Spanish Mountain Gold Project

NI 43-101 Technical Report & Preliminary Economic Assessment

British Columbia, Canada

Effective Date: July 3, 2025

Report Date: August 18, 2025

Prepared for:

Spanish Mountain Gold Ltd
Suite 910 – 1111 Melville Street
Vancouver, BC, Canada, V6E 3V6

Prepared by:

Ausenco Engineering Canada ULC
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List of Qualified Persons:

Kevin Murray, P.Eng., Ausenco Engineering Canada ULC
Ronald Voordouw, P.Geo., Equity Exploration Consultants Ltd
Bahram Bahrami, P.Geo., Equity Exploration Consultants Ltd
Marc Schulte, P.Eng., Moose Mountain Technical Services
Andrea Samuels, P Geo., pHase Geochemistry Inc
Scott Weston, P.Geo., Ausenco Sustainability ULC
Brad Russell, P.Eng., BGC Engineering
Walter Neil Brazier, P.Eng., WN Brazier & Associates Inc
Lee Josslyn, P.E., Linkan Engineering

CERTIFICATE OF QUALIFIED PERSON
Kevin Murray, P. Eng.

I, Kevin Murray, P. Eng., certify that:

1. I am employed as Manager, Process Engineering with Ausenco Engineering Canada ULC (Ausenco), with an office address of 1050 W Pender Street, Suite 1200, Vancouver, BC Canada, V6E 3S7.
2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, British Columbia, Canada," (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company") with a report date of August 18, 2025, and an effective date of July 3, 2025 (the "Effective Date").
3. I graduated from the University of New Brunswick, Fredericton NB, in 1995 with a Bachelor of Science in Chemical Engineering.
4. I am a member in good standing of Engineers and Geoscientists British Columbia (No. 32350), Northwest Territories Association of Professional Engineers and Geoscientists (No. L4940) and Association of Professional Engineers and Geoscientists of Saskatchewan (No. 82404).
5. I have practiced my profession continuously for 25 years. I have been directly involved in all levels of engineering studies from preliminary economic assessments (PEAs) to feasibility studies. I have led preliminary test work design, test work analysis and flowsheet development as well involvement in detailed design and commissioning. I have also developed operating cost estimates and contributed to and reviewed capital cost estimates. I have been involved with gold flotation concentrate production studies including Skeena's Eskay Creek and Seabridge Gold's Courageous Lake projects.
6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.
7. I have not visited the Spanish Mountain Project site.
8. I am responsible for Sections 1.1, 1.12, 1.15, 1.16.1, 1.17, 1.19, 1.20, 1.22, 1.23, 2.1, 2.2, 2.3, 2.4.1, 2.5, 2.6, 2.7, 3.1, 3.4, 13, 17, 18.1, 18.2, 18.3, 18.4, 18.8, 18.9.6, 19, 21.1, 21.2.1, 21.2.2, 21.2.4, 21.2.5, 21.2.6, 21.2.7, 21.3.1, 21.3.2, 21.4, 22, 24, 25.1, 25.7, 25.10, 25.12, 25.14, 25.15, 25.16, 25.17.1.3, 25.17.2.3, 26.1, 26.4, 26.7 and 27 of the Technical Report.
9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.
10. I have not been previously involved with the Spanish Mountain Project.
11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Kevin Murray, P. Eng.

Ausenco Engineering Canada ULC Permit to Practice 1001905, Engineers and Geoscientists British Columbia

CERTIFICATE OF QUALIFIED PERSON
Ronald Jaap Voordouw, P.Geo.

I, Ronald Jaap Voordouw, P.Geo., certify that:

1. I am a Partner and Director Geoscience for Equity Exploration Consultants Ltd (Equity), with an office address of suite 1238, 200 Granville Street, Vancouver, BC, V6C 1S4.

2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, British Columbia, Canada," (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company") with a report date of August 18, 2025, an effective date of July 3, 2025 (the "Effective Date").

3. I graduated from the University of Calgary with a B.Sc. Geology in 2000 and from the Memorial University of Newfoundland with a Ph.D. in Geology in 2006.

4. I am a professional geologist registered with the Engineers and Geoscientists of British Columbia (No. 50515), NWT and Nunavut Association of Professional Engineers and Geoscientists (No. L5245) and with Professional Engineers and Geoscientists Newfoundland and Labrador (No. 06962).

5. I have practiced my profession continuously for 19 years with working experience on orogenic gold systems in the Abitibi district (Quebec), Cassiar area (BC), Cariboo Gold District (BC), and the São Luís Craton (Brazil).

6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.

7. I visited the Spanish Mountain Project site from July 31 to August 3, 2023, and from June 19 to 20, 2025.

8. I am responsible for Sections 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.21, 2.4.2, 3.2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 23, 25.2, 25.3, 25.4, 25.5, 25.6, 25.17.1.1, 25.17.1.2, 25.17.2.1, 25.17.2.2, 26.2, 26.3, and 27 of the Technical Report.

9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.

10. I have been previously involved with the Spanish Mountain Gold Project through completion of data compilation and database building work in 2023 as well as high-level supervision of a core relogging program in 2024.

11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Ronald Jaap Voordouw, P.Geo.
Equity Exploration Consultants Ltd. Permit to Practice 1000183, Engineers and Geoscientists British Columbia

CERTIFICATE OF QUALIFIED PERSON
Bahram Bahrami, P.Geo.

I, Bahram Bahrami P.Geo., certify that:

1. I am employed as a Resource Geologist with Equity Exploration Consultants Ltd (Equity), with an office address of 1238, 200 Granville St, Vancouver, BC V6C 1S4.
2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, British Columbia, Canada," (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company"), with a report date of August 18, 2025, an effective date of July 3, 2025 (the "Effective Date").
3. I graduated from Simon Fraser University with a Bachelor in Earth Sciences (Geology) in 2008.
4. I am a professional geoscientist registered with Engineers and Geoscientists British Columbia (No. 158972).
5. I have practiced my profession continuously for 15 years. I have been directly involved in mineral exploration programs, over 10 years in geological modeling, and 5 years in resource estimation. I have been a member in good standing, registered as a P.Geo. with EGBC since 2014, and am a Qualified Person as defined in NI 43–101.
6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.
7. I have not visited the Spanish Mountain Gold Project site.
8. I am responsible for Sections 1.13, 14, 25.8, 26.5, and 27 of the Technical Report.
9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.
10. I have not been previously involved with the Spanish Mountain Gold Project.
11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Bahram Bahrami, P.Geo.

Equity Exploration Consultants Ltd. Permit to Practice 1000183, Engineers and Geoscientists British Columbia

CERTIFICATE OF QUALIFIED PERSON
Marc Schulte, P. Eng.

I, Marc Shulte, P Eng., certify that:

1. I am working as Mining Engineer with Moose Mountain Technical Services (MMTS), with an office address of #210 1510 2nd Street North Cranbrook, BC V1C 3L2.
2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, British Columbia, Canada," (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company"), with a report date of August 18, 2025, an effective date of July 3, 2025 (the "Effective Date").
3. I graduated with a Bachelor of Science in Mining Engineering from the University of Alberta in 2002.
4. I am a member of the self-regulating association Engineers and Geoscientists BC (No. 54035).
5. I have worked as mining engineer for 23 years since my graduation from university. Throughout my career I have worked on numerous open pit base metals projects, within project engineering studies and within mine operations, on Mineral Reserve estimates, mine planning, and mine cost estimates.
6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.
7. I visited the Spanish Mountain Project site on September 12, 2019.
8. I am responsible for Sections 1.14, 2.4.3, 15, 16, 18.6, 20.4.2.1, 21.2.3, 21.3.3, 25.9, 25.17.1.4, 25.17.2.4, 26.6 and 27 of the Technical Report.
9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.
10. I have previously involved with the Spanish Mountain Project. I co-authored the following Technical Reports on the Spanish Mountain Gold Project:
    a. Galbraith, L., Gilmour, W., Giroux, G.H., Meintjes, T., and Schulte, M., 2017: Preliminary Economic Assessment for the Spanish Mountain Gold Property, Likely, British Columbia, Canada: effective date May 17, 2017; amended date February 11, 2019.
    b. Bird, S., Galbraith, L., Gilmour, Meintjes, T., and Schulte, M., 2019: Spanish Mountain Gold NI 43-101 Technical Report based on 2019 Preliminary Economic Assessment, Likely, British Columbia, Canada: effective date December 2, 2019.
    c. Gilmour, W., Jutras, M., Schulte, M., Grills, F., Cameron, M., Staples, P., Galbraith, L., Billin, S., Samuels, A., 2021: Spanish Mountain Gold Prefeasibility Study NI 43-101 Technical Report, Likely, British Columbia, Canada, effective date May 10, 2021.
11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Marc Schulte, P Eng.

Moose Mountain Technical Services Permit to Practice 1003309, Engineers and Geoscientists British Columbia

CERTIFICATE OF QUALIFIED PERSON
Andrea Samuels, P. Geo.

I, Andrea Samuels, P Geo., certify that:

1. I am employed as a Senior Geochemist with pHase Geochemistry Inc., (pHase), with an office address of 2938 Lamont Road, Saanichton, B.C., V8M 1W5.
2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, British Columbia, Canada," (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company"), with a report date of August 18, 2025, an effective date of July 3, 2025 (the "Effective Date").
3. I graduated from Queen's University with a Bachelor of Science (Honours) in Geological Sciences in 1997.
4. I am a professional geoscientist registered with the Engineers and Geoscientists British Columbia (No. 38156).
5. I have practiced my profession continuously for 24 years with experience in the assessment of acid rock drainage/metal leaching (ARD/ML) potential of waste rock and tailings for various exploration and mining projects in Canada, the United States, South America, and Australia.
6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.
7. I have not visited the project site.
8. I am responsible for Sections 1.18.1.2, 20.1.1.8, 25.13.2, 26.9.1, and 27 of the Technical Report.
9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.
10. I have been previously involved with the Spanish Mountain Gold Project as a QP for the 2021 Pre-Feasibility Study.
11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Andrea Lee Samuels, P Geo.
pHase Geochemistry Inc. Permit to Practice 1000900, Engineers and Geoscientists British Columbia

CERTIFICATE OF QUALIFIED PERSON
Scott Weston, P. Geo.

I, Scott Weston, P. Geo., certify that:

1. I am a professional Geoscientist, currently employed as Senior Consultant, Environmental Services, with Ausenco Sustainability ULC (Ausenco), with an office address of 4515 Central Boulevard, Burnaby, BC, Canada.
2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, British Columbia, Canada," (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company"), with a report date of August 18, 2025, an effective date of July 3, 2025 (the "Effective date").
3. I graduated from University of British Columbia, Vancouver, BC, Canada 1995with a Bachelor of Science, Physical Geography, and Royal Roads University, Victoria, BC, Canada 2003 with a Master of Science, Environment and Management.
4. I am a professional Geoscientist of Engineers and Geoscientists of British Columbia; Registration No. 124888.
5. I have worked as a geoscientist continuously for 30 years, leading or working on teams advancing multidisciplinary environmental projects related to natural resource development. Examples of projects I have been involved with include: Wasamac Project FS, Eskay Creek Mine PFS, Las Chispas Mine FS, and Casino Project FS.
6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.
7. I have not visited the Spanish Mountain Project site.
8. I am responsible for Sections 1.18.1.1, 1.18.2–1.18.4, 3.3, 20.1.1.1–20.1.1.7, 20.1.2, 20.2, 20.3, 20.4.1, 20.4.2.2, 20.4.2.5, 20.4.3, 20.5, 25.13.1, 25.17.1.6, 26.9.2, and 27 of the Technical Report.
9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.
10. I have not been previously involved with the Spanish Mountain Project.
11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Scott Weston, P. Geo.
Ausenco Engineering Canada ULC Permit to Practice 1003471, Engineers and Geoscientists British Columbia

CERTIFICATE OF QUALIFIED PERSON
Bradley (Brad) R. Russell, P.Eng.

I, Bradley (Brad) R. Russell, P.Eng., certify that:

1. I am employed as a Principal Geotechnical Engineer with BGC Engineering Inc., (BGC), with an office address of Suite 500 – 980 Howe Street, Vancouver, BC V6Z 0C8, Canada.
2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report and Preliminary Economic Assessment, British Columbia, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company"), with a report date of August 18, 2025, an Effective date of July 3, 2025 (the "Effective Date").
3. I graduated from the University of Saskatchewan with a Bachelor of Science in Civil Engineering in 2004.
4. I am a professional engineer registered with the Engineers and Geoscientists British Columbia (No. 37284) and Engineers and Geoscientists Manitoba (No. 35432) and with Association of Professional Engineers and Geoscientists of Saskatchewan (No. 37570).
5. I have worked as a geotechnical engineer for 21 years since graduation from university. I have experience in soil mechanics, dam design, and tailings management, including serving as Engineer of Record for multiple tailings storage facilities.
6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.
7. I visited the project site for one day on October 3, 2024.
8. I am responsible for Sections 1.16.2, 2.4.4, 18.5, 18.9.1, 18.9.2, 18.9.3, 18.9.4, 20.1.3, 20.4.2.3, 20.4.2.4, 25.11.1, 25.11.2, 25.17.1.5.1, 25.17.2.5.1, 26.8 and 27 of the Technical Report.
9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.
10. I have not been previously involved with the Spanish Mountain Project.
11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Bradley (Brad)R. Russell, P.Eng.
BGC Engineering Inc. Permit to Practice 1000944, Engineers and Geoscientists British Columbia

CERTIFICATE OF QUALIFIED PERSON
Walter Neil Brazier, P. Eng.

I, Walter Neil Brazier, P.Eng., certify that:

1. I principal of and employed as president of W.N. Brazier Associates Inc. with an office address of 8-3471 Regina Ave. Richmond, BC, Canada V6X 2K8.
2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report and Preliminary Economic Assessment, British Columbia, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company"), with a report date of August 18, 2025, an Effective date of July 3, 2025 (the "Effective Date").
3. I graduated from the University of Saskatchewan with a Bachelor of Science in Electrical Engineering in 1969.
4. I am a professional engineer registered with Engineers and Geoscientists British Columbia (No. 8337), the NWT and Nunavut Association of Professional Engineers and Geoscientists (No. L1033) and the Association of Professional Engineers of Yukon (No. 1931) and have permits to practice in these jurisdictions.
5. I have 55 years of continuous engineering experience in the design and construction of power generation, transmission, distribution, substations and general industrial power and control systems.
6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.
7. I have not visited the project site.
8. I am responsible for Section 18.7.1, 18.7.2, 18.7.3, 18.7.4, and 18.7.5 of the Technical Report.
9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.
10. I have been previously involved with the Spanish Mountain Project in 2022, having provided a trade-off study of 138 kV versus 230 kV transmission lines and having reviewed previous BC Hydro studies.
11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Walter Neil Brazier, P. Eng.
W.N. Brazier Associates Inc. Permit to Practice 1000536, Engineers and Geoscientists British Columbia

CERTIFICATE OF QUALIFIED PERSON
Lee Preston Josslyn, P.E.

I, Lee Preston Josslyn, P.E., certify that:

1. I am employed as a Program Manager with Linkan Engineering, Ltd., (Linkan), with an office address of 2720 Ruby Vista Drive, Suite 101, Elko, Nevada 89801.
2. This certificate applies to the technical report titled "Spanish Mountain Gold Project NI 43-101 Technical Report and Preliminary Economic Assessment, British Columbia, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd (the "Company"), with a report date of August 18, 2025, an Effective date of July 3, 2025 (the "Effective Date").
3. I graduated from Colorado State University with a B.S. in Civil Engineering (1986) and from Colorado School of Mines with a M.S. in Environmental Engineer (1993).
4. I am a professional engineer registered with the State of Colorado, USA (No. 31301).
5. I have practiced my profession continuously since 1987. Most of my professional practice has focused on water treatment projects including design, construction, and operations of industrial water treatment systems with both passive and active treatment processes. I have worked on numerous mining related water treatment projects from civil infrastructure at the Magmont Mine(MO), Empire Mine (CA), and Brodie Creek Selenium Reduction (British Columbia), to environmental restoration projects at Mt Emmons Mine (CO), January Adit (NV), and Climax Mine (CO), to managing operations at Summitville Mine (CO), Argo Tunnel (CO), Wolverine Mine (Yucon), to water treatment design at Summitville Mine (CO), Elizabeth Mine (VT), and Cerro Quema Gold Oxide Project, Province of Los Santos, Panama.
6. I have read the definition of "Qualified Person" set out in the National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that by virtue of my education, affiliation to a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for those sections of the Technical Report that I am responsible for preparing.
7. I have not visited the project site.
8. I am responsible for Sections 18.9.5, 25.17.1.5.2, and 25.17.2.5.2 of the Technical Report.
9. I am independent of the Company as independence is defined in Section 1.5 of NI 43-101.
10. I have been previously involved with the Spanish Mountain Gold Project. From April 2022 to May 2023, I was involved as project manager in kinetic cell testing of potential source control applications for materials (characterized as PAG) from the Spanish Mountain Gold site. This work was done in a water treatment laboratory in Denver, CO. I was also involved with the preparation and design engineering for the Spanish Mountain Gold Project, Prefeasibility Study Ni 43-101 Technical Report from January to May 2021, for the sections related to both active and passive water treatment.
11. I have read NI 43-101 and the sections of the Technical Report for which I am responsible have been prepared in compliance with that Instrument. As of the effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make those sections of the Technical Report not misleading.

Dated: August 18, 2025

"Signed and sealed"

Lee Preston Josslyn, P.E.
Linkan Engineering Canada ULC Permit to Practice 1004653, Engineers and Geoscientists British Columbia

Important Notice

This report was prepared as National Instrument 43-101 Technical Report for Spanish Mountain Gold Ltd (SPA) by Ausenco Engineering Canada ULC (Ausenco), Equity Exploration Consultants Ltd (Equity), Moose Mountain Technical Services (MMTS), BGC Engineering (BGC), and WN Brazier & Associates Inc., collectively the Report Authors. The quality of information, conclusions, and estimates contained herein is consistent with the level of effort involved in the Report Authors' services, based on i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by SPA subject to terms and conditions of its contracts with each of the Report Authors. Except for the purposes legislated under Canadian provincial and territorial securities law, any other uses of this report by any third party are at that party's sole risk.

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1 SUMMARY

1.1 Introduction

Spanish Mountain Gold Ltd (SPA) commissioned Ausenco Engineering Canada ULC (Ausenco) to compile a preliminary economic assessment (PEA) of the Spanish Mountain Gold Project. The PEA was prepared in accordance with the Canadian disclosure requirements of National Instrument 43-101 (NI 43-101) and in accordance with the requirements of Form 43-101F1.

The responsibilities of the engineering companies who were contracted by SPA to prepare this report are as follows:

- Ausenco was responsible for all content pertaining to mineral processing, metallurgical testing, infrastructure (except those related to tailings, water management, and off-site electrical), market studies and contracts, environmental studies, permitting, and social and community impacts (except those related to geochemistry, mining, tailings, and water management), capital and operating costs (except those related to mining), economic analysis, and closure plans and costs associated with the process plant. Ausenco was also responsible for managing the PEA study and coordinating and compiling the technical Report.
- Equity Exploration Consultants Ltd (Equity) was responsible for the property description and location, accessibility, climate, local resources, local infrastructure, physiography, history, geology, deposit types, drilling, exploration, sample preparation, analysis, and security, data verification, and mineral resource estimates.
- Moose Mountain Technical Services (MMTS) designed the open pit mine, estimated the mine production schedule, and estimated the mining fleet and mining capital and operating costs, including closure costs associated with the pit, waste piles, and haul roads.
- BGC Engineering (BGC) was responsible for tailings and water management, including associated closure plans and quantities.
- WN Brazier & Associates Inc (Brazier) was responsible for the off-site 230 kV transmission line from the BC Hydro source substation near MCleese Lake to the Spanish Mountain site and the main site 230 kV step-down substation.
- Linkan Engineering (Linkan) was responsible for water treatment design and costs.
- pHase Geochemistry Inc (pHase) was responsible for geochemical characterization of waste rock and tailings.

1.2 Property Description and Location

The Spanish Mountain Gold (“SMG”) Property comprises 54 mineral claims that cover 10,388 hectares (ha) in central-eastern British Columbia (BC), Canada, within 5 kilometers (km) of the unincorporated community of Likely and 70 km from the City of Williams Lake. All claims are 100 percent (%) owned by Spanish Mountain Gold Ltd (“SPA”) and are in good standing until 2035.

1.3 Mineral Tenure, Surface Rights, Water Rights, Royalties and Agreements

The 54 mineral claims comprising the SMG Property consist of 20 Legacy claims and 34 Mineral Titles Online (MTO) claims that cover a total of 11,476 ha. However, they include 1,088 ha of overlapping area which reduces the effective mineral claim area to 10,388 ha. These claims grant SPA the right to explore for and develop mineral deposits in the subsurface under the Mineral Tenure Act. The subsurface mineral rights are retained by the Crown, as administered by the Province of British Columbia.

Approximately 4,051 ha of SMG Property is covered by placer claims and leases that are held by 19 different majority owners. These placer holdings cover the western part of the SMG deposit as well as much of the prospective ground to the west and southwest. In these areas, the placer leaseholders hold the rights to extract minerals from unconsolidated surficial materials such as gravel and sand, whereas SPA's mineral claims confer the right to extract minerals from the underlying bedrock. Converting these areas to mining leases – where a single entity holds extraction rights to both the unconsolidated material and bedrock – will require an agreement between the placer leaseholders and SPA.

Thirty-six of the claims comprising the SMG Property were amalgamated through one of six purchase agreements whereas the remaining 18 claims were staked by SPA. The conditions in each of these agreements have been met as of the effective date of this report.

Surface rights for the Property are mostly owned by the Government of BC, aside from 108 ha of private property issued as Land Act district lots. The bulk of these lots are located more than 4 km from the deposit and are unlikely to affect any future mining operations. There is a one-hectare private property that lies 300 to 400 meters (m) from the eastern edge of the proposed open pit on the SMG deposit.

Half of the mineral claims, including all of those with current mineral resources, are subject to one of five net smelter return (NSR) royalties ranging between 0.5% to 4.0%. Each of these has buydown rights for reduction to 0.0% to 1.5% NSR at costs of between C$450,000 to C$2,000,000.

MTO data shows overlaps of 36 ha and 16 ha for claims subject to two different NSR royalties so that the pre-buydown royalty in these areas may be boosted to 6.5% and 5.0% respectively. Both overlap areas lie immediately north of the Phoenix deposit.

The project's exploration permit is valid until 2027, with an amendment recommended to begin in 2026. The permit has been successfully amended several times since it was first issued in 2005. The permitting process is administered by the BC Government in consultation with local First Nations.

BC water resources are owned by the Crown and would be made available upon approval of any future mining operation. The ownership of other rights (e.g. timber, guiding) within the Property has not been investigated by the QP.

Other than the agreements and royalties noted above, the QP is not aware of any additional royalties, back-in rights, or other agreements and encumbrances to which the Property may be subject.

The QP is also unaware of any environmental liabilities or other risks that may prevent SPA from carrying out future work, nor any other significant factors and risks that may affect access, title, or the right or ability to perform work on the Property.

1.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The SMG Property lies on the western edge of the Quesnel Highland region and consists of northwest-trending rolling hills and valleys with elevations ranging from 900 to 1,600 meters above sea level (masl). Forest cover extends across all elevations and logging is widespread in the northern part of the Property, including those areas overlying the SMG deposit. The western and southern boundaries of the Property are effectively bound by Quesnel Lake whereas Spanish Lake and the Spanish Creek valley cut through the northern part.

The SMG Property is road accessible through a well-maintained network of gravel roads that branches off the BC provincial highway grid at the unincorporated community of Likely (population 350), which itself is located along the northwest margin of the Property and just five kilometers from the SMG deposit. The highway grid connects Likely to the cities of Williams Lake (population 11,000), located 65 to 70 km southwest of the Property, and Prince George (population 80,000) located 170 km to the northwest. Any part of the Property is accessible with an off-road vehicle and some amount of bush hiking.

The SMG Property has a humid continental climate that is characterized by mild summers and cold snowy winters. The nearest government weather station, located 85 km northwest of the Property, records an annual daily average of 5.5°C and 510 mm of precipitation, as well as a maximum average snow depth of 30 cm. These conditions are moderate by Canadian standards and dry by provincial standards, allowing for relatively easy year-round exploration and development work.

The risk of forest fires has increased significantly in BC, including the Cariboo region. Significant fires have disrupted summer work programs in recent years and will continue to be a risk in the future.

The community of Likely provides limited services to the mining and mineral exploration industry, including accommodations in hotels and rental housing, restaurants, fuel, and labor. Several community members are employed at the Mount Polley copper-gold mine, located 25 km by road to the west-southwest.

SPA owns a road accessible and hard sided exploration camp located on private property, just 100 meters north of the SMG claims. This camp is connected to the electrical and water systems that service Likely, can house up to 30 people, and is equipped with septic system and flush toilets, kitchen, mess, office, core logging and cutting facilities, small workshops to suit exploration needs, and a large core storage facility.

Overall, the SMG Property exhibits many favorable characteristics for a Canadian mineral exploration and development project, including moderate terrain, abundant water, property-wide vehicle access, relatively mild climate and low annual snow cover, no seismic risk, and proximity to communities that work in the natural resources industry. The most significant risks are related to forest fires.

1.5 History

Mineral claims over the SMG deposit have been intermittently held since the early 1930's and continuously from 1976. The first consolidation of claims overlying the current deposit footprint occurred in 1984 by Mt Calvery Resources Ltd and led to the first significant drilling programs. By the late 1980's, these claims had refractured back to their original owners until, in 1992, they were reconsolidated by Eastfield Resources Ltd ("Eastfield"). Eastfield transferred their interest to Wildrose Resources Ltd ("Wildrose") in 1997.

In 2003, Wildrose optioned the first iteration of the SMG Property to Skygold Ventures Ltd, the precursor to Spanish Mountain Gold Corporation ("SPA"). In 2007, SPA acquired all issued and outstanding shares of Wildrose and then, in January 2010, changed the company name to SPA. The Property then evolved to its current size through claim staking as well as purchase agreements completed in 2010, 2012, and 2025.

Historical work on the SMG Property can be split into five periods of time, with the first period marked by an exploration focus on placer gold at the tail end of the Cariboo Gold Rush. The first determined efforts for lode gold exploration started around 1976, led by individual prospectors who often partnered with industry through joint ventures. The claims over what is now the SMG deposit were first consolidated in 1984, initiating intensive exploration campaigns that continued through 1988. Exploration mostly ceased in 1988 after which the claims refractured back to their original owners until they were reconsolidated in 1992. This reassembled property was optioned by several industry partners until it was optioned to Skygold in 2003.

The claims that were added through the 2010 and 2012 purchase agreements were most intensely worked between 2004 to 2012. Historical work on the claim acquired in 2025 was not reviewed as it lies well outside the deposit footprint area.

Historical work production that falls within the current boundary of the SMG Property includes approximately 21,654 m of reverse circulation (RC) and diamond drilling in 682 holes as well as 2,033 rock samples and 15,490 soils, at least 11.4 line-km of trenching, and 519 line-km of geophysical surveys.

1.6 Geology and Mineralization

The SMG Property occurs in the Cariboo Gold District (CGD) of south-central BC. The CGD is a 25 x 150 km region of orogenic gold (and related placer) mineralization that formed on a crustal-scale structure that joined the Kootenay and Quesnel terranes. CGD deposits are developed on both sides of this suture zone and typically formed through at least two mineralizing events; an earlier event that occurred during regional regional-scale D1-D2 deformation and a second event during late-D2 or D3.

Gold mineralization on the Property is hosted by the Nicola Group, with the SMG deposit occurring in an unnamed formation of "transitional mixed volcanic and sedimentary rock" (TMVSR) that consists mostly of volcaniclastic, siltstone, argillite, and greywacke. The Phoenix deposit is hosted by a younger and unnamed formation of marine sedimentary and basaltic rocks that structurally underlies the TMVSR. Gold mineralization is associated with permissive stratigraphic units as well as northwest-striking ductile to brittle D1-D2 structures and northerly striking, late-D2 (or D3), and brittle fault systems.

The SMG deposit comprises a bulk tonnage, sedimentary-hosted vein (SHV), orogenic system. Mineralization is hosted in at least 11 lens- to pipe-like bodies that collectively form a gently north dipping volume that is up to 1,700 m long, 800 m wide, and 300 m thick. Mineralized bodies in the center (Main Block) of the deposit are controlled by a N-S striking D3 fault system and the down-dip stratigraphic direction, whereas those in the North and South blocks are elongate parallel to the D2 North and South faults.

The smaller Phoenix deposit is formed by three stacked, sub-horizontal, lens-like bodies within a volume that is 1,500 m long, 300 to 400 m wide, and covers 100 to 200 m of stratigraphic thickness. All three lenses are centered on a N-S striking D3 brittle fault.

D1-D2-style gold mineralization is typically stratiform, prefers less competent host rocks like argillite, and is associated with disrupted quartz-carbonate-pyrite (QCP) veins and pervasive QCP alteration. D3-style gold occurs in quartz ± carbonate vein arrays emplaced into more competent host rocks (e.g., tuff) and brittle faults. Both mineralization styles are widely overprinted by brittle faulting.

Typical drill assay composites of early-style mineralization range from 0.1 to 1.0 g/t Au over 10 to 100 m whereas late-style intersections are generally 1.0 to 10.0 g/t Au over 1 to 10 m, with maximum grades of 241 g/t Au over 1.5 m. Despite an estimated gap of 6 to 17 million years between the D1-D2 and D3 mineralizing events, both are interpreted as part of a prolonged tectonic event associated with obduction of the Quesnel terrane onto ancestral North America.

Rock sampling and drilling have identified several other gold showings on the Property that are of a similar nature to the SMG deposit, including possible deposit extensions or as separate systems developed on other D3 fault systems. Placer gold potential should also be considered during stripping operations for mine and/or infrastructure development. Occurrences of silver, base metals, and any other commodity besides gold, are subeconomic.

1.7 Deposit Types

The main deposit type that occurs on the SMG Property is a subtype of the orogenic gold deposit style referred to as sedimentary-hosted and at least partially vein-controlled (SHV). Other deposit styles that are relevant to the Property include Cu-Au alkalic porphyry copper-gold, polymetallic vein, and placer gold deposits.

The primary exploration target on the SMG Property is SHV orogenic gold like the SMG and Phoenix deposits as well as related showings and prospects (see Section 7.4). Orogenic gold deposits form many of the most significant gold-producing belts in the world, including the Kalgoorlie deposits in Australia, Timmins in Ontario, and Ashanti in Ghana. Their name reflects a temporal and spatial association with late stages of orogenesis (Groves et al., 1998; Goldfarb et al., 2001; Goldfarb et al., 2005; Dubé and Gosselin, 2007) with many deposits developing between 2.8 to 2.55 Ga

(Archean), 2.1 to 1.8 Ga (Early Proterozoic) and 600 to 50 Ma (Phanerozoic). Orogenic-style mineralization within the eastern Cordilleran gold belt, including the Cariboo Gold District, formed between 180 to 140 Ma ((e.g., Allan et al., 2017).

The SMG Property hosts one alkalic porphyry-type showing (see Section 7.4.4). In general, Cu-Au alkalic porphyry deposits form in oceanic arcs at convergent plate boundaries like the Quesnel terrane that underlies the SMG Property.

The SMG Property hosts at least two types of polymetallic deposits; silver, lead, zinc (Ag-Pb-Zn) polymetallic quartz-carbonate veins that may or may not also show gold enrichment as well as, possibly, polymetallic massive sulphide layers that are here considered as replacement-style deposits.

The SMG property hosts many historic placer gold deposits. Placer deposits comprise of flakes, grains, and, rarely, nuggets of native (or elemental) gold that are hosted in unconsolidated sediments, most notably gravel and sand but also finer-grained sediments like silt and clay. Most placer gold is derived from nearby orogenic gold deposits, but they may also be sourced from porphyry, skarn, or polymetallic replacement deposits.

1.8 Exploration

Between optioning the SMG Property in 2003 and the effective date of this Technical Report, SPA has completed an estimated C$1.0 to $1.5M in exploration work to collect at least 1,182 rock samples, 7,024 soils, 82 silts, 1,701 line-km of airborne EM and magnetics, 127 km^2 of airborne LiDAR and orthophotos, and 23 line-km of ground-based induced polarization (IP). This is a notably low total for an advanced exploration program and indicates that SPA has focused primarily on drilling, with limited investment in foundational exploration activities. As a result, there may be untapped potential for discovery through targeted non-drilling programs, particularly those that can generate new targets or refine existing ones ahead of future drilling campaigns.

Prospecting, rock sampling, geological mapping, and trenching are, historically, the most effective methods of exploration on the SMG Property. These methods led to the initial discovery of the SMG deposit, all the showings registered in MINFILE, and most of the showings discovered by SPA. The Phoenix deposit was discovered by drilling. Future exploration should continue to use prospecting and rock sampling as a first pass reconnaissance tools as well as target-scale mapping and trenching of prospects that have already returned notable gold assays. In addition, the deposit and property-scale bedrock maps for the Property should be updated by integrating previous outcrop mapping, trenching, and geophysical data.

Soil sampling has defined a 2-km-wide gold-in-soil anomaly that extends 4 to 5 km northwest of the SMG deposit but is mainly developed in till and follows the glacial transport direction. This anomaly may therefore be entirely derived from the SMG deposit. Careful consideration of surficial geology and anomaly strength is required to use SPA's soil data for exploration targeting work. Any future soil sampling program should focus on sampling the basal till layer or other soil types that are most likely to reflect proximal bedrock geochemistry.

Stream sediment sampling density is too low to determine if it is useful or not. Future work should include the development of a catchment map for the Property, additional compilation, and targeted sampling to provide property-wide coverage.

Airborne and ground-based EM, IP, and/or resistivity surveys show patterns of tightly intercalated resistors and conductors underlying the SMG deposit area. This intercalated pattern is consistent with the drill core-based stratigraphic model formed by carbonaceous argillite alternating with non-carbonaceous units and could be a key ingredient to channeling auriferous fluids, with the conductors acting as aquifers and the resistors as aquicludes. Early (i.e., D1-D2) gold mineralization also shows a strong association with pyrite and carbonaceous argillite so that EM and IP conductors themselves are also exploration targets. Future work should focus on identifying EM and IP anomalies that may be gold-enriched and/or form SMG-like patterns.

Airborne magnetic data is also useful as a lithological discriminant and for imaging structures like, for example, the north-south trending D3 fault system that controls the SMG deposit. Future work should include integration of SPA's existing magnetic data with geology and geochemistry data as well as higher resolution surveys done through an unmanned aerial vehicle (UAV) and/or ground-based methods. It is also recommended that all of SPA's airborne and ground geophysical data is reprocessed by a qualified geophysicist.

The recommended Phase 1 exploration work includes additional data compilation and digitization, re-processing of raw geophysical data, desktop targeting, as well as property- and prospect-scale surface programs. The property-scale program would include geological mapping, rock sampling, and silt sampling whereas prospect-scale exploration would focus on the high-priority Ropes-of-Gold, Phoenix Northeast, SMG West Extension, and East Extension areas. The total estimated cost for this Phase 1 program is C$420,000.

The scope and budget for a second phase of non-drilling exploration work would include a permit amendment as well as a work program contingent on Phase 1 results. Work may include trenching, rather than drilling, on high-priority prospects evaluated in Phase 1, in addition to larger-scale work on prospective areas identified through the property-scale mapping, rock sampling, and silt sampling work. Potential work programs are estimated to cost C$1.57M.

1.9 Drilling

Since acquiring the Property in 2003 and up to the effective date of this Technical Report, SPA and its predecessor, Skygold Resources Ltd ("Skygold"), have completed 1,125 drill holes within the current boundaries of the SMG Property, for a total of and 223,919 m (Table 10-1). The bulk of this drilling was done with diamond tools whereas a lesser number of holes were drilled with reverse circulation (RC) and other methods (mostly sonic). Both diamond and RC drill holes are included in the updated mineral resource estimate presented in Section 14.

Approximately 80% of the drill holes and meters have been drilled in the Main, North, and South blocks of the SMG deposit with the remaining 20% drilled mostly at the Phoenix deposit as well as to the west, north, and south of the SMG deposit.

Diamond, RC, and sonic drilling were completed by independent subcontractors using skid mounted drill rigs and heavy machinery support. Collars were spotted with handheld global positioning system (GPS) at nominal accuracy of 3 to 10 m after which just under 40% of these collars were measured to survey-grade accuracy with a differential GPS system or equivalent. Collar elevations were determined from digital elevation models and have accuracy of less than 1 m. Downhole surveys were completed with single-shot magnetic and gyroscopic downhole surveys tools that show holes stayed straight or deviated clockwise and toward steeper dips with depth.

Approximately 80% of the drill holes are vertical or inclined between -60° to -80° toward the southeast or southwest. Both orientations are broadly perpendicular to the sub-horizontal to moderately northeast-dipping mineralized bodies so that the true widths of drill intersections range between 65% to 100% of the drilled widths. The remaining 20% of holes have true widths that range from 35 to 85% of the drilled widths.

Most diamond drill cores are stored within covered racks next to the Company's exploration camp and so are well-preserved and readily available. SPA's drill hole database is in line with industry standards and currently hosted in maxGEO's SQL database DataShed software. Most of the diamond core was photographed prior to cutting as well as approximately 70% of the RC chips.

Core recovery for the bulk (80%) of drill holes was at least 80% although locally variable from 100% within coherent intervals to less than 50% within brittle fault zones, some of which are mineralized. Rock quality designation (RQD) for all holes is less than 80% with the bulk ranging between 15 to 65% to classify as low quality. Both the core recovery and RQD measurements tend to be low values and so reflect the friable and fractured nature of bedrock on the SMG Property.

Approximately 95% of SPA's diamond and RC drilling has been sampled and assayed, mostly in 1.5-meter intervals. The balance of 5% includes overburden so that the actual length of unsampled core and chips are negligible. SPA inserted certified reference materials, blanks, and duplicates into their sample stream to monitor quality assurance and quality control (QA/QC) of sample preparation and analytical methods used by the commercial laboratory.

The highest grade-thickness intersections have been drilled in the Main Block area, which hosts seven of the 11 mineralized bodies comprising the SMG deposit and returned numerous intervals of 0.1 to 1.0 g/t Au over 10 to 200 m and 1 to 10 g/t Au over 1 to 10 m. These wider lower-grade and narrower higher-grade intervals are broadly representative of the early and late mineralizing events, respectively. Notable examples of early- and late-style mineralization from the Main Block include 1.9 g/t Au over 129.0 m in 09-DDH-889 and 225 g/t Au over 0.8 m in 09-DDH-871. Abundances of silver and base metals are insignificant.

The North Block of the SMG deposit hosts three of the 11 mineralized bodies whereas the South Block hosts one, with all four of these mineralized bodies crossing over into the Main Block as well. The length and grade of gold intersections in the North and South blocks are like those in the Main Block, representing both early and late mineralizing styles. Notable examples of each include 1.2 g/t Au over 131.7 m in 05SPRC-310 and 74.7 g/t Au over 3.5 m in 11-DDH-979.

The Phoenix deposit is located approximately 1 to 2 km west of the SMG deposit and consists of three stacked sub-horizontal mineralized bodies that extend for approximately 1,500 m in the north-south direction, 300 to 400 m from east to west, and over 100 to 200 m of stratigraphy. Drilling has returned several early-style intervals grading between 0.3 to 1.2 g/t Au over 14 to 52 m as well as late-style intervals like, for example, 73.8 g/t Au over 1.5 m in 07-DDH-632. Arsenic contents are much higher than the SMG deposit, typically ranging between 1,000 to 10,000 ppm in the mineralized zones, whereas concentrations of other precious and base metals are generally low.

Drilling results from the West, South, North, and East extensions are generally lower grade and narrower than those in the SMG deposit. The West Extension area returned most of the better results with several early-style intersections of 0.2 to 1.0 g/t Au over 10 to 60 m and late-style intervals of 2 to 6 g/t Au over 1 to 3 m. The South, North, and East extensions, on the other hand, returned early-type intervals typically less than 20 m in length and late-style mineralization of just 1 to 2 g/t Au over 1 to 2 m. Abundances of silver and base metals are, again, insignificant.

Drilling in the Cedar Creek and Nina Lake areas returned scattered intersections of 0.3 to 0.4 g/t Au over 1 to 10 m as well as 1.0 to 4.0 g/t Au over 1 to 5 m. Arsenic contents range between 1,000 to 10,000 ppm whereas concentrations of other precious and base metals are generally low.

1.10 Sampling Preparation and Security

Since acquiring the SMG Property in 2003, SPA has collected over 134,000 samples of drill core and reverse circulation (RC) chip samples for geochemical analysis. Section 11 describes the details of SPA's methods for ensuring the security of these samples between their collection point and delivery to the lab, preparation and analytical methods used by the lab, and summarizes the results of SPA's external quality assurance and quality control (QA/QC) monitoring program. Collectively, this review is used to provide some comments on the adequacy of SPA's geochemical assay data for purposes of the updated mineral resource estimation (MRE) provided in Section 14.

Historical drilling used in the updated MRE includes some of the holes drilled by Mt Calvary between 1985 and 1986, the 1987 to 1988 drilling by Pundata, and the 2004 drilling by Wildrose. The original certificates of analysis (COA) for these programs were obtained directly from the analytical lab.

SPA's rock, soil, and silt sampling are not reviewed here because the quality of this data is immaterial to the advance stage of the SMG project and because the data is poorly documented and lacks external QA/QC analyses.

1.11 Data Verification

In 2023, Equity was commissioned to compile all of SPA's exploration data for the SMG Property, including data they collected themselves (see Section 12.2.2) and legacy data that preceded SPA's ownership of the Property. This work involved the centralization of digital data into folder and database structures, in addition to compilation of undigitized data.

QP Ron Voordouw of Equity ("QP Voordouw") completed site visits to the SMG Property on July 31 to August 3, 2023 and 19 to 20 June 2025. Both visits included core reviews whereas collar and assay validations were done in the second review.

Collar validation work involved using a handheld GPS to measure the collar coordinates for six of the 2025 holes drilled on the Phoenix deposit (Figure 12-1a), as well as four holes drilled on the SMG deposit in 2007, 2013, 2018, and 2025. All collar locations were accessed by pickup truck. Comparison of the coordinates measured by QP Voordouw with those in SPA's drill hole database show an offset between 1 to 9 meters (Table 12-1) that is in line with the positional accuracy for handheld GPS.

Core reviewed between the two site visits totaled just under 2,400 m from 22 holes (Table 12-2). Reviews focused on the geology of mineralized zones as well as their hanging and immediate to deep foot walls. Selected holes include intersections through mineralized bodies in the SMG and Phoenix deposits, complete transects of deposit stratigraphy, and outlying targets from the Nina Lake area and Ropes-of-Gold showing.

1.12 Mineral Processing and Metallurgical Testwork

Considerable metallurgical testwork has been carried out on the Spanish Mountain Gold deposit, however earlier testwork (circa 2012) was completed on samples concentrated over a smaller area of the main zone only. Recent programs (2022, 2024-2025) were carried out on samples representing the major lithologies and provide improved spatial coverage than earlier programs.

Pyrite was the primary sulphide mineral in each composite, accounting for 95 to 99% of the sulphur in the feed. The Main Upper Argillite and North Argillite composites had the highest sulphide mineral contents of approximately 5.5%. The Tuff sample had a different mineral assemblage from the argillite composites, containing less quartz, more micas and carbonates.

In all composites tested in 2024-2025, pyrite was highly liberated at a coarse primary grind size of around 400 µm, measuring an average of 83.4%. At this grind size, nearly 95% of the pyrite occurred in grains with greater than 50% pyrite surface lliberation.

The project has a large database of comminution test results. The comminution testwork results indicate that the Spanish Mountain mineralization is variable in competency and can be classified as competent and moderately hard, and moderately abrasive compared to the JKTech database.

Historical testwork on mineralized material from Spanish Mountain Gold determined that total organic carbon (TOC) values greater than 0.5% in leach feed had a detrimental effect on leach performance, and several processing options were explored with the objective of reducing TOC concentrations in the feed to leach. Flowsheet options considered included pre-flotation, desliming, gravity gold recovery ahead of rougher flotation, rougher flotation followed by two stages of cleaner flotation, and recovery of gold by gravity from second cleaner flotation tailings in a scavenger gravity duty.

The 2024-2025 program successfully demonstrated that high flotation recoveries could be achieved at coarse primary grind P_{80} sizes, up to 450 µm using a gravity plus conventional flotation flowsheet. Test results show that high gold recoveries by flotation are maintained for lower-grade samples in the range of 0.2 to 0.4 g/t.

The inclusion of HydroFloat in a scavenger application was successful in mitigating losses in the coarse portion of the conventional rougher tailings. In tests conducted at 350 and 450 µm, the Hydrofloat recovered an additional 1.8 to 3.6% of the feed gold with a modest additional mass recovery. A split circuit (scalping) arrangement with HydroFloat was also evaluated but returned lower recoveries than the gravity plus conventional flotation circuit only (excluding HydroFloat).

The 2024-2025 test results achieved relatively high gold recoveries of 88 to 98% at a primary grind sizing of 350 µm using a flowsheet that includes gravity concentration, rougher flotation, regrind to 45 µm and two stages of cleaner flotation.

Two argillite samples showed lower rougher recovery of 66 to 78%, which was attributed to potential sample oxidation.

Diagnostic leach tests carried out on rougher tailings of four lithology composites showed that on average, 29.9% of the gold in rougher tailings was associated with carbonate minerals, 13% was cyanide leachable, 14.3% was linked to arsenopyrite minerals, 17.4% was associated with pyritic sulphide minerals, and 25.4% was encapsulated within gangue.

The Preg-Robbing Value (PRV) was determined for four lithology samples and correlates with the TOC content in the feed. The samples tested show high preg-robbing values (80 to 99% of gold in solution was adsorbed by TOC in the samples) for samples with feed TOC content of 1.6 to 3.8%. Addition of activated carbon to the leach showed a notable reduction in leach tailings grades (0.33 to 1.10 g/t Au) compared with the baseline intensive leach test without activated carbon (0.55 to 4.18 g/t Au), demonstrating that activated carbon had a higher affinity to adsorb gold in solution than the TOC in the samples.

Bottle roll leach tests were carried out in the 2024-2025 program on second cleaner flotation concentrate which was reground to a target P_{80} size of 20 µm and leached with activated carbon for 24 hours. The bulk concentrates from all tested lithologies demonstrated excellent leaching performance. Leach stage extractions averaged 98%. TOC assays varying between 0.8% and 1.20% in the leach feed did not significantly affect overall leaching performance.

Deleterious elements present in the mineralized material are mercury, copper and TOC. Mercury in the feed samples was low at less than 1.00 g/t and should be monitored in future test programs. Copper concentration in leach solution feed to detoxification tests was very high at 670 mg/L and should be monitored in future programs as this may negatively impact adsorption circuit performance and may warrant inclusion of a copper recovery circuit. TOC concentrations are shown to correlate with preg-robbing behaviour. However, the flowsheet developed during the PEA has demonstrated that the preg-robbing effects can be successfully mitigated by management of TOC levels in the leach feed and by using a carbon-in-leach (CIL) process.

1.13 Mineral Resource Estimate

The updated mineral resource estimate for the Spanish Mountain Gold Project (SMG, or the Project), with effective dates of January 10, 2025, for the Main Deposit and June 17, 2025, for the Phoenix Deposit, was prepared by Bahram Bahrami, P.Geo., an independent Qualified Person, in accordance with NI 43-101 standards.

The updated MRE for the Main deposit is based on the amalgamation of what have been historically described as the Main Zone, North Zone, Slipper Zone, and K Zone. For the Main Deposit, Measured and Indicated (M&I) Mineral Resources are estimated at 292.1 million tonnes (Mt) grading 0.44 grams per tonne of gold (g/t Au) and 0.66 grams per tonne of silver (g/t Ag), containing 4.16 million ounces of gold (Moz Au) and 6.16 million ounces of silver (Moz Ag). Inferred Mineral Resources are 14.8 Mt at 0.33 g/t Au and 0.95 g/t Ag, for 0.16 Moz Au and 0.45 Moz Ag. For the Phoenix Deposit, Indicated Mineral Resources are 0.1 Mt at 0.35 g/t Au, and Inferred Mineral Resources are 25.4 Mt at 0.44 g/t Au, for 0.36 Moz Au; silver was not estimated. Combined, total Measured and Indicated Mineral Resources for the Project are 292.1 Mt at 0.44 g/t Au and 0.66 g/t Ag, containing 4.16 Moz Au and 6.16 Moz Ag. Total Inferred Mineral Resources are 40.3 Mt at 0.40 g/t Au and 0.95 g/t Ag, for 0.51 Moz Au and 0.45 Moz Ag. A summary of the Mineral Resource estimates is presented in Table 1-1. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 1-1: Consolidated Mineral Resources for the Spanish Mountain Gold Project

Deposit	Classification	Cut-Off Grade	Tonnes (Mt)	Gold Grade (g/t)	Contained Gold (koz)	Silver Grade (g/t)	Contained Silver (koz)
Main Deposit	Measured	0.15	77.37	0.53	1,321	0.68	1,701
	Indicated		214.70	0.41	2,842	0.65	4,463
	M&I		292.07	0.44	4,163	0.66	6,163
	Inferred		14.83	0.33	155	0.95	454
Phoenix Deposit	Indicated	0.20	0.05	0.35	0.58	-	-
	Inferred		25.43	0.44	357	-	-
Total Spanish Mountain Gold Project	M&I	-	292.12	0.44	4,164	0.66	6,163
	Inferred		40.26	0.40	512	0.95	454

Notes: **1**. The Mineral Resource for the Main Deposit is reported using a cut-off grade of 0.15 g/t Au, while the Phoenix Deposit uses a 0.20 g/t Au cut-off. **2**. The Mineral Resources are constrained within an optimized pit shell generated using Lerchs–Grossman pit optimization based on a gold price of US$2,400/oz, 99.8% payability, 90% gold recovery, C$12/t processing and General and administrative (G&A), C$3.75/t mining for mill feed and waste, C$0.03/t incremental mining cost, 1.5% royalty, C$7/oz off-site charges, and an exchange rate of 0.73:1 (CAD:USD). **3.** Mineral Resources are derived from resource statements for each deposit and area, prepared by Bahram Bahrami, P.Geo., a Qualified Person as defined under NI 43-101**. 4.** Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. **5.** The Mineral Resource estimate complies with NI 43-101 Standards of Disclosure for Mineral Projects (May 2016) and CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014). **6.** Any discrepancies in totals are due to rounding. **7.** The effective date of the Mineral Resource statement is January 10, 2025, for the Main Deposit and June 17, 2025 for the Phoenix Deposit.

The geological and resource modeling for the Main and Phoenix Deposits utilized Leapfrog 2024.1 and Micromine Origin & Beyond 2025 software. For the Main Deposit, the lithological model was based on data from the 2023–2024 core relogging program and geochemical classification. Gold mineralization was defined in zones with grades above

0.3 g/t over a minimum interval of 3 m, with two main styles identified: early-stage disseminated and stratabound mineralization in argillite-bearing lithologies, and late-stage quartz vein mineralization. Three major faults were modeled: North Fault, South Fault, and Fault 1, with the Main Block bounded by the North and South Faults and containing most of the mineralization. The North and South faults are steeply dipping toward the southwest and northeast, respectively, and they represent a break in continuity of the stratigraphic sequence and mineralization. Fault 1 dips moderately toward the west and introduces a minor offset. For the Phoenix Deposit, the lithological model was constructed solely from geochemical classification, identifying six main rock units that dip gently northeast. A steep north-south fault divides the deposit into eastern and western blocks, with gold mineralization characterized by two principal structural trends: flat to gently east-dipping set and a steeper northeast-dipping set, forming three discrete lenses.

Top-cut values for both deposits were determined using decile analysis and log-scaled probability plots of length-weighted assays. For the Main Deposit, identical capping values were applied to gold and silver. Outlier restrictions included clamping samples above 3 g/t Au in the Main Block when search distances exceeded 20% of the variogram range, and excluding samples above 1 g/t Au in the North and South Blocks beyond 33% of the range. For the Phoenix Deposit, outlier restrictions were applied only during the second estimation pass within lithological domains, excluding samples above 0.2 g/t Au when search distances surpassed 30% of the variogram range. No outlier restrictions were applied within mineralized domains at either deposit.

Block models were built with a parent cell size of 5 x 5 x 5 m and sub-blocks down to 1.25 m to respect geological boundaries and minimum mining widths. Locally varying anisotropy (LVA) was applied where appropriate for both deposits. The Main Deposit grade estimation used inverse distance cubed (ID3) interpolation, producing estimates for gold, silver, arsenic, calcium, cadmium, and sulphur. For the Phoenix Deposit, only gold was estimated using a combination of Ordinary Kriging (OK) where variograms were stable and ID3 elsewhere.

Resource classification followed CIM Definition Standards (2014), considering geological continuity, drill spacing, and data quality. For the Main Deposit, Measured resources required at least three drill holes with a drill hole spacing threshold of ≤30 m; Indicated resources required at least three drill holes with a threshold of ≤70 m; Inferred resources required at least two drill holes with a sample distance threshold of ≤150 m. For the Phoenix Deposit, Indicated resources required at least three drill holes with a drill hole spacing threshold of ≤70 m, and Inferred resources required at least two drill holes with a sample distance threshold of ≤155 m.

Mineral Resources are reported within Lerchs-Grossman optimized pit shells using a 0.15 g/t Au cut-off for the Main Deposit and a 0.20 g/t Au cut-off for the Phoenix Deposit. Optimization parameters included a gold price of US$2,400/oz, silver price of US$30/oz, 99.8% gold payability, 90% gold recovery, 50% silver recovery, C$12/t processing and G&A, C$3.75/t mining cost for both mill feed and waste, C$0.03/t incremental mining cost, 1.5% royalty, C$7.00/oz off-site charges, and an exchange rate of C$0.73 to US$1.

1.14 Mining Methods

The Spanish Mountain deposit will be mined using a conventional open pit mining method. A scoping engineering level mine operation design, 24-year open pit production schedule, and mining cost model have been developed for the Main deposit. The Phoenix deposit resources are not included in the mine plan.

Ultimate pit limits are split into phases or pushbacks to target higher economic margin material earlier in the mine life. The pit is split into five distinct phases, with the initial phases containing mineralization with a higher gold grade and lower strip ratio than later phases. The Run-of-Mine (ROM) production contained within the designed open pit is summarized in Table 1-2, with a 0.20 g/t gold cut-off grade.

Table 1-2: Mine Plan ROM Production

Pit Content	Unit	Amount
Mill Feed	Mt	229
Gold Grade	g/t	0.46
Silver Grade	g/t	0.65
Waste Material	Mt	458
Strip Ratio	t/t	2.0

Mill feed quantities and grades include estimates of mining dilution and recovery based on 10 m selective block sizes and 2 m dilution skins applied to all block contacts. This results in an additional 16% dilution and a 2% loss relative to the original sub-block resource model.

Mill feed will be hauled to a crusher 0.5 km west of the pit and crushed to feed the process plant. Waste rock will be deposited into waste rock storage facilities (WRSF) 0.5 to 2.5 km west of the pit or used as construction rockfill around the site.

Prior to operations, a construction phase of two years will be used to build haul roads and pre-strip the pit. Waste rock will also be used for various site construction projects. Mill feed mined during this period will be stockpiled, with 2.4 Mt sent through the mill during commissioning.

During operations, cut-off grade optimization of the mine production schedule will send low-grade mill feed to a stockpile near the primary crusher. The stockpiled mill feed is planned to be re-handled and fed to the crusher once the pits are exhausted.

Mine operations will include grade control and production drilling, blasting, loading, hauling, and pit, haul road and stockpile maintenance functions. Mobile equipment maintenance operations will also be managed by the owner. Technical services functions will also be managed by the owner and will include geology, engineering and surveying. Mining operations will be based on 365 operating days per year with two 12-hour shifts per day. An allowance of ten days of no mine production has been built into the mine schedule to allow for adverse weather conditions. The open pit is planned to be electrified in Year 2 of the project, with drilling and loading functions becoming partially electrified.

The mining fleet will include electric-powered rotary drills with a 250 mm bit size and diesel-powered rotary drills with a 200 mm bit size for production drilling; down the hole (DTH) drills with 115 mm bit size for wall control drilling; diesel-powered RC drills for bench-scale grade control drilling; 34 m^3 bucket sized electric-powered hydraulic face shovels, 22 m^3 bucket sized diesel-powered backhoes, and 14 m^3 bucket sized wheel loaders for production loading; 230-t and 130-t payload rigid-frame haul trucks and 40-t articulated trucks for production hauling; plus ancillary and service equipment to support the mining operations. In-pit dewatering systems will be established for the pit. All surface water and precipitation in the pits will be handled by diesel-powered pumps.

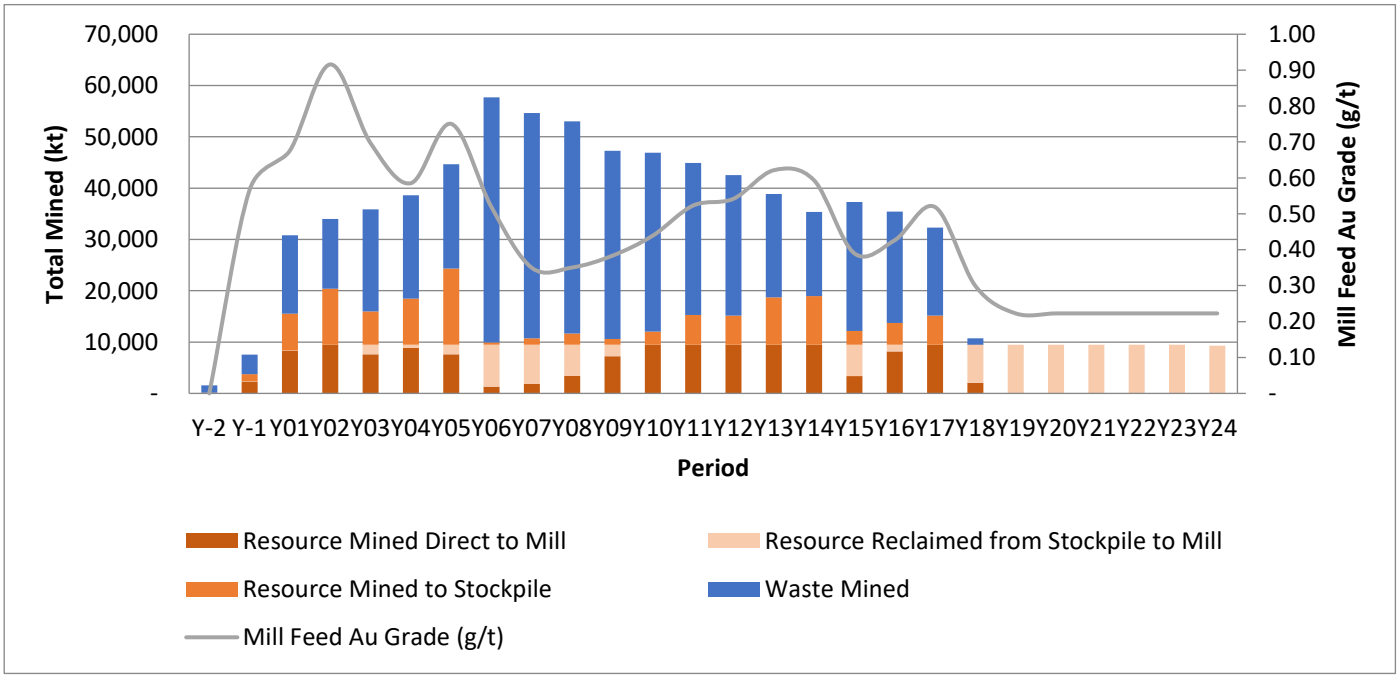
Maintenance on mine equipment will be performed in the field with major repairs to mobile equipment in the shops located near the plant facilities.

Annual mine operating costs range from C$2.84 to C$4.24 per tonne mined, with a life-of-mine (LOM) average of C$3.47/t mined.

The initial mine equipment fleet is planned to be purchased via a lease financing arrangement. Expansion and replacement fleet is planned to be traditional capital purchases.

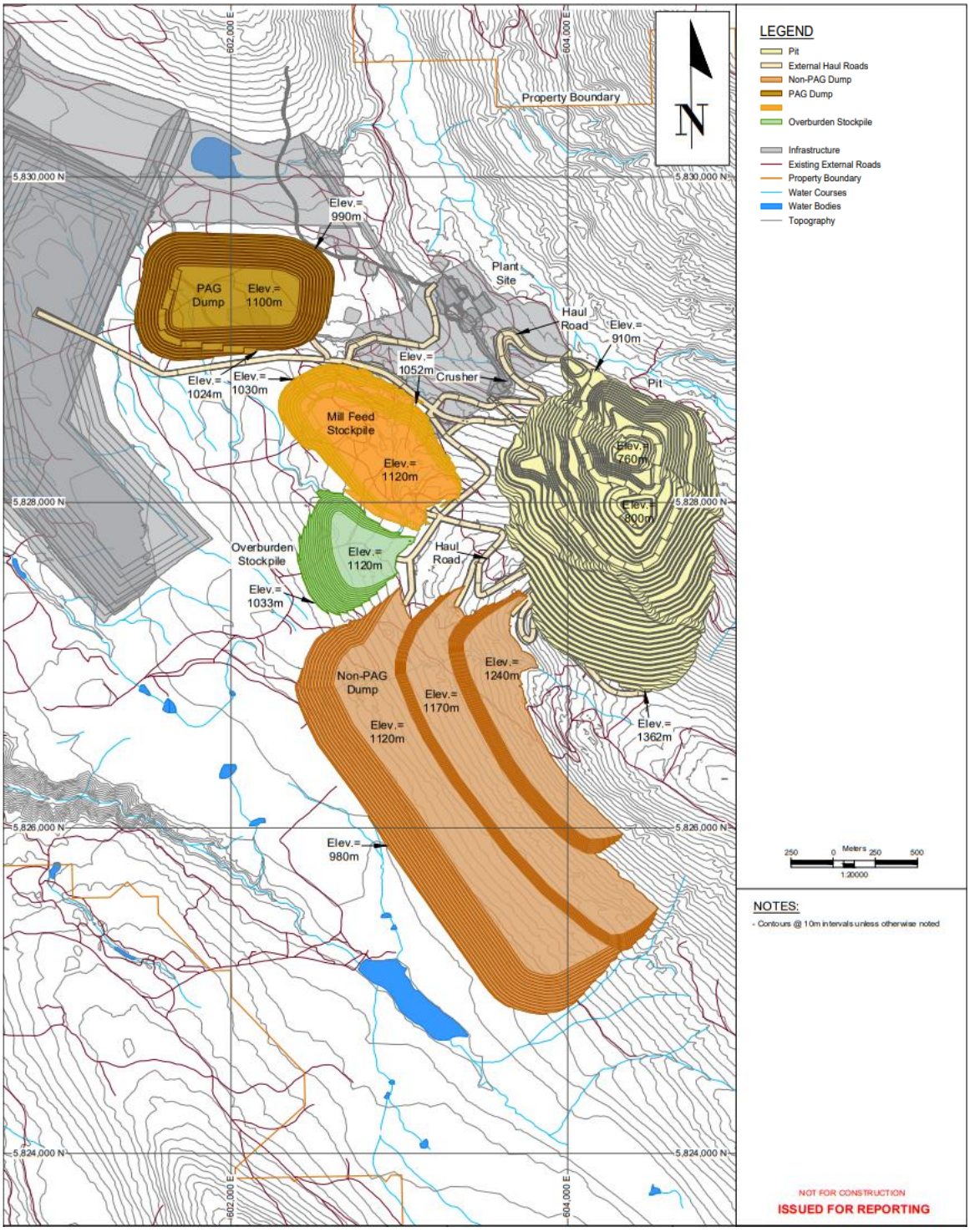
Figure 1-1 summarizes the proposed mill feed and waste schedule for the PEA Mine Plan. Figure 1-2 shows the mine layout for the pit, stockpiles, and haul roads.

Figure 1-1: Mine Production Schedule, Material Mined and Mill Feed Gold Grades



Source: Moose Mountain, 2025.

Figure 1-2: Mine Area General Arrangement



Source: Moose Mountain, 2025.

1.15 Recovery Methods

The process flowsheet for the Spanish Mountain project is based on the preliminary metallurgical testwork discussed in Section 13. The provided testwork was thoroughly analyzed and several options of process routes were assessed in the initial stages of the PEA. Based on the analysis, a process route was chosen as the best suited for the testwork results and subsequent economic analysis for the material. The unit operations selected are typical for this industry.

The plant is designed to process 26,000 t/d of mineralized material to produce gold and silver doré using crushing, grinding, gravity concentration, flotation and regrind, concentrate leaching, and precious metal recovery via carbon adsorption. The design availability for the crushing section is assumed to be 70%, milling, flotation and leach is 91% and tailings filtration is 88% as per typical industry values.

The process design consists of the following major components:

- Primary and secondary crushing run-of-mine mineralized material
- High-pressure grinding roll (HPGR) tertiary grinding
- Ball mill grinding with cyclone classification
- Gravity concentration with intensive cyanide leach
- Rougher flotation with concentrate regrind
- Cleaner flotation with concentrate regrind
- Coarse particle flotation of rougher flotation tails
- Flotation tailings thickening, filtration, and deposition
- Concentrate leaching with carbon-in-leach precious metal adsorption
- Precious metal desorption, electrowinning, and smelting
- Concentrate leach residue cyanide destruction and deposition.

The crushing circuit is a two-stage process that is designed to reduce a ROM material from a feed size (F_{80}) of 127 mm down to a product size (P_{80}) of 37 mm. The grinding circuit design consists of a ball mill in closed circuit with a cyclone to produce a product size (P_{80}) of 350 µm. A gravity circuit is designed for the plant to recover gravity recoverable metals from the process. Concentrate from the gravity units will feed the intensive leaching circuit which produces a high-grade pregnant solution for electrowinning. Tailings from the gravity units will flow back to the cyclone feed pump box, and residue from the intensive leach reactor will be sent to the second stage regrind area for additional liberation.

Cyclone cluster overflow will by concentrated through flotation and regrinding stages to produce a leachable concentrate. The regrind cyclone will segregate the material, with the underflow being fed to the first stage regrind

mill. The regrind mill product at a P_{80} grind size of 45 um is combined with cyclone overflow. Cyclone overflow will be merged with the regrind mill concentrate and directed to the cleaner flotation circuit.

Product from the first regrind stage will be subjected to two stages of cleaner flotation using conventional tank cells. Final concentrate will report to the second stage regrind circuit, while final cleaner flotation tailings will be pumped to the fine tailings hopper for eventual dewatering. The rougher flotation tailings will be further processed in a coarse particle flotation area using HydroFloat cells to reduce gold losses to tailings.

The flotation concentrate leach-absorption circuit is designed with a CIL process, where leaching and carbon adsorption occur within the same vessel. Activated carbon is added to the circuit and moves counter-current to the slurry flow; while slurry progresses from the first tank to the last tank in series, carbon is transferred in the opposite direction. This arrangement maximizes contact time between the carbon and dissolved gold, maximizing adsorption onto carbon while minimizing gold losses in solution.

Loaded carbon recovered from the leaching circuit undergoes a multi-stage process to desorb the gold and regenerate the carbon for reuse. The cooled pregnant eluate is directed into a pregnant eluate tank, from which it circulates in a closed-loop system through electrowinning cells. This closed circuit minimizes solution loss and ensures efficient metal recovery.

After electrowinning, the gold sludge is collected and passed through a filter press, producing a semi-solid cake. The cake is fed into the barring furnace and mixed with fluxes to remove the impurities. The remaining molten gold is then poured into molds to produce doré bars.

1.16 Project Infrastructure

1.16.1 Project Infrastructure

The project infrastructure includes on-site infrastructure, off-site infrastructure, tailings storage facilities (TSF), mine waste storage facilities, water treatment plant (WTP), and water management systems and process and non-process related site infrastructure. Site facilities include mine facilities, process facilities and administrative facilities.

Mine facilities include the mine dry, truck shop, explosives storage and other miscellaneous facilities, while process facilities include the process plant, crusher facilities, assay laboratory, process plant workshop and warehouse. Administrative facilities include the administrative offices. Mine, process, and administration facilities services include potable water, fire water, compressed air, power, diesel, propane, communication, and sanitary systems.

1.16.2 Tailings and Water Management Facilities

The primary objective of the Tailings Storage Facilities (TSFs) is to provide stable storage of all tailings material.

The proposed tailings storage method primarily consists of placement of dewatered material containing both tailings and minor amounts of process water. Testing of tailings suggests the majority of tailings may be largely non-potentially acid-generating (NPAG or non-PAG) and of low metal leaching (ML) potential; these materials will be dewatered by screening and filtering, then conveyed to a tailings dry stack to be spread and compacted in engineered lifts to achieve a non-flowable landform. The remaining proportion of tailings classified as potentially acid generating (PAG) will be managed in a fully lined (e.g. geomembrane) conventional slurry TSF adjacent to the tailings dry stack; the PAG tailings will be stored in a saturated state, with a water cover during operations. PAG-classified tailings may also present a ML potential.

The Project site-wide water balance is positive for which water capture, treatment and discharge infrastructure has been allowed for and designed. The Project will draw water from within the property and contain process water and tailings within the water management pond, tailings dry stack, and PAG TSF, respectively. Site contact water will be managed through a separate lined Water Management Pond (WMP) and passed through a water treatment plant for any water to be discharged during the Life of Mine (LOM). Water management and treatment have been assumed and will treat for both open pit dewatering and surface facilities contact water to required environmental discharge standards.

1.17 Market Studies and Contracts

No market studies or product valuations were completed as part of the PEA. Market price assumptions were based on a review of public information, industry consensus, standard practices, and specific information from comparable operations in the region.

Gold doré is widely traded and can be marketed domestically or internationally with significant optionality regarding the final customer. It is assumed that the doré contains negligible deleterious elements that would impact marketability.

Project economics were estimated based on long-term flat metal prices of US$2,450/oz Au and US$28.50/oz. These prices are in accordance with consensus market forecasts from various financial institutions.

1.18 Environmental, Permitting and Social Considerations

1.18.1 Environmental Considerations

1.18.1.1 Baseline and Supporting Studies

Several baseline and supporting studies have been completed on the project. The studies started as early as 2007, with many being re-visited or re-initiated between 2020 and 2023.

A summary of the studies and dates is as follows:

- Climate and Air Quality, 2010 to 2020, updated in 2023
- Surface Hydrology, 2007 to 2012, reinstalled in 2020
- Surface Water Quality, 2007 to 2012, 2020 to 2022
- Groundwater Quality and Hydraulic Conductivity, 2011 to 2023
- Fish and Fish Habitat, 2007 to 2012, and 2020
- Vegetation and Wildlife, 2010 to 2012
- Heritage, 2019

1.18.1.2 Geochemical Characterization of Waste Rock and Tailings

Geochemical characterization for the PEA was based on the results of programs undertaken in 2012, 2020, 2024, and 2025 as reported in pHase, 2024 and pHase, 2025. Study results indicated:

- The proportion of waste rock with acid generation potential in the proposed open pit development is expected to be relatively low based on acid-base accounting results; 75% of samples characterized classified as non-PAG and 25% classified as PAG.
- The onset to acid generation in the PAG material as determined by humidity cell testing is expected to be on the scale of decades.
- Sulphur and calcium analyzed via inductively coupled plasma mass spectroscopy (ICP-MS) following aqua regia digestion (i.e. ICP sulphur and ICP calcium) were identified as appropriate surrogates for estimating acid potential (AP) and neutralization potential (NP). The block model can therefore use these parameters to classify waste rock as PAG or non-PAG using industry standard criteria for NP/AP for block modeling.
- Neutral pH metal leaching of arsenic (and perhaps other metals/metalloids) from potential waste rock is expected to be prevalent.
- The lack of correlation between arsenic metal leaching potential and solids content may pose a challenge with respect to waste rock sorting for metal leaching management. Evaluations are ongoing; however, there are no defined criteria for metal leaching sorting at present.
- Coarse and fine tailings samples are expected to be non-PAG with a low potential for metal leaching. Cyanidation tailings, however, are expected to be strongly PAG with associated leaching of metals.

1.18.2 Closure and Reclamation Considerations

Closure and reclamation planning for the Project includes the following areas: mining, process plant, on-site infrastructure, the tailings storage facility, water treatment, and environmental.

The preliminary closure strategy for the mining areas includes regrading stockpiles and scarifying haul roads prior to the placement of overburden and topsoil for revegetation. Progressive reclamation is assumed.

In preparation for closure of the process plant and on-site infrastructure, all machinery, equipment, buildings, and structures will be removed, and the concrete foundations will be covered and revegetated. The scrap metal, chemicals, and reagents will be disposed of accordingly.

The PAG TSF is proposed to be decommissioned after operations cease. PAG tailings will be relocated into the open pit where they will be submerged to limit oxidation and mitigate acid generation. The liner will be removed, the basin regraded and the western embankment breached to promote positive drainage out of the PAG TSF footprint. Exposed fills will be reclaimed with a layer of till, topsoil and subsequent revegetation. Closure of the non-PAG dry stack will be completed progressively with a vegetated cover over the LOM and will involve minor regrading.

With regards to water treatment, excess water in the water management pond will continue to be treated and discharged to Spanish Creek during the active closure period. Treatment of water from the north, west, and south passive treatment systems will occur during the Passive closure period.

Upon entering passive closure, the contact water collection ditches and contact water ponds will have their liners removed and be regraded. The WMP will be decommissioned, including the removal of the liner, the basin regraded and an armored channel constructed through the East WMP embankment to promote drainage out of the WMP footprint.

Environmental monitoring will be required during the active and passive closure periods. Monitoring requirements will be based on regulatory requirements and consultation with Indigenous communities.

Conceptual closure planning includes considerations for mining, process plant and on-site infrastructure, the tailings storage facility, water treatment, and environmental aspects to achieve closure certification from federal and provincial authorities. The total closure costs for the project are estimated to be $161,300,000.

Detailed closure planning will occur as the project advances toward detailed design.

1.18.3 Permitting Considerations

The project presently requires Federal and Provincial Environmental Assessment (EA). An earlier iteration of project entered the Provincial and Federal EA processes on July 8, 2011. That EA submission remains open officially while the company continues to refine project design. In both processes, the EA must consider biophysical, social, cultural, and health factors, including climate change and sustainability. Both processes rely heavily on review and comment from First Nations and the public.

Upon completion of the provincial and federal EAs, SMG and consultants will then work with provincial and federal regulators to advance the required permits and authorizations. Major mines require several authorizations from many different provincial and federal agencies. These are described in more detail in Section 20.

1.18.4 Social Considerations

Three Indigenous nations were identified for engagement early in project development:

- Williams Lake First Nation (WLFN)
- Xatśūll First Nation (XFN)
- Lhtako Dene Nation (LDN)

SMG has been proactive with communications and engagement with these First Nations, although negotiations for a relationship with both WLFN and LDN were recently placed on hold.

The Project is located just east of the village of Likely (population 350) in the eastern portion of the Cariboo Regional District. The Cariboo Regional District is a regional government consisting of 12 electoral areas (A through L). Each electoral area elects a director, apart from the incorporated member municipalities (Williams Lake (population 10,000), Quesnel (population 10,000), 100 Mile House (population 1,900)), which are represented by an elected Mayor and Council.

Regional District Electoral Area F, which includes the communities of Likely, Big Lake, and Horsefly.

SMG has been informally interacting with community members and businesses by maximizing locally sourced labor and supplies and participating in, and supporting, various community events.

1.19 Capital and Operating Cost

The capital and operating cost estimates presented in this PEA provide substantiated costs that can be used to assess the preliminary economics of the Spanish Mountain Gold Project. The estimates are based on an open pit mining operation as well as the construction of a process plant, tailings and waste rock storage facility, associated infrastructure, owner's costs and provisions. The processing plant nameplate capacity is 26,000 t/d with a mine life of 24.5 years.

All capital and operational cost estimates are presented in Canadian dollars (C$), with exchange rate variations factored in.

1.19.1 Capital Cost Estimate

The capital cost conforms to Class 5 guidelines of the Association for the Advancement of Cost Engineering International (AACE International) with an estimated accuracy of +50%/-30%. The capital cost estimate was developed in Q2 2025 Canadian dollars. The process plant, infrastructure costs, tailings, and water management structure costs were estimated by Ausenco, Brazier & Associates, and BGC, while mining costs were estimated by MMTS.

The total initial capital cost for the Project is C$1,250.0M or US$925.9M. The capital costs are summarized in Table 1-3.

Table 1-3: Capital Cost Summary

WBS (Level 1)	WBS Description	Capital Cost (C$M)
1000	Mining	108.4
2000	Process Plant	394.0
3000	Additional Process Facilities	24.5
4000	On-Site Infrastructure	151.5
5000	Off-Site Infrastructure	158.6
	Total Direct Costs	**837.1**
6000	Project Preliminaries	38.0
7000	Project Delivery	91.6
	Total Indirect Cost	**129.6**
	Total Owner's Cost	21.0
	Total Provisions	262.4
	Total	**1,250.0**

1.19.2 Operating Cost Estimate

The costs considered on-site operating costs are those related to reagents, mobile equipment, consumables processing, tailings handling, maintenance, power and general, and administrative activities.

A summary of the operating costs is presented in Table 1-4.

The average operating cost is C$20.83/t (or US$15.33/t) processed, including an annual G&A cost of C$13.66M (or US$10.12M).

Table 1-4: Operating Cost Summary

Cost Area	C$M/a	C$/t milled	% of Total
Mining	97.11	10.38	50
Process	84.20	9.00	43
General and Administration	13.66	1.45	7
Total	**194.97**	**20.83**	**100**

Note: The average operating cost of US$15.33 is derived from the financial model, which uses a long-term exchange rate of 1 USD = 1.35 CAD. The average operating cost of C$20.83 is based on the operating cost estimate, which reflects the Q2 2025 exchange rate of 1 USD = 1.399 CAD.

Common to all cost estimates are the following assumptions:

- Costs estimated are based on Q2 2025 pricing without allowances for inflation.
- Costs are expressed in Canadian dollars (C$).
- Majority of the labor requirement is assumed to come from the neighbouring municipalities.
- Equipment and materials will be purchased new.
- Process unit operations were benchmarked against similar or comparable processing plants.
- Grinding media consumption rates have been estimated based on the material characteristics as described in Section 13.
- Reagent consumption rates are based on metallurgical test work results depicted in Section 13 and in-house benchmarks.
- Process mobile equipment costs include fuel, maintenance, and the lease price for the equipment.
- The annual power costs were calculated using a unit price of $0.0698/kWh.
- The diesel fuel price provided was $1.20/L delivered to site.

1.20 Economic Analysis

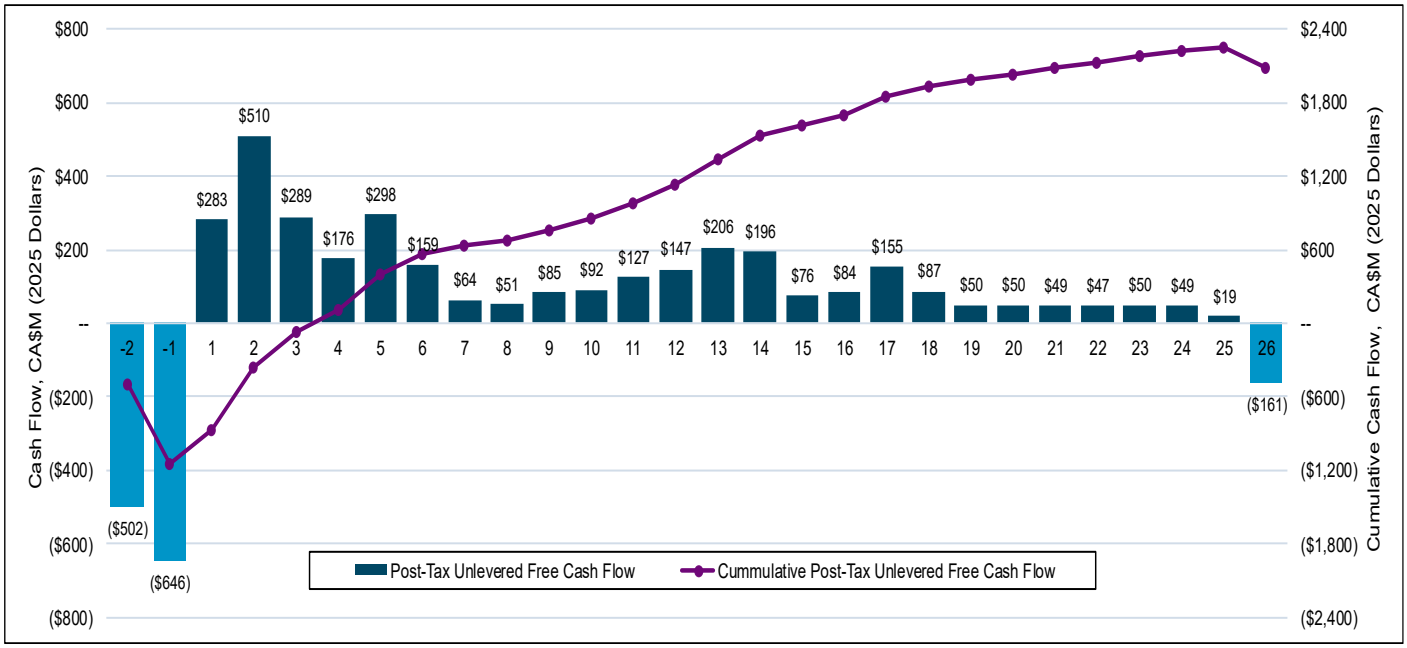
The economic analysis was performed using a 5% discount rate. On a post-tax basis, the net present value (NPV) discounted at 5% (NPV5%) is C$1,025M; the internal rate of return (IRR) is 18.2%, and the payback period is 3.4 years. On a pre-tax basis, the NPV5% is C$1,644M; the IRR is 23.1%, and the payback period is 2.8 years. The analysis was done on an annual cashflow basis; the Project economics are summarized in Table 1-5 and cashflow output is shown graphically in Figure 1-3.

The preliminary economic assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

Table 1-5: Economic Analysis Summary

Description	Units	Base Case	Spot Price (as of July 1, 2025)
Gold Price	US$/oz	2,450	3,300
Silver Price	US$/oz	28.50	36.00
FX Rate	CAD:USD	0.74	0.74
Production			
Mine Life	Years	24.5	24.5
Total Mill Feed	kt	228,823	228,823
Mill Feed Grade – Au	g/t	0.46	0.46
Mill Feed Grade – Ag	g/t	0.65	0.65
Total Metal Content – Au	koz	3,348	3,348
Total Metal Content – Ag	koz	4,763	4,763
Average Recovery Rate – Au	%	89.3	89.3
Average Recovery Rate – Ag	%	44.1	44.1
Total Production – Au	koz	2,990	2,990
Average Annual Production – Au	koz/a	122	122
Total Production – Ag	koz	2,099	2,099
Average Annual Production – Ag	koz/a	81	81
Total Payable Metal – Au	koz	2,984	2,984
Total Payable Metal – Ag	koz	1,994	1,994
Revenue			
Total Revenue – LOM	C$M	9,956	13,404
Average Annual Revenue	C$M/a	406	547
Total EBITDA – LOM	C$M	5,067	8,465
Average Annual EBITDA	C$M/a	207	346
Operating Cost			
Total Operating Costs – LOM	C$M	4,741	4,741
Average Annual Operating Cost	C$M/a	194	194
Mining Cost	US$/t mined	2.57	2.57
Mining Cost	US$/t milled	7.60	7.60
Processing Cost	US$/t milled	6.66	6.66
G&A Cost	US$/t milled	1.07	1.07
Total Operating Cost	US$/t milled	15.33	15.33
Total Cash Cost (by-product basis)	US$/oz Au	1,194	1,194
All-in Sustaining Cost (by-product basis)	US$/oz Au	1,338	1,338
Capital Cost			
Initial Capital Cost	C$M	1,250	1,250
Sustaining Capital Cost	C$M	443	443
Closure Cost	C$M	161	161
Salvage Value	C$M	21	21
Post-Tax Valuation Indicators			
Undiscounted cash flow	C$M	2,089	4,228
NPV5%	C$M	1,025	2,315
IRR	%	18.2	32.0
Payback period (from start of commercial production)	years	3.4	2.0
Pre-Tax Valuation Indicators			
Undiscounted cash flow	C$M	3,232	6,631
NPV5%	C$M	1,644	3,675
IRR	%	23.1	41.2
Payback period (from start of commercial production)	years	2.8	1.7

Figure 1-3: Unleveled Free Cashflow – Post-Tax



Source: Ausenco, 2025.

The preliminary economic assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

1.20.1 Sensitivity Analysis

A sensitivity analysis was conducted on the base case pre-tax and post-tax NPV and IRR of the Project, using the following variables: metal prices, discount rate, head grade, recovery, total operating cost (OPEX), initial capital cost, and exchange rate.

The sensitivity analysis revealed that the Project is most sensitive to changes in commodity price, recovery, and head grade, and less sensitive to total operating cost, initial capital cost, and total capital cost.

1.21 Adjacent Properties

Mineral properties that occur adjacent to near the SMG Property include several smaller properties that are held by individuals or small corporations as well as the much larger South Cariboo Property (“SC”) held by Karus Mining Inc (“Karus”). Most of these properties were staked to cover the same style of sedimentary-hosted vein (SHV) orogenic gold mineralization that occurs on the SMG Property and, as such, offer additional prospective ground on which SPA

could discover additional resources for any future mining operation. Only the SC Property is described in Section 23 owing to its large size and demonstrated occurrences of mineralization.

Karus' SC Project comprises 105,085 hectares of mineral tenure that is 100% owned by Karus and extends both northwest and southeast of SPA's SMG Property. The SC Property covers broadly the same stratigraphy as the SMG Property and hosts several sedimentary-hosted vein (SHV) orogenic gold prospects and showings, including Frasergold, Gold Creek, and several others.

The Frasergold deposit occurs 70 km southeast of the SMG deposit and is hosted by Slocan Group rocks on the northeast limb of a regional-scale syncline. The deposit is formed by a series of sub-parallel, sub-horizontal, rod-shaped mineralized zones that trend northwest to southeast, and occur within a much broader, 10 km long, zone of anomalous gold defined by historical rock and soil sampling.

The Gold Creek area lies immediately northwest of the SMG Property and comprises a weakly northwest-trending zone of gold showings that includes the "Camp Zone", which is named after its proximity to SPA's exploration camp. The Camp Zone is equivalent to the Moose MINFILE prospect (No 093A 127) and consists of sheeted, gold-bearing, quartz-carbonate veins that are preferentially developed within faulted wacke, siltstone/sandstone, and andesite tuff units.

1.22 Conclusions and Interpretations

Based upon the mineral resources defined for Main Deposit, the economics demonstrate a post-tax NPV5% of C$1,025M, with a post-tax IRR of 18.2%, and a payback period of 3.4 years after an initial capital cost of C$1,250M.

1.23 Recommendations

The SMG Project demonstrates positive economics, as shown by the results presented in this Technical Report. It is recommended that the project proceed to a pre-feasibility study (PFS). Table 1-6 summarizes the estimated costs for the recommended future work on the SMG Project. Advancing to Phase 2 exploration and drilling is contingent upon results from the Phase 1 exploration and drilling program. The total cost of Phase 1 and Phase 2 work is estimated to be C$34.32M.

The Company is contemplating proceeding directly to a feasibility study (FS). This would require additional work to accommodate the PFS-level work and to determine the optimal business case in advance of starting the FS. The Company is targeting a 2027 build decision.

Table 1-6: Cost Summary for the Recommended Future Work

Program Component	Unit Cost (C$)	Estimated Total Cost (C$M)
Phase 1		
Exploration	-	0.42
Drilling	-	4.00
Metallurgical Testing	-	0.75
Mining	-	11.40
Pit Geotechnical Work	-	2.20
Process Engineering	-	1.80
Infrastructure (Tailings)	-	4.50
Geochemistry	-	0.50
Environmental Studies	-	0.80
Subtotal Phase 1:	-	26.37
Phase 2		
Exploration	-	1.75
Drilling	-	6.20
Subtotal Phase 2:	-	7.95
Total		**34.32**

2 INTRODUCTION

2.1 Introduction

Spanish Mountain Gold Ltd (SPA) commissioned Ausenco Engineering Canada ULC (Ausenco) to compile a preliminary economic assessment (PEA) of the Spanish Mountain Gold Project. The PEA was prepared in accordance with the Canadian disclosure requirements of National Instrument 43-101 (NI 43-101) and in accordance with the requirements of Form 43-101F1.

The responsibilities of the engineering companies who were contracted by SPA to prepare this report are as follows:

- Ausenco was responsible for all content pertaining to mineral processing, metallurgical testing, infrastructure (except those related to tailings, water management, and off-site electrical), market studies and contracts, environmental studies, permitting, and social and community impacts (except those related to geochemistry, mining, tailings, and water management), capital and operating costs (except those related to mining), economic analysis, and closure plans and costs associated with the process plant. Ausenco was also responsible for managing the PEA study and coordinating and compiling the technical Report.
- Equity Exploration Consultants Ltd (Equity) was responsible for the property description and location, accessibility, climate, local resources, local infrastructure, physiography, history, geology, deposit types, drilling, exploration, sample preparation, analysis, and security, data verification, and mineral resource estimates.
- Moose Mountain Technical Services (MMTS) designed the open-pit mine, estimated the mine production schedule, and estimated the mining fleet and mining capital and operating costs, including closure costs associated with the pit, waste piles, and haul roads.
- BGC Engineering (BGC) was responsible for tailings and water management, including associated closure plans and quantities.
- WN Brazier & Associates Inc (Brazier) was responsible for was responsible for the off-site 230 kV transmission line from the BC Hydro source substation near MCleese Lake to the Spanish Mountain site and the main site 230 kV step-down substation.
- Linkan Engineering (Linkan) was responsible for water treatment design and costs.
- pHase Geochemistry Inc (pHase) was responsible for geochemical characterization of waste rock and tailings.

2.2 Terms of Reference

The purpose of this report is to present the results of the PEA and to support the disclosures by Spanish Mountain Gold Ltd.'s disclosure in a news release dated July 3,2025 and Titled "Spanish Mountain Gold Announces Larger Scale Preliminary Economic Assessment with a Base Case NPV5% After-tax of C$1.0 Billion, 18.2% IRR and 3.4 Year Payback at US$2,450/oz Gold Price; at US$3,300/oz Spot Gold Price NPV5% C$2.3 Billion, 32.0% IRR and 2.0 Year Payback; Including an Updated Mineral Resource Estimate for its Spanish Mountain Gold Project."

All measurement units used in this technical report are in metric unless otherwise noted. Currency is expressed in Canadian dollars (symbol: C$ or currency: CAD). The report uses English.

Mineral resources are estimated in accordance with the 2019 edition of the Canadian Institute of Mining, Metallurgy and Exploration (CIM) Estimation of Mineral Resources & Mineral Reserves Best Reserves Best Practice Guidelines (2019 CIM Best Practice Guidelines) and are reported using the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves (2014 CIM Definition Standards).

2.3 Qualified Persons

The Qualified Persons for the report are listed in Table 2-1. By virtue of their education, experience and professional association membership, they are considered Qualified Person as defined by NI 43-10.

Table 2-1: Report Contributors

Qualified Person	Professional Designation	Position	Employer	Independent of Spanish Mountain Gold Ltd
Kevin Murray	P. Eng.	Manager Process Engineering	Ausenco Engineering Canada ULC	Yes
Ronald Voordouw	P. Geo.	Partner and Director Geoscience	Equity Exploration Consultants Ltd	Yes
Bahram Bahrami	P. Geo.	Resource Geologist	Equity Exploration Consultants Ltd	Yes
Marc Schulte	P. Eng.	Mining Engineer	Moose Mountain Technical Services	Yes
Andrea Samuels	P. Geo.	Senior Geochemist	pHase Geochemistry Inc	Yes
Scott Weston	P. Geo.	Senior Consultant, Environmental Services	Ausenco Sustainability ULC	Yes
Brad Russell	P. Eng.	Principal Geotechnical Engineer	BGC Engineering	Yes
Walter Neil Brazier	P. Eng.	Principal	WN Brazier & Associates Inc.	Yes
Lee Preston Josslyn	P.E.	Program Manager	Linkan Engineering	Yes

2.4 Site Visits and Scope of Personal Inspection

2.4.1 Site Inspection by Kevin Murray, P. Eng.

Mr. Kevin Murray visited the site on October 29, 2024, for one day. Activities during the site visit included:

- Visited potential primary crusher locations.
- Visited plant site location.
- Inspected drill core with the site geologist.

2.4.2 Site Inspection by Ronald Voordouw, P. Geo.

Mr. Ronald Voordouw visited the site on two occasions. The first site visit occurred from July 31 to August 8, 2023, for a total of three days on site. Activities during this site visit included:

- Relogging 1,800 m from 16 historical drill holes to assess historical logging and design objectives for a relogging program.

The second visit occurred from June 19 to 20, 2025, with approximately 24 hours spent on site. During this visit:

- Coordinates were measured for ten drill pads.
- Just under 600 m of drill core from six holes through the Phoenix deposit were reviewed.
- Ten quarter-core duplicate samples were collected and sent to ALS for photon and screen metallic assays.

2.4.3 Site Inspection by Marc Schulte, P. Eng.

Marc Schulte visited the site on September 12, 2019. Activities during the site visit included:

- Viewed the general topography.
- Inspected proposed pit and stockpile locations.
- Inspected the locations of existing and proposed infrastructure.

2.4.4 Site Inspection by Brad Russell, P. Eng.

Mr. Bradley Russell visited the site on October 3, 2024, for one day. Activities during this site visit included:

- General observation of potential tailings and waste storage footprints, local water bodies and stream and access roads from select viewpoints.

2.5 Effective Dates

The effective date of the overall Technical Report is July 3, 2025.

The effective date of the Mineral Resource Estimate is January 10, 2025.

2.6 Information Sources and References

Documents listed in Section 3 and Section 27 were used to support the preparation of the technical report. The sources of information supplied by Spanish Mountain Gold Ltd include historical data and reports compiled by previous consultants and researchers of the project, as well as other documents cited throughout the Technical Report and referenced in Section 27.

The QPs have relied on Spanish Mountain Gold Ltd's internal experts and legal counsel for details on project history, and information related to ownership as discussed more in Section 3. The QPs used their experience to determine if the information from previous reports was suitable for inclusion in this technical report and adjusted information that required amending. This technical report includes technical information that required subsequent calculations to derive subtotals, totals and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, the QPs do not consider them to be material.

Mr. Voordouw relied on SPA employee Kimberly Guttormson (January 31, 2025), working under Director of Exploration Julian Manco, to provide their exploration permit (BCMEMLI, 2022) and standard operating procedures for core geotechnical and geological logging (Spanish Mountain Gold, 2025b). This information is relevant to Sections 4.9 and 10.2.2 respectively.

2.7 Currency, Units, Abbreviations and Definitions

All units of measurement in this report are metric and all currencies are expressed in Canadian dollars (symbol: C$ or currency: CAD) unless otherwise stated. Contained gold metal is expressed as troy ounces (oz), where 1 oz = 31.1035 g. All material tonnes are expressed as dry tonnes (t) unless stated otherwise. A list of abbreviations and acronyms is provided in Table 2-2, and units of measurement are listed in Table 2-3.

Table 2-2: Abbreviations and Acronyms

Abbreviation	Description
AA	atomic absorption spectroscopy
Ag	silver
ARD	acid rock drainage
Au	gold
Az	azimuth
BC	British Columbia
BCGS	BC Geological Survey
BCMEMLI	BC Ministry of Energy, Mines, and Low Carbon Innovation
BIF	banded iron formation
BWi	bond ball mill work index
CAD:USD	Canadian-American exchange rate
CGD	Cariboo Gold District
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
CIM Definition Standards	CIM Definition Standards for Mineral Resources and Mineral Reserves 2014
CIP	carbon in pulp
COA	Certificate of Analysis, for geochemical data
CoG	cut-off grade
CRM	certified reference material
Cu	copper
CV_{AVR}	Average coefficient of variance
CWi	Bond crusher work index
CWP	Contact water pond
D1, D2, D3	Deformation events 1, 2, and 3
DCIP	direct current resistivity and induced polarization
DDH	diamond drill hole
E-GRG	extended gravity recoverable gold
EM	electromagnetic
F1, F2, F3	Fold structures related to deformation events 1 to 3, respectively
FA	fire assay
Fe	Iron
FET	federal excise tax
FS	feasibility study
G&A	general and administration
GPR	gross production royalty
GQCV	greenstone-hosted quartz-carbonate vein deposits
GRAV	gravimetric finish method

Abbreviation	Description
GT	Grade-thickness, product of grade and thickness
HM	Heavy minerals
ICP	inductively coupled plasma
ICP-OES	inductively coupled plasma - optical emission spectrometry
ID2	inverse distance squared
ID3	inverse distance cubed
IOCG	iron oxide copper gold
IP	induced polarization
IRGS	intrusion-related gold system
ISO	International Organization for Standardization
LAP	Laboratory accreditation program
LiDAR	light detection and ranging
LUP	land use permit
MCF	mechanized cut and fill
MINFILE	Government database of mineral occurrences in BC
ML	Metal leaching
MRE	mineral resource estimate
MTO	Mineral Titles Online
NAD 83	North American Datum of 1983
NI 43-101	National Instrument 43-101 (Regulation 43-101 in Quebec)
NN	nearest neighbour
N, NE, E, SE, S, SW,W, NW	north, east, south, west (directional indicators)
NPAG	Non-potentially acid generating
NSR	net smelter return
NTS	national topographic system
OK	ordinary kriging
PAA	Photon activation analysis
PAG	potentially acid generating
Pb	lead
PEA	preliminary economic assessment
PFS	prefeasibility study
PGE	platinum group elements
QA/QC	quality assurance/quality control
QCP	Quartz, carbonate, pyrite
QCORE	Quarter core
QP	qualified person (as defined in National Instrument 43-101)
RD	Relative density

Abbreviation	Description
ROM	run of mine
RQD	rock quality designation
S1, S2, S3	Penetrative fabrics related to deformation events 1 to 3, respectively
SAG	semi-autogenous grinding
SCC	Standards Council of Canada
SD	standard deviation
S_d-BWI	micro hardness or bond ball mill work index on SAG ground material
SEDEX	sedimentary exhalative deposits
SG	specific gravity
SHV	Sedimentary-hosted vein, a subtype of orogenic gold deposit
SMG	Spanish Mountain Gold
SPA	Spanish Mountain Gold Ltd
TMF	tailings management facility
TMVSR	Transitional mixed volcanic and sedimentary rocks; an unnamed formation of Nicola Group
UG	underground
UTM	Universal Transverse Mercator coordinate system
UV	ultraviolet
VLF-EM	very low frequency electromagnetic
VMS	volcanogenic massive sulphide, a mineral deposit type
WMP	Water management plant
Zn	zinc

Table 2-3: Units of Measurement

Abbreviation	Description
%	percent
% solids	percent solids by weight
CAD	Canadian dollar (currency)
C$	Canadian dollar (as symbol)
$/t	dollars per metric ton
°	angular degree
°C	degree Celsius
µm	micron (micrometer)
cm	centimeter
cm^3	cubic centimeter
ft	foot (12 inches)
g	gram

Abbreviation	Description
g/cm^3	gram per cubic centimeter
g/L	gram per liter
g/t	gram per metric ton (tonne)
h	hour (60 minutes)
ha	hectare
Kbar	Kilobar (unit of pressure)
kg	kilogram
kg/t	kilogram per tonne
km	kilometer
km^2	square kilometer
kW	kilowatt
kWh/t	kilowatt-hour per tonne
L	liter
lb	pound
m, m^2, m^3	meter, square meter, cubic meter
M	million
Ma	million years (mega annum)
masl	meters above mean sea level
mm	millimeter
Moz	million (troy) ounces
Mt	million tonnes
MW	megawatt
oz	troy ounce
oz/t	ounce (troy) per tonne
oz/ton	ounce (troy) per short ton (2,000 lbs)
ppb	parts per billion
ppm	parts per million
R^2	Coefficient of determination
t	metric tonne (1,000 kg)
ton	short ton (2,000 lbs)
t/d	tonnes per day
USD	US dollars (currency)
US$	US dollar (as symbol)
w	weight in grams

3 RELIANCE ON OTHER EXPERTS

3.1 Introduction

The QPs have relied upon the following other expert opinion, which provided information regarding mineral rights for sections of this Report.

3.2 Property Agreements, Mineral Tenure, Surface Rights and Royalties

Mr. Voordouw relied on purchase agreements provided by SPA for information on Property Agreements and Royalties (Skygold Ventures, 2003; Wildrose Resources, 2003; Wildrose Resources, 2006; Skygold Ventures, 2010; Spanish Mountain Gold, 2010; Spanish Mountain Gold, 2012; Spanish Mountain Gold, 2025a).

The QP has relied upon this information in Sections 1.3, 4.4, 4.7, and 25.2.

3.3 Environmental, Permitting, Closure, and Social and Community Impacts

The QPs have fully relied upon information supplied by Spanish Mountain Gold and experts retained by Spanish Mountain Gold for information related to environmental, permitting, and social and community impacts as follows:

- Knight Piésold Ltd., July 10, 2025, Spanish Mountain Project PEA Update – Section 20 Inputs: Prepared for Peter Mah, 12 pages.

This information is used in Section 1.18, 20, 25.13, 25.17.1.6, 25.17.2.5 of the Report.

3.4 Taxation

The QPs have fully relied upon information supplied by Mark Ruus, Chief Financial Officer of Spanish Mountain Gold relating to the tax model used in the economic analysis.

This tax information was relied upon in Sections 1.20 and 22.

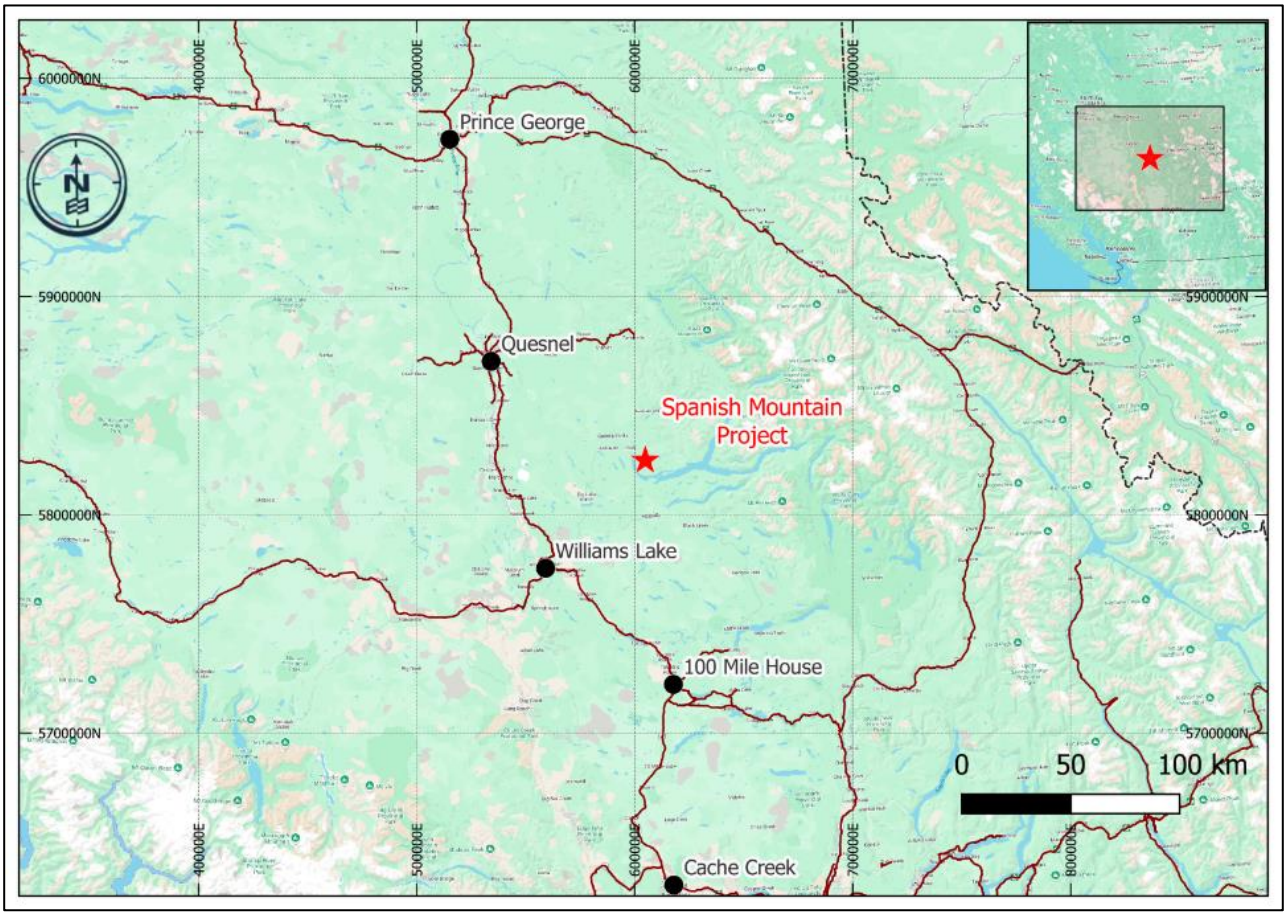
4 PROPERTY DESCRIPTION AND LOCATION

4.1 Introduction

The Spanish Mountain Gold (SMG) Property covers 10,388 ha in central-eastern British Columbia (BC), Canada. Nearby population centers include the unincorporated community of Likely as well as the City of Williams Lake (Figure 4-1), as described further in Section 5.

The Property is centered at approximately 52° 33’ north latitude and 121° 26’ west longitude (or 605,710 easting, 5,824,052 northing in UTM NAD83 zone 10). All claims lie on 1:250,000 scale NTS map sheet 093A (Quesnel Lake) with the bulk of them occurring within 1:50,000 map sheets 093A11 (Spanish Lake) and 093A12 (Likely).

Figure 4-1: Spanish Mountain Project Location Map



Source: Equity, 2025.

4.2 Property and Title in British Columbia, Canada

Mineral rights are provided to SPA through mineral claims that are issued by the Government of BC. These claims are referred to as mineral titles online (MTO), Legacy, or Crown Granted. Legacy and Crown Granted claims were staked through the physical placement of legal posts in the ground, either at all four corners of the claim or on just two of them. As of January 1, 2008, the locations of these claim posts were nullified by defining the extent of all Legacy and Crown Granted claims as depicted on the MTO system. Claims acquired through MTO have tenure numbers greater than 500,000 and comprise a seamless grid of cells defined by latitudes and longitudes. Where valid Legacy, Crown Granted, and/or MTO claims overlap, mineral rights are held by the oldest claim.

Subsurface rights are generally retained by the Crown, as administered by the Province of BC, whereas surface rights are either owned by the Crown or private individuals. Extracted minerals are subject to BC's Mineral Tax Act.

4.3 Project Ownership

The SMG Property consists of 54 mineral claims that are all 100% owned by Spanish Mountain Gold Ltd (SPA) and in good standing until 2035 (Table 4-1). The SMG Property is not subject to any back-in rights or claw-back provisions.

To maintain the claims in good standing beyond 2035, the Mineral Tenure Act requires annual work expenditure of C$20 per hectare for total annual expenditure of C$229,520. Alternatively, these claims can be maintained in good standing without exploration work through fee payment of C$40 per hectare for C$459,040 per year.

Several placer claims and leases that overlap the SMG Property are not owned by SPA. In these areas, the placer leaseholders hold the rights to extract minerals from unconsolidated surficial materials such as gravel and sand, whereas SPA's mineral claims confer the right to extract minerals from the underlying bedrock. Converting these areas to mining leases – where a single entity holds extraction rights to both the unconsolidated material and bedrock – will require an agreement between the placer leaseholders and SPA.

4.4 Mineral Tenure

The 54 mineral claims comprising the SMG Property consist of 20 Legacy and 34 MTO claims. All 54 claims are contiguous and add up to 11,476 ha (Table 4-1) but this total includes 1,088 ha of overlap between Legacy and MTO claims (Figure 4-2) so that the effective extent of mineral claims comprising the Property is 10,388 ha. These 54 claims grant SPA the right to explore for and develop mineral deposits in the subsurface under the Mineral Tenure Act. The subsurface mineral rights are retained by the Crown, as administered by the Province of BC.

Placer claims and leases ("placer holdings") cover 6,063 ha of the 10,388 ha SMG Property (Figure 4-3), with one-third (2,012 ha) of these placer holdings owned by SPA and the remaining two-thirds (4,051 ha) held by 19 different majority owners. These non-SPA placer holdings cover the western part of the SMG deposit and the prospective ground located immediately to the west and southwest (Figure 4-3). In these areas, the placer leaseholders hold the rights to extract minerals from unconsolidated surficial materials such as gravel and sand, whereas SPA's mineral claims confer the right to extract minerals from the underlying bedrock. Converting these areas to mining leases will require an agreement between the placer leaseholders and SPA.

Additional overlaps occur between the SMG mineral claims and several district lots granted under the Mineral and Land acts, as well as with Cedar Point Provincial Park. The overlaps with Land Act and Provincial Park district lots are further described under surface rights in Section 4.5 of this Technical Report.

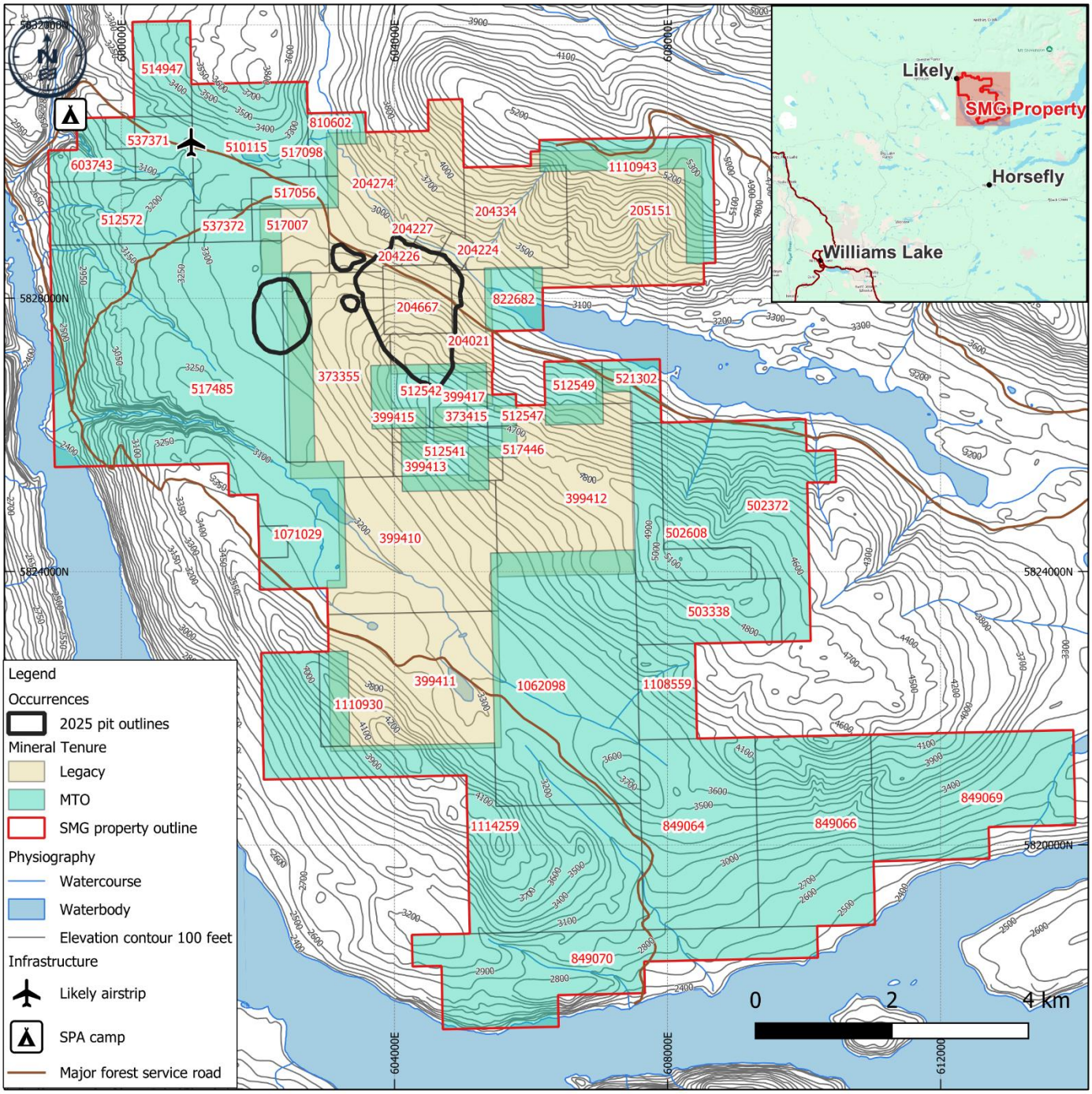
Table 4-1: SPA's Mineral Tenure

Claim Name	Claim Number	Holder	Type of Claim	Issue Date	Expiration Date	Area (ha)
PESO	204021	SPA (100%)	Legacy	21-Sep-77	10-Sep-35	225.0
DON 1	204224	SPA (100%)	Legacy	24-Dec-79	10-Sep-35	25.0
DON 2	204225	SPA (100%)	Legacy	24-Dec-79	10-Sep-35	25.0

Claim Name	Claim Number	Holder	Type of Claim	Issue Date	Expiration Date	Area (ha)
DON 3	204226	SPA (100%)	Legacy	24-Dec-79	10-Sep-35	25.0
DON 4	204227	SPA (100%)	Legacy	24-Dec-79	10-Sep-35	25.0
MARCH 1	204274	SPA (100%)	Legacy	17-Mar-80	10-Sep-35	500.0
MARCH 2	204275	SPA (100%)	Legacy	17-Mar-80	10-Sep-35	100.0
JUL 2	204334	SPA (100%)	Legacy	08-Aug-80	10-Sep-35	225.0
CPW	204667	SPA (100%)	Legacy	01-Nov-82	10-Sep-35	100.0
MEY 1	205151	SPA (100%)	Legacy	08-May-86	10-Sep-35	500.0
ARMADA	373355	SPA (100%)	Legacy	12-Nov-99	10-Sep-35	450.0
N.R.1	373415	SPA (100%)	Legacy	15-Nov-99	10-Sep-35	25.0
ARMADA 2	399410	SPA (100%)	Legacy	27-Jan-03	10-Sep-35	500.0
ARMADA 4	399411	SPA (100%)	Legacy	27-Jan-03	10-Sep-35	500.0
ARMADA 5	399412	SPA (100%)	Legacy	27-Jan-03	10-Sep-35	500.0
ARMADA 6	399413	SPA (100%)	Legacy	25-Jan-03	10-Sep-35	25.0
ARMADA 8	399415	SPA (100%)	Legacy	26-Jan-03	10-Sep-35	25.0
ARMADA 10	399417	SPA (100%)	Legacy	26-Jan-03	10-Sep-35	25.0
ARMADA 12	399419	SPA (100%)	Legacy	26-Jan-03	10-Sep-35	25.0
AG 2	404303	SPA (100%)	Legacy	06-Aug-03	10-Sep-35	25.0
Spanish1	502372	SPA (100%)	MTO	12-Jan-05	10-Sep-35	491.3
Spanish2	502608	SPA (100%)	MTO	12-Jan-05	10-Sep-35	157.2
Spanish3	503338	SPA (100%)	MTO	14-Jan-05	10-Sep-35	196.6
Golden Airport	510115	SPA (100%)	MTO	03-Apr-05	10-Sep-35	274.8
(unnamed claim)	512541	SPA (100%)	MTO	13-May-05	10-Sep-35	117.9
(unnamed claim)	512542	SPA (100%)	MTO	13-May-05	10-Sep-35	78.6
(unnamed claim)	512544	SPA (100%)	MTO	13-May-05	10-Sep-35	78.6
(unnamed claim)	512547	SPA (100%)	MTO	13-May-05	10-Sep-35	19.6
(unnamed claim)	512549	SPA (100%)	MTO	13-May-05	10-Sep-35	78.6
FISCHER CREEK	512572	SPA (100%)	MTO	14-May-05	10-Sep-35	196.3
GOLD TREND	514947	SPA (100%)	MTO	21-Jun-05	10-Sep-35	117.8
GOLD	517007	SPA (100%)	MTO	12-Jul-05	10-Sep-35	19.6
GOLDIE	517056	SPA (100%)	MTO	12-Jul-05	10-Sep-35	58.9
GOLD3	517098	SPA (100%)	MTO	12-Jul-05	10-Sep-35	39.3
(unnamed claim)	517446	SPA (100%)	MTO	12-Jul-05	10-Sep-35	19.6
(unnamed claim)	517485	SPA (100%)	MTO	12-Jul-05	10-Sep-35	1,335.8
AKV	521302	SPA (100%)	MTO	18-Oct-05	10-Sep-35	58.9
MOOREHEAD 12	537371	SPA (100%)	MTO	18-Jul-06	10-Sep-35	78.5
MOOREHEAD 13	537372	SPA (100%)	MTO	18-Jul-06	10-Sep-35	39.3
MOOREHEAD 14	538658	SPA (100%)	MTO	04-Aug-06	10-Sep-35	117.9

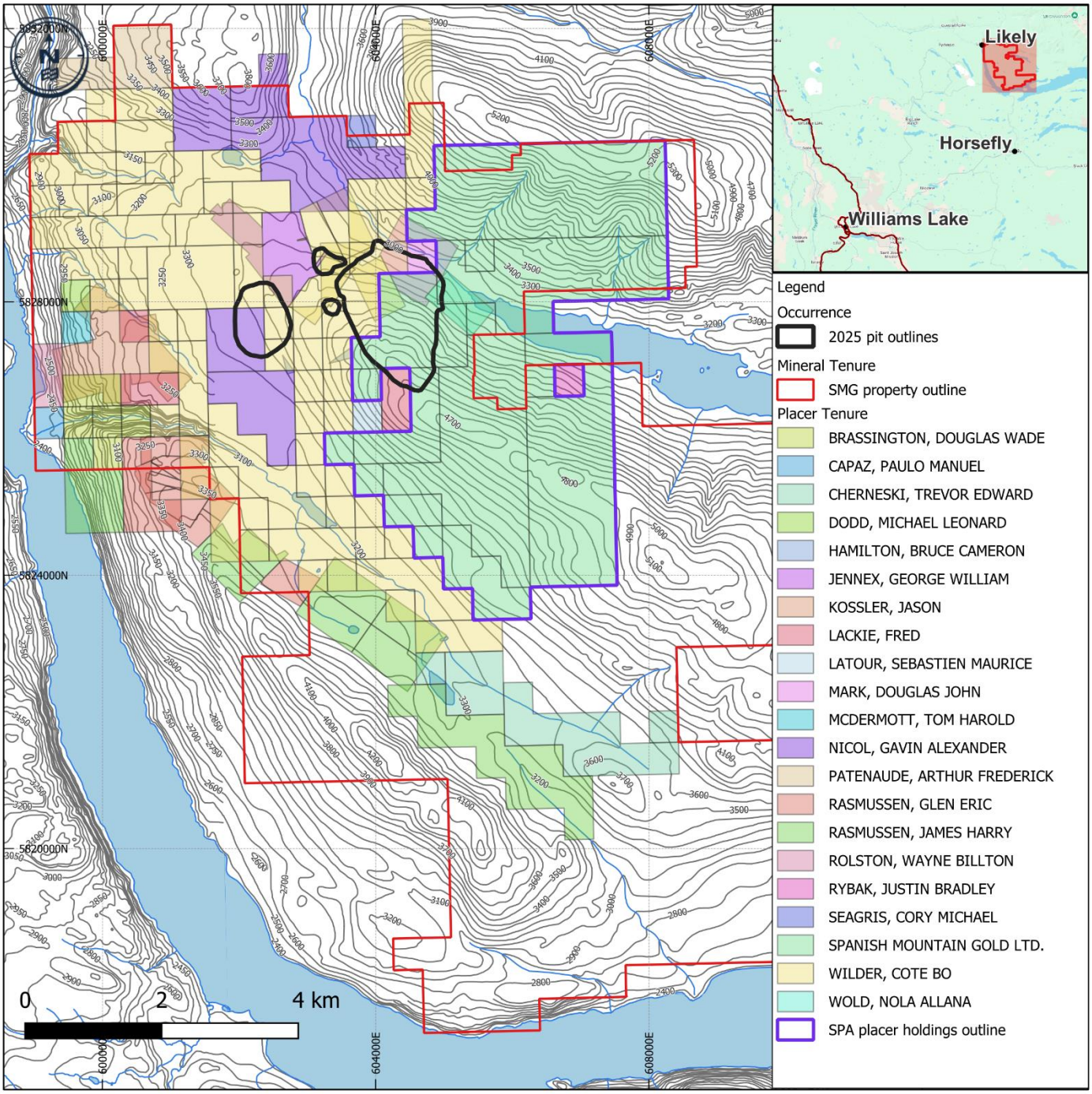
Claim Name	Claim Number	Holder	Type of Claim	Issue Date	Expiration Date	Area (ha)
LIKLEY GULCH	603743	SPA (100%)	MTO	01-May-09	10-Sep-35	78.5
SPAN 3	810602	SPA (100%)	MTO	07-Jul-10	10-Sep-35	19.6
(unnamed claim)	822682	SPA (100%)	MTO	21-Jul-10	10-Sep-35	78.6
SPAN 4	844711	SPA (100%)	MTO	27-Jan-11	10-Sep-35	19.6
SPAN 5	849064	SPA (100%)	MTO	16-Mar-11	10-Sep-35	472.1
SPAN 6	849066	SPA (100%)	MTO	16-Mar-11	10-Sep-35	472.1
SPAN 7	849069	SPA (100%)	MTO	16-Mar-11	10-Sep-35	491.7
SPAN 8	849070	SPA (100%)	MTO	16-Mar-11	10-Sep-35	492.0
SPANISH MOUNTAIN SOUTH	1062098	SPA (100%)	MTO	01-Aug-18	10-Sep-35	786.5
SPAN SW	1071029	SPA (100%)	MTO	13-Sep-19	10-Sep-35	19.7
Six	1108559	SPA (100%)	MTO	25-Oct-23	10-Feb-35	118.0
Span 9	1110930	SPA (100%)	MTO	01-Feb-24	01-Feb-35	59.0
Span 19	1110943	SPA (100%)	MTO	01-Feb-24	01-Feb-35	176.7
KG	1114259	SPA (100%)	MTO	05-Jul-24	10-Feb-35	767.1
54 Claims						**11,476.2**

Figure 4-2: Mineral Tenure Plan



Source: Equity, 2025.

Figure 4-3: Location of Placer Claims



Source: Equity, 2025.

4.5 Property Agreements

The 54 mineral claims that comprise the SMG Property can be split into 36 claims that have been amalgamated through six purchase agreements and 18 claims that were staked by SPA (Table 4-2, Figure 4-4). The purchase agreements are referred to as Mickle, Wallster, Wildrose, Cedar Mountain, Acrex, and Barker. This section summarizes the terms of these agreements whereas related royalties are summarized in Section 4.7. The 18 claims staked by SPA are not subject to any agreements or royalties.

The Mickle agreement was signed on January 10, 2003, between Wildrose Resources Ltd ("Wildrose"), a wholly owned subsidiary of SPA, and Mr. Mickle of Likely, BC. This agreement provided an option for Wildrose to earn 100% interest in 12 mineral titles, including the prospective DON and PESO groups, through C$100,000 in cash payments over five years (Table 4-2). Wildrose met the conditions of this agreement and Mr. Mickle retains a net smelter return (NSR) royalty (see Section 4.7).

The Wallster agreement was signed on January 20, 2003, between Wildrose, and Mr. D.E. Wallster (two-thirds interest) and Mr. McMillan (one-third interest). This agreement provided Wildrose with an option to earn 100% interest in the CPW claim, which overlies the core of the SMG deposit, for 30,000 Wildrose shares upon signing of the agreement, C$144,000 in cash and/or share payments over five years, and an NSR royalty (see Section 4.7). Wildrose met the conditions of this agreement and is currently a wholly owned subsidiary of SPA.

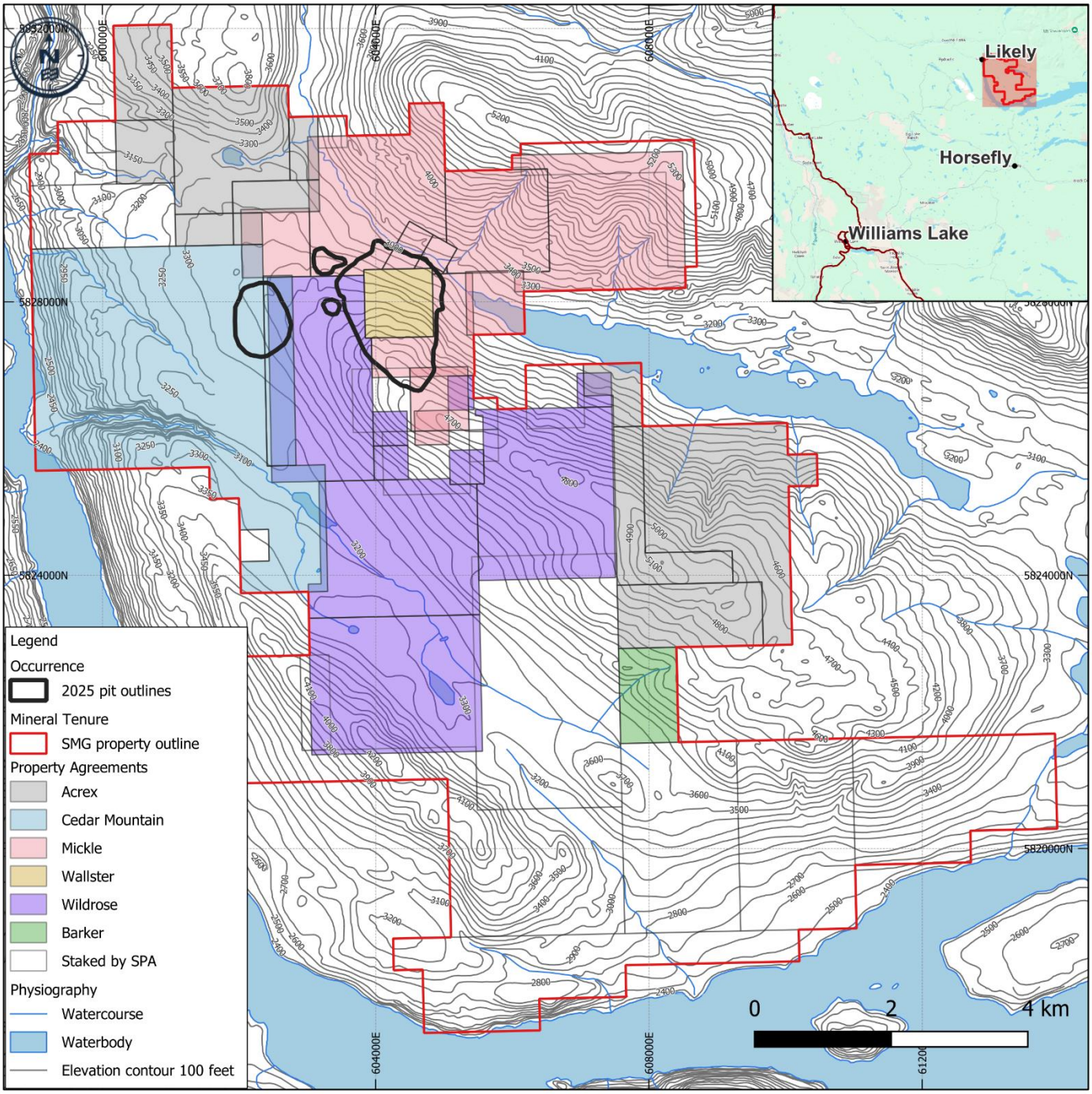
The Wildrose agreement was also signed on January 20, 2003 and provided Skygold Ventures Ltd ("Skygold"), the predecessor to SPA, with the option to earn a 70% interest in Wildrose's SMG claims by January 20, 2008 by completing C$700,000 in work, issuing 200,000 SPA shares to Wildrose on signing, and issuance of C$200,000 in cash or shares to Wildrose over five years. The Wildrose agreement was inclusive of the properties acquired by Wildrose under the Mickle and Wallster agreements as well as several claims that were already 100% owned by Wildrose. The conditions of the Wildrose agreement were met and, on November 30, 2007, SPA signed a Plan of Arrangement whereby they would acquire all issued and outstanding shares of Wildrose in exchange for common shares of SPA. The Plan of Arrangement closed on July 9, 2008, so that Wildrose is currently a wholly owned subsidiary of SPA.

Table 4-2: Summary of Purchase Agreements

Agreement	Interest Earned	Signed Date	Cash (C$)	Expenditures (C$)	SPA Shares	Status
Mickle	100%	10-Jan-03	100,000 over 5 years	None	None	Conditions met
Wallster	100%	20-Jan-03	144,000 over 5 years	None	30,000	Conditions met
Wildrose	70%*	20-Jan-03	200,000 over 5 years	700,000 over 5 years	200,000	Conditions met
Cedar Mountain	100%	15-Jun-10	500,000 on signing	None	None	Conditions met
Acrex	100%	25-Jul-12	500,000 on signing	None	2,000,000	Conditions met
Barker	100%	10-Jan-25	3,500 on signing	None	None	Conditions met

*SPA acquired 100% through a merger with Wildrose in 2007.

Figure 4-4: Mineral Tenure Map Coded by Agreements



Source: Equity, 2025.

The Cedar Mountain agreement was signed on June 15, 2010 between SPA and Cedar Mountain Exploration Inc ("Cedar Mountain") and provided SPA with the option to earn 100% interest in two mineral claims through a cash payment of C$500,000 that was due on signing and an NSR royalty (see Section 4.7). The conditions of this agreement were met so that both claims are now 100% owned by SPA.

The Acrex agreement was signed on July 25, 2012 between SPA and Acrex Ventures Ltd ("Acrex") to provide SPA with an option to earn 100% interest in 11 mineral claims through a cash payment of C$500,000 that was due on signing and issuance of 2,000,000 common shares of SPA to Acrex, and an NSR royalty (see Section 4.7). The conditions of this agreement have been met so that all 11 of these mineral claims are now 100% owned by SPA.

The Barker agreement was signed on January 10, 2025 between SPA and John Cameron McCall Barker and provides SPA with 100% ownership of the Six mineral claim (1108559) through a cash payment of C$3,500 and an NSR royalty (see Section 4.7). The conditions of this agreement have been met so that this mineral claim is now 100% owned by SPA.

4.6 Surface Rights

Surface rights for the SMG Property are mostly held by the Government of BC (or the "Crown") aside from 117 ha of district lots that were granted under the BC Land Act. The surface rights for these district lots are held by private individuals or, in the case of Cedar Point Provincial Park, as highly protected land by the Crown.

Approximately 98 ha of Land Act district lots that overlap with SPA's tenure lie along the northwestern edge of the SMG Property, comprising private properties within the unincorporated community of Likely. These lots lie at least 4 to 5 km from the SMG deposit and so SPA's lack of surface rights in this area is likely irrelevant to any future mining operation.

Cedar Point Provincial Park comprises a highly protected area that is administered by the Crown and lies within the unincorporated community of Likely. This park has an overlap of approximately 7 ha with SPA's mineral tenures and lies approximately 5 km from the SMG deposit. SPA's lack of surface rights in this area are unlikely to impede any future mine development.

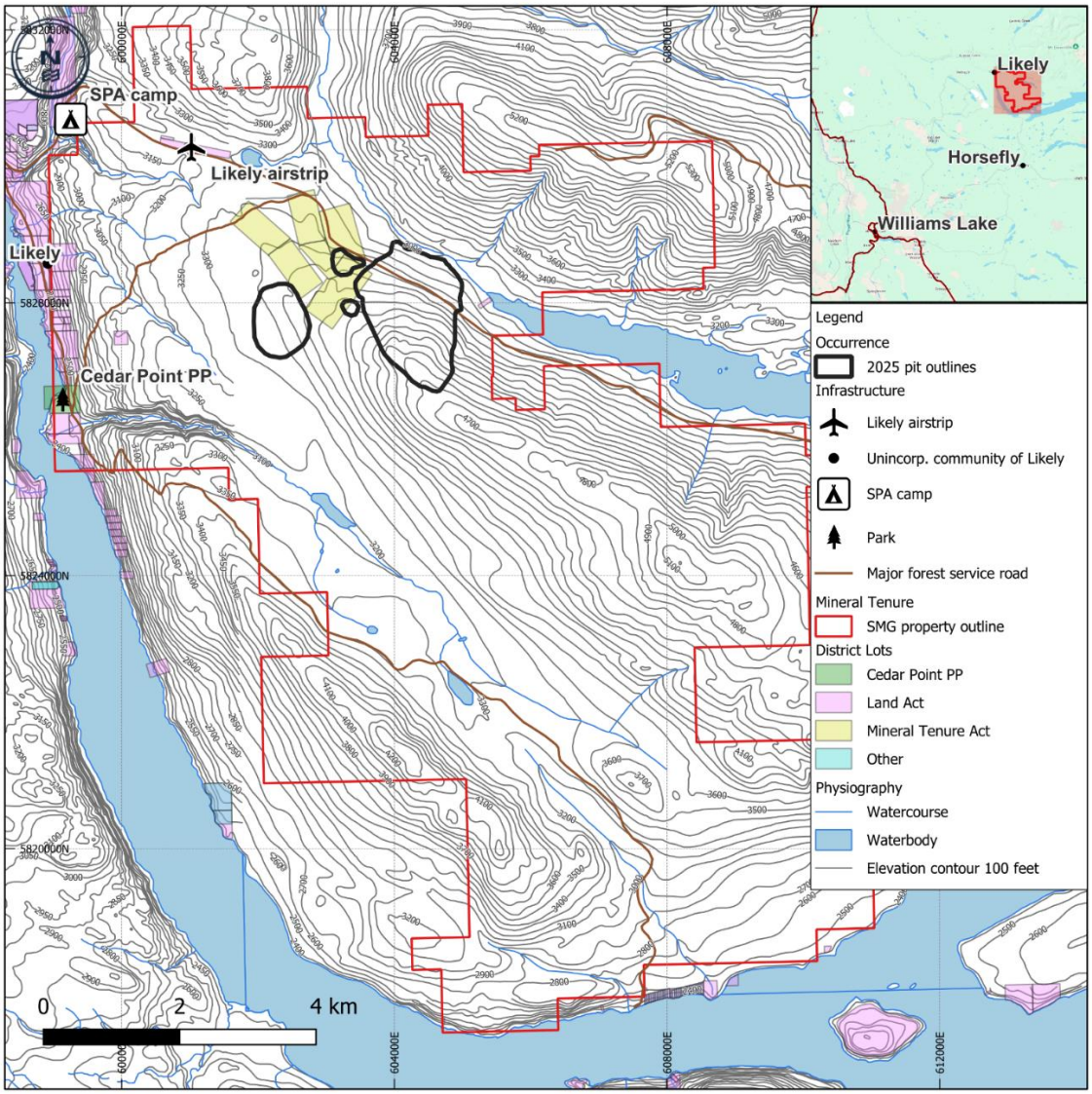
The Likely Airstrip comprises 11 ha of Land Act district lots that lie entirely within SPA's mineral tenure and approximately 3 km northwest of the SMG deposit. It is unlikely that surface rights to these lots are required for any future mining operation.

SPA holds the surface rights for a district lot that hosts the SPA Camp (see Section 5) and is located immediately northeast of the SMG Property.

A one-hectare district lot (12083) that was granted under the Land Act lies at the western end of Spanish Lake and just 300 to 400 m east of the SMG deposit and entirely within the SMG Property. These surface rights are probably unnecessary for mine development although the property owner is likely to be affected by mine development.

The ownership of other rights (e.g. timber, guiding) within the Property has not been investigated by the QP's.

Figure 4-5: Location of District Lots



Source: Equity, 2025.

4.7 Water Rights

All water resources in British Columbia are owned by the Crown on behalf of its citizens. SPA is permitted to use water for exploration activities but would have to secure permits from the Government of BC for water usage related to any mining operations.

4.8 Royalties and Encumbrances

Approximately 4,325 ha of the SMG Property (i.e., 42% by area), including those parts covering all the mineralized zones for which resources are estimated in Section 14, are subject to one or more of the net smelter return (NSR) royalties as defined in the Mickle, Wallster, Cedar Mountain, Acrex, and Barker agreements. There is no NSR royalty associated with the Wildrose agreement other than those passed on through the Mickle and Wallster agreements. Each of these royalties is described below.

The Mickle NSR royalty is pursuant to the Mickle agreement that was signed on January 10,2003 with Wildrose, a wholly owned subsidiary of SPA. This agreement provides Mr. Mickle with a 2.5% NSR royalty over 12 claims that overlap with the northern and southern extents of the SMG deposit. A buydown right allows SPA to purchase 1.5% of the NSR for C$500,000 to reduce the NSR to 1.0%.

The Wallster royalty is pursuant to the Wallster agreement that was signed with Wildrose on January 20, 2003. This agreement provides Mr. Wallster and Mr. McMillan with a 2.5% NSR over claim 204667 that hosts the bulk of the SMG deposit. A buydown right allows SPA to purchase 1.0% of the NSR for C$500,000 to reduce the NSR to 1.5%.

SPA's 2003 purchase agreement for the SMG Property included all 20 legacy claims. Through this acquisition, SPA inherited ten claims subject to the Mickle NSR, one claim subject to the Wallster NSR, and nine claims with no associated royalty.

The Cedar Mountain royalty is pursuant to Cedar Mountain agreement that was signed between Cedar Mountain and SPA on June 15, 2010. This agreement provides a 2.5% NSR over two mineral claims that lie approximately 1 km due west of the SMG deposit. A buydown right allows SPA to purchase each 1.0% NSR for C$500,000 so that the entire NSR can be repurchased for C$1,250,000.

The Acrex royalty is pursuant to the Acrex agreement that was signed between SPA and Acrex on July 25, 2012. This agreement provides a 4.0% NSR over 11 mineral claims, seven of which occur approximately 1.5 km northwest of the SMG deposit and four of which occur approximately 2.5 km to the southeast. A buydown right allows SPA to purchase half of the NSR for C$1,000,000 to reduce the NSR to 2.0%.

The Barker royalty is pursuant to the Barker agreement that was signed between SPA and John Cameron McCall Barker on January 10, 2025. This agreement provides a 0.5% NSR over one mineral claim centered between 6-7 km southeast of the SMG deposit. A buydown right allows SPA to purchase for the entire NSR for C$450,000.

MTO data shows an overlap of 36 ha for claims subject to the Mickle and Acrex NSRs, and a 16-ha overlap involving the Mickle and Cedar Mountain NSRs. In these areas, both NSRs may apply, potentially increasing the pre-buydown royalty rates to 6.5% and 5.0% respectively. Both overlaps are located immediately north of the Phoenix deposit.

Table 4-3: Summary of Royalty Agreements

Royalty	Amount	Claim(s)	Buy down right
Mickle	2.5% NSR	204021, 204224, 204225, 204226, 204227, 204274, 204275, 204334, 205151, 373415, 512544, 822682	1.5% NSR for C$500,000
Wallster	2.5% NSR	204667	1.0% NSR for C$500,000
Cedar Mountain	2.5% NSR	517485, 538658	C$500,000 per 1.0% NSR
Acrex	4.0% NSR	502372, 502608, 503338, 510115, 514947, 517007, 517056, 517098, 521302, 537371, 537372	2.0% NSR for C$1,000,000
Barker	0.5% NSR	1108559	Entire NSR for C$450,000

Source: Equity, 2025.

4.9 Environmental Considerations

The QP responsible for this section is not aware of any environmental liabilities or related environmental risks that may prevent SPA from carrying out future work.

4.10 Permitting Considerations

Mineral exploration work in British Columbia requires the appropriate permits issued by the Government of BC. SPA has held an exploration permit (MX-10-199) for the SMG Property since September 26, 2005, that was last amended on July 8, 2022 and is currently valid until July 7, 2027. SPA should start their permit amendment process sometime in 2026.

SPA's permit allows for drilling, construction/modification of exploration trails, mechanical trenching, and test pits. In terms of drilling, the permit allows for 50 auger, 75 diamond drill, 100 reverse circulation (RC), 100 sonic drill, and 100 geotechnical drill sites for total disturbance of 4.9 ha. The permit allows for 500 test pits that are 1 x 1 m in diameter and up to 3 m deep for total disturbance of 0.50 ha. There is also 20.0 km of new exploration trail that may be constructed for total disturbance of 3.50 ha.

The permit allows for year-round work on the Property given that certain environmental protections are met, specifically around stream crossings and the protection of streams and aquatic life.

The total permitted disturbance of 8.90 ha is bonded with a reclamation security of C$85,000 that has been paid by SPA.

4.11 Social License Considerations

The SMG Property lies within the traditional territory of the Northern Shuswap Tribal Council (also Northern Secwepemc te Qelmucw or NStQ), which includes 2,820 members spread among the communities of Tsq'escen' (Canim Lake), Stswecem'c/Xget'tem (Canoe Creek/Dog Creek), Xatśūll/Cmetem' (Soda Creek), and T'exelc (Williams Lake) (http://www.bctreaty.ca/map). The NStQ is in Stage 5 negotiations with the BC Government. Permitting is done in consultation with the Soda Creek and Williams Lake First Nations.

The SMG deposit occurs within 400 m of a one-hectare private property along Spanish Lake, within 3 km of the Likely Airstrip, and within 5 km of the unincorporated community of Likely and Cedar Point Provincial Park.

4.12 Project Risks and Uncertainties

Approximately 4,051 ha of the SMG Property is covered by placer claims and leases that are majority owned by 19 different individuals. These placer holdings cover the western part of the SMG deposit as well as much of the prospective ground to the west and southwest. In these areas, the placer leaseholders hold the rights to extract minerals from unconsolidated surficial materials such as gravel and sand, whereas SPA's mineral claims confer the right to extract minerals from the underlying bedrock. Converting these areas to mining leases – where a single entity holds extraction rights to both the unconsolidated material and bedrock – will require an agreement between the placer leaseholders and SPA.

Areas of overlap between claims subject to different NSR royalty agreements may be subject to both royalties such that the royalties payable on these overlapping claim areas could be between 5.0% to 6.5% prior to the exercise of any buydown rights. The most notable such area occurs immediately north of the Phoenix deposit for claims subject to the Mickle and Acrex agreements.

The project's exploration permit is valid until 2027, with an amendment recommended to begin in 2026. The permit has been successfully amended several times since it was first issued in 2025. The permitting process is administered by the BC Government in consultation with local First Nations.

A small portion of the SMG Property overlaps with private (or fee simple) surface rights, mostly on its northwestern side, in and around Likely and 3 to 5 km northwest of the SMG deposit. A on-hectare private property is located 400 meters east of the SMG deposit footprint. BC water resources are owned by the Crown and would be made available upon approval of any future mining operation. The ownership of other rights (e.g. timber, guiding) within the Property has not been investigated by the QP.

Other than the project risks and uncertainties described above, as well as agreements and royalties summarized in Table 4-2 and Table 4-3, the QP is not aware of any additional royalties, back-in rights, or other agreements and encumbrances to which the Property may be subject.

The QP is unaware of any environmental liabilities or other risks that may prevent SPA from carrying out future work, nor any other significant factors and risks that may affect access, title, or the right or ability to perform work on the Property.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The SMG Property is road accessible through a well-maintained network of gravel roads that branches off the BC provincial highway grid at Likely, which itself is located along the northwest margin of the Property and just five kilometers from the SMG deposit. The highway grid connects Likely to the cities of Williams Lake, located 65 to 70 km southwest of the Property, and Prince George located 170 km to the northwest.

The City of Prince George has a population of nearly 80,000 people and is a center of government services, higher education, health care, and natural resource industries for the northern part of BC. The city is served by an international airport with daily flights to Vancouver and is connected to Williams Lake via Highway 97 through a 240 km drive to the south.

The City of Williams Lake has a population of approximately 11,000 people and is the second largest population center in the Cariboo region after the City of Quesnel. Both cities lie along Highway 97 with Quesnel lying halfway between Williams Lake and Prince George. Williams Lake is a major center for forestry, mining, and ranching in the area and is served by Williams Lake Airport that has daily flights to Vancouver.

The unincorporated community of Likely is reached by driving 100 km northeast of Williams Lake along the Likely Road. This community has a population of approximately 350 people and lies at the western end of Quesnel Lake where it empties into the Quesnel River. The Mount Polley copper-gold mine lies approximately eight kilometers southwest of the community and an approximately 25 km drive along the Likely and Mount Polley Mine roads. This mine is a major employer for the community along with the forestry and services sectors.

From the community of Likely, the SMG Property can be reached over several different gravel roads that are maintained by the provincial government or SPA. This includes the Spanish Lake Road, which also serves the Likely summer airstrip and passes through the northern part of the SMG deposit, as well as the Rosette Lake Road that passes lies just west of the deposit. Each of these roads connects to a network of Forest Service Roads (FSRs) and company exploration trails that provide excellent road access into the northern half of the Property, which includes the SMG deposit and most significant exploration targets.

The southern half of the Property is traversed by the Cedar Creek Road and several unnamed FSR but is, overall, less accessible than the northern part. Regardless, any part of the Property is accessible with a off-road vehicle and some amount of bush hiking.

5.2 Climate

The SMG Property has a humid continental climate that is characterized by mild summers with high diurnal temperature variations as well as cold snowy winters. Data from the nearest government weather station (Quesnel Station) that provides the most recent (1991 to 2020) climate normals (Table 5-1) is located 85 km northwest of the SMG Property. This station lies at 500 m elevation, or 400 to 1,100 m below the SMG Property.

The Quesnel station records an annual daily average of 5.5 °C and 510 mm of precipitation. Monthly averages of daily maximums and minimums are lowest in December to January and highest in July to August (Table 5-1). Precipitation is relatively consistent throughout the year with a peak in June to July and lows in February to April. The average snow depth does not exceed 30 centimeters (cm) (Figure 5-1b), and the area is essentially snow free from April to October. Owing to the location of this weather station relative to the SMG Property, it can be assumed that the SMG Property will have slightly lower temperatures, deeper average snow depth, and a shorter snow-free season.

The climate is moderate by Canadian standards, and the precipitation is low by provincial standards, allowing for year-round drilling activities on the SMG Property. Exploration work that is suitable only for snow-free conditions, like geological mapping and geochemical sampling for example, is best done from May to October.

Increasing summer temperatures, historical forest management practices, and the Mountain Pine Beetle epidemic, which peaked in 2004-2007, have increased the risk of significant forest fires across the province, including the Cariboo region. Several significant fires in the Cariboo region have disrupted summer work programs in recent years and will continue to be a risk in the future.

Table 5-1: Climate normal (1991 to 2020) for Quesnel Station

Statistic	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Daily Average (°C)	-6.8	-4.1	0.8	6.1	11.3	14.7	17	16.4	11.7	5.5	-0.8	-5.8	5.5
Daily Maximum (°C)	-2.7	0.9	6.9	13.2	19	21.8	24.5	24.2	18.6	10.8	2.8	-2.1	11.5
Daily Minimum (°C)	-10.8	-9	-5.2	-1	3.6	7.5	9.5	8.5	4.8	0.2	-4.5	-9.6	-0.5
Rainfall (mm)	11.3	5.2	10.9	25.1	37.9	73.7	71.3	43.9	-	48.7	24	6.1	-
Snowfall (cm)	45.1	17.4	15.9	4.1	1.7	-	-	-	-	7.4	31.6	41.6	-
Precipitation (mm)	42.0	22.4	27.1	26.4	37.0	63.3	67.6	39.4	45.7	51.3	44.8	43.1	510.1
Average Snow Depth (cm)	26	25	16	-	-	-	-	-	-	-	3	13	-
Median Snow Depth (cm)	26	24	15	-	-	-	-	-	-	-	2	12	-

Source: Government of Canada, 2020.

5.3 Local Resources and Infrastructure

The unincorporated community of Likely lies just 5 km from the SMG deposit and provides limited services to the mining and mineral exploration industry, including accommodation in hotels and rental housing, restaurants, fuel, and labor. Several community members are employed at the Mount Poley copper-gold mine although the small population

of this community (350 people) caps the support it can provide. More significant support for any future mining operations could be sourced from the communities of Williams Lake or Prince George, located 70 km and 170 km from the SMG Property, respectively.

SPA owns a road accessible and hard sided exploration camp located on private property 100 meters northeast of the SMG claims (Figure 5-1c). This camp is approximately 15 to 20 years old but is still in good shape owing to regular maintenance provided by members of the Likely community. The camp is connected to the electrical and water systems that service Likely, can house up to 30 people, and is equipped with septic system and flush toilets, kitchen, mess, office, core logging and cutting facilities, small workshops to suit exploration needs, and a large core storage facility (Figure 5-1d).

Subsurface rights over significant parts of the SMG Property are owned by both SPA and various placer tenure holders, including the area covering the western part of the SMG deposit and prospective ground to the west. SPA will need to negotiate with some of these placer tenure holders to secure their rights to mine the SMG deposit and build related infrastructure.

5.4 Physiography

The SMG Property lies on the western edge of the Quesnel Highland region of British Columbia (BC), near its boundary with the Interior Plateau to the west. The Quesnel Highland is a 150 x 50 km northwest-trending area that marks the transition zone between the Interior Plateau to the west and the Cariboo Mountain to the east, stretching from Bowron Lake in the north to Mahood Lake in the south.

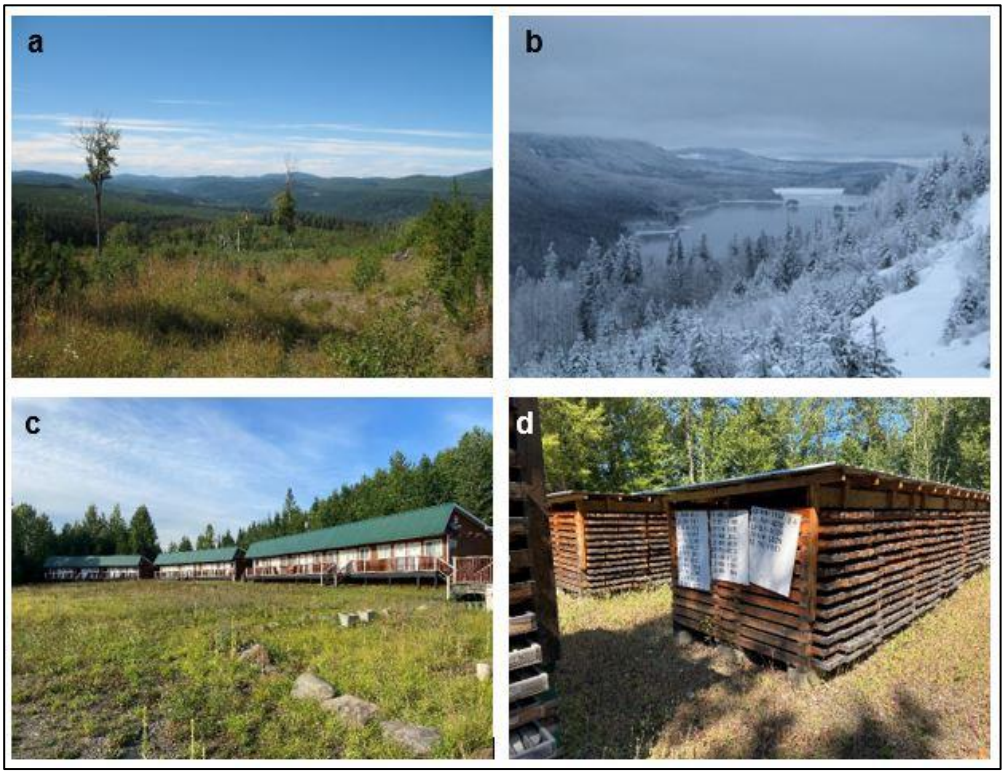
The Quesnel Highland is a highly dissected remnant plateau of moderate relief with baseline elevations ranging from approximately 1,000 to 2,000 masl and high points reaching up to 2,500 m (Holland, 1976). Summits are generally rounded owing to being completely covered during Pleistocene glaciations, apart from 1,500- to 10,000-year-old volcanic vents. On the SMG Property, the terrain consists of rolling hills (Figure 5-1a, Figure 5-1b) with northwest-trending ridge crests and valleys, and with elevations ranging from 900 masl along the shoreline of Quesnel Lake to around 1,600 masl near the tops of Spanish Mountain and the informally named Blackbear Mountain.

Forest cover extends from the lowest to highest elevation on the SMG Property and is broadly divided into the Ponderosa Pine and Sub-Boreal Spruce biogeoclimatic zones (Ministry of Forests, 2021). The Ponderosa Pine zone covers lower lying areas and is the warmest and driest forest zone in BC, characterized by widely spaced stands of ponderosa pine with an understory of bunchgrass. The Sub-Boreal Spruce zone occurs at higher elevations and is marked by increased stands of hybrid Engelmann and white spruce as well as subalpine fir and lodgepole pine. Logging is extensive across the northern half of the Property, especially on the northwestern part of Spanish in and overtop of the SMG deposit.

The western and southern boundaries of the Property are effectively bound by Quesnel Lake whereas Spanish Lake and the Spanish Creek valley cut through the northern part. Quesnel Lake is of glacial origin and, with a maximum depth of 511 m, the deepest lake in BC and the third deepest in North America. The Quesnel River flows out the western

end of Quesnel Lake at the unincorporated community of Likely, just a few hundred meters northwest of the Property boundary. Spanish Lake is much smaller and is drained by Spanish Creek flowing to the northwest into the Cariboo River, which merges with the Quesnel River at the Quesnel Forks area located approximately 10 km northwest of Likely. The low-lying area that bounds the southwestern side of Spanish Mountain hosts the small Nina and Boswell lakes, wetlands, Cedar Creek that drains into Quesnel Lake to the northwest, and Winkley Creek draining into the same lake to the southeast.

Figure 5-1: Photos of Physiography and Infrastructure



Source: Photos (a) and (b) are from SPA's archives; photos (c) and (d) taken by QP Voordouw.

5.5 Seismicity

The SMG Property lies in an area with low seismic hazard risk so that seismicity is not considered a notable consideration for this project.

5.6 Comments on Accessibility, Climate, Local Resources, Infrastructure and Physiography

The SMG Property exhibits many favorable characteristics for a Canadian mineral exploration and development project, including moderate terrain, abundant water resources, property-wide vehicle access, relatively mild climate

and low annual snow cover, no seismic risk, and proximity to communities that work in the natural resources industry. The most significant risk to the project is the growing size and intensity of forest fires in BC.

6 HISTORY

6.1 Property Ownership Changes

Mineral rights over the Spanish Mountain Gold (SMG) deposit on SPA's SMG Property have been intermittently held since the early 1930's and continuously from 1976. Previous ownership of claims most relevant to this Technical Report is summarized in Table 6-1.

Staking of the SMG area in the mid to late 1970's was done by several prospectors, with the claims overlying what is now the SMG deposit, staked by Mr. Mickle and Mr. Wallster. Most of these prospectors signed joint venture agreements with different partners to complete small exploration programs siloed within their own tenures.

The first successful consolidation of claims overlying the SMG deposit was made in 1984 by Mt Calvery Resources Ltd ("Mt Calvery") and was followed by the first significant drilling programs (see Section 6.2.2). These key claims remained consolidated until the late 1980's after which they reverted to their original owners.

In 1992, Eastfield Resources Ltd ("Eastfield") completed a second consolidation of the key mineral claims, optioned their property to several different partners, and then, in 1997, used a Plan of Arrangement to transfer 100% of their interest in the Spanish Mountain Property to Wildrose Resources Ltd ("Wildrose").

In 2003, Wildrose optioned their consolidated Property to Skygold Ventures Ltd ("Skygold"), the precursor to SPA. Wildrose's 2004 program is here considered to be independent of SPA whereas all the work done by Skygold after 2004 is here considered work done by the issuer and so is described in Sections 9 and 10 of this Technical Report.

In 2007, SPA acquired all issued and outstanding shares of Wildrose and then, in January 2010, changed the Company name to Spanish Mountain Gold Corporation ("SPA"). Other claims forming parts of the current SMG Property were acquired by SPA in 2010, 2012, and 2025 from, respectively, Cedar Mountain Resources Ltd ("Cedar Mountain"), Acrex Ventures Ltd ("Acrex"), and Mr. John Cameron McCall Barker.

Table 6-1: Property Ownership Changes

Period	Company	Abbreviation	Comments
1976 to 1992	Mr. Mickle	Mr. Mickle	Owned PESO and DON groups
	Mr. Wallster	Mr. Wallster	Owned CPW claim
1992 to 1997	Eastfield Resources Ltd	Eastfield	-
1997 to 2004	Wildrose Resources Ltd	Wildrose	Spun off from Eastfield
2004 to 2010	Skygold Ventures Ltd	Skygold	Same issuer as SPA
2010 to today	Spanish Mountain Gold Corp	SPA	Changed name from Skygold

6.2 Property Exploration History

Summaries of historical work are provided in an assessment report by Morton (2004) and all previous technical reports. The historical exploration summarized in this section is split into five periods (Table 6-2) that is based on the work in Morton (2004), previous technical reports, other assessment reports, and SPA's internal documents.

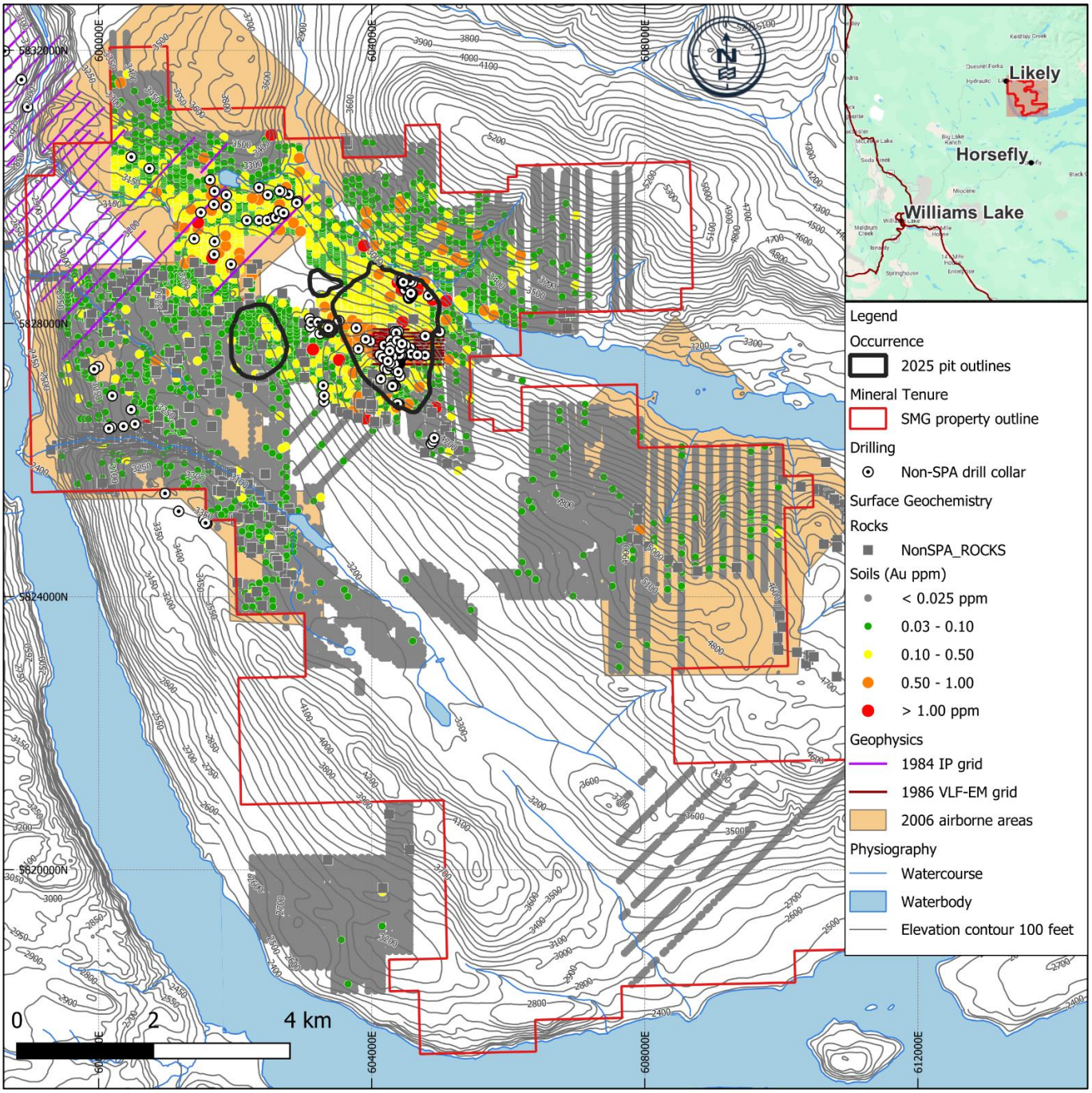
Historical work production that falls within the current boundary of the SMG Property is shown in Figure 6-1 and summed in the last row of Table 6-2.

Table 6-2: Exploration History

Period	Year	Company	Drilling		Trenching		Surface Geochemistry		Geophysics	
			Holes	Meters (m)	Line (km)	Rocks	Soils	Silts, HM	Method	Line (km)
Pre-1976	1947	El Toro	8	793	-	-	-	-	-	-
1976-1984	1977	Silver Standard	Unk	Unk	-	-	Unk	-	-	-
	1977-1978	Longbar	-	-	-	14	60	-	-	-
	1979-1981	Aquarius	-	-	Unk	Unk	Unk	-	Airborne	Unk
	1979-1982	Schultz-Kutney	-	-	0.2	Unk	Unk	-	-	-
	1982	Celtic Three Minerals	-	-	-	-	207	-	-	-
	1983	Lacana	-	-	-	Unk	-	-	-	-
	1983	Whitecap	-	-	Unk	-	401	-	-	-
	1984	JMT	-	-	-	-	-	-	-	-
	1984	Hycroft	-	-	-	-	-	-	-	-
1984-1992	1984-1985	Mt. Calvery	64	4,893	3.7	452	Unk	-	IP + Mag	71
	1986	Mandussa	15	833	-	-	-	-	IP + Mag	Unk
	1987-1988	Pundata	50	4,449	0.8	170	5,350	-	VLF-EM	11
	1987	Cedarmine	9	265	-	-	-	-	-	-
	1987	Placer Dome	7	338	-	-	-	-	-	-
1992-2004	1992	Eastfield	-	-	-	7	-	-	-	-
	1992	Renoble	-	-	-	-	-	-	-	-
	1993	Cogema	-	-	2	900	-	8	-	-
	1996	Cyprus	-	-	2.7	-	-	-	-	-
	2000	Imperial	462	2,557	-	-	-	-	-	-
	2000-2004	Wildrose	34	2,504	2.4	71	1,479	-	IP + Mag	23
2004-2010	2003-2006	AN-Kobra	-	-	-	38	-	-	IP + Mag	20
	2005-2010	Acrex	33	5,022	Unk	13	3,614	3	Airborne	295
	2006-2007	Freeport	-	-	-	13	48	5	-	-
	2006-2008	Cedar Mountain	-	-	Unk	355	4,331	-	Airborne	99
Total			**682**	**21,654**	**11.4**	**2,033**	**15,490**	**16**	**-**	**519**

Note: Unk = unknown.

Figure 6-1: Historical Drilling, Surface Geochemistry, and Geophysical Surveys



Source: Equity, 2025.

6.2.1 Pre-1976

The pre-1976 period was more focused on placer gold deposits with only limited exploration for the bedrock-hosted (or "lode") gold that is relevant to this Technical Report.

The unincorporated community of Likely, which lies just 6 km northwest of the SMG deposit, was founded as the settlement of Quesnel Dam during the Cariboo Gold Rush in the 1860's. The immediate area hosts several past-producing placer operations that include the Bullion Pit mine, which operated from 1892 to 1942 and, in 1935, was known for its installation of the largest ever hydraulic motor in North America (Wikipedia contributors, 2025). Between 1876 and 1945, an estimated 37,784 oz of placer gold was recovered from Cedar Creek on the southern flank of Spanish Mountain and another 3,706 oz was taken from Spanish Creek on the north flank (Wallster, 1984). Cedar Creek and Spanish Creek both flow through the SMG Property whereas the Bullion Pit mine is located approximately 15 km due north.

The gold showings that are related to the SMG deposit were known since at least 1933 when they are mentioned in the annual report from the Minister of Mines (1933). This is also the first year that hard rock claims were staked over what is now the SMG deposit (Wallster, 1984). The prospecting and hand trenching work done on these claims defined several gold-bearing quartz veins on what was then referred to as the Mariner claim.

In 1938 the N.A. Timmins Corporation optioned the Mariner claim, completing a stripping program and driving two short adits to explore two large quartz veins that were referred to as the "lower showings" (Morton, 2003).

In 1940, Premier Gold Mines completed sampling of a vein comprising part of the SMG deposit and returned nine samples that ran between 0.5 g/t to 30 g/t Au over approximately 40 to 60 cm (Wallster, 1984).

The first known diamond drilling on the SMG deposit was done by El Toro BC Mines Ltd in 1947. This program drilled eight holes for 793 m within what is now the core of the SMG deposit, but no other records of this work are known. The first bulk sampling on the Property also occurred in 1947, when four tons of handpicked mineralized material was sent to Tacoma, USA, presumably by El Toro.

Following this small bulk sampling program the area was essentially abandoned for exploration until 1971, when Spanallen Mining Ltd completed a ground magnetic survey but no further work.

6.2.2 1976 to 1984

The period 1976 to 1984 marks the first determined efforts for lode gold exploration in the SMG deposit footprint through claim staking and small surface work programs.

A new staking rush in the Spanish Mountain area started in 1976, when several prospectors separately staked one or more claims over the area that hosts the SMG deposit. The key claim groups that were staked include the Mariner II claim by Mr. Neilson as well as the PESO and DON groups by Mr. R.E. Mickle. All these claims or claim groups cover

part of the SMG deposit. Sampling on the Mariner II claim returned a few low-grade assays (Stacey, 1976) whereas the PESO claims were optioned by Silver Standard Mines and then by Longbar Minerals Ltd from 1977 to 1978, who completed two small surface work programs.

In 1979, the PESO group was optioned by Aquarius Resources Ltd ("Aquarius") and the Mariner II claim was optioned by Mr. E. Schultz and Mr. P. Kutney ("S-K"). Aquarius completed geochemical surveys in 1979 as well as a more regional-scale assessment of the Likely area in partnership with Carolin Mines Ltd ("Carolin"). In 1981, this Aquarius-Carolin partnership completed an airborne electromagnetic (EM) and magnetic survey as well as more geochemical grids. From 1979 to 1982, S-K completed several prospecting, geochemical sampling, stripping, and trenching programs but allowed the Mariner II claim to lapse, which was then re-staked by Mr. C.P. Wallster as the CPW claim.

By 1983, part of the PESO group was still under option to the Aquarius-Carolin partnership, another part was optioned to Lacana Mining Corporation ("Lacana"), and the CPW claim was under option to Whitecap Energy Inc ("Whitecap"). The Aquarius-Carolin partnership completed 100 m of trenching across three trenches as well as some soil sampling, after which Aquarius sold its partnership share to Carolin. Work by Lacana returned several samples of silicified argillite with elevated gold whereas Whitecap collected 409 soils that defined a significant gold anomaly within the footprint of the SMG deposit, including a maximum value of 5.1 g/t Au.

In 1984, one of the PESO claims was under option to JMT Services Ltd ("JMT") whereas the remaining PESO claims and the DON group had been optioned by Hycroft Resources and Development Ltd ("Hycroft"). Both companies completed soil sampling and trenching programs that defined a strong northwest-trending gold-in-soil anomaly.

6.2.3 1984 to 1992

The 1984 to 1992 period included the first significant drill programs over what is now the SMG deposit, all competed between 1984 to 1988, followed by the waning of exploration activity and refracturing of tenures from 1988 to 1992.

The first successful effort at consolidating patchworked mineral tenure into a larger contiguous property took place in 1984, when Mt Calvery optioned the CPW claim from Whitecap as well as the DON and PESO groups from Mr. R.E. Mickle. Over the course of the summer and fall of 1984, Mt Calvery completed prospecting, geological mapping (Schmidt, 1984), rock and soil sampling (Wallster, 1984), just over 70 line-km of ground-based induced polarization (IP) and magnetics (Walcott, 1984), 2,225 meters of trenching, and 1,056 meters of diamond drilling from 20 holes. This work comprised the first significant and modern drilling on the SMG deposit and defined the Madre and LE zones on the CPW claim as the key areas of interest.

In 1985, Mt Calvery completed two phases of work that included 1,420 meters of trenching as well as 47 holes for 3,771 meters of RC and diamond drilling, extending the Madre zone along strike and at depth. Later that year, Mt Calvery optioned the PESO and DON groups from Hycroft and then used RC and diamond drilling to extend the Madre zone into what is now the southern part of the SMG deposit. This work included the twinning of several RC holes with diamond drill holes, with the diamond twins returning lower grades than the original RC samples. A compilation of the grade-thickness (GT) intersections from Mt Calvery's 1984 and 1985 drilling programs is shown in Table 6-3.

Table 6-3: Select Core Assay Composites from 1984 to 1988 Drilling

Company	Year	Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (g/t m)
Mt Calvery	1984	MD-48	DDH	49.0	85.0	36.0	1.6	57.3
	1985	MR-07	RC	23.0	56.0	33.0	5.3	175.2
		and including	RC	39.0	46.0	7.0	11.0	77.2
		MR-11	RC	4.0	105.0	101.0	1.0	102.7
		MR-20	RC	55.0	58.0	3.0	44.7	134.0
		MR-24	RC	2.0	76.0	74.0	1.2	86.9
		MR-25	RC	8.0	10.0	2.0	104.5	209.0
		MR-32	RC	21.0	23.0	2.0	89.7	179.4
		MR-35	RC	37.0	75.0	38.0	2.8	104.9
Mandussa	1986	PH86-11	Percussion	10.7	16.8	6.1	10.0	60.8
Pundata	1987	DDH-87-104	DDH	23.8	91.6	67.9	2.7	184.3
		and including	DDH	47.8	51.8	4.0	19.8	79.2
		DDH-87-105	DDH	5.2	27.2	22.0	2.9	64.4
		DDH-87-112	DDH	8.4	70.3	62.0	1.4	86.8
		DDH-87-116	DDH	4.9	21.9	17.0	3.9	66.0
	1988	RCH-88-112	RC	17.0	22.0	5.0	46.9	234.6

Mt Calvery also completed the first deposit scale geological map of the SMG deposit (McClintock, 1985) and identified the north to south striking Madre fault zone as the primary control on gold mineralization (Honsinger and Campbell, 1988). Additional mapping done in 1986 extends up to about 15 km northwest of the deposit, documenting numerous outcrops as well as historical pits and trenches (Schmidt, 1986a; Schmidt, 1986b). Despite these efforts, Mt Calvery completed no further work in the area after 1985.

In 1986, the PESO + DON groups and the CPW claim were optioned to Mandusa Resources Ltd (“Mandusa”) and Pundata Gold Corp (“Pundata”) respectively, whereas Placer Dome Inc (“Placer Dome”) optioned several of the surrounding claims from Carolin. Mandusa completed 15 percussion drill holes for 883 m, all within the current footprint of the SMG deposit. Notable results include 10.0 g/t Au over 6.1 meters and 7.1 g/t Au over 3.1 m, along with several other intersections of 1.0 to 3.0 g/t Au over 1 to 5 m core width. This was the only work program completed by Mandusa.

In 1987 and 1988, Pundata completed the collection of 5,350 soil and at least 170 rock samples, as well as approximately 848 m of trenching, 11 line-km of very low frequency electromagnetics (VLF-EM), and 50 diamond and RC drill holes for 4,449 m (Honsinger and Campbell, 1988). Much of this work, including the trenching and drilling, was done within the current SMG deposit footprint. Drilling results include several 10- to 75-m-long intervals that returned between 0.3 to 1.0 g/t Au as well as much narrower and higher-grade intersections ranging from 10 to 50 g/t Au over 1 to 5 m.

Placer Dome's 1986 work program included a percussion drilling program comprising 28 holes and 1,353 m, with seven of these holes for 338 m collared in the peripheral zone of the SMG deposit and on the SMG Property. No results are available for this work.

In 1987, Cedarmine completed a work program 3 to 4 km west-southwest of the SMG deposit in an area that is underlain by more basaltic rocks and includes polymetallic vein and alkalic porphyry showings in addition to orogenic gold. Cedarmine's drilling was done with RC and Winkie drills, the latter comprising a portable backpack-style drill that typically returns BQ-sized core and can penetrate perhaps ten meters into bedrock. Combined drill production was 14 holes for 459 m with nine of these holes for 265 m, drilled within the current SMG Property. Four of the RC holes returned intersections of 0.2 to 0.4 g/t Au over 0.9 m (Gunn, 1988).

No work is reported from 1988 to 1992 in which time most of the important claims, like CPW, PESO, and DON, were returned to the original owners that staked them 10 to 15 years earlier (see Section 6.2.2).

6.2.4 1992 to 2004

In the 1992 to 2004 period, tenures over the SMG deposit were reconsolidated by Eastfield and subjected to intermittent exploration work, including optioning of this property to SPA in 2003.

In 1992, Eastfield signed several option agreements to reconsolidate the mineral tenure over the SMG deposit and then completed a rudimentary mapping program that documented several historical trenches, pits, and placer workings (Garratt and Morton, 1992). Eastfield also subleased part of their tenure to Renoble Holdings Inc. who then mined and stockpiled 635 tonnes of mineralized material (Morton, 2004).

The following year, Eastfield optioned their claims to Cogema Canada Ltd ("Cogema") and completed a trenching and rock sampling program over the SMG deposit. Cogema abandoned their option the same year.

In 1995, Eastfield optioned their property to Consolidated Logan Mines Ltd, who in turn signed an option agreement with Cyprus Resources Ltd ("Cyprus"). In 1996, Cyprus completed over 2,600 m of trenching with results including 2.9 g/t Au over 32 m in trench TR96-101 as well as 0.7 g/t Au over 64 m from trench TR 96-105 in what is now the northern part of the SMG deposit (Hurley and Ben, 1996). Despite these positive results, Cyprus abandoned their option agreement.

In 1997, Eastfield entered a plan of arrangement whereby their 100% interest in the Spanish Mountain property was allocated to Wildrose. Two years later, in 1999, Wildrose optioned their property to Imperial Metals Corporation ("Imperial") who then completed a work program of percussion drilling, bulk sampling, and pit mapping (Kynoch, 2000; Robertson, 2001). Percussion drilling was completed in six areas, referred to as the LE, Madre, M5, Dodge, 103, and DON targets. A total of 464 holes for 2,565 m were drilled to test for high-grade and near-surface mineralization (Table 6-4). Imperial also collected a 1,938-tonne bulk sample that averaged 3.0 g/t Au (Robertson, 2001).

In 2000 and 2002, Wildrose completed small geochemical surveys and then, in 2003, completed detailed mapping of the LE pit overtop of the SMG deposit, collected 1,479 soil samples, and surveyed 23 line-km of IP (Morton, 2004; Gilmour et al., 2021). The following year, Wildrose completed a reverse circulation drilling program of 34 holes for 2,504 meters (Morton, 2004) that returned several intervals of 0.4 to 1.2 g/t Au over 20 to 80 m of core length in addition to higher-grade intervals of 10 to 20 g/t Au over 1 to 5 m (Table 6-4).

In 2003, An-Kobra Resources Inc ("An-Kobra") completed property-scale mapping on their claims within the Cedar Creek area, approximately 3 to 4 km southwest of the SMG deposit. This work confirmed several historical showings and defined several new gold and polymetallic occurrences.

Table 6-4: Select Core Assay Composites from 1992 to 2004 Drilling

Company	Year	Hole Type	Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	GT (g/t m)
Imperial	2000	Percussion	PH00-LE-J2	0.0	6.0	6.0	17.2	103.2
			PH00-LE-R5	0.0	6.0	6.0	11.6	69.5
			PH00-M5-F4	0.0	6.0	6.0	8.1	48.3
			PH00-Madre-53	0.0	3.0	3.0	7.7	23.2
Wildrose	2004	RC	04SPRC-216	18.9	76.8	57.9	1.1	64.6
			04SPRC-221	26.5	105.8	79.3	1.2	97.5
			04SPRC-228	14.3	49.4	35.1	3.3	116.5
			including	31.1	37.2	6.1	13.3	80.9
			04SPRC-229	28.0	73.8	45.7	1.1	49.8

6.2.5 2004 to 2012

The claims acquired through the 2003 agreement with Wildrose comprise only part of the current SMG Property. The remaining claims were added through additional property agreements or Company-led staking. Meaningful historical exploration work was conducted on these claims up to 2012, at which point SPA had incorporated most of them into what is now the SMG Property. Most of this exploration took place in the western and northwestern part of the SMG Property, primarily carried out by An-Kobra, Cedar Mountain Resources ("Cedar Mountain"), Freeport Resources Incorporated ("Freeport"), and Acrex Ventures Ltd ("Acrex") to the northwest.

In 2006, An-Kobra completed 19.5 line-km of IP and resistivity surveys (Walcott, 2006) whereas Cedar Mountain contracted Fugro Airborne Surveys Corp ("Fugro") to complete a 99.4 line-km airborne magnetic and electromagnetic survey (Besserer, 2008). Freeport collected 48 soil samples immediately east of the SMG deposit that includes a cluster of ten anomalous samples.

The work done by Acrex in 2006 and 2007 totaled nine rock samples, 1,089 soil samples, 295 line-km of helicopter-borne AeroTEM survey, and 26 diamond drill holes for 4,161 m (Grunenberg, 2006; Grunenberg, 2007; Grunenberg, 2008). Results from the soil sampling work helped to further define the strong gold-in-soil anomaly that extends

northwest of the SMG deposit. Diamond drilling returned several intersections of 2.3 to 2.5 g/t Au over 1.5 m in addition to longer and lower-grade intersections like 0.4 g/t Au over 16.5 m (Table 6-5).

In 2008, Cedar Mountain collected 85 till samples from what is now the northwestern part of the SMG Property, covering the Cedar Creek area in addition to the Phoenix and the Nina Lake areas. Sixteen of these samples returned over 50 ppb Au although this includes six duplicate pairs, so that these 16 samples together define ten anomalous sites. Eight of these anomalous sites occur in the Phoenix area whereas the other two occur a little further west. Gold shows moderate correlation with silver, lead, and zinc.

In 2010, Acrex collected 2,310 soil samples and drilled another seven diamond drill holes for 862 m. Soils collected northwest of the SMG deposit continued to return elevated values whereas those taken to the southeast are mostly barren aside from a few scattered point anomalies. Drilling returned intersections of 0.5 g/t Au over 27.8 m and 1.1 g/t Au over 3 m (Table 6-5).

Table 6-5: Select Assay Composites for 2004 to 2010 Drilling by Operators Other Than SPA

Company	Year	Hole Type	Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	GT (g/t m)
Acrex	2006	DDH	06SpM-15	139.3	140.8	1.5	2.5	3.8
			and	158.5	160.0	1.5	2.3	3.5
	2007		07SpM-01	279.0	280.5	1.5	2.4	3.6
			07SpM-02	210.5	227.0	16.5	0.4	6.2
	2010		10SpM-07	32.9	60.7	27.8	0.5	14.1
			including	42.1	45.1	3.0	1.1	3.4

6.3 Historical Mineral Resource Estimates

There are six historical mineral resource estimates for the Spanish Mountain gold deposit that have been published in previous technical reports (Peatfield et al., 2009; Newcomen and Whittall, 2010; Giroux and Koffyberg, 2011; Giroux and Koffyberg, 2012; Giroux and Koffyberg, 2014; Gilmour et al., 2021). However, SPA is not treating any of these historical mineral resource estimates as current mineral resources and so none of them are relevant for the purposes of this Technical Report.

An updated mineral resource estimate is provided in Section 14 of this Technical Report.

6.4 Historical Production

No production has been reported for the Property.

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The SMG Property occurs along a major terrane boundary and near other orogenic gold and alkalic porphyry deposits. The property-scale geology reflects its proximity to this suture zone whereas the district-scale cluster or orogenic gold deposits is referred to as the Cariboo Gold District (CGD) (Figure 7-1).

The SMG Property is situated along the terrane boundary between the Quesnel (or "Quesnellia") and Kootenay terranes (Figure 7-1), here referred to as the "Kootenay-Quesnell suture zone". This suture zone is defined by a broad belt of deformed sedimentary and volcanic rocks developed in a peri-cratonic basin that, prior to obduction, separated ancestral North America from Quesnellia. Remnants of oceanic-type crust, which formed the deepest part of this basin, form the Slide Mountain Terrane that locally occurs between the Quesnel and Kootenay terranes.

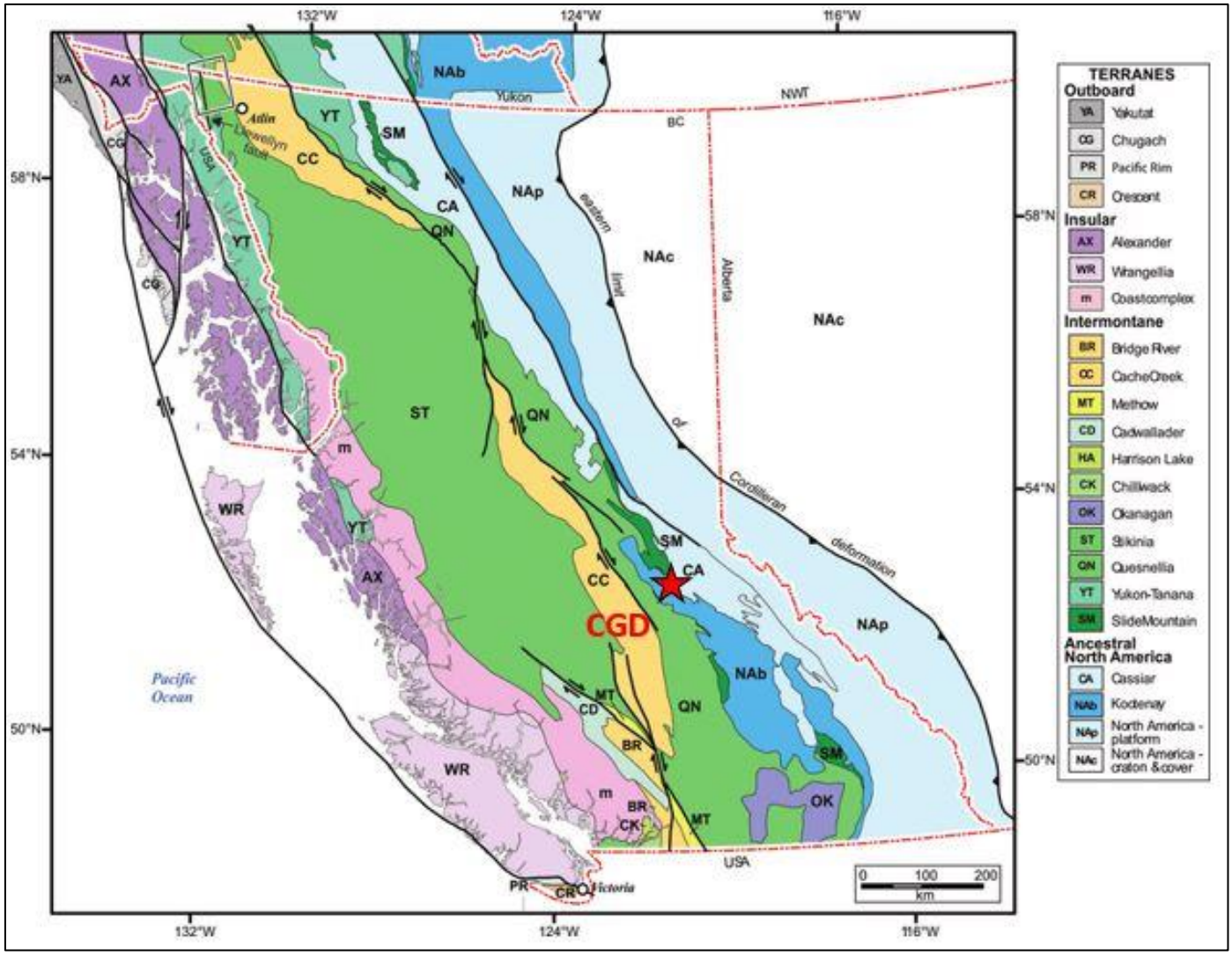
The SMG Property occurs entirely within Quesnellia, a Mesozoic island arc that was emplaced onto the passive margin of ancestral North America beginning in the early Jurassic (201 to 175 Ma). The base of the Quesnell terrane is formed by metasedimentary rocks of the Middle to Upper Triassic Nicola Group with an increasing volcanic component up section. The Nicola Group is the predominant lithological unit that underlies the SMG Property.

Previous work(e.g. Rhys et al., 2009; Allan et al., 2017) has characterized the obduction of Quesnellia onto the Kootenay terrane as forming a southwest-vergent fold-and-thrust belt during a single progressive, ductile (D1) to brittle (D2), NE-SW directed shortening event. Examples of D1 structures include regional-scale faults like the Eureka thrust bounding the eastern margin of the Quesnel terrane as well as penetrative cleavage (S1) that is axial planar to northwest-trending F1 folds and shear zones (Rhys et al., 2009).

D2 structures are defined by a locally dominant crenulation cleavage (S2) that is axial planar to F2 folds, which have axial planes that are also broadly northwest striking and moderately southwest dipping. The long axes of several gold deposits in the Cariboo Gold District are parallel to L2 whereas extension veins are generally orthogonal (Rhys et al., 2009). Peak regional metamorphism of upper greenschist facies to lower amphibolite facies (c. 450 to 600°C, 6 to 10 kbar) occurred at c. 180 to 175 Ma (Andrew et al., 1983; Elsby, 1985; Mortensen et al., 1987) and, in certain parts of the suture zone, appears to be syn-D2 (Allan et al., 2017).

A later phase of brittle deformation is defined by north- to northeast-trending brittle faults and may be either late-D2 (Rhys) or D3 (Uken, 2024). In this Technical Report we will refer to these structures as D3 to clearly break out this important gold-mineralizing event. Typical D3 faults are defined by fault rubble, clay gouge, and/or cataclastic textures and can host deformed quartz veins as well as significant gold mineralization.

Figure 7-1: Geological Terrane Map of British Columbia



Source: Modified from Ootes et al., 2017.

7.2 Regional Metallogeny

Significant deposits in the area surrounding the SMG Property include orogenic gold, alkalic porphyries, and placer gold, as well as subeconomic polymetallic vein showings. The orogenic deposits comprise part of the CGD and are most relevant to mineralization on the SMG Property whereas the nearest mine to the SMG Property is the Mount Polley copper-gold porphyry, located 10 to 15 km to the west-southwest. Historically, the CGD was an important placer district. Regional examples for all four of these deposit types are summarized below.

7.2.1 Orogenic Gold Deposits

The Cariboo Gold District (Figure 7-2) encompasses a 25 x 150 km northwesterly-trending region of orogenic gold mineralization (and related placer gold) developed over the Kootenay-Quesnel suture zone. Some deposits, like those in the Wells-Barkerville Camp, occur in the Kootenay terrane whereas others, like the SMG and Frasergold deposits, occur within Quesnellia. Most deposits in the CGD were developed through at least two mineralizing events; an earlier event that is overprinted by ductile fabrics and a later brittle event that crosscuts ductile fabrics.

The **Spanish Mountain deposit** is located entirely within the SMG Property that is the subject of this Technical Report and is described in Section 7.4.1.

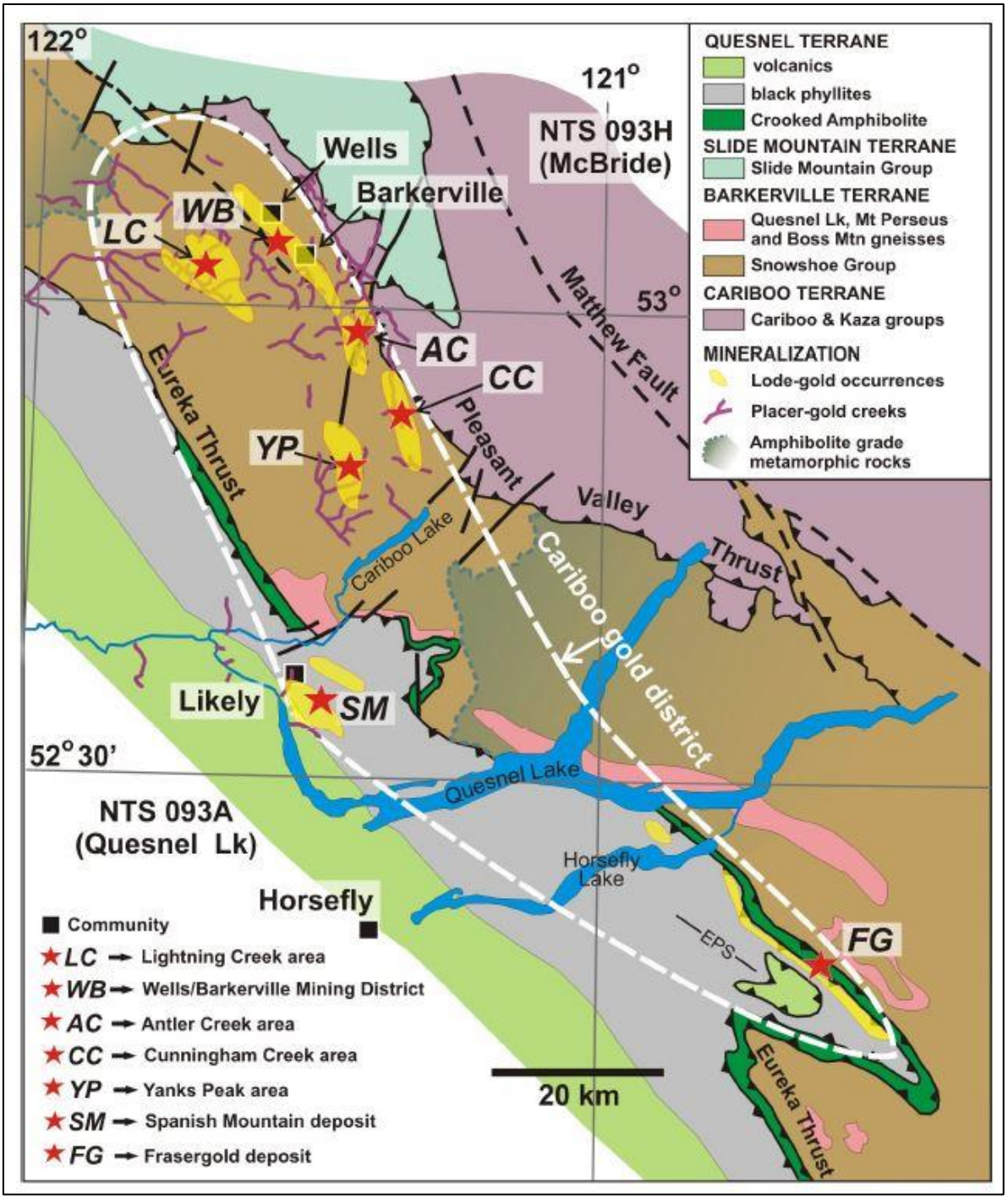
The **Wells-Barkerville Camp** is located 50 to 60 km north of the SMG Property and comprises at least two sets of gold-bearing quartz-carbonate-pyrite veins as well as pyrite replacement-style deposits, all hosted in metasedimentary rock units. $^{40}Ar/^{39}Ar$ ages indicate emplacement of early veins between 155 to 147 Ma followed by Au-bearing replacement zones and later veins from 148 to 139 Ma, most likely during the waning stages of D2 (Rhys et al., 2009). Approximately two-thirds of the gold was produced from vein deposits and the remainder from replacement style (Allan et al., 2017).

The early veins of the Wells-Barkerville Camp were emplaced in D1 or early D2 and are strongly deformed and poorly mineralized, typically containing background to low (less than 2 g/t) gold concentrations. They are cut by later D2 or D3 quartz-carbonate-pyrite veins that form complex vein arrays at two or more orientations and return much higher gold grades. These later veins also typically cut across replacement-style mineralization (Mortensen et al., 2011). Replacement mineralization forms small (500 to 40,000 t) rod-shaped bodies of massive, fine-grained pyrite + Fe-carbonate + quartz that replaced limestone layers. Mineralization is commonly banded, with alternating pyrite- and carbonate-dominant layers. The highest grades are associated with fine-grained pyrite where gold grains occur along crystal boundaries and fractures.

Recent exploration work by Barkerville Gold Mines and then Osisko Gold Royalties Ltd has demonstrated Measured + Indicated resources of 21.4 Mt grading 4.6 g/t Au, for 3.2 Moz Au (Beausoleil and Pelletier, 2020). The QP has been unable to verify this information, and this information is not necessarily indicative of mineralization on the SMG Property that is the subject of the Technical Report.

The **Frasergold deposit** comprises stratabound sets of white quartz veins hosted in a distinct, ankerite porphyroblastic, lower siltstone unit referred to as the “knotted phyllite”. The veins form complex sets that are concentrated into at least five mineralized zones ranging between 200 to 800 m in strike length, 100 to 200 m in down-dip extent, and 10 to 30 m in width. Each zone is characterized by 10 to 30% quartz-carbonate-sulphide veins that are strongly disrupted but generally appear to strike parallel to D1/D2 fabrics. Sulphide minerals include mostly pyrite and pyrrhotite with minor abundances of chalcopyrite and sphalerite. The most recently published measured and indicated mineral resources comprise 15.2 Mt grading 0.8 g/t Au for 376,000 oz Au (Campbell and Giroux, 2015). The QP has been unable to verify this information, and this information is not necessarily indicative of mineralization on the SMG Property that is the subject of the Technical Report.

Figure 7-2: Geological Map of the Cariboo Gold District



Source: in Mortensen et al., 2011.

7.2.2 Cu-Au Porphyry Deposits

Mount Polley is an open pit and underground Cu-Au-Ag porphyry mine located 10 to 15 km west-southwest from the SMG Property. The deposit is hosted in a high-level, northwest-trending, alkalic stock that was emplaced into metasedimentary and metavolcanic rocks of the Nicola Group at c. 205 ± 3 Ma (Mortensen et al., 1995). Mineralization occurs mostly within magmatic-hydrothermal breccias, with lesser amounts hosted within veins, disseminations, and skarn (Pass et al., 2024). The silica-undersaturated nature of mineralization and associated magmatic rocks is somewhat unusual, with alteration and vein minerals consisting mostly of carbonate and garnet. The mine is currently on care-and-maintenance with reserves of 73.6 Mt at 0.27% Cu, 0.29 g/t Au, and 0.56 g/t Ag, as well as measured and indicated resources of 247 Mt at 0.27% Cu, 0.26 g/t Au and 0.67 g/t Ag (Brown et al., 2016). This information has not been verified by the QP and is not indicative of mineralization on the SMG Property that is the subject of this Technical Report.

7.2.3 Polymetallic Deposits

Polymetallic deposits that are relevant to the SMG Property include Ag-Pb-Zn ± Au polymetallic veins as well as massive sulphide occurrences that the QP suggests could be representative of replacement-style orogenic gold or porphyry to epithermal systems rather than the volcanogenic massive sulphide (VMS) association proposed in MINFILE (see 093A 217 and 093A 324 in BCMEM, 2025).

An example of polymetallic veins in the area includes the G-South prospect, which is located 80 km northwest of the SMG Property and comprises an Au-Cu-Zn-Pb-Ag zone within a brittle fault structure. The mineralized body measures at least 70 m in both strike length and depth extent as well as 1.2 to 1.5 m in thickness (see 093G 007 in BCMEM, 2025). Mineralization is associated with disseminated, fracture-controlled, and massive sulphide comprised mostly of pyrite and pyrrhotite with lesser abundances of arsenopyrite, sphalerite, and chalcopyrite.

7.2.4 Placer Gold Deposits

The Cariboo Gold District started out as a placer mining area that produced an estimated 2.5 to 3.0 Moz of gold between 1859 and 1943 (Levson and Giles, 1993). This information has not been verified by the QP and is not indicative of mineralization on the Property that is the subject of this Technical Report.

The Cariboo Gold Rush began with the 1858 discovery of gold at Hills Bar along the Fraser River, approximately 350 km south of the SMG Property, with prospectors then moving steadily north and making significant discoveries at Keithley, Antler, Cunningham, and Williams creeks approximately 20 to 75 km north to NW of the SMG deposit (Wikipedia contributors, 2005). This placer gold rush established the town of Barkerville and was among the most significant of the placer rushes in BC history.

7.3 Project Geology

This section summarizes the lithology, structure, and alteration on the SMG Property with a focus on relevance to the SMG deposit.

7.3.1 Lithology

The broader-scale lithological and structural framework for the SMG Property has been established through BCGS bedrock mapping (Campbell, 1959; Campbell, 1961; Rees, 1987; Bloodgood, 1990) that is integrated into a publicly available, 1:50,000, digital geological map of the province (BCMEM, 2019). Company mapping only provides more detail for the immediate area of the SMG deposit, with the most current Company bedrock map (see Section 9) based on top-of-bedrock intersections from drilling.

The SMG Property is mostly underlain by sedimentary and volcanic rocks of the Nicola Group along with lesser abundances of Jurassic Ashcroft Formation, undivided Cretaceous, and intrusive rocks (Figure 7-3). The Ashcroft and Cretaceous formations are not relevant to this Technical Report and so are not further discussed.

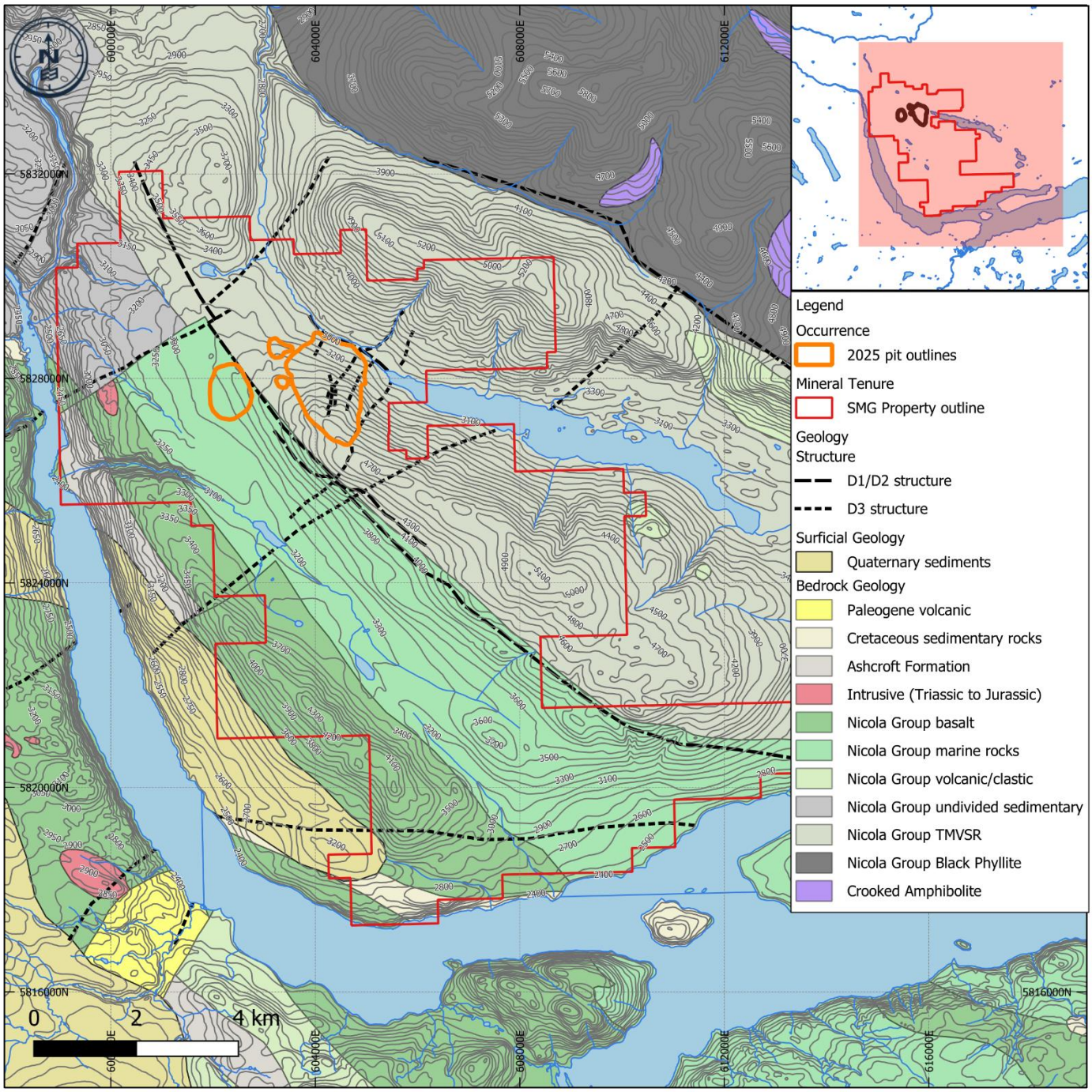
BCGS mapping shows that Nicola Group on the Property is split into four unnamed formations (Figure 7-3). The most northeasterly of these is referred to as “transitional mixed volcanic and sedimentary rock” (TMVSR), hosts the SMG deposit, and consists of volcaniclastic, siltstone, sandstone, and minor limestone (BCMEM, 2019). This TMVSR unit is structurally underlain by the younger and unnamed “marine rocks” formation, comprising marine sedimentary and basaltic rocks that host the Phoenix deposit, followed by an unnamed “basalt” formation that hosts some polymetallic vein occurrences. Structural inversion of the stratigraphy likely occurred through thrust faulting and/or folding. An unnamed formation of “undivided sedimentary rocks”, in the NW corner of the Property, is not relevant to this Technical Report.

Company exploration and development work shows that the TMVSR formation can be subdivided into several units of argillite, siltstone, greywacke, intermediate tuff, and at least one conglomerate marker horizon. The “marine rocks” formation that hosts the Phoenix deposit is formed by similar rock types but includes more mafic tuff.

Argillite (Figure 7-4a) and siltstone are both fine-grained and laminated, differing mainly through the higher carbonaceous content in argillite and consequently distinctly dark gray to black color. Both units are moderately to strongly deformed, with the strongest deformation (i.e., cataclastic) textures locally correlating with more abundant hydrothermal features (Figure 7-4b). Pyrite is widespread in argillite and is more abundant in mineralized zones, suggesting both diagenetic and hydrothermal origins. Greywacke is a type of immature and poorly sorted sandstone that is distinguished from argillite and siltstone by its coarser grain size.

The nature of those units referred to as “tuff” (Figure 7-4c) is enigmatic, with petrographic studies (Ross, 2005; Ross, 2007; Ross, 2008) indicating it is massive and pervasively altered to carbonate, quartz, and muscovite. Field classification of intermediate or mafic tuff is typically based on visual estimates of chromium-bearing mica. The very strong alteration of this unit has completely obscured primary mineralogy and textures so that it is difficult to confirm pre-alteration lithology (“protolith”). The most likely protoliths are, in the opinion of the QP, a subvolcanic diorite to gabbro sill or an ash tuff.

Figure 7-3: Geological Map of the SMG Property



Source: Equity, 2025, with bedrock geology from BCMEM, 2019.

Figure 7-4: Photos of Drill Core Showing Different Lithologies on the SMG Property

Source: Equity, 2023.

Conglomerate (Figure 7-4d) occurs as thin discontinuous beds throughout the stratigraphy but forms at least one continuous bed in the SMG deposit area that is referred to as the "conglomerate marker." This Marker occurs at the contact between a structurally overlying tuff and underlying argillite and, rather than sedimentary in origin, could also be the result of diorite/gabbro intrusion into wet unconsolidated sediments ("peperite").

Intrusive rocks on the Property include a minor amount of late Triassic to early Jurassic granitoid as well as felsic and mafic dykes known mostly from drilling. There is likely an underestimate of the intrusive rock abundance on the Property owing to the strong regional alteration that obscures original mineralogy and textures. BCGS mapping (BCMEM, 2019) shows a late Triassic to early Jurassic syenite to monzonite intrusion in the northwestern corner of the Property.

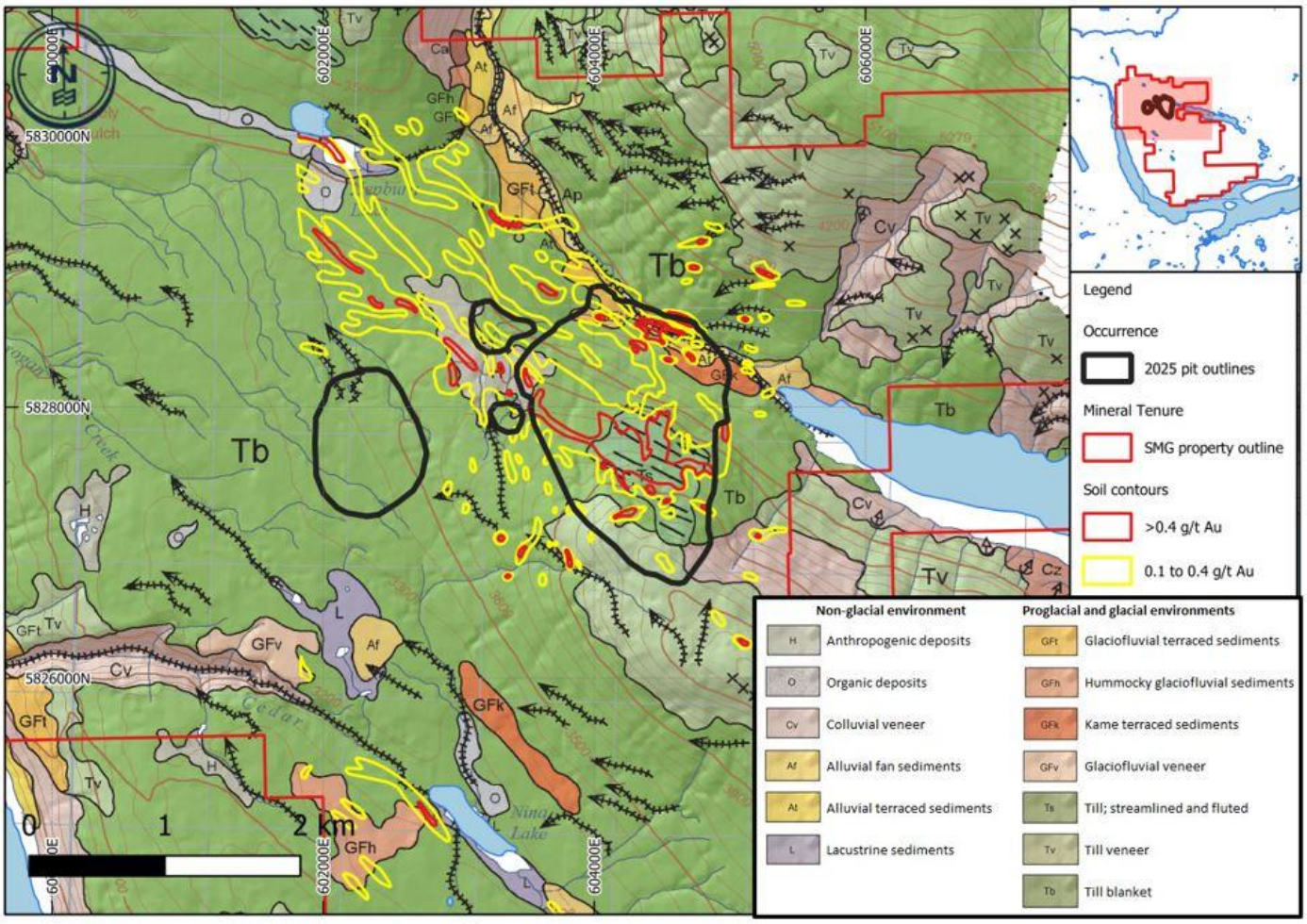
Mafic dykes are widespread and usually altered to carbonate, silica, and chromium-rich mica, with feldspar remaining as the only primary igneous mineral. These altered mafic to ultramafic dykes are more appropriately referred to as "listwanite" (Figure 7-4e). Felsic dykes are also widespread and typically consist of massive, fine-grained, quartz and/or feldspar.

Government mapping (Hashmi et al., 2015) shows that unconsolidated surficial sediments on the SMG Property consist mostly of till blanket in valley bottoms and along some hill flanks, as well as till and colluvial veneers along ridge tops and other hill flanks (Figure 7-5). Till transport directions in the Spanish Creek Valley are dominantly from southeast to northwest, turning north around the west flank of Black Bear Mountain.

Table 7-1: Lithology Framework for the SMG Property

Group	Formation	Age (Ma)		Rock Types	Comments
		Max	Min		
Layered rocks					
Quaternary Till		2.6	0.0	Unconsolidated sediment	-
Unnamed Cretaceous		143.1	66.0	Conglomerate, sandstone, shale	-
Ashcroft Formation		201.3	174.1	Turbidites, greywacke, argillite	-
Nicola	Unnamed basalt	237.0	201.3	Basaltic volcanic rocks	-
	Unnamed marine rocks	237.0	201.3	Marine sedimentary and volcanic rocks	Hosts Phoenix deposit
	Unnamed undivided	237.0	201.3	Undivided sedimentary rocks	-
	Unnamed TMVSR	246.7	201.3	Volcaniclastic, siltstone, sandstone	Hosts SMG deposit
Intrusive rocks					
Other Intrusives	Unnamed	<240		Mafic dykes	-
	Unnamed	<240		Felsic dykes	-
Triassic-Jurassic Intrusives		246.7	143.1	Syenite to monzonite	-

Figure 7-5: Surficial Geology Map for the SMG Property with Gold-in-soil Contours

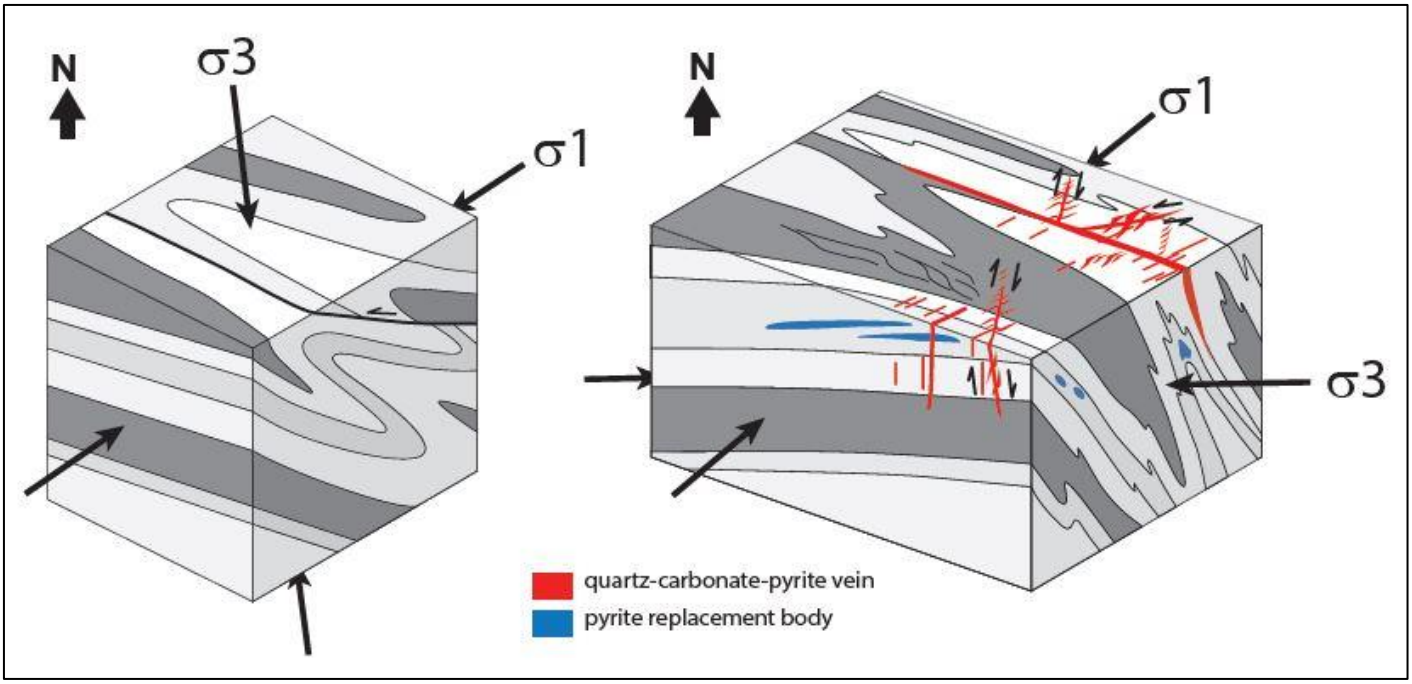


Source: Hashmi et al., 2015, gold contours from Morton, 2004.

7.3.2 Structure

The most prominent structural features on the SMG Property are related to the D1-D2, NE-SW directed, shortening event (Figure 7-6). Less prominent, but more significant for mineral exploration, are the D3 (here used synonymously with “late D2”) brittle faults that crosscut D1-D2 structures and centers both the SMG and Phoenix deposits. Previous structural and geochronological work suggest a minimum age of 167 ± 2 Ma for D1 and a maximum age of 155 to 153 Ma for D3 (see Allan et al., 2017), the latter overlapped by the 161 to 150 Ma age for the late SMG event (Mortensen et al., 2011). There is also a fourth episode (D4) of brittle faulting that, in places, follows pre-existing structures, overprints gold mineralization, and may even be gold-bearing itself (Uken, 2024). The geological expression of each structural generation on the SMG Property is summarized below.

Figure 7-6: Block Models That Show Structural Evolution of CGD



Source: Allan et al., 2017.

All Nicola Group rocks on the Property show layer-parallel, penetrative, D1 fabrics that are overprinted by sub-parallel D2 penetrative cleavage and pervasive crenulation. These structures are related to a regional-scale D2 system of thrust faults and folds. D1-D2 fabrics are generally NW to SE striking, with local deviations to more east-west trends, and dip gently to steeply toward the north. Textures in D2 fault zones range from ductile to brittle (e.g., Rhys et al., 2009).

Company work has shown that there may be other D1-D2 structures on the Property that are not yet widely recognized. These include ductile to brittle structures that strike broadly parallel to stratigraphy but are more steeply dipping, (McClintock, 1985; Voordouw, 2023) referred to as the North and South faults in this Technical Report. Uken (2024) identified a series of moderately southwest dipping D2 thrust faults that dip in the opposite direction to the terrane-bounding D2 Eureka thrust to the northeast.

D3 structures are marked by north-south to NE-SW striking brittle faults. One such structure runs central to the SMG deposit and was referred to as the Madre Fault in early work (McClintock, 1985). Subsequent modeling (Uken, 2024) shows that the Madre Fault runs parallel to several other faults to collectively form a north-south striking and moderately west dipping brittle fault system. The Phoenix deposit is likewise centered on a north-south trending D3 fault that appears, in this case, to be subvertical rather than moderately dipping.

Other D3 structures have been identified through regional- to property-scale mapping programs (Price, 2008; Campbell, 2011; BCMEM, 2019). These faults are generally northeast to southwest striking and, in places, offset

stratigraphy between 300 to 700 meters in plan view. The orientation of these D3 structures is consistent with NW to SE directed extension within the broadly SW to NE compressional regime that characterized much of D1 through D3.

D4 structures were described by Uken (2024) as brittle faulting that post-dates the last gold event. These structures could also comprise a late D3 event crushing an earlier D3 gold system like, for example, the late gold veins at the Phoenix deposit that were widely crushed by brittle fault zones into gravel-sized rubble.

Note that, in general, there is a high abundance of brittle structures in drill core as evident from visual observations of crushed bedrock (Figure 7-4f) and low measured values of rock quality designation (RQD).

7.3.3 Veining and Alteration

Widespread growth of sericite and chlorite occurred during the D1 and D2 events, along with localized growth of amphibole. In general, this pervasive regional alteration is mostly irrelevant to this Technical Report. One exception is the growth of secondary chromium-rich mica (e.g., fuchsite, mariposite) that occurs in both listwanite and tuff, which comprises a useful discriminant for these units on the SMG Property.

Veining and alteration that is related to SMG-like mineralization occurred in two events (see Section 7.4.1), one referred to as “early” and most likely synchronous with D1-D2 and a second referred to as “late” and synchronous with D3. Both events are associated with quartz, carbonate, and pyrite (“QCP”) veining whereas the earlier D1-D2 event also includes pervasive QCP alteration of host rocks.

Early QCP veins are widely disrupted and deformed, consisting of mm- to cm-scale remnants that lie parallel to penetrative fabrics in the host rock. The late QCP veins, on the other hand, crosscut D1-D2 fabrics and generally retain planar forms as single thick veins or sheeted arrays of thin veins, typically in close spatial association with a fault structure.

Carbonate alteration related to the early gold event is manifested as mm- to cm-sized iron-carbonate poikioblasts in the host rocks. Structural studies indicate that these poikioblasts overgrew D1 fabrics and are wrapped in D2, suggesting they grew during the transition from D1 to D2. Poikiloblastic argillite is regionally referred to as “knotted phyllite” and is a favored host rock for SMG-like deposits in the Cariboo Gold District.

Pyrite grew in at least three stages (Large et al., 2008) that include relatively gold-rich stage 1 subhedral to euhedral cores overgrown by relatively gold-poor stage 2 and 3 rims. Large pyrite crystals show quartz strain shadows (Uken, 2024) that indicate the stage 1 cores developed prior to D2 and possibly in association with Fe-carbonate alteration.

Pervasive silica (“silicification”) and albite alteration occurs locally in drill core. Silicification may be synchronous with early quartz veins emplaced under ductile conditions.

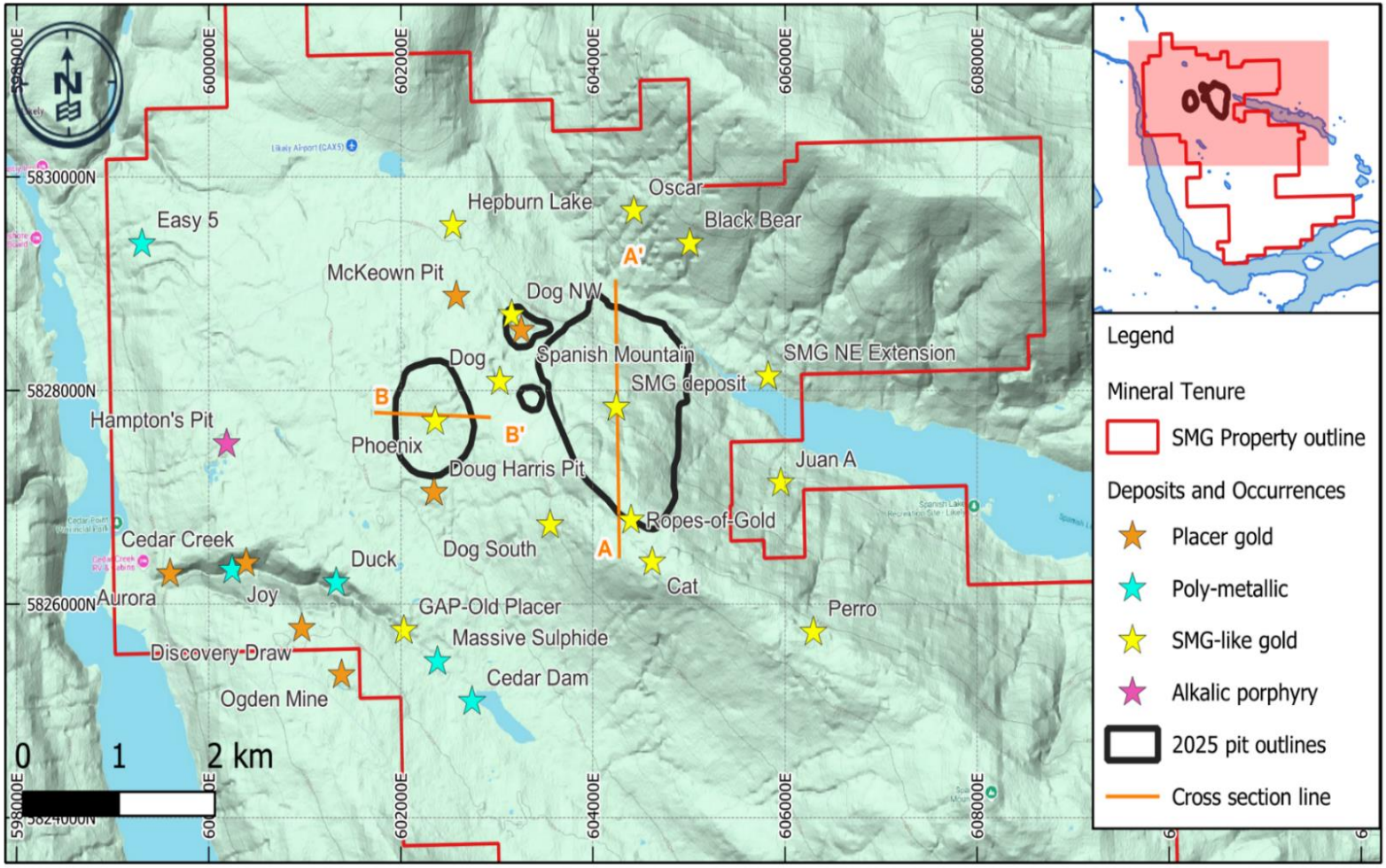
7.4 Property Mineralization

The most significant mineralization on the SMG Property is contained within the SMG and Phoenix deposits, which are both sedimentary-hosted vein (SHV) orogenic gold deposits (see Section 8). There are several other SHV gold exploration targets on the Property that are here referred to as "SMG-like" (Table 7-2) and the Property occurs within a historical placer producing area. Prospecting and, to a lesser extent, drilling have returned rare occurrences of other mineralizing styles like polymetallic vein and alkalic porphyry. The key showings on the Property are shown in Figure 7-6, listed in Table 7-2, and are briefly described below.

Table 7-2: Mineral Deposits, Prospects, and Showings on the SMG Property

Deposit Style	Name	Status	Deposit Details	Commodities	MINFILE ID
SHV Orogenic Gold	SMG	Deposit	Type example of SMG-like Au	Au	093A043
	Phoenix		Mostly late SMG-like Au	Au	093A249
	Black Bear	Showing	SMG-like Au	Au	-
	Cat			Au, Ag, Pb	093A 327
	Dog			Au	093A197
	Dog NW			Au	-
	Dog South			Au	093A326
	GAP-Old Placer			Au, Cu	-
	Hepburn Lake			Au	093A195
	Oscar			Au	-
	Perro			Au	-
	Ropes-of-Gold			Au	-
	SMG NE Extension			Au	-
Polymetallic	Joy	Prospect	Polymetallic veins	Ag, Au, Cu, Pb, Zn	093A 072
	Cedar Dam	Showing	Replacement? VMS in MINFILE	Au, Cu, Zn	093A 217
	Duck		Shear-hosted	Au, Cu, Pb, Zn	093A 298
	Easy 5		Replacement? VMS in MINFILE	Au, Cu	093A 324
	Massive sulphide		Replacement?	Au, Cu, Pb, Zn	-
Alkalic porphyry	Hampton's Pit	Showing	Alkalic porphyry	Au, Zn	093A 216
Placer	Aurora	Showing	Placer	Au	-
	Cedar Creek			Au	-
	Discovery Draw			Au	-
	Doug Harris Pit			Au	-
	McKeown			Au	-
	Spanish Mountain Placer			Au	093A 192

Figure 7-7: Mineral Deposits and Occurrences on the SMG Property



Source: Equity, 2025.

7.4.1 Spanish Mountain Gold Deposit

The Spanish Mountain gold (SMG) deposit is a bulk tonnage, sedimentary-hosted and vein (SHV) orogenic system that is hosted in metasedimentary rocks and tuff of the TMVSR formation (see Section 7.3.1). Gold mineralization is controlled by stratigraphy and a N-S striking D3 brittle fault system that channeled auriferous fluids and provided access to permissive stratigraphic horizons. Gold mineralization occurred in at least two events; an early event during the transition from D1 ductile to D2 brittle deformation and a later D3 brittle one.

The SMG deposit comprises at least 11 lens- to pipe-like bodies that collectively form a gently north plunging pipe-like zone (Bahrami and Rabb, 2025) that is up to 1,700 m long, 800 m wide, and 300 m thick. Each of these 11 zones lies broadly parallel to stratigraphy or follows the intersection of stratigraphy with the D3 fault system. Individual mineralized bodies are moderately dipping or plunging as well as dry stacked and/or staggered along strike.

Gold mineralization occurs within most lithological units and along unit contacts, with the early-style mineralization preferring less competent rocks (e.g., argillite) and the late-style hosted in the more competent lithological units (e.g., tuff). In the Main Block of the SMG deposit, these lithological units range from 10 to 150 m in true width (

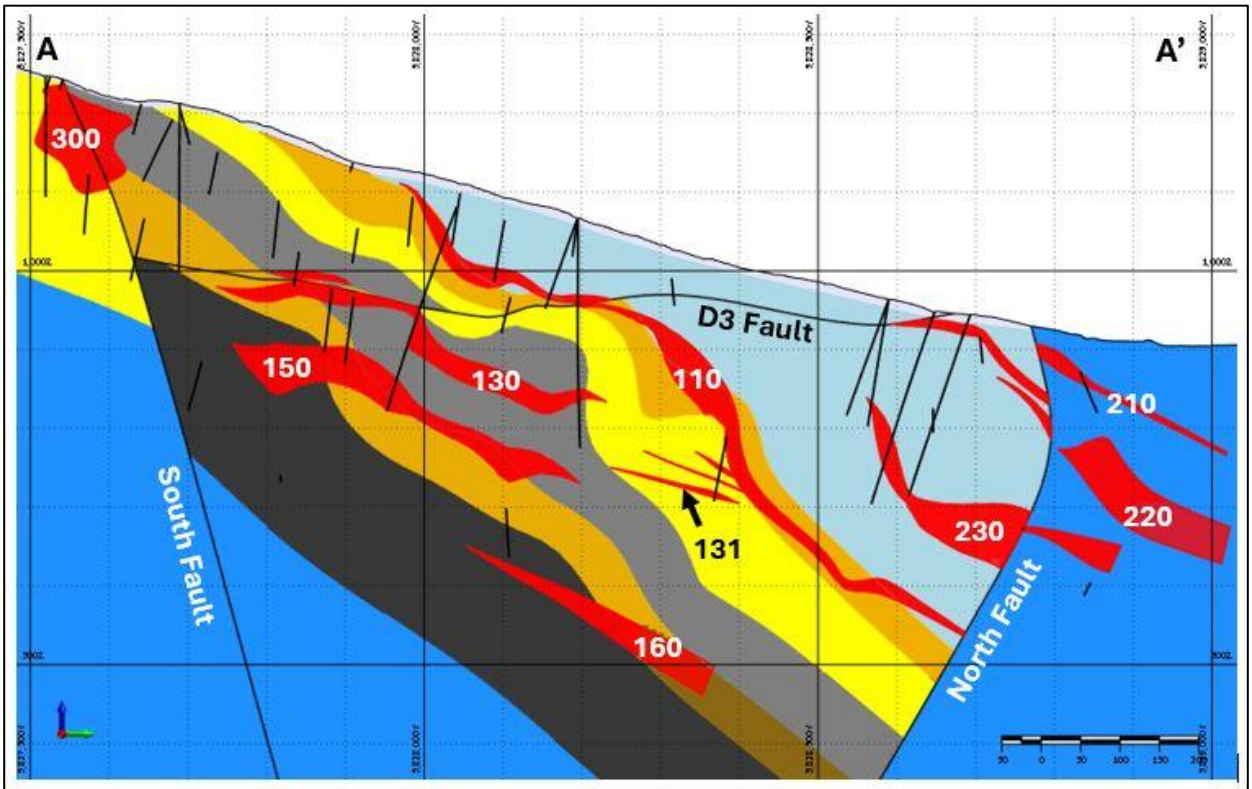
Figure 7-7), strike NW-SE, and dip gently to moderately northeast with dips steepening toward the North and South faults.

Early gold mineralization is best developed along lithological unit contacts and within less competent rocks like black argillite or “knotted phyllite” (see Section 7.3.3). Mineralized zones typically show low angle transgressions to lithological units and/or contacts. Gold mineralization is disseminated and associated with pyrite and strongly deformed quartz-carbonate-pyrite veins. Higher grades are correlated with more strongly deformed, so-called “cataclastic”, argillite. Petrographic study of pyrite (Large et al., 2008) indicates that early mineralization occurred between the D1 and D2 events. Typical drill assay composites for early-style mineralization range from 0.1 to 1 g/t Au over 10 to 100 m of core width.

Late gold mineralization occurs within veins and sheeted vein arrays that are typically NE-SW to N-S striking and steeply NW to north dipping. Late veins contain relatively low amounts of Fe-carbonate and exhibit textures indicative of both shear and extension styles (Rhys et al., 2009). Shear veins are up to 2 m thick, are more continuous relative to extension veins, and inhabit brittle faults. Typical intersections of late-stage veins return core assay composites that range from 1 to 10 g/t Au over 1 to 10 m, locally with maximum grades of 241 g/t Au over 1.5 m (see Section 10).

Geostatistical work in Section 14 suggests that some mineralized bodies can be characterized by just the early or late event whereas others show influences of both. There is no consensus on which event deposited more gold, with Rhys et al (2009) suggesting the early event and Uken (2024) proposing the later one.

Figure 7-8: Vertical Cross-section Through the SMG Deposit



Lithology

- Overburden
- Main Upper Argillite
- Main Upper Greywacke
- Main Tuff
- Main Argillite
- Main Lower Greywacke
- Main Lower Argillite
- North Siltstone
- Main Siltstone Basal
- South Siltstone Tuff
- South Tuff
- South Siltstone
- Mineralised Domains

Mineralization

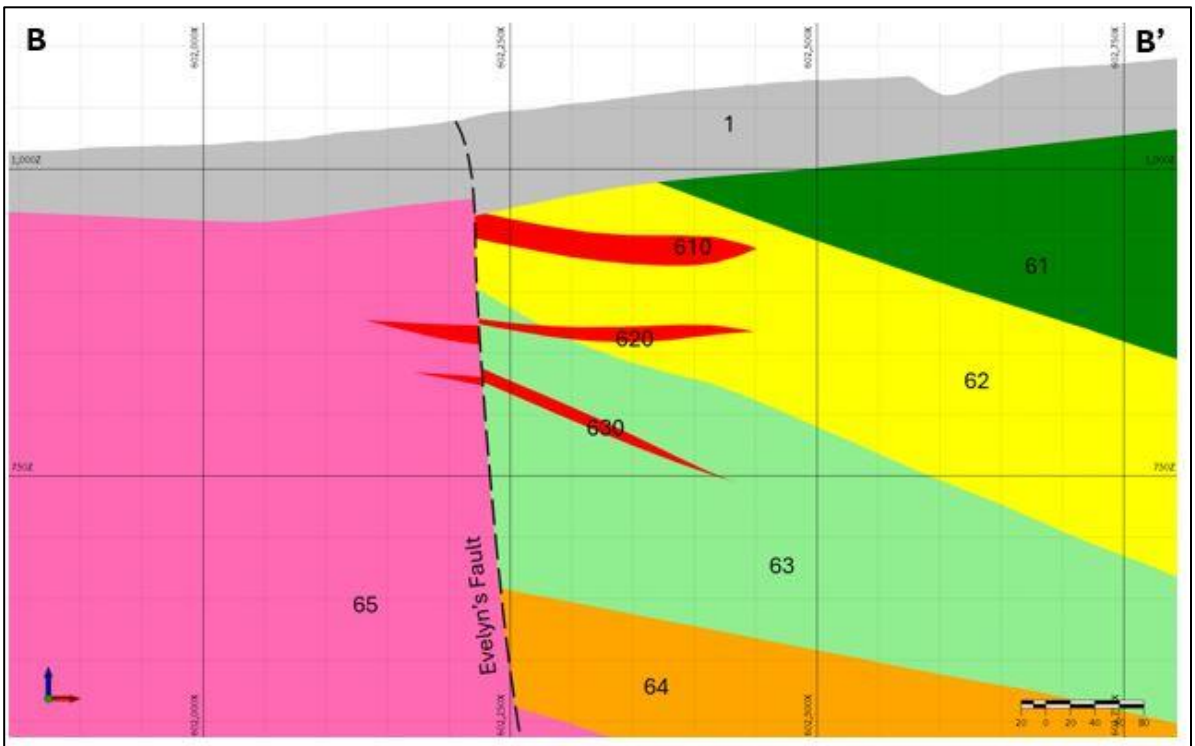
Block	Domain	Zone	Dominant Mineralisation Style
Main Block	110	Main Upper	Early + Late
	120	Main West (Slipper)	Early
	130	Main Mid	Early + Late
	131	Main Tuff Veins	Late
	140	Main Lower Mid	Early
	150	Main Lower	Early
	160	Main Basal	Early
North Block	210	North Upper	Early
	220	North Mid	Early
	230	North Lower	Early
South Block	300	Main South	Early + Late

Source: Bahrami and Rabb, 2025.

7.4.2 Phoenix deposit

The Phoenix deposit lies approximately 2 km due west of the SMG deposit and was discovered by SPA in 2006 with reverse circulation drill hole 06SPRC-343, which returned intervals of 0.23 g/t Au over 13.7 m and 0.31 g/t Au over 27.4 m (BCMEM, 2025). This deposit is, likewise, a bulk tonnage SHV orogenic system hosted in metasedimentary rocks and tuff of the unnamed marine rocks formation (see Section 7.3.1). Gold mineralization is pseudo-stratiform and centered on a steeply dipping north-south striking brittle fault that was the likely source of auriferous fluids. Most gold mineralization appears to be late-style quartz veins although early-style mineralization could also be present.

Figure 7-9: Vertical Cross-section Through the Phoenix deposit



Lithology

Domain	Zone
61	Upper mafic tuff
62	Upper sedimentary sequence
63	Lower mafic tuff
64	Intermediate sedimentary sequence
65	Intermediate tuff

Mineralization

Domain	Zone
610	Upper mineralized zone
620	Mid mineralized zone
630	Lower mineralized zone

Source: Equity, 2025.

The deposit itself comprises at least three stacked, elongate, and lens-like bodies that, in plan view, measure approximately 1,500 m in length, from north to south, and 300 to 400 m in width. Each lens ranges from 10 to 70 m in thickness and all three are developed over approximately 100 to 200 m of stratigraphy. Together, these three lenses are sub-horizontal to gently northeast-dipping.

The north-south elongate direction of this deposit follows a subvertical and north-south striking D3 brittle structure named Evelyn's fault. Rock types on the east side of the fault consist of intercalated mafic tuff and sedimentary rock units whereas the less mineralized west block consists only of intermediate tuff unit. Intercalated units in the east block range from approximately 100 to 200 m in thickness, strike broadly northwest to southeast, and dip towards the northeast at approximately 25° to 30°.

Gold mineralization occurs within both metasedimentary and tuff units. Mineralized zones cut across stratigraphy at a low angle and consist mostly of late quartz veins oriented parallel to the broader trend of the zone. Early mineralization may be present but does not appear significant. All mineralized zones are strongly overprinted by brittle faulting.

7.4.3 Other SMG-Like Gold Prospects and Showings

Rock sampling and drilling have identified several other gold showings that are of a similar nature to the SMG deposit, including possible deposit extensions or as separate systems developed on other D3 fault systems. Individual showings may show either SMG early- or late-style mineralization and in some cases both. Many of these showings have been explored by SPA through surface work and/or drilling, as summarized in Sections 9 and 10 respectively.

The Dog, Dog NW, and Hepburn Lake showings occur along stratigraphy to the west and northwest of the SMG deposit. The SMG-like nature of mineralization is supported by company work and MINFILE descriptions (see 093A195 and 197 in BCMEM, 2025). Samples with the highest grades were returned from quartz veins that, in places, are hosted by atypical lithologies like felsic intrusive and basalt.

The Black Bear and Oscar targets are located north of the SMG deposit and returned several rock samples with at least 0.5 g/t Au that are hosted in argillite, phyllite, or mudstone. Both showings were generated by SPA's work and are not registered in MINFILE.

The Cat, Dog South, and Ropes-of-Gold showings lie immediately south of the SMG deposit and more-or-less along the southward continuation of the D3 "Madre Fault" (see Section 7.3.2). Assays over 0.5 g/t Au are typically associated with quartz veins whereas those below 0.5 g/t Au occur in argillite and siltstone, suggesting the presence of both late- and early- style SMG-like systems. The Dog South and Cat showings are both registered in MINFILE as numbers 093A326 and 327 respectively.

Perro and SMG NE Extension comprise SMG-like showings that occur along strike and to the east of the SMG deposit, near the Juan A MINFILE occurrence that lies just outside the Property (093A254 in BCMEM, 2025). All rocks that returned over 0.1 g/t Au are described as gold-bearing quartz veins hosted within argillite, phyllite, and/or siltstone.

The GAP and Old Placer showings are located around 3 km west to southwest of the SMG deposit, in the Cedar Creek area. Both showings comprise quartz-carbonate veins with pyrite and minor chalcopyrite. Gold values at the GAP showing range from 0.1 to 0.2 g/t Au whereas all samples collected from Old Placer returned negligible gold. Other assays show maximum values of 21 g/t silver, 0.1% copper, and 0.2% zinc (Dawson, 2006). Mineralized quartz veins are up to a couple of m wide and are spatially associated with brittle faults, suggesting a late-style (or D3) system.

7.4.4 Polymetallic Occurrences

Several polymetallic showings occur on the SMG Property (Table 7-2), all of them in the Cedar Creek and Nina Lake areas. The showings are defined in MINFILE or from Company reports.

The Joy prospect is also referred to as the Paddy Creagh tunnel and is exposed in outcrop along the north bank of Cedar Creek as well as an adit that is now mostly covered by a small rock slide (Dawson, 2006). The showing is defined by a shear and fracture zone that cuts basaltic rocks, shows pervasive quartz-carbonate alteration, and hosts pyrite, pyrrhotite, arsenopyrite, chalcopyrite, and galena (see 093A 072 in BCMEM, 2025). Rock sampling has returned grades of 13 to 17 g/t Au from sampling programs in 1986, 2003, and 2006, in addition to maximum grades of 55 g/t Ag, 0.4% Cu, 6.2% Zn, and 6.8% Pb (BCMEM, 2025).

The Cedar Dam showing occurs within a 20 x 40 meter aggregate pit that is underlain by diorite, tuff, siltstone, and chert, as well as discontinuous veins and pockets of massive sulphide (see 093A 217 in BCMEM, 2025). Sulphide mineralogy is dominated by pyrite and pyrrhotite and returned no significant grades. The broader significance of this showing is that it lies at the southeast end of a string of polymetallic and SMG-like showings, including the Massive Sulphide and Duck showings.

The Massive Sulphide showing occurs approximately 500 m northwest of the Cedar Dam showing and comprises two layers of massive pyrite to pyrrhotite that are each 20 to 30 cm thick, northeast striking, and subvertical (Dawson, 2006; see 093A 217 in BCMEM, 2025). Sampling returned maximum values of 0.3 g/t Au, 0.2% Cu, 0.1% Zn, and 0.1% Pb.

The Duck showing consists of polymetallic veins hosted within shear zones and brittle faults that cut pyroclastic rocks and tuff (see 093A 298 in BCMEM, 2025). Veins have returned weakly anomalous gold, silver, copper, lead, and zinc.

The Easy 5 showing comprises a 30 cm wide zone defined by 20% pyrite and pods of chalcopyrite occurring within silicified tuffs and basalts (see 093A 324 in BCMEM, 2025). This showing is characterized in MINFILE as volcanic-hosted massive sulphide but could also comprise a replacement-style body related to the SMG mineralization.

7.4.5 Cu-Au Porphyry Occurrences

There is one alkalic porphyry-style showing on the Property that is mentioned here owing to its proximity to the Mount Polley Cu-Au mine. The proximity of the SMG Property to this mine implies some potential for alkalic porphyry-style mineralization.

The only alkalic porphyry showing on the Property is Hampton's pit (see 093A 216 in BCMEM, 2025) that consists of epidote-altered diorite with disseminated pyrite. Assays returned up to 0.6 g/t Au, 0.25% Zn, and 0.05% Cu (BCMEM, 2025).

7.4.6 Placer Gold Occurrences

The SMG Property lies within the Cedar Creek placer gold camp that produced just under 38,000 oz of gold from two phases of production, the first from 1881 to 1895 and a second from 1921 to 1945 (BCMEM, 2025). The past-producing Ogden Mine occurs just outside of the Property boundary and is registered in MINFILE (see 093A 141 in BCMEM, 2025).

The only other placer showing on the Property that is registered in MINFILE is the Spanish Mountain showing (see 093A 192 in BCMEM, 2025) where test-scale recovery work returned 0.8 to 2.8 grams per yard. SPA also tested the placer potential in overburden drilled during their RC drill program targeting lode gold mineralization.

Other placer showings on the Property were compiled from various compilation maps and all comprise part of the Cedar Creek camp. Named showings include Aurora, Cedar Creek, Discovery Draw (or Rasmussen placer pit in Besserer, 2007), Doug Harris, and McKeown (Figure 7-6).

8 DEPOSIT TYPES

8.1 Deposit Model

The main deposit type that occurs on the SMG Property is a subtype of the orogenic gold deposit style referred to as sedimentary-hosted and at least partially vein-controlled (SHV). Other deposit styles that are relevant to the Property include alkalic porphyry copper-gold, polymetallic vein, and placer gold deposits, all of which are briefly described below.

8.1.1 Orogenic-style Gold Deposits

Orogenic gold deposits form many of the most significant gold-producing belts in the world, including the Kalgoorlie deposits in Australia, Timmins in Ontario, and Ashanti in Ghana. Their name reflects a temporal and spatial association with late stages of orogenesis (Groves et al., 1998; Goldfarb et al., 2001; Goldfarb et al., 2005; Dubé and Gosselin, 2007) with many deposits developing between 2.8 to 2.55 Ga (Archean), 2.1 to 1.8 Ga (Early Proterozoic) and 600 to 50 Ma (Phanerozoic). Orogenic-style mineralization within the eastern Cordilleran gold belt, including the Cariboo Gold District, formed between 180 to 140 Ma (e.g., Allan et al., 2017).

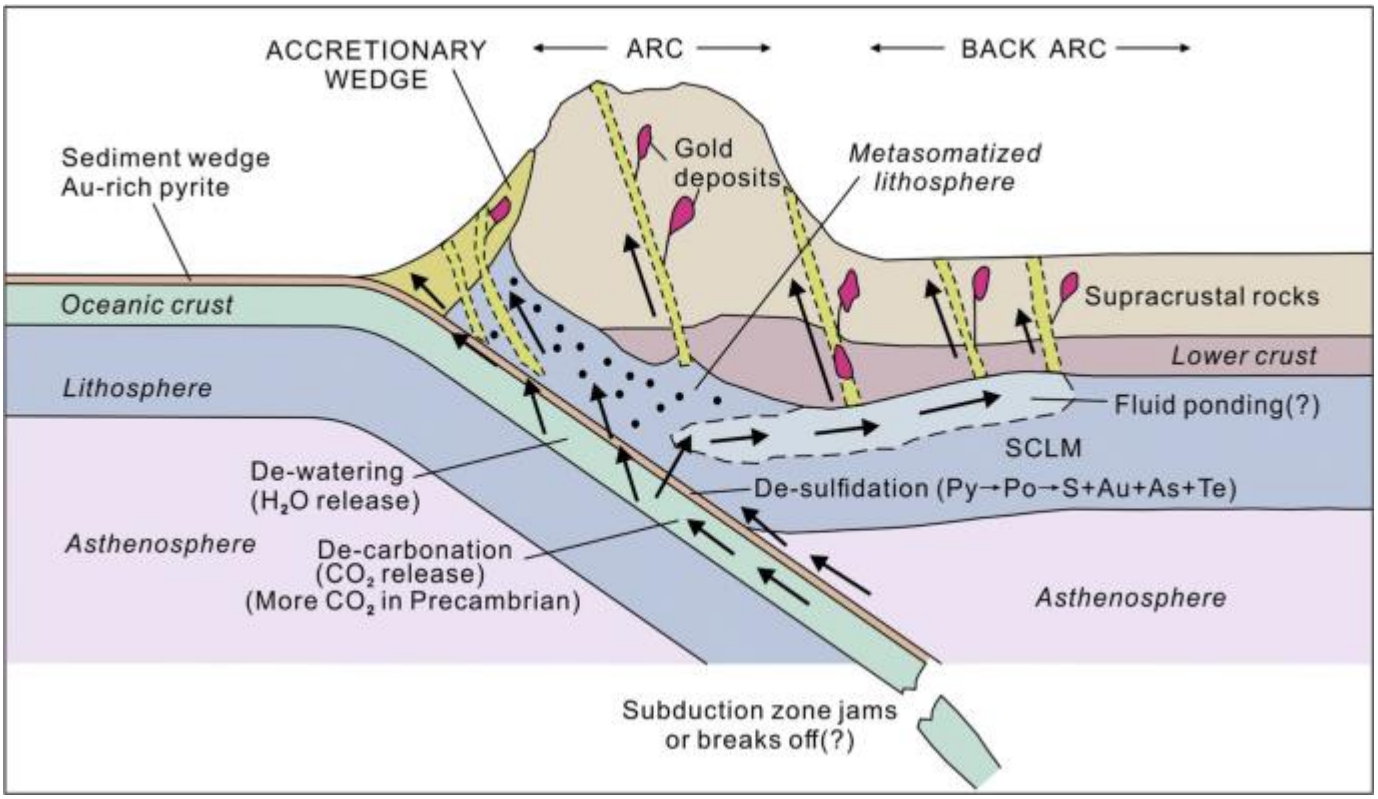
The Phanerozoic deposits include a relatively high number that are hosted in sedimentary rocks. These so-called sedimentary-hosted vein (SHV) deposits developed during and shortly after the deformation and metamorphism of passive margins in regional-scale fold-and-thrust belts (Klipfel, 2005). Hydrothermal fluids generated during this fold-and-thrust event ascended along related faults to deposit gold in structural and/or chemical traps.

Orogenic gold systems and SHV deposits are, on a regional scale, associated with crustal-scale fault zones like those marking terrane boundaries. Individual gold deposits are then commonly associated with curvatures, flexures, and jogs along these deep fault zones, with gold typically concentrated in dilational structures, at intersections of multiple structures, and/or competent or reactive lithological units. The relative timing of mineralization is broadly syn- to late-kinematic and syn- to post-peak metamorphism.

Gold in all orogenic deposits occurs in structurally controlled vein systems, which include shear and related extension veins, and/or hydrothermal breccias. Individual veins range anywhere from less than 1 cm to 10 m in width and form sets with continuity of up to 5 km along strike, 3 km in depth, and 1 km in width. In SHV deposits, gold is sporadically associated with arsenic, antimony, and/or tungsten (Klipfel, 2005).

The main economic mineral is native gold, which in SHV deposits either lacks correlation with sulphide or occurs with arsenopyrite. Sulphide minerals typically comprise less than 5% of the volume of any orogenic deposit. The main gangue minerals are quartz and carbonate with a variable abundance of white mica.

Figure 8-1: Deposit Model for Orogenic Gold Deposits



Source: Groves et al., 2020.

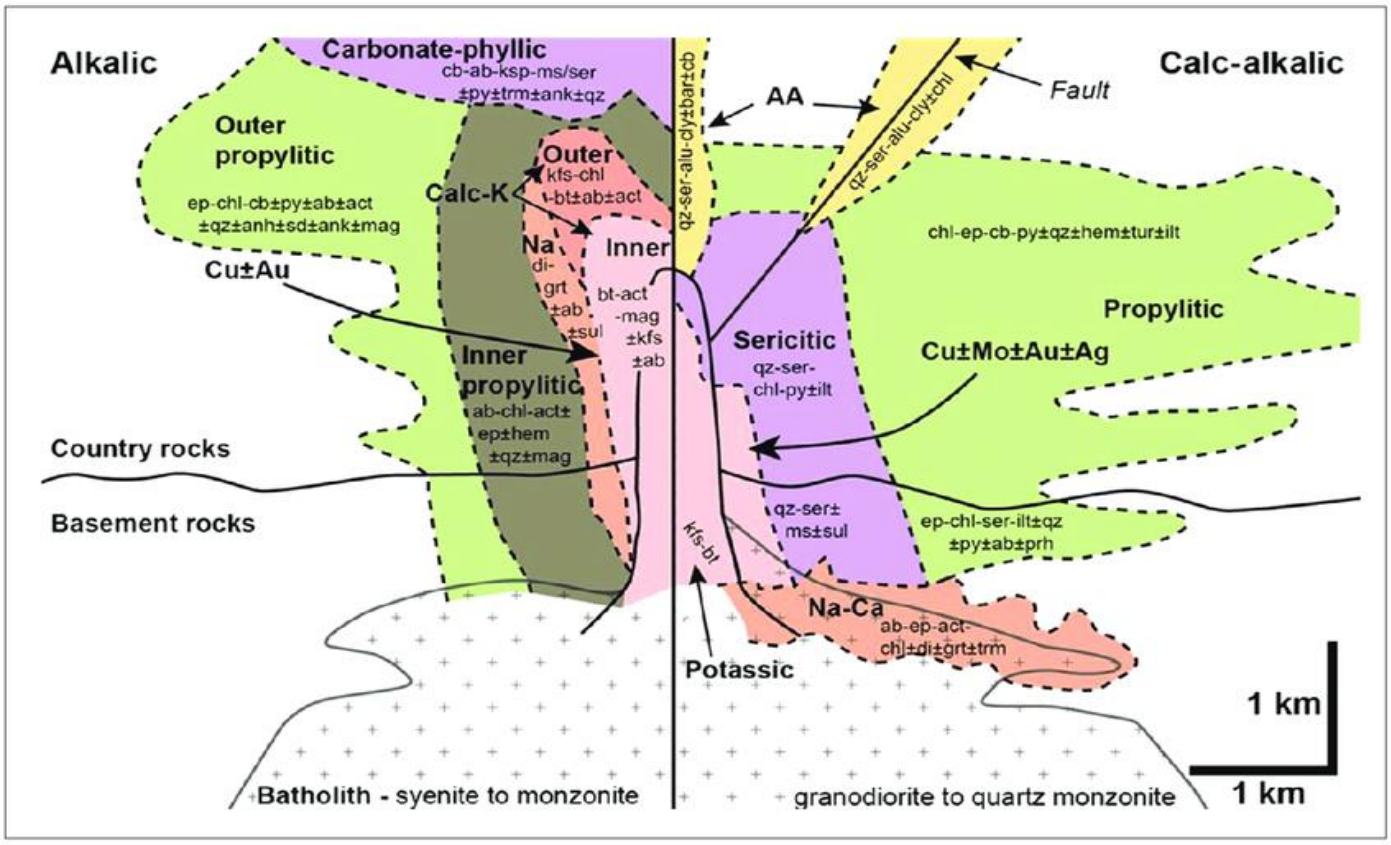
8.1.2 C-Au Alkali Porphyry Deposits

The SMG Property lies 10 to 15 km east-northeast east of the Mount Polley Cu-Au alkalic porphyry mine and hosts one alkalic porphyry-type showings (see Section 7.4.4). In general, Cu-Au alkalic porphyry deposits form in oceanic arcs at convergent plate boundaries like the Quesnel terrane that underlies the SMG Property.

Alkalic porphyries are derived from magmatic fluids (mostly water, CO_2) that form disseminated, vein and/or breccia deposits, typically in close association with the parental (or "mineralizing") intrusion. Parental intrusions range from syenitic to gabbroic in composition and usually comprise part of a high-level intrusive complex emplaced into coeval and cogenetic volcanic rocks. The hottest and most strongly mineralized parts of these hydrothermal systems are defined by potassic alteration assemblages that consist of potassic feldspar, biotite, and magnetite along with sulphide minerals that include chalcopyrite, pyrite, and, in some deposits, significant bornite (Panteleyev, 1995).

The potassic core passes outwards into irregular zones of phyllic (quartz-sericite-pyrite) and propylitic (chlorite-epidote) alteration assemblages that generally carry less mineralization but have a larger footprint so that they can be used to vector into the more economic potassic core of the system.

Figure 8-2: Comparison of Alkalic and Calc-alkalic Porphyry Deposit Models



Source: Leet et al., 2020.

8.1.3 Polymetallic Deposits

The SMG Property hosts at least two types of polymetallic deposits; silver, lead, zinc (Ag-Pb-Zn) polymetallic quartz-carbonate veins that may or may not also show gold enrichment as well as, possibly, polymetallic massive sulphide layers that are here considered as replacement-style deposits.

Polymetallic quartz-carbonate veins are most likely analogous to the “felsic intrusion-associated Ag-Pb-Zn vein” deposit type that can form silver mining districts like Slocan in BC as well as the Mammoth, Wallapai, and Marysville districts in the USA (Cox, 1992). Deposits are hosted in quartz-carbonate veins that were derived from nearby felsic intrusions that, in some places, also produced porphyry mineralization. Polymetallic vein deposits form in near-surface fractures and breccias within the thermal aureoles of these intrusions and/or their related porphyry systems (Cox, 1992). Veins can host a wide range of metallic minerals that may include native gold, electrum, sphalerite, galena, tetrahedrite-tennantite, silver-sulfosalts, and argentite.

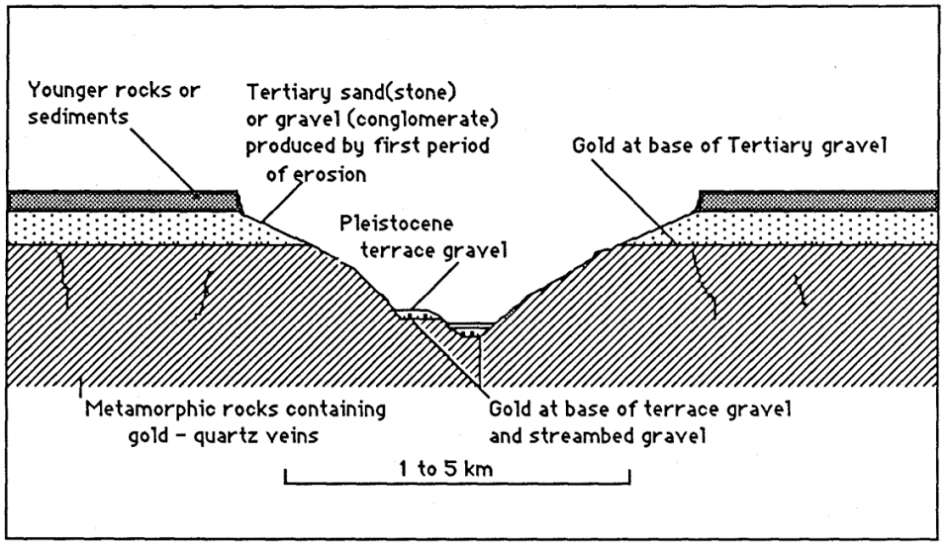
Polymetallic replacement style deposits occur within the Wells-Barkerville Camp of the Cariboo Gold District (see Section 7.2.1) and typically comprise layers of massive to semi-massive sulphide that replace layers of calcareous sedimentary rock. As such, they form stratiform and/or stratabound mineralized bodies that are widely referred to as mantos, the Spanish term for “mantle” or “cloak”. Replacement deposits also occur in association with porphyry deposits and may be enriched in copper, gold, silver, lead, manganese, and/or zinc. The replacement bodies in the Wells-Barkerville Camp are relatively small rod-shaped mantos that occur within the hinge zones of D2 folds and consist mostly of fine-grained pyrite. Gold occurs along pyrite grain boundaries and within fractures that cut across pyrite grains, as well as inclusions within pyrite (Chapman and Mortensen, 2016).

8.1.4 Placer Gold Deposits

Placer gold deposits comprise flakes, grains, and, rarely, nuggets of native (or elemental) gold that are hosted in unconsolidated sediments, most notably gravel and sand but also finer-grained sediments like silt and clay. Most placer gold is derived from nearby orogenic gold deposits, but they may also be sourced from porphyry, skarn, or polymetallic replacement deposits.

Placer gold collects in high-energy alluvial systems where gradients flatten and river velocities slow down. Examples of such settings include the inside bends of meanders, below rapids and waterfalls, beneath boulders, and in vegetation mats (Yeend, 1987). The highest gold grades typically occur at the base of gravel deposits and in a trap that is oriented perpendicular to the direction of water flow, including for example natural riffles in floor of river or stream, fractured bedrock, and bedding planes. Placer gold may also concentrate within gravel deposits that overlie clay layers that constrain the downward migration of gold particles.

Figure 8-3: Schematic Cross-section for Placer Gold Deposits



Source: Yeend, 1987.

8.2 Comments on Deposit Type

The primary exploration target on the SMG Property is sedimentary-hosted vein (SHV) orogenic gold, like the SMG and Phoenix deposits as well as related showings and prospects (see Section 7.4).

Discoveries on the SMG Property have mostly been made through prospecting, rock sampling, trenching, and drilling (see Sections 9, 10). Prospecting, rock sampling, and trenching are cost-effective and effective in areas of sufficient outcrop and/or minimal unconsolidated cover, which is true for parts of the SMG Property.

Other parts of the SMG Property are covered by deeper unconsolidated sediments where bedrock sampling methods are ineffective. Soil sampling can be cost-efficient method to explore for orogenic gold in such areas but perhaps not on the SMG Property, where widely developed till blanket and veneer are likely to return mostly transported gold-in-soil anomalies. More sophisticated methods of soil sampling, possibly targeting the base-of-till sampling or using bulk leach extractable gold analysis, may provide more robust targeting data.

Induced polarization and resistivity (IP) ground geophysical surveys are widely used by industry to explore for orogenic gold, as these surveys can identify the elevated pyrite concentrations typical of orogenic deposits. The SMG deposit is likewise associated with elevated pyrite but occurs within a much broader sedimentary package that includes other IP conductors, like carbonaceous argillite and pyrite-bearing sedimentary units.

Magnetic geophysical surveys are also widely used in orogenic gold systems to identify and trace structures that could host gold deposits. SPA has completed airborne magnetic surveys over the SMG Property but the interpretation is limited and the scale is rather coarse. More detailed ground or drone-based surveys in addition to more effort in interpretation could be useful exploration methods to apply to the SMG deposit.

Drilling is an effective way to explore orogenic gold deposits and has dominated exploration on the SMG Property (see Section 10). However, this method is most effective once the structure of the gold zones and shoots is reasonably well-established. It is less effective as a tool to test surface anomalies when the structural controls of mineralization are unknown.

Placer gold potential should also be considered during stripping operations for mine and/or infrastructure development. Potential for alkali porphyry and polymetallic deposits is based on scattered subeconomic showings as well as the regional metallogeny, and is considered low.

9 EXPLORATION

9.1 Introduction

This section summarizes exploration work carried out by Spanish Mountain Gold Ltd ("SPA" or the "Company") since optioning the SMG Property from Eastfield in 2003 (see Section 4.4). Exploration work covered in this section includes geological mapping, surface geochemical sampling (rock, soil, stream sediment), airborne and ground geophysical surveys, and remote sensing (LiDAR). SPA's diamond drilling is described in Section 10 of this Technical Report whereas historical work done before SPA's acquisition is summarized in Section 6.

9.2 Grids and Surveys

The grid system used to locate exploration data in X-Y space is Universal Transverse Mercator (UTM) system, North American Datum 83, Zone 10N (or UTM NAD83 Z10).

Elevations were determined from a digital elevation model produced from SPA's 2011 LiDAR survey (see Section 9.8) and has topographic surface control of less than 1 m. The 2011 LiDAR survey covers the SMG deposit and surrounding prospective ground so that it can be applied for topographic survey control on the bulk of exploration data. Outside of the LiDAR survey area, elevations are determined by publicly available Canadian Digital Elevation Models.

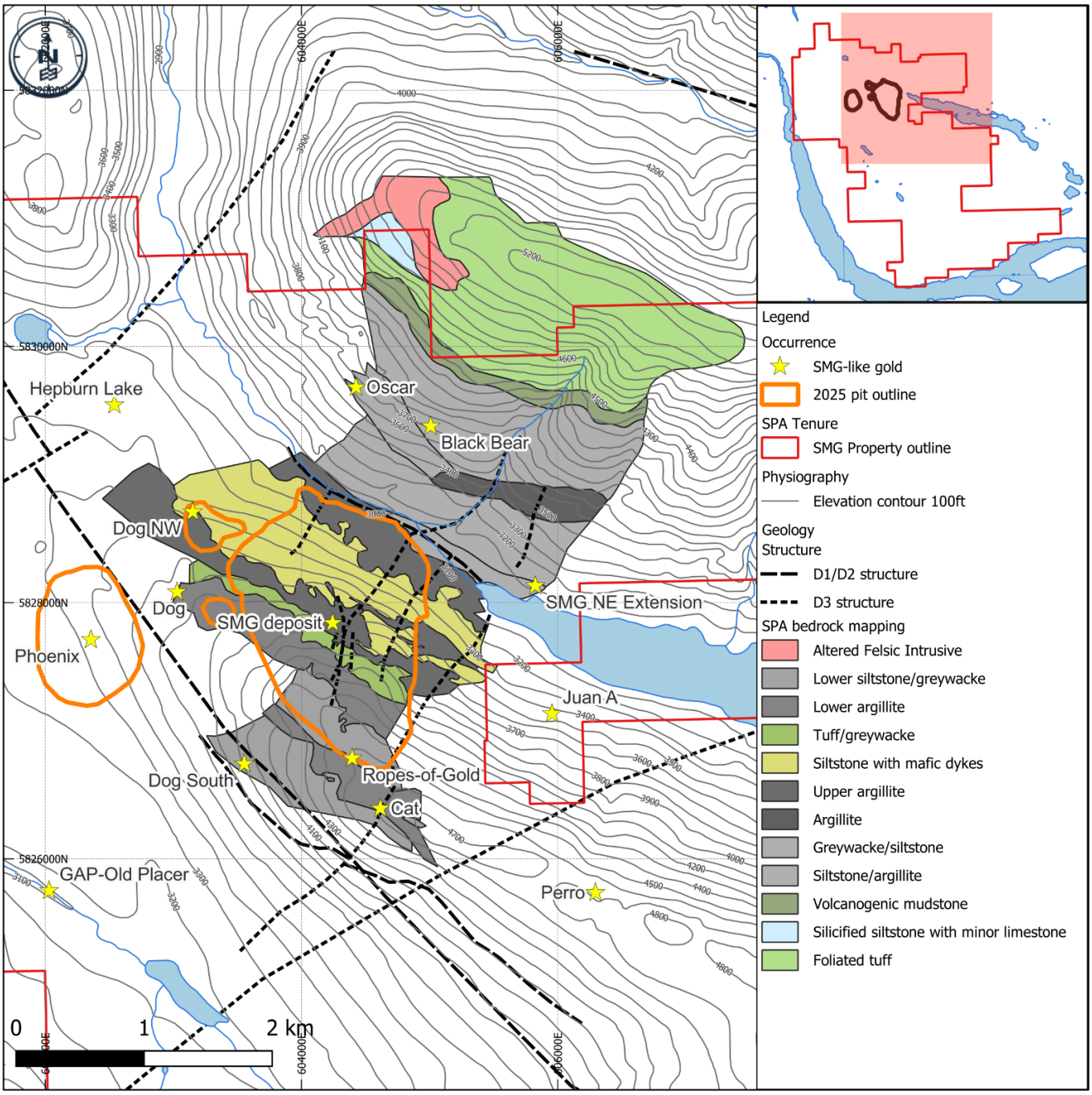
9.3 Geological Mapping

Geological mapping work by SPA includes several outcrop to deposit-scale mapping programs that, for the most part, are consistent with the broader geological framework established through earlier regional to deposit-scale mapping programs (see Section 7.3). Structural studies commissioned by SPA are also described in this section.

In 2005, SPA completed a deposit-scale mapping program (Singh and Johnston, 2005) that showed the SMG deposit is hosted within a sequence of intercalated argillite, siltstone, and tuff, with the overall distribution of units similar to historical mapping (e.g., McClintock, 1985). SPA's work also located several historical bulk sample pits but did not locate the north-south striking D3 brittle fault (or "Madre Fault" in early work) that centers the SMG deposit.

In 2008 or 2009, SPA published a bedrock map for the SMG deposit area that is based on top-of-bedrock drill intersections (Figure 9-1) and used as the default map for subsequent technical disclosure (i.e., in Peatfield et al., 2009 and later reports). This map does not appear to be integrated with outcrop mapping and covers only a small part of the Property, with the much coarser BCGS geology (BCMEM, 2019) providing the only digital bedrock map for the rest of the Property.

Figure 9-1: Geological Map of the SMG Deposit Overlain on BCGS Mapping



Source: Peatfield et al., 2009.

In October 2009, SPA completed a 1:25 scale map for one of the pits excavated by Imperial as part of their 2000 bulk sampling program (see Section 6.2.4). This program confirmed several key structural features of the Property, including a brittle fault and mineralized quartz vein system that strikes NE-SW, dips 45° to 60° to the northwest (Falls et al., 2009), and is likely related to D3.

SPA's first structural study of the SMG deposit was completed in 2005 by SRK Consulting Ltd ("SRK") (Lee, 2005). This work reported a multi-generational system comprising early disseminated gold in argillite siltstone units and late vein-hosted gold in competent units like greywacke. Subsequent structural work done by independent consultants Klipfel (2007) and Price (2008), who both emphasized possible regional-scale controls related to fold-thrust belt architecture. Deposit-scale mapping by Price (2008) defining a system of N-S to NNE trending faults that includes the Madre Fault. A detailed compilation and review of structural studies, as well as GIS linework, was provided by Campbell (2011). In 2024, a second phase of structural work by SRK (Ukren, 2024) defined a D3 fault system that controls late gold mineralization and confirmed timing relations among several D1 to D3 macro- to microstructures.

9.4 Rock Geochemistry

SPA has completed "rock" sampling programs in 2005 to 2008 and in 2012, collecting a total of 1,182 rock samples (Table 9-1). Samples classified as "rock" here include outcrop, float, and suspect outcrop/float. This section describes the methods by which SPA collected their rock samples (Section 9.2.1) and reviews the results in terms of an area classification (Section 9.2.2) shown as Figure 9-2.

Table 9-1: Overview of SPA's Rock Sampling Production

Target	Year Collected					Area Total
	2005	2006	2007	2008	2012	
Main Block	27	28	22	-	-	77
North Block	14	33	19	-	-	66
South Block	12	20	32	4	2	70
Phoenix	-	1	3	-	-	4
SMG West Extension	-	47	27	-	5	79
SMG North Extension	-	124	4	-	15	143
SMG South Extension	-	99	16	4	1	120
SMG East Extension	-	45	3	-	-	48
Far NE Corner	-	11	-	-	50	61
Southeast Half	-	56	3	-	-	59
Subtotal	***53***	***464***	***129***	***8***	***73***	***727***
MIssing Location/Assay Data	77	92	199	86	1	455
Total	**130**	**556**	**328**	**94**	**74**	**1,182**

9.4.1 Methods

Approximately 85% of SPA's rock samples are described as "rock" or "grab" but are more accurately characterized as select samples, since they were mostly taken with the aim of returning gold grade. Only one float sample is recorded, indicating that the bulk of SPA's rock samples were taken from insitu bedrock.

Rock sampling methods used by SPA are similar for each campaign, with each sample location marked by handheld GPS (nominal accuracy of 3 to 5 m) and elevations determined through digital elevation models. Rock descriptions were recorded for some samples and may include lithology, mineralization, alteration, and/or veining. Samples were placed in labeled sample bags along with an identification tag, sealed, aggregated at the project camp, and then shipped to a lab for preparation and analysis.

SPA has retained rock sample certificates of analysis (COA) only as spreadsheet files with none of the COAs retained in the preferred format as password protected PDFs. Methods recorded on these certificates suggest gold was analyzed using metallic screen or lead collection fire assay methods, which is standard for industry gold projects.

SPA has a total of 1,182 samples in their rock database of which 727 have both location and gold assay data. These 727 samples were taken from various parts of the SMG Property, as shown in Figure 9-2 and described below.

9.4.2 Results

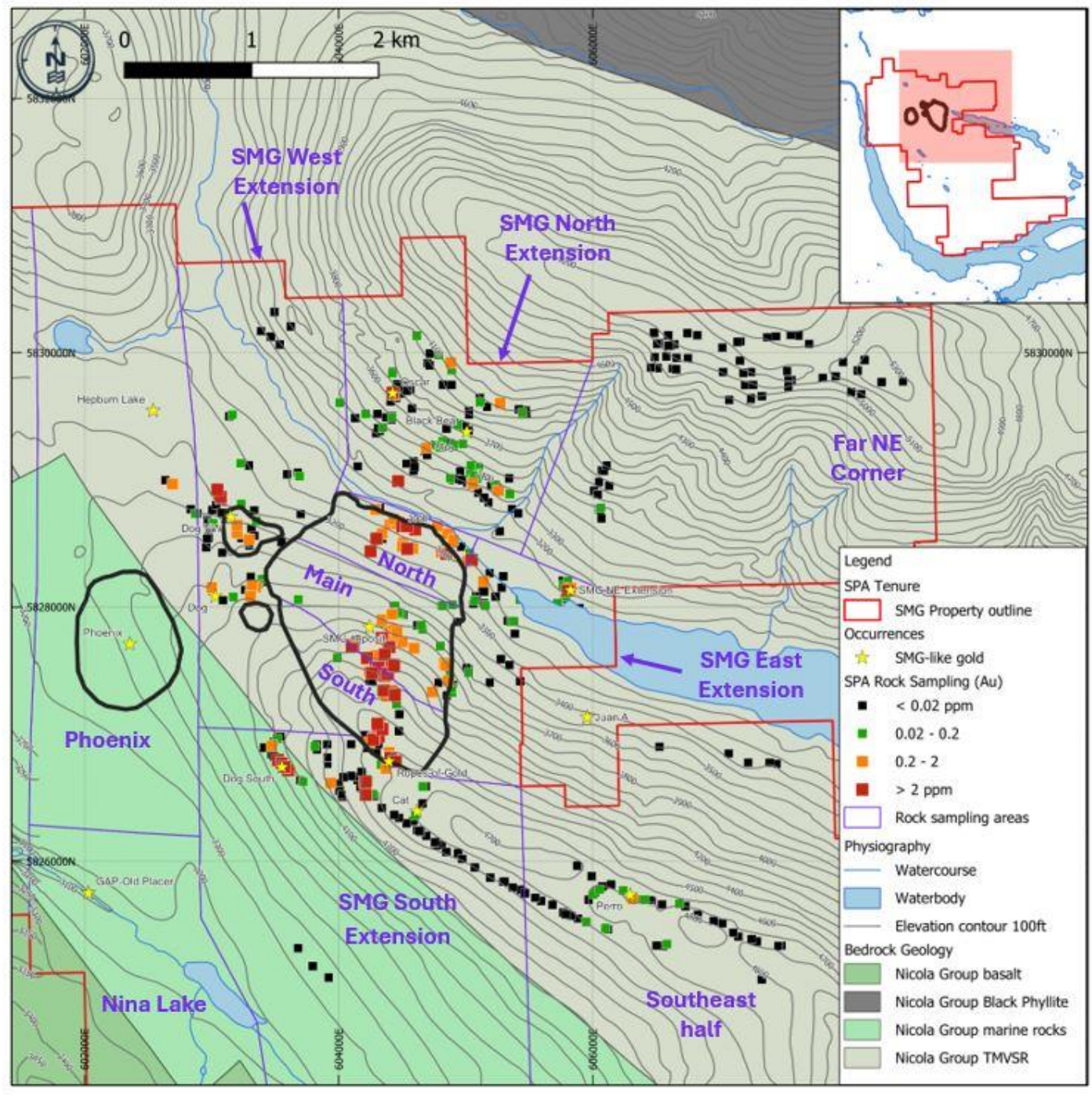
The results of rock sampling are here described in reference to areas of the SMG Property as shown in Figure 9-2.

SPA's sampling in the Main Block of the SMG deposit includes 77 rock samples that have both location and gold assay data. Just under half of these samples returned more than 0.2 g/t Au with 12 samples returning at least 2.4 g/t Au, seven assaying over 10 g/t Au, and a maximum value of 484 g/t Au. Higher gold grades are associated with higher silver and lead, with maximum values of 100 g/t and 1%, respectively. Abundances of copper, antimony, and arsenic are low.

SPA has collected 66 samples in the North Block, all of which have locations and assays, as well as a higher proportion of mineralized samples than the Main Block, with two-thirds returning more than 0.2 g/t Au and 13 samples returning between 2.1 and 32.4 g/t Au. Like the Main Block, higher gold correlates with increased silver and lead whereas arsenic and antimony are low. One sample returned anomalously strong polymetallic enrichment in gold, silver, copper, lead, zinc, and antimony.

The South Block hosts the southern part of the SMG deposit and the northern end of SPA's Ropes-of-Gold showing, with SPA's sampling comprising 70 rocks with both assay and location data. Of these 70 samples, just under half returned more than 0.2 g/t Au and twelve assayed between 15.6 g/t to 232 g/t Au, with the maximum value collected from the Ropes-of-Gold target. Higher gold is associated with increased silver, lead, and zinc whereas arsenic and antimony values are low.

Figure 9-2: Rock Sampling Completed by SPA



Source: Equity, 2025.

SPA collected just four samples from the Phoenix area owing to a general lack of outcrop, with three of these samples assaying below the detection and one returning 1.8 g/t Au. All four of these samples were taken 600 to 800 m north of the Phoenix deposit. The one sample with notable gold also returned elevated silver and lead.

The SMG West Extension includes the MINFILE Dog and Hepburn Lake showings as well as Dog NW that is defined through Company sampling. SPA has collected 79 rock samples in this area that all have assay and location data. Results show that 20% of these returned more than 0.2 g/t Au with five samples assaying between 4.0 g/t to 11.9 g/t Au. All higher-grade samples cluster around the Dog NW showing whereas SPA's sampling near the Dog showing returned values around 0.5 g/t Au and the Hepburn Lake MINFILE showing has not been sampled by the Company. Throughout the area, higher gold grades are associated with increased silver, lead, and zinc.

SPA has collected 143 samples in the North Extension area that all have location data and assays. Just nine of these samples (6% of the total) returned more than 0.2 g/t Au and five samples assayed between 1.0 to 2.7 g/t Au. This maximum defines the Company's Oscar showing whereas the Black Bear showing is defined by six samples with 0.3 to 2.7 g/t Au collected from an approximately 1 km^2 area. Multi-element data is minimal but again suggests that gold shows a weak correlation with anomalous silver, lead and zinc.

The SMG East Extension area lies immediately east of the SMG deposit and includes the Company's SMG NE Extension showing but not the Juan A MINFILE showing, which lies just outside of SPA's mineral claims. SPA has collected 48 samples from this area that all have location and assay data. Results show that six of these samples returned over 0.2 g/t Au with two samples assaying 4.5 g/t and 41.0 g/t Au. The maximum value occurs in close proximity to a sample that returned 0.3 g/t Au to define what is here referred to as the SMG NE Extension occurrence. None of the gold enrichment in this area is associated with polymetallic enrichment.

Table 9-2: Overview of SPA's Rock Sampling Results

Area	No Assay	Gold Grade (g/t)						Area Total
		<0.05	0.05-0.2	0.2-0.5	0.5-2	2-10	>10	
Main Block	-	29	14	11	11	5	7	77
North Block	-	17	6	17	13	9	4	66
South Block	-	25	11	4	9	9	12	70
Phoenix	-	3	-	-	1	-	-	4
SMG West Extension	-	54	9	9	2	4	1	79
SMG South Extension	-	97	7	6	4	3	3	120
SMG North Extension	-	111	23	4	3	2	-	143
SMG East Extension	-	32	10	4	-	1	1	48
Far NE Corner	-	60	1	-	-	-	-	61
Southeast Half	-	54	4	1	-	-	-	59
Subtotal	**-**	**482**	**85**	**56**	**43**	**33**	**28**	**727**
Missing assay/location data	80	225	50	60	27	11	2	455
Total	**80**	**707**	**135**	**116**	**70**	**44**	**30**	**1,182**

The SMG South Extension area includes the Dog South and Cat MINFILE showings as well as the southern extent of SPA's Ropes-of-Gold showing. SPA has collected 120 samples from this area, and all have assay and location data. Around 13% of samples returned more than 0.2 g/t Au and six samples returned between 10 g/t to 152 g/t Au from the Ropes-of-Gold showing. The Dog South showing returned three samples between 2 to 10 g/t Au and five samples with 0.2 to 2.0 g/t Au whereas the Cat MINFILE showing returned negligible results. All samples that returned over 10 g/t Au also assayed over 30 g/t Ag as well as more than 1% in copper, zinc, and/or lead. Arsenic contents are low.

Sixty-one samples were collected from the Far Northeast Corner area, which is underlain by the same stratigraphy as the North Block of the SMG deposit. There are no MINFILE or historical company showings in this area. All of SPA's samples have location and assay data and all returned negligible results.

SPA has collected 59 samples from the southeast half of the Property, which has no MINFILE showings and one Company showing. Only 10% of these samples returned more than 50 ppb Au, with a maximum grade of 0.3 g/t Au. This sample defines the Company's Perro showing along with a few other samples that returned 50 to 200 ppb Au but no polymetallic enrichment.

9.5 Soil Geochemistry

SPA completed soil sampling programs on the SMG Property in nine of the years from 2003 to 2017, collecting 7,024 samples to build on the over 15,000 samples taken by historical operators (see Section 6). Of these 7,024 samples, 6,763 have both location and assay data (Table 9-3).

SPA's soil sampling can be split into three contiguous grids, with the largest providing near-blanket coverage over the SMG deposit and two satellite grids located 1 to 2 km south and southeast. This section summarizes the methods used by SPA to collect these soils and summarizes the results.

Table 9-3: Overview of SPA's Soil Sampling Production

Grid	Year									Grid Total
	2003	2004	2005	2006	2007	2008	2011	2012	2017	
SMG	1,459	70	253	1,551	1,097	284	-	-	30	4,744
Nina Lake	-	-	-	-	-	-	789	-	-	789
Spanish Lake	-	-	-	475	-	-	-	755	-	1,230
Subtotal	**1,459**	**70**	**253**	**2,026**	**1,097**	**284**	**789**	**755**	**30**	**6,763**
Missing location/assay data	6	1	-	241	3	-	10	-	-	261
Total	**1,465**	**71**	**253**	**2,267**	**1,100**	**284**	**799**	**755**	**30**	**7,024**

9.5.1 Methods

Soil sampling completed by SPA can be split into three more-or-less continuous grids, here referred to as the SMG, Nina Lake, and Spanish Lake (Figure 9-3).

The SMG Grid is the largest of the three grids, comprising 4,744 samples collected over 1,610 ha from 2003 to 2008 and then 2017. The grid consists mostly of north-south oriented lines that are spaced 100 m apart and range from 1.0 to 4.5 km in length. Some of the lines near the edges of the grid have wider spacings of 200 to 400 m. On each line, the spacing between sample locations is 20, 25, or 50 m. The SMG grid covers many of the most prospective areas on the Property, including the Main, North, and South blocks of the SMG deposit, as well as its' North, West, South, and East extensions. This grid also extends into the less prospective far northeastern corner and includes three lines at its southern extent that are oriented northeast to southwest.

The Spanish Lake Grid is the next largest, comprising 1,230 samples collected over 434 ha on north-south oriented lines sampled in 2006 and a lattice grid sampled in 2012. Line-spacing for the 2006 sampling was approximately 100 m with sample spacing of 25 m. The 2012 lattice grid, on the other hand, consists of sample points that are 50 m apart in both north-south and east-west orientations. Together, the 2006 and 2012 campaigns form north-south oriented lines between 2.5 to 3 km in length.

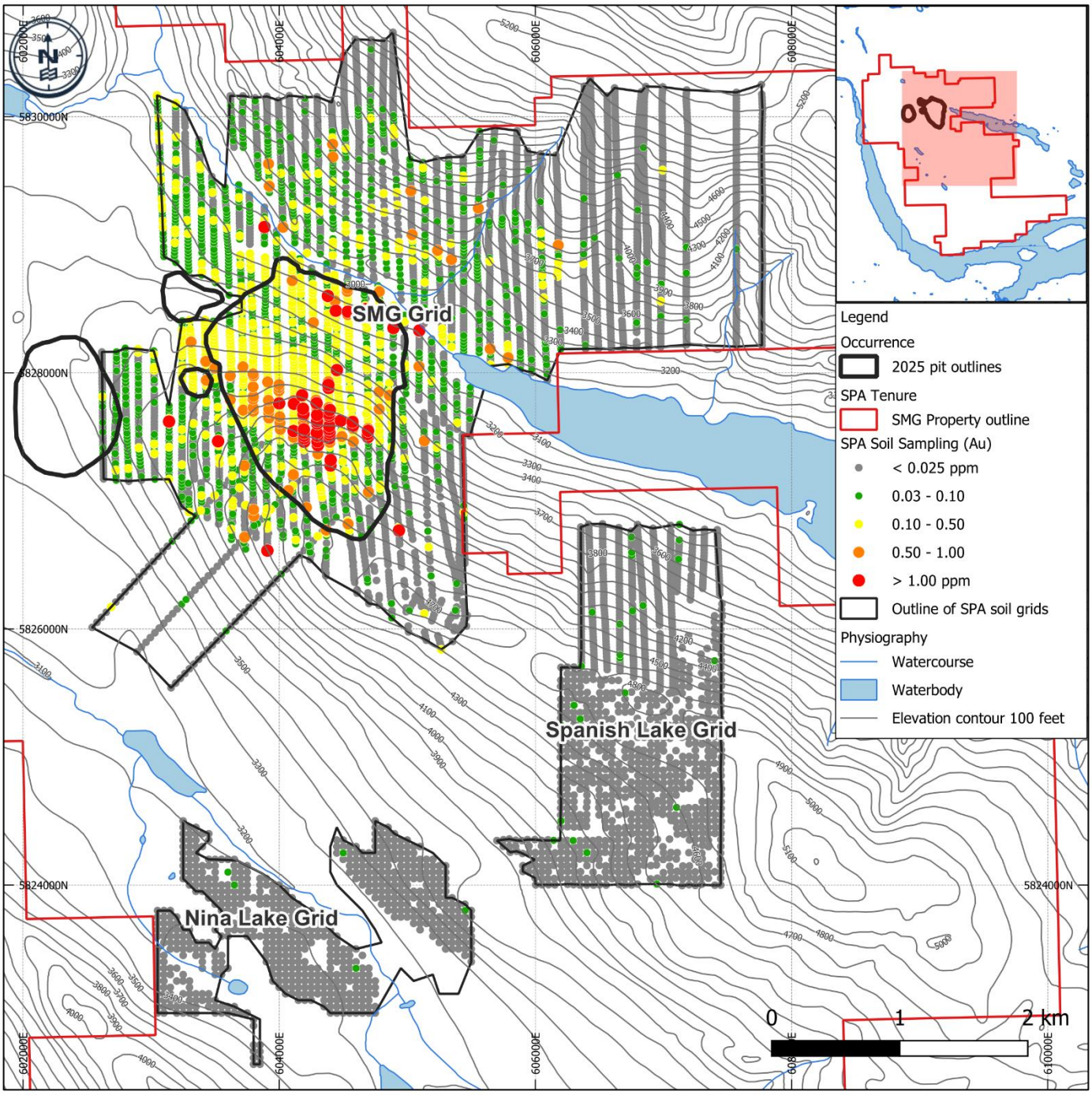
The Nina Lake Grid comprises 789 samples collected over 377 ha in 2011 and has a lattice form, with each sample located 50 m from adjacent samples in east-west and north-south orientations. Gaps in the grid are related to poor sampling conditions (e.g., swamp) and survey planning.

Methods used to take soil samples from each grid and during each campaign are broadly similar. Each sample location was marked with a handheld GPS that has a nominal positional (X-Y) accuracy of 3 to 5 m. Elevations were determined through digital elevation models. Shovels were used to dig a hole into the B-horizon, usually 20 to 60 cm below the surface, and then collect up to 1 kg of soil that was placed into pre-labeled sample bags along with a sample tag. Samples were sieved on site to weights of at least 30 grams that were then aggregated into rice (or poly-weave) bags for shipment to the analytical lab.

About 60% of SPA's soil samples were prepared and analyzed at Eco-Tech Laboratories Ltd in Kamloops, BC ("Eco-Tech") with just over 25% analyzed at ACME Analytical Labs Ltd of Vancouver, BC ("ACME"), 10% at ALS Geochemistry in North Vancouver, BC ("ALS") and the remaining 5% at MSA. Rudimentary review of preparation and analytical methods indicates that samples were typically dried and sieved to -80 mesh, digested in aqua regia, and then analyzed with ICP spectroscopy. A minority of the gold analyses were done through lead collection fire assay.

Approximately 20% of all soil samples in SPA's DB export are attributed with the horizon from which it was taken, with over 95% of these described as B-horizon and the remainder as C-horizon or rocky. The most detailed surficial geology map for the property (Hashmi et al., 2015) suggests that most of these samples were collected from till blanket, till veneer, and colluvium veneer.

Figure 9-3: Soil Sampling Completed by SPA and Historical Operators



Source: Equity, 2025.

9.5.2 Results

The SMG Grid ties into historical soil sampling that was done west, northwest, and southwest of the SMG deposit. Just over half of the 4,744 soil samples collected from this grid returned more than 20 ppb Au and 15% of all samples returned more than 100 ppb (or 0.1 g/t). Together with historical sampling, SPA's soil data defines an approximate 2- by 5-km, NW-trending, Au-in-soil anomaly that is pinned at the southeast end by the SMG deposit. The Phoenix deposit occurs along the southwestern fringe of this anomaly. BCGS surficial mapping (Hashmi et al., 2015) shows that most of this area is underlain by till blanket, till veneer, and colluvium veneer, and that the most recent glacial flow directions trend from SE-NW through the Spanish Creek valley (see Figure 7-5).

Within a 1.5 by 1.2 km area immediately north of the SMG deposit, sampling within the SMG Grid returned several gold-in-soil anomalies that assayed more than 0.5 g/t. These anomalies were formed by single samples or clusters of 5 to 10 samples and broadly correlate with the Oscar and Black Bear showings (Section 9.4). The northeast part of the SMG Grid is barren, which is also consistent with rock sampling.

The part of the SMG Grid immediately south of the SMG deposit, likewise, shows some gold-in-soil continuity but over a smaller area (approximately 500 by 1,500 m). The three 400-m-wide spaced lines that extend approximately 1,200 m further southwest returned mostly low values besides one or two clusters that could merit some follow-up work.

The Spanish Lake Grid returned generally low Au-in-soil values, with 96% of the samples returning less than 20 ppb Au (Table 9-4). Forty-eight samples returned more than 20 ppb with nine samples assaying between 50 to 100 ppb Au. Samples with over 20 ppb Au show a somewhat sporadic distribution but possibly form at least one or two clusters that could merit some follow-up work.

Results from the Nina Lake Grid are also low, with 99% of samples returning less than 20 ppb Au and just six of the 676 samples returning 20 to 50 ppb Au. These samples with higher gold are randomly distributed and do not define any obvious clusters.

Table 9-4: Overview of SPA's Soil Sampling Results

Grid	Samples (N)	NO Assay	Gold Grades					
			<20 ppb	20-50 ppb	0.05-0.1 g/t	0.1-0.5 g/t	0.5-1 g/t	>1 g/t
SMG	4,744	0%	49%	24%	11%	13%	2%	1%
Nina Lake	789	14%	85%	1%	0%	0%	0%	0%
Spanish Lake	1,230	0%	96%	3%	1%	0%	0%	0%
Subtotal	***6,763***	***2%***	***62%***	***17%***	***8%***	***9%***	***1%***	***1%***
NO Location	261	0%	96%	2%	1%	0%	0%	1%
Total	**7,024**	**2%**	**63%**	**17%**	**8%**	**9%**	**1%**	**1%**

9.6 Stream Sediment Geochemistry

SPA has completed limited stream sampling programs in 2016 and 2017, mostly to the east of the SMG deposit. The methods (Section 9.4.1) and results (Section 9.4.2) are summarized below.

Table 9-5: Overview of SPA's Stream Sediment Sampling Production

Sample Type	Year		Total
	2016	2017	
Silt	31	-	31
Heavy Minerals	16	35	51
Total	**47**	**35**	**82**

9.6.1 Methods

Stream sediment sampling completed by SPA includes 47 samples in 2016 and 35 in 2017, for a total of 82. Sample types include sieved stream sediments or "silt" (N = 31), panned stream sediments or "heavy minerals" (N = 49), and sediments trapped under mossy stream boulders or "moss mats" (N = 2). Four of these samples lie outside of the current claim boundary although they do lie on SPA's placer tenures. Samples were collected within the footprint of the SMG deposit as well as to the east, northeast, and southeast.

Each sample location was marked with a handheld GPS with nominal positional (X-Y) accuracy of 3 to 5 m whereas elevation was determined through a digital elevation model. Shovels were used to collect sediment samples that were then ran through a 20-mesh stainless steel sieve. Moss mats were collected by lifting moss cover on stream boulders and scraping off the trapped sediment. Each sample was then drained and placed in a sample bag with a unique identifying tag and aggregated into a shipment at the Company camp. Silt samples were then directly shipped to MS Analytical in Langley, BC ("MSA") for analysis whereas heavy minerals were first sent to CF Mineral Research Ltd in Kelowna, BC ("CF Mineral") for heavy mineral concentration, then to MSA for analysis.

Heavy mineral concentration by CF Mineral first comprised sieving the sample to generate -16, +60 and -60-mesh fractions. The -60-mesh fraction was run through two heavy liquid separations and re-sieved to produce a -150-mesh heavy mineral concentrate with a specific gravity >2.9 g/cm^3. This separate was run through a Frantz electromagnetic separator and the non-magnetic -150 mesh fraction was then shipped to MSA for analysis.

At MSA, samples were first dried and screened to 80 mesh (MSA code PRP-757) after which a 30-gram subsample was digested in aqua regia and analyzed by ICP spectroscopy (IMS-136-30). This analytical method provides ultra-trace level analyses for 37 elements that include gold. Note that the analysis of gold in these methods is by ICP spectroscopy and not by the industry standard lead collection fire assay method.

9.6.2 Results

SPA's silt sampling returned 16 of 31 samples with over 20 ppb Au, including eight with over 50 ppb, five with over 0.1 g/t Au, and a high value of 1.6 g/t Au. Three of the five samples with over 0.1 g/t Au were collected within the footprint of the SMG deposit whereas one was sampled 2.7 km southeast of the deposit and the fifth was taken from a site located 2.2 km to the east-southeast. Samples with weakly anomalous gold (20 to 100 ppb) occur up to 4.3 km east of the SMG deposit as well as up to 2.6 km to the northeast and southeast.

The heavy mineral separates returned 48 samples with over 1 g/t Au, of which 29 returned 1 to 10 g/t Au and 15 returned between over 10 to 25 g/t Au, and four exceeded the over limit of 25 g/t Au. Many of the highest-grade samples were collected from within the footprint of the SMG deposit with other Au-rich heavy mineral fractions collected 2.5 to 4 km northeast, east, and southeast of the deposit. Collectively with the results of silt sampling, these heavy mineral separates are one of the few indicators of potential gold mineralization occurring east of the SMG deposit.

Table 9-6: Overview of SPA's Stream Sediment Results

Year	Sample Type	Samples (N)	Grade Au					
			<20 ppb	20-50 ppb	0.05-0.1 g/t	0.1-1 g/t	1-10 g/t	10-100 g/t
2016	Silt	31	15	8	3	4	1	0
	Heavy Mineral	16	0	1	0	1	7	7
2017	Heavy Mineral	35	0	0	0	1	22	12
Subtotals	**Silt**	**31**	**15**	**8**	**3**	**4**	**1**	**0**
	Heavy Mineral	**51**	**0**	**1**	**0**	**2**	**29**	**19**

9.7 Airborne Electromagnetic and Magnetics

SPA completed airborne electromagnetic (EM) and magnetic surveys over the SMG Property in 2006 and 2011 (Table 9-7). This data was integrated with historical surveys to provide complete coverage over the SMG Property. This work is described in this Section.

Table 9-7: Overview of SPA's Airborne Survey Production

Year	Work	Contractor	Line-km	Reference
2006	EM and magnetic survey	Fugro	306	Smith, 2006
2007	EM and magnetic data merge	Aeroquest	-	-
2011	EM and magnetic survey	Fugro	1,395	Fugro, 2012
Total			**1,701**	**-**

9.7.1 Methods

Airborne EM and magnetic work completed by SPA includes surveys flown in 2006 and 2011 as well as merging of 2006 data with similar data collected on adjacent claims in 2007. The area covered by the merged data was acquired by SPA in 2012 under the Acrex agreement (see Section 4.4).

Both the 2006 and 2011 airborne EM and magnetic surveys were completed by Fugro Airborne Surveys Corporation of Mississauga, Ontario ("Fugro") using their proprietary DIGHEM system. Methods and results of this survey are provided in reports by Fugro (Smith, 2006; Fugro, 2012) that are included in assessment reports written by Hora (2007) and Koffyberg (2012), respectively.

Fugro's DIGHEM system collects electromagnetic (EM), resistivity, and magnetic data. EM and resistivity data was collected with their DIGHEM BKS51 system in 2006 and with the updated BKS54 system in 2011. Magnetic data was collected with a high-sensitivity cesium magnetometer.

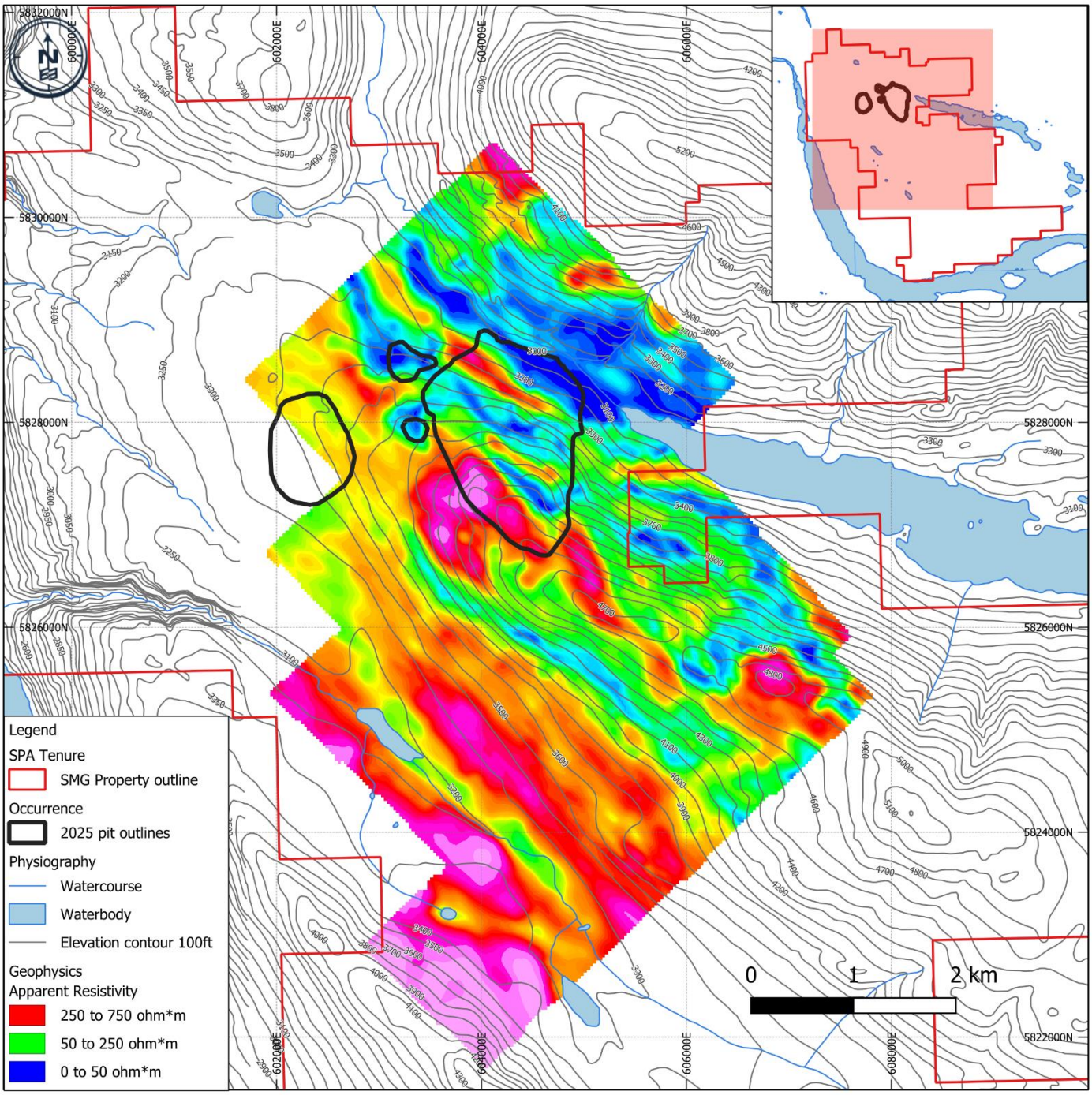
The EM sensor, or "bird", was towed at a survey altitude of 30 to 35 m above the ground surface. EM data was collected through five different coil frequencies reading ten samples per second, equivalent to one sample every 2.8 to 3.3 meters at a flight speed of 100 to 120 kilometers per hour.

Location data was recorded through radar, laser, and barometric altimeters as well as an electronic navigation system. Survey line orientations were 045° for both surveys with tie lines flown at right angles (130 to 135°). Line separations in the 2006 survey were 150 meters for the main block and 75 meters for the infill block whereas in 2011 all lines were spaced at 100 m. Tie lines were flown at separations of 1.5 km in 2006 and 1.0 km in 2011. A total of 1,701 line-km was flown between the two surveys (Table 9-7).

EM data was processed in real time using Fugro's standard calibration procedures (Smith, 2006). Base station magnetic data was scrutinized for spurious readings and obvious cultural interference, with survey data then cleaned and reprocessed as necessary. Map deliverables were gridded at 10-meter cell sizes to produce 1:50,000 maps of EM anomalies, apparent resistivity (at 7,200 and 56,000 Hz), total magnetic intensity, and calculated vertical magnetic gradient (Figures 9-4, 9-5), as well as a digital terrain model derived from on-board radar altimeter data.

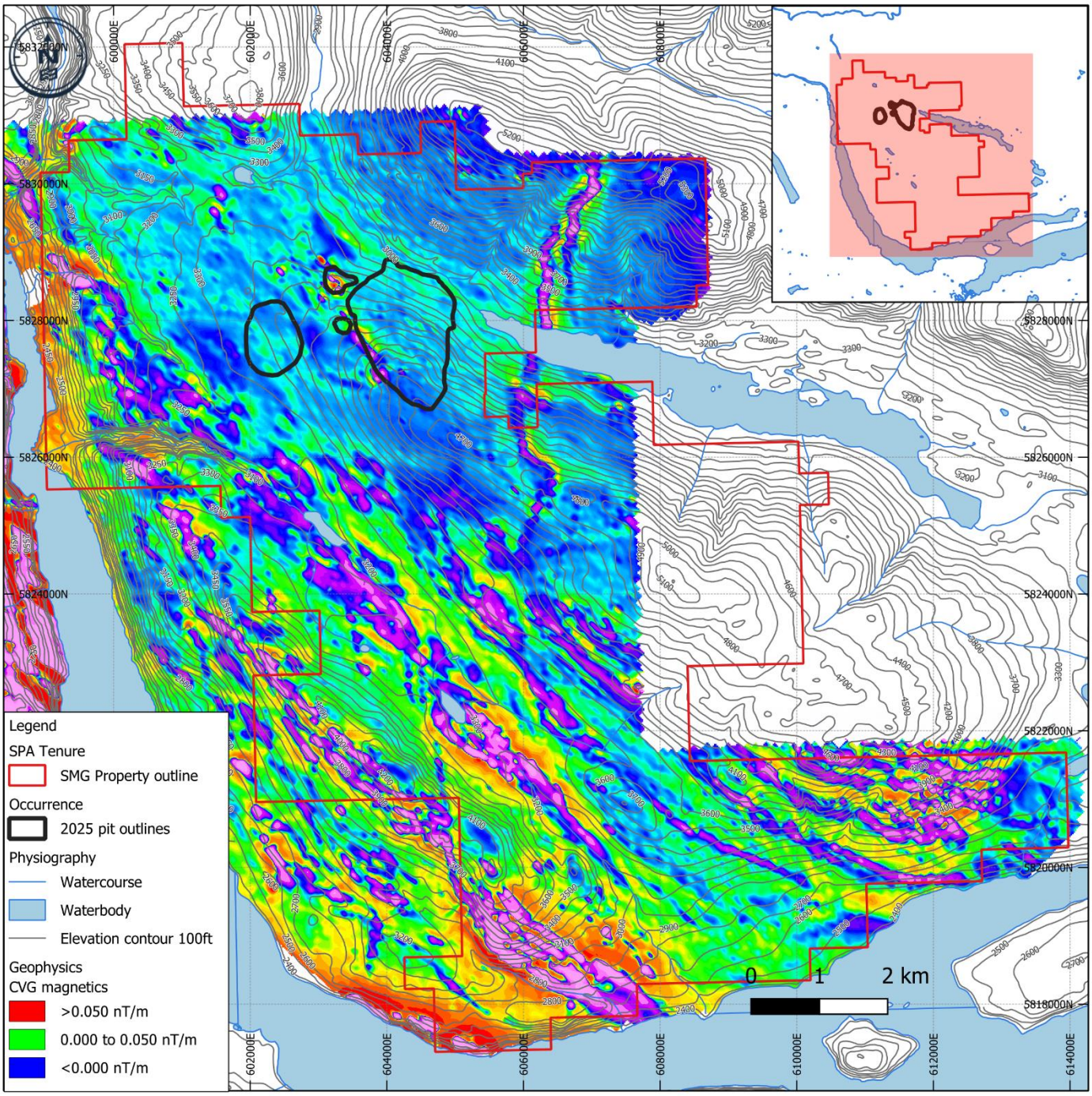
In 2007, SPA contracted Aeroquest International Ltd ("Aeroquest") to merge AeroTEM data collected on Acrex's east and west blocks with Fugro's 2006 DIGHEM data collected over the SMG Property. Data related to this survey was found among SPA's digital files and includes raw data as well as a one page memo that provides a brief overview of the data merge (Walker, 2007).

Figure 9-4: Apparent Resistivity from SPA's 2006 DIGHEM Survey



Source: Smith, 2006.

Figure 9-5: Calculated Vertical Gradient (CVG) Magnetics from SPA's 2011 DIGHEM Survey



Source: Fugro, 2012.

9.7.2 Results

For both the 2006 and 2011 DIGHEM surveys, reports by Fugro (Smith, 2006; Fugro, 2012) provide a broad discussion of the results and a list of anomalies that are typical of graphitic or massive sulphide responses. Fugro recommended integration of their data and anomalies with other geological and geochemical data layers. SPA has retained the raw data for both surveys.

Cursory review of 2006 magnetic data by QP Voordouw shows evidence for property-scale D2 and D3 structures, with the latter of particular interest in gold exploration. The 2006 electromagnetic and resistivity data show 100 to 300 m wide (Figure 9-4), intercalated, highs and lows that most likely correspond to intercalated lithologies that are relatively rich or poor in carbon and/or pyrite. There may also be some topographic control on this pattern as the resistivity highs tend to follow ridges whereas the lows appear to follow valleys, possibly reflecting the relative resistivity of bedrock versus water-saturated sediment respectively.

A cursory review of 2011 magnetic maps by QP Voordouw shows that they delineate the predominant regional (D1/D2) planar deformation fabric as well as some north-south structures. Among the more prominent of the N-S structures is a 6 km long lineament that lies 1 to 2 km east of the SMG deposit and is possibly a dyke. The N-S D3 system that centers the SMG deposit may be defined by a weak series of breaks in D1-D2 fabrics that appear to line up along a north-south trend (Figure 9-5). The EM and resistivity maps provide a similar pattern of intercalated conductors and resistors shown by the 2006 survey (e.g., Figure 9-4) as well as defining a prominent N-S lineament that follows the eastern edge of the Phoenix deposit.

9.8 Airborne LiDAR and Orthophotography

In 2011, SPA contracted Eagle Mapping Ltd of Port Coquitlam, BC ("Eagle Mapping") to complete a laser detection and ranging (or "LiDAR") survey over their SMG Property. LiDAR data was collected over two days, in October 2011, along with orthophotos. The total area surveyed was 127 km^2.

LiDAR data was collected with a Riegl VQ-480 laser scanner that delivered 1 to 2 pulses per square meter with a ±0.2-meter vertical accuracy and ±0.3-meter horizontal accuracy (Koffyberg, 2012). Positioning and orientation of the aircraft was determined with a Novatel SPAN GPS/IMU system. The data was used to generate a digital elevation model and 1 m contour map of the Property.

The 2011 orthophotos were taken with a Vexcel XP digital aerial camera at 1:15,000, providing imagery at in 30 cm pixels.

9.9 Ground Geophysics

Only one ground geophysical survey has been completed by SPA, comprising an induced polarization and resistivity ("IP") survey done in 2003 and summarized below.

9.9.1 Methods

In 2003, SPA completed a 23 line-km IP survey over the Main Block of the SMG deposit and to the southwest. The lines over the Main Block are oriented north-south whereas the southwest extension lines are oriented northeast to southwest. A total of 22.8 line-km of IP were completed with the survey described in an assessment report by Morton (2004).

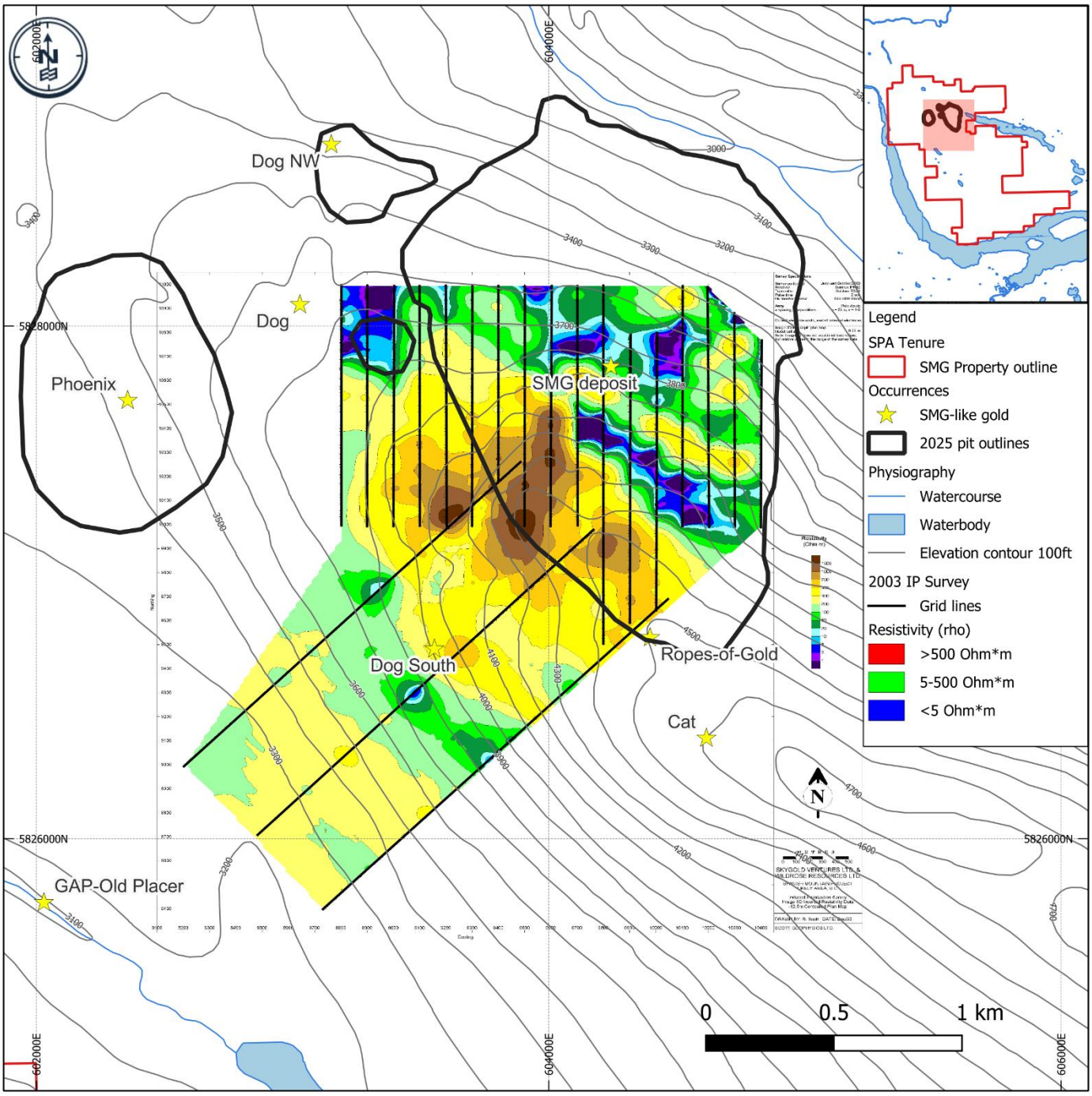
The 2003 IP survey was done by Scott Geophysics Ltd of Vancouver, BC, ("Scott Geophysics") using a pole-dipole array with five receivers placed at a spacing of 25 m for an approximate depth penetration of 50 to 75 m below the surface. Scott Geophysics used a Scintrex TSQ4 transmitter and IPR12 receiver to take time domain readings using a 2 seconds on/2 seconds off square wave. Psuedo-sections and plan maps (in Morton, 2004) were created for the chargeability interval of 690 to 1050 milliseconds after shut off.

SPA has retained the raw data for this 2003 survey, which is sufficient to reprocess with more modern methods.

9.9.2 Results

Survey results show intercalated zones of high chargeability and low resistivity trending northwest to southeast within the SMG deposit (Figure 9-6). These zones likely delineate carbonaceous and/or pyrite-bearing argillite whereas the intermittent zones of low chargeability and high resistivity represent less carbonaceous and/or sulfur-deficient lithologies like siltstone and tuff. Possibly these more tightly intercalated rocks may be prospective in that they provide aquifers and aquicludes to focus auriferous fluids. The north-south orientation of the survey lines was not conducive to imaging the N-S striking controlling structure of the SMG deposit (or Madre Fault).

Figure 9-6: 3D Inverted Resistivity Data from SPA's 2003 IP Survey



Source: Morton, 2004.

9.10 Comments on Exploration

SPA's exploration production totals at least 1,182 rock samples, 7,024 soils, 82 silts, 1,701 line-km of airborne EM and magnetics, 127 km^2 of airborne LiDAR and orthophotos, and 23 line-km of ground-based IP. Assuming reasonable unit costs of C$100 per rock and soil sample, C$200 per silt, C$100 per line-km of airborne EM and magnetics, C$250 per km^2 of LiDAR and orthophoto, and C$5,000 per line-km of IP, it is estimated that SPA has spent C$1.2M on non-drilling exploration work. This total represents perhaps just under 1% of SPA's total exploration expenditure when drilling is included.

The bedrock map for most of the SMG Property is the 1:50,000 BCGS map, aside from the immediate area of the SMG deposit that has a 1:10,000 map based on top-of-bedrock drill intersections. The use of top-of-bedrock intersections is an appropriate and somewhat novel use of drilling data, especially in areas of poor outcrop. SPA's map of the SMG deposit can be considered accurate and reliable although it should be updated with new drilling and better integrated with bedrock mapping and structural data. SPA has not completed any mapping outside of the SMG deposit footprint and the BCGS mapping is too coarse for property-scale exploration targeting work. Updating the geological map for the SMG Property is recommended in conjunction with a property-scale mapping program.

Methods used by SPA to collect rock, soil, and stream sediment data loosely follow industry practices, providing just over 7,500 samples with location and gold assays. Sample preparation and assay was done in accredited labs that are independent of SPA and using appropriate methods. Significant data gaps include a lack of sample descriptions, poor data management that includes a lack of original PDF certificates and work program documentation, and a lack of external QA/QC data. There is also a general lack of contextualized interpretation such as, for example, rocks samples in terms of outcrop to prospect-scale geology, soil samples in terms of surficial geology, and stream sediments by catchment. Despite these gaps, SPA's surface geochemical data is adequate for defining targets and/or areas of interest for follow-up surface work, as well as for further data processing. This data is not adequate for drill targeting and planning. Further work on this data is recommended through the recommended property-scale silt sampling, additional digitization and compilation work, and desktop targeting programs.

The 2006 and 2011 airborne EM and magnetic surveys were completed by a reputable and independent subcontractor, are clearly documented, and have raw data preserved. Work reports written by subcontractor (Smith, 2006; Fugro, 2012) also provide a broad discussion of the results, a list of anomalies that are typical of graphitic or massive sulphide responses and recommend integration of their products with other geological and geochemical data layers. These geophysical data sets should be reprocessed by a qualified geophysicist but are otherwise fit for purposes of targeting areas for follow-up prospecting, geological mapping, and/or geochemical sampling.

The 2003 IP survey was done by a reputable and independent subcontractor using industry standard methods and includes fit-for-purpose plan maps and pseudo-sections that correlate well with SPA's top-of-bedrock geology map. SPA has retained the original data for this survey and should have it reprocessed by a qualified geophysicist, followed by an evaluation of how IP and resistivity anomalies correlated with lithology, structure, and mineralized bodies.

9.11 Exploration Potential

The areas of highest exploration potential on the SMG Property are within and immediately adjacent to the SMG and Phoenix deposits. These areas are best explored with exploration and resource expansion drill holes as described further in Section 10.

The Phoenix area offers strong exploration potential along the northern and southern extensions of the Phoenix deposit, as well as eastward into the SMG West Extension area. High-priority targets include notable gold intersections from drill holes collared 325 m to 450 m northeast of the current mineral resource. In this area, bedrock is reportedly poorly exposed so that trenching, ground geophysical surveys, top-of-bedrock drilling, and follow-up diamond drilling, may offer the most efficient path toward discovery. An orientation IP survey over the Phoenix deposit could also be compared with the 2003 IP results to help establish geophysical criteria associated with gold mineralization on the Property.

Rock sampling has highlighted the exploration potential of the SMG West Extension area, located between the SMG and Phoenix deposits. This area includes the MINFILE Hepburn Lake and Dog gold occurrences, as well as the Company's Dog NW occurrence. Future work should focus on relogging drill holes that returned notable gold intersections, supported by prospect-scale mapping, trenching, and/or ground geophysical surveys, to refine and prioritize targets for more intensive drilling.

The SMG East Extension area is also considered prospective due to the presence of several gold showings, its proximity to the SMG deposit, and similar stratigraphy. However, its size is somewhat constrained by the Property boundary and Spanish Lake. A program of core relogging and surface work is recommended to better assess the area's potential.

The SMG South Extension holds some potential for hosting the southward continuation of the D3 fault systems that centers the SMG deposit. Aside from Ropes-of-Gold prospect – which straddles the SMG South Block and South Extension – there are no other obvious targets currently defined in this area. However, additional targets may emerge through property-scale mapping, rock sampling, and silt sampling work.

The SMG North Extension area occurs on the north side of Spanish Creek and includes several gold showings hosted within the same TMVSR formation that hosts the SMG deposit. Further exploration is warranted in this area but are of low priority, as Spanish Creek presents an obstacle to integrating discoveries in this area into a mine plan.

Exploration potential in the Nina Lake and Cedar Creek areas is limited, as mineralization is generally narrow, discontinuous, and subeconomic. Remapping of the Cedar Creek gorge offers a cost-effective approach to improving the property-scale understanding of these occurrences, as most mineral occurrences are in the gorge.

Potential within the southeast half and northeast corners of the SMG Property is also limited, with no recorded showings. The southeast half probably offers the somewhat better potential as it is underlain by the same stratigraphy as the SMG and Phoenix deposits even though there are no recorded occurrences.

10 DRILLING

10.1 Introduction

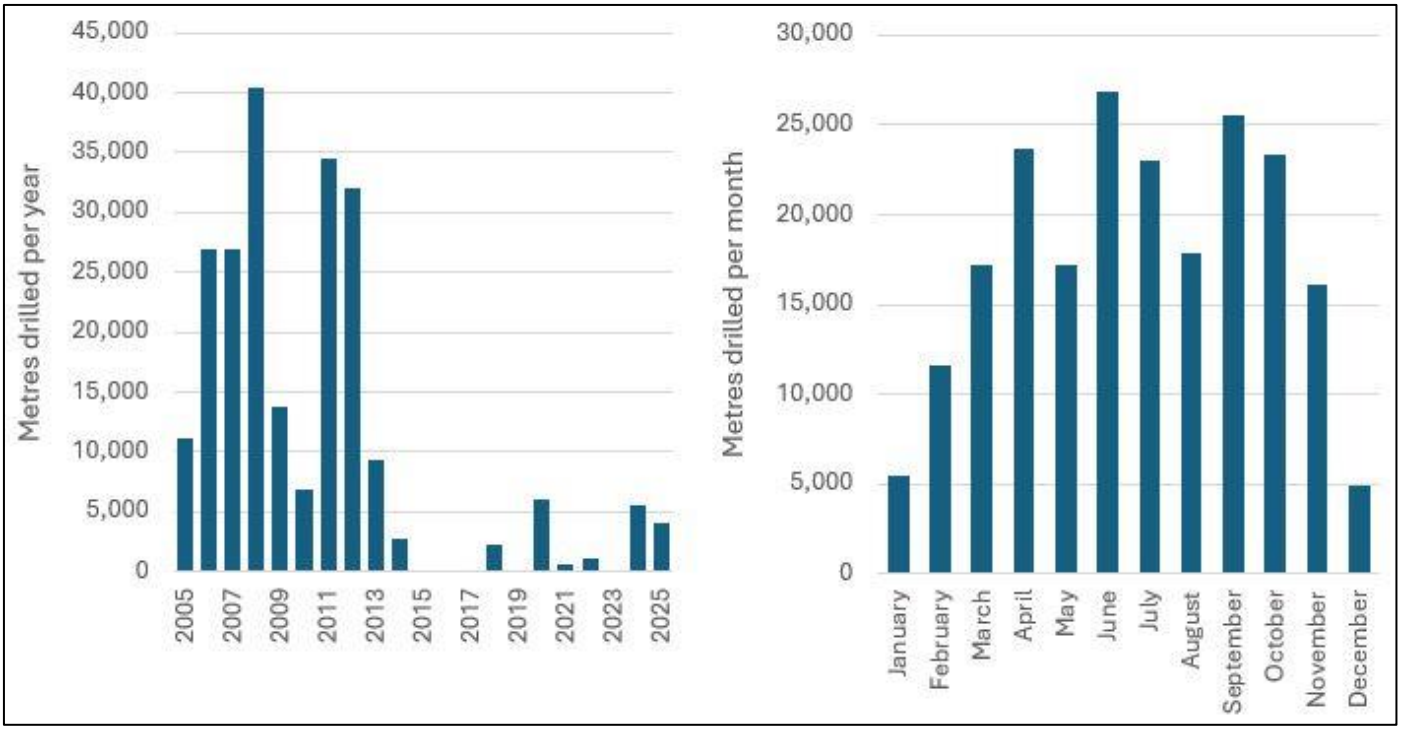
Since acquiring the Property in 2003 and up to the effective date of this Technical Report, SPA and its predecessor, Skygold Resources Ltd ("Skygold"), have completed 1,125 drill holes within the current boundaries of the SMG Property, for a total of and 223,919 m (Table 10-1). The bulk of this drilling was done with diamond tools whereas a lesser number of holes were drilled with reverse circulation (RC) and other methods (mostly sonic). Both diamond and RC drill holes are included in the updated mineral resource estimate presented in Section 14.

Diamond drilling rigs were used to complete the bulk of the holes and meters on the SMG Property. Most of these holes (N = 844) were for resource definition and exploration purposes with some also drilled for geotechnical work. A subset of these geotechnical holes was geologically logged, sampled, and assayed, and are included in this Section. The methods and results for diamond drilling are described in Sections 10.2 and 10.3 respectively whereas those for geotechnical work are not described here.

Table 10-1: Summary of SPA's Drilling on the SMG Property

Year	DDH		RC		Other		Yearly Total	
	Holes (N)	Meters	Holes (N)	Meters	Holes (N)	Meters	Holes (N)	Meters
2005	35	7,747	30	3,377	-	-	65	11,124
2006	88	21,880	50	5,009	-	-	138	26,889
2007	126	26,990	-	-	-	-	126	26,990
2008	161	40,447	-	-	-	-	161	40,447
2009	62	13,691	-	-	-	-	62	13,691
2010	20	6,835	-	-	-	-	20	6,835
2011	140	33,953	-	-	16	465	156	34,418
2012	170	30,734	-	-	21	1,363	191	32,096
2013	-	-	56	9,229	-	-	56	9,229
2014	-	-	18	2,676	-	-	18	2,676
2015-2017	-	-	-	-	-	-	-	-
2018	6	1,061	11	1,091	-	-	17	2,153
2019	-	-	-	-	-	-	-	-
2020	6	527	28	4,486	30	1,050	64	6,063
2021	-	-	-	-	21	577	21	577
2022	5	1,026	-	-	-	-	5	1,026
2023	-	-	-	-	-	-	-	-
2024	11	5,590	-	-	-	-	11	5,590
2025	14	4,115	-	-	-	-	14	4,115
Total	**844**	**194,596**	**193**	**25,868**	**88**	**3,455**	**1,125**	**223,919**

Figure 10-1: Bar Charts Showing Drill Production by Year and Month



Source: Equity, 2025.

RC drilling was used for exploration and resource definition purposes only, with the methods described in Section 10.2 and the results described, together with diamond drilling, in Section 10.3.

Approximately 80% of all drilling meters on the SMG Property was focused on the Main, North, and South blocks of the SMG deposit with the remaining 20% split among the Phoenix deposit, extension of the SMG deposit, and other parts of the SMG Property. Results of core assays for drilling in each of these main target areas are summarized in Section 10.3.

Years with combined diamond and RC drill production over 10,000 m include 2005 to 2009, and 2011 to 2012 (Figure 10-1), with a peak of 40,447 m in 2008. The recorded start and end dates for each hole show that drilling is possible year around, with over 10,000 m produced in every month except for December and January (Figure 10-1).

10.2 Exploration Drilling

10.2.1 Drill Methods

The 2005 and 2006 diamond drill programs were completed by LDS Diamond Drilling of Kamloops, BC (“LDS”). LDS also completed a significant amount of coring in the 2007 to 2009 campaigns together with NorthStar Drilling of Maple

Ridge, BC, ("NorthStar"), and Atlas Drilling Ltd of Kamloops, BC ("Atlas"). Atlas then completed all diamond drilling for the 2010 to 2012, 2018, 2020, and 2022 campaigns. The 2024 and 2025 drilling programs were completed by Hardrock Diamond Drilling Ltd of Penticton, BC, ("Hardrock). Other contractors that have completed diamond holes on the Property include Matrix Diamond Drilling Inc of Kamloops, BC, ("Matrix") and Blackhawk Drilling Ltd of Smithers, BC, ("Blackhawk").

RC drilling in 2005 was completed by Drift Exploration Drilling Inc of High River, Alberta, ("Drift") and Northspan Explorations Ltd of Kelowna, BC ("Northspan", then operating as "Mooney Drilling"). All subsequent RC drilling was also contracted to Northspan so that this subcontractor has completed 90-95% of SPA's RC drill holes and meters on the SMG Property.

LDS, Atlas, and Hardrock both own and operate Longyear, Discovery, Hydra Core and/or Zinex drilling rigs, which are standard in the industry. Northspan manufactures and operates its Hornet and Superhornet RC rigs that have been used on many industry projects, including several that are familiar to the QP. It is unclear whether Matrix, Blackhawk, and NorthStar still provide exploration drilling services.

Most diamond and RC drilling was done with skid mounted drill rigs that require the support of heavy machinery to construct exploration trails and move the drill rig. Some of the outlying holes may have required helicopter and lumber pad building support but there is no indication in SPA's database that this was the case.

Drill hole collar locations were spotted in the field with a handheld GPS unit that has a nominal accuracy of 3-10 m. Out of the 844 diamond drill holes in SPA's database, 318 (or 38%) are labeled as having been surveyed with a Trimble differential GPS (DGPS) or Trimble R8 Global Navigation Satellite System (GNSS) that have a nominal accuracy in X-Y space of less than 1 meter. The proportion of RC holes surveyed with DGPS or GNSS is 115 of 193 (or 60%) of all holes. Some of the post-drilling DGPS and GNSS surveys were completed by Crowfoot Developments Ltd of Kamloops, BC, and Allnorth Consultants Ltd of Prince George, BC.

The grid system used to plan, spot, and survey collars is UTM NAD83 Zone 10N. Most of the drill collar elevations were determined by using the X-Y location to snap to the topographic surface created from the 2011 LiDAR survey (see Section 9.8). Outside of the LiDAR survey area, elevations are determined by publicly available Canadian Digital Elevation Models. The magnetic declination for the SMG Property is 16.0° east and is changing at 0.15° west per year.

The SPA drilling database indicates that just under 90% of all diamond core was drilled as NQ or NQ2, with the balance drilled as HQ or HQ3. Several drill operators that worked on Property, including Matrix and Blackhawk, were unable to produce core due to the broken nature of the bedrock (Singh and Stevens, 2008).

RC holes drilled by Northspan's Hornet or Superhornet drill rigs have a diameter of 92 mm that is equivalent to PQ-sized diamond drill core and nearly twice as wide as the NQ-size core that comprises the bulk of diamond core on the Property.

Approximately two-thirds of diamond drill holes are inclined between -60° to -80° with the remainder drilled at subvertical or less steeply inclined dips. Inclined holes typically include at least one downhole survey measurement used to define the drill hole orientation every 25, 30, 45, or 60 m along the drill string. Survey results indicate that 90% holes deviated by +1° to -3° in dip for every 100 m of drilling indicating that they generally stayed straight or steepened with depth. The remaining 10% rose by 1° to 2° for every 100 m of drilling.

Downhole tools also provide azimuth measurements relative to magnetic north and therefore requires a magnetic declination correction. Most downhole surveys in SPA's drilling database were entered as the corrected value, rather than the original value corrected with the magnetic declination, so that this original data appears to be lost. Approximately 70% of the holes that are inclined over 80° add between -1° to +4° in azimuth per 100 m of drilling, indicating they tend to stay straight or turn clockwise. Subvertical holes (i.e., drilled at <80°) produce unreliable azimuth readings that tend to have dramatic azimuth swings.

Collar inclinations for approximately 70% of RC holes are vertical with the bulk of remaining holes (approximately 30%) inclined at -60°. None of the RC holes have downhole surveys.

10.2.2 Logging Procedures

Core boxes were labeled with an aluminum tag that records the hole number, box number, as well as the start and end depths of core contained in each box. Most of the core boxes are stored within covered racks next to the Company's exploration camp whereas the remaining holes are cross dry stacked. Most of the Company's drill core is well-preserved and readily available.

Core was logged to collect geological (lithology, alteration, mineralization, veining) and structural data, with the latter mostly on unoriented core apart from the 2024 and 2025 programs. SPA's core logging was mostly done within Lagger software developed by North Face Software Ltd of Surrey, BC ("Lagger") and most recently done in MX Deposit software developed by Seequent. Current standard operating procedures for drill core logging (Spanish Mountain Gold, 2025) are in line with industry standards. SPA's drill hole database was reviewed, updated, and brought up to industry standard by Equity (Voordouw, 2023) and is currently hosted in maxGEO's SQL database DataShed software.

RC chips were logged to collect rudimentary geological data on lithology, alteration, mineralization, and veining. It is not possible to collect structural, recovery, or RQD data for RC drilling. All of SPA's RC chip logging was done within Lagger software, was reviewed and updated by Equity (Voordouw, 2023), and is currently hosted in maxGEO's SQL database DataShed software.

Density measurements were taken in 164 of 844 diamond drill holes, typically at intervals of 2 to 20 m down the drill string for a total of 2,915 measurements. All density measurements were taken using the industry standard dry and wet weight "Archimedes" technique. Most samples (80%) returned density measurements between 2.7 to 2.9 g/cm^3, for an average of 2.8 g/cm^3, that is typical for sedimentary and volcanic rocks like those hosting the SMG deposit.

Most diamond drill core was photographed prior to cutting. Core photos were sprayed with water prior to being photographed and the images include adequate references to hole ID, box number, and hole depth.

There are photos of all chip trays from the RC programs done in 2013 and later. There is no photographic record for any of the RC drilling done before 2013, comprising approximately 40% of all RC holes drilled and approximately 30% of the meters.

10.2.3 Recovery

Core recovery is the quotient of the actual (or measured) and expected (or drilled) core lengths. SPA's DB export indicates that core recovery for 60% of drill holes was over 90% and for 80% of holes was over 80%. On a hole-to-hole basis, recovery for individual runs typically ranges from 100% in coherent intervals to less than 50% within brittle fault zones, some of which are mineralized. Recovery of mineralized zones is therefore largely dependent on brittle deformation and likewise ranges from 100% to less than 50% in brittle fault zones.

Rock quality designation (RQD) for all holes is less than 80%, with the bulk ranging between 15-65% that classifies as low quality. Both the core recovery and RQD measurements are low relatively to industry standards and reflect the friable and blocky nature of bedrock on the SMG Property.

10.2.4 Sample Length/True Thickness

Approximately 95% of all diamond core that has been drilled by SPA on the SMG Property has been sampled and assayed. The balance of 5% includes overburden so that the actual length of unsampled drill core is quite low.

Approximately 81% of diamond drill core samples are 1.5 m in length whereas 96% of samples range between 1.0 to 2.0 m long. Samples longer than 2.0 m in length were usually taken in intervals of poor recovery whereas samples less than 1.0 m long correspond mostly to narrow mineralized zones and/or lithological units. Unusual sample lengths could also be database errors. In general, sample boundaries were matched to lithological or mineralized contacts. For all campaigns, sampling intervals were marked on the core and a sample tag stapled to the core box at the start of each sample interval.

RC chips were sampled at continuous 1.5-meter intervals, with each 1.5 m long sample run through a riffle splitter at the drill rig and then split into two bags. One of these bags was sent to the lab whereas the other bag was retained on the SMG Property for reference. For the 2013 to 2014, 2018, and 2020 programs, representative chips were placed in chip trays that were labeled with depth and sample ID.

Like diamond core, the vast majority (95%) of RC chips have been sampled with the balance including overburden, so that the actual length of unsampled drill core is essentially nil. Nearly all (99%) of RC core samples have a length of 1.5 m with the balance ranging between 0.3 to 3.0 m in length. For all campaigns, sampling intervals are marked on poly-ethylene sample bags and, for post-2012 RC drilling, the chip tray intervals as well.

Diamond drill core was cut using a diamond-bladed core saw to produce a half-core sample. One half of the core was taken as the sample, while the other half was retained in the core box for reference. Half core samples were placed in a pre-labeled poly-ethylene bag along with a sample tag that was stapled to the inside of the bag, then sealed with a zip tie. Subsequent shipping to commercial laboratories, as well as the preparation and analytical methods used by these labs, are described in Section 11.

Bags of RC chips were labeled with drill hole ID, depth interval, and a sample ID, then sealed with a zip tie and aggregated into larger rice bags for shipment. Subsequent shipping to commercial laboratories, as well as the preparation and analytical methods used by these labs, are described in Section 11.

SPA also inserted certified reference materials, blanks, and duplicates to monitor quality assurance and quality control (QA/QC) of sample preparation and analytical methods used by the commercial laboratory. Results from this QA/QC monitoring program are further described in Section 11.

Approximately 80% of the drill holes are vertical or inclined between -60° to -80° toward the southeast or southwest. Both orientations are broadly perpendicular to the gentle to moderately north dipping mineralized bodies so that the true widths of the mineralized zones are estimated to be between 65% to 100% of the drilled widths reported in Table 10-3 to Table 10-12. The remaining 20% of holes are mostly drilled in a south to north direction and therefore broadly parallel to the dip direction of the mineralized bodies. The true width of these intersections can range from 35 to 85% of the drilled widths.

10.3 Significant Results and Interpretation

This section summarizes results of SPA's drilling by area (Table 10-2). Approximately 80% of the drill holes and meters have been drilled in the Main and North blocks of the SMG deposit with the remaining 20% drilled mostly at the Phoenix deposit as well as to the west, north, and south of the SMG deposit.

Table 10-2: Summary of SPA's Drilling by Area

Area	DDH		RC		Other		Total for Area	
	Holes (N)	Meters	Holes (N)	Meters	Holes (N)	Meters	Holes (N)	Meters
Main Block	418	101,670	83	11,865	1	57	502	113,591
North Block	174	39,143	23	3,250	7	42	204	42,435
South Block	88	18,503	43	6,384	0	0	131	24,888
Phoenix	67	14,194	13	1,344	22	1,085	102	16,623
SMG West Extension	25	4,998	18	2,193	6	240	49	7,431
SMG South Extension	15	2,783	6	137	23	773	44	3,693
SMG North Extension	7	1,535	-	-	-	-	7	1,535
SMG East Extension	4	720	6	669	1	11	11	1,400
Cedar Creek	26	5,095	-	-	15	911	41	6,007
Nina Lake	20	5,955	1	27	13	336	34	6,317
Grand Total	**844**	**194,596**	**193**	**25,868**	**88**	**3,455**	**1,125**	**223,919**

The assay results and composites presented in this Section were generated from a database export provided to the QP by SPA. Validation of this DB export is described in Section 12. The composites shown in Table 10-3 through Table 10-12 were generated in MicroMine software, with different parameters used for broader intervals and higher-grade subintervals. Broader composites were calculated with a trigger value of 0.2 g/t Au, minimum length of 0.5 m, and with a maximum 6 m of consecutive waste length. Higher-grade subintervals were calculated using a trigger value of 1 g/t Au, 0.5 m minimum length, and no internal waste. The broader and higher-grade composites are broadly synonymous with the early and late mineralization styles, as described in Section 7.4.1.

Each of Table 10-3 to Table 10-12 provides a calculation of grade-thickness (GT) that is product of the drill intersection average grade multiplies by its thickness and can be used as a proxy for the quality of intersection. GT products are color-scaled across all tables to highlight results that are significant for the SMG Property and not just individual target areas.

10.3.1 Main Block (SMG Deposit)

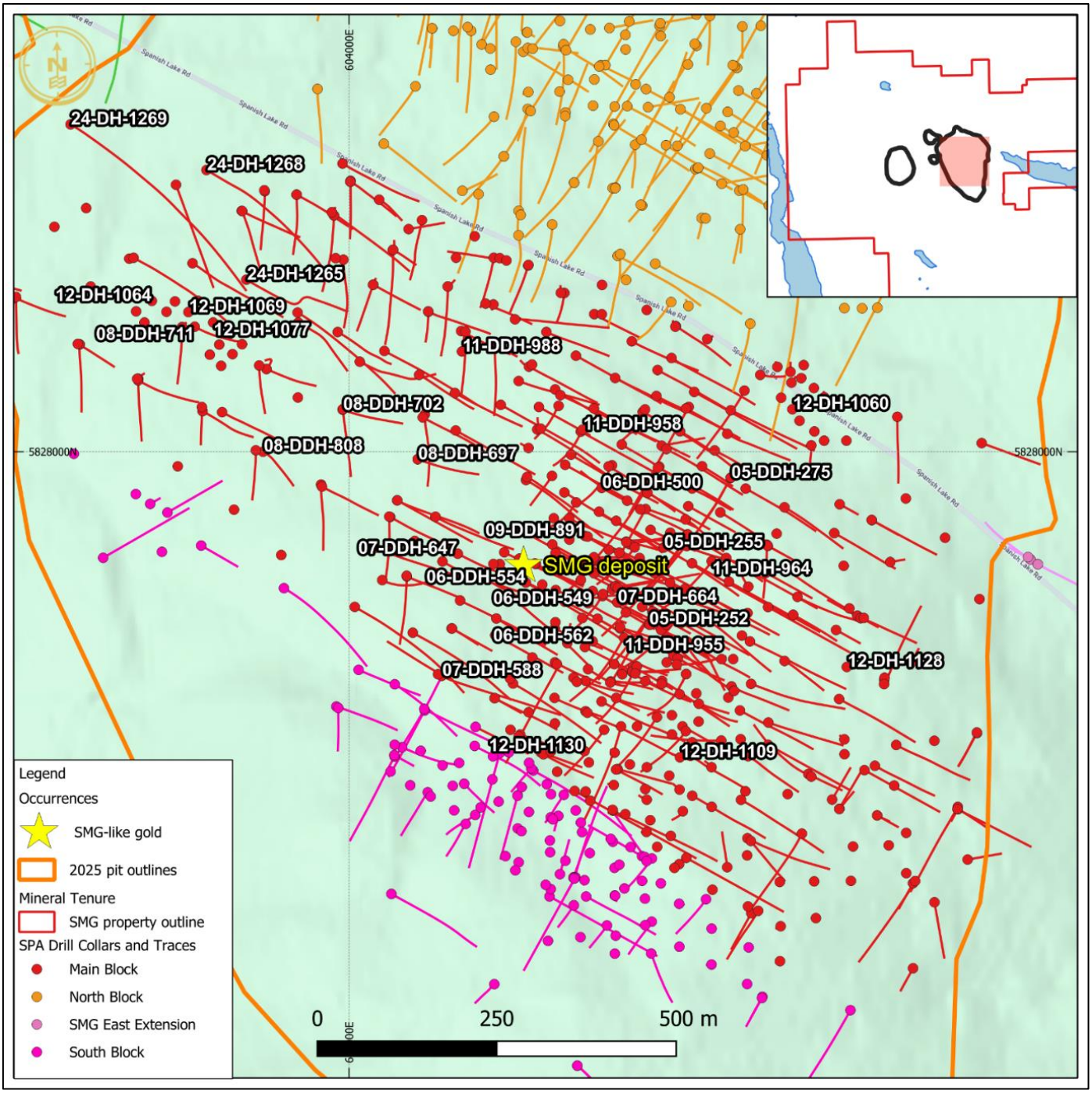
Since acquiring the SMG Property in 2003, SPA has drilled at least one hole in the Main block in every year except for 2003 to 2004, 2015 to 2017, 2019, and 2023. These 502 holes and 113,591 m (Figure 10-2) comprise approximately half of the holes and meters drilled by SPA on the Property. Approximately 85% of these 502 holes were drilled as diamond core with the rest drilled as RC.

The Main Block is bound on its north and south sides by the North and South faults, respectively, and by diminished grade continuity to the east and west. The updated mineral resource estimate (Section 14) splits the Main Block into seven gold zones of which four show mostly early mineralization style, two show early and late, and one shows only late-style. The Main Upper and Slipper zones are equivalent to the Main Zone in previous technical reports whereas the Main Lower Mid and Main Lower are equivalent to the historical Lower Zone, and the Main Mid Zone is equivalent to the N2W Zone. The Main Tuff veins and Main Basal zones are first defined in this Technical Report.

The mineralized bodies in the Main Block are generally northwest to southeast striking (approximately 115°) and shallow to moderately (approximately 20° to 40°) northeast dipping. Individual mineralized bodies form broadly lens- to pipe-like bodies that range from 300 to 900 m in length, 100 to 800 m width, and 10 to 80 m in thickness. The holes shown in Table 10-3 were all oriented either vertically or drilled between -60° to -80° a northerly direction, suggesting the true widths of the intervals in this table are approximately 75-100% of the drilled widths.

The Main Upper Zone follows the contact between the Main Upper Argillite and Upper Siltstone. Drilling has returned numerous broad low-grade and narrower high-grade intersections that are reminiscent of the early and late events, respectively. Broader intervals typically return 0.1 to 1.0 g/t Au over 10 to 100 but may assay up to 1 to 2 g/t Au over 50 to 100 m (Table 10-3). Shorter and higher-grade intersections range from 5 to 35 g/t Au over 1 to 5 m with a high value of 106 g/t Au over 0.8 m in 11-DDH-950. Abundances of other metals are generally low but do include weak positive correlations of Au with Ag, Pb, and Zn. Arsenic contents range between 100 to 200 ppm.

Figure 10-2: Drill collars in the Main Block of the SMG deposit



Source: Equity, 2025.

Table 10-3: Select Core Assay Composites for the Main Block

Zone	Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)
Main Upper	05-DDH-251	DDH	14.9	142.4	127.5	0.8	99.2
	05-DDH-252	DDH	46.5	156.0	109.5	1.2	131.1
	09-DDH-889	DDH	11.5	140.5	129.0	1.9	245.2
	including	DDH	87.5	93.5	6.0	13.2	79.2
	12-DH-1060	DDH	83.5	89.0	5.5	34.4	189.0
	12-DH-1128	DDH	55.0	58.5	3.5	36.6	127.4
Main Tuff Veins	06-DDH-286	DDH	134.0	134.8	0.8	125.0	93.8
	06-DDH-562	DDH	79.5	160.0	80.5	1.0	80.6
	including	DDH	121.5	127.5	6.0	8.0	48.1
	09-DDH-871	DDH	134.0	134.8	0.8	225.0	168.8
	09-DDH-891	DDH	126.0	127.5	1.5	86.0	129.0
	12-DH-1130	DDH	29.1	33.0	3.9	32.4	125.6
Main Lower	06-DDH-500	DDH	302.5	322.0	19.5	4.2	81.9
	including	DDH	311.5	313.0	1.5	40.8	61.2
	06-DDH-549	DDH	232.8	320.5	87.7	0.8	74.2
	07-DDH-588	DDH	249.5	251.0	1.5	241.0	361.5
	07-DDH-664	DDH	194.5	294.0	99.5	0.9	85.2
	12-DH-1126	DDH	184.5	302.4	117.9	1.0	118.6
Main West (Slipper)	08-DDH-711	DDH	16.0	56.0	40.0	0.5	18.2
	08-DDH-808	DDH	32.0	33.5	1.5	17.0	25.5
	12-DH-1064	DDH	16.0	47.0	31.0	0.7	21.7
	12-DH-1069	DDH	30.0	47.9	17.9	1.0	18.0
	12-DH-1077	DDH	27.0	46.5	19.5	2.1	41.6
	including	DDH	32.6	37.5	4.9	7.2	35.6
Main Mid	06-DDH-552	DDH	71.5	73.0	1.5	28.7	43.1
	07-DDH-647	DDH	123.0	145.5	22.5	1.1	25.3
	08-DDH-697	DDH	149.0	180.5	31.5	0.8	26.7
	08-DDH-702	DDH	268.5	270.0	1.5	96.2	144.3
	11-DDH-958	DDH	163.5	207.0	43.5	0.6	25.9
Main Lower Mid	05-DDH-255	DDH	176.5	216.0	39.5	0.6	25.4
	05-DDH-275	DDH	180.5	182.0	1.5	11.7	17.5
	11-DDH-955	DDH	128.5	167.5	39.0	0.6	21.8
	11-DDH-964	DDH	172.5	192.0	19.5	0.9	18.2
	12-DH-1109	DDH	97.5	101.3	3.8	34.5	129.2
Main Basal	06-DDH-554	DDH	312.5	336.5	24.0	0.7	16.6
	11-DDH-988	DDH	484.5	498.0	13.5	1.1	15.2
	24-DH-1265	DDH	499.0	537.5	38.5	0.4	16.1
	24-DH-1268	DDH	522.0	549.0	27.0	0.6	17.1
	24-DH-1269	DDH	572.5	636.7	64.2	0.6	40.9

The Main Tuff Veins Zone occurs immediately below the Main Upper Zone and is mostly stratabound to the Main Tuff unit. Mineralization is mostly late vein-style owing to the relatively competent nature of the host tuff unit. Gold mineralization is relatively high grade, typically comprising intersections of 1 to 10 g/t Au over 1 to 10 m of core length with the best intersections marked by anomalously high grades and/or long lengths. Examples include 225 g/t Au over 0.8 m in 09-DDH-871 as well as 86 g/t Au over 1.5 m in 09-DDH-891. Longer intervals (10 to 50 m) with lower grade typically include at least one high-grade sample that returns most of the grade-thickness value for the interval (e.g., 06-DDH-562 in Table 10-3). Some of the higher-grade gold veins are associated with elevated silver (15 to 30 g/t) as well as copper, lead, and zinc, whereas arsenic contents range from 100 to 200 ppm.

The Main Lower Zone is a stratiform mineralized body that follows the contact between Main Argillite and Lower Greywacke but also transects stratigraphy at a low angle, cutting down from the Main Argillite in the southeast through the Lower Greywacke and into the Lower Argillite toward the northwest. Core assays typically return long intervals of low-grade mineralization but also localized occurrences of higher grade. Examples of significant low-grade intersections include 0.8 to 1.0 g/t Au over core lengths of 90 to 120 m (Table 10-3) whereas high-grade intersections include 241 g/t Au over 1.5 m in 07-DDH-588 as well as 41 g/t Au over 1.5 m in 06-DDH-500. Multi-gram intervals that are over 10 m in length are typically cored by narrow high-grade zones (e.g., 06-DDH-500 in Table 10-3). High-grade veins lack polymetallic enrichment but show a weak correlation with As and Mo.

The Main West (or Slipper) Zone is essentially the westward continuation of the Main Upper Zone following an approximate 100 to 300 m gap in mineralization. Early-style gold enrichment is characterized by intersections of 0.5 to 1.0 g/t Au over 10 to 50 m whereas high-grade intervals include 17 g/t Au over 1.5 m in 08-DDH-008 as well as 7.2 g/t Au over 4.9 m in 12-DH-1077. Both high-grade intersections are central to a broader zone of weak gold enrichment. There is a weak association of gold with arsenic and molybdenum.

The Main Mid Zone is a planar mineralized body that crosscuts stratigraphy at a low angle, occurring near the upper part of the Main Argillite unit where it is close to the surface and within the Lower Greywacke at depth. Like the other mineralized bodies in the Main Block, core assays have returned intersections suggestive of both the early and late gold events. Examples of early-type intervals range from 0.3 to 1.0 g/t Au over core widths of 20 to 50 m whereas higher-grade mineralization includes 96 g/t Au over 1.5 m and 29 g/t Au over 1.5 m. Higher gold shows a weak correlation with silver, zinc, and lead including one vein that returned 3.1 g/t Au over 1.5 m as well as 13 g/t Ag, 0.2% Cu, 0.5% Zn, and 0.1% Pb.

The Main Lower Mid Zone occurs within the top part of the Main Argillite unit, at the same stratigraphic level as the Main Mid Zone and immediately below the conglomerate marker at the base of the Main Tuff. Core assays define several early-style intersections of 0.2 to 1.0 g/t Au over 20 to 50 m as well as late-style intervals of 10 to 35 g/t Au over 1 to 4 m of core length (Table 10-3). There are sporadically high zinc contents up to 0.9% whereas arsenic ranges from 100 to 300 ppm.

The Main Basal Zone straddles the contact between the Main Lower Greywacke and Lower Argillite, which is the lowermost stratigraphy in the Main Block. Drilling returned several intersections of 0.4 to 1.0 g/t Au over 10 to 40 m, most of which are cored by a high-grade subinterval that assay between 1 to 4 g/t Au over 1-6 m. Other metal contents are generally low.

10.3.2 North Block (SMG Deposit)

SPA's drilling on the North Block of the SMG Deposit includes 204 holes for 42,435 m (Figure 10-3), comprising just under 20% of SPA's drill collars and meters. Most North Block holes were drilled between 2005-2012 with the remainder drilled in 2020 and 2021. Around 90% of drilling in the North Block was done with diamond tools and the remainder with RC.

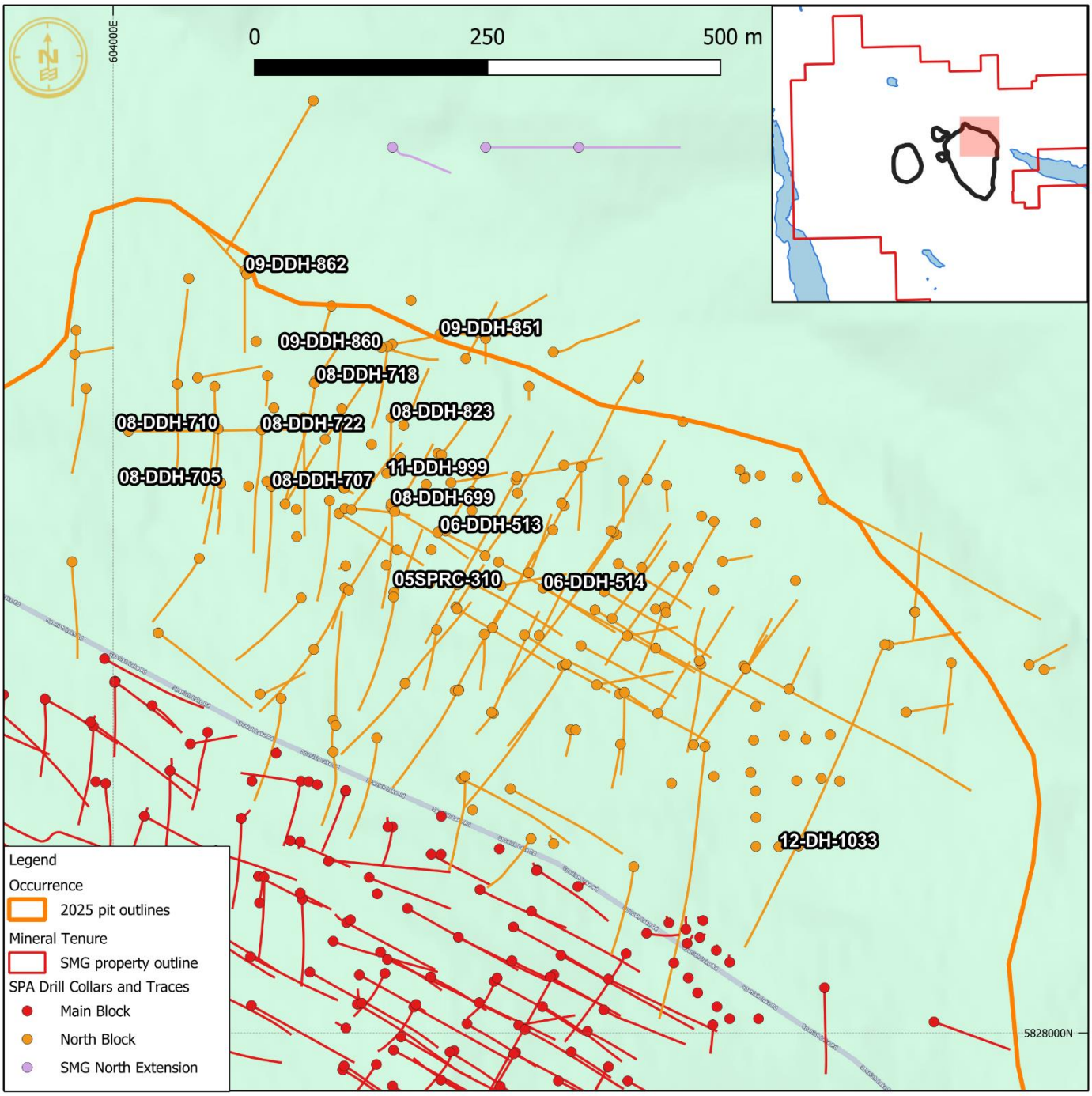
The North Block is bound on its south side by the North Fault and by diminished grade continuity to the north, east, and west. Mineralization straddles the North Fault and is similar in style to the Main Block, although predominantly formed by the early event. The updated mineral resource estimate (see Section 14) shows that the North Block hosts the North Upper, Mid, and Lower zones.

The mineralized bodies in the North Block are generally northwest to southeast striking (approximately 115°) and shallow to moderately (approximately 20° to 45°) northeast dipping, differing from the Main Block in that mineralized bodies are more elongate along strike (600 to 700 m) than they are in the downdip direction (300 to 500 m). Thickness ranges from 20 to 75 m. The holes shown in Table 10-4 were mostly drilled between -70° to -80° from the south to north so that true widths are approximately 40-85% of the drilled widths.

Table 10-4: Select Core Assay Composites for the North Block

Zone	Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)
North Upper	05SPRC-310	RC	9.8	141.4	131.7	1.2	159.7
	including	RC	35.7	53.0	17.4	2.5	43.0
	and including	RC	92.7	101.8	9.1	3.1	28.0
	06-DDH-513	DDH	28.0	109.5	81.5	0.9	73.9
	08-DDH-699	DDH	50.0	141.5	91.5	0.8	76.0
	08-DDH-823	DDH	69.5	143.3	73.8	1.0	74.0
	including	DDH	75.5	78.8	3.3	12.2	39.7
	11-DDH-999	DDH	70.4	141.5	71.1	1.0	73.3
North Mid	08-DDH-707	DDH	67.5	73.5	6.0	4.6	27.3
	08-DDH-718	DDH	127.0	166.5	39.5	0.7	27.2
	09-DDH-851	DDH	194.5	195.3	0.8	54.4	40.8
	09-DDH-860	DDH	149.5	192.5	43.0	0.7	31.9
	09-DDH-862	DDH	124.0	187.0	63.0	0.8	48.8
North Lower	06-DDH-514	DDH	228.5	281.0	52.5	0.7	34.2
	08-DDH-705	DDH	124.0	140.0	16.0	1.8	28.6
	including	DDH	135.0	136.5	1.5	12.8	19.2
	08-DDH-710	DDH	220.5	223.0	2.5	10.3	25.7
	08-DDH-722	DDH	154.5	206.5	52.0	1.9	98.5
	including	DDH	156.0	162.0	6.0	3.8	22.6
	and including	DDH	169.5	181.0	11.5	4.8	55.3
	12-DH-1033	DDH	37.0	83.5	46.5	0.6	25.9

Figure 10-3: Drill Collars in the North Block of the SMG Deposit



Source: Equity, 2025.

The North Upper Zone is one of three mineralized bodies that straddle the North Fault so that it occurs both in the North and Main blocks. Core assays returned several intervals grading 0.4 to 1.0 g/t Au over 30 to 100 m of core length but locally can return intervals of 1.2 g/t Au over 160 m (Table 10-4) or 0.5 g/t Au over 139 m (11-DDH-931). Shorter and higher-grade intervals are notably less abundant with examples including 12 g/t Au over 3.3 m (Table 10-4) as well as 17.8 g/t Au over 1.5 m in 08-DDH-696. Some of these higher gold grades are associated with elevated lead and zinc with one interval, for example, returning 7.8 g/t Au over 1.5 m along with 103 g/t Ag, 4.3% Pb, 5.2% Zn, and 0.3% Cu. Arsenic contents typically range between 100 to 300 ppm.

The North Mid Zone lies approximately 25 to 50 m beneath the North Upper Zone and also forms a stratiform body that straddles the North Fault. Core assays returned several intervals of 0.4 to 0.8 g/t Au over core lengths of 10 to 65 m in addition to scattered higher-grade hits that include 54.4 g/t Au over 0.8 m and 10.8 g/t Au over 1.5 m in 08-DDH-722. Weakly elevated Pb and Zn occur in some of the gold-bearing intervals with one interval that returned 8.9 g/t Au over 1.0 m also returning 15 g/t Ag, 0.9% Pb, and 1.0% Zn. Arsenic contents (100 to 300 ppm) are similar to mineralized zones in the Main Block.

The North Lower Zone also straddles the North Fault and lies 50 m below the North Mid Zone and 75 to 100 m below the North Upper Zone. Core assays include intervals of 0.5 to 1.0 g/t Au over core lengths of 40 to 50 m, 1 to 5 g/t Au over 5 to 20 m, and over 5 g/t Au over 1 to 3 m intervals. Gold shows a weakly positive correlation with Pb and Zn as well as 100 to 300 ppm As.

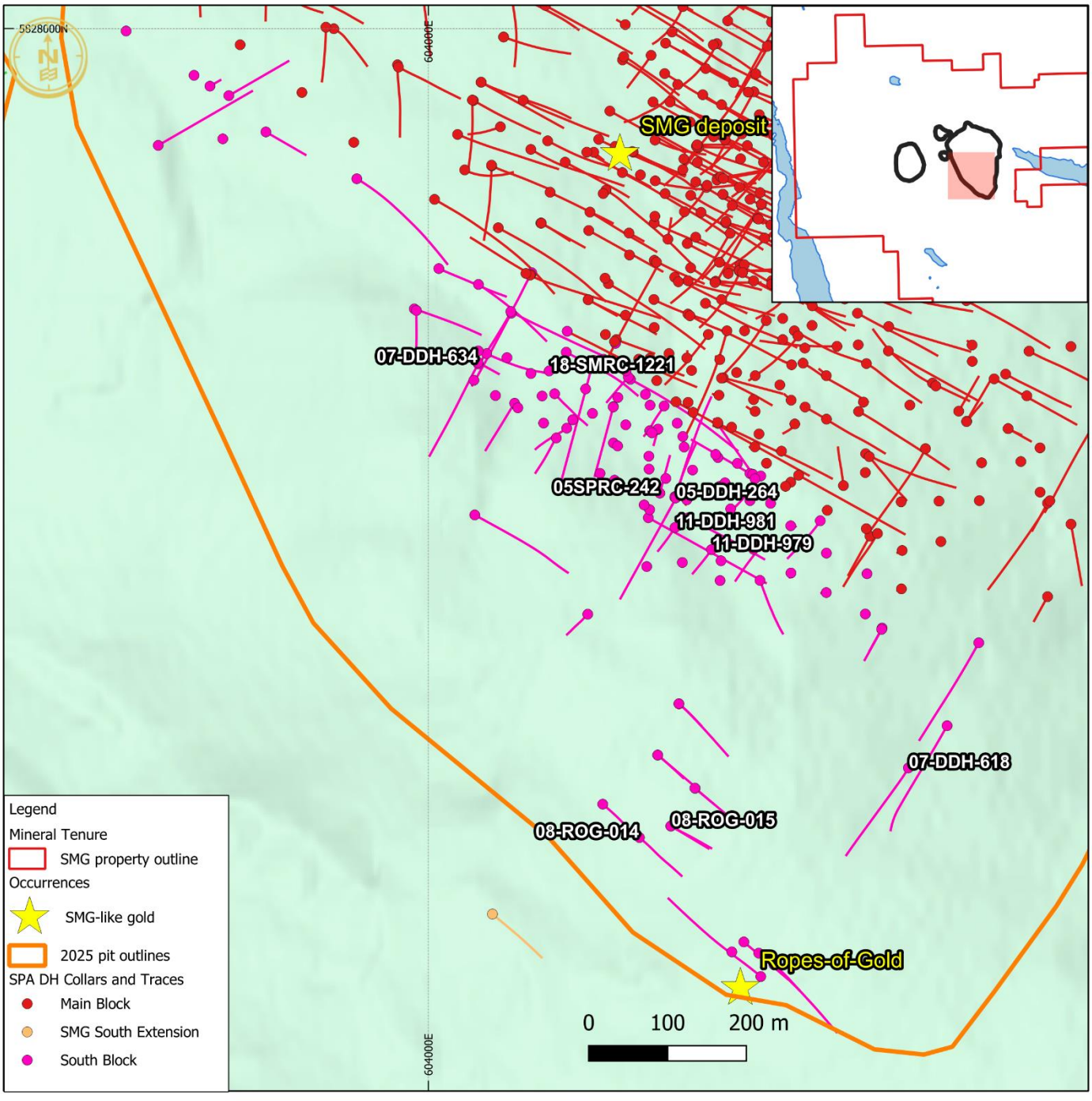
10.3.3 South Block (SMG Deposit)

SPA has drilled on the South Block of the SMG deposit in every year from 2005 to 2014 as well as in 2018, 2020, and 2024, for a total of 131 holes for 24,888 m (Figure 10-4). Approximately 70% of these holes were drilled with diamond tools with the bulk of the balance drilled as RC. SPA drilled the South Block to test for southward extension of the SMG deposit and to explore their Ropes-of-Gold target, which extends up to 600 m south along the same D3 fault that centers the SMG deposit and carries through into the SMG South Extension (see Section 10.3.5).

The South Block is bound on its north side by the South Fault and Main Block, and by diminished grade continuity to the south, east, and west. The updated mineral resource estimate (see Section 14) shows that the South Block hosts only the Main South Zone, which straddles the South Fault and so occurs in both the Main and South blocks. The South Block is somewhat geologically distinct from the Main and North blocks in containing higher proportions of volcaniclastic, ultramafic, and felsic dyke rocks, the latter locally hosting some of the late gold veins.

The Main South Zone is approximately 400 m wide, 250 m long, and up to 80 m thick, with its long axis following the trend of the South Fault rather than the overall elongated trend of the SMG deposit. The mineralized body is also relatively flat lying compared to the other mineralized bodies in the SMG deposit, dipping at 15° to the north. The holes shown in Table 10-5 were mostly drilled between -60 to -80 from the south to north, suggesting the true widths of the intervals in this table are approximately 75 to 100% of the drilled widths.

Figure 10-4: Drill Collars in the South Block of the SMG Deposit



Source: Equity, 2025.

Table 10-5: Select Core Assay Composites for the South Block

Zone	Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)
Main South	05SPRC-242	RC	42.7	83.8	41.2	2.4	99.7
	including	RC	47.3	53.3	6.1	11.7	71.4
	05-DDH-264	DDH	28.9	29.9	1.0	56.0	56.0
	and	DDH	53.4	89.1	35.7	0.6	22.5
	and	DDH	156.7	212.5	55.8	0.7	39.1
	07-DDH-618	DDH	110.0	113.0	3.0	28.6	85.8
	07-DDH-634	DDH	35.0	60.1	25.1	2.5	61.4
	including	DDH	57.0	60.1	3.1	14.6	44.5
	18-SMRC-1221	RC	0.0	51.8	51.8	1.1	56.3
	11-DDH-981	DDH	64.0	64.8	0.8	72.8	54.6
Below Main South	11-DDH-979	DDH	103.5	107.0	3.5	74.7	261.6
Ropes-of-Gold	08-ROG-014	DDH	150.0	156.0	6.0	5.6	33.8
	08-ROG-015	DDH	81.0	82.5	1.5	25.7	38.6
	and	DDH	87.2	90.5	3.3	4.8	15.7

The mineralization style in the Main South Zone is characterized as early and late to reflect assay composites that include long intervals of low-grade and short intervals of higher grade. Examples of these include several intersections of 0.5 to 0.8 g/t Au that extend over 30 to 85 m of core length, two of which are shown in Table 10-5. The late event is represented by intersections of greater than 5 g/t Au over 1.0 to 5.0 m, including 72.8 g/t Au over 0.8 m in 11-DDH-981 and 56 g/t Au over 1.0 m in 05-DDH-264.

An impressive intersection of 75 g/t Au over 3.5 m in 11-DDH-979 occurs approximately 50 m below the Main South Zone and is hosted within a felsic dyke.

Out of the 16 holes drilled on the Ropes-of-Gold target, only two returned grade-thickness greater than 5 (Table 10-5). Intersections are generally high-grade and narrow, suggesting that the Ropes-of-Gold target may be part of the late event. The host stratigraphy consists of intercalated sedimentary, volcaniclastic, and ultramafic rocks, with gold hosted mostly within the volcaniclastic and ultramafic rocks.

10.3.4 Phoenix Deposit

The Phoenix deposit is located approximately 1 to 2 km west of the SMG deposit and consists of three dry stacked sub-horizontal mineralized bodies that extend for approximately 1,500 m in a north-south direction, 300 to 400 m from east to west, and is developed over 100 to 200 m of stratigraphy. SPA's drilling in this area includes 102 holes for 16,623 m (Figure 10-5) with the bulk (85%) of meters drilled with diamond tools and the balance completed by RC and sonic. Drill campaigns were done from 2006 to 2009, 2011 to 2012, 2018, 2020, 2021 and 2025, with the 2025 drilling focused on acquiring sufficient drill data for the first mineral resource estimate (see Section 14).

Bedrock comprises an unnamed formation of marine sedimentary and volcanic rocks that is younger but structurally underlies the TMVSR formation that hosts the SMG deposit. The long axis of the deposit follows a subvertical and north-south trending D3 brittle fault referred to as Evelyn's fault.

The 2006 to 2009 campaigns each comprised between one to 31 holes and 314 to 1,879 m. The highlight of these campaigns was the intersection of 73.8 g/t Au over 1.5 m in 07-DDH-632 (Table 10-6) from a brittle fault zone that cuts through a tuff unit. This intersection lies 300 to 350 m northeast of the Phoenix deposit and represents mineralization outside of the current mineral resource (see Section 14). Other notable results from these early campaigns include 0.4 g/t Au over 29.0 m in 06-SPRC-340 that is also located outside the current mineral resource (Table 10-6). Arsenic contents in mineralized intersections regularly exceed 0.1 wt% and, in places, returned over 1.0 wt% whereas concentrations of other precious and base metals are generally low. Assuming a sub-horizontal orientation for these mineralized bodies suggests the true width is 80% to 90% of the drilled widths in Table 10-6.

Most drilling on the Phoenix Zone was completed in 2011, 2012, and 2025, when SPA drilled 62 diamond holes for 11,961 m. Core assay results from the Upper mineralized zone include several intersections of around 0.5 g/t Au over 30 to 50 m as well as 1 to 5 g/t Au over 1 to 5 m (Table 10-6). These results suggest the presence of both early and late styles of gold mineralization.

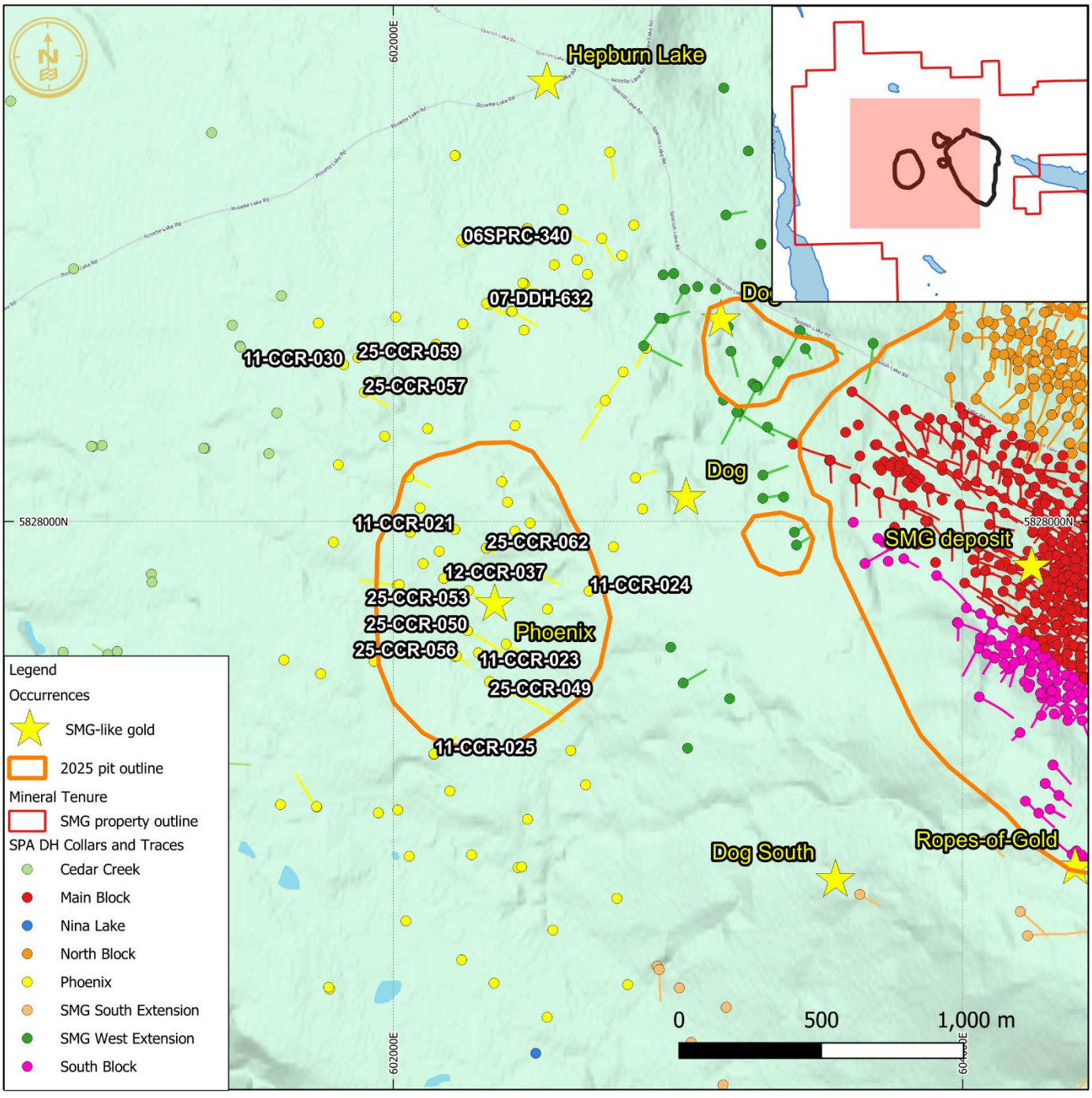
The Mid mineralized zone returned similar results to the Upper zone, including 20- to 40-meter-long intersections that returned around 0.5 g/t Au as well as a 4.0-meter interval that averages 4.7 g/t Au from 25-CCR-049 (Table 10-6).

The Lower mineralized zone, likewise, returned intersections of between 0.5 to 1.0 g/t Au over 25 to 30 m as well as 24.1 g/t Au over 4.0 m in 25-CCR-062, which represents the best GT result from within the Phoenix deposit. The best GT result from the Phoenix area occurs outside the current mineral resource, in 07-DDH-632 that was described above.

Table 10-6: Select Core Assay Composites for the Phoenix Deposit and Area

Zone	Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)	Comment
Upper mineralized	11-CCR-021	DDH	96.6	132.0	35.4	0.6	22.7	-
	including		103.0	105.8	2.8	3.1	8.6	-
	11-CCR-023	DDH	74.0	121.5	47.5	0.4	16.8	-
	11-CCR-030	DDH	85.0	114.9	29.9	0.3	9.9	-
	25-CCR-049	DDH	78.5	92.2	13.7	0.7	10.1	-
	25-CCR-050	DDH	45.0	50.0	5.0	2.1	10.6	-
	25-CCR-051	DDH	148.0	150.0	2.0	5.3	10.5	-
	25-CCR-053	DDH	63.0	115.0	52.0	0.5	27.6	-
Mid mineralized	11-CCR-030	DDH	132.0	165.0	33.0	1.2	39.3	-
	25-CCR-049	DDH	176.9	180.9	4.0	4.7	18.8	-
	25-CCR-056	DDH	150.0	169.8	19.8	0.6	10.9	-
	25-CCR-057	DDH	126.4	167.0	40.6	0.5	22.0	-
Lower mineralized	11-CCR-023	DDH	198.5	225.0	26.5	0.5	14.2	-
	and		243.0	246.0	3.0	8.1	24.2	-
	11-CCR-025	DDH	179.0	180.5	1.5	10.9	16.3	-
	12-CCR-037	DDH	155.0	197.0	42.0	0.6	24.8	-
	25-CCR-050	DDH	227.2	257.3	30.1	0.5	14.4	-
	and		266.9	291.5	24.6	0.9	22.0	-
	25-CCR-053	DDH	274.0	300.0	26.0	0.5	13.0	-
	25-CCR-056	DDH	182.0	196.0	14.0	1.2	16.9	-
	25-CCR-059	DDH	265.0	295.5	30.5	0.5	14.3	-
	25-CCR-062	DDH	283.0	287.0	4.0	24.1	96.4	-
Other	06SPRC-340	RC	57.3	86.3	29.0	0.4	12.1	450 m NE of Phoenix
	07-DDH-632	DDH	76.0	77.5	1.5	73.8	110.7	325 m NE of Phoenix

Figure 10-5: Drill Collars in the Phoenix Deposit Area



Source: Equity, 2025.

10.3.5 SMG West Extension

The SMG West Extension area lies immediately west of the Main, North and South blocks of the SMG Deposit. SPA has drilled 49 holes into this area for 7,431 m (Figure 10-6), with approximately two-thirds of these meters drilled with diamond tools and the remaining third drilled mostly with RC.

Several of the West Extension holes were drilled deep enough to intersect Main Block mineralized bodies. This includes 08-DDH-716, for example, that intersected the Main West (or Slipper) Zone between 240-to-260-meter depth. The true width of these intersections is estimated at around 90% and 50% respectively.

Nine of the 49 holes returned at least one grade-thickness (GT) interval greater than five (Table 10-7) whereas another 18 holes returned at least one GT interval between one and five, collectively indicating widespread gold mineralization in this area. A NE to SW directed fence of drill holes show that the predominant lithology changes from argillite and siltstone near the SMG deposit, in the east, to volcaniclastic (e.g., tuff) in the west.

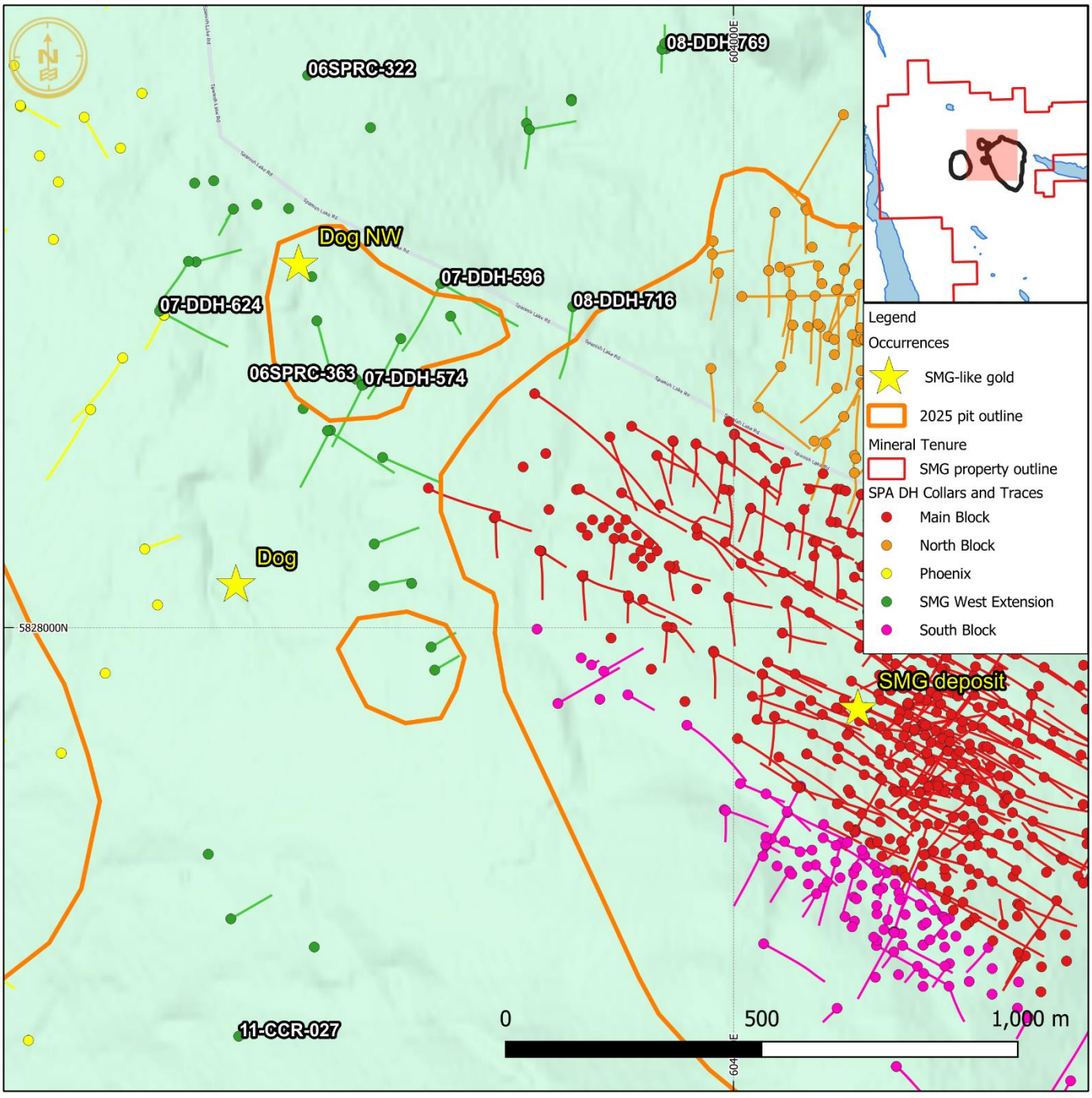
Several intersections returned from the SMG West Extension grade between 0.2 to 0.6 g/t Au over approximately 10-60 m (Table 10-7). The highest grades returned from drilling range from 4.3 to 5.8 g/t Au over 1.5 m (Table 10-7). The co-occurrence of short high-grade intervals and longer lower-grade intervals could represent the late and early gold-mineralizing events, respectively. Like the nearby SMG deposit, early-style gold at the SMG West Extension is mostly hosted in argillite whereas the late-style veins occur in more competent units like siltstone and tuff. The orientation of mineralization is likely sub-horizontal to gently northeast dipping suggesting that true widths are between 65% to 100% of the drilled widths presented in Table 10-7.

Gold mineralization in the SMG West Extension generally lacks enrichment in silver, base metals, and arsenic, except for a 5.5-m interval intersected in 11-CCR-027 that returned enriched silver, lead, and zinc along with 0.4 g/t Au.

Table 10-7: Select Core Assay Composites for the SMG West Extension

Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)	Comment
06SPRC-363	RC	6.1	61.6	55.5	0.3	14.6	-
07-DDH-574	DDH	11.9	70.5	58.6	0.2	14.3	-
07-DDH-596	DDH	263	293	30	0.4	12.1	-
07-DDH-624	DDH	230	268.5	38.5	0.3	11.1	-
08-DDH-716	DDH	261	262.5	1.5	4.3	6.5	Main West (Slipper) Zone
and		334.5	336	1.5	5.8	8.7	-
and		393	417	24	0.3	8.1	-
and		442.5	444	1.5	5.4	8.1	-
08-DDH-769	DDH	109.5	123.5	14	0.6	8.3	-

Figure 10-6: Drill Collars in the SMG West Extension Area



Source: Equity, 2025.

10.3.6 SMG South Extension

The SMG South Extension is a relatively large area that extends due south of the South Block into the southeastern half of the SMG Property. This area is bound by the South Block to the north, the Nina Lake and Phoenix areas to the west, and by the largely unexplored southeastern half of the Property to the south and east. Bedrock comprises an unnamed formation of marine sedimentary and volcanic rocks that lie immediately underneath the TMVSR formation that hosts the SMG deposit. This unit has more basaltic and less sedimentary rocks than the TMVSR.

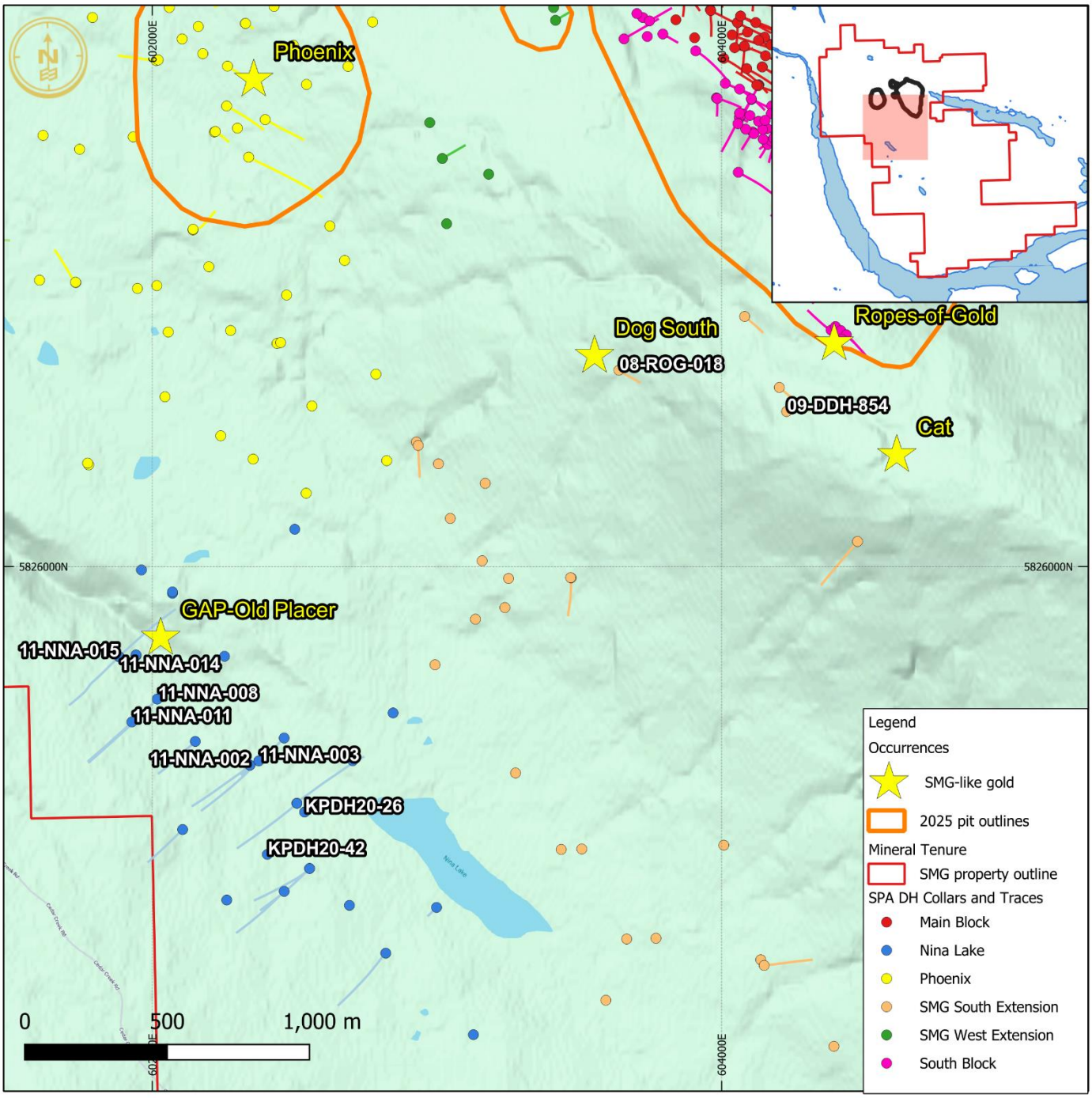
SPA has drilled 44 holes for 3,693 m on the South Extension (Figure 10-7), many of which were drilled for geotechnical purposes. Only 15 of these holes were drilled as diamond core, but they account for three-quarters of the meters, with the remainder drilled using RC and sonic methods. Holes along the northeastern margin of this area tend to be for exploration, whereas those in the western half are mostly geotechnical.

Results are generally poor with just two of the 21 diamond and RC holes returning an assay composite that exceeds grade-thickness of one (Table 10-8). One of these holes, 08-ROG-018, consists of tightly intercalated argillite, siltstone, ultramafic, and minor conglomerate whereas the other hole, 09-DDH-854, consists almost entirely of fault zone with relict bits of greywacke and tuff. Gold occurs within the argillite of 08-ROG-018. The orientation of mineralization in this area is unknown so it is uncertain how the drilled widths presented in Table 10-8 relate to true widths.

Table 10-8: Select Core Assay Composites for the SMG South Extension

Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)
08-ROG-018	DDH	142.0	143.5	1.5	2.0	3.0
and		152.5	154.0	1.5	0.7	1.1
09-DDH-854	DDH	332.5	337.0	4.5	0.3	1.1

Figure 10-7: Drill Collars in the SMG South Extension and Nina Lake Areas



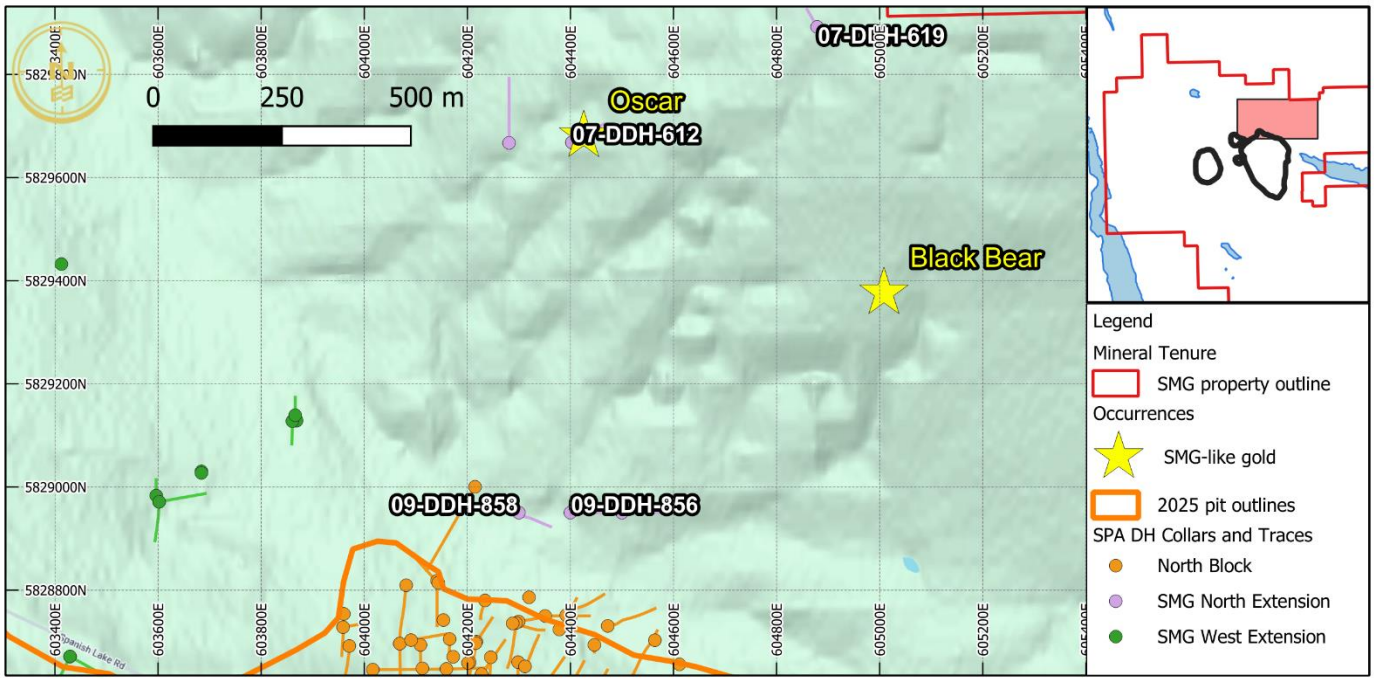
Source: Equity, 2025.

10.3.7 SMG North Extension

The SMG North Extension area extends due north from the North Block to the northern boundary of the SMG Property. This area includes the Company's Oscar and Black Bear showings and is underlain by the same TMVSR unit that underlies the SMG deposit. SPA has drilled seven diamond holes in this area for 1,535 m (Figure 10-8).

Results from SPA's diamond drilling include several intersections between 1 and 20 m in length that returned between 0.2 to 0.6 g/t Au, typically including a one-to-two-meter interval with between 2.0 to 3.0 g/t Au. The best of these intersections, in terms of g/t Au over interval length, are summarized in Table 10-9. Holes 09-DDH-856 and -858 were drilled within 200 m of the North Block and returned three intervals of 0.6 g/t Au over core widths of 4 to 18 m (Table 10-9). Mineralization is hosted in cataclastic argillite with gold enrichment also occurring in quartz veins and siltstone. 07-DDH-619 is the most northerly hole drilled on the SMG Property and is weakly mineralized along its entire 78-meter length. The orientation of mineralization in this area is unknown so it is uncertain how the drilled widths presented in Table 10-9 relate to true widths. Gold-enriched intervals at the Black Bear and Oscar targets are associated with elevated Mo.

Figure 10-8: Drill Collars in the SMG North Extension Area



Source: Equity, 2025.

Table 10-9: Select Core Assay Composites for the SMG North Extension

Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)
07-DDH-612	DDH	18.3	31.0	12.7	0.3	3.6
07-DDH-619	DDH	19.0	41.0	22.0	0.2	5.0
09-DDH-856	DDH	41.0	59.0	18.0	0.6	10.6
including		48.5	50.0	1.5	2.7	4.1
and including		56.0	57.5	1.5	2.5	3.8
and		69.5	86.0	16.5	0.6	10.3
including		74.0	75.5	1.5	2.4	3.5
09-DDH-858	DDH	209.0	213.5	4.5	0.6	2.6

10.3.8 SMG East Extension

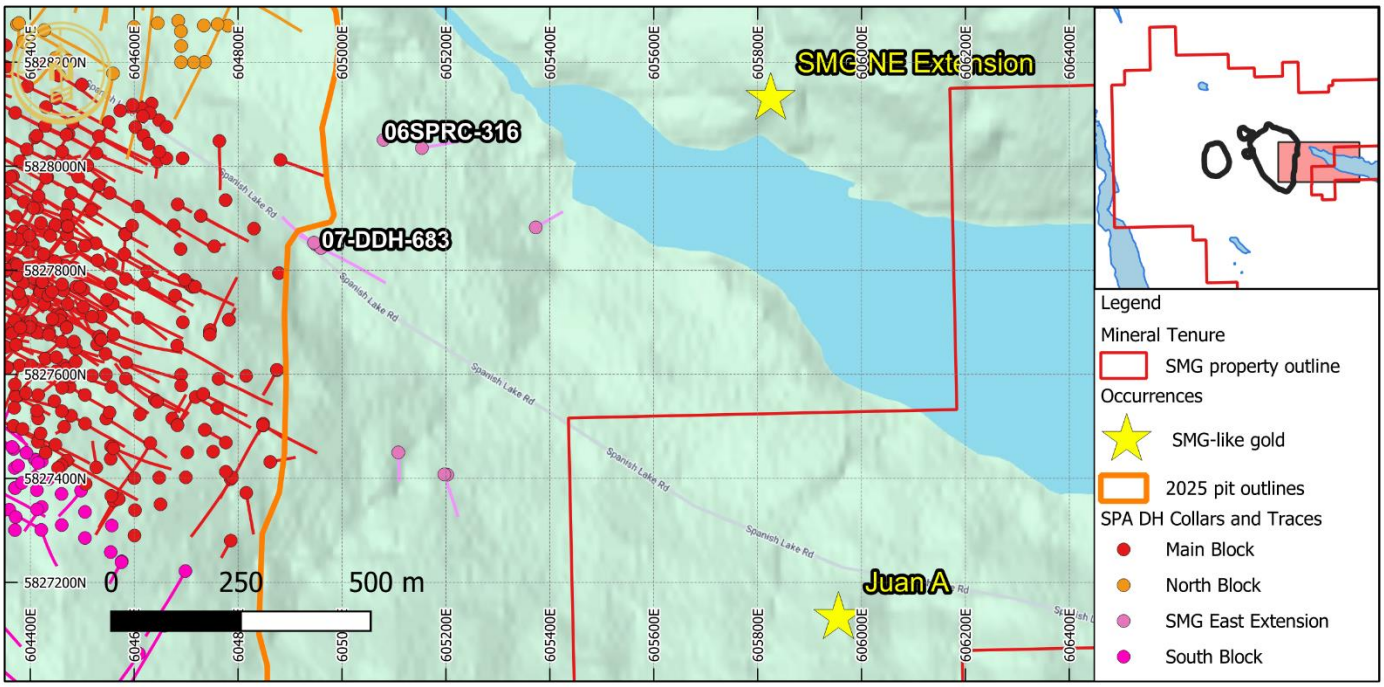
The SMG East Extension covers a relatively small area between the eastern edge of the SMG deposit and the eastern Property boundary. SPA has drilled eleven holes in this area for 1,400 m (Figure 10-9), with the meters more-or-less split between RC and diamond rigs.

All drill holes intersected interlayered siltstone and argillite with scattered zones of low-grade gold mineralization, typically in association with cataclastic argillite and fault zones. Holes 07-DDH-684 and 683 were drilled from the same pad but in opposite directions, with 683 drilling into the North Fault and 684 within the argillite siltstone damage zone immediately south of this structure. Assay results show that faulted argillite hosts intervals of 0.2 to 0.3 g/t Au over 7 to 15 m whereas the North Fault hosts intervals of 2.0 g/t Au over 1 to 5 m (Table 10-10). The orientation of mineralization in this area is unknown so it is uncertain how the drilled widths presented relate to true widths.

Table 10-10: Select Core Assay Composites for the SMG East Extension

Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)
06SPRC-316	RC	48.2	58.8	10.7	0.3	3.4
07-DDH-683	DDH	214.5	216.0	1.5	1.9	2.8
and		240.0	244.5	4.5	2.0	9.0
07-DDH-684	DDH	155.0	162.5	7.5	0.3	2.5
and		283.0	298.0	15.0	0.2	3.4

Figure 10-9: Drill Collars in the SMG East Extension Area



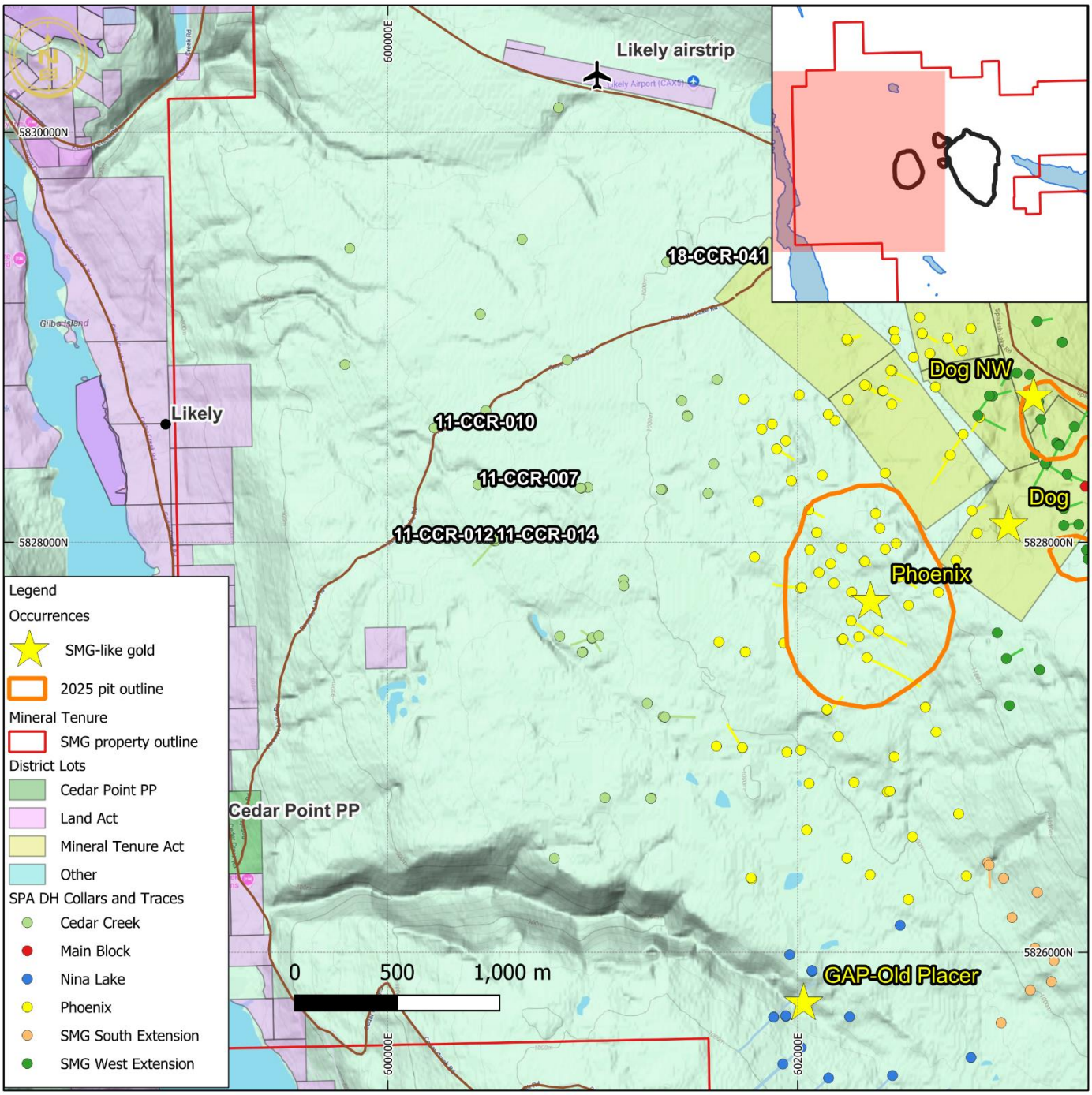
Source: Equity, 2025.

10.3.9 Cedar Creek

Cedar Creek is a 2.5 by 5 km area that comprises the northwestern part of the SMG Property, immediately west of the Phoenix Zone area and 2.5 to 5 km west of the SMG deposit. SPA's drilling in the Cedar Creek area includes 41 diamond drill holes for 6,007 m (Figure 10-10), with most of these holes drilled in the eastern half of this area. The western half of the Cedar Creek area is underlain by non-prospective Ashcroft Formation.

Nine of the 41 holes returned intervals >1 GT that is mostly hosted within faulted argillite and siltstone as well as coherent siltstone panels within these fault zones. Assays returned between 0.3 to 3.4 g/t Au over 1 to 10 m of core width that suggests mineralization may be mostly late-style. Most intervals with over 0.3 g/t Au also contain 0.1 to 1.0 wt% arsenic. One sample with 0.4 g/t Au is associated with high silver (215 g/t Au), antimony, copper, lead, and zinc. Besides this sample and one that returned 1.2% Zn, all other assays returned less than 35 g/t Ag, less than 0.1% Pb, and less than 0.7% Zn. The orientation of mineralization in this area is unknown so it is uncertain how the drilled widths presented in Table 10-11 related to true widths.

Figure 10-10: Drill Collars in the Cedar Creek Area



Source: Equity, 2025.

Table 10-11: Select Core Assay Composites for the Cedar Creek Area

Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)	Comments
11-CCR-007	DDH	85.5	87.0	1.5	2.7	4.0	-
11-CCR-010	DDH	180.9	182.5	1.7	0.4	0.6	215 g/t Ag, 343 ppm Sb, high As, Cu, Pb, Zn
and		286.0	292.5	6.5	0.9	5.5	-
11-CCR-012	DDH	222.5	232.0	9.5	0.4	4.1	-
and		248.5	252.5	4.0	2.9	11.6	-
and		340.5	348.5	8.0	0.4	3.0	-
11-CCR-014	DDH	186.0	190.5	4.5	1.4	6.3	-
18-CCR-041	DDH	142.5	151.5	9.0	0.3	2.7	-

10.3.10 Nina Lake

The Nina Lake target is located around three kilometers southwest of the SMG deposit and has been tested with 34 holes for a total of 6,317 m (see Figure 10-7). The bulk of these meters (94%) were done for exploration purposes with diamond tools with the balance of meters drilled for geotechnical purposes and one RC hole drilled in the first program.

The exploration holes test a northwest-trending area that is approximately 1.4 by 0.5 km in size and includes significantly more greywacke and mafic to ultramafic rock relative to the SMG deposit area. Results from diamond drilling include several intersections of approximately 1 to 4 g/t Au over 1 to 5 m (Table 10-12). Elevated gold grades are associated with high arsenic (0.1 to 1%) but otherwise lack polymetallic enrichment. The orientation of mineralization in this area is unknown so it is uncertain how the drilled widths presented in Table 10-12 related to true widths.

Table 10-12: Select Gold and Poly-metallic Composites for Nina Lake Area

Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	Au GT (m*g/t)
11-NNA-002	DDH	57.5	59.0	1.5	2.8	4.2
11-NNA-003	DDH	287.0	298.0	11.0	0.1	1.5
11-NNA-008	DDH	89.5	91.0	1.5	1.0	1.5
and		113.5	115.0	1.5	1.0	1.5
11-NNA-011	DDH	15.0	17.0	2.0	3.9	7.8
11-NNA-014	DDH	50.5	52.0	1.5	1.0	1.5
11-NNA-015	DDH	6.8	8.5	1.7	0.9	1.5
KPDH20-26	Geotech	7.2	9.2	2.0	4.1	8.1
KPDH20-42	Geotech	14.7	17.9	3.2	0.6	2.1

10.4 Comments on Drilling

Since acquiring the Property in 2003, SPA have completed 1,104 drill holes on the SMG Property for 218,209 m. The bulk (approximately 85%) of this drilling was done with NQ diamond tools whereas the balance was completed with reverse circulation (RC) and sonic rigs. Approximately two-thirds of the meters were drilled into the Main and North blocks of the SMG deposit with the remaining third split among various prospects to the west, north, and south. Most of the drilling was done by subcontractors who are well-known in BC's mineral exploration industry and that the QP has worked with on other projects.

Methods for diamond and RC drilling are in line with industry standards and are well documented. Aspects of SPA's drilling work that are above BC industry standards include excellent preservation and accessibility of diamond drill core, top-to-bottom sampling, and extensive multi-element analyses generated through four-acid digestion.

The overall insertion rate of QA/QC samples is in line with industry standards although the rates for certified reference materials and blanks are, specifically, somewhat on the low side. This is discussed further in Section 11.

SPA has a more-or-less complete set of core photographs that met industry standards at the time but are unlikely to meet the criteria for further image analysis work demanded in current core photography standards.

SPA oriented approximately 75% of its drill holes at a high angle to the mineralized zones and the balance at a much lower, of down-dip, angle. Many of the better intersections shown in Table 10-3 to Table 10-12, however, were drilled at the appropriate high angles.

Core recovery and RQD are low by industry standards and reflect highly fractured and friable nature bedrock.

Features of SPA's drilling work that fall below industry standards, especially for advanced projects, include the lack of differential GPS surveys for approximately 60% of drill collars and the lack of gyroscopic downhole surveys as a check on single shot magnetic tools.

The highest grade-thickness intersections have been drilled in the Main Block area, which hosts seven of the 11 mineralized bodies comprising the SMG deposit and returned numerous intervals of 0.1 to 1.0 g/t Au over 10 to 200 m and 1 to 10 g/t Au over 1 to 10 m. These wider lower-grade and narrower higher-grade intervals are broadly representative of the early and late mineralizing events, respectively. Notable examples of early- and late-style mineralization from the Main Block include 1.9 g/t Au over 244.7 m in 09-DDH-889 and 225 g/t Au over 0.8 m in 09-DDH-871. Abundances of silver and base metals are insignificant.

The North Block of the SMG deposit hosts three of the 11 mineralized bodies whereas the South Block hosts one, with all four of these mineralized bodies crossing over into the Main Block as well. The length and grade of gold intersections in the North and South blocks are like those in the Main Block, representing both early and late mineralizing styles, whereas concentrations of silver and base metals are low. Notable examples of each include 1.2 g/t Au over 159.7 m in 05SPRC-310 and 74.7 g/t Au over 3.5 m in 11-DDH-979.

Drilling results from the West, South, North, and East extensions are generally lower grade and narrower than those in the SMG deposit. The West Extension area returned most of the better results with several early-style intersections of 0.2 to 1.0 g/t Au over 10 to 65 m and late-style intervals of 2 to 6 g/t Au over 1 to 3 m. The South, North, and East extensions, on the other hand, returned intervals of 0.2 to 0.5 g/t Au over approximately 5 to 20 m or 1 to 2 g/t Au over 1 to 2 m. Abundances of silver and base metals are, again, insignificant.

The Phoenix Zone comprises a SMG-like gold target located approximately 1 to 2 km west of the SMG deposit. There is no defined structure that is linked to the Phoenix Zone although its apparent north-south trend suggests association with a D3 brittle fault system. Drilling has returned several early-style intervals of 0.3 to 1.2 g/t Au over 15 to 60 m as well as some late-style intersections of 3 to 10 g/t Au over 1 to 3 m. Notable examples of each include 1.2 g/t Au over 33.0 m in 11-CCR-030 and 73.8 g/t Au over 1.5 m in 07-DDH-632. Arsenic contents are often between 1,000 to 10,000 ppm whereas concentrations of other precious and base metals are generally low.

Drilling in the Cedar Creek and Nina Lake areas returned scattered intersections of 0.3 to 0.4 g/t Au over 1 to 10 m as well as 1.0 to 4.0 g/t Au over 1 to 5 m. Arsenic contents range between 1,000 to 10,000 ppm whereas concentrations of other precious and base metals are generally low.

11 SAMPLE PREPARATION, ANALYSES, AND SECURITY

Since acquiring the SMG Property in 2003, SPA has collected over 134,000 samples of drill core and reverse circulation (RC) chip samples for geochemical analysis. The following sections will describe SPA's methods for ensuring the security of these samples between their collection point and delivery to the lab, preparation and analytical methods used by the lab, and summarize the results of SPA's external quality assurance and quality control (QA/QC) monitoring program. Collectively, this review is used to provide some comments on the adequacy of SPA's geochemical assay data for purposes of the updated mineral resource estimation (MRE) provided in Section 14.

Historical drilling used in the updated MRE includes some of the holes drilled by Mt Calvary between 1985 and 1986, the 1987 to 1988 drilling by Pundata, and the 2004 drilling by Wildrose. The original certificates of analysis (COA) for these programs were obtained directly from the analytical lab.

SPA's rock, soil, and silt sampling are not reviewed here because the quality of this data is immaterial to the advance stage of the SMG project and because the data is poorly documented and lacks external QA/QC analyses.

11.1 Historical Sampling

Historical drilling on the SMG Property is summarized in Section 6 and includes drilling of 21,654 m in 682 holes, mostly by Mt Calvery, Pundata, Imperial, Wildrose, and Acrex (see Table 6-2). SPA's database includes just under 11,000 samples that were collected from these drill holes of which original COA's were located for 8,686 (Table 11-1) so that they could be included in the updated MRE. These samples add up to 9,649 m of drilling that comprises approximately 45% of the historical meters drilled on the SMG Property and 5% of all drilled meters included in the updated MRE.

Historical samples consist mostly of RC samples that average either 1.0 or 1.5 m in length as well as diamond drill cores that average just over one meter in length (Table 11-1). There are no records of how the samples were collected and delivered to the lab, though presumably these workflows are similar to those followed by SPA. There are also no identifiers for QA/QC samples so that an independent review of analytical data quality is not possible.

Table 11-1: Summary of Historical Drill Sampling Used in Updated MRE

Company	Year	Diamond Core				RC Chips			
		Samples (N)	Ave Length (m)	Total Length (m)	% m drilled	Samples (N)	Ave Length (m)	Total Length (m)	% m drilled
Mt Calvery	1985	-	-	-	-	3,073	1.00	3,074	82%
Pundata	1987	2,999	1.04	3,110	95%	635	1.05	665	95%
	1988	-	-	-	-	416	1.00	416	70%
Wildrose	2004	-	-	-	-	1,563	1.53	2,384	95%
Total		**2,999**	**1.04**	**3,110**	**95%**	**5,687**	**1.15**	**6,539**	**86%**

11.2 Reverse Circulation Sampling

From 2005 to 2024, SPA collected over 16,000 RC chip samples for a total of 24,677 m, comprising 95% of all the RC m drilled by SPA (Table 11-2). The balance of 5% includes overburden so that the actual length of unsampled intervals is negligible. Almost all samples (99%) measure 1.5 m in length.

All RC material was split with a riffle splitter at the drill site and then halved between two bags, one marked for shipment to the lab and the second kept on site for reference. Drill hole name and depth interval information were recorded on the sample bags. A sample tag was also placed within the bag that was shipped to the lab, and these bags were then sealed with a zip tie, grouped into bunches, and then packed into labeled rice (or poly-weave) bags for shipment to the analytical lab.

Shipments of poly-weave bags were transported by third party expediting services from SPA's exploration camp to Eco-Tech Laboratories ("Eco-Tech") in Kamloops, BC (2005 and 2006 programs) or ALS Minerals Laboratories ("ALS") in Vancouver or Kamloops, BC (2013, 2014, 2018, and 2020 programs).

Sample submissions were likely to have been documented by SPA via email and physical paperwork included with the shipment. After sorting and logging-in of the samples, the lab would then have issued a sample receipt notification to SPA. However, none of this paperwork or correspondence is preserved in SPA's archives.

Table 11-2: Summary of SPA's RC Chips Sampling

Year	Samples (N)	Average Length (m)	Total Length (m)	% Meters Drilled
2005	2,107	1.52	3,211	95%
2006	2,848	1.52	4,329	86%
2013	5,941	1.52	9,030	98%
2014	1,669	1.52	2,531	95%
2018	716	1.52	1,091	100%
2020	2,941	1.52	4,485	100%
Total	**16,222**	**1.52**	**24,677**	**95%**

11.3 Core Sampling

From 2005 to 2025, SPA collected over 118,000 drill core samples from just over 184,000 m of diamond drill core (Table 11-3), comprising 94% of all diamond meters drilled by SPA at that time. Sample lengths range from 0.1 to 12.5 m with 96% falling between 1.0 to 2.0 m and 83% measuring 1.5 m in length. Most of the longer samples were taken in intervals of poor recovery whereas shorter samples correspond to narrow mineralized zones and/or lithological units, or they are database errors. Sample intervals were marked on the core with a sample tag stapled to the core box at the start of each interval whereas sampling boundaries were generally matched to lithological or mineralized contacts.

Table 11-3: Summary of SPA's Drill Core Sampling

Year	Samples (N)	Average Length (m)	Total Length (m)	% Meters Drilled
2005	5,204	1.44	7,505.9	97%
2006	14,136	1.50	21,245.0	97%
2007	16,238	1.55	25,209.2	93%
2008	25,070	1.56	39,229.9	97%
2009	8,286	1.56	12,949.8	95%
2010	3,636	1.54	5,585.8	82%
2011	19,910	1.57	31,290.0	92%
2012	17,639	1.65	29,188.5	95%
2018	262	1.53	401.1	38%
2020	886	1.50	1,331.3	84%
2021	175	1.35	236.3	87%
2022	940	1.05	983.5	96%
2024	3,715	1.47	5,479.0	98%
2025	2,130	1.83	3,907.8	95%
Total	**118,227**	**1.56**	**184,542.9**	**95%**

Core was cut in half with a diamond blade core saw, with half of the core sample then sealed in labeled poly-ethylene bags, grouped into bunches, and packed into labeled rice (or poly-weave) bags; the remaining half of the core was returned to the core box for future reference. Shipments of these poly-weave bags were transported by third party expediting services from site to Eco-Tech in Kamloops, BC, for the 2005 to 2009 programs, ACME Analytical Laboratories (ACME) in Vancouver, BC, in the 2008 program, ALS for the 2008 to 2012, 2018, 2020, 2022, and 2024 programs, and MSA Labs ("MSA") in Prince George, BC in the 2025 program.

For the 2024 and 2025 drill programs, SPA has preserved PDFs documenting chain-of-custody and analytical work order records. These records are not available for analytical programs conducted prior to 2024, although it is presumed that similar documentation was generated at the time.

11.4 Density Determinations

SPA's database includes 2,915 measurements of relative density (or specific gravity) taken from 164 of their drill holes (Table 11-4). This section summarizes the methods used to measure relative density as well as results and data quality.

Measurements of relative density (RD) were done on half core samples ranging mostly from 7 to 30 cm in length. These samples were labeled and then sequentially weighed in air and water as per the water immersion or hydrostatic weighing method.

The relative density is calculated as follows, with "W" equal to weight in grams:

$$RD = \frac{W_{air}}{W_{air} - W_{water}}$$

Table 11-4: Summary of SPA's Relative Density Program

Year	Holes	% Holes	SG Measurements Per Hole			
			Average	Minimum	Maximum	Total
2005	17	49%	4.5	2	7	76
2006	23	26%	4.5	2	9	105
2007	1	<1%	3	3	3	3
2008	86	53%	15	2	29	1,285
2009	5	8%	5	1	7	25
2010	12	60%	55	5	105	663
2012	7	4%	22	10	36	151
2025	13	93%	47	1	112	607
Total	**164**	**19%**	**20**	**1**	**112**	**2,915**

SPA's database does not contain any QA/QC samples for monitoring precision and accuracy of relative density measurements. This is contrary to best practice for including at least one standard that is measured once for every 10 to 20 measurements on core samples.

SPA took relative density measurements in 2005, 2006, 2010, and 2025. The 2010 campaign included measurements on holes from 2007 to 2009. Samples were taken approximately 5 to 40 m intervals down the drill string, apart from some of the 2010 holes that were sampled at 3- to 5-meter intervals.

Equity attributed 2,070 relative density measurement with SPA's lithological logging. Subsequent calculation of descriptive statistics shows that most lithological units have a mean relative density of 2.8 g/cm^3 (Table 11-5) and a range of 2.4 to 3.3. Cataclastic argillite shows a relatively high maximum value that may reflect the somewhat higher pyrite contents within these rocks.

Table 11-5: Summary of Relative Density Measurements by Lithologic Unit

Statistic	Argillite	Argillite (cataclastic)	Siltstone	Siltstone (cataclastic)	Greywacke	Tuff	Tuff (cataclastic)	Listwanite	Fault
Count	299	391	538	178	184	313	39	55	73
Minimum	2.39	2.57	2.51	2.43	2.61	2.46	2.67	2.52	2.63
Mean	2.76	2.77	2.76	2.77	2.79	2.81	2.83	2.84	2.76
Maximum	3.01	3.29	3.3	3.08	3.12	3.02	2.97	2.97	2.94
Standard Deviation	0.05	0.06	0.08	0.07	0.07	0.07	0.07	0.09	0.06

11.5 Sample Security and Storage

All core and RC samples were bagged at SPA's exploration camp, which is on private property owned by SPA. Beyond this stage, SPA has no records for any of the pre-2024 programs that show how the security of samples was ensured between the collection point and the laboratory. Most likely, the bagged samples were aggregated into shipments and then transported from SPA's camp to the analytical lab through a combination of SPA employees and third-party expeditors and/or trucking companies.

The pulps and rejects from the 2024 drill program were returned to SPA's exploration camp, where they are currently stored (Kimberly Guttormson, personal communication, July 2025). As of the effective date of this Technical Report, the 2025 pulps and rejects remain at MSA in Kamloops but will also be returned and stored at the camp. Pulps and rejects from drill programs conducted prior to 2024 were either destroyed by the lab or returned to SPA, where they were improperly stored and subsequently became unusable. As a result, they have been discarded.

11.6 Analytical and Test Laboratories

Analytical work for the 2005 to 2007 drill programs was completed by Eco-Tech, the 2008 analyses were split between Eco-Tech, ACME, and ALS, the 2009 analyses were split between Eco-Tech and ALS, the 2010 to 2024 analyses were completed at ALS, and the most recent 2025 analytical work was completed at MSA. Credentials for each of these labs are summarized below in terms of the Testing and Calibration Laboratory Accreditation Program (LAP) managed by the Standards Council of Canada (SCC) as well as standards established by the International Organization for Standardization and International Electrotechnical Commission (ISO/IEC).

Eco-Tech was acquired by the Stewart Group in 2005, operated as Eco-Tech under the Stewart Group umbrella from 2005 to 2011, and was then acquired by ALS as part of the Stewart Group in 2011. In the 2005 to 2009 time period that Eco-Tech completed analyses for the program, Eco-Tech was independent of SPA and provided services to other mineral exploration companies working in the area as well; however, no accreditation information is publicly available. Analyses completed by Eco-Tech include gold by screen fire assay methods (see Section 11.7 for a description) as well as multi-element analyses through either aqua regia or four-acid digestions that were finished with inductively coupled plasma (ICP) spectroscopy.

ACME is also independent of SPA and was an ISO 9001 accredited facility that was widely used by the mineral exploration industry up to its purchase by Bureau Veritas Mineral Laboratories in 2012. At the time of its acquisition, ACME had met the General Requirements for the Competence of Testing and Calibration Laboratories as defined by ISO/IEC 17025:2017 and, as such, was likely certified to complete gold analyses by screen fire assay methods.

ALS is independent of SPA, accredited under the SCC testing and calibration LAP program (SCC file number 15722), and meets the general requirements under ISO/IEC 17025:2017. Under LAP, ALS is certified to complete the analytical methods requested by SPA, including the determination of gold by screen fire assay methods, and multiple elements by either four-acid or aqua regia digestion and an ICP spectroscopy finish.

MSA is independent of SPA and meets the general requirements under ISO/IEC 17025:2017 to complete the analysis of gold by photon activation analysis (PAA), a relatively new method favored for its short turnaround times. Results from PAA analyses show strong correlation with screen fire assay methods completed at ALS (see Section 11.8.5).

11.7 Sample Preparation and Analysis

Sample preparation for SPA's geochemical assays were completed at Eco-Tech, ACME, ALS, and MSA. Details of the initial crushing specifications by Eco-Tech are not available whereas ALS, ACME, and MSA all crushed to 70% passing 2 mm. Four of the labs then pulverized a 1,000-gram split to either 95% passing 0.106 mm (Eco-Tech, ACME, ALS 2009 to 2014) or 85% passing 0.075 mm (ALS 2008, 2018, 2020, 2022, and 2024). The 2025 photon activation analyses were completed on coarse crush material and so these samples were not pulverized.

Table 11-6: Overview of Analytical Methods for Drill Samples

Analysis Type	Year(s)	N	Lab	Code	Comments
Au Screen Fire Assay	2005-2007	40,490	Eco-Tech	Metallic Au	-
	2008	20,561	Eco-Tech	Metallic Au	-
		3,161	ACME	G6	-
		1,329	ALS	Au-SCR21	-
	2009	885	Eco-Tech	Metallic Au	-
		7,397	ALS	Au-SCR21	-
	2010-2024	53,873	ALS	Au-SCR21	-
Au Screen Subtotal		**127,696**			
Au Other	2011	3,484	ALS	ME-MS41	51 element aqua regia ICP-MS
	2020	231	ALS	Au-OG43	Aqua regia digest with ICP-MS finish
	2020-2021	948	ALS	Au-AA23	30 g fire assay AA finish
	2025	1,024	MSA	CPA-Au1	500 g photon activation assay
Au Other Subtotal		**5,687**			
Multi Element	2005-2006	24,280	Eco-Tech	AR/ICP	28 element aqua regia ICP
	2007	16,210	Eco-Tech	4A/ICP	29 element four-acid ICP
	2008	20,560	Eco-Tech	4A/ICP	29 element four-acid ICP
		3,161	ACME	1E	34 element four-acid ICP-AES
		1,329	ALS	ME-ICP61	34 element four-acid ICP-AES
	2009	885	Eco-Tech	4A/ICP	29 element four-acid ICP
		7,397	ALS	ME-ICP61	34 element four-acid ICP-AES
	2010	3,636	ALS	ME-ICP61	34 element four-acid ICP-AES
	2011	3,484	ALS	ME-MS41	51 element aqua regia ICP-MS
		16,425		ME-ICP61	34 element four-acid ICP-AES
	2012-2024	33,091	ALS	ME-ICP61	34 element four-acid ICP-AES
	2025	1,024	MSA	MS-230	48 element four-acid ICP-MS
Multi Element Subtotal		**131,482**			

Analysis of drill samples was done by Eco-Tech (2005 to 2009), ACME (2008), ALS (2008 to 2014, 2018, 2020 to 2022, and 2024) and MSA (2025), with all samples analyzed for gold and all but the 2014 Main Block and 2020 Cedar Creek samples analyzed for multi-elements. Analytical methods are summarized in Table 11-6 and described below.

Gold analyses were predominantly completed using screen fire assay methods with SPA transitioning to photon activation analysis (PAA) in 2025. The screen fire assay procedure involves first sieving 1,000-grams of pulverized material through a 140-mesh screen at Eco-Tech or a 150-mesh screen at both ACME and ALS laboratories. Two 30-gram subsamples of the material passing through the screen are analyzed by fire assay with an atomic absorption spectroscopy (AAS) finish, while the entire oversize fraction undergoes gravimetric analysis. The final gold grade of the sample is calculated as a weighted average of the assay results from both the fine and coarse fractions.

PAA analyses at MSA were done using the Chrysos PhotonAssay™ method on a 500-gram split of coarsely crushed sample. This method uses high-energy X-rays to stimulate emission of gamma rays that are measured and used to quantify gold abundance with similar precision and accuracy to more traditional fire assay methods.

A minority of fire assay analyses were done on 250-gram subsamples. This includes the 2020 non-resource drilling that was done through an aqua regia digestion and ICP finish as well as the 2021 geotechnical drilling that had assays done through lead collection fire assay with AAS finish.

In 2005 and 2006, Eco-Tech carried out multi-element analysis using aqua regia digestion with ICP finish. This was changed, in 2007, to a 4-acid digestion with ICP finish. Apart from 2011 sampling at Nina Lake, this 4-acid method was used for multi-element determination in all subsequent years (Table 11-6). The drill core samples collected from Nina Lake, on the other hand, were analyzed for gold and multi-elements at ALS by aqua regia digestion with an ICP finish (method ME-MS41).

Drill core samples collected from Cedar Creek in 2020 were analyzed at ALS for gold by aqua regia digest with ICP-MS finish (ALS method code Au-OG43). No multi-element analysis was done on these samples.

Geotechnical holes drilled in 2020 and 2021 were sampled in 2024 and sent to ALS for analysis. Gold was analyzed by 30-gram fire assay with AAS finish (Au-AA23), and multi-element analysis was done by 4-acid digestion with ICP finish.

11.8 Quality Assurance and Quality Control

The sections below summarize a review of SPA's 2005 to 2025 quality control and quality assurance (QA/QC) data that was provided in SPA's database export. In total, SPA inserted 6,186 certified reference materials (CRMs), 5,523 blanks, and 6,429 duplicates into their stream of 134,449 drill samples. These 18,138 QA/QC samples indicate a QA/QC insertion rate of 11.9% that is within recommended insertion rates of 10 to 20% (e.g., Abzalov, 2008).

This review includes the identification of QA/QC "failures" for both certified reference materials (CRMs) and blanks, and are defined as follows:

- 3SD failure: Single CRMs with Z-scores greater than +3 or less than -3.

- 2SD failure: Two or more consecutive CRMs with Z-scores greater than +2 to +3 or less than -2 to -3.
- 10xDL failure: Blank returning greater than 10 x the detection limit for Au.

Z-scores represent the number of standard deviations (σ) that an observed value (x) is from the certified mean (μ), and is calculated by subtracting μ from x and dividing the difference by σ.

11.8.1 Certified Reference Materials

SPA's drilling database export includes 6,186 CRMs used between 2005 and 2025. Out of these 6,186 CRMs, 408 are unidentified and another 79 lack gold assay results so that the total number of CRMs available to assess QA/QC is 5,699 (Table 11-7).

The CRMs were inserted alongside 134,449 drill samples for an insertion rate of 4%, or approximately one CRM in every 25 samples. This insertion rate is below the recommended insertion rate of 5%, or one in every 20 samples, for resource stage projects.

Since the start of drilling in 2005, SPA has used 39 different CRMs with 29 of these manufactured by CDN Resource Laboratories Ltd of Langley, BC, ("CDN") two made by WCM Minerals from Burnaby, BC, one made by OREAS North America Inc from Mansfield, Ontario, ("OREAS") and seven that are unidentified. CDN and OREAS, are well-known providers of CRMs for the minerals industry.

Table 11-7 and Figure 11-1 to Figure 11-5 show that out of SPA's 5,699 CRMs, 5,616 passed QA/QC checks and 83 failed for a failure rate of 1.5%. A handful of these failures, especially the very strong ones (i.e., Z-scores above 5 or below –5) are likely mislabeled CRMs rather than actual QA/QC failures. In the experience of the QP, SPA's 1.5% failure rate is comparatively low and indicates diligent real-time monitoring of QA/QC performance that includes requesting corrective actions where necessary, resulting in analytical data that is likely accurate and precise.

In regard to the above, a significant gap in SPA's work program documentation is the lack of records that pertain to QA/QC follow-up work. This was likely done, given the low failure rates, but was not formally documented.

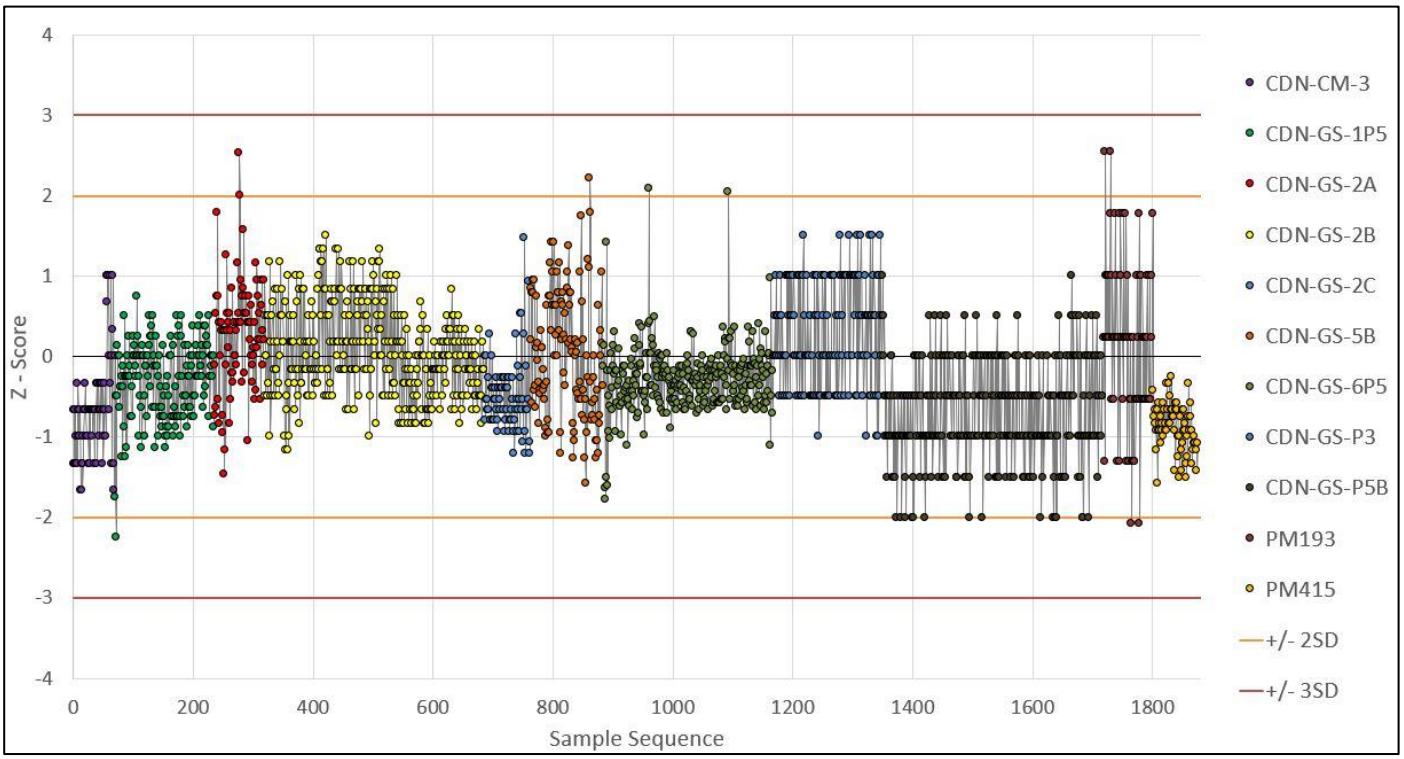
The primary method used by SPA for gold analyses is screen fire assay on a 1-kilogram pulverized sample. It should be noted that CRMs comprise only pulverized material and so are only validating the fire assay portion of the analysis, and not the gravimetric analysis done on the plus fraction of the drill sample screens.

CRMs used in the 2025 program are certified for fire assay methods, but CRMs used in the 2025 program are certified for fire assay methods but were used to validate photon activation analyses. were used to validate photon activation analyses. This method mismatch does not follow the best practices for QA/QC monitoring but is not likely to be material.

Table 11-7: Overview of SPA's CRM Performance

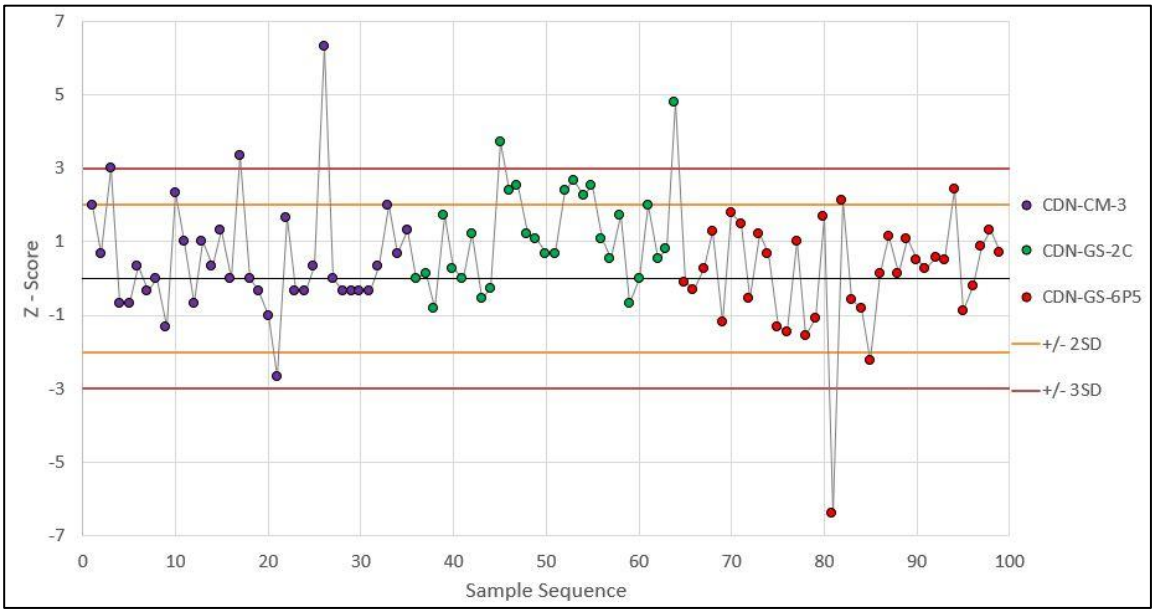
Lab	CRM (N)	Pass (N)	3SD Fail (N)	2SD Warning (N)	Outliers	Pass (%)	3SD Fail (%)	2SD Fail (%)
ACME	100	93	6	17	1	93	6%	17%
Eco-Tech	1,875	1,875	0	7	0	100	0%	0%
ALS	3,599	3,523	77	269	13	98	2%	7%
MSA	125	125	0	0	0	100	0%	0%
Total	**5,699**	**5,616**	**83**	**293**	**14**	**391**	**1.5%**	**5.1%**

Figure 11-1: Shewhart Control Chart for SPA CRMs Analyzed at Eco Tech



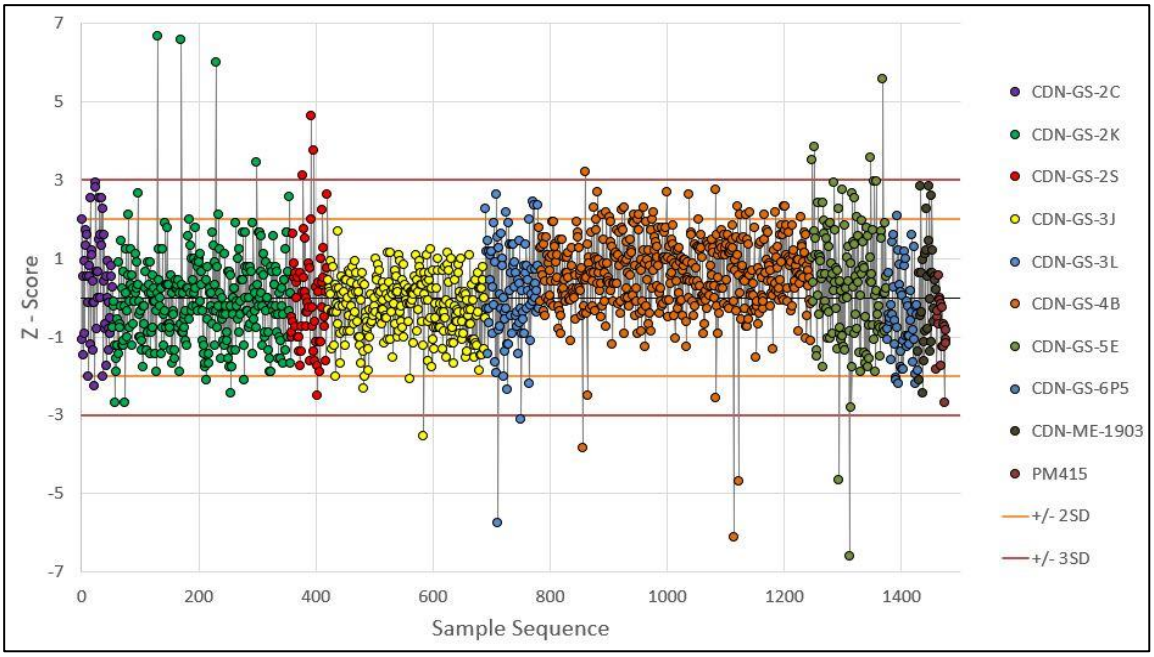
Source: Equity, 2025.

Figure 11-2: Shewhart Control Chart for SPA CRMs Analyzed at ACME



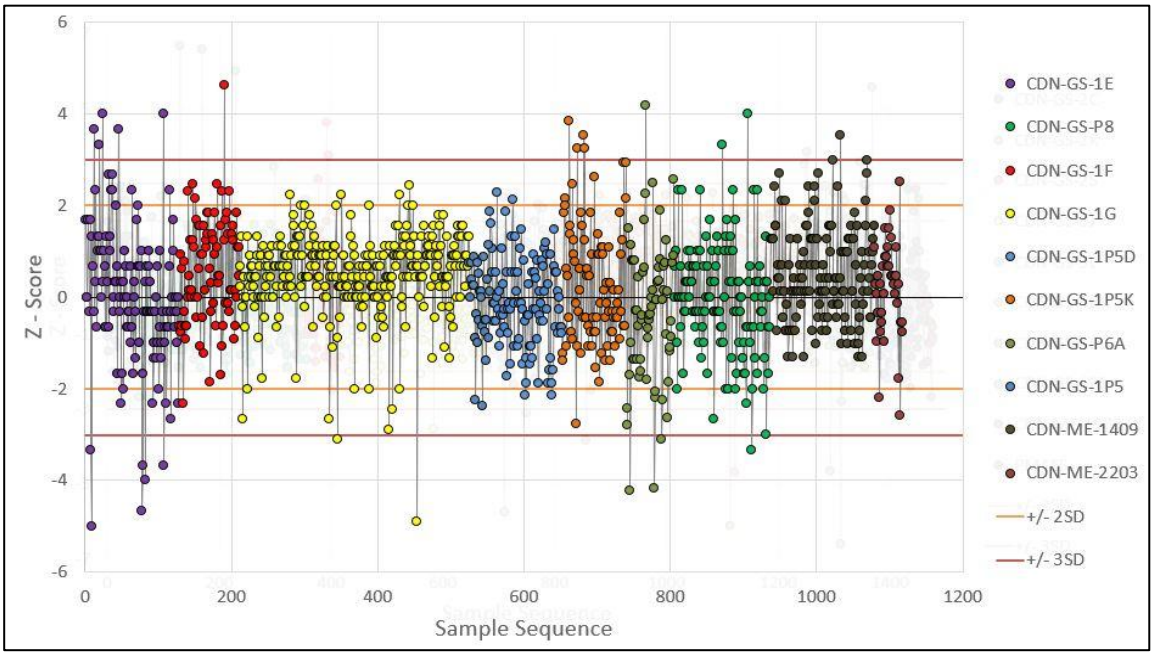
Source: Equity, 2025.

Figure 11-3: Shewhart Control Chart for SPA CRM with >2.0 g/t Au Analyzed at ALS



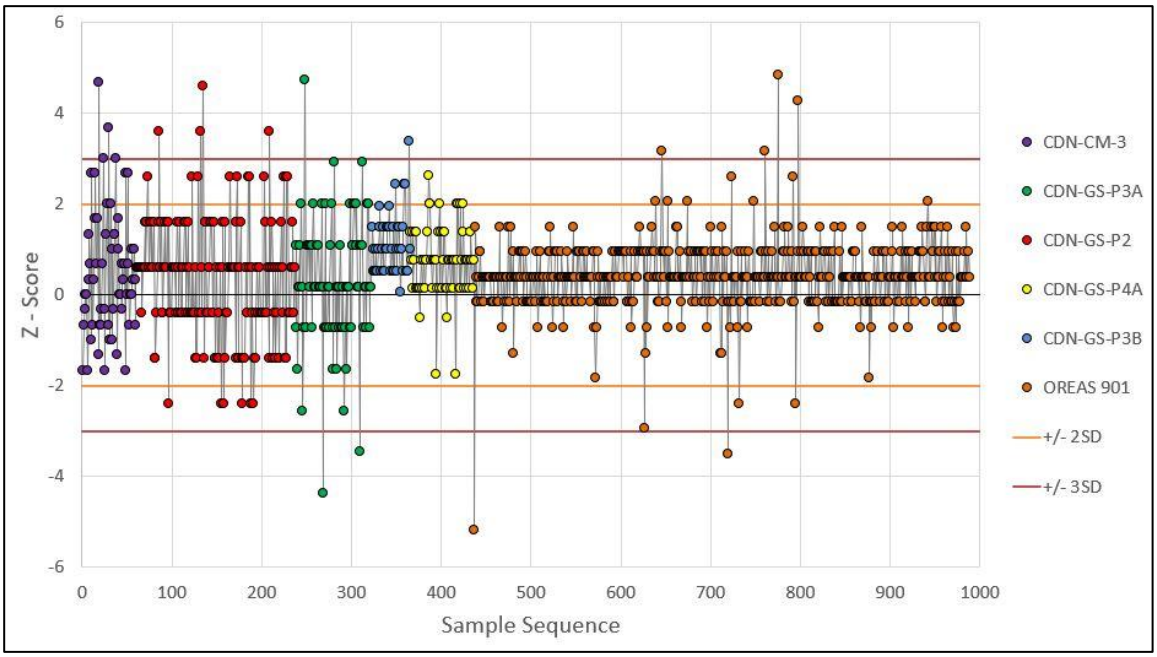
Source: Equity, 2025.

Figure 11-4: Shewhart Control Chart for SPA CRM with 0.5 to 2.0 g/t Au Analyzed at ALS



Source: Equity, 2025.

Figure 11-5: Shewhart Control Chart for SPA CRM Less than 0.5 g/t Au Analyzed at ALS



Source: Equity, 2025.

11.8.2 Field (or Quarter Core) Duplicates

The SPA drilling database export includes 4,344 field duplicate pairs (3,903 quarter core and 441 RC chip) where both the parent and daughter have assay results. The largest datasets are the quarter core duplicates run at Eco-Tech and ALS (Table 11-8). These duplicate pairs show poor correlation with R^2 values of 0.26 and 0.44 (Figure 11-6), and coefficient of variation CV_{AVR} values of 41% and 28% respectively (Table 11-8).

The correlation is affected by duplicate pairs with large absolute differences stemming from handling errors and the natural variability of high-grade samples. Removing these samples from the dataset, or "cleaning" the data, improves the correlation and all other metrics for analyzing repeatability.

The cleaned datasets (

Table 11-9) return R^2 values of 0.64 and 0.82, and CV_{AVR} values of 39% and 26% respectively. The Eco-Tech CV_{AVR} is outside the "acceptable" range for coarse- to medium-grained gold deposits (20 to 30% in Azalov, 2008). The CV_{AVR} is affected by large relative differences for samples at or below the method detection limits. For this dataset 80% of duplicate pairs have at least one result within five times the detection limit, which may account for the high CV_{AVR}.

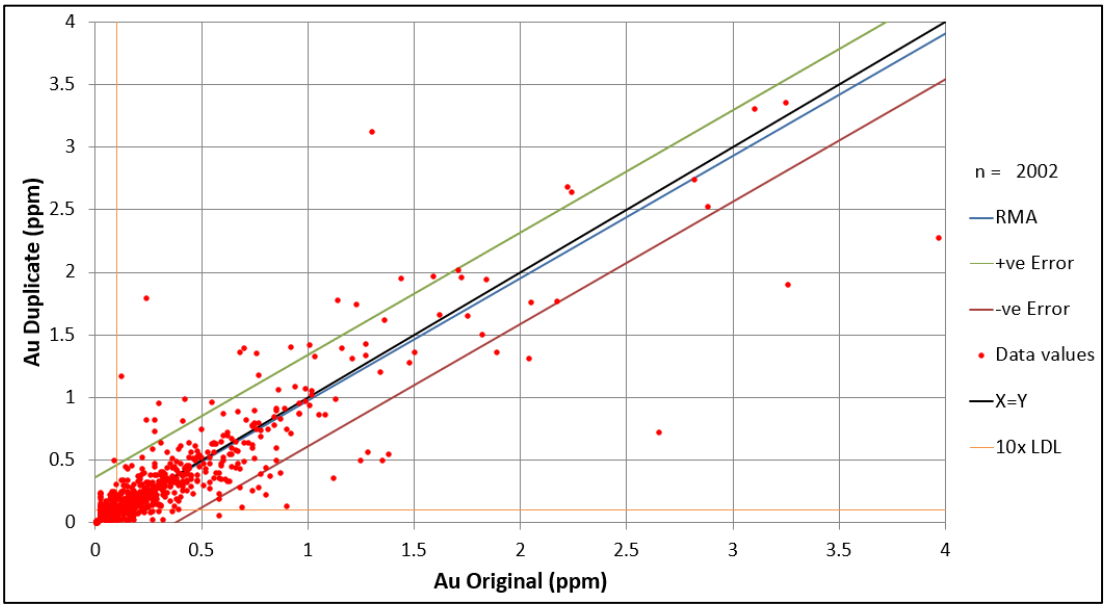
Table 11-8: Comparison of SPA's Raw Original and Field Duplicate Assays

Lab	Sample Type	Pairs (N)	Mean Original (ppm)	Mean Check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
Eco-Tech	QCORE	1,709	0.19	0.16	17	0.3	41
Eco-Tech	RC Chips	109	0.17	0.17	-1	1.0	26
ACME	QCORE	100	0.04	0.05	-7	0.9	33
ALS	QCORE	2,021	0.18	0.17	10	0.4	28
ALS	RC Chips	332	0.28	0.27	2	0.6	27
MSA	QCORE	73	0.18	0.15	23	0.6	34

Table 11-9: Comparison of SPA's Clean Original and Field Duplicate Assays

Lab	Sample Type	Pairs (N)	Mean Original (ppm)	Mean Check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
Eco-Tech	QCORE	1,678	0.137	0.129	6	0.64	39
ALS	QCORE	2,002	0.150	0.147	2	0.82	26

Figure 11-6: Reduced Major Axis Regression Plot for SPA's Field Duplicates



Source: Equity, 2025.

11.8.3 Preparation (or Coarse Crush) Duplicates

Preparation or coarse crush duplicates in SPA's drilling database includes 1,391 sample pairs with assay results for both parent and daughter. These duplicate pairs show good correlation with an R^2 value of 0.75 and a CV_{AVR} value of 21% (Table 11-10, Figure 11-7).

Removal of eight pairs with large absolute differences improves the correlation to an R^2 value of 0.91 and a CV_{AVR} value of 19% (

Table 11-11) so that it now falls within the 10 to 20% range that is typical for preparation duplicates from coarse- to medium-grained gold deposits (Abzalov, 2008).

Table 11-10: Comparison of SPA's Raw Original and Preparation Duplicates

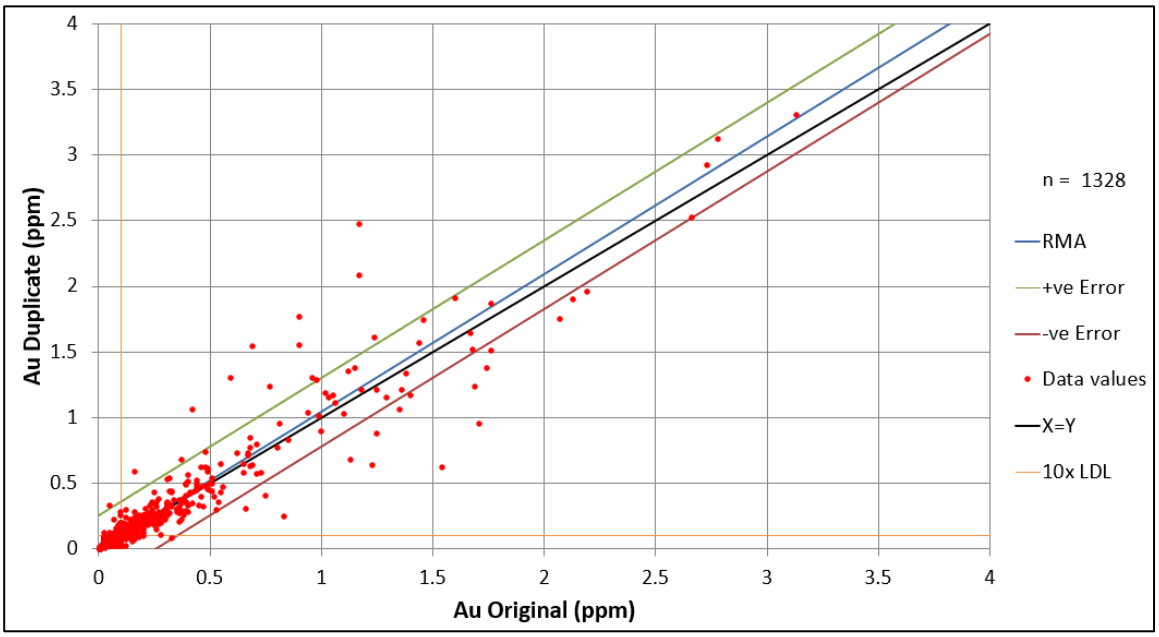
Lab	Sample Type	Pairs (N)	Mean Original (ppm)	Mean Check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
ALS	Coarse Reject	1,337	0.17	0.17	-1	0.75	20
MSA	Coarse Reject	54	0.10	0.09	13	0.97	26

Table 11-11: Comparison of SPA's Clean Original and Preparation Duplicates

Lab	Sample Type	Pairs (N)	Mean Original (ppm)	Mean Check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$

ALS	Coarse Reject	1,328	0.149	0.153	-3	0.91	19

Figure 11-7: Reduced Major Axis Regression Plot for SPA's Preparation Duplicates



Source: Equity, 2025.

11.8.4 Blanks

SPA's drilling database export includes 5,523 blank analyses completed from the 2005 to 2025 drilling programs (Table 11-12) for an insertion rate of approximately 4.1% or one blank in every 25 samples. This insertion rate is low for resource projects where it's more typical to insert one blank for every 20 samples for an insertion rate of 5%. SPA's database export includes 74 blanks that lack assay data so that the total number of blanks available for QA/QC review is 5,449. SPA has used multiple blanks since 2005 with the results from each laboratory summarized below. The overall failure rate of 0.3% (Table 11-12,

Figure 11-8) is low by industry standards.

In the 2005 to 2009 programs, SPA inserted 1,839 blanks into the sample stream that were then analyzed at Eco-Tech. Blanks comprised either fine blank material from CDN (CDN-BL-2 or CDN-BL-3), coarse blank material sourced from Home Depot, or coarse sand from a gravel pit near Big Lake Ranch (called SL-1), located along the Likely Road approximately 45 km from Likely. Of the 1,800 blanks with gold results in SPA's database, only one sample returned above 10x the detection limit for gold (i.e., 10 by 0.03 ppm or above 0.3 ppm) but is also, in the opinion of the QP, more likely to represent a mislabeled CRM rather than a QA/QC failure.

In the 2008 drilling program, SPA inserted 100 blanks of CDN-BL-3 and SL-1 into the sample stream that were then analyzed at ACME. None of the blanks returned values above 0.1 ppm (ten times the detection limit).

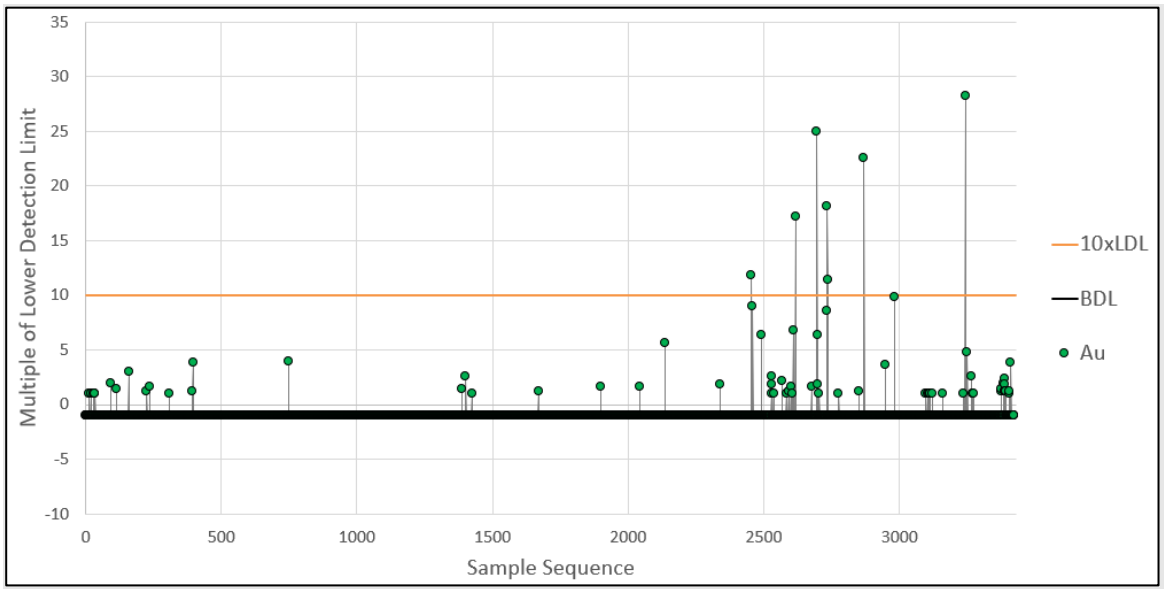
For the 2008 to 2024 drill programs, SPA inserted 3,459 blanks that were then analyzed at ALS. This total includes 3,448 samples of SL-1 and 11 samples of CDN-BL-3. Given the higher detection limit of 0.05 ppm for the screen fire assay method at ALS, the threshold for failure is here lowered to five times the detection limit (i.e., 5 by 0.05 ppm or above 0.25 ppm) with 14 blanks returning values more than this threshold. Ten of these failures are from the 2013 RC drill program, with six failures from samples at the start of their respective batches and four preceded by mineralized samples. Four additional failures have occurred since 2013, in one case the failure was the first sample in the batch, with the others all preceded by mineralized samples. Overall, however, the failure rate of less than 1% is comparatively low for gold projects and suggests limited, if any, cross-contamination issues in the analytical data.

At MSA in 2025, 125 blanks of CDN-BL-10 were included in the sample stream. None of the blanks returned values above 0.15 ppm (ten times the detection limit).

Table 11-12: Overview of SPA's Blank Performance

Lab	Blank Type	Blanks (N)	Pass (N)	Fail (N)	Fail (%)
Eco-Tech	Coarse	1,551	1,550	1	0.1%
	Pulp	249	249	0	0.0%
ACME	Coarse	75	75	0	0.0%
	Pulp	25	25	0	0.0%
ALS	Coarse	3,413	3,399	14	0.4%
	Pulp	11	11	0	0.0%
MSA	Pulp	125	125	0	0.0%
Total		**5,449**	**5,434**	**15**	**0.3%**

Figure 11-8: Control chart for SPA's Blanks



Source: Equity, 2025.

11.8.5 Check Assaying

Pulp duplicate checks (or umpire checks) in the SPA drilling database includes 691 sample pairs with assays for both parent and daughter. Check assay programs were completed in 2005, 2007, and 2025.

In 2005 and 2007, reject material from drill core samples analyzed at Eco-Tech was sent to ALS in Vancouver. Each sample was analyzed for Au by both screen fire assay (Au-SCR21) and mill feed grade fire assay (Au-AA23 or AA26), and for multi-element analysis by four-acid digestion with ICP finish (ME-ICP61).

Differences in detection limits between methods and labs require cleaning of the lowest values in the dataset. The top 1% of values (anything above 4 ppm Au) were also removed as the large absolute differences have an outsized impact on the correlation of the duplicate pairs. Table 11-13 contains the raw results and Table 11-14 has the cleaned results.

The duplicate pair screen results show good correlation between original and umpire assays (R^2 = 0.7) with no indication of bias between the labs (Figure 11-9).

Check assays of MSA's photon activation analyses with ALS metallic screen assays show a very strong R^2 (0.99) and identical means across 27 check pairs.

Table 11-13: Comparison of SPA's Raw Original and Umpire Assays

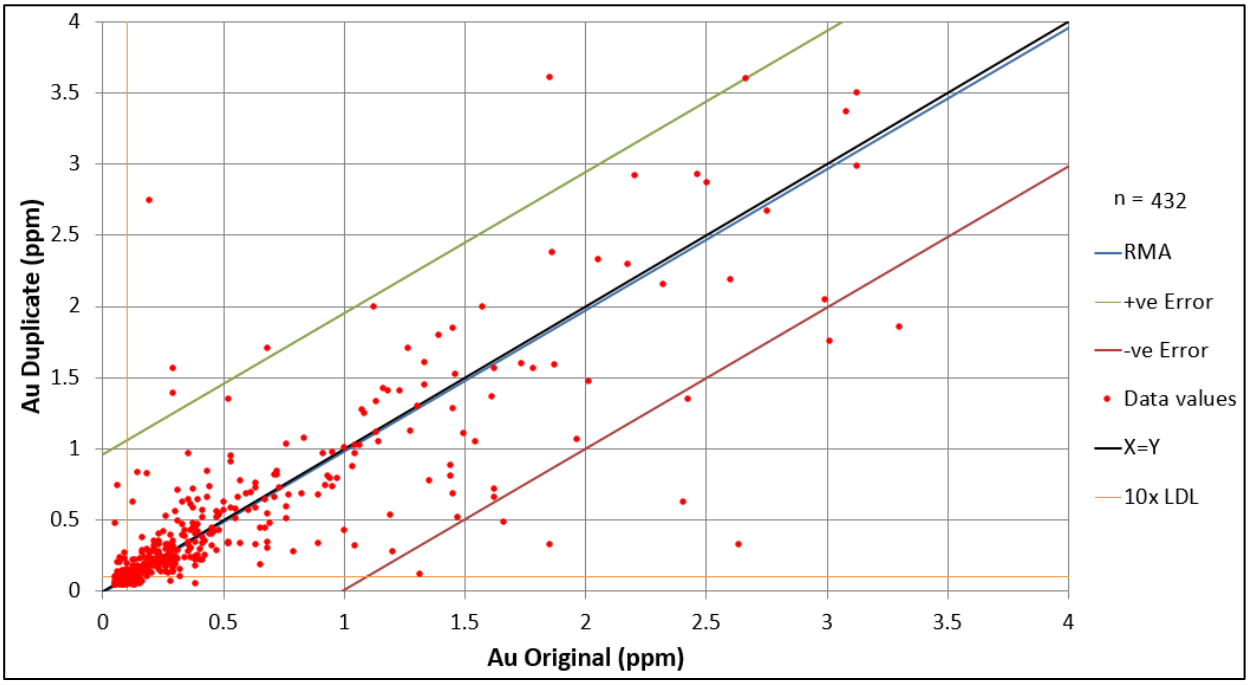
Lab	Sample Type	Pairs (N)	Mean Original (ppm)	Mean Check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
ALS	Eco-Tech screen vs ALS FA	664	0.53	0.48	11%	0.8	50%

ALS	Eco-Tech screen vs ALS screen	653	0.52	0.64	-17%	0.3	41`%
ALS	ALS screen vs ALS FA	653	0.46	0.64	-28%	0.6	45%
ALS	MSA PAA vs ALS screen	27	0.34	0.34	2%	1.0	21%

Table 11-14: Comparison of SPA's Clean Original and Umpire Assays

Lab	Sample Type	Pairs (N)	Mean Orig (ppm)	Mean Check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
ALS	Eco-Tech screen vs ALS FA	505	0.425	0.418	2	0.74	41
ALS	Eco-Tech screen vs ALS screen	432	0.496	0.484	2	0.70	32
ALS	ALS screen vs ALS FA	438	0.494	0.490	1	0.81	28

Figure 11-9: Reduced Major Axis Regression Plot for SPA's Eco Tech vs ALS Screen Assays



Source: Equity, 2025.

11.9 Comment on Sample Preparation, Analyses and Security

Sampling, sample shipping, and shipment security measures are poorly documented aside from the most recent 2024 and 2025 drill programs but likely more-or-less followed industry standard procedures. All sample preparation and analytical work was done at accredited and/or reputable laboratories that are, or were, independent of SPA. The

preparation and analytical methods used by these labs are, for the most part, industry standard for gold exploration and development projects.

The use of screen fire assay methods for most gold analyses is somewhat uncommon in practice, as most gold projects analyze the bulk of their samples using fire assay on a single 30-gram sample split, reserving screen fire assay for high-grade samples. This is largely a cost-related decision, as screen fire assays are more expensive, although they generally provide more accurate results than standard fire assay methods.

Photon activation analyses completed by SPA for their 2025 drill program show excellent correlation with check assays done by screen fire assay methods.

SPA's QA/QC sampling insertion rate of 12% is within recommended industry best practice of 10 to 20% and are therefore adequate, even though insertion rates for CRM's and blanks average 1 in 25 rather than the recommended 1 in 20.

CRMs for the 2005 to 2025 programs returned failure rates below the industry standard that suggest gold analyses are generally precise and accurate. The low failure rate suggests that SPA monitored QA/QC performance in real time and completed corrective action when necessary. However, SPA has preserved no records of the QA/QC follow-up work that was done for any of their programs.

Blank data indicates that cross-contamination, if any, was limited.

Duplicates show good correlation between parent-daughter pairs as well as CV_{AVR} values that fall just above typical ranges for coarse- to medium-grained gold deposits. High CV_{AVR} values imply that gold mineralization on the SMG Property may have slightly higher variance than typical of these deposit types.

Descriptive statistics of relative density are consistent with typical values for sedimentary rocks and so are considered adequate for purposes of mineral resource estimation.

Overall, the QP is of the opinion that SPA's diamond core and RC chip assays are adequate for the purposes of resource estimation and exploration targeting.

12 DATA VERIFICATION

12.1 Legacy Data

In 2023, Equity was commissioned to compile all of SPA's exploration data for the SMG Property, including data they collected themselves (see Section 12.2.2) and legacy data that preceded SPA's ownership of the Property. This work involved the centralization of digital data into folder and database structures, in addition to compilation of undigitized data.

Legacy data compiled during this process includes bedrock geology (Voordouw, 2023b), airborne and ground geophysics (Voordouw, 2023c), surface geochemical samples (Van Drecht, 2023a; 2023b; 2023d; 2023e; 2023c), and drilling (Voordouw, 2023a). Trenching data was not compiled although all of the key sources of data were identified (Van Drecht, 2023f). A total of 13 legacy bedrock mapping studies were compiled along with seven geophysical surveys, 2,033 rock samples, 15,490 soils and tills, and 21,654 m of drilling from 682 holes.

The quality of this compiled legacy data is adequate for purposes of exploration targeting and work planning but not drill planning. Any legacy anomaly of interest should first be followed up with field confirmation, prospect-scale geological mapping, and, preferably, resampling prior to drilling.

Original certificates of analysis (COAs) were obtained for most of the drilling done by Pundata in 1987 to 1988 and by Wildrose in 2003. The 6,800 m drilled between these two operators comprises approximately 30% of all legacy drill meters and were included in the updated mineral resource estimate (MRE) provided in Section 14. Original COAs were not found for the remaining 70% of legacy drill meters and so these assays were excluded from the updated MRE. Legacy drilling results that were excluded from the MRE are suitable for exploration targeting and follow-up drill targeting, especially accompanied by ground-truthing of the collar location and relogging of drill core.

12.2 Verification Performed by the QP

12.2.1 Site inspection

QP Ron Voordouw of Equity ("QP Voordouw") completed site visits to the SMG Property on July 31 to August 3, 2023 and on June 19 to 20, 2025. Both visits included core reviews whereas collar and assay validations were done in the second review.

Collar validation work involved using a handheld GPS to measure the collar coordinates for six of the 2025 holes drilled on the Phoenix deposit (Figure 12-1a), as well as four holes drilled on the SMG deposit in 2007, 2013, 2018, and 2025. All collar locations were accessed by pickup truck. Comparison of the coordinates measured by QP Voordouw with those in SPA's drill hole database show an offset between 1 to 9 m (Table 12-1) that is in line with the positional accuracy for handheld GPS.

Figure 12-1: Field Photos Showing (a) 2025 Drill Pad and (b) Late (D3) Quartz Vein Cutting Argillite in the LE Pit

Source: Equity, 2025.

Table 12-1: Offsets Between SPA Database and QP Measured Collars from June 2025 Site Visit

Deposit	Hole ID	SPA database		QP		Offset (m)
		Easting	Northing	Easting	Northing	
Phoenix	25-CCR-049	602,339	5,827,437	602,334	5,827,434	5
	25-CCR-051	602,397	5,827,569	602,396	5,827,570	2
	25-CCR-052	602,218	5,827,525	602,221	5,827,522	4
	25-CCR-056	602,222	5,827,527	602,221	5,827,522	5
	25-CCR-058	602,055	5,828,157	602,052	5,828,157	3
	25-CCR-060	601,970	5,828,299	601,970	5,828,300	1
SMG	25-DH-1276	603,800	5,828,506	603,798	5,828,504	3
	18-SMRC-1222	604,290	5,827,704	604,289	5,827,703	1
	07-DDH-656	604,313	5,827,685	604,310	5,827,676	9
	13-SMRC-1189	604,436	5,827,676	604,432	5,827,676	4

During the collar validation work, the QP was also able to inspect the LE pit that was percussion drilled and bulk sampled by Imperial in 2000 (Kynoch, 2000; Robertson, 2001), the latter returning 5,762 grams of gold from 1,938 dry tonnes for an average of 3.0 g/t Au. At the base of the pit is a large north-south striking quartz vein-hosted within black argillite (Figure 12-1b).

Core reviewed between the two site visits totaled just under 2,400 m from 22 holes (Table 12-2). Reviews focused on the geology of mineralized zones as well as their hanging and immediate to deep foot walls. Selected holes include intersections through mineralized bodies in the SMG and Phoenix deposits, complete transects of deposit stratigraphy, and outlying targets from the Nina Lake area and Ropes-of-Gold showing.

This review found that the recorded sample intervals, as well as the lithological and mineralogical variation in drill core, were generally captured accurately in SPA's drill hole database. Exceptions include some unit contacts that were offset by up to 50 m and up to 150-meter intervals of lumped units that could be easily split into two more lithologies to improve correlation with adjacent holes.

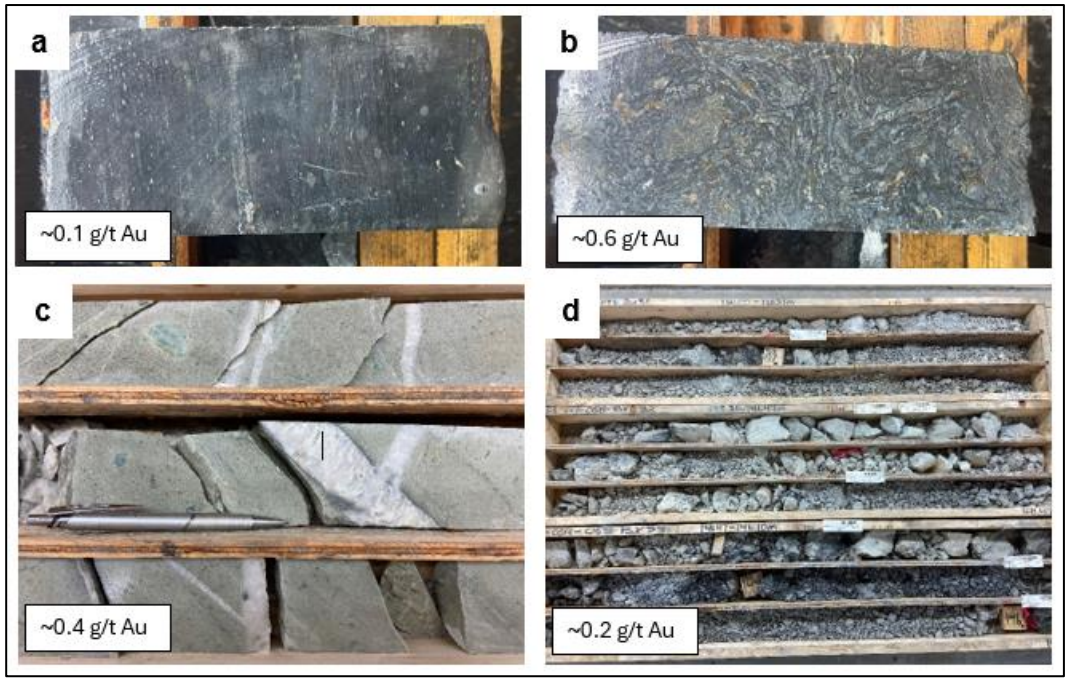
Table 12-2: Core Reviewed by QP Voordouw During July/August 2023 and June 2025 Site Visits

Occurrence	Hole ID	From (m)	To (m)	Interval (m)	Average Grade (Au g/t)	Maximum Grade (Au)
SMG Main Block	06-DDH-500	40	85	45	1.5	5.4 g/t over 1.5 m
	11-DDH-965	0	170	170	0.2	1.8 g/t over 2.0 m
	12-DH-1045	25	265	240	0.3	10.9 g/t over 2.0 m
	12-DH-1109	94	280	186	1	68.6 g/t over 1.5 m
	12-DH-1126	245	302	57	1.6	8.9 g/t over 1.9 m
	22-DH-1261	45	195	150	0.4	3.1 g/t over 1.5 m
SMG North Block	06-DDH-504	30	60	30	1.3	6.4 g/t over 1.5 m
	06-DDH-513	55	90	35	1.3	6.1 g/t over 1.5 m
	09-DDH-890	140	350	210	0.1	1.6 g/t over 1.5 m
	11-DDH-943	130	235	105	0.4	26.5 g/t over 1.0 m
	12-DH-1033	0	127	127	0.3	1.4 g/t over 1.5 m
SMG West Extension	07-DDH-596	240	329	89	0.2	1.7 g/t over 1.5 m
	08-DDH-716	175	300	125	0.1	4.3 g/t over 1.5 m
Phoenix	07-DDH-632	70	115	45	2.4	73.8 g/t over 1.5 m
	11-CCR-023	180	255	75	0.7	14.7 g/t over 1.5 m
	12-CCR-038	125	170	45	0.3	2.9 g/t over 1.2 m
	25-CCR-049	70	100	30	0.4	2.0 g/t over 2.0 m
		160	190	30	0.8	7.1 g/t over 2.0 m
	25-CCR-050	40	300	260	0.3	3.4 g/t over 1.8 m
	25-CCR-058	85	180	95	0.3	4.8 g/t over 1.3 m
	25-CCR-062	220	295	75	0.9	13.1 g/t over 2.0 m
Nina Lake	11-NNA-008	85	155	70	0.1	1.0 g/t over 1.5 m
	11-NNA-017	178	250	72	0.1	0.4 g/t over 1.5 m
Total	**22 holes**	-	-	**2,366**	-	-

A summary of findings from the core review is provided below:

- Early (Figure 12-2a, b) and late (Figure 12-2c, d) gold mineralization appears as described in Section 7.4.1 of this Technical Report, whereas other observations include:
  - Occasional visible gold in late quartz veins.
  - Correlation of grade with increased quartz + pyrite and cataclastic texture (Figure 12-2b, c).
  - Occurrence of mineralized zones in fault rubble (Figure 12-2d).
  - Widespread brittle faulting resulting in low core recovery and RQD over tens to hundreds of meters.
  - Half the mineralized zones reviewed by the QP at Phoenix occur in fault rubble.
  - Stratigraphy as described in Section 7.3.1 of this Technical Report.
  - Tuff may be a strongly altered diorite as suggested by Mr. Garnet Dawson (personal communication, July 31, 2023).
  - “Mafic dyke” units are widely altered to carbonate, silica, and chromium -rich mica (“listwanite”).
  - Possible large D1-D2 structures controlling north and south sides of the SMG deposit (North and South faults).
  - Defined by corridors of highly deformed and interleaved lithologies plus increased listwanite dykes.

Figure 12-2: Drill Core Photos of (a) Massive Argillite, (b) Cataclastic Argillite, (c) Late Veins in Tuff, (d) Late Veins in Fault Rubble



Source: Equity, 2025.

12.2.2 Databases

As mentioned in section 12.1, SPA commissioned Equity to complete a compilation of SMG project data as well as rebuilding their surface geochemistry and drilling databases. This work was described in a series of internal reports written for SPA(Van Drecht, 2023f; Van Drecht, 2023a; Van Drecht, 2023c; Van Drecht, 2023e; Van Drecht, 2023d; Van Drecht, 2023b; Voordouw, 2023a; Voordouw, 2023c; Voordouw, 2023b).

The internal reports that describe each specific data compilation also provide gap analyses and recommended work programs. The most significant gaps are the lack of compiled trenching data – especially legacy trenching prior to SPA's ownership of the property – as well as the significant number of surface samples that either lack a location or a gold assay, and the lack of digitized outcrop data.

The technical document that describes the drilling compilation (Voordouw, 2023a) likewise provides a number of recommendations including rebuilding the drill assay and QA/QC database from original COAs, attributing each assay with analytical codes and methods, and adding in missing data. Much of this work was subsequently completed by Equity. This includes downloading of 2,144 original COA's directly from the analytical lab for a total of 213,982 analyses that comprise approximately 80% of the samples analyzed done by SPA. This method of building an assay database provides the highest degree of confidence in the quality of data transcription.

12.2.3 Quality Assurance and Quality Control

The June 2025 site visit included the collection of ten quarter core duplicate samples from the Phoenix deposit (Table 12-3). These samples were collected from six different holes and have original assays that ranged from <15 ppb Au to 2.8 g/t Au over sample lengths of 1.0 to 3.0 m.

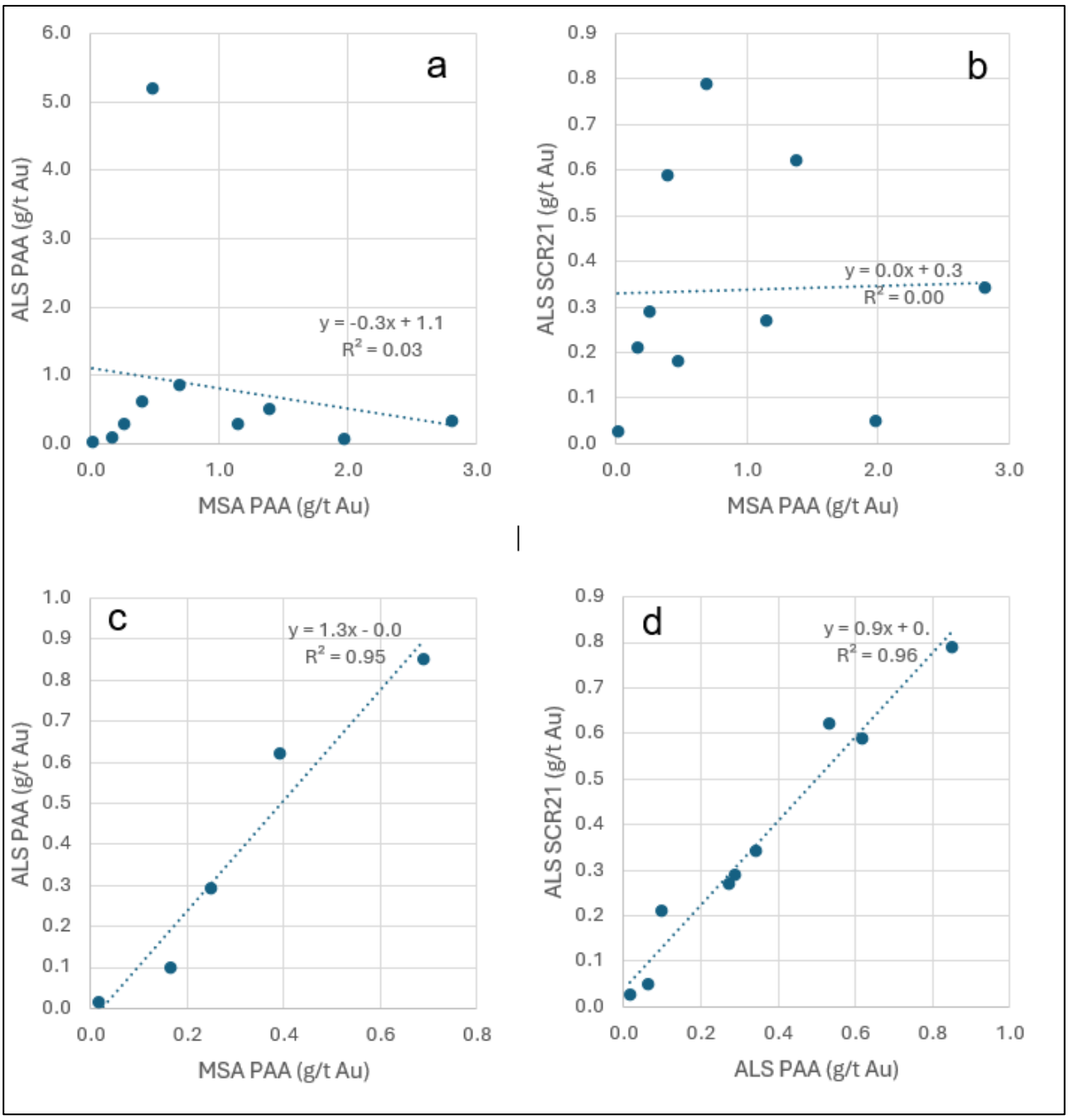
Sample intervals were marked by the QP and were then cut and bagged by an SPA employee under the supervision of the QP. Final sample weights ranged from 1.5 to 3.9 kilograms. Two groups of five samples were then bundled into poly-weave rice bags that were sealed with zip ties and then delivered by the QP to ALS in North Vancouver, BC.

Samples were received at ALS, logged into their system, and then crushed to 70% passing 2 mm (ALS code CRU-31). A 500-gram split of this coarse crush was then assayed by photon activation analysis (Au-PA01), then recombined with another 500 grams of coarse crush and pulverized to 85% passing 75 µm (ALS code PREP-32). Screen metallic assay (Au-SCR21) was then done by screening the 1,000-gram pulp at 106 µm followed by analysis of the entire oversize fraction as well as two 30-gram aliquots of the undersize fraction.

Results of the duplicate analyses show that there is no correlation between SPA's photon activation analyses (PAA) and either the QP's PAA (Figure 12-3a) or screen assay (Figure 12-3b) results. Correlation is especially poor for SPA's samples that assayed over 1.0 g/t Au, with four original analyses between 1.0 to 3.0 g/t Au returning 0.1 to 0.6 g/t Au in the QP's duplicates. On the other hand, one of SPA's samples that returned 0.5 g/t Au returned 5.2 g/t Au in the QP's duplicate.

There are only five samples where SPA's original and QP duplicate values are all less than 1.0 g/t Au. These five analyses show very high correlation (Figure 12-3c).

Figure 12-3: Plots Comparing SPA Assays (MSA PAA) with the QP's (ALS PAA, ALS SCR21)



Source: Equity, 2025.

The average grade for the ten samples is 0.9 g/t Au in SPA's database, 0.8 g/t for the QP's photon activation analyses, and 0.3 g/t Au for the QP's screen assays whereas in all cases the standard deviation is equal to or larger than the mean.

The duplication of the QP's PAA and screen metallic analyses is very good once the sample with 5.2 g/t Au is removed (Figure 12-3d).

Table 12-3: Quarter Core Duplicate Sampling Completed by QP in June 2025

QP Sample	DRill Hole	SPA Sample	Hole Depth (m)			Assay (g/t Au)		
			From	To	Interval	SPA PAA	QP PAA	QP Screen
A0825980	25-CCR-062	C0316858	237.0	239.0	2.0	0.5	5.2	0.2
A0825981		C0316871	257.0	258.0	1.0	2.8	0.3	0.3
A0825982	25-CCR-050	C0315552	82.0	84.0	2.0	0.0	0.0	0.0
A0825983		C0315590	140.0	142.0	2.0	0.2	0.1	0.2
A0825984		C0315625	191.0	193.0	2.0	1.4	0.5	0.6
A0825985	12-CCR-038	N679464	129.5	132.3	2.8	0.7	0.9	0.8
A0825986	07-DDH-632	S07-03283	107.5	109.0	1.5	2.0	0.1	0.1
A0825987	25-CCR-058	C0312767	134.0	137.0	3.0	0.4	0.6	0.6
A0825988	25-CCR-049	C0315152	80.3	82.3	2.0	1.1	0.3	0.3
A0825989		C0315219	174.9	176.9	2.0	0.3	0.3	0.3

12.3 Comments on Data Verification

Verification of SPA's legacy data shows that it is fit for purposes of exploration targeting and planning surface work programs, and that approximately 30% of the legacy drill meters are adequate for inclusion in mineral resource estimates. Any drill holes planned entirely off legacy data should first be examined in the field, preferably through target-scale mapping and rock sampling. Legacy geophysical data can be used for targeting if the raw data is available and it is reprocessed by a qualified geophysicist.

A check of ten collar locations found that for all instances the coordinates recorded in SPA's drilling database were within error of those measured in the field by the QP.

Review of just under 2,400 m of drill core from 22 holes found that the stratigraphy and mineralization in the SMG and Phoenix deposits are consistent with previous descriptions provided in Company, legacy, and geoscientific reports, as well as previously published technical reports.

SPA's geology, geophysical, and surface geochemical data is fit for purposes of exploration targeting and planning surface work programs. We would recommend completing target-scale mapping and, possibly, resampling prior to

drilling but, overall, SPA's data was mostly collected with handheld GPS and therefore has considerably more accurate locations than the legacy data.

SPA's drilling data is adequate for purposes of mineral resource estimation and exploration targeting.

Quarter core duplicate sampling of ten intervals from the Phoenix deposit shows very poor correlation between SPA and QP values, especially for samples with at least one assay above 1.0 g/t Au. These results suggest that the spatial variance of coarse gold is not accurately captured within the sample size. More work is recommended to assess grade variance in the Phoenix deposit.

Other recommended work to improve the completeness and confidence in both SPA's and legacy data is described in Section 26.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

13.1 Introduction

A number of metallurgical test programs have been completed on the Spanish Mountain Gold Project since 2007. These programs were designed to quantify metallurgical performance and different processing options. The programs included the following testwork:

- Head assays
- Mineralogy
- Comminution testing
- Gravity concentration
- Flotation
- Cyanidation

13.2 Metallurgical Testwork

A summary of the test programs is presented in Table 13-1. All work on this project has been undertaken by Spanish Mountain Gold Ltd (formerly Skygold Ventures Ltd).

Table 13-1: Summary of Metallurgical Test Programs

Year	Laboratory	Test Work Performed
2025	(Program BL1852) Base Met Laboratory	Gravity and flotation of eight low-grade composite samples from four drill holes
2024	(Program BL1610) Base Met Laboratory	Cyanidation and preg-robbing on four composites from three drill holes
2024	(Program BL1565) Base Met Laboratory	Head assays, mineralogy, gravity and flotation on three composites from three drill holes
2024	(Program BL1481) Base Met Laboratory	Head assays, mineralogy, gravity, flotation and Hydrofloat pilot test, one composite from three drill holes
2022	(Program BL1074) Base Met Laboratory	Head assays, comminution, gravity, flotation and cyanidation of four composites and 18 variability samples from 15 drill holes
2021/ 2022	(Program KM6318) ALS Metallurgy	Head assays, flotation, DFR pilot test and concentrate mineralogy on one composite sample from two drill holes
2019	(Job. No.4373) McClelland Laboratories, Inc	Head assays, comminution, flotation, cyanidation and cyanide destruction on four composite samples from three drill holes
2017	(Project MS1735) Met-Solve Laboratories, Inc	Head assays, flotation and cyanidation on three composite samples from three drill holes, incl. North Zone bulk sample
2012	(Project KM3185) by G&T Metallurgical Services	Head assays, comminution, gravity, flotation and cyanidation on 19 variability samples and seven composite samples from six drill holes

Year	Laboratory	Test Work Performed
2012	(Project KM3403) by G&T Metallurgical Services	Preliminary sighter setting and filtration tests on two composite samples
2012	(Project 12488-002 – Report 1 & 2) by SGS Canada	Head assays, comminution, flotation, cyanidation and cyanide destruction on one composite and 16 variability samples from five drill holes
2011	(Project 12488-003 – Final Report by SGS Canada	HPGR grindability characteristics of two samples
2010	(Project. No. 12488-001) by SGS Canada	Comminution tests on 24 variability samples from five drill holes
2010/ 2011	(Project KM2637) by G&T Metallurgical Services – Preliminary and Final reports	Head assays, comminution, gravity, flotation and cyanidation on three composites from five drill holes in the Main Zone
2010	(Project KRTC 20559 and 20559-1) by Knelson Research & Technology Center	E-GRG test on two composite samples from the Main Zone and gravity modeling
2010	(Project KM2538) by G&T Metallurgical Services	Comparative gold content in the core using gravity concentration techniques

13.2.1 Head Assays

Table 13-2: Programs G&T, SGS, Met-Solve and McClelland (2012-2019)

Program	Sample ID	Type of Rock	Head Assays						
			Au (g/t)	Ag (g/t)	Fe (%)	S_{tot} (%)	Sulphur (S^{2-}) (%)	TOC (%)	TIC (%)
G&T (KM2637)	865-1	Siltstone*	0.45	1.2	4.8	1.3	1.3	0.28	3.03
	865-2	Argillite	0.94	1.2	4.1	2.9	2.9	1.18	2.04
	865-3	Siltstone*	0.82	1.3	3.3	1.5	1.4	0.26	2.05
	871	Argillite/Siltstone	1.05	1.4	4.3	3.3	3.4	1.09	1.84
	871B	Siltstone*	0.36	0.9	3.2	1.5	1.3	0.65	1.25
	872A	Argillite	0.54	3.2	3.9	2.9	2.8	1.01	1.98
	872B	Argillite/Siltstone	0.99	1.3	4.2	3.0	2.9	0.24	2.01
	891	Siltstone/Argillite	1.33	1.1	3.9	2.7	2.7	1.14	1.48
	894	Argillite	1.26	1.1	4.0	2.3	2.3	0.70	2.01
	MC4	Mixed	1.02	1.2	4.0	2.6	2.7	0.78	1.94
SGS (2488-002)	SM1	Argillite	3.25	0.8	3.6	1.0	-	0.74	-
	SM2	Argillite	1.08	0.9	4.8	2.9	-	1.30	-
	SM3	Tuff	0.32	0.7	4.5	1.0	-	0.50	-
	SM6	Argillite	2.42	4.4	3.9	2.4	-	1.12	-
	SM7	Tuff	0.20	0.5	4.6	0.7	-	0.48	-
	SM8	Tuff	0.21	0.5	5.2	0.5	-	0.55	-
	SM9	Argillite	0.36	1.0	3.1	1.1	-	1.36	-
	SM10	Argillite	0.24	0.7	3.6	2.1	-	1.56	-
	SM11	Crystal Tuff	0.15	0.9	3.8	0.4	-	0.60	-

Program	Sample ID	Type of Rock	Head Assays						
			Au (g/t)	Ag (g/t)	Fe (%)	S_{tot} (%)	Sulphur (S^{2-}) (%)	TOC (%)	TIC (%)
	SM12	Siltstone	0.36	0.8	4.9	2.1	-	0.82	-
	SM14	Argillite	0.94	0.6	4.3	3.2	-	0.93	-
	SM18	Argillite	0.34	1.5	4.7	4.1	-	1.50	-
	SM19	Argillite	1.10	1.2	4.5	3.6	-	1.56	-
	SM20	Argillite	1.18	1.1	4.3	3.7	-	1.90	-
	SM21	Argillite	0.29	0.6	2.6	0.5	-	0.96	-
	SM24	Siltstone	0.53	1.2	2.9	1.8	-	1.53	-
Met-Solve (MS1735)	865-3	Siltstone	1.06	-	4.1	1.7	-	0.37	-
	871B & 891	Argillite/Siltstone	1.15	-	3.9	2.1	-	1.35	-
	North Bulk	-	0.91	-	5.0	2.5	-	1.71	-
McClelland (4373)	4373-001	Argillite/Siltstone	0.36	0.5	4.7	1.5	1.2	0.58	2.21
	4373-002	Argillite/Siltstone	0.82	0.5	4.1	1.9	1.7	0.80	1.85
	4373-003	Argillite/Siltstone	1.02	1.2	3.6	1.9	1.8	0.60	1.88
	4373-004	Argillite/Siltstone	0.92	0.87	3.87	1.89	1.74	0.70	1.86

Mercury in the samples tested by McClelland (4373) was less than 0.02g/t for all samples.

13.2.1.1 Program BaseMet (2022)

Approximately 1200 kilograms of sample were received at Base Metallurgical Laboratories in September 2022, mainly comprised of drill core. Composite samples were constructed to represent the major lithology groups, Argillite (ARG), Lower Argillite (LARG), North Zone Argillite (NARG) and Tuff. Head assays for the composite and variability samples are shown in Table 13-3 and Table 13-4.

Table 13-3: Head Assay Data for Composite Samples, BaseMet (2022)

Sample ID	Au (g/t)	S (%)	C (%)	Ag (g/t)	TOC (%)	SO_4 (%)	S_{2-} (%)	Cu (g/t)	Hg (g/t)
ARG	0.75	2.49	2.84	0.80	0.90	0.03	2.37	79	<1
LARG	0.98	1.51	2.88	0.55	0.61	0.02	1.51	68	<1
NARG	0.78	2.30	3.02	0.95	1.37	0.03	2.21	79	<1
TUFF	0.94	1.34	2.53	0.65	0.35	0.02	1.28	83	<1

Table 13-4: Head Assay Data for Variability Samples, BaseMet (2022)

Lithology	Sample ID	Au (g/t)	S (%)	C (%)	Ag (g/t)	TOC (%)
ARG	VC1	1.19	2.96	3.08	0.20	0.89
	VC2	1.36	2.29	2.63	0.15	0.69
	VC3	0.83	2.59	2.67	<0.1	0.61
	VC4	0.84	2.96	3.67	0.70	1.70
	VC5	0.94	2.52	2.75	0.10	0.74
LARG	VC6	0.69	1.26	2.19	0.15	0.59
	VC7	0.35	1.20	4.02	<0.1	0.03
	VC8	1.22	1.54	2.46	<0.1	0.41
	VC9	1.18	2.30	2.82	0.65	1.04
	VC10	0.77	1.42	2.98	0.20	1.18
NARG	VC11	0.97	3.62	3.34	0.35	1.57
	VC12	0.89	2.18	3.00	0.10	1.27
	VC13	0.60	2.04	2.85	0.75	1.19
	VC14	0.52	1.66	2.76	0.95	1.05
TUFF	VC15	0.69	1.24	2.54	<0.1	0.11
	VC16	0.72	0.53	2.66	0.35	0.03
	VC17	1.23	1.33	2.51	0.25	0.70
	VC18	1.13	2.31	2.63	0.90	0.60

Gold grades ranged from 0.35 to 1.36 g/t Au, silver grades varied from 0.10 to 0.95 g/t Ag. TOC and sulphur grades ranged from 0.03 to 1.70% and 0.53 to 3.62%, respectively. Mercury was low at less than 1.00 g/t.

13.2.1.2 Program BaseMet (2024-2025)

A total of 552 kg of drill core was received at Base Metallurgical Laboratories (BaseMet) in February 2024. A 150 kg composite of Upper Argillite material was assembled for testing in program BL1481. An additional shipment of 156 kg of drill core was received in June 2024. A further three composite samples were constructed for testing in Programs BL1565 and BL1610. North Argillite material had been received in 2022 for testing in the BL1074 test program, remaining master composite material of this lithology was utilized in the 2024 test program. Head Assays are shown in Table 13-5.

Table 13-5: Head Assay Data, BaseMet (2024-2025)

Sample	Program	Au (g/t)	Ag (g/t)	As (g/t)	S (%)	C (%)	TOC (%)	Cg (%)	Cu (%)	SiO_2 %
Upper ARG MC	BL1481	1.00	1.00	117	2.44	2.79	0.36	0.34	-	-
Main Upper Argillite	BL1565	0.63	0.55	94	2.22	2.65	0.82	-	84	60.5
Main Lower Argillite	BL1565	0.68	0.65	147	1.49	2.90	1.23	-	93	67
Main Tuff	BL1565	0.32	0.8	38	0.72	2.68	0.06	-	128	57.4
North Argillite	BL1565	0.78	0.95	100	2.3	3.02	1.37	-	79	67.3

Gold grades ranged from 0.32 to 1.00 g/t Au, silver grades varied from 0.55 to 1.0 g/t Ag. TOC and sulphur grades ranged from 0.06 to 1.37% and 0.72 to 2.44%, respectively.

A total of 124 kg of low-grade drill core was received at Base Metallurgical Laboratories (BaseMet) in February 2025. Head assays were performed in duplicate for each composite. Table 13-6 shows the average element-specific assays for the samples.

Table 13-6: Head Assay Data, BaseMet BL1852 (2024-2025)

Sample ID	Au (g/t)	Ag (g/t)	As (g/t)	S (%)	C (%)	Cg (%)	TOC (%)	SO_{4-} (%)
Argillite #1	0.37	3.50	99	4.49	3.52	0.60	1.97	0.11
Argillite #2	0.20	2.90	101	2.73	2.33	0.02	1.34	0.01
Argillite #3	0.32	0.90	105	1.93	2.60	0.02	0.99	<0.01
Tuff #1	0.41	0.60	40	0.87	1.99	<0.01	<0.01	<0.01
Tuff #2	0.39	2.70	36	0.71	3.22	<0.01	0.05	<0.01
Tuff #3+#4	0.30	0.85	46	0.55	3.16	<0.01	0.01	<0.01
Greywacke #1	0.28	0.40	81	1.71	2.25	<0.01	0.29	<0.01
Greywacke #2	1.24	0.75	67	1.20	2.22	<0.01	0.10	<0.01
Greywacke #3	0.25	0.60	62	1.06	2.68	<0.01	0.07	<0.01

Gold content in the samples varied from 0.20 to 1.24 g/t. Graphitic carbon (Cg) and TOC levels ranged from 0.01 to 0.60% and 0.01 to 1.97% respectively. The sulphur content in these samples measured between 0.55 to 4.49%, with the majority present as sulphide sulphur.

13.2.2 Mineralogy

13.2.2.1 Program BaseMet (2024-2025)

A Particle Mineral Assessment (PMA) was conducted on four composites at primary grind sizes of approximately 400 µm (P_{80}). The ground material was sized into six fractions and analyzed using QEMSCAN technology. Each fraction was assayed to support the mineralogical assessments. Mineral composition data is presented in Table 13-7.

Table 13-7: Mineral Composition Data

Mineral	Main Tuff	Main Upper Argillite	Main Lower Argillite	North Argillite
Pyrite	1.77	5.39	2.46	5.37
Chalcopyrite	0.07	0.05	0.04	0.03
Other Sulphides	0.08	0.07	0.08	0.08
Quartz	27.5	44.6	58.5	51.4
Feldspar	10.2	3.26	1.75	1.23
Sericite/Muscovite	30.0	23.4	18.9	23.8
Chlorite	1.74	0.73	0.22	0.30
Clays	1.89	1.46	1.30	1.50
Dolomite/Ankerite	19.2	16.8	12.6	12.1
Other Carbonates	5.39	2.16	2.79	2.77
Oxides	1.39	1.27	0.94	0.84
Other	0.78	0.75	0.48	0.63

Pyrite was the primary sulphide mineral in each composite, accounting for 95 to 99% of the sulphur in the feed. The Main Upper Argillite and North Argillite composites had the highest sulphide mineral contents of approximately 5.5%. The Tuff sample had a different mineral assemblage from the argillite composites, containing less quartz, more micas and carbonates. These mineralogical analyses were not designed to characterize gold occurrences. However, since it is understood that a significant portion of the gold is associated with pyrite, measuring pyrite characteristics is useful in understanding flotation performance.

Pyrite liberation values were measured for each composite, results are summarized in Table 13-8.

Table 13-8: Pyrite Mineral Texture Data

Parameter	Main Tuff	Main Upper Argillite	Main Lower Argillite	North Argillite
Sample Grind Size - µm P_{80}	377	361	419	427
Pyrite Liberation %	81.6	83.1	87.5	81.2
Pyrite - % in Grains >50% Surface Liberation	96.8	96.5	94.5	91.0

In all composites, pyrite was highly liberated, measuring an average of 83.4%. On average, nearly 95% of the pyrite occurred in grains with greater than 50% pyrite surface liberation. These would be considered quite amenable to conventional froth flotation, as a significant portion of the grain surface is available for bubble contact. This high level of pyrite liberation is unusual at such coarse grind sizes. It provides a unique opportunity to process the material by coarse particle flotation methods with significantly reduced grinding energy inputs.

Diagnostic leach tests carried out on rougher tailings of four lithology composites showed that on average, 29.9% of the gold in rougher tailings was associated with carbonate minerals, 13% was cyanide leachable, 14.3% was linked to arsenopyrite minerals, 17.4% was associated with pyritic sulphide minerals, and 25.4% was encapsulated within gangue.

13.2.3 Comminution Testing

A series of comminution tests were completed on the Spanish Mountain Gold mineralized material to characterize hardness/grindability of the deposit. The comminution tests were conducted at laboratories of SGS, G&T, McClelland and Base Met. These include crushing and grinding work indices, SMC test parameters A x b and abrasion indices. A summary of results is presented in Table 13-9 below.

Table 13-9: Summary of Comminution Data

Sample ID	Main Lithology Unit	Ai (g)	CWi (kWh/t)	RWi (kWh/t)	Bond Grind Mesh (um)	BWi (kWh/t)	SMC		Report
							SG	Axb	
865-1	Arg_Main_Upper	-	-	-	-	11.4	-	-	G&T KM2637
865-2	Arg_Main_Upper	-	-	-	-	12.6	-	-	G&T KM2637
865-3	Arg_Main_Upper/ GreyW_Upper	-	-	-	-	12.3	-	-	G&T KM2637
Comp 928-A	Arg_N_Upper	-	-	-	-	13.1	-	-	G&T KM3185
Comp 928-B	Arg_N_Upper	-	-	-	-	13.2	-	-	G&T KM3185
Comp 928-C	Arg_N_Upper	-	-	-	-	13.5	-	-	G&T KM3185
Comp 928-D	Arg_N_Upper	-	-	-	-	13.7	-	-	G&T KM3185
Comp 939-A	Arg_N_Upper	-	-	-	-	12.6	-	-	G&T KM3185
Comp 939-B	Arg_N_Upper / SiltN	-	-	-	-	13.7	-	-	G&T KM3185
Comp 981	Tuff_S	-	-	-	-	13.0	-	-	G&T KM3185
Dark Rock	Unknown	0.249	-	-	-	14.1	2.74	47.1	SGS 12488-003
Light Rock	Unknown	0.211	-	-	-	14.0	2.79	29.9	SGS 12488-003
SM-1	Arg_Main_Upper	0.22	9.1	12.4	212	10.9	2.74	54.0	SGS 12488-001
SM-2	Arg_Main_Upper	0.11	11.4	13.2	212	11.9	2.79	51.4	SGS 12488-001
SM-3	GreyW_Upper	0.21	14.4	14.1	212	12.8	2.78	42.6	SGS 12488-001
SM-4	Tuff_Main	0.25	14.7	15.1	212	13.4	2.75	32.8	SGS 12488-001
SM-5	Arg_Main	0.26	11.5	16.1	212	14.7	2.76	39.8	SGS 12488-001
SM-6	Arg_Main_Upper	0.23	12.0	13.8	212	12.5	2.77	52.0	SGS 12488-001
SM-7	GreyW_Upper/ Tuff Main	0.20	14.9	15.3	212	13.5	2.79	35.7	SGS 12488-001
SM-8	Tuff_Main	0.22	13.4	15.1	212	13.4	2.79	33.0	SGS 12488-001

Sample ID	Main Lithology Unit	Ai (g)	CWi (kWh/t)	RWi (kWh/t)	Bond Grind Mesh (um)	BWi (kWh/t)	SMC		Report
							SG	Axb	
SM-9	Arg_Main	0.22	10.5	14.4	212	13.3	2.76	52.0	SGS 12488-001
SM-10	Arg_Main	0.30	11.8	14.8	212	13.9	2.76	45.1	SGS 12488-001
SM-11	Arg_Main	0.275	18.0	17.5	212	16.7	2.76	27.0	SGS 12488-001
SM-12	GreyW_Lower	0.271	14.6	16.7	212	15.7	2.78	31.8	SGS 12488-001
SM-13	Arg_Main_Upper	0.200	8.9	13.3	212	12.9	2.78	49.5	SGS 12488-001
SM-14	GreyW_Upper	0.173	11.1	12.9	212	13.3	2.76	49.8	SGS 12488-001
SM-15	GreyW_Upper	0.188	11.6	17.0	212	16.0	2.79	26.0	SGS 12488-001
SM-16	Tuff_Main	0.214	17.0	16.3	212	15.1	2.77	27.0	SGS 12488-001
SM-17	Tuff_Main	0.298	15.2	16.0	212	14.5	2.79	26.0	SGS 12488-001
SM-18	Arg_N_Upper	0.281	9.9	12.7	212	12.6	2.78	47.9	SGS 12488-001
SM-19	Arg_N_Upper	0.28	10.6	12.4	212	12.7	2.80	83.7	SGS 12488-001
SM-20	Arg_N_Upper	0.30	12.9	13.8	212	13.6	2.79	50.7	SGS 12488-001
SM-21	Tuff_Main	0.21	11.4	13.8	212	12.9	2.70	38.4	SGS 12488-001
SM-22	Tuff_Main	0.12	12.4	13.9	212	12.1	2.79	37.4	SGS 12488-001
SM-23	Arg_Main	0.28	12.8	14.1	212	15.9	2.75	51.2	SGS 12488-001
SM-24	Arg_Main	0.259	11.6	14.2	212	15.3	2.75	51.7	SGS 12488-001
18-DH-1217 (28.3-29.3)	Arg_Main_Upper	0.157	9.0	-	150	12.1	-	-	McClelland 4373
18-DH-1217 (36.4-39.4)	Arg_Main_Upper	0.136	10.1	-	150	12.0	-	-	McClelland 4373
18-DH-1217 (41.4-44.5)	Arg_Main_Upper	0.141	10.7	-	150	12.2	-	-	McClelland 4373
18-DH-1217 (48.6-52)	Arg_Main_Upper	0.18	4.9	-	150	12.3	-	-	McClelland 4373
18-DH-1218 (81.8-85)	GreyW_Upper	0.245	10.7	-	150	11.5	-	-	McClelland 4373
18-DH-1218 (97-100.2)	GreyW_Upper	0.172	9.1	-	150	12.6	-	-	McClelland 4373
18-DH-1219 (110.9-114)	GreyW_Upper	0.207	12.2	-	150	12.2	-	-	McClelland 4373
Comp 4373-001	Unknown	-	-	-	150	12.3	-	-	McClelland 4373
Comp 4373-002	Unknown	-	-	-	150	12.3	-	-	McClelland 4373
Comp 4373-003	Unknown	-	-	-	150	12.2	-	-	McClelland 4373
ARG MC	Arg_Main/Arg_Main_Upper/ GreyW_Upper	-	-	-	106	13.4	-	-	BaseMet BL1074
LARG MC	Tuff Main/Arg_Main/Tuff_S	-	-	-	106	14.0	-	-	BaseMet BL1074
NARG MC	Arg_N_Upper	-	-	-	106	12.5	-	-	BaseMet BL1074
TUFF MC	GreyW_Upper/Tuff Main/ Arg_Main/Arg_Main_Upper	-	-	-	106	13.2	-	-	BaseMet BL1074
VC1	Arg_Main_Upper/GreyW_Upper	-	-	-	106	14.2	-	-	BaseMet BL1074
VC2	Arg_Main_Upper	-	-	-	106	12.6	-	-	BaseMet BL1074
VC3	GreyW_Upper	-	-	-	106	12.7	-	-	BaseMet BL1074
VC4	Arg_Main	-	-	-	106	13.8	-	-	BaseMet BL1074
VC5	Arg_Main_Upper	-	-	-	106	13.4	-	-	BaseMet BL1074
VC6	Tuff Main/Arg_Main	-	-	-	106	14.1	-	-	BaseMet BL1074
VC7	Tuff_S	-	-	-	106	14.2	-	-	BaseMet BL1074
VC8	Tuff_S	-	-	-	106	13.0	-	-	BaseMet BL1074

Sample ID	Main Lithology Unit	Ai (g)	CWi (kWh/t)	RWi (kWh/t)	Bond Grind Mesh (um)	BWi (kWh/t)	SMC		Report
							SG	Axb	
VC9	Arg_Main	-	-	-	106	14.8	-	-	BaseMet BL1074
VC10	Arg_Main	-	-	-	106	14.1	-	-	BaseMet BL1074
VC11	Arg_N_Upper	-	-	-	106	13.3	-	-	BaseMet BL1074
VC12	Arg_N_Upper	-	-	-	106	13.3	-	-	BaseMet BL1074
VC13	Arg_N_Upper	-	-	-	106	12.9	-	-	BaseMet BL1074
VC14	Arg_N_Upper	-	-	-	106	12.8	-	-	BaseMet BL1074
VC15	GreyW_Upper/ Tuff Main	-	-	-	106	13.9	-	-	BaseMet BL1074
VC16	Tuff_Main	-	-	-	106	13.4	-	-	BaseMet BL1074
VC17	Arg_Main	-	-	-	106	13.9	-	-	BaseMet BL1074
VC18	Arg_Main_Upper/ GreyW_Upper	-	-	-	106	12.7	-	-	BaseMet BL1074
Upper Argillite MC	Arg_Main Upper/ Tuff Main/GreyW_Upper	-	-	-	113	13.3	-	-	BaseMet BL1481
Upper Argillite MC	Arg_Main Upper/ Tuff Main/GreyW_Upper	-	-	-	227	14.1	-	-	BaseMet BL1481
Upper Argillite MC	Arg_Main Upper/ Tuff Main/GreyW_Upper	-	-	-	337	16.2	-	-	BaseMet BL1481

The comminution testwork results indicate that the Spanish Mountain mineralized material is variable in competency and can be classified as competent and moderately hard, and moderately abrasive compared to the JKTech database.

13.2.4 Gravity Concentration and Flotation

13.2.4.1 Programs G&T, SGS, Met-Solve and McClelland (2012-2019)

Historical testwork on mineralized material from Spanish Mountain Gold was carried out over a range of grind sizes and with different reagent schemes to optimize flotation performance. The optimized conditions were then applied to variability samples. Various flowsheet options were considered, including pre-flotation, desliming, gravity gold recovery ahead of rougher flotation, rougher flotation followed by two stages of cleaner flotation, and recovery of gold by gravity from second cleaner flotation tailings in a scavenger gravity duty. These programs determined that TOC values greater than 0.5% in leach feed had a detrimental effect on leach performance, and several processing options were explored with the objective of reducing TOC concentrations in the feed to leach.

In program G&T 2637, stage gold recoveries ranged from 74% to 98% for variability composite samples at a primary grind P_{80} size range of 98 to 227 µm using a flowsheet with gravity and rougher plus one stage of cleaner flotation. TOC concentrations in cleaner flotation concentrate ranged from 0.1 to 3%.

In program SGS 12488, stage gold recoveries ranged from 49% to 92% for variability composite samples at a primary grind P80 size range of 128 to 194 µm using a flowsheet with gravity concentration, desliming of gravity tails and

rougher flotation plus three stages of cleaner flotation. TOC concentrations in third cleaner flotation concentrate ranged from 0.2 to 0.86%. Gold losses to the deslime cyclone overflow stream ranged from 1.1 to 5.2%, and 3.2% to 40.2% of the TOC in the feed was rejected to this stream.

In program G&T KM3185, stage gold recoveries ranged from 38% to 99% for variability composite samples at a primary grind P80 size range of 59 to 323 µm using a flowsheet with gravity concentration, pre-flotation (for organic carbon removal) and rougher flotation plus one stage of cleaner flotation. TOC concentrations in cleaner flotation concentrate ranged from 0.14 to 0.66%. Gold losses to the pre-flotation concentrate stream ranged from <1% to 13%, and 10.6% to 26.1% of the TOC in the feed was rejected to this stream.

In the program Met-solve MS1735, a 20 kg bulk flotation test on Comp 865-3 at a P_{80} primary grind size of 180 µm had gold distribution in rougher tailings at 7.8% and in combined cleaner tailings of 6%, of which 54% was recovered in the scavenger gravity units. The flowsheet included rougher flotation plus two stages of cleaner flotation and two stages of gravity concentration of cleaner flotation tailings.

In program McClelland 4373, four composite samples were tested at a target P_{80} primary grind size of 180 µm using a flowsheet with rougher and two stages of cleaner flotation. Kinetic rougher and cleaner flotation tests were carried out and a bulk flotation test for sample generation for leach grind size optimization and cyanide destruction testing. The bench-scale flotation tests recovered 79 to 92% of the gold to second cleaner concentrate and the bulk flotation test generated a concentrate which was 3.1% of the feed mass and assayed at 27.9 g/t Au and 0.37% TOC with a gold recovery to concentrate of 88.2%. A scavenger gravity test on the bulk sample rougher flotation tailings showed that 48.4% of the gold in that stream was recoverable by gravity to a concentrate that was 0.07% of the flotation tails mass.

13.2.4.2 Program Knelson KRTC 20559

Extended Gravity Recoverable Gold (E-GRG) testing was carried out by the Knelson Research and Technology Centre at three grind sizes for two samples. The overall GRG for sample 865-2 after three stages of grinding was 57.7%. The recoveries from stage 1, 2 and 3 were 15.6%, 20.6%, and 21.6% respectively with a final grind P80 of 53 µm.

The P_{20}, P_{50} and P_{80} values for sample 865-2 were 25, 53, and 120 µm, respectively. Based on these values, the grain size of the GRG in the sample is classified as Fine to Moderate when compared to the gold grain size classification scale based on Amira's project P420B.

The overall gravity recovery from the E-GRG test was 65.2% for sample 865-3. The recoveries from stage 1, 2 and 3 were 26.1%, 22.5% and 16.6% and the P_{20}, P_{50} and P_{80} values for sample 865-3 were 25, 75, and 300 µm, respectively. From these values the grain size of the GRG in the sample provided is classified as Coarse to Very Coarse.

The E-GRG test results were used by Knelson to model the expected plant performance. Expected gravity circuit recovery is 14 to 18% when treating 24% of the mill circulating load, and 16 to 20% when treating 32% of the circulating load.

13.2.4.3 Program BaseMet (2022)

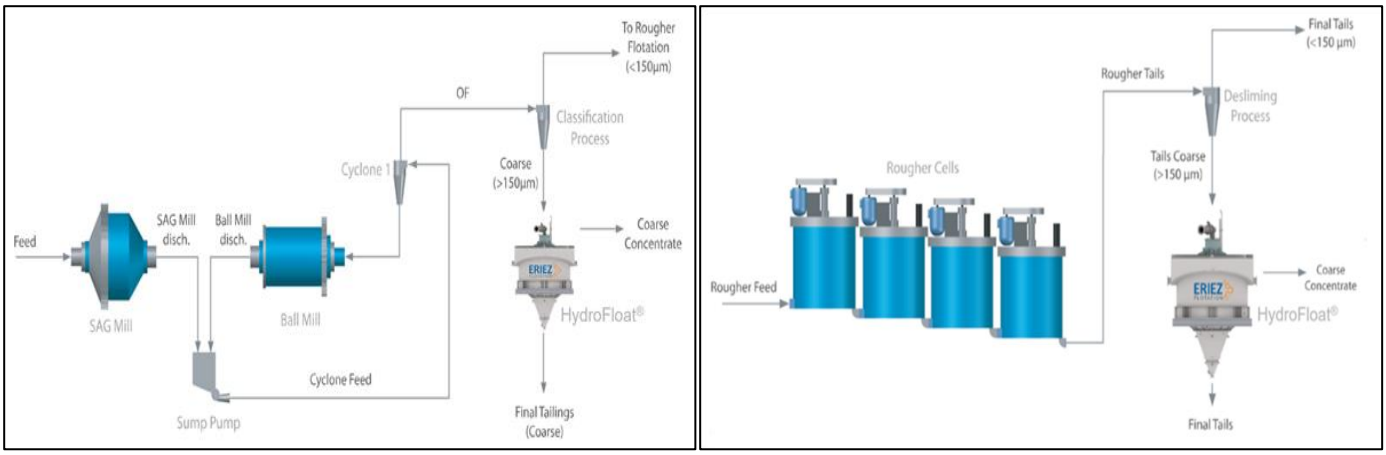
Four composites designated ARG MC, LARG MC, NARG MC, and TUFF MC were created for this phase of testing. These composites were generated based on the four different lithologies tested during this program. The majority of metallurgical testing was conducted on the LARG MC, and select conditions were investigated on the remaining Master Composites. Optimization included investigation of gravity concentration, rougher and two stages of cleaner flotation at different primary grind sizes, different reagents were tested for gangue depression, and two flotation solids concentrations were tested.

The optimized test conditions were then applied to eighteen variability composites. Each variability composite was subject to gravity concentration followed by rougher and two stages of cleaner flotation at a target primary grind P_{80} size of 180 µm using potassium amyl xanthate (PAX), carboxymethyl cellulose (CMC) and methyl isobutyl carbinol (MIBC) as flotation reagents. Results showed mass recovery to combined gravity and flotation concentrate ranging from 1.1 to 5.1%, concentrate grades ranging from 15.7 g/t to 48.5 g/t gold, 11.3 g/t to 39.5 g/t silver, and 0.11% to 0.69% TOC. Recovery to concentrate ranged from 81.1% to 97.3% for gold and 26.1% to 83.8% for silver.

13.2.4.4 Program BaseMet (2024-2025)

Testwork in program BL1481 investigated characterization of mineralize material and coarse particle flotation of a single sample. A composite of Upper Argillite material was assembled from ½ drill core for the testing. The effect of primary grind on performance using conventional flotation was tested, and preliminary amenability for coarse particle flotation (by HydroFloat) to improve recovery over conventional flotation in two configurations (split feed processing, or coarse gangue rejection and tails scavenging) per flowsheets in Figure 13-1.

Figure 13-1: HydroFloat Coarse Gangue Rejection (left) and Tails Scavenging (right) Flowsheets



Source: Eriez, 2025.

A summary of results is presented in Table 13-10 and Table 13-11.

Table 13-10: Effect of Primary Grind Size in Program BL1481

Test #	Test kg	Primary grind µm P_{80}	HydroFloat	Gravity recovery %			Flotation recovery %			Total circuit recovery %		
				Mass	Au	S	Mass	Au	S	Mass	Au	S
4	4	180	Not used	0.14	20.7	3.4	8.9	95.7	93.3	9.0	96.6	93.6
2	4	250	Not used	0.19	18.4	4.3	8.9	94.8	92.6	9.1	95.8	92.9
3	4	350	Not used	0.14	18.5	3.2	8.6	90.4	93.6	8.7	92.2	93.8

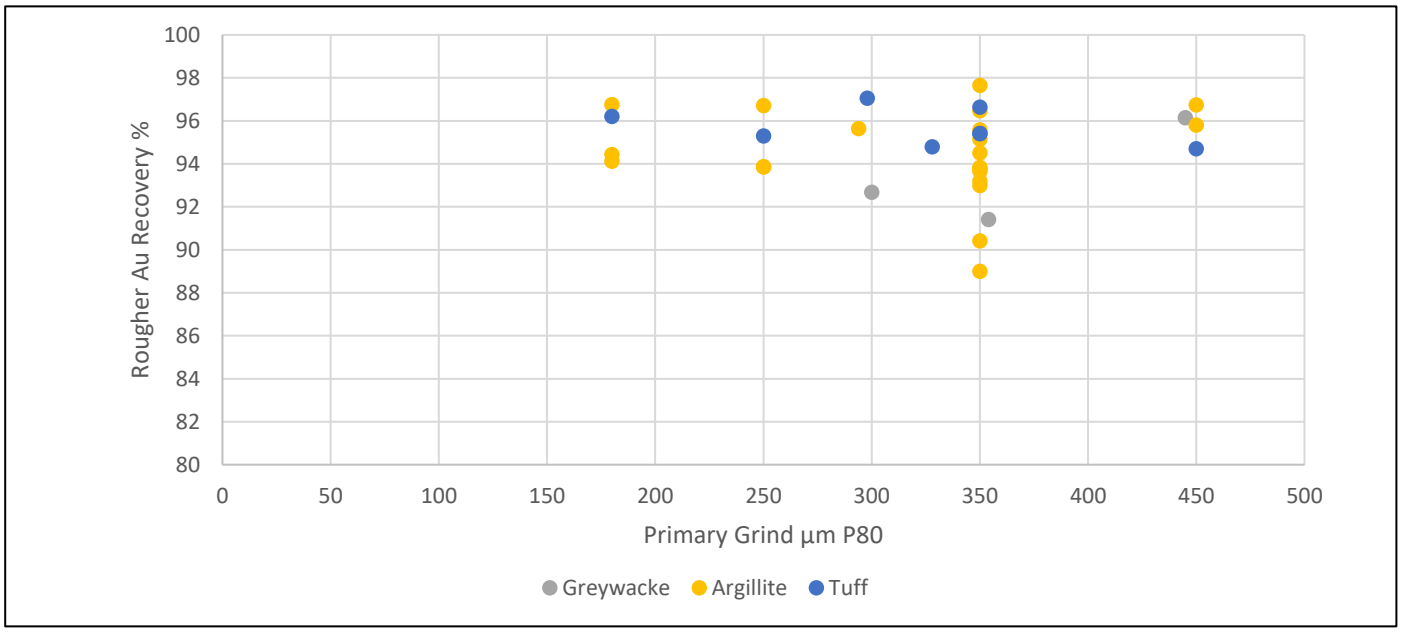
Note: Flotation recovery is relative to flotation feed.

Table 13-11: Effect of HydroFloat in Program BL1481

Product	Mass	Assay - g/t or %			Distribution - %			Unit Recovery %	
	%	Au	S	TOC	Au	S	TOC	Au	S
T05 - Split Circuit – 350 µm									
Feed (Calculated)	100	1.07	2.71	0.76	100	100	100	-	-
Mozley Concentrate	0.09	147	54.7	0.17	11.9	1.8	0.02	-	-
Hydrofloat (HF) Con	8.9	5.57	18.5	0.87	46.3	61.0	10.2	81.9	80.5
Hydrofloat (HF) Tails	47.0	0.23	0.85	0.64	10.3	14.7	39.3	-	-
<150 µm Rougher Con	7.5	3.82	7.69	2.20	26.7	21.2	21.6	84.8	94.2
<150 µm Rougher Tail	36.6	0.14	0.10	0.60	4.8	1.3	28.9	-	-
Total Tails	83.5	0.19	0.52	0.62	15.1	16.1	68.2	-	-
Total Concentrate	16.5	5.52	13.8	1.47	**84.9**	**83.9**	31.8	**-**	-
T06 - Scavenger Circuit – 350 µm									
Feed (Calculated)	100	0.98	2.72	0.78	100	100	100	-	-
Moz Con	0.10	118	56.6	0.18	11.7	2.0	0.02	-	-
Ro Con	17.3	4.44	14.8	1.62	78.8	94.2	36.1	89.2	96.1
HF Con	3.7	0.48	0.75	0.92	1.8	1.0	4.3	24.5	41.1
HF Tails	44.7	0.12	0.09	0.59	5.6	1.5	33.9	-	-
<150 µm Rougher Tail	34.2	0.06	0.11	0.58	2.1	1.3	25.6	-	-
Total Tails	78.9	0.10	0.10	0.59	7.7	2.8	59.5	-	-
Total Concentrate	21.1	4.28	12.6	1.49	**92.3**	**97.2**	40.5	**-**	-
T08 - Scavenger Circuit – 450 µm									
Feed (Calculated)	100	1.09	2.60	0.53	100	100	100	-	-
Moz Con	0.11	100	53.0	0.18	10.5	2.3	0.04	-	-
Ro Con	11.2	7.56	21.5	1.10	77.9	92.8	23.3	87.0	95.0
HF Con	1.8	2.18	2.89	1.06	3.6	2.0	3.6	41.2	57.3
HF Tails	41.8	0.13	0.09	0.49	5.1	1.5	38.2	-	-
<212 µm Rougher Tail	45.1	0.07	0.08	0.41	2.9	1.4	34.9	-	-
Total Tails	86.9	0.10	0.09	0.45	8.0	2.9	73.1	-	-
Total Concentrate	13.1	7.63	19.2	1.09	**92.0**	**97.1**	26.9		

The test results indicate that relatively high recoveries can be maintained via the gravity plus conventional flotation flowsheet at primary grind sizes as coarse as 450 µm P_{80}. The rougher recovery is insensitive to grind size in the range of 180 to 450 µm as shown in Figure 13-2.

Figure 13-2: Effect of Primary Grind Size on Rougher Recovery

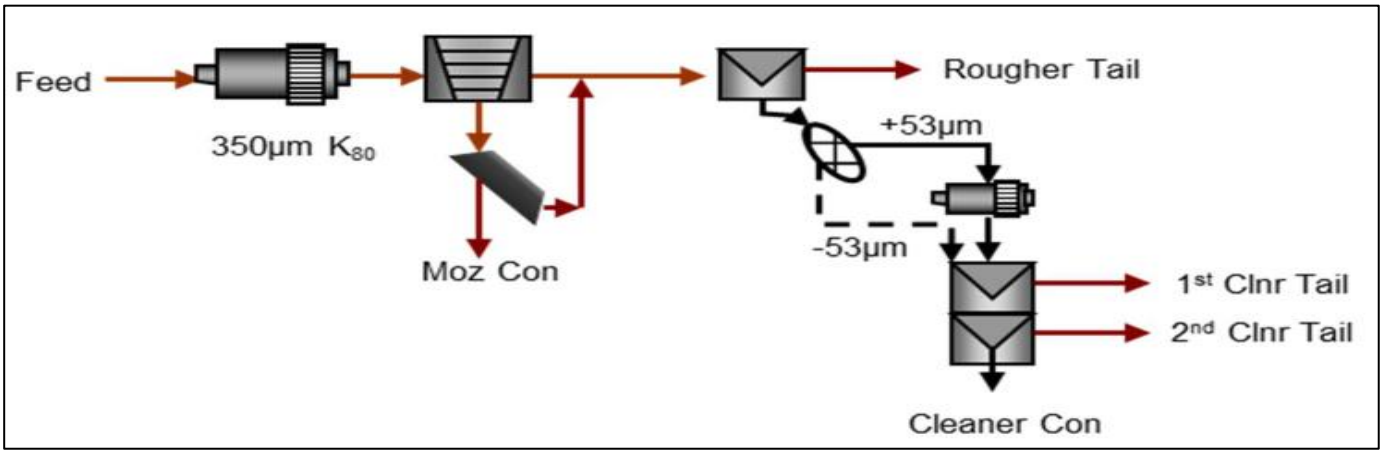


Source: Ausenco, 2025.

The inclusion of HydroFloat in a scavenger application was successful in mitigating losses in the coarse portion of the conventional rougher tails. In tests conducted at 350 and 450 µm, the Hydrofloat recovered an additional 1.8 to 3.6% of the feed gold with a modest additional mass recovery. A split circuit arrangement with HydroFloat was also evaluated but returned lower recoveries than the gravity plus conventional flotation circuit only.

Test work in program BL1565 investigated flowsheet optimization and metallurgical performance variations across lithological composites. Four lithology composites were assembled from ½ HQ drill core for the testing. The optimized flowsheet developed during this program is shown in Figure 13-3.

Figure 13-3: Flowsheet for Testwork in Program BL1565



Source: BaseMetLabs, 2025.

A summary of results using the developed flowsheet applied at a primary grind size of 350 µm P_{80} is presented in Table 13-12.

Table 13-12: Summary of Metallurgical Performance in Program BL1565

Composite	Test	Gravity + Cleaner Concentrate Grade			Flotation + Gravity Recovery (%)			
		Au (g/t)	Ag (g/t)	TOC (%)	Mass	Au	Ag	TOC
Main Tuff	T48	133	37.9	0.54	1.8	98.4	74.3	22.0
North Argillite	T49	48.4	23.4	0.73	2.9	95.5	63.2	1.6
Main Upper Argillite	T50	16.5	8.2	0.44	3.5	88.3	55.7	2.0
Main Lower Argillite	T51	25.4	21.1	1.03	1.7	91.5	44.3	1.4

The test results indicate that relatively high gold recoveries were achieved at a primary grind sizing of 350 µm using a flowsheet that includes gravity concentration, rougher flotation, regrind, and two stages of cleaner flotation.

Test work in program BL1852 investigated the rougher flotation performance of low-grade samples at a primary grind size of 350 µm P_{80}. The Tuff samples (1 and 2) were subjected to gravity concentration ahead of rougher flotation as the variance in head assays for these samples indicated the presence of free gold. Results are shown in Table 13-13.

Table 13-13: Summary of Metallurgical Performance in Program BL1852

Sample Name	Lithology	Test	Feed Grade			Rougher Flotation Recovery (%)			
			Au (g/t)	Ag (g/t)	TOC (%)	Mass	Au	Ag	TOC
Argillite #1	Main Upper Argillite	R-09	0.37	3.50	1.97	11.4	65.9	38.5	39.6
Argillite #2		R-01	0.20	2.90	1.34	9.4	78.4	36.1	28.4
Argillite #3		R-02	0.32	0.90	0.99	8.0	95.6	72.5	12.0
Tuff #3 & #4	Main Tuff	R-03	0.30	0.85	0.01	5.7	94.8	65.7	35.7
Greywacke #1	GreyW_Upper	R-04	0.28	0.40	0.29	10.3	92.7	60.0	21.8
Tuff #1	Main Tuff	GR-07	0.41	0.60	<0.01	4.5	97.1	80.0	17.9
Tuff #2		GR-08	0.39	2.70	0.05	3.8	99.3	89.1	46.3

High gold recoveries by rougher flotation were maintained across the lower-grade samples. Argillite #1 and #2 recorded lower recoveries; both are near-surface samples. Two composites were assembled from the low-grade samples and tested using the developed flowsheet (shown in Figure 13-3). Low-grade cleaner flotation test results are shown in Table 13-14.

Table 13-14: Low-grade Cleaner Flotation Test Results in Program BL1852

Sample Name	Composition	Test	Cleaner Concentrate Distribution (%)			
			Mass	Au	Ag	TOC
Composite 1	76% Argillite #1, 8% Greywacke #3, 16% Tuff #3&#4	T-12	2.3	66.0	15.6	2.3
Composite 2	76% Argillite #3, 8% Greywacke #1, 16% Tuff #1	T-13	2.0	79.9	47.9	1.0

Low recovery of gold in composite #1 can be attributed to potential sample oxidation. Further optimisation work is recommended on low-grade material, where most of the gold losses were experienced in the first cleaner flotation tailings.

13.2.5 Leach

13.2.5.1 Programs G&T, SGS, Met-Solve and McClelland (2012-2019)

In program KM2637, five variability composites were used for CIL bottle roll leach tests. The flowsheet included gravity and a pre-flotation step for organic carbon removal to <0.3%. First cleaner flotation concentrates were reground to a target size of <20 µm (P_{80}) and leached for 48 hours, with 72 hours of pre-aeration ahead of leach, and carbon addition of 22 g/L. CIL gold extraction ranged from 93% to 98%. Cyanide consumptions ranged from 5.5 to 6.1 kg/t. Low DO

levels of between 0.5 to 4.0 mg/L were recorded using air during the pre-aeration step as the source of oxygen. Cyanide concentration was maintained at 2000 mg/L during the tests.

In program SGS 12488, sixteen variability composites were used for CIL bottle roll leach tests. The flowsheet included gravity and desliming ahead of flotation. Third cleaner flotation concentrates with <1% TOC were reground to between 9 and 109 µm P_{80} and leached for 48 hours at 35% solids, with 5 to 24 hours of pre-aeration using oxygen ahead of leach, and carbon addition of 22 g/L. Cyanide concentration was maintained at 2000 mg/L during the tests. Results are shown in Table 13-15.

Table 13-15: Leach Test Results in Program SGS 12488

Sample	Test No.	Grind Size P_{80} (um)	Reagent Consumption		Head Assay (calc)			Leach Extraction	
			NaCN (kg/t)	CaO (kg/t)	Au (g/t)	Ag (g/t)	TOC (%)	Au (%)	Ag (%)
SM1	CIL 17	15	7.63	11.2	12.5	11.9	0.2	95.8	88.2
SM2	CIL 18	12	7.03	15.2	14.6	12.2	0.4	97.5	85.3
SM3	CIL 19	20	9.11	9.28	8.17	15.3	0.4	87.1	80.4
SM6	CIL 20	46	5.05	4.29	23.5	12.3	0.2	97.1	87.8
SM7	CIL 21	34	9.02	4.19	9.90	13.7	0.4	95.7	86.1
SM8	CIL 22	14	15.7	8.35	11.6	21.7	0.6	91.1	81.6
SM9	CIL 23	109	10.1	3.29	10.6	19.1	0.6	91.7	83.3
SM10	CIL 24	17	10.7	11.6	8.80	12.1	0.4	96.8	84.3
SM11	CIL 25	15	11.3	9.72	9.72	30.1	0.3	95.1	81.4
SM12	CIL 26	11	8.09	5.55	10.1	10.6	0.5	94.8	82.1
SM14	CIL 27	10	7.73	6.27	10.1	6.0	0.5	96.6	88.3
SM18	CIL 28	10	5.43	16.0	7.60	9.0	0.4	94.0	74.5
SM19	CIL 29	11	8.07	6.78	19.8	14.9	0.5	98.6	83.9
SM20	CIL 30	9	7.21	13.9	14.5	9.7	0.6	97.8	77.2
SM21	CIL 31	16	9.33	6.99	11.6	23.5	0.9	97.9	88.5
SM24	CIL 32	16	6.67	3.61	13.7	15.8	0.7	84.9	76.0

CIL gold extraction ranged from 84.9% to 98.6% and silver extraction ranged from 74.5% to 88.5%. Cyanide and lime consumptions ranged from 5.0 to 15.7 kg/t and 3.3 to 16.0 kg/t respectively.

In program G&T KM3185, four samples made up of eight variability samples were used for CIL bottle roll leach tests. The flowsheet included gravity and a pre-flotation step. First cleaner flotation concentrates with 0.15 to 0.55% TOC were reground to 10 to 104 µm P_{80} and leached for 48 hours, with 12 hours of pre-aeration ahead of leach, and carbon addition of 22 g/L. CIL gold extraction ranged from 81% to 95%. Cyanide consumptions ranged from 2.8 to 10.4 kg/t. Low DO levels of between 0.6 to 7.0 mg/L were recorded using air during the pre-aeration step as the source of oxygen.

Cyanide concentration was maintained at 2000 mg/L for the first 6 hours of the tests and then allowed to drift to 500 mg/L.

In program Met-solve MS1735, a single sample was used for a CIL bottle roll leach test. Second cleaner flotation concentrate with 0.2% TOC was reground to 100% passing 20 µm and leached for 48 hours, with 12 hours of pre-aeration ahead of leach, and carbon addition of 20 g/L. CIL gold extraction was 98.5%. Cyanide consumption was 5.3 kg/t. Low DO levels of between 0.4 to 6.5 mg/L were recorded using air during the pre-aeration step as the source of oxygen. Cyanide concentration was maintained at 2000 mg/L for the first 6 hours of the tests and then allowed to drift to 500 mg/L.

In program McClelland 4373, cyanidation tests were carried out on a single composite sample. Second cleaner flotation concentrate with 0.37% TOC at various grind sizes and 50% solids was leached for 48 hours, with 12 hours of pre-aeration ahead of leach, and carbon addition of 20 g/L. Cyanide concentration was maintained at 2000 mg/L for the first 6 hours of the tests and then allowed to drift. Low DO levels of between 1 and 6 mg/L were recorded using air during the pre-aeration step as the source of oxygen. Leach test results are shown in Table 13-16. The first three tests were bottle roll tests on second cleaner flotation concentrate, while the fourth test was an agitated leach test on a 7 kg sample of second cleaner flotation concentrate and scavenger gravity concentrate (from the cleaner flotation tailings stream).

Table 13-16: Leach Test Results in Program McClelland 4373

Test No.	Sample ID	Grind Size P_{80} (um)	Leach Extraction		Leach Feed Grade, Calc		Reagent Consumption	
			Au (%)	Ag (%)	Au (g/t)	Ag (g/t)	NaCN (kg/t)	CaO (kg/t)
4373-004	CY-01	80%-75µm	90.8	78.6	28.1	14.0	1.9	1.1
4373-004	CY-02	96%-37µm	99.8	78.6	29.1	14.0	3.0	5.6
4373-004	CY-03	97%-25µm	98.8	83.3	27.6	18.0	3.2	4.1
4373-AL-1	FT-03	95%-37µm	97.3	80.2	23.7	15.0	3.3	1.1

Tests were conducted without regrinding and at 96% passing 37 µm and 97% passing 25µm regrind sizes. CIL extraction, after 48 hours of leaching, improved from 90.8% to 99.8% of gold contained in the flotation concentrate by regrinding to 96% passing 37µm. Reagent consumption was 1.1 to 3.3 kg/t for NaCN and 1.1 to 5.6 kg/t for Lime.

13.2.5.2 Program BaseMet (2022)

Cleaner products from select variability cleaner tests were subject to cyanide leach investigation. The objective of this test work was to assess the impact of TOC content on leaching performance. Four composites were tested, one composite representing each lithology. The sample selection was based on the TOC content, targeting concentrates of around 0.5% TOC. Bottle roll leach tests were carried out on second cleaner flotation concentrate which was reground to a target P_{80} size of 15 µm. Samples were leached for 48 hours at 33% solids, with 12 hours of pre-oxidation ahead of

leach, and carbon addition of 24 g/L. Dissolved oxygen levels were maintained at 20 mg/L during leach. Cyanide concentration was initially 2,000 mg/L and maintained at 500 mg/L. Test results are shown in Table 13-17.

Table 13-17: Leach Test Results in Program BL1074

Sample ID	Lithology	Grind Size P_{80} (µm)	Test No.	Leach Feed Grades			Leach Extraction (%)		Reagent Consumption	
				Au (g/t)	Ag (g/t)	TOC (%)	Au	Ag	NaCN (kg/t)	CaO (kg/t)
VC 4	ARG	15	24B	13.9	13.0	0.5	98.2	75.4	8	12.7
VC 10	LARG	15	30B	20.1	22.0	0.5	98.6	81	7.8	10.5
VC 14	NARG	15	34B	17.7	36.1	0.4	99.1	75.6	8.3	10.6
VC 18	TUFF		38B	21.0	12.7	0.7	98.5	90.5	7.8	10.0

Leach extraction ranged from 98 to 99% for gold and 75 to 90% for silver. Cyanide consumption was 8 kg/t and lime consumption ranged from 10 to 12.7 kg/t. The results indicate that a slight increase in concentrate TOC content above 0.5% did not negatively affect the leaching performance.

13.2.5.3 Program BaseMet (2024-2025)

In program BL1610, 4 lithology composite samples were used to investigate the effects of preg-robbing and leaching performance of rougher concentrates.

Preg-robbing tests were carried out on samples of mineralized material under the following conditions:

- Baseline intensive leach: 25% solids, 0.5% NaCN, pH of 11, 24-hour duration.
- Intensive leach with gold spike: Same conditions as above, but with a spiked sample.
- Intensive leach with carbon: Same conditions as above, but with activated carbon added at 50 g/L.

The 24-hour solution from the baseline test was compared to the solution from a gold-spiked sample to establish a PRV. This value quantifies the preg-robbing behaviour of the TOC in the samples. Results are shown in Table 13-18.

Table 13-18: Preg-Robbing Test Results in Program BL1610

Sample ID	Test No.	TOC Feed Grade (%)	PRV (Preg-Robbing Value)	Baseline Intensive Leach Tailings Grade (Au, g/t)	Intensive Leach with Carbon Tailings Grade (Au, g/t)
Main Tuff	T01A/B/C	0.18	0.00	0.55	0.33
NARG MC	T02A/B/C	3.76	0.95	4.18	1.10
Main Upper Arg (6/14/2024)	T03A/B/C	1.61	0.80	3.16	1.10
Main Lower Arg (6/24/2024)	T04A/B/C	3.76	0.99	2.96	0.89

The analysis shows that the samples tested show high preg-robbing values, with 80 to 99% of the gold in solution adsorbed by TOC in the samples. There is a strong correlation between the preg-robbing characteristics of the samples and the TOC content. Notably, the highest PRVs were observed in the NARG MC and Main Lower Argillite 06/24/2024 samples, which are characterized by higher TOC content. This relationship shows that TOC levels play a role in determining the preg-robbing potential of the ore. Addition of activated carbon to the leach showed a notable reduction in leach tailings grades (0.33 to 1.10 g/t Au) compared with the baseline intensive leach test without activated carbon (0.55 to 4.18 g/t Au), demonstrating that activated carbon had a higher affinity to adsorb gold in solution than the TOC in the samples.

Following the preg-robbing assessment, baseline leach tests were conducted to evaluate the leaching performance of the four lithologies. Bottle roll leach tests were carried out on second cleaner flotation concentrate which was reground to a target P_{80} size of 20 µm. Samples were leached for 24 hours at 33% solids, with 6 hours of pre-oxidation ahead of leach, and carbon addition of 22 g/L. Dissolved oxygen levels were maintained at 20 mg/L during leach. Cyanide concentration was initially 2000 mg/L and maintained at 500 mg/L. Leach results are shown in Table 13-19.

Table 13-19: Leach Test Results in Program BL1610

Sample ID	Grind Size P_{80} (µm)	Test No.	Leach Feed Grades			Leach Extraction (%)		Reagent Consumption	
			Au (g/t)	Ag (g/t)	TOC (%)	Au	Ag	NaCN (kg/t)	CaO (kg/t)
Main Tuff	21	T01/01B	31.7	39.8	0.8	98.1	76.4	5.4	6.9
NARG MC	26	T02/02B	17.9	27.1	0.9	97.8	80.8	4.4	8.9
Main Upper Arg (6/14/2024)	27	T03/03B	19	14.3	0.4	98.5	86	4.9	6.5
Main Lower Arg (6/24/2024)	23	T04/04B	35.3	30.5	1.2	97.4	83.6	6.6	5.9

The bulk concentrates from all tested lithologies demonstrated excellent leaching performance. Leach stage extractions averaged 98%. TOC assays varying between 0.8% and 1.20% in the leach feed did not significantly affect overall leaching performance.

13.2.6 Cyanide Detoxification

Cyanide detoxification was investigated by McClelland in program 4373. Cyanide detoxification test work was carried out on leach residues from the combined bulk concentrate (flotation/gravity) composite 4373-004 tests using the SO_2/air process. Test conditions included a sample mass of 6.7 kg, grind size (95% passing 37 µm), pulp density of 50% solids, NaCN concentration of 2 g/L, pH of 9.4 to 11 with lime addition, carbon addition of 20 g/L, and a leaching time of 48 hours. Detoxification test results are shown in Table 13-20.

Table 13-20: Detoxification Test Results in Program 4373

Composite	Detoxification Test	REsidence Time, Hours	SO_2 Addition, gSO_2/gCN_{wad}	Lime Consumption, $gCa(OH)_2/g\ CN_{wad}$	Slurry pH	Solution Analysis		
						CN_{wad} mg/L	Cu mg/L	Fe mg/L
4373-FT03	SO2-6 (Feed)	-	-	-	10.8	497	670	34
4373-FT03	SO2-6 (Treated product)	2.0	6.0	4.22	8.5	1.5	1.9	0.1

Cyanide detoxification testing showed that an SO_2 addition rate of 6.0 g/g CN_{WAD} and $Ca(OH)_2$ addition rate of 4.2 g/g CN_{WAD} was successful in reducing weak acid dissociable (WAD) cyanide concentration from 497 mg/L in the feed to 1.5 mg/L in the test product.

13.2.7 Dewatering

Program KM3403 conducted settling and filtration testwork on two composite samples. Solids concentrations of 57%-61% were achieved with a flocculant dosage of 5 g/t. Leaf filtration tests were conducted to estimate vacuum filter properties of the thickener underflow samples from the settling tests. Filter cake moistures of approximately 18% were achieved after a filtration time of between 590 and 650 seconds.

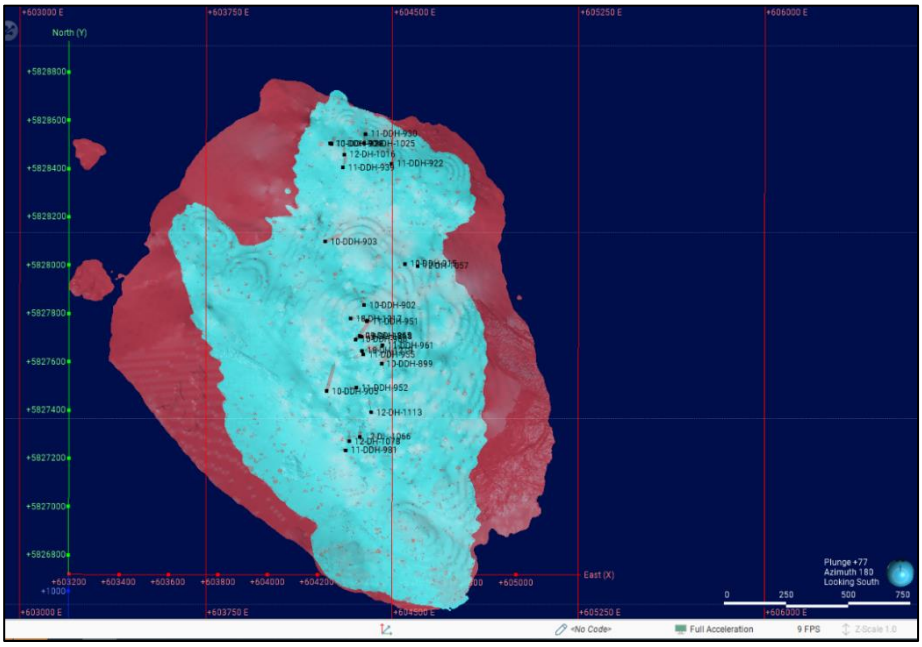
13.3 Metallurgical Variability

Samples selected for testing in programs in 2017 and earlier were concentrated in the Main Zone. Program BL1074 in 2022 included material from the North Zone.

2024-2025 samples were selected by the Spanish Mountain Gold geologist to represent the main lithology groups. The samples tested cover the range of grades in the mine plan.

The drill hole intervals used for historical comminution testing (all programs) are shown to be overlayed with the in-pit potential resource/reserve shapes in Figure 13-4.

Figure 13-4: Comminution Drill Hole Intervals and Potential 2024 in-pit Areas



Source: Spanish Mountain Gold, 2025.

13.4 Deleterious Elements

Mercury in the feed samples was not detected (<1.00 g/t), the detection limit of the selected assay method. Future programs should use a method with a lower detection limit to quantify mercury and assess mercury capture requirements.

Copper concentration in leach solution feed to detoxification tests by McClelland in program 4373 was very high at 670 mg/L and should be monitored in future programs as this may negatively impact adsorption circuit performance and warrant inclusion of a copper recovery circuit.

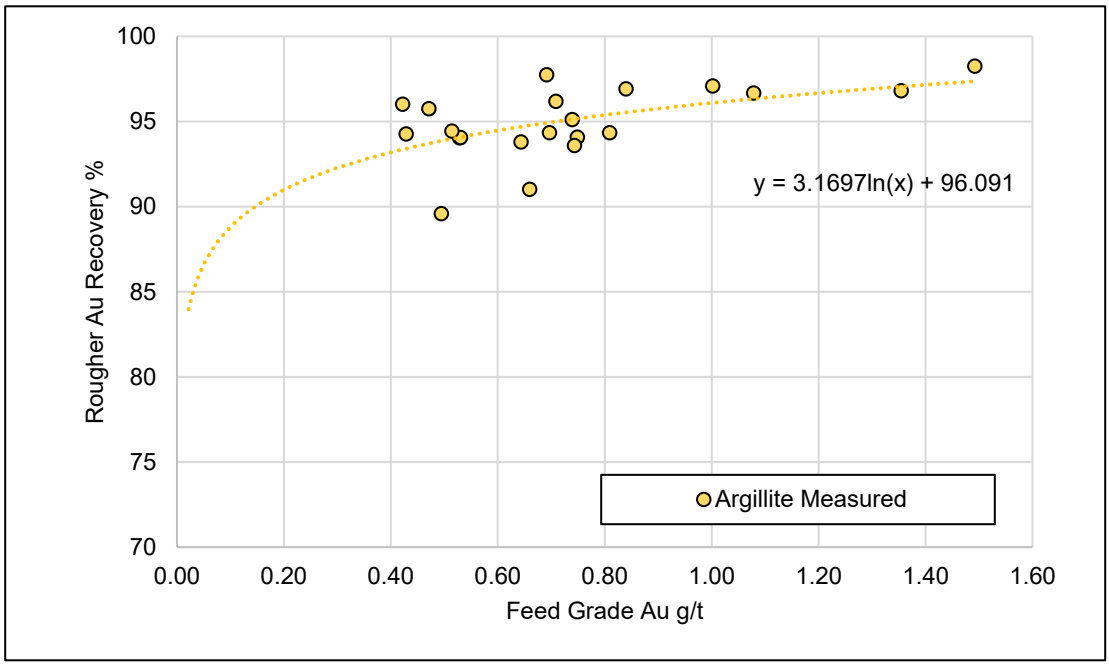
TOC concentrations are shown to correlate with preg-robbing behavior. However, the flowsheet developed during the PEA has demonstrated that the preg-robbing effects can be successfully mitigated by management of TOC levels in the leach feed and through the use of a CIL process. (Bottle roll leach tests carried out in the 2024-2025 program on second cleaner flotation concentrate reground to a target P_{80} size of 20 µm and leached with activated carbon for 24 hours achieved leach stage extractions averaged 98%. TOC assays varying between 0.8% and 1.20% in the leach feed did not significantly affect overall leaching performance).

No other deleterious elements are present at levels to be cause for concern.

13.5 Recovery Estimates

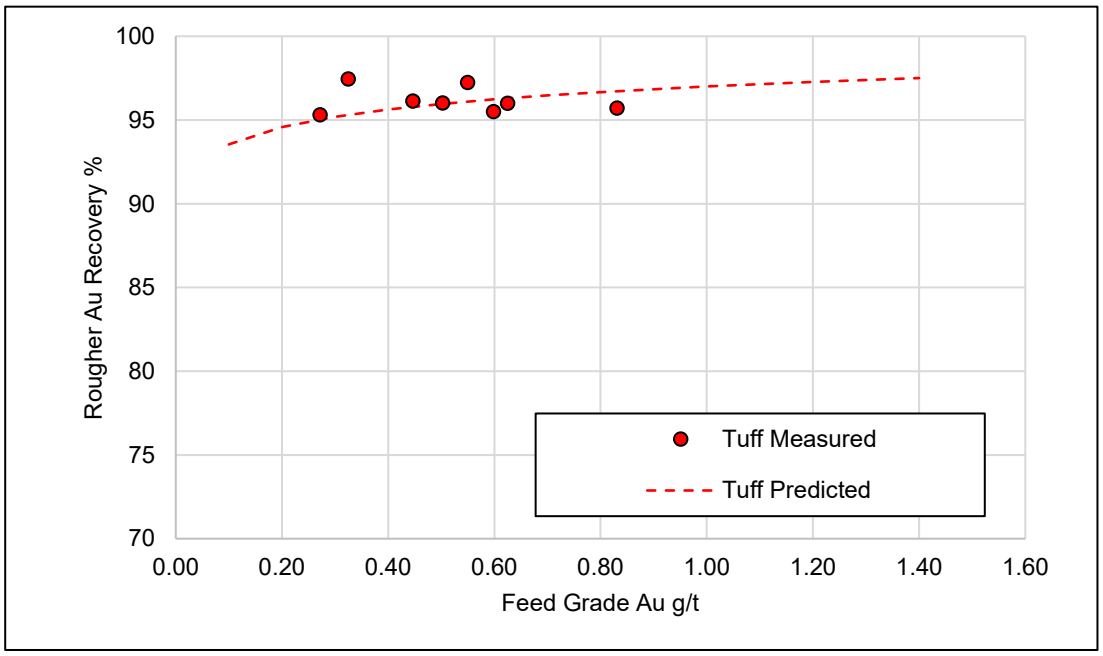
The gold and silver recovery equations were determined from the 2024-2025 test program. Recovery equations for Argillite (Main Upper and Lower), Tuff and Greywacke were build up from three components, rougher flotation recovery, cleaner flotation recovery and leach extraction. Rougher recovery of gold over the range of primary grind sizes from 180 to 450 µm P_{80} was related to feed grade, as shown in Figure 13-5, Figure 13-6 and Figure 13-7.

Figure 13-5: Rougher Recovery of Gold as a Function of Feed Grade for Argillite



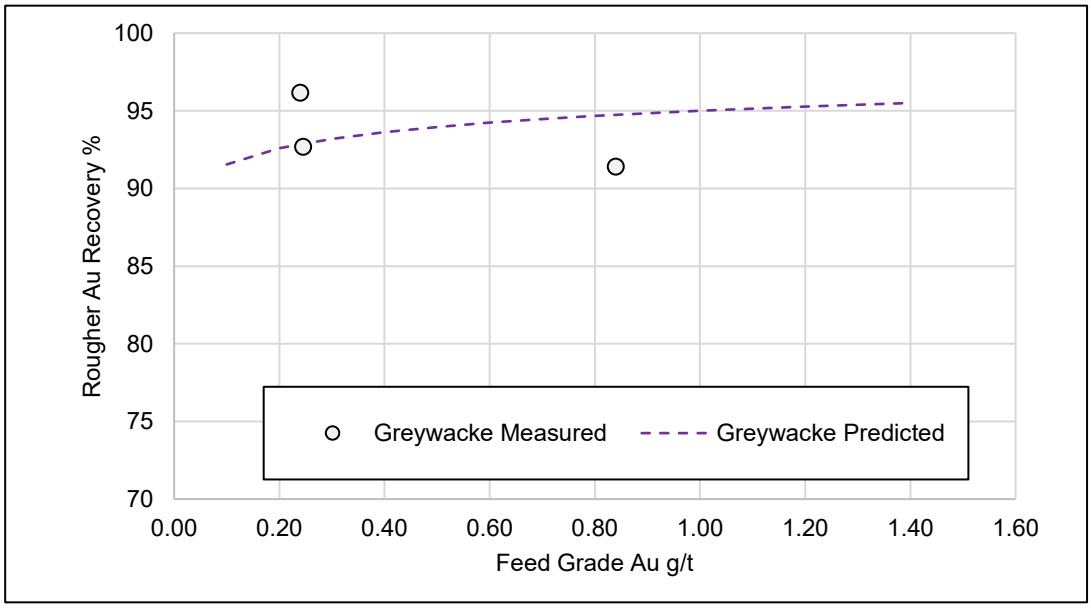
Source: Ausenco, 2025.

Figure 13-6: Rougher Recovery of Gold as a Function of Feed Grade for Tuff



Source: Ausenco, 2025.

Figure 13-7: Rougher Recovery of Gold as a Function of Feed Grade for Greywacke



Source: Ausenco, 2025.

A factor for cleaner flotation recovery and leach extraction was applied to rougher recovery to determine overall gold recovery. Overall recovery as a percentage of rougher recovery was 95.7% for argillite, 96.7% for Tuff main, and 96% for Greywacke.

The recovery equations used to predict overall gold recovery are shown in Table 13-21.

Table 13-21: Overall Recovery Equations for Gold

Lithology	Recovery Equation
Argillite	$Au\ Recovery\ \% = 91.6 + 3.6 * LN(Au\ feed\ grade) - 1.4$
Tuff Main	$Au\ Recovery\ \% = 93.3 + 1.45 * LN(Au\ feed\ grade) - 1.4$
Greywacke	$Au\ Recovery\ \% = 91.2 + 1.44 * LN(Au\ feed\ grade) - 1.4$

Note: That feed grade is expressed in g/t.

The rougher flotation silver recovery for Argillite and Greywacke was feed grade dependent. For cleaner flotation silver recovery and leach extraction, a factor of 71.7% and 73% were applied to rougher recoveries for Argillite/Greywacke and Tuff, respectively.

The recovery equations used to predict overall silver recovery are shown in Table 13-22.

Table 13-22: Overall Recovery Equations for Silver

Lithology	Recovery Equation
Argillite/Greywacke	$Ag\ Recovery\ \% = 36.4 + 13.6 * (Ag\ feed\ grade) - 2.8$
Tuff Main	$Ag\ Recovery\ \% = 56.8$

Note that feed grade is expressed in g/t.

14 MINERAL RESOURCE ESTIMATES

The Spanish Mountain Gold Project (SMG, or the Project) includes two deposits: the Spanish Mountain Main Deposit and the Phoenix Deposit. This Technical Report presents an updated Mineral Resource Estimate for the Main Deposit, which is an amalgamation of the historically defined Main Zone, North Zone, Slipper Zone, and K Zone, with an effective date of January 10, 2025, and an inaugural estimate for the Phoenix Deposit, effective June 17, 2025.

The methodology of the mineral resource estimate is summarized as follows:

- Review of the Project's drill hole database.
- Validation, verification, and modification of the drill hole database.
- Re-acquiring and importing original assay certificates from the Labs and excluding drill campaigns where no assay certificates were available.
- Preparation of updated geological models representing lithology and mineralization using latest re-logged data, geochemical classification, and validated assay results to create resource domains.
- Geostatistics of the sample assay data within the resource domains followed by capping and then compositing.
- Creation of a 5 m x 5 m x 5 m block model with sub-block size of 1.25 m.
- Grade estimation and block model editing.
- Validation of the grade estimates.
- Drill hole spacing study and Mineral Resource Classification.
- Applying reasonable prospects of eventual economic extraction to the resource model.
- Preparation of a Mineral Resource statement.

Geologic models representing faults, lithology, and mineralization were created in Leapfrog 2024.1. Geostatistical evaluation of the data was completed using Leapfrog 2024.1 and Micromine Origin & Beyond 2025. Leapfrog was used for grade estimation, while Micromine was used for exploratory data analysis (EDA), additional block model editing, classification, and reporting.

14.1 Spanish Mountain Main Deposit

14.1.1 Drill Hole Database

The drill hole database (DHDB) is built from legacy digital files and previous compilations. The DHDB provided by Spanish Mountain Gold Ltd. (SPA) to Equity was in Microsoft Office Access format. Equity exported parts of this DHDB

as Excel sheets, reformatted the headers, and then re-imported the data into DataShed, a data management application designed for the mineral exploration and mining industry (Voordouw, 2023). The 2024 drill campaign logs were directly imported into DataShed. Original lab certificates were requested from the laboratory and loaded into the database. Drill holes from historic drilling campaigns without original certificates were excluded from the MRE.

The cut-off date for the drill hole database used is December 20, 2024. Additional details of the DHDB verification are included in Section 12.

The database includes 1,816 drill holes representing a cumulative length of 241 km. Drilling by year and company is summarized in Table 14-1. For the MRE of this report, a total of 989 drill holes, accounting for 199 km of drilling, were included.

Table 14-1: Drill Hole Database Summary

Year	Company	Number of Holes	Total Drilled (m)	Used for MRE
1947	El Toro BC Mines	8	793	-
1984-1985	Mt. Calvery Resources	64	4,893	Partially
1986	Mandussa Resources	15	833	-
1987	Cedarmine Resources	14	459	-
1987	Placer Dome	28	1,353	-
1987-1988	Pundata Gold Corp	51	4,571	Yes
2000	Imperial Metals	464	2,565	-
2004	Wildrose Resources	34	2,504	Yes
2006-2010	Acrex	33	5,022	-
2005-2024	Spanish Mountain Gold	1,104	218,209	Yes

The drill hole database was modified as follows:

- Intervals representing less than detection limit for gold were assigned grades of 0.003 g/t.
- Missing intervals or intervals with no samples were excluded.
- Historical drilling completed by El Toro BC Mines, Imperial, Placer, and Medusa are excluded from the MRE.
- The 1984 Mt. Calvery campaign, and the first ten holes of the 1985 campaign were also excluded from the MRE.

Statistics for the drill hole database used for the MRE are summarized in Table 14-2.

Table 14-2: Summary of drilling used for the Spanish Mountain Main Deposit MRE

Hole Type	Number of Holes	Number of Meters	Number of Samples	Total Sample Length (m)
DDH	740	169,065	106,359	160,187
RC	249	30,386	204,10	28,445
TOTALS	989	199,450	126,769	188,632

14.1.2 Geological Models

14.1.2.1 Topography

The topography was derived from an airborne LiDAR survey conducted by Eagle Mapping in 2011. The LiDAR point cloud data was used to prepare a 1-meter resolution digital elevation model (DEM) for the Project area.

14.1.2.2 Fault Model

The Project's fault model is based on compilation work completed by SRK (Uken, 2024). Three high confidence faults have been modeled, that include the North Fault, South Fault and Fault 1. Additional faults with lower confidence have been modeled but are excluded from the current MRE due to uncertainty as to how they interact with the lithology and mineralization models.

The Main Block is bound to the north and south by the North and South Faults, respectively. These faults represent a break in continuity of the stratigraphic sequence and mineralization. Within the Main Block, one fault has been modeled, Fault 1, which introduces minor offset to the Main Block's lithology model.

Table 14-3: Spanish Mountain Main Deposit Summary of Faults

Fault	Average Dip	Average Dip Direction	Displacement
North	72°	215°	Thrust, break in stratigraphy sequence and mineralization
South	75°	25°	Thrust, break in stratigraphy sequence and mineralization
Fault 1	40°	280°	Minor offset within the Main block

The faults are modeled using surface traces from a lineament study completed by SRK, in addition to logged fault intervals and geotechnical data, specifically recovery and RQD, that is included in the drill hole database. Fault modeling was completed on a section-by-section basis and reconciled in 3D.

14.1.2.3 Lithology Model

Lithology models used for the MRE were developed using data from the 2023–2024 core relogging program, and geochemical classification completed by Apex Geoscience (Black and Dumouchel, 2024). The geochemical classification uses geostatistical and machine learning methods to analyze multi-element geochemical data from sampled drill hole intervals and classify them into groups. These groups have been used to assist with identification of stratigraphic patterns.

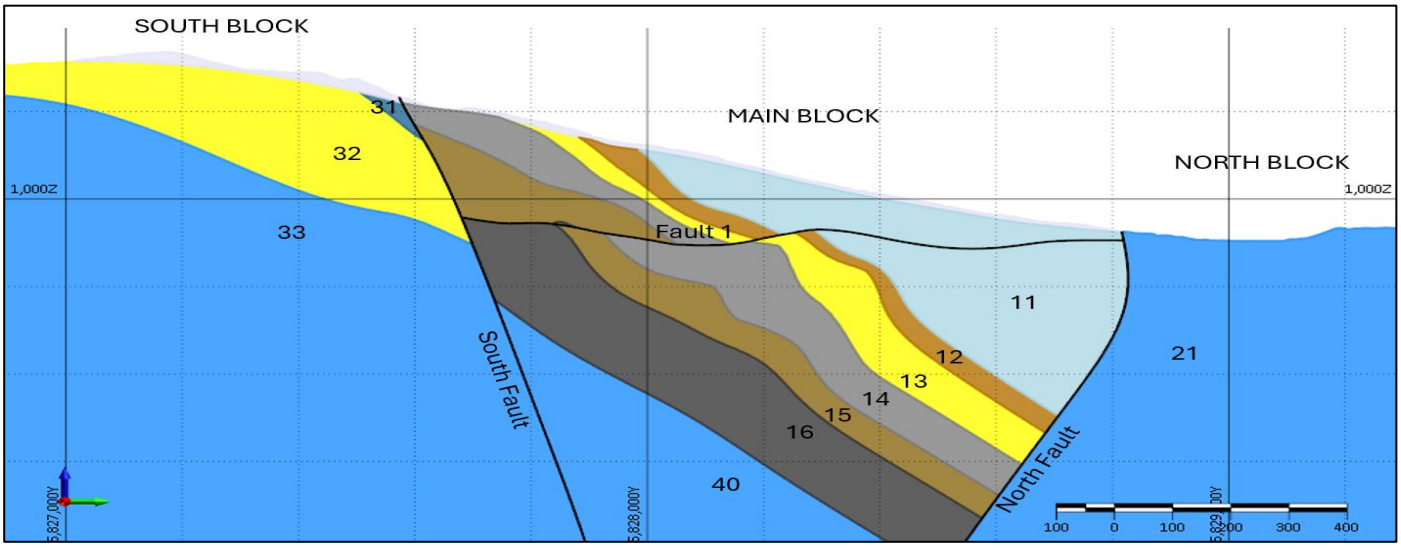
Naming conventions used to categorize the modelled geology is based on the dominant lithology, as well as the secondary presence of other lithologies, as indicated by the relogging data. For example, the term 'Siltstone Tuff' refers to a dominant siltstone composition with a notable presence of tuff.

Lithology was coded to the block model using the numeric codes summarized in Table 14-4 and shown in Figure 14-1.

Table 14-4: Spanish Mountain Main Deposit Summary of Lithology Codes

Block	Lithology Code	Lithology
ALL	1	Overburden
Main Block	11	Main Upper Argillite
	12	Main Upper Greywacke
	13	Main Tuff
	14	Main Argillite
	15	Main Lower Greywacke
	16	Main Lower Argillite
	40	Main Siltstone Basal
North Block	21	North Siltstone
South Block	31	South Siltstone Tuff
	32	South Tuff
	33	South Siltstone

Figure 14-1: Spanish Mountain Main Deposit Lithological model Section, looking West



Source: Equity, 2025.

14.1.2.4 Mineralization Model

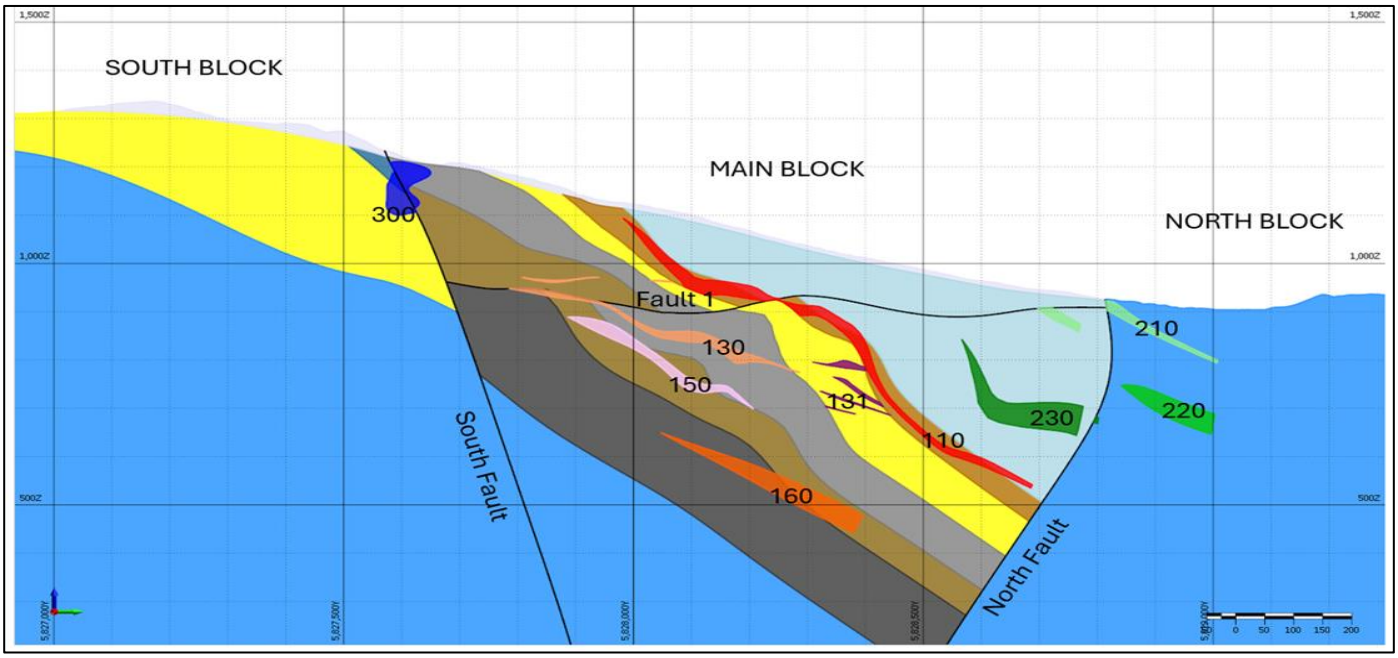
Mineralized domains that were used for the 2009 mineral resource estimate (Peatfield et al., 2009) formed the basis for new mineralization models. The updated mineralization model has been refined based on new drilling, 2023 and 2024 relogging programs, structural geology study (Uken, 2024) and geochemical classification (Black and Dumouchel, 2024). Mineralization models were developed by modeling zones on section with gold values of 0.3 g/t Au or higher over widths of at least 3 m.

Two primary styles of mineralization are recognized at the deposit scale and often show temporal overprinting within the deposit (Uken, 2024). The first style, that is interpreted to be an early-stage mineralization, is characterized as disseminated and stratabound mineralization and is concentrated within the argillite-bearing lithologies. The controls for stratabound mineralization include structure and stratigraphy. The continuity of gold mineralization generally follows stratigraphy and relies on the orientation of modeled lithology. The second style is interpreted to be late-stage mineralization and occurs as quartz vein systems. During the modeling process, both styles of mineralization are honored throughout the deposit. Most of the gold mineralization occurring within the Main Block (ie. Main Upper, Lower Mid and Lower) are dominantly early-stage mineralization. The stratabound mineralization dips shallowly to the northeast ranging from 18° to 32°. Within the Tuff unit of the Main Block, mineralization is predominantly late-stage and has been modeled as a series of moderately north-northwest dipping zones (dipping from 30° to 50°) that include abundant quartz veins. These quartz veins generally have localized high-grade mineralization and are generally more linear compared to domains representing early-stage mineralization. Numeric codes and names for the mineralization domains are provided in Table 14-5 and shown in Figure 14-2. For the purposes of the MRE, mineralization domains take precedence over lithological domains. If a block falls within both a mineralized and a lithological domain, the mineralized domain is given priority for domain assignment.

Table 14-5: Summary of Mineralization Models for Spanish Mountain Main Deposit

Block	Domain	Zone	Equivalent Historic Domain Name	Dominant Mineralization Style
Main Block	110	Main Upper	Main Zone	Early + Late
	120	Main West (Slipper)	Main Zone	Early
	130	Main Mid	N2W Zone	Early + Late
	131	Main Tuff Veins	-	Late
	140	Main Lower Mid	Lower Zone	Early
	150	Main Lower	Lower Zone	Early
	160	Main Basal	-	Early
North Block	210	North Upper	North Zone	Early
	220	North Mid	North Zone	Early
	230	North Lower	North Zone	Early
South Block	300	Main South	K Zone	Early + Late

Figure 14-2: Spanish Mountain Main Deposit mineralization model Section, looking West



Source: Equity, 2025.

14.1.3 Density

The drill hole database includes 2,166 bulk density measurements from 2005, 2008, and 2010 drilling campaigns. The bulk density measurements were assigned to lithology and mineralization domains to determine the average density

of each domain. For domains with fewer than 100 samples, a density value of 2.78 t/m^3 was applied. The final density values are summarized in Table 14-6.

Table 14-6: Summary of density values used for Spanish Mountain Main Deposit

Domain	Count	Average of Bulk Density (t/m^3)	Block Model Assigned Value (t/m^3)
1	18	2.65	2.10
11	575	2.78	2.78
12	98	2.79	2.79
13	321	2.79	2.79
14	281	2.75	2.75
15	87	2.78	2.78
16	54	2.78	2.78
21	125	2.77	2.77
31	13	2.83	2.78
32	30	2.85	2.78
33	22	2.78	2.78
40	0	-	2.78
110	233	2.77	2.77
120	0	-	2.78
130	32	2.77	2.78
131	11	2.78	2.78
140	0	-	2.78
150	95	2.76	2.78
160	0	-	2.78
210	112	2.81	2.81
220	17	2.84	2.78
230	31	2.79	2.78
300	11	2.80	2.78

14.1.4 Grade Capping and Outlier Restriction

Top-cut values for individual domains were selected based on decile analysis and log-scaled probability plots using length-weighted assays. Significant breaks in grade populations were investigated to determine if there is any spatial continuity of higher-grade samples. The same capping values were used for both gold and silver. In addition to the defined capping value, outlier restrictions were applied to lithological domains (11 to 40) with broader drill hole spacing. Within the main block, outlier restriction was applied by using a clamping threshold of 3 g/t gold at search distances greater than 20% of the search range. In the South and North blocks, samples with values greater than 1 g/t were ignored when search distances exceeded 33%. Outlier restriction was not applied to mineralized domains (codes ranging from 110 to 300).

Capping values for gold and silver are summarized in Table 14-7 and summary statistics for original and capped assays are summarized in Table 14-8.

Table 14-7: Summary of Top-cut Values for the Spanish Mountain Main Deposit

Domain Name	Code	Capping Value	Number of Samples Capped (Gold)	Number of Samples Capped (Silver)
Main Upper Argillite	11	6	9	57
Main Upper Greywacke	12	10	2	2
Main Tuff	13	7	36	25
Main Argillite	14	10	3	5
Main Lower Greywacke	15	4	5	23
Main Lower Argillite	16	4	2	26
Main Siltstone Basal	40	3	0	0
North Siltstone	21	8	3	52
South Siltstone Tuff	31	10	0	2
South Tuff	32	10	5	3
South Siltstone	33	10	2	3
Main Zone Upper	110	25	12	8
Main West (Slipper) Zone	120	25	1	1
Main Mid Zone	130	6	6	5
Main Tuff Veins Zone	131	35	4	0
Main Lower Mid Zone	140	6	8	3
Main Lower Zone	150	12	13	4
Main Basal Zone	160	12	0	0
North Upper Zone	210	11	2	12
North Mid Zone	220	11	1	2
North Lower Zone	230	11	2	2
Main South (K) Zone	300	15	25	5

Table 14-8: Summary Statistics of Original and Capped Assays for Spanish Mountain Main Deposit

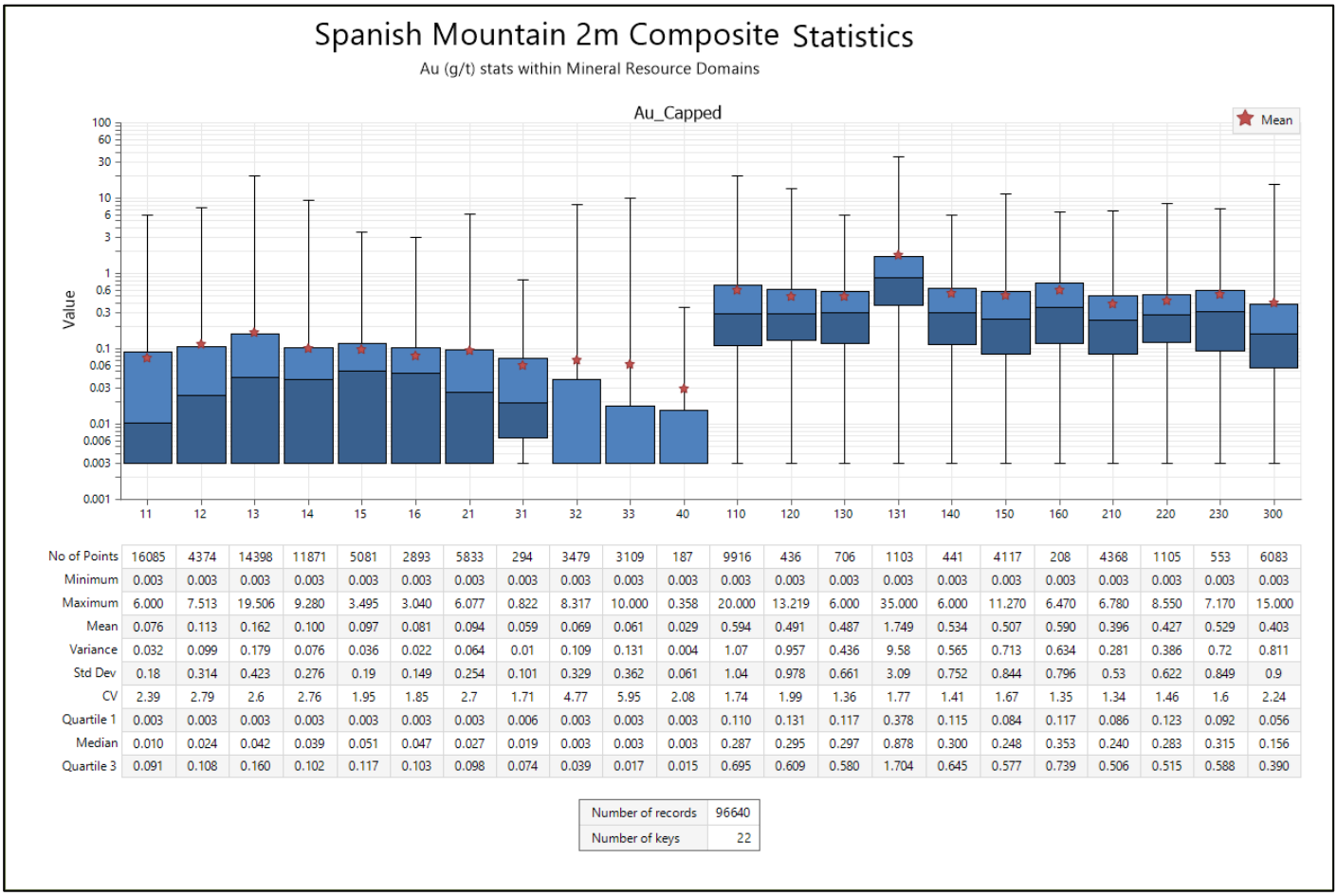
Domain	Code	Length-Weighted Statistics Au (g/t)							Length-Weighted Statistics Ag (g/t)						
		Uncapped				Capped			Uncapped			Capped			
		Count	Mean	SD	CoV	Mean	SD	CoV	Count	Mean	SD	CoV	Mean	SD	CoV
Main Upper Argillite	11	20,478	0.08	0.36	5.47	0.07	0.21	3.06	20,397	0.57	0.92	1.59	0.56	0.83	1.48
Main Upper Greywacke	12	5,714	0.11	0.41	3.72	0.11	0.37	3.42	5,669	0.37	0.71	1.93	0.37	0.69	1.88
Main Tuff	13	19,304	0.19	2.00	12.32	0.16	0.47	3.01	17,950	0.32	0.85	2.94	0.31	0.50	1.61
Main Argillite	14	15,471	0.10	0.36	5.34	0.10	0.31	3.36	14736	0.53	0.74	1.39	0.52	0.64	1.21
Main Lower Greywacke	15	6,606	0.10	0.25	2.64	0.10	0.22	2.29	6470	0.62	1.36	2.22	0.59	0.71	1.20
Main Lower Argillite	16	3,689	0.08	0.28	3.25	0.08	0.18	2.31	3689	0.63	0.90	1.44	0.61	0.76	1.24
North Siltstone	21	7,316	0.09	0.34	4.01	0.09	0.28	3.21	7316	0.37	0.98	2.94	0.34	0.47	1.38
South Siltstone Tuff	31	410	0.06	0.12	2.18	0.06	0.12	2.18	391	0.49	1.88	3.69	0.42	0.96	2.29
South Tuff	32	4,513	0.11	2.33	19.09	0.07	0.42	6.05	3923	0.19	0.71	3.76	0.18	0.46	2.60
South Siltstone	33	3,956	0.07	0.74	10.45	0.06	0.43	7.02	3932	0.18	0.67	3.72	0.17	0.49	2.74
Main Siltstone Basal	40	240	0.03	0.07	2.28	0.03	0.07	2.28	240	0.30	0.55	1.80	0.30	0.55	1.80
Main Zone Upper	110	13,299	0.61	1.88	3.14	0.59	1.28	2.22	12163	0.71	1.50	2.16	0.70	1.19	1.66
Main West (Slipper) Zone	120	563	0.48	1.17	2.82	0.48	1.15	2.77	563	0.57	1.33	2.36	0.56	1.14	2.05
Main Mid Zone	130	892	0.62	3.43	5.51	0.48	0.77	1.62	892	0.69	1.30	1.90	0.65	0.68	1.06
Main Tuff Veins Zone	131	1,418	1.79	6.07	3.67	1.65	3.50	2.16	1271	0.81	1.98	2.54	0.81	1.98	2.54
Main Lower Mid Zone	140	582	0.71	3.31	4.63	0.52	0.89	1.73	544	0.74	1.60	2.12	0.69	0.78	1.13
Main Lower Zone	150	5,442	0.57	3.58	6.14	0.51	1.04	2.10	5,442	0.62	0.84	1.45	0.62	0.76	1.25
Main Basal Zone	160	278	0.58	0.92	1.59	0.58	0.92	1.59	278	0.51	0.54	1.05	0.51	0.54	1.05
North Upper Zone	210	5,429	0.40	0.79	2.34	0.39	0.64	1.70	5,429	0.74	1.78	2.58	0.71	0.90	1.31
North Mid Zone	220	1,386	0.44	1.24	3.54	0.42	0.73	1.83	1386	0.83	1.16	1.41	0.83	1.13	1.38
North Lower Zone	230	701	0.53	1.21	2.32	0.52	1.03	2.02	701	0.75	1.55	2.08	0.71	0.91	1.30
Main South (K) Zone	300	9,089	0.47	2.80	6.34	0.40	1.13	2.84	4,820	0.71	1.36	1.81	0.69	1.08	1.53

14.1.5 Composites

Prior to compositing, the original sample lengths were examined. The modal sample length for the Spanish Mountain Project is 1.5 m. Approximately 65% of all samples are 1.5 m and 15% of samples are greater than 1.5 m.

A composites length of 2 m was selected based on original sample length and block height. Composites were created from the top of the hole and broken at domain boundaries. Composites shorter than 0.5 m were discarded. Summary Statistics of the resulting composites for gold and silver are shown in Figure 14-3 and Figure 14-4, respectively.

Figure 14-3: Spanish Mountain Main Deposit 2m Composites gold box and whisker by Domain

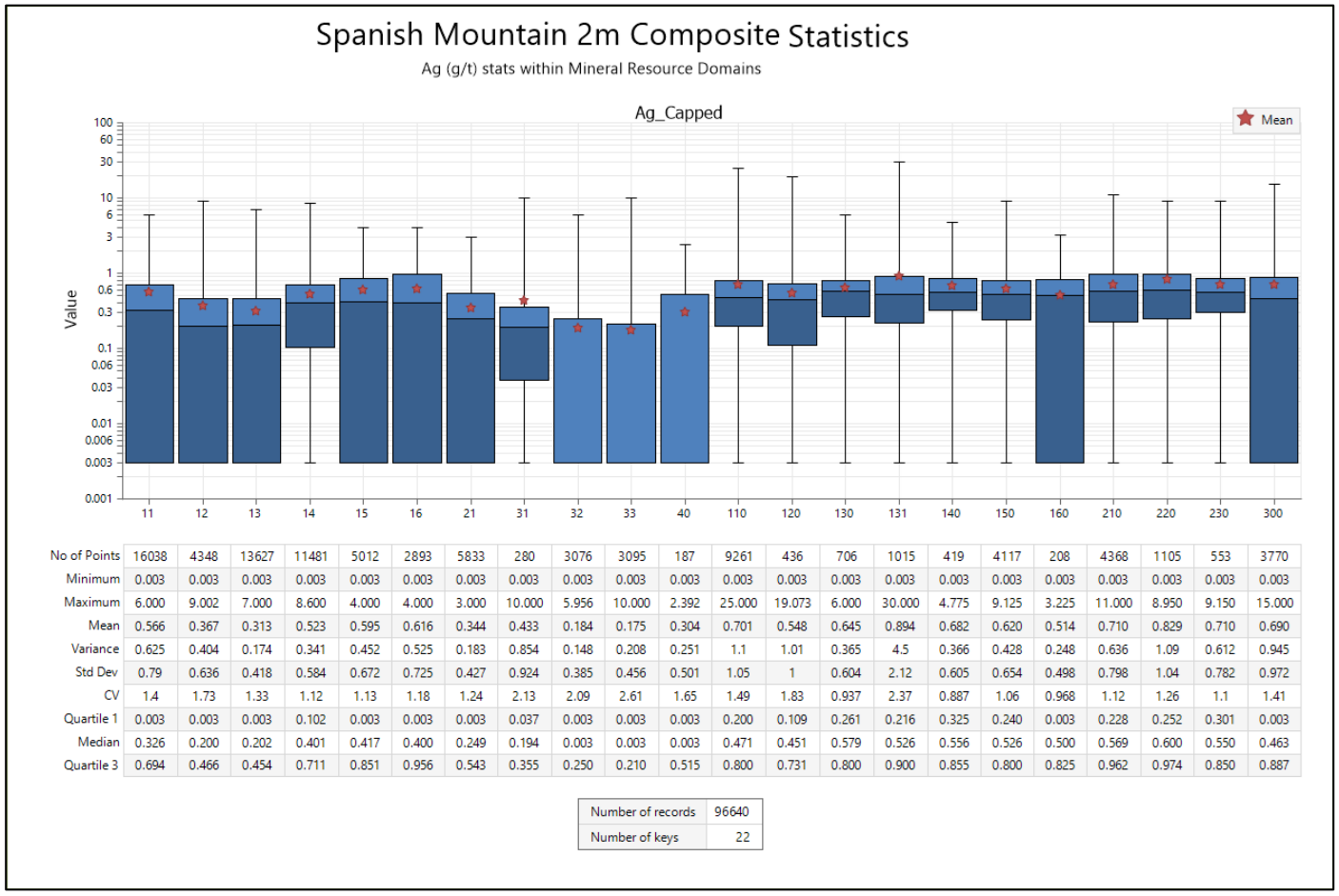


	11	12	13	14	15	16	21	31	32	33	40	110	120	130	131	140	150	160	210	220	230	300
No of Points	16085	4374	14398	11871	5081	2893	5833	294	3479	3109	187	9916	436	706	1103	441	4117	208	4368	1105	553	6083
Minimum	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
Maximum	6.000	7.513	19.506	9.280	3.495	3.040	6.077	0.822	8.317	10.000	0.358	20.000	13.219	6.000	35.000	6.000	11.270	6.470	6.780	8.550	7.170	15.000
Mean	0.076	0.113	0.162	0.100	0.097	0.081	0.094	0.059	0.069	0.061	0.029	0.594	0.491	0.487	1.749	0.534	0.507	0.590	0.396	0.427	0.529	0.403
Variance	0.032	0.099	0.179	0.076	0.036	0.022	0.064	0.01	0.109	0.131	0.004	1.07	0.957	0.436	9.58	0.565	0.713	0.634	0.281	0.386	0.72	0.811
Std Dev	0.18	0.314	0.423	0.276	0.19	0.149	0.254	0.101	0.329	0.362	0.061	1.04	0.978	0.661	3.09	0.752	0.844	0.796	0.53	0.622	0.849	0.9
CV	2.39	2.79	2.6	2.76	1.95	1.85	2.7	1.71	4.77	5.95	2.08	1.74	1.99	1.36	1.77	1.41	1.67	1.35	1.34	1.46	1.6	2.24
Quartile 1	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.006	0.003	0.003	0.003	0.110	0.131	0.117	0.378	0.115	0.084	0.117	0.086	0.123	0.092	0.056
Median	0.010	0.024	0.042	0.039	0.051	0.047	0.027	0.019	0.003	0.003	0.003	0.287	0.295	0.297	0.878	0.300	0.248	0.353	0.240	0.283	0.315	0.156
Quartile 3	0.091	0.108	0.160	0.102	0.117	0.103	0.098	0.074	0.039	0.017	0.015	0.695	0.609	0.580	1.704	0.645	0.577	0.739	0.506	0.515	0.588	0.390

Number of records	96640
Number of keys	22

Source: Equity, 2025.

Figure 14-4: Spanish Mountain Main Deposit 2m Composites silver box and whisker by Domain



Source: Equity, 2025.

14.1.6 Variography

Directional correlograms were calculated for each domain for gold, silver, arsenic, cadmium, calcium, and sulphur. For domains with unstable correlograms, domains were combined with neighboring and spatially related domains. Correlogram models were then used to guide search distance parameters.

A summary of the correlogram model parameters for gold are summarized in Table 14-9.

Table 14-9: Summary of Spanish Mountain Main Deposit Correlograms Model Parameters for Gold

Domain Codes	Rotation Angles			Contribution			Distances		
	Z	X	Y	Nugget	Structure	CC	Major	Semi-Major	Minor
110,120	356	16	-8	0.25	1	0.51	15	12	4
					2	0.24	55	40	12
140,150,160	328	14	-29	0.35	1	0.45	25	25	6
					2	0.2	60	50	12
11, 12	356	16	-8	0.23	1	0.55	60	25	3
					2	0.22	90	80	25
13,131	265	0	-35	0.2	1	0.42	15	10	15
					2	0.38	35	30	30
14, 15, 16	356	16	-8	0.4	1	0.3	40	20	10
					2	0.3	90	50	35
210, 220, 230	295	0	-30	0.25	1	0.4	20	20	10
					2	0.35	50	40	25
21	295	0	-30	0.3	1	0.4	40	20	8
					2	0.3	80	80	22
300	280	12	-35	0.41	1	0.41	10	13	6
					2	0.19	50	30	17

14.1.7 Contact Analysis

To determine the treatment of domain boundaries during grade estimation strategy, contact analysis was performed for each resource domain. The final treatment for each domain is summarized in Table 14-10. An example contact plot of Upper Main Zone (Domain 110) is shown in

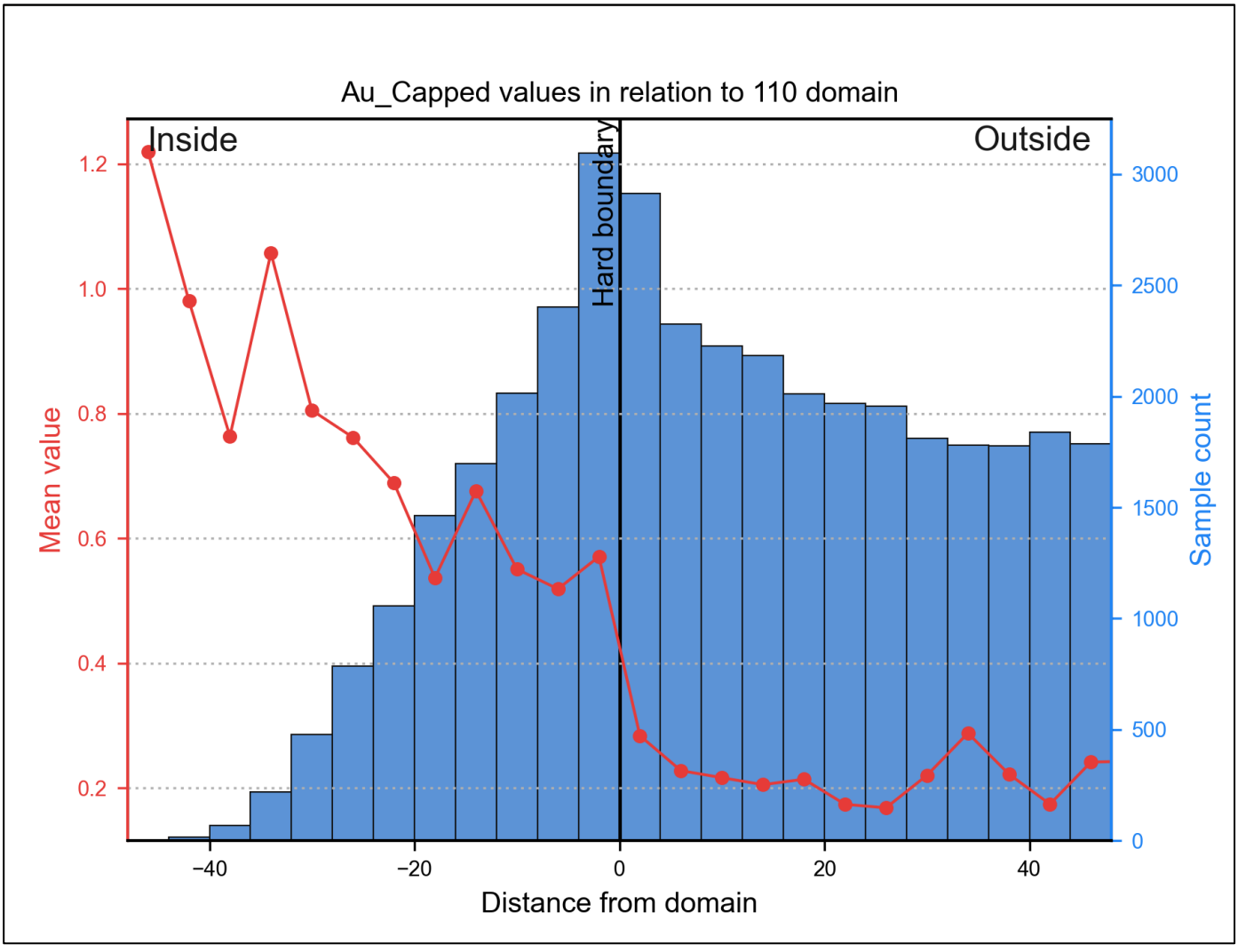
Figure 14-5.

The MRE utilizes semi-hard boundaries, with distance thresholds ranging from 15 to 25 m, to effectively represent grade continuity and account for domain boundary uncertainty during the estimation process. This was particularly important in areas where the transition between mineralized domains and lithological domains is gradational or poorly defined. Additionally, the technique helped to remove estimation artifacts, and blocks that were not estimated within domains where there is sparse drilling data. The specific treatment of each domain in the estimation runs is summarized in Table 14-10.

Table 14-10: Summary of Spanish Mountain Main Deposit Boundary Analysis

Domain	Boundary Type	Treatment
Mineralized Domains (110-300)	Hard	Hard-boundary for the first two search passes, and semi-hard boundary with distances between 15 and 20 m
Lithological Domains (11-40)	Hard	All estimations runs utilized semi-hard boundary approach with distances ranging between 15 and 25 m

Figure 14-5: Contact Analysis of Gold in Main Upper Zone (Domain 110) of Spanish Mountain Main Deposit



Source: Equity, 2025.

14.1.8 Estimation Methods

14.1.9 Block Model Index

A sub-block model was created in Leapfrog 2024.1 using the index summarized in Table 14-11. Sub-blocking was triggered on lithology and mineralization models using block centroids.

Table 14-11: Spanish Mountain Main Deposit Block Model Index

Axis	Block Size	Subblock Size	Rotation	Base Point	Boundary Size
X	5	1.25	0	603,100	2,170
Y	5	1.25	0	2,826,500	2,700
Z	5	1.25	0	280	1,220

14.1.10 Grade Estimation

Estimates were generated for gold, silver, arsenic, calcium, cadmium, and sulphur using ID3. For domain 110, gold was also estimated using OK, where a stable variogram was modeled. The two methods were compared and validated, with ID3 ultimately showing better performance. As a result, all domains were estimated using ID3.

Apart from two domains, domain 21 and 300, all estimates employ locally varying anisotropy (LVA), where each block's search ellipsoid is oriented according to unique rotation angles. These angles are determined from a trend surface wireframe for each block within the domain. This approach effectively captures and represents structural variations in the resulting block model. Interpolation distances are guided by the directional correlogram ranges for each element and domain. In cases where correlograms could not be reliably modeled for a single domain, they were grouped with related neighboring domains. Domains 300 and 21 used variography with fixed ellipsoid directions for their search parameters.

For gold and silver estimates, three passes were used in the mineralized domains (110 to 300), while two passes were applied in the lithological domains (11 to 40). In the mineralized domains (110 to 300), the first pass used search distances that approximately aligned with the ranges of the first structure in the correlogram models. The second pass employed the full range of correlogram models, and the third pass uses approximately twice the correlogram model ranges. In the lithological domains (11 to 40), the first pass uses the full range of the correlogram models, and the second pass uses approximately twice the correlogram model ranges. A summary of the gold and silver grade estimation parameters is provided in Table 14-12.

Table 14-12: Spanish Mountain Main Deposit Gold and Silver Grade Estimation Parameters

				Ellipsoid Ranges			Ellipsoid Directions		
Domain	Pass	Boundary Type	Range	Maximum	Intermediate	Minimum	Dip	Dip Azi.	Pitch
11	1	Semi-hard	15	90	80	25	LVA		
	2	Semi-hard	15	150	140	70			
12	1	Semi-hard	15	90	80	25			
	2	Semi-hard	15	140	120	50			
13	1	Semi-hard	15	50	40	40			
	2	Semi-hard	15	150	100	80			
14	1	Semi-hard	15	85	50	45			
	2	Semi-hard	15	150	120	60			
15	1	Semi-hard	15	85	50	30			
	2	Semi-hard	15	150	120	60			
16	1	Semi-hard	15	85	50	45			
	2	Semi-hard	15	150	120	60			
21	1	Semi-hard	15	80	80	20	30	25	0
	2	Semi-hard	15	150	150	30			
31	1	Semi-hard	25	75	75	30	LVA		
	2	Semi-hard	25	150	150	60			
32	1	Semi-hard	25	75	75	75			
	2	Semi-hard	25	150	150	150			
33	1	Semi-hard	25	75	75	75			
	2	Semi-hard	25	150	150	150			
40	1	Semi-hard	25	75	75	75			
	2	Semi-hard	25	150	150	150			
110	1	Hard	-	35	30	15			
	2	Hard	-	70	60	25			
	3	Semi-hard	20	150	120	50			
120	1	Hard	-	35	30	15			
	2	Hard	-	70	60	25			
	3	Semi-hard	20	150	120	50			
130	1	Hard	-	35	30	15			
	2	Hard	-	70	60	25			
	3	Semi-hard	20	150	120	50			
131	1	Hard	-	20	15	15			
	2	Hard	-	50	30	30			
	3	Semi-hard	15	100	60	60			
140	1	Hard	-	40	40	15			
	2	Hard	-	75	65	15			
	3	Semi-hard	15	120	100	25			
150	1	Hard	-	30	30	15			
	2	Hard	-	85	75	20			
	3	Semi-hard	15	140	120	30			
160	1	Hard	-	50	50	20			

				Ellipsoid Ranges			Ellipsoid Directions		
Domain	Pass	Boundary Type	Range	Maximum	Intermediate	Minimum	Dip	Dip Azi.	Pitch
	2	Hard	-	85	75	20			
	3	Semi-hard	15	140	120	30			
210	1	Hard	-	30	30	15			
	2	Hard	-	80	80	23			
	3	Semi-hard	20	120	120	50			
220	1	Hard	-	40	40	15			
	2	Hard	-	80	80	30			
	3	Semi-hard	20	120	120	50			
230	1	Hard	-	40	40	15			
	2	Hard	-	80	80	30			
	3	Semi-hard	20	120	120	50			
300	1	Hard	-	10	13	6	37	353	20
	2	Hard	-	50	30	20			
	3	Semi-hard	20	100	50	30			

Estimation for arsenic, calcium, cadmium, and sulphur uses two estimation passes for all domains. The first pass used the full range of the modeled correlogram ranges, while the second pass utilized approximately twice the ranges of the correlograms. The ellipsoid directions used the same parameters as those for gold and silver, as listed in Table 14-12 above.

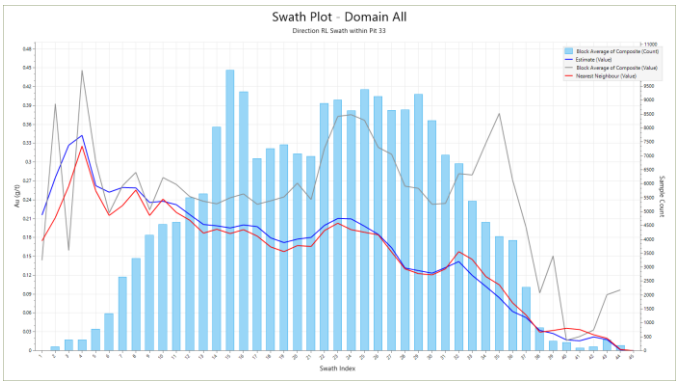
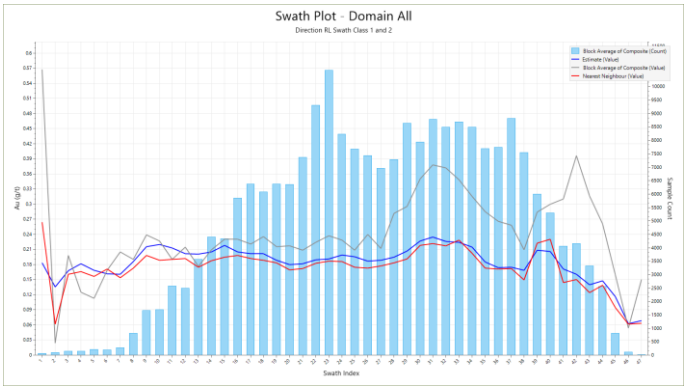
14.1.11 Block Model Validation

Gold grade estimates were validated by completing a series of visual checks in plan and cross-section, swath plot generation for each domain, and comparing block estimates to composites using cross validation and Q-Q Plots.

Swath plots of gold grades were completed for each domain along north-south sections and plan views with a width of 15 m. Figure 14-6 shows the swath plot of the blocks within the resource pit. Red lines illustrate nearest neighbor (NN) grade estimates, blue lines represent ID3 gold grade estimates, blue bars represent composites count, and gray lines portray the Block Composite Average (BCA), which represents the average grade of composites within each block.

In general, gold grade trends are reproduced by the estimation, and show improved performance in areas where there are a greater number of composites.

Figure 14-6: Swath plots of estimated blocks within the $2,400 Resource Pit of Spanish Mountain Main Deposit

Easting Swaths	Elevation Swaths
	

Source: Equity, 2025.

Cross validation was completed by comparing block estimates to composites contained within regularized blocks (Table 14-13). Lithology domains show the greatest difference between composites and estimated blocks due to the use of semi-hard boundaries during estimation.

Table 14-13: Summary of Cross Validation Results for Spanish Mountain Main Deposit

Domain	Number of Pairs	Average Grade		Rank Correlation Coefficient
		Composites	Estimated Blocks	
11	7190	0.08	0.09	0.51
12	2058	0.12	0.13	0.60
13	6766	0.17	0.21	0.58
14	5523	0.10	0.12	0.67
15	2218	0.10	0.11	0.61
16	1067	0.09	0.09	0.76
21	2265	0.11	0.12	0.72
31	102	0.05	0.05	0.81
32	1583	0.07	0.07	0.88
33	1319	0.07	0.06	0.90
40	26	0.04	0.04	0.73
110	4675	0.60	0.59	0.84
120	201	0.49	0.48	0.81
130	327	0.52	0.48	0.86
131	620	1.96	1.48	0.71
140	236	0.57	0.53	0.85
150	1957	0.51	0.50	0.87
160	55	0.57	0.55	0.79
210	2110	0.40	0.40	0.86
220	489	0.43	0.42	0.83

Domain	Number of Pairs	Average Grade		Rank Correlation Coefficient
		Composites	Estimated Blocks	
230	168	0.70	0.60	0.88
300	2762	0.41	0.40	0.79

14.1.12 Classification of Mineral Resources

Mineral Resources were classified in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM, 2014) by Bahram Bahrami, appropriate independent qualified person for the purpose of NI 43-101.

Classification of resources has considered geological continuity, data spacing, data type, data source, data quality, and geostatistical evaluation of these data. A drill hole spacing model was created to quantify the drill hole spacing for each block. Sequential Gaussian Simulation was used to determine drill hole spacing cut-off for a non-subjective resource classification. Drill hole spacing thresholds for Mineral Resource Classification were developed using a similar workflow to (Abzalov and Bower, 2009).

Estimated blocks were classified as follows and summarized in Table 14-14:

- Measured Mineral Resources: average drill hole spacing threshold of ≤30m, estimated with at least three holes.
- Indicated Mineral Resources: average drill hole spacing threshold of ≤70m, estimated with at least three holes.
- Inferred Mineral Resources: all other calculated blocks with average sample distance ≤150m, estimated with at least two holes.

Table 14-14: Spanish Mountain Main Deposit Classification Criteria

Class	Number of Holes used	Average Drill Hole Spacing	Drill Hole Spacing Threshold	Average Sample Distance Threshold
Measured	≥3	25 m	≤30m	-
Indicated	≥3	49 m	≤70m	-
Inferred	≥2	138 m	-	≤150m

14.1.13 Reasonable Prospects for Eventual Economic Extraction

The CIM Definition Standards on Mineral Resources and Reserves (CIM Definition Standards, May 2014) state that:

“A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.”

To sufficiently test the reasonable prospects for eventual economic extraction by open pit mining, pit optimization was completed using Lerchs-Grossman algorithm using the assumptions presented in Table 14-15 to generate a constraining pit shell and to inform the cut-off grade for the Mineral Resource Estimate.

Table 14-15: Mining Cost Assumptions for the Spanish Mountain Main Deposit

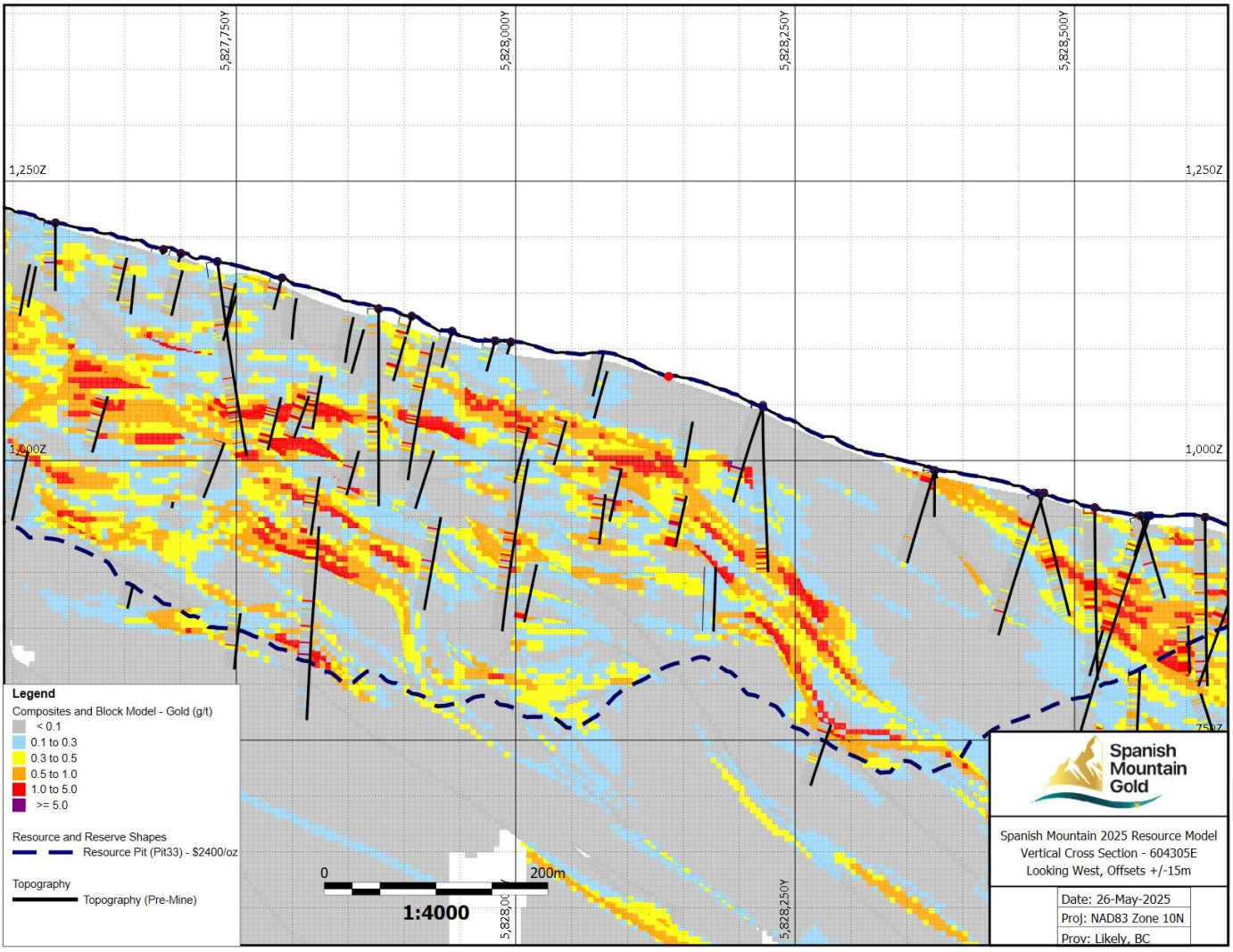
Parameter	Unit Cost	Amount
Gold Price	US$/oz	2,400
Silver Price	US$/oz	30
Payability Gold	%	99.8
Payability Silver	%	90
Process Recovery Gold	%	90
Process Recovery Silver	%	50
Mill Process and Site G&A Costs	C$/t processed	12.00
Mill Feed Mining Costs	C$/t	3.75
Waste Mining Costs	C$/t	3.75
Incremental Mining Costs[1]	C$/t	0.03
Exchange Rate	CAD:USD	0.73
Off-site charge Gold	C$ per oz	7.00
Off-site charge Silver	C$ per oz	2.00
Royalty	%	1.5

[1] Starting at 950 m for every 10 m elevation drop.

Blocks outside the constraining pit shell are not included in the Mineral Resource statement. Cross sections showing the constraining wireframes and the resource models are shown in Figure 14-7.

Table 14-16 shows the mineral resource's sensitivity to the cut-off gold grades ranging from 0.1 to 0.3 g/t at 0.05 g/t gold increments. The results summarized in Table 14-16 are for comparative purposes only and are not to be considered Mineral Resources. The Mineral Resources for the Spanish Mountain Gold Project are summarized in Table 14-17.

Figure 14-7: Cross-section through Spanish Mountain Main Deposit at 604305 E, Looking West +/- 15m, with estimated block grades and the $2,400 pit outline.



Source: Equity, 2025.

Table 14-16: Gold Grade Cut-off Sensitivities of Spanish Mountain Main Deposit

Class	Cut-off Grade (Au, g/t)	Tonnes (kt)	Gold Grade (Au, g/t)	Contained Gold (Au, koz)	Silver Grade (Ag, g/t)	Contained Silver (koz)
Measured	0.3	47,986	0.72	1,116	0.68	1,052
	0.25	55,903	0.66	1,185	0.69	1,234
	0.2	65,528	0.60	1,255	0.69	1,453
	0.15	**77,370**	**0.53**	**1,321**	**0.68**	**1,701**
	0.1	90,563	0.47	1,374	0.66	1,930
Indicated	0.3	105,926	0.62	2,095	0.67	2,276
	0.25	131,911	0.55	2,324	0.66	2,812
	0.2	166,735	0.48	2,574	0.66	3,530
	0.15	**214,702**	**0.41**	**2,842**	**0.65**	**4,463**
	0.1	281,822	0.34	3,108	0.62	5,611
Measured & Indicated	0.3	153,913	0.65	3,211	0.67	3,328
	0.25	187,814	0.58	3,509	0.67	4,046
	0.2	232,262	0.51	3,829	0.67	4,983
	0.15	**292,072**	**0.44**	**4,163**	**0.66**	**6,163**
	0.1	372,384	0.37	4,482	0.63	7,541
Inferred	0.3	4,653	0.58	87	0.87	130
	0.25	6,451	0.50	103	0.91	188
	0.2	9,739	0.40	127	0.95	297
	0.15	**14,830**	**0.33**	**155**	**0.95**	**454**
	0.1	23,671	0.25	190	0.85	645

14.1.14 Mineral Resource Statement

The Mineral Resource Statement for the Spanish Mountain Gold Main Deposit is presented in Table 14-17. Cross sections showing the pit shells summarized using the parameters in Section 14.1.13, drill hole composites and estimated gold grades are shown in Figure 14-7. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 14-17: Mineral Resources for the Spanish Mountain Main Deposit with Effective Date of January 10, 2025

Resource Classification	Cut-off Grade (Au, g/t)	Tonnes (kt)	Gold Grade (Au, g/t)	Contained Gold (Au, koz)	Silver Grade (Ag, g/t)	Contained Silver (koz)
Measured	0.15	77,370	0.53	1,321	0.68	1,701
Indicated	0.15	214,702	0.41	2,842	0.65	4,463
Measured & Indicated	0.15	292,072	0.44	4,163	0.66	6,163
Inferred	0.15	14,830	0.33	155	0.95	454

Notes: **1.** The qualified person responsible for the Main Deposit MRE, effective January 10, 2025, is Bahram Bahrami, P. Geo. of Equity Exploration Consultants Ltd. **2.** Mineral Resources are classified in accordance with CIM (2014) definition standards. **3.** Bulk density is assigned on a block-by-block basis. **4.** Mineral Resources are reported using a 0.15 g/t gold cut-off grade. **5.** Metal price assumptions include US$2,400/oz Au and US$30/oz Ag. **6.** Metallurgical recovery assumptions are 90% for gold and 50% for silver. **7.** Payability assumptions are 99.8% for gold and 90% for silver. **8.** Numbers may not add due to rounding. **9.** Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. **10.** The qualified persons responsible for this section of the technical report are not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate other than those disclosed in this news release and in the PEA Technical Report.

14.1.15 Factors That May Affect the Mineral Resource Estimate

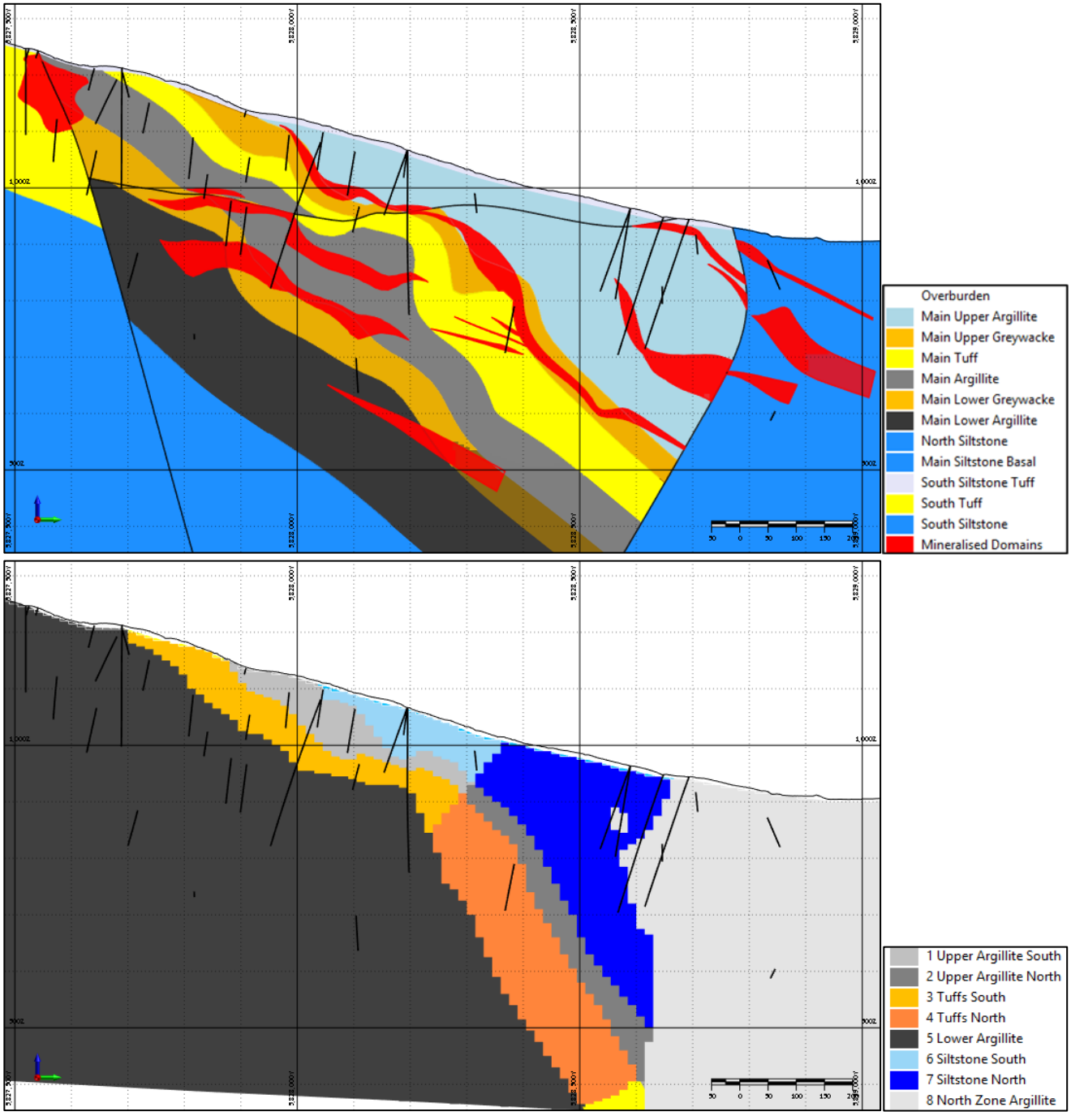
Areas of uncertainty that may materially impact the Mineral Resource estimate include commodity price assumptions, process recovery assumptions, mining and processing cost assumptions. To the extent known by the QP, there are no known factors or issues known by the QP that may materially affect the estimate.

14.1.16 Comparison to previous Mineral Resources

There are six historical mineral resource estimates for the Spanish Mountain gold deposit that have been published in previous technical reports and summarized in Section 6.4 of this report. The most recent Mineral Resource Estimate was included in the 2021 Spanish Mountain Prefeasibility Study by Gilmour et al (2021). This section summarizes the key difference in estimation strategy and classification between the 2021 MRE and the current MRE which is the subject of this report.

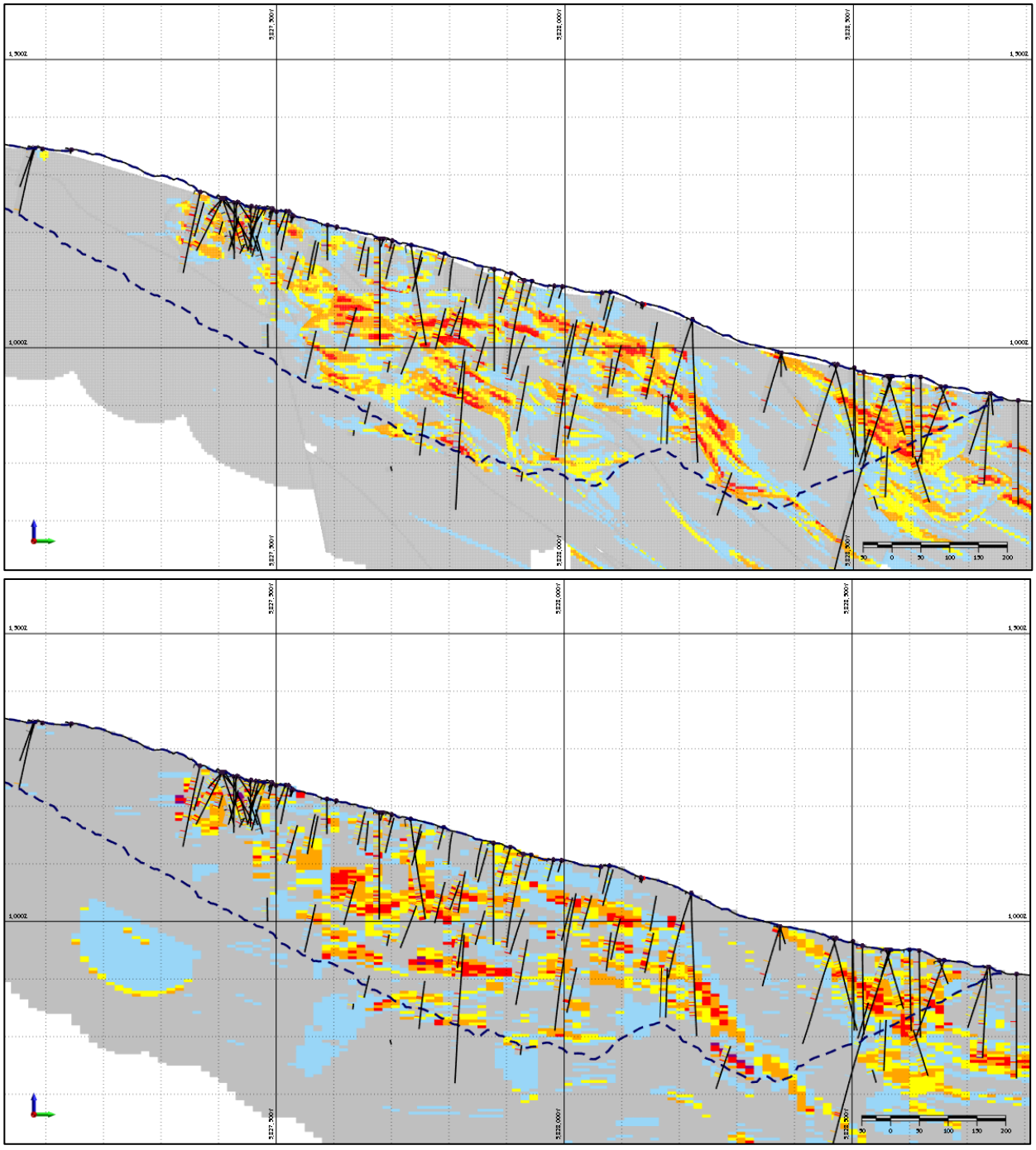
The 2021 MRE used lithological domains as estimation domains, without modeling mineralized domains. In contrast, the current MRE constrains mineralization and employs different estimation methods for lithological and mineralized domains. It applies more restrictive interpolation methods (e.g., outlier restriction) to lithological domains and allows more liberal interpolation for mineralized domains. Overall, the search distances and orientations are comparable between the two estimates; however, the 2021 MRE used a static search, while the current MRE employs locally varying anisotropy (LVA). Both models utilized a combination of hard and soft boundaries. The 2021 MRE was based on 15 x 15 x 5 m block model with grade interpolation by OK, whereas the current MRE uses inverse ID^3 interpolation based on a 5 x 5 x 5 m block model with sub-blocking to 1.25 m. Figure 14-8 shows the modeled domains utilized for estimation for the 2025 and 2021 MREs, and Figure 14-9 shows the gold grade estimates for each respective block model.

Figure 14-8: 2025 (top) and 2021 (bottom) Resource Domains Comparison of Main Deposit, section 604105E (+/- 20m), looking west.



Source: Equity, 2025.

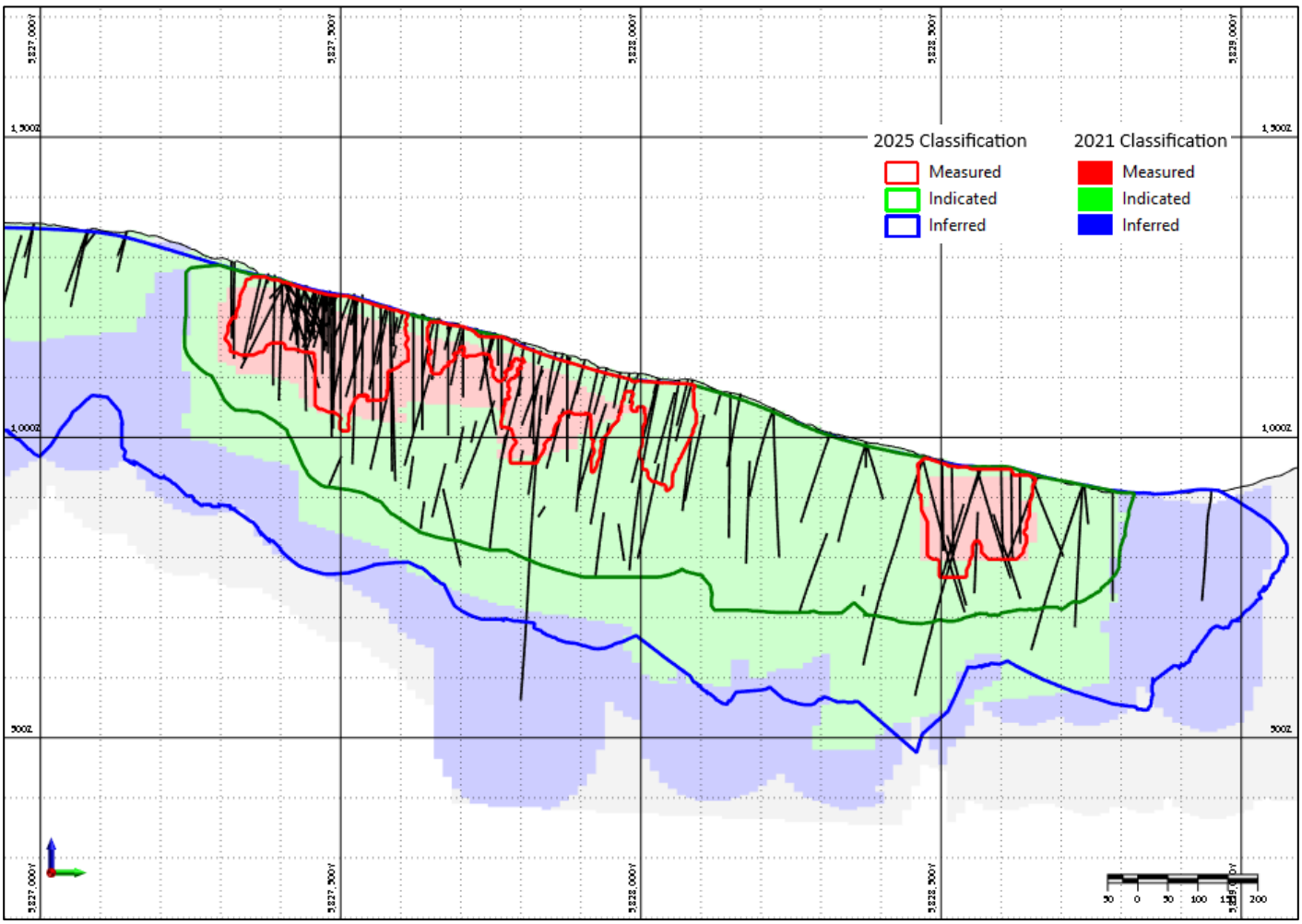
Figure 14-9: 2025 (top) and 2021 (bottom) gold grade estimation of Main Deposit, section 604305E (+/- 15m), looking west.



Source: Equity, 2025.

The Mineral Resource Classification criteria used for the 2021 MRE used average distance to samples as the threshold, whereas the 2025 MRE applies average drill hole spacing (DHS) instead. The 2025 MRE requires a minimum of three drill holes for Measured and Indicated classifications, and at least two for Inferred. The 2021 MRE does not specify the number of drill holes required for each classification category. For spatial thresholds, the 2021 MRE defined Measured resources as having an average sample distance of less than 15 m, and indicated between 15 m and 59 m. In contrast, the 2025 MRE uses a DHS threshold of less than 30 m for Measured, and between 30 m and 70 m for Indicated. Figure 14-10 illustrates the difference in classification, with the 2025 classification shown as outlines and the 2021 classification as filled blocks.

Figure 14-10: 2025 (outline) and 2021 (filled) Resource Classification Comparison of Main Deposit, section 604305N (+/- 30m), looking west.



Source: Equity, 2025.

14.2 Phoenix Deposit

14.2.1 Drill Hole Database

The cut-off date for the Phoenix drill hole database used in the inaugural Mineral Resource Estimate is June 10, 2025. Additional details of database verification are provided in Section 12. The database includes a total of 61 drill holes representing 13,064 m of drilling. Drilling was completed by two companies: Acrex, and Spanish Mountain Gold. Drilling by company is summarized in Table 14-18.

Table 14-18: Summary of Drilling Used for the Phoenix Deposit MRE

Year	Company	Number of Holes	Total Drilled (m)
2010	Acrex	2	84
2006-2025	Spanish Mountain	59	12,980

Source: Equity, 2025.

The drill hole database was modified as follows:

- Intervals reported as below detection limit for gold were assigned a value of 0.003 g/t Au.
- Intervals with no samples or missing intervals were excluded from the dataset.

Statistics for the drill hole database used for the MRE are summarized in Table 14-19.

Table 14-19: Summary of Drilling Used for the Phoenix Deposit MRE

Hole Type	Number of Holes	Number of Meters	Number of Samples	Total Sample Length (m)
DDH	58	12,657	5,961	10,425
RC	3	407	121	183
TOTALS	61	13,064	6,082	10,608

14.2.2 Geological Models

14.2.2.1 Topography

The topography was derived from an airborne LiDAR survey conducted by Eagle Mapping in 2011. LiDAR point cloud data was used to prepare a 1-meter resolution digital elevation model (DEM) for the Project area.

14.2.2.2 Lithology Model

The lithological model was developed based on geochemical classification, with six principal rock types identified: Upper Mafic Tuff, Upper Sedimentary Sequence, Lower Mafic Tuff, Intermediate Sedimentary Sequence, Intermediate Tuff, and Lower Sedimentary. These units generally dip gently to the northeast. A steeply north-south trending fault divides the deposit into eastern and western structural blocks. The eastern block contains the full stratigraphic sequence, while the western block includes only the two lowermost units. Lithology was coded to the block model using the numeric codes summarized in Table 14-20 and shown in Figure 14-11.

Table 14-20: Summary of Phoenix Deposit Lithology Codes

Lithology Code	Lithology
1	Overburden
61	Upper Mafic Tuff
62	Upper Sed Sequence
63	Lower Mafic Tuff
64	Intermediate Sed Sequence
65	Intermediate Tuff
66	Lower Sed Sequence

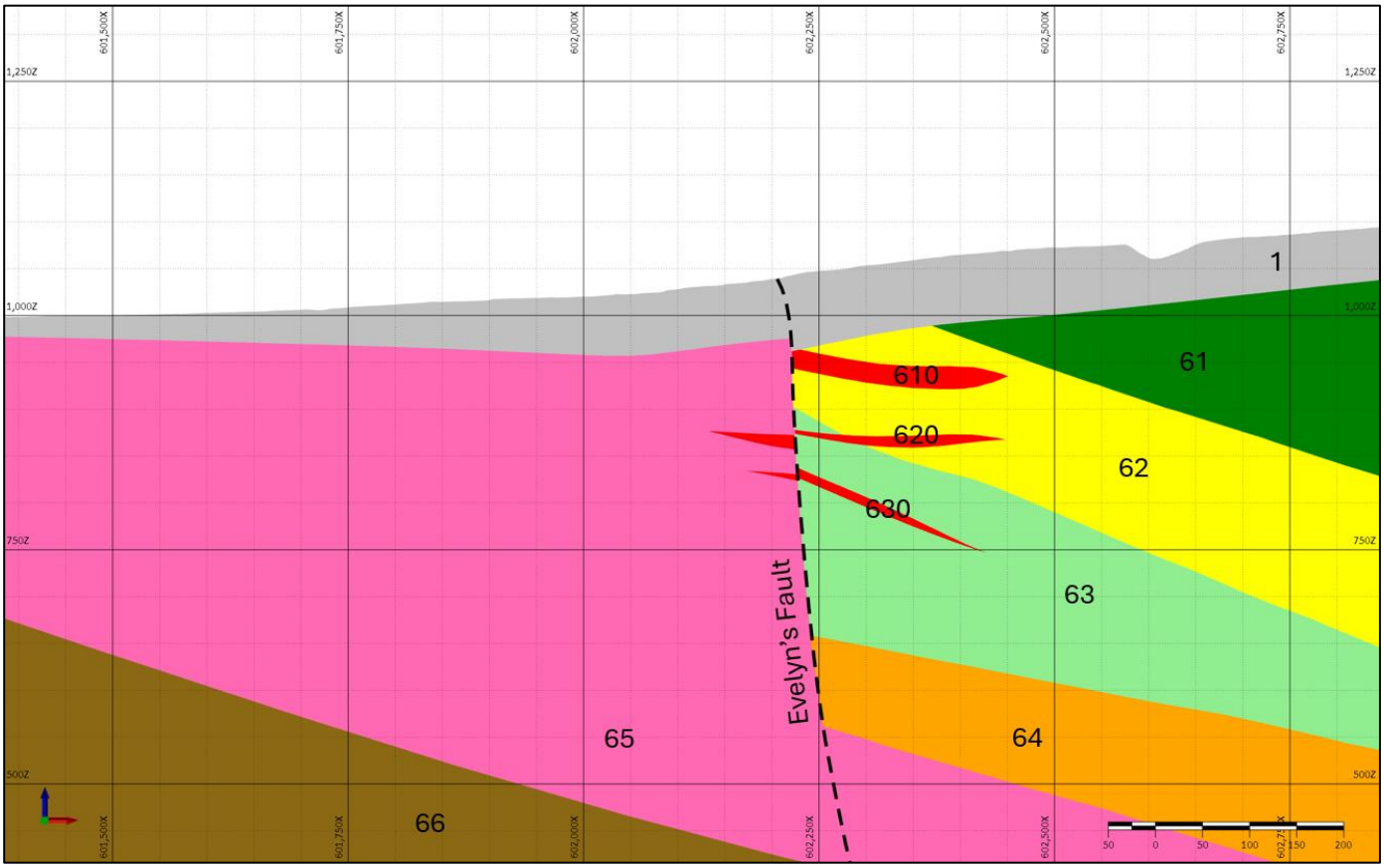
14.2.2.3 Mineralization Model

Gold mineralization at the Phoenix deposit is modeled based on structural interpretations of drill hole data, which identified two principal sets of mineralized structures: a flat to gently east-dipping set and a steeper northeast-dipping set. These structural trends define three discrete mineralized zones; two gently dipping upper zones and one deeper, steeper-dipping zone. Mineralized domains were constructed by correlating intervals across drill sections that exhibited gold grades of ≥0.3 g/t Au over a minimum thickness of 3 m. Mineralization was coded to the block model using the numeric codes summarized in Table 14-21 and shown in Figure 14-11.

Table 14-21: Summary of Phoenix Deposit Mineralization Models

Domain	Zone	Orientation
610	Upper Mineralized Zone	Flat-gently dipping east
620	Mid Mineralized Zone	Flat-gently dipping east
630	Lower Mineralized Zone	Shallow-moderate dipping northeast

Figure 14-11: Phoenix Deposit Geological Model Section 5828000N, looking North.



Source: Equity, 2025.

14.2.3 Density

The drill hole database includes 756 bulk density measurements from the 2012 and 2025 drilling campaigns. The bulk density measurements were assigned to lithology and mineralization domains to determine the average density of each domain. For domains with fewer than 100 samples, a density value of 2.63 t/m^3 was applied. The final density values are summarized in Table 14-6.

Table 14-22: Summary of density values used for Phoenix Deposit

Domain	Count	Average of Bulk Density (t/m³)	Block Model Assigned Value (t/m³)
61	11	2.56	2.63
62	72	2.68	2.63
63	135	2.61	2.61
64	34	2.56	2.63
65	213	2.64	2.64
66	16	2.51	2.63
610	78	2.52	2.63
620	91	2.47	2.63
630	106	2.61	2.61

14.2.4 Grade Capping and Outlier Restriction

Capping values were determined using decile analysis and log-scaled probability plots of length-weighted gold assays. Outlier restrictions were applied during the second estimation pass within lithological domains, whereby samples exceeding 0.2 g/t Au were excluded when search distances exceeded 30% of the variogram range. No outlier restrictions were applied to mineralized zones.

Capping values for gold is summarized in Table 14-23 and summary statistics for original and capped assays are summarized in Table 14-24.

Table 14-23: Summary of Top-cut Values for the Phoenix Deposit

Domain Name	Code	Capping Value (Au g/t)	Number of Samples Capped
Upper Mafic Tuff	61	0.5	10
Upper Sedimentary Sequence	62	0.5	4
Lower Mafic Tuff	63	0.7	8
Intermediate Sedimentary Sequence	64	0.5	5
Intermediate Tuff	65	0.7	18
Lower Sedimentary	66	0.5	1
Upper Zone	610	2.0	6
Mid Zone	620	2.0	7
Lower Zone	630	5.0	5

Table 14-24: Summary Statistics of Original and Capped Assays for Phoenix Deposit

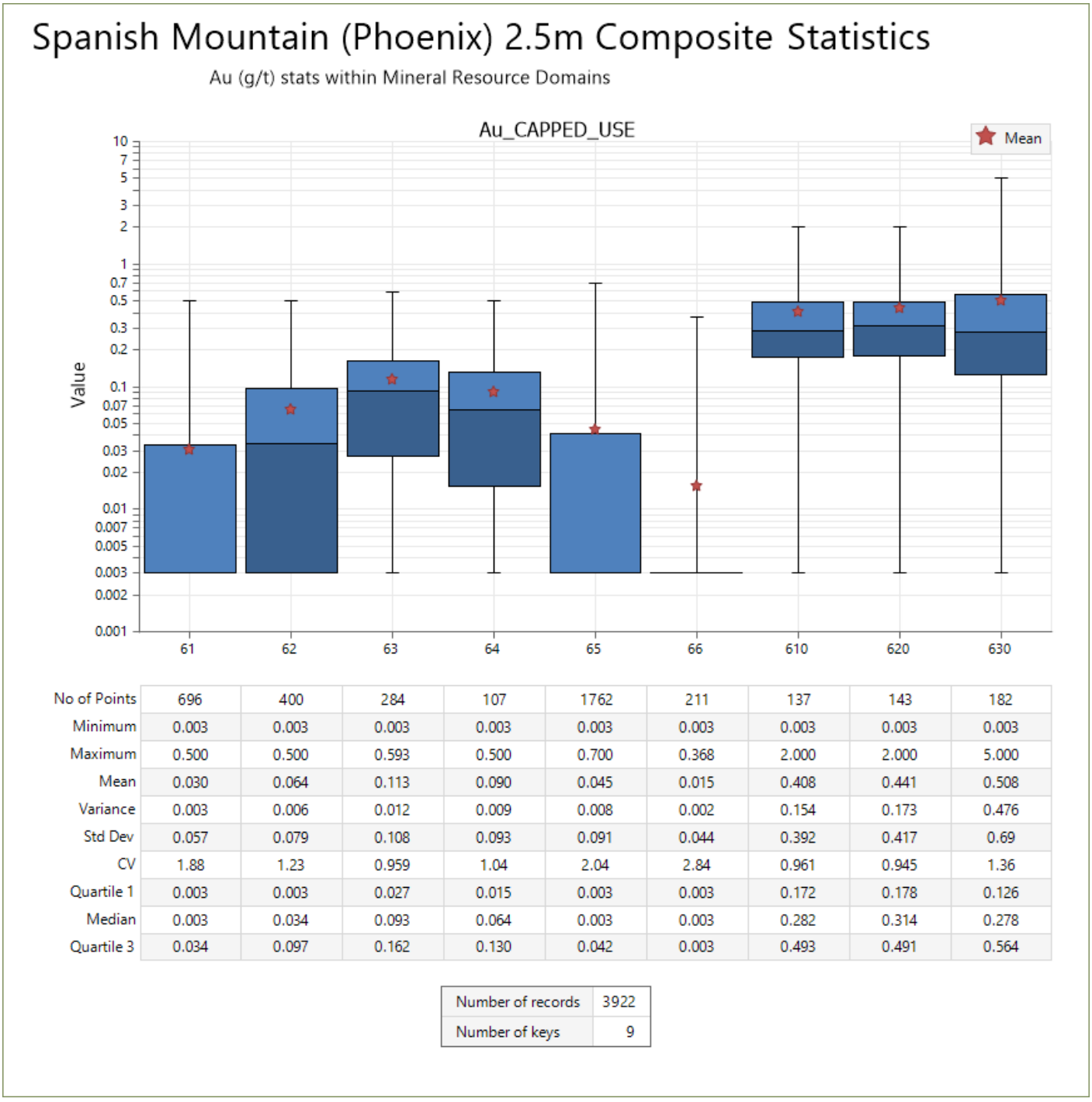
Domain	Code	Length-Weighted Statistics Au (g/t)						
		Uncapped				Capped		
		Count	Mean	SD	CoV	Mean	SD	CoV
Upper Mafic Tuff	61	1,074	0.10	2.18	21.81	0.03	0.07	2.39
Upper Sedimentary Sequence	62	536	0.06	0.10	1.64	0.06	0.09	1.48
Lower Mafic Tuff	63	404	0.13	0.22	1.85	0.11	0.14	1.19
Intermediate Sedimentary Sequence	64	159	0.10	0.16	1.62	0.09	0.12	1.30
Intermediate Tuff	65	2,582	0.05	0.28	5.43	0.04	0.10	2.42
Lower Sedimentary	66	318	0.02	0.06	3.89	0.01	0.05	3.34
Upper Zone	610	187	0.43	0.63	1.46	0.41	0.48	1.17
Mid Zone	620	201	0.53	1.06	2.01	0.45	0.48	1.08
Lower Zone	630	267	0.72	2.84	3.77	0.52	0.92	1.77

Of the 22 domains reviewed, four show a capped versus uncapped length-weighted mean difference exceeding 15%, driven primarily by isolated extreme assays. Domain 13 (Tuff “Lith”) and Domain 130, both adjacent to high-grade mineralized zones, contain isolated samples at 225 g/t and 96 g/t Au respectively, with capping at 13 g/t and 6 g/t substantially lowering the mean. Domain 32, in the K Zone vicinity, has the largest relative difference (39.7%) due to sparse drilling and clusters of higher-grade intervals; capped at 10 g/t. Domain 140, with limited drilling density, has only seven capped samples out of 582 yet shows a 26% reduction after applying a 6 g/t cap. In each case, capping levels were derived from top-cut, decile, and probability plot analysis (per Parrish guidelines) to reduce the influence of outliers and better reflect representative grade distributions.

14.2.5 Composites

Prior to compositing, the original sample lengths were examined. The sample intervals were found to be bimodal, with approximately 50% of samples at 1.5 m, 20% at 2.0 m, and approximately 15% exceeding 2.0 m. A composite length of 2.5 m was selected based on the distribution of original sample lengths and the height of the block model. Composites were generated from the top of each hole and were broken at domain boundaries. Composites shorter than 0.5 m were discarded. Summary statistics of the resulting gold composites are presented in Figure 14-12.

Figure 14-12: Phoenix Deposit 2.5m Composites gold box and whisker by Domain



	61	62	63	64	65	66	610	620	630
No of Points	696	400	284	107	1762	211	137	143	182
Minimum	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
Maximum	0.500	0.500	0.593	0.500	0.700	0.368	2.000	2.000	5.000
Mean	0.030	0.064	0.113	0.090	0.045	0.015	0.408	0.441	0.508
Variance	0.003	0.006	0.012	0.009	0.008	0.002	0.154	0.173	0.476
Std Dev	0.057	0.079	0.108	0.093	0.091	0.044	0.392	0.417	0.69
CV	1.88	1.23	0.959	1.04	2.04	2.84	0.961	0.945	1.36
Quartile 1	0.003	0.003	0.027	0.015	0.003	0.003	0.172	0.178	0.126
Median	0.003	0.034	0.093	0.064	0.003	0.003	0.282	0.314	0.278
Quartile 3	0.034	0.097	0.162	0.130	0.042	0.003	0.493	0.491	0.564

Number of records	3922
Number of keys	9

Source: Equity, 2025.

14.2.6 Variography

Directional variograms were calculated for each domain for gold. The variogram model parameters for gold are summarized in Table 14-25. Domains 64, 65, and 66 did not produce stable variograms due to sparse data.

Table 14-25: Summary of Variogram Model Parameters for Phoenix Deposit (Gold)

Domain Codes	Rotation Angles			Contribution			Distances		
	Z	X	Y	Nugget	Structure	CC	Major	Semi-Major	Minor
61	158	1.5	5	0.05	1	0.95	150	110	8
62	158	1.5	5	0.2	1	0.4	370	100	10
					2	0.4	420	330	70
63	158	1.5	5	0.05	1	0.95	300	125	11
610	355	0	-5	0.05	1	9.5	200	200	8
620	195	4.7	1.7	0.00	1	1	250	230	8
630	177	8.3	23.7	0.05	1	0.85	300	120	3
					2	0.1	400	150	25

14.2.7 Contact Analysis

Boundary conditions were applied based on individual domain boundary analysis and drill hole spacing. Domains 61, 62, 64, 65, 610, and 620 were treated with a hard boundary in all estimation runs. Domain 63 used a hard boundary for the first estimation pass, followed by a semi-hard boundary with a 15 m tolerance in the second run. Domain 66 was estimated using a semi-hard boundary for both passes, with a tolerance distance of 50 m. For Domain 630, a hard boundary was applied in the first run, transitioning to a semi-hard boundary with a 5 m tolerance in the second. An example contact plot of the Upper Mineralized Zone (Domain 610) is shown in

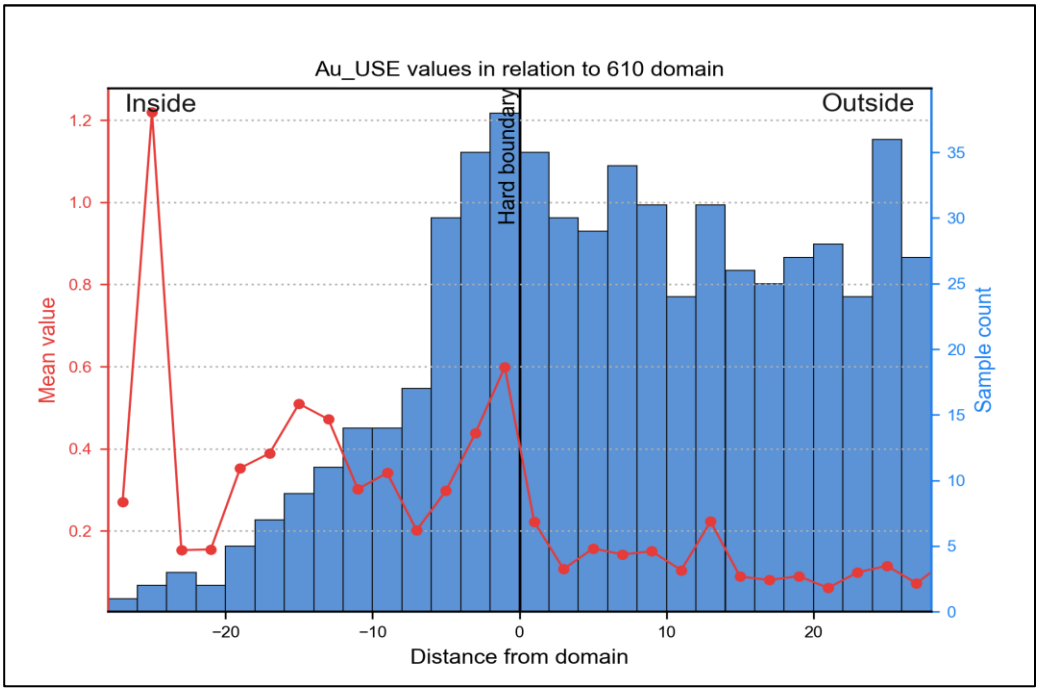
Figure 14-13.

This approach was particularly important in areas where transitions between mineralized and lithological domains are gradational or poorly constrained. The use of semi-hard boundaries helped reduce estimation artifacts and limited the interpolation of grades into areas with sparse drilling. The treatment applied to each domain during estimation is summarized in Table 14-26.

Table 14-26: Summary of Boundary Analysis for Phoenix Deposit Domains

Domain	Boundary Type	Treatment
61, 62, 64, 65	Hard	Hard boundary.
63	Semi-hard	First estimation run used hard-boundary, second estimation run used semi-hard boundary with tolerance distance of 15m.
66	Semi-hard	Both estimation runs used semi-hard boundary with tolerance distance of 50m.
610, 620	Hard	Hard boundary.
630	Hard	First estimation run used hard-boundary, second estimation run used semi-hard boundary with tolerance distance of 5m.

Figure 14-13: Contact Analysis of Gold in Upper Mineralized Zone (Domain 610)



Source: Equity, 2025.

14.2.8 Estimation Methods

14.2.9 Block Model Index

A sub-block model was created in Leapfrog 2024.1 using the index summarized in Table 14-27. Sub-blocking was triggered on lithology and mineralization models using block centroids.

Table 14-27: Phoenix Deposit Block Model Index

Axis	Block Size	Subblock Size	Rotation	Base Point	Boundary Size
X	5	1.25	0	601,280	1570
Y	5	1.25	0	5,827,110	1770
Z	5	1.25	0	400	800

14.2.10 Grade Estimation

Grade estimation was conducted using OK or ID3 methods. OK was used for all mineralized domains where variograms could be reliably modeled, whereas ID3 was used for domains that could not yield reliable variogram models. Locally varying anisotropy (LVA) was applied within mineralized domains. A summary of the gold estimation parameters is provided in Table 14-28.

Table 14-28: Phoenix Deposit Gold Estimation Parameters

					Ellipsoid Ranges			Ellipsoid Directions		
Domain	Estimator	Pass	Boundary Type	Range	Maximum	Intermediate	Minimum	Dip	Dip Azi.	Pitch
61	OK	1	Hard		150	110	20	5	85	163
		2	Hard		250	200	30			
62	OK	1	Hard		370	100	15			
		2	Hard		420	330	70			
63	OK	1	Hard		300	125	20			
		2	Soft	15	400	250	30			
64	ID3	1	Hard		370	160	20			
		2	Hard		450	220	35			
65	ID3	1	Hard		300	150	20			
		2	Hard		450	180	25			
66	ID3	1	Soft	50	370	150	20			
		2	Soft	50	400	250	35			
610	OK	1	Hard		150	150	20	LVA		
		2	Hard		225	225	30			
620	OK	1	Hard		200	200	25			
		2	Hard		250	230	30			
630	OK	1	Hard		150	150	20			
		2	Soft	5	250	250	30			

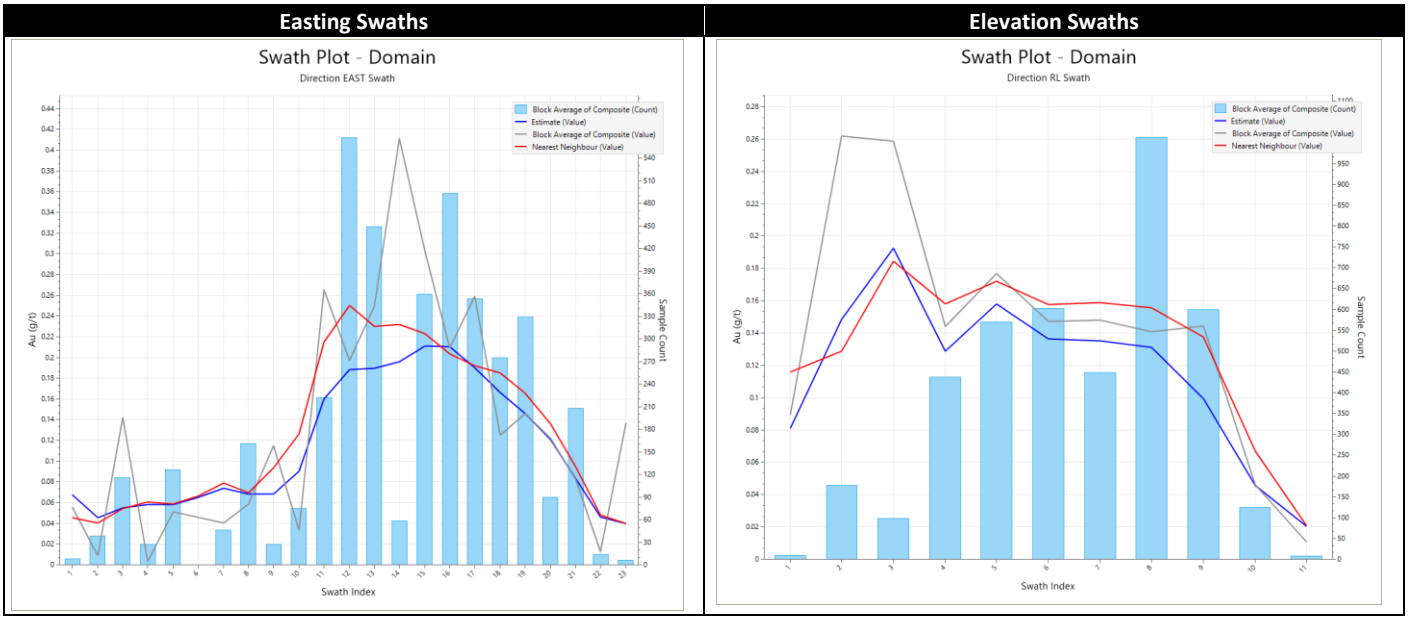
14.2.11 Block Model Validation

Gold grade estimates were validated by completing a series of visual checks in plan and cross-section, swath plots for each domain, and comparing block estimates to composites using cross validation and Q-Q Plots.

Swath plots of gold grades were completed for each domain along north-south sections and plan views with a width of 30 m. Figure 14-14 shows swath plots of the Pheonix MRE. Red lines illustrate nearest neighbor (NN) grade estimates, blue lines signify gold grade estimates (OK and ID3), blue bars represent composites count, and gray lines portray the BCA, which represents the average grade of composites within each block.

In general, gold grade trends are reproduced by the estimation, and show improved performance in areas where there are a greater number of composites.

Figure 14-14: Swath Plots of Estimated Blocks Within The $2,400 Resource Pit of Phoenix Deposit



Source: Equity, 2025.

Cross validation was completed by comparing block estimates to composites contained within regularized blocks (Table 14-29). Lithology domains show the greatest difference between composites and estimated blocks due to the use of semi-hard boundaries during estimation.

Table 14-29: Summary of Cross Validation Results for Phoenix Deposit

Domains	Number of Pairs	Average Grade		Renk Correlation Coefficient
		Composites	Estimated Blocks	
61	410	0.03	0.03	0.87
62	218	0.07	0.06	0.87
63	173	0.12	0.12	0.74
64	63	0.09	0.10	0.70
65	977	0.04	0.05	0.85
66	120	0.02	0.02	0.93
610	79	0.45	0.42	0.79
620	84	0.44	0.42	0.87
630	110	0.45	0.47	0.85

14.2.12 Classification of Mineral Resources

Mineral Resources were classified in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM, 2014) by Bahram Bahrami, an independent qualified person for the purpose of NI 43-101.

Classification of resources has considered geological continuity, data spacing, data type, data source, data quality, and geostatistical evaluation of these data. A drill hole spacing model was created to quantify the drill hole spacing for each block.

Estimated blocks were classified as follows and summarized in Table 14-30:

- Indicated Mineral Resources: average drill hole spacing threshold of ≤70m, estimated with at least three holes.
- Inferred Mineral Resources: all other calculated blocks with average sample distance ≤155m, estimated with at least two holes.

Table 14-30: Phoenix Deposit Classification Criteria

Class	Number of Holes Used	Average Drill Hole Spacing	Drill Hole Spacing Threshold	Average Sample Distance Threshold
Indicated	≥3	60m	≤70m	-
Inferred	≥2	127m	-	≤155m

14.2.13 Reasonable Prospects for Eventual Economic Extraction

The CIM Definition Standards on Mineral Resources and Reserves (CIM Definition Standards, May 2014) state that:

"A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction."

To sufficiently test the reasonable prospects for eventual economic extraction by open pit mining, pit optimization was completed using Lerchs-Grossman algorithm using the assumptions presented in Table 14-31 to generate a constraining pit shell and to inform the cut-off grade for the Mineral Resource Estimate.

Table 14-31: Phoenix Deposit Mining Cost Assumptions

Parameter	Unit Cost	Amount
Gold Price	US$/oz	2,400
Payability Gold	%	99.8
Process Recovery Gold	%	90
Mill Process and Site G&A Costs	C$/t processed	12.00
Mill Feed Mining Costs	C$/t	3.75
Waste Mining Costs	C$/t	3.75
Incremental Mining Costs[1]	C$/t	0.02
Exchange Rate	CAD:USD	0.73
Off-site charge Gold	C$/oz	7.00
Royalty	%	1.5

[1] Starting at 1050 m for every 5 m elevation drop.

14.2.14 Mineral Resource Statement

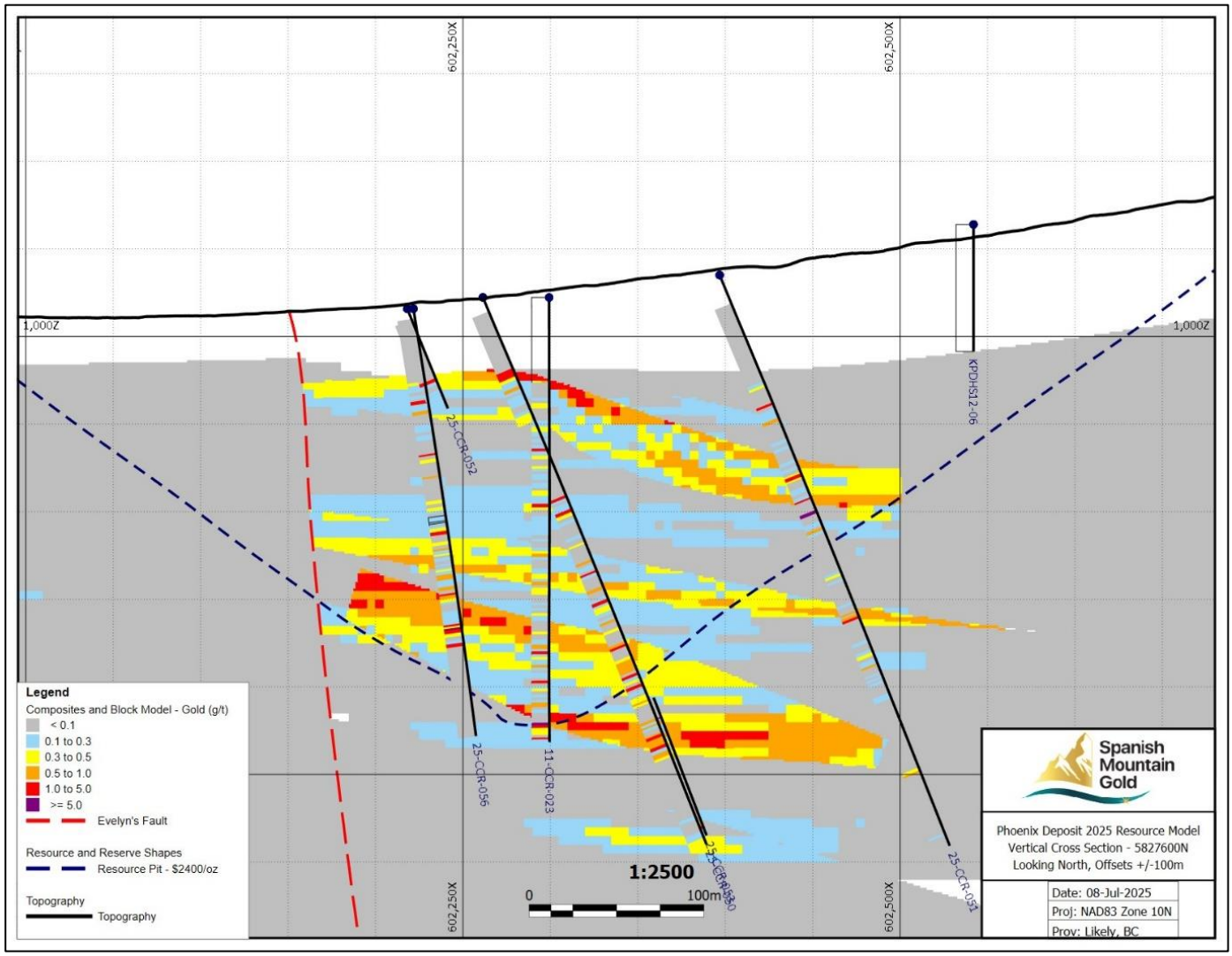
The Mineral Resource Statement for the Phoenix Deposit is presented in Table 14-32. Cross sections showing the pit shells summarized using the parameters in Section 14.2.13, drill hole composites and estimated gold grades are shown in Figure 14-15.

Table 14-32: Mineral Resources for the Phoenix Deposit with Effective Date of June 17, 2025

Resource Classification	Cut-off Grade (Au, g/t)	Tonnes (kt)	Gold Grade (Au, g/t)	Contained Gold (Au, k.oz.)
Indicated	0.20	52	0.35	0.57
Inferred	0.20	25,426	0.44	357

Notes: **1.** The qualified person responsible for the Phoenix Deposit MRE, effective June 17, 2025, is Bahram Bahrami, P.Geo of Equity Exploration Consultants Ltd. **2.** Mineral Resources are classified in accordance with CIM (2014) definition standards. **3.** Mineral Resources are reported using 0.20 g/t gold cut-off grade. **4.** Metal price assumptions include US$2,400/oz Au. **5.** Metallurgical recovery assumptions are 90% for gold. **6.** Payability assumption is 99.8% for gold. **7.** Numbers may not add due to rounding. **8.** Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. **9.** The qualified persons responsible for this section of the technical report are not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate other than those disclosed in this news release and in the PEA Technical Report.

Figure 14-15: Phoenix Deposit Gold Grade Estimation With The $2,400 Pit Outline, Section 5827600 (+/- 100m), Looking North.



Source: Equity, 2025.

14.2.15 Factors That May Affect the Mineral Resource Estimate

Areas of uncertainty that may materially impact the Mineral Resource estimate include commodity price assumptions, process recovery assumptions, mining and processing cost assumptions. To the extent known by the QP, there are no known factors or issues known by the QP that may materially affect the estimate.

15 MINERAL RESERVE ESTIMATES

This section is not relevant to this report.

16 MINING METHODS

The Mineral Resources stated in Section 14 are supported by the open pit mine plan summarized in this section.

Open pit mine designs, a mine production schedule, and mine capital and operating costs have been developed for the Main deposit at a PEA-level of engineering. The Phoenix deposit resources are not included in the mine plan or financial sections.

16.1 Summary

The open pit mining operations are designed for approximately 20.5 years of duration, including one and a half years of pre-production pre-stripping, and followed by four years of low-grade stockpile rehandle to feed the mill after the open pit is exhausted. The Run-of-Mine (ROM) production contained within the designed open pit, summarized in Table 16-1 with a 0.20 g/t gold cut-off grade, forms the basis of the mine plan and production schedule.

Table 16-1: Mine Plan ROM Production

Pit Content	Units	Amount
Mill feed	Mt	229
Gold Grade	g/t	0.46
Silver Grade	g/t	0.65
Waste Material	Mt	458
Strip Ratio	t/t	2.0

The crusher will be fed with material from the pit and operating stockpiles at an average feed rate of 26,000 t/d.

To develop the most economic feed to the mill in the early years, and to provide a smooth transitional stripping plan for the duration of the LOM, open pit mining is scheduled from five pit phases. Phase 1 will commence near the center of the deposit, where the highest grade of mineralized material and lowest strip ratio will be encountered.

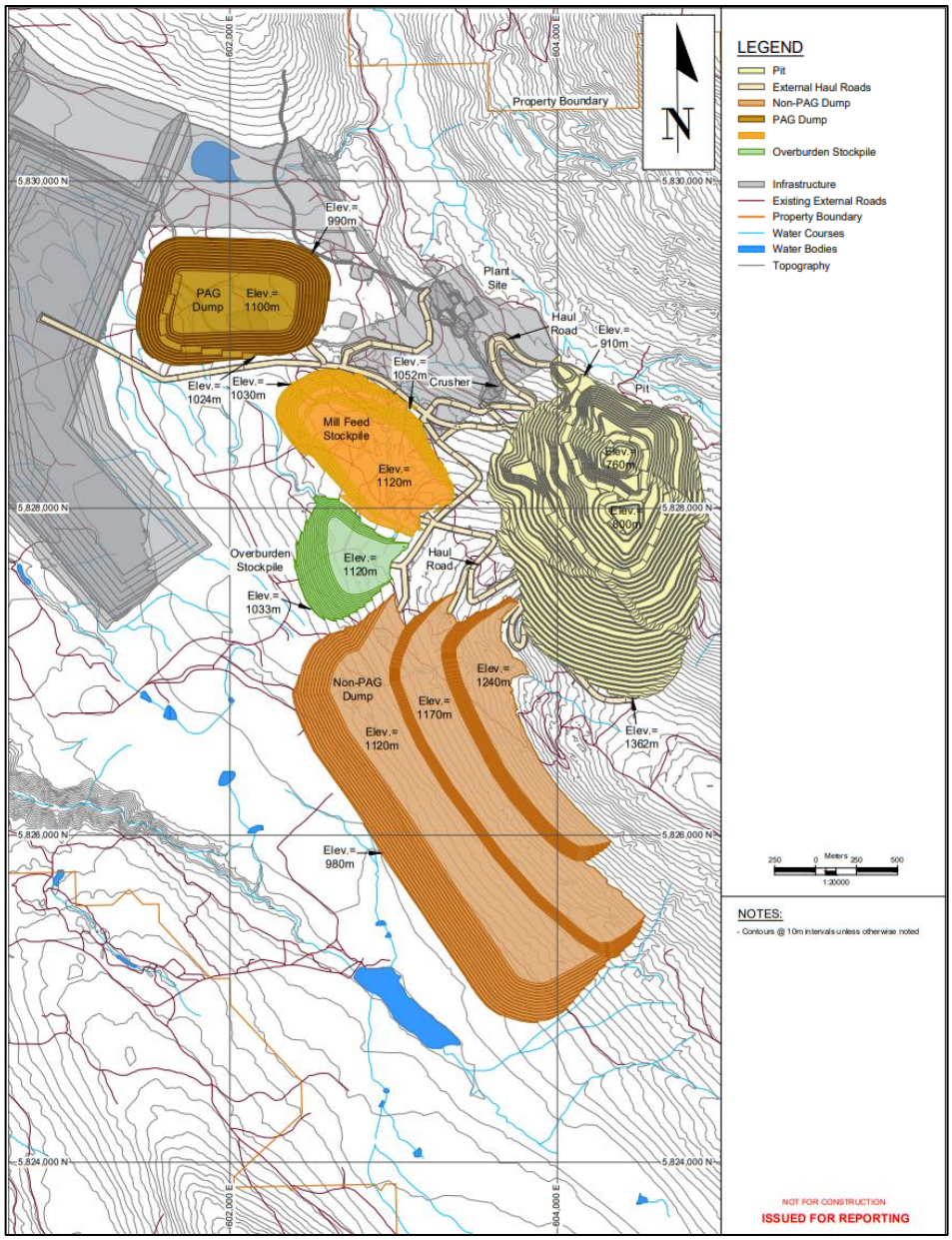
An elevated 0.40 g/t cut-off grade is employed in the initial years to enhance the economics of the project. Mineralized material that is below the elevated cut-off grade, but able to cover the cost of milling and handling once it is hauled out of the pit will be sent to a stockpile near the crusher and reclaimed at the end of the mine life or blended with the run-of-mine (ROM) feed when an appropriate opportunity arises.

Pit mined waste material will be hauled to stockpiles located on the west side of the pit or used for construction purposes. Preliminary geochemistry studies on pit rock indicate that most of the pit waste rock is non-potentially acid

generating (non-PAG). The remaining potentially acid generating (PAG) waste rock will be stored between the mill and the tailings facility. Suitable pit waste rock will also be hauled to the tailings facility for dam construction, as needed.

Figure 16-1 shows the mine layout for the pit, stockpiles, and haul roads.

Figure 16-1: Mine Layout



Source: Moose Mountain, 2025.

16.2 Key Design Criteria

Key mine engineering design inputs are described below. In some instances, the mine planning input is different from the final PEA value. Checks have been made to ensure these differences would not materially affect the mine plan at a scoping-level of engineering.

16.2.1 Mine Planning 3D Block Model

Mine planning work is based on the resource three-dimensional block model (3DBM) as described in Section 14. Extra items are added to the resource 3DBM to carry out open pit mine planning.

16.2.2 Mining Loss and Dilution

16.2.2.1 Internal Block Dilution

The original resource model was re-blocked from sub-blocks to 10 m x 10 m x 10 m selective mining unit (SMU) blocks. This re-blocking resulted in similar gold ounces and 7% increased tonnes from dilution internal to the 1,000 m^3 block. While some losses occurred in the re-blocking, the net impact is described as dilution.

16.2.2.2 External Block Dilution

Mill feed block to block dilution is calculated by taking the mill feed block and applying a 2 m skin of the neighbouring waste block. This dilution skin will carry the grade of the neighbouring waste block, which could be mineralized but below the mill feed cut-off grade. Only Measured, Indicated and Inferred (MII) Resource Class material is considered mill feed material, so any diluting block that does not carry these resource classes has been treated with gold and silver grades of 0 g/t, regardless of the modeled grade.

The mine planning block model is built as a multiple percent model to account for the diluting skin material. Each block will carry multiple mill feed percent items, one for each grade bin.

The process is run in a specific order so that all diluting material will be categorized with the block that it is diluting. For example, a diluting block next to a high-grade block will be categorized as a high-grade block, even if it has a grade of 0 g/t. This is done so that the tonnage of the dilution skin cannot be scheduled to a waste or stockpile destination and will be forced to be sent to whatever planned destination the targeted mill feed block is sent to.

The result is not only a dilution of sub-economic blocks into the mill feed, but also dilution between grade bins that are planned for stockpiling or sending directly to the mill. The high-grade areas are diluted by the surrounding mid-grade blocks, the mid-grade diluted by the low-grade, etc.

The goal is to produce an estimate of mining tonnages and grades that are achievable by high-tonnage mining operations. The benefit of this method of calculating external dilution is that the grade of the dilution is based on the neighbouring block, not an average value, while being only a 2 m skin, as opposed to taking an entire block for dilution.

16.2.2.3 Grade Bin Identification and Losses

All mill feed blocks are sorted into the grade bins shown in Table 16-2.

Table 16-2: Grade Bin Identification and Losses

		Au Grade (g/t)	
Bin Number	**Bin Name**	**Minimum**	**Maximum**
1	High-Grade	0.4	9,999
2	Medium- Grade	0.35	<0.4
3	Low-Grade	0.3	<0.35
4	Sub-grade	0.2	<0.3
5	Waste	0	<0.2

Blocks identified as high-grade are given a high-grade mill feed percent of 100%.

An edge count method is used to determine how many high-grade blocks each of blocks in the other grade bins are touching. A 2-m skin of high-grade dilution is applied to each block contact, effectively converting a percentage of the contacting block into the high-grade bin, but carrying the originally modeled block grade. The 2-m contact skin on the 10 m SMU block covers a percentage of that block as per Table 16-3 below, based on the number of contact edges that block has with the high-grade block.

Table 16-3: High-grade Edge Counts and Mill Feed Dilution Percents

High-Grade Edges	High-Grade Edge Dilution Percent
0	0%
1	20%
2	36%
3	52%
4	100%

This process is repeated for the medium-grade, low-grade, and sub-grade blocks, applied in this order to continually dilute downwards between grade bins. Effectively, each higher-grade bin is diluted with material and grade from the lower-grade bins.

A total mill feed percent is calculated to provide confidence that no gold was created in the process, just shifted between grade-bin categories, including bringing sub-economic cut-off grade material into the overall mill feed tonnage.

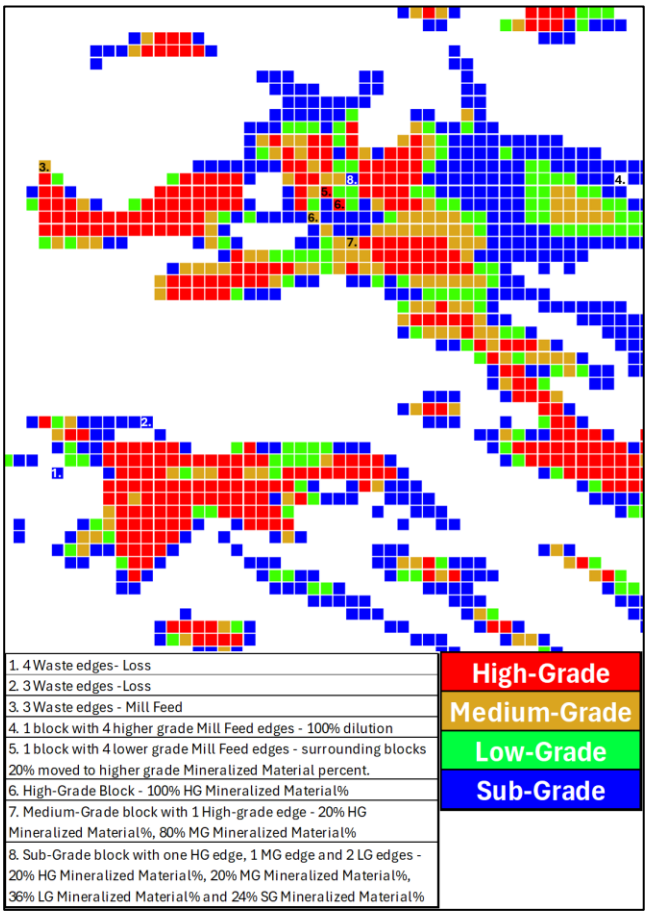
The ‘edge count’ method is also used to quantify losses. Any block in Grade Bin 1 to 4 that is surrounded by four waste blocks is reassigned to Grade Bin 5 (waste). Additionally, any sub-grade blocks that are surrounded by three waste blocks are reassigned to Grade Bin 5, with the logic that their value is too low to mine. These two steps make up the estimated external block mining losses and dilution.

The effects of several loss and dilution situations are shown in Figure 16-2. Grade Bins are shown by the initial 10 m re-blocked gold grade.

The net effect of external block loss and dilution adds 2% to the gold ounces and 8% to the mill feed tonnes, beyond the effects of internal block dilution.

Total losses and dilution from combined internal and external methods are 14% additional mill feed tonnes and 2% additional gold ounces when compared to the original sub-block resource model.

Figure 16-2: Blocks Identified for Loss by Grade Bin



Source: Moose Mountain, 2025.

16.2.3 Datum

Topography is based on a LiDAR survey of the region including the entire extents of the Mineral Resource, in UTM 10N coordinates.

16.2.4 Resource Class

Measured, Indicated, and Inferred Resource Class materials are included as economic in the open pit mine plan.

16.2.5 Mine Planning Net Smelter Price

Net Smelter Price (NSP) is used in place of the Market Price for gold and silver, to consider all off-site costs to the project and the combined value of both metals.

Using market prices of US$2,000/oz Au and US$25/oz Ag results in NSP values of C$2,686/oz or C$86.37/g Au and C$0.91/g Ag. The NSP calculation uses the inputs shown in Table 16-4.

Table 16-4: NSP Calculation Inputs

Description	Values	Units
Gold Price	$2,000.00	US$/oz
Silver Price	$25.00	US$/oz
US Exchange rate	0.73	US$/CDN$
Payable Au	99.8%	%
Payable Ag	90.0%	%
Au Offsites (Refining/Transport)	$7.00	US$/oz
Ag Offsites (Refining/Transport)	$2.00	US$/oz
Royalty	1.5%	%

16.2.6 Mine Planning Process Recovery

The process recovery assumptions for pit optimization runs and cut-off grade calculations are 90% for gold and 50% for silver.

16.2.7 Cut-off Gold Grade

The cut-off grade is chosen as the gold grade required to pay for processing costs, general site and administration costs, stockpile reclaim costs, and coverage for the project's sustaining capital cost spend. The sum of these costs is estimated to be $16.00/t. Based on the NSP and process recovery formulas above, the economic gold cut-off grade is 0.21 g/t.

To boost mill feed grades, an elevated gold cut-off grade of 0.40 g/t is also applied early in the mine life. Material between the economic cut-off grade and this elevated cut-off grade is stockpiled and reclaimed at the end of the mine life or blended with the ROM feed when an appropriate opportunity arises.

16.2.8 Pit Slope Angles

The pit slopes design inputs are based on analysis and recommendations developed from geotechnical drilling and core logging carried out from 2010 to 2023 (BGC, 2025).

The open pit has been divided into geotechnical units and structural domains, with discontinuity sets based on a fault model, oriented core and televiewer discontinuity data, outcrop mapping data, and regional structural geology interpretations.

Kinematic, bench catchment, and 2D limit equilibrium analyses have been completed on the proposed slopes.

Kinematic analyses involved sub-dividing each domain into possible pit wall orientations, referred to as kinematic sectors, with similar potential pit slope stability controls. Design discontinuity sets, or combinations, that daylight in the 65° bench face angle were used to estimate the required bench catchment width in each kinematic sector. Inter-ramp scale limit equilibrium analyses have also been completed for each kinematic sector to support the design recommendations for the open pit.

In most areas of the proposed pit the recommended inter-ramp angles are controlled by discontinuity sets associated with faulting or foliation. Inter-ramp scale stability analyses only include discontinuity sets that appear in multiple data sources, are associated with mine-scale folding or faulting, or are observed to have shear strength reducing characteristics such as slickensides or infill.

The recommended bench and inter-ramp geometries and geotechnical controls in each kinematic sector are summarized in Table 16-5. Groundwater mitigations and mine plan sequencing requirements (i.e., geotechnical berms through the shear zones and the west wall) are provided to achieve the design acceptance criteria.

Design recommendations are provided for all wall azimuths (0° to 360°), even those unlikely to occur. Contacts between the structural domains align with lithology contacts in the geology model.

Table 16-5: Recommended PEA-level Slope Design Criteria

Structural Domain	Kinematic Sector	Slope Azimuth		Bench Geometry			Recommended Inter-Ramp Geometry		Inter-Ramp Configuration Control
				Design Height[1]	Design Angle[2]	Design Width[3]	Maximum Height[5]	Angle	
		Start (°)	End (°)	Eh (m)	Da (°)	Dw (m)	Ih (m)	Ia (°)	
North	North-258	180	335	10	65	8.2	100	38	Bench Rockfall Catchment
North	North-005	335	035	10	65	10.4	100	34	Bench Rockfall Catchment
North	North-108	035	180	10	65	12.5	100	30	Bench Rockfall Catchment
South	South-210	180	240	20	65	22.7	200	32	Inter-ramp Stability
South	South-330	240	60	20	65	11.2	200	44	Bench Rockfall Catchment
South	South-095	060	130	20	65	17.1	200	37	Bench Rockfall Catchment
South	South-155	130	180	20	65	22.7	200	32	Inter-ramp Stability
Tuff	Tuff-235	180	290	20	65	13.8	200	41	Bench Rockfall Catchment
Tuff	Tuff-330	290	010	20	65	25.3	200	30	Inter-ramp Stability
Tuff	Tuff-030	010	050	20	65	14.9	200	40	Bench Rockfall Catchment
Tuff	Tuff-080	050	110	20	65	18.2	200	36	Inter-ramp Stability
Tuff	Tuff-145	110	180	20	65	17.7	200	37	Bench Rockfall Catchment
Argillite Main	Argillite Main-215	180	250	20	65	25.3	200	30	Inter-ramp Stability
Argillite Main	Argillite Main-325	250	040	20	65	25.3	200	30	Inter-ramp Stability
Argillite Main	Argillite Main-085	040	130	20	65	17.5	200	37	Bench Rockfall Catchment
Argillite Main	Argillite Main-155	130	180	20	65	20.9	200	33	Bench Rockfall Catchment
Greywacke	Greywacke-208	135	280	20	65	14.5	200	40	Bench Rockfall Catchment
Greywacke	Greywacke-310	280	340	20	65	25.3	200	30	Inter-ramp Stability
Greywacke	Greywacke-028	340	075	20	65	22.7	200	32	Inter-ramp Stability
Greywacke	Greywacke-105	075	135	20	65	22.1	200	33	Inter-ramp Stability
Argillite Main Upper	Argillite Main Upper-223	180	265	20	65	15.3	200	39	Bench Rockfall Catchment
Argillite Main Upper	Argillite Main Upper-313	265	000	20	65	31.7	200	26	Inter-ramp Stability
Argillite Main Upper	Argillite Main Upper-053	000	105	20	65	10.4	200	45	Bench Rockfall Catchment
Argillite Main Upper	Argillite Main Upper-143	105	180	20	65	19.7	200	35	Bench Rockfall Catchment
Argillite Siltstone Basement	Argillite Siltstone Basement-243	180	305	10	65	11.3	100	32	Inter-ramp Stability
Argillite Siltstone Basement	Argillite Siltstone Basement-355	305	045	10	65	14.5	100	28	Bench Rockfall Catchment
Argillite Siltstone Basement	Argillite Siltstone Basement-078	045	110	10	65	14.1	100	28	Bench Rockfall Catchment
Argillite Siltstone Basement	Argillite Siltstone Basement-145	110	180	10	65	13.5	100	29	Bench Rockfall Catchment

Notes:
1. Bench heights are 10 m high single benches and 20 m high double benches.
2. Excavated bench face angle is before back-break.
3. Design bench width is estimated as either the minimum width to retain rockfalls using the Modified Ritchie Criterion, the regulatory minimum, or the minimum width to achieve the inter-ramp stability requirements.
4. Inter-ramp scale kinematic stability analysis design acceptance criteria is FOS of 1.20.
5. The maximum inter-ramp height is 100m in the North Zone due to poor rock mass quality.
6. Inter-ramp angle based on bench configuration is calculated from the design bench face angle, bench height, and the minimum width to retain rockfalls or maintain the minimum regulated width after 80th percentile back break.

16.3 Open Pit Optimization

Economic pit limits for this study of the Spanish Mountain deposit are determined using a Pseudoflow open pit evaluation.

The economic pit limit is selected after evaluating various pit shell cases. Each case represents the pit shell resulting from a different set of economic assumptions and pit slope inputs. The pit limit is chosen where incrementally larger pits produce marginal or negative economic returns.

16.3.1 Pit Optimization Operating Costs

Potential block revenues are calculated based on the NSP, process recovery, gold grade and densities within each block.

Operating costs are used in conjunction with these potential block revenues to run the pit optimization algorithm and generate open pit shells. The following operating costs are used in the analysis:

Table 16-6: Pit Optimization Operating Cost Inputs

Operation	Cost
Base Mining Cost (Pit Rim)	$3.75/t
Incremental Haulage Cost	$0.03/10 m bench below 950 m model elev.
Processing Cost	$9.00/t
General/Administration Cost	$3.00/t

16.3.2 Price Case Results

The economic pit limits are derived from the cost and price assumptions described above. By varying the input gold prices from US$500/oz to US$3,000/oz, while keeping metallurgical recoveries, operating costs, and pit slopes constant at the base case design input, various generated pit cases are evaluated to determine the point at which incremental pit shells produce marginal or negative economic returns. This drop-off is due to increasing strip ratios, decreasing gold grades and increased mining costs associated with the larger pit shells. Note: this is not a price sensitivity of the economic pit limit since the cut-off grade is not varied for each pit shell.

Figure 16-3 shows the potential inventory contents of the generated Price Case pit shells using a 0.20 g/t cut-off gold grade. Various inflection points can be seen in the curve drawn of the cumulative inventory by pit case.

Figure 16-3: Price Cases Cumulative Inventory

Source: Moose Mountain, 2025.

16.3.3 Selected Ultimate Pit Limits

The pit shell generated at the $1,750/oz gold price or 88% price factor case is selected as the target ultimate pit limit and is used for subsequent mine design in this study. The mill feed quantities contained within this selected pit limit shell are shown in Table 16-7 with a cut-off gold grade of 0.20 g/t. This shell target is used for further mine design as a target for detailed open pit designs with berms and ramps.

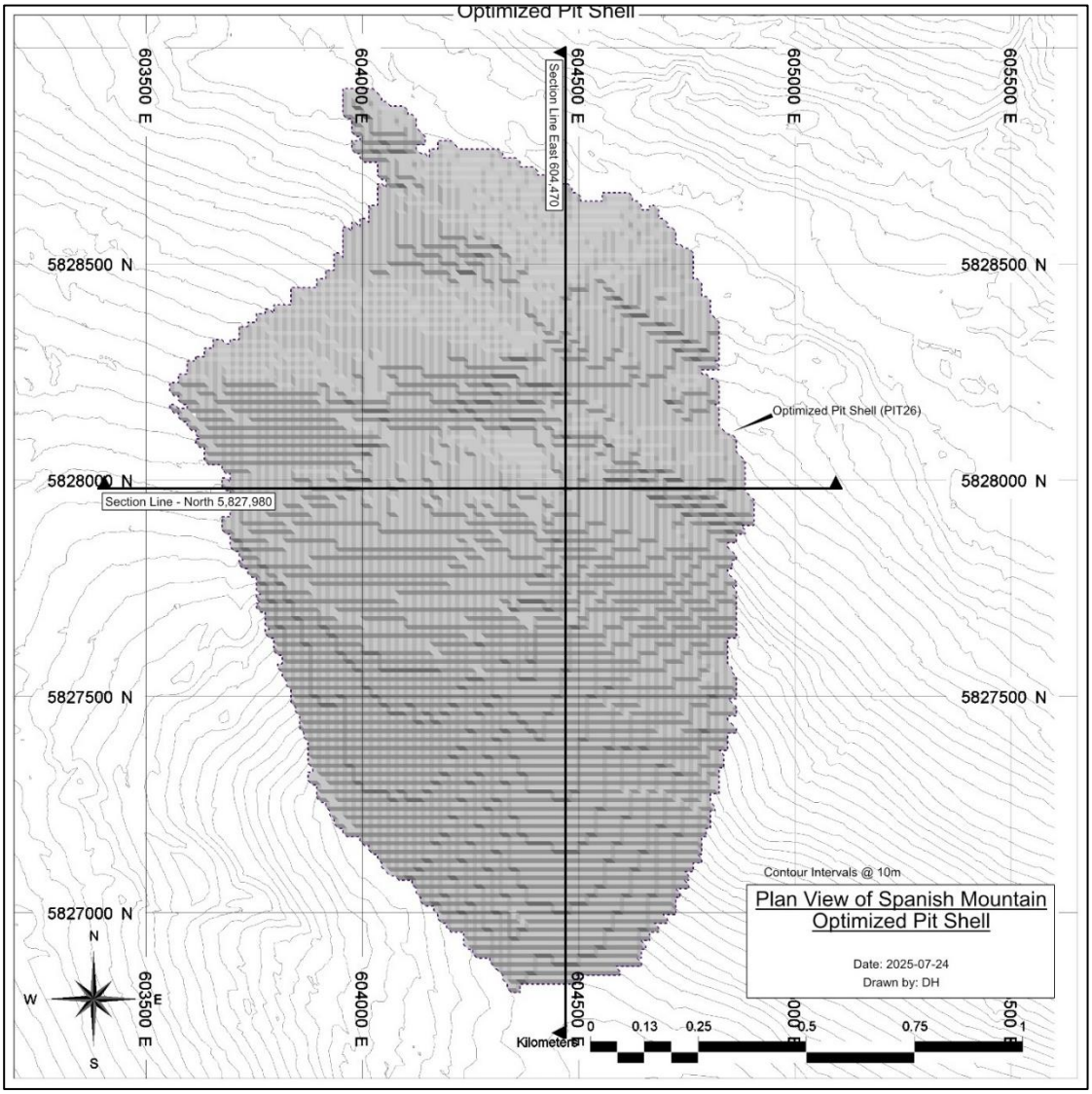
Table 16-7: Pit Delineated Contents

Input Gold Price	$1,750	US$/oz
Measured, Indicated & Inferred Resource	206	Mt
Gold Grade	0.47	g/t
Waste	417	Mt
Strip Ratio	2.0	Waste/Mill Feed
Total Pit Contents	623	Mt

Larger pit shells, developed at price factor cases approaching 100%, provide future opportunities to economically develop the project beyond the chosen limits for this PEA.

The following figures show plan and section views of this chosen ultimate pit shell.

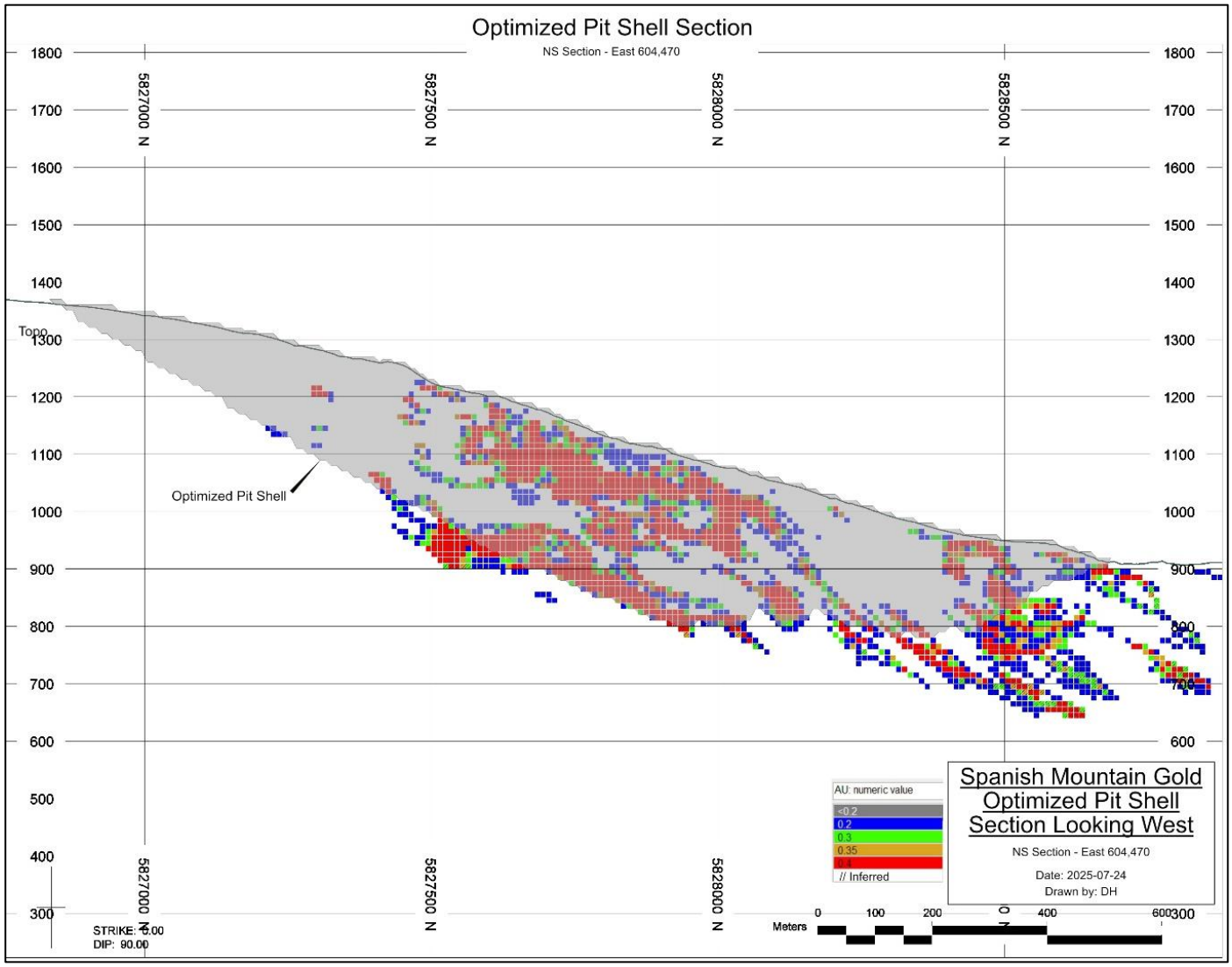
Figure 16-4: Plan View of Optimized Pit Shell



Source: Moose Mountain, 2025.

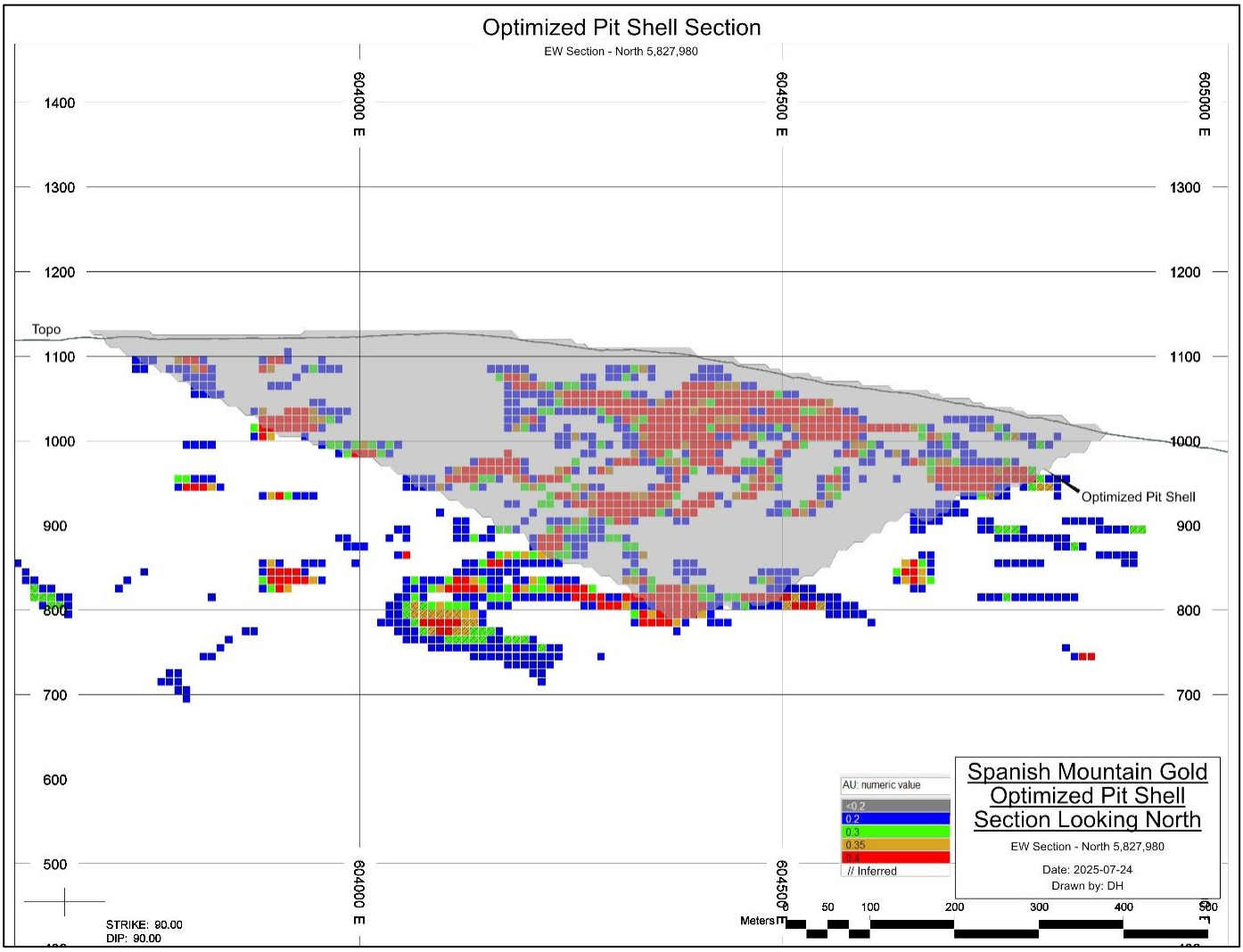
Block views show gold grade in all blocks above a 0.20 g/t cut-off. Inferred Ccass blocks are shown with hatching. The gray line, at the top of the shaded pit represents original topography.

Figure 16-5: Cross-section View, 604,470E (looking west), of Selected Optimized Pit Shell



Source: Moose Mountain, 2025.

Figure 16-6: Cross-section View, 5,827,980N (looking north), of Selected Optimized Pit Shell



Source: Moose Mountain, 2025.

16.4 Pit Phase Selection

The ultimate pit limits are generally split up into phases or pushbacks to target higher economic margin material earlier in the mine life.

Other considerations for selection of interim pit phases:

- Provide enough mill feed to sustain the plant operations for at least two years (19 million tonnes).

- The pit benches should be large enough to allow an efficient area for mining and keep the vertical bench advance rate to be <10 benches per year.
- Minimum mining width to allow an efficient area for mining is assumed to be 60 m.

The pit optimization price cases described in the preceding sections can typically be used as a guideline for selecting interim pit phases. Pit shells created by the optimization algorithm with lower input gold prices than the selected ultimate pit case will contain higher-grade mill feed and/or lower strip ratios.

The pit shell generated using an $850/oz price case is used to target a starter pit phase. The next two pit pushbacks target the $1,300/oz price case pit shell, split into north and south phases. The final phases push out to the optimized pit limits, following a similar north/south split in the target shell.

16.5 Pit Phase Designs

Pit designs are completed that demonstrate the viability of accessing and mining the potential mill feed blocks. The designs are run with the following inputs:

- Variable bench heights, bench face angles, inter-ramp angles and overall wall angles based on the details in Table 16-5.
- Suitable single and dual-lane haul road widths to handle 230-tonne payload haulers.
    - 23 m for single-lane traffic
    - 32 m for dual-lane traffic
- The ramp is not extended into the bottom 10 m of the pit, assuming the ramp will be retreat mined out of these benches.
- The ramp is designed to single lane width for the 10 m above this, assuming single lane traffic is adequate.
- 10% maximum ramp grade.
- Pit exits face west toward the crusher, stockpiles and PAG tailings Storage Facility.

The following sections describe the designs of the open pit phases. The description of the detailed pit phase designs (or pushbacks) in this section uses the following naming conventions:

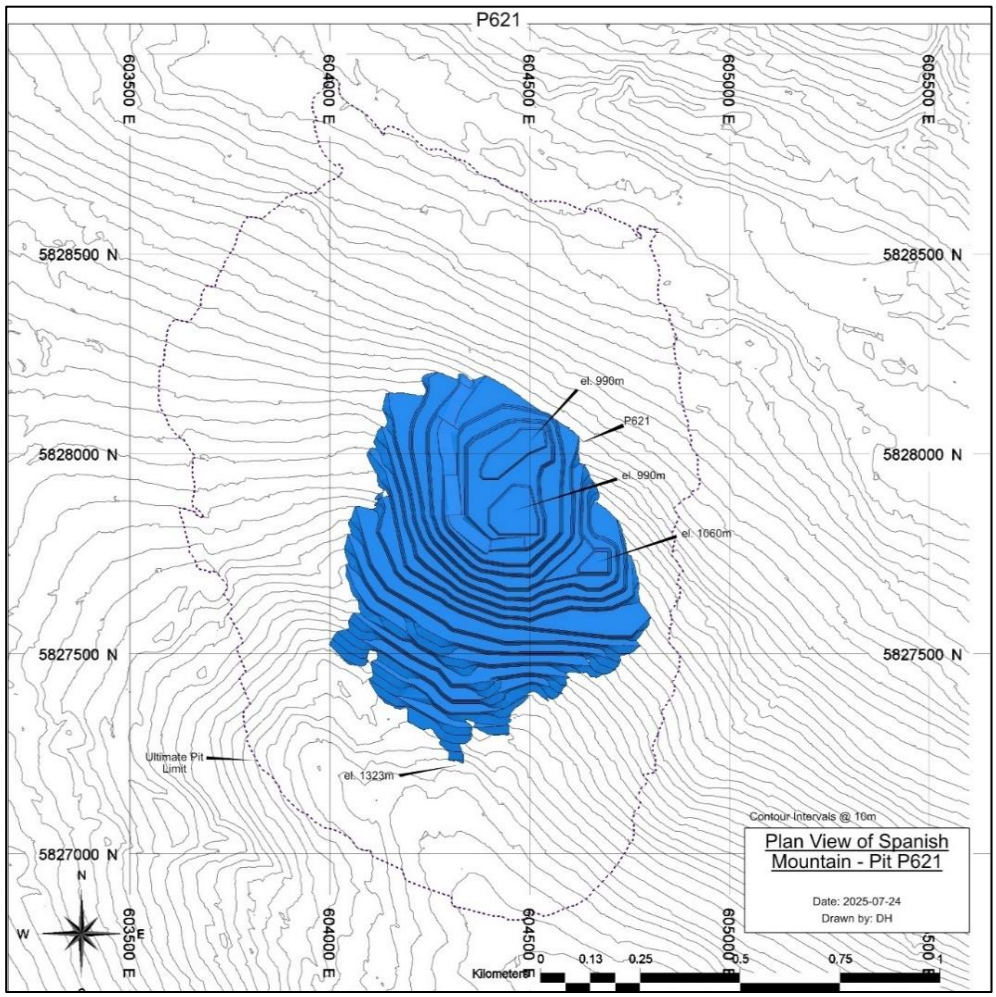
- The first digit signifies the type of geometry object (P6 is used for pit geometry).
- The middle digit signifies the design series.
- The final digit signifies the pit phase number.

The suffix ‘i’ indicates that the mill feed tonnage for the phase is incremental from the previous phase. If there is no ‘i’ specified, it is cumulative up to the phase indicated.

16.5.1 Starter Pit, P621

This starter pit contains just under three years' worth of mill feed when utilizing an elevated cut-off gold grade. This phase is at a lower strip ratio and higher gold grade than the ultimate pit. This pit mines from the crest at the 1320 m elevation, down to the ramp exit on the 1,050 m elevation via external haul roads outside the pit limits and internal cut roads initially built within the pit limits. The ramp runs counterclockwise down to the pit bottom at the 990 m elevation.

Figure 16-7: Plan View of Starter Pit, P621

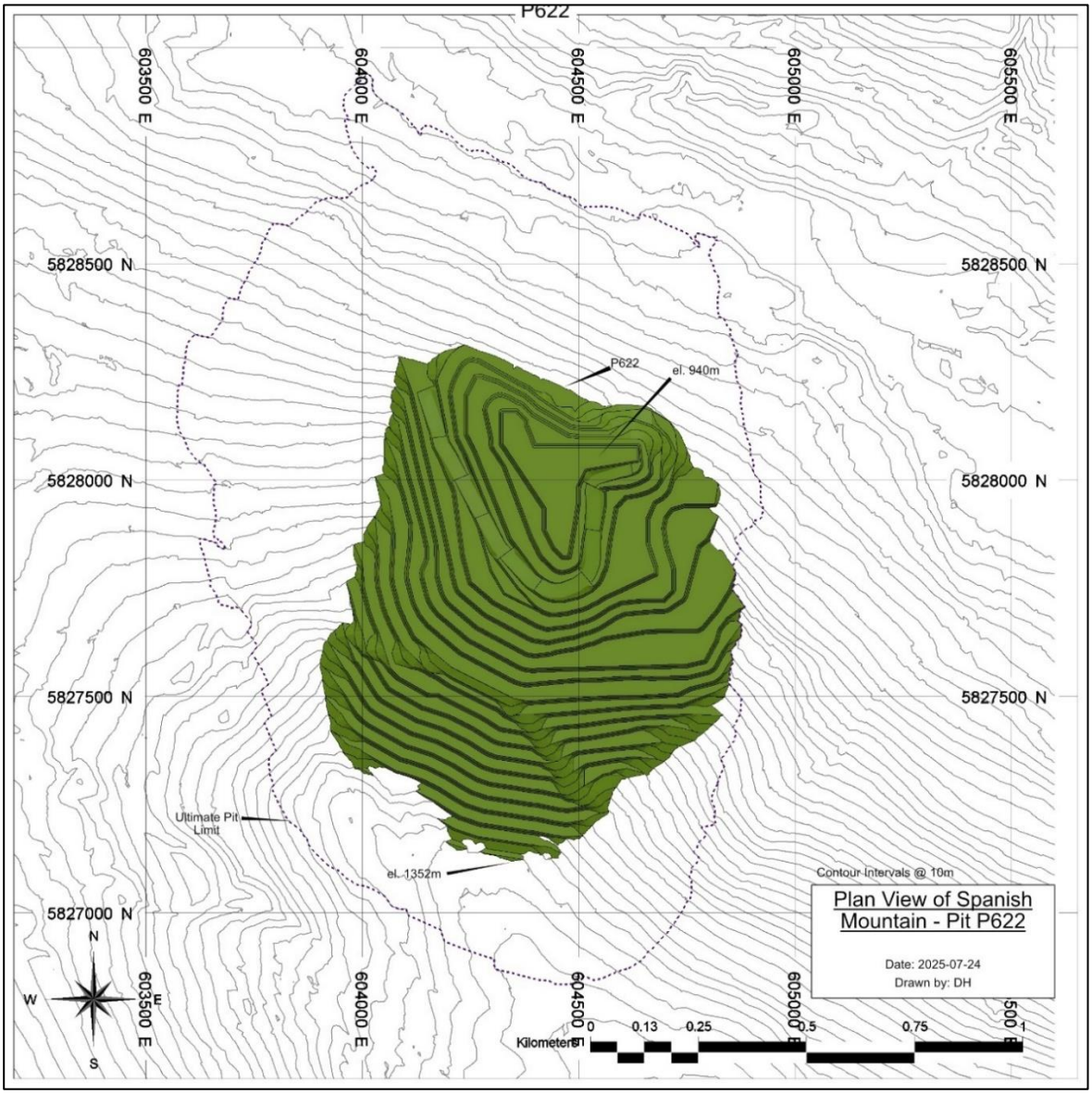


Source: Moose Mountain, 2025.

16.5.2 Second Phase, P622

P622 is a pushback around the P621 pit. This pit mines from the pushback crest at 1350 m elevation down to the pit exit at the 1040 m elevation via external roads; then down the counterclockwise ramp to the pit bottom at the 940 m elevation.

Figure 16-8: Plan View Second Phase of P622

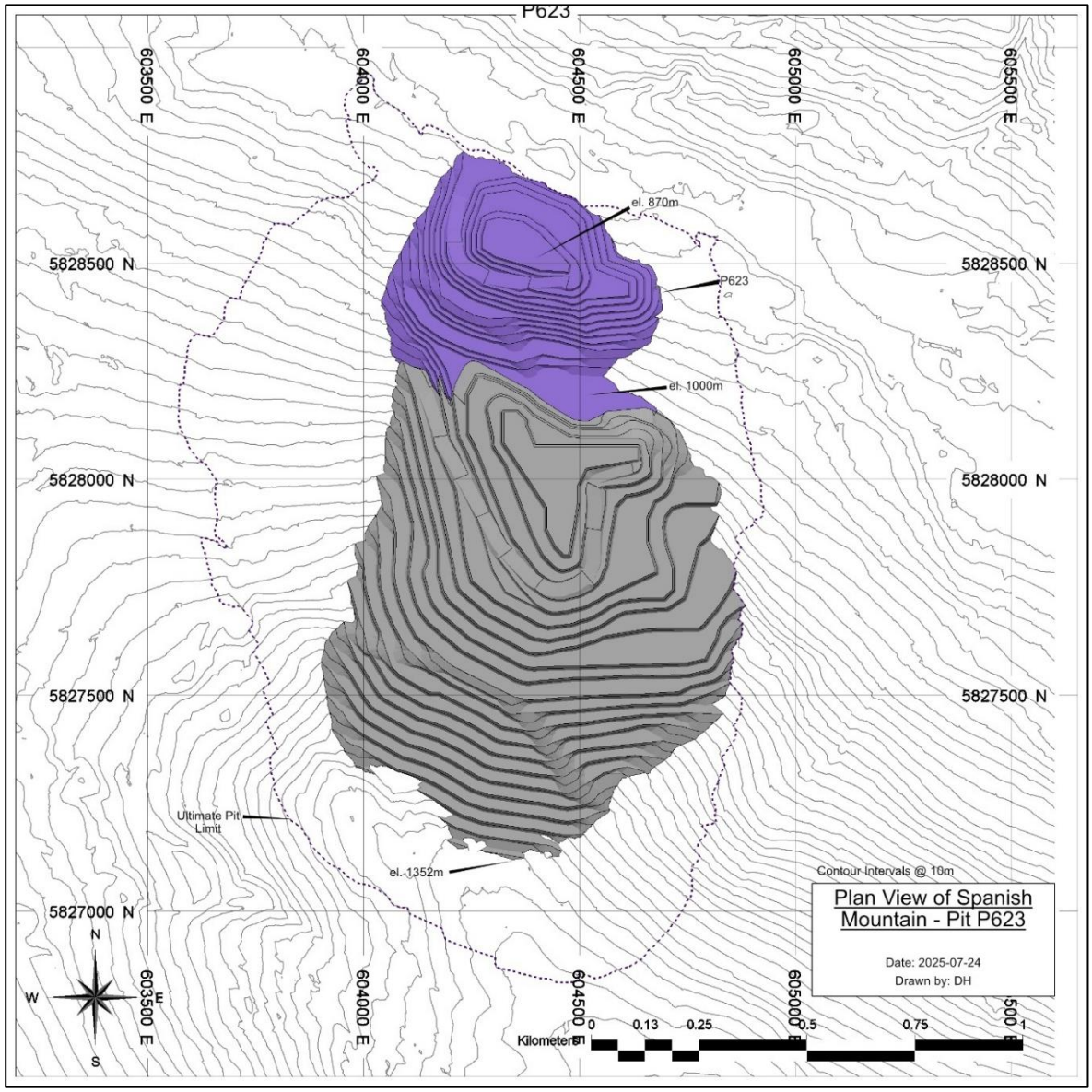


Source: Moose Mountain, 2025.

16.5.3 North Phase, P623

P623 is an extension of the starter phases to the north. This pit mines from the crest at 1000 m elevation down to the pit exit at the 920 m elevation via external roads; then down the counterclockwise ramp to the pit bottom at the 870 m elevation.

Figure 16-9: Plan View of North Phase, P623

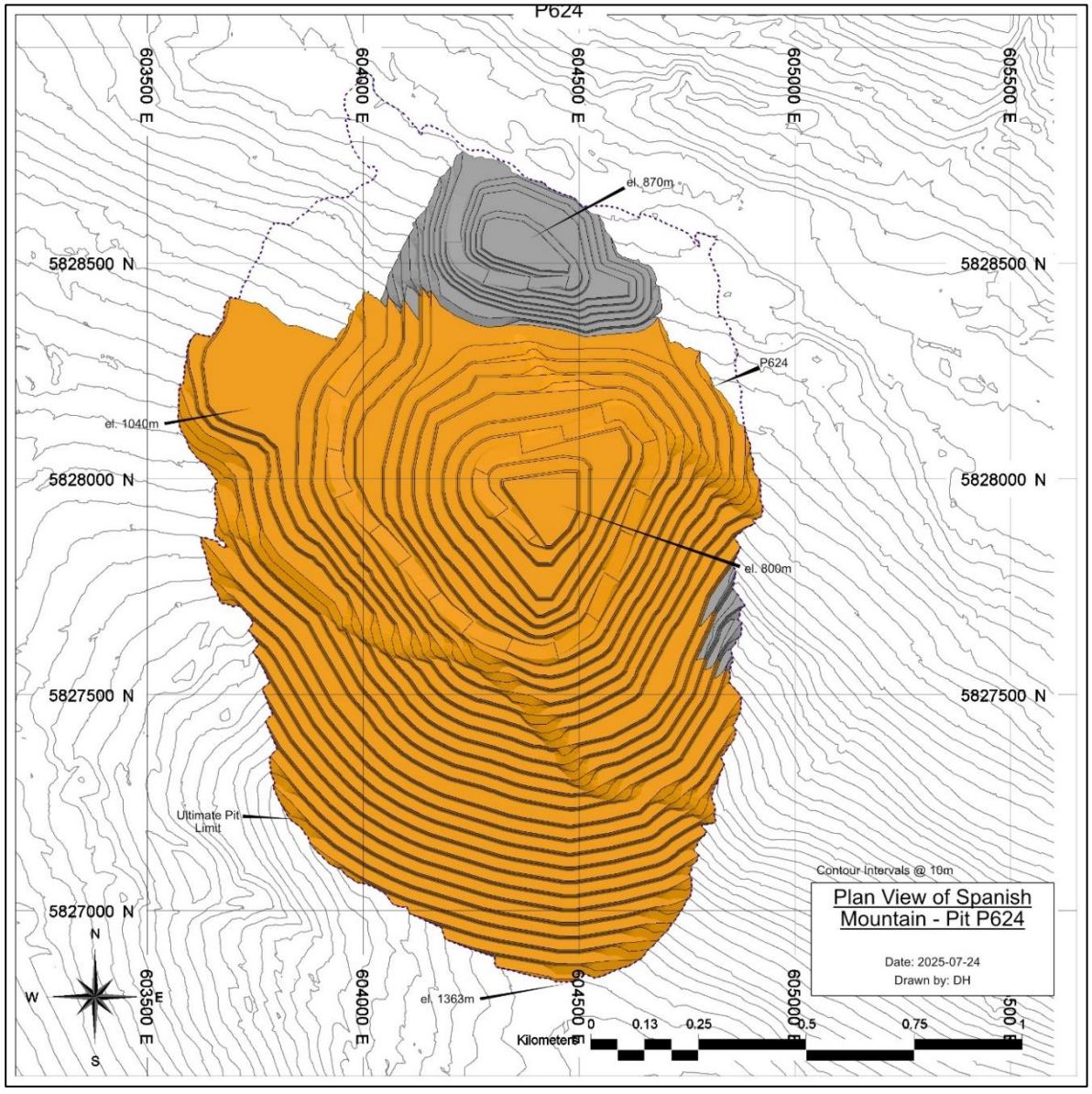


Source: Moose Mountain, 2025.

16.5.4 South Ultimate Phase, P624

P624 mines to the designed pit limits on the south side of the Spanish Mountain Gold deposit. It is a pushback from P622. This pit mines from the crest at 1360 m elevation down to the pit exit at the 1050 m elevation via external roads; then down the counterclockwise ramp to the pit bottom at the 800 m elevation.

Figure 16-10: Plan View of South Ultimate Phase, P624

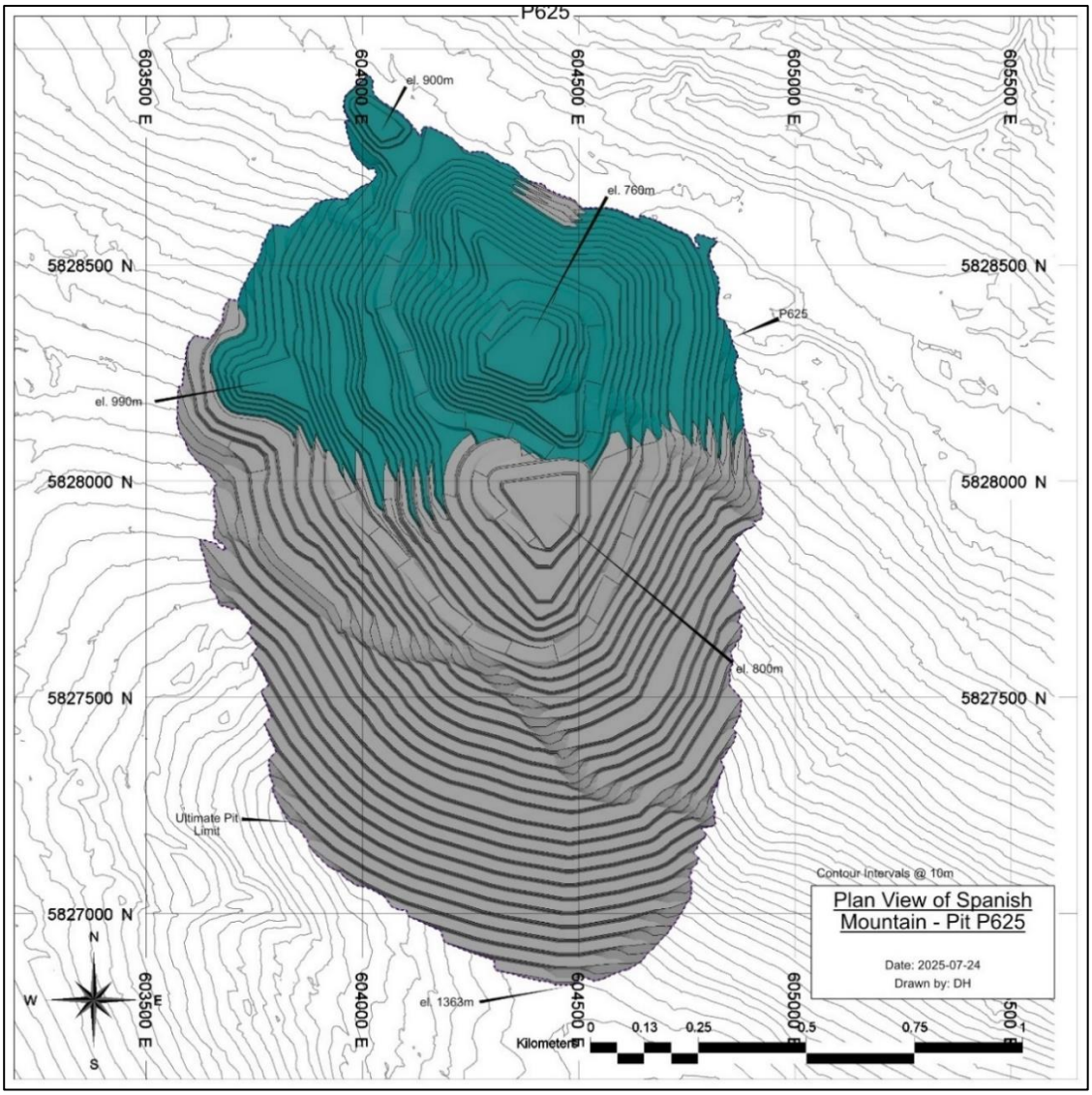


Source: Moose Mountain, 2025.

16.5.5 North Ultimate Phase, P625

P625 mines to the designed pit limits in the north portion of the deposit, pushing out from the P623 phase. A saddle is created at the 820 m elevation between this phase and P624 to the south. This pit mines from the crest at 1400 m elevation (assuming P622 mines the bench above in advance of this phases development) down to the pit exit at the 925 m elevation via external roads; then down the counterclockwise ramp to the pit bottom at the 760 m elevation.

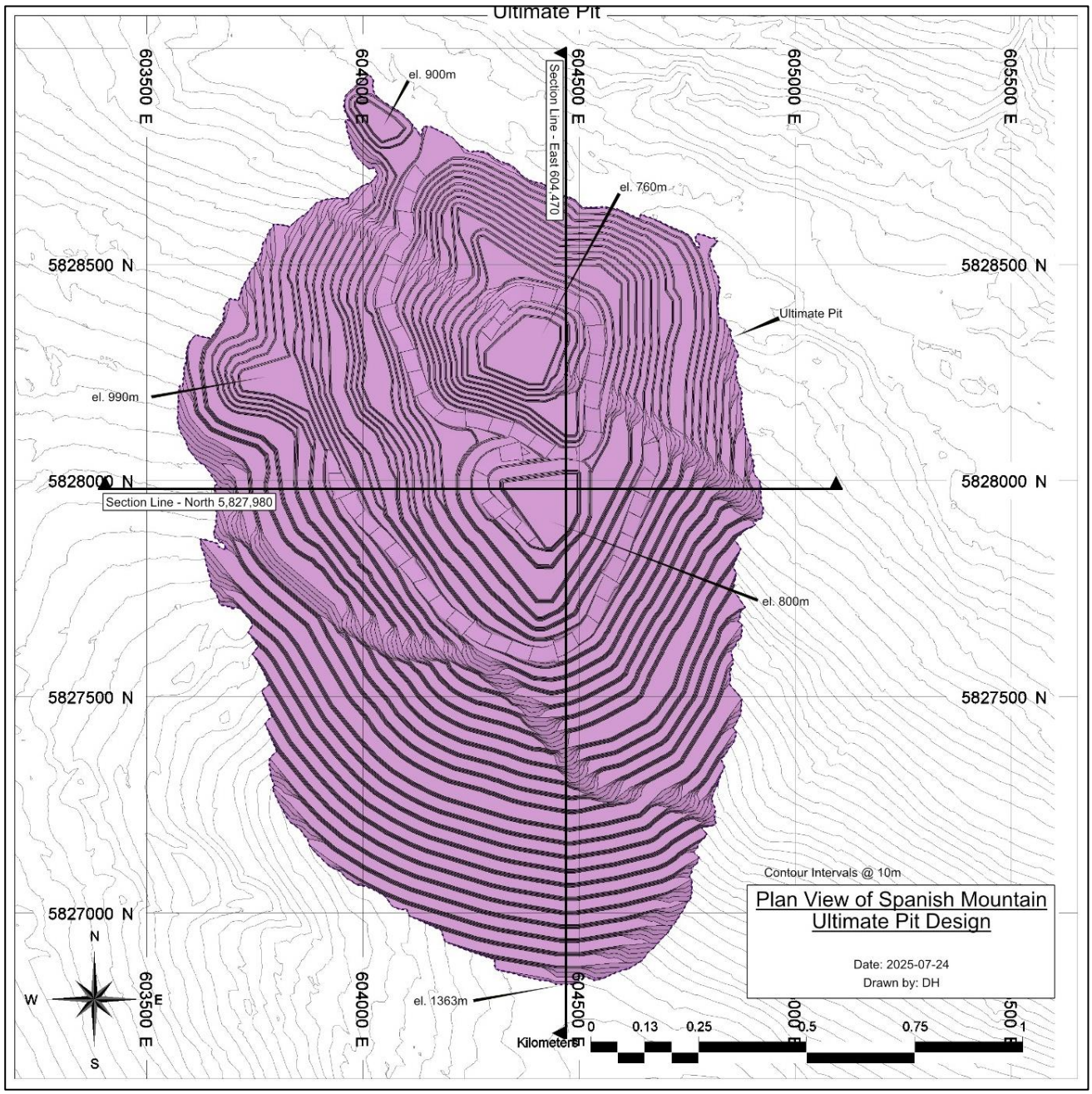
Figure 16-11: Plan View of North Ultimate Phase, P625



Source: Moose Mountain, 2025.

16.5.6 Ultimate Pit for Mine Planning

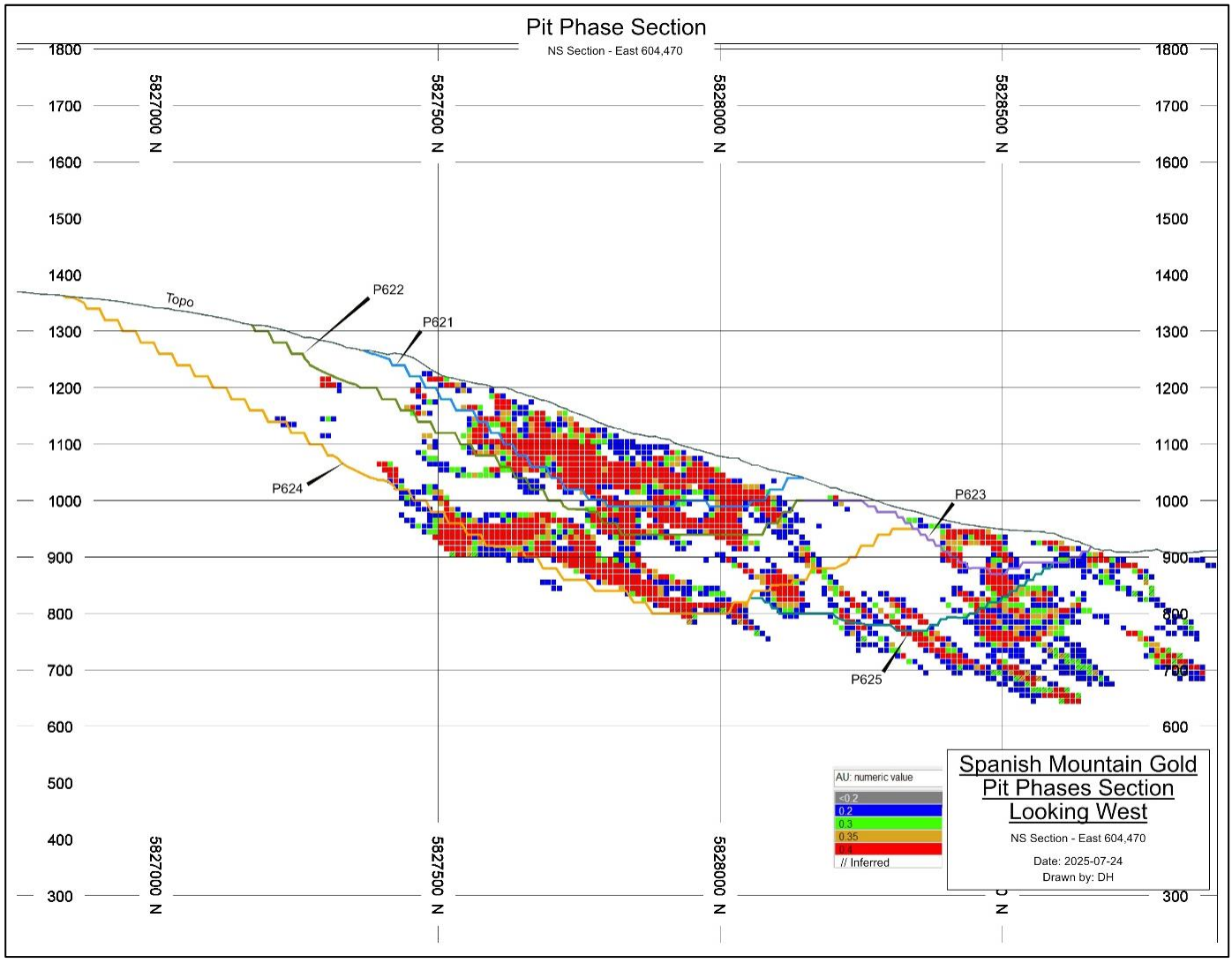
Figure 16-12: Plan View of Ultimate Pit for Mine Planning



Source: Moose Mountain, 2025.

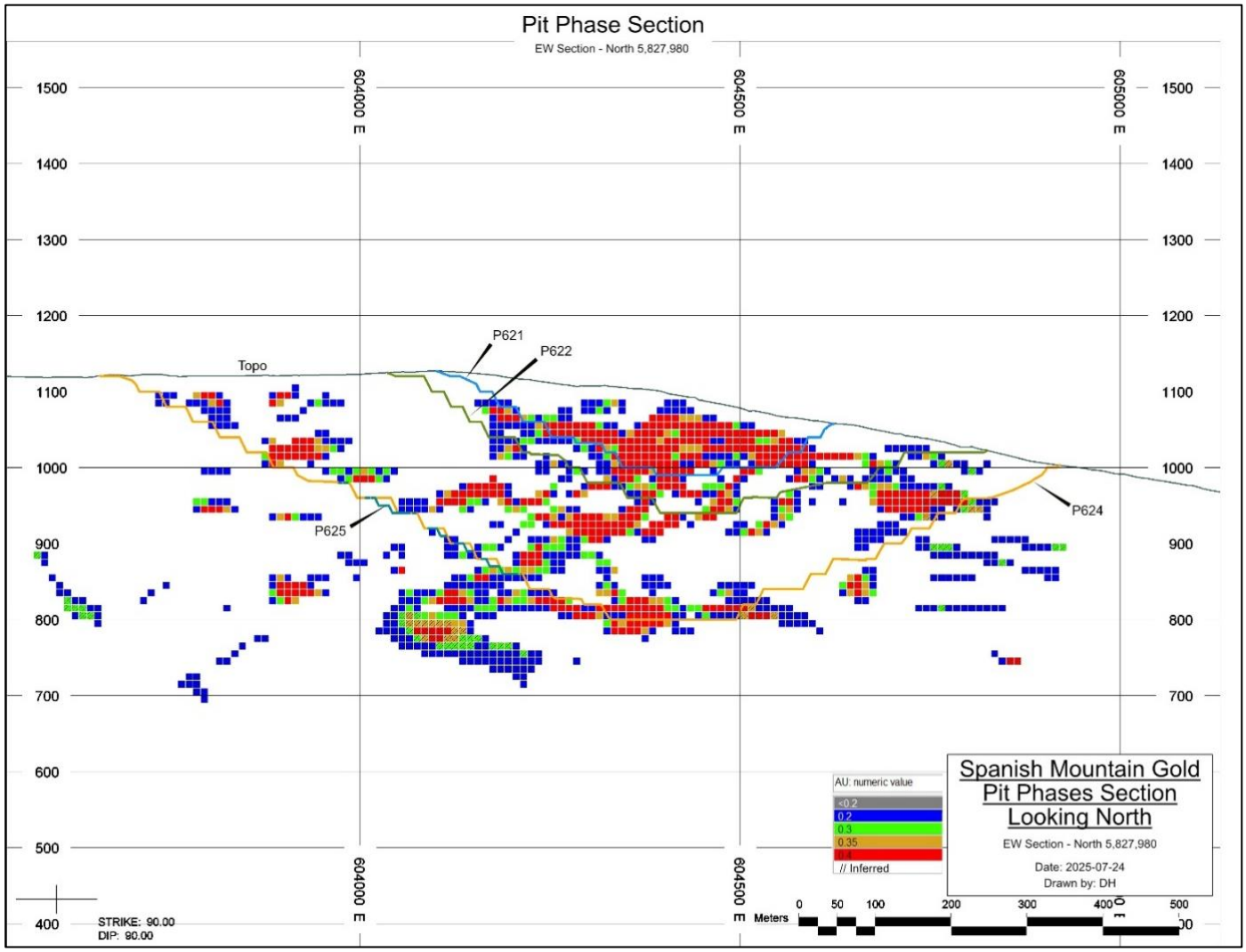
Block views show gold grade in all blocks above a 0.20 g/t cut-off. Inferred class blocks are shown with hatching.

Figure 16-13: Cross-section View, 604,470E (looking west) of Phased Pit Designs



Source: Moose Mountain, 2025.

Figure 16-14: Cross-section View, 5,827,980N (looking north), of Phased Pit Designs

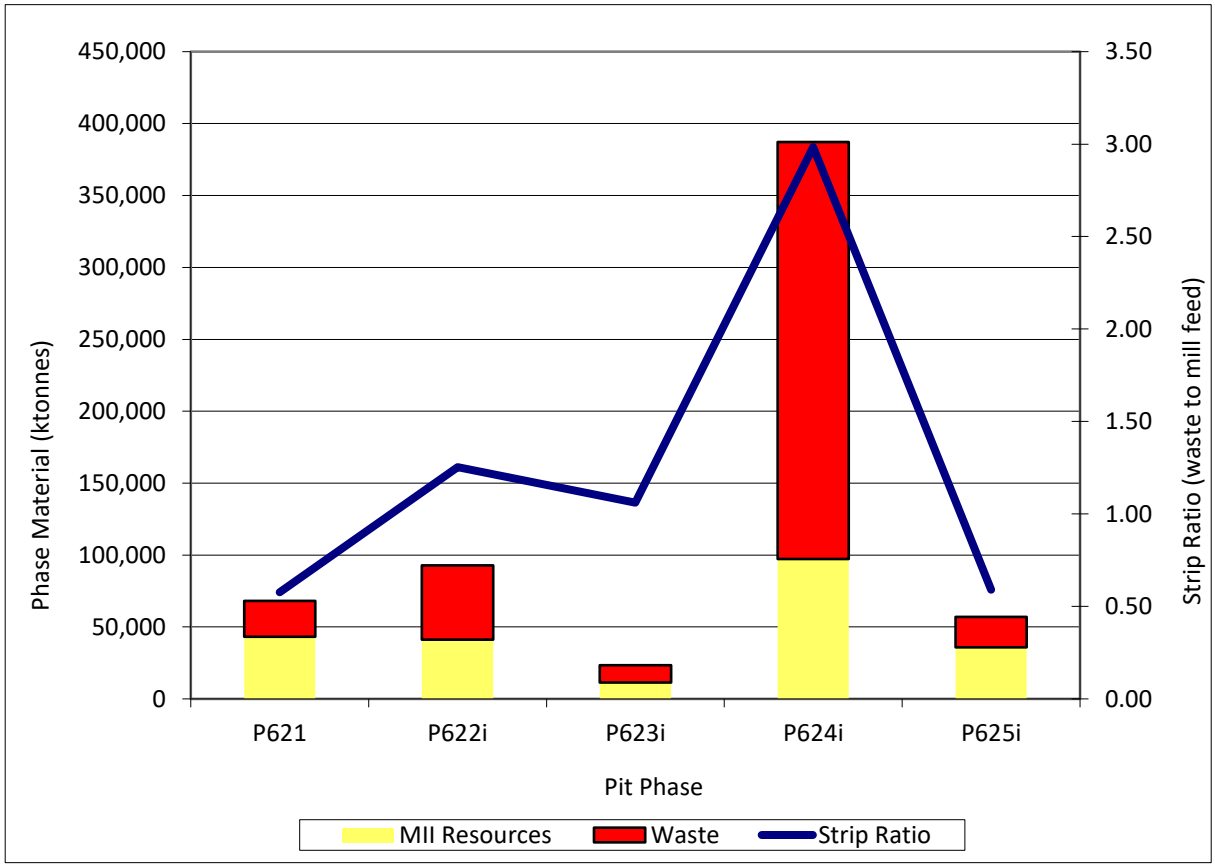


Source: Moose Mountain, 2025.

16.6 Pit Contents

The Mineral Resources delineated by the pit designs are shown in Table 16-1 and illustrated in Figure 16-15. The utilized cut-off gold grade is 0.20 g/t.

Figure 16-15: Designed Phase Pit Contents



Source: Moose Mountain, 2025.

16.7 Waste Rock Management

16.7.1 Waste Rock Characterization

Acid rock drainage (ARD) potential criteria in the pit waste rock were formalized in a technical memo by pHase Geochemistry (pHase, 2024). The pertinent formulas and criteria to categorize the pit waste rock is summarized below. Sulphur and calcium values were interpolated into the 3DBM to quantify the ARD generating potential of the pit material.

The ARD classification is defined as:

- Acid Potential (AP) for block = 31.25 X S
- Neutralization Potential (NP) for block = 37 X Ca + 5.

where S is the sulphur value in percent, and Ca is the calcium value in percent. Material is defined as PAG if NP/AP <2. Additionally, all material was broken up by lithology into different metallurgical domains, when combined with the ARD to produce the Waste Management Codes (WMC) defined in Table 16-8. If Sulphur was in the model as 0%, it was assumed to be unknown and therefore default material. Default material was treated as PAG.

Table 16-8: Waste Management Codes

Schedule Domains (WMC)	Description	Waste Destination
1	PAG Upper Argillite	PAG WSRF
2	PAG Main Argillite	PAG WSRF
3	PAG Tuff	PAG WSRF
4	PAG Greywacke	PAG WSRF
5	PAG Siltstone	PAG WSRF
6	PAG Overburden	PAG WSRF
7	non-PAG Upper Argillite	non-PAG WSRF, or Construction Material
8	non-PAG Main Argillite	non-PAG WSRF, or Construction Material
9	non-PAG Tuff	non-PAG WSRF, or Construction Material
10	non-PAG Greywacke	non-PAG WSRF, or Construction Material
11	non-PAG Siltstone	non-PAG WSRF, or Construction Material
12	non-PAG Overburden	Overburden Stockpile
13	Default	PAG WSRF

16.7.2 Waste Rock Disposal Strategy

Waste rock will be sorted based on whether it is PAG, non-PAG rock or non-PAG overburden and distributed according as shown in Table 16-8.

A placed waste density of 2.1 t/m^3 is assumed for all waste rock, 1.6 t/m^3 for overburden, and is used to size the potential areas for waste storage. Initial layouts for the WRSF's use an overall slope of 26 degrees from crest to toe. The overburden stockpile has an overall slope of 22 degrees.

The PAG WRSF and overburden stockpile will be built in lifts, where the non-PAG WRSF will be built in top-down wraparounds.

All overburden waste will be segregated into a stockpile between the non-PAG WRSF and the Mill Feed Stockpile. The final elevation at the top of the overburden stockpile will be 1,120 m, with capacity for 13 Mt of overburden.

The non-PAG WSRF will be located to the west of the pit and will be split into three wraparounds, 1,240 m crest elevation, 1,170 m crest elevation, and 1,120 m crest elevation. non-PAG rock will be hauled to each lift based on the closest insitu elevation in the pit. The non-PAG WSRF has a total capacity for 353 Mt of non-PAG rock. non-PAG rock

will also be used for construction purposes at the tailings facility, on the haul roads and other infrastructure pads and rock structures.

The PAG WSRF is located between the tailings facility and the mill. The crest of the PAG WRSF is at 1,100 m elevation, with a capacity for 105 Mt.

The layout for the waste storage facilities can be seen Figure 16-1.

16.8 Ex-pit Haul Roads

Ex-pit haul roads are designed with a maximum grade of 10%. A 33 m width that incorporates a dual-lane running width and berms on both edges of the haul road is sized to accommodate 230-tonne payload class haulers. The roads will be built from blasted waste rock fill from the pits, topped with a crushed rock running surface. The costs to construct these ex-pit haul roads are assumed to be accounted for in the costs to haul and dump waste rock to the WRSF, with additional costs of crush rock production and handling added.

Initial development to the top benches of each pit phase will be constructed from cut roads internal to the pit limits. The 33-m wide roadway will be cut up the side of the hill, then retreated and mined out to the surrounding ex-pit haul roads.

Ex-pit haul road layouts can be seen in Figure 16-1.

16.9 Mill Feed Stockpiles

When mill feed is mined from the pit, it will either be delivered to the crusher, the ROM stockpile located next to the crusher, or the mill feed stockpiles.

A cut-off grade strategy has been employed for the production schedule, and during operations a stockpile near the crusher will be maintained to store lower-grade mill feed for later rehandle back the crusher. The stockpile will be divided by grade-bin so higher-grade material can be reclaimed first. At this stage of planning this has not been defined spatially.

Mill feed stockpile layouts can be seen in Figure 16-1.

16.10 Mine Production Schedule

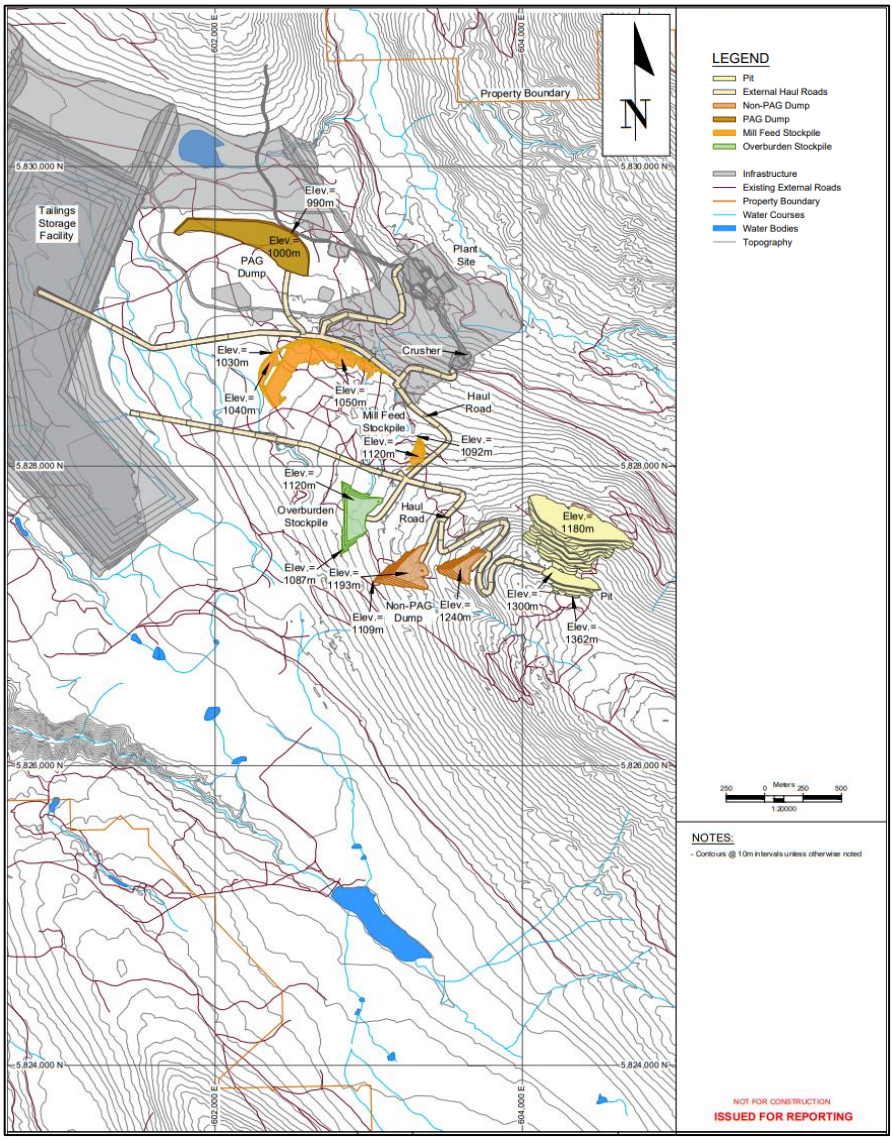
16.10.1 Pre-Production Development

During the pre-production period, assumed to be twenty months long, mine-related activities will include site clearing, stripping and stockpiling topsoil, and haul road development. Haul roads must be developed during the pre-production period to access the top benches of the pit from the crusher and stockpile, and from the open pit to the tailings facility and waste storage facilities.

A pre-strip of 9 Mt from the open pit is planned. The construction of the starter tailings dam and water management pond will require 0.6 Mt for non-PAG rock from the pre-strip. Haul roads will require an additional 2.5 Mt of non-PAG rock from the pre-strip. The remainder of the pre-strip is associated mill feed that will be stockpiled (4 Mt), overburden material that will be stockpiled (1 Mt), and PAG rock that will be stockpiled (1 Mt).

Figure 16-16 illustrates the mining activities to be completed by the end of the pre-production period and start of mill operations. The tailings facility, the mill, and other site infrastructure are shown in this figure for reference, but timing for construction of these items is not illustrated.

Figure 16-16: Mine Development – Pre-production



Source: Moose Mountain, 2025.

16.10.2 Production Scheduling

The open pit mine production schedule is based on the following parameters:

- Periods are scheduled annually for the mine life.
- Annual mill feed of 9.49 Mt is targeted based on an average of 26,000 t/d milling.
    - 2.4 Mt of mill feed mined in the pre-production is scheduled to run through the mill during the construction period.
    - Mill production will continue ramping up through Year 1 at 8.35 Mt.
    - Nameplate capacity is assumed for Year 2 of milling.
- Phased pit bench resources and waste rock contents are used as input to the mine production schedule.
- Within a given phase, each bench is fully mined before progressing to the next bench. Optimization by partial bench mining is not examined at this level of study, even in zones of predominately waste rock.
- Pit phases are mined sequentially, with multiple phases in production in some periods. A subsequent phase is limited from progressing vertically beyond its predecessor, while they share a wall.
- Pit phase progression is limited to no more than ten benches each year. Average phase progression in an annual period is five 10 m benches.
- A grade-bin stockpiling strategy is employed. The high-grade bin with a gold cut-off grade of 0.40 g/t is employed during the early years of the open pit operations.
- Material in the stockpiles is reclaimed for the mill as needed, to supplement the feed of the same grade-bin.
- Mill feed is exclusively sub-grade from the stockpile starting part way through Year 18, once the pit is exhausted.

The mine production schedule is illustrated in the following tables and graphs.

Table 16-9: Mine Production Schedule

Period	Pit to Mill (kt)	Pit to Stockpile (kt)	Stockpile to Mill (kt)	Total to Mill (kt)	Au Feed Grade (g/t)	Ag Feed Grade (g/t)	Waste Rock (kt)	Strip Ratio (t:t)	Total Mined (kt)	Total Moved (kt)
Y-2	0	158	0	0	0.00	0.00	1,406	8.9	1,563	1,563
Y-1	2,308	1,398	65	2,373	0.57	0.71	3,794	1.0	7,500	7,565
Y01	8,326	7,194	25	8,351	0.68	0.56	15,296	1.0	30,816	30,841
Y02	9,490	10,905	0	9,490	0.92	0.65	13,605	0.7	34,000	34,000
Y03	7,623	6,461	1,867	9,490	0.70	0.60	19,916	1.4	34,000	35,867
Y04	8,852	8,991	638	9,490	0.59	0.72	20,157	1.1	38,000	38,638
Y05	7,634	14,812	1,856	9,490	0.75	0.73	20,344	0.9	42,790	44,646
Y06	1,326	461	8,164	9,490	0.52	0.61	47,732	26.7	49,518	57,683
Y07	1,854	1,222	7,636	9,490	0.35	0.59	43,924	14.3	47,000	54,636
Y08	3,469	2,154	6,021	9,490	0.35	0.58	41,377	7.4	47,000	53,021
Y09	7,235	1,092	2,255	9,490	0.38	0.65	36,673	4.4	45,000	47,255
Y10	9,490	2,537	0	9,490	0.44	0.68	34,884	2.9	46,912	46,912
Y11	9,490	5,814	0	9,490	0.52	0.70	29,628	1.9	44,931	44,931
Y12	9,490	5,654	0	9,490	0.54	0.65	27,374	1.8	42,519	42,519
Y13	9,490	9,243	0	9,490	0.62	0.61	20,127	1.1	38,860	38,860
Y14	9,490	9,509	0	9,490	0.59	0.62	16,403	0.9	35,402	35,402
Y15	3,398	2,665	6,092	9,490	0.39	0.70	25,164	4.2	31,227	37,319
Y16	8,178	4,220	1,312	9,490	0.43	0.66	21,726	1.8	34,125	35,437
Y17	9,490	5,646	0	9,490	0.52	0.73	17,187	1.1	32,323	32,323
Y18	2,046	8	7,444	9,490	0.30	0.67	1,235	0.6	3,290	10,733
Y19	0	0	9,490	9,490	0.22	0.64	0	0.0	0	9,490
Y20	0	0	9,490	9,490	0.22	0.64	0	0.0	0	9,490
Y21	0	0	9,490	9,490	0.22	0.64	0	0.0	0	9,490
Y22	0	0	9,490	9,490	0.22	0.64	0	0.0	0	9,490
Y23	0	0	9,490	9,490	0.22	0.64	0	0.0	0	9,490
Y24	0	0	9,319	9,319	0.22	0.64	0	0.0	0	9,319
Total	**128,679**	**100,144**	**100,144**	**228,823**	**0.46**	**0.65**	**457,952**	**2.0**	**686,775**	**786,919**

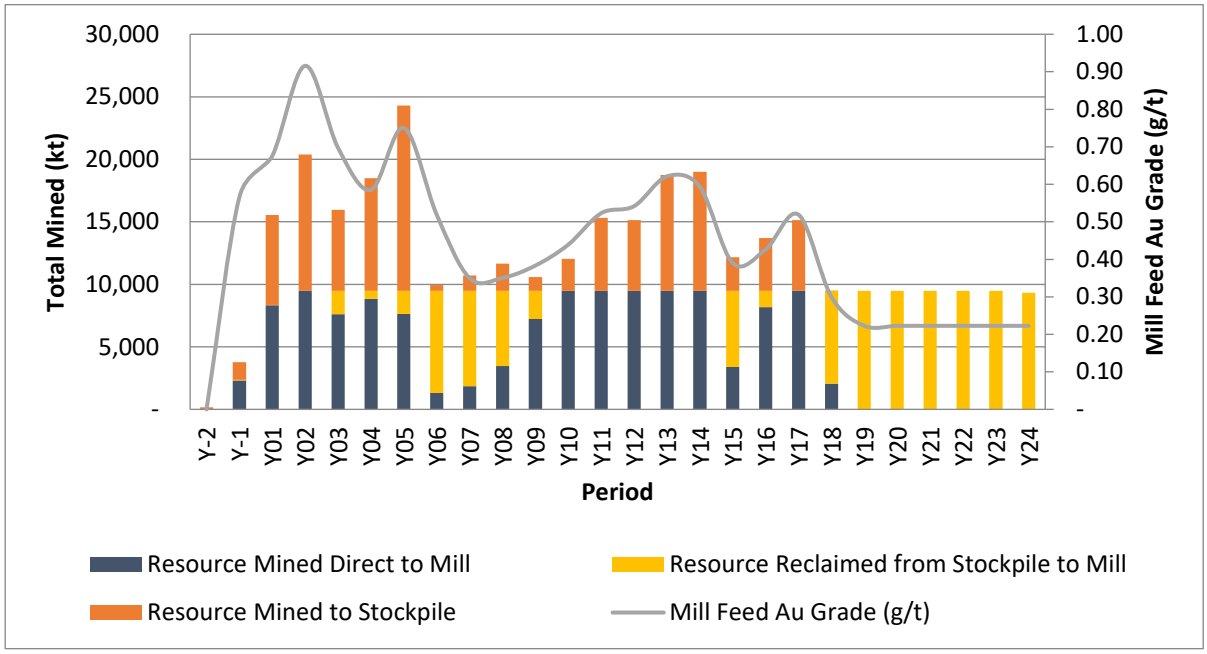
Table 16-10: Pit-to-mill of Stockpile Production Schedule, Phase Details

Period	P621, (kt)	P622, (kt)	P623, (kt)	P624, (kt)	P625, (kt)	Total (kt)
Y-2	158	0	0	0	0	158
Y-1	3,706	0	0	0	0	3,706
Y01	15,417	103	0	0	0	15,520
Y02	18,422	1,973	0	0	0	20,395
Y03	5,548	8,280	256	0	0	14,084
Y04	0	10,381	7,462	0	0	17,843
Y05	0	18,775	3,623	48	0	22,446
Y06	0	1,680	0	106	0	1,786
Y07	0	0	0	3,076	0	3,076
Y08	0	0	0	5,623	0	5,623
Y09	0	0	0	8,327	0	8,327
Y10	0	0	0	12,027	0	12,027
Y11	0	0	0	15,041	263	15,304
Y12	0	0	0	14,479	665	15,144
Y13	0	0	0	18,705	28	18,733
Y14	0	0	0	18,999	0	18,999
Y15	0	0	0	762	5,301	6,063
Y16	0	0	0	0	12,398	12,398
Y17	0	0	0	0	15,136	15,136
Y18	0	0	0	0	2,054	2,054
Total	**43,250**	**41,192**	**11,341**	**97,195**	**35,845**	**228,823**

Table 16-11: Quantities by Waste Destination

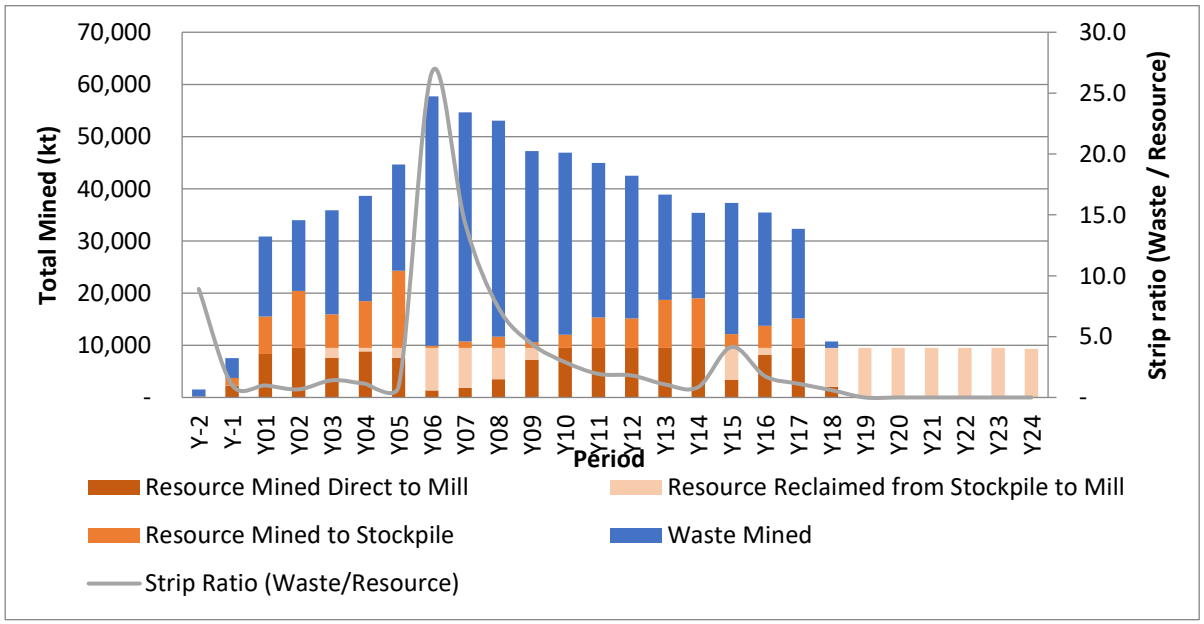
Period	non-PAG to Construction (kt)	non-PAG to TSF (kt)	non-PAG to WRSF (kt)	Overburden to Stockpile (kt)	PAG to WRSF (kt)	Total
Y-2	290	100	0	428	588	1,406
Y-1	2,000	529	230	569	466	3,794
Y01	1,500	0	7,922	1,418	4,456	15,296
Y02	-	13	7,281	732	5,579	13,605
Y03	-	0	14,377	1,157	4,382	19,916
Y04	-	0	13,584	1,178	5,395	20,157
Y05	-	0	15,550	1,525	3,270	20,344
Y06	-	0	35,021	1,180	11,531	47,732
Y07	-	266	34,745	691	8,222	43,924
Y08	-	0	31,642	868	8,867	41,377
Y09	-	0	27,983	718	7,972	36,673
Y10	-	0	28,054	425	6,405	34,884
Y11	-	0	23,016	297	6,315	29,628
Y12	-	0	21,065	548	5,761	27,374
Y13	-	0	17,001	60	3,065	20,127
Y14	-	0	14,403	0	2,000	16,403
Y15	-	0	19,363	729	5,072	25,164
Y16	-	0	18,217	25	3,484	21,726
Y17	-	0	13,768	0	3,419	17,187
Y18	-	0	647	0	588	1,235
Total	**3,790**	**909**	**343,869**	**12,548**	**96,837**	**457,952**

Figure 16-17: Mine Production Schedule, Mill Feed Tonnes and Grades



Source: Moose Mountain, 2025.

Figure 16-18: Mine Production Schedule, Total Mined and Strip Ration (Waste to Mill Feed)

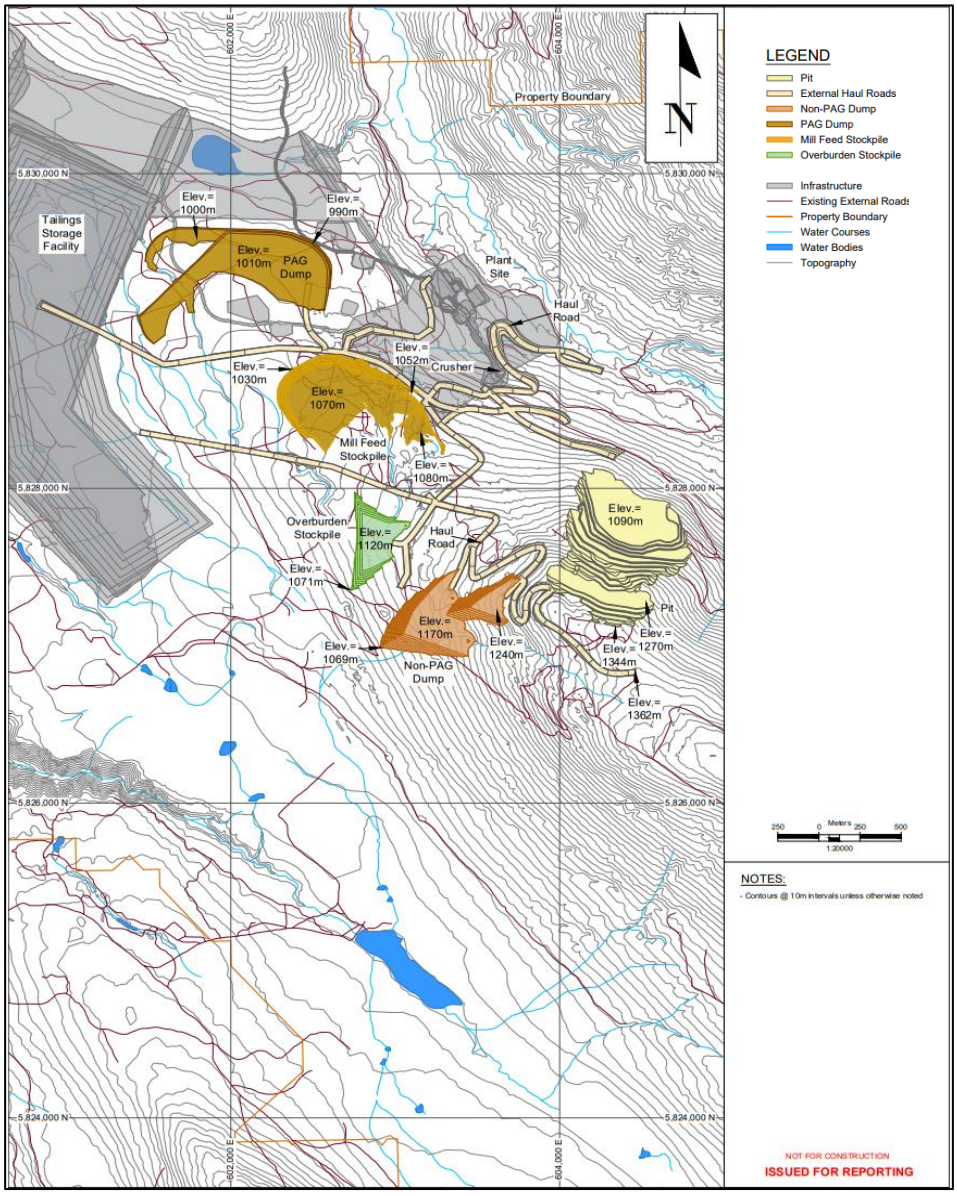


Source: Moose Mountain, 2025.

16.10.3 Mine End of Period Maps

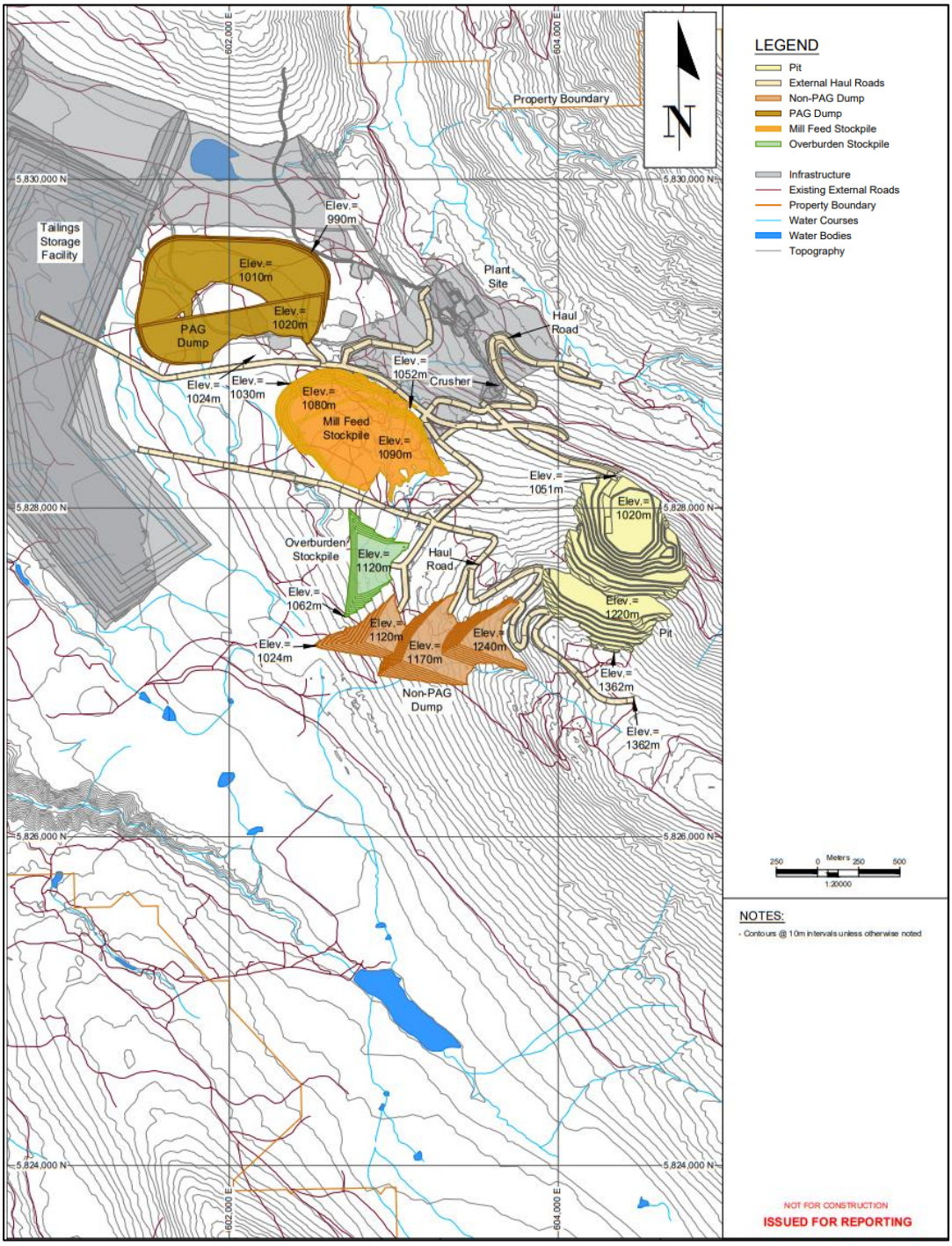
The following figures show the general arrangement of the mine operations at Year 1, Year 2, Year 5, Year 8 and Year 18, the completion of open pit operations. Between Year 18 and Year 24, the mill feed stockpile material will be reclaimed to the mill.

Figure 16-19: Year 1 End of Period Map



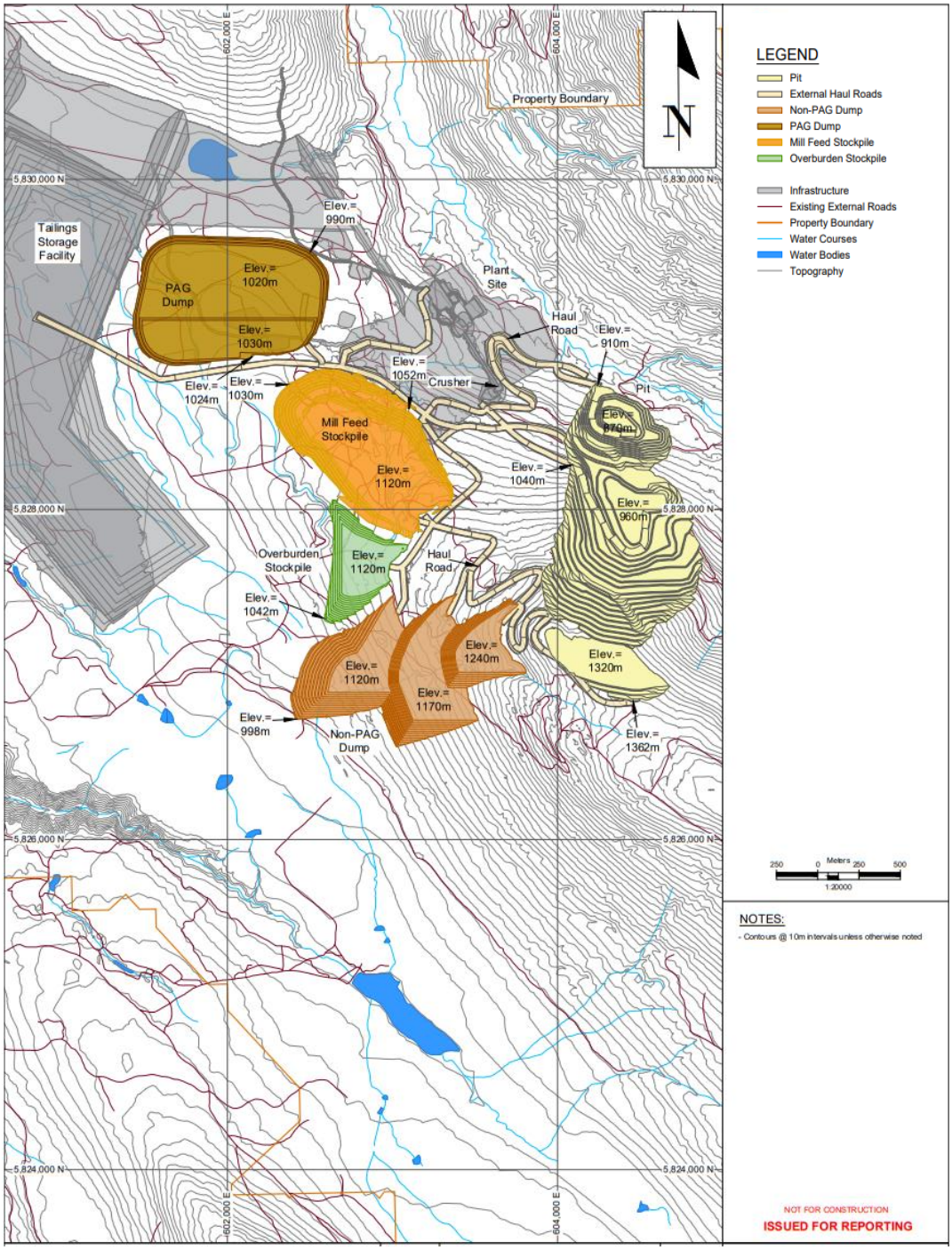
Source: Moose Mountain, 2025.

Figure 16-20: Year 2 End of Period Map



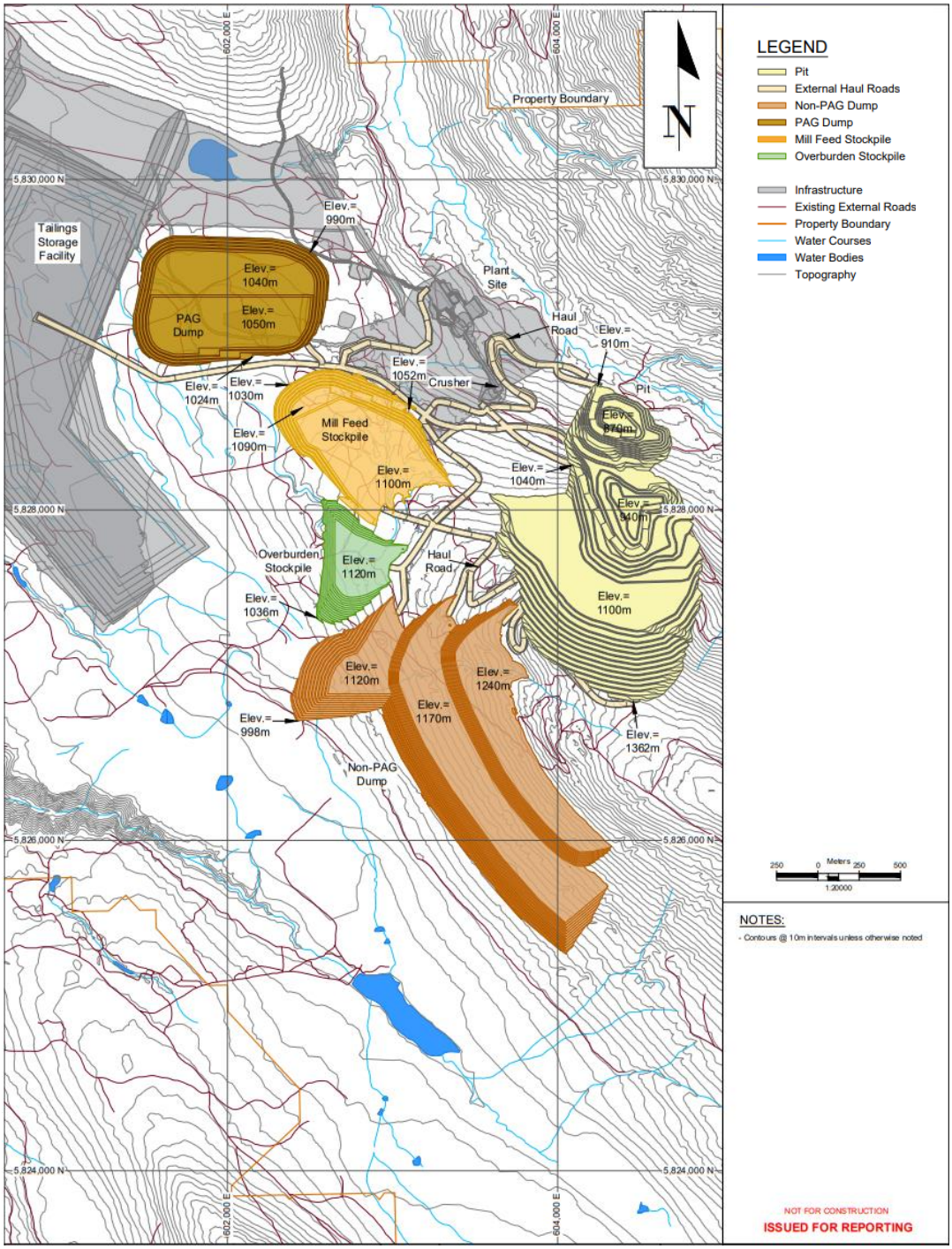
Source: Moose Mountain, 2025.

Figure 16-21: Year 5 End of Period Map



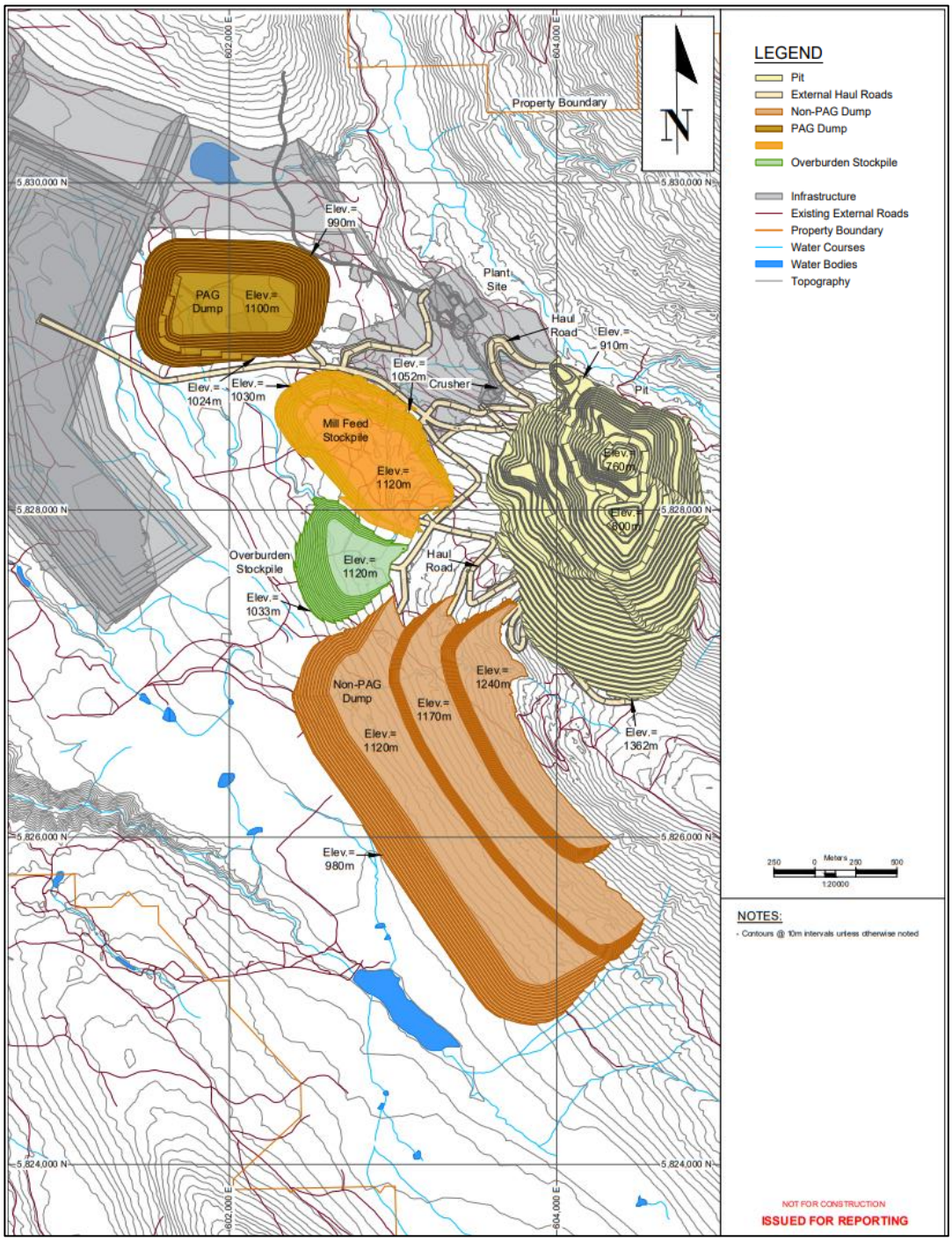
Source: Moose Mountain, 2025.

Figure 16-22: Year 8 End of Period Map



Source: Moose Mountain, 2025.

Figure 16-23: Year 18 End of Period Map



Source: Moose Mountain, 2025.

16.11 Mine Operations

The mining operations are planned to be typical of similar-scale open pit operations in mountainous terrain.

The mine will operate 365 days per year, 24 hours per day with two 12-hour shifts per day. An allowance of 10 days of no production has been built into the mine schedule to allow for adverse weather conditions.

The mine fleet consists of the diesel-powered mobile equipment operating from the pit to the primary crusher, as well as to the stockpiles, tailings facility and WRSF's. It is assumed that the owner's mine equipment fleet will be available on-site by Q2 of Year -2. The operating cost of the mine operation during the pre-production period has been included in initial capital and includes pre-stripping of the pit and mine operations site development costs. Pit electrification is planned in Year 2 of the Project, with a portion of the drilling and loading fleets converting to electric power.

Insitu rock is drilled and blasted to create suitable fragmentation for efficient loading and hauling of both waste rock and mill feed. Mining benches will be 10 m high.

Mineralized material and waste rock is defined in the blasted muck pile with a grade control system based on grade control drilling, modeling of dig boundaries on smaller intervals, dig limit digitalization to the loader operators, field demarcation, and blast movement monitoring. A fleet management system keeps track of each load and ensure delivery to the correct destination.

Mine operations are organized into two areas, Direct Mining and General Mine Expense (GME).

16.11.1 Direct Mining

Direct Mining includes the equipment operating costs, and operating labor, for the Grade Control, Drilling, Blasting, Loading, Hauling, and Support activities in the mine. Each area accounts for all equipment consumables and parts, manpower required (both operating and maintenance) and all operating supplies. This also includes the distributed mine maintenance items such as maintenance labor and repair parts, operation of mine maintenance equipment and tooling, plus off-site repairs which contribute to the hourly operating cost of the equipment.

16.11.1.1 Grade Control

Reverse Circulation (RC) grade control drilling is estimated for all scheduled mill feed and 25% of the waste to "look ahead" at upcoming benches and better define mineralization boundaries for controlled blasting and loading operations. Costs are included for sampling and assaying on 2-m intervals through the grade control drilling. ARD sampling and assaying on 50,000-tonne mined intervals have also been included.

16.11.1.2 Drilling

Diesel-powered rotary drills capable of drilling 200 mm diameter holes will be used for production drilling. The pit will be electrified in Year 2 of the project and electric-powered rotary drills capable of drilling 250 mm diameter holes will be added to the fleet. Pit wall control will be established using trim blasting techniques with a diesel-powered DTH (down the hole) drill capable of drilling 115 mm holes. Further studies on rock structures and quality will determine whether pre-shearing with smaller diameter drillholes will be effective for highwall control. No drilling is assumed in topsoil and overburden materials.

16.11.1.3 Blasting

Target powder factors of 0.23 kg/t for the waste rock and 0.29 kg/t for mill feed have been proposed. A contract explosives supplier will provide the blasting materials and technology for the mine, as well as a crew for blasting operations. A mixed emulsion type of explosive is assumed, with a higher ratio of emulsion to ammonium nitrate and fuel oil (ANFO) assumed in wet holes.

Blasting explosives will be manufactured off-site, and the on-site explosives bulk storage will be housed in a secure structure. The facilities will be located away from the mill site, pit, and all working areas, in compliance with regulatory requirements.

16.11.1.4 Loading

Mill feed and waste rock will require loading from the open pits into haul trucks. Excavators are selected based on the selective mining capability to minimize loss and dilution in the mill feed, while also achieving sufficiently high mining rates to ensure the lowest possible mine operating unit costs. Two diesel-powered 22 m^3 sized hydraulic backhoes will be used for production loading. The pit will be electrified in Year 2 of the project and two electric-powered 34 m^3 hydraulic face shovels will be added to the fleet. One wheel loader with a 14 m^3 bucket is also specified for some waste stripping work and support work.

Loading units will also function to rehandle pit material, load overburden and topsoil, pit clean up, road construction, and snow removal. Crusher loading is planned to be done directly via hauler or from the ROM stockpile via the wheel loader (30% of planned mill feed for equipment costing).

16.11.1.5 Hauling

Mill feed and waste rock are loaded into off-highway rigid frame haul trucks and hauled to specified destinations per the mine production schedule. A haul truck matched to the selected excavators and wheel loader, and with a 230-tonne maximum payload is targeted.

The size of the fleet is determined by estimating the haulage productivities for mill feed and waste materials in each period to each of the planned destinations. Haulage productivities are based on simulated hauler cycle times on

representative haul routes. These cycle times include loading, hauling, dumping, returning, all wait times and any inefficiencies in the hauling operation.

A secondary fleet of 130-t rigid haul trucks are paired with the wheel loader and will be used for initial mine pioneering and pit bottom mining.

A tertiary fleet of 40-t payload articulated haul trucks is also specified to aid in pre-stripping, construction activities, pit bottom mining, and along the haul roads and the tailings facilities.

16.11.1.6 Pit Support Services

Pit Support Services include:

- Haul road development and maintenance
- Pit floor and ramp maintenance
- Stockpile maintenance
- Ditching
- Electric cable management
- Reclamation
- Mobile Fleet fuel and lube support
- Open pit dewatering
- Topsoil excavation
- Secondary blasting and rock breaking
- Open pit lighting
- Mine Safety and Rescue
- In-pit transportation of personnel and operating supplies
- Snow Removal

Pit support equipment will include graders, water trucks, track dozers, backhoe excavators, support wheel loaders, a cable reeler and fuel lube trucks.

Ancillary mine equipment will include a small loader and truck fleet, light duty vehicles, utility backhoes, lighting plants, in-pit pumps, and other equipment required to support the mine and maintenance areas of the operation.

16.11.1.7 Open Pit Dewatering

Preliminary hydrogeological studies (BGC, 2025) indicate that dewatering and depressurization efforts may be required to optimize pit slope angles and improve mining productivity and will be further assessed during the feasibility study.

Pore-pressure estimates are based on transient numerical modelling results calibrated to piezometric data collected from 2010 through 2020 and hydraulic conductivity based on packer testing within drillholes from 2010 to 2012, and 2022.

Groundwater numerical flow modeling was conducted using MODFLOW-SURFACT to predict end of mining pore-pressure conditions and transient groundwater inflow rates to the proposed open pit. Predictive sensitivity analyses indicate that groundwater inflows could range between 0 and 29 L/s as mining progresses below the pre-mining water table surface, with estimates of 3 L/s in the earlier years of the mine plan up to 14 L/s in final years of the mine plan applied for operations planning and costing. Greater groundwater inflow is possible from the north toward to the proposed open pit and is related to the degree of hydraulic connection between Spanish Creek and associated alluvium and fractured bedrock with the proposed open pit.

Predicted pore-pressures for end of mining were applied to the slope stability assessments with up to an additional 50 m of passive depressurization (i.e., non-pumping) within the damage zone due to blasting. Bench designs therefore assume dry conditions and inter-ramp scale designs apply a phreatic surface set-back from the pit slope as simulated in the numerical model. Inter-ramp pit slope angles are based on passively depressurized conditions; locations where active depressurization may provide an opportunity to steepen the design are identified.

To achieve the recommended pit slope angles a pit dewatering program consisting of vertical depressurization wells along the perimeter prior to and during excavation of the pit augmented with horizontal drains in the pit walls during mining. Further studies will be necessary to finalize a pit dewatering plan and evaluate the impacts of the open pit on the regional water balance.

The following areas of uncertainty and risk regarding the estimated hydrogeological conditions are noted.

- Limited understanding of the hydraulic character of bedrock units, including the influence of faults and fracturing on hydraulic properties, and the heterogeneity and anisotropy of hydraulic properties.
- Limited recent period of record for surface water gauging stations on Spanish Creek.
- Current boundary conditions used to represent Spanish Creek (drain boundary cells) do not permit the simulation of surface water as a source of groundwater recharge.

16.11.1.8 Mine Maintenance

Mine maintenance activities will be performed in a mine maintenance facility, as well as in the field. The mine maintenance facility is to be located near the mill. Fuel, lube and field maintenance will be performed with a mobile maintenance fleet of equipment including maintenance trucks, a crane, a float, and lifts.

16.11.2 General Mine Expense and Technical Services

General mine expenses (GME) include supervision for the direct mining activities, including supervision for the mine fleet maintenance department. GME also includes the technical support requirements from Mine Engineering, Geology and Geotechnical functions.

16.11.3 Mine Buildings

On-site mine service buildings will include a heavy-duty truck shop, mine dry, light duty vehicle shop, wash bay, warehouse/storage facility, fuel depot and distribution, assay laboratory facility, administration-engineering offices, and explosives plant and storage.

16.11.4 Fleet Summary

Primary mining equipment requirements are summarized in Table 16-12.

Table 16-12: Mining Fleet Schedule

Fleet Summary	Y-1	Y 1	Y 2	Y 6	LOM Max
Drilling					
Electric Rotary Drill, Tracked, 250 mm	0	0	1	2	**2**
Diesel Rotary Drill, Tracked, 200 mm	1	3	3	3	**3**
DTH Drill, Tracked, 115 mm	1	2	2	3	**3**
Loading					
Electric Hydraulic Face Shovel, 34 m^3 bucket	0	0	1	2	**2**
Diesel Hydraulic Excavator, 22 m^3 bucket	1	2	2	2	**2**
Wheel Loader, 14 m^3 bucket	1	1	1	1	**1**
Hauling					
Rigid Hauler, 230 t payload	0	7	7	12	**12**
Rigid Hauler, 130 t payload	4	4	4	4	**4**
Articulated Hauler, 40 t payload	2	2	2	2	**2**
Primary Support					
Motor Grader, 5.4 m blade	1	2	2	3	**3**
Water/Gravel Truck	1	2	2	2	**2**
Track Dozer, 447 kW	2	2	2	2	**2**
Track Dozer, 325 kW	1	2	2	2	**2**
Wheel Loader, 4.5 m^3 bucket	1	2	2	2	**2**
Hydraulic Excavator, 4.5 m^3 bucket	1	2	2	2	**2**
Fuel/Lube Truck	1	2	2	2	**2**
Cable Reeler	0	0	1	1	**1**

17 RECOVERY METHODS

17.1 Overview

The process flowsheet for the Spanish Mountain project is based on the preliminary metallurgical testwork discussed in Section 13. The provided testwork was thoroughly analyzed and several options of process routes were assessed in the initial stages of the PEA. Based on the analysis, a process route was chosen as the best suited for the testwork results and subsequent economic analysis for the material. The unit operations selected are typical for this industry.

The plant is designed to process 26,000 t/d of mineralized material to produce gold and silver doré using crushing, grinding, gravity concentration, flotation and regrind, concentrate leaching, and precious metal recovery via carbon adsorption. The design availability for the crushing section is assumed to be 70%, the milling, flotation and leach section is 91% and tailings filtration is 88% as per typical industry values.

17.2 Process Design Criteria

Key process design criteria for the plan are listed in Table 17-1.

Table 17-1: Key Process Design Criteria

Description	Units	Value
Plant capacity	t/d	26,000
Life of mine	Year	25
Sulfur head grade, design	%	1.48
Gold head grade, design	g/t	0.46
Silver head grade, design	g/t	0.65
Crushing availability	%	70
Mill Availability	%	91
Filtration Availability	%	88
Axb, design	-	38.9
Bond ball work index, design	kWh/t	16.3
Bond abrasion index, design	g	0.21
Specific gravity	-	2.72
Crushing feed size, F_{80}	mm	127
Crushing product size, P_{80}	mm	37
HPGR product size, P_{80}	mm	4
HPGR Circulating Load	%	80
Grinding product size, P_{80}	µm	350

Description	Units	Value
Ball mill recirculating load	%	350
Primary cyclone overflow density	% solids (w/w)	35
Gravity concentrator circulating load	%	25
Gravity Concentrator Mass Pull	%	0.01
Bulk flotation rougher mass pull, design	% plant feed	11
Stage one regrind product size, P_{80}	µm	45
Stage one regrind specific energy	kWh/t	13.1
Bulk flotation cleaner mass pull, design	% plant feed	7.8
Stage two regrind product size, P_{80}	µm	20
Stage two regrind specific energy	kWh/t	13.8
HydroFloat tailings mass	% plant feed	44.7
Leach + adsorption residence time	h	24
Carbon Batch Size	t	5
Combined tailings thickening, solids flux loading rate	$(t/h)/m^2$	1.0
Fine tailings thickening, solids flux loading rate	$(t/h)/m^2$	0.8
Cyanide detox residence time	H	1.5
Fine tailings filtration rate	$(kg/h)/m^2$	195

17.3 Process Plant Description

The process design consists of the following major components:

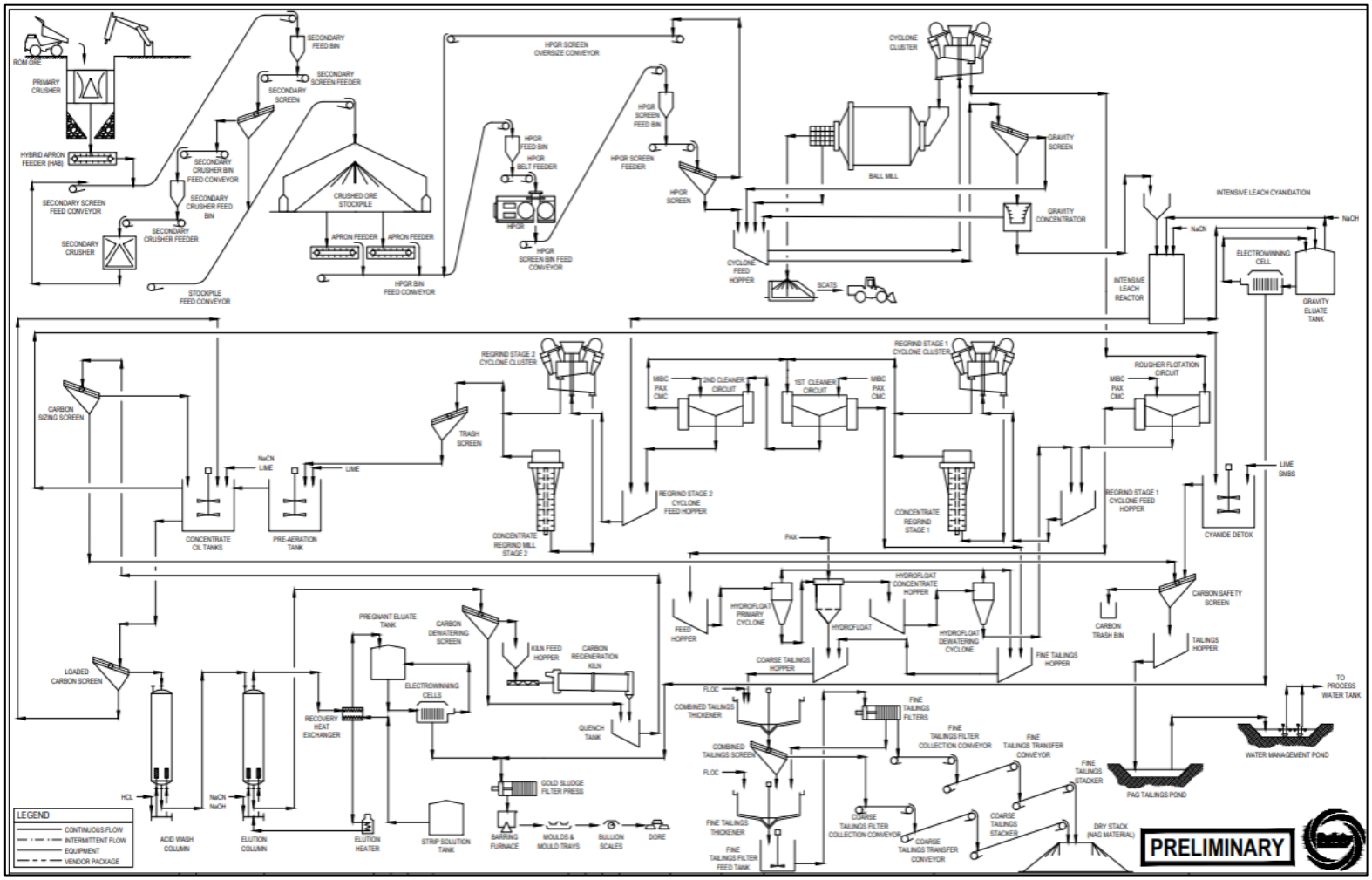
- Primary and secondary crushing run-of-mine mineralized material
- High-pressure grinding roll (HPGR) tertiary grinding
- Ball mill grinding with cyclone classification
- Gravity concentration with intensive cyanide leach
- Rougher flotation with regrind
- Cleaner flotation with concentrate regrind
- Coarse particle flotation of rougher flotation tails
- Flotation tailings thickening, filtration, and deposition
- Concentrate leaching

- Precious metal desorption, electrowinning, and smelting
- Concentrate leach residue cyanide destruction and deposition.

17.3.1 Process Flowsheet

An overall process flow diagram showing the unit operations in the selected process flowsheet is presented in Figure 17-1.

Figure 17-1: Process Flowsheet



Source: Ausenco, 2025.

17.3.2 Plant Design

17.3.2.1 Crushing Circuit & Stockpiling

The crushing circuit is a two-stage process that is designed to reduce a ROM material from a feed size (F_{80}) of 127 mm down to a product size (P_{80}) of 37 mm, followed by an HPGR that produces a final ball mill feed product of (P_{80}) of 4 mm.

Material will be hauled from the mine and dumped into a pocket that feeds the primary crusher. Crushed material will then be discharged via feeder onto the secondary screen feed conveyor before being forwarded to a feed bin. Material will be withdrawn from the bin and fed to the secondary screen, where coarse material will report to the secondary crusher and fine material to the crushed mineralized material stockpile using a series of conveyors. The product from the secondary crusher will be discharged onto the secondary screen feed conveyor, closing the operating circuit.

Crushed material will be drawn from the stockpile by apron feeders and fed onto the HPGR feed conveyor. Material will be deposited into a feed bin before being forwarded to the HPGR for additional size reduction. Products will be screened for size classification, with oversize returning to the feed conveyor and undersize passing to the ball mill circuit.

Major equipment in this area will include:

- One primary crusher
- One secondary screen feed conveyor
- One secondary screen
- One secondary crusher bin feed conveyor
- One secondary crusher
- One stockpile feed conveyor
- Two stockpile reclaim feeders
- One HPGR bin feed conveyor
- One HPGR (2.1m x 1.8m, 4100 kW)
- One HPGR screen bin feed conveyor
- One HPGR screen
- One HPGR screen oversize conveyor.

17.3.2.2 Grinding Circuit

The grinding circuit design consists of a ball mill in closed circuit with a cyclone to produce a product size (P_{80}) of 350 µm.

Screen undersize from the HPGR screen will fall into a pump box before being forwarded to the primary cyclones. Water is added to the cyclone feed pumpbox to obtain the appropriate density prior to pumping to the cyclone. Overflow from the cyclones at a size (P_{80}) of 350 µm will be removed from the circuit and flow by gravity to the flotation area, while underflow will flow into the ball mill.

Major equipment in this area will include:

- One ball mill (7.3m D x 10.4m EGL, 10,400 kW), and
- One cyclone cluster.

17.3.2.3 Gravity and Intensive Leach Circuit

A gravity circuit is designed to recover gravity recoverable metals from the process.

A fraction of material from the cyclone feed pump box will be fed to the gravity screen, with oversize material returning to the cyclone feed pump box and undersize material reporting to four gravity concentrators. Concentrate from the gravity units will feed the intensive leaching circuit which produces a high-grade pregnant solution for electrowinning. Tailings from the gravity units will flow back to the cyclone feed pump box, and residue from the intensive leach reactor will be sent to the second stage regrind area for additional liberation.

Major equipment in this area will include:

- Four gravity concentrators
- One intensive leach reactor
- One electrowinning cell
- One gravity eluate tank.

17.3.2.4 Rougher Flotation and Regrind Circuit

Precious metal bearing minerals in the cyclone cluster overflow will be concentrated through flotation and regrinding stages to produce a leachable concentrate.

Overflow from the grinding cyclone cluster will be subjected to rougher flotation via a single train of conventional tank cells. Rougher flotation concentrate will be collected in launders and pumped to the first stage regrind circuit cyclone, while rougher flotation tailings will be sent to coarse particle flotation. The regrind cyclone will segregate the material,

with the underflow being fed to the first stage regrind mill. Regrind mill product at a P_{80} grind size of 45 um is combined with the cyclone overflow and directed to the cleaner flotation circuit.

The rougher flotation circuit includes five cells with reagent additions of potassium amyl xanthate (PAX), carboxymethyl cellulose (CMC), and methyl isobutyl carbinol (MIBC) will be introduced to the rougher flotation area as collector, depressant and frother respectively.

Major equipment in this area will include:

- Five rougher flotation cells
- One cyclone cluster
- One regrind mill.

17.3.2.5 Cleaner Flotation and Regrind Circuit

Product from the first regrind stage will be subjected to two stages of cleaner flotation using conventional tank cells. Final concentrate will report to the second stage regrind circuit, while final cleaner flotation tailings will be pumped to the fine tailings hopper for eventual dewatering.

Residue from the intensive leach reactor and final cleaner flotation concentrate will be combined before being fed to the second stage regrind cyclone cluster. Cyclone underflow will be fed to the second stage regrind mill for addition particle liberation, while cyclone overflow will be merged with regrind mill discharge and directed to the leaching area via trash screen.

Potassium amyl xanthate (PAX), carboxymethyl cellulose (CMC), and methyl isobutyl carbinol (MIBC) will be introduced to the cleaner flotation as collector, depressant and frother respectively.

Major equipment in this area will include:

- Four first cleaner flotation cells
- Two second cleaner flotation cells
- One cyclone cluster
- One regrind mill
- One trash screen.

17.3.2.6 HydroFloat Circuit

The rougher flotation tailings will be further processed in a coarse particle flotation area using HydroFloat cells to reduce gold losses to tailings.

Tailings from the rougher flotation circuit will be collected in a hopper before being fed to the HydroFloat primary cyclone. Underflow from this cyclone will be sent to the HydroFloat cells with frother, while overflow will flow to the fine tailings hopper. Concentrate from the HydroFloat cells will report to a dewatering cyclone, with underflow recycling to the first stage regrind area and overflow flowing to the fine tailings hopper. The combined fine tailings will blend with tailings from the HydroFloat cells in the coarse tailings hopper before being sent to the tailings area for dewatering.

Potassium amyl xanthate (PAX) will be added as collector in HydroFloat circuit.

Major equipment in this area will include:

- One primary cyclone
- Three HydroFloat cells
- One dewatering cyclone.

17.3.2.7 Flotation Concentrate Leaching and Adsorption

The flotation concentrate carbon-in-leach circuit is designed such that leaching of gold and gold adsorption onto carbon occur within the same vessel. Activated carbon is added to the circuit and moves counter-current to the slurry flow; while slurry progresses from the first tank to the last tank in series, carbon is transferred in the opposite direction. This arrangement maximizes contact time between the carbon and dissolved gold, maximizing gold adsorption on to the carbon and minimizing gold losses in solution. The system is comprised of one pre-aeration tank followed by six CIL tanks. Each CIL tank has a capacity of 530 m^3, providing a total residence time of 24 hours at a slurry density of 30% w/w solids.

The circuit is fed by the flotation concentrate regrind and dewatering circuit. Product from the secondary regrind stage is directed to the pre-aeration tank. Oxygen is sparged into the pre-aeration tank and the first CIL leach tanks to maintain dissolved oxygen levels of 20 ppm. Hydrated lime is added in the pre-aeration stage and into the first three CIL tanks to maintain optimal pH conditions throughout the circuit.

Sodium cyanide (NaCN) is introduced as the primary lixiviant.

Major equipment in this area will include:

- One pre-aeration tank
- Six CIL tanks
- One loaded carbon screen.

17.3.2.8 Carbon Acid Wash, Elution, Carbon Regeneration, and Electrowinning

Loaded carbon recovered from the leaching circuit undergoes a multi-stage process to recover the gold adsorbed on to the carbon and regenerate the carbon for reuse.

17.3.2.8.1 Carbon Acid Wash

The carbon acid wash involves acid washing the loaded carbon to remove impurities and mineral scale that was adsorbed or precipitated onto the carbon during the leaching process. Hydrochloric acid (HCl) is used to dissolve and removed inorganic contaminants such as calcium carbonate, magnesium hydroxide, and other scale-forming compounds. The acid wash helps to clean the carbon's surface, thereby enhancing the efficiency of the elution stage. After acid washing, the carbon is thoroughly rinsed with water to eliminate any residual acid and prepare it for the elution process.

17.3.2.8.2 Elution

Following acid washing, the cleaned carbon is transferred into the elution column, where the adsorbed gold and silver are stripped from the carbon. This is achieved by passing a hot solution containing sodium cyanide (NaCN) and sodium hydroxide (NaOH) through the carbon bed at elevated temperature and pressure. The sodium cyanide acts as the primary lixiviant, dissolving the gold and silver from the carbon, while sodium hydroxide serves to maintain the pH.

The resulting solution, referred to as pregnant eluate, exits at the elution column and is passed through a heat exchanger to reduce its temperature.

17.3.2.8.3 Carbon Dewatering and Regeneration

Once the elution step is complete, the barren (stripped) carbon is hydraulically conveyed from the elution column to a carbon dewatering screen. Excess water is removed from the carbon to reduce moisture content. The dewatered carbon is then transferred to a carbon regeneration kiln. This thermal regeneration removes any remaining organic material and volatile contaminants that could reduce the carbon adsorption capacity.

After regeneration, the carbon is screened to separate undersized particles, which are discarded as carbon fines. The regenerated carbon is subsequently returned to the leaching circuit for reuse.

17.3.2.8.4 Electrowinning

The cooled pregnant eluate is directed into a pregnant eluate tank, from which it circulates in a closed-loop system through electrowinning cells.

17.3.2.8.5 Doré Production

After electrowinning, the gold sludge is collected and passed through a filter press, producing a semi-solid cake. The cake is fed into the barring furnace and mixed with fluxes to remove impurities into the slag which floats on top of the molten metal. Slag is poured into a pot and then the molten gold is then poured into molds to produce doré bars.

Major equipment in this area will come from a single vendor package and is expected to include:

- Two acid wash columns
- Two elution columns
- One pregnant eluate tank
- One electrowinning cell
- One carbon regeneration kiln
- One sludge filter press
- One smelting furnace.

17.3.2.9 Cyanide Destruction

Tailings from the leaching circuit will be sent to two cyanide destruction tanks operating in parallel. Discharge from the tanks and undersize from the carbon sizing screen will pass through the carbon safety screen before being forwarded to the potentially acid generating (PAG) tailings storage area. Oversize carbon from the safety screen will be captured in a trash bin before being discarded.

Lime and sodium metabisulphite (SMBS) will be introduced to the cyanide destruction circuit as pH modifier and SO_2 source, respectively.

Major equipment in this area will include:

- Two cyanide destruction tanks
- One carbon safety screen.

17.3.2.10 Tailings Management

Tailings from the HydroFloat and cleaner flotation circuits will be dewatered in a single thickener, with overflow passing to the process water tank and underflow being pumped to the tailings filtration and dry stacking area. The underflow material will then be screened with the oversized stream being deposited onto the non-acid generating (non-PAG) tailings dry stack using the series of coarse tailings dry stacking conveyors. Screen undersize will be further thickened in the fine tailings thickener to produce filter feed stream before being filtered using plate and frame pressure filters. The filter cake will be deposited onto the non-PAG tailings dry stack using the series of fine tailings dry stack conveyors,

while filter filtrate will be recirculated back to the fine tailings thickener. Overflow from the fine tailings filter will be piped back to the plant for use as process water.

Tailings from the leaching circuit will be run through the cyanide destruction, carbon sizing screen, and carbon safety screen as described in Section 17.3.2.9. These tailings will then be forwarded via pipeline to the potentially acid generating (PAG) tailings storage area. The PAG tailings will require sub-aqueous storage.

Major equipment in this area will include:

- Two tailings thickeners
- One tailings screen
- One fine tailings filter feed tank
- Three fine tailings filters
- One coarse tailings dry stacking system
- One fine tailings dry stacking system.

17.4 Reagent Handling and Storage Energy, Water, and Process Materials Requirements

The reagent handling system will include unloading and storage facilities, mixing and storage tanks, and feeding equipment as needed for each of the required reagents. Each set of compatible reagents will be located within containment areas to prevent incompatible reagents from mixing and to contain any spillage. Appropriate ventilation, fire and safety protection, eyewash stations, and safety data sheet (SDS) stations will be located throughout the facility. Sumps and sump pumps will be provided in each containment area for spillage control.

The preparation method and storage procedure of each reagent is described in Table 17-2.

Table 17-2: Reagents Handling and Storage

Reagent	Preparation Method	Value
Lime	Received as powder in bulk bags or tanker trucks; slaked with raw water and transferred to a storage tank. Distributed to concentrate leach and detox circuits.	pH control
Sodium Cyanide	Received as powder in bulk bags, briquettes, or isotainers; dissolved and transferred to a storage tank. Distributed to cyanide leaching and elution circuits.	Leaching agent
PAX	Received as pellets in bags; dissolved and transferred to a storage tank. Distributed to flotation circuits.	Collector
MIBC	Received in solution form in totes. Distributed to flotation circuits.	Frothing aid
CMC	Received as powder in bulk bags and transferred to a storage tank. Distributed to flotation circuits.	Depressant
Activated Carbon	Received in solid granular form in bulk bags. Added to the carbon quench tank at start-up and as required.	Gold adsorbent

Reagent	Preparation Method	Value
Hydrochloric Acid	Received in solution form in totes. Distributed to elution circuit and eluate tanks.	Carbon Washing
Sodium Hydroxide	Received in solution form in totes; distributed to elution circuit.	Elution Agent
SMBS	Received as powder in bulk bags; dissolved and transferred to a storage tank. Distributed to cyanide detoxification circuit.	Cyanide destruction reagent
Flocculant	Received as powder in bulk bags; dissolved and transferred to a storage tank. Distributed to tailings thickeners.	Flocculation promotor
Antiscalant	Received in solution form in totes. Distributed neat to pregnant and barren solution tanks.	Scale inhibitor

Reagent consumptions were estimated based on testwork results as described in Section 13. A summary of annual consumption rates for each reagent and operating consumable is presented in Table 17-3.

Table 17-3: Nominal Annual Consumptions

Description	Units	Value
Lime	t/a	3,500
Sodium Cyanide	t/a	1,077
PAX	t/a	1,784
MIBC	t/a	465
CMC	t/a	522
Carbon Makeup	t/a	130
Hydrochloric Acid	t/a	25
Sodium Hydroxide	t/a	25
SMBS	t/a	2,998
Flocculant	t/a	276
Antiscalant	t/a	25

17.5 Plant Services

17.5.1 Water Systems

17.5.1.1 Raw Water

Raw water will be supplied to the plant and stored in a raw water tank where it will be distributed to various users across the site such as reagent preparation, process water makeup, gland seal water, and potable water. Approximately 1.5 Mm^3 of water will be required per annum.

17.5.1.2 Process Water

Process water for the plant will consist of combined and fine tailings thickener overflow, and PAG tailings reclaim water and raw water as required. Process water will be stored in a tank before being distributed via centrifugal pump across the plant to various end users.

17.5.1.3 Gland Water

Gland seal water for the plant will be sourced from the raw water tank and pumped to the various users across the plant site.

17.5.1.4 Fire Water

Fire water for the process plant will be stored at a dedicated volume within the raw water tank. A dedicated pump skid consisting of an electrical pump, jockey pump, and diesel pump will supply water from the fire water reserve volume to the distribution system.

17.5.1.5 Potable Water

Potable water will be produced by an on-site potable water plant which processes water from the raw water tank. Processed potable water will be stored in a dedicated storage tank before being distributed to the various end users in the process plant.

17.5.2 Gas Systems

17.5.2.1 Compressed Air

High-pressure air will be produced on site by compressors to meet the demands of the plant. Air supply will be collected in a receiver before being distributed across the site. A dryer will be fed by the plant air receiver and discharge into an instrument air receiver prior to plant distribution.

17.5.2.2 Oxygen

Oxygen gas for the cyanide leaching and destruction circuits will be generated from an on-site oxygen plant. The oxygen plant will employ vacuum swing adsorption (VSA) technology and will produce an oxygen stream of 93% purity.

17.5.3 Power

The total installed power for the process plant is estimated at 36.1 MW. Further discussion regarding the power supply and distribution system is available in Section 18. Further discussion around the operating costs associated with the plant power consumption is available in Section 21.

18 PROJECT INFRASTRUCTURE

18.1 Introduction

This section discusses the project infrastructure, including on-site infrastructure, off-site infrastructure, the tailings storage facility (TSF), water treatment plant (WTP), and water management systems and process and non-process related site infrastructure. During operations, Spanish Mountain Gold (SMG) will transport operation staff from local pick-up hubs to the Project site. A temporary 265-man camp will be provided during construction, and an existing 50-man permanent camp will be available at the site during construction and for the operational phase of the project.

On-site infrastructure to support the Project will comprise of bulk earthworks, site access road, on-site roads, bridges, site facilities and buildings, a water management system, TSF, WTP, and site electrical facilities and distribution.

Off-site infrastructure includes construction of a new 230 kV switching station near Highway 97 (by BC Hydro) and a new 230 kV transmission line will be installed between the new 230 kV switching station and the receiving substation at the Spanish Mountain mine site.

The Project will incorporate features common to mines in British Columbia, including:

- Storage facilities for consumables will be sized for short-term supply requirements (e.g. mobile diesel fuel tanks, mobile propane tanks, and warehouse) as these can be replenished on a regular basis,
- Propane heating for buildings,
- Major buildings, including the process plant, and plant ancillary buildings will be located close to one another, limiting travel distance for personnel to access most facilities,
- Wherever practical, equipment and buildings will be pre-assembled off site and delivered to site in modules or skids to minimize site erection time,
- Facility layout will accommodate snow clearing and mitigation of drifting effects such as simple building designs,
- Most fixed equipment will be housed in heated or unheated structures or shelters for protection from wind-chill effects, and to enable personnel access and operation in extreme weather conditions, and
- Open areas for laydown will have a granular pad over native ground.

Site civil work includes designs for the following infrastructure:

- Light vehicle and heavy equipment roads
- Bridges crossing Spanish Creek

- Growth media stripping and stockpiling
- Site drainage and water collection around the plant site
- Site facilities
- High-voltage substation platform.

Site facilities will include both infrastructure facilities and process facilities:

- The infrastructure facilities will include the administration offices, truck shop and warehouse, mine dry, fuel storage and distribution, permanent camp facility, and cold storage warehouse.
- The process facilities will include the process plant, crusher facility, process plant workshop and assay laboratory.
- Common support services such as potable water, firewater, and sewage treatment will be provided by stand-alone equipment and systems. Waste generated from operations will be managed on site. Depending on category, waste will be incinerated or shipped off site for proper disposal at approved facilities.

18.2 Site Access

The SMG Property is accessible year-round via a network of government and company maintained gravel roads branching from the BC provincial highway system at Likely, a small community located just five kilometers from the deposit along the Property's northwest margin. From Likely, the Property is accessed through multiple routes, including Spanish Lake and Rosette Lake roads, which link to Forest Service Roads and exploration trails - providing strong access, particularly to the northern half of the Property. The southern portion is less developed but can still be accessed by an off-road vehicle and some bush hiking.

For further details on regional infrastructure, access routes, and nearby communities such as Williams Lake and Prince George, see Section 5.

18.3 Built Infrastructure

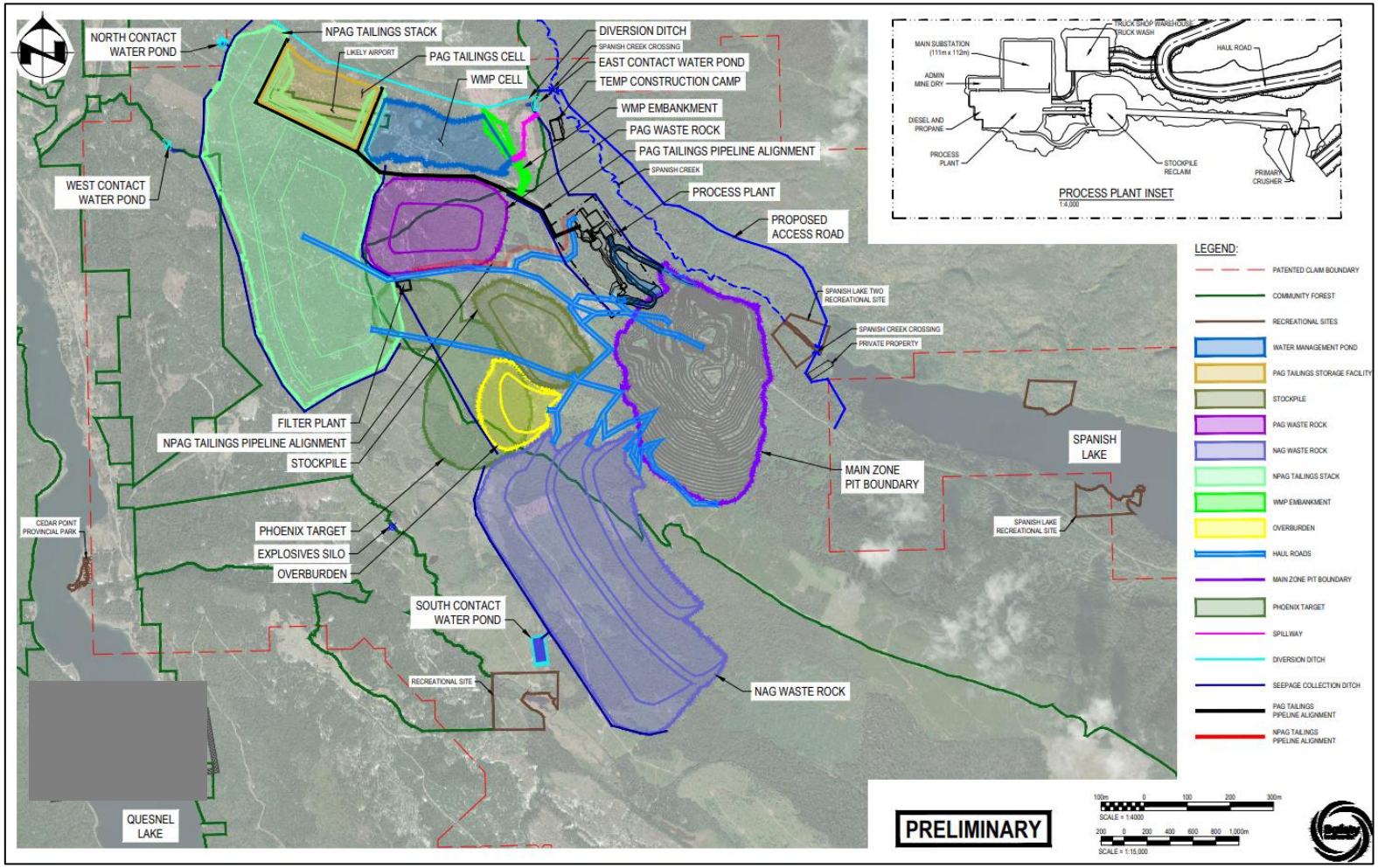
The following infrastructure facilities will be included:

- Truck shop and warehouse and including heavy vehicle repair bay, tire bay, wash bay, lubrication bay, light vehicle repair bay and maintenance shops
- Administration/mine dry building
- Assay laboratory
- Cold storage warehouse
- Access road and site roads
- Fuel storage

- Accommodations
- Process plant
- Solid waste disposal
- Raw water supply
- Security/gatehouse
- Site fencing
- Construction laydown yard
- Sewage collection and treatment.

Figure 18-1 provides an overview of the site layout and facilities.

Figure 18-1: Overall Site Layout



Source: Ausenco, 2025.

18.3.1 Accommodation

A construction camp capable of accommodating and catering 265 persons will be assembled from prefabricated modules. There will be a core complex with dining, kitchen, and limited recreational facilities. During operations, the existing 50-person camp will accommodate the operations staff. Most operational staff will be transported to site from Likely and Williams Lake. If additional accommodation is required, rooms in the existing camp can be utilized. The existing camp can be expanded if required.

18.4 Stockpiles

The SMG Project incorporates a ROM stockpile adjacent to the primary crusher and a High-Grade (HG) stockpile located to the south. The ROM stockpile serves as a short-term buffer, while the HG stockpile stores material between the economic cut-off grade (0.30 g/t Au) and an elevated early-life cut-off (0.40 g/t Au), with a capacity of 7 Mt and a top elevation of 1,110 masl.

A grade management strategy prioritizes high-margin mill feed in early years, deferring lower-grade material for rehandling to the crusher in later years (Years 13 to 14) to maintain a 26,000 t/d feed rate. All stockpile locations are designed for efficient haulage and rehandle operations, supported by approximately 10 km of pre-production roads.

The storage of mineralized material is not expected to significantly affect recovery as material is not expected to oxidize significantly over the stockpiled period. Overburden is separately stockpiled to a final elevation of 1,160 masl and a total volume of 9 Mt.

18.5 Tailings and Storage Facilities

Approximately 229 Mt of tailings are planned over the LOM and will be stored within two facilities, as shown on the site plan (Figure 18-1):

- Non-PAG Tailings Dry Stack
- PAG TSF

Most of the tailings (97% or approximately 222 Mt) are expected to be a non-PAG with low ML potential tailings stream. The remaining 3% (approximately 7 Mt) is expected to be a PAG tailings stream with ML potential. The non-PAG tailings are the flotation tailings while the PAG tailings are the leach tailings. Refer to Section 20.1.1.8 for geochemistry. Facilities were sized based on an assumed dry density of 1.7 t/m^3 for non-PAG tailings and 1.1 t/m^3 for PAG tailings and provide sufficient capacity for the LOM.

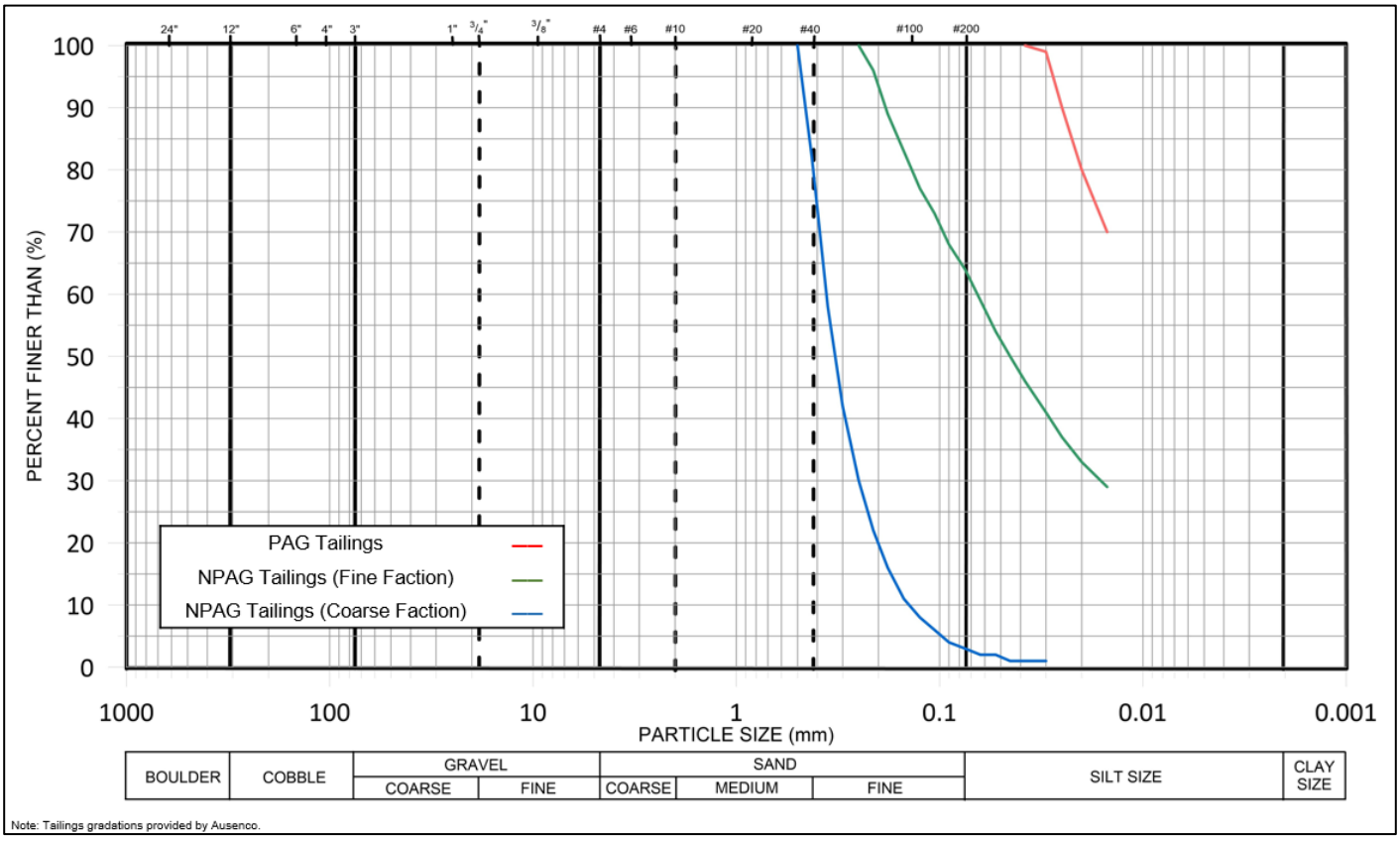
The non-PAG tailings stream will be dewatered to facilitate spreading and compacting in engineered lifts to construct a non-flowable tailings dry stack landform. The tailings stream will be dewatered via a thickener prior to being screened. This will divide the non-PAG tailings stream approximately equally by tonnage into separate coarse and fine

streams (see Figure 18-2 for particle size distribution). The fine stream will be thickened and dewatered via filter press. Further details on tailings processing are provided in Section 17.3.2.10 and Figure 17-1.

The PAG tailings will be discharged via pipeline as a slurry into a fully lined (e.g geomembrane) TSF with a continuous water cover during operations to inhibit oxidation.

Associated water management structures are discussed in Section 18.9.

Figure 18-2: Tailings Particle Size Distribution



Source: BGC, 2025. Note: Tailings gradations provided by Ausenco.

18.5.1 Non-PAG Tailings Dry Stack

The non-PAG Tailings Dry Stack will be a constructed landform sized to store approximately 130 Mm^3 (222 Mt) of non-PAG tailings, equivalent to the LOM production. The tailings dry stack concept allows for adaptability with the mine plan and to minimize the overall tailings footprint. The non-PAG Tailing Dry Stack will be raised, and the footprint

expanded, progressively over the LOM. The non-PAG Tailings Dry Stack is situated to utilize natural topography for physical containment to the extent possible, while considering site constraints including the Phoenix deposit.

Fine and coarse non-PAG tailings will be strategically placed in a zoned configuration to leverage design benefits, such as shear strength and drainage capacity, based on their gradation. The ultimate configuration features two benches to maintain the total dry stack height to less than 100 m. Tailings conveyed from the filter plant will be spread and compacted in 0.3 m thick engineered lifts. The outer side slopes will be maintained no steeper than 4H:1V to enable progressive reclamation, while the crest surface will be graded to shed water throughout operations and closure.

An underdrain network is planned at the base of the unlined non-PAG Tailings Dry Stack to assist in reducing groundwater mounding within the tailings dry stack. The underdrains will consist of drain rockfill, sand and gravel fill, and geotextile. Most of the underdrain construction is planned for pre-production.

18.5.2 PAG TSF

The PAG TSF will be a fully lined conventional slurry TSF capable of storing approximately 6.4 Mm^3 (7 Mt) of PAG tailings, equivalent to the LOM production. PAG Tailings will be discharged via submerged pipeline as a slurry and remain submerged throughout operations to inhibit oxidation. The design pond volume includes allowances for water cover, freeboard and inflow design flood storage. Excess stored water will be used as process water.

The PAG TSF is largely contained within the non-PAG Tailings Dry Stack with natural containment bounded by existing topography to the north and the WMP situated to the east. The PAG TSF will require starter dams constructed in pre-production up to 25 m height with 3H:1V side slopes. The starter dams will provide containment to the west, south, and east, while natural topography will provide containment to the north. The starter dams will be constructed using overburden sourced from site development, and local borrow sources. Subsequent raises of the PAG TSF embankments will be constructed with non-PAG tailings, as part of the non-PAG Tailings Dry Stack with 4H:1V side slopes to an ultimate height of approximately 60 m.

An underdrain network will be constructed below the PAG TSF liner to mitigate against potential hydraulic uplift in areas of groundwater discharge and convey potential leakage through the liner. The underdrains will consist of drain rockfill, till, and geotextile.

18.6 Waste Rock Storage Facilities

The Waste Rock Storage Facilities are described in Section 16.7.

18.7 Power Supply

18.7.1 BC Hydro Power Supply

An updated System Impact Study was completed by BC Hydro in 2024, and the Spanish Mountain Project is in the BC Hydro local power supply queue. A step 2 conceptual design agreement was subsequently signed and currently (2025) BC Hydro is carrying out the preliminary design of their new switching station designated SMM, located near the BC Hydro McLeese Lake capacitor station. The new station will be the point of interconnection (P.O.I) for the Project. This station connects to the area's 230 kV transmission lines. BC Hydro chose interconnection of their new substation SMM to their 230 kV area transmission lines rather than connection to their 500 kV system, as there are no 500 kV transformers at the McLeese Lake Capacitor Station and such an installation would be extremely costly.

18.7.2 230 kV Transmission Line

The power requirements of the mine will be provided by a new 74.5 km long, 230 kV, H-Frame wood pole transmission line originating at BC Hydro's new switching station, designated SMM, located near McLeese Lake. This line, in accordance with the utility tariffs, will be constructed and owned by the mine.

The transmission line has been designed in accordance with CSA Standard C22.3 No. 1:20 for overhead systems. It uses Curlew 1033.5 kcmil (thousand circular mils; 1 kcmil ≈ 0.5067 mm²) ACSR (aluminum conductor steel reinforced) conductors and twin OPGW (optical ground wire) fibers, as requested by Spanish Mountain. The route is through forested rolling terrain and is classified as easy to moderate construction. Transmission line plan and profile drawings of the current route have been completed and detailed drawings were produced as required to facilitate estimation. The current line route has a length of 74.5 km, including the required crossing of the BC Hydro 500 kV right-of-way near McLeese Lake. As this right-of-way includes three 500 kV lines, one 230 kV line and one 69 kV line, it was agreed with BC Hydro that the crossing would be more safely and conveniently constructed using three single-core 230 kV underground high-voltage solid dielectric power cables, plus a spare, installed in a concrete duct bank.

As per CSA Standard C22.3, the project location near McLeese Lake falls under CSA Medium B loading and is subject to a deterministic weather load of 300 Pa wind and 12.5 mm of radial ice around the conductor at a temperature of -20°C. The nearest CSA weather stations to the project site are at Quesnel, and Dog Creek. The more conservative value for wind and temperature was selected from either weather station when appropriate. Additionally, the transmission line is modeled to a reliability level of 2, which corresponds to a 100-year return period which is typical for 230kV overhead transmission lines in BC.

The transmission line cost estimate includes right-of-way clearing (40 width cleared), access track construction, and line construction and commissioning. Also included is the cost to cross under the BC Hydro 500 kV transfusion lines at McLeese Lake and an allowance for a line supply switch and overcurrent protection as would be required by Technical Safety BC (TSBC). The costs of environmental studies, additional LiDAR, and archaeological studies are not included.

At 230 kV, the line conductor size is set by corona losses and radio interference standards at the operating altitude which are related to the conductor diameter. Hence, on a (thermal) current carrying basis, the transmission line capacity is large by default based on the minimum acceptable conductor diameter. The transmission line would have over 300 MW capacity, on a thermal basis, which is several times more than the maximum realistic Spanish Mountain load.

18.7.3 Main 230 KV Substation

The main mine incoming 230 kV air insulated step-down substation, designated SMM by BC Hydro, has an installed capacity of 65 MVA utilizing redundant transformers and circuit breakers. Space has been left in the yard area for an additional 65 MVA future transformer. The substation steps down the voltage to 13.8 kV for distribution to the process plant, mine, pumping systems, etc. The distribution system is a three-wire, high-resistance grounded system, making it suitable for use in the open pit. The substation also includes two banks of automatically controlled power factor correction capacitors designed to maintain the power factor at the point of interconnection with BC Hydro at the specified 0.98 lag. The substation includes an E-House including battery banks and a transmission line protection panel providing line overcurrent and differential protection, undervoltage protection, under-frequency load shedding, etc. as required by the BC Hydro standards. The E-House also contains the main 13.8 kV metaled power distribution switchgear including 1200-amp feeder breakers to supply the various process plant loads, pit loads, pumping loads, etc.

The incoming transition line fiber optic (OPGW) cable terminates in the substation at a fiber optic communications panel. The fiber optic system not only provides fibers for transmission line protection but also allows for a high-capacity project wide communication link back to McLeese Lake on Highway 97, where there is existing fiber infrastructure.

A local substation data network, connecting from each substation circuit breaker, is included to provide all feeder load and status information to a remote process plant central control system for information and data archiving.

The main substation does not include any harmonic filters as (a) these, if required, are technically best located in the process plant area near the source of any problematic harmonic producing equipment and (b) the substation designers have no information concerning harmonic generating variable speed drives, etc. However, the process plant will, of necessity, include any required harmonic filters to comply with IEEE Standard 519-2022 at the P.O.I. and additionally, BC Hydro standard power quality standard at the P.O.I. (i.e. at substation SMM at McLeese Lake).

18.7.4 Emergency Generator

The budget includes one emergency diesel generator rated 13.8 kV, minimum 2.2 MW emergency duty, in a weather protected walk-in module. The generator would be completely automatic and connect directly to the main substation 13.8 kV switchgear generator circuit breaker. In the event of a power failure an automatic load shedding system would be in place such that plant load breakers are tripped to prevent overloading the emergency genset. Note, this generator system is designed to provide backup power in case of a supply failure from BC Hydro, but it is not intended to be a life

safety system, hence battery powered emergency lights, etc. are required throughout the process plant, shop, and office facilities.

18.7.5 Site Reticulation

To provide power distribution from the main substation to remote loads such as the open pit, water pumping, filter plant, etc. the budget includes 10 km of 13.8 KV overhead power lines complete with an overhead ground wire. The estimate does not include for the necessary local strep-down transformers and associated equipment. The site reticulation budget does not include the main power feeder cables from the main substation to the process plant and primary crusher. These are included in the electrical budget for the process plant. The site distribution costs also do not include for the open pit portable substations, trailing cable, grounding and related costs as these are included elsewhere in the PEA report.

18.8 Fuel

Diesel fuel, the primary project fuel, will be supplied in mobile 75,000-liter tanks and stored in a concrete-bunded fuel storage area located at the plant site. The anticipated mining fleet diesel consumption was calculated to be approximately 20 million liters per year from Years 1 to 3, ramping up to 27 million liters from Years 4 to 17, then ramping down to 4 million liters for Years 18 to 24. The fuel storage area will initially store four mobile fuel storage tanks and expand to store seven as fuel consumption ramps up. The mobile fuel tanks will be double-walled and will be equipped with pre-packaged fuel unloading modules. These tanks will also supply fuel for the plant site mobile equipment. Fuel will be trucked to storage tanks for other facilities such as emergency generators and incinerators.

Liquid propane (LPG) for building heating will be provided by contracted road tankers, from supply depots in Williams Lake.

18.9 Water Supply and management

18.9.1 Water Management Plan

Key water management infrastructure includes:

- Water management pond (WMP)
- Diversion ditch
- Contact water collection ditches
- Four contact water ponds (CWPs): (North, South, East, and West)
- PAG TSF pond
- Pumps and pipeline systems

- Water treatment plant (WTP)

The principal objectives of the water management plan are:

- To safely manage contact water on site and minimize impact on the receiving environment by storing excess contact water on site and discharging via WTP.
- Divert non-contact water away from the site, to reduce the volume of contact water being generated on site.
- Minimize impacts on the receiving environment by operating the WTP seasonally during open water conditions.
- To supply an adequate quantity of process water to the Process Plant from contact water collected and reused on site.

The design of water management infrastructure considered climate change.

18.9.2 Water Management Pond

The water management pond (WMP) is a fully lined impoundment that will serve as the primary mine water storage pond. It is sized to collect and store contact water from the project site via collection ditches, and to receive reclaim water from the CWPs. The WMP is sized to store an operational pond and the environmental design flood (EDF), and to safely pass the inflow design flood (IDF) (including a freeboard allowance) via a spillway to Spanish Creek. Stored water from the WMP will be used to supplement water in the PAG TSF Pond (to maintain the required depth of water over the deposited tailings) and will be used as process water. Excess water will be treated seasonally by the WTP, prior to discharge to Spanish Creek.

The WMP will be constructed in pre-production to its ultimate height of approximately 35 m, with 3H:1V upstream and 2H:1V downstream slopes. Two embankments, located to the east and west provide containment between natural topography. The embankments will be constructed of till overburden. The east embankment will include a downstream drainage blanket to lower the phreatic surface in the embankment. Raises to the west embankment, which separates the PAG TSF and the WMP, will be achieved with non-PAG tailings.

An underdrain network will be constructed under the WMP to prevent potential hydraulic uplift forces caused by upward hydraulic gradients in areas of groundwater discharge when the pond level is low, and to collect and convey potential leakage through the liner to the CWPs. The underdrains will consist of drain rockfill, till, and geotextile.

Geomembrane protection fills are required to reduce damage to the liner from environmental exposure including solar, debris, frost, and wave damage. The geomembrane protection fills will consist of sand and gravel fill overlain by rockfill.

18.9.3 Ditches and Ponds

A diversion ditch is planned at the northern end of site to divert non-contact water from mine facilities and manage the volume of water reporting to the WMP and the PAG TSF pond.

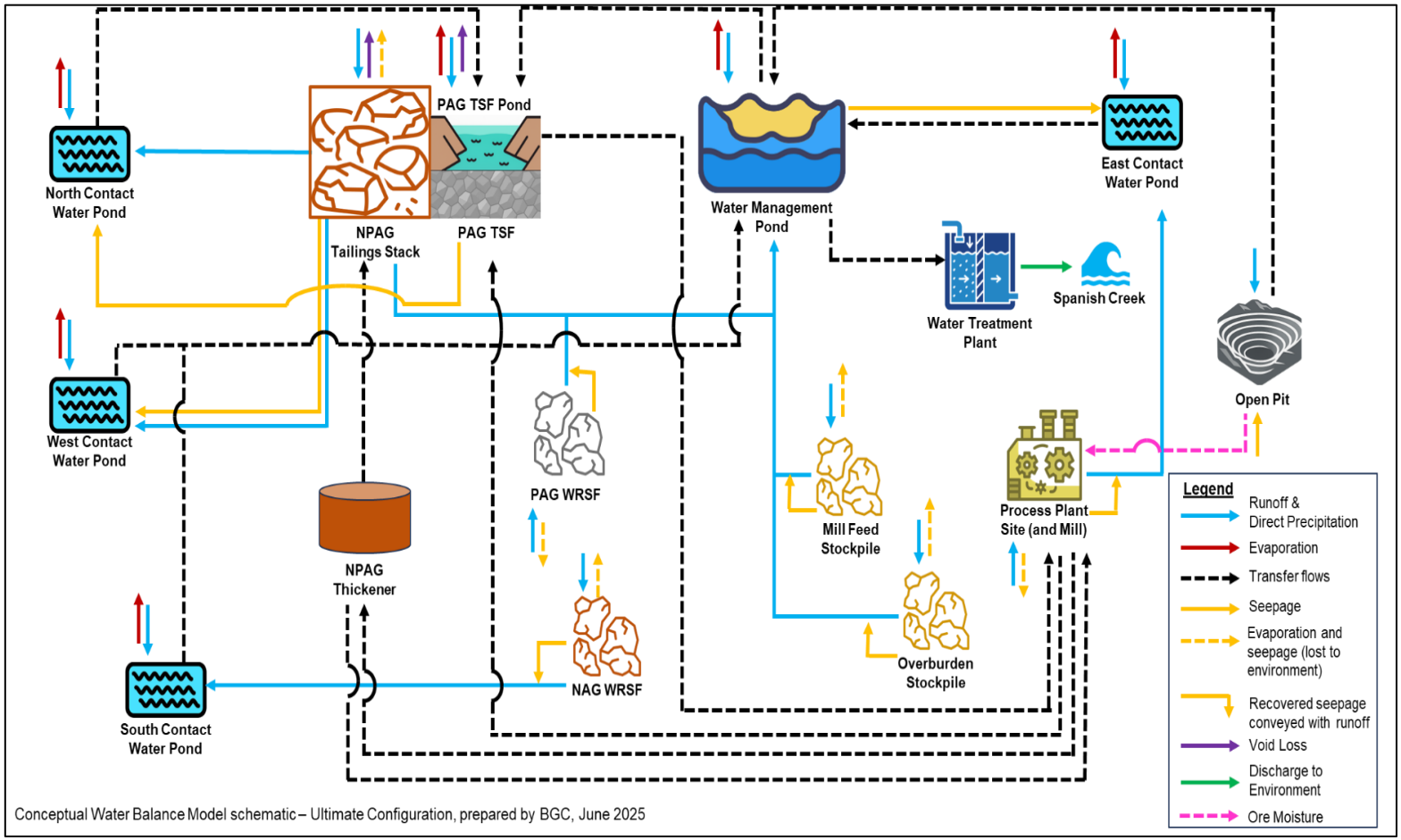
Six lined contact water collection ditches were included in the design to collect surface runoff and shallow groundwater discharge from mine site areas, including waste storage facilities, that are not upgradient of the WMP and PAG TSF Pond. Four of the ditches discharge to the contact water ponds (CWP), while two discharge into the WMP.

Four lined CWPs with pumping systems are planned to collect and temporarily store surface runoff and shallow groundwater seepage conveyed by the contact water collection ditches. Pumps and pipe infrastructure will convey stored water from the ponds to the WMP. The north CWP, which captures seepage from the PAG TSF and underdrain and runoff from part of the non-PAG Tailings Dry Stack, is planned to be pumped and discharged back into the PAG TSF. The CWPs were each sized to store an operational pond and the EDF, and to safely pass the IDF (including a freeboard allowance) via an emergency spillway.

18.9.4 Water Balance

A PEA-level water balance model (WBM) was developed for the LOM layout. This model stochastically simulates the inflow and outflow of water from all mine facilities, considering precipitation, runoff, evaporation, seepage, void losses, and pumping. Figure 18-3 shows a conceptual schematic of the WBM. Under average climate conditions, the results of this model predicts SMG will have a water surplus for operations, such that a seasonally operated WTP will be required to manage excess water and allow for discharge of treated water to Spanish Creek.

Figure 18-3: Conceptual Water Balance Schematic



Source: BGC, 2025.

18.9.5 Water Treatment

SMG will manage suspended solids in the first Pre-Production Year (Y-2) through best practices and appropriate water management via the implementation of an erosion and sediment control plan. In the second Pre-Production Year (Y-1), in conjunction with ongoing erosion and sediment control, a mine water treatment plant (WTP) will be utilized to treat nitrogen compounds generated from blasting activities related to construction rock and open pit development. Beginning in production Year 1 (Y1) and continuing up to the end of the operations (Y25), the WTP will reduce various constituents of concern in the water to meet applicable regulatory criteria prior to discharge to Spanish Creek. The WTP will continue to operate during the active closure phase of the project (i.e. Y26 to Y29). Following the active closure phase, it is assumed that passive water treatment systems can be established at the project site and that natural drainage patterns can be restored.

18.9.6 Hazard Considerations

The SMG property is situated in a region with a low risk of seismic activity, making seismic hazards negligible for the project's planning and development. However, the primary environmental risk is the increasing frequency and severity of forest fires, driven by climate change, historical forestry practices, and widespread mountain pine beetle infestations.

The terrain is moderately mountainous, featuring rounded ridgelines and U-shaped valleys, with locally rugged topography, including cliffs and incised creek valleys. Overburden depth varies significantly, from 1 to 10 m in most of the Main Zone, extending to over 70 m in the Cedar Creek area. Limited rock outcrops are found primarily along ridge crests, gullies, and shorelines. Glacial activity during the last ice age shaped much of the area, with ice advancing from the southeast to the northwest.

Portions of the property have been logged, resulting in open slopes with regenerating forest. Additionally, large areas of pine forest have been compromised by recent mountain pine beetle outbreaks, further increasing fire risk and affecting forest stability.

19 MARKET STUDIES AND CONTRACTS

19.1 Market Studies

No market studies or product valuations were completed as part of the PEA. Market price assumptions were based on a review of public information, industry consensus, standard practices, and specific information from comparable operations in the region.

Gold doré is widely traded and can be marketed domestically or internationally with significant optionality regarding the final customer. It is assumed that the doré contains negligible deleterious elements that would impact marketability.

The QPs were not provided with indicative refining terms, assumptions for total marketing, refining, and transportation costs as well as payabilities were estimated based on a review of information from comparable recent studies. The assumed payability terms and off-site costs for gold and silver in doré are represented in Table 19-1 below.

Table 19-1: Summary of Metal Payabilities and Off-site Costs

Metal	Payability (%)	Marketing, Refining, and Transport Charge (C$/oz)
Gold in doré	99.8	2.00
Silver in doré	95.0	0.50

19.2 Commodity Price Projections

Project economics were estimated based on long-term flat metal prices of US$2,450/oz Au and US$28.50/oz. These prices are in accordance with long-term consensus market forecasts from various financial institutions and are consistent with historic prices. The QP considers the prices used in this study to be consistent with the range of prices being used for other project studies.

19.3 Contracts

Currently, there are no contracts for transportation or off-take of the concentrates in place, but when they are negotiated, they are expected to be within industry norms. Similarly, there are no contracts currently in place for the supply of reagents, utilities, or other bulk commodities required to construct and operate the Project.

20 ENVIRONMENTAL STUDIES, PERMITTING, AND SOCIAL OR COMMUNITY IMPACT

20.1 Environmental Considerations

20.1.1 Baseline and Supporting Studies

20.1.1.1 Climate and Air Quality

A climate station was installed at the Spanish Mountain exploration camp in August 2010 (see location on Figure 20-1). The station was replaced in June 2023. The climate station records the following parameters:

- Air temperature (°C)
- Air pressure (mbar)
- Precipitation (mm)
- Relative humidity (%)
- Solar radiation (W/m²)
- Wind direction (degrees)
- Wind gust speed (m/s)
- Wind speed (m/s)

Data was also supplemented by nearby stations operated by others. The average annual temperature is 4.8 ºC, with mean monthly temperatures ranging from a high of 15.6 ºC in July and August to a low of -5.5 ºC in February. Within the period of record, the maximum daily temperature reached 33.6 ºC and the minimum daily temperature dropped to -35.3 ºC. The mean monthly precipitation ranged from a low of 38 mm in March to a high of 120 mm in June. Within the period of record, the average annual precipitation was 890 mm.

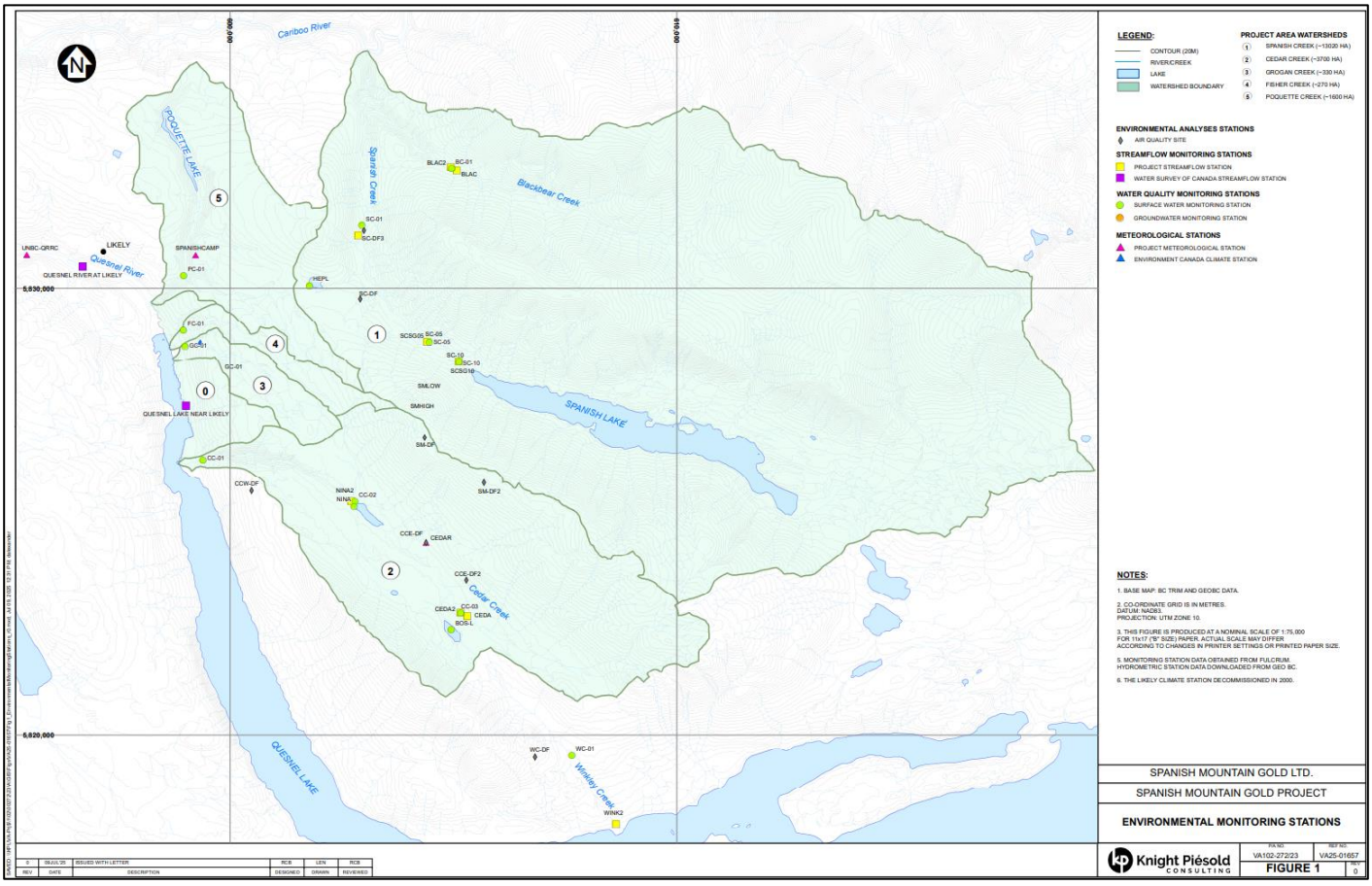
Passive dustfall stations were installed at seven locations (see Figure 20-1) and monitored intermittently between 2010 and 2020. Results were typical for a largely forested area in the baseline condition, with generally low fugitive particulates and concomitantly low metals fraction.

20.1.1.2 Surface Hydrology

The Spanish Mountain Project lies within the Spanish Creek watershed, which is a tributary to Cariboo River. Spanish Lake lies upstream from the project. The largest tributary to Spanish Creek, Blackbear Creek, lies to the north of the Project, with its confluence downstream. Small systems adjacent to the Project drain directly to Quesnel Lake, including

Winkley Creek, Grogan Creek, and Fisher Creek. The neighboring watershed to the south, Cedar Creek, also drains directly to Quesnel Lake and includes a large wetland that was previously controlled by a weir, called Nina Lake, as well as a natural headwater lake called Boswell Lake. Figure 20-1 illustrates the location, boundary, and approximate area of each watershed. The creeks in the Project area are generally characterized by high flows in the spring due to snowmelt, and rainfall combined with snowmelt, medium flows in the late summer/fall, and very low flows in the winter. Generally, Spanish Creek and Cedar Creek flow continually throughout the year, but flows can be affected by intermittent ice formation during winter. Six automated hydrology measurement stations were active historically in the Project area from 2007 to 2012; all of which were reinstalled in 2020, with some repositioned to better capture hydrologic conditions (Figure 20-1) All are maintained and currently operating. Additionally, data from nearby sites operated by Water Survey of Canada were included in analyses. Historically, freshet flows in Spanish Creek range between 4 and 8 m^3/s, and low flow periods occur in the late summer/early fall or during mid-winter, with values between 0.15 and 0.40 m^3/s.

Figure 20-1: Environmental Monitoring Stations



Source: Knight Piésold, 2025.

20.1.1.3 Surface Water Quality

Surface water quality data were collected between May 2007 and November 2012 and from September 2020 to November 2022. Seven creeks and three lakes were sampled as a part of the surface water quality baseline assessment (Figure 20-1). In general, the creeks and lakes are of moderate alkaline pH and have high total alkalinity with low sensitivity to acidic inputs. However, hardness and specific conductivity vary throughout the study area. The waters of Spanish Creek and Blackbear Creek are soft; the waters of Cedar Creek, Grogan Creek, Winkley Creek, Boswell Lake, Nina Lake, and Hepburn Lake are moderately hard; and the waters of Poquette Creek are hard. Total suspended solids, turbidity, nutrients, and dissolved anions are typically low in the study area. Organic carbon varies among the sites, with greater variation observed at Cedar Creek compared to Spanish Creek. At all monitoring sites, including creeks and lakes, free cyanide and weak acid dissociable (WAD) cyanide concentrations were less than detection limits, and total cyanide concentrations were rarely above detection limits for samples collected from 2007-2012. Naturally occurring background concentrations of aluminum, copper, and iron were above the provincial aquatic life guidelines throughout the study area in the baseline condition. The freshwater aquatic life guideline for dissolved copper was calculated using the Biotic Ligand Model software developed for the provincial government. The chronic guideline was exceeded by at least one sample in all watersheds except for Spanish Creek. At least one sample exceeded both the chronic and acute dissolved copper guidelines for Cedar Creek, Winkley Creek, Grogan Creek, Fisher Creek, and Poquette Creek in the baseline condition.

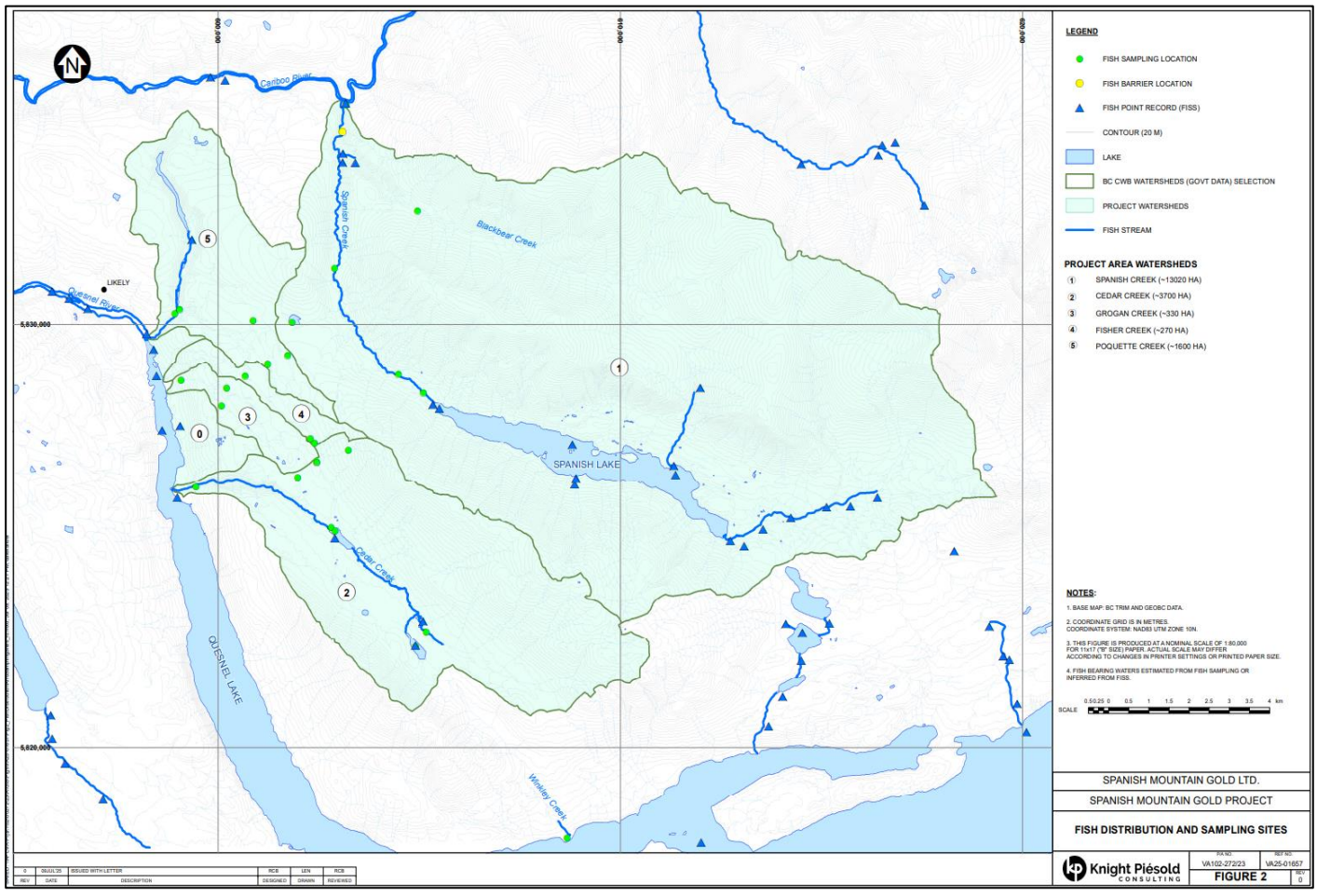
20.1.1.4 Groundwater Quality and Hydraulic Conductivity

Sixteen wells were installed at nine locations to support early project development in 2011. Response tests with reliable data output were completed on 13 of the 16 wells. The estimated hydraulic conductivity was between 2.4x10-8 m/s and 2.0x10-5 m/s. The hydraulic conductivity in the wells installed in the overburden was between 8.8x10-6 m/s and 9.0x10-5 m/s. An additional hydrogeological site investigation program was undertaken in 2012 with six groundwater wells installed. All 2012 monitoring wells were installed in bedrock and had estimated hydraulic conductivities ranging between 2.0 x 10-8 m/s and 7.0 x 10-6 m/s. Water quality samples were collected from these wells between October 2011 and September 2012. Several of the samples had metal concentrations that exceeded provincial freshwater aquatic life guidelines, including arsenic, copper, iron, manganese, selenium, and zinc. A hydrogeological site investigation was subsequently completed in 2021, and baseline groundwater data collection program was conducted in 2022 and 2023. Hydraulic conductivity testing (response testing) in monitoring wells screened in overburden reported hydraulic conductivity estimates of 1x10-5 and 3x10-6 m/s, respectively. Response tests conducted in bedrock reported hydraulic conductivity estimates between 8x10-9 to 2x10-5 m/s. Groundwater sampling was conducted quarterly in 2022 and in June and October of 2023. Monitoring wells routinely sampled include 13 historic monitoring wells installed in 2011 and 2012, and eight monitoring wells installed in 2021. Parameters were compared to the BC Water Quality Guidelines for the protection of aquatic life. Very few exceedances were observed, save some periodically elevated values for arsenic and iron.

20.1.1.5 Fish and Fish Habitat

Fish and fish habitat studies were conducted between 2007 and 2012 in the Project area (Figure 20-2). Rainbow trout were the only species captured using minnow trapping and electrofishing in Spanish Creek. Dace, burbot, rainbow trout, and chinook salmon were captured in Cedar Creek near the confluence with Quesnel Lake, while rainbow trout was the only fish species captured at the upper sites in Cedar Creek and all other sites proximate to proposed development. More recent fish and fish habitat surveys were conducted in September 2020 to assess the presence of fish species in the waterbodies around the Project area and to assess any changes in fish habitat and access to the monitoring sites previously visited between 2007 and 2012. Fish species distribution was consistent with the previous surveys.

Figure 20-2: Fish Distribution and Sampling Sites



Source: Knight Piésold, 2025

20.1.1.6 Vegetation and Wildlife

The Project is within the area under the Horsefly Sustainable Resource Management Plan (SRMP), which is part of the implementation of the Cariboo Chilcotin Land Use Plan. The Horsefly SRMP provides area-based resource targets and strategies for timber, range, mining, fish, wildlife, biodiversity conservation, water management, tourism, recreation, agriculture, and wildcraft/agro-forestry. Key wildlife and vegetation criteria include Grizzly Habitat; Old Growth Management Areas; Ungulate Winter Range; Wildlife Habitat Areas; and Moose Wetlands.

Most of the Project is in the Quesnel variant of the Interior cedar-hemlock wet cool subzone with some Cariboo variant Engelmann spruce-subalpine fir wet cool subzone at higher elevations. Common tree species are western red cedar, spruce, hemlock, subalpine fir, Douglas-fir, lodgepole pine, birch and various poplar species. The area has a history of disturbance and there is limited old forest remaining.

Amphibian surveys identified Columbia spotted frog, pacific chorus frog, western toad, wood frog and long-toed salamander. Western toad is a Species at Risk Act (SARA) Schedule 1 species. Numerous bird species were detected, including Olive-sided flycatcher (SARA Schedule 1, and blue listed provincially). Acoustic surveys identified 11 species of bats.

Winter snow tracking transects for ungulates and furbearers were conducted, with transects selected to sample various habitats in different Project areas, with a focus on older forest. Results from the transects indicated little use of the area except by moose; other species detected included deer, wolf, coyote, lynx, marten, snowshoe hare, and squirrel.

20.1.1.7 Heritage

An updated Archaeological Impact Assessment was conducted throughout the entire mineral concession in 2019. It confirmed that the Project is unlikely to impact heritage resources.

20.1.1.8 Geochemical Characterization of Waste Rock and Tailings

A geochemical characterization program was conducted by pHase Geochemistry Inc. (pHase) between 2020 and 2025 (pHase, 2024 and pHase, 2025) that expanded on previous characterization work conducted by SRK in 2012 (SRK, 2012). The objective of the program was to assess the metal leaching and acid rock drainage (ML/ARD) potential of waste rock anticipated from the proposed open pit development of the Spanish Mountain deposit.

The study consisted of 200 drill core samples collected by SMG in 2020 under the direction of pHase to augment the previous set of 79 drill core samples from the 2012 SRK study. The combined sample set is representative of potential waste rock and low-grade mineralized material from the key geological domains and spatial distribution within the single proposed open pit. All samples were re-classified in 2024 based on the updated 3D geological model including assignment of new rock types and one of thirteen new geological domains. Geological domains characterized included the Main Upper Argillite, Main Upper Greywacke, Main Tuff, Main Lower Argillite, Main Lower Greywacke, North Upper Argillite, North Siltstone, South Tuff, South Siltstone and Shear Zone domains. The Main Lower Greywacke and South

Siltstone domains were limited in the characterization program and no samples of the South Siltstone Tuff, Argillite Siltstone Basement or Overburden domains were characterized.

Analytical testing consisted of standard static tests including acid-base accounting (ABA), trace element analyses, shake flask extraction (SFE) tests and mineralogical evaluation, as well as kinetic tests including laboratory-based standardized humidity cells and data from a field-based barrel test program.

Results indicated that the proportion of waste rock with the potential for acid generation was relatively low; approximately 75% of the samples in the combined dataset classified as non-potentially acid generating (non-PAG) and 25% of samples classified as potentially acid generating (PAG). With respect to geological domain, the Main Tuff and Main Lower Greywacke domains are expected to be non-PAG, as well as the majority of the South Tuff and Main Upper Greywacke domains. The remaining geological domains are expected to comprise a mix of non-PAG and PAG material. Samples with total sulphur content of approximately 0.7 to 1% or higher generally classified as PAG and samples below that range classified as non-PAG. Humidity cell test results suggest that PAG samples would have a long lag time to the onset of acidity, on the order of decades, due to abundance of neutralization potential in the samples.

Leach tests and kinetic tests indicated that neutral pH metal leaching of arsenic from potential waste rock is expected to be a concern for all geological domains with the highest arsenic levels anticipated from the siltstone and argillite domains. Soluble arsenic was not correlated to solid arsenic content, total sulphur or soluble sulphate, with some of the highest arsenic concentrations leaching from samples with low solid arsenic content. A correlation between soluble arsenic and soluble nickel and cobalt in the humidity cell and field barrel tests is consistent with trace amounts of the arsenic bearing minerals gersdorffite [NiAsS] and alloclasite [(Co,Fe)AsS] identified in mineralogical evaluation. The lack of correlation between metal leaching potential and solids content may pose a challenge with respect to waste rock sorting for metal leaching management. Other parameters of potential concern with respect to neutral pH metal leaching include sulphate, cadmium, selenium, nickel and possibly cobalt and molybdenum.

ICP sulphur and ICP calcium were identified as appropriate surrogates for acid potential (AP) and neutralization potential (NP) respectively and can be used in block models to classify waste rock as PAG or non-PAG using industry standard criteria for NP/AP. A defensible set of criteria with which to sort waste for neutral pH metal leaching criteria (e.g. for arsenic) was not evident. Advancing characterization to provide this information is the focus of future work.

Three metallurgical samples were also characterized using standard static tests. Results indicate that the coarse and fine tailings samples are expected to be non-PAG with a low potential for metal leaching. Cyanidation tailings, however, are expected to be strongly PAG with associated leaching of metals. Additional characterization of tailings should be completed as metallurgical testing for the project is undertaken.

20.1.2 Environmental Monitoring

Current environmental monitoring efforts for the Project include ongoing baseline studies designed to characterize existing environmental conditions across key media such as air, water, soil, and biodiversity. These studies provide foundational data to support future environmental assessments and permitting processes.

Future environmental monitoring programs will be developed in alignment with federal and provincial regulatory requirements and will be informed through engagement with local communities and First Nations. These programs will be designed to ensure transparency, responsiveness to community concerns, and adherence to best practices in environmental stewardship throughout the life of the Project.

20.1.3 Water Management

The water management plan is described in Section 18.9. Makeup water for the process plant is supplied from the PAG TSF pond. Both the WMP and the PAG TSF pond have been sized to manage inflows in compliance with the Health, Safety, and Reclamation Code for Mines in British Columbia (EMLCI, 2024).

Water management upon closure, with regards to the TSF and WMP, is described in Section 20.4.1.3. Further details on water management post operations will be developed as the project advances.

20.2 Permitting Considerations

20.2.1 Environmental Permits

The project presently requires Federal and Provincial Environmental Assessment (EA). An earlier iteration of the Project entered the Environmental Assessment (EA) process on July 8, 2011, with the submission of a project description to the BC Environmental Assessment Office (EAO) and the federal Canadian Environmental Assessment Agency (CEA Agency). Both levels of government enacted new environmental assessment legislation, which came into force in 2019, under which the project re-entered the EA process in March 2022. That EA submission was paused by SMG in August 2022 while the Company continues to refine project design.

In both processes, the EA must consider biophysical, social, cultural, and health factors, including climate change and sustainability. Both processes rely heavily on review and comment from First Nations and the public. It is expected that the EA process will be amended to accommodate the updated design issued herein, which differs from all previous project iterations submitted for EA.

20.2.2 Mining Permits

In addition to Provincial and Federal EAs, Provincial and Federal permits and authorizations will be required prior to construction. Key authorizations potentially required are listed in Table 20-1 and Table 20-2.

Table 20-1: Potential Provincial Authorization List

Legislation	Authorization	Authorization Purpose
Drinking Water Protection Act	1) Water System Construction Permit 2) Water System Operating Permit	To construct and operate potable water supply systems for camps and process plant
Drinking Water Protection Act	Food Facility - Health Approval Application	Opening and operating a food service facility
Environmental Management Act	Effluent Discharge Permit	Authorizes discharges from sedimentation ponds, water treatment plants, tailings storage facility and seepage
Environmental Management Act	Air Emissions Discharge Permit	Authorizes discharges from incinerator and process plant
Environmental Management Act	Solid Waste Discharge Permit	Authorizes disposal of solid waste
Environmental Management Act	Hazardous Waste Registration	Authorizes hazardous waste transfer facility, plant truck shop
Environmental Management Act	Fuel Storage Registration	Authorizes fuel storage
Environmental Management Act	Sewage Registration	Authorizes sewage treatment plant
Forest Act	Occupant License(s) to Cut (Mines Act permit area, mine access road, airstrip and access road, waterline License of Occupation area, Transmission line License of Occupation area (and associated roads, laydown areas)	Authorizes Crown timber harvesting
Forest Act	Road Use Permit	Authorizes use of FSRs
Forest and Range Practices Act	Special Use Permit	Authorizes construction and operation of the Mine Access Road
Forest and Range Practices Act	Consent to connect Mine Access Road to FSR	Authorizes connection of FSR to Mine Access Road
Heritage Conservation Act	Permits (Archaeological Impact Assessment [AIA]/site alteration)	Authorizes site alteration and inspection
Legislation	Authorization	Authorization Purpose
Land Act	License of Occupation (transmission line)	Authorizes occupancy and use of Crown Land
Land Act	Temporary use permit	Temporary access roads
Mineral Tenure Act	Mining lease	Production of minerals
Land Title Act	Easement (transmission line)	Authorizes occupancy and use of private land
Mines Act	Permit Approving Mine Plan and Reclamation Program	Approves mine plan and reclamation program
Mines Act	Explosives Storage and Use Permit	Use, care, transportation of explosives
Safety Standards Act	Permit	Connect a powerline
Water Sustainability Act	License (Section 9/7)	Diversion, storage or use of surface water or groundwater for one or more purposes Construction of water storage dams, groundwater wells
Water Sustainability Act	Approvals/Notifications of changes in or about a stream (Section 11)	Changes in or about a stream for the water line and crossings associated with the water line access road, transmission line, Mine Access Road
Wildlife Act	License	Designate no shooting area, relocate wildlife during construction

Table 20-2: Potential Federal Authorization List

Legislation	Authorization	Authorization Purpose
Explosives Act	License	Manufacturing and use of explosives
Fisheries Act (Section 34 and 35)	Authorization	Harmful, alteration, disruption of fish habitat (HADD; Section 35(1))
Migratory Birds Convention Act (Section 5)	Permit	Authorizes periods during which migratory birds and/or their nests may be impacted
Radio Communications Act	License	Issuance and operation of designated frequency
Species at Risk Act (Section 32 and 33)	Permit	Provides for protection of listed species in accordance with regulations
Transportation of Dangerous Goods Act	Permit	Transport of dangerous goods
Canadian Navigable Waters Act	Approval	Required for works that may interfere with navigation on navigable waters

20.2.3 Additional Permits and Authorizations

There are no additional permits or authorizations associated with the project that the QP is aware of.

20.3 Social Considerations

20.3.1 Engagement with Indigenous Nations

Three Indigenous nations were identified for engagement early in project development:

- Williams Lake First Nation (WLFN),
- Xatśūll First Nation (XFN), and
- Lhtako Dene Nation (LDN).

Spanish Mountain Gold has been proactive with communications and engagement with these First Nations, although negotiations for a relationship with both WLFN and LDN were recently placed on hold.

Other potentially affected indigenous communities include the Tsilhqot'in Nation and the Métis Nation of British Columbia. The point of interconnection of the transmission line for the project at McLeese Lake, occurs within the eastern margin of the asserted traditional territory of the Tsilhqot'in Nation near the Tsilhqot'in community of ʔEsdilagh.

The Métis Nation British Columbia assert Aboriginal rights in and around the Project area. The Cariboo- Chilcotin Métis Association, a Chartered Métis community based in Williams Lake, asserts harvesting and hunting rights in the region.

SMG signed Memoranda of Understanding with each of WLFN, in 2011, XFN, in 2011, and LDN, in 2012. All these agreements were initiated in relation to the previous project plan. SMG signed an Engagement Agreement with XFN in October 2021 that is the first step toward negotiation of a Relationship Agreement to cover the life of the Project. SMG signed an Engagement Agreement with LDN in December 2021 that similarly may lead to a Relationship Agreement.

WLFN has signed an Indigenous Nations Land Management Agreement with Canada, which enables the nation to opt-out of 40 sections of the Indian Act relating to land management. The nation can then develop their own laws about land use, the environment and natural resources and take advantage of cultural and economic development opportunities with their new land management authorities.

The agreements in place with First Nations focus on participation and cooperation between the Company and the nations. Additional agreements will likely be required.

Business and employment opportunities for First Nations include drilling contracts, general contractors, and core shack and camp work.

20.3.2 Socio-Community

The Project is located just east of the village of Likely (population 350) in the eastern Cariboo Regional District. Cariboo Regional District is a regional government consisting of 12 electoral areas (A through L). Each electoral area elects a director, apart from the incorporated member municipalities (Williams Lake (population 10,000), Quesnel (population 10,000), 100 Mile House (population 1,900)), which are represented by an elected Mayor and Council. The Project resides in Cariboo Regional District Electoral Area F, which includes the communities of Likely, Big Lake, and Horsefly.

The village of Likely is expected to receive the highest concentration of direct activity during mine-life and will be the community primarily affected by Project activities and related infrastructure. The two other communities located inside Electoral Area F, Big Lake and Horsefly, will also see project-related activity. The Big Lake community sits along the Likely Road transportation corridor while the Horsefly community is located south of Quesnel Lake and is accessed via the Horsefly Road, which connects at Highway #97.

The communities of Quesnel, Williams Lake, and 100 Mile House and the unincorporated communities of McLeese Lake, Lac la Hache, and 150 Mile House, are located along the main regional transportation corridor, Highway 97. These communities are expected to experience both direct and indirect effects from Project activities. It is also anticipated that all these communities may be involved in the sourcing of labor, goods and services for the Project.

Land users with interests overlapping the Project footprint, including trappers, commercial recreation operators, guide outfitters, placer miners, a community forest, and water license holders, have also been identified. SMG has initiated communications with land users.

SMG has been informally interacting with community members and businesses by maximizing locally sourced labor and supplies and participating in, and supporting, various community events. Additionally, SMG has previously conducted an array of community consultation activities, which have included:

- Community open houses in Likely, Big Lake, Horsefly, Williams Lake, and Quesnel.
- Presentations to Williams Lake mayor and council, CRD, chamber of commerce.
- Publication of a Community Newsletter (paper flyers and online).

- Maintenance of a community email to respond to inquiries.

In addition to focused consultation and engagement activities, SMG has been a participant and sponsor at community events, including the Likely Victoria Day celebration, Likely School field trips, golf tournaments, WLFN Father's Day Pow Wow, Likely Museum, Cedar Point Provincial Park children's playground, and fund raising for the local fire hall and community hall.

The Company has also provided emergency overflow camp support to BC Wildfire crews with a base camp while protecting the region.

20.4 Closure and Reclamation

20.4.1 Closure and Reclamation

The project will be closed in two phases: the active closure phase and the passive closure phase. During the active closure phase, closure activities for the mining, process plant, infrastructure, and tailings storage facility will take place. Environmental monitoring will span both the active and passive closure phases, while the water treatment will occur during the passive closure phase.

20.4.2 Closure and Reclamation Plans

20.4.2.1 Mining

The preliminary closure strategy for the mining areas includes:

- Regrading stockpiles to overall slope angles.
- Scarification of haul roads.
- Placement of 0.3 m of overburden on the tops and sides of the stockpiles and selected areas of the open pit.
- Placement of 0.1 m of overburden on the haul roads.
- Placement of 0.3 m of topsoil on the tops and sides of stockpiles and selected areas of the open pits.
- Placement of 0.1 m of topsoil on the haul roads.
- Revegetation of the stockpiles and haul roads.

Mining area closure activities are based on the use of the owner operated mine fleet for completing the activities listed above, except for the revegetation. These activities are planned to occur during the active closure phase.

20.4.2.2 Process Plant and On-Site Infrastructure

In preparation for closure of the mill building, there are four areas that will be addressed:

- Removing all machinery, equipment, building, and structures.
- Covering and revegetating concrete foundations.
- Disposing of scrap metal.
- Disposing of chemicals and reagents.
- These activities are planned to occur during the active closure phase.

20.4.2.3 Tailings Storage Facility

Upon closure, the following activities will be initiated with regards to the TSF:

- PAG tailings moved to the open pit and submerged.
- Liner removed from PAG pond, water management pond, and contact water collection ditches.
- Non-PAG dry stack breached.
- PAG pond regraded to flow to the west.
- East water management pond berm breached.
- Contact water ponds decommissioned and breached and/or filled in.

These activities are planned to occur during the active closure phase.

20.4.2.4 Water Treatment

Excess water in the water management pond will continue to be treated and discharged to Spanish Creek during the active closure period. Treatment of water from the north, west, and south passive treatment systems will occur during the Passive closure period.

20.4.2.5 Environmental

Environmental monitoring will be required during the active and passive closure periods. Monitoring requirements will be based on regulatory requirements and consultation with Indigenous communities.

20.4.3 Closure Cost Estimates

Conceptual closure planning includes considerations for mining, process plant and on-site infrastructure, the tailings storage facility, water treatment, and environmental aspects to achieve closure certification from federal and provincial authorities. The total closure costs for the project are estimated to be $161,300,000.

Detailed closure planning will occur as the project advances toward detailed design.

20.4.3.1 Total Closure Costs

The total closure costs for the Project are estimated to be $161,300,000.

The following components contribute to the estimated total closure costs:

Table 20-3: Total Closure Cost Estimates

Design Component	Costs (C$)
Mining	$47,300,000
Process Plant and Infrastructure	$21,700,000
Tailings Storage Facility	$37,500,000
Water Treatment	$29,200,000
Environmental	$2,400,000
Total Direct Costs	**$138,100,000**
Owner's Costs	$4,800,000
Indirect Costs	$2,600,000
Total Direct and Indirect Costs	**$145,500,000**
Contingency	$15,800,000
Total Closure Costs	**$161,300,000**

The closure costs for the project will be funded by posting a bond.

20.5 Comments on Environmental Studies, Permitting and Social or Community Impact

The environmental and community aspects of the Project are being studied and are becoming understood. Ongoing and updated studies continue to add clarity to the baseline condition and will be used as a foundation to complete the environmental assessment and permitting processes. First Nation and community consultation is ongoing, and additional work will be required as the project advances. At this time, there are no known environmental or social constraints that could materially impact the issuer's ability to extract the mineral resources.

21 CAPITAL AND OPERATING COSTS

21.1 Introduction

The capital and operating cost estimates presented in this PEA provide substantiated costs that can be used to assess the preliminary economics of the Spanish Mountain Gold Project. The estimates are based on an open pit mining operation as well as the construction of a process plant, tailings and waste rock storage facility, associated infrastructure, owner's costs and provisions. The processing plant nameplate capacity is 26,000 t/d with a mine life of 24.5 years.

All capital and operating cost estimates are presented in Canadian dollars (C$), with exchange rate factored in.

21.2 Capital Costs

21.2.1 Overview

The capital cost conforms to Class 5 guidelines of the Association for the Advancement of Cost Engineering International (AACE International) with an estimated accuracy of +50%/-30%. The capital cost estimate was developed in Q2 2025 Canadian dollars. The process plant, infrastructure costs, and water management structure costs were estimated by Ausenco, NW Brazier & Associates, and BGC, while mining costs were estimated by MMTS.

The total initial capital cost for the Project is C$1,250.0M or US$925.9M. The capital cost summary is presented below in Table 21-1.

Table 21-1: Capital Cost Estimate

WBS (Level 1)	WBS Description	Capital Cost (C$M)
1000	Mining	108.4
2000	Process Plant	394.0
3000	Additional Process Facilities	24.5
4000	On-Site Infrastructure	151.5
5000	Off-Site Infrastructure	158.6
	Total Direct Costs	**837.1**
6000	Project Preliminaries	38.0
7000	Project Delivery	91.6
	Total Indirect Cost	**129.6**
	Total Owners Cost	**21.0**
	Total Provisions	**262.4**
	Total	**1,250.0**

Note: Totals may not match due to rounding.

21.2.2 Basis of Estimate

The data for the estimates were derived from a variety of sources, including the following:

- Mining schedule.
- Conceptual engineering designs by Ausenco and MMTS.
- Major mechanical equipment costs based on vendor quotations, first principles and Ausenco's database of historical projects.
- Material take-offs for concrete, steel, electrical, instrumentation and in-plant and platework factored by benchmarking against similar projects with equivalent technologies and unit operations.
- Topographical information.
- Engineering design at a PEA level.
- Cost escalation to 2025 when historical pricing is considered.
- Exchange rate of 1.35 CAD per USD
- Contingency allowance.

21.2.3 Mine Capital Costs

Mine capital costs have been derived from vendor quotations and operational data collected by other Canadian open pit mining operations.

Pre-production mine operating costs (i.e., all mine operating costs incurred before mill start-up) are capitalized and included in the capital cost estimate. Pre-production pit operating costs include grade control, drill and blast, load and haul, support, and GME (General Mine Expense) costs. GME covers the salaries and departmental overhead costs for mine operations, mine maintenance, and technical services.

All mine operations site development costs—such as clear and grub, topsoil stripping, haul road construction, crush rock production, explosives storage pad preparation, and stockpile pad preparation—are capitalized. Pit dewatering and depressurization costs are estimated, which includes drilling vertical wells and horizontal holes, pump installations and maintenance.

The mine equipment fleet purchases through Year 2 of the Project are planned as financing or lease agreements with the vendors. Down payments of 10% and monthly lease payments, at a lease rate of 8% over a 5-year term, are capitalized through the initial and sustaining periods of the project. Expansion and replacement fleet purchases made after Year 2 of the project are assumed under a traditional capital purchase arrangement.

The initial mine fleet will consist of diesel-powered equipment, with partial electrification of the drilling and loading fleets planned in Year 2 of the Project.

Equipment pricing is based on new units delivered to the mine, with all transportation, assembly and commissioning costs included. Unit prices for the fleet are from the MMTS equipment cost database, which includes data on recent vendor budgetary quotations within BC. Used equipment, if available, will reduce equipment capital costs, and have not been considered for this study.

Estimated fleet spares and estimated initial fuel, lube, and tire inventories are capitalized.

The following items are also capitalized through the initial and sustaining periods:

- Explosives magazine.
- High precision GPS (global positioning system) and machine guidance systems.
- Fleet management system.
- Communication radios.
- Mine survey gear and supplies.
- Geology, grade control, and mine planning software licenses.
- Maintenance tooling and supplies.
- Mine rescue gear and safety supplies.
- Geotechnical instrumentation.
- Piping for pit dewatering and culverting materials for haul roads.

Table 21-2: Mine Area Capital Costs

WBS	Item	Cost (C$M)
1100	Pre-Production	51.8
1200	Mining Equipment	49.4
1300	Mining Facilities	3.8
1400	Mining Dewatering	3.2
1500	Mining Electrical and Communication	0.1
	Total	**108.4**

Note: Totals may not match due to rounding.

21.2.4 Process Capital Costs

The definition of process equipment requirements was based on process flowsheets and process design criteria, as defined in Section 17. All major equipment was sized based on the process design criteria to derive a mechanical equipment list. Mechanical scopes of work were developed, and major equipment was sent for budgetary quotes; the remainder was sourced by benchmarking against other recent flotation-leach concentrator mining projects and studies.

In support of the major installation construction contracts, engineering for the process plant was completed to a PEA-level of definition. Bulk material quantities were derived for earthworks and priced from other benchmark projects. All other quantities for electrical and instrumentation, concrete, steel, piping, cable and platework were factored and priced.

Process plant costs are summarized in Table 21-3 and described in the following sections. Direct costs include all contractors' direct and indirect labor, permanent equipment, materials, freight and mobile equipment associated with the physical construction of the areas. All capitalized labor costs are factored from equipment cost.

Table 21-3: Process Plant Capital Costs

WBS	WBS Description	Initial Capital Cost (C$M)
2100	Crushing	49.5
2200	Stockpile and Reclaim	10.1
2300	Grinding	77.4
2400	Flotation and Regrind	40.2
2600	Leaching and Gold Processing	39.5
2700	Detox and Tailings	136.7
2800	Reagents	16.9
2900	Plant Services and Common	23.7
	Total	**394.0**

Note: Totals may not match due to rounding.

21.2.5 On-site Infrastructure Capital Costs

The on-site infrastructure costs are summarized in Table 21-4. The costs include the following:

- Bulk earthworks for site preparation, plant, site roads, drainage and surface water management.
- On-site power supply, including the substation and site power distribution.
- Gatehouse and security buildings and medical facilities.
- Process plant, plant offices and administrative buildings.
- Plant workshops and warehouse buildings.

- Laboratory and metallurgical laboratory.
- Concentrate storage building.
- Site services include potable water treatment plant and distribution, waste treatment and management, and fire detection and protection.
- Mobile equipment fleet.
- Fuel storage and dispensing services for mine fleet and mobile equipment fleet.

In support of the major installation and construction contracts, engineering for the project was completed to a PEA-level of definition. Bulk material quantities were derived for earthworks including the entire project site, process plant and priced from other benchmark projects. The power requirements for the project were estimated based on the electrical equipment list developed for the process plant and power demand for the mining operations. The cost of the substations and cable routing were estimated on benchmarked North American projects.

The buildings required for the operation were sized and costed based on benchmarked projects with similar weather and snow conditions located in Canada. The on-site infrastructure covers the cost of the site earthworks, site-wide electrical distribution, fuel storage, sewers, and various infrastructure buildings.

Table 21-4: On Site Infrastructure Capital Costs

WBS	WBS Description	Cost (C$M)
4100	Bulk Earthworks	25.7
4200	Power Station	29.8
4300	Power Switchyard and Power Distribution	6.9
4400	Fuel Storage	0.4
4500	Sewage	0.6
4600	Infrastructure Buildings	30.3
4700	Off-Plot Piping	8.0
4800	Surface Water Management	50.0
TOTAL		**151.5**

Note: Totals may not match due to rounding.

21.2.6 Off Site Infrastructure

The breakdown of the costs for the off-site infrastructure planned for the project is shown in Table 21-5.

The off-site infrastructure costs include building the main access road, water and power supply, and the tailings storage facility.

Table 21-5: Off-site Infrastructure Capital Costs

WBS	WBS Description	Cost (C$M)
5100	Main Access Road	1.6
5200	Water Supply	2.5
5300	Power Supply	127.4
5400	Tailings Storage Facility	27.1
TOTAL		**158.6**

Note: Totals may not match due to rounding.

21.2.7 Total Indirect Costs

Indirect capital costs are calculated as a percentage of the direct costs. The indirect capital costs are summarized in Table 21-6 and described below.

Project indirects include the following:

- Temporary construction facilities and services
- Messing and catering during construction
- Vendor reps and assistance
- Equipment spares
- First fills and initial charges
- Project delivery.

Provision costs include contingency.

Table 21-6: Indirect Capital Cost Summary

WBS	WBS Description	Cost (C$M)
6100	Field Indirects	17.5
6200	Commissioning Operations Readiness	3.6
6300	Vendor Representatives	3.6
6400	Spares	8.9
6500	First Fills	4.4
Total Project Preliminaries		**38.0**
7100	Engineering Services	57.4
7200	Construction Management	34.2
Total Project Delivery		**91.6**
8100	Owner's Project Management	21.0
Total Owner's Cost		**21.0**

WBS	WBS Description	Cost (C$M)
Sub-Total Project Preliminaries, Project Delivery, Owner's Cost		**150.6**
9100	Escalation	-
9200	Contingency	262.4
9300	FOREX	-
Total Provisions		**262.4**
Total Indirect Costs and Provisions		**413.0**

Note: Totals may not match due to rounding

21.2.7.1 Owner's (Corporate) Capital Costs

The owner's costs are estimated as 5% of total direct costs and are calculated to be C$21.0M over the life of the project. Owner's costs include such things as project staffing and miscellaneous expenses, pre-production labor, home office project management, home office finance, legal costs, insurance and bonds, licenses and fees.

21.2.7.2 Provisions

The total contingency for the project is estimated at C$262.4M. The contingency includes a percentage of total direct and indirect costs allocated as follows: 30% for the process plant and infrastructure, approximately 3.5% for mining, and 30% for third-party electrical. The contingency is 26.6% of the aggregate total of direct, indirect costs, and owner's costs.

21.3 Operating Costs

21.3.1 Overview

The costs considered on-site operating costs are those related to reagents, mobile equipment, consumables processing, tailings handling, maintenance, power and general, and administrative activities.

A summary of the operating costs is presented in Table 21-7. The average operating cost is C$20.83/t (or US$15.33/t) processed, including an annual G&A cost of C$13.66M (or US$10.12M).

Table 21-7: Operating Cost Summary

Cost Area	C$M/a	C$/t Milled	% of Total
Mining	97.11	10.38	50
Process	84.20	9.00	43
General and Administration	13.66	1.45	7
Total	**194.97**	**20.83**	**100**

Note: The average operating cost of US$15.33 is derived from the financial model, which uses a long-term exchange rate of 1 USD = 1.35 CAD. The average operating cost of C$20.83 is based on the operating cost estimate, which reflects the Q2 2025 exchange rate of 1 USD = 1.399 CAD. Totals may not match due to rounding.

21.3.2 Basis of Estimate

Common to all cost estimates are the following assumptions:

- Cost estimates are based on Q2 2025 pricing without allowances for inflation.
- Costs are expressed in Canadian dollars (C$).
- Majority of the labor requirement is assumed to come from the neighboring municipalities.
- Equipment and materials will be purchased new.
- Process unit operations were benchmarked against similar or comparable processing plants.
- Grinding media consumption rates have been estimated based on the material characteristics as described in Section 13.
- Reagent consumption rates are based on metallurgical test work results depicted in Section 13 and in-house benchmarks.
- Process mobile equipment costs include fuel, maintenance, and the lease price for the equipment.
- The annual power costs were calculated using a unit price of C$0.0698/kWh.
- The diesel fuel price provided was C$1.20/L delivered to site.

21.3.3 Mine Operating Costs

Mine operating costs are built up from first principles. Annual mining production tonnes are taken from the PEA mine production schedule. Drilling, loading, and hauling equipment hours are calculated based on the capacities and parameters of the planned equipment fleet. These tonnes and hours also provide the basis for blasting consumables and the support fleet.

Cost inputs are from the MMTS cost database, which includes data on recent vendor budgetary quotations within BC. This includes cost and consumption rates for such inputs as fuel, lubes, explosives, tires, undercarriage, GET (ground engaging tools), drill bits/rods/strings, machine parts, machine major components, and operating and maintenance labor ratios. Labor rates for planned hourly and salaried personnel have been benchmarked to other BC open pit operations.

Estimated annual and life-of-mine unit mining costs are shown Table 21-8.

Table 21-8: Unit Mine Operating Costs C$/t Mined and C$/t Milled

Operation	C$/t Mined	C$/t Milled
Drilling	0.43	1.28
Blasting	0.38	1.13
Loading	0.43	1.28
Hauling	1.31	3.92
Road Maintenance	0.16	0.47
Waste Dump Maintenance	0.04	0.12
Primary Pit Support	0.19	0.58
Secondary Pit Support	0.04	0.12
Mine Maintenance	0.19	0.08
Site	0.04	0.20
Unallocated Labor Costs	0.05	0.15
Direct Costs – Subtotals	**3.10**	**9.28**
Mine Operations - GME	0.17	0.50
Mine Maintenance – GME	0.06	0.19
Technical Services – GME	0.14	0.41
GME Costs (Indirects) - Subtotals	**0.37**	**1.10**
Total Mine Operating Cost	**3.47**	**10.38**

Note: Grade Control Costs are distributed under the Drilling and Technical Services GME categories. Totals may not match due to rounding.

Diesel price of C$1.20/L is used. This value includes provision for delivery and storage on site, as well as applicable provincial and federal taxes.

21.4 Process Operating Costs

The process operating costs are estimated based on a nominal 26,000 t/d and consist of crushing, grinding, flotation, concentrate regrind, concentrate dewatering, leaching, adsorption, desorption, electrowinning, and tailings handling. The life-of-mine average processing cost is C$84.2M/a. The cost per tonne milled is shown in Table 21-9.

Table 21-9: Process Operating Cost Summary

Description	Annual Operating Cost (C$M/a)	Unit Cost (C$/t)	% of Total
Power	16.63	1.77	20%
Reagents	23.13	2.47	27%
Consumables	17.92	1.92	21%
Maintenance	6.54	0.70	8%
Process + Labor	15.30	1.63	18%
Mobile Equipment	1.63	0.17	2%
Lab Services	0.74	0.08	1%
Water	2.34	0.25	3%
Total	**84.20**	**9.00**	**100%**

Note: Totals may not match due to rounding.

21.4.1.1 Reagents and Consumables

Reagents, grinding media and various consumables are required to process the mineralized material. The consumption rates of each of the consumable items are based on the metallurgical test work outlined in Section 13 and based on the planned process plant throughput of 26,000 t/d. The total costs of the reagents and consumables by area used are shown below in Table 21-10.

Table 21-10: Reagents and Consumables Cost Summary

Reagents	Annual Cost (C$M/a)	Unit Cost (C$/t Milled)
Lime	1.62	0. 178
Sodium Cyanide	5.63	0. 616
Potassium Amyl Xanthate (PAX)	7.23	0. 790
Methyl Isobutyl Carbinol (MIBC)	1.73	0. 189
Caboxymethyl Cellulose (CMC)	2.63	0. 288
Carbon	0.58	0. 063
Hydrochloric Acid	0.03	0. 003
Sodium Hydroxide	0.03	0. 003
Borax	0.006	0. 0007
Nitre	0.0008	0. 00009
Sodium Carbonate	0.007	0. 00003
Silica	0.003	0. 0003
Sodium Metabisulphite (SMBS)	1.54	0. 168
Flocculant (Magnafloc 10)	1.43	0. 156
Antiscalant	0.14	0. 014
Total Reagents	**22.60**	**2.47**
Consumables	17.54	1.91
Total	**40.14**	**4.38**

Note: Totals may not match due to rounding.

21.4.1.2 Maintenance Consumables

Annual maintenance consumable costs were calculated based on a total installed mechanical capital cost by area using a weighted average factor from 3% to 4%. The total maintenance consumables operating cost is C$17.5M/a.

21.4.1.3 Power

Power operating costs were calculated from an estimate of annual power consumption using a unit cost of C$0.0698/kWh. The annual power consumption for the processing plant is based on the average utilization of each motor on the electrical load list for the process plant.

The process plant energy consumption is estimated to be 238 GWh per year. The total power operating cost is C$16.63M/a or C$1.77/t of feed.

21.4.1.4 Plant Labor

Labor includes all processing and maintenance labor costs.

Processing production labor was developed using benchmarks from similar projects and includes operation departments such as metallurgy, mill operations, maintenance and the assay lab.

Plant labor costs include all required processing and maintenance staff for operation of the process plant, as shown in Table 21-11.

Table 21-11: Plant Labor Costs

Plant Labor Cost Areas	Headcount	Annual Cost (C$M/a)
Plant General	11	1.81
Crushing	4	0.50
Coarse Mill Feed Handling	4	0.50
Grinding	4	0.50
Flotation	16	1.91
Leaching, Detox, Elution	8	0.96
Refinery	2	0.25
Reagents	4	0.50
Tailings	4	0.50
Metallurgical and Assay Lab	17	2.14
Maintenance	37	5.45
Warehouse	3	0.38
Total	**114**	**15.37**

Processing production labor costs were developed using benchmarks from similar projects and include departments such as management, operations, maintenance, and lab workers. Each position was defined and classified as salary and wages. Costs include taxes and benefits.

The total estimated labor force for the plant is 114 employees. The total estimated labor cost is C$15.37M/a.

21.4.1.5 Mobile Equipment

Vehicle costs are based on a scheduled number of light vehicles and mobile equipment for the process plant. The costs include fuel, annual maintenance, spares and tires, annual insurance, and equipment leasing costs. Mobile equipment costs for the process plant are estimated at C$1.0M/a, and C$0.80M/a for G&A mobile equipment.

21.4.1.6 On-Site Laboratory Services

Operating costs for the assay lab were estimated based on a review of projects with similar flowsheets and sampling requirements. The lab is expected to handle grade control samples, mill solid and aqueous samples, water testing, doré quality testing, and other miscellaneous tests as required. Annual operating costs are estimated at C$0.74M/a.

21.4.2 General and Administrative Operating Costs

General and administrative (G&A) costs cover expenses not directly related to the operation of the process plant and mining team but required costs to support safe and effective operations of the facility. These costs were developed using Ausenco's in-house data on existing operations, and include costs such as:

- Site maintenance, including on-site and access road maintenance and G&A mobile equipment.
- Human resources, including consultancy, community relations and development, and communication.
- Health and safety, including PPE equipment and operator training.
- Contract services, including insurance, legal, sanitation, and license fees.
- Administrative costs, including stationary, IT support and hardware, and support services throughout the year.

The annual G&A costs are estimated at C$13.80M/a They are assumed to be consistent throughout the mine life.

22 ECONOMIC ANALYSIS

The results of the economic analyses discussed in this section represent forward-looking information as defined under Canadian securities law. The results depend on inputs that are subject to known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those presented here. Information that is forward-looking includes the following:

- Mineral resource estimate.
- Assumed commodity prices and exchange rates.
- The proposed mine production plan.
- Projected mining and process recovery rates.
- Assumptions as to mining dilution and ability to mine using mining methods as envisaged the timing and amount of estimated future production.
- Sustaining costs and proposed operating costs.
- Assumptions as to closure costs and closure requirements.
- Assumptions as to environmental, permitting, and social risks.

Additional risks to the forward-looking information include:

- Changes to costs of production from what is assumed.
- Unrecognized environmental risks.
- Unanticipated reclamation expenses.
- Unexpected variations in quality of mineralized material, grade, or recovery rates.
- Accidents, labor disputes, and other risks of the mining industry.
- Geotechnical or hydrogeological considerations during mining being different from what was assumed.
- Failure of mining methods to operate as anticipated.
- Failure of plant, equipment, or processes to operate as anticipated.
- Changes to assumption as to the availability of electrical power, the power rates, natural gas, diesel, and the water rates used in the operating cost estimates and financial analysis.
- Ability to maintain the social license to operate.
- Changes to interest rates.

- Changes to tax rates and applicable tariffs.

The preliminary economic assessment is preliminary in nature, it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment would be realized.

22.1 Methodologies Used

The Project has been evaluated using a discounted cashflow (DCF) analysis based on a 5% discount rate. Cash inflows consist of annual revenue projections. Cash outflows consist of capital expenditures, including pre-production costs, operating costs, taxes, and royalties. These are subtracted from the inflows to arrive at the annual cash flow projections. Cash flows are taken to occur at the midpoint of each period. It must be noted that tax calculations involve complex variables that can only be accurately determined during operations and, as such, the actual post-tax results may differ from those estimated. A sensitivity analysis was performed to assess the impact of variations in metals price, discount rate, head grade, recovery, total operating cost, and total capital costs.

The capital and operating cost estimates developed specifically for this project are presented in Section 21 in Q2 2025 Canadian dollars. The exchange rate used in the economic model is 1.35 CAD per USD. The economic analysis has been run on a constant dollar basis with no inflation.

22.2 Financial Model Parameters

22.2.1 Assumptions

The economic analysis was performed using a gold price of US$2,450/oz and a silver price of US$28.50/oz. These metal prices were based on consensus analyst estimates and recently published economic studies. The forecasts used are meant to reflect the average metals price expectation over the life of the Project. No price inflation or escalation factors were considered. Commodity prices can be volatile, and there is the potential for deviation from the forecast.

The economic analysis also used the following assumptions:

- Construction and commissioning period of two years.
- Total mine life of 24.5 years.
- Cost estimates in constant Q2 2025 Canadian dollars with no inflation or escalation factors considered.
- Results based on 100% ownership with a combination of partial 1.0% and 1.5% net smelter return (NSR) royalties applied to portions of the mineral reserve.
- Capital costs funded with 100% equity.
- All cash flows discounted to start of construction period using mid-period discounting convention.

- All metal products are sold in the same year that they are produced.
- Project revenue is derived from the sale of gold doré.
- No contractual arrangements for refining currently exist.

22.2.2 Taxes

The Project has been evaluated on a post-tax basis to provide an approximate value of the potential economics. The tax model was compiled by Ausenco and reviewed by Spanish Mountain Gold. All tax calculations are based on the tax regime as of the date of this technical report. At the effective date of this report, the Project is assumed to be subject to:

- The Canadian federal corporate income tax of 15%.
- The British Columbia provincial corporate income tax of 12%.
- The British Columbia provincial resource net proceeds tax of 2%.
- The British Columbia provincial resource net revenue tax of 13%.

The tax calculations are based on the following assumptions:

- The tax attribute opening balances are based on information provided by SMG and include project-related sunk costs and pre-permit expenses.
- The British Columbia mineral taxes are deductible for federal and provincial income tax purposes.
- Costs relating to NSR royalties are included as a deduction for federal and provincial income tax calculations and are added back for BC Mineral Tax purposes.
- Projects operating in British Columbia are subject to a carbon tax based on operating emissions. Based on current emissions projections, no costs are expected to be incurred during the project life.
- Actual taxes payable will be impacted by corporate activities and current tax benefits which are excluded from consideration.

The culmination of these taxes results in an estimated total tax of C$1,143M over the life of mine.

22.2.3 Working Capital

An estimate of working capital has been incorporated into the economic analysis based on the following assumptions.

Table 22-1: Estimate of Working Capital

Description	Time (as of July 1, 2025)
Accounts Receivable	0 days
Inventories	30 days
Accounts Payable	30 days

22.2.4 Closure Costs and Salvage Value

Closure costs and salvage value are applied after the end of the life-of-mine. Closure costs were estimated to be C$161 million, and salvage value was estimated to be C $21M, which was factored as 5% of the initial direct capital costs.

22.2.5 Royalties

Based on the agreements in place as of the date of this technical report and summarized in Table 4-3, net smelter return (NSR) royalties on distinct portions of the deposit are used for the economic analysis net of royalty buydowns totaling C$1.0M assumed to be paid during the first year of construction.

22.2.6 Off-site Costs

The following off-site costs and sale terms used for the economic analysis determined using industry benchmarks and standard industry practices with input from Spanish Mountain Gold.

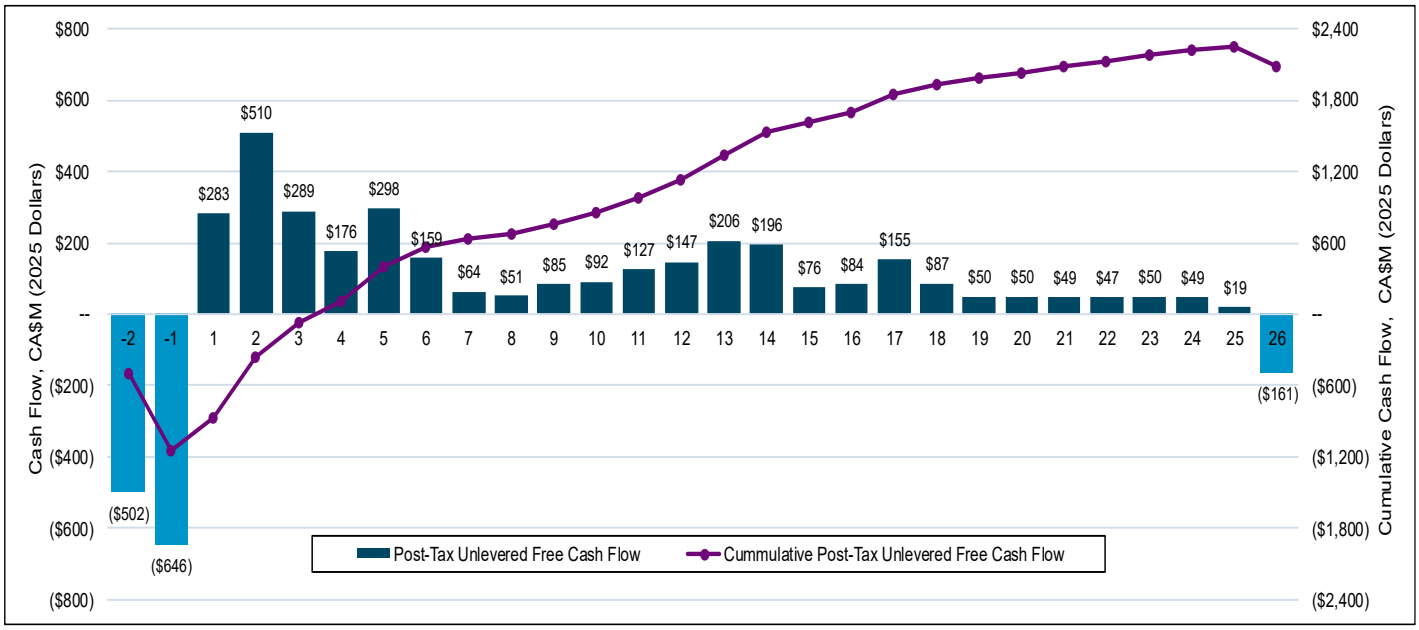
Table 22-2: Off-site Cost Summary

Payability	Units	Value
Au in Doré	%	99.8
Ag in Doré	%	95.0
Off-site Charges		
Au Refining & Transportation	C$/oz Au	2.00
Ag Refining & Transportation	C$/oz Ag	0.50

22.3 Economic Analysis

The economic analysis was performed using a 5% discount rate. The pre-tax net present value discounted at 5% (NPV5%) is C$1,644M, the internal rate of return (IRR) is 23.1%, and the payback period is 2.8 years from the start of commercial production. On a post-tax basis, the NPV5% is C$1,025, the IRR is 18.2%, and the payback period is 3.4 years from the start of commercial production. A summary of project economics is tabulated in Table 22-3. The economic analysis was performed on an annual cashflow basis; the cashflow output is shown in Table 22-4 and cashflow is represented graphically in Figure 22-1 on a post-tax basis.

Figure 22-1: Undiscounted, Unlevered, Free Cash Flow – Post-Tax



Source: Ausenco, 2025.

Table 22-3: Economic Analysis Summary

Description	Units	Base Case	Spot Price (as of July 1, 2025)
Gold Price	US$/oz	2,450	3,300
Silver Price	US$/oz	28.50	36.00
FX Rate	CAD:USD	0.74	0.74
Production			
Mine Life	Years	24.5	24.5
Total Mill Feed	kt	228,823	228,823
Mill Feed Grade – Au	g/t	0.46	0.46
Mill Feed Grade – Ag	g/t	0.65	0.65
Total Metal Content – Au	koz	3,348	3,348
Total Metal Content – Ag	koz	4,763	4,763
Average Recovery Rate – Au	%	89.3	89.3
Average Recovery Rate – Ag	%	44.1	44.1
Total Production – Au	koz	2,990	2,990
Average Annual Production – Au	koz/a	122	122
Total Production – Ag	koz	2,099	2,099
Average Annual Production – Ag	koz/a	81	81
Total Payable Metal – Au	koz	2,984	2,984
Total Payable Metal – Ag	koz	1,994	1,994
Revenue			
Total Revenue – LOM	C$M	9,956	13,404
Average Annual Revenue	C$M/a	406	547
Total EBITDA – LOM	C$M	5,067	8,465
Average Annual EBITDA	C$M/a	207	346
Operating Cost			
Total Operating Costs – LOM	C$M	4,741	4,741
Average Annual Operating Cost	C$M/a	194	194
Mining Cost	US$/t mined	2.57	2.57
Mining Cost	US$/t milled	7.60	7.60
Processing Cost	US$/t milled	6.66	6.66
G&A Cost	US$/t milled	1.07	1.07
Total Operating Cost	US$/t milled	15.33	15.33
Total Cash Cost (by-product basis)	US$/oz Au	1,194	1,194
All-in Sustaining Cost (by-product basis)	US$/oz Au	1,338	1,338
Capital Cost			
Initial Capital Cost	C$M	1,250	1,250
Sustaining Capital Cost	C$M	443	443
Closure Cost	C$M	161	161
Salvage Value	C$M	21	21
Post-Tax Valuation Indicators			
Undiscounted cash flow	C$M	2,089	4,228
NPV5%	C$M	1,025	2,315
IRR	%	18.2	32.0
Payback period (from start of commercial production)	years	3.4	2.0
Pre-Tax Valuation Indicators			
Undiscounted cash flow	C$M	3,232	6,631
NPV5%	C$M	1,644	3,675
IRR	%	23.1	41.2
Payback period (from start of commercial production)	years	2.8	1.7

Table 22-4: Cashflow Statement on an Annualized Basis

Macro Assumptions	Units	Total/Avg.	-2	-1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Gold Price	US$/oz	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450	$2,450
Silver Price	US$/oz	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50	$28.50
Revenue	**C$M**	**$9,956**	**--**	**$131**	**$543**	**$841**	**$640**	**$533**	**$687**	**$470**	**$317**	**$318**	**$346**	**$397**	**$474**	**$491**	**$565**	**$538**	**$351**	**$384**	**$469**	**$268**	**$199**	**$199**	**$199**	**$199**	**$199**	**$196**	**--**	**--**
Off-Site Costs	C$M	($7.0)	--	($0.1)	($0.4)	($0.6)	($0.4)	($0.4)	($0.5)	($0.3)	($0.2)	($0.2)	($0.2)	($0.3)	($0.3)	($0.3)	($0.4)	($0.4)	($0.3)	($0.3)	($0.3)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	($0.2)	--	--
Royalties	C$M	($141.6)	--	($2.0)	($8.1)	($12.5)	($9.4)	($7.2)	($9.8)	($6.7)	($4.5)	($4.5)	($4.9)	($5.7)	($6.7)	($7.0)	($8.0)	($7.7)	($4.9)	($5.1)	($6.2)	($3.7)	($2.8)	($2.8)	($2.8)	($2.8)	($2.8)	($2.8)	--	--
Operating Cost	C$M	($4,741.0)	--	($24)	($188)	($200)	($207)	($232)	($233)	($240)	($245)	($254)	($232)	($233)	($243)	($250)	($226)	($224)	($223)	($243)	($214)	($128)	($117)	($116)	($118)	($121)	($117)	($113)	--	--
EBITDA	**C$M**	**$5,067**	**--**	**$105**	**$347**	**$629**	**$423**	**$293**	**$444**	**$223**	**$67**	**$59**	**$109**	**$158**	**$225**	**$233**	**$330**	**$305**	**$123**	**$135**	**$248**	**$136**	**$80**	**$80**	**$79**	**$76**	**$80**	**$79**	**--**	**--**
Initial Capex	C$M	($1,250)	($501)	($749)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Sustaining Capex	C$M	($443)	--	--	($57)	($54)	($56)	($70)	($51)	($30)	($3)	($7)	($8)	($24)	($26)	($9)	($10)	($2)	($7)	($6)	($6)	($2)	($2)	($2)	($2)	($2)	($2)	($2)	($2)	--
Royalty Buyback	C$M	($1)	($1.0)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Closure Capex	C$M	($161)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	($161.3)
Salvage Credit	C$M	$21	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$20.9	--
Pre-Tax Unlevered Free Cash Flow	**C$M**	**$3,232**	**($502)**	**($644)**	**$290**	**$575**	**$367**	**$224**	**$394**	**$193**	**$64**	**$51**	**$101**	**$134**	**$198**	**$224**	**$320**	**$303**	**$116**	**$129**	**$242**	**$134**	**$77**	**$78**	**$76**	**$74**	**$78**	**$77**	**$19**	**($161)**
Cumulative Pre-Tax Unlevered Free Cash Flow	C$M		($502)	($1,146)	($856)	($281)	$86	$309	$703	$896	$961	$1,012	$1,113	$1,247	$1,446	$1,670	$1,990	$2,293	$2,409	$2,538	$2,780	$2,914	$2,991	$3,069	$3,146	$3,220	$3,297	$3,375	$3,394	$3,232
Income Tax, Government Royalties and Profit Sharing	C$M	($1,143)	--	($2)	($7)	($65)	($78)	($48)	($96)	($35)	--	--	($16)	($43)	($71)	($77)	($114)	($107)	($40)	($45)	($87)	($47)	($27)	($28)	($27)	($27)	($28)	($28)	--	--
Post-Tax Unlevered Free Cash Flow	**C$M**	**$2,089**	**($502)**	**($646)**	**$283**	**$510**	**$289**	**$176**	**$298**	**$159**	**$64**	**$51**	**$85**	**$92**	**$127**	**$147**	**$206**	**$196**	**$76**	**$84**	**$155**	**$87**	**$50**	**$50**	**$49**	**$47**	**$50**	**$49**	**$19**	**($161)**
Cumulative Post-Tax Unlevered Free Cash Flow	C$M		($502)	($1,148)	($865)	($355)	($66)	$110	$407	$566	$630	$681	$766	$858	$985	$1,132	$1,339	$1,535	$1,610	$1,694	$1,849	$1,935	$1,986	$2,036	$2,085	$2,132	$2,182	$2,231	$2,250	$2,089
Production Summary																														
Waste Mined Total	kt	457,952	1,406	3,794	15,296	13,605	19,916	20,157	20,344	47,732	43,924	41,377	36,673	34,884	29,628	27,374	20,127	16,403	25,164	21,726	17,187	1,235	--	--	--	--	--	--	--	--
Mineralized Material Mined Total	kt	228,823	158	3,706	15,520	20,395	14,084	17,843	22,446	1,786	3,076	5,623	8,327	12,027	15,304	15,144	18,733	18,999	6,063	12,398	15,136	2,054	--	--	--	--	--	--	--	--
Total Mill Feed	kt	228,823	--	2,373	8,351	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,490	9,319	--	--
Project Life	yrs	24.5	--	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	--	--
Processing Summary																														
Mill Feed - Au Grade	g/t	0.46	--	0.57	0.68	0.92	0.70	0.59	0.75	0.52	0.35	0.35	0.38	0.44	0.52	0.54	0.62	0.59	0.39	0.43	0.52	0.30	0.22	0.22	0.22	0.22	0.22	0.22	--	--
Mill Feed - Ag Grade	g/t	0.65	--	0.71	0.56	0.65	0.60	0.72	0.73	0.61	0.59	0.58	0.65	0.68	0.70	0.65	0.61	0.62	0.70	0.66	0.73	0.67	0.64	0.64	0.64	0.64	0.64	0.64	--	--
Total Au Content	**koz**	**3,348**	**--**	**43.2**	**181.5**	**279.5**	**212.6**	**178.6**	**229.0**	**158.2**	**106.7**	**107.0**	**117.0**	**134.0**	**159.6**	**165.3**	**189.6**	**181.0**	**119.0**	**130.1**	**158.3**	**91.4**	**68.0**	**68.0**	**68.0**	**67.97**	**67.97**	**66.74**	**--**	**--**
Total Ag Content	**koz**	**4,763**	**--**	**54**	**150**	**199**	**184**	**219**	**223**	**185**	**179**	**178**	**199**	**207**	**212**	**197**	**186**	**190**	**213**	**201**	**221**	**203**	**194**	**194**	**194**	**194**	**194**	**191**	**--**	**--**
Average Recovery - Gold	%	89.3%	--	91.3%	90.1%	90.7%	90.7%	89.6%	90.3%	89.3%	89.0%	89.0%	88.7%	89.0%	89.3%	89.3%	89.6%	89.4%	88.4%	88.5%	89.0%	87.9%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	--	--
Average Recovery - Silver	%	44.1%	--	55.0%	47.5%	48.8%	50.3%	45.6%	47.8%	44.8%	46.2%	45.9%	42.7%	43.3%	44.1%	43.7%	45.2%	44.0%	41.4%	40.9%	42.7%	41.3%	41.6%	41.6%	41.6%	41.6%	41.6%	41.6%	--	--
Total Gold Produced	koz	2,990	--	39.4	163.6	253.6	192.8	160.1	206.8	141.3	94.9	95.2	103.8	119.3	142.5	147.6	169.9	161.9	105.2	115.2	140.9	80.3	59.5	59.5	59.5	59.5	59.5	58.4	--	--
Total Silver Produced	koz	2,099	--	29.7	71.3	97.2	92.5	100.0	106.6	83.1	82.7	81.6	84.9	89.7	93.6	86.3	84.1	83.7	88.2	82.0	94.5	83.9	80.9	80.9	80.9	80.9	80.9	79.4	--	--
Total Payable Gold	**koz**	**2,984**	**--**	**39.4**	**163.3**	**253.1**	**192.4**	**159.8**	**206.4**	**141.0**	**94.7**	**95.0**	**103.6**	**119.0**	**142.3**	**147.3**	**169.6**	**161.5**	**105.0**	**114.9**	**140.6**	**80.2**	**59.4**	**59.4**	**59.4**	**59.4**	**59.4**	**58.3**	**--**	**--**
Total Payable Silver	**koz**	**1,994**	**--**	**28.2**	**67.8**	**92.3**	**87.9**	**95.0**	**101.3**	**78.9**	**78.5**	**77.5**	**80.7**	**85.2**	**88.9**	**82.0**	**79.9**	**79.5**	**83.8**	**77.9**	**89.8**	**79.7**	**76.8**	**76.8**	**76.8**	**76.8**	**76.8**	**75.4**	**--**	**--**

Macro Assumptions	Units	Total/Avg.	-2	-1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Total Operating Costs	**C$M**	**($4,741)**	**--**	**($24)**	**($188)**	**($200)**	**($207)**	**($232)**	**($233)**	**($240)**	**($245)**	**($254)**	**($232)**	**($233)**	**($243)**	**($250)**	**($226)**	**($224)**	**($223)**	**($243)**	**($214)**	**($128)**	**($117)**	**($116)**	**($118)**	**($121)**	**($117)**	**($113)**	**--**	**--**
Mine Operating Costs	C$M	(2,350)	--	--	(95)	(101)	(108)	(133)	(134)	(141)	(146)	(155)	(133)	(134)	(144)	(151)	(127)	(126)	(124)	(145)	(116)	(29)	(18)	(18)	(19)	(22)	(18)	(15)	--	--
Mill Processing Costs	C$M	(2,059)	--	(24)	(79)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(84)	--	--
G&A Costs Total	C$M	(331)	--	--	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	--	--
Total Unit Operating Costs	$/t Milled	(15.3)	--	(7.6)	(16.6)	(15.6)	(16.2)	(18.1)	(18.1)	(18.7)	(19.1)	(19.8)	(18.1)	(18.2)	(18.9)	(19.5)	(17.6)	(17.5)	(17.4)	(19.0)	(16.7)	(10.0)	(9.1)	(9.1)	(9.2)	(9.4)	(9.1)	(9.0)	--	--
Total Off-site Charges	**C$M**	**($7.0)**	**--**	**($0.1)**	**($0.4)**	**($0.6)**	**($0.4)**	**($0.4)**	**($0.5)**	**($0.3)**	**($0.2)**	**($0.2)**	**($0.2)**	**($0.3)**	**($0.3)**	**($0.3)**	**($0.4)**	**($0.4)**	**($0.3)**	**($0.3)**	**($0.3)**	**($0.2)**	**($0.2)**	**($0.2)**	**($0.2)**	**($0.2)**	**($0.2)**	**($0.2)**	**--**	**--**
Au Transport & Refining Charges	C$M	(6.0)	--	(0.1)	(0.3)	(0.5)	(0.4)	(0.3)	(0.4)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	--	--
Ag Transport & Refining Charges	C$M	(1.0)	--	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	--	--
NSR Royalties	**C$M**	**($141.6)**	**--**	**($2.0)**	**($8.1)**	**($12.5)**	**($9.4)**	**($7.2)**	**($9.8)**	**($6.7)**	**($4.5)**	**($4.5)**	**($4.9)**	**($5.7)**	**($6.7)**	**($7.0)**	**($8.0)**	**($7.7)**	**($4.9)**	**($5.1)**	**($6.2)**	**($3.7)**	**($2.8)**	**($2.8)**	**($2.8)**	**($2.8)**	**($2.8)**	**($2.8)**	**--**	**--**
Royalty Buyback	**C$M**	**($1.0)**	**($1.0)**	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Cash Costs (By-Product Basis)																														
C1 Cash Cost*	US$/oz Au	$1,194	--	$474	$878	$611	$822	$1,091	$857	$1,278	$1,925	$1,994	$1,673	$1,467	$1,281	$1,277	$1,010	$1,051	$1,584	$1,583	$1,145	$1,193	$1,456	$1,452	$1,470	$1,504	$1,457	$1,441	--	--
C3 Cash Cost**	US$/oz Au	$1,338	--	$474	$1,136	$769	$1,038	$1,414	$1,039	$1,435	$1,949	$2,050	$1,729	$1,614	$1,417	$1,323	$1,053	$1,062	$1,633	$1,619	$1,176	$1,215	$1,486	$1,477	$1,496	$1,529	$1,483	$1,467	--	--
Total Initial Capital	**C$M**	**($1,250)**	**($501)**	**($749)**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
1000 - Mining	C$M	($113)	($46)	($67)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2000 - Process Plant	C$M	($394)	($158)	($236)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3000 - Additional Process Facilities	C$M	($25)	($10)	($15)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4000 - On-Site Infrastructure	C$M	($152)	($61)	($91)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5000 - Off-Site Infrastructure	C$M	($159)	($63)	($95)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6000 - Indirects	C$M	($37)	($15)	($22)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7000 - Project Delivery	C$M	($91)	($36)	($55)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8000 - Owner's Costs	C$M	($21)	($8)	($13)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9000 - Provisions	C$M	($259)	($104)	($155)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Sustaining Capital	**C$M**	**($443)**	**--**	**--**	**($57)**	**($54)**	**($56)**	**($70)**	**($51)**	**($30)**	**($3)**	**($7)**	**($8)**	**($24)**	**($26)**	**($9)**	**($10)**	**($2)**	**($7)**	**($6)**	**($6)**	**($2)**	**($2)**	**($2)**	**($2)**	**($2)**	**($2)**	**($2)**	**($2)**	**--**
1000 - Mining	C$M	($392)	--	--	($55)	($52)	($54)	($68)	($49)	($28)	($1)	($5)	($6)	($22)	($24)	($7)	($8)	($0)	($5)	($4)	($4)	($0)	($0)	--	($0)	--	--	--	--	--	--
2000 - Process Plant	C$M	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3000 - Additional Process Facilities	C$M	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4000 - On-Site Infrastructure	C$M	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5000 - Off-Site Infrastructure	C$M	($37.2)	--	--	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	($1.5)	--
6000 - Indirects	C$M	($1.1)	--	--	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	--
7000 - Project Delivery	C$M	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8000 - Owner's Costs	C$M	($1.2)	--	--	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	($0.0)	--
9000 - Provisions	C$M	($11.5)	--	--	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	($0.5)	--
Closure Cost and Salvage Credit	C$M	($140)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$20.9	($161.3)
Total Capital Expenditures Including Salvage Value	**C$M**	**($1,833)**	**($501)**	**($749)**	**($57)**	**($54)**	**($56)**	**($70)**	**($51)**	**($30)**	**($3)**	**($7)**	**($8)**	**($24)**	**($26)**	**($9)**	**($10)**	**($2)**	**($7)**	**($6)**	**($6)**	**($2)**	**($2)**	**($2)**	**($2)**	**($2)**	**($2)**	**($2)**	**$19**	**($161)**

Dollar figures in Real 2025 C$M unless otherwise noted.

* Cash Costs consist of mining costs, processing costs, mine-level G&A, off-site charges, and royalties less by-product credits.

** All-In Sustaining Costs includes cash costs plus sustaining capital, closure costs, and salvage credits.

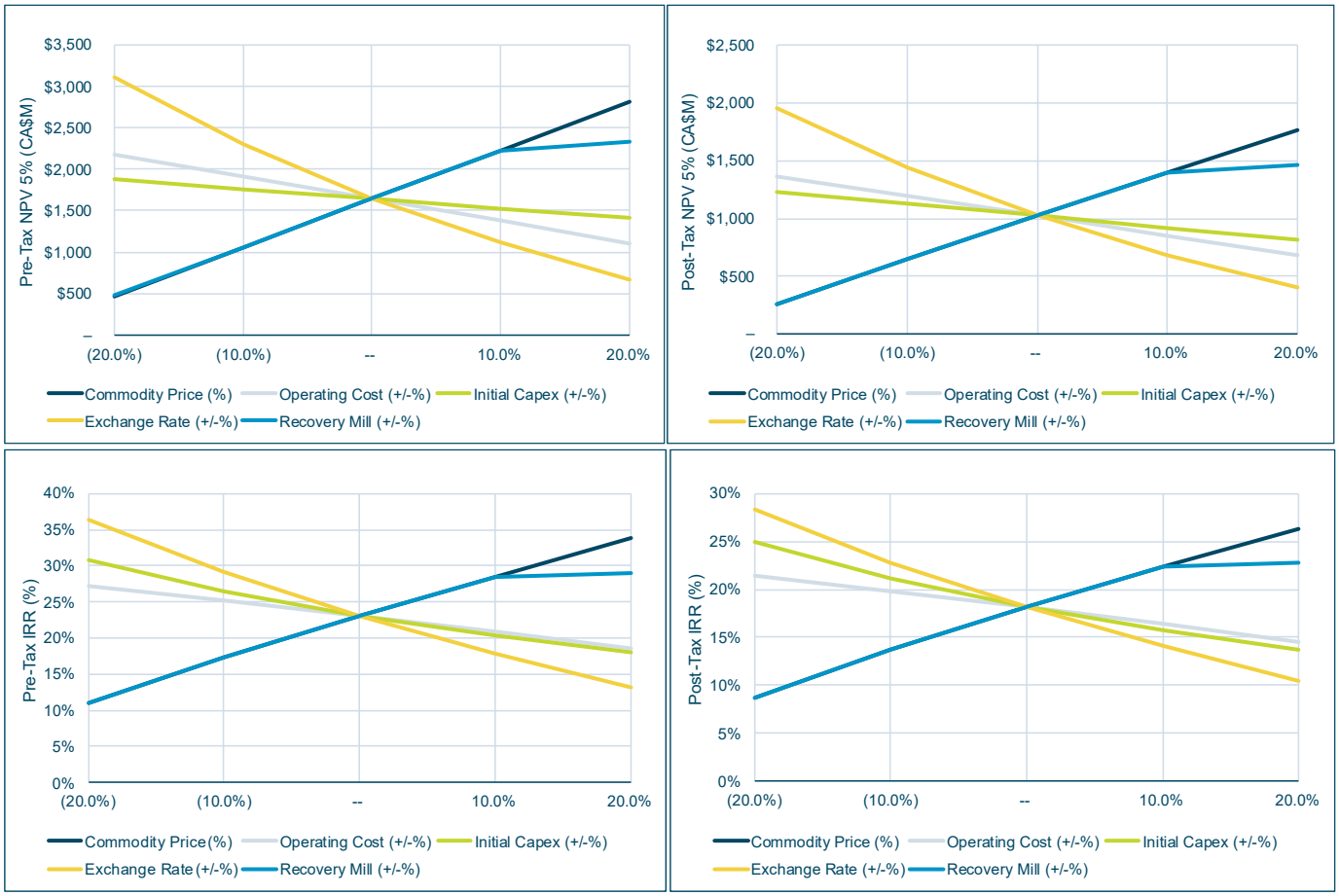
22.4 Sensitivity Analysis

A sensitivity analysis was conducted on the base case pre-tax and post-tax NPV and IRR of the Project, using the following variables: metal prices, discount rate, total operating cost, initial capital cost, recovery, head grade, and exchange rate.

Table 22-3shows the post-tax sensitivity analysis results; pre-tax sensitivity results are shown in Table 22-4.

As shown in Figure 22-2, the sensitivity analysis revealed that the Project is most sensitive to changes in commodity price, and recovery, and less sensitive to total operating cost and initial capital cost.

Figure 22-2: Sensitivity Analysis



Source: Ausenco, 2025.

Table 22-5: Post-tax Sensitivity

Post-Tax Sensitivity to Metal Price

Post-Tax NPV (USM)Sensitivity to Discount Rate

Discount Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
1.0%	$713	$1,273	$1,815	$2,365	$2,918
3.0%	$457	$922	$1,368	$1,816	$2,265
5.0%	$259	$651	$1,025	$1,397	$1,770
8.0%	$40	$352	$648	$939	$1,229
10.0%	($69)	$203	$461	$713	$963

Post-Tax IRR (%) Sensitivity to Discount Rate

Discount Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
1.0%	8.7%	13.7%	18.2%	22.4%	26.3%
3.0%	8.7%	13.7%	18.2%	22.4%	26.3%
5.0%	8.7%	13.7%	18.2%	22.4%	26.3%
8.0%	8.7%	13.7%	18.2%	22.4%	26.3%
10.0%	8.7%	13.7%	18.2%	22.4%	26.3%

Post-Tax $NPV_{5\%}$ (USM) Sensitivity to OPEX

Total OPEX \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	$620	$993	$1,365	$1,738	$2,110
(10.0%)	$448	$822	$1,195	$1,568	$1,940
--	$259	$651	$1,025	$1,397	$1,770
10.0%	$61	$480	$854	$1,227	$1,600
20.0%	($137)	$295	$682	$1,056	$1,429

Post-Tax IRR (%) Sensitivity to OPEX

Total OPEX \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	12.9%	17.3%	21.4%	25.3%	29.1%
(10.0%)	11.0%	15.6%	19.9%	23.9%	27.8%
--	8.7%	13.7%	18.2%	22.4%	26.3%
10.0%	6.0%	11.7%	16.4%	20.8%	24.9%
20.0%	2.5%	9.4%	14.5%	19.2%	23.4%

Post-Tax $NPV_{5\%}$ (USM) Sensitivity to Initial Capex

Initial Capex \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	$483	$859	$1,232	$1,604	$1,976
(10.0%)	$380	$755	$1,128	$1,501	$1,873
--	$260	$652	$1,025	$1,397	$1,769
10.0%	$139	$548	$921	$1,294	$1,666
20.0%	$20	$445	$818	$1,190	$1,562

Post-Tax IRR (%) Sensitivity to Initial Capex

Initial Capex \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	13.7%	19.7%	25.0%	30.0%	34.9%
(10.0%)	11.0%	16.3%	21.2%	25.8%	30.1%
--	8.7%	13.7%	18.2%	22.4%	26.3%
10.0%	6.8%	11.6%	15.7%	19.6%	23.2%
20.0%	5.2%	9.9%	13.7%	17.3%	20.7%

Post-Tax $NPV_{5\%}$ (USM) Sensitivity to Mill Recovery

Mill Recovery \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	($488)	($86)	$260	$577	$876
(10.0%)	($87)	$302	$652	$988	$1,323
--	$259	$651	$1,025	$1,397	$1,770
10.0%	$576	$987	$1,397	$1,806	$2,216
20.0%	$627	$1,044	$1,460	$1,876	$2,292

Post-Tax IRR (%) Sensitivity to Mill Recovery

Mill Recovery \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	0.0%	3.6%	8.7%	12.8%	16.5%
(10.0%)	3.6%	9.2%	13.7%	17.8%	21.6%
--	8.7%	13.7%	18.2%	22.4%	26.3%
10.0%	12.8%	17.8%	22.4%	26.7%	31.0%
20.0%	13.3%	18.2%	22.8%	27.1%	31.4%

Post-Tax $NPV_{5\%}$ (USM) Sensitivity to Head Grade

Head Grade \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	($508)	($104)	$240	$559	$857
(10.0%)	($95)	$293	$643	$978	$1,313
--	$259	$651	$1,025	$1,397	$1,770
10.0%	$584	$996	$1,407	$1,817	$2,228
20.0%	$891	$1,340	$1,789	$2,238	$2,686

Post-Tax IRR (%) Sensitivity to Head Grade

Head Grade \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	0.0%	3.3%	8.4%	12.6%	16.2%
(10.0%)	3.5%	9.1%	13.6%	17.7%	21.4%
--	8.7%	13.7%	18.2%	22.4%	26.3%
10.0%	12.9%	17.9%	22.5%	26.8%	31.1%
20.0%	16.6%	21.8%	26.6%	31.2%	35.6%

Post-Tax $NPV_{5\%}$ (USM) Sensitivity to Exchange Rate

Exchange Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	$1,025	$1,490	$1,956	$2,421	$2,886
(10.0%)	$610	$1,025	$1,439	$1,853	$2,266
--	$259	$651	$1,025	$1,397	$1,770
10.0%	($55)	$337	$685	$1,025	$1,364
20.0%	($336)	$43	$401	$714	$1,025

Post-Tax IRR (%) Sensitivity to Exchange Rate

Exchange Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	18.2%	23.4%	28.3%	33.0%	37.5%
(10.0%)	13.2%	18.2%	22.8%	27.2%	31.5%
--	8.7%	13.7%	18.2%	22.4%	26.3%
10.0%	4.1%	9.7%	14.1%	18.2%	22.0%
20.0%	0.0%	5.7%	10.5%	14.5%	18.2%

Table 22-6: Pre-tax Sensitivity

Pre-Tax Sensitivity to Metal Price

Pre-Tax NPV (USM)Sensitivity to Discount Rate

Discount Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
1.0%	$1,063	$1,940	$2,816	$3,693	$4,569
3.0%	$728	$1,438	$2,148	$2,858	$3,568
5.0%	$472	$1,058	$1,644	$2,231	$2,817
8.0%	$193	$647	$1,101	$1,554	$2,008
10.0%	$57	$447	$836	$1,226	$1,615

Pre-Tax IRR (%) Sensitivity to Discount Rate

Discount Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
1.0%	11.0%	17.3%	23.1%	28.6%	33.8%
3.0%	11.0%	17.3%	23.1%	28.6%	33.8%
5.0%	11.0%	17.3%	23.1%	28.6%	33.8%
8.0%	11.0%	17.3%	23.1%	28.6%	33.8%
10.0%	11.0%	17.3%	23.1%	28.6%	33.8%

Pre-Tax $NPV_{5\%}$ (USM) Sensitivity to OPEX

Total OPEX \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	$1,007	$1,593	$2,180	$2,766	$3,352
(10.0%)	$739	$1,326	$1,912	$2,498	$3,084
--	$472	$1,058	$1,644	$2,231	$2,817
10.0%	$204	$790	$1,377	$1,963	$2,549
20.0%	($63)	$523	$1,109	$1,695	$2,282

Pre-Tax IRR (%) Sensitivity to OPEX

Total OPEX \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	16.2%	21.8%	27.1%	32.3%	37.3%
(10.0%)	13.7%	19.6%	25.2%	30.5%	35.6%
--	11.0%	17.3%	23.1%	28.6%	33.8%
10.0%	7.9%	14.8%	20.9%	26.6%	31.9%
20.0%	3.9%	12.1%	18.6%	24.5%	30.0%

Pre-Tax $NPV_{5\%}$ (USM) Sensitivity to Initial Capex

Initial Capex \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	$709	$1,295	$1,881	$2,468	$3,054
(10.0%)	$590	$1,177	$1,763	$2,349	$2,935
--	$472	$1,058	$1,644	$2,231	$2,817
10.0%	$353	$940	$1,526	$2,112	$2,698
20.0%	$235	$821	$1,407	$1,994	$2,580

Pre-Tax IRR (%) Sensitivity to Initial Capex

Initial Capex \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	16.2%	23.8%	30.7%	37.3%	43.6%
(10.0%)	13.3%	20.2%	26.5%	32.5%	38.2%
--	11.0%	17.3%	23.1%	28.6%	33.8%
10.0%	9.1%	15.0%	20.3%	25.4%	30.2%
20.0%	7.5%	13.0%	18.0%	22.7%	27.2%

Pre-Tax $NPV_{5\%}$ (USM) Sensitivity to Mill Recovery

Mill Recovery \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	($465)	$4	$473	$942	$1,411
(10.0%)	$3	$531	$1,059	$1,586	$2,114
--	$472	$1,058	$1,644	$2,231	$2,817
10.0%	$940	$1,585	$2,230	$2,875	$3,519
20.0%	$1,020	$1,675	$2,330	$2,985	$3,640

Pre-Tax IRR (%) Sensitivity to Mill Recovery

Mill Recovery \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	0.0%	5.1%	11.0%	16.1%	20.8%
(10.0%)	5.0%	11.7%	17.3%	22.5%	27.5%
--	11.0%	17.3%	23.1%	28.6%	33.8%
10.0%	16.1%	22.5%	28.5%	34.3%	39.8%
20.0%	16.7%	23.0%	29.0%	34.8%	40.3%

Pre-Tax $NPV_{5\%}$ (USM) Sensitivity to Head Grade

Head Grade \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	($486)	($19)	$447	$913	$1,380
(10.0%)	($8)	$519	$1,045	$1,571	$2,097
--	$472	$1,058	$1,644	$2,231	$2,817
10.0%	$953	$1,599	$2,245	$2,892	$3,538
20.0%	$1,434	$2,141	$2,848	$3,554	$4,261

Pre-Tax IRR (%) Sensitivity to Head Grade

Head Grade \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	0.0%	4.7%	10.7%	15.8%	20.5%
(10.0%)	4.9%	11.5%	17.2%	22.4%	27.3%
--	11.0%	17.3%	23.1%	28.6%	33.8%
10.0%	16.2%	22.7%	28.7%	34.5%	40.0%
20.0%	21.1%	27.7%	34.1%	40.2%	46.0%

Pre-Tax $NPV_{5\%}$ (USM) Sensitivity to Exchange Rate

Exchange Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	$1,644	$2,377	$3,110	$3,843	$4,576
(10.0%)	$993	$1,644	$2,296	$2,947	$3,598
--	$472	$1,058	$1,644	$2,231	$2,817
10.0%	$45	$578	$1,111	$1,644	$2,177
20.0%	($310)	$179	$667	$1,156	$1,644

Pre-Tax IRR (%) Sensitivity to Exchange Rate

Exchange Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	23.1%	29.9%	36.4%	42.6%	48.6%
(10.0%)	16.7%	23.1%	29.1%	34.9%	40.5%
--	11.0%	17.3%	23.1%	28.6%	33.8%
10.0%	5.7%	12.2%	17.9%	23.1%	28.1%
20.0%	0.0%	7.4%	13.2%	18.3%	23.1%

Table 22-7: Key Financial Metrics

Description	Units			Base Case			Spot Price*		
Gold Price	US$/oz	1,850	2,150	2,450	2,750	3,050	3,300	3600	3900
Silver Price	US$/oz	21.5	25.0	28.5	32.0	35.5	36.0	41.9	45.4
After-Tax Valuation									
Undiscounted cash flow	C$M	546	1,354	2,089	2,842	3,600	4,228	4,992	5,752
$NPV_{5\%}$	C$M	65	567	1,025	1,481	1,937	2,315	2,772	3,227
IRR	%	6%	13%	18%	23%	28%	32%	36%	41%
Payback period	Years	11.0	4.5	3.4	2.7	2.2	2.0	1.8	1.7
Pre-Tax Valuation									
Undiscounted cash flow	C$M	829	2,030	3,232	4,434	5,636	6,631	7,839	9,041
$NPV_{5\%}$	C$M	209	926	1,644	2,362	3,080	3,675	4,396	5,114
IRR	%	8%	16%	23%	30%	36%	41%	47%	53%
Payback period	Years	10.2	4.0	2.8	2.2	1.9	1.7	1.6	1.4
Operating Costs									
Total Cash Cost	US$/oz Au	1,190	1,192	1,194	1,195	1,197	1,201	1,201	1,203
All-in Sustaining Cost	US$/oz Au	1,334	1,336	1,338	1,340	1,342	1,345	1,346	1,348

*Spot price is based on the LBMA gold price as of the close of business on July 1, 2025, rounded down to the nearest $100/oz for gold and $1/oz for silver. The spot prices used are US$3,300 Au and US$36.00 Ag.

23 ADJACENT PROPERTIES

23.1 Overivew

Mineral properties that occur adjacent to the SMG Property include several smaller properties that are held by individuals or small corporations as well as the much larger South Cariboo Property ("SC") held by Karus Mining Inc ("Karus"). Most of these properties were staked to cover the same style of sedimentary-hosted vein (SHV) orogenic gold mineralization that occurs on the SMG Property and, as such, offer additional prospective ground on which SPA could discover additional resources for any future mining operation. Only the SC Property is described in this section owing to its large size and demonstrated occurrences of mineralization.

23.2 Karus Mining Inc. South Cariboo Project

The information for the South Cariboo Project has been summarized from the 2022 NI 43-101 technical report on the project (Voordouw, 2022), which was written by QP Voordouw, an author on this Technical Report is. The SC Property is relevant to this Technical Report as it comprises a large land holding adjacent to the SMG Property that hosts a similar style of mineralization.

Karus' SC Project comprises 105,085 hectares of mineral tenure that is 100% owned by Karus and extends both northwest and southeast of SPA's SMG Property (Figure 23-1). The SC Property covers broadly the same stratigraphy as the SMG Property and hosts several sedimentary-hosted vein (SHV) orogenic gold prospects and showings, including Frasergold, Gold Creek, and several others.

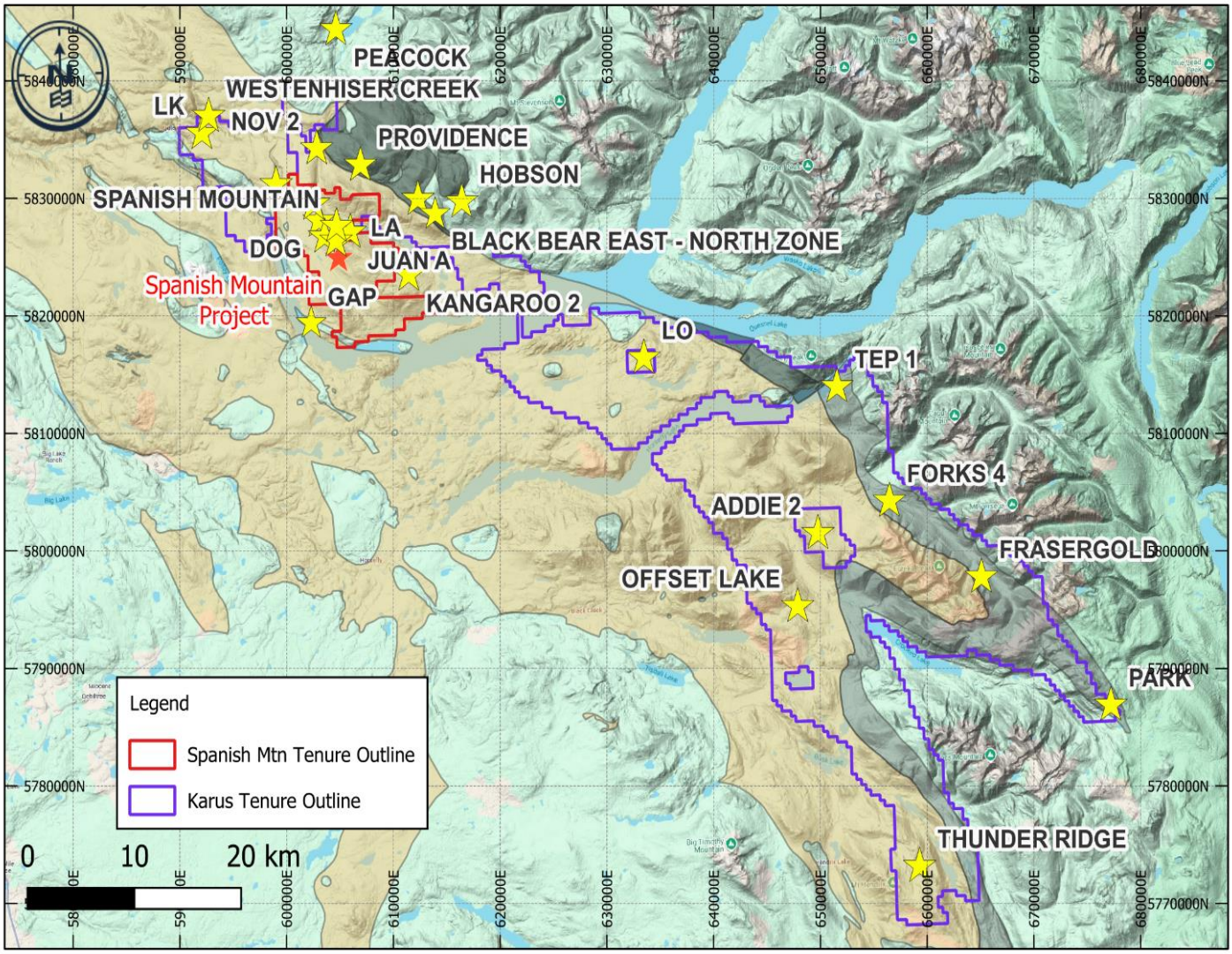
Most of the SC Property is underlain by the lowermost part of the Quesnel Terrane, comprising the Slocan Group in the southeast part of the SC Property and the Nicola Group immediately northwest and southeast of the SMG Property (Figure 23-1). The Slocan and Nicola groups both include high proportions of carbonaceous siltstone and argillite that locally host SHV orogenic gold occurrences.

23.2.1 Frasergold Deposit

The Frasergold deposit occurs 70 km southeast of the SMG deposit and is hosted by Slocan Group rocks on the northeast limb of a regional-scale syncline. The deposit is formed by a series of sub-parallel, sub-horizontal, rod-shaped mineralized zones that trend northwest to southeast, and occur within a much broader, 10 km long, zone of anomalous gold defined by historical rock and soil sampling. Gold occurs mostly within ankerite-altered siltstone unit and in association with increased silicification and/or quartz ± carbonate-pyrite-pyrrhotite veining. Veins were possibly emplaced within, or adjacent to, a concordant or semiconcordant D1 shear zone (Rhys et al., 2009) that was then deformed in the latter stages of D1, as well as D2 and D3.

A mineral resource estimate for the Frasergold deposit (Campbell and Giroux, 2015) used 402 drill holes (for 49,691 m) and a cut-off grade of 0.5 g/t Au to estimate combined Measured and Indicated resources of 15.2 Mt averaging 0.78 g/t Au for a total of 376 thousand ounces of gold. An additional 635 thousand ounces were classified as Inferred resources from 27.5 Mt grading 0.72 g/t Au. The QP has been unable to verify this information, and this information is not necessarily indicative of mineralization on the Property that is the subject of the Technical Report.

Figure 23-1: Location of South Cariboo Property Relative to SMG Property



Source: Equity, 2022.

23.2.2 Gold Creek Area

The Gold Creek area lies immediately northwest of the SMG Property and comprises a weakly northwest-trending zone of gold showings that includes the "Camp Zone," which is named after its proximity to SPA's exploration camp. The Camp Zone is equivalent to the Moose MINFILE prospect (No 093A 127) and consists of sheeted, gold-bearing, quartz-carbonate veins that are preferentially developed within faulted wacke, siltstone/sandstone, and andesite tuff units (Leroux, 2019) and associated with limonite, pyrite and/or silica alteration (BCGS, 2022). Veins are west of northwest-to-northwest striking, moderately dipping to subvertical, and range from less than 1 meter to several meters in width.

The QP has been unable to verify this information, and this information is not necessarily indicative of mineralization on the Property that is the subject of the Technical Report.

23.2.3 Other Showings

Other SHV-like orogenic gold showings on Karus' SC Property include McKee, LO, and TEP that occur approximately 25 to 60 km east-southeast to southeast of the SMG deposit. All three of these showings consist of gold-bearing quartz-pyrite veins that are deformed and hosted within siltstone and/or argillite of the Nicola Group. The Property also includes several porphyry showings (Pine 9, Red Rock 5), including one (Nova) with several zones of massive sulphide that could comprise replacement-style mineralization.

The QP has been unable to verify this information, and this information is not necessarily indicative of mineralization on the Property that is the subject of the Technical Report.

24 OTHER RELEVANT DATA AND INFORMATION

This section is not relevant to this report.

25 INTERPRETATION AND CONCLUSIONS

25.1 Introduction

The QPs note the following interpretations and conclusions in their respective areas of expertise, based on the review of data available for this Report.

25.2 Mineral Tenure, Surface Rights, Water Rights, Royalties and Agreements

The SMG Property covers 10,388 ha in central-eastern British Columbia, Canada, and is located within 5 km of the unincorporated community of Likely and 70 km from the City of Williams Lake. The Property comprises 54 mineral claims that are all 100% owned by Spanish Mountain Gold Ltd and are in good standing until 2035.

Approximately 4,051 ha of the SMG Property is covered by placer claims and leases ("holdings") that are not owned by SPA and have at least 19 different majority owners. These claims cover the western part of the SMG deposit as well as the immediate ground to the west and southwest. Both SPA and the owners of these placer holdings have access to subsurface rights. SPA would need to negotiate agreements with the owners of all placer holdings that overlap with planned mine development.

The ownership of other rights (e.g. timber, guiding) within the Property has not been investigated by the QPs. All water resources in BC are owned by the Crown and would be made available upon approval of any future mining operation. There is a one-hectare private property that lies 300 to 400 m from the eastern edge of the proposed open pit.

Approximately 4,443 ha of the SMG Property (i.e. 43% by area), including all mineral resources estimated in Section 14.0, are subject to one of five net smelter return (NSR) royalties ranging between 0.5% to 4.0%. Each of these has buydown rights to reduce NSR royalties to 0.0% to 1.5% NSR at costs of between C$450,000 to C$2,000,000. There are a few areas of overlapping claims with separate NSR royalty agreements that may boost the pre-buydown royalty rates to between 5.0% to 6.5%, most notably immediately north of the Phoenix deposit.

Other than the agreements and royalties summarized in Table 4-2 and Table 4-3, the QP's are not aware of any additional royalties, back-in rights, or other agreements and encumbrances to which the Property may be subject.

25.3 Geology and Mineralization

The SMG and Phoenix deposits occur in the Cariboo Gold District (CGD) of south-central BC and together form a bulk tonnage, sedimentary-hosted vein (SHV), orogenic system. The SMG deposit consists of at least 11 lens- to pipe-like bodies that collectively form a gently north dipping zone that is approximately 1,700 m long, 800 m wide, and 300 m thick. Individual mineralized bodies are controlled by stratigraphy and/or a north-south striking D3 fault system, with lens-shaped bodies typically forming at the intersection of these planar structures. The Phoenix deposit is formed by

three stacked, sub-horizontal, lens-like bodies that are centered on a north-south striking D3 brittle fault and are collectively developed over a length 1,500 m, width of 300 to 400 m, and thickness of 100 to 200 m.

Gold mineralization occurred in at least two events; an early event during the transition from D1 ductile to D2 brittle deformation and a later D3 brittle event. D1-D2 mineralization is typically stratiform, prefers less competent host rocks like argillite, and is associated with disrupted quartz-carbonate-pyrite (QCP) veins and pervasive QCP alteration. D3 gold occurs in veins and sheeted vein arrays emplaced into more competent host rocks (e.g., tuff) and are steeply northwest to west dipping at the SMG deposit whereas they are sub-horizontal at Phoenix.

Typical drill assay composites of early-style mineralization range from 0.1 to 1 g/t Au over 10 to 100 m whereas late-stage intersections are generally 1 to 10 g/t Au over 1 to 10 m. Studies have constrained D1 to 190 to 167 Ma and D3 to 161 to 150 Ma, suggesting a time gap of approximately 6 to 17 million years between mineralizing events.

Rock sampling and drilling have identified several other gold showings that are of a similar nature to the SMG deposit, including possible deposit extensions or as separate systems developed on other D3 fault systems. Individual showings may show either SMG early- or late-style mineralization and in some cases both.

The primary exploration and development commodity on the Property is gold. Abundances of other precious metals, base metals, and/or industrial commodities are insignificant.

25.4 Exploration

SPA's exploration production totals at least 1,182 rock samples, 7,024 soils, 82 silts, 1,701 line-km of airborne EM and magnetics, 127 km^2 of airborne LiDAR and orthophotos, and 23 line-km of ground-based IP, equivalent to between C$1.0M to C$1.5M on non-drilling exploration work. This total is estimated to represent less than 1% of SPA's total exploration expenditure when drilling is included.

Prospecting, rock sampling, geological mapping, and/or trenching led to the discovery of the SMG deposit as well as most other showings registered in MINFILE and discovered by SPA. Future exploration should continue to use prospecting and rock sampling as a first pass reconnaissance tools as well as target-scale mapping and trenching of prospects that have returned noteworthy gold assays.

Soil sampling has defined a 2-km-wide gold-in-soil anomaly that extends 4 to 5 km northwest of the SMG deposit. However, because this anomaly occurs within till down-ice of the SMG deposit, it may primarily reflect gold dispersal from that source rather than buried mineralization. Therefore, careful evaluation of surficial geology and anomaly intensity is essential before using SPA's soil data for targeted surface exploration. Current soil data are insufficient for drill targeting. Future soil sampling should focus on basal till or other soil horizons most likely to represent proximal bedrock geochemistry. An orientation soil survey over the Phoenix deposit could be completed for proof-of-concept, although it is not recommended at this time.

Stream sediment sampling density is too low to determine if it is useful or not. Future work should include the development of a catchment map for the Property, additional compilation, and targeted sampling to provide property-wide coverage.

Airborne and ground-based EM, IP, and/or resistivity surveys show patterns of tightly intercalated resistors and conductors underlying the SMG deposit area. This intercalated pattern is consistent with the drill core-based stratigraphic model and could be a key ingredient of mineralization, with conductors acting as aquifers that channeled auriferous fluids and the resistors as aquicludes. Early (i.e., D1-D2) gold mineralization also shows a strong association with pyrite and carbonaceous argillite so that EM and IP conductors themselves are also exploration targets. Future work should include re-processing of this data and identification of EM and IP anomalies that may be gold-enriched and/or form SMG-like patterns.

Airborne magnetic data is also useful as a lithological discriminant and for imaging structures, including possibly the north-south trending D3 fault system that controls the SMG and Phoenix deposits. Future work should include integration of SPA's existing magnetic data with geology and geochemistry data as well as higher resolution surveys done through an unmanned aerial vehicle (UAV) and/or ground-based methods. It is also recommended that all of SPA's airborne and ground geophysical data is reprocessed by a qualified geophysicist.

25.5 Drilling

Since acquiring the Property in 2003, SPA have completed 1,104 drill holes on the SMG Property for 218,209 m. The bulk (approximately 85%) of this drilling was done with NQ diamond tools whereas the balance was completed with reverse circulation (RC) and sonic rigs. Approximately two-thirds of the meters were drilled into the Main and North blocks of the SMG deposit with the remaining third split among various prospects to the west, north, and south.

The highest-grade thickness intersections have been drilled in the Main Block area, which hosts seven of the 11 mineralized bodies comprising the SMG deposit and returned numerous intervals of 0.1 to 1.0 g/t Au over 10 to 200 m and 1 to 10 g/t Au over 1 to 10 m. These wider lower-grade and narrower higher-grade intervals are broadly representative of the early and late mineralizing events, respectively. Notable examples of early- and late-style mineralization from the Main Block include 1.9 g/t Au over 244.7 m in 09-DDH-889 and 225 g/t Au over 0.8 m in 09-DDH-871. Abundances of silver and base metals are insignificant.

The North Block of the SMG deposit hosts three of the 11 mineralized bodies whereas the South Block hosts one, with all four of these mineralized bodies crossing over into the Main Block as well. The length and grade of gold intersections in the North and South blocks are like those in the Main Block, representing both early and late mineralizing styles, whereas concentrations of silver and base metals are low. Notable examples of each include 1.2 g/t Au over 159.7 m in 05SPRC-310 and 74.7 g/t Au over 3.5 m in 11-DDH-979.

Drilling results from the West, South, North, and East extensions are generally lower-grade and narrower than those in the SMG deposit. The West Extension area returned most of the better results with several early-style intersections of 0.2 to 1.0 g/t Au over 10 to 65 m and late-style intervals of 2 to 6 g/t Au over 1 to 3 m. The South, North, and East

extensions, on the other hand, returned intervals of 0.2 to 0.5 g/t Au over approximately 5 to 20 m or 1 to 2 g/t Au over 1 to 2 m. Abundances of silver and base metals are, again, insignificant.

The Phoenix Zone comprises a SMG-like gold target located approximately 1 to 2 km west of the SMG deposit. There is no defined structure that is linked to the Phoenix Zone although its apparent north-south trend suggests association with a D3 brittle fault system. Drilling has returned several early-style intervals of 0.3 to 1.2 g/t Au over 15 to 60 m as well as some late-style intersections of 3 to 10 g/t Au over 1 to 3 m. Notable examples of each include 1.2 g/t Au over 33.0 m in 11-CCR-030 and 73.8 g/t Au over 1.5 m in 07-DDH-632. Arsenic contents are often between 1,000 to 10,000 ppm whereas concentrations of other precious and base metals are generally low.

Drilling in the Cedar Creek and Nina Lake areas returned scattered intersections of 0.3 to 0.4 g/t Au over 1 to 10 m as well as 1.0 to 4.0 g/t Au over 1-5 m. Arsenic contents range between 1,000 to 10,000 ppm whereas concentrations of other precious and base metals are generally low.

25.6 Analytical Data Collection in Support of Mineral Resource Estimation

Verification of SPA's legacy data shows that it is fit for purposes of exploration targeting and planning surface work programs, and that approximately 30% of the legacy drill meters are adequate for inclusion in mineral resource estimates. Any drill holes planned entirely off legacy data should first be examined in the field, preferably through target-scale mapping and rock sampling. Legacy geophysical data can be used for targeting if the raw data is available and it is reprocessed by a qualified geophysicist.

A check of ten collar locations found that for all instances the coordinates recorded in SPA's drilling database were within error of those measured in the field by the QP.

Reviews of just under 2,400 meters of drill core from 22 holes found that the stratigraphy and mineralization in the SMG and Phoenix deposits are consistent with previous descriptions provided in Company, legacy, and geoscientific reports, as well as previously published technical reports.

SPA's geology, geophysical, and surface geochemical data is fit for purposes of exploration targeting and planning surface work programs. We would recommend completing target-scale mapping and, possibly, resampling prior to drilling but, overall, SPA's data was mostly collected with handheld GPS and therefore has considerably more accurate locations than the legacy data.

SPA's drilling data is adequate for purposes of mineral resource estimation and exploration targeting.

Quarter core duplicate sampling of ten intervals from the Phoenix deposit shows very poor correlation between SPA and QP values, especially for samples with at least one assay above 1.0 g/t Au. These results suggest that the spatial variance of coarse gold is not accurately captured within the sample size. More work is recommended to assess grade variance in the Phoenix deposit.

Other recommended work to improve the completeness and confidence in both SPA's and legacy data is described in Section 26.

25.7 Metallurgical Testwork

Considerable metallurgical testwork has been carried out on the Spanish Mountain Gold deposit, however earlier testwork (circa 2012) was completed on samples concentrated over a smaller area of the main zone only. Recent programs (2022, 2024-2025) were carried out on samples representing the major lithologies and provide improved spatial coverage than earlier programs.

Pyrite was the primary sulphide mineral in each composite, accounting for 95 to 99% of the sulphur in the feed. The Main Upper Argillite and North Argillite composites had the highest sulphide mineral contents of approximately 5.5%. The Tuff sample had a different mineral assemblage from the argillite composites, containing less quartz, more micas and carbonates.

In all composites tested in 2024-2025, pyrite was highly liberated at a coarse primary grind size of around 400 µm, measuring an average of 83.4%. At this grind size, nearly 95% of the pyrite occurred in grains with greater than 50% pyrite surface liberation.

The Project has a large database of comminution test results. The comminution testwork results indicate that the mineralized material at Spanish Mountain is variable in competency and can be classified as competent and moderately hard, and moderately abrasive compared to the JKTech database.

Historical testwork on mineralized material from Spanish Mountain Gold determined that TOC values greater than 0.5% in leach feed had a detrimental effect on leach performance, and several processing options were explored with the objective of reducing TOC concentrations in the feed to leach. Flowsheet options considered included pre-flotation, desliming, gravity gold recovery ahead of rougher flotation, rougher flotation followed by two stages of cleaner flotation, and recovery of gold by gravity from second cleaner flotation tailings in a scavenger gravity duty.

The 2024-2025 program successfully demonstrated that high flotation recoveries could be achieved at coarse primary grind P_{80} sizes, up to 450 µm using a gravity plus conventional flotation flowsheet. Test results show that high gold recoveries by flotation are maintained for lower-grade samples in the range of 0.2 to 0.4 g/t.

The inclusion of HydroFloat in a scavenger application was successful in mitigating losses in the coarse portion of the conventional rougher tailings. In tests conducted at 350 and 450 µm, the Hydrofloat recovered an additional 1.8 to 3.6% of the feed gold with a modest additional mass recovery. A split circuit (scalping) arrangement with HydroFloat was also evaluated but returned lower recoveries than the gravity plus conventional flotation circuit only (excluding HydroFloat).

The 2024-2025 test results achieved relatively high gold recoveries of 88 to 98% at a primary grind sizing of 350 µm using a flowsheet that includes gravity concentration, rougher flotation, regrind to 45 µm and two stages of cleaner flotation.

Two argillite samples showed lower rougher recovery of 66 to 78%, which was attributed to potential sample oxidation.

Diagnostic leach tests carried out on rougher tailings of four lithology composites showed that on average, 29.9% of the gold in rougher tailings was associated with carbonate minerals, 13% was cyanide leachable, 14.3% was linked to arsenopyrite minerals, 17.4% was associated with pyritic sulphide minerals, and 25.4% was encapsulated within gangue.

The PRV was determined for four lithology samples and correlates with the TOC content in the feed. The samples tested show high preg-robbing values (80 to 99% of gold in solution was adsorbed by TOC in the samples) for samples with feed TOC content of 1.6 to 3.8%. Addition of activated carbon to the leach showed a notable reduction in leach tailings grades (0.33 to 1.10 g/t Au) compared with the baseline intensive leach test without activated carbon (0.55 to 4.18 g/t Au), demonstrating that activated carbon had a higher affinity to adsorb gold in solution than the TOC in the samples.

Bottle roll leach tests were carried out in the 2024-2025 program on second cleaner flotation concentrate which was reground to a target P80 size of 20 µm and leached with activated carbon for 24 hours. The bulk concentrates from all tested lithologies demonstrated excellent leaching performance. Leach stage extractions averaged 98%. TOC assays varying between 0.8% to 1.20% in the leach feed did not significantly affect overall leaching performance.

Deleterious elements present in the mineralized material are mercury, copper and TOC. Mercury in the feed samples was low at less than 1.00 g/t and should be monitored in future test programs. Copper concentration in leach solution feed to detoxification tests was very high at 670mg/L and should be monitored in future programs as this can negatively impact adsorption circuit performance and warrant inclusion of a copper recovery circuit. TOC concentrations are shown to correlate with preg-robbing behavior. However, the flowsheet developed during the PEA has demonstrated that the preg-robbing effects can be successfully mitigated by management of TOC levels in the leach feed and by using a CIL process.

25.8 Mineral Resource Estimate

Mineral resources for the SMG Project include the Main and Pheonix Deposits that have been prepared by Bahram Bahrami, P.Geo., an independent Qualified Person, in accordance with NI 43-101 standards The current Mineral Resource Estimate for the SMG Project, have effective dates of January 10, 2025, for the Main Deposit and June 17, 2025, for the Phoenix Deposit. The SMG Project's total Measured and Indicated Mineral Resources include 292.1 Mt at 0.44 g/t Au and 0.66 g/t Ag, for total contained mineral inventory of 4.16 Moz Au and 6.16 Moz Ag. Total Inferred Mineral Resources include 40.3 Mt at 0.40 g/t Au and 0.95 g/t Ag, for total contained mineral inventory of 0.51 Moz Au and 0.45 Moz Ag.

The Main Deposit's Measured and Indicated Mineral Resources include 292.1 Mt at an average grade of 0.44 g/t Au and 0.66 g/t Ag, for total contained mineral inventory of 4.16 Moz Au and 6.16 Moz Ag, and Inferred Mineral Resources include 14.8 Mt at an average grade of 0.33 g/t Au and 0.95 g/t Ag, for total contained mineral inventory of 0.16 Moz Au and 0.45 Moz Ag.

The Pheonix Deposit's Indicated Mineral Resources include 0.1 Mt at an average grade of 0.35 g/t Au for total contained mineral inventory of 0.57 koz Au, and Inferred Mineral Resources include 25.4 Mt at an average grade of

0.44 g/t Au for a total contained mineral inventory of 0.36 Moz Au. Silver Mineral Resources were not estimated for the Phoenix Deposit Mineral Resource.

Mineral Resources are classified in accordance with the CIM Definition Standards (2014), considering geological continuity, drill hole spacing, and data quality. For the Main Deposit, Measured Mineral Resources were classified using a minimum of three drill holes with an average drill hole spacing of 25 m and a drill hole spacing threshold of ≤30 m. Indicated Mineral Resources required at least three drill holes with an average spacing of 49 m and a threshold of ≤70 m. Inferred Mineral Resources were classified using a minimum of two drill holes with an average spacing of 138 m and an average sample distance threshold of ≤150 m. For the Phoenix Deposit, Indicated Mineral Resources were classified using at least three drill holes with an average spacing of 60 m and a spacing threshold of ≤70 m. Inferred Mineral Resources required two or more drill holes with an average spacing of 127 m and an average sample distance threshold of ≤155 m.

The Mineral Resources are reported using a cut-off grade of 0.15 g/t Au for the Main Deposit, and 0.20 g/t Au for the Pheonix Deposit. The Mineral Resources are constrained within an optimized pit shell generated using Lerchs–Grossman pit optimization based on a gold price of US$2,400/oz, silver price of US$30/oz, 99.8% payability, 90% gold recovery, 50% silver recovery, C$12/t processing and G&A, C$3.75/t mining for mill feed and waste, C$0.03/t incremental mining cost, 1.5% royalty, C$7/oz off-site charges, and an exchange rate of C$0.73 to US$1.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Any discrepancies in totals are due to rounding. The Mineral Resource estimate complies with NI 43-101 Standards of Disclosure for Mineral Projects (May 2016) and CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

25.9 Mining Methods

A reasonable open pit mine plan, mine production schedule, and mine capital and operating cost estimate have been developed for the Spanish Mountain Gold Main deposit.

Pit layouts and mine operations are typical of other mountainous open pit gold operations in Canada, and the unit operations within the developed mine operating plan are proven to be effective for these other operations.

The total LOM run-of-mine mill feed quantities are estimated, based on a 0.20 g/t gold cut-off grade, of 229 Mt at 0.46 g/t Au and 0.65 g/t Ag, with an associated waste mining quantity of 458 Mt. These quantities will be mined over a 2-year construction period, an 18-year pit-to-mill operating period, and a 4-year period of low-grade stockpile rehandling to the mill.

The mine plan supports the cash flow model and financials developed for the PEA.

25.10 Recovery Methods

The selected flowsheet aligns with conventional practices in the industry. Comminution, flotation, precious metal extraction, recovery of payable metals, destruction of free cyanide and tailings management are achieved through conventional processes that are commonly used in the industry for similar projects with no significant elements of technological innovation and therefore provide a robust, low risk, process plant design.

25.11 Infrastructure

25.11.1 Tailings Storage Facilities Conclusions

- A total of approximately 229 Mt of tailings is anticipated over the LOM. Most of the tailings (i.e., approximately 222Mt or 97%) will be classified as non-PAG with low ML potential. The remaining tailings (i.e., approximately 7 Mt or 3%) will be classified as PAG with ML potential. Facilities were sized based on an assumed dry density of 1.7 t/m^3 for non-PAG tailings and 1.1 t/m^3 for PAG tailings.
- The primary storage method for non-PAG tailings is placement of dewatered tailings, by screening and filtering, to the non-PAG Tailings Dry Stack to be spread and compacted in engineered lifts to achieve a non-flowable landform. The non-PAG Tailings Dry Stack is sized to store the estimated LOM non-PAG Tailings volume of approximately 130 Mm^3. The ultimate tailings dry stack height ranges from 50 m to 95 m depending on natural topography. The non-PAG Tailings Dry Stack footprint can be adapted to accommodate site constraints and changes to the mine plan.
- PAG tailings will be submerged in a dedicated lined conventional TSF situated adjacent to the non-PAG Tailings Dry Stack. The PAG TSF will be sized to store the estimated LOM PAG tailings volume, approximately 6.4 Mm^3, inclusive of PAG tailings, water cover, inflow design flood volume, and freeboard. The approximately 40 m tall starter dams for the PAG TSF will be constructed using suitable overburden sourced locally; subsequent raises will be constructed out of non-PAG tailings to an ultimate 60 m tall embankment height.
- A closure concept has been developed for the tailings facilities including active and passive phases. During active closure, ongoing maintenance such water treatment, site monitoring and surveillance will continue and these ditches, contact water ponds, and the water management pond will continue to operate. PAG tailings will be relocated to the open pit and submerged. The PAG facility liner will be removed, the basin regraded, and the west embankment breached. Closure of the non-PAG dry stack will be completed progressively with a vegetative cover over the LOM and will involve minor regrading. Upon entering passive closure, the contact water collection ditches and contact water ponds will have their liners removed and be regraded. The WMP will be decommissioned, including the removal of the liner, the basin regraded, the East WMP Embankment breached, and an armored channel constructed through the breach to promote drainage out of the WMP footprint.

25.11.2 Water Management Conclusions

- The Project site-wide water balance is positive for which water capture, treatment and discharge infrastructure have been allowed for and designed.
- The Project will draw water from within the property. All site water will be managed via the WMP and a series of contact water ditches and ponds.

- The WMP will be a lined facility built in pre-production and serve as the primary water storage pond for the project. It is sized to store water for operational use and hold surface water runoff and seepage collection for seasonal treatment and discharge to Spanish Creek. The WMP will have a spillway sized to pass the inflow design flood.

25.12 Markets and Contracts

No market studies or product valuations were completed as part of the 2025 PEA but gold doré is a readily marketable commodity with transparent market pricing.

Project economics were estimated based on long-term metal prices of US$2,450/oz Au and US$28.50/oz Ag, which was based on consensus of long-term forecasts from various financial institutions.

There are no contracts currently in place for the supply of reagents, utilities, or other bulk commodities required to construct and operate the Project. Cost assumptions were based on a review of supplier budget quotes, public information, and specific information from comparable operations in the region from in-house data.

25.13 Environmental, Permitting and Social Considerations

25.13.1 Baseline and Supporting Studies

Environmental baseline studies were conducted between 2007 and 2025. Baseline environmental data collection is well advanced, and includes meteorology, air quality, surface water quality, surface hydrology, ground water quality, hydrogeology, fish and fish habitat, vegetation and wildlife, and heritage resources.

None of the environmental parameters identified to date are expected to have a material impact on the ability to extract the mineral resources or reserves.

Upon completion of the provincial and federal EAs, SMG will secure the required permits and authorizations. Major mines require several authorizations from many different provincial and federal agencies.

The environmental and community aspects of the Project have been well studied and are understood. Ongoing and updated studies continue to add clarity to the baseline condition and will be used as a foundation for the environmental assessment and permitting processes. There are no known environmental or social constraints that could materially impact the issuer's ability to extract the mineral resources or mineral reserves.

Opportunities include the large database of environmental and social work completed over more than a decade for the project, along with established relationships and agreements with Indigenous nations. These will be invaluable in moving the permitting and acceptance of the project forward efficiently.

25.13.2 Geochemistry

The proposed open pit development is expected to have a low proportion of waste rock with acid generating potential. However, neutral pH metal leaching of arsenic (and perhaps other metals/metalloids) from non-PAG waste rock may be prevalent. Currently, there is no demonstrated means of segregating waste rock on the basis of solids arsenic content to confidently manage arsenic leaching in contact waters.

25.14 Capital Cost Estimate

The capital cost estimate provided in this PEA offer expenses that can be utilized to evaluate the Project's preliminary economics. The calculations are based on the open pit mining operation, the development of a processing plant, infrastructure, tailings storage facility, and the owner's expenses and provisions. The capital cost estimate was developed in Q2 2025 Canadian dollars and conforms to Class 5 guidelines of the Association for Advancement of Cost Engineering International (AACE International) for a PEA-level with an estimated accuracy of +50%/-30%.

25.15 Operating Cost Estimate

The operating cost estimate was developed in Q2 2025 using data from projects, studies and previous operations from Ausenco's internal database. The operating cost estimate was developed to an estimated accuracy of +50%/-30%. The estimate covers the tailings storage facility, mobile equipment, G&A, mining, and processing.

25.16 Economic Analysis

An economic model was developed to estimate the project's annual pre-tax and post-tax cash flows, sensitivities, and net present value results using a 5% discount rate. Based on the assumptions and parameters, the PEA shows positive economics of C$1,025M post-tax NPV5% and 18.2% post-tax IRR.

A sensitivity analysis was conducted on the base case pre-tax and post-tax NPV and IRR of the project using the following variables: metal prices, discount rate, operating costs, initial capex, metal recovery, and head grade. The Project is most sensitive to changes in commodity price, recovery, and head grade. and less sensitive to changes in operating costs and initial capital costs.

The PEA is preliminary in nature and includes Inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Preliminary Economic Assessment results will be realized.

25.17 Risks and Opportunities

25.17.1 Risks

25.17.1.1 Exploration

The most significant risk in the use of non-drilling exploration data is drilling of targets that are not yet drill-ready, as this is expensive and has the potential to sterilize legitimate prospects. An example of this realized risk is drilling of prospects defined by anomalous rocks samples prior to understanding the structural context. In such a scenario, the drill trace could easily miss the mineralized system and sterilize the prospect. Outside of the SMG deposit footprint, SPA has no geological mapping data that can confirm reasonable orientation of drill holes in greenfield exploration areas.

Exploration risk can be mitigated by following workflows that evolve from prospecting/rock sampling and geological mapping, through expanded geochemical and geophysical surveys toward drilling. Each one of these phases is more capital intensive than the previous one and would rely on a positive result from the previous phase to proceed to the next one. Adherence to such workflows would prevent misappropriation of exploration expenditure by ensuring that targets are truly drill-ready before they are drilled.

The gold-in-soil results for the SMG Property should also be qualified as a risk, as it appears to provide a 2- by 5-km target area extending northwest of the SMG deposit. It is more likely, in the opinion of the QP, that this gold-in-soil anomaly resulted from glacial dispersion of gold derived from the SMG deposit. Gold-in-soil anomalies on the SMG Property should therefore not be drilled without local assessment of the surficial geology and derisking by following appropriate exploration workflows.

25.17.1.2 Drilling

There are no significant risks related to the methods used by SPA to collect drilling data on the SMG Property. Most of their methods either meet or exceed industry standards including a very well-preserved and readily accessible drill core library as well as top-to-bottom multi-element geochemistry obtained through four-acid digestion. The most significant shortcomings are the lack of differential GPS surveys for approximately 60% of drill collars and gyroscopic surveys as a double-check on the single magnetic tools. However, these risks are considered immaterial to the broader project.

The overall low recovery and RQD could provide some risk for mineral resource estimation and mine development.

The SMG West Extension and Phoenix Zone areas are two of the more prospective areas outside of the SMG deposit and both overlap with the footprint of proposed mine infrastructure. Additional exploration should be undertaken within these areas to determine the extent of gold mineralization before committing to a mine infrastructure plan.

25.17.1.3 Mineral Processing and Metallurgical Testing

The risks associated with mineral processing and metallurgical testing are as follows:

- The samples tested may not suitably represent the deposit. Testing on material representing a larger mining target area and on variability samples should be carried out in future project phases.
- The completed test programs indicated that all samples contained less than one ppm mercury, which is the laboratory's detection point. Analyses with lower detection limits should be conducted on feed material to better understand the concentration and potential effect on refined product, and if warranted, determine processing methods to mitigate any negative effects.
- There is a risk that the amount and/or activity of the total organic carbon material in the mineralized material negatively affects the gold recovery. Variability sampling, characterization of TOC activity and if necessary, preg-robbing mitigation testwork should be completed.
- Ore oxidation can impact recovery by flotation, the extent of oxidation and mitigations such as sulphidization should be investigated in future project phases.
- Copper concentration in leach solution feed for a single sample tested was very high at 670 mg/L and should be monitored in future programs as this may negatively impact reagent consumption, gold adsorption circuit performance and may warrant inclusion of a copper recovery circuit.

25.17.1.4 Mining Methods

Mining risks to the PEA include defined mill feed quantities, metal grades, associated waste rock quantities and the estimated costs to exploit including changes to the following factors and assumptions:

- Metal Prices
  - Decreases in metal prices may increase the economic cut-off grade or reduce the size of the selected open pit limits, with either outcome reducing the size of the resource base to include into the mine plan.
- Interpretations of mineralization geometry and continuity in mineralization zones
  - Decreases in the resource base could significantly alter the mine plan.
- Geotechnical and hydrogeological assumptions.
  - Limited understanding of the hydraulic character of bedrock units, including the influence of faults and fracturing on hydraulic properties, and the heterogeneity and anisotropy of hydraulic properties.
  - Limited recent period of record for surface water gauging stations on Spanish Creek.
  - Current boundary conditions used to represent Spanish Creek (drain boundary cells) do not permit the simulation of surface water as a source of groundwater recharge.

- Geotechnical sampling, test work, and analysis may show a required shallowing of pit slope angles, which likely would in turn increase the overall LOM stripping ratio to access the resource.
- Hydrogeological sampling, test work and analysis may identify needs for a more onerous (costly) pit water management and pit slope depressurization solution, or a greater standoff from Spanish Creek.

- Geochemical assumptions for mined resource and waste materials.
  - Geochemical sampling, test work, and analysis, specifically in the open pit waste rock, may identify a more onerous (costly) PAG management solution.
- Ability of the mining and milling operation to meet the annual production rate and anticipated grade control standards and recoveries.
  - Reduced selectivity with the mining fleet, reduced mining or milling recoveries, or increased mining dilution would result in an increased cost of achieving the planned PEA metal production.
- Ability of the milling operation to meet the annual production rate and recoveries.
- Operating cost assumptions and cost creep.
- Ability to meet and maintain future land tenure, permitting, and environmental license conditions, and the ability to maintain the social license to develop and operate.
- Ability to access capital for project financing.

25.17.1.5 Infrastructure

25.17.1.5.1 Tailings and Water Management Risks

Risks and opportunities associated with the tailings, mine waste, and water management conceptual designs exist because of limitations in the supporting dataset and the current level of design. The risks provided below should be assessed in future design stages:

- Uncertainties regarding the ARD and ML potential of tailings and waste rock, the quality of contact water, and the hydrogeological conditions within the footprints of key facilities limit the ability at this stage of design to predict migration pathways and water quality impacts to downstream receptors via surface water or groundwater. Additional data collection and assessments of downstream water quality impacts are required in the next stage of design. The assessments will determine whether mitigation measures will be required.
- Uncertainties exist in the hydrogeological characterization, including identification of preferential groundwater flow paths, within the footprints of some facilities, primarily in the northern and western portions of the site (i.e., PAG TSF, WMP, and non-PAG Tailings Dry Stack).
  - The effect of groundwater-surface water interactions on sizing of underdrains, toe drains and contact water ponds will need to be evaluated in subsequent design stages.

- The design basis assumes that a dilative (non-flowable) mass in the non-PAG Tailings Dry Stack can be achieved via placing and compacting sufficiently dewatered tailings under all weather conditions at a rate of 26,000 t/d, which is a relatively high placement rate in this climate.
    - Further laboratory testing and operational assessments will be required to confirm the viability of the proposed dewatering methods to achieve the target moisture content and the ability to place and compact the material to the required compaction density under all weather conditions at this scale of filtered tailings production.
- There is limited geotechnical data available within the current design footprint to evaluate foundation conditions and potential borrow sources for pre-production construction.
    - Previous studies identified potential glaciolacustrine soils within the nearby Cedar Creek watershed. If glaciolacustrine soils are identified within the conceptual design footprints in future site investigations, they should be assessed and design modifications (e.g using flatter slopes) may be required.

Additional site investigation and laboratory testing is necessary to evaluate and quantify suitable borrow sources for pre-production construction fills.

25.17.1.5.2 Water Treatment

The Capex and OPEX estimated for the WTP may be higher depending on the results of the future optimization of the site water balance and the of end-of-pipe water quality requirements specified by regulatory agencies.

The Capex and OPEX estimated for the WTP may be higher if passive water treatment cannot be implemented as assumed, requiring the operation of the WTP for a longer period.

25.17.1.6 Environmental, Permitting, Social and Community Considerations

Risks from the Environmental, Permitting, Social and Community Considerations include the possibility of Indigenous or community members opposing the project, or permit requirements becoming onerous with extended schedules.

Additional environmental risks include extreme weather events and forest fires.

25.17.2 Opportunities

25.17.2.1 Exploration

A rudimentary cost estimate suggests that SPA has spent approximately C$1.2M on non-drilling exploration work — likely less than 1% of the total exploration expenditures on the Property. This is a notably low proportion and indicates that SPA has focused primarily on drilling, with limited investment in foundational exploration activities such as mapping, geochemistry, and geophysics. As a result, there may be significant untapped potential for discovery through targeted non-drilling programs, particularly those that can generate new targets or refine existing ones ahead of future drilling campaigns.

Review of SPA's exploration data has identified several gaps that could be addressed through further compilation and digitization work. These include the lack of compiled and/or properly attributed outcrop mapping, trenching data, of which at least 11.6 line-km has been done on the Property, and the large number of surface samples that either lack a location or a gold assay. Compilation of this data could help identify additional exploration targets and improve understanding of the SMG deposit.

Prospective areas on the SMG Property are mostly defined through rock sampling and drilling (see Section 10). The most prospective parts of the SMG Property occur within and around the SMG and Phoenix deposits, as both deposits have zones that are still open in certain directions and there is a high potential for new discoveries. This potential is most effectively explored through drilling.

The broader Phoenix, SMG West Extension, and SMG East Extension areas are perhaps the next most prospective, as these areas each contain several gold showings hosted within the same stratigraphy as the SMG and Phoenix deposits. Key showings should be re-examined through core relogging, prospect-scale mapping and tightly spaced rock sampling surveys, with positive results leading to possible ground-based geophysical and/or top-of-bedrock drilling programs.

There is no property-scale geological map for the SMG Property, with the only maps available comprising detailed mapping of the SMG deposit area and broader-scale mapping by the British Columbia Geological Survey (BCGS). The BCSG map does not provide the kind of resolution needed for effective exploration targeting. A property-scale mapping program for the SMG Property is recommended to better identify the most prospective areas and support mine development planning.

Property-wide silt sampling may further help determine the more prospective parts of the property, especially when integrated with other property-wide data sets (e.g., mapping, structural interpretation, airborne geophysics). SPA should create a catchment map for the SMG Property and ensure that every catchment has at least one silt sample of the same type.

Very little follow-up work has been done on the airborne surveys flown by Fugro on behalf of SPA in 2006 and 2011. For both surveys, Fugro provides an extensive list of recommendations and exploration targets but there is little evidence that these were followed up. SPA has retained the raw data, providing an opportunity to reprocess the data and redefine priority target areas, ideally through integration with other data sets.

The 2003 ground-based IP survey provides a compelling pattern of intercalated conductors and resistors underlying the SMG deposit. This data should be reprocessed and reinterpreted by a qualified geophysicist to assess if there is a distinct IP response related to SMG-style mineralization.

Lastly, there is opportunity in systematically reviewing and scoring exploration targets based on overlapping prospectivity criteria. This method works by integrating all exploration data into a single GIS workspace and then identifying areas with overlapping criteria for prospectivity; for example, a mapped D3 structure overlapping with gold-in-rocks. This work should first be done manually and could later be used to generate prospectivity maps. The result of this work should be a ranked list of exploration targets for the Property.

25.17.2.2 Drilling

SPA's drilling shows that there are several areas where mineralization could be expanded, including the SMG deposit along strike and at depth as well as the West Extension and Phoenix Zone.

Three priority areas warrant further drilling within the Main Block of the SMG deposit, here referred to as the Slipper, K, and Lower Cataclastic Argillite zones. The Slipper Zone shows potential for near-surface mineralization that extends west of the SMG deposit and needs more drilling to confirm continuity and open-pit viability. The K Zone' is defined by isolated high-grade intercepts that require follow-up to assess their distribution and connectivity. The Lower Cataclastic Argillite Horizon is a newly discovered high-grade underground target that remains largely untested.

Drilling on the SMG South Block (and northern part of the SMG South Extension) returned somewhat disappointing results given the high grades returned from surface rock sampling, especially at the Ropes-of-Gold prospect. This rock sampling also defined what could be interpreted as the southward extension of the north-south trending D3 structure that centers the SMG deposit. The overlap of the D3 structural trend with gold-in-rock samples makes a compelling case for further exploration in the SMG South Block and, specifically, the Ropes-of-Gold area. Additional drilling should be preceded with mapping, prospecting, and trenching to better understand the mineralized system in this area.

The SMG West Extension area is the most prospective of the four extension areas that surround the SMG deposit, returning several intersections of 0.2 to 1.0 g/t Au over 10 to 65 m as well as 2 to 6 g/t Au over 1 to 3 m. These intersections should be assessed for expansion and growth potential, then drilled at a tighter step-out spacing (usually 25 m or less) to validate the continuity and orientation of mineralized zones.

Although results from the SMG East Extension area are generally poor there is also a surprisingly low drill density in this area, given its proximity to the SMG deposit. Additional drilling in this area is warranted but would benefit from additional targeting layers developed through new surface work, like mapping and ground-based geophysical surveys, for example.

Historic drilling in the Phoenix Zone has returned notable gold intercepts, including 33.0 m grading 1.2 g/t Au with a higher-grade section of 7.5 m at 4.1 g/t, along with 1.5 m of 73.8 g/t Au, 22.4 m at 1.4 g/t, and 60.0 m at 0.5 g/t. However, the drilling data within the current Phoenix footprint is sparse and further drilling is needed to follow up on these results and better understand the geology and mineralization geometry, which will help define its resource potential.

The Nina Lake and Cedar Creek areas returned several drill intersections of 0.1 to 4.0 g/t Au over intervals of less than 5 m, with some lower grades (less than 1 g/t Au) extending up to 10 m. Although these results could warrant more drilling it is recommended to first complete comprehensive data integration and surface work programs to improve the geological understanding of the area and, consequently, exploration success.

25.17.2.3 Mineral Processing and Metallurgical Testing

There are opportunities to perform additional metallurgical work to optimize results from geometallurgical domains and to refine the optimum grind size. Further work on gold and silver recoveries, and the effect of higher-grade feed material from potential ore sorting would be beneficial. Additionally, optimization of reagents could help to reduce costs and improve metallurgical response.

There are additional opportunities to consider coarse ore flotation at coarser grind sizes.

Future testwork should include further optimization to determine the concentrate cut-off grade for TOC and to assess if the cleaning stages are beneficial and necessary to reject TOC and to reduce mass for regrind, versus the accompanying gold loss in cleaner tails reject.

Another opportunity exists to investigate the potential for a gold recovery circuit from a pyrite concentrate.

25.17.2.4 Mining

Further areas of opportunity:

- Further work to increase size and confidence in the Mineral Resource and lead to the definition of a Mineral Reserve,
- Optimization of the pit phasing and mine production schedule, especially as the Mineral Resource is modified through further exploration and infill drilling,
- Optimization of the open-pit design through collection of additional geotechnical information,
- Detailed equipment costing to determine potential discounts to list price for all major components, as well as review purchase versus leasing options for mining equipment,
- Further planned electrification of the mine fleet, specifically the mine hauling function, as cutting-edge technologies for battery and trolley operations become commercialized soon, and
- Exploring the potential for back-filling of waste rock into the open pit.

25.17.2.5 Infrastructure

25.17.2.5.1 Tailings and Water Management

The following opportunities have been identified for consideration in future studies:

- Detailed analysis of tailings storage and waste storage facilities for an integrated waste management plan and design to optimize the management of mine-impacted runoff and associated collection and treatment costs.
- Feasibility assessment of phasing of tailings and water storage starter structures to reduce initial Capex.

- Develop an options assessment for tailings and waste rock strategies, which considers best available technologies, to support future permitting efforts.
- Water management facilities were sized in advance of the water balance model being completed and did not account for project development phasing. There is an opportunity to optimize components of the water management infrastructure during future design iterations.

25.17.2.5.2 Water Treatment

An opportunity exists to reduce the Capex and OPEX estimated for the WTP by optimizing the site-wide water balance, and by incorporating additional passive water treatment techniques where possible.

26 RECOMMENDATIONS

26.1 Introduction

The SMG Project demonstrates positive economics, as shown by the results presented in this Technical Report. It is recommended that the project proceed to a pre-feasibility study (PFS). Table 26-1 summarizes the estimated costs for the recommended future work on the SMG Project. Advancing to Phase 2 exploration and drilling is contingent upon results from the Phase 1 exploration and drilling program.

The Company is contemplating proceeding directly to a feasibility study (FS). This would require additional work to accommodate the PFS-level work and to determine the optimal business case in advance of starting the FS. The Company is targeting a 2027 build decision.

Table 26-1: Recommended Work Program

Program Component	Unit Cost (C$)	Estimated Total Cost (C$M)
Phase 1		
Exploration	-	0.42
Drilling	-	4.00
Metallurgical Testing	-	0.75
Mining	-	11.40
Pit Geotechnical Work	-	2.20
Process Engineering	-	1.80
Infrastructure (Tailings)	-	4.50
Geochemistry	-	0.50
Environmental Studies	-	0.80
Subtotal Phase 1:	-	26.37
Phase 2		
Exploration	-	1.75
Drilling	-	6.20
Subtotal Phase 2:	-	7.95
Total		**34.32**

26.2 Exploration

26.2.1 Phase 1 Exploration

The recommended Phase 1 exploration work includes additional data compilation and digitization, re-processing of raw geophysical data, desktop targeting, as well as property- and prospect-scale surface programs. These activities are described below and summarized in Table 26-1, with a total estimated cost of C$420,000.

It is recommended that SPA complete additional compilation and digitization of bedrock outcrop maps, trench maps and assay results, and surface geochemical samples that currently lack location data or gold assays. The results of this work could help identify additional exploration targets and improve the geological understanding of the SMG deposit. The estimated cost of completing this compilation is C$20,000 and, making it considerably more cost-effective than repeating the original work.

The raw data from SPA's 2006 and 2011 airborne surveys, as well as the 2003 ground-based IP survey, should be reprocessed by a qualified geophysicist for identification of targets and development of geophysical targeting criteria. The estimated cost for this program is C$30,000 based on 20 days of work by a qualified geophysicist.

A desktop-based data integration and targeting program is recommended to better define the exploration potential of the Property. This work would include reviewing and scoring exploration targets based on overlapping prospective features. This would include gold-in-rocks, tightly intercalated resistive and conductive units, northerly trending structures, and the airborne targets identified by Fugro (Smith, 2006; Fugro, 2012). The estimated cost of this program is C$40,000 and is based on approximately 40 days of work by a project geologist and software rentals.

A property-scale exploration program – including geological mapping, rock sampling, and silt sampling – is recommended to improve upon the existing 1:50,000-scale BCGS mapping, identify new gold showings, and achieve comprehensive catchment coverage for silt samples. The estimated cost for such a program is C$180,000 and is based on 60 days of work at a burn rate of C$3,000 per day. This daily burn includes wages for one geologist and one field assistant, one rental trucks, equipment rentals, room and board, and five samples per day.

Prospect-scale exploration is recommended for several targets with meaningful potential for expansion and advancement toward mineral resource definition. Each of these prospects should be assessed through core relogging and, where possible, surface work that includes detailed mapping and rock sampling. This work may be organized into focused sub-programs for each target, with the objective of advancing them to a trenching- or drill-ready stage ahead of the recommended Phase 2 work. This program is estimated to cost C$150,000 based on the same burn rates as the property-scale program. Some of the higher-priority targets are outlined below:

- **Ropes-of-Gold:** Relog core and re-evaluate surface showings, create 3D model for drill targeting.
- **Phoenix Northeast:** Relog holes 07-DDH-632 (73.8 g/t Au over 1.5 m) and 06-SPRC-340 (0.4 g/t Au over 29.0 m) that lie 325 to 450 m northeast of the Phoenix deposit. Evaluate surface geology if possible.

- **SMG West Extension:** Identify individual targets and develop relogging and/or surface work programs for each one.
- **SMG East Extension:** Identify individual targets and develop relogging and/or surface work programs for each one.

Table 26-2: Phase 1 Recommended Work Program

Program Component	Unit Cost (C$)	Estimated Total Cost (C$M)
Additional compilation and digitization	1,000/d	0.02
Reprocess geophysical data	1,500/d	0.03
Desk targeting ±prospectivity analysis	1,000/d	0.04
Property-scale surface work program	3,000/d	0.18
Property-scale relogging and surface work	3,000/d	0.15
Total		**0.42**

Source: Equity, 2025.

26.2.2 Phase 2 Exploration

SPA's exploration permit (see Section 4.10) is valid until July 2027; however, it is recommended that the amendment process begin early in 2026. While the cost will depend on the scope of proposed changes, it is currently estimated at approximately C$20,000.

The scope and budget for a second phase of non-drilling exploration work would be contingent on results of the first phase. This may include trenching, rather than drilling, on the prospects listed in Phase 1, in addition to larger-scale work on prospective areas identified through the property-scale mapping, rock sampling, and silt sampling work. Potential work programs are described below and summarized in Table 26-3, with an estimated total cost of C$1.55M.

Trenching prospects with limited outcrops and thin unconsolidated sediment cover is a cost-effective method for improving understanding of the local mineral system and advancing the prospect to a drill-ready stage. A total of 2,000 meters of trenching, at an estimated cost of C$200,000, is proposed for the Ropes-of-Gold, Phoenix Northeast, SMG West Extension, and SMG East Extension prospects identified in Phase 1.

Prospective areas identified through the Phase 1 property-scale program can be further tested with geophysical surveys and top-of-bedrock drilling. Ground-based IP and magnetic and/or UAV magnetic surveys could be used to identify conductive pyrite-bearing and carbonaceous argillite units, tightly intercalated stratigraphy of this argillite with more resistive units, and/or broadly north-south trending D3 fault systems. A cost estimate of C$350,000 is based on 50 line-km of IP surveying at an all-inclusive unit cost of C$5,000 per line-km as well as 2,000 line-km of UAV magnetics at C$50 per line-km.

Top-of-bedrock drilling is another exploration method that is useful in covered terrain and can be done with backpack drills or track-mounted RC drills. Backpack drilling is significantly less expensive but is restricted in its application and requires some pre-work assessment to determine feasibility. Top-of-bedrock drilling with a track-mounted RC rig would

be more expensive but likely more feasible. The estimated budget accounts for 100 RC holes drilled to an average depth of 20 m at an all-inclusive unit cost of C$500/m for a total of C$1.0M.

Table 26-3: Phase 2 Recommended Work Program

Program Component	Unit Cost (C$)	Estimated Total Cost (C$M)
Permit amendment	1,000/d	0.20
Trenching (2,000 m)	100/m	0.20
Ground-based IP survey (50 line-km)	5,000/line-km	0.25
Ground-based or UAV magnetics (2,000 line-km)	50/line-km	0.10
Top-of-bedrock RC drilling (2,000 m)	500/m	1.00
Total		**1.75**

Source: Equity, 2025.

26.3 Drilling

26.3.1 Phase 1 Drilling

A drilling program totaling 10,000 m is warranted to follow up on three key objectives:

- Expand near-surface mineralization in the Slipper and K Zones to enhance the potential for low strip ratio open-pit mining.
- Build on high-grade results from the 2024 program by further testing the Lower Cataclastic Argillite Horizon, a newly identified zone with underground mining potential.
- Advance drilling at the Phoenix Zone to determine the extent of near-surface mineralization and assess its potential impact on the overall project footprint and infrastructure planning.

Table 26-4: Phase 1 Recommended Work Program

Program Component	Unit Cost (C$)	Estimated Total Cost (C$M)
Drilling (10,000 m)	400/m	4.00
Total		**4.00**

Source: Equity, 2025.

26.3.2 Phase 2 Drilling

Drilling on the SMG South Block and South Extension – particularly in the Ropes-of-Gold area – is recommended as it may define southward extensions of the SMG deposit that could be included in the mine plan. This drilling would be contingent on the results of Phase 1 surface work and data integration that are designed to better understand the mineralized system in this area and so provide better odds for exploration success. A total of five holes at 300 m each is recommended for this drilling, at an all-inclusive unit cost of C$400/m.

Additional drilling in the SMG West Extension area is, likewise, contingent on positive results from desktop targeting and new surface work. Success in this regard would be to add one or more mineralized bodies at a minimum of 100,000 oz Au to the resource inventory. Assuming the potential for at least two such bodies in the SMG West Extension area, we recommend drilling ten holes to 300-m depth at an all-inclusive unit cost of C$400/m.

More drilling at the SMG East Extension is also recommended if preceding desktop targeting and new surface work suggests potential for adding at least 100,000 oz in this area. A total of four holes at 250 m each is recommended for this drilling, at an all-inclusive unit cost of C$400/m.

The Nina Lake and Cedar Creek areas are larger areas that are further away from the SMG deposit and have shown some potential for gold, though generally not the long low-grade intersections that characterize the SMG deposit. Further exploration in this area should be prioritized for areas that may overlap with proposed mine infrastructure but should only proceed after a proper basis for drill targeting has been established through the recommended desktop work and new surface work programs. Given the amount of mine infrastructure that is proposed for this area, a significant amount of drilling (10,000 m) is proposed in Phase 2 to properly sterilize (or not) this area.

Table 26-5: Phase 2 Recommended Work Program

Program Component	Unit Cost (C$)	Estimated Total Cost (C$M)
Ropes-of-Gold drilling (1,500 m)	400/m	0.60
SMG West Extension drilling (3,000 m)	400/m	1.20
SMG East Extension drilling (1,000 m)	400/m	0.40
Cedar Creek and Nina Lake drilling (10,000 m)	400/m	4.00
Total		**6.20**

26.4 Mineral Processing and Metallurgical Testing

The following metallurgical testwork activities are recommended to support further process optimization and performance validation:

- Variability testing is recommended to provide additional comminution data and demonstrate flotation and leach recovery performance across the mineralized zones, to provide spatial coverage over a range of feed grades with selected flowsheet.
- Determine the level at which TOC impacts leach performance and track TOC concentrations in the geological bock model. Characterise TOC activity for a range of variability samples.
- Determine the extent of oxidation and investigate sulphidization techniques to improve performance of potentially oxidized material.
- Further optimization work is recommended on low-grade material, where the majority of the gold losses were experienced in the first cleaner flotation tailings.

- Coarse ore flotation at coarser grind sizes, and further flotation optimization.
- Tailings settling and filtration tests.
- Concentrations of copper and silver in leach solutions should be monitored in future programs.
- Oxygen uptake rates should be conducted on a leach feed sample.
- Determination of specific energy requirement for regrind, and optimum regrind size ahead of leach.
- Bond ball mill work index tests at coarser closing screen sizes requires further investigation to develop a robust calibration model that can be applied to results obtained at finer closing screen sizes in historical programs.

Table 26-6: Phase 1 Recommended Metallurgical Work Program

Program Component	Unit Cost (C$)	Estimated Total Cost (C$M)
Metallurgical Testing		0.75
Total		**0.75**

26.5 Mineral Resource Estimate

Additional drilling is recommended to evaluate potential extension zones adjacent to the Main Deposit. This includes the Slipper Extension Zone, located northwest of the Main Deposit, which has the potential to expand the footprint of the Main Deposit. Further drilling at tighter spacing is warranted at Phoenix to support an uplift of the current Mineral Resource Estimate (MRE). Core recovered during the program could also support a geometallurgical program for Phoenix.

26.6 Mining Methods

MMTS recommends the following testwork and analysis to advance the project to feasibility level engineering designs:

- The following geotechnical and hydrogeological testwork and analysis to bring the pit slope designs to a feasibility level design:
  - Seven HQ3 sized boreholes, totaling approxcimately 1,500 m of coring, and a pumping test well, are estimated to spatially distribute the geotechnical information to previously uninvestigated areas.
  - Geotechnical logging of core holes targeting shallow faults, which are currently limiting the design.
  - Large-scale geotechnical outcrop mapping to characterize the large-scale roughness, spacing and persistence of the controlling fault sets.
  - Delineate watershed areas directing surface water into the proposed pit and investigate the drainage features evident near the east and west walls.

- Investigation and numerical simulation of the degree of hydraulic connection between the north end of the open pit and Spanish Creek. Conduct ground geophysics at the base of the Spanish Creek valley, to better characterize the depths of alluvial sediments and fractured bedrock.
- Investigation and numerical simulation of the depressurization requirements of the updated open pit.
- A detailed geological model, including folding, faulting, and a reconciliation of the various interpretations on the deposition and tectonic history of the deposit.
- A unified groundwater model that is suitable for both site-wide groundwater assessments and open pit depressurization and pit inflow estimates.

- Further waste rock geochemical characterization, with targeted updates to source terms and PAG definition.
- Geotechnical analysis of the foundations identified for the WRSF's.
- Condemnation drilling of the footprints identified for the WRSF's and site infrastructure should be carried out.
- Execute a grade control drilling and interpretation program, or possibly even a bulk sample program, in selected areas of the on deposit that are planned to be mined for initial mill feed. The resultant tonnes and grade from this interpretation should be compared to the equivalent area resource modeled tonnes and grade. Results to be incorporated in ongoing grade control strategy and mine planning.
- Drill and blast testing to be carried out by drilling vendors and local explosives suppliers by analyzing local rock types and conditions to assess the achievable drill penetration rates, optimal explosives mix and target powder factor for use in this operation.
- Updating of all mine planning work to incorporate results from other recommended studies; including optimization studies for pit limits and mine scheduling, and various operational trade-off studies.

Table 26-7: Phase 1 Recommended Mining

Program Component	Unit Cost (C$)	Estimated Total Cost (C$M)
Geotechnical drilling and hydrogeological pumping tests	-	3.5
Geotechnical and hydrogeological field work, lab work and engineering	-	2.0
Condemnation drilling	-	1.5
Grade control drilling or bulk sampling	-	4.0
Mining engineering and analysis	-	0.4
Total		**11.4**

26.7 Process Engineering

Engineering scope at a PFS-level would include but not be limited to:

- Process trade-off studies (comminution, process optimization studies)

- Assessing additional processing opportunities (ore sorting, concentrate production)
- Management of testwork programs
- Flow diagrams (comminution, recovery processes, tailings)
- Detailed equipment list
- Review of plant site location
- Power listing and consumption estimate
- Architectural design (buildings)
- Detailed mass and water balance
- Detailed process design criteria
- General arrangements (GA) and elevation drawings (for crushing, comminution, flotation, tailings)
- Electrical single line drawings
- Equipment and supply quotations and sources determined
- Estimates of equipment and materials freight quantities
- Capital cost estimate
- Operating cost estimate
- Major equipment spares and warehouse inventory cost estimate
- Construction workhours estimate
- Constructability review
- Construction schedule.

The estimated costs for process engineering and trade-off studies at a PFS level are C$1.8M.

26.8 Infrastructure

26.8.1 Tailings and Surface Water Management Recommendations

Future studies (e.g., pre-feasibility study) should consider the items listed below. Recommendations have been provided with the associated risk identified in Section 25.17.1.5:

- Conduct geochemical, geotechnical, and dewatering laboratory testing and assessments of tailings to evaluate ARD/ML potential, dewatering performance, and constructability at this scale of filtered tailings production.

- Advance geochemical characterization and volumetric discretization of waste rock in the geological block model.
- Update conceptual geological, geochemical and hydrogeological models for the project.
- Continue to collect baseline hydrology, meteorology, and hydrogeology data, with routine instrumentation calibration, data quality reviews and monitoring.
- Advance engineering studies for water management on site, including water balance, water quality, numerical saturated and unsaturated groundwater flow models to assess contact water migration risks and inform potential impacts on receptors and appropriate mitigation measures.
- Advance engineering analyses and design of the tailings, waste and water management facilities to confirm how the facilities can be configured and optimize the overall waste management strategy, considering project development phasing, tailings management plan, and closure planning. An options assessment for tailings and waste rock strategies, which considers best available technologies, to support future permitting efforts should be considered as part of this task.
- Complete additional site characterization programs, including surficial geology studies, geotechnical and hydrogeological site investigations, laboratory testing, and borrow source assessments to refine design assumptions of the foundation conditions and evaluate material availability.
- Advance closure planning for mine facilities, in consideration of other advances to the project with ongoing testing and data collection and engagement with government, First Nations, and other stakeholder groups.

Table 26-8: Phase 1 Recommended Infrastructure

Program Component	Unit Cost ($)	Estimated Total Cost ($M)
Tailings, Mine Waste and Surface Water Management Engineering Design	-	3
Drilling Contractor Cost	-	1.5
Total		**4.5**

26.9 Environmental, Permitting and Social Considerations

26.9.1 Geochemistry

Recommended geochemistry related tasks for post-PEA studies to support pre-feasibility and permitting for the Spanish Mountain Gold Project include:

- Continued advancement of the understanding of neutral pH metal leaching behavior (e.g. arsenic) via:
  - Detailed mineralogical evaluation of solid arsenic phases and related weathering products, and
  - Monitoring of leachate from five historic field barrel leach tests that were restarted on-site in fall 2024.

- Characterization of expected acidic leachate chemistry via net acid generation, or non-PAG testing (hydrogen peroxide addition to simulate oxidation), with analyses of the non-PAG leachate.
- Comprehensive geospatial assessment of arsenic (and other parameters) in the block model to advance the development of waste sorting criteria and waste management planning.
- In-fill sampling for geochemical characterization of geological domains that have not been sampled or were under-represented in the compiled dataset relative to the final mine plan.
- Geochemical characterization of metallurgical test products including mill feed, tailings streams and process water generated from metallurgical testing programs.
- Geochemical characterization of potential construction materials including overburden on the proposed pit, proposed infrastructure areas, and any borrow areas and/or quarries that are being considered for the project.
- Integration of geochemical characterization data with the site-wide water and load balance model to support water management and, potentially, water treatment evaluations and permitting.

  A robust PFS-level geochemistry program could cost an estimated C$0.5M.

26.9.2 Environmental, Permitting and Social Considerations

Additional PFS-level work including detailed baseline studies, stakeholder engagement, and permitting support could cost an estimated C$0.8M.

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