ANNUAL INFORMATION FORM

For the year ended December 31, 2023

April 1, 2024

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PRELIMINARY MATTERS

Interpretation

Unless the context otherwise requires, all references in this annual information form to the "Company", "Steppe", "Steppe Gold", "we", "us" and "our" refer to Steppe Gold Ltd. and its subsidiaries.

A glossary of certain technical terms and abbreviations that appear in this annual information form is included under the sections entitled "*Glossary of Selected Technical Terms*" and "*List of Abbreviations*".

Unless otherwise noted, the information set forth in this annual information form is current as of December 31, 2023.

Currency Presentation and Exchange Rate Information

In this annual information form, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. All references to "dollars", "$" or "C$" are to Canadian dollars, all references to "US$" are to United States dollars and all references to MNT are to Mongolian Tugriks. As at March 28, 2024, the daily average exchange rate reported by the Bank of Canada was US$1.00 = CDN$1.3550 or CDN$1.00 = US$0.7380 and the daily average exchange rate reported by the Bank of Mongolia was MNT1.00 = US$0.0003 or US$1.00 = MNT3,375.96.

Cautionary Note Regarding Forward-Looking Information

This annual information form contains or incorporates by reference "forward-looking statements" and "forward-looking information" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation and applicable U.S. securities laws concerning the Company's plans for its properties, operations and other matters. Except for statements of historical fact relating to the Company, certain statements contained herein or incorporated by reference constitute forward-looking statements including, but not limited to, future anticipated and current exploration programs and expenditures, exploration results, the potential discovery and delineation of mineral deposits/resources/reserves, potential mining and processing scenarios, production estimates, the anticipated success of mineral processing procedures, anticipated continued sales of ore and concentrate, proposed business plans, anticipated business trends and metal prices, future anticipated operating costs, reclamation cost estimates, revenues and cash flow and may relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "expected", "anticipates" "plans", "estimates", "believes", "proposed", "intends" or "does not intend" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be, or not be, taken, occur or be or not be achieved) are not statements of fact and may be forward-looking statements.

Forward-looking statements are subject to a variety of risks and uncertainties, many of which are beyond the Company's control, which could cause actual events or results to differ materially and adversely from those reflected in the forward-looking statements. These risks are described or referred to below under the heading "*Risk Factors*" in this annual information form. Should one or more of the risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially and adversely from those described in the forward-looking statements. Forward-looking statements are made based on management's beliefs, estimates, assumptions and opinions on the date the statements are made and, other than as required by applicable law, the Company undertakes no obligation to update the forward-looking statements if these beliefs, estimates, assumptions and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty or weight to forward-looking statements. Forward-looking statements made in a document incorporated by reference in the annual information form are made as at the date of the original document and have not been updated except as expressly provided for in this annual information form.

Readers are also cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and, accordingly, no assurance can be given that the events anticipated by the

forward-looking statements will transpire or occur or that, if any of them do, what benefits the Company will derive or what detriment the Company will experience therefrom.

Cautionary Note for United States Investors

Technical disclosure regarding our properties included herein (the "Technical Disclosure") has not been prepared in accordance with the requirements of United States securities laws. Without limiting the foregoing, the Technical Disclosure uses terms that comply with reporting standards in Canada and certain estimates are made in accordance with National Instrument 43-101 — *Standards of Disclosure for Mineral* Projects ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all mineral reserve and mineral resource estimates contained in the Technical Disclosure have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Classification System. These standards differ significantly from the requirements of SEC Industry Guide 7 and resource information contained in the Technical Disclosure may not be comparable to similar information disclosed by U.S. companies.

The definitions of proven and probable reserves used in NI 43-101 differ from the definitions in SEC Industry Guide 7. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the U.S. Securities and Exchange Commission (the "SEC").

Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities laws, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases.

Additionally, disclosure of "contained ounces" in a resource is permitted disclosure under Canadian securities laws. However, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measurements. Accordingly, information contained in the Technical Disclosure may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of U.S. federal securities laws and the rules and regulations thereunder.

Technical Information

Substantially all of the scientific and technical information relating to the Altan Tsagaan Ovoo Project (the "ATO Project") contained in this annual information form is derived from, and in some instances is an extract from, the technical report titled "Altan Tsagaan Ovoo Project (ATO) 2022 Mineral Resources & Reserves Report (NI 43-101)" dated effective November 6, 2022, which was prepared for the Company by Robin A. Rankin, MSc DIC MAusIMM CP (Geo) and Grant Walker, Be (Mining) MAusIMM CP(Mining) (the "ATO Technical Report") and prepared in accordance with NI 43-101. Each of the authors is a "qualified person" under NI 43-101 and independent of the Company. Reference should be made to the full text of the ATO Technical Report which is incorporated by reference into this annual information form in its entirety and is available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

Substantially all of the scientific and technical information relating to the Tres Cruces Oxide Project (the "Tres Cruces Project") contained in this annual information form is derived from, and in some instances is an extract from, the technical report titled "Form 43-101F1 Technical Report Preliminary Economic Assessment Northern Peru" dated effective August 17, 2023, which was prepared for the Company by John Woodson, P.E., Laurie Tahija, QP-MMSA, Jeff Rowe, P.Geo., Adam Johnston, FAusIMM CP(Met), Jim Gray, P.Geo., and John Nilsson, P.E. (the "Tres Cruces Technical Report") and prepared in accordance with NI 43-101. Each of the authors is a "qualified person" under NI 43-101 and independent of the Company. Reference should be made to the full text of the Tres Cruces Technical Report which is incorporated by reference into this annual information form in its entirety and is available for review under the Company's profile on SEDAR+ at www.sedarplus.ca.

Glossary of Selected Technical Terms

The following is a glossary of selected technical terms that appear in this annual information form.

Assays	A chemical analysis to determine the amount or proportion of the element of interest contained within a sample, typically base metals or precious metals.
Carbon in leach (CIL)	A recovery process in which precious metals are dissolved from finely ground ore during cyanidation and simultaneously adsorbed on relatively coarse activated carbon (burnt coconut shell) granules. The loaded carbon particles are separated from the slurry and recycled in the process following precious metal removal and reactivation through chemical and thermal means.
Concentrate	A product from a mineral processing facility such as gravity separation or flotation in which the valuable constituents have been upgraded and unwanted gangue materials rejected as waste.
Crushing	A unit operation that reduces the size of material delivered as run of mine ore for further processing.
Cut-off grade	A calculated minimum metal grade at which material can be mined and processed at break-even cost.
Development	Work carried out for the purpose of preparing a mineral deposit for production. In an underground mine, development includes shaft sinking, crosscutting, drifting and raising. In an open pit mine, development includes the removal of overburden and/or waste rock.
Doré	Composite gold and silver bullion usually consisting of approximately 90% precious metals that will be further refined to separate pure metals.
Drilling	*Core*: a drilling method that uses a rotating barrel and an annular-shaped, diamond-impregnated rock cutting bit to produce cylindrical rock cores and lift such cores to the surface, where they may be collected, examined and assayed. *Reverse circulation*: a drilling method that uses a rotating cutting bit within a double-walled drill pipe and produces rock chips rather than core. Air or water is circulated down to the bit between the inner and outer wall of the drill pipe. The chips are forced to the surface through the center of the drill pipe and are collected, examined and assayed. *Conventional rotary*: a drilling method that produces rock chips similar to reverse circulation except that the sample is collected using a single-walled drill pipe. Air or water circulates down through the center of the drill pipe and returns chips to the surface around the outside of the pipe. *In-fill*: the collection of additional samples between existing samples, used to provide greater geological detail and to provide more closely-spaced assay data.
Exploration	Prospecting, sampling, mapping, diamond-drilling and other work involved in locating the presence of economic deposits and establishing their nature, shape and grade.
Flotation	A process which concentrates minerals by taking advantage of specific surface properties and applying chemicals such as collectors, depressants, modifiers and frothers in the presence of water and finely dispersed air bubbles.
Grade	The concentration of an element of interest expressed as relative mass units (percentage, parts per million, ounces per ton, grams per tonne, etc.).
Heap leaching	A process whereby precious or base metals are extracted from stacked material placed on top of an impermeable plastic liner and after applying leach solutions which dissolve and transport values for recovery in the process plant.
Mineral Reserve	The economically mineable portion of a measured 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 reserves are sub-divided in order of increasing confidence into probable mineral reserves and proven mineral reserves.

Probable mineral reserve: the economically mineable portion of an indicated and, in some circumstances, a measured 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.

Proven mineral reserve: the economically mineable part of a measured 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 is justified.

Mineral Resource A concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a 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. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories.

Inferred mineral resource: that part of a mineral resource for which 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.

Indicated mineral resource: 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 testing 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.

Measured mineral resource: 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.

Net smelter return royalty A royalty based on a percentage of valuable minerals produced with settlement made either in kind or in currency based on the sale proceeds received less all of the offsite smelting, refining and transportation costs associated with the purification of the economic metals.

Open pit mine A mine where materials are removed in an excavation from surface.

Ore Material containing metallic or non-metallic minerals which can be mined and processed at a

	profit.
Qualified Person (QP)	"Qualified Person" as defined in NI 43-101.
Reclamation	The process by which lands disturbed as a result of mining activity are modified to support beneficial land use. Reclamation activity may include the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings storage facilities, leach pads and other mine features, and contouring, covering and re-vegetation of waste rock and other disturbed areas.
Refining	The final stage of metal production in which impurities are removed from a molten metal.
Tailings	The material that remains after processing.
Tonne (t)	Metric tonne (1,000 kilograms or approximately 2,205 pounds).

List of Abbreviations

In this annual information form, the following abbreviations have the meaning set forth below:

Au	gold	Mo	molybdenum
Ag	silver	Moz	million troy ounces
Cu	copper	MNT	Mongolian Tugrik - currency
g	gram	Mt	million tonnes
g/t	Gram per tonne	ppb	parts per billion
Mlbs	million pounds	ppm	parts per million
km	kilometre	t	metric tonne
koz	thousand troy ounces	oz	troy ounce (31.103477 g)
m	metre	VAT	value added tax
mm	millimetre	Zn	zinc

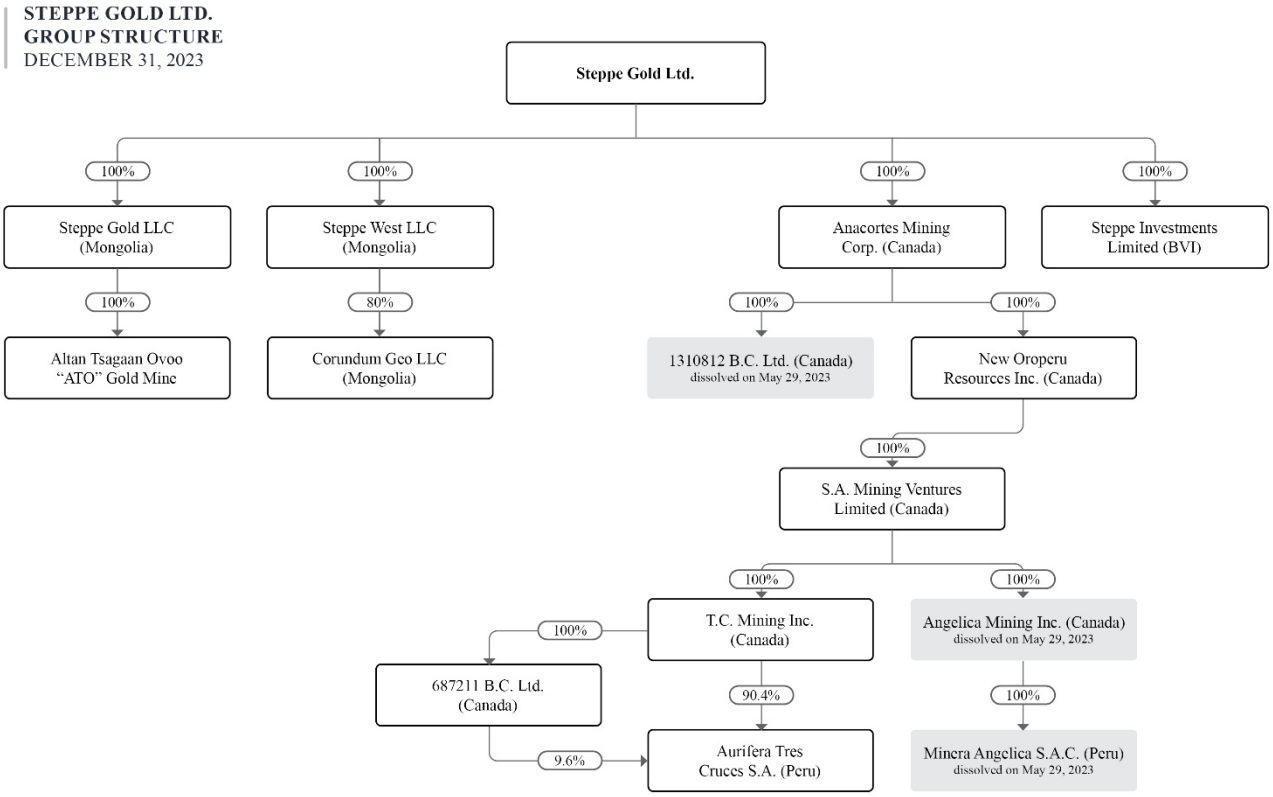
CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Business Corporation Act* (Ontario) (the "OBCA") on October 5, 2016. The head office of the Company is located at Shangri-La office Suite 1201, Olympic Street 19A, Sukhbaatar District 1, Ulaanbaatar 14241, Mongolia and the registered office of the Company is located at 333 Bay Street, Suite 2400 Toronto, Ontario M5H 2T6. The Company's telephone number is +976 7732 1914 and its website address is www.steppegold.com.

Intercorporate Relationships

The Company has thirteen subsidiaries: Steppe Gold LLC, a limited liability company incorporated under the Company Law of Mongolia on August 25, 2016 ("Steppe Mongolia"), Steppe Investments Limited, a company incorporated under the *BVI Business Companies Act, 2004* of the British Virgin Islands on June 19, 2017 ("Steppe BVI"), Steppe West LLC, a limited liability company incorporated under the Company Law of Mongolia on May 2, 2017 ("Steppe West"), Corundum Geo LLC, a limited liability company incorporated under the Company Law of Mongolia on November 3, 2016 ("Corundum"), Anacortes Mining Corp., a corporation incorporated under the *Business Corporations Act* (British Columbia) (the "BCBCA") on March 5, 2018 ("Anacortes"), New Oroperu Resources Inc., a corporation continued under the BCBCA on June 11, 2002, 1385575 B.C. Ltd., a corporation incorporated under the BCBCA on November 4, 2022, 1385576 B.C. Ltd., a corporation incorporated under the BCBCA on November 4, 2022, S. A. Mining Ventures Limited, a corporation continued under the BCBCA on October 25, 2012, T.C. Mining Inc., a corporation continued under the BCBCA on October 25, 2012, 687211 British Columbia Ltd., a corporation incorporated under the BCBCA on February 12, 2004, Aurifera Tres Cruces S.A., a company incorporated under the Company Law of Peru on November 4, 1998. Minera Angelica S.A.C., a company incorporated under the Company Law of Peru on October 11, 2004. Steppe West was formed by Bataa Tumur-Ochir, an officer and director of the Company, for the benefit of the Company. The Company became the sole shareholder of Steppe West on September 29, 2017.



Note:

(1) 20% of the shares of Corundum are owned by Bayankhongor New Mining LLC, a company owned by the Province of Bayankhongor, Mongolia. The corporate charter for Corundum gives Bayankhongor New Mining LLC, the holder of 20% of the issued share capital of Corundum, the right to nominate three of the six or 50% of the directors of Corundum.

(2) Minera Angelica S.A.C. is an inactive subsidiary.

GENERAL DEVELOPMENTS OF THE BUSINESS

General

The Company is a precious metals exploration, development and production company operating in Mongolia and Peru. The Company's common shares (the "Common Shares") are traded on the Toronto Stock Exchange ("TSX") under the symbol STGO. The Company has three principal assets – an operating open pit mine, Altan Tsagaan Ovoo ("ATO" or "ATO Mine"), located in the Dornod province of Eastern Mongolia, the Uudam Khundii exploration project, located in the Bayankhongor Province of Mongolia, and the Tres Cruces Project, a gold exploration project located within the Department of La Libertad in north-central Peru.

Three-year History

The Company was incorporated on October 5, 2016 and since that time has been pursuing the acquisition, exploration and development of mineral properties in Mongolia, with the focus being on its ATO Project. Events that influenced the general development of the business over the past three years are described below, with events dated as of the applicable press release:

2021

On February 24, 2021, the Company announced an updated independent Mineral Resource Estimate. This estimate formed the basis of the feasibility study.

On March 24, 2021, the Company announced it has commenced procurement of major capital items for the phase 2 fresh rock expansion, targeting annual production of 150,000 oz Au Eq, at the 100% owned ATO gold mine.

On June 30, 2021, the Company announced it has received approval from the Financial Regulatory Commission of Mongolia in relation to its cross-listing on the Mongolian Stock Exchange.

On October 27, 2021, the Company announced the positive results of the feasibility study on the 100% owned ATO gold mine, comprising a further two years at the producing oxide phase and a 10.5 year expansion, for a 12.5 year aggregate mine life. The results reinforced the Company's current phase 2 expansion plans with construction already underway.

On November 10, 2021, the Company announced it had reached an agreement for up to US$65,000,000 in debt capital to fast track its phase 2 construction of the ATO gold mine.

2022

On March 1, 2022, the Company announced that it had received a new shipment of key reagents and had resumed full production and had recommenced heap leach ore processing.

On April 6, 2022, the Company announced that it had completed its first gold pour of 1,532 oz of gold with gross proceeds of $US2.93 million.

On April 25, 2022, the Company announced that it had discovered multiple high grade zinc zones below the gold deposits at the ATO gold mine.

On May 4, 2022, the Company announced that gold production in two pours in April totaled approximately 3,350 oz (March 2022, 1,532 oz) and that mining activities continued at planned rates with hauling of high-grade blast material at ATO 1 and ATO 4.

On June 1, 2022, the Company announced that May gold production showed a continued ramp up from April with another two gold pours in May for a total of approximately 3,800 oz of gold.

On August 30, 2022, the Company announced that it had been granted approval from government agencies to provide grid power to the ATO Phase 2 Expansion, with Steppe Power LLC being established as a special purpose company to manage the development and connection to the state grid system.

On September 29, 2022, the Company announced that it had entered into an agreement with Triple Flag International Ltd. for a short-term gold prepay facility pursuant to which, Triple Flag International Ltd. advanced net funds of US$4.6 million to Steppe which will be repaid over 6 months starting December 23, 2022 by six monthly deliveries of 500 oz of gold, for a total of 3,000 oz of gold.

On October 4, 2022, the Company announced that it signed a Memorandum of Understanding with Erdenes Alt Resource LLC to develop the Khurentsav gold project that adjoins the Uudam Khundii gold project. The Company also announced that, through its joint venture with Bayankhongor Province, Corumdum Geo, and Shinejinst Soum of Bayankhongor Province, it had signed a new Co-Operation Agreement to support its exploration partnership in the region. Finally, the Company announced that it had signed a Memorandum of Understanding with the Minister of Mining and Heavy Industry and the Mongolian Mining Association regarding the Responsible Mining Codex.

On November 7, 2022, the Company announced that the fixed crushing unit installation is substantially complete but, with winter conditions in place, the Company had decided to wait until April 2023 to make the new fixed crushing unit operational. The Company noted that the fixed crushing unit was the first major equipment installation for the Phase 2 Expansion, which will allow the Company to drive higher crushing rates in the remaining oxide phase.

2023

On February 22, 2023, the Company announced its plans to pursue a dual primary listing of its common shares on the Main Board of the Stock Exchange of Hong Kong Limited.

On May 11, 2023, the Company announced that it had successfully completed a non-brokered private placement, raising a total of C$12.1 million. Under the private placement, the Company issued an aggregate of 11,000,000 Common Shares at a price of C$1.10 per Common Share.

On June 5, 2023, the Company announced that Bataa Tumur-Ochir, the Chief Executive Officer of the Company, had assumed the role of Chairman and that Matthew Wood, the retiring Chairman, would remain in the role of a non-executive director of the Company.

On June 14, 2023, the Company announced that Byambatseren Tsogbadrakh had assumed the role of President of the Company and that Bataa Tumur-Ochir, the retiring President, would remain in the role of Chairman and Chief Executive Officer of the Company.

On June 29, 2023, the Company announced that it had successful completed a plan of arrangement (the "Arrangement") between the Company and Anacortes, whereby the Company acquired all of the issued and outstanding common shares of Anacortes (the "Anacortes Shares"), effective June 28, 2023. Under the terms of the Arrangement, Anacortes shareholders are entitled to 0.4532 of a Common Share for each Anacortes Share previously held. The outstanding vested in-the-money Anacortes options were exercised into Anacortes Shares on a cashless basis and such Anacortes Shares were exchanged for Common Shares. Further, all of the out-of-the-money Anacortes options were cancelled without payment. The outstanding Anacortes warrants were cancelled and exchanged for the applicable warrant consideration, pursuant to the plan of arrangement.

On July 11, 2023, the Company announced that it had signed a binding term sheet to provide up to US$150 million in financing to fully fund the construction and completion of the Phase 2 Expansion at the ATO Mine (the "Financing Package"). Pursuant to the terms of the binding term sheet, a US$50 million term loan would be provided by the Trade and Development Bank of Mongolia with a term of four years at an interest rate of 13.4%, a US$50 million senior secured credit facility would be comprised of a senior secured non-revolving amortizing loan with a term of five years, funded in tranches commencing in January 2024 and an interest rate of 12% per annum and a US$50 million senior secured gold linked loan with repayments expected to begin in January 2026 over a five year period based on concentrate production with a final payment of US$40 million and warrants with a C$1.50 strike price to be issued on a drawdown under such gold linked loan.

On October 2, 2023, the Company announced that it had filed an early warning report in respect of the acquisition of an aggregate of 42,872,253 common shares of Aranjin Resources Ltd. ("Aranjin"), representing the acquisition of 11.06% of the issued and outstanding common shares of Aranjin.

On October 16, 2023, the Company announced that it had drawn down US$9.6 million from the Financing Package to accelerate construction and development of the Phase 2 Expansion of the ATO Mine.

2024

On January 9, 2024, the Company announced that it had entered into a turnkey engineering, procurement and construction contract with Hexagon Build Engineering LLC ("Hexagon") for the Phase 2 Expansion at the ATO Mine. As of the date of execution of the contract, the contract amount payable to for the full performance of work under the contract is approximately US$148.4 million.

On January 22, 2024, the Company announced that it had entered into a binding term sheet pursuant to which the Company would acquire all of the issued and outstanding common shares of Boroo Gold LLC in consideration of the issuance of that number of Common Shares that results in Boroo Pte Ltd., the beneficial shareholder of Boroo Gold LLC, directly or indirectly holding a 58.8% interest in Steppe Gold (calculated on a fully-diluted basis) upon completion of the proposed transaction. Additionally, for a period of six months following the completion of the proposed transaction, Boroo Pte Ltd., and/or its associates, will have a right of first refusal to acquire the Tres Cruces Project at fair market value. The conditions to execution of definitive agreements in respect of the proposed transaction include, but are not limited to: (i) completion and satisfaction of due diligence (at the full discretion of each of Steppe Gold and Boroo Pte Ltd.); (ii) absence of a material adverse change in respect of Steppe Gold or Boroo Gold LLC, as applicable; (iii) approval by each of Steppe Gold's and Boroo Pte Ltd.'s board of directors to enter in a definitive agreement; and (iv) negotiation of definitive agreements in form and substance satisfactory to the parties. Following the negotiation of definitive agreements, the proposed transaction will be conditional on the receipt of all necessary regulatory, stock exchange and court approvals and the approval of the proposed transaction by the shareholders

of each of Steppe Gold and Boroo Pte Ltd. The term sheet in respect of the proposed transaction provides that Boroo Pte. Ltd. will have the right to nominate two directors of Steppe Gold and key executive management of Steppe Gold will remain in place. Following the completion of the proposed transaction, Steppe Gold will be the sole shareholder of Boroo Gold LLC.

BUSINESS OF THE COMPANY

Overview

The Company is a precious metals exploration, development and production company focussed on assets in Mongolia. The Company also owns an additional exploration stage mineral property in Mongolia, the Uudam Khundii property. See "*Other Mineral Properties*".

Development of the ATO Project

The previous owner of the ATO Project, Centerra Gold Mongolia ("CGM"), had conducted drilling programs that surpassed 67,000m, obtained permits and licenses for exploration, mining and development including the construction of a Heap Leach, CIL and Flotation Plant. The Company chose to move forward with a Heap Leach plant that would in turn allow the Company to move to a stage 2 development of the CIL and Flotation plants in the future. Since acquiring the project, the Company has successfully completed the construction of a 200-man camp, a 3-stage crushing circuit, ADR building and ADR plant with barren and pregnant ponds, chemical storage facility, fuel station and two leach pads consisting of five cells.

The updated mineral resource estimate includes drill data as of December 2023. It includes 13 drill holes for a total of 2,116m drilled in 2023. A total of 40,792.6m has been drilled since 2017. The drilling information was used to update the interpretation of the geologic model, geometry of the mineralized zones and domains resulting in a higher degree of confidence in the resource estimate.

The drill programs were successful, including returning samples with visible gold and intersecting high grade zones. The results were incorporated into a new resource estimate for the ATO Project, which was reported on March 13, 2023. The new resource estimate reflects a significant increase in total resources at the ATO Project.

The Company is in compliance, and has all required permits, and commenced gold production with the first gold pour in April 2020.

Acquisition of Altan Tsagaan Ovoo Project

The Company acquired the ATO Project from CGM on September 15, 2017 pursuant to agreements entered into between the parties on January 31, 2017 for aggregate consideration of US$19,800,000 plus US$1,980,000 of VAT. Under the purchase agreement, Steppe Mongolia agreed to assume the obligations of CGM for the 1.75% net smelter returns royalty payable to Cogegobi LLC ("Cogegobi") in respect of products extracted from the Mining License (as defined below) in respect of ATO.

Tres Cruces Project

The Company acquired the Tres Cruces Project from Anacortes on June 28, 2023, pursuant to an arrangement agreement entered into between the Company and Anacortes. Under the arrangement agreement, the Company acquired all of the issued and outstanding common shares of Anacortes, which owned a 100% interest in the Tres Cruces Project located in Peru through its wholly-owned subsidiary, Aurífera Tres Cruces S.A.

Metals Purchase and Sale Agreement

In connection with the acquisition of the ATO Project, the Company, Steppe Mongolia and Steppe BVI entered into a metals purchase and sale agreement (the "Stream Agreement") with Triple Flag Finance Bermuda Ltd. ("Triple Flag Bermuda") pursuant to which Steppe BVI agreed to sell to Triple Flag Bermuda a portion of the gold and silver produced from the ATO Project. Under the terms of the Stream Agreement, Steppe BVI is obligated to sell to Triple Flag Bermuda 25% of the gold and 50% of the silver produced from the ATO Project until such time as Steppe BVI has sold an aggregate of 46,000 ounces of gold and 375,000 ounces of silver, respectively (the "Delivery Milestones"). Thereafter the annual amounts that Steppe BVI is obligated to sell to Triple Flag Bermuda is capped at 7,125 ounces for gold and 59,315 ounces for silver. The obligation of Steppe BVI to sell gold and silver to Triple Flag Bermuda continues for the life of mine and includes any gold or silver produced by Steppe Mongolia within the stream area, which is the area within 20km from the boundary of the original mineral licenses

comprising the ATO Project.

As consideration for the grant of the stream by Steppe BVI, Triple Flag Bermuda agreed to make an upfront deposit (the "Upfront Deposit") against the purchase price for the gold and silver of US$23 million in two US$11.5 million tranches. The first tranche of US$11.5 million (the "Initial Upfront Deposit") was advanced on September 15, 2017 in connection with the completion of the ATO Acquisition. Of the US$11.5 million advanced pursuant to the Initial Upfront Deposit, US$9 million was used to satisfy the balance of the cash portion of the purchase price for the ATO Project and US$980,000 was used to pay the associated VAT.

The second tranche of US$11.5 million (the "Second Upfront Deposit") was advanced over the fall of 2018 with the last US$2.55 million of the Second Upfront Deposit being advanced on December 20, 2018. The proceeds of the Upfront Deposit are required to be loaned to Steppe Mongolia to advance the ATO Project.

So long as the Upfront Deposit remains outstanding, the purchase price for the gold and silver required to be sold to Triple Flag Bermuda under the Stream Agreement is based on the spot prices for gold and silver price during a 7-day quotational period following the date of delivery of the sale. The purchase price is to be satisfied as to 83% as against the uncredited balance of the Upfront Deposit and 17 % is payable in cash by Triple Flag Bermuda. Once the uncredited balance of the Upfront Deposit has been reduced to nil the purchase price by Triple Flag Bermuda for the gold and silver shall be 17% of the price determined with reference to the spot prices for gold and silver during a 7-day quotational period following the date of delivery, payable in cash.

The obligations of Steppe BVI under the Stream Agreement were guaranteed by the Company and Steppe Mongolia and secured by all of the assets of Steppe Mongolia, including a pledge of the ATO Project Mining License and the Exploration Licenses (as defined below) owned by Steppe Mongolia, all of the assets of Steppe BVI and through the pledge by the Company of all of shares of both Steppe BVI and Steppe Mongolia. Triple Flag Bermuda now has a subordinated interest in the collateral under inter-creditor arrangements with the Trade and Development Bank of Mongolia.

The Company and Triple Flag Bermuda are also parties to an investor rights agreement dated September 15, 2017 (the "Investor Rights Agreement"), pursuant to which the Company granted Triple Flag Bermuda certain rights and agreed to certain restrictions. In particular, Triple Flag Bermuda was granted the pre-emptive right to subscribe for its pro rata portion of securities offered in future equity financings undertaken by the Company and the right to nominate one candidate for election or appointment to the board of directors of the Company (the "Board"). The Investor Rights Agreement remains in force until the Delivery Milestones, as defined in the Investor Rights Agreement, are achieved, at which time the agreement terminates.

On September 30, 2019, the Company and Triple Flag Bermuda entered into an agreement to amend the Stream Agreement (the "Amendment"). Under the terms of the Amendment, Triple Flag Bermuda advanced an additional deposit of US$5 million to Steppe Gold, bringing the total amount advanced to Steppe Gold by Triple Flag Bermuda under the Stream Agreement to US$28 million. The proceeds received from Triple Flag Bermuda were used to repay the final US$5 million promissory note issued as part of the purchase price for the acquisition by the Company of the ATO Project. The purchase price for the ATO Project has now been paid in full. As consideration for the additional advance of US$5 million, the parties agreed to reduce the variable gold and silver price payable by Triple Flag Bermuda on delivery of gold and silver from 30% to 17% of the relevant market price. As additional consideration, Steppe West granted a 3% net smelter returns royalty to a subsidiary of Triple Flag Bermuda on minerals derived from the Uudam Khundii property owned by Corundum, an 80% owned subsidiary of Steppe West.

Marketing and Distribution

Our products are gold and silver produced in the form of gold doré bars from our ATO Mine. All gold doré produced at the ATO Mine is sold to the Bank of Mongolia or selected commercial banks in Mongolia. A portion of the proceeds from the sale of gold doré produced at the ATO Mine is used to satisfy the Company's delivery obligation under the Stream Agreement with Triple Flag Bermuda.

2023 Production and Revenue

	2023	2022
Total		
Gold sold (oz)	27,050	33,681
Silver sold (oz)	71,367	38,740
Gold Sales ($ millions)	52.7	61.7
Silver Sales ($ millions)	1.5	0.7
Revenue ($ millions)	54.2	62.4

Gold sales are presented on a 100% basis. Under the Stream Arrangement, Triple Flag Bermuda is entitled to 25% of payable gold ounces and 50% of payable silver.

Specialized Skill and Knowledge

Various aspects of the Company's mining business require specialized skills and knowledge, including skills and knowledge in the areas of permitting, geology, drilling, metallurgy, logistical planning, mine design, engineering, construction and implementation of exploration programs as well as finance, risk management and accounting. Much of the specialized skill and knowledge is provided by the Company's management and operations team. The Company also retains outside consultants with additional specialized skills and knowledge, as required. However, it is possible that delays and increased costs may be experienced by the Company in locating and/or retaining skilled and knowledgeable employees and consultants in order to proceed with its planned exploration and development at its mineral properties.

Competitive Conditions

Steppe competes with other mineral resource exploration companies for financing, for the acquisition of new mineral properties, for the recruitment and retention of qualified employees and other personnel, as well as for operating supplies. Many of the mineral resource exploration and development companies with which Steppe competes have greater financial and technical resources. Accordingly, these competitors may be able to spend greater amounts on acquisitions of mineral properties of merit, on exploration of their mineral properties and on development of their mineral properties. In addition, they may be able to afford more geological expertise in the targeting and exploration of mineral properties. This competition could result in competitors having mineral properties of greater quality and interest to prospective investors who may finance additional exploration and development.

Sustainability

As our vision is to create long-lasting value for all stakeholders, promote social and economic development in our local community, and responsibly manage our impact on the environment. Steppe Gold has been committed to social responsibility to ensure our mines and communities are sustainable and profitable for many years to come.

Health and Safety

The Company aims to ensure a safe, healthy, and hygienic environment for its employees, contractors, and visitors on site. The company's approach to health and safety is guided by its vision of "Safety is the measure of success." Steppe Gold ensures health and safety excellence through a strong health and safety-based culture at every level of the company and by driving continual improvement in safety performance. We undertake regular proactive engagement with our employees and contractors to create a good understanding of our safety approaches and to build a strong safety culture together.

Along with our employees' safety, we are committed to ensuring their health and well-being. All new employees are provided a full medical package before their job commencement. Annual health screening is provided for all employees, and detailed health checkups are provided for employees who work in hazardous environments, such as chemical handling.

The employees' camp provides a comfortable living environment with 53 ger accommodations, office buildings, a dining hall, laundry facilities, public and private bathrooms, and hotel rooms for visitors. All facilities are connected to electricity provided

by a 380W generator, and they are heated by furnaces.

The camp has 24-hour security services, and the security contractor ensures that the camp procedures for our employees, contractors, and visitors are implemented. The company supports employees' leisure activities, rest, and free time with the following facilities: table tennis, basketball, and sand volleyball courts. Two medical staff work at the on-site first-aid unit, and workers can visit them at any time to prevent and address workrelated illnesses and concerns immediately. Additionally, employees are provided with first aid and emergency response training, which is intended to increase their knowledge of emergency and immediate care in the workplace in case of any injury or illness.

Safety Performance:

Encouraging transparency and fostering an environment for open communication on health and safety leads employees to take responsibility for ensuring their workplace is safe. Accident reporting by each employee is highly encouraged, which increases the possibility of identifying potential hazards, addressing them, and avoiding them.

In case of any accident or injury, the Occupational Health and Safety (OHS) department takes a systematic approach to investigate and remove the root causes of the incident to prevent recurrence. Steppe Gold has commenced the implementation of ISO 45001 to establish and maintain a system to identify, evaluate, and control occupational health and safety risks and hazards, ensure compliance with legal and regulatory requirements, and continually improve the occupational health and safety management system

Additionally, the following measures are undertaken:

- Conducting daily safety inspections
- Scheduling regular workplace risk assessments
- Identifying appropriate mitigation measures
- As a demonstration of our management's high commitment to safety, OHS monitoring is conducted in collaboration with senior officials of the relevant departments.

Environment

Climate Change

Climate change is one of the most important global threats to the natural environment and society. We recognize that we have a vital role to play in fighting climate change and in reducing our footprint. As Mongolia is exposed to a growing vulnerability to climate change and we operate in the Steppe area, which is highly exposed to climate risks, it is our responsibility to take proactive climate actions to prevent and address significant climate risks on our operations and to contribute to the country's climate resilience.

Thus, the company has set a priority goal to develop a comprehensive Climate Action Strategy ('CAS') to be launched by the end of 2023. The CAS will encompass our approach and structure to reducing the climate related risks to our business operations, its value chain, and financial performance. The CAS will also include our plan to identify and reduce our Greenhouse Gas ('GHG') emissions and establish targets and metrics to monitor our performance.

Environmental Management

Steppe Gold recognizes the potential impacts of mining on water, land, and ecosystem and pays special attention to minimize such impacts. As an example, our environmental policy was approved by the President and Chief Executive Officer in 2018 to ensure effective and responsible environmental management and practices at all levels within the company. As the company believes that proactive environmental management helps us to maintain environmental compliance and prevent environmental incidents, we aim to implement an environmental management system that complies with ISO 14001:2015 Environmental Management standard. We have now commenced the preparatory works, and a gap analysis was conducted by a specialized environmental evaluation company in 2022.

At the ATO project, we implement our Environmental Management Plan (EMP) on the mine site in line with regulatory requirements and it is evaluated by the regional environmental authority at the end of each year. Our EMP implementation

performance has been rated above 80% for the first two years and above 90% for the last three years. In 2022, we implemented 168 activities as committed in the EMP on site. Due to our satisfactory implementation, approval for 2023 EMP with 160 activities has been obtained. The implementation of the commitments in the EMP is introduced to the local communities during the annual citizens' public meeting as required by the law on the Environmental Impact Assessment (2012).

Community

Since its establishment, Steppe Gold has been generating social and economic value in the region of eastern Mongolia where our ATO project is located. The company focuses on creating long-term sustainable change in the community through programs that support the livelihood of the residents and local development. To achieve this, we cooperate with the local government and communities. More specifically, we established the "Environmental protection, mining operation, infrastructure development and local job creation" agreement (no.11) ('Cooperation Agreement') with Dornod province authorities on April 26, 2019, pursuant to the clause 42.1 of the Mongolian Minerals Law and the Government resolution no.179 dated 2016.

The Local Cooperation Committee, consisting of nine members representing diverse stakeholders, carries out an annual assessment of the fulfillment of this Cooperation Agreement. The performance of the Cooperation Agreement has been consecutively rated high over the last three years with implementation rates well over 85%.

Overall, 1,178 families are residing in the ATO project area, and 1 in 4 families are directly linked to the Company through our effective community relations and engagement programs. We provide support to the local community, including the local government. We achieved our commitment for local development through capacity building and direct or indirect economic contributions, such as local employment, community project funding, and local procurement. For instance, we support the local government to implement initiatives for improving the living conditions while supporting the community members directly through job offers to local residents, training to the herders, and purchase of available products and materials from local producers and suppliers.

Human Rights

At Steppe Gold, we value human rights and human right protection statements are reflected in the Human Resource Policy, and internal rules of the Company to ensure that human rights protection is mainstreamed in the workplace and operations. We do not tolerate any forms or types of human rights violations, discrimination, or harassment. This principle is comprehensively depicted in our policy of Code of Business Conduct and Ethics and our Human Resource Policy. All employees, including new hires sign an annual certification form to confirm their acquaintance and compliance with these policies, thus their commitment toward human rights protection. We organize regular training for existing and newly hired employees to enhance their knowledge and understanding of human rights, inclusion, and equality.

Employees

Steppe Gold aims to maintain a safe and healthy work environment that is based on mutual respect, fairness, and integrity. To achieve this, we:

- Do not tolerate discriminatory conduct in the workplace.
- Provide a fair and non-discriminatory employee grievance system.
- Value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias.
- Provide fair compensation and gratuity based on performance.
- Enforce a drug and alcohol-free workplace, and
- Recognize the right of employees to freedom of association.

Recognize the right of employees to freedom of association. The above principles are enforced through relevant policies, regulations, and procedures such as Human Resource Policy, Transparent Relationship Policy, Disciplinary Policy, Internal Rules of the Company, Remuneration Procedure, Annual Leave Procedure, Recruitment Procedure, and Long-Term Roster Regulation.

As at December 31, 2023, the Company and its wholly owned subsidiaries employed 275 individuals, along with an additional

234 individuals as outside contractors on a fee-for-services basis for conducting development, exploration and related activities.

Cycles

The mining business is subject to mineral price cycles. The marketability of minerals is also affected by worldwide economic cycles. At the present time, the significant demand for minerals in many countries is driving commodity prices, but it is difficult to assess how long such demand may continue. Fluctuations in supply and demand in various regions throughout the world are common. Steppe's revenues may be significantly affected by changes in commodity demand and prices. The Company's ability to fund ongoing exploration and development is impacted by the sale of gold produced by the mine and the proceeds of such sales. As market fluctuations affect the price of gold, proceeds from the sale of the gold produced by the Company can fluctuate accordingly. As well, the ability of the Company to continue development, exploration and to increase production is affected by the availability of financing which, in turn, is affected by the strength of the economy and other general economic factors.

Foreign Operations

The Company's ATO Project is located in Mongolia and the Company's Tres Cruces Project is located in Peru. Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

Due to the risks inherent in mineral production and the desire to organize and structure its affairs in a tax efficient manner, the Company holds its material properties in separate local subsidiary companies in foreign jurisdictions.

The risks of the corporate structure of the Company and its subsidiaries are risks that are typical and inherent for companies who have material assets and property interests held indirectly through foreign subsidiaries and located in foreign jurisdictions. The Company's business and operations in emerging markets are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction such as differences in laws, business cultures and practices, banking systems and internal controls over financial reporting.

The Company has implemented a system of corporate governance, internal controls over financial reporting and disclosure controls and procedures that apply at all levels of the Company and its subsidiaries. These systems are overseen by the Board and implemented by the Company's senior management.

Mongolia's Mining Regulatory Framework

Legislative Overview

In Mongolia, mineral exploration and mining activities are primarily regulated by the following legislation: the Minerals Law, the Law on Environmental Impact Assessment, the Environmental Protection Law, the Law on Land, the Law on Water, the Law on Subsoil and the Law on State Protected Areas. The Minerals Law is administered by the Ministry of Mining and Heavy Industry of Mongolia and the Mineral Resources and Petroleum Authority of Mongolia, the government's implementing agency (the "MRPAM"*)*. The MRPAM is the primary governmental authority in charge of recommending policies and plans for preservation, conservation and rehabilitation of geological resources and has the authority to terminate mineral licenses. The Ministry of Environment and Tourism of Mongolia is responsible for administering laws related to the environment.

In addition to the legislation noted above, there are other laws and regulations that can impact the mineral industry in Mongolia, including the Law on Permits, the Law on Cultural Heritage Protection, the Law on Prohibition against Exploration and Mining in Headwater Areas, Protected Zones for Water Reserves and Forest Lands, the Law on Safety and Hygiene and the Law on Corporate Income Tax.

To ensure continuous protection of the environment and Mongolia's resources, the government has implemented several protective laws. For example, the Law on Environmental Impact Assessment requires license holders to have an environmental impact assessment (general and detailed) conducted by an authorized Mongolian legal entity and verified by the Ministry of Environment and Tourism of Mongolia, before any activities can take place on the licensed area. This is also a pre-requisite for obtaining a Mining License. The Cultural Heritage Protection Law also requires applicants to have an archaeological and

paleontological survey on the relevant area conducted by experts prior to the issuance of land use rights and an Exploration License. If the paleontological, archaeological or ethnological preliminary prospecting concludes that there is a risk to Mongolia's cultural heritage, mining activities cannot be continued.

The Law of Mongolia on the Prohibition against Exploration and Mining in Headwater Areas, Protected Zones for Water Reserves and Forest Lands forbids exploration and mining of minerals in areas overlapping with (i) headwaters of rivers and lakes, (ii) forested areas, and (iii) protected zones for water reservoirs.

Finally, to ensure local economic prosperity, the Minerals Law of Mongolia obligates mineral license holders to cooperate with the local administrative agency on issues related to environmental protection, mine operation, production infrastructure and increasing employment opportunities by giving a preferential supply of the mining products to domestic refineries or processing plants.

Mineral Rights

Generally, there are two types of mineral rights that can be granted to private entities under the Minerals Law, an exploration license ("Exploration License") and a mining license ("Mining License"). Only legal entities duly incorporated in Mongolia, operating under the laws of Mongolia and that are taxpayers in Mongolia are eligible to hold an Exploration License or a Mining License. One license may be granted to one legal entity. Exploration Licenses and Mining Licenses are granted in two manners, on application to MRPAM or pursuant to tenders conducted by MRPAM.

Exploration License

An Exploration License permits the holder to carry out work on and under the earth's surface for the purpose of identifying the location of minerals and evaluating the economic and commercial value of the minerals. Pursuant to the Minerals Law, Exploration Licenses granted on or after August 26, 2006, which was the date the Minerals Law came into effect, have an initial term of three years, except for Exploration Licenses in respect of radioactive minerals. The holder of an Exploration License may apply for an extension of the license for three successive additional periods of three years each. As such, the maximum period that an Exploration License may be held by one holder (or its transferees) is twelve years from the date of issue. Upon expiration of its term, an Exploration License can be converted into a Mining License.

Under the Minerals Law, the minimum and maximum total square area of the Exploration License is 25 hectares and 150,000 hectares, respectively.

An Exploration License may be cancelled if the applicable annual license fee or minimum annual expenditure on exploration activities are not paid or incurred, respectively, or if the Exploration License holder fails to comply with certain other requirements of the Minerals Law or other relevant Mongolian laws. The tables below highlight the annual fees payable and minimum annual expenditure on exploration activities per hectare for each of the first three years and the relevant extensions.

(a) Annual fees payable per hectare of the Exploration License area:

Year	**Annual fee per hectare**
Initial term – Year 1	US$0.1
Initial term – Year 2	US$0.2
Initial term – Year 3	US$0.3
First extension (3 years)	US$1.0
Second extension (3 years)	US$1.5
Third extension (3 years)	US$3.0

(b) Minimum annual expenditure on exploration activities per hectare within the Exploration License area:

Year	**Annual amount per hectare**
Initial term – Year 1	No expenditure required
Initial term – Year 2	US$0.50
Initial term – Year 3	US$0.50
First extension (3 years)	US$1.00 each year
Second extension (3 years)	US$1.50 each year

Third extension (3 years)	US$10.00 each year

Under the Minerals Law, the Exploration License holder must pay the annual fee in advance of the start of the relevant year.

Failure by the Exploration License holder to pay the relevant annual fee when due will result in a penalty which is calculated at a rate of 0.3% of the payable annual fee for each day it remains unpaid. If the Exploration License holder fails to pay the annual fee within 30 days, the Exploration License will be revoked.

Mining License

A Mining License permits the holder to carry out a range of activities including separating and extracting minerals from land surface and subsoil, ore stockpiling, waste or tailings, increasing the concentration of its usable contents, producing products and marketing and selling those products.

All minerals in the ground are owned by the Mongolian government and only Mongolian legal entities are entitled to hold Mining Licenses.

Only holders of Exploration Licenses have the right to apply for a Mining License. To receive a Mining License, an Exploration License holder must submit an application to MRPAM together with, among other documents, the mineral resources council's notes and a decision of the State administrative body on acceptance of the exploration work results, a document verifying the Exploration License holder's performance of the duties under the environment management plan during the exploration work and the environmental impact assessment. Mining Licenses are granted for a term of 30 years and can be extended for two additional terms of 20 years. During this period, the holder of a Mining License is entitled to extract and sell the minerals located within the land area covered by the Mining License. Upon the expiration of a Mining License, the license and the rights under such license shall revert to the Mongolian government.

Annual fees payable per hectare of the Mining License area are US$15. Under the Minerals Law, failure by the Mining License holder to pay the relevant annual fee when due will result in a penalty, which is calculated at a rate of 0.3% of the payable annual fee for each day it remains unpaid. If the Mining License holder fails to pay the annual fee within 30 days, the Mining License will be revoked.

Transfer of Licenses

In accordance with the Minerals Law, the holder of an Exploration License is not permitted to sell the license itself. The holder may, however, sell the material and data obtained from prospecting and exploration work ("License Area Data") in respect of the license. Upon completion of the sale of the License Area Data, and payment of applicable taxes (evidenced by a document showing payment of such tax), the holder may transfer the license.

Similarly, the holder of a Mining License is not permitted to sell the license itself. The holder may, however, sell the mine, together with its machinery, equipment and documents that are located within the relevant license area. Upon completion of the sale of the mine, and payment of applicable taxes (evidenced by a document showing payment of such tax), the holder may transfer the license.

Holders are entitled to pledge their Exploration Licenses or Mining Licenses to banks and non-banking financial institutions for the purpose of financing their investments, developments and operations with the related documents, such as exploration work report feasibility studies, geological research and other related documents, and properties which are permitted to be pledged by law.

Strategic Deposits and Government Ownership Rights

The Mongolian Parliament has the authority to designate certain mineral deposits to be Mineral Deposits of Strategic Importance. Resolution No. 27 has designated sixteen (16) deposits as Mineral Deposits of Strategic Importance and thirty-nine (39) deposits as potential Strategic Deposits. The State has the right to own up to a 50% equity interest in an entity that holds a Mining License for a Mineral Deposit of Strategic Importance in the event that the entity has received state funding. Pursuant to the Amendment Law to the Minerals Law of 2006 dated February 18, 2015, the percentage of the State share shall be determined by an agreement on exploitation of the deposit, considering the amount of investment made by the State. If no State funding was used to locate the deposit, the State's ownership level is capped at 34%. In either case, the amount of State

shares determined under such agreement can be replaced with a royalty. In addition, owners of Mineral Deposits of Strategic Importance are required to list at least 10% of their share capital on the Mongolian Stock Exchange.

Taxation and Royalties

Exploration and mining companies are subject to a 10% corporate income tax on annual profits up to MNT6 billion (approx. US$2.2 million) and a 25% corporate income tax on annual profits exceeding MNT6 billion, plus MNT600 million.

In the absence of a tax treaty, dividends, interest and royalties received by a non-resident legal entity from a Mongolian source are subject to a Mongolian income tax rate of 20%, which is withheld by the payor. The Mongolian legal entity making such payments is obligated to withhold the Mongolian income tax from such payments. Mongolia has entered into double tax treaties with a number of countries. Such treaties provide for lower rates of taxation in certain circumstances. Canada and Mongolia are parties to the Convention between the Government of Mongolia and the Government of Canada for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital (signed May 27, 2002) (the "Canadian Double Tax Treaty"), which provides for dividend withholding tax rates as low as 5% for intercorporate dividends.

A royalty at the rate of 5% is payable in respect of the sales value of all products extracted pursuant to a Mining License (other than domestically sold coal and construction minerals). A portion of this 5% royalty rate goes to the central treasury, while the remaining portion goes to local authorities.

Tailings and Mine Closure

A waste management plan is required to be a part of the environmental management plan, and Exploration License and Mining License holders are required to submit an implementation report regarding the plan to the applicable Environmental Department by November 1st of each year.

Mine closure plans must be prepared and submitted to the Ministry of the Environment and Tourism of Mongolia at least three years prior to the proposed mine closure of the project and MRPAM must be informed of the closure at least one year in advance. Exploration License and Mining License holders shall take all necessary measures to ensure safe use of the mining area for public purposes, shall rehabilitate the environment, shall take preventive measures if the mine area may be dangerous for public use and shall remove all machinery, equipment and other property from the mining area except those permitted by local administrative bodies or the agency for specialized inspection with respect to the mine closure.

Peru's Mining Regulatory Framework

1. INTRODUCTION

1.1 The "concession" system is the mechanism devised under Peruvian law to grant rights to conduct mineral exploration, exploitation, processing and transport of minerals, among others. A key component of the concession system is the General Mineral Law of 1992 and its amendments and regulations.

1.2 The General Mineral Law provides for the basic legal framework applicable to the granting of mining concessions and the maintenance obligations to keep them in good standing.

1.3 The General Mineral Law provides for the four following types of concessions:

1.3.1 "mining concession" which grants the exclusive right to explore and exploit metallic or non- metallic minerals (as applicable), within the internal boundaries of the area conferred under the title to concession;

1.3.2 "processing concession" grants the right to process, purify, melt or refine minerals by physical, chemical, or physical-chemical processes;

1.3.3 "transport concession" grants the right to operate a continuous mass transportation system of mineral products by using conveyor belts, pipelines and/or track cables; and

1.3.4 "general service concession" grants the right to render services such as ventilation, sewage, hoisting or underground access, to one or more mining concessions.

1.4 There are other specific laws and regulations that govern the exercise of the rights granted by a mining concession, as well as the conduct of activities, environmental and health and safety related matters.

1.5 The rights once granted by way of mineral concessions are equal to both Peruvian nationals and foreigners, without any distinction among them. In the case of mining concessions applied for by foreigners within the 50km of the border zone, the grant of definitive title to concessions is subject to prior and express declaration of public necessity expressly by way of a Supreme Decree duly approved by the Cabinet.

1.6 The Peruvian concession system is an "administrative system" which means that individuals or companies are granted the right to conduct mining activities by way of an administrative resolution issued as a result of an administrative procedure. This procedure is subject to the rules of publicity and public order and gives third parties who may be affected the opportunity to oppose or even challenge the resolution granting title to a mining concession. Oppositions and appeals can be filed within certain timeframes following which the resolution granting title to a mining concession is deemed final and once registered at the Public Registry is enforceable to third parties and the Peruvian State. The rights that are conferred by a mining concession are provided for in the applicable regulations, which cannot be modified on a project or investor basis.

1.7 Mining activities, such as exploration and exploitation, may only be exercised subject to appropriate authorizations, permits and approvals, including relevant surface rights, and environmental permits.

1.8 MINING CONCESSIONS

Pursuant to Peruvian Law:

1.8.1 As of 15 December 1991, mining concessions are single concessions in respect of both exploration and exploitation.

1.8.2 Mining concessions are granted by application on a first-come first-served basis in a non-discretionary administrative procedure currently conducted nationwide by the National Institute of Geology, Mining and Metallurgy ("INGEMMET"), an agency of the Ministry of Energy and Mines ("MINEM").

1.8.3 They can be granted for metallic or non-metallic minerals, according to the class of mineral substance, without there being any priority between them. If so, requested by the titleholder, a mining concession may be reclassified as another type different from that initially granted.

1.8.4 As of 4 July 2016, mining concessions are applied for and granted under the Grid Based System using UTM coordinates WGS84 and no overlap between mining concessions is allowed. As a result, the vertex of mining concessions is expressed in both Datum WGS84 and its equivalent in Datum PSAD 56. In the event of any discrepancy, the UTM coordinates expressed in Datum PSAD 56 will prevail.

1.8.5 Mineral production can be freely traded with no domestic market restrictions or quotas. Once extracted, minerals become the property of the concession holder or its assignee.

1.8.6 Except for the mining concessions located on urban and urban expansion areas, the term of a concession is indefinite, provided that maintenance obligations, including minimum production requirements, are satisfied within statutory timeframes. However, mining concessions are subject to a legal absolute deadline for the commencement of production, failure to which may cause their termination or expiry. The current legal term for mining concessions, is thirty (30) years as a maximum to commence production.

1.9 TITLE RESTRICTIONS AND CONDUCT OF WORKS

Exploration and exploitation works can be carried out once title to mineral concession has been granted. Exercise of the rights derived from a mineral concession, including the right to explore, develop and further exploit on an exclusive basis only the designated minerals within the internal boundaries of the mineral concession, is subject to the awarding of the required permits, authorizations and approvals, including relevant surface lands.

Titleholders must respect archaeological or historical monuments, the national road system, oil pipelines, military buildings, ports or any other constructions or infrastructure built for national defence or technical or scientific purposes, located within the boundaries of a mineral right.

1.10 MAINTENANCE OBLIGATIONS APPLICABLE TO THE PROPERTY

(a) The concession holder needs to comply, on an annual basis, with two (2) key obligations to maintain the mining concession in good standing: (i) to pay applicable License Fees in the amount of US$3 per hectare and per year, and (ii) to comply with minimum required levels of exploration expenditures (i.e. investment) ("Exploration Expenditures") or production ("Minimum Production") or pay a certain additional fee ("Penalty").

Failure to pay the License Fees or the Penalty for two (2) years, consecutive or not, will result in the forfeiture of the mining concession.

(i) Minimum Production: Must be attained no later than the 10th year following the year title to the mining concession was granted and shall be equivalent to 1 UIT (to the date hereof approximately US$1,305.00) per hectare and per year.

(ii) Penalty: Failure to attain the Minimum Production will trigger the obligation to pay a penalty equivalent to 2% of the Minimum Production per year per hectare starting in the 11th year until the 15th year, after the year in which title to concession was granted, or such year in which Minimum Production is attained.
If Minimum Production is not attained, a penalty equivalent to 5% of the Minimum Production per year per hectare will be applicable, starting in the 16th year until the 20th year, after the year in which title to concession was granted, or such year in which Minimum Production is attained.
If Minimum Production is not attained, a penalty equivalent to 10% of the Minimum Production per year per hectare will be applicable, starting in the 21st year until the 30th year, after the year in which title to concession was granted, or such year in which Minimum Production is attained.
If Minimum Production is not attained by the end of the 30th year, after the year in which title to concession was granted, the mining concession will be deemed forfeited.

(iii) Exploration Expenditures: The titleholder shall also be exempted of the payment of the Penalty evidencing exploration expenditures equivalent to no less than ten (10) times the amount of the applicable Penalty.

Except for the License Fees, all other Maintenance Obligations are calculated and paid in local currency (PEN).

INGEMMET monitors compliance with the above obligations on an annual basis.

1.11 ECONOMIC ADMINISTRATIVE UNIT ("UEA")

Depending on the amount of the investments as well of the timing and the location of the concessions where those investments are to be incurred, the titleholders may group mining concessions in one or more Economic Administrative Units ("UEA") to improve the compliance of Maintenance Obligations and simplify the compliance of other obligations. By way of an UEA, two or more mining concessions of the same kind, and held by the same titleholder (as its registered titleholder or lessee) are grouped for the purpose of compliance with Minimum Production, minimum Exploration Expenditures, filing reports including the DAC and ESTAMIN as well as health and safety obligations. A mineral concession can only be part to one UEA at a time.

An UEA does not result in a new mining concession, and as such each of the mining concessions comprising the UEA in question remains valid (subject to compliance with the Maintenance Obligations applicable to the UEA as a whole).

Once an UEA is approved, production attained, or investments incurred in one or more mining concessions comprising the UEA will apply towards the UEA as a whole.

The timing for compliance with Maintenance Obligations applicable to an UEA is calculated based on the mining concession which title was granted first in time.

While not in production, annual investments on a given UEA which fall below the applicable minimum Exploration Expenditures will trigger penalties on each of the mining concessions comprising the UEA, payable on the following year.

2. SURFACE LAND

2.1 SURFACE RIGHTS AND MINERAL CONCESSIONS

The owner of the surface land can be a person, a private entity, a farming community, the Peruvian State, amongst others.

Exploration and exploitation works can be carried out once title to mineral concession has been granted. Exercise of the rights derived from a mining concession, including the right to explore, develop and further exploit on an exclusive basis only the designated minerals within the internal boundaries of the mining concession, is subject to the awarding of the required permits, authorizations and approvals, including relevant surface lands.

The rights arising from a mineral concession are different and independent from those arising from ownership over surface lands within the boundaries of said mining concession.

2.2 THE PUBLIC REGISTRY FUNCTION

The validity of legal acts related to surface land property is not conditioned to such acts being recorded in the Public Registry. Legal acts are valid as of the day they are entered into.

Subject to mandatory regulation stating the contrary; in general, the Public Registry's function is to publicize rights, rather than creating them.

However, it is recommendable to register acts related to the acquisition of surface land property before the Public Registry to make them undisputable by third parties, considering the following principles: (i) no party can allege that it is not aware of the information contained in the Public Registry (no exceptions allowed), and (ii) legal acts performed, in good faith, based on the information contained in the Public Registry are protected by law.

2.3 ARRANGEMENTS BETWEEN MINING TITLEHOLDERS AND SURFACE LANDOWNERS

Identification of the holder of the surface land is required prior to the commencement of mining activities. The mineral concession holder or lessee will have to negotiate and enter into agreements with the surface landowners in order to access the surface land for the conduction of mining activities.

The titleholder needs to (i) negotiate with the surface landowner in order to acquire surface rights or enter into a contractual easement that will allow him to conduct mining activities; (ii) request a mandatory easement to the Government in order to conduct mining activities in third parties' surface land, or (iii) obtain a right of way as it may be required in order to access an area which is blocked by third parties' surface lands.

2.4 POSSESSION

Peruvian Law recognizes "possessors" as persons who are in possession of land in opposition to land owners who hold property rights to such lands. Such possessors may or may not have the right to be in possession of the land (i.e.: legal lessees or unauthorized settlements).

Possession rights can turn into property rights over time if certain requirements and formalities are met.

3. INFORMAL MINING ACTIVITIES

Mining activities performed without complying with the applicable legislation in force are classified as (i) Informal Mining Activities and (ii) Illegal Mining Activities. Either of these activities can be conducted by using equipment's and machinery which does not comply with required administrative, technical, social and environmental regulations; although the Illegal Mining Activities are carried out within areas where mining activity is prohibited.

In 2012, the Peruvian State initiated a formalization process in respect of informal mining activities of small-scale mining and artisanal mining, to allow or encourage them to comply with applicable regulations. The conduction of mining activities considered illegal allows the Peruvian State to take the following actions: (i) Confiscation of goods, machinery, equipment and prohibited supplies; and (ii) Destruction and/or demolition of goods, machinery, equipment and prohibited supplies, which are not allowed for conducting small-scale and artisanal mining activities, provided that their confiscation is not feasible.

4. ENVIRONMENTAL LEGACY

Mining environmental liabilities are defined under Peruvian law as facilities, effluents, emissions, and waste deposits resulting from mining activities existing or abandoned prior to 7 July 2004 which represents a permanent health risk to the population, the surrounding ecosystem, and property. Under Peruvian law, the polluter pays principle applies. The obligation to remediate, clean, closes and/or restores surfaces even if the relevant mining concession expires is of the entity that caused the impact. In

the event that responsible parties cannot be identified, the State will bear the cost of the environmental remediation.

5. MINING TAXES

5.1. ROYALTY

Mining Companies must pay in addition to Corporate Income Tax ("CIT"), a mining royalty. It is calculated based on the quarterly profits of the mining companies.

The effective rate varies from 1% to 12%, depending on the operational margin identified in 16 different tranches. It is to mention that at least a minimum of 1% of mining royalty may always apply.

5.2. SPECIAL MINING CONTRIBUTION

This is a tax applicable for mining companies which have subscribed a tax stability agreement with the Peruvian Government.

The tax basis for this contribution is calculated under the quarterly operational profit with an effective rate that ranges between 4% to 13.12%. This also depends on the operational margin identified in 17 different tranches.

5.3. SPECIAL MINING TAX

This is a tax applicable which levies the operations profits obtain by the mining companies.

The tax basis is calculated on the quarterly operating profits, with rates that range between 2% and 8.4%, according to the operating margin identified in 17 different tranches.

DETAILS OF THE ALTAN TSAGAAN OVOO PROJECT

Current ATO Technical Report

The below summary is a direct extract and reproduction of the summary contained in the ATO Technical Report, without material modification or revision and all defined terms used in the summary shall have the meanings ascribed to them in the ATO Technical Report. The below summary is subject to all the assumptions, qualifications and procedures set out in the ATO Technical Report. The ATO Technical Report was prepared in accordance with NI 43-101. For full technical details of the report, reference should be made to the complete text of the ATO Technical Report, which has been filed with the applicable regulatory authorities and is available under the Company's SEDAR+ profile at www.sedarplus.ca. The ATO Technical Report is incorporated by reference in this annual information form and the summary set forth below is qualified in its entirety with reference to the full text of the ATO Technical Report. The authors of the ATO Technical Report have reviewed and approved the scientific and technical disclosure contained in this annual information form related to the ATO Technical Report.

1 SUMMARY

This Altan Tsagaan Ovoo Project (ATO) 11/2022 NI 43-101 Mineral Resources and Reserve Technical Report (the Report) summarises the 2022 Mineral Resource and Reserve estimates of the of gold and related base and precious metals in four in-situ deposits forming Steppe Gold Ltd's (Steppe Gold) ATO Project in eastern Mongolia. The Resources (estimated by GeoRes) and Reserves (determined by Xenith) are an update to the previous March 2021 Mineral Resource estimate by GeoRes (3/2021 NI 43-101 report[1]) and a November 2021 feasibility study by DRA Global Limited (DRA) disclosed in a November 2021 NI 43-101 report (11/2021 NI 43-101)[2]. The reserves are based on an updated LOM Plan as outlined in this report.

The QP for the geological aspects of the Report is Robin Rankin (GeoRes) and the QP for the mining aspects of the Report is Grant Walker (Xenith).

1.1 Introduction

The ATO Project is 100% owned by Steppe Gold, an international mineral resource company headquartered in Toronto, with exploration, development and production properties located in Mongolia. Steppe Gold is listed on the Toronto Stock Exchange under the symbol STGO.

The ATO Project commenced mining in 2020, initially concentrating on the near surface Oxide rock ores (Phase 1 Development). Following the successful completion of ATO Phase 1 development (including the development of the Leach Pad and on-going crusher upgrades) Steppe Gold completed studies for the ATO Phase 2 Expansion Project (Phase 2). The Phase 2 Expansion Feasibility Study was prepared by DRA and is the subject of the 11/2021 NI 43-101 Technical Report. The proposed expansion will increase gold production and produce saleable concentrates of lead, zinc, and pyrite from the development of underlying fresh rock ores and the construction of a new and larger conventional processing facility.

Since the 11/2021 NI 43 101 Technical Report Steppe Gold commissioned GeoRes to remodel the transition/ fresh interface based on face samples and additional drill hole information. It is noted the underlying geological model has not been updated from the 3/2021 reported Resources. In addition Xenith was commissioned by Steppe Gold to revise the Life of Mine Plan and Reserves based on the new Resources and updated revenue assumptions. This report is an update to the 11/2021 NI 43 101 based on the new Resources and Reserves.

Sources of information & reliance on others: Considerable information used to support this Report was derived from the previously reported 2021 NI 43-101s and from reports and documents listed in the references section of this Report. Note that large parts of geological Sections 4 to 14 and 17 to 19 have been repeated from the 3/2121 NI 43-101 in the relevant Sections in this Report for completeness. Both QP's has reviewed the relevant sections of 3/2021 NI 43-101 and believes the information repeated is correct. All Project data used was supplied by Steppe Gold.

Property inspection:

1 Amended NI 43-101 Technical Report. Rankin, R.A., 30 March 2021. Altan Tsagaan Ovoo Project (ATO) – 2021 Mineral Resources Technical Report (Amended NI 43-101). Report for Steppe Gold Limited by GeoRes. Referenced here as the '3/2021 Resources Report'

2 *NI 43-101 Technical Report – Feasibility Study for the Altan Tsagaan Ovoo (ATO) Phase 2 Expansion Project Mongolia*. Report for Steppe Gold LLC by DRA Global, November 29 2021, Referenced here as the '2021 NI 43-101' or '2021 Report'.

The principal Authors of this report have both visited the site. Robin Rankin of GeoRes visited the Property in April/May 2022 while Grant Walker of Xenith visited the site from the 3rd to the 7th of October, 2022.

1.2 Property Description and Location

Steppe Gold's ATO Property is in Eastern Mongolia. In mining terms the Property is defined by Mining License MV-017111. Surface area of the Mining Licence MV-017111 is 5,492.63 ha or ~55 km^2 (1 ha = 10,000 m^2). The immediate Project area of the four deposits is ~2 km^2, with dimensions ~1.4 km east/west * ~1.2 km north/south. Regionally ATO is ~660 km east of Mongolia's capital Ulaanbaatar, ~120 km west-north-west of provincial capital Choibalsan, and ~38 km west of the closest town Tsagaan Ovoo Soum (which it is reached from by dirt roads). The coordinate datum used is WGS84, Zone 49 (108°E to 114°E in northern hemisphere) in the UTM system.

Geography: The license area is located in the low mountain zone at the north-east end of the Khentii Mountain Range and at the south-west part of the Dornod high steppe. The topography of the project area generally consists of small rounded, separate mountain complexes with small hillocks in a steppe. Average elevation is 980 – 1,050 m above sea level. The area is effectively grass-covered. The land surrounding the Property is predominantly used for nomadic herding of goats, cows, horses and sheep by small family units.

Climate of the region is characterized by extreme cold and hot weather. Wide daily, monthly, and yearly fluctuations of temperature are common. Winter is harsh and very cold. Stable snow cover persists from November to March. Freezing of soil starts from mid-September and continues till late May, with the freezing depth reaching 2.5 m. Summer is shorter than other seasons, dry and chilly. The hottest temperature is up to +40°C in summer. 60-80% of the annual precipitation falls as rain during July and August. Number of days with precipitation is 59 days per year. ATO Mine will operate all year around.

History: Modern exploration in the region commenced in 1997 when CogeGobi (a wholly owned subsidiary of the French multinational company AREVA) began their exploration efforts in eastern Mongolia looking for gold and uranium. After a six year reconnaissance effort CogeGobi settled on a selected exploration region in 2003 and then obtained eight exploration licenses in eastern and south-eastern Mongolia. CogeGobi then embarked upon a four-year concerted exploration effort. Two of the licenses (3,425.5 km^2 in all) were in the general area of ATO. Grab sampling of vein quartz lead to a stream sediment sampling program and gold anomalies were identified from two of the hills above the current deposits. CogeGobi withdrew due to falling uranium prices.

In 2010 CGM acquired the Exploration License and in 2012 acquired a Mining Licence. CGM quickly appreciated the potential for gold and commenced a significant exploration program leading to drilling ~600 holes. These discovered the three pipe-shaped deposits 1, 2 and 4. Steppe acquired the Property in 2017 and since then have more than doubled the quantity of drilling.

In 2016 CGM published an AIF with Measured and Indicated Mineral Resource of 18.6 Mt @ 1.3 g/t gold. Inferred Resources of 0.4 Mt @ 0.6 g/t gold were also reported. Reporting details were sketchy.

In 2017 Steppe published Measured and Indicated Mineral Resources of 17.6 Mt @ 1.4 g/t gold, along with Inferred Resources of 1.3 Mt @ 1.0 g/t gold. These latter Resources were in the 2017 NI 43-101. In 2017 Steppe also published Proven and Probable Mineral Reserves of 5.2 Mt @ 1.3 g/t gold. The Reserves were reported from three pits designed within the upper oxide parts of the Pipe 1, 2 and 4 deposits.

Mining commenced at ATO in 2020. Following the successful completion of ATO Phase 1 development (including the development of the Leach Pad and on-going crusher upgrades), Steppe Gold LLC (Steppe Gold) completed studies for the ATO Phase 2 Expansion Project (Phase 2). The Phase 2 Expansion Feasibility Study was prepared by DRA and is the subject of the 11/2021 NI 43 101 Technical Report. The proposed expansion will increase gold production and produce saleable

concentrates of lead, zinc, and pyrite from the development of underlying fresh rock ores and the construction of a new and larger conventional processing facility.

1.3 Geology Setting and Mineralisation

Geology: ATO sits regionally within the Devonian through Late Jurassic Mongol-Okhotsk tectonic collage that has been emplaced along a transform-continental margin of the North Asian Craton (NAC). A number of Late Jurassic-early Cretaceous broad, gold-bearing mineral belts have been recognized in eastern Mongolia. ATO is located north of the Main Mongolian Lineament (MML), and midway along the NNE trending 600km long Onon base and precious-metal province that crosses eastern Mongolia. Though ATO presently represents the only well-explored gold deposit in this part of Mongolia, a large number of minor gold occurrences have been recognized throughout the region.

The geology of the ATO Project region consists of metamorphosed Devonian sedimentary rock overlain by a volcanic and sedimentary sequence of Permian age and remnant scraps of probable Jurassic volcanoclastic units, intruded by Jurassic plutons ranging from diorite to granite in composition and including rhyolitic phases mainly as dykes.

Mineralisation: The ATO deposit is an epithermal gold and polymetallic deposit of transitional sulphides in breccia pipes in a Mesozoic continental rift zone in eastern Mongolia. It could be characterised as an intermediate sulphidation system. Up to 2017 exploration focussed on three gold, silver and base metal mineralised sub-vertical pipes (Pipes 1, 2 and 4) spaced ~300 m apart on a WNW trend. Another pipe (Pipe 3) exists just west of the others but is not mineralised. Subsequently a fourth pipe-like body (Mungu) was found ~600 m to the north east of Pipes 1, 2 and 4). The pipes have been emplaced into stratified rocks. The three pipes are elliptical in shape with the long axis oriented toward the north east. Each have approximate surface dimensions of 300 * 150 m. The pipes taper to depth vertically. Mungu is a north east plunging system of tall lenticular lodes. Pipes 1 and 2 are near paleo surface, epithermal (hot spring) emplacements and the upper parts of mineralized breccia pipes. Pipe 4 is slightly buried without the surface mineralisation.

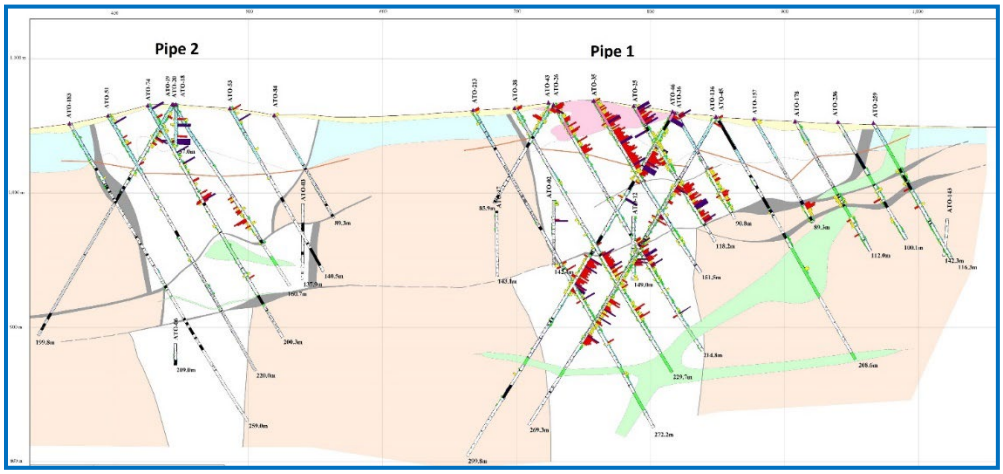
Deposit type: ATO's mineral deposit type is that of multiple surface epithermal deposits with intermediate sulphidation (feeder) pipes below. This implies a specific shape where the top part (near or at current surface) would represent a wide thinnish roughly circular accumulation of mineralisation in country rock around an original surface ground-water-interacting hydro-thermal or fumarole vent system. Below that would be a tall root-shaped breccia pipe, flared at the top and narrowing downwards, through which the magmatic or meteoric fluids rose above a lower hot igneous body. The pipe would be vertically veined and/or brecciated.

Exploration: Several companies have explored the area with regional focus shifting to the specific ATO deposit area because of its prospectivity. Various surface based programs (mapping stream and soil Geochem, geophysics, grab sampling) lead into concerted drilling commencing in 2010 on soil Geochem gold anomalies, the strongest of which were over the pipes now host deposits. Trench was initially undertaken to confirm the anomalies. In all 244 trenches were excavated in ATO district (28,809 m) and surrounding areas including 168 trenches at the ATO prospect (2012 to 2014).

Drilling: Up until the previous 2017 Resource estimate, and since acquiring the ATO Project in 2007, CGM had completed, a total of approximately 63,866 m of exploration drilling in 597 holes (to the end of 2014). Of that, 54,425 m was core drilling in 370 holes and 9,441 m was reverse circulation (RC) drilling in 227 RC holes. That drilling has been spread over the ATO mining license as well in the exploration area to the south (Figure 10.1). Drilling efforts were focused on expanding the known mineralization at the pipes and exploration drilling in several potential southern target areas.

Steppe commenced drilling in 2018 and to 2020 had added ~56,036 m in 170 diamond holes. That brought the grand total to 120,320 m in 767 drill holes. Of that diamond holes total 110,879 m in 540 holes. In the Project area trenching (pseudo surface drill holes) account for 10,184 m in 167 trenches. It is not clear if these totals include holes and trenches outside the Project area. Drilling during this period was focussed on Pipes 1,2 and 4 and increasingly on Mungu (Figure 10.2).

Initial RC discovery drill holes were relatively short (~40 m), vertical, and drilled on a 100 * 100 m square pattern. The bulk of the diamond core (DDH) holes were located on drilling cross-sections oriented at 125° and 30 m apart. This direction was perceived to be approximately across strike of the deposits. These holes were drilled dipping at 60° below vertical and oriented parallel to the cross-sections on 125° azimuths, with a few also drilled the other way on the sections towards 315°. On section the collars were either 30 or 60 m apart (and typically wider at the edges of the deposits). These hole orientations and spacings are illustrated well below:



A limited number of diamond holes were also vertical, and a limited number were inclined holes and drilled at random azimuths. The "AT" diamond holes drilled at the Pipe 1, 2 and 4 deposits averaged ~190 m in length and the "MG" drilled at Mungu averaged ~240 m in length.

Since early 2021 a further 81 (71 holes @ ATO and 10 holes @ Mungu) diamond core holes have been drilled for 16,406 m (13,337m @ ATO & 3,069 m @ Mungu). This new data has not yet been databased or used to re-estimate any new Resources.

Sample preparation, analysis and security: Most samples were of drill core which was cut and split on site before being sent away for analysis (of gold, silver and associated base metals) in the capital Ulaanbaatar. Drill hole samples were taken continuously over their full length and at 1 to 2 m intervals through mineralized zones (mostly 1 m) and at 2 to 3 m intervals through unaltered host rocks. In general core recoveries were very good and averaged 97% for the deposits.

Bulk density was determined in 2010/11 from 226 samples from diamond core holes. Bulk densities by oxidation level were 2.46 t/m^3 in oxide material, 2.59 t/m^3 in transitional material and 2.64 t/m^3 in fresh rock.

Opinion on drilling and sampling: The geological GeoRes QP's overall opinion* of the drilling, sampling and subsequent assaying (albeit without the benefit of a site visit to observe it) was that it was well performed, comprehensive, consistent (and extensive) and very adequate from a point of view of allowing a straight-forward interpretation of mineralisation at the deposits and of estimation of their Resources. The sample preparation, QA/QC, security and analysis procedures were considered positively.

Data verification: CGM originally implemented a series of industry standard routine verifications to ensure the collection of reliable exploration data. Documented exploration procedures exist to guide most exploration tasks to ensure the consistency and reliability of exploration data. In accordance with NI 43-101 guidelines, the Steppe in-country QP visited the ATO deposit on August 23 and October 2, 2017. The site visits were conducted to ascertain the geological setting of the ATO Project gold-lead-zinc mineralization and to witness the extent of exploration work carried out on the property.

For the 2017 estimate routine verifications were completed by the DRA QP to ensure the reliability of the drill hole and topography surface data, and analytical data provided by Steppe. In the opinion of the DRA QP then the electronic drill holes

data was reliable, appropriately documented and exhaustive. The analytical results were sufficiently reliable for the purpose of resource estimation.

For the March 2021 Resource estimate the GeoRes QP's overall opinion* was that ATO's drilling data was completely adequate for Resource estimation.

*These GeoRes opinions are qualified by the fact that up to the time of the early 2021 Resource estimation the GeoRes QP had not physically been able to sight any of the Project's geology or drilling himself (due to the un-avoidable inability to visit the site because of the Covid Pandemic). Since then the QP visited site in 2022 and observed drilling operations there – which largely confirmed his previous opinions.

1.4 Metallurgical Testing

The overall ATO Project consists of two (2) processing facilities: an existing heap leach operation (Phase 1), and a proposed concentrator plant (Phase 2). The oxide portion of the ATO Project (Phase 1) employs a conventional oxide heap leach flowsheet including crushing, heap leaching, and gold recovery facilities. Phase 1 has been operational since July 2020 and focuses on the production of gold and silver ore. A subsequent expansion to Phase 1 included new three-stage crushing (which at the time of this report had begun commission testing).

Phase 2 will consist of milling, flotation, and dewatering unit operations to produce concentrates of lead (Pb), zinc (Zn), and pyrite (Py). A testwork program performed by the laboratory in 2021 provided the basis for the establishment of the Phase 2 flowsheet. The interpretation and analysis of the testwork results was carried out by DRA. This analysis was then used to determine the process design basis and flowsheet of the Project.

Xenith and Georesreviewed the design proposed in the 2021 NS 43-101 report and consider it appropriate for the mineraology,

Historical Testwork (2010-2018)

Several metallurgical testwork programs have been undertaken on samples selected from the ATO Project. These metallurgical tests for processing of ATO ore samples were conducted at the Central Laboratory of Xstrata Process Support (XPS) in Canada, ALS Metallurgy-Ammtec laboratory in Australia, Boroo Au LLC processing plant in Mongolia and SGS Lakefield (SGS) in Canada.

Metallurgical test samples were selected from the drill core and bulk samples from ATO Deposit's oxidized zone in Pipes 1, 2, and 4. These tests for ore samples included a step-by-step leaching test carried out by the bottle roll test and granular ore test.

Various testing programs were completed, including:

Mineralogy and elemental analysis;

Comminution;

Column Leach;

Gravity recoverable gold (GRG);

Flotation;

Leaching and Cyanidation.

Testwork (2021)

The 2021 metallurgical testwork program was completed by Base Metallurgical Laboratories (BML) in Kamloops, British Columbia, Canada. The samples for the metallurgical program were selected from the ATO Deposit. BML and DRA performed a comprehensive analysis of the ore types within the deposit and concluded that the samples tested were representative of the overall deposit. This testwork program focused on creating saleable lead, zinc, and pyrite concentrates.

Head Assays and Mineralogy Characterisation

Head assays and mineralogical analysis were carried out on subsamples of the master composite and variability samples. Head assays for Au ranged between 0.86 and 1.79 g/t. The head sample assays of the precious and base metals are shown in Table 1.1.

Table 1.1 Head Sample Assays

	1. Element (Average)					
	Pb (%)	Zn (%)	Fe (%)	S (%)	Ag (g/t)	Au (g/t)
ATO-62	0.79	2.45	2.70	3.56	12	1.79
ATO-71	0.97	1.87	2.49	3.75	14	1.64
ATO-97	1.54	1.61	2.95	3.01	10	1.60
ATO-137	0.75	1.30	1.77	2.82	7	1.71
ATO-139	0.80	1.83	3.16	3.55	4	1.01
ATO-149	1.05	2.51	3.73	4.06	5	0.86
ATO-Master	1.05	1.99	2.80	3.47	9	1.45

Grinding

As part of XPS's Phase 2 Program, the grindability characterisation study also included the J-K drop- weight as well as the Bond ball mill grindability tests. The three samples were labelled as Master, Pipe 2, and Pipe 4 Composites.

Based on the resistance to impact breakage (A x b), resistance to abrasion breakage (ta) and its BWi value; of the three composite samples, the Master Comp was the hardest, whereas Pipe 2 Comp and Pipe 4 Comp are considered soft to moderately soft. The results are summarised in Table 1.2.

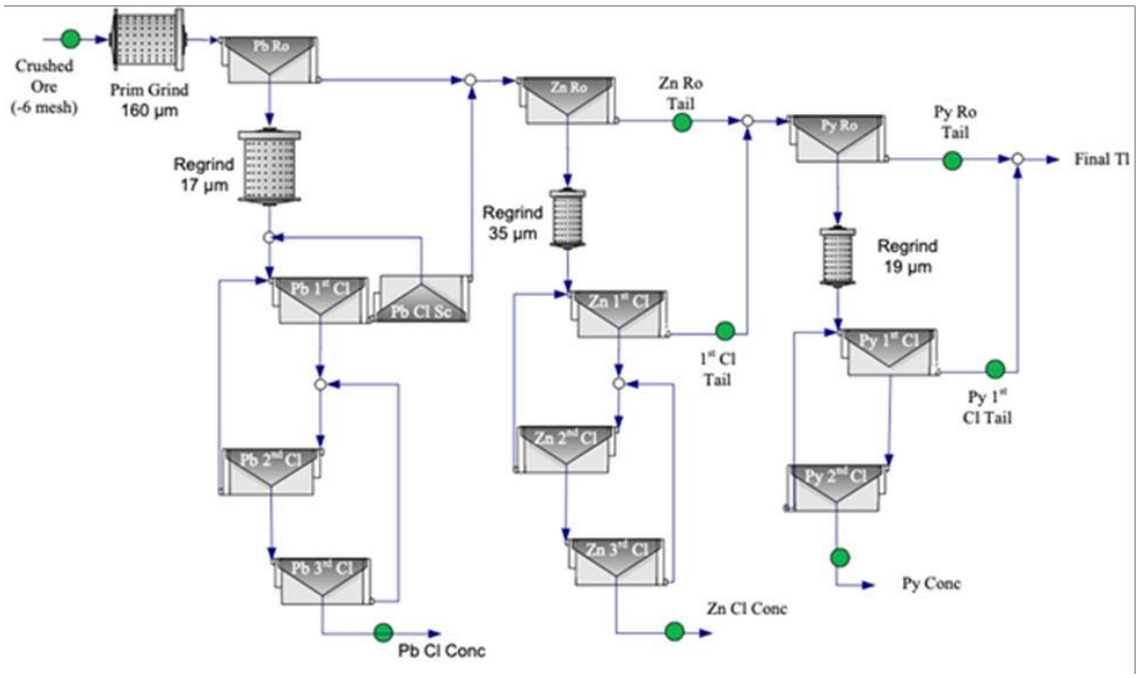
Table 1.2 Grindability Test Summary

Sample Name	Relative Density	JK Parameter A x b	JK Parameter ta	BWI (kWh/t)
Master Comp	2.75	50.9	0.39	15.5
Pipe 2 Comp	2.75	62.2	0.66	15.6
Pipe 4 Comp	2.67	95.3	0.56	14.6

Floatation

LCT testwork focused on testing the amenability of the ATO ore based on the flowsheet presented in Figure 1.1, where pyrite flotation was added to obtain separate Pb, Zn, and Py concentrates.

Figure 2 - Updated ATO Phase 2 Flowsheet - Pb-Zn-Py Concentrate Products



Base Metallurgical Laboratories, June 2021

The testwork confirmed high recoveries of Pb and Zn, and reasonable recoveries for Au and Ag.

Recovery Estimates

Lead (Pb) Recovery

After analysing the flotation results, a Pb recovery relationship could not be determined and therefore a fixed value of 82.5% was used. This was the average of all the lead recovery results from the Locked Cycle Tests (LCTs) conducted. This fixed value was estimated from the average between the master composite and variability samples. For the variability samples the average was calculated by using the masses of samples based on the master composite mass splits.

The fixed Pb, Au, and Ag recovery values are shown as follows:

- Pb Recovery % = 82.5; fixed value
- Pb Conc Rec % = 41.2; fixed value
- Pb Conc Silver Rec % = 45.6; fixed value

Zinc (Zn) Recovery

A Zn recovery relationship was also unable to be determined and therefore a fixed value was used. This fixed value was estimated from the average between the master composite and variability samples. For the variability samples, the average was calculated by using the masses of samples based on the master composite mass splits.

The fixed Zn, Au, and Ag recovery values are shown as follows:

- Zn Recovery % = 85.9; fixed value
- Zn Conc Rec % = 14.1; fixed value
- Zn Conc Silver Rec % = 18.2; fixed value

Pyrite (Py) Recovery

Regarding Au and Ag recoveries in the Py concentrate, average values between the variability and master composite samples were used. These are shown as follows:

- Py Conc Gold rec % = 23.9; fixed value
- Py Conc Silver Rec % = 8.8; fixed value

Metallurgical Variability

The metallurgical testwork completed to date is based on samples which adequately represent the variability of the ATO deposit; however, the selection of the samples was made prior the establishment of the latest mine plan.

Mineralogical analysis of the various composite and variability samples has shown that the ATO deposit is reasonably homogenous with respect to mineralogy. The exception is sample ATO-97 which showed high contents of dolomite which appear to impact detrimentally on flotation performance.

Deleterious Elements

Pb, Zn, and Py concentrates will be subject to penalty conditions should significant grades of Zn, Pb, Hg, Sb, Bi, and As be present in high levels in the concentrates. Section 19 explores the impact of these elements which are present in the concentrates. The concentrates produced are shown to be very clean concentrates with no presence of detrimental elements leading to penalties.

1.5 Mineral Resources - modelling, analysis, grade estimation and Resources:

Introductory statements: These 2022 reported Resources are based on Resource estimation independently undertaken in late 2020 and early 2021 by the GeoRes QP / CP under the CIM, JORC and NI 43-101 Codes, Instruments and definitions. The 2022 Resources have been reported from the 2021 model using new classification of the oxidation levels (Oxide/Transitional/Fresh) and exclude mining in the interim. Resources were reported according to JORC, accepted as a foreign Code by NI 43-101, and using equivalent definitions to The CIM.

Data: All data was supplied by Steppe. Data used was raw drill hole data, topography data, oxidation level data, data extracted from the 2017 Report (such as bulk density), and parameters supplied by Steppe (cut-off grades). Updated topography and oxidation level data was supplied by Steppe in 2022.

Drill hole database: A Minex software drill hole database was loaded with raw collar, down-hole survey and assay data. It was subsequently updated with interpreted data for assay population domains and oxidation surface intercepts.

Map database: A Minex map database was loaded with raw topography 1 m interval contour data. It would subsequently store deposit outline interpretations and models.

Geological interpretation and modelling of deposits: 3D inspection of the drill holes indicated that "wire-frame" modelling (joining cross-section outlines together with wires) would best suite the massively (rather than thinly) shaped deposits. With the abundance of relatively close-spaced drilling the deposit boundary outlines were interpreted around their gold (approximately >0.15 g/t), and to a lesser extent silver (approximately >1.0 g/t), whilst being also cognoscent of the lead, zinc and arsenic values, mineralisation on multiple parallel vertical cross-sections oriented at 125°. All bodies had a general north-east elongation (or strike), consequently the cross-sections were effectively across strike.

Deposit Pipes 1, 2 and 4 (now known as ATO1, 2 and 4) were wire-frame modelled (by connecting the cross-sectional outlines together to form solids) as single individual bodies; Mungu was modelled as a series of eight tightly packed, north-easterly striking sub-parallel and approximately en-echalon tall semi-vertical bodies. Samples were domain segregated by Pipe and in Mungu's case by individual body.

Geological interpretation and modelling of oxidation levels: Interpretation of the oxidation levels at the deposits was done in early 2021 in all drill holes from the lithological logs. This was necessary as bulk density would be assigned for Resource reporting by oxidation level. From surface the hole interval was interpreted as oxidised (code OX), partly oxidised or transitional (code TR), and un-oxidised or fresh (code FR). The interfaces to the intervals, representing the base of oxidation and the top of fresh rock, were modelled as DTM gridded surfaces with a 5 * 5 m grid mesh.

In July 2022 new data was supplied from site defining the base of the transitional material (top of the fresh rock). That base had previously been interpreted too deep. That base surface was re-modelled and used in this 2022 Resource reporting. The new surface was ~15 m higher than before, resulting in the transitional layer being reduced in thickness to ~4.5 m. The lower 15 m of the old transitional material was re-classified as fresh.

Topography surface model: Topography was modelled as a gridded DTM surface from the contour strings. 2021 reporting used a 2020 surface pre-mining. This 2022 reporting used a new July 2022 surface incorporating mining in Pits 1 and 4 to that date.

Grade statistics: Sample grades were briefly analysed statistically to determine data limits and block grade estimation parameters. The presence of few anomalous gold grades (<1%, unusually low for gold) prompted abandoning the use of grade cutting for the estimations. However the 1% limits derived from the simple statistics (at 10-20 g/t gold) were used to produce good variograms in the following brief geostatistical analysis. Those variograms mostly produced ranges >25 m (which agreed with results from the 2017 study where gold ranges were ~20-60 m). That distance continuity was of the same order of magnitude or longer than the typical 30 * 30 m drill hole spacing. It also implied that the grade continuity distances were approaching the same dimensions (50-100 m) observed of the well mineralised parts of the interpreted deposits. In terms of continuity directions the Author QP chose to use the clear mineralisation directions evident during the deposit cross-sectional interpretation. At Pipe 1 this was a steep 80°W dip. At Pipes 2 and 4 it was an intermediate 45°W dip. And at Mungu it was a vertical dip with the lodes striking 033°.

Resource block models: A block model was built for the Pipe 1,2 and 4 deposits (domains 1, 2 and 4 respectively) and another for the Mungu deposit (domains 5 to 11 and 15). Block models were built un-rotated within the wire-frames – deposits Pipe 1 2, and 4 with equi-dimensional 5*5*5 m blocks; Mungu with tall thin east-west 2*5*5 m blocks better representing the tall thin lodes.

Block grade estimation: Block grades were estimated individually for gold (Au), silver (Ag), copper (Cu), lead (Pb) and zinc (Zn) using an Inverse Distance squared algorithm (ID2). Drill hole sample intervals were down-hole composited by domain to 2.0 m for Pipes 1,2 and 4 and to 1.0 m for Mungu. No grade clipping or cutting was necessary. A maximum sample scan distance of 75 m was used (although in practice this wasn't needed due to the tight wire-frame model constraints and the close drill spacing).

For Pipe 1 axes were rotated 10° to give an 80°W dip and weighted to give down dip preference. For Pipes 2 and 4 axes were rotated 45° to give an 45°W dip and also weighted to give down dip preference. For Mungu axes were rotated 33° to give a 033° strike and weighted to give vertical preference.

A "gold equivalent" (AuEq) block value was computed from the individual elements by factoring them by their international metal prices averaged over the month to mid-January 2021.

Resource classification: Although the QP considered that proportions of Measured and Indicated Resources reported in 2017 were relatively too high he nevertheless considered that the bulk of estimated material in the 2021 estimate should be classified Measured or Indicated.

JORC classification was done here by block and was based on average sample distances (D) and numbers of sample points (P, minimum 1, maximum 18) in estimating each gold block grade. A Resource class was calculated for each block based on criteria combining these variables. The combinations were determined from a combination of statistics and observation of their distributions (the latter with the objective of ensuring contiguous class zones and avoiding spotting). Measured class criteria for all deposits was D ≤ 27.5 m and P ≥ 12; Inferred criteria was D ≤ 35.0 m and P ≥ 6; and Inferred was D > 35.0 m and P >1. All blocks were classified. This created Measured zones typically in the centre of deposits and in areas with highest drill hole densities. Indicated zones were in areas of sparser drilling and Inferred zones were generally restricted to the edges of deposits.

Mineral Resources: Combined Measured and Indicated JORC classified in-situ Mineral Resources (directly equivalent to CIM categorisation) were reported in July 2022 for all four deposits, using fixed densities and lower AuEq grade cut-offs. These Resources utilised the new 2022 oxidation level models which increased slightly the proportion of fresh rock over the 2021 Resources. These Resources also utilised a new July 2022 upper topographic surface incorporating mining to that point in Pits 1 and 4. Total Measured and Indicated in-situ Resources were reported at **38.0 Mt** at an average **AuEq** grade of **1.68 g/t** (for 2.1 M oz metal). In the following tabulations deposits ATO1, 2 and 4 represent Pipes 1, 2 and 4.

Further and separate Inferred JORC class in-situ Resources were reported at **5.4 Mt** at an average AuEq grade of **1.16 g/t** (for 0.2 M oz metal).

The Resource break-down into separate classes was:

Table 1.3 ATO Resource at 27/07/2022

	Cut-off	Tonnes	Grades					Metal		
	AuEq (g/t)	(Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	AuEq (g/t)	Au (k oz)	Ag (k oz)	AuEq (k oz)
Measured	0.38	21.6	1.17	16.38	0.40	0.71	1.85	811	11,370	1,287
Indicated	0.38	16.4	0.84	14.52	0.34	0.63	1.45	444	7,672	765
Meas+Ind	0.38	38.0	1.03	15.58	0.37	0.68	1.68	1,255	19,042	2,052
Inferred	0.40	5.4	0.62	15.39	0.25	0.52	1.16	108	2,655	200
Total		**43.4**	**0.98**	**15.62**	**0.37**	**0.68**	**1.68**	**1,363**	**21,787**	**2,343**

The break-down by deposit was:

Table 1.4 ATO Resource at 27/07/2022 by Deposit

	Deposit	Tonnes	Grades					Metal		
		(Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	AuEq (g/t)	Au (k oz)	Ag (k oz)	AuEq (k oz)
Measured	ATO1	7.9	1.07	5.86	0.70	1.28	1.97	272	1,493	502
	ATO2	1.7	0.43	3.85	0.50	0.77	1.01	24	212	55
	ATO4	7.0	1.35	12.11	0.30	0.53	1.86	304	2,743	422
	Mungu	4.9	1.33	43.92	0.01	0.03	1.96	209	6,922	308
	TOTAL	21.6	1.17	16.38	0.40	0.71	1.85	811	11,370	1,287
Indicated	ATO1	4.7	0.75	5.03	0.64	1.24	1.60	113	762	243
	ATO2	1.5	0.45	4.06	0.48	0.77	1.02	22	196	49
	ATO4	7.7	0.96	15.10	0.23	0.43	1.44	235	3,721	356
	Mungu	2.5	0.90	36.53	0.01	0.03	1.43	74	2,993	117
	TOTAL	16.4	0.84	14.52	0.34	0.63	1.45	444	7,672	765
Meas + Ind	ATO1	12.6	0.95	5.55	0.68	1.27	1.83	385	2,256	745
	ATO2	3.2	0.44	3.95	0.49	0.77	1.01	45	408	105
	ATO4	14.7	1.14	13.67	0.26	0.48	1.64	540	6,463	777
	Mungu	7.5	1.18	41.39	0.01	0.03	1.77	283	9,915	425
	TOTAL	38.0	1.03	15.58	0.37	0.68	1.68	1,255	19,042	2,052
Inferred	ATO1	1.1	0.51	4.28	0.56	1.27	1.34	17	147	46
	ATO2	0.5	0.28	5.76	0.71	1.36	1.23	4	86	18
	ATO4	2.1	0.59	15.12	0.19	0.35	1.03	41	1,043	71
	Mungu	1.7	0.83	25.40	0.01	0.02	1.20	45	1,379	65
	TOTAL	**5.4**	**0.62**	**15.39**	**0.25**	**0.52**	**1.16**	**108**	**2,655**	**200**

The break-down by oxidation level (giving the AuEq lower grade cut-offs and densities used in all Resource reporting) was:

Table 1.5 ATO Resource at 27/07/2022 by Oxidation Level

Oxidation Level	Cut-off	SG	Tonnes	Grades					Metal		
	AuEq (g/t)	(t/m^3)	(Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	AuEq (g/t)	Au (k oz)	Ag (k oz)	AuEq (k oz)
MEASURED + IND + INF											
Oxide	0.15	2.46	3.9	0.49	7.57	0.31	0.26	0.84	62	951	106

Oxidation Level	Cut-off	SG	Tonnes	Grades					Metal		
Transition	0.40	2.59	1.3	1.30	9.52	0.59	0.78	2.01	55	404	85
Fresh	0.40	2.64	38.2	1.02	16.65	0.37	0.72	1.75	1,246	20,432	2,152
MEAS+IND+INF			**43.4**	**0.98**	**15.62**	**0.37**	**0.68**	**1.68**	**1,363**	**21,787**	**2,343**

Reconciliation: Reconciliation was done of th immediately previous 2/2021 Resources by the QP against the 2017 Resources reported by DRA. It could only be done for the three deposits also reported in the 2017 estimate (Pipes 1, 2 and 4). No data existed to reconcile the Mungu deposit against. Reconciliation (Table 14.14) was approximated to account for differences in estimate reporting parameters between 2017 and 2021, particularly the different cut-off grades used.

This 2021 Resource contained 25% more tonnes (34.0 Mt vs 27.2 Mt) at a 3% lower Au grade (1.01 g/t vs 1.04 g/t) and a 16% higher Ag grade (9.65 g/t vs 8.32 g/t). These combined to give the 2021 Resource 22% more contained Au metal (1.11 M oz vs 0.91 M oz) and 45% more contained Ag metal (10.56 M oz vs 7.27 M oz).

The GeoRes QP considers that the comparable 2017 and 2021 Resources can be well reconciled. Whilst the tonnage differences are notable they are considered to be almost wholly due to the different deposit modelling approaches of the two estimates. And further drilling at the deposit since 2017 was also thought to have increased its volume.

Potential impacts on Resources: The GeoRes QP was not aware of any other factors (excluding those specifically mentioned below), including environmental, title, economic, market or political, which could generally or in-particularly influence the Resources reported here for the ATO Project. Factors that could alter the Resources (but in all cases relatively insignificantly in the QP's view) were changes in grade cut-off; bulk density; gold equivalent (through variations in world metals prices); geological model; JORC classification; and mining method with depth (possibly a factor at the deeper Mungu where underground mining would be considered and which would have a considerably higher grade cut-off).

1.6 Mineral Reserve Estimate

The mineral reserves estimate with an effective date of August 30, 2022 for the Project is based on the parameters and steps outlined within this report as well as the resource estimate. The mineral reserves for the ATO gold deposit contains combined proven and probable mineral reserves totaling 29.1 million tonnes ("Mt") at 1.13 g/t gold and 12.43 g/t silver, containing 1.1 million ounces of gold and 11.7 million ounces of silver. The reserves have been classified as approximately 59% proven and 41% probable on a tonnage basis. The mineral reserve within the 2022 reserve pit shell was based on a AuEq cut-off grade of 0.43 g/t AuEq for Fresh material and 0.40 g/t AuEq for Oxide material and revenue of $1,700 per ounce gold, $20 per ounce of silver, zinc price of $2,500/t and lead price of $1,970/t. as the price assumptions. To access the ore, a total of 104 Mt of waste rock will need to be extracted at an average stripping ratio of 3.6.

Table 1.6 Mineral Reserves (as of August 2022)

		Ore	Grade					Attributable Metal		
		kt	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	AuEq (g/t)	Au (k oz)	Ag (k oz)	AuEq (k oz)
ATO										

		Ore	Grade					Attributable Metal		
Proven										
	Oxide	934	1.14	0.70	5.57	0.46	0.34	21	168	34
	Transition	361	1.57	0.72	10.32	0.41	0.70	8	120	18
	Fresh	13,535	2.10	1.37	8.59	0.49	0.88	597	3,749	917
	Total	**14,830**	**2.03**	**1.31**	**8.44**	**0.48**	**0.84**	**627**	**4,036**	**970**
Probable										
	Oxide	850	0.92	0.55	5.91	0.35	0.25	15	162	25
	Transition	372	1.47	0.70	11.35	0.27	0.48	8	136	18
	Fresh	9,922	1.69	1.09	11.26	0.36	0.68	350	3,603	541
	Total	**11,145**	**1.62**	**1.04**	**10.86**	**0.36**	**0.64**	**373**	**3,901**	**584**
Proven & Probable										
	Oxide	1,785	1.04	0.63	5.73	0.41	0.30	36	330	60
	Transition	733	1.52	0.71	10.84	0.34	0.59	17	256	36
	Fresh	23,457	1.93	1.25	9.72	0.43	0.79	947	7,352	1,458
	Total	**25,975**	**1.85**	**1.19**	**9.48**	**0.43**	**0.75**	**1,000**	**7,938**	**1,554**
Mungu										
Proved										
	Oxide	224	1.13	0.71	25.92	0.38	0.42	5	187	8
	Transition	-	-	-	-	-	-	-	-	-
	Fresh	2,193	1.27	0.64	39.67	0.08	0.09	45	2,805	90
	Total	2,417	1.26	0.65	38.39	0.11	0.12	51	2,993	98
Probable										
	Oxide	54	0.92	0.61	19.23	1.59	1.75	1	34	2
	Transition	-	-	-	-	-	-	-	-	-
	Fresh	684	1.02	0.51	32.33	0.25	0.28	11	713	22
	Total	**738**	**1.01**	**0.52**	**31.37**	**0.35**	**0.39**	**12**	**747**	**24**
Proven & Probable										
	Oxide	278	1.09	0.69	24.62	0.62	0.68	6	221	10
	Transition	-	-	-	-	-	-	-	-	-
	Fresh	2,877	1.21	0.61	37.93	0.12	0.13	57	3,518	113
	Total	**3,156**	**1.20**	**0.62**	**36.75**	**0.16**	**0.18**	**63**	**3,739**	**122**
Combine ATO & Mungu										
Proven										

		Ore	Grade					Attributable Metal		
	Oxide	1,159	1.14	0.70	9.50	0.44	0.36	26	355	43
	Transition	361	1.57	0.72	10.32	0.41	0.70	8	120	18
	Fresh	15,728	1.99	1.27	12.92	0.43	0.77	643	6,554	1,007
	Total	**17,247**	**1.92**	**1.22**	**12.64**	**0.43**	**0.74**	**677**	**7,029**	**1,068**
Probable										
	Oxide	905	0.92	0.56	6.71	0.43	0.34	16	196	27
	Transition	372	1.47	0.70	11.35	0.27	0.48	8	136	18
	Fresh	10,606	1.65	1.06	12.62	0.35	0.65	361	4,316	563
	Total	**11,883**	**1.59**	**1.01**	**12.13**	**0.36**	**0.62**	**385**	**4,648**	**608**
Proven & Probable										
	Oxide	2,063	1.04	0.64	8.28	0.44	0.35	42	551	69
	Transition	733	1.52	0.71	10.84	0.34	0.59	17	256	36
	Fresh	26,334	1.85	1.18	12.80	0.40	0.72	1,004	10,870	1,571
	Total	29,130	1.78	1.13	12.43	0.40	0.69	1,063	11,677	1,676

Notes

1. Mineral Reserves estimate was based on Measured and Indicated Resource Estimate by R. Rankin, QP and effective August 27 2022.
2. ATO and Mungu Mineral Reserves are effective as of August 27, 2022.
3. Mineral Reserves are included in Mineral Resources.
4. Mineral Reserves are reported in accordance with JORC and CIM and NI 43-101 guidelines.
5. Ore dilution is estimated at 3% and ore loss is 2%.
6. Contained metal estimates have not been adjusted for metallurgical recoveries.
7. The open pit mineral reserves are estimated using a cut-off grade of 0.40 g/t AuEq for oxide material and 0.43 g/t AuEq for transition and fresh material.
8. Mineral Reserves are contained within an optimised pit shell based on a gold price of $1,700 per ounce.
9. A conversion factor of 31.103477 grams per troy ounce and a conversion factor of 453.59237 grams per pound are used in the resource and reserves estimates.
10. AuEq has been calculated using the following metal prices: $1,700/oz gold, $20/oz silver, $1,970/t lead, $2,500/t zinc.
11. Totals may not match due to rounding.
12. The Mineral Reserves are stated as dry tonnes processed at the crusher.

Mining Method

The Project mineral reserves were estimated for the ATO and Mungu Pits based on the economic and pit design parameters detailed in Section 15. The total tonnage to be mined from these pits is estimated at 173.1 million tonnes, ore and waste combined. The material will be mined over a period of approximately 14 years.

The mining method selected for the Project is a conventional open pit operation with rigid body mining trucks, hydraulic excavators, and wheel loaders. The Project consists of two separated mining areas, namely ATO and Mungu. Contractors are used to mine both the waste and ore .

A mine plan was prepared to estimate a probable production schedule for the Project and assess the mine equipment fleet requirements, as well as the mine capital and operating costs for the Project's financial model. The mine plan was based on a production rate of 1.2 Mtpa of oxide ore at the existing leach pad and 2.20 Mtpa of transition and fresh ores at the new mill.

Waste material mined from each of the Project pits will be stored in two waste stockpiles. The ATO stockpile is located West of the ATO Pit, and the Mungu stockpile is located West of the Mungu Pit.

The total material movement is presented in Figure 1.2 and the mine production schedule is presented in Table 1.7.

1.7 Processing

In general, the overall Project comprises two distinct phases:

- Phase 1 – Heap Leach (Oxide Ore) - Completed and In Operation

  The oxide portion of the ATO Project process employs a conventional oxide heap leach flowsheet including crushing, heap leaching, and gold recovery facilities.

  Phase 1 of the Project has been operational since 2020 and remains operational as of the Effective Date of this Technical Report. The upgraded three-stage crushing system and ore storage facility (purchased by Steppe Gold has essential been constructed and is undertaking commissioning) is part of Phase 1.

- Phase 2 – Concentrator (Fresh and Transition Ores)

  The Phase 2 Concentrator will consist of collecting the crushed ore beneath the ore storage building, conveying to the concentrator, milling, flotation, and dewatering unit operations to produce saleable concentrates of lead, zinc, and pyrite. Tailings will be disposed of in the new Tailings Storage Facility (TSF).

An overall flow diagram summarising the Phase 2 concentrator plant and process flows is shown in Figure 1.3

The existing crushing circuit is designed for a capacity of 2.2 Mtpa. The three-stage circuit reduces run-of-mine (ROM) material from an F100 of 800 mm to a P80 of 10 mm. The primary crushing circuit is utilised for an annual operating time of 5,694 h/a (65% utilisation) and operates in open circuit.

ROM material is dump-fed into ROM hoppers, installed in parallel. The primary crusher feed will be drawn from the ROM hoppers by vibrating grizzly feeders to feed primary jaw crushers, installed in parallel. Grizzly feeder undersize (U/S) is bypassed and conveyed to a primary crushing screen allowing for U/S material to be stockpiled.

For Phase 2, the crushed ore product will be reclaimed via one of two new apron feeders installed underneath the fine ore stockpile. Fresh feed is collected at a controlled rate to feed the concentrator feed conveyor. The concentrator is utilised for an annual operating time of 90% utilisation.

The grinding circuit consists of two-stage sequential grinding with a primary ball mill in closed circuit with a classification screen followed by a secondary ball mill in closed circuit with hydrocyclones. Hydrocyclone underflow is fed to the flotation process.

The flotation process is separated into Pb concentrate, Zn concentrate, and Py concentrate circuits to target each of the materials individually and maximize their recoveries. Process water is kept separate for the Pb concentrate and Zn concentrate circuits.

Grinding product is combined with process water and reagents and mixed thoroughly. The slurry is conditioned and fed to the Pb rougher flotation cells. The circuit consists of six (6) tank cells to provide sufficient flotation residence time.

Each product's flotation process has its own dedicated thickener; underflow from the final cleaner stage reports to this concentrate thickener, the underflow is pumped to a stock tank before compressed air filtration. Concentrate filter cake is stockpiled in product sheds, one each for Pb, Zn and Py concentrate, and fed to transport trucks via front end loader. Trucks are weighed via a truck scale prior to shipment.

The tailings thickener receives the following feed streams:

- Py rougher tailings, and
- Py cleaner tailings.

These streams are combined in the thickener feed well where flocculant is added to facilitate solids settling. Final tailings thickener overflow is recycled to the reclaim process water pond. Thickener underflow is pumped to the final tailings tank where the tailings are pumped to the TSF. Water from the TSF is reclaimed back to the reclaim process water pond to minimise fresh water make-up

1.8 Project Infrastructure

The ATO mine has been in production since 2020 and has the necessary infrastructure required to support the open pit mining operation. This includes, but is not limited to, ADR plant, laboratory, fuel storage, chemical storage, power supply, water supply, heap leach facilities and ponds, camp, open pit mining fleet, waste facility, and necessary offices, warehouses, and workshops to sustain the current operation.

Five water circuits (Raw, Potable, Fire, Gland, and Process) have been developed to support the requirements of the plant and surrounding infrastructure.

The mine access road connects the Project site to Choibalsan city. The road is constructed with gravel as its base and it is assumed to be constructed to carry normal loads able to sustain delivery of materials and equipment and transport outgoing products.

1.9 Market Studies

The ATO Project is an operating site producing a readily saleable commodity in the form of gold bars. The bars are sent via secure transportation to a refinery for further refining.

Steppe Gold sells its gold production directly to the Mongolian government at spot price. Two types of doré are produced:

1. contains approximately 70% Au by weight and the remaining 30% is a mixture of Ag, base metals and Fe.
2. Second doré is Ag produced and sold separately.

All the doré is transported to the Central Bank of Mongolia (Mongolbank). The Bank of Mongolia announces the official Au and Ag rates for the day using the London Metal Exchange (LME) closing rate from the previous day.

For the Phase 2 Expansion Project, Pb and Zn metals are prime indicator of Pb and Zn concentrates. Steppe Gold will produce and sell its concentrates (Pb, Zn, and Py) for the Project

The research group (CRU) expects global lead consumption to grow at a compounding average growth rate (CAGR) of 2.09% between 2020 and 2025, reaching 13.3 Mt in 2025. Europe and China are expected to account for about ~50% of growth in global demand by 2025. Thailand, Vietnam, and Indonesia are set to drive lead demand in Southeast Asia, which is forecast to increase from 331 kt in 2020 to 414 kt in 2025.

Zn prices, traded on the London Metal Exchange (LME), have recovered to above US $3,000/t in August 2021, up 66% from the multi-year lows reached in March 2020. The price expectations for the remainder of 2021 are expected to average of US $2,875/t for the year.

According to S&P, Zn price forecasts are set to average of US $2,885/t in 2022 and $2,858/t in 2023 with a medium-term average price of US $2,935/t in 2025.

Due to the stricter enforcement of environmental standards in China, CRU estimates that Py concentrate demand will decline to 9.6 Mt in 2025.

Although Zn and Pb concentrates are the main source of revenue for the Phase 2 Expansion Project, Py concentrate is forecasted to contribute additional revenue.

1.10 Environmental Approvals and Status

Steppe Gold has conducted stakeholder and community participatory regular/routine environmental monitoring program at the ATO Project site and surrounding areas, and reporting to relevant authorities and local communities addressing the monitoring and control impacts on air, water, land/soil and biodiversity.

The General Environmental Impact Assessment (GEIA) was completed and approved by Ministry of Environment and Tourism of Mongolia (MMET). The environmental and social impacts are summarised in the report, and include changes to topography from mining operations, impacts on vegetation from mine clearing, impacts on fauna from land clearing, surface water hydrology impacts from interrupted natural drainage and soil and water contamination from mine development.

Steppe Gold has conducted water resource studies from 2017 to 2019 and received water resource statements from the relevant authorities and received land use permits for mining, construction, other infrastructures sites from local authorities.

The mine minerals waste handling plan has been developed to ensure that the management of mining activities and the implementation of environmental and social management plans and mine closure at the ATO Project will be conducted according to best practice methodologies to eliminate the potential for contamination.

The management of the ATO Project's significant environmental and social aspects and impacts is achieved through a suite of Management Plans that have been developed and is maintained such as Air Quality Management Plan and Water Resources Management Plan.

1.11 Capital and Operating Costs

Operating Cost

The Operating Cost Estimate (OPEX) is presented in $ USD. The cost have been developed in conjunction with Steppe Gold. The estimate includes mining, processing, and general and administration (G&A). The estimate has an accuracy of +30% -15%.

The OPEX is estimated at $884 M over the life of mine or $30.45/t of ore processed, with 1.5 years of operation for Phase 1 and 11.5 years of operation in Phase 2. The major project area over the LOM OPEX for the entire project for both Phases is summarised in Table 1.7.

Table 1.7 Average Operating Costs

	Av. Annual Cost (USD M)	Cost / t ore processed (USD/t)	Total Cost LOM (M USD)
Mining	17.7	7.87	249
Processing	30.2	13.44	425
General Admin	12.2	5.50	174
Total	**60.1**	**26.81**	**848**

Capital Cost

The Capital Cost Estimate (CAPEX) consists of direct and indirect capital costs as well as contingency. Provisions for sustaining capital are also included. Amounts for mine closure, rehabilitation of the site, and other specific items are excluded and further detailed in Section 21. The CAPEX is reported in United States Dollars ($, $ USD).

Table 1.8 presents a summary of the initial CAPEX by Major Area. Sustaining CAPEX is distributed over the LOM, separately indicated from the initial CAPEX.

Table 1.8 Capital Cost Summary

	Total Capital (SD M)
Mining	1.8
Process Plant	75.2
Tailings/ reclaim water and water treatment	13.5
Power	1.7
Indirect	23.3
Owner's Cost	1.5
Contingency	11.5
	128.5

1.12 Economic Analysis

The Project has been evaluated using discounted cash flow (DCF) analysis. Cash inflows were estimated based on annual revenue projections. Cash outflows consist of operating costs, capital expenditures, royalties, and taxes. The analysis considers two years of production in Phase 1, (existing operation) and 13 years of production through Phase 2.

The Net Present Value (NPV) of the Project was calculated by discounting back cash flow projections throughout the LOM to the Project's valuation date using three different discount rates (5%, 8%, and 10%). The base case used a discount rate of 5%. The internal rate of return (IRR) and the payback period were also calculated.

Table 1.9 summarise the economic/financial results of the Project for the base case for Phase 1 and Phase 2 as well as for Phase 2 respectively. All figures are in USD. For this Project, the Phase 1 and Phase 2 base case used a discount rate of 5%. After-Tax NPV is $330 M USD at a discount rate of 5%.

Table 1.9 Financial Summary

Description	Unit	Value	
LOM Tonnage Ore Processed	kt	29,103	
LOM Feed Grade Processed - Au	g/t	1.13	
LOM Feed Grade Processed - Ag	g/t	12.43	
LOM Feed Grade Processed - Pb	%	0.40	
LOM Feed Grade Processed - Zn	%	0.69	
LOM Recovery - Au	%	79.2	
LOM Recovery - Ag	%	72.6	
LOM Recovery - Pb	%	82.5	
LOM Recovery - Zn	%	85.9	
Total Net Revenue (after streaming, Payable)	USD Million	2,003	
Refining/transport costs	USD Million	229	
LOM Operating Costs	USD Million	848	
		Pre tax	**Post Tax**
NPV @ 5%	USD Million	364	242
NPV @ 8%	USD Million	273	176
NPV @ 10%	USD Million	226	142

1.13 Conclusions and Recommendations

1.13.1 Mineral Resource Estimate

The Overall interpretation of the estimation and resulting Resources was that it proceeded as expected, confirmed the 2017 & 2021 modelling and results of Pipes 1, 2 and 4, and produced a more accurate second generation result. Re-modelling in 2022 of the base of oxidation surface (top of fresh material) was considered to have significantly improved the accuracy of the Resource classification by oxidation level (oxide/transition/fresh) although it had minimal impact on overall Resources. Furthermore the up-dated topography took existing mining into full account.

Interpretation of mineralisation at the new Mungu deposit showed it to be more complex and lode-like than the other deposits, with greater potential for increasing the Resource with targeted drilling. Its different shape gives encouragement for further regional exploration to find other deposits of its style.

The conclusions were that:

- *The 2021/2 Measured and Indicated Resources*:
    - Pipes 1, 2 and 4:
        - The 2021/2 Resources confirmed the 2017 estimate generally.
        - It increased the Resource tonnage significantly (by 25%), decreased the gold grade slightly (by 3%), increased the silver grade reasonable (by 16%), leading to an overall significant increases in metal contents (gold by 22%, silver by 45%). This comparison uses equivalent reporting cut-offs between the two estimates.
        - The increase in deposit volume was not only because of additional drill holes but also because of more practical and geologically controlled deposit shape interpretation.
    - For Mungu:
        - The cross-sectional interpretations hung together and created a significant deposit.
        - The maiden 2021 Measured and Indicated Resource was significant at 7.6 Mt at 1.16 g/t gold (282 k oz gold metal) and 40.75 g/t silver (9,916 k oz silver metal).
        - Mungu now represents 18% by tonnage of the Resources, 20% of the gold metal and 48% of the silver metal (as the silver grade is 320% higher than for Pipes 1, 2 and 4).
    - All deposits:
        - The total Measured and Indicated Resource for all deposits in 2022 stands at 38.0 Mt at 1.03 g/t gold (1.3 Moz gold metal) and 15.58 g/t silver (19.04 Moz silver metal).
        - The absolute comparison (Table 52) of the 2017 Resource (reported at much higher cut-off grades) with the 2021 Resource showed a 136% increase in tonnage, a decrease of average gold grade of -27%, and an increase of average silver grade of 53%.
        - The absolute comparison of contained metal showed a 73% increase in gold metal (to 1.4 Moz) and a 262% increase in silver metal (to 20.5 Moz).
- *Adequacy of data*: The data supplied and used in the estimation was suitable for the purpose of Mineral Resource estimation and JORC classification.
- *Drilling data*: The drilling, sampling and subsequent assaying was that it was well performed, comprehensive, consistent (and extensive) and very adequate from a point of view of allowing a straight-forward interpretation of mineralisation at the deposits and of estimation of their Resources.
- *Compliance with JORC and Canadian standards*:
    - The Mineral Resource estimation Project, and the reporting of it, comply with the JORC (2012) and NI 43-101 (June 2011) standards.
    - The results of current and previous work have been successful to demonstrate the “reasonable prospects for economic extraction”.
    - The fact that mining has commenced at the ATO Mine further reinforces this compliance with the Code.

Recommendations: Opportunities exist for further drilling to enlarge the defined deposits (particularly at Mungu) and for further exploration to find new ones. The latter includes exploring locally for Mungu style deposits which may have previously geologically been overlooked. Recent drilling strongly supports expansion at all deposits.

1.13.2 Mineral Reserves

ATO is an established conventional open cut Gold/Silver mine that has been in operation for several years.

Mine planning and evaluations undertaken using the latest resource models confirm that the continuation of mining and processing at ATO is both viable and economic.

The Mineral Reserve estimate has a relatively high sensitivity to revenue which is controlled by metal prices and payability. It is noted however that at current long term forecast metal prices, the mineral reserve is relatively insensitive to changes in revenue and costs. Mungu area is more sensitive to price than the ATO pit area.

Given the mine has been operational for a number of years, technical risk in relation to the Mineral Reserves estimate is deemed to be low.

DETAILS OF THE TRES CRUCES PROJECT

Current Tres Cruces Technical Report

The below summary is a direct extract and reproduction of the summary contained in the Tres Cruces Technical Report, without material modification or revision and all defined terms used in the summary shall have the meanings ascribed to them in the Tres Cruces Technical Report. The below summary is subject to all the assumptions, qualifications and procedures set out in the Tres Cruces Technical Report. The Tres Cruces Technical Report was prepared in accordance with NI 43-101. For full technical details of the report, reference should be made to the complete text of the Tres Cruces Technical Report, which has been filed with the applicable regulatory authorities and is available under the Company's SEDAR+ profile at www.sedarplus.ca. The Tres Cruces Technical Report is incorporated by reference in this annual information form and the summary set forth below is qualified in its entirety with reference to the full text of the Tres Cruces Technical Report. The authors of the Tres Cruces Technical Report have reviewed and approved the scientific and technical disclosure contained in this annual information form related to the Tres Cruces Technical Report.

1 SUMMARY

1.1 Introduction

M3 Engineering & Technology Corporation (M3) was commissioned by Steppe Gold Limited (Steppe) to prepare an independent Technical Report on the Tres Cruces Oxide Project (the Project) located in north central Peru approximately 100 kilometres (km) east of the city of Trujillo. The purpose of this report is to update the prior Preliminary Economic Assessment (PEA) Technical Report (prepared by M3 and others) for the oxide and transition resource as an executable standalone project. This PEA provides a framework for further expenditures for exploration drilling, more detailed metallurgical study, and related engineering. The study work focused on the mining and heap leaching of oxide gold mineralization. This PEA has been prepared in accordance with the guidelines provided in NI 43-101 Standards of Disclosure for Mineral Projects and conforms to Form 43-101F1 for technical reports. Qualified Persons have visited the Project site as recently as August 2023.

On June 28, 2023, Steppe completed the acquisition of Anacortes Mining Corporation (Anacortes) which held a 100% interest in the Tres Cruces Mineral concessions through its wholly owned subsidiary, Aurífera Tres Cruces S.A. (ATC). The Project is considered an advanced stage exploration project, as 379 holes with a total of 75,084 m have been drilled to-date using both reverse circulation (RC) and diamond drill (DD) coring.

The gold mineralization at Tres Cruces was a grass-roots discovery made by New Oroperu Resources Inc. (Oroperu) and initially drilled in 1996. Oroperu completed 61 drill holes by the end of 1997. Battle Mountain Canada Ltd. (BMC) optioned the property and completed an additional 108 drill holes in 1998 and 1999. Barrick Gold Corporation (Barrick), through its Peruvian operating subsidiary, Minera Barrick Misquichilca S.A. (MBM), advanced the Project under an option agreement with Oroperu, with the drilling of an additional 202 drill holes from 2000 to 2008.

The Project is accessed via a paved road from Trujillo and then along a 3 km gravel road that extends into the Project area, which is located in the District of Quiruvilca in the Province of Santiago de Chuco and the Department of La Libertad. The Lagunas Norte mining operation is a further 12 km to the north on the main paved highway and is operated by Minera Boroo Misquichilca S.A. (MBM), the Peruvian subsidiary of Boroo Pte. Ltd. (Boroo). Currently, there is no infrastructure associated with the Project other than the pre-existing drill roads and pads.

1.2 Property Description and Location

The Project site is located in north-central Peru about 100 km east of the city of Trujillo, a major city located 574 km northwest of Lima. The Project area ranges in elevation from 3900 to 4200 m asl in the central part of the Western Cordillera of north central Peru. The Project area consists of four mineral concessions totaling 3,000 hectares (ha), situated within the Department of La Libertad and within Peruvian National Topographic System (NTS) map area Santiago de Chuco, number 17G. The Tres Cruces mineral concessions are centered at approximately 78° 16' west latitude and 08° 02' south longitude.

1.3 Land Tenure

Steppe holds a 100% interest in the four Tres Cruces mineral concessions through its wholly owned subsidiary ATC. To maintain the concessions in good standing, there is a basic annual fee payment of USD 3 per ha, equaling USD 8,753.82, in total, which must be submitted to the Peruvian government annually. After certain periods, an additional annual "non-production fee" penalty is assessed if a minimum production level is not achieved. ATC complied with the minimum required levels of investment in the mining concessions for the year 2022 as credited on the Annual Consolidated Report (*"Declaración Annual Consolidada – DAC"*), and therefore no penalties were assessed in 2022. The latest annual concession fees were paid on June 9, 2023, and the concessions are in good standing until June 30, 2024. To conduct detailed exploration work, permits must be obtained from the Peruvian Ministry of Mines; however, it is not necessary to obtain permits for prospecting activities, such as mapping and geochemical sampling of surface and streams. Concession holders are also required to submit an annual report detailing annual exploration expenditures to the Peruvian Ministry of Mines.

1.4 Royalties, Back-In Rights, Payments, and Other Agreements

The Tres Cruces mineral concessions are subject to a 1.5% net smelter return (NSR) royalty to Pan American Silver Corporation (PAAS) that was subsequently transferred to Maverix Metals Inc. (MMI), except for the Tres Cruces 1 concession, which has a 2.5% NSR royalty, capped at USD 1,250,000 which would be paid out prior to the 1.5% NSR royalty paid out to the same. There are no known environmental liabilities within the Project area other than reclamation requirements for drill pads and drill roads, and small artisanal mining pits and trenches.

1.5 Site Infrastructure

There is currently no infrastructure located on the Project site except for pre-existing drill roads and pads. All previous exploration activity on the Project site was carried out using the existing roads, and services were provided from nearby towns, as well as from Boroo's Lagunas Norte operation (during the period when MBM had the option on the property). Manpower, equipment, and supplies required for exploration activities were transported to the Project site by way of highway from the city of Trujillo and local roads from Quiruvilca and other nearby towns.

1.6 History

Modern mining activity has been ongoing in the region since the 1920's, when Compañía Minera Quiruvilca started mining high-grade Pb-Zn-Ag veins at Quiruvilca. In 1996, Oroperu acquired the key concessions of the Tres Cruces property from a private party and entered into a 50-50 joint venture with PAAS on a combined land package, including adjoining ground held by PAAS that covered portions of the Tres Cruces mineralization. Assets for this joint venture were held by ATC. Drill campaigns utilizing RC and DD drilling equipment were conducted by Oroperu in 1996 and 1997, completing 61 drill holes, and later BMC in 1998 and 1999. BMC relinquished their option of the Project in 1999 after drilling 69 DD and 28 RC holes.

In May 2002, Oroperu secured an option to acquire PAAS's 50% interest in ATC, which owned the Tres Cruces Oxide Project, to increase its interest to 100%, subject to work expenditures, royalty, and back-in provisions. Concurrently, Oroperu entered into an agreement with MBM that would further the exploration of the Project. In September 2003, the agreement with MBM was finalized and a definitive option agreement was signed. In October 2003, Oroperu finalized their agreement with PAAS regarding their interest in the Project, acquiring 100% of ATC through issuance of Oroperu shares and granting a 1.5% NSR royalty to PAAS (later transferred to Maverix Metals Inc.).

The MBM exploration program began with geological mapping, re-logging of existing drill core, and Induced Polarization (IP) and gravity geophysical studies. MBM drilled 29 DD core holes in the period from 2002 to 2004. No further drilling was undertaken until 2006, when 29 additional DD core holes were completed. In 2007, MBM drilled 42 DD holes and 87 RC holes. In 2008, MBM drilled 7 DD holes and 6 RC holes. The price of gold was between USD 278 and USD 1,024 per ounce during this period.

Between 2008 and 2018, MBM carried out a number of studies on the project; however, no field work was undertaken. On December 31, 2020, the option agreement signed in 2002 between Barrick and New Oroperu expired as a result of MBM not making a production decision in accordance with the option agreement. Subsequently, control of the Tres Cruces Oxide Project lapsed back to New Oroperu.

In October of 2021, New Oroperu and First Light Capital merged to form Anacortes Mining Corporation, a company registered in British Columbia, Canada. The transfer of ownership of surface rights, drill core and all related data associated with the project from MBM to Anacortes, facilitated by Boroo who had purchased Lagunas Norte from Barrick in early 2021, was completed later in October 2021.

In November of 2021, Anacortes commissioned M3 to prepare an independent Technical Report on the Project. The NI43-101F1 Technical Report was published on March 14, 2022. In June and July of 2022, Anacortes undertook diamond drilling on the Property to check results of previous holes and to test the mineralized system at depth.

Eight holes were attempted, however, two of the holes could not be completed to their target depths and were abandoned. Two holes were drilled in areas of known mineralization to provide PQ-size core for metallurgical testwork. The entire core from these holes was used for testing; therefore, it was not assayed. The remaining four holes were drilled as confirmation of mineralization, testing areas between previous holes, or twinning holes with known strong mineralization. Confirmation holes were cored at HQ size, and reduced to NQ, if required. A total of 1376.9 m of drilling was completed.

The four confirmation holes were successful in determining limits of mineralization and corroborating gold grades as expected. Results of the drilling program are discussed below in Section 10. Results of metallurgical testwork conducted on the core from two of the drill holes are discussed below in Section 13.

A minor metallurgical testwork program was conducted on five samples in 2022. The program conducted at Plenge laboratory in Lima, Peru, and comprised of comminution, flotation, and cyanidation tests. The results did not materially change the conclusions from previous work.

On June 28, 2023, Steppe completed the acquisition of Anacortes and commissioned the update of the March 2022 PEA to include the addition drilling and metallurgical testwork conducted after the technical report was issued.

1.7 Geology

The Tres Cruces property is located within a NW-SE trending belt of Paleogene volcanic rocks of predominantly andesitic composition called the Calipuy Volcanics. This volcanic belt trends from central to northern Peru and hosts world-class deposits such as Newmont's Yanacocha Mine and Barrick's Pierina Mine. The Tres Cruces property lies near the heart of the Quiruvilca mining district, which includes the Quiruvilca copper-lead-zinc-silver vein systems. Precious metal deposits in the area include the Lagunas Norte mine, an epithermal gold deposit which has produced over 10 million ounces of gold and has current resources of 4.2 million ounces (Barrick Annual Report, 2019).

The Calipuy volcanic package overlies a Cretaceous sedimentary sequence (Chimu Formation) of quartz arenite and mudstone that shows a strong degree of deformation resulting from early Cenozoic SW-NE compression. This was later followed by E-W extension allowing loci of volcanic activity to develop. The Quiruvilca District is host to several mineral deposits all classified as epithermal type. MBM's Lagunas Norte located 10 km north-northeast of Tres Cruces is classified as a high sulphidation system. Tres Cruces is of the low to intermediate sulphidation epithermal type and is located four km southeast of the Quiruvilca deposit, but it is unlikely to be related to that system since the Tres Cruces mineralizing event is estimated to be 9 million years older.

Gold mineralization at Tres Cruces is hosted by a bimodal suite of andesitic to rhyolitic flows, domes, breccias, and volcaniclastics. Gold occurs with a fine grained, dark, arsenical pyrite, generally disseminated within its volcanic host, along structural zones, and lithologic contacts. Accompanying the pyrite, trace amounts of associated minerals include marcasite, arsenopyrite, galena, stibnite, realgar, orpiment, and enargite. Silver shows a moderate correlation with gold at a ratio of about 3:1 based on over 43,200 drill sample intervals assayed for both metals. The gold is extremely fine, with over 95% having a diameter of less than 5 µ. Rare coarse visible gold occurs in quartz veinlets. Hydrothermal alteration in the core of the deposits is dominated by illite with subordinate quartz, kaolinite, and smectite. Oxidation of the pyritic mineralization has occurred from a few metres up to 100 m below the surface, developed primarily in rhyolitic host rocks.

1.8 Recovery Methods

The Project will employ open pit mining with conventional heap leach processing on a 365 day per year, 24 hour per day operating basis. The process will consist of a crushing circuit, a heap leach pad, a recovery plant, and water management ponds. Mined rock from the pit will be transported to the crusher by haul truck. The three-stage crushing plant will reduce run-of-mine (ROM) material to minus 16 mm. Crusher product will be transported to the heap leach pad via a conveyor belt and stacker system.

The heap leach pad will be lined with a geomembrane and will include a solution recovery system to contain and capture the process solution. The crushed material will be conveyed and stacked in lifts on the leach pad by a mobile radial stacker. The stacker will be fed by a series of mobile grasshopper conveyors placed across the heap that will be fed from the main overland conveyor from the crushing circuit. Sections of the conveyor transporting crushed material to the heap will be permanent, and some sections located on the overliner will be semi-permanent and mobile to allow them to be moved as needed, allowing for phased construction of the pad and overliner placement over the life of the mine.

The lifts will be stacked to a target of 8 m with a total heap height of 85 m. Stacking will advance continuously; whereas intermittently, areas will be placed under leach through the irrigation of dilute cyanide solution delivered from the Adsorption Desorption Recovery (ADR) plant by an infrastructure of distribution piping. The cyanide solution leaches gold from the stacked heap and the rate of recovery and ultimate recovery is enhanced by increasing the surface exposure of mineralisation by crushing and by the stacking of multiple lifts on top of each other.

Above the geomembrane within the coarse-crushed overliner, a series of perforated collection piping transports the pregnant leach solution (PLS) to the ADR plant for gold recovery by carbon adsorption. The gold recovery strategy incorporates a vertical multi-stage carbon column, intermittent scheduled carbon transfer to the elution circuit for stripping under high temperature and pressure, and the electrowinning of the high-tenor strip solution to sludge on cathode. Electrowinning sludge

will be dried in a retort where mercury can be condensed and recovered. Subsequently, the sludge is fluxed and smelted to produce precious metal doré bars for sale to an offsite refinery. Note that while silver is a byproduct of gold production, there is no resource presented in this Technical Report since the geological and metallurgical databases lack the detail to evaluate the potential contribution.

PLS will flow by gravity to the ADR plant but can be bypassed to the pregnant solution pond in the event of a precipitation event. Further upset can be stored in the Overflow Pond. Make-up cyanide, pH level and water from the barren solution pond can be added to the ADR barren solution tank before recirculating the solution back to the heap by pumping. Use of raincoats on the heap, back up power-supply for pumps, and containment surge volume within the process water ponds are some of the means used to address storm upset in the system.

1.9 Mineral Resources

The current resource, published in March 2021, was an update of the Technical Report by Lacroix and Associates (L&A), dated September 2012 for Oroperu. The estimate used the geologic models of lithology and alteration that were developed for the L&A resource, but divided the deposit by mineralization type (oxide, transition, or sulphide). This PEA considers only the processing of oxide and transition mineralization.

Gold grade correlation based on geology was not readily apparent and the decision was made to use a 0.2 g/t grade shell as control for grade estimation; this shell was generated using an indicator estimation method (See Section 14.6).

A total of 327 holes have been used for this estimate; of these, 159 were RC and 168 were core holes. Sample grades were composited to a down-hole length of 3 m. Assays, subdivided by grade domain, were capped in a conventional manner prior to compositing.

Gold grades were estimated inside and outside the mineralized grade shell by ordinary kriging, into blocks with dimensions of 10m x 10m x 5m (X/Y/Z). Average density values were assigned by lithology based on 2,700 core density measurements.

The resource has been classified based on spatial parameters related to drill density and configuration, and the generation of an optimised pit. Blocks were initially classified as Inferred where the average distance to the closest three holes is within 80 m, and as Indicated where the average distance to the closest three holes is within 50 m. Pit optimization included variable cost and recovery values dependent on mineralization type; all material included in the Mineral Resource Estimate is contained within the optimized shell.

Table 1-1: Mineral Resource Estimates

Resource Classification	Indicated			Inferred		
	Tonnes (1000's)	Au (g/t)	Oz Au (1000's)	Tonnes (1000's)	Au (g/t)	Oz Au (1000's)
Oxide (0.3 g/t Cut-off)	9,636	1.37	425	487	0.75	12
Transition (0.3 g/t Cut-off)	5,707	1.12	205	361	0.60	7
Sulphide (0.9 g/t Cut-off)	31,132	1.84	1,844	1,713	1.55	85
Total	46,475	1.65	2,474	2,561	1.26	104

1.10 Capital and Operating Costs

Operating costs are shown in Table 1-2.

Table 1-2: Overall Operating Cost

Area	Life of Mine
Mine Operating Cost	$146,345
Process Plant Operating Cost	$63,582
Water Treatment Plant	$2,970
Site & Services	$8,685
G & A	$35,618
Treatment & Refining Charges	$1,586
Royalties	$12,193
Closure	$26,157
Total ($000)	**$297,136**
$/t processed (US$)	**$19.93**

Direct capital costs are shown in Table 1-3. Full capital costs are discussed in Section 21.

Table 1-3: Tres Cruces Capital Cost Estimate Summary

Item	Base Cost (US$)
Subtotal Direct Cost, without Mining	**$56,572,660**
Mobilization	$1,114,143
Camp Administration, Bussing & Meals	$683,687
Temporary Construction Power	$56,573
Fee - Contractor	In Direct Cost
Total Constructed Cost	**$58,427,062**
Management & Accounting	$424,300
Engineering	$3,094,400
Project Services	$565,700
Project Control	$424,300
Construction Management	$3,677,200
EPCM Fee	$848,590
EPCM Construction Trailers	$169,718
Vendor Supervision of Specialty Const.	$296,180
Vendor Pre-commissioning	$98,727
Vendor Commissioning	$98,727
Capital and Commissioning Spares	$493,634
Freight	$4,711,978
Total Contracted Cost	**$73,330,516**
Contingency	$18,332,629

Item	Base Cost (US$)
Total Contracted Cost with Contingency	**$91,663,145**
Mining	$22,207,173
Mining Contingency	$1,665,538
Owner's Cost	$13,666,668
First Fills	$523,500
Peruvian IGV	$0
Escalation	$767,526
Total Contracted and Owner's Cost	**$130,493,550**

1.11 Economic Analysis

The base case economic analysis indicates that the project has an after tax NPV at 5% discount rate of $157.6 million, IRR of 31.0% and a payback of 2.1 years. This assumes a gold price of $1,700/oz.

1.12 Conclusions

Although both sulphide and oxide mineralized material exist at Tres Cruces, this PEA considers only the processing of oxide and transition mineralization. The processing of sulphide mineralization is outside the scope of the PEA and is considered as a future opportunity, requiring additional studies.

The mineral resource for Anacortes Mining's Tres Cruces Oxide Project was estimated by Mr. James N. Gray of Advantage Geoservices Limited and reported by Oroperu with an effective date of March 16, 2021, replacing the 2012 Lacroix estimate. The resource estimate includes data from 327 drill holes (159 RC and 168 diamond core holes) of 371 drill holes that were completed between 1996 and 2008 by Oroperu, BMC and MBM, and remains current in support of this technical report. The following interpretations and conclusions are made by those authors:

- Indicated Mineral Resources are estimated to contain 46.5 million tonnes (Mt) grading 1.65 g/t Au for a total of 2.5 million ounces (Moz) of contained Au metal. Inferred Mineral Resources are estimated at 2.6 Mt grading 1.26 grams per tonne (g/t) Au for 0.1 Moz Au. These estimates are reported at a 0.3 g/t Au cut-off, for oxide and transition material, and at a 0.9 g/t cut-off for sulphide mineralization. These cut-off grades are considered appropriate based on currently available metallurgical testwork and the assumed mining parameters and gold price.
- The near surface Indicated Mineral Resource is comprised of 9.64 Mt of oxide mineralization grading 1.37 g/t Au for 425,000 contained ounces of gold, and the immediately underlying transition material comprised of 5.71 Mt grading 1.12 g/t Au for 205,000 contained ounces. This forms the basis for a heap leach operation. Potential exists to increase the size of, and the confidence in, the resource through further drilling. Drilling areas presently classified as Inferred Mineral Resource, particularly in areas where holes ended in mineralization, could add or upgrade significant resource tonnage.
- Additional near-surface oxide mineralization may be present in areas covered by shallow post-mineralized volcanic rocks.
- No estimate has been made by the authors for silver content within the mineral resources, although the potential for additional value exists at current silver prices. Indications are that silver grades are generally low and concentrated mainly in the deeper, sulphide portion of the gold deposit. Based on this updated gold resource scenario, overall silver grades would be expected to range between 1.5 and 2.5 g/t, potentially containing 2.5 to 3.5 Moz of silver. Any silver recovered with the gold would enhance overall project economics, albeit with silver recovery being lower relative to that for the gold.
- While metallurgical testing still requires further detailed work, a baseline recovery of about 82% or better of the contained gold has been established for heap leaching of oxide and transition mineralization. Gold recoveries do not necessarily depend on total sulphur content. Samples with both high gold recovery and sulphur content were observed in testing and are primarily derived from shallower depths while those with high total sulphur and lower recoveries

are from deeper intervals. It is probable that, in those samples exhibiting higher recoveries, some of the sulphur occurs in sulfate minerals (i.e., in an oxide state), or lower total sulphur content may be due to partial leaching of sulphide sulphur following oxidation, or the gold may deport as free grains. Such mineralization is treatable by heap leaching or other low-cost recovery techniques.

- The Tres Cruces oxide mineralization and the immediately underlying sulphide transition materials can provide the foundation to develop the deposit as an initial standalone heap leach operation, which could then transition to the exploitation of the sulphides. The tabular geometry of the oxide mineralization would, when extracted, expose some of the higher-grade areas of sulphide mineralization.
- The sulphide mineralization cut-off of 0.9 g/t Au was established by considering processing using pressure oxidation. Recommendations have been made by metallurgical consultants to further evaluate the treatment of the sulphide portion of the resource by various other less expensive treatment methods, including fine grinding, CIL leaching, alternative oxidative pre-treatment technology, flotation to create concentrates for shipping, or flotation with oxidative pre-treatment of the concentrate for ultimate gold recovery of gold and silver by leaching.
- Significant mineralization exists at depth below the currently optimized pit and beyond the northern property boundary, extending onto adjacent claims.
- The Cardoso Zone is the least densely drilled area and contains only Inferred Mineral Resources and none of them have been designated as oxides and included in this PEA Additional drilling at closer spacings is required to bring these resources into higher-confidence categories.
- The Tres Cruces mineral resource estimate has been carried out to industry standard techniques and classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (CIM, 2014).

1.13 Recommendations

The following recommendations are made by the authors. Additional Recommendations can be found in Section 26 of this PEA.

1.13.1 Exploration, Geology and Drilling

- Exploration drilling should test favorable targets defined by geological modelling, or geophysical surveying outside of the known areas of mineralization.
- Geological mapping and modelling should be directed toward evaluating the potential for higher-grade zones of mineralization, as well as possible mineralization hidden beneath thin layers of post-mineral rock units.
- Geochemical mapping should be performed for mercury, copper, sulphur, silver, and any other parameters that are required for metallurgical predictions and environmental management.
- Alteration mapping and geochemical analyses of drill samples should be compiled and augmented with additional analyses from samples in storage to help further develop geological modelling of the deposit.
- Drilling should be undertaken to better define mineralization in areas of the drill grid where holes are greater than 50 m apart, where there are unexplained discrepancies in zone continuity or grades between holes, or in areas where holes end in mineralized material.
- Drilling should be undertaken to define the edges of mineralized zones to better define resources and allow for detailed pit planning, and condemnation drilling is required in the areas of the proposed facilities and waste dumps.
- Condemnation drilling is required in areas planned for other future project infrastructure.
- As a number of the previous drill holes ended in mineralization, selected areas should be drilled at depth to determine the ultimate limits of mineralization, especially within or close to current expected pit limits.
- An accurate topographic survey should be carried out for the entire property prior to the next study stage.

1.13.2 Resource Model Update

Improve the accuracy of the boundary between directly leachable gold mineralization and refractory gold mineralization using metallurgical testwork, geometallurgical interpretation, and geological mapping.

1.13.3 Metallurgy

- Heap leach development tests to determine crush size and leaching conditions are required.
- Balances of mercury, copper, silver, cyanide, and acid generating potential to mitigate risks and generate data for process engineering.
- Water treatment options such as cyanide destruction and metal precipitation, to achieve effluent quality discharge requirements.
- Soluble gold extraction tests and cobalt assays should be integrated with exploration sample analysis workflow as a tool to map and characterize oxidation state structure within the deposit and to differentiate refractory sulphide from leachable resources, as well as to better characterize the leach impact of base metals.
- Given the potential economic contribution by silver whether by heap leaching or other processing strategies, future mineral resource estimates should include silver. Models for mercury and copper that may impact the leach and plant recovery strategy should be developed.
- The sulphur grade should be populated into the mining block model.
- Additional metallurgical testwork is recommended to better quantify recoveries for the different rock types considering lithology and alteration, oxidation state, and mine schedule (zonation) as well as to refine the processing methodology going forward. Additional recommendations for metallurgical testing include:
    - Cyanide destruction testing to select best method and reagent consumptions
    - Column and bottle testing should include analysis of solution for mercury and copper to help determine carbon loading levels expected
    - Column tests should optimize the leach cycle
    - Water treatment – parameters for water treatment should be identified
- Further column and bottle roll testing will allow for optimization of the crusher product sizing and does not preclude the possible future selection of run-of-mine dump leaching.
- The optimization of cyanide and lime consumption for each type of mineralized material. This should include cyanide concentration in the application solution.
- Testing to confirm geotechnical loading parameters with and without agglomeration of crusher products should be undertaken.

1.13.4 Process Facilities

- Crusher work index and abrasion tests should be conducted to confirm crusher design and wear rates.
- Confirmation testing to determine dry bulk density of material for crushing and heap leaching
- Percolation and drain down testing with simulated heap loading to ensure that the heap will perform as predicted.
- Geotechnical investigations into the heap stability.

1.13.5 Geotechnical Investigations

- Geotechnical and hydrological drilling is required to support detailed mine design.
- Geotechnical drilling and analysis are required to support detailed design of the processing facilities including the ADR, Crushing circuit, and heap leach pad.

1.13.6 Capital and Operating Cost Estimates

1.13.7 Infrastructure

1.13.7.1 Electric Power

- Advance design of electrical power supply connection and distribution across the site. Electric power is expected to be supplied by a connection to the existing national power grid.
- Further refinement of the capital equipment necessary to connect to the national grid should be investigated to improve the estimate to a pre-feasibility level.

1.13.7.2 Water

- Develop a comprehensive site-wide water balance that integrates the various process facilities with their water demands, rainfall/runoff relationships, contact versus non-contact waters, etc.
- Water sourcing demands and availability from both groundwater and surface water sources on a seasonal and life of mine basis needs to be estimated.

1.13.8 Other

1.13.8.1 Preferred Development Option

- Given the grade of the oxide and transition, the construction of a whole ore leaching facility (mill and CIL) might be leveraged to reduce the future capital cost of sulphide processing with the increase in operating and capital costs offset by an incremental recovery improvement.
- The PEA describes a low capital, oxide heap leaching project. The preferred process option presented in the PEA of three stage crushing and heap leaching of oxide and transition mineralized materials, requires validation and further optimization.
- Future evaluation may consider the potential opportunities related to the proximity of the Lagunas Norte site, such as the purchase of leached ore for the use in construction of overliner for the Tres Cruces heap leach pad, rental of Boroo's existing camp infrastructure, evaluation of potential use of processing facilities infrastructure such as the gold room, and use of the airstrip.

1.13.8.2 Environmental Baseline

- Continued collection of environmental baseline data should be continued. Studies on acid/base accounting for the waste rock should be included in an updated reclamation and closure plan. This plan will evaluate the opportunity for concurrent reclamation and the mitigation and possible treatment of any acid drainage.

1.13.8.3 Stakeholder Engagement

- Define a comprehensive strategy for the engagement of local, regional, and national stakeholders. Evaluate the social and economic impacts to the communities surrounding the project that might accompany project development. Study the availability of skilled and unskilled labor for project construction and operation.
- It is recommended that the next stage of testwork assess the risks associated with mercury, copper, and sulphide in the oxide resource, and develop solutions to control any risks found.
- Low cobalt (oxidized) material extends below the bottom of the pit in some areas. This could be an opportunity for increasing the oxide resource.

OTHER MINERAL PROPERTIES

The Company, through Steppe West, holds the following additional property located in Mongolia.

Uudam Khundii Property

The Uudam Khundii property is comprised of one Exploration License covering 14,397 hectares that was granted in August 2017. The project area is located 800 km south west of Ulaanbaatar and 300 km south west of Bayankhongor, the capital city of the Province of Bayankhongor. Access is available on paved road from Ulaanbaatar to the Bayanteeg coal mine (around 6 hours of driving time) and then by dirt road to the property (about 7 hours of driving time). The property is located between

and adjoining to the Bayan Khundii gold discovery and Altan Nar epithermal gold deposits explored by Erdene Resource Development Corporation.

The Uudam Khundii project is subject to a 3% net smelter returns royalty in favour of Triple Flag Bermuda on all minerals produced from the project after the commencement of commercial production pursuant to the Amendment. See "*Business of the Company – Metals Purchase and Sale Agreement*".

To date, the Company has completed a 2,480-line/kilometer ground magnetic survey and a 90.8-line/kilometer IP survey. In addition to this the company has collected 412 rock chip samples and 8,427 soil samples. In 2020, a total of 933m trenching and 21.3-line kms of dipole-dipole IP survey was completed at certain prospects of Uudam Khundii project. A total of 10 trenches and/or 580m trenching, documentation and sampling (336 samples) work was completed at the Altan Sum prospect. Nine trenches and/or 353m trenching, documentation, sampling (220 samples), and 21.3-line km or 14 lines of dipole-dipole IP work was completed at the Milky Way prospect.

In 2023, 16 diamond drill holes totaling 3,596 meters were drilled, 10 drill holes at the Milky way prospect and 6 holes at the Golden steppe prospect. Total of 2,323 core samples were taken from the holes and analyzed.

RISK FACTORS

An investment in Common Shares involves a number of risks, including risks inherent in the industry in which the Company operates. Any one or more of such risk factors could have a material adverse effect on our business, results of operations and financial condition, causing you to lose all or part of your investment.

The risks and uncertainties described below are not the only ones faced by the Company. Additional risks and uncertainties that the Company is not aware of or focused on, or currently deems to be immaterial, may also impair the Company's business operations and cause the price of the Company's Common Shares to decline.

Risks Related to Company and its Business

Fluctuation of Metal Prices

Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals contained in a deposit will be such that the Company's properties can be mined at a profit. The Company is particularly exposed to the risk of movement in the price of silver. Declining market prices for gold, silver, lead and zinc could have a material effect on the Company's profitability, and the Company's policy is not to hedge its exposure to gold or silver.

Dependency on the ATO Mine

The Company is dependent on the ATO Mine for all of its operating revenue and cash flows. While the Company may invest in additional mining and exploration projects in the future, the ATO Mine is currently its only producing mining project, thereby providing substantially all of the Company's operating revenue and cash flows. Consequently, a delay or difficulty encountered in the operations of the ATO Mine would materially and adversely affect the Company's financial condition and financial sustainability including, among other things, our ability to fund the proposed expansion of the ATO Mine. Any adverse changes or developments affecting the ATO Mine, such as, but not limited to, our inability to successfully complete any of the development projects, work programs or expansions, obtain financing on commercially suitable terms or hire suitable personnel and mining contractors, may have a material adverse effect on the Company's financial performance, results of operations and liquidity. In addition, the Company's business and results of operations could be materially and adversely affected by any events which cause the ATO Mine to operate at less than optimal capacity, including among other things, shortages of contractor

manpower, power outages, equipment failure or shortages of spares, consumables and reagents, adverse weather, serious environmental and safety issues, any permitting or licensing issues and any failure to produce expected amounts of gold.

No Assurance of Profitability

The Company's operating expenses and capital expenditures exceed its revenues and there is no assurance the ATO Mine or the Tres Cruces Project will result in profitable operations or 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 production from the ATO Mine, the Tres Cruces Project or any additional properties. The Company expects to incur losses until such time as the ATO Mine generates sufficient revenue to fund continuing operations. There is also no assurance that new capital will become available and, if it is not, the Company may be forced to substantially curtail or cease operations.

Resource Exploration and Development is a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets and government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. The majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Uncertainty of Reserve and Resource Estimates

There are numerous uncertainties inherent in estimating quantities of Mineral Reserves and grades of mineralization, including many factors beyond our control. In making determinations about whether to advance any of our projects to development, we must rely upon estimated calculations as to the Mineral Reserves and grades of mineralization on our properties. Until ore is actually mined and processed, Mineral Reserves and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. We cannot assure you that Mineral Reserves, Mineral Resources or other mineralization estimates will be accurate or that mineralization can be mined or processed profitably. Any material changes in Mineral Reserves estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. The estimates of Mineral Reserves and Mineral Resources have been determined and valued based on various assumptions, including future prices, cut-off grades and operating costs and various geological and lithographical interpretations that may prove to be inaccurate. Such work and studies, if completed, may not have a positive outcome and could adversely affect the current estimates of Mineral Reserves and Mineral Resources. Extended declines in market prices for gold, silver and other precious metals may render portions of our mineralization uneconomic and result in reduced reported Mineral Reserves. Any material reductions in estimates of mineralization, or of our ability to extract this mineralization, including estimates made in the ATO Technical Report and the Tres Cruces Technical Report, could have a material adverse effect on our results of operations or financial condition.

Surface Rights and Access

Although the Company acquires the rights to some or all of the minerals in the ground subject to the mineral tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore it may be unable to carry out planned mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in

such jurisdiction, the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate.

Epidemic and Pandemic Diseases

The Company's business could be significantly adversely affected by the effects of a widespread global outbreak of contagious disease. The Company cannot accurately predict the impact such an outbreak of contagious disease would have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downtown that could affect demand for the Company's services and likely impact operating results. Further, the magnitude of disruptions could increase as the time to recovery lengthens and the combined effect of supply shortages across the extended supply network could lead to supply chain disruption. Limited transportation capacity, lack of personnel mobility, traffic restrictions, expedited freight costs, potential payment premiums and the implementation of alternative sourcing strategies could result in increased input costs during and after such a global outbreak. Any prolonged disruption to the supply chain could have a material adverse effect on the Company's business, financial condition and/or results of operations.

Operating Hazards and Other Uncertainties

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- labour disputes and shortages;
- supply and shipping problems and delays;
- shortage of equipment and contractor availability;
- unusual or unexpected geological or operating conditions;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company could also incur liabilities as a result of pollution and other casualties all of which could be very costly and could have a material adverse effect on the Company's financial position and results of operations.

Title to the ATO Project may be disputed

Although the Company has received title opinions for the ATO Project there is no guarantee that title to such properties will not be challenged or impugned. The Company's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Company has conducted an investigation on the title of properties that it has acquired to confirm that there are no claims or agreements that could affect its title to its mineral tenure or surface rights. There is no guarantee that such title will not be challenged or impaired. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company. Title insurance generally is not available for mineral tenure or surface rights and the Company's ability to ensure that it has obtained secure claim to title may be constrained.

Title to the Tres Cruces Project may be disputed

Although the Company has received title opinions for the Tres Cruces Project there is no guarantee that title to such properties

will not be challenged or impugned. The Company's claims may be subject to prior unregistered agreements or transfers and title may be affected by unidentified or unknown defects. The Company has conducted an investigation on the title of properties that it has acquired to confirm that there are no claims or agreements that could affect its title to its mineral tenure or surface rights. There is no guarantee that such title will not be challenged or impaired. If title to the Company's properties is disputed, it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company. Title insurance generally is not available for mineral tenure or surface rights and the Company's ability to ensure that it has obtained secure claim to title may be constrained.

Liquidity and Financing

The Company does not have unlimited financial resources and there is no assurance that sufficient additional funding or financing will be available to the Company or its direct and indirect subsidiaries on acceptable terms, or at all, for further exploration or development of its properties or to fulfill its obligations under any applicable agreements. Disruptions in the capital and credit markets as a result of uncertainty, geo-political events, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect the Company's access to the liquidity needed for the business in the longer term. Failure to obtain such additional funding could result in the delay or indefinite postponement of the exploration and development of the Company's properties.

Pursuant to the Stream Agreement the Company is subject to a number of financial and other covenants. If the Company breaches a covenant contained in the Stream Agreement, it may constitute an event of default thereunder and, as a result and failing receipt of a waiver in respect of such breach, the Company could lose its interest in, or could be forced to sell, some or all of its properties and be subject to monetary damages. If either of these events were to occur, they could have a material adverse effect on the Company.

The Company is subject to restrictive covenants that limit its ability to operate its business

The Company's subsidiaries are subject to certain affirmative and restrictive covenants contained in the Stream Agreement. The Stream Agreement contains operating and financial covenants that could restrict the Company and its subsidiaries' ability to, among other things: incur additional indebtedness needed to fund its respective operations; pay dividends or make certain other distributions; make investments; create liens; sell or transfer assets; or enter into transactions with affiliates. Compliance with the covenants contained in the Stream Agreement may impair the Company's ability to finance future operations or secure capital. The restrictions on the Company's ability to manage its business in management's sole discretion could adversely affect the Company's business by, among other things, limiting its ability to take advantage of business opportunities that management believes would be beneficial to the shareholders and limiting its ability to adjust to changing market conditions.

Enforcement of Legal Rights

The Company's material subsidiaries are organized under the laws of foreign jurisdictions and certain of the Company's directors, management personnel and experts are located in foreign jurisdictions. Given that the Company's material assets and certain of its directors, management personnel and experts are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, or its directors, officers and experts, any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The inability of the Company to meaningfully seek recourse to Canadian courts, or the subjection of the Company to the jurisdiction of foreign courts could adversely affect the Company's business.

The Company may require additional permits

The operations of the Company require licenses and permits from various governmental authorities. The Company currently has all permits and licenses that it believes are necessary to carry out its current exploration, development and mining operations at its projects. The Company may require additional licenses or permits in the future and there can be no assurance that the Company will be able to obtain all such additional licenses and permits. In addition, there can be no assurance that any existing licenses and permits will be renewable if and when required or that such existing licenses and permits will not be revoked. The

inability to obtain or renew the licenses and permits required to continue the operations of the Company could adversely affect the Company's business.

Mining Industry is Intensely Competitive

The Company's business is the acquisition, exploration, development, and exploitation of mineral properties. The mining industry is intensely competitive and the Company competes with other companies that have far greater financial resources, more significant investments in capital equipment and mining infrastructure for the ongoing development, exploration and acquisition of mineral interests, as well as for the recruitment and retention of qualified employees.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supplies 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.

The Company's insurance coverage may not cover all potential losses, liabilities and damages related to its business.

The Company's business is subject to a number of risks and hazards (as further described herein). The Company maintains limited insurance to protect against the potential risks associated with its activities, including any future mining operations. The Company maintains insurance in such amounts as it considers to be reasonable, however such insurance may not cover all the potential risks associated with its activities, including any future mining operations. The Company may not be able to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. 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 or production may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it is does not insure against or in the future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on Company's business, financial condition, results of operations or prospects.

Government Regulation

Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes, health and safety and employment standards. As indicated above, the Company requires permits and licenses from a variety of governmental authorities. The Company's mining, exploration and development projects could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in policies affecting foreign trade, investment, mining and repatriation of financial assets, by shifts in political attitudes and by exchange controls and currency fluctuations. The Company cannot predict the extent to which future legislation and regulation could cause additional expense, capital expenditures, restrictions and delays in the development of its properties, including those with respect to unpatented mining claims. Further, there can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Environmental Matters

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit the mining properties is subject to various reporting requirements and to obtaining certain government approvals and there is no assurance that such approvals, including environmental approvals, will be obtained without inordinate delay or at all.

Environmental legislation is evolving in a manner which will require, in certain jurisdictions, 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. No certainty exists that

future changes in environmental regulation, if any, will not adversely affect the Company's operations or development properties. Environmental hazards may exist on the Company's properties which are unknown to management at present and which have been caused by previous owners or operators of the properties.

Failure to comply with applicable environmental 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 the exploration or development of exploration properties may be required to compensate those suffering loss or damage by reason of such parties' activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. If any such enforcement actions or compensatory orders is levied against the Company, such actions or orders could adversely affect the Company's business, financial condition and results of operations.

Decommissioning and Site Rehabilitation Costs

The costs of performing decommissioning and reclamation must be funded by the Company's operations. These costs can be significant and are subject to change. The Company cannot predict what level of decommissioning and reclamation may be required in the future by regulators. If the Company is required to comply with significant additional regulations, or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

The Company is subject to legal and political risk in Mongolia

The Company's primary projects and interests are located in Mongolia, where mineral exploration and mining activities may be affected in varying degrees by political instability, economic conditions, expropriation or nationalization of property and changes in government regulations such as foreign investment laws, tax laws, business laws, environmental laws and mining laws, affecting the Company's business in this country. Government policy may change to discourage foreign investment, nationalization of the mining industry may occur and other government limitations, restrictions or requirements may be implemented. There can be no assurance that the Company's assets will not be subject to nationalization, requisition, expropriation or confiscation, whether legitimate or not, by any authority or body. In addition, there can be no assurance that neighbouring countries' political and economic policies in relation to Mongolia will not have adverse economic effects on the development of the Company's assets, including with respect to the Company's ability to access power, transport and sell products and access construction labour, supplies and materials. The political, social and economic environment in Mongolia presents a number of serious risks, including: uncertain legal enforcement; invalidation, confiscation, expropriation or rescission of governmental orders, permits, licenses, agreements and property rights; the effects of local political, labour and economic developments, instability and unrest; corruption, requests for improper payments or other corrupt practices; and significant or abrupt changes in the applicable regulatory or legal climate.

There is no assurance that provisions under Mongolian law for compensation and reimbursement of losses to investors under such circumstances would be effective to restore the full value of the Company's original investment or to compensate for the loss of the current value of its assets. The Company may be affected in varying degrees by, among other things, government regulations with respect to restrictions on foreign ownership, state ownership of Strategic Deposits, royalties, production, price controls, export controls, income and other taxes, expropriation of property, employment, land use, water use, environmental legislation, mine safety and annual fees to maintain mining licenses in good standing. The regulatory environment is in a state of continuing change and new laws, regulations and requirements may be retroactive in their effect and implementation. There can be no assurance that Mongolian laws protecting foreign investments will not be amended or abolished or that existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks described above.

The legal framework in Mongolia is, in many instances, based on recent political reforms or newly enacted legislation, which may not be consistent with long-standing local conventions and customs. There may be ambiguities, inconsistencies and anomalies in the agreements, licenses and title documents through which the Company holds its assets, or the underlying legislation upon which those assets are based, which are atypical of more developed legal systems and which may affect the interpretation and enforcement of the Company's rights and obligations. Mongolian institutions and bureaucracies responsible for administering laws may lack a proper understanding of the laws or the experience necessary to apply them in a modern business context. Many laws have been enacted, but in many instances, they are neither understood nor enforced and may be

applied in an inconsistent, arbitrary and unfair manner, while legal remedies may be uncertain, delayed or unavailable. In addition, the Company's licenses, permits and assets are often affected, to varying degrees, by political instability and governmental regulations and bureaucratic processes, any one or more of which could preclude the Company from carrying out business activities fairly in Mongolia. Legal redress for such actions, if available, is uncertain and can often involve significant delays.

Mongolia is classified by Global Edge as having a risk rating of D: "a high-risk political and economic situation and an often very difficult business environment can have a very significant impact on corporate payment behavior". Mongolia is rated as having a country risk of 6 on a scale of 7 by the OECD Country risk classification report dated January 27, 2023. On June 29, 2016, Mongolian People's Party (previously the opposition party) won an overwhelming majority with 65 seats out of 76 seats in the Parliament. On June 26, 2017, a presidential election was held in Mongolia and won by Mr. Battulga Khaltmaa from the Democratic Party. The last parliamentary elections were held in June 2020, in which the Mongolian People's Party won 62 out of 76 seats in Parliament. As a result, Mr. Khurelsukh Ukhnaa was appointed as the Prime Minister. On January 27, 2021, Oyun-Erdene Luvsannamsrai, a former member of the Parliament, was appointed as a Prime Minister to succeed Mr. Khurelsukh Ukhnaa, who submitted his resignation to the Parliament after demonstrations took place in Ulaanbaatar over the government's handling of the COVID-19 pandemic.

The eighth presidential election was held on June 9, 2021. Among the three candidates, Mr. Khurelsukh Ukhnaa, the candidate from the Mongolian People's Party and a former Prime Minister, received 72% of the votes.

The next parliamentary election is scheduled to be held on June 28, 2024, to determine the composition of the State Great Khural, which will consist of 126 members as per the recent constitutional amendment made on May 31, 2023.When a new government is formed as a result of a Parliamentary election, the government bureaucracy is often restructured. Most government careers are obtained through patronage, loyalty to a political party or politician. These changes can result in gaps in services and the placing unqualified or unskilled people, which can have a negative impact on business operating in Mongolia.

Recent and future amendments to Mongolian laws could adversely affect the Company's interests

The Government of Mongolia has put in place a framework and environment for foreign direct investment. However, there are political constituencies within Mongolia that have espoused ideas that would not be regarded by the international mining community as conducive to foreign investment if they were to become law or official government policy. This was evidenced by revisions to the Minerals Law in 2006 as well as by the 2012 passage of legislation to control foreign direct investment in strategic sectors of the Mongolian economy, including mining.

In October 2011, Prime Minister Batbold stated in his 2012 budget speech that the Government of Mongolia is revisiting all treaties for the avoidance of double taxation, including the Canadian Double Tax Treaty.

On November 2, 2013, an Investment Law came into effect in Mongolia. The law is aimed at reviving foreign investment by easing restrictions on investors (including foreign and domestic) in key sectors such as mining and by providing greater certainty on the taxes they must pay and certain guarantees in relation to their investments in Mongolia. The full impact of the Investment Law is still not yet known.

On January 16, 2014, the Mongolian Parliament adopted a new State Minerals Policy. The main focus of the policy is to establish a stable investment environment, improve the quality of mineral exploration, mining and processing, encourage the use of environmentally friendly and modern technology and strengthen the competitiveness of the Mongolian mining sector on the international market. The State Minerals Policy is also intended to serve as the basis for amendments to the existing Minerals Law and other laws relating to the mining sector. This State Minerals Policy was revoked on November 11, 2021 by the Mongolian Parliament.

On July 1, 2014, the Mongolian Parliament passed the 2014 Amendments to the Minerals Law. In addition, the Mongolian Parliament also passed a separate law which repeals the 2010 statute which imposed a moratorium on the granting of new Exploration Licenses and the transfer of existing Licenses. The 2014 Amendments extend the maximum period for an Exploration License from 9 years to 12 years (although it ended the three year pre-mining period sometimes given to license holders upon the expiration of their exploration rights), extend the requirement for holders of Mining Licenses to ensure that

90% of their workforce is comprised of Mongolian nationals to the Mining License holder's subcontractors as well, make clearer the roles and responsibilities of government ministries and departments with respect to mineral matters, modify the definition of Strategic Deposit to reflect its impact on the national economy and not regional economy and provide for some instances where a tender may not be required to obtain minerals licenses where state funding has been used if related to compensation for declaring a special needs area, among other changes.

On February 18, 2015, the Mongolian Parliament adopted the 2015 Amendment, which permits a license holder to negotiate with the Government of Mongolia with respect to an exchange of the Government's 34% (50% in cases where exploration has been funded by the State budget) equity interest in a license holder with a Strategic Deposit for an additional royalty payable to the Government. The amount of the royalty payment would vary depending on the particulars of the Strategic Deposit but cannot exceed 5%. The rate of this royalty payment shall be approved by the Government of Mongolia. The full impact of the 2015 Amendment is not yet known.

On November 10, 2016, the Mongolian Parliament adopted the 2016 Amendment, which introduces the term "derivative deposit" and applicable regulations for mining/exploitation of derivative deposits. Mining/exploitation of a derivative deposit by a license holder or any other contracted third party (with the license holder) is subject to license. The 2016 Amendment sets the royalty payment for mining/exploitation of a derivative deposit at 2.5% of the sales value.

On November 11, 2022, the Parliament approved amendments to the Minerals Law and the Law on Budget. According to the amendment to the Minerals Law, local cooperation agreements are to be disclosed publicly by the local administrative body for transparency purposes. The local administrative bodies are prohibited from demanding any donation and assistance not included within the local cooperation agreement from mining license holders. According to the amendments to the Law on Budget, donation and assistance provided by Mining License holders to local administrative bodies under the local cooperation shall be a part of the local development fund, a fund for financing projects to promote local development. In addition, requirement to employ at least 5 percent of the total workforce from citizens of soum and district where the mining activities are carried out is incorporated as an amendment to the Minerals Law.

On March 22, 2019, the Parliament of Mongolia passed the revisions to taxation related laws with effect from January 1, 2020. This reform introduced the revised editions of the General Tax Law, the Corporate Income Tax Law, Value Added Tax Law and the Personal Income Tax Law.

Pursuant to the new General Tax Law, a rule whereby tax debt shall be firstly collected over any other debts of taxpayers has been introduced and tax debt is to be collected immediately from a taxpayer if it is considered that such tax debt is at risk. The tax authority is permitted to collect tax debts by expropriating the properties of the taxpayers and disposing them via auctions for cash and it can freeze bank accounts and instruct banks to transfer funds for the tax debt collection. The law has also imposed severe administrative penalties for the failure of transfer pricing documentation requirements and these administrative penalties are, apart from penalties and fines resulting from transfer pricing adjustments.

Pursuant to the new Corporate Income Tax Law and relevant methodologies approved by the Ministry of Finance, ultimate holders of the Mongolian companies holding mineral licenses and land rights are subject to be imposed 10% taxation on right holding entity for indirect transfer and sale of the exploration and mining licenses by its ultimate holder.

On December 20, 2023, the Government of Mongolia issued Resolution No. 453, stipulating that mineral exports are permissible only if the transportation agreement for these minerals is properly registered with the unified customs and tax management and control system. This regulation comes into effect from February 1, 2024.

Mongolian tax laws set forth a general structure of taxation but in many circumstances fail to provide clear or detailed guidance as to how the general provisions contained in the law are to be applied to specific transactions. This lack of detailed guidance may lead to inconsistent implementation of the law by the tax authorities.

On July 7, 2023, the Parliament of Mongolia revised the General Law on Social Insurance, the Law on Providing Pensions from the Social Insurance Fund, the Law on Providing Allowances from the Social Insurance Fund, and the Law on Providing Pensions, Allowances and Payments for Industrial Accidents and Occupational Diseases from the Social Insurance Fund (together the "Social Insurance Code"), replacing the previous versions adopted in 1994. The Social Insurance Code took effect on January 1, 2024. 28 On October 13. 2023, the National Trilateral Committee of Labor and Social Consensus issued

Resolution No. 12, which set the minimum wage rate for 2024 at MNT 660,000, which was previously set at MNT 550,000. As a result, the minimum monthly wage of employees working in the mining sector increased to MNT 1,320,000, doubling the national minimum wage as per the "Collective (Tariff) Agreement of the Geology, Mining and Heavy Industry Sector" for 2023 to 2024.

If the Government of Mongolia revises, amends or cancels the Canadian Double Tax Treaty, if the Investment Law, State Minerals Policy, 2014 Amendments, 2015 Amendment, 2016 Amendment or new mining laws are implemented or interpreted in a manner that is not favourable to foreign investment or the Company's interests or if new tax laws or amendments to tax laws are adopted that are not favourable to foreign investment or the Company's interests, it could have an adverse effect on the Company's operations in Mongolia and future cash flow, earnings, results of operations and financial condition as well as the Company's share price.

The Government of Mongolia could determine that any one or more of the Company's projects in Mongolia is a Mineral Deposit of Strategic Importance

Under the 2006 Minerals Law, the Parliament of Mongolia has wide discretion to designate mineral deposits to be "Mineral Deposits of Strategic Importance". The Government of Mongolia is empowered to participate on an equity basis with the License holder in the exploitation and/or mining of each Mineral Deposit of Strategic Importance on terms to be negotiated between the Government of Mongolia and such License holder. Details of any minerals reserves must be filed by the relevant License holder with the Government of Mongolia, and those deposits on the Strategic Deposits List represent most of the largest and highest profile deposits in Mongolia.

Pursuant to the Parliament Resolution No. 27 dated February 6, 2007, the Parliament has published the Strategic Deposits List, which identifies 16 deposits as Mineral Deposits of Strategic Importance (the "Strategic Deposits List"). This resolution also identifies a further 39 deposits in the Tier 2 Deposits List (the "Tier 2 Deposits List") and instructs the Government of Mongolia to further evaluate such deposits and determine if one or more of these deposits should be recommended by the Government of Mongolia to the Parliament for designation as a Mineral Deposit of Strategic Importance. In addition to deposits currently on the Strategic Deposits List and the additional Tier 2 Deposits List, the Parliament of Mongolia may at any time designate other deposits not yet currently on such Lists to be Mineral Deposits of Strategic Importance, add such deposits to either the Strategic Deposits List or the Tier 2 Deposits List and, in the former case, commence negotiations with the relevant License holder with respect to the terms under which the Government of Mongolia will take an interest in such deposit.

On January 23, 2015, the Parliament added a gold deposit named Gatsuurt as the 16th mineral deposit of Strategic Importance, which is located in Selenge aimag of Mongolia. The 16 Mineral Deposits of Strategic Importance specified by Parliament in the Strategic Deposits List have no defined "edges". They each consist of concentrations of mineralization in a general area that is identified only by a name and not by a set of specific coordinates. License areas, on the other hand, are precisely defined by specific coordinates. Thus, it is not feasible to definitively determine whether or not any given license area is within or overlaps a Mineral Deposit of Strategic Importance.

On October 3, 2018, the Government of Mongolia issued Resolution No. 300 "On defining the boundaries of some mineral deposits of strategic importance" for defining boundary coordinates of the 7 Mineral Deposits of Strategic Importance including the coal mines of Nariin Sukhait, Tavan Tolgoi, Shivee Ovoo and Baganuur, Tsagaan Suvarga copper and molybdenum deposit, Burenkhaan phosphorite deposit and Erdenet copper and molybdenum deposit.

Under the 2006 Minerals Law, the size of the Government of Mongolia's participation is determined largely by the level of state funding which has been provided for the exploration and development of any deposit, with the Government of Mongolia entitled to participate up to 50% in the event that there has been state funding of such deposit and up to 34% if there has not. However, the 2006 Minerals Law is very vague as to the details and method by which the Government of Mongolia will take its interest and the final arrangements in respect of the Government of Mongolia's interest in each Mineral Deposit of Strategic Importance, including the amount of compensation to be paid to the License holder and the actual form of the Government of Mongolia's interest is subject to negotiation between the Government of Mongolia and the License holder.

The 2006 Minerals Law also contains provisions requiring any company which holds a Mineral Deposit of Strategic Importance to list no less than 10% of its shares on the Mongolian Stock Exchange.To our knowledge, this provision has not yet been

enforced with respect to any of those companies with deposits on the Strategic Deposit List, and it is not clear whether the provision would be enforced in the future.

In recent years there have been a number of proposed amendments to the 2006 Minerals Law suggested by various parties, many of which have centered on amending the 2006 Minerals Law to increase the Government of Mongolia's participating interest in excess of 50%. While the 2006 Minerals Law provides that the interest of the Government of Mongolia should take the form of an equity interest, based on past practice, and depending on the results of individual negotiations, the interest may be in the form of production or profit sharing or some other arrangement negotiated between the License holder and the Government of Mongolia. There can be no assurance that legislation will not be enacted which further strengthens the Government of Mongolia's right to participate in privately held mineral resources in Mongolia.

The Constitution of Mongolia, through the Amendment in 2019, includes a provision stating the Parliament has the power to define the regulatory basis for enabling citizens to enjoy the majority of the benefits from deposits with strategic importance and the draft Mining Law that is expected to be introduced by the Ministry of Mining and Heavy Industry 2024 spring session of the Parliament of Mongolia . no assurance can be made that the legislator will not initiate any new provision deteriorating our mineral rights.

None of the deposits covered by the Company's existing mining Licenses or exploration Licenses are currently designated as Mineral Deposits of Strategic Importance. However, there can be no assurance that any one or more of these deposits will not be so designated in the future, in which case the Company's business and results of operations may be materially and adversely affected.

The Company is subject to legal and political risk in Peru

As the Company has operations in Peru with respect to the Tres Cruces Project, it may, therefore, be exposed to various types and degrees of security, economic, labour, political and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; hostage taking; military repression; high rates of inflation; labour unrest; war or civil unrest; creeping or outright expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts, including by way of invalidation of governmental acts; artisanal and illegal mining operations and the government's enforcement of norms restricting these activities; changes in taxation and mining-related laws and regulations; trade protectionism, including restrictions or tariffs on imports; changes to the foreign exchange regime; changes to the currency regime; currency controls; restrictions on repatriation of funds; changing political conditions, including electoral results; challenges to the validity of governmental acts; and, governmental regulations that may favour or require the awarding of contracts to local contractors or require foreign contractors to employ residents of, or purchase supplies from, a particular jurisdiction.

Changes in mining or investment policies or shifts in political attitudes in Peru, its provinces, or local political jurisdictions, may adversely affect the Company's operations or potential profitability. Operations may be affected to varying degrees by modifications to government legislation and regulations with respect to, but not limited to: restrictions on production; price controls; export controls; currency remittances; taxes, including income taxes, property taxes, value added taxes, capital gains taxes, windfall taxes, and the sovereign adjustment tax; royalties; expropriation of property; foreign investment; maintenance of claims; the environment; land use; land claims or other demands by local people; social consultation and other permitting requirements; artisanal and illegal mining operations; labour; transportation; water use; and, mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The impact of one or more of these various factors and uncertainties, none of which can be accurately predicted, could have an adverse effect on the Company's operations or potential profitability.

The tax regimes in Peru may be subject to change without notice.

The tax regimes Peru may be subject to differing interpretations and is subject to change without notice. The Company's interpretation of tax law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, the taxation applicable to transactions and operations may be challenged or revised by the tax authorities, which could result

in significant additional taxes, penalties and/or interest. There is a risk that restrictions on the repatriation of earnings from Peru to foreign entities will be imposed in the future. In addition, the Company has no control over withholding tax rates. There is a risk that the Company's access to financing may be limited as a result of indirect taxation.

Compliance with Anti-Corruption Laws

The Company's operations are governed by, and involve interaction with, many levels of government in Mongolia and Peru. The Company is subject to various anti-corruption laws and regulations, such as the *Corruption of Foreign Public Officials Act* (Canada), which prohibit a company and its employees or intermediaries from bribing or making improper payments to foreign officials or other persons to obtain or retain business or gain some other business advantage. The ATO Project is located in Mongolia and, according to Transparency International, Mongolia is perceived as having fairly high levels of corruption relative to Canada. 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 anti-corruption laws and regulations could expose the Company and its senior management to civil or criminal penalties or other sanctions, 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, reputation, financial condition and results of operations. Although the Company has adopted policies to mitigate such risks, such measures may not be effective in ensuring that the Company, its employees or third-party agents will comply with such laws.

Dependence upon Others and Key Personnel

The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including: the ability to produce minerals; the ability to attract and retain additional key personnel in sales, marketing, technical support and finance; and the ability and the operating resources to develop and maintain the properties held by the Company. These and other factors will require the use of outside suppliers as well as the talents and efforts of personnel and consultants hired or retained by the Company. There can be no assurance of success with any or all of these factors on which the Company's operations will depend.

Currency Fluctuations

The Company maintains its accounts in Canadian and US dollars and Mongolian Tughrik. The Company's primary operations are in Mongolia and some of its payment commitments and exploration expenditures under the various agreements governing its rights to the ATO Project are denominated in US dollars, making these rights subject to foreign currency fluctuations. Such fluctuations may materially affect the Company's financial position and results. The Company engages in limited currency hedging and price protection programs to manage such risk, but there is no certainty that such activities will be sufficient to hedge against significant or prolonged currency fluctuations in the future.

Price Fluctuations and Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility and the market price of securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual severe fluctuations in price will not occur.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The primary source of funds now available to the Company is from equity financing. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis, to support its exploration plans, and to ensure that it will have sufficient liquidity to meet its liabilities when due. To the extent the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through equity or debt transactions.

Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Management believes the credit risk on cash and cash equivalents is very low since the Company's cash and cash equivalents balance are held at large international financial institutions with strong credit ratings.

The Company is exposed to credit risk from its customer, which is a large multi-national corporation operating in the mining and oil & gas industries. Accounts receivable are subject to normal industry credit risks and are considered low.

Acquisition Strategy

As part of the Company's business strategy, it has sought and will continue to seek new exploration, development and mining opportunities in the resource industry. As a result, the Company may from time to time acquire additional mineral properties or securities of issuers which hold mineral properties. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues on favourable terms or that any acquisitions or business arrangements completed will ultimately benefit the Company.

Conflicts of Interest

Certain directors and officers are directors and/or officers of other mineral exploration companies and, as such, may, in certain circumstances, have a conflict of interest. Such conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the Company's governing corporate law statute which requires a director of a corporation who is a party to, or is a director or an officer of, or has some material interest in any person who is a party to, a material contract or proposed material contract with the company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under such legislation. However, conflicts may not be readily apparent, or may only be apparent with the benefit of hindsight, and a conflicted director may exercise his or her judgment in a manner detrimental to the Company's interests.

Prolonged periods of severe weather conditions could materially and adversely affect the Company's business and results of operations

Severe weather conditions may require the Company to evacuate personnel or curtail operations and may cause damages to the project site, equipment or facilities, which could result in the temporary suspension of operations or generally reduce the Company's productivity. Severe weather conditions have not caused any delay or damages to the Company's operations to date. However, there can be no assurance that severe weather will not occur. Any damages to the Company's projects or delays in its operations caused by prolonged periods of severe weather could materially and adversely affect its business and results of operations.

Russia-Ukraine Conflict

On February 24, 2022, Russian military forces launched a full-scale military invasion of Ukraine. In response, Ukrainian military personal and civilians are actively resisting the invasion. Many countries throughout the world have provided aid to Ukraine in the form of financial aid and in some cases military equipment and weapons to assist in their resistance to the Russian invasion. The North Atlantic Treaty Organization ("NATO") has also mobilized forces to NATO member countries that are close to the conflict as deterrence to further Russian aggression in the region. The outcome of the conflict is uncertain and is likely to have wide ranging consequences on the peace and stability of the region and the world economy. Certain countries, including Canada and the United States, have imposed strict financial and trade sanctions against Russia and such sanctions may have far reaching effects on the global economy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain. The ultimate impact of the Russia-Ukraine conflict on our business is difficult to predict and depends on factors that are evolving and beyond our control, including the scope and duration of the conflict, as well as actions taken by governmental authorities and third parties in response. The Company may experience material adverse impacts to our business, results of operations, financial condition and the Company's share price as a result of any of these disruptions, even after the Russia-Ukraine conflict has subsided.

Risks Related to the Common Shares

Dilution

The Company may sell or issue additional Common Shares or other securities in the future to finance future activities, including its growth strategy. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Issuances of substantial numbers of Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices of the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

The Common Shares are Subject to Market Price Volatility

The market price at which the Common Shares will trade cannot be predicted. The market price of the Common Shares may be adversely affected by a variety of factors relating to our business, including fluctuations in operating and financial results. In addition, the stock markets in general have recently experienced extreme volatility. This volatility may adversely affect the market price of the Common Shares. The liquidity of the Common Shares may also be impacted by general market volatility.

Investment Eligibility

There can be no assurance that the Common Shares will continue to be qualified investments under relevant Canadian tax laws for trusts governed by RRSPs, RRIFs, deferred profit-sharing plans, registered education savings plans, registered disability savings plans and TFSAs. The *Income Tax Act* (Canada) imposes penalties for the acquisition or holding of nonqualified or prohibited investments.

The Company does not intend to pay dividends

The Company has not, since the date of its incorporation, declared or paid any dividends or other distributions on its Common Shares. The Company anticipates that, for the foreseeable future, it will retain its cash resources for the operation and development of its business. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Company and such other factors as the Board considers appropriate, and the Company may never pay dividends.

DIVIDEND POLICY

The Company has not, since its incorporation, declared or paid any dividends on our Common Shares and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, we anticipate that we will not pay dividends but will retain future earnings and other cash resources for the operation and development of our business. The payment of dividends in the future will depend on our earnings, if any, our financial condition and such other factors as our directors consider appropriate.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares of which 106,530,613 Common Shares are issued and outstanding as of the date hereof.

Each Common Share entitles its holder to notice of, and to one vote at, all meetings of shareholders. Each Common Share carries an entitlement to receive dividends if, as and when declared by the Board. In the event of the liquidation, dissolution or winding-up of the Company, the assets available for distribution to shareholders will be distributed rateably among the holders of Common Shares.

MARKET FOR SECURITIES

Trading Price and Volume

The outstanding Common Shares are listed and posted for trading on the TSX under the trading symbols “STGO”. The

following tables set forth the market price ranges and the aggregate volume of trading of the Common Shares on the TSX for the periods indicated.

TSX Statistics for Common Shares

Period	High ($)	Low ($)	Volume
2023			
December	0.85	0.64	1,386,616
November	0.83	0.65	925,894
October	0.81	0.60	1,382,219
September	0.74	0.62	966,510
August	0.79	0.72	1,058,330
July	0.87	0.77	1,586,216
June	0.97	0.79	842,891
May	1.07	0.91	1,031,648
April	1.19	1.01	1,713,439
March	1.10	1.00	1,026,197
February	1.20	0.98	914,393
January	1.36	1.05	1,197,597

Prior Sales

There are no other classes of securities of the Company which are outstanding but not listed or quoted on a marketplace and therefore no prior sales to report.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

The Common Shares that are subject to escrow or contractual restrictions and the percentage of our outstanding Common Shares represented by such Common Shares, are set out below.

Designation of Class	Number of securities in escrow or subject to contractual restrictions on transfer[(1)]	Percentage of class [(3)]
Common Shares	3,507,692	3.36%

Note:

(1) Common Shares in escrow were issued to Mongolian Inc. Limited LLC.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Province or State, Country of Residence and Offices Held

The following table sets forth the name of each of our directors and executive officers, their province or state and country of residence, their position(s) with the Company, their principal occupations during the five preceding years and the date they first became a director of the Company. Each director's term will expire immediately prior to the next annual meeting of shareholders.

Name and Residence	Position with Company	Principal Occupations	Director Since
Patrick Michaels *Zurich, Switzerland*	Director	Chairman of Asty Capital AG since July 2014, previously Managing Director since February 1998; Chairman of Zuri-Invest AG since June 2002.	October 2, 2017
Aneel Waraich[4] *Ontario, Canada*	Executive Vice-President and Director	Founder and Managing Partner of ATMA Capital Markets and ATMACORP LTD, which focuses primarily on advising public and private companies in the natural resources sector, since October 2011.	October 5, 2016[4]
Bataa Tumur-Ochir *Ulaanbaatar, Mongolia*	Chairman, Chief Executive Officer and Director	President and Chief Executive Officer of Company from December 2019 until June 2023 and Chairman and Chief Executive Officer since June 2023.	October 5, 2016
Jeremy South *British Columbia, Canada*	Senior Vice President and Chief Financial Officer	Senior Vice President and Chief Financial Officer of the Company since July 2018; managing partner of SouthPac Partners Inc. since January 2017.	-
Greg Wood[4] *Sydney, Australia*	Chief Operating Officer	Chief Operating Officer of the Company since January 2021.	-
Batjargal Zamba [1][2] *Ulaanbaatar, Mongolia*	Director	Special Envoy of Mongolia on Climate Change, National Focal Point of Mongolia; previously independent consultant and advisor at the Office of the President of the United Nations Environmental Assembly (UNEA) of UNEP in Ulaanbaatar from 2014 to 2016; previously research fellow at the Research Institute for Humanity and Nature (RIHN) in Kyoto, Japan from 2011 to 2013.	August 31, 2017
Jargalan Sereenen [1][3] *Ulaanbaatar, Mongolia*	Director	Professor and Department Head, Mongolia University of Science and Technology since September 2003.	August 23, 2019

Name and Residence	Position with Company	Principal Occupations	Director Since
Steve Haggarty [(1)(2)] *Ontario, Canada*	Director	Managing Director of Haggarty Technical Services Corp. since May 2018; previously Senior Director Metallurgy at Barrick Gold Corporation from September 2002 to April 2018.	August 23, 2019
Marina Lerner *New York, United States*	Director	Ms. Lerner is a Certified Public Accountant, Certified Financial Forensic (AICPA), Certified Forensic Accountant Homeland Security Level V and a graduate of the American College of Forensic Examiners. Ms. Lerner is a member of the American Institute of Certified Public Accountants, American College of Forensic Examiners, National Association of Certified Fraud Examiners, Institute of Business Appraisals, National Conference of CPA Practitioners, and National Association of Tax Preparers. Ms. Lerner is the former chairperson of Children's Talent Development Fund, a not-for-profit charitable organization, director and treasurer of the Russian Jewish Congress and acts as a pro-bono consultant for Ukrainian refugees. She is fluent in English, Ukrainian and Russian.	June 30, 2023
Byambatseren Tsogbadrakh *Ulaanbaatar, Mongolia*	Director and President	Ms. Byambatseren Tsogbadrakh, a Mongolian national, is a founding member of the Steppe Gold team. With years of experience in the field of finance, she has progressively held senior positions within the Company for an extended period.	March 15, 2024

Notes:

(1) Member of the Audit Committee.
(2) Member of the Corporate Governance and Nominating Committee.
(3) Member of the Compensation Committee.
(4) Resigned effective as of March 28, 2024.

Shareholdings of Directors and Senior Officers

Directors and executive officers, as a group, beneficially own, control or direct, directly or indirectly, 9,541,113 Common Shares, representing approximately 9.0% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or executive officers of the Company is, as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation, that was in effect for a period or more than 30 consecutive days (a "**Cease Trade Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such issuer, or (b) was subject to a Cease Trade 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.

None of the directors or executive officers of the Company, nor, to the knowledge of the Company, any shareholder holding a sufficient number of our securities to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including ours) 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 hereof, 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 such director, executive officer or shareholder.

None of the directors or executive officers of the Company, nor, to the knowledge of the Company, any shareholder holding a sufficient number of our securities 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.

Conflicts of Interest

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest between the Company or its subsidiaries and any of the directors or officers of the Company or a director or officer of its subsidiaries. However, certain of directors and officers are, or may become, directors or officers of other companies, with businesses which may conflict with the business of the Company. Accordingly, conflicts of interest may arise which could influence these individuals in evaluating possible acquisitions or in generally acting on behalf of the Company. Pursuant to the OBCA, directors are required to act honestly and in good faith with a view to the best interests of the Company. As required under the OBCA:

(a) A director or executive officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or executive officer of the Company, must promptly disclose the nature and extent of that conflict.

(b) A director who holds a disclosable interest (as that term is used in the OBCA) in a contract or transaction into which the Company has entered or proposes to enter may generally not vote on any directors' resolution to approve the contract or transaction.

Generally, as a matter of practice, directors or executive officers who have disclosed a material interest in any transaction or agreement that the Board is considering will not take part in any Board discussion respecting that contract or transaction. If on occasion such directors do participate in the discussions, they will abstain from voting on any matters relating to matters in which they have disclosed a material interest. In appropriate cases, a special committee of independent directors will be established to review a matter in which directors, or management, may have a conflict. See "*Risk Factors — Conflicts of Interests*".

AUDIT COMMITTEE

Composition of the Audit Committee

The current members of the Audit Committee are Dr. Zamba (Chair), Dr. Sereenen, Mr. Haggarty All of the members are financially literate and all are independent. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 ("**NI 52-110**") of the Canadian Securities Administrators. The charter of the Company's Audit Committee is attached to this annual information form as Appendix A.

Relevant Education and Experience

Every member in the Audit Committee has sufficient education and experience to perform its responsibilities in relation to the Audit Committee, including:

- understanding the accounting principles used by the Company to prepare its financial statements;
- having the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Batjargal Zamba

Dr. Zamba is currently serving as the Special Envoy of Mongolia on Climate change, National Focus Point of Mongolia for the United Nations Framework Convention on Climate Change (UNFCCC) covering the coordination of activities related to the Intergovernmental Panel on Climate Change (IPCC) and Green Climate Fund (GCF).

Dr. Zamba was the Minister of the Environment of Mongolia from 1990 to 1996 and Director-General of the National Agency for Meteorology, Hydrology and Environmental Monitoring from 1996 to 2001 and Ambassador of Mongolia to Japan from 2001 to 2005. From 2005 to 2001, he was working in New York as the Representative of the UN specialized agency-World Meteorological Organization (WMO) to the United Nations. He was also an advisor at the Office of the President of the United Nations Environmental assembly (UNEA) of UNEP in Ulaanbaatar (2014-2016).

Jargalan Sereenen

Dr. Sereenen has been a Professor and Department Head, Mongolia University of Science and Technology since September 2003. Dr. Sereenen teaches ore geology and metallogeny to Bachelors, Masters and Doctorate students. Prior to 2011, Dr. Sereenen worked as an associate professor at the Mongolian University of Science and Technology.

Steve Haggarty

Mr Haggarty's industry experience includes 24 years in operations and 14 years in corporate and EPCM-related roles. Most recently, Mr Haggarty was Senior Director, Metallurgy at Barrick Gold Corp. In this role, he was responsible for operational performance improvements, defining GeoMet models, processing strategy and risk mitigation. Mr Haggarty has worked at multiple mine sites around the world, including as General Manager of Barrick Gold's Veladero heap leach project in Argentina. He is considered a technical leader in heap leach processing, implementation and optimization.

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 (Kingston Ross Pasnak LLP, Chartered Accountants) not adopted by the Board.

Reliance on Certain Exemptions

The Company has not relied on the exemptions contained in sections 2.4, 3.2, 3.4, 3.5 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

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, and where applicable, by the Audit Committee, on a case by case basis.

External Auditor Service Fees (by Category)

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years are as follows:

	FYE 2023	**FYE 2022**
Audit Fees	$170,675	$195,000
Audit-Related Fees[(1)]	$60,000	$104,800
Tax Fees[(2)]	$26,485	$46,700
All Other Fees[(3)]	$320,000	-
Total Fees:	**$577,160**	**$346,500**

Notes:

(1) Audit-related fees include quarterly audit review services.
(2) Tax fees relate to the preparation of annual tax returns, transfer pricing consulting and general advisory services.
(3) Includes the audit service rendered in regards to Hong Kong Listing requirements.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To our knowledge, there are no legal proceedings or regulatory actions material to us to which we are a party, or to which we have been a party since our incorporation, or of which any property of the Company is or has been the subject matter of, since the beginning of the financial year ended December 31, 2023, and no such proceedings are known by us to be contemplated. There have been no penalties or sanctions imposed against us by a court relating to provincial or territorial securities legislation or by any securities regulatory authority, there have been no penalties or sanctions imposed by a court or regulatory body against us and we have not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with any securities regulatory authority since our incorporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this annual information form, no director, executive officer of the Company or shareholder of the Company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares, or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company within the three years preceding the date of this annual information form of during the current fiscal year.

TRANSFER AGENTS AND REGISTRARS

Transfer Agent and Registrar

The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its principal offices located in Trader's Bank Building, 702 – 67 Yonge Street, Toronto ON M5E 1J8, Canada.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts which the Company has entered into are set out below. Copies of such agreements are available under the Company's profile on SEDAR at www.sedar.com.

- Stream Agreement (See "*Business of the Company – Metals Purchase and Sale Agreement*");
- Investor Rights Agreement (See "*Business of the Company – Metals Purchase and Sale Agreement*");
- Loan Agreement between Trade and Development Bank and Steppe Gold LLC dated July 28, 2021;
- Arrangement Agreement with Anacortes dated May 5, 2023.

INTEREST OF EXPERTS

Kingston Ross Pasnak LLP, the auditors of the Company and who prepared the auditors' report accompanying the financial statements of the Company as at and for the period ended December 31, 2023 have confirmed that they are independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The technical report titled "Altan Tsagaan Ovoo Project (ATO) 2022 Mineral Resources & Reserves Report (NI 43-101)" dated effective November 6, 2022, which was prepared for the Company by Robin A. Rankin, MSc DIC MAusIMM CP (Geo) and Grant Walker, Be (Mining) MAusIMM CP(Mining) and prepared in accordance with NI 43-101. Each of the authors is a "qualified person" under NI 43-101 and independent of the Company.

The technical report titled "Form 43-101F1 Technical Report Preliminary Economic Assessment Northern Peru" dated effective August 17, 2023, which was prepared for the Company by John Woodson, P.E., Laurie Tahija, QP-MMSA, Jeff Rowe, P.Geo., Adam Johnston, FAusIMM CP(Met), Jim Gray, P.Geo., and John Nilsson, P.E. and prepared in accordance with NI 43-101. Each of the authors is a "qualified person" under NI 43-101 and independent of the Company.

The aforementioned firms and persons each held less than 1% of the outstanding securities of the Company or of any associate or affiliate of the Company when they prepared the aforementioned report or following the preparation of the report, and did not receive any direct or indirect interest in any securities of the Company or any associate or affiliate of the Company in connection with the preparation of the report.

ADDITIONAL INFORMATION

Additional information in respect of the Company is available on the Company's SEDAR+ profile at www.sedarplus.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans will be contained in the Company's management information circular for its most recent annual meeting of security holders that involved the election of directors. Additional information is also provided in the Company's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year ended December 31, 2023.

APPENDIX A

AUDIT COMMITTEE CHARTER

This charter governs the operations of the Audit Committee (the "**Committee**") of Steppe Gold Ltd. (the "**Company**"). The purpose, composition, responsibilities, and authority of the Committee are set out in this Charter.

This Charter and the Articles of the Company and such other procedures, not inconsistent therewith, as the Committee may adopt from time to time, shall govern the meetings and procedures of the Committee.

1. Purpose

The Committee shall provide assistance to the Board of Directors of the Company (the "**Board**") in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to:

(a) the integrity of the Company's financial statements;

(b) the financial reporting process;

(c) the systems of internal accounting and financial controls;

(d) financial risk management;

(e) the performance of the Company's internal audit function (if applicable) and independent auditors;

(f) the independent auditors' qualifications and independence; and

(g) the Company's compliance with ethics policies and legal and regulatory requirements.

2. Composition

The Committee shall be composed of at least three (3) directors of the Company (the "**Members**"), each of whom is "independent" as defined by applicable Canadian laws and regulations as well as the rules of relevant stock exchanges.

All Members shall be "financially literate" as defined in National Instrument 52-110 – *Audit Committees* or any successor policy, meaning that the director has the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Company's financial statements.

Members shall be appointed by the Board and shall serve until they resign, cease to be a director, or are removed or replaced by the Board.

3. Authority

The Committee is authorized to carry out its responsibilities as set out in this Charter, and to make recommendations to the Board arising therefrom.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the authority to engage, and to set and pay the compensation of, independent accountants, legal counsel and other advisers as it determines necessary to carry out its duties.

The Committee may also communicate directly with the auditors, legal and other advisors, management and employees of the Company to carry out its responsibilities and duties set out in this Charter.

The Company shall pay directly or reimburse the Committee for the expenses incurred by the Committee in carrying out its responsibilities.

4. Responsibilities

The primary responsibility of the Committee is to oversee the Company's financial reporting process on behalf of the Board and report the results of their activities to the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behaviour. The following shall be the principal direct responsibilities of the Committee:

(a) Appointment and termination (subject, if applicable, to shareholder ratification), compensation, and oversight of the work of the independent auditors, including resolution of disagreements between management and the auditors regarding financial reporting. The Committee shall arrange for the independent auditors to report directly to the Committee.

(b) Pre-approve all audit and non-audit services provided by the independent auditors and not engage the independent auditors to perform the specific non-audit services prohibited by law or regulation. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

(c) At least annually, obtain and review a report by the independent auditors describing:

  (i) The firm's internal control procedures.

  (ii) Any material issues raised by the most recent internal control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.

  (iii) All relationships between the independent auditor and the Company (to assess the auditor's independence).

(d) Establish clear hiring policies for employees, partners, former employees and former partners of the current and former independent auditors of the Company that meet the requirements of applicable securities laws and stock exchange rules.

(e) Discuss with the auditors, the overall scope and plans for audits of the Company's financial statements, including the adequacy of staffing and compensation. Ensure there is rotation of the audit partner having primary responsibility for the independent audit of the Company at such intervals as may be required.

(f) Discuss with management and the auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs (e.g. Company's Code of Business Conduct and Ethics).

(g) Periodically meet separately with management and the auditors to discuss issues and concerns warranting Committee attention. The Committee shall provide sufficient opportunity for the

auditors to meet privately with the members of the Committee, which shall at minimum include an *in-camera* meeting following each quarterly meeting. The Committee shall review with the auditor any audit problems or difficulties and management's response.

The processes set forth represent a guide with the understanding that the Committee may supplement them as appropriate.

5. Chair Responsibilities

The Chair of the Committee shall provide leadership to the Committee to enhance the Committee's effectiveness and ensure adherence to this Charter:

(a) Convene and preside over Committee meetings and ensure they are conducted in an efficient, effective and focused manner that promotes meaningful discussion;

(b) Assist management with the preparation of an agenda and ensure that meeting materials are prepared and disseminated in a timely manner and is appropriate in terms of relevance, efficient format and detail; and

(c) Adopting procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition and management of meetings;

(d) Ensure that the Committee has sufficient time and information to make informed decisions; and

(e) Provide leadership to the Committee and management with respect to matters covered by this mandate.

The Committee shall designate one of its Members as chair of the Committee (the "**Chair**").

The Corporate Secretary of the Company, or the individual designated as fulfilling the function of Secretary of the Company, will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

6. Specifically Delegated Duties

For purposes of this Charter, specific accounting, financial and treasury related duties delegated to the Committee by the Company's Board of Directors include:

Accounting and Financial

(a) Receive regular reports from the independent auditor on the critical policies and practices of the Company, and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

(b) Where applicable, review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditor's report on management's assertion.

(c) Review and discuss annual and interim earnings press releases before the Company publicly discloses this information.

(d) Review and approve the interim quarterly unaudited financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and, where applicable, the independent auditors prior to the filing of the Company's Quarterly Report or their inclusion in any filing with regulatory authorities. Also, the Committee shall discuss the results of the quarterly review, if any, and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing

standards.

(e) Review with management and the independent auditors the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's Annual Report to shareholders and any other filing with regulatory authorities, including their judgment about the quality, not just the acceptability of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.

(f) The Committee shall discuss any matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards and shall specifically review with the independent auditors, upon completion of their audit:

(i) the contents of their report;

(ii) the scope and quality of the audit work performed;

(iii) the adequacy of the Company's financial and auditing personnel;

(iv) co-operation received from the Company's personnel during the audit;

(v) significant transactions outside of the normal business of the Company; and

(vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems.

(g) Establish procedures for the review of the public disclosure of financial information extracted from the financial statements of the Company.

(h) Establish procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Approve investment policies and appoint investment managers, where appropriate, for the Company's retirement and other funded benefit plans.

Perform such other duties in respect of financial matters as, in the opinion of the Board, should be performed by the Committee.

7. Meetings and Proceedings

The Committee shall meet as frequently as required, but not less than four times each year. Any Member or the independent auditors of the Company may call a meeting of the Committee.

The agenda of each meeting of the Committee will include input from the independent auditors, directors, officers and employees of the Company as appropriate. Meetings will include presentations by management, or professional advisers and consultants when appropriate, and will allow sufficient time to permit a full and open discussion of agenda items.

Forty-eight (48) hours advance notice of each meeting will be given to each Member verbally, by telephone or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call. Any Member may call a meeting of the Committee.

The independent auditors of the Company are entitled to attend and be heard at meetings of the Committee where there is approval of the financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's Annual Report to shareholders and any other

filing with regulatory authorities. For certainty, the independent auditors of the Company may still be requested by the Committee to attend other meetings of the Committee, from time to time.

The quorum for each meeting of the Committee is a majority of the Members. The Chair of the Committee shall chair each meeting. In the absence of the Chair, the other Members may appoint one of their number as chair of a meeting. The chair of a meeting shall not have a second or casting vote.

The Chair of the Committee or his delegate shall report to the Board following each meeting of the Committee.

The Secretary or his delegate shall keep minutes of all meetings of the Committee, including all resolutions passed by the Committee. Minutes of meetings shall be distributed to the Members and the other directors of the Company after preliminary approval thereof by the Chair of the Committee.

The Committee shall meet regularly, at a minimum quarterly, alone to facilitate full communication.

8. Self-Assessment

The Committee and the Board shall annually assess the effectiveness of the Committee with a view to ensuring that the performance of the Committee accords with best practices.

The Committee shall review and reassess this Charter at least annually and obtain the approval of the Company's Board for any changes.

Last approved: October 2, 2017

Approved by: Board of Directors