property since the 1950s by the many successive owners over the years. In total, from the 1950s to 2010, more than 45,000 meters of drilling was carried out on the McKenzie Property.

Geological Settings, Mineralization and Deposit Types

The McKenzie Property is located at a narrow saddle of supracrustal rocks located between the syn-to-post kinematic Pascalis and Lacorne Batholiths. The Porcupine-Destor-Manneville Break and the subsidiary subparallel fault zone cut the north part of the property (Figure 7). In this area, the lithologies display an unusual departure from regional N-South ("**S**") to NW-SE striking, steeply dipping attitudes. The McKenzie Property is mainly dominated by the Pascalis Batholith with a small part of the "Lanaudière" Formation to the west.

The Lanaudière Formation is composed of abundant ultramafic lavas, mafic - felsic volcanics (Sanschagrin and Leduc 1979, Goutier 1997) and numerous tonalitic to monzonitic intrusions. These units are oriented E-W and have a moderate to low dip towards the north. They show a polarity systematically facing south. Two (2) of the rhyolitic complexes of this formation, which define tholeiitic suites, yielded U-Pb zircon ages of 2718.7 ± 0.7 Ma and 2716.2 ± 0.8 Ma (see McNicoll, Pilote and al., 2009). These ages, as well as the close spatial association observed between ultramafic lavas and rhyolitic complexes of this formation, suggest several significant comparisons with the Kidd Munro assemblage (Bleeker et al., 1999, Berger, 2002, Ayer et al., 2002). The Lanaudière Formation is delimited by the Aiguebelle and Manneville North faults, which are weakly dipping to the north (Mueller et al., 1996, Daigneault et al., 2002). These faults represent possible alternatives to the Destor-Porcupine system recognized further west (Goutier, 1997, Legault et al., 2005). Goutier (1997) proposed that the Deguisier and Lanaudière formations were originally contiguous to be subsequently separated by faults.

Known gold mineralization on the McKenzie Property occurs in a shallow embayment or indenture in the Pascalis Batholith contact marked by a distinct high-magnetic susceptibility signature (Figure 7). This is underlain successively by magnetic porphyritic and equigranular diorites, mafic volcanic rocks and felsic volcanic rocks. This sequence is cut by oblique quartz-diorite dykes recognized to be apophysis of the Pascalis Batholith, swarms of small aplitic intermediate dykes carrying 5% distinct white plagioclase microlites, and rare ultramafic pyroxenite dykes.

McKenzie Property Deposit

Gold mineralization is structurally controlled by what appears to be a significant anastomosing ductile shear zone system. Deformation is concentrated in the diorite-volcanic contact area, which hosts the previously named Orange Zone mineralization. Discrete subsidiary shears or splays host the previously named Green Zone mineralization within the overlying diorites. Shear zone propagation also appears to have been lithological-contact-controlled displaying a fractal geometrical sequence from property to sub-zone scale (Figure 7).

Following the recent drilling programs, the Green and Orange Zones were replaced by a series of subparallel zones and sub-zones identified Upper Zone, Upper Zone 1 to 4, Murray Zone, Zone No.1 to No.16 and sub-zones No. 2A, 4A, 5A, 5B, 7A, 8A, 9A and 10A. These zones and sub-zones are typified by visually distinctive white to grey quartz-carbonate-chlorite ribbon veins and sheeted veinlet complexes in which the gold distribution is free and varying from fine to coarse. These shear veins range in thickness from 1 centimeter ("**cm**") to 2 m and average approximately 20-30 cm. The shear zones range in thickness from 2 m to 10 m locally and are characterised by weakly foliated, recrystallized and granoblastic sections displaying pervasive chlorite-calcite-albite alteration. All the zones and sub-zones are subparallel, striking northwest (N290°) and dipping 20-25º northeast.

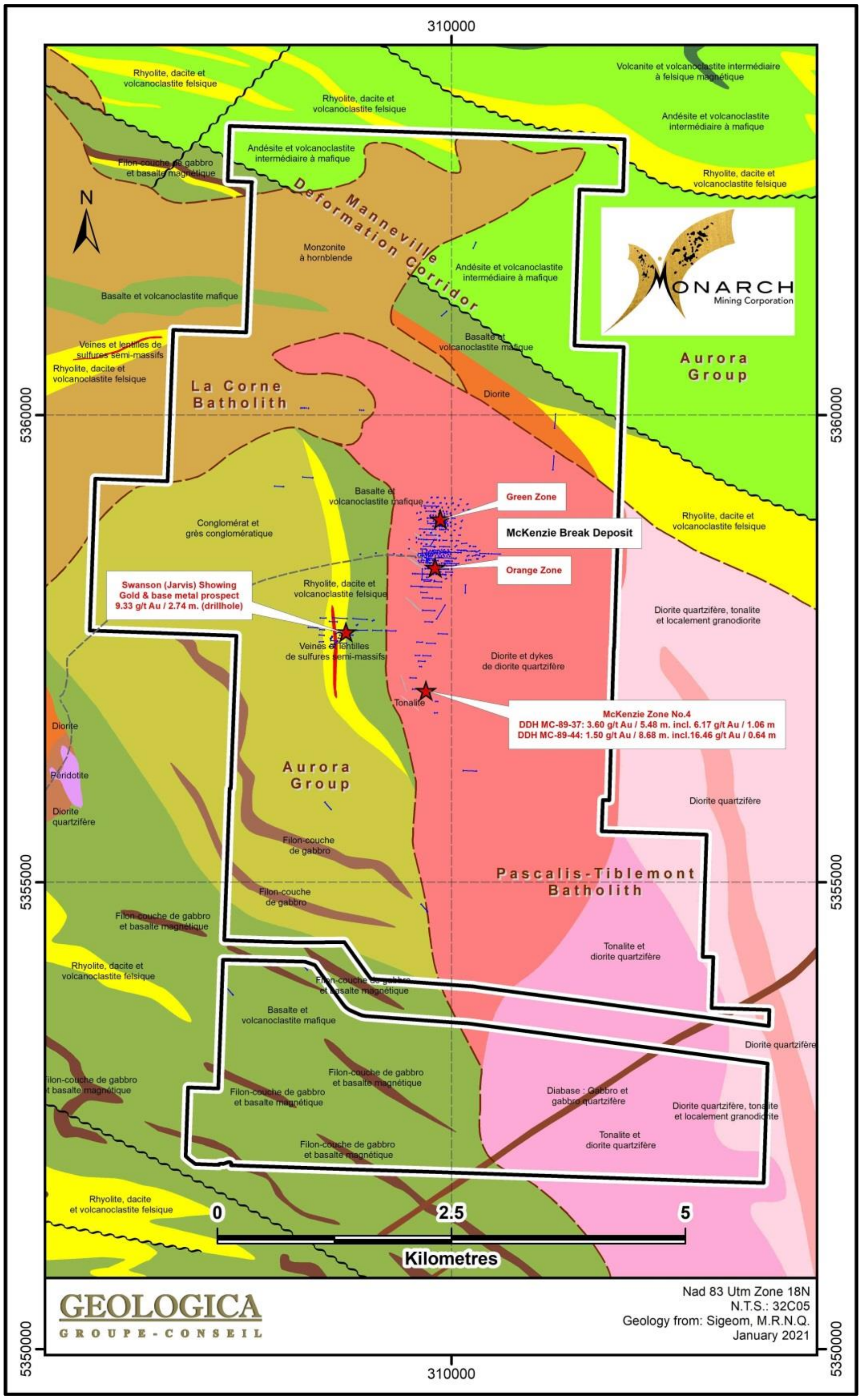
South No.4 Zone

South No.4 Zone has been identified at approximately 1.3 km south of the McKenzie Break Deposit for some 600 m in a N-S direction by Tundra Gold and has a minimum down-dip extension of 90 m. This southern zone typically contains marginal grades (1.00 g/t to 3.00 g/t Au) over widths of 3.0 m to 6.0 m. Two (2) "corridors" have been identified to date. The upper corridor dips to the NNE at between 10° and 25° and is confined to the magnetic diorite as well as some lesser granodiorite. The deeper or lower corridor dips to the east at between 10° to 15° with little variation in depth from one section to the next. This zone occurs primarily within a non–magnetic diorite, near the intrusive/volcanic contact.

Swanson (Jarvis) Showing

The Swanson (Jarvis) Showing is located S-W of the McKenzie Break Deposit, is a gold and zinc showing that has been subject of sporadic exploration since its discovery at the end of 1930s by Mr. Swanson. At the time, a channel sampling program revealed 14.26 ounce/t Au (489 g/t Au). Latter, eight (8) drill holes, totaling 3,505 feet (1,068 m), were carried out on the Swanson Showing but were unable to repeat the high values previously obtained on surface but some interesting values such as 0.16 ounce/t Au/5' (5.49 g/t Au/1.52 m) were obtained. The main exploration work to date has mainly consisted of soil geochemistry, ground and airborne geophysical surveys, trenching and numerous diamond drill holes totalling nearly 9,000 m carried out in the 1950s, 1970s and 1980s by Northern Quebec Explorers Limited, Brominco Inc. and Aur Resources Inc. ("**Aur Resources**"). In the late 1980s, following various field exploration work, Aur Resources performed a drilling program totaling more than 4,000 m (26 holes, 3201-series) on the Swanson showing. The most significant results were 0.274 ounce/t Au/6' (9.39 g/t Au/1.83 m) and 0.272 ounce/t Au/9' (9.33 g/t Au/2.74 m). Ten (10) values greater than 10,000 parts per million ("**ppm**") Zn (and up to 22,700 ppm Zn) were also revealed on five (5) holes. In 2010, a stripping outcrop program was carried out by Animiki Mining Corporation and a total of 13 sites were stripped in the area. The grab sample #57531 collected on the showing revealed 221.69 g/t Au, 31.00 g/t Ag, 23.94% Zn and three (3) other samples revealed values greater than 3.00 g/t Au. The Swanson showing mainly consists of disseminated to semi-massive sulphide bands composed of pyrite, sphalerite and pyrrhotite containing significant values of gold, zinc and silver in a felsic pyroclastic environment.

Figure 7 – McKenzie Property Geology and Mineralization



Exploration

As of the effective date of the McKenzie Technical Report, being February 1, 2021, no exploration work had been carried out by the Corporation on the McKenzie Property (see "*History - 232-day period ended June 30, 2021, and up to the date of this Annual Information Form*" in this Annual Information Form for an update regarding the exploration work by the McKenzie Property).

Mineral Processing and Metallurgical Testing

No Mineral Processing and Metallurgical testing has yet been undertaken on the McKenzie Property by the Corporation.

However, a series of basic metallurgical test works were performed by past owner (Britannica) to evaluate the gold recovery anticipated from the McKenzie Property ore. The metallurgical report was obtained from Laboratoires LTM in July 2010.

The material for the testing was crushed and homogenized into 21 samples of 1 kg and three (3) samples of 3 kg. The average grade of the material supplied was 3.71 g/t Au. Standard sets of grinding tests were performed that showed that the material had medium rock hardness for material from the Abitibi region, in Québec, Canada. Gold liberation with a grinding of 85% passing 200 mesh was sufficient to produce a gold recovery of 97%. The gold is easily liberated with cyanidation, and the cyanide consumption was considered low. Total gold recovery using a combination of gravity and cyanidation resulted in recoveries of 99.5% to 99.7%, which is considered excellent.

Mineral Resource and Mineral Reserve Estimate

This report documents the 2021 McKenzie MRE, based on new geological modeling which considered drilling logs and data from 2018 to 2020. The cut-off date for the database is January 4, 2020.

The effective date for the 2021 McKenzie MRE is February 1, 2021. The current estimate was prepared by GoldMinds Geoservices mandated directly from Geologica.

The current mineral resource represents an update to the last estimate dated July 12, 2018. The mineral resources have been estimated in conformity with CIM Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines and are reported in accordance with Canadian Securities Administrators NI 43-101.

The database used to evaluate the mineral resources is composed of historical data and recent data, including surface diamond drillholes, provided by McKenzie Break as an access file under the name 'GeoticMcKenzie_20201106'. The database includes all the database of McKenzie Property. The McKenzie Break drill hole database contained 332 valid drillhole collars totaling 57,789.44 m; 4,309 valid down-hole survey deviations, 34,026 assay intervals and 3,218 lithological intervals. The database contains the QA/QC samples only for the 2018-2020 drilling program.

From the database 2,964 mineralized intervals were generated within the 30 mineralized envelopes totaling 9,470.46 m for 15,147 composites.

GoldMinds verified and validated the McKenzie Break database. After the verification/correction of the compiled data, GoldMinds considered the McKenzie Break database suitable for the mineral resource estimation.

Indicated open-pit constrained resource at the McKenzie Property is 83,300 ounces of gold at a cut-off grade of 0.50 g/t Au (1,441,400 tonnes grading 1.8 g/t Au). The underground Indicated resource is 62,700 ounces at a cut-off grade of 2.38 g/t Au (387,700 tonnes grading 5.03 g/t Au).

Inferred open-pit constrained resource at the McKenzie Property is 104,000 ounces of gold at a cut-off grade of 0.50 g/t Au (2,243,600 tonnes grading 1.44 g/t Au). The underground Inferred resource is 146,550 ounces at a cut-off grade of 2.38 g/t Au (1,083,500 tonnes grading 4.21 g/t Au).

Table 5 summarizes mineral resources estimates at the McKenzie Property.

Table 5 - McKenzie Property Resource Estimate (base case, rounded numbers)

Deposit / Category	Pit-Constrained Resources			Underground Resources			Total		
	Tonnes	Grade (Au g/t)	Gold (oz)	Tonnes	Grade (Au g/t)	Gold (oz)	Tonnes	Grade (Au g/t)	Gold (oz)
Total Indicated	1,441,400	1.8	83,300	387,700	5.03	62,700	1,829,100	2.48	146,000
Total Inferred	2,243,600	1.44	104,000	1,083,500	4.21	146,550	3,327,100	2.34	250,550

Notes:

1. Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, market or other relevant issues. The quantity and grade of reported inferred Resources are uncertain in nature and there has not been sufficient work to define these inferred resources as indicated or measured resources.
2. The database used for this mineral estimate includes drill results obtained from historical records and up to the recent 2018-2020 drill program.
3. Mineral Resources are reported at a cut-off grade of 0.50 g/t Au for the pit-constrained and Underground mineral resources are reported at a cut-off grade of 2.38 g/t Au within reasonably mineable volumes.
4. These cut-offs were calculated at a gold price of C$1,980 ounce.
5. The pit-constrained resources were based on the following parameters: mining cost $3.5/t, processing, transportation + G&A costs $27/t Au recovery 95%, pit slopes 15 degrees for overburden and 50 degrees for rock.
6. The underground reasonably mineable volumes were based on the following parameters: mining cost $98/t, processing, transportation + G&A costs $27/t Au recovery 95%, dilution of 15% at 0 g/t Au with a minimum stope dimension of 10mx10mx5m.
7. The geological interpretation of the deposits was based on lithologies and the typical mineralized interval mainly composed by diorite hosted shear zones.
8. The mineral resource presented here was estimated with a block size of 5m x 5m x 5m for the pit-constrained and for underground.
9. The blocks were interpolated from equal length composites calculated from the mineralized intervals. Prior to compositing, high-grade gold assays were capped to 60 g/t Au applied on 0.6-meter composites.
10. The mineral estimation was completed using the inverse distance squared methodology utilizing two passes. For each pass, search ellipsoids followed the geological interpretation trends were used.
11. Tonnage estimates are based on rock specific gravity of 2.77 tonnes per cubic metre for all the zones. Results are presented undiluted and in situ.
12. Estimates use metric units (metres, tonnes and g/t). Metal contents are presented in troy ounces (metric tonne x grade / 31.10348).
13. This 2021 McKenzie MRE is dated February 1, 2021 and the effective date for the drillhole database used to produce this 2021 McKenzie MRE is January 4, 2021. Tonnages and ounces in the tables are rounded to nearest hundred. Numbers may not total due to rounding.
14. No economic evaluation of the resources has been produced.

Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

The pit optimization has been done with a fixed mining and processing costs to which a transportation cost is added based on the distance between the deposit and the milling facility (Table 6, Figure 8 and Figure 9). The underground reasonably mineable volumes were modeled following the parameters cited in the table herebelow (Table 6) using a minimum stope dimension of 10 m x 10 m x 5 m (Figure 10).

__Table 6 - Pit Optimization and underground stopes parameters (base case)__

	McKenzie Property	McKenzie Property
	Open Pit	**Underground**
Transport costs	$5.00	$5.00
Processing costs	$22.00	$22.00
Total processing costs	$27.00	$27.00
Mining cost (rock)	$3.50	$98.00
Specific gravity (rock)	2.77	2.77
Dilution		15%
Dilution grade		0 g/t Au
Pit slopes (rock)	50°	
Mining cost (overburden)	$2.00	
Pit slopes overburden	15°	
Specific gravity (overburden)	2.00	
Au price (C$/oz)	$1,980	$1,980
Au price (C$/g)	$63.66	$63.66
Recovery	95%	95%
COG (g/t Au)	**0.50**	**2.38**

__Figure 8 – Plan view showing the pit constrained resource using cut-off grade 0.50 g/t Au__

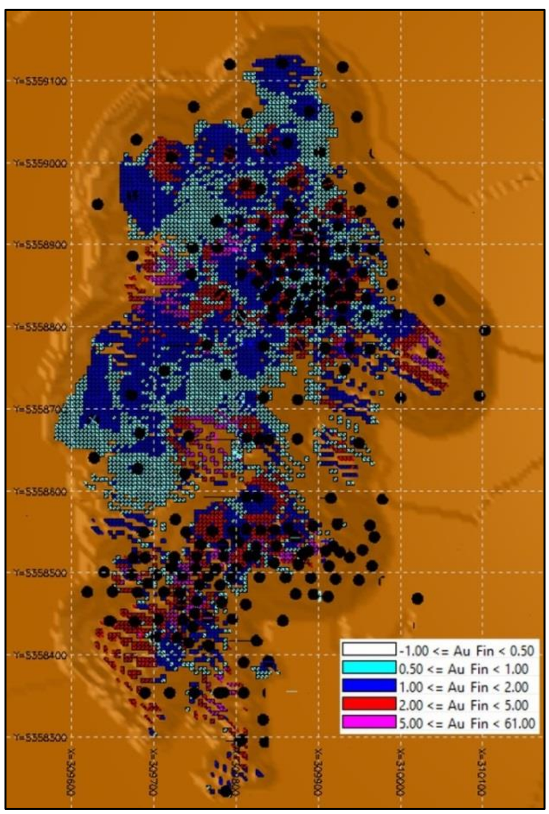


Figure 9 – Section view looking East showing the pit-constrained resource using the cut-off grade 0.50 g/t Au

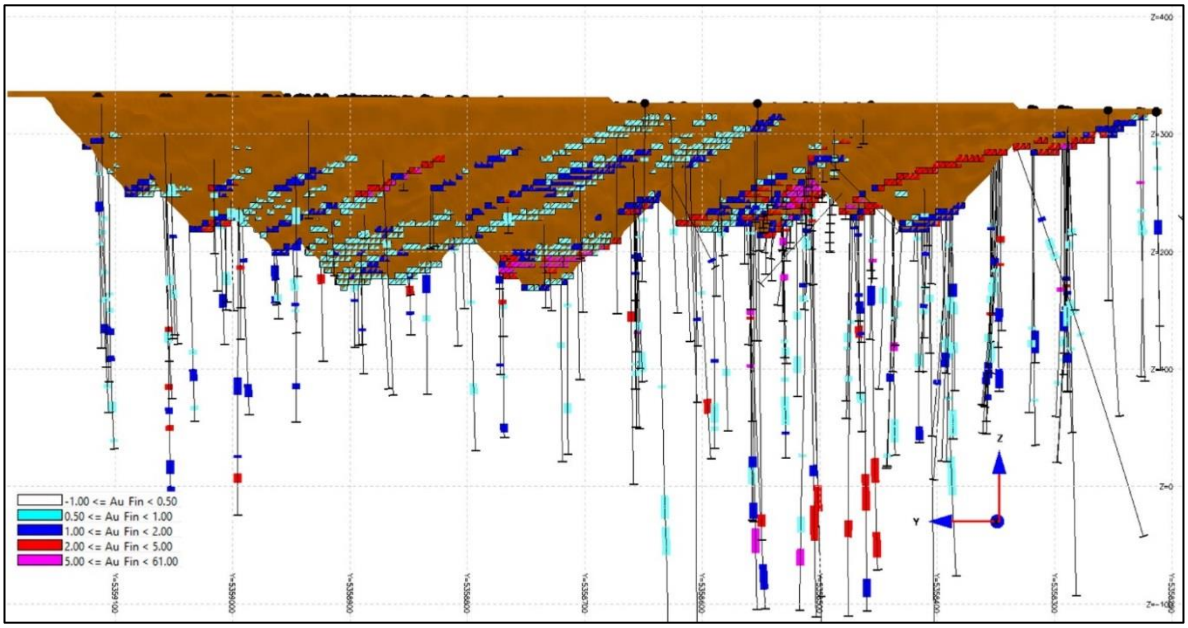
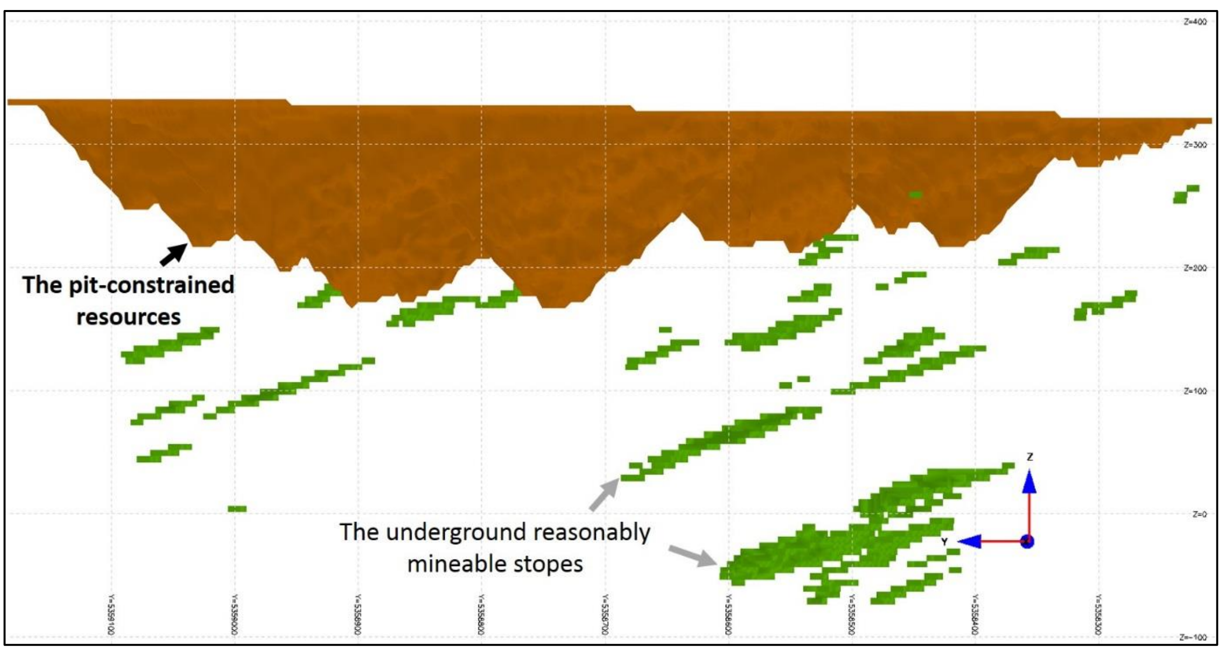


Figure 10 – Section looking East showing the pit-constrained and the underground reasonably mineable stopes (in green color)



Cut-Off Sensitivity Analysis

The mineral resources of the McKenzie Property are sensitive to the selection of a reporting cut-off grade. The following sensitivity Table 7 presents the current resource estimate at different cut-offs.

Table 7 - Indicated and inferred mineral resource sensitivity by cut-off grades

Resources Category	Cut-Off Grade	Tonnes	Grade (Au g/t)	Ounces (oz)	Cut-Off Grade	Tonnes	Grade (Au g/t)	Ounces (oz)
Pit-Constrained Resources					**Underground Resources**			
Indicated	0.4	2,326,912	1.61	120,561	1.91	392,195	3.91	49,292
	0.5	**1,441,377**	**1.80**	**83,303**	**2.38**	**387,720**	**5.03**	**62,676**
	0.55	1,048,167	2.12	71,444	2.61	368,534	5.17	61,217
	0.6	985,834	2.20	69,797	2.82	363,071	5.20	60,699
	0.7	739,297	2.54	60,286	3.29	300,391	5.69	54,934
Inferred	0.4	5,277,158	1.29	218,480	1.91	1,277,159	3.39	139,328
	0.5	**2,243,562**	**1.44**	**104,036**	**2.38**	**1,083,503**	**4.21**	**146,555**
	0.55	1,470,570	1.66	78,249	2.61	1,020,804	4.34	142,387
	0.6	1,322,485	1.74	74,180	2.82	1,005,982	4.36	140,889
	0.7	820,151	2.05	53,937	3.29	694,974	4.97	110,942

Recommendations

Based on the recent resource estimate, the McKenzie Property offers a significant mining potential. Additional exploration work is proposed. Geologica and GoldMinds recommend the herebelow exploration program on the McKenzie Property. In the first phase, a geoscientific compilation including update of the Diamond Drill Hole Database ("**DDHD**") to include the information of the claims acquired in 2020, a complementary and definition drilling program should be carefully completed using thorough sampling protocol and geological follow-up (detailed geological and structural approach). This program will have two (2) main objectives: (i) confirming the surface, lateral and depth extensions of the mineralization for the realization of small open-pit exploitation; (ii) to complete an update of the resource estimate followed by a Preliminary Economic Assessment ("**PEA**"). The lateral and depth continuities of the mineralization previously defined in the 30 zones require some additional drilling. The second work phase will verify all other zones and/or geophysical and geological anomalous targets in order to outline new mineralization on the McKenzie Property including the Swanson showing.

PHASE 1a: COMPLEMENTARY GEOPHYSICAL SURVEY, COMPILATION, COMPLEMENTARY DRILLING, RESSOURCE ESTIMATE AND PEA

• Complementary heliborne magnetic & electromagnetic survey (Mag-EM): *250 km @ $100/km*	$25,000
• Geological, Geophysical, Geochemical compilation of new claims, update DDHD and Metallogenic Modelling of the Swanson Showing:	$30,000
• In-fill Drilling (NQ type) to validate the open-pit potential: *5,000 m @ $150/m* (all included)	$750,000
• Updated Resources estimate of the open-pit mineralized zones:	$50,000
• PEA:	$200,000

PHASE 1b: COMPLEMENTARY DRILLING

• Complementary Drilling (NQ type) to continue the validation of the lateral and depth extensions of all the mineralized zones: *10,000 m @ $150/m* (all included)	$1,500,000
Sub-total:	$2,555,000
Administration (~5%):	$127,750
Contingencies (~10%):	$268,250
TOTAL PHASE 1:	**$2,951,000**

PHASE 2: BASIC EXPLORATION AND DIAMOND DRILLING (if warranted in Phase 1)

• Exploration Drilling (NQ type) on prioritized and significant geophysical, geochemical and geological targets over the whole property: *5,000 m @ $150/m* (all included)	$750,000
Sub-total Phase 2:	$750,000
Administration (~5%):	$37,500
Contingencies (~10%):	$78,500
TOTAL PHASE 2:	**$866,000**
TOTAL PHASES 1 AND 2:	**$3,817,000**

4.4.2 Swanson Property, Val-d'Or, Québec, Canada

Introduction

The Swanson Property is 100% owned by the Corporation since January 21, 2021. Other than the royalties listed herein after, the Corporation does not assume any royalties in regard to the Swanson Property: (i) a 2% NSR on gold resources claims, of which half (1% NSR) can be bought back by the Corporation for US$1 million, and 1% on exploration claims in favor of International Royalty Corporation; (ii) a 1.5% NSR in favor of Agnico, which may be reduced to 1% NSR by paying $700,000 and (iii) a 2.5% NSR in favor of Gold Royalty, of which half (1.25%) can be bought back by the Corporation for $2 million.

Unless otherwise indicated, the following description of the Swanson Property has been summarized from the Swanson Technical Report that was prepared by Ms. Christine Beausoleil, P. Geo., and Mr. Alain Carrier, M. Sc., P. Geo., the Authors of the Swanson Technical Report, each of whom is a "qualified person" and "independent" of the Corporation, as at the issuance date of the Swanson Technical Report, within the meaning of NI 43-101 and is qualified in its entirety with reference to the full text of the Swanson Technical Report. The below summary is subject to all the assumptions, conditions and qualifications set forth in the Swanson Technical Report. The Swanson Technical Report was prepared in accordance with NI 43-101 and for additional technical details, reference should be made to the complete text of the Swanson Technical Report which was filed with the applicable regulatory authorities and posted on SEDAR at www.sedar.com on February 1, 2021.

Defined terms and abbreviations used in this section and not otherwise defined in this Annual Information Form have the meanings attributed to them in the Swanson Technical Report. Readers are cautioned that the information provided in this section is provided as of the effective date of the Swanson Technical Report, being January 22, 2021. The Authors of the Swanson Technical Report have verified the disclosure below that has been summarized from the Swanson Technical Report and have consented to the use thereof in connection with the filling of this Annual Information Form.

Property Description, Location and Access

The Swanson Property is located in the Abitibi-Témiscamingue administrative region in the province of Québec, Canada, approximately 65 km N-NE of the city of Val-d'Or, in Québec, Canada. The Swanson Property is accessible via Route 397, which branches off Route 117 at Val-d'Or, in Québec, Canada. A gravel road from Route 397 provides access to the Swanson Property. The Swanson Property comprises a contiguous group of 127 map-staked mining claims and one (1) mining lease, for an aggregate area of 5,125.8 ha (51.26 km^2). The Swanson Property is 100% owned by the Corporation and all mining titles were in good standing as at December 7, 2020.

Figure 11 – Location and access to the Swanson Property

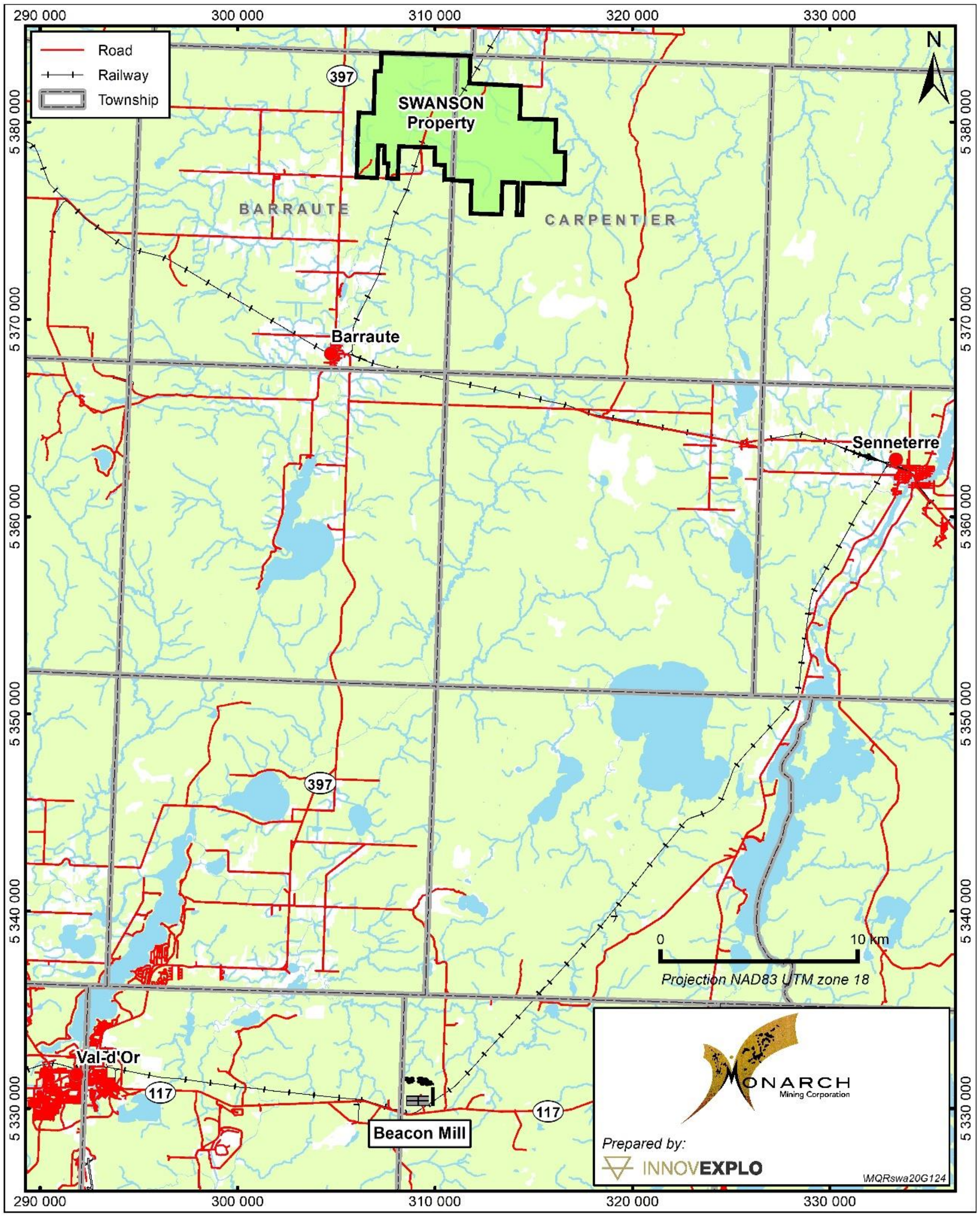
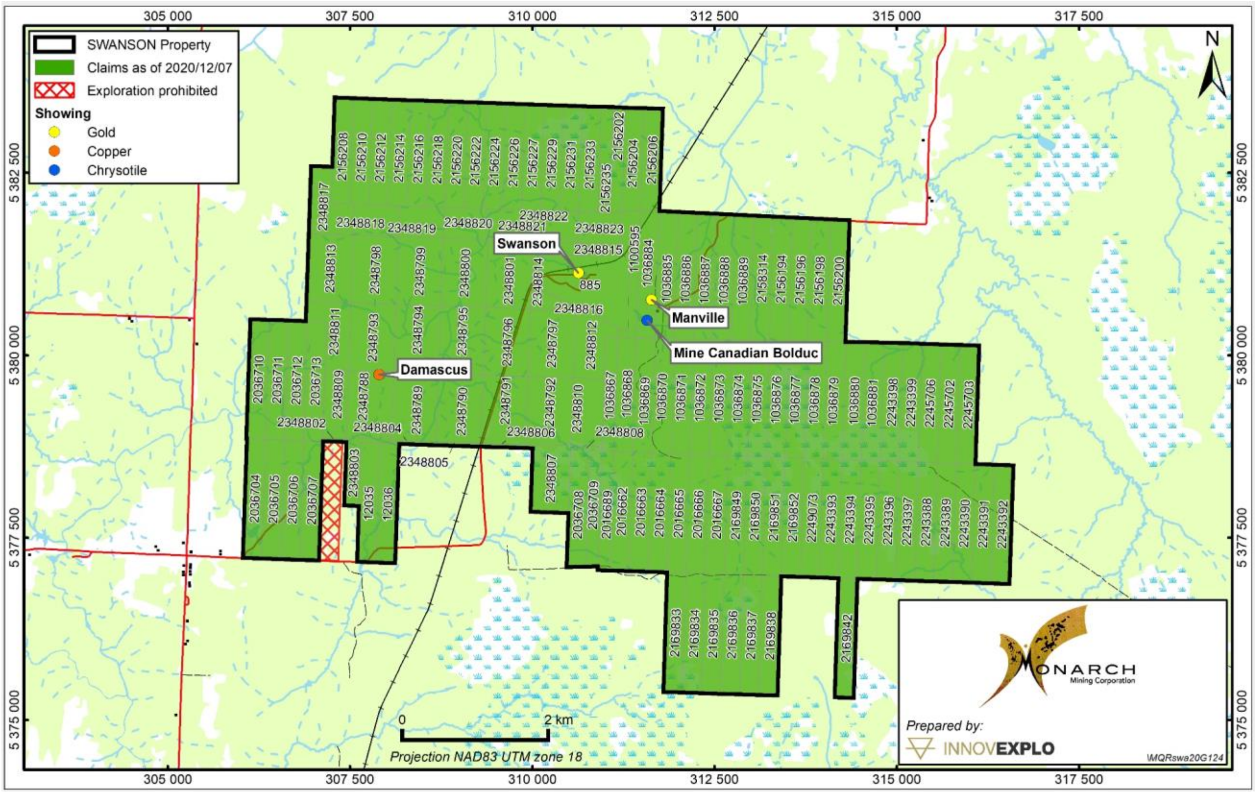


Figure 12 - Mining title map of the Swanson Property



History

Over the years, the previous owners of the Swanson Property have performed exploration and underground work. However, at present, there is no commercial production on the Swanson Property.

Geological Setting, Mineralization and Deposit Type

The Swanson deposit is associated with the calc-alkaline, mainly monzonite, Laflamme pluton located at the interface between basalt and peridotite units of the Amos Group.

Seven lithological units are distinguished in the Swanson deposit and classified as either volcanic effusive or volcanic intrusive units.

The gold mineralization at Swanson is typical of structurally controlled gold deposits associated with felsic intrusions. Based on the results of the latest drilling program, the relationship between mineralized zones and the Laflamme intrusion is unambiguous. Gold occurs in dilatant tensional structures within or near the intrusion, which typically carries background concentrations of gold between 0.3 and 1.0 g/t Au.

Two (2) types of gold mineralization are directly or indirectly associated with the Laflamme intrusion. Gold is often found within altered and mineralized mafic volcanic rocks surrounding the main intrusion. This mineralized halo is characterized by the presence of more altered rock and a higher number of altered and strongly mineralized dyke swarms that extend outward from the main intrusion. Gold grades are closely related to the abundance of fine pyrite mineralization found in strongly carbonatized, almost bleached, mafic volcanic rocks. This altered unit contains dispersed quartz veins, a few of which display visible gold. Gold mineralization is also associated with the porphyritic albetized tonalite dyke swarms, historically interpreted a syenite dykes. In fact, the tonalite dykes constitute the most enriched units, with gold grades of up to 25 g/t Au locally. Disseminated pyritic mineralization is also abundant in these dyke units. Geological observations made from underground workings at Swanson were that the mineralized felsic dykes are narrow and have various orientations. The dykes also host a number of irregular quartz veinlets, some of which are barren.

Exploration

No exploration work was carried out by the Corporation on the Swanson Property.

Mineral Resource and Mineral Reserve Estimate

The 2021 Swanson MRE was prepared by Ms. Christine Beausoleil, P. Geo., and Mr. Alain Carrier, M. Sc., P. Geo., the Authors of the Swanson Technical Report, both of InnovExplo, using all available information.

The 2021 Swanson MRE comprises a review and update of the 2018 MRE (Beausoleil and Carrier, 2018). Since the publication on the 2018 MRE no additional drilling was completed in the modelled resource volume; therefore, the database for the 2021 MRE is the same as the 2018 MRE (Beausoleil and Carrier, 2018).

The resource area within the deposit measures 500 m along strike, 400 m wide and 500 m deep. The 2021 Swanson MRE is based on a compilation of historical and recent diamond drill holes completed by previous owners of the Swanson Property.

The 2021 Swanson MRE was prepared using Leapfrog GEO v.4.2.3 ("**Leapfrog**") and GEOVIA GEMS v.6.8.1 ("**GEMS**") software. Leapfrog was used for the 3D geological modelling. GEMS was used for the estimation, which consist of 3D block modelling and the ordinary kriging (OK) interpolation method. Statistical studies, capping and variography were completed using Snowden Supervisor v.8.8.1 and Microsoft Excel software.

The DDHD contains 209 DDH (146 surface holes, 63 underground holes), including 10,000 assays, which corresponds to all the DDH completed on the Swanson Property. 34 surface percussion drill holes were excluded from the DDHD because they lacked descriptions.

The GEMS database contains 166 DDH corresponding to a subset of the DDHD covering the resource area. The data for the 166 DDH cover the strike length of the Swanson Project at a drill spacing ranging from 20 to 100 m and contain a total of 9,312 sampled intervals (4,035 samples in mineralized zones) representing 12,623.7 m of drilled core (5,157 m drilled in mineralized zones). It also includes lithological, alteration and structural descriptions collected from the historic drill core logs.

InnovExplo is of the opinion that the 2021 Swanson MRE can be classified as Indicated and Inferred mineral resources based on geological and grade continuity, data density, search ellipse criteria, drill hole spacing and interpolation parameters. The 2021 Swanson MRE is considered to be reliable and based on quality data and geological knowledge. The mineral resource estimate follows CIM Definition Standards.

The next table presents the combined resources (in-pit and underground) by category for the Swanson deposit at the selected cut-off grade (0.75 g/t Au for the in-pit resource and 2.4 g/t Au for the underground resource).

Table 8 - Swanson Mineral Resource Estimate for a combined open pit and underground scenario

Area (CoG)	**Indicated Resource**			**Inferred Resource**		
	Tonnes (t)	**Grade Au (g/t)**	**Ounces Au**	**Tonnes (t)**	**Grade Au (g/t)**	**Ounces Au**
In-Pit (0.75 g/t Au)	1,864,000	1.76	105,400	29,000	2.46	2,300
Underground (2.40 g/t Au)	91,000	2.86	8,400	87,000	2.87	8,000
TOTAL	**1,945,000**	**1.82**	**113,800**	**116,000**	**2.76**	**10,300**

Notes:

1. The independent and qualified persons for the mineral resource estimate, as defined by NI 43-101, are Ms. Christine Beausoleil, P. Geo., and Mr. Alain Carrier, M. Sc., P. Geo., the Authors of the Swanson Technical Report, and the effective date of the estimate is January 22, 2021.
2. These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
3. The mineral resource estimate follows 2014 CIM definitions and guidelines for mineral resources.
4. Results are presented in situ and undiluted and considered to have reasonable prospects for economic extraction.
5. The estimation encompasses four (4) zones with a minimum true thickness of 2.5 m using the grade of the adjacent material when assayed or a value of zero when not assayed.
6. High-grade capping of 15 g/t Au (4 g/t Au for the dilution envelope) was applied to assay grades prior to compositing grade for interpolation using an OK interpolation method based on 1.5 m composite and block size of 3 m x 3 m x 3 m, with bulk density values applied by lithology (g/cm^3): I2 = 2.78; I4O, V3, V4 = 2.90, and OVB = 1.5.
7. The estimate is reported for potential scenario combining open pit and underground at CoG of 0.75 g/t Au (open pit) and 2.40 g/t Au (underground), using a gold price of USD2,160/ounce, a CAD:USD exchange rate of 1.34, and the following parameters (CAD): (a) Open pit scenario: mining cost $4.94/t; processing cost $40.00/t; G&A $4.00/t, pit slope of 50°; (b) Underground scenario (CAD): mining cost $90.00/t; processing cost $50.00/t; G&A $10.00/t. The cut-off grades should be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, mining cost, etc.)
8. The number of metric tons was rounded to the nearest hundred and the metal contents are presented in troy ounces (tonne x grade / 31.10348).
9. The Qualified Persons are not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issue not reported in the Swanson Technical Report that could materially affect the 2021 Swanson MRE.

Table 9 - Sensitivity analysis for the open pit portion

CoG (g/t Au)	Indicated Resources			Inferred Resources		
	Tonnes (t)	Grade Au (g/t)	Ounces Au	Tonnes (t)	Grade Au (g/t)	Ounces Au
> 0.60	2,051,000	1.66	109,505	31,000	2.32	2,314
> 0.70	1,927,000	1.73	106,895	30,000	2.37	2,290
> 0.75	**1,864,000**	**1.76**	**105,442**	**29,000**	**2.46**	**2,291**
> 0.80	1,800,000	1.79	103,855	28,000	2.52	2,268
> 0.90	1,672,000	1.87	100,331	27,000	2.59	2,248
> 1.00	1,545,000	1.94	96,476	26,000	2.67	2,229

Table 10 - Sensitivity analysis for the underground portion

CoG (g/t Au)	Indicated Resources			Inferred Resources		
	Tonnes (t)	Grade Au (g/t)	Ounces Au	Tonnes (t)	Grade Au (g/t)	Ounces Au
> 2.0	91,000	2.86	8,358	87,000	2.87	8,036
> 2.4	**91,000**	**2.86**	**8,358**	**87,000**	**2.87**	**8,036**
> 2.5	74,000	2.95	7,016	71,000	2.97	6,782
> 2.7	47,000	3.15	4,757	52,000	3.11	5,200
> 3.0	25,000	3.43	2,761	26,000	3.42	2,859
> 4.0	2,000	4.67	300	3,000	4.56	440

Exploration, Development, and Production

Based on the results of the 2021 Swanson MRE, the Qualified Persons recommends that the Swanson Property be advanced to the PEA stage.

Accordingly, more work is warranted. The Corporation should complete the surface surveying of the 2011 drill holes, three (3) of which are located in the resource area, and should also review the correspondence between the local and UTM grids.

Before commencing the PEA study, the Corporation should complete a bulk sampling program, including the metallurgical testwork at its own mill. The Corporation should also complete the permitting process, conduct the environmental and hydrogeological studies, commence a trade-off study for the potential displacement of the railroad, and include the Swanson Property in its global social licence management system.

Contingent upon positive results from the bulk sampling program, a diamond drilling campaign should test the lateral and depth extensions of the deposit and update the 2021 Swanson MRE, which will provide the foundation for the PEA. The Corporation should establish a thorough QA/QC protocol for the diamond drilling program, and it is recommended that all new core and pulp witness samples be properly stored.

In summary, the Authors recommends a two-phase work program as follows:

- Phase 1 – Bulk Sampling:
    - Complete the documentation for permitting the surface bulk sample (approximately 20,000 t);
    - Environmental and hydrogeological characterization testing;
    - Social licence management;
    - Initiate railroad displacement trade-off study;
    - Bulk sample and metallurgical testing; and
    - Bulk sample reconciliation and resource block model calibration.

- Phase 2 – Diamond Drilling and PEA:
    - Delineation drilling program, potential upgrade and addition of resources by testing lateral and depth continuities;
    - Update the mineral resource estimate; and
    - PEA study and updated Swanson Technical Report.

The Authors have prepared a cost estimate for the recommended two-phase work program to serve as a guideline for the Swanson Property. Expenditures for Phase 1 are estimated at $1,518,000 (including 15% for contingencies). Expenditures for Phase 2 are estimated at $1,322,500 (including 15% for contingencies). The grand total is $2,840,500 (including 15% for contingencies). Phase 2 is contingent upon the success of Phase 1.

The Authors and Qualified Persons are of the opinion that the recommended two-phase work program and proposed expenditures are appropriate and well thought out, and that the character of the Swanson Property is of sufficient merit to justify the recommended program. The Authors believe that the proposed budget reasonably reflects the type and amount of the contemplated activities.

4.4.3 Croinor Property, Val-d'Or, Québec, Canada

Introduction

The Croinor Property is owned 100% by the Corporation since January 21, 2021. Other than the royalties listed herein after, the Corporation does not assume any royalties in regard to the Croinor Property: (i) an aggregate of 0.75% NSR in favor of the estate of Mr. F. D Corcoran and Mr. David E. Agar on 45 mining claims and the mining lease on the Croinor Property; (ii) a 0.75% NSR in favor of Osisko Gold Royalties Ltd.; and (iii) a 2.5% NSR in favor of Gold Royalty, of which half (1.25%) can be bought back by the Corporation for $2 million. The claims and mining lease are registered 100% in the name of X-Ore. The Corporation owns 100% of X-Ore's shares.

Property Description, Location and Access

The Croinor Property consists of 337 claims and one (1) mining lease covering an aggregate area of 15,187.85 ha. All mining titles are in good standing according to the GESTIM database.

The Croinor Property is located in Pershing, Tiblemont, Tavernier and Haig townships, 15 km W of the Grenville Front and about 57 km E of the city of Val-d'Or, in Québec, Canada (about 75 km by road), in the eastern portion of the Abitibi Greenstone Belt, in the province of Québec, Canada. From Val-d'Or, access is provided by the paved Route 117 from the village of Louvicourt, 27 km W of the Croinor Property.

History

Pershing Township has been explored since the early 1930s. The Croinor Property deposit was discovered around 1944, probably by a prospector named Fred Thompson. Several companies subsequently conducted exploration on and around the Croinor Property deposit. Several showings have been discovered over the years in the area around the Croinor Property deposit.

Geological Setting, Mineralization, and Deposit Type

The Croinor Property deposit is hosted by the synvolcanic Croinor Property sill, which has a general attitude of N295° and dips north at 50°–65°. The sill ranges from 60 to 120 m in thickness over a strike length of approximately 3 km. It can be observed on several outcrops and is intersected by numerous drill holes. Near the Croinor Property deposit, the sill is in direct contact with pyroclastic units. Elsewhere, the sill is in contact with fragmental volcanic rocks, and sometimes with massive volcanic rocks. Generally, the northern and southern contacts of the sill with the enclosing volcanic rocks are clearly observed by the sudden appearance or disappearance of pyroclastic fragments. The northern and southern contacts are generally foliated parallel to the regional S2 schistosity. They are strongly foliated to sheared in places, but practically undeformed in others.

The Croinor Property deposit gold-rich lenses are made of quartz-carbonate-tourmaline-pyrite veins, altered pyritic host rock material, and/or tectonic breccia (pyritic host fragments within a quartz-carbonate-tourmaline-pyrite vein). These mineralized lenses are spatially controlled by reverse-oblique shear zones that crosscut and displaces both the lenses and its dioritic host. A hydrothermal alteration halo surrounds these structures. Zoning begins with an epidote-chlorite envelope that gradually changes into a chlorite-carbonate zone closer to the shear. Within the shear structure itself, the host rock has undergone extensive alteration characterized by a sericite-ankerite-pyrite assemblage. Several types of veins have been identified including shear veins, brecciated quartz-tourmaline veins, quartz-tourmaline-carbonate veins, quartz-tourmaline veinlets, tourmaline veins, tension veins, and tectonic breccia. The veins consist of quartz, tourmaline and carbonates with minor amounts of pyrite, chalcopyrite and native gold.

Environment and Permitting

The Corporation has a certificate of authorization for mine operation at the Croinor Property, issued in September 2010. Other studies and permits relating to the environment, site restoration and the crown pillar, which are required for mine operation, have also been carried out or obtained.

At the end of the Croinor Property project, the Croinor Property site must be closed and rehabilitated pursuant to the applicable regulations. A closure plan for the Croinor Property site was approved in January 2015. An updated version, filed in September 2020, is under review for approval.

4.5 Other Aspects of the Business

4.5.1 Beacon Mill

The Beacon Mill is registered 100% in the name of Beacon. The Corporation owns 100% of Beacon 's shares since January 21, 2021. The Beacon Mill has a 750 tpd capacity and is located on a property that consists of one (1) mining lease and 11 mineral claims covering an area of 1.8km^2. All mining titles are in good standing according to the GESTIM database. The Beacon Mill also has tailings management ponds, underground installations, a 500-metre deep shaft and a mechanical shop. The Beacon Mill is located in Val-d'Or, in the Abitibi region, in Québec, Canada, on Route 117 and at less than 500 m from the railroad.

The Beacon Mill is fully permitted, including a certificate of authorization by the MDELCC for the processing of 1.8 million tonnes of tailings, equivalent to approximately nine (9) years of mineral processing at full capacity.

On June 3, 2021, the Corporation announced its intention to restart the Beacon Mill by June 2022.

4.6 Employees

On June 30, 2021, the Corporation had 29 full time-employees, 6 part-time employees and 91 contractors. As of the date of this Annual Information Form, the Corporation had 44 full time-employees, four (4) part-time employees and 148 contractors.

For Beaufor Mine, in August 2020, a collective agreement was concluded for a four-year period ending on December 31, 2024.

4.7 Risk Factors

The Corporation operates in an industry that contains various risks and uncertainties. The risks and uncertainties listed below are not the only ones to which the Corporation is subject. Additional risks and uncertainties not presently known by the Corporation, or which the Corporation deems to be currently insignificant, may impede the Corporation's performance. The materialization of one of the following risks could harm the Corporation's activities and have significant negative impacts on its financial situation and its operating results. In that case, the Corporation's stock price could be affected.

Risks Related to the Corporation's Operations and the Industry

Commodity Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. Gold prices fluctuate widely and are affected by numerous factors beyond the Corporation's control, including central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, the relative exchange rate of the U.S. dollar with other major currencies, global and regional demand, political and economic conditions, production costs in major gold-producing regions and worldwide production levels. The aggregate effect of these factors is impossible to predict with accuracy. There is no guarantee that there will be a profitable market for the sale of metals from the Beaufor Mine in the future.

There can also be no assurance that mineral prices will be such that the Corporation's properties can be mined at a profit. The price of the Common Shares and the financial results of the Corporation, like its mining activities, could undergo in the future important negative effects because of the fall of the prices of minerals, resulting in an impact on the capacity of the Corporation to finance its activities. The prices of minerals fluctuate in an important way and are tributary to various factors which are independent of the will of the Corporation, such as the sale or the purchase of minerals by various brokers, central banks and financial institutions, the interest rates, the foreign exchange rates, the rates of inflation, of deflation, the fluctuations in the value of the Canadian dollar and the currencies, the regional and world offer and demand, the economic conjuncture and policy which prevails in the countries of the world which are large mineral producers, or countries where large customers and end users are located, and the COVID-19 pandemic. The prices of minerals largely fluctuated these last years and any serious fall could prevent the continuation of the exploration, construction and development activities of the Corporation. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may materially adversely affect the Corporation's financial performance or results of operations.

The volatility of gold prices is illustrated in the following table which sets out, for the periods indicated, the high, low and average afternoon fixing prices for gold on the London Bullion Market (the "**London P.M. Fix**").

(US$ per ounce)	**2020**	**2019**	**2018**	**2017**	**2016**
High Price	2,067	1,546	1,355	1,346	1,366
Low Price	1,474	1,269	1,178	1,151	1,077
Average Price	1,770	1,392	1,268	1,257	1,251

As of the date of this Annual Information Form, the London P.M. Fix was US$1,755 per ounce of gold.

As of the date of this Annual Information Form, the Corporation has no U.S. dollar exchange contracts or gold hedging contracts. However, the Corporation may engage in currency hedging activities in the future. Hedging activities are intended to protect a corporation from the fluctuations of the price of gold, to minimize the effect of declines in gold prices on results of operations for a period of time, and to reduce some risks associated with foreign exchange exposure. Hedging activities may protect a corporation against low gold prices, however, they may also limit the price that can be realized on gold that is subject to forward sales and call options where the market price of gold exceeds the gold price in a forward sale or call option contract. The Corporation continually evaluates the potential short- and long-term benefits of engaging in such derivative strategies based upon current market conditions. However, the use of metal derivative strategies may not benefit the Corporation in the future. There is a possibility that the Corporation could lock in forward deliveries at prices lower than the market price at the time of delivery. In addition, the Corporation could fail to produce enough precious metals to offset its forward delivery obligations, causing the Corporation to purchase the metal in the spot market at higher prices to fulfill its delivery obligations or, for cash-settled contracts, make cash payments to counterparts in excess of precious metals revenue. If the Corporation is locked into a lower than market price forward contract or has to buy additional quantities at higher prices, its net income could be adversely affected. In addition, such hedging strategies may not prove to be successful and foreign exchange fluctuations may materially adversely affect the price of the Common Shares and the financial results of the Corporation.

The price of the Common Shares and the financial results of the Corporation are significantly affected by changes in the U.S. dollar/Canadian dollar exchange rate. The U.S. dollar/Canadian dollar exchange rate has fluctuated significantly over the last several years. As of the date of this Annual Information Form, the U.S. dollar/Canadian exchange rate was $1.2637 per US$1.00. Historical fluctuations in the U.S. dollar/Canadian dollar exchange rate are not necessarily indicative of future exchange rate fluctuations.

Future Sale of Gold-Based Products

The Corporation is dependent on future sales of gold-based products. Although the Corporation will continue to assess the possibility of entering into sales agreements, including royalty purchase agreements, no assurance can be given that the Corporation will be able to sell gold-based products at such terms and conditions as are favourable for, or necessary to sustain its operations.

If the Corporation, for whatever reason, is not able to produce the products in accordance with the terms and specifications of any sales agreements, such noncompliance or violation, resulting in termination or damages, may have an adverse effect on the Corporation's operations and financial position. Even if the Corporation is able to meet the requirements set out therein, there is no assurance that the contract counterparties will be willing or able to purchase the production at the prices or quantities they have agreed to in the sales agreement.

Lack of Revenue and History of Losses

Since its incorporation, the Corporation has incurred operating losses and cash outflows related to the exploration and development of its mining properties and the eventual re-opening of its Beaufor Mine and Beacon Mill. As of the date of this Annual Information Form, the Corporation has financed its operations through cash received on January 21, 2021 from the Arrangement between Yamana and MGC, the issuance of Common Shares, the sale of royalties and the receipt of the Loan in August 2021. The Corporation's ability to ultimately achieve operating income in the future is dependent upon its ability to develop its mining properties and achieve commercial production. There is no assurance that expected operation of the Beaufor Mine and the Beacon Mill will be commercially viable.

In addition, the Corporation's future success will depend to a large extent on its ability to ensure the respect of its contractual commitments which are important from an operational and financial point of view. In general, the Corporation's revenues will also be affected by economic conditions and the capacity of the Corporation to start production and manage its growth.

Negative Operating Cash Flow

The Corporation has no history of revenues from its operating activities. The Corporation's cash and cash equivalents amounted to $20,500,000 as at June 30, 2021. During the 232-day period ended June 30, 2021, the Corporation had negative cash flow usage from operating activities of $5,500,000. As of June 30, 2021, the Corporation had current liabilities of $5,300,000. The Corporation anticipates it will continue to have negative cash flow from operating activities in future periods at least until commercial production is resumed at the Beaufor Mine and the Beacon Mill. To the extent that the Corporation has negative operating cash flows in future periods, the Corporation may need to allocate a portion of its existing working capital to fund such negative cash flow.

Profitability

The Corporation's profitability is significantly affected by the costs and results of its exploration and development programs. As mines have limited lives based on proven and probable mineral reserves, the Corporation actively seeks to replace and expand its mineral reserves, primarily through exploration and development as well as through strategic acquisitions. Exploration for minerals is highly speculative in nature, involves many risks and is frequently unsuccessful. Among the many uncertainties inherent in any gold exploration and development program are the location of economic ore bodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and processing facilities. Substantial expenditures are required to pursue such exploration and development activities. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are resumed and during such time the economic feasibility of production may change. Accordingly, the Corporation's current or future exploration and development programs may not result in any new economically viable mining operations or yield new mineral reserves to replace and expand current mineral reserves.

Project Risk

The ability of the Corporation to reach, sustain or increase levels of gold production is dependent in part on the success of its projects. Significant projects contemplated for the next few years include the Beaufor Mine, the McKenzie Property, the Croinor Property, the Swanson Property and the Beacon Mill projects. However, some or all of these projects may not proceed, and other projects may arise. Risks and unknowns inherent in all projects include, but are not limited to, the accuracy of reserve estimates; metallurgical recoveries; geotechnical and other technical assumptions; capital and operating costs of such projects; the future price of gold; and scoping of major projects including delays, aggressive schedules and unplanned events and conditions. The significant capital expenditures and long time-period required to develop new mines or other projects are considerable and changes in costs and market conditions or unplanned events or construction schedules can affect project economics. Actual costs and economic returns may differ materially from the Corporation's estimates or the Corporation could fail or be delayed in obtaining the governmental approvals necessary for the execution of a project, in which case, the project may not proceed either on its original timing or at all.

The Corporation may be unable to develop projects that demonstrate attractive economic feasibility at low gold prices. The number of projects in the future may outweigh the Corporation's capital, financial and staffing capacity restricting the ability to concurrently execute multiple projects and adversely affecting the potential timing of when those projects can be put into production. The inability to execute adequate governance over developmental projects can also have a major negative impact on project development activities.

Key Personnel

Production at the Corporation's mines and mine projects is dependent on the efforts of the Corporation's employees and contractors. Changes in the relationship between the Corporation and its employees or contractors may have a material adverse effect on the Corporation's business, results of operations and financial condition. The four-year collective agreement of the Beaufor Mine will end on December 31, 2024.

The Corporation is also dependent upon a number of key management personnel. The loss of the services of one or more of such key management personnel could have a material adverse effect on the Corporation. The Corporation's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals. The Corporation faces significant competition for qualified personnel and the Corporation may not be able to attract and retain such personnel.

Need for Funding and Time of Development

There is a risk that the development of the Beaufor Mine and the Beacon Mill into commercial production will not be resumed on time or on budget, or at all. The development and commissioning of the Beaufor Mine and the Beacon Mill is based on management's expectations, and may be delayed by a number of factors, some of which are beyond the Corporation's control. It is common in new mining operations to experience unexpected costs, problems and delays during permitting, construction, development and mine start-up. Most, if not all, projects of this kind suffer delays in start-up and commissioning due to late delivery of components, the inadequate availability of skilled labour and mining equipment, adverse weather or equipment failures, the rate at which expenditures are incurred, delays in construction schedules, or delays in obtaining the required permits or consents, or to obtain the required financing. In addition, delays in the early stages of mineral production often occur. During this time, the economic feasibility of production may change.

Capital and operating costs are estimates based on the interpretation of geological data, pre-feasibility and feasibility studies and other conditions, and there can be no assurance that they will prove to be accurate. The costs, timing and complexities of developing the Beaufor Mine and the Beacon Mill may be significantly higher than anticipated, including because the availability of infrastructure such as surface access, skilled labour, and energy at an economic cost, cannot be assured. In addition, cost estimates may increase significantly as more detailed engineering work and studies are completed.

The Corporation may require financing through equity and/or debt securities to complete the development and commissioning of the Beaufor Mine and the Beacon Mill and to fund future working capital, capital expenditures, operating and exploration costs and other general corporate requirements. The success and the pricing of any such capital raising and/or debt financing is dependent upon the prevailing market conditions at that time and upon the Corporation's ability to attract significant amounts of debt and/or equity. There is no assurance that such financing will be obtained on terms satisfactory to the Corporation and, if raised by offering equity securities, any financing may involve a dilution to existing shareholders. Failure to obtain any financing necessary for the Corporation's capital expenditure could result in the delay or indefinite postponement of further development of the Beaufor Mine and the Beacon Mill, which in turn would materially and adversely affect the financial and operating results of the Corporation and the market price of the Corporation's securities and, ultimately, could result in the loss of its properties.

The impacts of COVID-19 and government responses thereto may also continue to have a material impact on financial results and could constrain the Corporation's ability to obtain equity or debt financing in the future, which may have a material adverse effect on its business, financial condition and results of operations. There is a risk that commodity prices or demand for the products decline, including as a result of the impact of the COVID-19 crisis. The availability of such cash may be adversely impacted by uncertainty in the financial markets, including as a result of the COVID-19 crisis. Failure to obtain financing on a timely basis may cause the Corporation to postpone the development and commissioning of the Beaufor Mine and the Beacon Mill.

Mineral Exploration and Development Activities Inherently Risky

The exploration process generally begins with the identification and appraisal of mineral prospects. Exploration and development projects have no operating history upon which to base estimates of future operating costs and capital requirements. Mining projects frequently require a number of years and significant expenditures during the mine development phase before production is possible. Development projects are subject to the completion of successful feasibility studies and environmental assessments, issuance of necessary governmental permits, acquiring title to prospects and the receipt of adequate financing. The economic feasibility of development projects is based on many factors such as:

- estimation of reserves;
- anticipated metallurgical recoveries;
- environmental considerations and permitting;
- estimates of future gold prices; and
- anticipated capital and operating costs of such projects.

The business of exploration for minerals and mining involves a high degree of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Few properties that are explored are ultimately developed into mineral deposits with significant value. Unusual or unexpected ground or water conditions, geological formation pressures, fires, rock bursts, power outages, labour disruptions, flooding, earthquakes, explosions, cave-ins, landslides, mechanical equipment and facility performance problems, the inability to obtain suitable adequate machinery, equipment or labour and other unfavourable operating conditions are some of the risks involved in the operation of mines and the conduct of exploration and development programs. Unknown rock mechanics and hydrogeological conditions that cannot be predicted ahead of mining, such as faulting, zones of weak rock, or zones of unanticipated water inflow, may only be discovered during mining and may require significant changes to the mining plan. While lab testing may reduce uncertainty in some of the rock properties, it is never possible to identify all of these potential risks in advance.

The Corporation's exploration or development properties and any future mining operations will be subject to all the hazards and risks normally incidental to exploration, development and production, any of which could result in work stoppages and damage to or destruction of exploration or development facilities, mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

The discovery of an ore body may result in substantial rewards, however, few properties which are explored are ultimately developed into producing mines. A mine must generate sufficient revenues to offset operating and development costs such as the costs required to establish reserves by drilling, to develop metallurgical processes, to construct facilities and to extract and process metals from the ore. Once in production, it is impossible to determine whether current exploration and development programs at any given mine will result in the establishment of new reserves.

Uncertainty of Mineral Reserves and Mineral Resources

The estimates of mineral resources and mineral reserves for the Beaufor Mine, the McKenzie Property and the Swanson Property have been prepared in accordance with NI 43-101. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that any categories of mineral resources or reserves will be upgraded to higher categories. The estimation of mineralization is a subjective process and the accuracy of estimates is a function of quantity and quality of available data, the accuracy of statistical computation and the assumptions and judgments made in interpreting engineering and geological information. Factors such as market price fluctuations, increased production costs, reduced recovery rates, and changes to other assumptions applied to the estimates, may render mineral reserves uneconomic. As of the date of this Annual Information Form, there are no mineral reserves at the Beaufor Mine, the McKenzie Property and the Swanson Property.

It should be understood that mineral resources and mineral reserves are estimates of the size and grade of the deposits based on a number of drillings and samplings and on assumptions and parameters available. The level of confidence in the estimates depends upon a number of uncertainties. These uncertainties include, but are not limited to, future changes in product prices and/or production costs, differences in size and grade and recovery rates from those expected, and changes in project parameters. There is no assurance that the Beaufor Mine, the McKenzie Property and the Swanson Property implementation will be realized or that the future estimates of volume and grade of minerals to be mined/processed or of cash flows derived from production will be achieved.

Substantial expenditures and time are required to establish mineral reserves through drilling and to develop the mining and processing facilities and infrastructure at mine site. There is no certainty that future expenditures made in the exploration of the Corporation's other mineral properties or additional areas at the Beaufor Mine, the McKenzie Property and the Swanson Property will result in the identification of commercially recoverable quantities of ore or that ore reserves will ever be mined or processed profitably. The inability to achieve commercial operations on a basis that is economically viable may have a material adverse effect on the Corporation.

Advanced Project Development Studies

Internally and/or along with third party specialist, mining compagnies conduct advanced project development studies, including prefeasibility studies and feasibility studies, to advance and demonstrate the economic viability of a project and to further refine the engineering designs, mine plans, ore body models, infrastructure and environmental requirements, capital and operating costs and financial models. The results of advanced project development studies represent forward-looking information and are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such information. Such information speaks only as of the date of the assessment report and is based on a number of assumptions which are believed to be valid as of that date, but which may prove to be incorrect in the future. Advanced project developpement studies are intended to provide an increased level of analysis versus preliminary economic assessments; however they are still only estimated to a relatively wide confidence interval and there is no certainty that the projected economic and production results may be realized.

Corporation's Dependence Upon the Beaufor Mine and the Beacon Mill

The Corporation currently expects future mining operations at the Beaufor Mine to account for all of the Corporation's gold extraction for the foreseeable future. In addition, the Corporation currently expects its future operations to be performed at the Beacon Mill to account for all of its ore processing activities. Consequently, the Corporation expects to generate all its revenues from its production activities at the Beaufor Mine and from its processing activities at the Beacon Mill.

Any adverse condition affecting any of the Beaufor Mine or the Beacon Mill, or any adverse conditions affecting the mining revenues or the costs for producing gold from the Beaufor Mine or processing ore at the Beacon Mill could be expected to have a material adverse effect on the Corporation's financial performance and results of operations and could require the Corporation to raise additional financing, which may not be obtainable under such circumstances.

Unless the Corporation acquires or develops other significant gold-producing assets, the Corporation will continue to be dependent on its expected operations at Beaufor Mine and the Beacon Mill for a substantial portion of its gold production and processing activities. There can be no assurance that the Corporation's current and future exploration and development programs will result in any new economically viable mining operations or yield new mineral reserves to replace and expand projected production and mineral reserves.

Increase in Production Costs

Changes in the Corporation's production costs could have a major impact on its financial condition and results of operations. Changes in costs of the Corporation's mining and processing operations could occur as a result of unforeseen events, including international and local economic and political events, a change in commodity prices, increased costs and scarcity of labour, and could result in changes in profitability or mineral reserve estimates. Many of these factors may be beyond the Corporation's control. The Corporation prepares estimates of future cash costs and capital costs for its operations and projects. There is no assurance that actual costs will not exceed such estimates. Exceeding cost estimates could have an adverse impact on the Corporation's future results of operations or financial condition.

Infrastructure, Supplies and Inflation

Prices for goods and services will fluctuate in relation to the level of investment in the mining sector; it is reasonable to expect that increased demand could impact the Corporation's future economic projections and competitiveness, as it may entail a meaningful increase in costs for various goods and services. Improvements in the economic conditions for the mining industry as a whole will typically result in increases to both the costs of planned exploration and development activities, which must also be factored into economic models used in projections for future development and potential operations. Increased demand for, and costs of, goods or services could result in delays if they cannot be obtained in a timely manner due to inadequate availability, and may cause scheduling difficulties and delays due to the need to coordinate their availability, any of which could materially increase project exploration, development and/or construction costs. These factors could have a material adverse impact on the Corporation's operations and profitability.

Life of Mine Plans

The life of mine estimates are based on a number of factors and assumptions and may prove to be incorrect. In addition, life of mine plans, by design, may have declining grade profiles and increasing rock hardness over time and mine life could be shortened if the Corporation increases production, experiences increased production costs or if the price of gold declines significantly. Mineral reserves at operating sites can be replaced by upgrading existing mineral resources to mineral reserves generally by the completion of additional drilling and/or development to improve the estimate confidence and by demonstrating their economic viability, by expanding known deposits, by locating new deposits, or by making acquisitions. Substantial expenditures are required to delineate resources and ultimately establish proven and probable reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of mineral reserves will not be offset by mineral resource conversions, expansions, discoveries, or acquisitions.

Uncertainty Relating to Future Production Estimates

The Corporation prepares estimates and projections of future production for its projects. Any such information is forward-looking and no assurance can be given that such estimates will be achieved. These estimates are based on existing plans and other assumptions which change from time to time, including: mineral reserve and mineral resource estimates; the availability, accessibility, sufficiency and quality of gold; the Corporation's costs of production; the Corporation's ability to sustain and increase production levels; the sufficiency of the Corporation's infrastructure; the performance of the Corporation's workforce and equipment; the Corporation's ability to maintain and obtain mining interests and permits; and the Corporation's compliance with existing and future laws and regulations. The Corporation's actual production may vary from estimates for a variety of reasons, including: actual gold mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; revisions to mine plans; risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and seismic activity; and unexpected labour shortages, strikes, local community opposition or blockades. Failure to achieve the estimated forecasts could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

New Mines

The ability to replace existing mineral reserves as they are produced and depleted will depend upon locating new or expanding production from existing economic mineral reserves and developing new mines or extending and expanding existing mining operations. The ability to achieve full production rates at new and expanded mines on schedule is subject to a number of risks and uncertainties. New mines may require the construction of significant new underground mining operations and may present problems in acquiring and achieving access to mine locations. The construction of underground mining facilities is subject to a number of risks, including unforeseen geological formations, implementation of new mining processes, delays in obtaining required title to mining deposits and access to locations, construction, environmental or operating permits and engineering and mine design adjustments and construction delays. These occurrences may result in delays in the planned start-up dates and in additional costs beyond those budgeted. Moreover, the construction activities at possible mine extensions may take place concurrently with normal mining operations at, which may result in conflicts with, or possible delays to, existing mining operations.

Risk of New Mining Operations

Whether income will result from any of the Corporation's activities, including, without limitation, the Beaufor Mine and the Beacon Mill, will depend on the successful establishment of new mining operations and expansion of current operations, including the operation of the Beaufor Mine and the Beacon Mill. As a result, the Corporation is subject to all of the risks associated with establishing or expanding new mining operations and business enterprises, including the timing and cost, which can be considerable, of the construction of mining and processing facilities and related infrastructure; the availability and cost of skilled labour and mining equipment; the need to obtain necessary environmental and other governmental approval and permits and the timing of the receipt of those approvals and permits; the availability of funds to finance construction and development activities; potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; and potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies.

Various factors, including costs, actual mineralization, consistency and reliability of gold grades, commodity prices, future cash flow and profitability can affect successful project development, and there can be no assurance that current or future estimates of these factors will reflect actual results and performance. The cost and availability of suitable machinery, supplies, mining equipment and skilled labour, the existence of competent operational management and prudent financial administration, as well as the availability and reliability of appropriately skilled and experienced consultants can also affect successful project development. It is common in new mining operations to experience unexpected problems and delays during construction, development, mine start-up and commissioning activities. Such factors can add to the cost of mine development, production and operation and/or impair production and mining activities, thereby affecting the Corporation's profitability. Accordingly, there is no assurance that Beaufor Mine and the Beacon Mill will ever be brought into a state of commercial production or that the Corporation's activities will result in profitable mining operations.

Consumables

The profitability of the Corporation's business might be affected by the market prices and availability or shortages of commodities which are consumed or otherwise used in connection with the Corporation's operations and projects. Prices of such commodities can also be subject to volatile price movements, which can be material and can occur over short periods of time and are affected by factors that are beyond the Corporation's control. An increase in the cost, or decrease in the availability, of construction materials such as equipment, steel and concrete may affect the timing and cost of the Corporation's projects. If the costs of certain commodities consumed or otherwise used in connection with the Corporation's operations and projects were to increase significantly, and remain at such levels for a sustained period of time, the Corporation may determine that it is not economically feasible to resume commercial production at its Beaufor Mine and Beacon Mill or continue the development of some or all of the Corporation's current projects, which could have a material adverse impact on the Corporation. Costs at any particular mining location are also subject to variation due to a number of factors, such as changing ore grade, changing metallurgy and revisions to mine plans in response to changes in the estimated physical shape and location of the ore body or due to operational or processing changes. A material increase in costs could have a significant effect on the Corporation's capital expenditures, production schedules, profitability and operating cash flow.

Labour Relations

While the Corporation has good relations with its employees, there can be no assurance that it will be able to maintain positive relationships with its employees. In addition, relations between the Corporation and its employees may be impacted by regulatory or governmental changes introduced by the relevant authorities in whose jurisdictions the Corporation carries on business as well as by the COVID-19 pandemic. Adverse changes in such legislation or in the relationship between the Corporation and its employees could have a material adverse impact on the Corporation's business, results of operations and financial condition.

Asset Valuation

The Corporation tests the valuation of its properties, plant and equipment and exploration and evaluation assets when indications of potential impairment or reversal of a previously recognized impairment are identified.

Management's assumptions and estimates of future cash flows are subject to risks and uncertainties, particularly in market conditions where higher volatility exists, and may be partially or totally outside of the Corporation's control. Therefore, it is reasonably possible that changes could occur with evolving economic and market conditions, which may affect the fair value of the Corporation's property, plant and equipment and exploration and evaluation assets resulting in either an impairment charge or reversal of impairment.

If the Corporation fails to achieve its valuation assumptions or if any of its properties, plant and equipment, exploration and evaluation assets or cash generating units have experienced a decline in fair value, an impairment charge may be required to be recorded, causing a reduction in the Corporation's earnings.

Conversely, if there are observable indicators that any of its property, plant and equipment, exploration and evaluation assets or cash generating units have experienced an increase in fair value, a reversal of a prior impairment may be required to be recorded, causing an increase in the Corporation's earnings. As at June 30, 2021, there are no prior impairments of exploration and evaluation assets which are subject to potential reversal.

IT Systems Security

The Corporation may be exposed to pilferage of private and sensitive data to deliberate cyber attacks or inadvertent loss of media, such as loss of laptops, phones, etc. in public places. Furthermore, unauthorized access to confidential information would have a negative effect on the Corporation's reputation, business, prospects, results of operations and financial condition. The systems that are in place may not be enough to guard against loss of data due to the rapidly evolving cyber threats. The Corporation may be required to increasingly invest in better systems, software, and use of consultants to periodically review and adequately adapt and respond to dynamic cyber risks.

Health and Safety Risks

The mineral exploration, development and production business carries an inherent risk of liability related to worker health and safety, including the risk of government-imposed orders to remedy unsafe conditions, potential penalties for contravention of health and safety laws, requirements for permits and other regulatory approvals, and potential civil liability. Compliance with health and safety laws, and any changes to such laws, and the requirements of applicable permits and other regulatory requirements remains material to the Corporation's business. The Corporation may become subject to government orders, investigations, inquiries or other proceedings (including civil claims) relating to health and safety matters. The occurrence of any of these events or any changes, additions to or more rigorous enforcement of health and safety laws, permits or other approvals could have a significant impact on operations and result in additional costs or penalties. In turn, these could have a material adverse effect on the Corporation's reputation, operations and future prospects.

Managing and Integrating Any Completed Acquisitions with its Existing Operations

The Corporation continuously evaluates opportunities to acquire all or a portion of the securities or assets of other mining businesses. Such acquisitions may expose the Corporation to new geographic, political, operating, financial, geological or reputational risks. The Corporation'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 with those of the Corporation. Any acquisition would be accompanied by risks, such as: due diligence failures; the potential disruption of the Corporation's ongoing business; and the potential unknown liabilities (including potential environmental liabilities and permitting gaps, community issues, indigenous title and consultation and accommodation issues, or any prior bribery or corruption activities) associated with acquired assets and businesses. In addition, the Corporation may need additional capital to finance any acquisition. Debt financing related to any acquisition may expose the Corporation to the risks related to increased leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Care and Maintenance

In the event of a sustained decline of the gold price, the Corporation may consider maintaining the Beaufor Mine and Beacon Mill's operations on temporary care and maintenance, under which the Corporation has ceased production, but keeps the Beaufor Mine and Beacon Mill in a condition to possibly reopen them at a later date. An unplanned catastrophic event such as underground seismic activity, pit slope failure, a major tailings breach or other event could occur and cause a temporary or permanent closure of the Beaufor Mine and Beacon Mill. The costs associated with maintaining the Beaufor Mine and Beacon Mill's operations on temporary care and maintenance may not be fully known for a period of time. Site rehabilitation plans may be incomplete, inaccurately estimated, and/or not fully documented.

Titles

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral deposits may be disputed. Although the Corporation believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims on underlying portions of the Corporation's interests, including prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Corporation may be unable to operate its properties as permitted or to enforce its rights in respect of its properties. Moreover, where the Corporation's interest in a property is less than 100%, or a third party holds a form of profit-sharing interest, the Corporation's entitlement to, and obligations in respect of, the property are subject to the terms of the agreement relating to that property, or in the absence of an agreement subject to provincial or federal laws and regulations, which in certain circumstances may be the subject of differing interpretations between the parties.

Permitting

Mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to the Corporation in a timely manner, or at all, or, if they are issued, that they will be renewed, or that the Corporation will be in a position to comply with or can afford to comply with all conditions that may be imposed.

Insurance Coverage

The Corporation's mining projects are subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fires, floods, hurricanes, and earthquakes. Such occurrences could result in physical and environmental damage to the Corporation's properties, including the Beacon Mill, and related production facilities or the properties of others; personal injury or death; delays in mining; monetary losses and possible legal liability.

Although the Corporation maintain insurance to protect against certain risks in such amounts the Corporation consider reasonable, the Corporation insurance will not cover all of the potential risks associated with a mining company's operations and the risks associated with being a publicly-trade company generally. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to the Corporation or to other companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. The Corporation may suffer a material adverse effect on the Beaufor Mine, the McKenzie Property, the Croinor Property, the Swanson Property and the Beacon Mill, results of operations, cash flows and financial condition as a result of losses related to any event that is not covered, or adequately covered, by its insurance policies.

Rising Insurance Costs

The cost of insurance, including director and officer, product liability and general liability insurance, has risen significantly in recent years and is expected to continue to increase. In response, the Corporation could increase deductibles and/or decrease certain coverage to mitigate these costs. These increases, and the Corporation increased risk due to increased deductibles and reduced coverage, could have a material adverse effect on the Corporation business, financial condition and results of operations.

Government Regulations

The Corporation's mining and mineral processing operations and exploration activities are subject to the laws and regulations of federal, provincial, and local governments in the jurisdictions in which the Corporation operates. These laws and regulations are extensive and govern prospecting, exploration, development, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, environmental protection, mine safety and other matters. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating, closing, reclaiming and rehabilitating mines and other facilities. New laws, regulations or taxes, amendments to current laws, regulations or taxes governing operations and activities of mining corporations or more stringent implementation or interpretation thereof could have a material adverse impact on the Corporation, cause a reduction in levels of production and delay or prevent the development of new mining properties.

The Canadian mining industry is subject to federal and provincial environmental protection legislation. This legislation sets high standards on the mining industry in order to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently emitted into the air or water. Consequently, drilling, refining, extracting and milling are all subject to the restrictions imposed by such legislation. In addition, the construction and commercial operation of a mine typically entail compliance with applicable environmental legislation and review processes, as well as the obtaining of permits, particularly for the use of the land, permits for the use of water, and similar authorizations from various governmental bodies. Compliance with such laws and regulations increases the costs of planning, designing, drilling, developing, constructing, operating and closing mines and other facilities.

All of the Corporation's operations are subject to reclamation, site restoration and closure requirements. Costs related to ongoing site restoration programs are expensed when incurred. The Corporation calculates its estimates of the ultimate reclamation liability based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its operating mine sites. It is possible that the Corporation's estimates of its ultimate reclamation liability could change as a result of possible changes in laws and regulations and changes in cost estimates.

Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may become subject to civil or criminal fines or penalties for violations of applicable laws or regulations.

New or expanded environmental regulations, if adopted, or more stringent enforcement of existing laws and regulations, could affect the Corporation's projects or otherwise have a material adverse effect on its operations. As a result, expenditures on any and all projects, actual production quantities and rates and cash operating costs, among other things, may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs, and estimated production dates may be delayed materially, in each case. Any such event would materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

Anti-Corruption and Anti-Bribery Laws

The Corporation's operations are governed by, and involve interactions with, various levels of government in numerous countries. The Corporation is required to comply with anti-corruption, anti-bribery and sanctions laws, including the *Corruption of Foreign Public Officials Act* (Canada), as well as similar laws in the countries in which the Corporation or its contractual counterparties conducts its business. There has been a general increase in the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment of companies convicted of violating these laws. The Corporation may be found liable for violations by not only its employees, but also by its third-party agents. Measures that the Corporation has adopted to mitigate these risks may not always be effective in ensuring that the Corporation, its employees or third-party agents will comply strictly with such laws. If the Corporation is subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Corporation which could result in a material adverse effect on the Corporation's reputation, financial performance and results of operations. If the Corporation chooses to operate in additional foreign jurisdictions in the future it may become subject to additional anti-corruption, anti-bribery and sanctions laws in such jurisdictions.

Indigenous Rights

The Corporation operates and does exploration on properties, which are subject to Indigenous traditional land use. The Corporation, under local laws and regulations, is committed to consult with the First Nations group about any impact of its potential rights or claims, and traditional land use. This may potentially cause delays in making decisions or project startups. Further, there is no assurance of favourable outcomes of these consultations. The Corporation may have to face potential adverse consequences such as significant expenses on account of lawsuits and loss of reputation.

Unionization Activities

Although some of the Corporation's employees are unionized, other employees may also elect to be represented by labour unions in the future. If a significant number of the Corporation's employees were to become unionized, it could adversely affect the business, financial condition or results of operations of the Corporation. In addition, a labour dispute involving some or all of the Corporation's employees may harm the Corporation's reputation, disrupt its operations and reduce its revenues, and resolution of disputes may increase its costs.

Non-Competition Agreements

The Corporation generally enters into non-competition agreements as part of employment agreements with certain directors and members of the senior management. These agreements generally prohibit the Corporation's directors and senior managers, if they cease working for the Corporation, from competing directly with the Corporation or working for the Corporation competitors or clients for a limited period. The Corporation may be unable to enforce these agreements under the laws of the jurisdictions in which directors and senior managers work and it may be difficult to restrict the Corporation's competitors from benefitting from the expertise the Corporation former directors and senior managers developed while working for the Corporation.

Competition

The mining industry is intensely and increasingly competitive, and the Corporation is in competition with other mining corporations for the acquisition of interests in precious and other metal or mineral mining properties which are in limited supply. In the pursuit of such acquisition opportunities, the Corporation competes with other Canadian and foreign companies that may have substantially greater financial and other resources. As a result of this competition, the Corporation may be unable to maintain or acquire attractive mining properties on acceptable terms, or at all.

On a regular basis, the Corporation evaluates potential acquisitions of mining properties and/or interests in other mining corporations, which may entail certain risks.

Consistent with its growth strategy, the Corporation evaluates the potential acquisition of advanced exploration, development and production assets on a regular basis. From time to time, the Corporation may also acquire securities of or other interests in corporations with whom the Corporation may complete acquisition or other transactions. These transactions involve inherent risks, including, without limitation:

- Accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- Ability to achieve identified and anticipated operating and financial synergies;
- Unanticipated costs;
- Diversion of management attention from existing business;
- Potential loss of key employees or the key employees of any business the Corporation acquires;
- Unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- Decline in the value of acquired properties, corporations or securities.

Any one or more of these factors or other risks could cause the Corporation not to realize the benefits anticipated to result from the acquisition of properties or corporations, and could have a material adverse effect on the Corporation's ability to grow and, consequently, on the Corporation's financial condition and results of operations.

The Corporation continues to seek acquisition opportunities consistent with its acquisition and growth strategy, however, it may not be able to identify additional suitable acquisition candidates available for sale at reasonable prices, to consummate any acquisition, or to integrate any acquired business into its operations successfully. Acquisitions may involve a number of special risks, circumstances or legal liabilities, some or all of which could have a material adverse effect on the Corporation's business, results of operations and financial condition. In addition, to acquire properties and corporations, the Corporation could use available cash, incur debt, issue Common Shares or other securities, or a combination of any one or more of these. This could limit the Corporation's flexibility to raise additional capital, to operate, explore and develop its properties and to make additional acquisitions, and could further dilute and decrease the trading price of the Common Shares. When evaluating an acquisition opportunity, the Corporation cannot be certain that it will have correctly identified and managed the risks and costs inherent in the business that it is acquiring.

From time to time, the Corporation engages in discussions and activities with respect to possible acquisitions. At any given time, discussions and activities can be in the process on a number of initiatives, each at different stages of development. Potential transactions may not be successfully completed, and, if completed, the business acquired may not be successfully integrated into the Corporation's operations. If the Corporation fails to manage its acquisition and growth strategy successfully, it could have a material adverse effect on its business, results of operations and financial condition.

Risks of Relying on Consultants

The Corporation relies on, and may continue to rely on, consultants and others for mineral exploration and processing expertise. The Corporation believes that those consultants are competent and that they have carried out their work in accordance with internationally recognized industry standards. However, if the work conducted by those consultants is ultimately found to be incorrect or inadequate in any material respect, the Corporation may experience delays or increased costs in developing its properties and processing facilities.

Project Opposition Risks

The Beaufor Mine and Beacon Mill project, like many mining projects, may have opponents. Opponents of other mining projects have, in some cases, been successful in bringing public and political pressure against mining projects. Substantial opposition to any of the Corporation's mining projects could result in delays to developments or plans, or prevent the project from proceeding at all, despite the commercial viability of the project.

Litigation

The Corporation is subject to litigation arising in the normal course of business and may be involved in legal disputes or matters with other parties, including governments and their agencies, regulators and members of the Corporation's own workforce, which may result in litigation. The causes of potential litigation cannot be known and may arise from, among other things, business activities, employment matters, including compensation issues, environmental, health and safety laws and regulations, tax matters, volatility in the Corporation's stock price, failure to comply with disclosure obligations or labour disruptions at its mine sites. Regulatory and government agencies may initiate investigations relating to the enforcement of applicable laws or regulations and the Corporation may incur expenses in defending them and be subject to fines or penalties in case of any violation, and could face damage to its reputation in the case of recurring workplace incidents resulting in an injury or fatality for which the Corporation is found responsible. The results and costs of litigation and investigations cannot be predicted with certainty. If the Corporation is unable to resolve these disputes or matters favourably, this may have a material adverse impact on the Corporation's financial performance, cash flows and results of operations.

Damage to the Corporation's Reputation

There has been a marked increase in the use of social media platforms and similar channels, including weblogs, social media websites and other forms of Internet-based communications that provide individuals with access to a broad audience of interested persons. The availability and impact of information on social media platforms is virtually immediate and many social media platforms publish user-generated content without filters or independent verification as to the accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information, opinions and statements concerning the Corporation may be posted on such platforms at any time. Information posted may be adverse to the Corporation's interests or may be inaccurate, each of which may harm the Corporation's performance, prospects or business. Any damage to the Corporation's reputation, whether arising from the conduct of business, negative publicity, regulatory, supervisory or enforcement actions, matters affecting its financial reporting or compliance with provincial securities commissions, the TSX, security breaches or otherwise could have a material adverse effect on the business and results of operation of the Corporation. The harm may be immediate without affording the Corporation an opportunity for redress or correction.

Ultimately, the risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm the reputation, business, financial condition and results of operations of the Corporation.

Conflicts of Interest

Some of the directors and officers of the Corporation are engaged as directors or officers of other corporations involved in the exploration and development of mineral resources. Such engagement could result in conflicts of interest. Any decision taken by these directors and officers and involving the Corporation will be in conformity with their duties and obligations to act fairly and in good faith with the Corporation and these other corporations. Moreover, these directors and officers will declare their interests and refrain from voting on any issue which could give rise to a conflict of interest.

Forward-Looking Statements

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Shareholder Activism

Recently, there has been increased shareholder activism in the mining industry. Should an activist shareholder engage with the Corporation, it could cause disruption to its strategy, operations and leadership organization, resulting in a material unfavourable impact on the financial performance and longer-term value creation strategy of the Corporation.

Financial Risks

Stock Price Volatility

The market price of the Common Shares may fluctuate due to a variety of factors relating to the Corporation’s business, including the announcement of expanded exploration, development and production activities by the Corporation and its competitors, gold price volatility, exchange rate fluctuations, consolidations, dispositions, acquisitions and financing, changes or restatements in the amount of the Corporation’s mineral resources, fluctuations in the Corporation’s operating results, sales of the Common Shares in the marketplace, failure to meet analysts’ expectations, changes in quarterly revenue or earnings estimates made by the investment community, speculation in the press or investment community about the Corporation’s strategic position, results of operations, business or significant transactions and general conditions in the mining industry or the worldwide economy. In addition, wide price swings are currently common in the markets on which the Corporation's securities trade. This volatility may adversely affect the prices of the Common Shares regardless of the Corporation’s operating performance. The market price of the Common Shares may experience significant fluctuations in the future, including fluctuations that are unrelated to the Corporation’s performance. Securities class action litigation has often been brought against companies following periods of volatility in the market price of their securities. The Corporation 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.

Share Price

The Common Shares do not necessarily trade at prices determined by reference to the underlying value of the Corporation business and cannot be predicted. The market price of the Common Shares may be subject to significant fluctuations in response to variations in quarterly operating results and other factors. In addition, securities markets have experienced significant price and volume fluctuations from time to time in recent years, and even more so since the beginning of the COVID-19 pandemic, that are often unrelated or disproportionately related to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Common Shares.

Global Financial Conditions

In recent years, global financial markets have experienced increased volatility and global financial conditions have been subject to increased instability, resulting in a profound impact on the global economy. Many industries are impacted by these market conditions. Some of the key impacts of financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. These factors may impact the ability of the Corporation to obtain equity or debt financing and, if available, to obtain such financing on terms favourable to the Corporation. If these increased levels of volatility and market instability continue, the Corporation's operations and planned growth could be adversely impacted and the trading price of the securities of the Corporation may be adversely affected.

Sensitivity to General Economic Conditions

The Corporation's business is influenced by a variety of economic and business conditions (including inflation, interest rates, exchange rates and access to debt and capital markets), as well as by monetary and regulatory policies. Deterioration in economic conditions increase in interest rates or a decrease in consumer demand and/or a decrease in investment demand, could have an adverse impact on the Corporation's financial performance and condition, cash flows and growth prospects.

Significant Shareholder

Alamos Gold Inc. ("**Alamos**") is the beneficial owner of an aggregate of 8,793,640 Common Shares, representing 11.27% of the issued and outstanding Common Shares as of the date of this Annual Information Form. If Alamos were to sell a significant portion interest in the Corporation into the public market, or even if the market was to perceive that such a sale may occur, such event might lower the market price of the Common Shares. Alamos's interests as a shareholder may not be aligned at all times with the interests of all of the other shareholders of the Corporation.

Disclosure and Internal Controls

The Corporation assessed and tested, for its 232-day period ended June 30, 2021, its internal control procedures in order to satisfy the requirements of *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings* and National Instrument 52-109 *Certification and Disclosure in Issuer's Annual and Interim Filings* ("**NI 52-109**"). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (IFRS).

Disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Corporation in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to the Corporation's management, as appropriate, to allow timely decisions regarding required decisions.

NI 52-109 requires an annual assessment by management of the effectiveness of the Corporation's internal control over financial reporting. The Corporation's failure to satisfy the requirements of NI 52-109 on an ongoing and timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Corporation's business and negatively impact the trading price of its Common Shares or market value of its other securities. In addition, any failure to implement required new or improved control(s), or difficulties encountered in their implementation could harm the Corporation's operating results or cause it to fail to meet its reporting obligations. No evaluation can provide complete assurance that the Corporation's internal control over financial reporting will detect or uncover all failures of persons within the Corporation to disclose material information required to be reported. Accordingly, the Corporation's management does not expect that its internal control over financial reporting will prevent or detect all errors and all fraud. In addition, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that the Corporation continue to improve its internal control over financial reporting.

Stock Dilution and Additional Financing

Issuance of a substantial number of the Common Shares by the Corporation, for example, in connection with a potential acquisition or to raise additional capital for operations, or to reduce indebtedness, or pursuant to existing agreements, or the availability of a large number of Common Shares that may be available for sale, could adversely affect the prevailing market prices for the issued and outstanding Common Shares. A decline in the market price of the issued and outstanding Common Shares could impair the Corporation's ability to raise additional capital through the issuance of securities should the Corporation desire to do so.

Additional financing needed to continue funding the exploration, development and operation of the Beaufor Mine, the McKenzie Property, the Croinor Property, the Swanson Property and the Beacon Mill may require the issuance of additional securities. The issuance of additional securities and the exercise of Common Share purchase warrants, options and other convertible securities, as applicable, will result in dilution of the equity interests of any persons who are or may become holders of Common Shares.

There is no assurance that additional funding will be available to the Corporation for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration, development and operation of the Beaufor Mine, the McKenzie Property, the Croinor Property, the Swanson Property and the Beacon Mill.

Going Concern and Insolvency

The Corporation's financial statements have been prepared on a going concern basis, which assumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

Minimum Payment Obligations

The Corporation is or may become subject to certain contractual arrangements that may require the payment of certain annual minimum fees to the applicable counterparties (e.g. technology partners). Payment of such amounts, without a corresponding revenue inflow, may have an adverse effect on the financial position of the Corporation. Additionally, certain arrangements may require the Corporation to purchase more quantities of raw materials than are necessary to sustain annual production requirements. If such materials are not used prior to their expiry, this could have an adverse effect on the financial position of the Corporation.

Public Health Crisis

The Corporation continues to face risks related to COVID-19 crisis, which could significantly disrupt its operations and may have a material and adverse effect on its business and financial conditions.

Even though the Corporation is implementing business continuity measures and governmental recommendations to mitigate and reduce any potential impacts of COVID-19 on its business, operations and financial condition, the spread of COVID-19 could have a material adverse impact on the Corporation’s workforce and the development of its Beaufor Mine and Beacon Mill. Despite COVID-19, the Corporation is continuing to develop its Beaufor Mine and Beacon Mill through remote work solutions with its management team, employees, consultants, business partners and government representatives. The full extent and impact of COVID-19 on the Corporation’s operations cannot currently be ascertained, as it depends upon future developments which cannot be predicted, and includes among other matters: the duration of the outbreak, the severity of the virus and the ability to treat it, the ability to collect sufficient data to track the virus and the collective actions taken to curb the spread of the virus.

Consequently, the continued spread of COVID-19 worldwide could have a significant and adverse impact on the Corporation's business, including employee’s health, labour productivity, flow-through share obligations, increased insurance premiums, availability of experts and industry personnel, restrictions on its drilling program and/or schedule for the processing of drill holes and other metallurgical tests and other factors that will depend on future developments beyond the Corporation’s control, which could have a material and adverse effect on its business, financial condition and results of operations.

There can be no assurance that the Corporation’s personnel will be affected by these pandemic diseases and ultimately experience reduced labour productivity or incur increased medical expenses/insurance premiums as a result of these health risks. In addition, a significant outbreak of COVID-19 could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic slowdown that could adversely affect the demand for precious metals and the Corporation’s future prospects.

Public Company Obligations

As a publicly traded company listed on the TSX, the Corporation is subject to numerous laws, including, without limitation, corporate, securities and environmental laws, compliance with which is both very time consuming and costly. The failure to comply with any of these laws, individually or in the aggregate, could have a material adverse effect on the Corporation, which could cause a significant decline in the Corporation’s stock price.

Furthermore, laws applicable to the Corporation constantly change and the Corporation's continued compliance with changing requirements is both very time consuming and costly. The Corporation's continued efforts to comply with numerous changing laws and adhere to a high standard of corporate governance have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Catastrophic Events, Natural Disasters, Severe Weather

The Corporation's business may be negatively impacted to varying degrees by a number of events which are beyond its control, including cyber-attacks, unauthorized access, energy blackouts, pandemics, terrorist attacks, acts of war, earthquakes, hurricanes, tornados, fires, floods, ice storms or other natural or manmade catastrophes. While the Corporation engages in emergency preparedness, including business continuity planning, to mitigate risks, such events can evolve very rapidly and their impacts can be difficult to predict. As such, there can be no assurance that in the event of such a catastrophe that the Corporation's operations and ability to carry on business will not be disrupted. The occurrence of such events may not release the Corporation from performing its obligations to third parties.

Estimates, Judgments and Assumptions

The preparation of the Corporation's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. The Corporation cannot provide assurance that its estimates, judgments and assumptions are accurate or adequate, which could have a material adverse effect on the Corporation's results of operations, financial condition, and cash flows.

Securities Industry Analyst Research Reports

The trading market for the Common Shares relies in part on the research and reports that securities analysts and other third parties choose to publish about the Corporation. The Corporation does not control these analyses or other third parties. The price of the Common Shares could decline if one or more securities analysts downgrade the Common Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Corporation or cease publishing reports about the Corporation. If one or more analysts cease coverage of the Corporation or fail to regularly publish reports on the Corporation, the Corporation could lose visibility in the financial markets, which in turn could cause the Common Shares price or trading volume to decline.

Increase in Interest Rates

Increases in interest rates, both domestically and internationally, could negatively affect the Corporation cost of financing its operations and investments. Adverse credit market conditions could limit the Corporation's ability to raise debt that may be needed to fund the Corporation's operations. The Corporation ability to maintain its current credit facility and its ability to issue or borrow long-term debt and raise financing may be critical to the success of the Corporation business. The Corporation's ability to conduct operations could be materially and adversely impacted should these or other adverse conditions affect the Corporation's sources of liquidity.

Dividends

The Corporation has not declared or paid any dividends on its Common Shares since its incorporation and it has no current plans to pay dividends on its Common Shares. Its present policy is to retain earnings to finance its capital expenditures program. The Board assesses its dividend policy on a yearly basis. In the future, the Board may declare dividends according to its assessment of the financial position of the Corporation, considering its financing requirements for future growth and other factors that the Board may deem relevant in the circumstances.

Liabilities

The business of gold mining is generally subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected rock formations, changes in the regulatory environment, cave-ins, rock bursts, rock falls, slope and pit wall failures and flooding and gold bullion losses. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Corporation carries insurance to protect itself against certain risks of mining and processing which may not provide adequate coverage in certain unforeseen circumstances. The Corporation may also become subject to liability for pollution, cave-ins or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons, or the Corporation may become subject to liabilities which exceed policy limits. In these circumstances, the Corporation may be required to incur significant costs that could have a material adverse effect on its financial performance and results of operations.

Bankruptcy, Liquidation or Reorganization

In the event of a bankruptcy, liquidation or reorganization of the Corporation, holders of certain of its indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the Corporation before any assets are made available for distribution to the shareholders. The Common Shares will be effectively subordinated to most of the other indebtedness and liabilities of the Corporation.

Taxes and Tax Audits

The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses, even if the Corporation has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities could have negative tax consequences for investors or the Corporation. In such an event, the Corporation will indemnify each flow-through share subscriber for the additional taxes payable by such subscriber as a result of the Corporation's failure to renounce the qualifying expenditures as agreed.

The Corporation is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest and penalties, which would negatively affect the Corporation’s financial condition and operating results. Changes in tax rules and regulations or in the interpretation of tax rules and regulations by the courts or the tax authorities may also have a substantial negative impact on the Corporation’s business.

Cryptocurrencies

Cryptocurrencies and other blockchain-based mediums of exchanges (digital currencies) are becoming more integrated with the global economy and have the potential to become a means of storing wealth outside of conventional financial markets. These digital currencies may offer a compelling alternative to financial instruments exchangeable for government-issued currencies because they are held and traded on a decentralized network of computers, often beyond the control of individual governments or companies. Since gold serves a substantially similar wealth-storing function, the growing acceptance and popularity of cryptocurrencies and other blockchain-based mediums of exchanges may have an adverse effect on the market for gold and put significant downward pressure on gold prices.

5. DIVIDENDS AND DISTRIBUTIONS

Since its incorporation and as of the date of this Annual Information Form, the Corporation has not paid any dividends or made any distributions on its issued and outstanding Common Shares.

The Corporation's current policy is to reinvest future earnings in order to finance the growth and development of its business. The Corporation does not intend to pay dividends in the foreseeable future. Any decision to declare and pay dividends on the Common Shares in the future will be made at the discretion of the Board and will depend on, among other things, the Corporation's financial condition, results of operation, capital requirements and such other factors that the Board may deem relevant at such time. In addition, the Corporation's ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness that the Corporation or its subsidiaries incur.

6. DESCRIPTION OF THE CAPITAL STRUCTURE

6.1 Introduction

On January 21, 2021, MGC and Yamana completed the Arrangement pursuant to section 192 of the CBCA. Under the terms of the Arrangement, the former shareholders of MGC received, for each MGC Common Share held: (i) 19.2 cents in cash from Yamana (the "**Yamana Cash Consideration**"); (ii) 0.0376 of a Yamana Common Share; and (iii) 0.20 of a Common Share (the Yamana Cash Consideration, the 0.0376 of a Yamana Common Share and the 0.20 of a Common Share being collectively referred to as the "**Arrangement Consideration**").

Pursuant to the Arrangement, each outstanding stock option of MGC that was in-the-money at the effective time of the Arrangement was surrendered and cancelled by MGC in exchange for MGC Common Shares having a fair market value equal to the in-the-money amount of such stock options and such MGC Common Shares were exchanged for the Arrangement Consideration. Each stock option of MGC that was not in-the-money was cancelled without any payment in respect thereof at the effective time of the Arrangement.

Pursuant to the Arrangement, (i) each certificated MGC warrant outstanding immediately prior to the effective time of the Arrangement (other than the certificated MGC warrants held by Yamana) was cancelled and replaced by (a) a warrant to purchase from Yamana 0.0376 of a Yamana Common Share and (b) a warrant to purchase from the Corporation 0.20 of a Common Share (a "**Monarch Replacement Warrant**"); and (ii) each MGC warrant (a "**MGC Indenture Warrant**") outstanding pursuant to the warrant indenture between MGC and Computershare Trust Company of Canada ("**Computershare Trust**"), as warrant agent, dated as of September 17, 2020 (the "**Warrant Indenture**") remains outstanding and entitles the holder thereof to receive, upon the exercise thereof, the Arrangement Consideration . The net exercise price for each MGC Indenture Warrant (being the exercise price of $0.60 per MGC Indenture Warrant less the Yamana Cash Consideration) is $0.408 (the "**Net Exercise Price**"), subject to adjustment in accordance with the terms of the Warrant Indenture. The Net Exercise Price has been allocated between Yamana and the Corporation as follows: (i) $0.311 payable to Yamana for each MGC Indenture Warrant exercised and (ii) $0.097 payable to the Corporation for each MGC Indenture Warrant exercised.

6.2 Common Shares

The following description of the Corporation's share capital summarizes certain provisions contained in the Corporation's articles and by-laws. These summaries do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Corporation's articles and by-laws, which have been filed under the Corporation's profile on SEDAR at www.sedar.com.

The Corporation's authorized capital is made up of an unlimited number of Common Shares without par value. As of June 30, 2021, 78,033,009 Common Shares were issued and outstanding as fully paid. As of the date of this Annual Information Form, 78,033,009 Common Shares were issued and outstanding as fully paid. The holders of Common Shares are entitled to vote at all shareholder meetings. They are also entitled to dividends, if, as and when declared by the Board and, upon liquidation or winding-up of the Corporation, to share the residual assets of the Corporation. The Common Shares do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Common Shares, all of which rank equally as to all benefits which might accrue to the holders of the Common Shares.

6.3 Warrants

6.3.1 Monarch Replacement Warrants

As of June 30, 2021, an aggregate number of 10,956,291 Monarch Replacement Warrants issued by the Corporation were outstanding, collectively entitling the holders to purchase an aggregate of up to 2,191,258 Common Shares as follows:

	Number of Monarch Replacement Warrants	Exercise Price ($)	Expiry Date
	1,205,040(1)	$0.0808	September 17, 2022
	170,000(2)	$0.0970	September 17, 2022
	9,581,251(3)	$0.0469	June 9, 2023
Total	**10,956,291**		

Notes:

1. Issued under the Arrangement completed between Yamana and MGC on January 21, 2021. Each Monarch Replacement Warrant entitles the holder thereof to purchase 0.20 of a Common Share at an exercise price of $0.0808 per whole Common Share until September 17, 2022. See "*Description of the Capital Structure - Introduction*" in this Annual Information Form.
2. Issued under the Arrangement completed between Yamana and MGC on January 21, 2021. Each Monarch Replacement Warrant entitles the holder thereof to purchase 0.20 of a Common Share at an exercise price of $0.0970 per whole Common Share until September 17, 2022. See "*Description of the Capital Structure - Introduction*" in this Annual Information Form.
3. Issued under the Arrangement completed between Yamana and MGC on January 21, 2021. Each Monarch Replacement Warrant entitles the holder thereof to purchase 0.20 of a Common Share at an exercise price of $0.0469 per whole Common Share until June 9, 2023. See "*Description of the Capital Structure - Introduction*" in this Annual Information Form.

For further details about the Monarch Replacement Warrants issued by the Corporation as of June 30, 2021, reference is made to note 11 to the Corporation's audited consolidated financial statements for the 232-day period ended June 30, 2021, which are available under the Corporation's profile on SEDAR at www.sedar.com.

Between June 30, 2021 and the date of this Annual Information Form, no Monarch Replacement Warrants were exercised. As a result, and as of the date of this Annual Information Form, an aggregate number of 10,956,291 Monarch Replacement Warrants issued by the Corporation are outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 2,191,258 Common Shares.

6.3.2 MGC Indenture Warrants

As of June 30, 2021, an aggregate number of 10,042,000 MGC Indenture Warrants issued by MGC were outstanding, collectively entitling the holders to purchase an aggregate of up to 2,008,400 Common Shares as follows:

	Number of MGC Indenture Warrants	**Net Exercise Price ($)**	**Expiry Date**
	10,042,000[1]	$0.408[2]	September 17, 2022
Total	**10,042,000**		

Notes:

1. Pursuant to the Arrangement completed between Yamana and MGC on January 21, 2021, the MGC Indenture Warrants were not cancelled nor replaced and remain outstanding. Each MGC Indenture Warrant entitles the holder thereof to receive, upon the exercise thereof, the Arrangement Consideration, until September 17, 2022. See "*Description of the Capital Structure - Introduction*" in this Annual Information Form.
2. Pursuant to the Arrangement, the Net Exercise Price (being the exercise price of $0.60 per MGC Indenture Warrant less the Yamana Cash Consideration) has been allocated between Yamana and the Corporation as follows: (i) $0.311 payable to Yamana for each MGC Indenture Warrant exercised and (ii) $0.097 payable to the Corporation for each MGC Indenture Warrant exercised. See "*Description of the Capital Structure - Introduction*" in this Annual Information Form

For further details about the MGC Indenture Warrants outstanding as of June 30, 2021, reference is made to note 11 to the Corporation's audited consolidated financial statements for the 232-day period ended June 30, 2021, which are available under the Corporation's profile on SEDAR at www.sedar.com.

Between June 30, 2021 and the date of this Annual Information Form, no MGC Indenture Warrants were exercised. As a result, and as of the date of this Annual Information Form, an aggregate number of 10,042,000 MGC Indenture Warrants issued by the Corporation are outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 2,008,400 Common Shares.

6.3.3 Indenture Warrants

As of June 30, 2021, an aggregate number of 4,159,750 indenture warrants issued by the Corporation were outstanding, collectively entitling the holders to purchase an aggregate of up to 4,159,750 Common Shares as follows:

	Number of Indenture Warrants	Exercise Price ($)	Expiry Date
	4,159,750	$1.05	June 9, 2023
Total	**4,159,750**		

For further details about the indenture warrants issued by the Corporation and outstanding as of June 30, 2021, reference is made to note 11 to the Corporation's audited consolidated financial statements for the 232-day period ended June 30, 2021, which are available under the Corporation's profile on SEDAR at www.sedar.com.

Between June 30, 2021 and the date of this Annual Information Form, noindenture warrants were exercised. As a result, and as of the date of this Annual Information Form, an aggregate number of 4,159,750 indenture warrants issued by the Corporation are outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 4,159,750 Common Shares.

6.4 Compensation Options

6.4.1 Broker Warrants

As of June 30, 2021, an aggregate number of 706,229 broker warrants issued by the Corporation were outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 706,229 Common Shares as follows:

	Number of Broker Warrants	Exercise Price $	Expiry Date
	207,059	$1.38	March 4, 2023
	499,170	$0.87	June 29, 2023
Total	**706,229**		

For further details about the broker warrants issued by the Corporation and outstanding as of June 30, 2021, reference is made to note 11 to the Corporation's audited consolidated financial statements for the 232-day period ended June 30, 2021, which are available under the Corporation's profile on SEDAR at www.sedar.com.

Between June 30, 2021 and the date of this Annual Information Form, no broker warrants were exercised. As a result, and as of the date of this Annual Information Form, an aggregate number of 706,229 broker warrants issued by the Corporation are outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 706,229 Common Shares.

6.4.2 Stock Options Issued Under the Stock Option Plan

The Board is entitled to grant stock options in accordance with the *Monarch Mining Corporation Stock Option Plan* as adopted by the Board on November 30, 2020 to employees, officers, directors or consultants of the Corporation or any subsidiary thereof, and to persons employed to perform investor relations activities for an initial, renewable or extended period of twelve months or more.

As of June 30, 2021, an aggregate number of 2,264,000 stock options issued by the Corporation were outstanding, collectively entitling the holders to purchase an aggregate of up to 2,264,000 Common Shares as follows:

	Number of Stock Options	Number of Vested Stock Options	Exercise Price $	Expiry Date
	2,049,000	Nil	$1.00	March 9, 2026
	50,000	Nil	$1.00	May 18, 2026
	140,000	Nil	$1.00	June 16, 2026
	25,000	Nil	$1.00	June 21, 2026
Total	**2,264,000**			

For further details about the stock options issued by the Corporation as of June 30, 2021, reference is made to note 12 to the Corporation's audited consolidated financial statements for the 232-day period ended June 30, 2021, which are available under the Corporation's profile on SEDAR at www.sedar.com.

Between June 30, 2021 and the date of this Annual Information Form, no stock options were exercised, cancelled or issued by the Corporation. As a result, and as of the date of this Annual Information Form, an aggregate number of 2,264,000 stock options issued by the Corporation are outstanding, collectively entitling the holders thereof to purchase an aggregate of up to 2,264,000 Common Shares.

6.4.3 Restricted Share Units Issued Under the Restricted Share Unit Plan

The Board is entitled to grant restricted share units in accordance with the *Monarch Mining Corporation Restricted Share Unit Plan* as adopted by the Board on November 30, 2020 to employees, officers, directors or consultants of the Corporation or any subsidiary thereof. The restricted share units vest as follows: one third on each of the first, second and third anniversary of the date of grant of the restricted share units. Each vested restricted share unit entitles the holder to receive, for no consideration, one Common Share, its cash equivalent or a combination of Common Shares and cash.

As of June 30, 2021, an aggregate number of 1,405,500 restricted share units issued by the Corporation were outstanding, collectively entitling the holders to receive an aggregate of up to 1,405,500 Common Shares or a cash consideration or a combination thereof, at the sole discretion of the Corporation as follows:

	Number of Restricted Share Units	**Number of Vested Restricted Share Units**	Vesting Dates
	411,833	Nil	March 9, 2022
	23,334	Nil	May 10, 2022
	33,334	Nil	June 7, 2022
	411,833	Nil	March 9, 2023
	23,333	Nil	May 10, 2023
	33,333	Nil	June 7, 2023
	411,834	Nil	March 9, 2024
	23,333	Nil	May 10, 2024
	33,333	Nil	June 7, 2024
Total	**1,405,500**		

For further details about the restricted share units issued by the Corporation as of June 30, 2021, reference is made to note 11 to the Corporation's audited consolidated financial statements for the 232-day period ended June 30, 2021, which are available under the Corporation's profile on SEDAR at www.sedar.com.

Between June 30, 2021 and the date of this Annual Information Form, no restricted share units were cancelled, issued or had vested. As a result, and as of the date of this Annual Information Form, an aggregate number of 1,405,500 restricted share units issued by the Corporation are outstanding, collectively entitling the holders thereof receive of up to 1,405,500 Common Shares or a cash consideration or a combination thereof.

7. MARKET FOR SECURITIES

7.1 Market

The Common Shares were listed and posted on the TSX on January 26, 2021, under the trading symbol "GBAR" and on the OTCQX on May 20, 2021, under the trading symbol "GBARF".

7.2 Trading Price and Volume

The following table shows the variation in price and the trading volume of the Common Shares on the TSX (as reported by https://www.tmxmoney.com) from first day of its listing and thereafter on a monthly basis up to the date of this Annual Information Form.

Month	High ($)	Low ($)	Trading volume
January 26 to January 30, 2021	0.80	0.59	2,956,328
February 2021	1.31	0.80	7,196,752
March 2021	1.03	0.76	2,802,822
April 2021	0.87	0.76	2,003,628
May 2021	0.94	0.80	1,730,939
June 2021	1.02	0.82	3,825,931
July 2021	0.99	0.83	1,431,567
August 2021	0.94	0.75	1,655,818
September 1 to September 27, 2021	0.83	0.72	906,316

8. PRIOR SALES

The following table summarizes details of the outstanding securities that are not listed or quoted on a marketplace that were issued by the Corporation during the Corporation's 232-day period ended June 30, 2021, and up to the date of this Annual Information Form.

Issue Date	Number and Class of Securities	Issue Price or Exercise Price per Security
January 21, 2021	9,581,251 Monarch Replacement Warrants(1)	$0.0469
January 21, 2021	1,205,040 Monarch Replacement Warrants(1)	$0.0808
January 21, 2021	170,000 Monarch Replacement Warrants(1)	$0.0970
March 4, 2021	207,059 broker warrants(2)	$1.38
March 9, 2021	2,049,000 stock options	$1.00
March 9, 2021	1,235,500 restricted share units	$0.85(5)
May 10, 2021	70,000 restricted share units	$0.90(5)
May 18, 2021	50,000 stock options	$1.00
June 7, 2021	100,000 restricted share units	$0.85(5)
June 16, 2021	140,000 stock options	$1.00
June 21, 2021	25,000 stock options	$1.00
June 29, 2021	4,159,750 indenture warrants(3)	$1.05
June 29, 2021	499,170 broker warrants(4)	$0.87

Notes:

1. Issued under the Arrangement completed between Yamana and MGC on January 21, 2021. Each Monarch Replacement Warrant entitles the holder thereof to purchase 0.20 of a Common Share.
2. Issued under a brokered private placement closed on March 4, 2021. Each broker warrant entitles the holder therof to purchase one (1) Common Share at a price of $1.38 per Common Share until March 4, 2023.
3. Issued under a brokered private placement closed on June 29, 2021. Each indenture warrant entitles the holder thereof to purchase one (1) Common Share at an exercise price of $1.05 per Common Share until June 29, 2023.

4. Issued under a brokered private placement closed on June 29, 2021. Each broker warrant entitles the holder therof to purchase one (1) Common Share at a price of $0.87 per Common Share until June 29, 2023.

5. Estimated issue price based on the closing price of the Common Shares on the date of grant.

9. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets out information on the escrowed securities of the Corporation and the securities of the Corporation that are subject to a contractual restriction on transfer as of June 30, 2021.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER		
Description of Class Shares	**Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer**	**Percentage of Class**
Common Shares	2,435,460(1)	3.12%(5)
Monarch Replacement Warrants	80,000(2)	0.73%
MGC Indenture Warrants	Nil	0.00%
Indenture warrants	Nil	0.00%
Stock options	1,359,000(3)	60.03%
Restricted share units	798,000(4)	56.80%

Notes:

1. Represents the Common Shares owned, directly or indirectly, by the Corporation's directors and executive officers as of June 30, 2021, which are subject to a lock-up restriction pursuant to which they shall not sell, transfer, assign, pledge or otherwise dispose of any securities of the Corporation, until October 27, 2021 (the "**Lock-Up Restriction**").

2. Represents the Monarch Replacement Warrants held, directly or indirectly, by the Corporation's directors and executive officers as of June 30, 2021, which are subject to the Lock-Up Restriction until October 27, 2021. Each Monarch Replacement Warrant entitles the holder thereof to purchase 0.20 of a Common Share. See "*Description of the Capital Structure*" in this Annual Information Form.

3. Represents the stock options of the Corporations held, directly or indirectly, by the Corporation's directors and executive officers as of June 30, 2021, which are subject to the Lock-Up Restriction until October 27, 2021.

4. Represents the restricted share units of the Corporations held, directly or indirectly, by the Corporation's directors and executive officers as of June 30, 2021, which are subject to the Lock-Up Restriction until October 27, 2021.

5. This percentage is calculated based on the number of outstanding Common Shares as of June 30, 2021 on a non-diluted basis.

10. DIRECTORS AND OFFICERS

Pursuant to the Articles of Incorporation of the Corporation dated November 11, 2020, the Board shall consist of a minimum of three and a maximum of ten directors. The directors of the Corporation are elected annually by the shareholders at the annual general meeting of the shareholders. Each director so elected shall hold office until the next annual general meeting of the shareholders of the Corporation, unless the director resigns or the director's office becomes vacant by death, removal or other cause.

10.1 Name, Occupation and Securities Held

The following table contains certain information on the Corporation's current directors and executive officers as of the date of this Annual Information Form.

Name and Residence	Position Held with the Corporation and Period Served as Director	Principal Occupation During Past Five Years
Michel Bouchard[(1)] Québec, Canada	Director and Chairman of the Board since November 2020	Director of Monarch Gold Corporation, a company specialized in the mining industry, from 2012 to 2021 President and Chief Executive Officer of Clifton Star Resources Inc., a company specialized in the mining industry, from 2011 to 2016 Director of Cartier Resources Inc., a company specialized in the mining industry, since 2013 Director of Sirios Resources Inc., a company specialized in the mining industry, since 2016 Director of First Mining Gold Corp., a company specialized in the mining industry, from 2016 to 2020
Guylaine Daigle[(2)] Québec, Canada	Director of the Corporation since November 2020	Director of Monarch Gold Corporation, a company specialized in the mining indusry, from 2020 to 2021 Vice President, Finance of G4 Drilling Ltd., a diamond drilling company, since 2006 Vice-President, Finance of CCL Drilling (1993) Inc., a drilling and blasting company, since 2015
Lucie Desjardins Québec, Canada	Director, Legal Affairs and Corporate Secretary of the Corporation since January 2021	Director, Legal Affairs and Corporate Secretary for Monarch Gold Corporation, a company specialized in the mining sector, from 2017 to 2021 Corporate legal counsel, from 2015 to 2017, for Groupe Optimum Inc., a Canadian financial group of companies with international operations

Name and Residence	Position Held with the Corporation and Period Served as Director	Principal Occupation During Past Five Years
Laurence Gaborit(3) Ontario, Canada	Director of the Corporation since November 2020	Director of Monarch Gold Corporation, a company specialized in the mining industry, from 2019 to 2021 Director of Gold Terra Resource Corp., a company specialized in the mining industry, since 2019 Vice-President, Investor Relations at Dore Copper Mining Corp., a company specialized in the mining indusry, since 2020 Vice-President, Investor Relations at Detour Gold Corporation, a company specialized in the mining industry, from 2007 to 2019
Jean-Marc Lacoste(4) Québec, Canada	Director of the Corporation since November 2020	President and Chief Executive Officer of the Corporation since November 2020 President and Chief Executive Officer of Monarch Gold Corporation, a company specialized in the mining industry, from 2012 to 2021 President of Lacoste International Inc., a holding company specialized in the management of companies, since 2010
Alain Lévesque Québec, Canada	Chief Financial Officer of the Corporation since November 2020	Chief Financial Officer and Vice-President, Finance of Monarch Gold Corporation, a company specialized in the mining industry, from 2015 to 2021 Chief Financial Officer of Maya Gold & Silver Inc., a company specialized in the mining industry, from 2014 to 2017
Christian Pichette(5) Québec, Canada	Director of Corporation since November 2020	Director of Monarch Gold Corporation, a company specialized in the mining industry, from 2014 to 2021
Mathieu Séguin Québec, Canada	Vice President, Corporate Development of the Corporation since January 2021	Vice President, Corporate Development of Monarch Gold Corporation, a company specialized in the mining industry, from February 2018 to January 2021 Director Corporate Finance at Laurentian Bank Securities, an investment dealer, from 2016 to 2018 Vice-President Corporate Finance at Industrial Alliance Securities from 2009 to 2016

Notes:

1. Mr. Bouchard is member of the Audit Committee of the Corporation.
2. Ms. Daigle is chair of the Audit Committee and member of the Human Resources, Compensation and Nominating Committee of the Corporation.
3. Ms. Gaborit is member of the Human Resources, Compensation and Nominating Committee of the Corporation.
4. Mr. Lacoste is President, Chief Executive Officer and secretary of X-Ore since May 2014 and director of X-Ore since February 2014 as well as President and secretary of Beacon since August 2016 and director of Beacon since August 2016.
5. Mr. Pichette is chair of the Human Resources, Compensation and Nominating Committee of the Corporation and member of the Audit Committee of the Corporation.

As of the date of this Annual Information Form, the Corporation's directors and executive officers beneficially owned, directly or indirectly, an aggregate of 2,435,460 Common Shares representing approximately 3.12% of the issued and outstanding Common Shares.

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the members of the Board and based on the information provided by the directors or the executive officers, none of these persons:

(a) is, as at the date of this Annual Information Form, or has been, within ten years before this date, a director, chief executive officer or chief financial officer of any corporation, including the Corporation, which has been subject to one of the following orders:

 (i) a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, while the person was acting in the capacity as director, chief executive officer or chief financial officer; or

 (ii) a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the person exercised these duties.

To the knowledge of the members of the Board and based on the information provided by the directors or executive officers of the Corporation or shareholders holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, none of these persons:

(a) is, as at the date of this Annual Information Form, or has been within ten years before this date, a director or executive officer of any corporation, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has been imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority nor has been imposed any penalties or sanctions by a court or regulatory body that would likely be considered important to a reasonable securityholder in making an investment decision.

10.3 Conflicts of Interest

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other reporting companies that may compete with the Corporation in some respects or may hold significant shareholdings in the Corporation or other companies that compete with the Corporation and, to the extent that such other companies may have conflicting interests, the directors of the Corporation may have a conflict of interest. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment.

In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms and such director will not participate in negotiating and concluding terms of any proposed transaction. Under the CBCA, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time. See "*Risk Factors*" in this Annual Information Form.

11. AUDIT COMMITTEE

11.1 The Audit Committee's Charter

The Audit Committee's charter describes the duties, responsibilities and skills required from its members as well as the terms of their nomination and dismissal and their relationship with the Board. The charter is attached to this Annual Information Form as Schedule "A".

11.2 Composition of the Audit Committee

As of the date of this Annual Information Form, the Audit Committee is made up of the following individuals:

Name	Independent	Financially Literate
Guylaine Daigle (Chair)	Yes	Yes
Christian Pichette	Yes	Yes
Michel Bouchard	Yes	Yes

11.3 Relevant Education and Experience

Ms. Guylaine Daigle is a chartered accountant and earned a bachelor's degree in Accounting Sciences from the *Université du Québec en Abitibi-Témiscamingue.* She is a member of the *Ordre des comptables professionnels agréés du Québec* (Québec CPA Order). Ms. Daigle has over 25 years of experience in financial management, primarily in the mining industry. Ms. Daigle has held financial management positions with Deloitte LLP, Ross-Finlay 2000 Inc. and McWatters Mines Inc. as well as auditor positions with accounting firms. Since December 2006, she has been Vice President, Finance and a shareholder of G4 Drilling Ltd., a diamond drilling company; CCL Drilling (1993) Inc., a drilling and blasting company; and G4 R&D Inc., a machine shop specializing in drilling and forestry. Ms. Daigle is also a shareholder and director of the *Foreurs de Val-d'Or* and a director of the *Fondation du Centre Hospitalier de Val-d'Or*. She was a director of Monarch Gold Corporation from April 2020 to January 2021.

Mr. Christian Pichette is an engineer and earned a bachelor's degree in Mining Engineering and a master's degree in Rock Mechanics from the *École Polytechnique de Montréal*. Mr. Pichette has over 35 years of experience in the mining industry. He has held managerial positions with many Canadian corporations, including Placer Dome Inc., TVX Gold Inc., Barrick Gold Corporation and Cambior Inc. From September 2005 to May 2012, he held the position of Vice President Operations of Richmont Mines Inc., a mining exploration and exploitation company, and from May 2012 to December 2013, he served as Vice President Executive and Chief Operating Officer of Monarch Gold Corporation. Mr. Pichette was a director of Monarch Gold Corporation from June 2014 to January 2021.

Mr. Michel Bouchard is a geologist and earned a bachelor's and master's degree in Geology from Montréal University and a master's degree in Business Administration (MBA) from HEC Montréal. Mr. Bouchard, who has been involved in the exploration, development and production aspects of the mining industry for over 30 years, brings a wealth of knowledge and experience with him. Mr. Bouchard was President and Chief Executive Officer of Cadiscor Resources Inc., a mining company, from May 2006 to May 2009, Vice President, Exploration and Development for North American Palladium Ltd., a company specialized in the mining industry, from May 2009 to November 2011, and President and Chief Executive Officer of Clifton Star Resources Inc., a company specialized in the mining industry, from November 2011 to April 2016. Mr. Bouchard is also a director of Cartier Resources Inc. since May 2013 and a director of Sirios Resources Inc. since September 2016, and has been a director and senior officer of several public companies in the mining industry, including director of Monarch Gold Corporation from December 2012 to January 2021, and director of First Mining Gold Corp. from April 2016 to April 2020.

As such, all the Audit Committee's members have the financial skills necessary to understand the accounting principles used by the Corporation in preparing its financial statements as well as the ability to assess the general application of such accounting principles. The Audit Committee's members also have relevant experience in analyzing and evaluating financial statements that presents a level of complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities. The Audit Committee's members also understand the internal controls and procedures respecting the disclosure of financial information.

11.4 Audit Committee Oversight

Since the beginning of the Corporation's 232-day period ended June 30, 2021, there was no recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

11.5 Reliance on Certain Exemptions

Since the beginning of the Corporation's 232-day period ended June 30, 2021, the Corporation has not relied on the exemption provided in section 2.4, 3.2, 3.4 and 3.5 of *Regulation 52-110 respecting Audit Committees* or on any exemption granted by the securities authority under Part 8 of this regulation.

11.6 Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies or procedures with respect to the awarding of contracts for non-audit services. However, for the fiscal year ending June 30, 2022, the Audit Committee has approved a $20,000 budget for expenses that may be incurred in connection with contracts for non-audit services.

11.7 External Auditor Service Fees

For the 232-day period ended June 30, 2021, the following external auditor service fees were invoiced to the Corporation by KPMG LLP ("**KPMG**"):

	2021
Audit Fees	$83,193
Audit-Related Fees	–
Tax Fees	–
All Other Fees	–
Total	**$83,193**

12. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Since the beginning of the 232-day period ended June 30, 2021 and up to the date of this Annual Information Form, there was no legal proceedings outstanding or regulatory actions pending involving the Corporation or any of its properties or to which the Corporation is a party or to which its properties are subject, nor to the knowledge of the Corporation are any such legal proceedings contemplated or such regulatory actions threatened, as of the date hereof, which could become material to a purchaser of securities of the Corporation.

Since the beginning of the 232-day period ended June 30, 2021 and up to the date of this Annual Information Form: (i) the Corporation has not been the subject of penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority; (ii) the Corporation has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority; and (iii) no penalties or sanctions has been imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision.

13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, with the exception of what is provided herein, no director, executive officer, or person that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of outstanding voting securities of the Corporation, or an associate or affiliate of any of the foregoing, have had any material interest, direct or indirect, in any transaction since the incorporation of the Corporation and up to the date of this Annual Information Form that has materially affected or is reasonably expected to materially affect the Corporation or its subsidiaries.

14. TRANSFER AGENT AND REGISTRAR

The Corporation's transfer agent and registrar is Computershare Investor Services Inc. ("**Computershare**"). The register of transfers of the Common Shares is held at Computershare's offices located in its place of business at 1500 Robert-Bourassa Boulevard, 7th Floor, Montréal, Québec H3A 3S8.

15. MATERIAL CONTRACTS

The following lists any contract material to the Corporation that was entered into outside the normal course of business during 232-day period ended June 30, 2021, and up to the date of this Annual Information Form, which are available under the Corporation's profile on SEDAR at www.sedar.com:

1. the conveyance agreement dated January 21, 2021, entered into between the Corporation and MGC pertaining to the sell and transfer by MGC of certain assets and liabilities in favour of the Corporation;

2. the supplemental warrant indenture dated January 21, 2021, entered into between the Corporation, MGC, Yamana and Computershare Trust supplementing the warrant indenture dated September 17, 2020, entered into between MGC and Computershare Trust pertaining to the appointment of Computershare Trust as warrant agent for the warrants issued by MGC under its private placement closed on September 17, 2020;

3. the underwriting agreement dated March 4, 2021, entered into between the Corporation and Sprott Capital Partners LP and Stifel Nicolaus Canada Inc., as co-lead underwriters and joint bookrunners, in connection with the Corporation's private placement closed on March 4, 2021;

4. the warrant indenture dated June 29, 2021 between the Corporation and Computershare Trust pertaining to the appointment of Computershare Trust as warrant agent for the warrants issued by the Corporation under its private placement closed on June 29, 2021;

5. the underwriting agreement dated June 29, 2021, entered into between the Corporation and Sprott Capital Partners LP and Stifel Nicolaus Canada Inc., as co-lead underwriters and joint bookrunners, in connection with the Corporation's private placement closed on June 29, 2021; and

6. the Loan agreement dated August 2, 2021, entered into between the Corporation and IQ pertaining to a $13.5 million senior secured term Loan.

16. INTERESTS OF EXPERTS

KPMG is the external auditor of the Corporation who has prepared the "Independent Auditor's Report to the Shareholders" dated September 28, 2021 with respect to the consolidated annual financial statements of the Corporation for the 232-day period ended June 30, 2021. KPMG is independent with respect to the Corporation within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

Certain information of a scientific or technical nature in respect of the Beaufor Mine, the Swanson Property and the McKenzie Property contained in this Annual Information Form is based on the Beaufor Technical Report, the Swanson Technical Report and the McKenzie Technical Report, respectively.

The Beaufor Technical Report was prepared by the Authors of the Beaufor Technical Report, as this term is defined above. The Authors of the Beaufor Technical Report have reviewed and approved the scientific and technical information summarized from the Beaufor Technical Report and contained in this Annual Information Form. As of the date of this Annual Information Form, Ms. Charlotte Athurion, P. Geo., Mr. Clovis Auger, P. Geo. and Mr. Dario Evangelista, P. Eng., each of whom is a "qualified person" within the meaning of NI 43-101, had no beneficial or registered interests, direct or indirect, in the Corporation's securities or properties.

The Swanson Technical Report was prepared by the Authors of the Swanson Technical Report, as this term is defined above. The Authors of the Swanson Technical Report have reviewed and approved the scientific and technical information summarized from the Swanson Technical Report and contained in this Annual Information Form. As of the date of this Annual Information Form, Ms. Christine Beausoleil, P. Geo., and Mr. Alain Carrier, M. Sc., P. Geo., each of whom is a "qualified person" within the meaning of NI 43-101, had no beneficial or registered interests, direct or indirect, in the Corporation's securities or properties.

The McKenzie Technical Report was prepared by the Authors of the McKenzie Technical Report, as this term is defined above. The Authors of the McKenzie Technical Report have reviewed and approved the scientific and technical information summarized from the McKenzie Technical Report and contained in this Annual Information Form. As of the date of this Annual Information Form, Mr. Alain-Jean Beauregard, P. Geo., Mr. Daniel Gaudreault, P. Eng., Mr. Merouane Rachidi, P. Geo. and Mr. Claude Duplessis, P. Eng., each of whom is a "qualified person" within the meaning of NI 43-101, had no beneficial or registered interests, direct or indirect, in the Corporation's securities or properties.

Mr. Louis Martin, P. Geo., and independent consulting geologist, has reviewed and approved the scientific and technical information contained in the section entitled "*Other Mining Properties – Croinor Property, Val-d'Or, Québec, Canada*". Mr. Louis Martin is considered, by virtue of his education, experience and professional association, to be a "qualified person" within the meaning of NI 43-101. As of the date hereof, Mr. Louis Martin owns, directly or indirectly, less than 1% of the Corporation's securities or properties.

17. ADDITIONAL INFORMATION

Additional financial information regarding the Corporation is provided in the audited annual financial statements and the management's discussion and analysis of the Corporation for the 232-day period ended June 30, 2021, which are available under the Corporation's profile on SEDAR at www.sedar.com.

Additional information regarding the Corporation is also available under its profile on SEDAR at www.sedar.com and on the Corporation's web site at www.monarchmining.com.

SCHEDULE A

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD

OF MONARCH MINING CORPORATION (the "Corporation")

I. PURPOSE

The Audit Committee is a committee of the Corporation's Board. The primary role of the Audit Committee is to help the Board to fulfill its responsibilities with respect to financial information and controls toward the shareholders of the Corporation and the financial community. The external auditors report directly to the Audit Committee. The primary duties and responsibilities of the Audit Committee are as follows:

- to ensure the integrity of the Corporation's financial statements, and to review all financial reports and financial information provided by the Corporation to any government authority or issued to the public as well as all other relevant document;
- to recommend the nomination of external auditors and to review and assess their efficiency, to ensure their competence and independence, and to maintain open line of communication between the external auditors, financial operations management, executive officers and the Board;
- to act as an objective, outside party to oversee the methods of preparing the financial information, the application of internal controls and of rules respecting business management and financial risk, and compliance with legal, ethical and regulatory requirements; and
- to encourage the continuous improvement and observance, at all levels, of the practices, methods and policies of the Corporation.

II. COMPOSITION

The Audit Committee, including its Chairman, is made up of at least three directors of the Corporation, the majority of whom may not be employees, officers or "control persons" of the Corporation as defined herein below. The Board must ensure that all members are "financially literate" as defined herein below. The members of the Audit Committee are nominated by the Board, at the annual meeting of the Board following the Annual Meeting, for the next year or until their successors are nominated or elected. The Board may dismiss a member of the Audit Committee by resolution at any time, at its discretion. Unless the Chairman of the Audit Committee is nominated by the entire Board, the members of the Audit Committee may appoint the Chairman of the Audit Committee by majority vote of all members of the Audit Committee.

III. DUTIES AND RESPONSIBILITIES

1. The Audit Committee is responsible for the following:

a) to review the audited annual consolidated financial statements and to recommend them to the Board for approval;

b) to review with the Corporation's financial operations management and external auditors the financial statements, management's discussion & analysis, press releases and any other documents relating to the financial results before they are filed with regulatory agencies and reported;

c) to review any document that contains the audited annual consolidated financial statements or includes them by reference, such as prospectuses, press releases announcing financial results and interim results before they are reported; and

d) to amend or add to the Corporation's security policies from time to time. The Audit Committee reports to the Board annually on the relevance of the instructions in effect for management of the Corporation's security programs.

2. In fulfilling its mandate, the Audit Committee is required:

a) to see to the implementation of internal control measures and processes enabling the Chief Executive Officer and Chief Financial Officer to certify the financial statements and any other information document required under securities legislation;

b) to recommend external auditors to the Board, to evaluate their independence and effectiveness, and to approve the external auditors fees and any other remuneration paid to the external auditors;

c) to oversee relations between management and the external auditors, including the review of any letter of recommendation or any other external auditor's report, to discuss any significant difference of opinion or disagreement between management and the external auditors regarding financial reporting and to see that they are resolved;

d) to review annually all significant relations between the Corporation and the external auditors in order to evaluate the external auditors' independence and discuss this with them, and to report to the Board;

e) to review the performance of the external auditors and to approve any proposal for replacement when circumstances so warrant. To examine, with management, the reasons for retaining the services of other firms;

f) to meet periodically with the external auditors, without management in attendance, to discuss the main risks, internal controls and any approach undertaken by management to control these risks, and to discuss the accuracy and completeness of the financial statements. Specific attention should be paid to the capability of internal controls to detect any payment, transaction or method that may be deemed illegal or otherwise inappropriate;

g) to see to the availability of the external auditors in accordance with the needs of the Audit Committee and the Board. To ensure that the external auditors report directly to the Audit Committee and that they answer to the Board and the Audit Committee as auditor representatives towards whom the auditors are ultimately responsible;

h) to oversee the work of the external auditors retained for the preparation and issuance of an auditor's report or for other audit, review or attest services;

i) to review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;

j) to review the external audit program and fees;

k) to review the external auditor's report on the audited annual financial statements;

l) to review the problems identified during the audit and, if applicable, the limitations and restrictions imposed by management or any significant accounting issue for which management requests a second opinion;

m) to review the observations, both positive and negative, made by the external auditors during their audit;

n) to review with management and the external auditors the Corporation's main accounting policies, the impact of other applicable accounting policies, and the forecasts and decisions of management that may have a significant impact on the financial results;

o) to review new accounting issues and their potential impact on the financial information of the Corporation;

p) to review and approve any request for consultation with external auditors and to be informed of any request from management for non-audit services and the fees related thereto;

q) to review with management, the external auditors and legal counsel any legal proceedings or claim, including tax assessments, that could have a significant impact on the Corporation's financial position and operating results, and to ensure that they are disclosed in an appropriate manner;

r) to review the conclusions of the external auditor's evaluation of the internal control system as well as management's response;

s) to review with management the manner of ensuring and verifying the security of the Corporation's assets (including intellectual property) and information systems, the competence of the personnel holding key positions, and improvement projects;

t) to review management's code of conduct and compliance with corporate governance policies;

u) to review annually the legal requirements, the requirements of regulatory authorities, and the impact of any breach of these requirements on the financial information reported and on the Corporation's reputation;

v) to receive periodic reports on the nature and scope of compliance with security policies. The Board must be informed of any non-compliance having significant consequences, and of the corrective measures and schedule proposed for remedying it;

w) to see that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements and must periodically assess the adequacy of those procedures;

x) to review with management the accuracy and timeliness of the filings with regulatory authorities;

y) to review the Corporation's business plans periodically;

z) to review the annual audit program of the Corporation's external auditors;

aa) to review annually the Corporation's general insurance coverage to ensure sufficient protection of the Corporation's assets, including without limitation, directors and officers liability insurance and coverage of key personnel;

bb) to carry out any other task required by the Corporation's articles and any relevant securities policy or regulation; and

cc) to establish procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3. The Audit Committee may engage independent counsels and other advisors as it determines necessary to carry out its duties, set and pay the compensation for these advisors and communicate directly with the internal and external auditors.

4. The Audit Committee reviews the Charter of the Audit Committee annually and recommends any amendment it deems appropriate to the Board.

IV. SECRETARY

The Secretary of the Audit Committee is nominated by the Chairman of the Audit Committee.

V. MEETINGS

1. The Audit Committee meets on the dates, at the times and in the places determined by the Audit Committee, at least four times a year. The Audit Committee meets with management and the external auditors separately at least once a year.

2. The members of the Audit Committee may meet in person, by telephone or by videoconference.

3. A written resolution signed by all members of the Audit Committee has the same value as one adopted at a meeting of the Audit Committee.

4. Meetings of the Audit Committee will be held from time to time, as decided by the Audit Committee or the Audit Committee Chairman, upon 48 hours' notice to all Audit Committee members. A quorum of Audit Committee members may waive the notice period.

5. A meeting of the Audit Committee may be called by any member of the Audit Committee or by the external auditors. The external auditors receive notice of all meetings of the Audit Committee.

6. The minutes of each Audit Committee meeting are tabled at the first meeting of the Board following such Audit Committee meeting.

VI. QUORUM

A majority of members of the Audit Committee constitutes quorum at any Audit Committee meeting.

VII. DEFINITIONS

"**Financially literate**" means an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

"**Control person**" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation.