GOLD MOUNTAIN MINING CORP.

Annual Information Form

For the year ended January 31, 2023

April 27, 2023

TABLE OF CONTENTS

GENERAL MATTERS

Definitions

For a description of defined terms and other reference information used in this AIF, please refer to Schedule A.

References to the Company

Unless otherwise indicated or the context otherwise indicates, use of the terms "Company" and "Gold Mountain" in this annual information form (this "**AIF**") refer to Gold Mountain Mining Corp. and its direct and indirect subsidiaries, or other entities controlled by them, on a consolidated basis.

Currency

All sums of money which are referred to herein are expressed in Canadian dollars, unless otherwise specified. References to United States dollars are referred to as "U.S.$".

Scientific and Technical Information

The scientific and technical information in this AIF in respect of the Elk Gold Project are supported by the Elk Gold Technical Report and has been reviewed by and prepared under the supervision of Grant Carlson, P. Eng., the Company's Chief Operating Officer. Mr. Carlson is considered, by virtue of his education, experience and professional association, to be a "qualified person" for the purposes of NI 43-101.

The Elk Gold Technical Report is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the technical reports, which have been filed with the Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Company's profile on SEDAR at www.sedar.com.

Financial Information

Unless otherwise indicated, all financial information referred to in this AIF was prepared in accordance with International Financial Reporting Standards ("**IFRS**").

FORWARD LOOKING STATEMENTS

This AIF contains "forward-looking statements" within the meaning of applicable Canadian securities laws ("**forward-looking statements**") concerning the Company's plans for its properties, operations and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning estimates of mineral resources and mineral reserves may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically and legally exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or states that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Gold Mountain to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Examples of such statements include those pertaining to, without limitation, the future price of gold and silver, the anticipated timeline and targeted milestones and production numbers for the development of the Elk Gold Project, the estimation of Mineral Resources, the realization of Mineral Resource estimates, expected capital expenditures, costs and timing of development of the Elk Gold Project, costs, location and timing of future exploration and drilling and estimated completion dates for certain milestones, success of exploration activities, governmental approvals, permits and third party consents (as may be required) timing and requirements, requirements for additional capital, government regulation of mining operations, environmental risks and hazards, title disputes or claims, contractual commitments, continuous availability of required expertise and manpower, continuous access to capital markets, limitations on insurance coverage, and other factors applicable generally to the industry in which the Company operates or those mentioned in the Company's other public disclosure documents.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this AIF. Such forward-looking statements is based on a number of assumptions that may prove to be incorrect, including, but not limited to:

- the overall strength of the economy generally;
- risks normally incidental to the nature of mineral exploration, development and mining;
- general business, social, economic, political, regulatory and competitive uncertainties;
- in respect of Gold Mountain and the Elk Gold Project: there being no significant disruptions affecting operations, whether due to contract disputes, labour disruptions, supply disruptions, damage to equipment or otherwise;
- certain commodity price assumptions;
- capital requirements, financing risks and debt and liquidity risks;
- the prices for energy and other key supplies remaining consistent with current levels;
- the accuracy of current Mineral Resource estimates of the Elk Gold Project and Mineral Resources not having demonstrated economic viability;
- the speculative nature of mineral exploration and project development, including the risk of diminishing quantities or grades of mineralization and the inherent riskiness of inferred Mineral Resources;
- geological, hydrological and climatic events that may adversely affect infrastructure, operations and development plans and the inability to effectively mitigate or predict with certainty the occurrence of such events;
- risks associated with inaccurate capital and operational costs estimates;
- risks related to accounting policies and internal controls;

- risks related to the failure or breach of network systems or other digital technologies;
- labour difficulties;
- dependence on key personnel and risks associated with management being unable to successfully apply their skills and experience to attract and retain highly skilled personnel;
- reliance on third parties and experts;
- conflicts of interest;
- risks related to future production estimates and guidance;
- indigenous title, claims and consultation issues;
- maintenance or provision of infrastructure;
- risks associated with the construction and start-up of new mines;
- changes in mine or project parameters as plans continue to be refined;
- personal safety and asset security risks in regions linked to criminal activity;
- risks related to health epidemics and outbreak of communicable diseases, such as the current outbreak of the novel coronavirus, COVID-19;
- failure of plant, equipment or processes to operate as anticipated;
- insurance and uninsured risks;
- environmental regulations and potential liabilities;
- the Company's activities being subject to extensive governmental regulation;
- the Company's failure to comply with laws and regulations or other regulatory requirements;
- the Company's failure to comply with or renew existing approvals, licences and permits or its inability to obtain, on a timely basis or at all, any new approvals, licences and permits that may be required to support development or construction plans;
- competition from other mining businesses;
- unexpected disruptions in services provided by smelters or refiners;
- corruption risks and compliance with anti-corruption laws;
- dilution and future sales of the Common Shares;
- volatility of the trading price of Common Shares;
- risks arising from community relations and public opposition to mining activities;

- weather and climate change risks;
- risks relating to entering into production without a feasibility study or pre-feasibility study;
- litigation risks and reputational risks; and
- currency risks.

The factors identified above are not intended to represent a complete list of the factors that could affect Gold Mountain. Additional factors are noted under the heading "*Risk Factors*" below.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this AIF. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking statements, which speaks only as of the date of this AIF. All subsequent forward-looking statements is expressly qualified in its entirety by the cautionary statements contained or referred to herein. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made, and Gold Mountain does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances that occur after the date of this AIF or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking statements.

CORPORATE STRUCTURE OF THE COMPANY

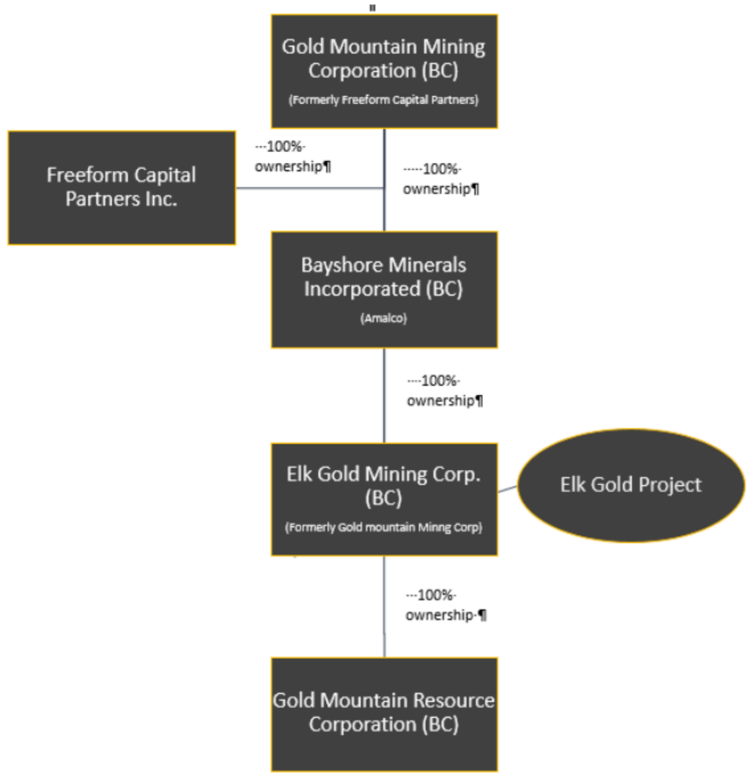
Name, Address and Incorporation

The Company was incorporated as Freeform Capital Partners Inc. pursuant to the provisions of the *Business Corporations Act* (British Columbia) on November 5, 2018. On December 23, 2020 the Company changed its name to Gold Mountain Mining Corp. in connection with the closing of the Amalgamation. On March 23, 2021, the Company amended its articles to add advance notice requirements for the election of directors.

The head office of the Company is located at Suite 1000, 1285 West Pender Street, Vancouver, British Columbia, V6E 4B1 and the registered and records office is located at Suite 1080, 789 West Pender St., Vancouver, British Columbia, V6C 1H2.

Intercorporate Relationships

The corporate structure of the Company, its material subsidiaries, the jurisdiction of incorporation of such corporations and the percentage of equity ownership are set out in the following chart. The head office of the Company is located at Suite 1000, 1285 West Pender Street, Vancouver, British Columbia, V6E 4B1 and the registered and records office is located at Suite 1080, 789 West Pender St., Vancouver, British Columbia, V6C 1H2:



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Gold Mountain is a gold and silver mining, mineral exploration and development company currently focussed on the precious metal mining and development of the Elk Gold Project. The Company holds its interest in the Elk Gold Project through Elk Gold Mining Corp., an indirect wholly owned subsidiary of the Company as set out above. The three-year history below includes the history of Bayshore which the Company acquired on December 23, 2020 by way of the Amalgamation.

Three Year History

Year Ended January 31, 2021

On June 17, 2020, the Company completed the Freeform IPO and issued 3,000,000 Common Shares at $0.10 per Common Share for gross proceeds of $300,000. The Company was listed on the Exchange as a "capital pool company" under the stock symbol "FRM.P" on June 17, 2020 and its Common Shares commenced trading on the Exchange at market opening on June 19, 2020. In connection with the Freeform IPO, the Company entered into the Freeform IPO Agency Agreement. For more information see "*Material Contracts – IPO Agency Agreement*".

On July 23, 2020, the Company closed the Freeform Private Placement and issued 5,200,000 Common Shares at $0.10 per Common Share for gross proceeds of $520,000. The subscribers of the Freeform Private Placement entered into the Freeform Voluntary Pooling Agreement whereby the Common Shares purchased were pooled with the release schedule as follows: 25% four months after the issue of such Common Shares and a further 25% every four months thereafter with the last 25% released 16 months after the issue of such Common Shares.

On August 5, 2020, Freeform and Bayshore entered into the non-binding letter of intent pursuant to which parties agreed to affect the Amalgamation and the Common Shares were then halted from trading on the Exchange.

On August 24, 2020 the Bayshore board of directors approved a 2.5:1 share consolidation.

On August 31, 2020, Freeform and Bayshore entered into the Amalgamation Agreement with respect to the Amalgamation. Pursuant to the Amalgamation Agreement, Bayshore, Freeform and Subco would complete a three-cornered amalgamation resulting in the reverse take-over of Freeform by Bayshore and would constitute the Qualifying Transaction of Freeform pursuant to Exchange Policy 2.4. For more information see "*Material Contracts – Amalgamation Agreement*".

On November 24, 2020, Bayshore completed the Concurrent Private Placement resulting in the issuance of an aggregate of 5,185,433 Bayshore Subscription Receipts at a price of $0.90 per Bayshore Subscription Receipt for aggregate gross proceeds of $4,666,889.70. For more information see "*Material Contracts – Amalgamation Agreement*".

On December 23, 2020, the Company and Bayshore completed the Amalgamation. For more information see "*Material Contracts – Amalgamation Agreement".*

On December 31, 2020, the Common Shares re-commenced trading on the Exchange under the symbol GMTN.

On January 19, 2021, the Company entered into the Mining Contract with Nhwelmen-Lake LP to provide contract mining services at the Elk Gold Project. For more information see "*Material Contracts – Mining Contract*".

On January 26, 2021, the Company entered into an Ore Purchase Agreement with New Gold whereby New Gold agreed to purchase up to 70,000 tonnes per year of the mineralized material from the Elk Gold Project for a period of three years commencing as of the effective date. For more information see "*Material Contracts – Ore Purchase Agreement*".

Year ended January 31, 2022

On February 23, 2021, the Company announced the closing of the Gold Mountain Private Placement and issued a total of 10,310,000 units at $0.97 per unit raising gross proceeds of $10,000,700. Each unit was comprised of one Common Share and one half one Gold Mountain Private Placement Warrant. In connection with the Gold Mountain Private Placement, the Company entered into the Gold Mountain Private Placement Agency Agreement. For more information see "*Material Contracts – Gold Mountain Private Placement Agency Agreement*".

On April 15, 2021, the Company announced that its Common Shares began being quoted on the OTCQB under the stock symbol "GMTNF".

On May 14, 2021 the Company announced an update to the resource estimate at the Elk Gold Project. The Company reported 651,000 oz of Measured and Indicated Resources at 6.1 g/t AuEq and 159,000 oz of Inferred Mineral Resource at 4.8 g/t AuEq.

On May 27, 2021, Company announced updated economics at the Elk Gold Project which contemplated an initial 19,000 ounce of Au per year mine that ramps up to 65,000 ounces of annual production of Auby Year 4. The pre and post tax net present value (5% discount) are $395,000,000 and $231,000,000, respectively. For more information see "*Description of Business – Elk Gold Project Overview*".

On June 24, 2021, the Company announced the closing of the Bought Deal Private Placement and issued a total of 4,255,190 HD Units at a price of $2.10 per HD Unit and 1,326,450 FT Units at a price of $2.31 per FT Unit, for total gross proceeds of approximately $12,000,000. Each unit was comprised of one Common Share and one half one Bought Deal Private Placement Warrant. In connection with the Bought Deal Private Placement, the Company entered into the Bought Deal Private Placement Underwriting Agreement. For more information see "*Material Contracts – Bought Deal Private Placement Underwriting Agreement*".

On October 29, 2021 the Company received an amendment to its Mine Permit approving the mine plan and reclamation program at the Elk Gold Project. The Mine Permit allows the Elk Gold Project to produce up to 70,000 tonnes per year.

On November 4, 2021 the Company filed a preliminary short form base shelf prospectus pursuant to which the Company may offer common shares, warrants, subscription receipts, units or debt securities with an aggregate initial offering price not to exceed $50,000,000 for a 25-month period. On December 9, 2021 the Company filed the final preliminary short form base shelf prospectus.

On November 5, 2021, the Company received conditional approval to list its common shares on the Toronto Stock Exchange. The Company's common shares subsequently began trading on November 23, 2021.

On November 9, 2021 the Company began mining the first mineralized material at the Elk Gold Project.

On December 7, 2021 the Company announced an update to the resource estimate at the Elk Gold Project. The Company reported 806,000 oz of Measured and Indicated Resources at 5.8 g/t AuEq and 262,000 oz of Inferred Mineral Resource at 5.4 g/t AuEq. For more information see "*Description of Business – Elk Gold Project Overview*".

Year Ended January 31, 2023

On February 3, 2022 the Company announced first delivery of ore to the New Afton mine.

On April 21, 2022 the Company announced the closing of the Bought Deal Public Offering and issued 14,800,000 units for $1.25 per unit raising gross proceeds of $18,500,000. Each unit consisted of one common share and one-half share purchase warrant. The Company issued a total of 14,800,000 common shares, 7,400,000 Bought Deal Public Offering Warrants exercisable until April 21, 2024 for $1.75 and 660,000 Bought Deal Public Offering Underwriter Warrants exercisable until October 21, 2023 for $1.25.

Principal Products and Economic Dependence

The Company is involved in the mining operations, acquisition, exploration and development of minerals properties. The Company is currently shipping ore to New Gold Inc's New Afton mine located in Kamloops BC pursuant to an Ore Purchase Agreement with New Gold Inc. ("New Gold") whereby New Gold agreed to purchase up to 70,000 tonnes per year of the ore produced at the Elk Gold Project until February 2025. The Company has also entered into a mining contract with Nhwelmen-Lake that commenced upon delivery of written notice and runs for the life of mine. The mining contract contemplates a price schedule that is renegotiated every three years. The Company is substantially dependent on the Mining Contract for operating the Elk Gold Project and on the Ore Purchase Agreement as the source of its revenue. For more information see "*Material Contracts – Ore Purchase Agreement and Mining Contract*".

Significant Acquisitions and Reorganizations

There were no significant acquisitions or reorganizations during the year ended January 31, 2023.

Product

The Company produces a mineralized material containing both gold and silver which is sold to New Gold pursuant to the Ore Purchase Agreement. Under the terms of the Ore Purchase Agreement, the Company delivers the ore to New Gold's New Afton Mine located approximately 130km from the Elk Gold Project. Both gold and silver are traded on world markets with benchmark prices. The purchase price for the Company's mineralized material is based on a formula with inputs such as the price of gold, the weight, foreign exchange and grade of the ore, the recovery percentage and the smelter payable. For more information see "*Material Contracts – Ore Purchase Agreement*".

Specialized Skills and Knowledge

The Company relies on the specialized skills of management and consultants in the areas of geology, engineering, exploration, drilling development, environmental management, finance and accounting. Individuals with such skills are readily available to the Company as British Columbia, the jurisdiction where the Elk Gold Project is located, has a long rich history of supporting the mineral exploration and development industry.

Competitive Conditions

Gold Mountain competes with other entities in the search for and acquisition of mineral properties. The gold exploration and mining business is a competitive business. The Company competes with numerous other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped gold properties. Gold Mountain also competes for financing with other resource companies. There is no assurance that additional capital or other types of financing will be available if needed or on terms favorable to the Company.

Further, recruiting and retaining qualified personnel is critical to the Company's success. Gold Mountain is dependent on the services of key executives and other highly skilled personnel focused on managing our interests. The number of persons skilled in the acquisition, development, and operation of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that the Company will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company or its key contractors are not successful in attracting, training and retaining qualified personnel, the efficiency of our operations could be impaired, which could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

Environmental Protection

All phases of the Company's operations are subject to environmental regulation. See "Risk Factors". These regulations govern exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general handling, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. To the best knowledge of the Company, it is in material compliance with all environmental laws and regulations in effect where its properties are located.

On October 29, 2021, the Company was issued the Mine Permit which provided for the posting of a total of $15,866,700 in reclamation security in installments, as shown the table below:

Date	Installments ($)	Cumulative ($)
Security held as of 20 October 2021		150,000
Within 60 days of the issuance of the M-199 Permit	4,592,500	4,742,500
1 October 2022	2,703,400	7,455,900
1 October 2023	2,040,800	9,486,700
1 October 2024	1,380,000	10,866,700
30 October 2024*	5,000,000	15,866,700

*If the construction and commissioning of the active water treatment plant is completed to the satisfaction of the Chief Permitting Officer by October 30, 2024, Gold Mountain is not required to post the additional security in the amount of Five Million ($5,000,000) dollars that would otherwise be due on that date.

On September 2022, the Company as principal and its surety posted a second reclamation security bond in favor of the Province of British Columbia for $2,703,400, for a total cumulative reclamation security bond of $7,445,900. The Company anticipates posting additional reclamation security bonds as shown in the table above.

Social or Environmental Policies

The Company maintains a written Code of Ethics (the "**Code**"), which sets out standards of behavior required by all employees in conducting the business and affairs of Gold Mountain and its subsidiaries. Compliance with the Code is mandatory for all employees, officers and directors. Included within the Code is a requirement that all employees comply with all laws and governmental regulations applicable to the Company's activities, including but not limited to, maintaining a safe and healthy work environment, promoting a workplace that is free from discrimination or harassment and conducting all activities in full compliance with all applicable environmental and securities laws.

The Company has also successfully executed three Memorandum of Understanding's and a Capacity Funding and Process Agreement with Indigenous communities surrounding the Elk Gold Project which establish a process for ongoing engagement towards social and economic collaboration.

The Company has established a Life of Mine Committee ("LOMC") pursuant to the terms of the Mine Permit M-199 made up of the Company, several local Indigenous Communities, the Ministry of Energy, Mines and Low Carbon Innovation, the Ministry of Environment and Climate Change Strategy and the Ministry of Forests, Lands, Natural Resource Operations and Rural Development. The general mandate of the LOMC is as follows: Understand and review the "current state" of the Project, including the status of initiatives beyond those found in the permit such as the adoption and implementation of cultural heritage policies; Conduct review of environmental management, monitoring, reclamation, and closure activities and permit conditions throughout the life of the Project which includes reviewing any environmental incidents at site and providing the results of any studies and monitoring at site; and Provide a forum for engagement with impacted Indigenous Communities with respect to the Project including engagement surrounding any anticipated amendment or new permit applications; and provide space for general updates from Committee members.

The LOMC has also constituted a technical sub-committee through which the Company is engaging on matters relating to environmental management. For instance, the Company's Trigger Action Response

Plan, the Aquatic Effects Management Plan, and the Assessment of Background Surface and Water Quality were all developed following extensive engagement with the Indigenous Communities.

Foreign Operations

The Company's principal asset, the Elk Gold Project, is located in British Columbia, Canada. The Company does not have any foreign operations.

Employees

As of the date of this AIF, the Company does not employ any employees directly.

RISK FACTORS

An investment in the Company's securities is highly speculative and subject to a number of risks at any given time. The following is a description of the principal risk factors affecting the Company:

Project Risks

The actual production, development plans and costs associated with the Elk Gold Project may differ from the estimates in the Elk Gold Technical Report.

The mine plan for the Elk Gold Project set out in the Elk Gold Technical Report is prepared pursuant to NI 43-101 and contain estimates of future production, development plans, operating and capital costs, financial returns and other economic and technical estimates relating to the Elk Gold Project. These estimates are based on a variety of factors and assumptions and there is no assurance that such production, plans, costs or other estimates will be achieved or continue to be achieved. Actual costs and financial returns may vary significantly from the estimates depending on a variety of factors, many of which are not within our control. These factors include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; the price of gold; short-term operating revisions to mine plans; equipment failures; industrial accidents; natural phenomena; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; changes in fuel costs; commodity price fluctuations; shortages of principal supplies needed for development and operations; labor shortages or strikes; high rates of inflation; civil disobedience, protests and acts of civil unrest or terrorism, applicable taxes and restrictions or regulations imposed by indigenous, governmental or regulatory authorities or other changes in the regulatory environments. Failure to achieve estimates or material increases in costs could have a material adverse impact on our future cash flows, profitability, results of operations and financial condition.

Sustaining capital expenditures required to continue operating the Elk Gold Mine are based on assumptions and analyses made by the Company's management and advisors in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These estimates, however, and the assumptions upon which they are based, are subject to a variety of risks and uncertainties and other factors that could cause actual expenditures to differ from those estimates. If these estimates prove incorrect, additional capital expenditures for the Elk Gold Mine may increase. The Company cannot be assured that it will have access to sufficient financing or generate sufficient cash flows to fund any increase in required capital spending for additional construction or development of the Elk Gold Project. There can be no assurances that ongoing operating costs associated with the Elk Gold Project will be as anticipated and any increase in costs could materially adversely affect our business, results of operations, financial condition and cash flow.

The Company Entered into Production at the Elk Gold Project without a Feasibility Study or Pre-Feasibility Study

The Company based its production decision at the Elk Gold Project on a preliminary economic assessment and not on a feasibility study or pre-feasibility study of mineral reserves demonstrating economic and technical viability. The Company did not complete a feasibility study or pre-feasibility study in connection with its production decision due to, among other factors, the ability to move ahead to development and production based on comparatively low initial capital costs due to foregoing the need to construct a processing facility and the Company's knowledge of the resource base. As a result, there is increased uncertainty and there are multiple technical and economic risks of failure which are associated with this production decision. These risks, among others, include the inclusion of inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves.

Furthermore, there are risks associated with areas that are analyzed in more detail in a pre-feasibility and feasibility study, such as applying economic analysis to resources and reserves, more detailed metallurgy and a number of specialized studies in areas such as mining and recovery methods, market analysis, and environmental and community impacts. There is no assurance given all of the known and potentially unknown risks associated with the Elk Gold Project that the Company will be able to profitably carry-on mining operations. In addition, there is no assurance that production will be profitable or that continued exploration of the Elk Gold Project will demonstrate adequate additional mineralization which can be mined economically, such that mining operations on the Elk Gold Project may not be sustainable beyond currently estimated resources or in the medium to long term or at all.

Reliance on certain contracts

With the Elk Gold Project now in production, it is heavily reliant on the Mining Contract with Nhwelmen-Lake and Ore Purchase Agreement with New Gold to operate its business and consistently achieve revenue. While the Company does not anticipate any disputes with either Nhwelmen-Lake or New Gold, any disputes, delay or unanticipated termination of either agreement could lead to a delay or halt in production and/or a delay or failure to receive revenue from operations from the Elk Gold Project.

Exploration, Development and Operations

The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs on the Elk Gold Project, which may be affected by a number of factors, including the Company's ability to extend the permitted term of exploration granted by the underlying claims and leases. Substantial expenditures are required to establish resources or reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that any such deposit will be commercially viable or that the funds required for development can be obtained on a timely basis.

Weather and Climate Change Risks

The operations of the Company and its suppliers are subject to physical and financial risks associated with climate variations. Over the past several years, changing weather patterns and climatic conditions due to natural and man-made causes have added to the unpredictability and frequency of natural disasters such as hurricanes, earthquakes, hailstorms, wildfires, snow, ice storms, the spread of disease and insect infestations. Any of these natural disasters could also affect the Company's operations or cause variations in the Company's costs. Changes in precipitation could make wildfires more frequent or more severe and could adversely affect the Company's operations. The effects of global, regional, and local weather conditions and climate change could also adversely impact the Company's results of operations.

Volatility of Commodity Prices

The continued development and operation of the Elk Gold Project and any other project the Company acquires is dependent on the future prices of minerals and metals. The viability of the Elk Gold Project depends heavily on the price of gold.

Precious metals prices are subject to volatile price movements that are beyond the Company's control, which can be material and occur over short periods of time. Factors affecting such volatility include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of precious metals production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the Canadian dollar (the currency in which the prices of precious metals are generally quoted), and political developments.

The effect of these factors on the prices of precious metals, and therefore the economic viability of the Elk Gold Project and any project the Company may acquire in the future, cannot be accurately determined. The prices of commodities have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Elk Gold Project to be impracticable or uneconomical. As such, the Company may determine that it is not economically feasible to commence commercial production, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Title Matters

Once acquired, title to, and the area of, mineral properties may be disputed. There is no guarantee that title to one or more claims, concessions or leases at the Elk Gold Project or any future the Company projects will not be challenged or impugned. There may be challenges to any of the Company's titles which, if successful, could result in the loss or reduction of the Company's interest in such titles. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes or to carry out and file assessment work, can lead to the unilateral termination of concessions by mining authorities or other governmental entities.

Insurance and Uninsured Risks

The Company's business is 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, catastrophic equipment failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, pandemics, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. the Company 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 environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or that the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for Companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations.

Permitting Risks

Government environmental approvals and permits are currently, or may in the future be, required in connection with the Company's operation, such as the need for a Mine Permit amendment in order to operate the Elk Gold Project over 70,000 tonnes per year. To the extent such approvals are required and not obtained, the Company will be curtailed or prohibited from proceeding with planned exploration, development or operation of mineral properties, including the Elk Gold Project**.**

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of companies in the mining industry, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

The Company received an order from the Ministry of Energy, Mines and Low Carbon Innovation to relocate the waste stored at the Elk Gold Mine's East Waste Rock Storage Facility ("**EWRSF**"). The order was based on the mine inspection which identified a violation of waste rock storage as significant amount of waste was hauled and stored on EWRSF which was not authorized for storage under the mine plan. If the Company is required to fulfill the order, the estimated cost is up to $1.6 million to move the identified waste to the area authorized for waste rock facility under the original mine permit. An administrative penalty could be administered as a result of the order.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's business, financial condition and results of operations.

Competition for Exploration, Development and Operation Rights

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources. Competition in the precious metals mining industry is primarily for: mineral rich properties that can be developed and produced economically; the technical expertise to find, develop and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop the Elk Gold Project. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for mineral exploration and success in the future.

Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, or at all, and increase potential scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs, result in project delays or both.

Reliability of Mineral Resource Estimates

Mineral resources are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Mineral resource estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other relevant issues. There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Resource estimate is a function of the quantity and quality of available data, the nature of the mineralized body and of the assumptions made and judgments used in engineering and geological interpretation. These estimates may require adjustments or downward revisions based upon further exploration or development work or actual production experience.

Fluctuations in gold prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties may require revision of the updated resource estimate. Should reductions in Mineral Resources occur, the Company may be required to take a material write-down of its investment in mining properties, reduce the carrying value of one or more of its assets or delay or discontinue production or the development of new projects, such as the Elk Gold Project, resulting in increased net losses and reduced cash flow. Mineral Resources should not be interpreted as assurances of mine life or of the profitability of current or future operations. Any material reductions in estimates of Mineral Resources could have a material adverse effect on the Company's results of operations and financial condition.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may be attached to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to measured or indicated mineral resources as a result of continued exploration.

Mineral Reserves Have Not Been Established for the Elk Gold Project.

The Elk Gold Project does not currently have proven or probable mineral reserves. Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves. The Elk Gold Project has only mineral resource estimates and no assurance can be given that any particular level of recovery of gold or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable (or viable) reserve. Substantial additional work, including mine design and mining schedules, metallurgical flow sheets and process plant designs, would be required in order to determine if any economic deposits exist at the Elk Gold Project. Substantial expenditures would be required to establish mineral reserves through drilling and metallurgical and other testing techniques which the Company does not expect to complete before entering into production, if at all. No assurance can be given that any level of recovery of any mineral resources will be realized or that any identified mineral deposit will ever qualify as a commercially mineable ore body that can be legally and economically exploited.

Even if such proven or probable mineral reserves were to be identified in respect of the Elk Gold Project, given that mines have limited lives based on proven and probable mineral reserves, the Company must continually replace and expand its mineral resources and mineral reserves, if and when available and discover, develop, or acquire mineral reserves for production. The Company's ability to maintain or increase its annual production of gold will depend in significant part on its ability to bring new mines into production and/or to expand mineral reserves or extend the life of the Elk Gold Project. Notwithstanding the foregoing, the Company has elected to commence mining operations on the Elk Gold Project, and may choose to commence mining operations on future projects, without basing its production decision on a feasibility or pre-feasibility study, which carries significant additional risks which include, but are not limited to, the inclusion of inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. See also "*Risk Factors – Risks Related to the Company – The Company Entered into Production at the Elk Gold Project without a Feasibility Study or Pre-Feasibility Study*.".

Governmental Regulation

The mineral exploration and development activities of the Company are subject to various laws governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters in local areas of operation. Although the Company's exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Amendments to current laws and regulations governing the Company's operations, or more stringent implementation thereof, could have an adverse impact on the Company's business and financial condition.

Operational Labour and Related Matters

While the Company has good relations with its employees and consultants, exploration and development at its mining properties is dependent upon the efforts of the Company's consultants and mining contractor. In addition, relations between the Company and its consultants and mining contractor may be affected by changes in the scheme of labour relations that may be introduced by the relevant federal and provincial governmental authorities. Changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

Community Relationships and Social License to Operate

The Company's relationships with the communities in which it operates are critical to ensure the future success of its existing operations and the construction and development of its projects.

The Elk Gold Project may be subject to the rights or the asserted rights of various community stakeholders, including Indigenous Nations. The presence of community stakeholders may impact the Company's ability to develop or operate the Elk Gold Project or to conduct exploration activities. Accordingly, the Company is subject to the risk that one or more groups may oppose the continued operation, further development or new development or exploration of the Company's current or future mining properties and projects. Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against the Company's activities. Governments in many jurisdictions must consult with, or require the Company to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. In British Columbia, the provincial government enacted the *Declaration on the Rights of Indigenous Peoples Act* in November 2019, which may affect consultation requirements. Consultation and other rights of indigenous peoples may require accommodation including undertakings regarding employment, royalty payments and other matters. This may affect the Company's ability to acquire within a reasonable time frame effective mineral titles, permits or licenses in British Columbia and may affect the timetable and costs of development and operation of mineral properties in these jurisdictions. The risk of unforeseen title claims by Indigenous peoples also could affect existing operations as well as development projects. These legal requirements may also affect the Company's ability to expand or transfer existing operations or to develop new projects.

In addition, in recent years, there has been ongoing and potentially increasing public concern relating to the effects of resource extraction on the natural landscape, communities and the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("**NGOs**") who oppose globalization and resource development can be vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. In addition, there have been many instances in which local community groups (both by Indigenous groups and otherwise) have opposed resource extraction activities, resulting in disruption and delays to the relevant operations. Adverse publicity generated by such NGOs or others related to the mining industry or to extractive industries generally, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, there is no guarantee that its efforts in this respect will mitigate this potential risk. NGOs or local community groups could direct adverse publicity against and/or disrupt the operations of the Company in respect of one or more of its properties, despite the Company's successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have adverse effects on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the business, financial condition, results of operations, cash flows or prospects of the Company.

Indigenous Title

The Supreme Court of Canada decision of June 26, 2014 in Tsilhqot'in Nation v. British Columbia (the "Tsilhqot'in Decision"), which declares aboriginal title for the first time in a certain area in Canada and outlines the rights associated with aboriginal title, could potentially have a significant impact on the Company's mineral property.

While the Elk Gold Project is not located within the areas involved in the Tsilhqot'in Decision, there is a risk that the Tsilhqot'in Decision may lead other communities or groups to pursue similar claims in areas where the Elk Gold Project is located. Although the Company relies on the Crown to adequately discharge its obligations in order to preserve the validity of its actions in dealing with public rights, including the grant of mineral titles and associated rights, the Company cannot accurately predict whether indigenous claims will have a material adverse effect on the Company's ability to carry out its intended exploration, development and mining work programs at the Elk Gold Project.

Impact of Pandemic Disease on Global Economic Conditions and Economic Performance

The Company's operations are subject to the risk of emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, such as the novel coronavirus ("**COVID-19**") outbreak which began at the beginning of 2020. These infectious disease risks may not be adequately responded to locally, nationally or internationally due to lack of preparedness to detect and respond to outbreaks or respond to significant pandemic threats. As such, there are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's mining and exploration operations to operate as intended due to a shortage of skilled employees, shortages or disruptions in supply chains, inability of employees to access sufficient healthcare, significant social upheavals, government or regulatory actions or inactions, decreased demand or the inability to sell precious metals or declines in the price of precious metals, capital market volatility, or other unknown but potentially significant impacts.

There are potentially significant economic losses from infectious disease outbreaks that can extend far beyond the initial location of an infectious disease outbreak. As such, both catastrophic outbreaks as well as regional and local outbreaks can have a significant impact on the Company's operations, future cash flows, earnings, results of operations and financial condition. The Company may not be able to accurately predict the quantum of such risks. In addition, the Company's own operations are exposed to infectious disease risks noted above and, as such, the Company's operations may be adversely affected by such infectious disease risks. Accordingly, any outbreak or threat of an outbreak of a virus, such as COVID-19 or other contagions or epidemic disease could have a material adverse effect on the Company, its business, results from operations and financial condition. The COVID-19 outbreak at the beginning of 2020 has resulted in extended shutdowns of numerous business activities and supply chain disruptions. These shutdowns and disruptions have impacted the global economy and may have an adverse impact on the Company's business. As new developments continue to arise, the full impact that COVID-19 may have on gold prices, commodity prices, costs and availability of supplies, availability of personnel and the global economy are not fully ascertainable. The direct and indirect effects of COVID-19 could have a material adverse effect on the Company's future cash flows, earnings, results of operations and financial condition. In addition, health concerns could result in social, economic and labour instability.

Production Estimates

Any forecasts of future production are estimates based on interpretation and assumptions, and actual production may be less than estimated. Unless otherwise noted, the Company's production forecasts are based on full production being achieved at all of its potential mines. The Company's ability to achieve and maintain full production rates at the Elk Gold Project is subject to a number of risks and uncertainties, the occurrence of any of which could result in delays, slowdowns or suspensions and, ultimately, the failure to achieve and maintain full production rates. The Company's production estimates at the Elk Gold Project are dependent on, among other things, the accuracy of Mineral Resource estimates, the accuracy of its life of mine plans, the accuracy of assumptions regarding mineralized material grades and recovery rates, weather conditions, ground conditions, physical characteristics of mineralized material, such as hardness and the presence or absence of particular metallurgical characteristics, the accuracy of estimated rates and costs of mining and processing, including, without limitation, operating expenses, cash costs and all-in sustaining costs, mill availability, reliability of equipment and machinery, the performance of the processing circuit or other processes, water supply and/or quality, the receipt and maintenance of permits and the availability of a sufficient amount of people to perform the work necessary to maintain production as estimated. The Company's actual production and other projected economic and operating parameters may not be realized. The failure of the Company to achieve its production estimates could have a material adverse effect on its prospects, results of operations and financial condition.

Mineral resources are reported as general indicators of mine life, however, this should not be interpreted as assurances of mine life or of the profitability of current or future operations.

The Company is currently, and expects to continue to be, dependent on the Elk Gold Project for all of its commercial production. In particular, the Elk Gold Project has accounted for all of the Company's production up to the present and is expected to continue to account for all of its commercial production in the near term. Any adverse conditions affecting mining, processing conditions, expansion plans or ongoing permitting at the Elk Gold Project could have a material adverse effect on the Company's financial performance and results of operations.

The Company notes that the Elk Gold Technical Report is completed to the level of a preliminary economic assessment which is preliminary in nature that includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

Cost Estimates

The Company's actual costs are dependent on a number of factors, including smelting and refining charges, penalty elements in concentrates, royalties, the price of gold and by-product metals, the cost of inputs used in mining operations and production levels. The Company's actual costs may vary from estimates for a variety of reasons, including changing waste-to-mineralized material ratios, mineralized material grade metallurgy, weather conditions, ground conditions, labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve cost estimates or material increases in costs could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Changes in the Company's production costs could have a major impact on its profitability. Its main production expenses are personnel and contractor costs, materials, and energy. Changes in costs of the Company'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 resource estimates. Many of these factors may be beyond the Company's control.

The Company prepares estimates of future cash costs, operating costs and/or capital costs for each operation and project. There can be no assurance that such estimates will be achieved and that actual costs will not exceed such estimates. Failure to achieve cost estimates and/or any material increases in costs not anticipated by the Company could have an adverse impact on future cash flows, profitability, results of operations and the financial condition of the Company.

The Company notes that the Elk Gold Technical Report is completed to the level of a preliminary economic assessment which is preliminary in nature that includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves.

Reclamation Costs

The Company's operations are subject to reclamation plans that establish its obligations to reclaim properties after minerals have been mined from a site. These obligations represent significant future costs for the Company. The reclamation obligations under the Company's Mine Permit require a total of $15,866,700 be posted in annual increments as reclamation security beginning sixty days from the receipt of the Mine Permit and ending October 30, 2024. It may be necessary to revise reclamation concepts and plans, which could increase costs.

Governing authorities require companies to periodically recalculate the amount of a reclamation bond and may require bond amounts to be increased. It may be necessary to revise the planned reclamation expenditures and the operating plan for a mine in order to fund an increase to a reclamation bond. Reclamation bonds may represent only a portion of the total amount of money that will be spent on reclamation over the life of a mine operation. The actual costs of reclamation set out in mine plans are estimates only and may not represent the actual amounts that will be required to complete all reclamation activity. If actual costs are significantly higher than the Company's estimates, then its results of operations and financial position could be materially adversely affected.

Corporate Risks

Liquidity and Additional Financing

The Company's ability to continue its business operations and retain its ownership in the Elk Gold Project is dependent on management's ability to secure additional financing. The Company's only source of liquidity is its cash balances. Liquidity requirements are managed based upon forecasted cash flows to ensure that there is sufficient working capital to meet the Company's obligations. Pursuant to the terms of the Sandbox Promissory Note, Elk Gold Mining must make three annual instalments of $3,000,000 commencing on May 17, 2021 (first and second installments paid), subject to certain adjustments. If the Company is unable to raise additional funds to make such payments, Equinox may enforce the security interest granted by the Sandbox Share Pledge Agreement. For more information see "Material Contracts" which summarizes each of the material agreements between the Company and Equinox.

The advancement, exploration and development of the Elk Gold Project, including continuing exploration and development, and, if warranted, construction or repair of mining facilities and the commencement of mining operations, will also require substantial additional financing. As a result, the Company may be required to seek additional sources of equity financing in the near future. The Company's ability to raise additional equity financing may be affected by numerous factors beyond its control including, but not limited to, adverse market conditions, commodity price changes and economic downturns. There can be no assurance that the Company will be successful in obtaining any additional financing required to continue its business operations and/or to maintain its property interests, or that such financing will be sufficient to meet the Company's objectives or obtained on terms favourable to the Company. Failure to obtain sufficient financing as and when required may result in the delay or indefinite postponement of exploration and/or development on any or all of the Company's properties, or even a loss of its property interests, which would have a material adverse effect on the Company's business, financial condition and results of operations.

No Positive Earnings and History of Losses

The business of developing and exploring resource properties involves a high degree of risk and, therefore, there is no assurance that current exploration programs will result in identifying further profitable operations. The Company has not determined whether the Elk Gold Project contains economically recoverable reserves of mineralized material and the Company is yet to generate positive cash flow from its operations. There can be no assurance that significant additional losses will not occur in the future. The Company's operating expenses and capital expenditures may increase in future years with advancing exploration, development and/or production from the Company's properties. The Company expects to incur losses until such time as the Elk Gold Project or any future property it acquires and generates sufficient revenue to fund continuing operations. There is also no assurance that new capital will become available and, if it does not, the Company may be forced to substantially curtail or cease operations.

Attracting and Retaining Talented Personnel

The Company's success will depend in large measure on the abilities, expertise, judgment, discretion, integrity and good faith of management and other personnel in conducting the business of the Company.

The Company will initially have a small management team and the loss of any of these individuals or the inability to attract suitably qualified staff could materially adversely impact the business. The Company's ability to manage its operating, development, exploration and financing activities will depend in large part on the efforts of these individuals.

The Company's success will depend on the ability of management and employees to interpret market and technical data successfully and to interpret and respond to economic, market and other business conditions in order to locate and adopt appropriate investment opportunities, monitor such investments and ultimately, if required, successfully divest such investments. Further, key personnel may not continue their association or employment with the Company which may not be able to find replacement personnel with comparable skills. The Company has sought to and will continue to ensure that management and any key employees are appropriately compensated; however, their services cannot be guaranteed. If the Company is unable to attract and retain key personnel, business may be adversely affected. The Company faces market competition for qualified personnel and there can be no assurance that the Company will be able to attract and retain such personnel.

Possible Conflicts of Interest of Directors and Officers of the Company

Certain of the directors and officers of the Company will also serve as directors and/or officers of other companies involved in Mineral Resource exploration and development and, consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard.

Volatility of Market for the Common Shares

The market price of the Common Shares may be highly volatile and could be subject to wide fluctuations in response to a number of factors, including: (i) dilution caused by issuance of additional Common Shares and other forms of equity securities, which the Company expects to make in connection with future financings to fund operations and growth, to attract and retain qualified personnel and in connection with future strategic partnerships with other companies, (ii) announcements of new acquisitions, reserve discoveries or other business initiatives by competitors, (iii) fluctuations in revenue from operations as new reserves come to market, (iv) changes in the market for gold and/or in the capital markets generally, (v) changes in the demand for minerals and metals; (vi) changes in the social, political and/or legal climate in the regions in which the Company operates; and (vii) the release of large blocks of shares from escrow. In addition, the market price of Common Shares could be subject to wide fluctuations in response to: (a) quarterly variations in operating expenses, (b) changes in the valuation of similarly situated companies, both in the mining industry and in other industries, (c) changes in analysts' estimates affecting the Company, competitors and/or the industry, (d) changes in the accounting methods used in or otherwise affecting the industry, (e) additions and departures of key personnel, (f) fluctuations in interest rates, exchange rates and the availability of capital in the capital markets, (g) general market conditions and changes to factors relating to the mining and resource industries, and (h) significant sales of Common Shares, including sales by future investors in future offerings which may be made to raise additional capital. These and other factors will be largely beyond the Company's control, and the impact of these risks, singularly or in the aggregate, may result in material adverse changes to the market price of Common Shares and/or the Company's results of operations and financial condition.

No Guarantee of Positive Return on Investment

There is no guarantee that an investment in the securities of the Company will earn any positive return in the short term or long term. The mineral exploration and development business is subject to numerous inherent risks and uncertainties, and any investment in the securities of the Company should be considered a speculative investment. Past successful performance provides no assurance of any future success. The purchase of securities of the Company involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. An investment in the securities of the Company is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Dilution Risk

In order to finance future operations and development efforts, the Company may raise funds through the issue of Common Shares or securities convertible into Common Shares. The constating documents of the Company will allow it to issue, among other things, an unlimited number of Common Shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The size of future issues of Common Shares or securities convertible into Common Shares or the effect, if any, that future issues and sales of Common Shares will have on the price of Common Shares cannot be predicted at this time. Any transaction involving the issue of previously authorized but unissued Common Shares or securities convertible into Common Shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

Dividends

The Company does not intend to declare dividends for the foreseeable future as the Company anticipates that any future earnings will be re-invested in the development and growth of the business. Therefore, investors will not receive any funds unless they sell their Common Shares, and shareholders may be unable to sell their Common Shares on favorable terms or at all. Investors cannot be assured of a positive return on investment or that they will not lose the entire amount of their investment in the Common Shares.

Accounting Policies and Internal Controls

The Company prepares its financial reports in accordance with IFRS. In preparation of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. Significant accounting policies are described in more detail in the Company's audited financial statements. Management has implemented and maintains accounting systems and internal controls to provide a reasonable level of assurance that transactions are properly authorized, assets are properly safeguarded and transactions are properly recorded and reported. Although the Company believes its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance.

Tax Matters

The Company's taxes are affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Compliance with Anti-Corruption Laws and ESTMA

The Company is subject to various anti-corruption laws and regulations such as the *Canadian Corruption of Foreign Public Officials Act*. In general, these laws prohibit a Company and its employees and intermediaries from bribing or making other prohibited payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The Company cannot predict the nature, scope or effect of future regulatory requirements to which the Company's operations might be subject or the manner in which existing laws might be administered or interpreted.

Failure to comply with the applicable legislation could expose the Company and its senior management to civil and/or criminal penalties, other sanctions and remedial measures, legal expenses and reputational damage, all of which could materially and adversely affect the Company's business, financial condition and results of operations. Likewise, any investigation of any alleged violations of the applicable anti-corruption legislation by Canadian or foreign authorities could also have an adverse impact on the Company's business, financial condition and results of operations.

In addition, the *Canadian Extractive Sector Transparency Measures Act* ("**ESTMA**"), which became effective June 1, 2015, requires public disclosure of payments to governments by mining and oil and gas companies engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments and any other prescribed payment over $100,000.

Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to $250,000 (which may be concurrent). If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties, fines and/or sanctions, which may have a material adverse effect on the Company's reputation.

Litigation Risks

The Company may become involved in disputes with third parties in the future that may result in litigation. The results of litigation cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If the Company is unable to resolve these disputes favourably, or if the cost of the resolution is substantial, such events may have a material adverse impact on the Company's business, rights, financial condition, results of operations, cash flows or prospects.

Reputational Risks

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events and could include any negative publicity, whether true or not. Although the Company places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations and decreased investor confidence and may act as an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Currency Risks

The Company is exposed to currency risk associated with the payable terms set out in the Ore Purchase Agreement being in U.S. dollars and converted into Canadian dollars on a monthly basis which is subject to the fluctuation of the Canadian dollar versus the U.S. dollar.

DESCRIPTION OF THE BUSINESS

Elk Gold Project Overview

The Company's material property is the Elk Gold Project. The scientific and technical information relating to the Elk Gold Project set forth in this AIF has been derived from or is based on the Elk Gold Technical Report prepared by the Qualified Person. Reference should be made to the full text of Elk Gold Technical Report which is available for review under the Company's profile on SEDAR at www.sedar.com. The Elk Gold Technical Report is not and shall not be deemed to be incorporated by reference in this AIF.

Grant Carlson, P. Eng., Chief Operating Officer of the Company, a qualified person as defined in NI 43-101, has reviewed and approved the scientific and technical disclosure contained in this AIF.

Property Description and Location

The Elk Gold Project is located in south central British Columbia, Canada, approximately 325km northeast of Vancouver and 55km west of Okanagan Lake, midway between the cities of Merritt and West Kelowna. The map below sets out the approximate location of the Elk Gold Project.

Land Tenure

The Company holds its interest in the Elk Gold Project through its wholly owned subsidiary, Elk Gold Mining Corp. The entire Elk Gold Project consists of 32 contiguous mineral claims covering 22,152 hectares and two mining leases covering 646 hectares. The 150-hectare mineral lease expires on September 14, 2023 and the 496 hectare mineral lease expires on November 17, 2023 All mineral claims are in good standing until September 30, 2025. The claims may be maintained beyond their current expiry date by continuing to conduct work on the property at the rate of $331,321 per year, or by cash payment in lieu at double that rate. The Mining Lease 308695 may be maintained by paying a yearly rental of $3,000 and providing an annual reclamation report that is acceptable to the Ministry of Energy, Mines and Petroleum Resources. Mining Lease 1085519 may be maintained by paying a yearly rental of $9,920 and providing the same Annual Reclamation report as noted above. The Company intends to maintain the mining leases in good standing. Surface rights are currently held by the provincial government of British Columbia.

Permitting

Bulk sample mining operations on the mining lease are permitted under the Mine Permit. Reclamation bonding posted by the Company under the Mine Permit and the Exploration Permit is set out in the section entitled "*Environmental Protection*" above.

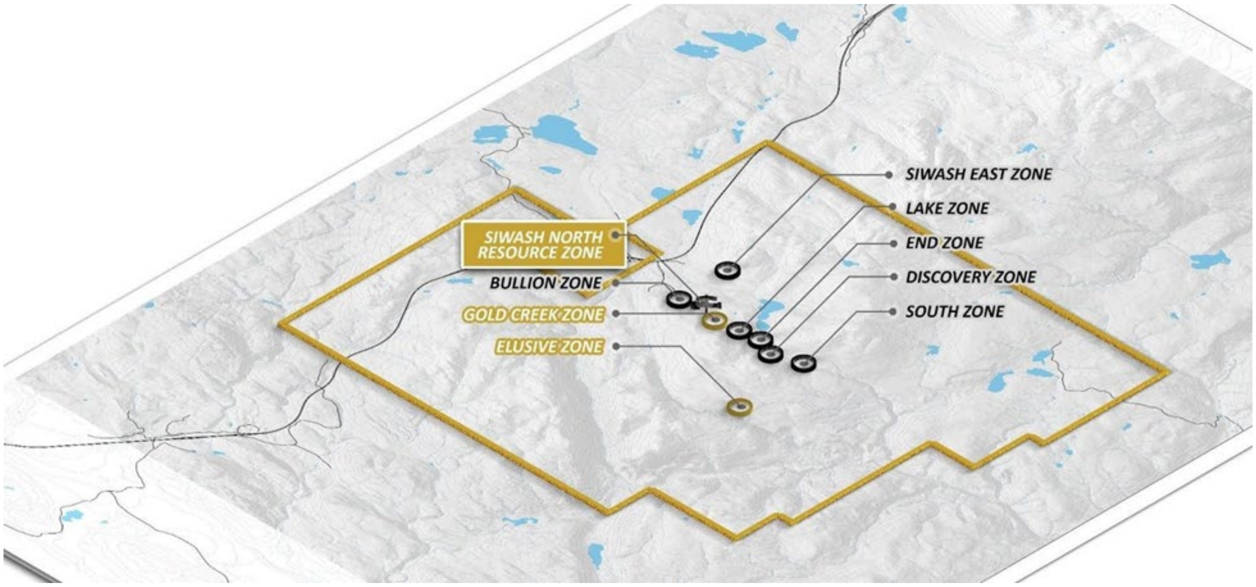
Exploration on the Elk Gold Project is regulated via two permits: the Mine Permit for work on the mining lease and the Exploration Permit for exploration on the surrounding claims. Although reclamation has been ongoing throughout the life of the property 12.51 hectares out of a total disturbance area of 42.61 hectares remains to be reclaimed, most of which is attributed to access roads, pit surrounds, and rock plus soil storage facilities. A notice of work to conduct additional diamond drilling on the Elk Gold Project was received March 25, 2021. On October 29, 2021, the Company received the amendment to the Mine Permit which allows the Company to produce 70,000 tonnes from the Elk Gold Project. On February 23, 2022 the Company received its amended Effluent Discharge Permit.

Royalties and Encumbrances

Production from the Elk Gold Project is subject to a 2% net smelter return royalty held by Star Royalties Ltd.. A further 1% net smelter return royalty is payable to Don Agur on production from the Agur option block which is outside of any of the identified mineralized zones. The Company interest in the Elk Gold Project is subject to the terms of the Equinox Agreements.

Location of mineralized zones

The Elk Gold Project is host to nine known mineralized zones. The map below sets out the names and location of those zones within the Elk Gold Project. The Mineral Resource on the Elk Gold Project is located in the Siwash North Zone:



Environmental Liabilities

The current environmental liability on the Elk Gold Project is defined by the monitoring and reclamation activities required under the Mine Permit and the Effluent Discharge Permit. See section entitled "Environmental Protection" above for information on the Company's environmental liabilities.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Elk Gold Project is serviced by highway 97C a four-lane freeway with an interchange 2.5 km north of the Siwash North zone. All-weather logging roads provide access to all parts of the Elk Gold Project. Kelowna, West Kelowna, and Peachland are 62 km east of the property and has an international airport and has to date been an adequate source of labour, supplies, and equipment. Merritt is approximately 40 km west of the property and is a potential community for a commuting workforce.

Climate

The Elk Gold Project has a relatively short, warm summers and cold winters. The effect that winter conditions may have on the potential commercial operations was beyond the scope of the Elk Gold Technical Report although it does envisage year-round operations which is common for surface mining operations in British Columbia.

Local Resources

The Elk Gold Project is located near a number of population centers. Most of any needed supplies or services can be sourced from the cities of Kelowna, West Kelowna, Kamloops, and Merritt. All other needs may be obtained from Metro Vancouver or cities within the Fraser Valley, a four-hour drive to the west. West Kelowna is the current location for equipment storage space for the property.

Infrastructure

Existing on-site infrastructure includes site access on a 1.5km forest service road, two historical open pits, a limestone capped mineralized material stockpile pad, a contractor laydown area, an underground decline with a sealed portal, surface water collection ditches and sumps, an exploration office with drill core storage, and a 20-person exploration camp.

A single-phase power line ends 2 km from the Elk Gold Project. Three-phase power is located approximately 20 km east and west of the Elk Gold Project. Water requirements at the Elk Gold Project for the delivery of mineralized material under the Ore Purchase Agreement are limited and will be supplied from open pit groundwater inflows.

Physiography

The Elk Gold Project is located within the Thompson Plateau (eastern section) known as the Trepanege Plateau highland, which within the claims area consists of rolling topography ranging in elevation from 1,300 to 1,750 masl. The area is blanketed by a layer of glacial till of varying thickness, and outcrop is scarce. Forest cover is mainly lodgepole pine with minor balsam, subalpine fir, and spruce. Alders are found along streams and in marshes. The entire claim area is about 60% clear-cut logged.

History

Ownership History

Prospecting activities in the area of the Elk Gold Project are said date back to the early 1900s, and the first recorded work began in the 1960s and 1970s. Fairfield Minerals Ltd, the exploration arm of Cordilleran Engineering Ltd., assumed operatorship in 1992 for the purpose of mining a bulk sample. Almaden Resources Corporation amalgamated with Fairfield in 2002 to form Almaden Minerals Ltd., which thereby became the sole owner of the Elk Gold Project and continued field exploration projects including drilling until late 2010.

Beanstalk Capital Inc. purchased the Elk Gold Project in 2011 and changed their name to Gold Mountain Mining Corp. upon being listed as a publicly traded company on the Exchange under the symbol V.GUM. Gold Mountain Mining Corp. merged with Lowell Copper and Anthem United in October 2016, becoming a wholly owned subsidiary of the successor company JDL Gold Corp. JDL merged with Luna Gold in March 2017, with JDL as the succeeding company which subsequently changed its name to Trek Mining Inc. ("**Trek**"). In December 2017, Trek merged with NewCastle Gold Ltd. and Anfield Gold Corp., with Trek being the surviving entity. Trek then changed its name to Equinox with Gold Mountain Mining Corp. remaining as a wholly owned subsidiary of Equinox.

Bayshore purchased Gold Mountain Mining Corp. on May 16, 2019 from Equinox pursuant to the Equinox Share Purchase Agreement. On December 23, 2020, the Company acquired its interest in the Elk Gold Project through the Amalgamation, and Gold Mountain Mining Corp. changed its name to Elk Gold Mining Corp. and the Company changed its name to Gold Mountain Mining Corp.

Mining History

The Elk Gold Project has a history of production. The table below provides a summary of all mining from 1992 to 2014:

Date	Mining Method	Tonnes Processed	Average Grade (g/t)	Ounces Recovered
1992	Open Pit	2,041	137	9,000
1993	Open Pit	3,388	106	11,500
	Underground	408	61	800
1994	Open Pit	9,181	91	27,000
	Underground	1,170	78	2,950
1995	Landing Cleanup	113	27	100
	Underground	200	17	110
2012	Historical Stockpile	35	14.66	17
2014	Historical Stockpile	1,130	4.09	149
2012	Open Pit	504	11.97	194
2014	Open Pit	6,092	17.03	3,337
	Historical Open Pit Total	15,889	93.50	47,765
	Historical Underground Total	1,778	67.52	3,860
	Bulk Sample Open Pit Total	6,597	16.65	3,531
	Grand Total	24,263	70.71	55,156

Geology Setting

Regional and Local Geology

The Elk Gold Project is situated within the intermontane (tectonic) belt of south–central B.C.

Historic maps depict the Elk Gold Project to be underlain by Triassic-age Nicola Group volcanic–sedimentary rocks in the western third of the Property; Jurassic-age granitic rocks of the Osprey Lake Batholith underly the eastern two-thirds of the Elk Gold Project. Feldspar-porphyry stocks and dykes of the Upper Cretaceous Otter Intrusions occur in the southwest claim area and cut both Nicola Group volcanic rocks and Osprey Lake granitic rocks. Tertiary andesite dykes intrude all the above. Gold appears to be spatially related to the andesite dykes and contained within pyritic quartz veins which locally cut the dykes.

Property Geology

Nicola Group volcanic rocks mapped on the western and northwestern portion of the Elk Gold Project comprise massive and locally porphyritic basalt and andesite, siliceous layered tuff and agglomerates. Osprey Lake batholithic rocks vary from granite to quartz monzonite to granodiorite in composition and comprise the bulk of the intrusive rock on the Elk Gold Project. Granodiorite is predominantly found on the margin of the batholith and has been historically described as a granodiorite to diorite chill margin. Osprey Lake rocks have been observed intruding Nicola Group rocks. The Otter Formation intrusive rocks consist of quartz-feldspar porphyry, feldspar porphyry, and quartz-biotite-feldspar porphyry dykes and stocks. Otter Formation rocks, which are younger than, and intrusive into Osprey Lake rocks, have been mapped near the southern Property boundary. Aplite and andesite dykes which intrude the batholith are thought to be either associated with a later phase of the Otter Intrusions or later Tertiary intrusive activity. The dykes vary in thickness from 30 cm to 5m and have been intersected by drill holes throughout the Elk Gold Project.

Exploration

Summary

Exploration on the Elk Gold Project has progressed in a logical sequence from prospecting and geological mapping to hand soil sampling and excavator trench sampling followed by geophysical induced polarization (IP) and widely spaced drilling. Grid diamond drilling to delineate resources led to open pit and test-scale underground mining followed by additional diamond drilling to expand the resource base and test other property targets. A second round of bulk sample mining was initiated to confirm results of the preliminary economic assessment. The test mining and bulk sample program was also used to refine the mining technique and confirm parameters for full-scale operations. Airborne magnetometer and radiometric surveys were flown in early 2019 to assist in directing further property wide exploration.

Summary of Historic Exploration other than drilling

Between 1986 and 2013 there was extensive exploration conducted at the Elk Gold Project. Highlights include 17,400 geochemical soil samples between 1986 and 1996; approximately 5,750 litho geochemical samples between 1987 and 2013; over 4,200ha of the Elk Gold Project mapped; over 8,000m of trenches dug and a number of geophysical surveys conducted. None of this exploration work was conducted by Bayshore.

In June 2019, Bayshore carried out a helicopter magnetic and radiometric survey spread over 7,234ha which was used to investigate indications of possible structural fabric on the premise that structural analysis plays a key role in resource exploration.

A soil sampling and diamond drilling program was completed in 2021 between 25 May and 21 October 2021; this added 2,168 samples to the existing soil geochemical database, consisting of 21,688 samples to aid in directing further Property-wide exploration. The 2021 soil geochemistry program focussed on areas west of the Elusive Zone, over the Nicola Zone, over the South Zone, and encompassing the Otter grid, an area at the southern limit of the Property. These surveys delineated gold and copper anomalies.

A program of soil sampling was completed in 2022. Soil sampling, consisting of 1,194 samples, were added to the existing soil geochemical database to aid in directing further Property-wide exploration. The 2022 soil geochemistry program focused on the Elusive, Siwash East, and South Zones. Gold and copper anomalies were delineated by the surveyors.

Mineralization

Gold mineralization occurs within quartz-sulphide veins and stringers most often within phyllic and silica-altered Osprey Lake rocks and rarely within adjacent phyllic and silica-altered Nicola volcanic rocks. Pyrite is the most common sulphide within the quartz veins, ranging from 5% to 80%, with higher percentages often associated with chalcopyrite and tetrahedrite. Gold occurs as fine-grained free gold (typically less than 50 µm) in quartz, and also within quartz-pyrite box-works, and in fractures within veins. Gangue minerals include quartz and altered wall rock clasts (xenoliths), with minor amounts of ankerite, calcite, barite, and fluorite. Most of the mine production in Pit 1 occurred within the quartz-monzonite and granodiorite border phase of the batholith. Mine production from Pit 2 was all from the quartz-monzonite phase.

Although nine separate vein zones have been discovered on the Elk Gold Project, the most significant one is known as the Siwash North zone, the location of the resource estimate on the Elk Gold Project. The Siwash North 1000 and 2000 vein complexes are emplaced within fault/fracture zones that strike east-northeast and dip moderately to steeply southward. The veins are cut by a 3-m wide, north-northwest striking, near vertically dipping faulted and altered mafic dike. This dike is a post-mineral structure that hosts no mineralization itself but divides mineralized veins into two regions with little apparent offset, but the veins change character across the dike. West of the dike the Siwash North 1300 vein is a single, moderately dipping, high-grade gold vein.

Drilling

From 1989 to 2013 nine different zones of the Elk Gold Project were tested by diamond, rotary, and percussion drilling. Initially, targets were drilled down dip of gold mineralized quartz veins discovered by trenching soil geochemical anomalies. Those zones returning the best gold drill assays were targeted by additional drilling down dip and along strike of the intersections. Though the Siwash North zone was found from early drill campaigns to contain the best concentration of gold mineralization, several other zones that warranted drill testing and encountered gold mineralized quartz veins are still open along strike and down dip.

Historic drilling within the Siwash North zone may be viewed as occurring in three stages: 1) drilling by Cordilleran/Fairfield (1989–2001); 2) drilling by Almaden (2002–2010); and 3) drilling by Gold Mountain (2011–2013) and drilling by the current Gold Mountain Mining Corp. (2020-2022). The Table below summarizes the drilling conducted on all nine zones of the Elk Gold Project that were conducted in each of those three phases:

Zones/Drilling Type	Years	Drill Holes	Meterage
Siwash North – Surface Diamond	1989 – 2022	773	117,917.2
Siwash North – Underground Diamond	1994/1995	301	10,018.6
Siwash North – Reverse Circulation	1992	90	3,626.0
Siwash North - Percussion	1992, 2013	23	1,267.0
Siwash East – Diamond	2006	4	504.8
Gold Creek – Diamond	1996, 2000, 2002, 2011, 2022	35	44,152.9
Lake – Diamond	1990,1995,2005, 2011, 2012, 2013, 2021, 2022	32	3,770.9
Lake - Percussion	2013	1	515
End/Great Wall – Diamond	1995,2012	7	340

Discovery – Diamond	1995, 2012	12	868
South Showing – Diamond	1995, 2011,2012,2013, 202, 2022	48	5,346.1
South Sowing – Percussion	2013	1	153
Bullion Creek – Diamond	2002, 2004	6	559.2
Nicola – Diamond	2012	3	366
Elusive Zone	2021, 2022	10	1,484.9
TOTAL	**1989-2022**	**1,346**	**1950,889.6**

Phase I Drilling carried out in 2020 and early 2021 by the Company included 40 holes totalling 8,748m of diamond drilling all located within the Siwash North Zone.

In 2022, the Company's Phase III and IV diamond drilling programs tested the Siwash North Zone (55 holes), Gold Creek (19 holes) Lake Zone (3 holes), South Zone (1 holes), Nicola (1 hole) and Elusive Zone (3 holes). Drilling on the Siwash North Zone focussed primarily on targeting areas that would most effectively add to and upgrade the previously reported Mineral Resource, including deeper testing of the 1000 and 2000 series veins, sampling gaps, and in an area north of the previous testing. The Phase III drill program, which began in Q4 F2022, drilled a total of 15,500m and the Phase IV program has completed 2,970m. The in-fill drilling program completed in 2022 included 81 holes and 4,776.2m. The new drilling brings the total drilling on the property up to 1,246 holes and 150,889.6m.

The Qualified Persons review of all historical and recent drill program data did not reveal any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

Sampling and Analysis

Description of Samples and Sampling Methods

The drill-hole collar file contained location data for 1,125 drill holes. The assay file contained 23,093 gold and silver assays, of which 6,406 were contained within the modelled zones.

Sample quality was monitored and confirmed through the application of the Elk Gold Project's QA/QC procedures which applied duplicates, blanks, standards and duplicating samples at an umpire laboratory. Early drill programs did not use as robust QA/QC programs as more recent campaigns but since similar drill results were received between older and newer drilling, they were considered adequate. Drilling and sampling has taken place at the Elk Gold Project starting from 1989 and sampling, analysis and security procedures have evolved over that time.

From 1989 to 1996, samples of mineralized vein material consisted of the entire core and split core was collected from all other zones sampled. From 2000 onwards, a QA/QC program was included in the sampling procedure. The program included regular duplicate, blank samples, 6 different standard samples and 5% of all pulps being re-assayed at an alternate laboratory.

Sample locations were verified through duplicate high-precision collar surveys and review and verification of the down-hole survey database. Drillhole collars were marked by 4 inch PVC pipe inserted into the casing hole and labeled with metal tags denoting the hole numbers and other drill data. These were surveyed by RTK GPS instruments capable of sub-centimeter accuracy. If the pipe was damaged or missing, the physical hole was located and surveyed. Very few holes were missed. A number of historical holes were found to be out by a few meters due to turning hub location errors and these were corrected in the drill database. Drill collars destroyed by mining Pit 1 could not be surveyed.

Factors Affecting the Accuracy or Reliability of the Results

The authors of the technical report have reviewed and verified the historical drilling and sampling documentation and could not identify any drilling, sampling, or recovery factors that could materially impact the accuracy or reliability of the results. Sampling methods varied over the different historical drill programs; however, they all followed the best practices of the day. Drill results at the Elk Gold project were found to be consistence between older and more recent drill campaigns and the historical sampling QA/QC procedures were considered to be adequate.

Discussion on Potential Sample Bias

Sample bias in the drill core samples at the Elk Gold Project was minimized using industry best practices for core sampling procedures. These practices varied over the several drill campaigns that have take place at the Elk Gold Project since 1989; however, the best practices of the day were employed.

Bias in core sampling can occur when mineralization is blotchy, when the core is highly broken or rubbled or if the sampler, either subconsciously or deliberately, selects more mineralized parts of the core to sample first. The historical drill core sampling use 100% of the core which eliminates as bias from a core sampler. Later drill programs used split core where 50% is selected for sampling. It is important that the core sampler split the core in a consistent way and continue to sample the same side of the split core. The more recent drill programs used a core saw to split the core and select 50% of the core for sampling. The geologist would arrange the core for sampling and guide the core sampler where to saw with a coloured grease pen along the top of the core. This simplifies the protocol for the core sampling technician and further reduces sampling bias. In all cases, the leader of the field crew must actively supervise the samplers and be willing to correct bad protocols if necessary.

Parameters to Establish the Sampling Intervals

A variety of interval selection methods were employed over the various historic and recent drilling programs at the Elk Gold Project and rock type and alteration descriptions tend to vary between drilling programs; however, after a review of several historical holes by the Elk Gold Mining logging crew, they aligned with the historical core logging. Different drill programs used different minimum sample widths and methods of sampling. Early drilling sampled 100% of the core, later programs split the core while the last program sawed the core. These differences will lead to individual sample results being higher than others but the overall zone grade stays very similar. In all cases the footwall contact was used as the end point for the sample interval and if the vein was narrower than the minimum sample width, then the extra core sampled was of the more altered hanging wall rock.

Cut-off grades differed between the east and west portions of the deposit in creating the wireframe model, however the resource calculation took that into consideration when calculating the resource estimate.

Quality Assurance and Quality Control and data verification

For the Elk Gold Project resource estimate data verification means confirming that all drill hole data is accurate whether that is the collar locations, down-hole surveys, sample locations or assays. Collar locations were re-surveyed with independent RTK GPS equipment capable of sub-centimeter accuracy and most re-surveyed collars agreed with the original surveys. Some collars locations have been destroyed by the historic mining activity and these were accepted as being within acceptable and reasonable limits.

Historic drilling employed a sperry sun down-hole instrument and in 2014 the sperry sun photographic disc readings were checked for transcription errors and then compared against the Reflex down-hole surveys of nearby holes and an excellent correlation was found in vein intersections. The sample location and assay database were thoroughly examined in 2014 comparing assay results from several sources and very few errors were found.

The analytical accuracy and precision of assays were monitored using commercial standards, blanks and re-analysis of both coarse rejects and pulps, and re-analysis of 5% of pulps at an alternate laboratory. Six different standards were entered every 20-30 samples. Using a variety of standards makes them effectively "blind" to the laboratory. A blank sample was also entered every 20-30 samples. The blank material consisted of mafic volcanic core devoid of veins.

The use of an umpire laboratory was employed from 2000 through 2011 with a strong correlation between the various laboratories. There is a slight downward trend at high grade levels (>40g/t) which may be attributed to gold grains settling in the sample bags and improper homogenization prior to the second sampling. A review of all inputs to the drill hole database, both historic and recent, has allowed sufficient level of confidence to include the drill database in the Mineral Resource estimate.

Security of Samples

At the Elk Gold Project site, all samples were placed in plastic sample bags, sealed with a zip tie and stored in a secure area under the direct supervision of the employee responsible for the sampling or kept locked. Samples were placed in numbered rice bags prior to shipment to the laboratory and a written record of the sampler, sampling dates and contents of each shipment were recorded in a sampling log. Sample request forms and chain-of-custody forms were always kept and filled out by the laboratory upon receipt of the shipment. Samples were transported by reliable commercial courier or trucked by company staff in site vehicles.

Mineral Resource Estimate

The table below summarizes the updated resource estimate at the Elk Gold Project:

Combined Elk Gold Property Mineral Resource (Pit-Constrained and Underground) Dec 2021					
Classification	**Tonnes**	**Au Equivalent (g/t)**	**Au Capped (g/t)**	**Ag Capped (g/t)**	**AuEq (Oz)**
Measured	169,000	10.4	10.3	10.9	56,000

Indicated	4,190,000	5.6	5.4	11.0	750,000
Measured + Indicated	4,359,000	5.8	5.6	11.0	806,000
Inferred	1,497,000	5.4	5.3	14.4	262,000

CIM definitions were followed for classification of Mineral Resources.
Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
Results are presented in-situ and undiluted.
Mineral resources are reported at a cut-off grade of 0.3 g/t AuEq for pit-constrained resources and 3.0 g/t AuEq for underground resources.
The number of tonnes and metal ounces are rounded to the nearest thousand.
The Resource Estimate includes both gold and silver assays. The formula used to combine the metals is:
*AuEq = ((Au_Cap*53.20*0.96) + (Ag_Cap*0.67*0.86))/(53.20*0.96)*
The Resource Estimate is effective as of October 21, 2021.

The resource estimate includes resources in three separate zones on the Elk Gold Project: 1) the Siwash North, which comprises the majority of the estimate; 2) the Lake Zone; and 3) the South Zone.

Legal, Political and Environmental risks

There are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Mining Operations

Summary of Preliminary Economic Assessment

The Mining Operations section is based on the following resource estimate and does not incorporate the updated resource estimate set out above:

Classification	Tonnes	AuEq (g/t)	Au Capped g/t	Ag Capped g/t	AuEq (Oz)
Measured	**196,000**	**9.9**	**9.8**	**9.9**	**63,000**
Indicated	**3,148,000**	**5.8**	**5.7**	**11.2**	**589,000**
Measured + Indicated	**3,344,000**	**6.1**	**5.9**	**11.1**	**651,000**
Inferred	**1,029,000**	**4.8**	**4.7**	**10.9**	**159,000**

CIM definitions were followed for classification of Mineral Resources.
Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
Results are presented in-situ and undiluted.
Mineral resources are reported at a cut-off grade of 0.3 g/t Au for pit-constrained resources and 3.0 g/t for underground resources.
The number of tonnes and metal ounces are rounded to the nearest thousand.
The Resource Estimate includes both gold and silver assays. The formula used to combine the metals is:
*AuEq = ((Au_Cap*55.81*0.96) + (Ag_Cap*0.76*0.86))/(55.81*0.96)*
The Resource Estimate is effective as of May 1, 2021.

The 2021 PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mining Method

The Elk Gold Technical Report envisages a conventional open pit mining operation for the life of mine with underground mining being commissioned in Year 4. The first three years of operation are planned at 70,000tpa (200tpd). Starting in Year 4 of the mine plan, the mine expands to a 324,000tpa (900tpd) operation.

During years one to three, mineralized material is excavated from the open pit and place on a limestone capped stockpile pad. Material on the stockpile pad will be sampled and assayed for metal accounting before being shipped via highway dump trucks to the New Afton mill under the terms of the Ore Purchase Agreement entered into on January 26, 2021. In addition to New Afton, numerous other potential mineral processing facilities exist within hauling distance of the Elk Gold Project. Mining operations will be carried out by Nhwelmen-Lake LP, an Indigenous owned contract mining and construction company.

Once the initial operation is underway, the Company will investigate and initiate an Environmental Assessment review which would be required to expand the mine. The Elk Gold Technical Report envisages that by Year 4 of operations an Environmental Assessment Certificate will be received, and the mineralized material sales to New Afton will increase to 900t/d or 324,000t/a. Extending the Ore Purchase Agreement over the life-of-mine allows the Company to increase the production profile to 65,000 oz/a without the capital cost, environmental liability and permitting complexity of constructing a mill and tailings storage facility on site.

The total mine life is projected to be 11 years, including processing 2.5 Mt of mineralized material grading 6.98 g/t Au and 11.73 g/t Ag. The plan includes 22.8 Mt of non-mineralized rock and an average strip ratio of 20.2 w:o.

Metallurgical Process

Mineralized material from the Elk Gold Project will be sold to the New Afton mill over the entire life-of-mine under the terms of the Ore Purchase Agreement.

Mineralized material from the Elk Gold Project will be primary crushed and sampled at the Elk Gold Project site with sample material sent to a third-party laboratory for settlement assays. After sampling, the material will be hauled the 130km to New Afton on highway dump trucks and New Afton assumes ownership of the material upon delivery. New Afton will blend the mineralized material into its existing plant feed and gold will be recovered via its gravity and sulphide flotation circuits with gold ultimately reporting to their copper concentrate.

Under the terms of the Ore Purchase Agreement, the Company will be paid based on a split of the metals payable which is calculated based on metallurgical recovery, refining charges and smelter payable terms which are all set within the agreement. As such, all risk associated with mineral processing and recovery is borne by New Afton.

Production Forecast

The mine is scheduled to release 70,000tpa of plant feed for Years 1 to 3. In Year 4, the mine is planned to expand to 324,000tpa. The material movement that is proposed in the Elk Gold Technical Report is presented in the table below.

		Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Calendar Days	(#)	3,723	365	365	365	366	365	365	365	366	365	365	189
Mineralized material Mined	dmt (000's)	2,542	70	70	70	324	324	324	325	324	324	324	63
Waste Mined	dmt (000's)	22,765	2,594	2,843	2,401	2,617	2,236	2,165	2,481	2,479	2,641	308	-
Au	(g/t)	6.8	10.4	8.4	9.2	6.3	6.3	7.2	7.0	5.9	7.8	7.2	4.9
Ag	(g/t)	11.5	9.1	9.0	8.2	10.8.	9.1	10.1	8.3	11.8	15.0	18.8	12.4
S	(%)	0.81	0.81	0.08	0.10	0.50	0.50	0.9	1.2	1.3	1.0	1.1	1.8
Strip Ratio	(w:o)	18.8	19.1	18.1	17.8	56.3	13.4	11.2	36.3	31.0	33.1	4.8	-
Au Mined	oz (000's)	570	23.3	18.8	20.8	65.6	65.2	75.3	73.5	61.7	81.0	75.4	9.8
Au Recovered	oz (000's)	525	21.5	17.3	19.1	60.3	60.0	69.3	67.6	56.7	74.5	69.3	9.1
Ag Mined	oz (000's)	958	20.4	20.3	18.5	112.5	95.1	105.2	87.0	122.6	156.3	195.5	25.0
Ag Recovered	oz (000's)	671	14.2	14.2	13.0	78.7	66.6	73.7	60.9	85.8	109.4	136.8	17.5

Readers are cautioned that the Elk Gold Technical Report is preliminary in nature and includes inferred Mineral Resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not Mineral Reserves do not have demonstrated economic viability.

Markets and contracts for Sale

The economic analysis conducted as a part of the Elk Gold Technical Report used the average forward-looking gold and silver price forecasts from seven financial institutions. The average forward-looking metal prices used in the economic analysis are presented in the table below:

Period	Gold Price (US$/oz)	Silver Price (US$/oz)
2021	1,776	19.27
2022	1,717	19.07
2023	1,644	18.52
2024	1,625	18.27
Long-term	1,600	18.11

Environmental Conditions

Baseline environmental studies conducted at the Elk Gold Project have included: meteorology and climate; soil and rock geochemical characterization; water quantity, water quality; sediment quality; fisheries and aquatic resources; ecosystems and wildlife, archaeology; and cultural use.

Several receptors have been identified as being potentially affected by the Elk Gold Project. Robust management planning is needed to identify and mitigate these and other negative vectors. Vegetation supported by various ecosystems at the Elk Gold Project which could potentially be impacted could be mitigated by careful planning and sequencing of mine operations.

Mammals that feed on vegetation and/or other animals could be negatively affected if soils are not adequately isolated from mine pollutants. Several mitigations to potential environmental effects were suggested and will be considered during the development of the Elk Gold Project including prompt removal of mineralized material from site to ensure acid rock drainage does not lead to metal leaching and environmental contamination.

Taxes

The Elk Gold Project was evaluated on an after-tax basis using a simple tax model appropriate for a PEA-level evaluation, and estimating taxes payable in the Province of British Columbia and Federal tax. Tax depreciation schedules were simplified for the purposes of analysis and do not precisely reflect the expected detailed tax depreciation for the Elk Gold Project. Total tax payments are estimated to be $161 million over the LOM.

Mine Life

The LOM is 11 years, with the first three years of open pit mining only at 70,000 t/a followed by eight years of open pit and underground mining at 324,000 t/a. Total material mining rates increase as the processing rate increase and as the pit phases increase in strip ratio later in the mine life.

Expected Payback Period of Capital

The expected payback period of capital is one year beginning from the commencement of production.

Production Forecast, Capital and Operating Costs

The mine is scheduled to release 70,000tpa of plant feed for Years 1 to 3. In Year 4, the mine is planned to expand to 324,000tpa. The material movement that is proposed in the Elk Gold Technical Report is presented in the table below.

Annual Cash Flow Summary

	Unit	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Open Pit Production													
Resources Mined	dmt (‘000s)	2,542	70	70	70	324	324	324	324	324	324	324	63
Au	g/t	6.8	10.4	8.4	9.2	6.3	6.3	7.2	7.0	5.9	7.8	7.2	4.9
Ag	g/t	11.5	9.1	9.0	8.2	10.8.	9.1	10.1	8.3	11.8	15.0	18.8	12.4
S	%	0.81	0.81	0.08	0.10	0.50	0.50	0.9	1.2	1.3	1.0	1.1	1.8
Strip Ratio	nr:r	20.2	19.1	18.1	17.8	56.3	13.4	11.2	36.3	31.0	33.1	4.8	-
Au Mined	oz (‘000s)	570	23.3	18.8	20.8	65.6	65.2	75.3	73.5	61.7	81.0	75.4	9.8
Au Recovered	oz (‘000s)	525	21.5	17.3	19.1	60.3	60.0	69.3	67.6	56.7	74.5	69.3	9.1
Ag Mined	oz (‘000s)	958	20.4	20.3	18.5	112.5	95.1	105.2	87.0	122.6	156.3	195.5	25.0
Ag Recovered	oz (‘000s)	671	14.3	14.2	13.0	78.7	66.6	73.7	60.9	85.8	109.4	136.8	17.5
Revenue													
Au Price	US$/oz		1,777	1,717	1,645	1,625	1,600	1,600	1,600	1,600	1,600	1,600	
Ag Price	US$/oz		19.27	19.07	18.52	18.27	18.11	18.11	18.11	18.11	18.11	18.11	
Cost of Gold Revenue													
Gold Payable Deduction	$ '000	42,390	1,908	1,488	1,570	4,903	4,801	5,540	5,408	4,538	5,962	5,546	724
TC/RC	$ '000	3,149	129	104	115	362	360	416	406	340	447	416	54
Total Cost of Revenue	**$ '000**	**45,539**	2,037	1,592	1,685	5,265	5,161	5,956	5,814	4,878	6,410	5,962	779
Cost of Silver Revenue													
Silver Payable Deduction	$ '000	1,525	34	34	30	180	151	167	138	194	248	310	40
TC/RC	$ '000	335	7	7	6	39	33	37	30	43	55	68	9
Total Cost of Revenue	**$ '000**	**1,860**	42	41	36	219	184	204	168	237	302	378	48
Gross Revenue Gold	$ '000	1,014,222	45,673	35,605	37,574	117,313	114,872	132,551	129,393	108,562	142,652	132,694	17,334
Gross Revenue Silver	$ '000	13,388	303	298	264	1,579	1,323	1,464	1,211	1,705	2,175	2,719	347
Capital Costs													
Total Owner's Costs	**$ '000**	**16,700**	**3,900**	**7,000**	**3,730**	**230**	**230**	**230**	**230**	**230**	**230**	**230**	**230**
Total Capital Cost	**$ '000**	**63,523**	**9,049**	**470**	**1,295**	**8,720**	**8,720**	**8,720**	**7,345**	**3,220**	**3,220**	**3,220**	**6,570**
Operating Costs													
OP Mining Cost	$ '000	107,730	11,863	11,643	9,832	13,212	14,895	9,873	11,632	10,991	12,169	1,622	-
UG Mining Cost	$ ‘000	127,375	-	-	-	18,941	15,799	15,207	13,148	16,270	20,472	23,341	4,197
Highway Haulage	$ '000	36,350	1,001	1,001	1,004	4,633	4,633	4,633	4,646	4,633	4,633	4,633	899
Total Operating Cost	**$ '000**	**281,409**	**13,332**	**13,112**	**11,303**	**37,736**	**36,277**	**30,663**	**30,376**	**32,844**	**38,224**	**30,546**	**6,046**
Total Cash Costs, Net PBC	**$ '000**	**361,632**	**26,281**	**20,582**	**16,329**	**46,687**	**45,228**	**39,614**	**37,951**	**36,294**	**41,674**	**33,996**	**12,846**
AISC	US$/oz	554											
Net Before Tax Cash Flows	$ '000	534,654	13,839	10,401	16,322	57,103	56,210	77,367	76,054	59,973	84,736	84,204	2,593
Tax Expense	$ '000	222,378	4,126	5,776	7,244	24,185	23,640	32,217	31,510	24,322	34,385	34,207	767
After Tax Cash Flows	$ '000	312,275	9,713	4,625	9,078	32,919	32,571	45,151	44,544	35,651	50,351	49,997	1,826

Exploration, Development and Production

Phase 3 Exploration

With the conclusion of Phase 2 drilling, the Company and HEG Exploration Services Inc. immediately transitioned into the Elk Gold Project's Phase 3 exploration program ("Phase 3"), with the first holes of the campaign already being completed in the Siwash North Zone followed by drilling in the Gold Creek Zone. The program drilled approximately 15,500 total meters.

Phase 4 Exploration

The Phase 4 exploration program was planned to include a variety of activities including geological mapping and prospecting, soil geochemical surveys, ground magnetic surveys and diamond drilling. Phase 4 was planned to include a total of 10,000m of drilling in the Siwash North, Gold Creek and Elusive Zones. Geological mapping, soil geochemistry surveys, and diamond drilling were completed and will be used in the Siwash North and the satellite zones to better define drill targets identified in 2021. To date, Phase IV has completed 2,970m of diamond drilling in 8 holes. The Phase IV program is currently paused as the Company focuses on operational improvements.

Production

The Company is currently producing at the Elk Gold Project and continues to focus on reviewing overall efficiencies and enhancements learned over the course of the initial year of operations. The ultimate goal is to continue to improve the accuracy of grade forecasting, generate a greater understanding of the ore body through improved drilling and blasting designs, and improve sampling techniques. The Company continues to also evaluate a new approach to mine more efficiently and more selectivity with geology and operations working together to optimize vein exposure and reduce excess dilution helping lead to higher overall average grades mined. For the year ended January 31, 2023 the Company achieved gold production of 5,680 oz from 44,809 tonnes of ore grading 4.07 g/t with gold sales of 5,644 oz at an average realized gold price of $1,908, generating total revenue of $10.9 million.

DIVIDENDS AND DISTRIBUTIONS

The Company has no fixed dividend policy and the Company has not declared any dividends on its Common Shares since its incorporation. The Company anticipates that all available funds will be used to undertake exploration and development programs on its mineral properties as well as for the acquisition of additional mineral properties. The payment of dividends in the future will depend, among other things, upon the Company's earnings, capital requirements and operating and financial condition. Generally, dividends can only be paid if a corporation has retained earnings. There can be no assurance that the Company will generate sufficient earnings to allow it to pay dividends. See also "*General Development of the Business – Risk Factors*".

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares without par value of which, as of the date of this AIF, 88,074,671 Common Shares and no Preferred Shares are issued and outstanding.

Common Shares

All rights and restrictions in respect of the Common Shares of the Company are set out in the Company's articles and the BCBCA and its regulations. The Common Shares have no pre-emptive, redemption, purchase or conversion rights. Neither the BCBCA nor the constating documents of the Company impose restrictions on the transfer of Common Shares on the register of the Company, provided that the Company receives the certificate representing the Common Shares to be transferred together with a duly endorsed instrument of transfer and payment of any fees and taxes which may be prescribed by the Board of Directors from time to time. There are no sinking fund provisions in relation to the Common Shares and they are not liable to further calls or assessment by the Company. The BCBCA and the Company's articles provides that the rights and restrictions attached to any class of shares may not be modified, amended or varied unless consented to by special resolution passed by a majority of not less than two-thirds of the votes cast in person or by proxy by holders of shares of that class. The holders of Common Shares are entitled, subject to the rights, privileges, restrictions and conditions attached to any preferred share, to dividends if, as and when declared by the directors, to one vote per share at meetings of the holders of Common Shares and, subject to the rights, privileges, restrictions and conditions attached to any preferred share, upon liquidation, to receive such assets of Gold Mountain as are distributable to the holders of the Common Shares.

Preferred Shares

The holders of the Company's Preferred Shares are not entitled to receive notice of and not entitled to vote at all meetings of the shareholders of the Company. The Board of Directors have broad discretion to create a number of different series of Preferred Shares. They may attach special rights or restrictions to the Preferred Shares of any such series, including, the rate or amount of dividends (whether cumulative, non-cumulative or partially cumulative), the dates and places of payment thereof, the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof (including redemption after a fixed term or at premium), conversion or exchange rights, the terms and conditions of any share purchase plan or sinking fund, restrictions respecting payment of dividends on, or the repayment of capital in respect of, any other shares of the Company and voting rights and restrictions; or alter any such special rights or restrictions. The Board of Directors of the Company may at any time declare and authorize the payment of such dividends exclusively to the registered holders of the Preferred Shares without declaring any corresponding dividends to the holders of Common Shares. In the event of the liquidation, dissolution or winding up of the Company or other distribution of the assets of the Company among its members for the purpose of winding up the affairs of the Company, whether voluntary or involuntary, the registered holders of the Preferred Shares shall be entitled to receive the amount paid up with respect to each Preferred Share together with the fixed premium (if any) thereon, all accrued and unpaid cumulative dividends (if any and if preferential) thereon, which for such purpose shall be calculated as if such dividends were accruing on a day-to-day basis up to the date of such distribution, whether or not earned or declared, and all declared and unpaid non-cumulative dividends (if any and if preferential) thereon. After payment to the registered holders of the Preferred Shares of the amount payable to them as provided for above, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company. The Preferred Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions or provisions permitting or restricting the issuance of additional securities. All Preferred Shares are issued as fully-paid and non-assessable. There are no Preferred Shares issued at this time.

Stock Options

As of the date of this Annual Information Form, there were options outstanding to purchase 5,136,095 Common Shares of the Company at exercise prices ranging from $0.10 to $2.21, with expiry dates ranging from May 31, 2023 to March 20, 2028.

Warrants

As of the date of this Annual Information Form, there were warrants outstanding to purchase 15,982,170 Common Shares of the Company at exercise prices ranging from $0.90 to $3.15, with expiry dates ranging from June 24, 2023 to April 21, 2024.

Restricted Share Units

As of the date of this Annual Information Form, there were 349,000 restricted share units of the Company issued and outstanding.

Restricted Share Units convert a predetermined dates and entitle the holder thereof to receive one Common Share or the equivalent cash value as determined at the sole discretion of the Company's Compensation Committee.

Performance Share Units

As of the date of this Annual Information Form, there were 160,500 performance share units of the Company issued and outstanding.

Each Performance Share Unit converts to one Common Share upon the achievement of certain predetermined milestones.

MARKET FOR SECURITIES

Market

The Common Shares are traded in Canada on the Exchange under the symbol "**GMTN**". The closing price of the Company's Common Shares on the Toronto Stock Exchange on April 26, 2023 was $0.18.

Trading Price and Volume

The following sets forth the high and low market prices and the volume of the Common Shares traded on the TSX during the periods indicated (stated in Canadian dollars):

Month	High $	Low $
February 2022	$1.64	$1.28
March 2022	$1.48	$1.32
April 2022	$1.53	$0.89
May 2022	$1.00	$0.66
June 2022	$0.76	$0.31
July 2022	$0.41	$0.27
August 2022	$0.38	$0.28
September 2022	$0.31	$0.147
October 2022	$0.205	$0.13
November 2022	$0.18	$0.12
December 2022	$0.195	$0.12
January 2023	$0.145	$0.12

Prior Sales of Unlisted Securities

The following table summarizes the securities of the Company outstanding but not listed or quoted on a marketplace issued as of the date of this AIF.

Grant Date	Type of securities	Number of Securities	Issue price or exercise price
January 25, 2019	Options	170,455	$0.10
February 1, 2020	Options	1,684,000	$0.25
July 31, 2020	Options	314,140	$0.25
December 23, 2020	Warrants	1,108,596	$1.20
January 14, 2021	Options	972,500	$0.90
February 23, 2021	Warrants	3,702,142	$1.25
April 9, 2021	Options	185,000	$1.20
April 9, 2021	Performance Share Units	85,500	N/A
May 31, 2021	Options	50,000	$2.21
June 24, 2021	Broker Warrants	320,612	$2.10
June 24, 2021	Warrants	2,790,820	$3.15
August 1, 2021	Options	325,000	$2.00
October 15, 2021	Options	200,000	$2.00
February 18, 2022	Restricted Share Units	144,000	N/A
April 21, 2022	Warrants	7,400,00	$1.75
April 21, 2022	Underwriter Warrants	660,000	$1.25
April 30, 2022	Options	975,000	$1.25
April 30, 2022	Restricted Share Units	150,000	N/A
January 1, 2023	Performance Share Units	75,000	N/A
January 1, 2023	Options	150,000	$0.14
March 20, 2023	Restricted Share Units	55,000	N/A
March 20, 2023	Options	110,000	$0.20

ESCROW SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of the Company, there are no securities held in escrow or that are subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name and Occupation

The following table sets forth, for each of the directors and executive officers of the Company as of the date of this AIF, the individual's name, municipality of residence, position held with the Company, principal occupation and the period which the individual has served with the Company. Each of the directors hold office until the Company's next annual general meeting.

Name and Municipality of Residence And Position with the Company	Principal Occupation During Five Preceding Years	Director/Officer Since
Kevin Smith *North Vancouver, Canada* Chief Executive Officer and Director Health and Safety Committee	CEO of the Company since November 2018, Principal, Bypass Equipment Ltd. (farm equipment company) (September 2005 to Present)	November 5, 2018
Ronald Woo *Vancouver, Canada* President Health and Safety Committee	President of the Company since February 2018, COO for Rover Metals (September 2016 – Present)	December 23, 2020
Paulo Santos *Vancouver, Canada* Chief Financial Officer	Chief Financial Officer of the Company since March 2023, Chief Financial Officer of Strike Point Gold Inc. since February 2023, Chief Financial Officer of Elevation Gold Mining Corporation (January 2022 – January 2023), VP financial; Corporate Controller and Interim Chief Financial Officer of Calibre Mining Corp. (July 2019 – January 2022), Chief Financial Northern Empire Resources Corp. (January 2018 – October 2018)	March 20, 2023
Grant Carlson *West Vancouver, Canada* Chief Operating Officer Health and Safety Committee	Chief Operating Officer of Bayshore since February 2018; Consultant specializing in mining with SRK Canada's Mining Division since January, 2012.	December 23, 2020
Alex Bayer *Vancouver, Canada* General Counsel and Corporate Secretary	Head of Indigenous Engagement and General Counsel to Gold Mountain Mining Corp. (through Bayer Law Corporation) (May 2020 – Present), General Counsel to Cultivate Capital Corp. (March 2019 – May 2020), Partner Koffman Kalef LLP (law firm) (June 2017 – March 2019),	December 23, 2020
Blake Steele *Hong Kong* Independent Director Audit Committee (Chair) Compensation Committee	Formerly President and CEO of Azarga Uranium Corp. (TSX: AZZ) (December 2017– February 2022); President and CFO of Azarga Uranium Corp. (TSX: AZZ) (August 2015 – December 2017)	December 23, 2020

Name and Municipality of Residence And Position with the Company	Principal Occupation During Five Preceding Years	Director/Officer Since
Keith Minty *Toronto, Canada* Independent Director Health and Safety Committee	Director of FenixOro Gold Corp (January 2020 - Present), Director of Callinex Mines Inc. (September 2014 – Present), President of Rover Metals Corp. (April 2017 – Present), Director of DNI Metals Inc. (2016 – Present)	December 23, 2020
Howard Jones *Burnaby, Canada* Independent Director Audit Committee Compensation Committee (Chair)	President of HJFC Corporate Development Inc. from January 1999 to present (corporate development consulting company).	November 5, 2018
David Tafel *North Vancouver, Canada* Independent Director Audit Committee Compensation Committee	CEO and Corporate Secretary of Portofino Resources Inc. (October 2016 – Present), CEO and President of Centurion Minerals Ltd. (November 2008 – Present), Director of Falcon Gold Corp. (June 2012 – March 2020),	August 30, 2019

Shareholdings of Directors and Officers

As of the date of this AIF, the directors and officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 12,590,057 Common Shares representing approximately 14% of the issued and outstanding Common Shares based on 88,074,671 Common Shares outstanding as of the date of this AIF.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Other than as disclosed below, no director or executive officer of the Company is, as at the date of this AIF, or was, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Tafel is the President and CEO of Centurion Minerals Ltd. ("**Centurion**") which was subject to a cease trade order ("**CTO**") issued by the British Columbia Securities Commission on December 5, 2017 for failure to file its audited annual financial statements. Subsequently, Centurion dismissed its auditor on February 13, 2018 as the board of directors had lost confidence in the former auditors' ability to complete the audit in a timely fashion, if at all. Centurion engaged a new auditor to complete the audit and filed its audited annual financials on March 1, 2018 and its first quarter on March 13, 2018. The CTO was revoked on May 3, 2018.

Mr. Minty was the CEO, President and Director of Hunter Bay Minerals plc ("**Hunter Bay**"). On May 8, 2015, The British Columbia Securities Commission cease traded Hunter Bay for failure to file its annual financial statement and management discussion and analysis (the "**Annual Filings**"). As of the date of this AIF, Hunter Bay had not yet filed the Annual Filings with the applicable securities regulators.

Mr. Minty is a director of DNI Metals Inc. ("**DNI**"). On May 7, 2019, The Autorité des Marchés Financiers cease traded DNI for failure to file its Annual Filings. As of the date of this AIF, DNI had not yet filed the Annual Filings with the applicable securities regulators.

Bankruptcies

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) 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 10 years before the date of this AIF, 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 the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No director, or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed 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; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Committees of the Board

The committees of the Board of Directors consist of an Audit Committee and a Compensation and Benefits Committee. The members of both the Audit Committee and the Compensation and Benefits Committee are Howard Jones, David Tafel and Blake Steele. Information concerning the Audit Committee is provided under "*Audit Committee Information*" below.

Conflicts of Interest

To the best of the Company's knowledge, except as otherwise noted in this AIF, there are no existing or potential conflicts of interest among the Company, its directors, officers, or other members of management of the Company except that certain of the directors, officers and other members of management serve as directors, officers and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of the Company.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' or officers' conflicts of interest or in respect of any breaches of duty to any of its directors and officers. All such conflicts must be disclosed by such directors or officers in accordance with the BCBCA.

The Company has adopted a Code of Ethics that applies to all directors, officers, employees and consultants of the Company and its subsidiaries.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Company's Audit Committee is governed by an Audit Committee Charter. A copy of the Audit Committee's charter is attached hereto as schedule "B".

Composition of the Audit Committee

The Audit Committee is currently comprised of three directors, consisting of Blake Steele (Chair), Howard Jones, and David Tafel.

All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as an understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries, and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee meets periodically with management of the Company and at least annually with the external auditors.

Relevant Education and Experience

All of the members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies. The relevant experience of the current members of the Audit Committee is as follows:

Blake Steele (Chair)

Blake Steele is a metals and mining industry executive with extensive experience across public companies and capital markets. Mr. Steele was most recently President and CEO of Azarga Uranium Corp., a TSX-listed uranium development and exploration company. He is currently a non-executive director of Atha Energy Corp., (CSE), Clover Leaf Capital (TSXV) , Azarga Metals Corp. (TSXV), and Kaizen Discovery Inc (TSXV) and thenon-executive Chairman of Basin Energy Ltd. (ASX). Mr. Steele began his career with Deloitte & Touche where he worked in both the audit and financial advisory practices. Mr. Steele is a Chartered Professional Accountant and Chartered Business Valuator in Canada.

David Tafel

David Tafel holds a B.A. in Economics from the University of Western Ontario and has over 30 years of corporate structuring, strategic planning, financing and management experience. Mr. Tafel has served as a director and officer of a number of public companies involved in the mining industry, including currently serving as President, CEO and a director of Centurion Minerals Ltd., CEO and a director of Portofino Resources Inc. and CEO and director of Westmount Minerals Corp.

Howard Jones

Howard Jones has extensive experience in financial structuring and purchase and sale of businesses. Following 15 years in banking, Mr. Jones joined in 1979 Calgary-based Pembina Pipeline Ltd., a company listed on the Toronto Stock Exchange, as Vice President of Corporate Development. In 1982, Mr. Jones formed Howard Jones & Associates which transitioned into HJFC Corporate Development Inc. ("HJFC") which entered into a consulting agreement with Discovery Enterprises Inc., a government-funded British Columbia venture capital fund. HJFC has since sourced and structured many transactions for private clients.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in section 2.4 (De Minimis Non-audit Services), section 3.2 (Initial Public Offerings), subsection 3.3(2) (Controlled Companies), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Audit Committee Member), section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances) or section 3.8 (Acquisition of Financial Literacy) of NI 52-110 or any exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board of Directors and the Audit Committee, on a case-by-case basis as applicable.

Audit Fees

The aggregate fees billed by the external auditors to the Company for the financial years ended January 31, 2022 and January 31, 2023 are in the table below:

	Audit Fees[(a)]	**Audit-Related Fees[(b)]**	**Tax Fees[(c)]**	**All Other Fees[(d)]**
YE Jan 31, 2023	$258,442	Nil	$72,013	Nil
YE Jan 31, 2022	$89,666	Nil	$10,700	$40,232

Notes:

(a) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation such as comfort letters, consents, reviews of securities filings and statutory audits.

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

(c) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice include assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.

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

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not a party to, nor are any of the Company's properties subject to, any pending legal proceedings or regulatory actions. The management of the Company is not aware of any material legal proceedings in which the Company may be a party which are contemplated by governmental authorities or otherwise.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The management of the Company is not aware of any material interest, direct or indirect, of any insider of the Company, or any Associate or Affiliate of any such person, in any transaction during the Company's three most recently completed financial years, or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The Company's registrar and transfer agent is Endeavor located at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, and except as described below, the Company has not entered into any material contracts during the most recently completed financial year or previous to the most recently completed financial year that are still in effect. Material contracts entered into by Bayshore prior to the Amalgamation are now material contracts of the Company by virtue of acquiring the Bayshore Shares.

Bought Deal Public Offering Underwriting Agreement

On April 18, 2022, the Company entered into the Bought Deal Public Offering Underwriting Agreement with the Bought Deal Public Offering Underwriters in connection with a public offering of 14,800,000 units at a price of $1.25 unit, for total gross proceeds of approximately $18,500,000. Each unit consisted of one Common Share and one-half of one Bought Deal Public Offering Warrant. For information on the terms of the Bought Deal Public Offering Warrants, see "*Material Contracts – Bought Deal Public Offering Warrant Indenture*" below.

In connection with the Bought Deal Public Offering, the Bought Deal Public Offering Underwriters received an aggregate cash fee equal to 5.0% of the gross proceeds of the Bought Deal Public Offering (other than in respect of sales to purchasers on a President's List, which were subject to a reduced 3.0% commission). In addition, the Company issued to the Bought Deal Public Offering Underwriters 660,000 Bought Deal Public Offering Underwriter Warrants representing 5.0% of the aggregate number of units issued pursuant to the Bought Deal Public Offering (other than in respect of sales units to purchasers on a President's List, which were subject to a reduced 3.0% commission). Each Bought Deal Public Offering Underwriter Warrant entitles the holder thereof to purchase one Common Share at an exercise price equal to $1.75 until October 21, 2023.

Bought Deal Public Offering Warrant Indenture

On April 28, 2022 the Company entered into the Bought Deal Public Offering Warrant Indenture with Endeavor pursuant to which Endeavor agreed to act as warrant agent on behalf of the holders of Bought Deal Public Offering Warrants.

Pursuant to the terms of the Bought Deal Public Offering Warrant Indenture, the Company issued 7,400,000 Bought Deal Public Offering Warrants with each exercisable to acquire one Common Share at a price of $1.75 until April 21, 2024. Any unexercised Bought Deal Public Offering Warrants shall automatically expire at the end of such period.

Bought Deal Private Placement Underwriting Agreement

On June 24, 2021, the Company entered into the Bought Deal Private Placement Underwriting Agreement with the Underwriters in connection with a private placement of 4,255,190 HD Units at a price of $2.10 per HD Unit and 1,326,450 FT Units at a price of $2.31 per FT Unit, for total gross proceeds of approximately $12,000,000. Each FT Unit and HD Unit consisted of one Common Share and one-half of one Bought Deal Private Placement Warrant. For information on the terms of the Bought Deal Private Placement Warrants, see "*Material Contracts – Bought Deal Private Placement Warrant Indenture*" below.

In connection with the Bought Deal Private Placement, the Underwriters received an aggregate cash fee equal to 6.0% of the gross proceeds of the Bought Deal Private Placement (other than in respect of sales of FT Units and HD Units to purchasers on a President's List, which were subject to a reduced 3.0% commission). In addition, the Company issued to the Underwriters 320,612 non-transferable Bought Deal Private Placement Broker Warrants representing 6.0% of the aggregate number of FT Units and HD Units issued pursuant to the Bought Deal Private Placement (other than in respect of sales of FT Units and HD Units to purchasers on a President's List, which were subject to a reduced 3.0% commission). Each Bought Deal Private Placement Broker Warrant entitles the holder thereof to purchase one Common Share at an exercise price equal to $2.10 until June 24, 2023.

Bought Deal Private Placement Warrant Indenture

On June 24, 2021 the Company entered into the Bought Deal Private Placement Warrant Indenture with Endeavor pursuant to which Endeavor agreed to act as warrant agent on behalf of the holders of Bought Deal Private Placement Warrants.

Pursuant to the terms of the Gold Mountain Private Placement Warrant Indenture, the Company issued 2,790,820 Bought Deal Private Placement Warrants with each exercisable to acquire one Common Share at a price of $3.15 until June 24, 2023. Any unexercised Gold Mountain Private Placement Warrants shall automatically expire at the end of such period.

Gold Mountain Private Placement Agency Agreement

On February 23, 2021, the Company entered into the Gold Mountain Private Placement Agency Agreement with the Agents in connection with a private placement of 10,310,000 units of the Company at a price of $0.97 per unit which raised gross proceeds to the Company of $10,000,700. Each unit consisted of one Common Share and one-half of one Gold Mountain Private Placement Warrant. For information on the terms of the Gold Mountain Private Placement Warrants, see "*Material Contracts – Gold Mountain Private Placement Warrant Indenture*" below.

In connection with the Gold Mountain Private Placement, the Agents received an aggregate cash fee equal to 6.0%, other than in connection with certain purchasers on a President's List, in which a reduced fee as paid. In addition, the Company issued to the Agents, 270,626 Gold Mountain Private Placement Broker Warrants representing 6% of the aggregate number of units issued pursuant to the Gold Mountain Private

Placement (other than in respect of sales of units to purchasers on a President's List, which no Gold Mountain Private Placement Broker Warrants were issued). Each Gold Mountain Private Placement Broker Warrant entitles the holder thereof to purchase one Common Share at an exercise price equal to $0.97 until February 23, 2024.

Gold Mountain Private Placement Warrant Indenture

On February 23, 2021 the Company entered into the Gold Mountain Private Placement Warrant Indenture with Endeavor pursuant to which Endeavor agreed to act as warrant agent on behalf of the holders of Gold Mountain Private Placement Warrants.

Pursuant to the terms of the Gold Mountain Private Placement Warrant Indenture, the Company issued 5,155,000 Gold Mountain Private Placement Warrants with each exercisable to acquire one Common Share at a price of $1.25 until February 23, 2024, subject to acceleration in the event at any time prior to the expiry date of the Gold Mountain Private Placement Warrants, the closing price of the Common Shares on the Exchange is greater than $2.25 for 10 consecutive trading days, the Company may deliver a notice to the holders accelerating the expiry date of the Gold Mountain Private Placement Warrants to the date that is 30 days following the date of such notice. Any unexercised Gold Mountain Private Placement Warrants shall automatically expire at the end of such period.

Ore Purchase Agreement

On January 26, 2021, the Company entered into the Ore Purchase Agreement with New Gold to purchase ore from the Elk Gold Project. The Company is delivering ore to New Gold's New Afton Mine located 133km from the Elk Gold Project in Kamloops, British Columbia. Under the terms of the Ore Purchase Agreement, Gold Mountain will deliver up to 70,000 tonnes of ore per annum or approximately 200 tonnes per day. The Ore Purchase Agreement has a term of three years commencing as of the effective date (February 2022). In May 2021, the Company and New Gold signed a non-binding letter of intent contemplating the increase in tonnages to be delivered to New Afton from up to 70,000 to up to 350,000 tonnes per annum expected to begin in year four of production, subject to entering into a definitive agreement with New Gold.

The ore is sampled and weighed at the Elk Gold Project site to determine the contained ounces of gold and silver being delivered to the New Afton Mine. Following delivery, New Gold will pay Gold Mountain monthly based on the value of the gold and silver in the ore, net of the agreed metallurgical recovery and concentrate selling costs. The terms of the Ore Purchase Agreement can help to mitigate the variance and volatility of operational throughput for Gold Mountain and allows the Company to minimize certain risks of recovery.

The Ore Purchase Agreement is effective upon the first delivery of ore to the New Afton Mine. The Company delivered its first ore to New Gold in February 2022.

Mining Contract

On January 19, 2021, the Company entered into a Mining Contract with Nhwelmen-Lake for contract mining services at the Elk Gold Project. Nhwelmen-Lake is a majority owned, Indigenous mining contractor.

Pursuant to the terms of the Mining Contract, Nhwelmen-Lake will be paid a fixed price per tonne mined over the first three years which is determined based on the planned production rate, mined volumes, haulage distances and equipment productivity. The scope of the Mining Contract includes mining of mineralized material at a rate of 70,000 tonnes per annum (200 tonnes per day), waste mining, drilling, blasting, hauling, site supervision, supply of operating personnel, road maintenance, dust suppression as well as all the site preparation activities required prior to commencing mine operations, including topsoil stockpiling and preparing surface water management structures. Nhwelmen-Lake will also provide the haulage of plant feed material from the mine to the toll milling location.

The Mining Contract is for the life of mine while the price schedule carries a three-year term. The obligations of the Company under the Mining Contract begin upon the Company delivering a notice of commencement to Nhwelmen-Lake.

Concurrent Private Placement Warrant Indenture

On November 24, 2020 the Company, Bayshore and Endeavor entered into the Concurrent Private Placement Warrant Indenture which governs the terms of the Concurrent Private Placement Warrants. Pursuant to the terms of the Concurrent Private Placement Warrant Indenture, the Company issued 2,592,716 Concurrent Private Placement Warrants with each Concurrent Private Placement Warrant exercisable for one Common Share at an exercise price of $1.20 until December 23, 2023. The Concurrent Private Placement Warrants are callable by Gold Mountain, at its sole discretion, should the daily volume weighed average trading price of its Common Shares on the Exchange exceed $2.00 for a period of ten consecutive trading days at any time during the term of the Concurrent Private Placement Warrants.

Amalgamation Agreement

On August 31, 2020 the Company entered into the Amalgamation Agreement with Bayshore and Subco pursuant to which the Company agreed to acquire all of Bayshore's issued and outstanding shares by way of three-cornered amalgamation.

The Amalgamation Agreement provided for, among other things, a three-cornered amalgamation (the "**Amalgamation**") pursuant to which: (i) Bayshore amalgamated with Subco; (ii) one Common Share will be issued in exchange for each outstanding Bayshore Share immediately prior to the Amalgamation; (iii) holders of options to purchase Bayshore Shares will receive from the Company, options, as applicable, to purchase the same number of Common Shares at the same exercise price per share as previously provided for in the former Bayshore options; and (iv) the amalgamated corporation will become a wholly-owned subsidiary of the Company and parent company of Elk Gold Mining.

The Amalgamation, which was completed on December 23, 2021, resulted in the reverse take-over of the Company by former shareholders of Bayshore.

Upon closing of the Amalgamation: 32,815,545 Common Shares were issued to the former holders of Bayshore Shares; 272,000 Common Shares were issued to holders of the Bayshore Special Warrants; 5,185,433 Common Shares were issued to the holders of 5,185,433 Bayshore Subscription Receipts; 2,592,716 Concurrent Private Placement Warrants were issued to the holders of 5,185,433 Bayshore Subscription Receipts; 296,624 Concurrent Private Placement Broker Warrants to purchase 296,624 Common Shares were issued to the Agents in exchange for 296,624 Bayshore broker warrants to purchase 296,624 Bayshore Shares; and 3,098,853 Gold Mountain Stock Options to purchase 3,098,853 Common Shares were issued to the holders of Bayshore Options in exchange for 3,098,853 Bayshore Options.

Sandbox Agreements

Sandbox Agreements

Sandbox Share Purchase Agreement

On May 16, 2019, Bayshore and Equinox entered into the Sandbox Share Purchase Agreement whereby Bayshore agreed to purchase all of the common shares in Elk Gold Mining from Equinox in exchange for a purchase price of $10,000,000 that was discharged by paying $1,000,000 in cash on closing and issuing the $9,000,000 Sandbox Secured Promissory Note. Bayshore purchased the Elk Gold Project indirectly through the purchase of the Elk Gold Mining shares.

Sandbox Share Pledge Agreement

On May 16, 2019, Bayshore entered into the Sandbox Share Pledge Agreement with Equinox whereby Bayshore pledged the Elk Gold Mining Shares to Equinox to secure the Sandbox Secured Promissory Note. If the Company defaults on the payment of the Sandbox Secured Promissory Note, then Equinox may take possession of the Elk Gold Mining Shares. Equinox subsequently assigned the Sandbox Share Pledge Agreement to Sandbox on June 17, 2022.

Sandbox Secured Promissory Note

On May 16, 2019, Bayshore issued the Sandbox Secured Promissory Note. The Sandbox Secured Promissory Note does not bear any interest and is repayable in three annual instalments of $3,000,000 with the first payment having been made on May 16, 2021. Equinox subsequently assigned the Sandbox Secured Promissory Note to Sandbox on June 17, 2022

IPO Agency Agreement

On December 27, 2019, the Company entered into the Freeform IPO Agency Agreement whereby it appointed Haywood as its agent for the Freeform IPO and, upon completion of the Freeform IPO, paid a 10% cash commission of $30,000 and issued the Freeform Agent Options. The Freeform Agent Options are exercisable for a total of 300,000 Common Shares at $0.10 per share until June 17, 2022. Under the Freeform IPO Agency Agreement, the Company agreed to grant Haywood the right of first refusal to act as fiscal advisor, sponsor and lead agent or lead underwriter with a minimum of 60% syndicate participation in any transaction, whether debt or equity, required by Freeform involving an agent or underwriter of a private or public offering until June 17, 2022.

INTERESTS OF EXPERTS

Names of Experts

The Elk Gold Technical Report was prepared on behalf of Gold Mountain by the Qualified Persons.

PricewaterhouseCoopers LLP, the Company's independent auditors, audited the Company's financial statements for the year ended January 31, 2022 and 2023. PricewaterhouseCoopers LLP has confirmed they are independent with respect to the Company within the meaning of the Chartered Professional Accountants British Columbia Code of Professional Conduct.

Interests of Experts

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

ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase Common Shares of the Company and securities authorized for issuance under equity compensation plans is contained in the management proxy circular dated April 29, 2022 for the annual general and special meeting of the Company held on June 15, 2022, which is available on SEDAR at www.sedar.com. Additional financial information is contained in the Company's comparative financial statements and MD&A as at and for the years ended January 31, 2022 and 2023 which are available on SEDAR at www.sedar.com. Additional information relating to the Company may be found on SEDAR at www.sedar.com.

SCHEDULE "A"
DEFINITIONS

Definitions

The abbreviations set forth below have the following meanings in this AIF, or in documents incorporated by reference in this AIF:

"**Act**" means the *Securities Act* (British Columbia), as amended, superseded or replaced from time to time;

"**Agents**" means collectively Canaccord and Gravitas;

"**Affiliate**" has the meaning attributed to that term in the Act;

"**AIF**" means this Annual Information Form;

"**Amalgamation**" means the amalgamation of the Amalgamating Companies that resulted in Freeform acquiring its interest in the Elk Gold Project from Bayshore and changing its name to Gold Mountain Mining Corp.;

"**Amalgamation Agreement**" means the amended and restated amalgamation agreement dated effective August 31, 2020 entered into among Bayshore, the Company and Subco in respect of the Amalgamation;

"**Amalgamating Companies**" means Bayshore and Subco;

"**Associate**" means has the meaning attributed to that term in the Act;

"**Bayshore**" means Bayshore Minerals Incorporated, the Company that amalgamated with Subco as part of the Amalgamation;

"**Bayshore Options**" means the options to purchase Bayshore Shares which are issued and outstanding immediately prior to the Amalgamation;

"**Bayshore Shareholders**" means the shareholders of Bayshore Minerals Incorporated immediately prior to the Amalgamation;

"**Bayshore Shares**" means common shares in Bayshore held immediately prior to the Amalgamation;

"Bayshore Special Warrants" means the 272,000 special warrants of Bayshore which were issued pursuant to a crowdfunding campaign and converted into Bayshore Shares immediately prior to the Amalgamation;

"**Bayshore Subscription Receipt**" means the subscription receipts issued under the Concurrent Private Placement at a price of $0.90 per subscription receipt, each such Bayshore Subscription Receipt being automatically convertible into one Common Share and one-half of one Concurrent Private Placement Warrant;

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Board of Directors**" means the board of directors of the Company;

"**Bought Deal Public Offering**" means bought deal public offering which closed on April 21, 2022 whereby the Company issued a total of 14,800,000 units at a price of $1.25 unit with each unit being comprised of one common share and one half one Bought Deal Public Offering Warrant, for total gross proceeds of approximately $18,500,000;

“**Bought Deal Public Offering Underwriters**” means Eight Capital, Canaccord Genuity Corp. and Research Capital Corporation;

“**Bought Deal Public Offering Underwriting Agreement**” means the underwriting agreement dated April 18, 2022 among Gold Mountain and the Underwriters, with respect to the Bought Deal Public Offering;

“**Bought Deal Public Offering Underwriter Warrants**” means 660,000 non-transferable broker warrants issued to the Agents which entitle the holder thereof to purchase one Common Share at an exercise price equal to $1.25 until October 21, 2023;

“**Bought Deal Public Offering Warrant**” means each warrant exercisable to purchase one Common Share at an exercise price of $1.75 until April 21, 2024, subject to the terms of and adjustment in accordance with the Bought Deal Public Offering Warrant Indenture;

“**Bought Deal Public Offering Warrant Indenture**” means a warrant indenture dated April 21, 2022 among the Company and Endeavor, as warrant agent, providing for the issuance of the Bought Deal Public Offering Warrants;

“**Bought Deal Private Placement**” means bought deal private placement which closed on June 24, 2021 whereby the Company issued a total of 4,255,190 HD Units at a price of $2.10 per HD Unit and 1,326,450 FT Units at a price of $2.31 per FT Unit, for total gross proceeds of approximately $12,000,000;

“**Bought Deal Private Placement Underwriting Agreement**” means the underwriting agreement dated June 24, 2021 among Gold Mountain and the Underwriters, with respect to the Bought Deal Private Placement;

“**Bought Deal Private Placement Broker Warrants**” means 320,612 non-transferable broker warrants issued to the Agents which entitle the holder thereof to purchase one Common Share at an exercise price equal to $2.10 until June 24, 2023;

“**Bought Deal Private Placement Warrant**” means each warrant exercisable to purchase one Common Share at an exercise price of $3.15 until June 24, 2023, subject to the terms of and adjustment in accordance with the Bought Deal Private Placement Warrant Indenture;

“**Bought Deal Private Placement Warrant Indenture**” means a warrant indenture dated June 24, 2021 among the Company and Endeavor, as warrant agent, providing for the issuance of the Bought Deal Private Placement Warrants;

“**Canaccord**” means Canaccord Genuity Corp.;

“**CIM**” means Canadian Institute of Mining, Metallurgy and Petroleum;

“**CIM Definition Standards**” means the CIM Definition Standards on Mineral Resources and Reserves;

“**Common Shares**” means the common shares of the Company;

“**Company**” or “**Gold Mountain**” means Gold Mountain Mining Corp. (formerly Freeform Capital Partners Inc.);

“**Concurrent Private Placement**” means the brokered private placement sale of a total of 5,185,433 Bayshore Subscription Receipts for gross proceeds of $4,666,889.70 which closed on December 23, 2020;

"**Concurrent Private Placement Agency Agreement**" means the agency agreement dated November 24, 2020, among the Company and the Agents, with respect to the Concurrent Private Placement;

"**Concurrent Private Placement Broker Warrants**" means the 296,624 non-transferable broker warrants issued to the Agents in connection with the Concurrent Private Placement, with each Concurrent Private Placement Broker Warrant entitling the holder thereof to purchase one Common Share at a price of $0.90 until December 23, 2022;

"**Concurrent Private Placement Warrant**" means each warrant exercisable to purchase one Common Share at an exercise price of $1.20 until December 23, 2023, subject to the terms of and adjustment in accordance with the Concurrent Private Placement Warrant Indenture;

"**Concurrent Private Placement Warrant Indenture**" means a warrant indenture dated November 24, 2020 among Bayshore, the Company and Endeavor, as warrant agent, providing for the issuance of the Concurrent Private Placement Warrants;

"**CPC Escrow Agreement**" means the escrow agreement dated as of December 6, 2019 entered into among the Company, Endeavor (as escrow agent) and holders of CPC Escrowed Shares in accordance with Exchange Policy 2.4;

"**CPC Escrowed Shares**" means Common Shares escrowed under the CPC Escrow Agreement;

"**deposit**" means a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing Mineral Reserves, until final legal, technical and economic factors have been resolved;

"**Effluent Discharge Permit**" means permit number 106262 issued by the British Columbia Ministry of Environment and Climate change strategy authorizing the Company to discharge effluent to ground and surface water dated February 23, 2022.

"**Elk Gold Project**" is Bayshore's gold and silver development property located 57 km from Merritt in South Central British Columbia;

"**Elk Gold Mining"** means Elk Gold Mining Corp., the Company's indirect, wholly owned subsidiary which was formally named Gold Mountain Mining Corp. prior to changing its name as part of the Amalgamation;

"**Elk Gold Mining Acquisition**" means Bayshore's purchase of the GMMC Shares from Equinox pursuant to the Equinox Share Purchase Agreement;

"**Elk Gold Mining Shares**" means the 66,998,128 common shares in Elk Gold Mining;

"**Elk Gold Technical Report**" means the NI 43-101 technical report entitled "Updated Preliminary Economic Assessment on the Elk Gold Project, Merritt, British Columbia Canada" dated January 21st , 2022 with an effective date of December 7, 2021 prepared by the Qualified Persons;

"**Endeavor**" means Endeavor Trust Corporation;

"**Equinox**" means Equinox Gold Corp.;

"**Exchange**" means the TSX Venture Exchange;

"**Exchange Policy 2.4**" means Policy 2.4 – *Capital Pool Companies* of the Exchange;

"**Exploration Permit**" means exploration permit mx-4-387;

"**Freeform**" means the Company prior to closing of the Amalgamation;

"**Freeform Agent Options**" means the 300,000 non-transferable options of the Company issued to or to the order of Haywood pursuant to the Freeform IPO Agency Agreement, each Freeform Agent Option being exercisable for one Common Share for $0.10 per share until June 17, 2022;

"**Freeform IPO**" means the Company's initial public offering of 3,000,000 Common Shares which closed on June 17, 2020;

"**Freeform IPO Agency Agreement**" means the Amended and Restated Agency Agreement dated March 25, 2020 between the Company and Haywood, as agent for the Freeform IPO;

"**Freeform Private Placement**" means the non-brokered private placement that closed on July 23, 2020 whereby Gold Mountain issued 5,200,000 Common Shares at a price of $0.10 per Common Share raising gross proceeds of $520,000;

"**Freeform Voluntary Pooling Agreement**" means the voluntary pooling agreement dated July 23, 2020 whereby subscribers under the Freeform Private Placement agreed to pool the Common Shares purchased with the release schedule as follows: 25% four months after the issue of such Common Shares and a further 25% every four months thereafter with the last 25% released 16 months after the issue of such Common Shares;

"**FT Unit**" means "flow through" units issued for $2.31 per unit as part of the Bought Deal Private Placement, with each unit being comprised of one "flow through" Common Share and one half of one Bought Deal Private Placement Warrant;

"**Gold Mountain**" means Gold Mountain Mining Corp. (formerly Freeform Capital Partners Inc.);

"**Gold Mountain Private Placement**" means the brokered private placement sale of a total of 10,310,000 units to raise for gross proceeds of $10,000,700 which closed on February 23, 2021 with each unit being comprised of one Common Share and one-half of one Gold Mountain Private Placement Warrant;

"**Gold Mountain Private Placement Agency Agreement**" means the agency agreement dated February 23, 2021 among Gold Mountain and the Agents, with respect to the Gold Mountain Private Placement;

"**Gold Mountain Private Placement Broker Warrants**" means 270,626 non-transferable broker warrants issued to the Agents which entitle the holder thereof to purchase one Common Share at an exercise price equal to $0.97 until February 23, 2024;

"**Gold Mountain Private Placement Lock Up Agreement**" means written agreements entered into further to the Gold Mountain Private Placement Agency Agreement by certain officers and directors of the Company in favour of the Agents pursuant to which such officers and directors agreed not to dispose of their Common Shares for until June 23, 2021;

“**Gold Mountain Private Placement Warrant**” means each warrant exercisable to purchase one Common Share at an exercise price of $1.25 until February 23, 2024, subject to the terms of and adjustment in accordance with the Gold Mountain Private Placement Warrant Indenture;

“**Gold Mountain Private Placement Warrant Indenture**” means a warrant indenture dated February 23, 2021 among the Company and Endeavor, as warrant agent, providing for the issuance of the Gold Mountain Private Placement Warrants;

“**Gold Mountain Stock Options**” means options to purchase Common Shares;

“**Gravitas**” means Gravitas Securities Inc.;

“**Haywood**” means Haywood Securities Inc.;

“**HD Units**” means the hard dollar units issued for $2.10 per unit in connection with the Bought Deal Private Placement with each unit being comprised of one Common Share and one have of one Bought Deal Private Placement Warrant;

“**Indicated Mineral Resource**” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed;

“**Inferred Mineral Resource**” means that part of a Mineral Resource for which the quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;

“**km**” means kilometre;

“**LOM**” means life-of-mine;

“**m**” means metre;

“**Measured Mineral Resource**” means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity;

“**Mine Permit**” means the M-199 Permit Approving Mine Plan and Reclamation Program;

“**mineral deposit**” means an identified in-situ mineral occurrence from which valuable or useful minerals may be recovered. Mineral deposit estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence of mineralization and on the available sampling results;

"**Mineralization**" means the concentration of metals and their chemical compounds within a body of rock;

"**Mineral Reserve**" means the economically mineable part of a Measured Mineral Resource or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined;

"**Mineral Resource**" means a concentration or occurrence of diamonds, natural solid inorganic material, or fossilized organic material including base and precious metals, coal, diamonds or industrial minerals in or on the earth's crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge;

"**Mining Contract**" means the agreement between Nhwelman-Lake and the Company dated January 19, 2021 pursuant to which Nhwelman-Lake will provide contract mining services at the Company's Elk Gold Project;

"**New Afton Mine**" means New Gold's gold and copper mine located approximately 17km from Kamloops British Columbia and approximately 130km from the Elk Gold Project;

"**New Gold**" means New Gold Inc.;

"**NI 43-101**" means National Instrument 43-101 - Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 - Audit Committees of the Canadian Securities Administrators;

"**Nhwelmen-Lake**" means Nhwelmen Lake LP, the Company's contract miner;

"**Option**" means an incentive stock option of the Company issued pursuant to the Option Plan;

"**Option Plan**" means the incentive stock option plan of the Company last approved by the shareholders of the Company at the annual general and special meeting of shareholders of the Company held on March 23, 2021;

"**Ore Purchase Agreement**" means the agreement dated January 26th 2021, between the Company and New Gold Inc. pursuant to which New Gold agreed to purchase up to 70,000 tonnes per year of ore from the Elk Gold Project;

"**ppm**" means parts per million;

"**Preferred Shares**" means the preferred shares of the Company;

"**President's List**" means a list of investors in the Company introduced who participated in the Company's financings;

"**PSU**" means performance share unit of the Company;

"**PwC**" means Pricewaterhouse Coopers LLP;

"**QA/QC**" means quality assurance and quality control;

“**Qualified Persons**” mean collectively L. John Peters, P.Geo, Gregory Z. Mosher, P.Geo, and Marinus Andre De Ruijter, P. Eng, each an independent “Qualified Person”, as defined in NI 43-101;

“**Qualifying Transaction**” has the meaning ascribed thereto in Exchange Policy 2.4;

“**RSU**” means restricted share unit of the Company;

“**Sandbox**” means Sandbox Royalties Corp.

“**Sandbox Share Pledge Agreement**” means the agreement between Equinox and Bayshore dated May 16, 2019 whereby Bayshore pledges the Elk Gold Mining Shares to Equinox which was subsequently assigned to Sandbox on June 17, 2022 to secure the Sandbox Secured Promissory Note;

“**Sandbox Secured Promissory Note**” means the $9,000,000 promissory note Bayshore issued to Equinox on May 16, 2019 pursuant to the terms of the Equinox Share Purchase Agreement which was subsequently assigned to Sandbox on June 17, 2022;

“**Subco**” means 1262975 B.C. Ltd., a corporation incorporated by the Company that amalgamated with Bayshore pursuant to the Amalgamation;

“**Underwriters**” means collectively Canaccord, Eight Capital and Red Cloud Securities Inc. being the syndicate of underwriters for the Bought Deal Private Placement;

“**Warrant**” means a Common Share purchase warrant of the Company;

“**Value Securities**” means the Common Shares escrowed under the Value Security Escrow Agreement in accordance with Exchange Policy 5.4; and

“**Value Security Escrow Agreement**” means the escrow agreements on Exchange Form 5D dated as of December 16, 2020 entered into among the Company, Endeavor (as escrow agent) and holders of Value Securities in accordance with Exchange Policy 2.4.

SCHEDULE "B"
GOLD MOUNTAIN MINING CORP.
(the "Company")

AUDIT COMMITTEE CHARTER

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

(a) review and report to the board of directors of the Company on the following before they are published:

  (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company, and

  (ii) the auditor's report, if any, prepared in relation to those financial statements;

(b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information;

(c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;

(d) recommend to the board of directors:

  (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and

  (ii) the compensation of the external auditor;

(e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established;

(g) monitor the management of the principal risks that could impact the financial reporting of the Company;

(h) establish procedures for:

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

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

(i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor;

(j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company; and

(k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and Chief Financial Officer to comply with Multilateral Instrument 52-109.

Composition of the Committee

The committee will be composed of three directors from the Company's board of directors, the majority of whom must be independent as defined in National Instrument 52-110.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three-month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.