

NI 43-101 Technical Report

Preliminary Economic Assessment Update for the Spanish Mountain Gold Project

Likely, British Columbia

Prepared for:
Spanish Mountain Gold Ltd.

Effective Date: September 20, 2026
Signature Date: November 5, 2026

Prepared by the following Qualified Persons:

- Amanda Fitch P.Eng. ..... BBA Engineering Ltd.
- Colin Hardie, P.Eng. ..... BBA Engineering Ltd.
- Ronald Voordouw, P.Geo. ..... Equity Exploration Ltd.
- Bahram Bahrami, P.Geo. ..... Equity Exploration Ltd.
- Marc Schulte, P.Eng. ..... Moose Mountain Technical Engineering
- Bradley Russell, P.Eng. ..... BGC Engineering Inc.
- Andrea Samuels, P.Geo. ..... pHase Geochemistry Inc.
- Walter Neil Brazier, P.Eng. ..... W.N. Brazier Associates Inc.
- Rolf Schmitt, P.Geo. ..... ERM Consultants Canada Ltd.
- AJ MacDonald, P.Eng. ..... Integrated Sustainability Consultants Ltd.

Date and Signature Page

This Technical Report is effective as of the 20th day of September 2026.

Original signed and sealed on file	November 5, 2026
Amanda Fitch, P.Eng. BBA Engineering Ltd.	Date

Original signed and sealed on file	November 5, 2026
Ronald Jaap Voordouw, P.Geo. Equity Exploration Consultants Ltd.	Date

Original signed and sealed on file	November 5, 2026
Colin Hardie, P.Eng. BBA Engineering Ltd.	Date

Original signed and sealed on file	November 5, 2026
Bahram Bahrami, P.Geo. Equity Exploration Consultants Ltd.	Date

Original signed and sealed on file	November 5, 2026
Marc Schulte, P.Eng. Moose Mountain Technical Services	Date
Original signed and sealed on file	November 5, 2026
Andrea Samuels, P.Geo. pHase Geochemistry Inc.	Date
Original signed and sealed on file	November 5, 2026
Bradley (Brad) Russell, P.Eng. BGC Engineering	Date
Original signed and sealed on file	November 5, 2026
Rolf Schmitt, P.Geo.. ERM	Date
Original signed and sealed on file	November 5, 2026
Walter Neil Brazier, P.Eng. WN Brazier & Associates Inc.	Date

Original signed and sealed on file	November 5, 2026
A.J. MacDonald, P.Eng. Integrated Sustainability	Date

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BBAconsultants.com

CERTIFICATE OF QUALIFIED PERSON

Amanda Fitch, P.Eng.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Amanda Fitch, P.Eng., as a co-author of the Technical Report, do hereby certify that:

1. I am Director, Mining and Metals with the consulting firm BBA Engineering Ltd. located at 111 E Sego Lily Dr, Suite 190, Sandy, UT, 84070 USA.
2. I am a graduate of McGill University, with a Bachelor of Engineering in Mining in 2010.
3. I am a member in good standing of Engineers and Geoscientists of British-Columbia (EGBC 176727), the Ordre des Ingenieurs du Quebec (OIQ 5016750), and the Nevada State Boord of Professional Engineers & Land Surveyors (NVBPELS 0251 56).
4. My relevant experience includes 16 years of experience working for engineering consultants, and mining operations. I have been involved in numerous Preliminary Economic Assessments, Prefeasibility and Feasibility Studies for the mining industry.
5. I have read the definition of "qualified person" set out in the NI 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Sections 1.1, 1.16.1, 1.17, 1.19, 1.20, 1.22, 1.23, 1.24, 2.1, 2.2, 2.3, 2.4.5, 2.5, 2.6, 2.7, 3.1, 3.4, 18.1, 18.2, 18.3, 18.4, 18.7.1, 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, 22, 24, 25.1, 25.12, 25.14, 25.15, 25.16, 26.1. I am also co-author for Section 25.17 and the relevant portion of Chapter 27 of the Technical Report.
8. I have not visited the Spanish Mountain Gold Property that is the subject of this Technical Report as it was not required for the purpose of this mandate.
9. I have no prior involvement with the property that is the subject of the Technical Report.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following its rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Amanda Fitch, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

Ronald Jaap Voordouw, P.Geo.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Ronald Jaap Voordouw, P.Geo., as a co-author of the Technical Report, do hereby certify that:

1. I am Partner and Chief Operating Officer with the consulting firm Equity Exploration Ltd., located at 1238-200 Granville Street, Vancouver, BC.
2. I am a graduate of 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.
3. I am a member in good standing of 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).
4. My relevant experience includes continuous practice of my profession 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).
5. I have read the definition of "qualified person" set out in the NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Chapter(s)/Section(s) 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, 1.21, 2.4.1, 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, 25.17.2, 26.2, and 26.3. I am also co-author for the relevant portion of Chapter 27 of the Technical Report.
8. I have visited the Spanish Mountain Gold Property that is the subject of the Technical Report, from July 31 to August 3, 2023, and from June 19 to 20, 2025 as part of this current mandate.
9. I have had prior involvement with the property that is the subject of the Technical Report as I have participated as QP on previous report(s) titled Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, effective date July 3, 2025 prepared by Ausenco Engineering Canada ULC as well as through completion of data compilation and database building work in 2023 and high-level supervision of a core relogging program in 2024.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following NI 43-101 rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Ronald Jaap Voordouw, P.Geo.

2020 Robert-Bourassa Blvd.
Suite 300
Montréal, QC H3A 2A5
T +1 514.866.2111
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BBAconsultants.com

CERTIFICATE OF QUALIFIED PERSON

Colin Hardie, P.Eng.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Colin Hardie, P.Eng., as a co-author of the Technical Report, do hereby certify that:

1. I am a senior consultant within the Mining and Metals Business Line with the firm BBA Inc., located at 2020 Robert-Bourassa Blvd., Suite 300, Montréal, Québec, H3A 2A5, Canada.
2. I graduated from the University of Toronto, Ontario Canada, in 1996 with a B.A.Sc. in Geological and Mineral Engineering. In 1999, I graduated from McGill University of Montréal, Québec Canada, with an M.Eng. in Metallurgical Engineering and in 2008 obtained a Master of Business Administration (MBA) degree from the University of Montréal (HEC), Québec Canada.
3. I am a member in good standing of the Professional Engineers of Ontario (PEO No: 90512500) since August 2000. I am also a member of the Canadian Institute of Mining, Metallurgy, and Petroleum (Member No. 140556). I have practiced my profession continuously since my graduation.
4. I have over 25 years of professional experience in mining operations, engineering consulting, and applied metallurgical research. My relevant experience includes metallurgical testwork evaluation, process flowsheet development, capital and operating cost estimation, technical and economic studies, and financial modelling. Since joining BBA in 2008, I have served as a senior process engineer, study manager, and study integration lead on numerous mining projects across North America, encompassing iron ore, precious metals, industrial minerals, and base metals. Prior to joining BBA, I accumulated approximately eight years of experience in various technical and operational roles at base metal processing facilities and metallurgical research laboratories in Canada and the United States, working with companies including BHP, Noranda, Falconbridge, and Xstrata.
5. I have read the definition of "qualified person" set out in the NI 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Chapters/Sections 1.12, 1.15, 13, 17, 25.7, 25.10, 26.4, and 26.7. I am also co-author for Section 25.17 the relevant portion of 27 of the Technical Report.
8. I have not visited the Property that is the subject of this Technical Report as it was not required for the purpose of this mandate.
9. I have no prior involvement with the property that is the subject of the Technical Report.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following its rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Colin Hardie, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

Bahram Bahrami, P.Geo.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Bahram Bahrami, P.Geo., as a co-author of the Technical Report, do hereby certify that:

1. I am a Resource Geologist with the consulting firm Equity Exploration Ltd., located at 1238-200 Granville Street, Vancouver, BC.
2. I am a graduate of Simon Fraser University with a Bachelor in Earth Sciences (Geology) in 2008.
3. I am a member in good standing of the Engineers and Geoscientists British Columbia (No. 158972).
4. My relevant experience includes continuous practice of my profession for 15 years. I have been directly involved in mineral exploration programs, over 10 years in geological modelling, 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.
5. I have read the definition of "qualified person" set out in the NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Chapter(s)/Section(s) 1.13, 2.4.7, 14, 25.8, 25.17, 26.5. and 27.
8. I have not visited the Spanish Mountain Gold Property that is the subject of the Technical Report, as it was not required for the purpose of this mandate.
9. I have had prior involvement with the property that is the subject of the Technical Report as I have participated as QP on previous report(s) titled Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, effective date July 3, 2025 prepared by Ausenco Engineering Canada ULC.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following NI 43-101 rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Bahram Bahrami, P.Geo.

CERTIFICATE OF QUALIFIED PERSON

Marc Schulte, P.Eng.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Marc Schulte, P.Eng., as a co-author of the Technical Report, do hereby certify that:

1. I am a Mining Engineer with the consulting firm Moose Mountain Technical Engineering, located at #210 1510 – 2nd Street North, Cranbrook, BC.
2. I am a graduate of the University of Alberta with a Bachelor of Science in Mining Engineering in 2002.
3. I am a member in good standing of the Engineers and Geoscientists British Columbia (No. 54035).
4. My relevant experience includes 24 years as a mining engineer. Throughout my career I have worked on numerous open pit precious metals projects, within project engineering studies and within mine operations, on Mineral Reserve estimates, mine planning, and mine cost estimates.
5. I have read the definition of "qualified person" set out in the NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Chapter(s)/Section(s) 1.14, 2.4.2, 15, 16, 18.6, 20.4.2.1, 21.2.3, 21.3.3, 25.9, and 26.6. I am also co-author of Section 25.17 and for the relevant portion of Chapter 27 of the Technical Report.
8. I have visited the Spanish Mountain Gold Property that is the subject of the Technical Report, on January 21 and 22, 2026 as part of this current mandate.
9. I have had prior involvement with the property that is the subject of the Technical Report as I have participated as QP on previous report(s) titled
    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.
    d) Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, effective date July 3, 2025 prepared by Ausenco Engineering Canada ULC.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following NI 43-101 rules and regulations.

11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Marc Schulte, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

Bradley (Brad) Russell, P.Eng.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Bradley (Brad) Russell, P.Eng., as a co-author of the Technical Report, do hereby certify that:

1. I am a Principal Geotechnical Engineer with the consulting firm BGC Engineering Inc., located at Suite 500 – 980 Howe Street, Vancouver, BC V6Z 0C8, Canada.
2. I am a graduate of the University of Saskatchewan with a Bachelor of Science in Civil Engineering in 2004.
3. I am a member in good standing of 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).
4. My relevant experience includes 22 years as a geotechnical engineer. I have experience in soil mechanics, dam design, and tailings management, including serving as Engineer of Record for multiple tailings storage facilities.
5. I have read the definition of "qualified person" set out in the NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Chapter(s)/Section(s) 1.16.2, 2.4.3, 18.5, 18.9.1, 18.9.2, 18.9.3, 18.9.4, 25.11.1, 25.11.2, and 26.8. I am also co-author of Section 25.17 and for the relevant portion of Chapter 27 of the Technical Report.
8. I have visited the Spanish Mountain Gold Property that is the subject of the Technical Report, on October 3, 2024, January 21 to 22, 2026, and June 11, 2026 as part of this current mandate.
9. I have had prior involvement with the property that is the subject of the Technical Report as I have participated as QP on previous report(s) titled Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, effective date July 3, 2025 prepared by Ausenco Engineering Canada ULC.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following NI 43-101 rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Bradley (Brad) Russell, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

Andrea Samuels, P.Geo.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Andrea Samuels, P.Geo., as a co-author of the Technical Report, do hereby certify that:

1. I am a Senior Geochemist with the consulting firm pHase Geochemistry Inc., located at 2938 Lamont Road, Saanichton, B.C., V8M 1W5.
2. I am a graduate of Queen's University with a Bachelor of Science (Honours) in Geological Sciences in 1997.
3. I am a member in good standing of the Engineers and Geoscientists British Columbia (No. 38156).
4. My relevant experience includes 25 years of continuous practice in my profession 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.
5. I have read the definition of "qualified person" set out in the NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Section(s) 1.18.1.2, 2.4.8, 20.1.1.8, 25.13.2, and 26.9.1. I am also co-author of Section 25.17 and for the relevant portion of Chapter 27 of the Technical Report.
8. I have not visited the Spanish Mountain Gold Property that is the subject of the Technical Report, as it was not required for the purpose of this mandate.
9. I have had prior involvement with the property that is the subject of the Technical Report as I have participated as QP on previous report(s) titled Spanish Mountain Gold Project Prefeasibility Study NI 43-101 Technical Report, effective date May 10, 2021 prepared by Moose Mountain Technical Services and Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, effective date July 3, 2025 prepared by Ausenco Engineering Canada ULC.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following NI 43-101 rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Andrea Samuels, P.Geo.

WN BRAZIER
ASSOCIATES

CERTIFICATE OF QUALIFIED PERSON

Walter Neil Brazier, P.Eng.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Walter Neil Brazier, P.Eng., as a co-author of the Technical Report, do hereby certify that:

1. I am principal of and employed as president of the consulting firm W.N. Brazier Associates Inc., located at -3471 Regina Ave. Richmond, BC, Canada V6X 2K8.
2. I am a graduate of the University of Saskatchewan with a Bachelor of Science in Electrical Engineering in 1969.
3. I am a member in good standing of 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.
4. My relevant experience includes 55 years of continuous engineering experience in the design and construction of power generation, transmission, distribution, substations and general industrial power and control systems.
5. I have read the definition of "qualified person" set out in the NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Section(s) 2.4.4, 18.7.2, 18.7.3, 18.7.4, and 18.7.5. I am also co-author of the relevant portion of Chapter 27 of the Technical Report.
8. I have visited the Property that is the subject of the Technical Report, on June 15, 2026.
9. I have had prior involvement with the property that is the subject of the Technical Report as I have participated as QP on previous report(s) titled Spanish Mountain Gold Project NI 43-101 Technical Report & Preliminary Economic Assessment, effective date July 3, 2025 prepared by Ausenco Engineering Canada ULC.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following NI 43-101 rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Walter Neil Brazier, P.Eng.

CERTIFICATE OF QUALIFIED PERSON

Rolf Schmitt, P.Geo.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, Rolf Schmitt, P.Geo., as a co-author of the Technical Report, do hereby certify that:

1. I am a Professional Geoscientist with the consulting firm ERM Consultants Canada Ltd., located at #1000 - 1100 Melville Street, Vancouver, British Columbia, Canada V6E 4A6.
2. I am a graduate from the University of British Columbia – Bachelor of Science (B.Sc.) Geology (1977), and a Master of Science (M.Sc.) Regional Planning (1985), and University of Ottawa – Master of Science (M.Sc.) Exploration Geochemistry (1993).
3. I am a member in good standing of Engineers and Geoscientists of British Columbia, License 19824.
4. My relevant experience includes 48 years since graduation; 6 years in mineral exploration, 22 years in government mining regulation and geochemical research, and 20 years as a senior mining and natural resource regulatory consultant (since 2005).
5. I have read the definition of "qualified person" set out in the NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101" or "the Instrument") and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101), and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Chapter(s)/Section(s) 1.19.1.1, 1.19.2, 1.19.3, 1.19.4, 2.4.9, 2.6.4, 3.3, 20.1.1.1, 20.1.1.2, 20.1.1.3, 20.1.1.4, 20.1.1.5, 20.1.1.6, 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, 25.11.2, 25.13.1, and 26.9.2. I am also co-author for Section 25.17 and the relevant portion of Chapter 27 of the Technical Report.
8. I have not visited the Spanish Mountain Property that is the subject of the Technical Report as it was not required for the purpose of this mandate.
9. I have had no prior involvement with the property that is the subject of the Technical Report.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following NI 43-101 rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

Rolf Schmitt, P.Geo.

CERTIFICATE OF QUALIFIED PERSON

A.J. MacDonald, P.Eng.

This certificate applies to the NI 43-101 Technical Report titled "Spanish Mountain Gold Project, Likely, BC, Canada" (the "Technical Report"), prepared for Spanish Mountain Gold Ltd, dated November 5, 2026, with an effective date of September 20, 2026.

I, A.J. MacDonald, P.Eng., as a co-author of the Technical Report, do hereby certify that:

1. I am Vice President, Engineering / Senior Technical Specialist with Integrated Sustainability Consultants Ltd., located at Suite 620 - 1050 West Pender Street, Vancouver BC, V6C 3S7, Canada.
2. I am a graduate of Queen's University, Kingston, Canada (B.Sc., 2005) and Carleton University, Ottawa, Canada (M.A.Sc., 2007).
3. I am a Professional Engineer, and member of Engineers and Geoscientists British Columbia, Association of Professional Engineers and Geoscientists of Alberta, Association of Professional Engineers and Geoscientists of Saskatchewan, Professional Engineers Ontario, Professional Engineers Yukon, Engineers and Geoscientists New Brunswick, Professional Engineers and Geoscientists of Newfoundland and Labrador, and Nevada Board of Professional Engineers and Land Surveyors.
4. I have practiced my profession for 20 years. I have been involved or associated with the mining industry since 2007. I have participated in dozens of mining and other resource sector projects, with a particular focus on water treatment process engineering, primarily in Western North America. My experience spans all phases of project delivery including preliminary analysis, conceptual design, detailed design, construction, commissioning and optimization of infrastructure at industrial water treatment facilities in Canada and around the world.
5. I have read the definition of "qualified person" set out in the NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and certify that, by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a qualified person for the purposes of NI 43-101.
6. I am independent of the issuer applying all the tests in Section 1.5 of NI 43-101.
7. I am author and responsible for Sections 2.4.10 and 18.9.5. I am also co-author for Section 25.17 and the relevant portion of Chapter 27 of the Technical Report.
8. I have not visited the Property that is the subject of the Technical Report as it was not required for the purpose of this mandate.
9. I have had no prior involvement with the property that is the subject of the Technical Report.
10. I have read NI 43-101, and the sections of the Technical Report for which I am responsible have been prepared following NI 43-101 rules and regulations.
11. As at 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 the portions of the Technical Report for which I am responsible not misleading.

Signed and sealed this 5th day of November 2026.

Signed and sealed on file

A.J. MacDonald, P.Eng.

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List of Abbreviations and Units of Measurement

Abbreviation	Description
$, CAD	Canadian dollar (examples of use: CAD 2.5M / $2.5M)
$/t	dollars per metric tonne
%	percent
°	angular degree
°C	degrees Celsius
µm	Micron (micrometer)
3D	three dimensional
3DBM	three-dimensional block model
a	annum (year)
AA	atomic absorption spectroscopy
AACE International	Association for the Advancement of Cost Engineering International
AAS	atomic absorption spectroscopy
ABA	acid-base accounting
ABH	ABH Engineering Inc.
ACME	ACME Analytical Labs Ltd
Acrex	Acrex Ventures Ltd.
ACSR	aluminium conductor steel-reinforced
AEMP	Aquatic Effects Monitoring Program
Aeroquest	Aeroquest International Ltd
Ag	silver
Ai	abrasion index
AIA	Archaeological Impact Assessment
ALS	ALS Geochemistry
ANFO	ammonium nitrate and fuel oil
An-Kobra	An-Kobra Resources Inc
AOA	Archaeological Overview Assessment
AOP	Area of Archaeological Potential
AP	acid potential
Aquarius	Aquarius Resources Ltd.
ARD	acid rock drainage
ARG	Argillite
As	arsenic
Atlas	Atlas Drilling Ltd of Kamloops, BC
Au	gold
BaseMet	Base Metallurgical Laboratories

Abbreviation	Description
BBA	BBA Engineering Ltd.
BC	British Columbia
BCA	Block Composite Average
BGC	BGC Engineering Inc.
BCGS	BC Geological Survey
BCMEMLI	BC Ministry of Energy, Mines, and Low Carbon Innovation
Blackhawk	Blackhawk Drilling Ltd of Smithers, BC
BOS	bulk ore sorting
Brazier	WN Brazier & Associates Inc.
BWi	Bond work index
C	carbon
Ca	calcium
$Ca(OH)_2$	hydrated lime / calcium hydroxide
CABIN	Canadian Aquatic Biomonitoring Network
CAD:USD	Canadian-American exchange rate
CaO	lime
CAPEX	capital expenditure
Carolin	Carolin Mines Ltd
CDN	CDN Resource Laboratories Ltd of Langley, BC
Cedar Mountain	Cedar Mountain Exploration Inc.
Cg	graphitic carbon
CGD	Cariboo Gold District
CIL	carbon in leach
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
CIM Definition Standards	CIM Definition Standards for Mineral Resources and Mineral Reserves 2014
cm	centimetre
cm^3	cubic centimetre
CMC	Caboxymethyl Cellulose
CN_{WAD}	weak acid dissociable cyanide
Co	cobalt
CO_2	carbon dioxide
(Co,Fe)AsS	alloclasite
COA	Certificate of Analysis
Cogema	Cogema Canada Ltd
conc.	concentrate
CPF	coarse particle flotation

Abbreviation	Description
CRM	certified reference material
Crown	Government of BC
Cu	copper
CV	coefficient of variation
CV_{AVR}	Average coefficient of variance
CVG	Calculated Vertical Gradient
CWi	crushing work index
CWP	Contact water pond
Cyprus	Cyprus Resources Ltd
d	day (24 hours)
d/y	days per year
D1, D2, D3	Deformation events 1, 2, and 3
DCF	discounted cashflow
DDH	diamond drill hole
deg. or °	angular degree
DEM	digital elevation model
DGPS	differential GPS
DHDB	drill hole database
DHS	Drill Hole Spacing
DO	dissolved oxygen
DPD	Detailed Project Description
Drift	Drift Exploration Drilling Inc of High River, Alberta
DTH	down the hole
EA	Environmental Assessment
EAO	Environmental Assessment Office
Eagle Mapping	Eagle Mapping Ltd
Eastfield	Eastfield Resources Ltd.
Eco-Tech	Eco-Tech Laboratories Ltd
EDA	exploratory data analysis
EDF	environmental design flood
EGL	effective grinding length
e-GRG	extended gravity recoverable gold
EM	electromagnetic
Equity	Equity Exploration Consultants Ltd.
ERM	ERM Limited
et al.	et alla (and others)
F1, F2	Fold structures related to deformation events 1 to 2, respectively

Abbreviation	Description
FA	fire assay
F_{80}	80% passing - Feed size
Fe	iron
FeAsS	lesser arsenopyrite
FeS_2	pyrite
Fe3(H2O)8(AsO4)2	parasymplesite
Freeport	Freeport Resources Incorporated
FS	feasibility study
FSR	Forest Service Roads
Fugro	Fugro Airborne Surveys Corporation
FUP	Free Use Permit
G&A	General and Administrative
g	gram
g/cm^3	gram per cubic centimetre
g/L	grams per Litre
g/t	grams per (metric) tonne
Ga	gallium
GET	ground engaging tools
GME	General Mine Expense
GNSS	Global Navigation Satellite System
GPS	global positioning system
GRG	gravity recoverable gold
GT	Grade-thickness, product of grade thickness
GWh	gigawatt hour
h	hour (60 minutes)
ha	Hectare
Hardrock	Hardrock Diamond Drilling Ltd of Penticton, BC
HCl	hydrochloric acid
HF	Hydrofloat
HFA	hydrous ferric arsenate
HG	High-Grade
Hg	mercury
HM	heavy mineral
HPGR	high-pressure grinding roll
HQ	HQ- Caliber drill hole
Hycroft	Hycroft Resources and Development Ltd
IAAC	Impact Assessment Agency of Canada

Abbreviation	Description
ICP	inductively coupled plasma
ICP-MS	inductively coupled plasma mass spectroscopy
ID^3	inverse distance cubed
IDF	inflow design flood
IEC	International Electrotechnical Commission
ILR	Inline Leach Reactor
Imperial	Imperial Metals Corporation
In	indium
IP	induced polarization
IRR	internal rate of return
IS	Integrated Sustainability Consultants Ltd.
ISO	International Organization for Standardization
IT	information technology
JAIR	Joint Application Information Requirements
JMT	JMT Services Ltd.
JSOIE	Joint Summary of Issues and Engagement
K_{80}	80% passing – particle size
Karus	Karus Mining Inc.
Kbar	Kilobar (unit of pressure)
Kcmil	thousand circular mils
kg	kilogram
kg/h	kilograms per hour
kg/t	kilograms per tonne
km	kilometres
km^2	square kilometre
kt	kilotonne
kW	kilowatt
kWh	kilowatt hour
kWh/t	kilowatt hour per tonne
L	litre
La	lanthane
Lacana	Lacana Mining Corporation
Lagger	Lagger software developed by North Face Software Ltd of Surrey, BC
LAP	Laboratory accreditation program
LARG	Lower Argillite
LDS	LDS Diamond Drilling of Kamloops, BC
LDN	Lhtako Dene Nation

Abbreviation	Description
LiDAR	laser detection and ranging
LOM	life of mine
LPG	liquid propane
LVA	locally varying anisotropy
Matrix	Matrix Diamond Drilling Inc of Kamloops, BC
m	metre
M	million
M&I	Measured and Indicated
m/s	metres per second
m^2	square metre
m^3	cubic metre
m^3/s	cubic metre per second
m^3/h	cubic metre per hour
Ma	mega annum (million years)
MAG	magnetic
Mandusa	Mandusa Resources Ltd
masl	metres above mean sea level
MCM	Ministry of Mining and Critical Minerals
MDMER	Metal and Diamond Mining Effluent Regulations
mesh	US Mesh
mg	milligram
MIBC	methyl isobutyl carbinol
MII	Measured, Indicated, and Inferred
min	minute (60 seconds)
MINFILE	Government database of mineral occurrences in BC
ML	Metal leaching
mm	millimetre
MM	mineralized material
Mm^3	million cubic metres
MMTS	Moose Mountain Technical Services
Mo	molybdenum
Moz	million (troy) ounces
MRE	Mineral Resource Estimate
MSA	MS Analytical
Mt	Million metric tonne
Mt Calvery	Mt Calvery Resources Ltd
MTO	Mineral Titles Online

Abbreviation	Description
MTOs	material take-offs
MW	megawatt
MX	Mineral Exploration
NaCN	sodium cyanide
NaOH	sodium hydroxide
NARG	North Zone Argillite
NI 43-101	National Instrument 43-101
NiAsS	gersdorffite
(Ni3AsO4)2·8H2O	annabergite
NN	nearest neighbour
N, NE, E, SE, S, SW,W, NW	north, east, south, west (directional indicators)
No.	number
Northspan	Northspan Explorations Ltd of Kelowna, BC
NorthStar	NorthStar Drilling of Maple Ridge, BC
non-PAG or NPAG	Non-potentially acid generating
NP	neutralization potential
NPV	net present value
NQ	NQ- Caliber drill hole
NSP	Net Smelter Price
NSR	net smelter return
NStQ	Northern Secwepemc te Qelmucw
NTS	National Topographic System
OK	ordinary kriging
OLTC	Occupant Licence to Cut
OPEX	operational expenditure
OPGW	optical ground wire
OREAS	OREAS North America Inc from Mansfield, Ontario
oz	troy ounce
P_{80}	80% passing - product size
PAA	Photon activation analysis
PAG	potentially acid generating
PAX	potassium amyl xanthate
Pb	lead
PEA	Preliminary Economic Assessment
PFR	Preliminary Field Reconnaissance
PFS	prefeasibility study

Abbreviation	Description
PGE	platinum group elements
PGNAA	prompt gamma neutron activation analysis
pH	potential of hydrogen
pHase	pHase Geochemistry Inc.
Placer Dome	Placer Dome Inc
PMA	Particle Mineral Assessment
P.O.I	point of interconnection
ppb	parts per billion
PPE	personal protective equipment
ppm	parts per million
PRV	Preg-Robbing Value
Pundata	Pundata Gold Corp
QA/QC	quality assurance / quality control
QCP	Quartz- carbonate-pyrite
QCORE	Quarter core
QP	qualified person (as defined in National Instrument 43-101)
R^2	Coefficient of determination
RC	reverse circulation / Rotary Circular Hole
RD	Relative density
RLCE	Reclamation Liability Cost Estimates
ROM	run-of-mine
RQD	rock quality designation
RWi	rod work index
s	second
S1, S2, S3	Penetrative fabrics related to deformation events 1 to 3, respectively
S	sulphur
S^{2-}	sulphide
SAG	semi-autogenous grinding
SARA	Species at Risk Act
Sb	antimony
SC	South Cariboo Property
SCA	Sugar Cane Archaeology
SCC	Standards Council of Canada
Scott Geophysics	Scott Geophysics
SD	standard deviation
SDS	Safety Data Sheet
SEDAR	System for Electronic Document Analysis and Retrieval

Abbreviation	Description
SFE	shake flask extraction
SG	specific gravity
SHV	Sedimentary-hosted vein, sedimentary-hosted and vein-controlled
Si	silicon
SiO_2	silicon dioxide / silica
S-K	Mr. E. Schultz and Mr. P. Kutney
Skygold	Skygold Ventures Ltd.
Sm	samarium
SMBS	sodium metabisulphite
SMC	SAG mill comminution
SMG	Spanish Mountain Gold Property
SMU	selective mining unit
Sn	tin
SO_2	sulphur dioxide
SPA	Spanish Mountain Gold Ltd.
Sr	strontium
SRC	Saskatchewan Research Council
SRK	SRK Consulting Ltd
SRMP	Sustainable Resource Management Plan
SW	southwest
t	tonne (1,000 kg) (metric ton)
t/a	tonnes per annum
ton	short ton (2,000 lbs)
t/d	tonnes per day
t/h	Nominal throughput, dry
TEM	terrestrial ecosystem mapping
t/m^3	tonnes per cubic metre
TMVSR	Transitional mixed volcanic and sedimentary rocks; an unnamed formation of Nicola Group
TOC	total organic carbon
TSBC	Technical Safety BC
TSF	tailings storage facility
U	uranium
UAV	unmanned aerial vehicle
USD or US$	United States dollar (examples of use: USD2.5M / US$2.5M)
UTM	Universal Transverse Mercator
UV	ultraviolet

Abbreviation	Description
VLF-EM	very low frequency electromagnetic
VMS	volcanic-hosted massive sulphide
VSA	vacuum swing adsorption
W	weight in grams
w/w	weight per weight
WAD	weak acid dissociable
WBM	water balance model
WBS	work breakdown structure
Wheaton	Wheaton Precious Metals Corp.
Whitecap	Whitecap Energy Inc
Wildrose	Wildrose Resources Ltd.
WLFN	Williams Lake First Nation
WMC	Waste Management Code
WMP	Water management pond
WRSF	waste rock storage facilities
wt%	weight percent
WTP	water treatment plant
XFN	Xatśūll First Nation
XRF	x-ray fluorescence
XRT	x-ray transmission
y	year (365 days)
Zn	zinc

1. Summary

1.1 Introduction

Spanish Mountain Gold Ltd (SPA) commissioned BBA Engineering Ltd. (BBA) to compile a Preliminary Economic Assessment (PEA) Update of the Spanish Mountain Gold Project. The Project is a gold and silver exploration project located in the Cariboo region of British Columbia (BC), Canada. The purpose of this Report is to summarize the results of the PEA Update for the Project in accordance with the guidelines of the Canadian Securities Administrators National Instrument 43-101 (NI 43-101) and Form 43-101F1.

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

- BBA 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, capital and operating costs (except those related to mining, permitting and environmental), economic analysis. BBA was also responsible for managing the PEA Update 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 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.
- Integrated Sustainability Consultants Ltd. (IS) was responsible for water treatment design and costs.
- pHase Geochemistry Inc (pHase) was responsible for geochemical characterization of waste rock and tailings.
- ERM Consultants Canada Limited (ERM) was responsible for the environmental studies, permitting, and social and community impacts (except those related to geochemistry, mining, tailings, and water management). ERM was also responsible for closure plans and closure costs associated with the Project.

1.2 Property Description and Location

The Spanish Mountain Gold (SMG) Property comprises 63 mineral claims that cover 13,303 hectares (ha) in central-eastern 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 SPA with the 60 mineral claims in good standing until 2035 and three recently acquired claims in good standing until 2027.

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

The 63 mineral claims comprising the SMG Property consists of 20 Legacy claims and 43 Mineral Titles Online (MTO) claims that cover a total of 13,303 ha. However, these 63 claims include 1,088 ha of overlapping area that reduces the effective mineral claim area to 12,215 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 4,144 ha of SMG Property is covered by placer claims and leases that are held by 21 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 27 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 151 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 metres (m) from the eastern edge of the proposed open pit on the SMG deposit.

Gold and silver production from the SMG deposit will be subject to a combined 4.0% net smelter return (NSR) royalty, comprising a 1.5% NSR on all production payable to Wheaton Precious Metals Corp. (Wheaton) and a 2.5% NSR under one of the tenure related agreements. Buydown provisions provide the option to reduce the combined NSR to between 2.0% and 2.5%. However,

the Wheaton royalty also includes step-up provisions related to the achievement of specified production thresholds (Completion) by December 31, 2030 (Outside Completion Date). If Completion has not been achieved by the Outside Completion Date, the NSR will increase by up to 0.15 percentage points on the Outside Completion Date and by a further up to 0.15 points on each anniversary thereafter. The Payors may elect to make a US$6 million cash payment in lieu of each such increase.

Production from the Phoenix Deposit is subject to the same Wheaton NSR as well as the tenure-related Cedar Mountain royalty, for a combined NSR of 4.0%, with buydown provisions that, under the most favourable circumstances for SPA, allow the NSR to be reduced to 1.0%.

The Project's exploration permit is valid until July 2027, with an amendment recommended to begin as soon as possible. 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 Qualified Person (QP).

Other than the placer claims held by others, 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, consisting 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) and Prince George (population 80,000), located 70 km southwest and 170 km northwest of the Property, respectively. 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 labour. 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 m 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 favourable 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, low seismic risk, and proximity to communities that work in the natural resources industry.

1.5 History

Mineral claims over the SMG deposit have been intermittently held since the early 1930's and continuously from 1976. Originally fragmented among several claim holders, the first consolidation of claims overlying the SMG deposit was completed in 1984 by Mt Calvery Resources Ltd, leading to the first significant drill programs. These claims then refractured back to their original owners by the late 1980's until they were reconsolidated by Eastfield Resources Ltd (Eastfield) in 1992. Eastfield transferred their interest to Wildrose Resources Ltd (Wildrose) in 1997.

In 2003, Wildrose optioned their iteration of the SMG Property to Skygold Ventures Ltd (Skygold), the precursor to SPA. In 2007, Skygold 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 production that falls within the current boundary of the SMG Property includes approximately 21,654 metres 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, 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, typically through at least two mineralizing events that coincide with the main D1-D2 and later D2-D3 stages of regional-scale deformation between 180 to 140 Ma.

Gold mineralization on the Property consists of sedimentary-hosted vein (SHV) orogenic systems hosted within Nicola Group metasedimentary and metavolcanic rocks, which form the base of the Quesnel terrane near its suture with the Kootenay terrane. D1-D2 mineralization is associated with permissive stratigraphic units (e.g., carbonaceous argillite), disrupted quartz-carbonate-pyrite (QCP) veins, and pervasive QCP alteration. Later 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.

The SMG and Phoenix deposits are the most significant gold deposits on the SMG Property, although numerous other orogenic and placer gold occurrences are found throughout the area. The SMG deposit consists of several lens- to pipe-like bodies that collectively form a gently north dipping volume up to 1,700 m long, 800 m wide, and 300 m thick. The smaller Phoenix deposit comprises three stacked, sub-horizontal, lens-like bodies centered on a N-S striking D3 brittle fault, within a volume that is 1,500 m long, 300 to 400 m wide, and covers 100 to 200 m of stratigraphic thickness.

Other gold showings on the Property are similar in nature to the SMG deposit and include possible extensions of the deposits as well as separate systems developed along 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 other commodities are sparse and subeconomic.

1.7 Deposit Types

The SMG and Phoenix deposits belong to a subtype of the orogenic gold deposit type referred to as sedimentary-hosted and 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.

Orogenic gold systems form some of the world's most significant gold-producing deposits and belts, with their name reflecting a temporal and spatial association with late stages of orogenesis. Globally, most orogenic gold deposits developed between 2.8 and 2.55 Ga (Archean), 2.1 and 1.8 Ga (Early Proterozoic) or 600 and 50 Ma (Phanerozoic), with the eastern Cordilleran gold belt, which includes the Cariboo Gold District, formed between 180 to 140 Ma.

The SMG Property hosts many historic placer gold deposits, comprising flakes, grains, and, rarely, nuggets of native (or elemental) gold hosted in unconsolidated sediments that are most likely sourced from nearby orogenic gold deposits. Other occurrences on the SMG Property are suggestive of alkalic porphyry, poly-metallic vein, and volcanogenic massive sulphide systems, but are all subeconomic.

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 $2.0M of non-drilling exploration, mostly on rock and soil sampling and, to a lesser extent, on geological mapping, silt sampling, and geophysical surveys. This is a notably low total for an advanced exploration project and indicates that SPA has focused primarily on drilling, with limited investment in foundational exploration activities. SPA's relatively limited investment in foundational exploration work suggests there may be untapped potential for discovery through targeted non-drilling programs, particularly those designed to generate new targets or refine existing ones ahead of future drilling campaigns.

Prospecting, rock sampling, geological mapping, and trenching were used to discover the bulk of mineral occurrences on the SMG Property, including the SMG deposit. Most of this work was done prior to SPA's acquisition of the Property in 2003. Since then, SPA has collected at least 1,182 rock samples and completed a deposit-scale mapping program around 20 years ago.

SPA has also collected at least 7,024 soil samples that, together with historical sampling, defines a 2 km wide gold-in-soil anomaly that extends 4 to 5 km northwest of the SMG deposit. This anomaly

occurs within till and down-ice of the SMG deposit, so it most likely reflects gold dispersal from SMG rather than buried mineralization.

SPA has collected just 82 stream sediment (or "silt") samples with limited property-scale coverage, so that the sampling density is insufficient to determine its utility.

SPA commissioned 1,701 line-km of airborne magnetics and electromagnetic surveys, as well as 23 line-km of ground-based induced polarization work. Both surveys show patterns of closely intercalated conductive and resistive units underlying the SMG deposit area that are consistent with graphite- and/or pyrite-rich units intercalated with units lacking these minerals. Early (i.e., D1-D2) gold mineralization shows a strong association with pyrite and graphitic argillite, suggesting that EM and IP conductors may themselves represent exploration targets. Larger D3 quartz veins, quartz veins arrays, and silicified structures may manifest as resistivity highs.

1.9 Drilling

Since acquiring the Property in 2003 and up to 19 May 2026, SPA and its predecessor, Skygold Ventures Ltd ("Skygold"), have completed 1,177 drill holes within the current boundaries of the SMG Property, for a total of and 238,784 m (Table 10-1). The bulk of this drilling was done with diamond tools whereas a lesser number of holes were drilled with 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 85% of the drill holes and meters have been drilled in the Main, North, and South blocks of the SMG deposit with the balance split among deposit extensions, the Phoenix deposit, and other targets.

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 ~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 sub-metre accuracy. Downhole surveys were completed with single-shot magnetic and gyroscopic downhole surveys tools, typically showing that holes stayed straight or deviated clockwise and toward steeper dips with depth.

Just under 85% of 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 15% 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 DataShed software. Most of the diamond core was photographed prior to cutting as well as approximately 70% of the RC chips.

Core recovery ranges from fair to very good (70 to 95%) for 85% of the holes drilled by SPA, with the balance showing poorer (<70%) recovery that is typically related to more extensive overprinting by brittle fault zones. Rock quality designation (RQD) values average between 40% and 45%, corresponding to poor rock quality, with all measurements falling below 75%. Both the core recovery and RQD measurements values are low relative to industry standard, reflecting the generally friable and fractured nature of bedrock on the Property.

Just over 95% of all metres drilled by SPA have been sampled and assayed, with the remaining 5% consisting mostly of overburden and unsampled geotechnical drill holes. Consequently, the proportion of unsampled resource and exploration drill core is very small. 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 commercial laboratories. All samples have gold analyses and a majority have multi-element assays, which show that silver and base metal contents are generally insignificant.

The highest grade-thickness intersections have been drilled in the Main Block area of the SMG deposit, including 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.

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.

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.

Drilling on the Phoenix deposit 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.

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.

1.10 Sampling Preparation and Security

From drilling completed between 2004 and 19 May 2026, SPA has collected 127,833 diamond drill core samples and 16,222 RC chips, summing up to 224,389 metres of drill core from 238,784 metres drilled. The unsampled 6% of drilled meters consists mostly of overburden, such that the cumulative length of unsampled bedrock is negligible. Around 85% of samples are 1.5 m in length.

Sample shipping, and shipment security measures are poorly documented aside from the most recent 2024 to 2026 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 independent of SPA. Gold assays prior to 2025 were mostly done using screen fire assay methods, with SPA transitioning to photon activation analysis (PAA) for the two most recent programs in 2025 and 2026. SPA has also obtained multi-element data for many of their core samples, typically through four acid digestion and an inductively coupled plasma (ICP) finish. The preparation and analytical methods used by SPA are, for the most part, industry standard for gold exploration and development projects.

SPA has analyzed 6,518 certified reference materials (CRMs), 4,730 field duplicates, 1,621 preparation duplicates, and 6,359 blanks, comprising a QA/QC insertion rate of 13.3% that is within industry best practice insertion rates of 10 to 20%. CRMs for the 2005 to 2025 programs returned failure rates below the industry standard that suggest gold analyses are generally precise and accurate.

SPA's 2026 PAA demonstrate poorer performance of CRMs certified for PAA than for CRMs certified only for fire assay. This unexpected result, together with the use of CRMs not certified for the analytical method used, warrants further investigation.

Blank data indicates that cross-contamination, if any, was limited.

Duplicates show adequate correlation between parent-daughter pairs and an average coefficient of variation (CV_{AVR}) that falls just above typical ranges for coarse- to medium-grained gold deposits. These relatively high CV_{AVR} values imply that gold mineralization on the SMG Property may have slightly higher variance than typical of these deposit types.

Quarter core and preparation duplicates analyzed by PAA show CV_{AVR} values that lie significantly above typical ranges for medium- to coarse-grained gold deposits whereas those analyzed by screen fire assay methods falls within or close to the expected ranges. These results suggest that elevated variability may be specific to the PAA method rather than an inherent characteristic of the mineralization.

Relative density was determined using the industry-standard Archimedes method. The resulting values are consistent with the lithologies hosting gold mineralization on the SMG Property and are considered suitable for mineral resource estimation.

1.11 Data Verification

Verification of pre-SPA legacy data shows that it is fit for purposes of exploration targeting and planning surface work programs, and that approximately 45% of the legacy drill meters are adequate for inclusion in mineral resource estimates.

Verification of SPA's geological, geophysical, and surface geochemical data shows that it is fit for purposes of exploration targeting and planning surface work programs.

A check of ten collar locations by QP Voordouw 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.

Quarter core duplicate sampling by QP Voordouw, of ten intervals from the Phoenix deposit, shows very poor correlation between SPA and QP values, particularly for samples with at least one assay above 1.0 g/t Au. These results suggest that coarse-gold spatial variance is not adequately captured at the sample scale. More work is recommended to assess grade variance in the Phoenix deposit.

CRMs used to monitor SPA's 2026 PAA recorded numerous failures and an average positive bias of 1.0 to 1.5 standard deviations relative to their certified means. In contrast, CRMs analyzed by PAA that were certified only for metallic screen assay performed adequately. Together, the frequency of failures for PAA-certified CRMs and the mismatch between the analytical methods used to certify and analyze the CRMs that passed, introduce uncertainty regarding the accuracy of the PAA results and warrant further investigation.

Aside from the concerns around Phoenix duplicate and PAA CRMs, SPA's drilling data are otherwise adequate for the purposes of mineral resource estimation and exploration targeting.

1.12 Mineral Processing and Metallurgical Testwork

Metallurgical testwork completed since 2007 provides the basis for the Spanish Mountain Gold Project PEA Update process flowsheet, process design criteria, and process operating cost estimates. The programs include mineralogical characterization, comminution, gravity concentration, flotation, concentrate leaching, and supporting process investigations. Main Zone testing has evaluated the principal lithologies over a range of feed grades, with recent work focused on coarser primary grinding and concentrate treatment. Preliminary gravity, flotation, and particle sorting investigations have also been undertaken on Phoenix Zone material. The testwork programs and results are described in Chapter 13.

The results support a preliminary flowsheet incorporating gravity recovery, coarse particle and conventional flotation, concentrate regrinding and cleaning, and carbon-in-leach (CIL) treatment. Testing demonstrated the potential to recover gold from coarse particles and reject gangue ahead of further grinding, supporting the inclusion of coarse particle flotation. Additional testing is required to confirm performance across representative feed types at coarser grind sizes of 450 to 600 µm(P_{80}).

Leach testing identified preg-robbing in certain samples, whereby naturally occurring carbonaceous material adsorbs dissolved gold during cyanidation. Adding activated carbon during leaching reduced these losses by competing with the natural carbonaceous material for dissolved gold. Recent Main Zone cleaner concentrate tests conducted with activated carbon achieved approximately 98% leach-stage gold extraction. These results support the CIL concept, in which gold is leached and adsorbed onto activated carbon in the same circuit. Carbon requirements and extraction remain to be confirmed across representative concentrates and operating conditions.

The Main Zone overall recovery equations adopted for the PEA Update incorporate the assumed recoveries for the individual processing stages:

Table 1-1: Main Zone overall recovery equations

Lithology	Gold recovery, RAu (%)	Silver recovery, RAg (%)
Argillite	90.2 + 3.6 ln(GAu)	33.6 + 13.6 GAg
Tuff	91.9 + 1.45 ln(GAu)	56.8
Greywacke	89.8 + 1.44 ln(GAu)	33.6 + 13.6 GAg

GAu and GAg are the respective gold and silver feed grades in g/t, and ln denotes the natural logarithm.

Particle sorting investigations indicate upgrading potential, subject to representative bulk sample validation. A separate desktop study did not support bulk ore sorting under the conditions evaluated. Remaining metallurgical uncertainties include the control of preg-robbing, lower flotation recovery in some low-grade near-surface samples, and confirmation of coarse particle flotation performance. Samples for a further Main Zone program, comprising 145 samples representing more than 700 m of mineralization, have been shipped for testing to support future studies. Recommended work includes confirmation of coarse particle flotation performance, optimization of cleaner flotation and fine grinding, further CIL testing, validation of particle sorting, assessment of mercury and dissolved copper, and characterization of representative tailings and process water.

1.13 Mineral Resource Estimate

The updated mineral resource estimate for the SMG Project, with an effective date of May 19, 2026, for the Main Deposit and 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 has 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 342.0 million tonnes (Mt) grading 0.42 grams per tonne of gold (g/t Au) and 0.66 grams per tonne of silver (g/t Ag), containing 4.66 million ounces of gold (Moz Au) and 7.22 million ounces of silver (Moz Ag). Inferred Mineral Resources are 42.4 Mt at 0.28 g/t Au and 0.86 g/t Ag, for 0.38 Moz Au and 1.17 Moz Ag. For the Phoenix Deposit, Indicated Mineral Resources are 0.09 Mt at 0.25 g/t Au, and Inferred Mineral Resources are 54.4 Mt at 0.36 g/t Au, for 0.63 Moz Au; silver was not estimated. Combined, total Measured and Indicated Mineral Resources for the Project are 342.1 Mt at 0.42 g/t Au and 0.66 g/t Ag, containing 4.66 Moz Au and 7.22 Moz Ag. Total Inferred Mineral Resources are 96.8 Mt at 0.32 g/t Au and 0.86 g/t Ag, for 1.01 Moz Au and 1.17 Moz Ag. A summary of the Mineral Resource estimates is presented in Table 1-2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Table 1-2: 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	111.38	0.51	1,831	0.66	2,356
	Indicated		230.64	0.38	2,832	0.66	4,863
	M&I		342.02	0.42	4,663	0.66	7,219
	Inferred		42.37	0.28	382	0.86	1,174

Deposit	Classification	Cut-off grade	Tonnes (Mt)	Gold grade (g/t)	Contained Gold (koz)	Silver grade (g/t)	Contained Silver (koz)
Phoenix Deposit	Indicated	0.15	0.09	0.25	0.72	-	-
	Inferred		54.45	0.36	629.28	-	-
Total Spanish Mountain Gold Project	M&I	0.15	342.11	0.42	4,664	0.66	7,219
	Inferred		96.83	0.32	1,011	0.86	1,174

Notes:

1. The Mineral Resource for the Main Deposit and the Phoenix Deposit are both reported using a cut-off grade of 0.15 g/t Au. 2. The Mineral Resources are constrained within an optimized pit shell generated using Lerchs–Grossman pit optimization based on a gold price of US$3,400/oz, silver price of US$45/oz, 99.8% payability, 90% gold recovery, 50% silver recovery, C$11.50/t processing and General and administrative (G&A), C$3.50/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 May 19, 2026, for the Main Deposit and May 19, 2026 for the Phoenix Deposit.

The geological and resource modelling for the Main and Phoenix Deposits utilized Leapfrog 2026.1 and Micromine Origin & Beyond 2026 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 (ID^3) 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 ID^3 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 the Phoenix Deposit. Optimization parameters included a gold price of US$3,400/oz, silver price of US$45/oz, 99.8% gold payability, 90% gold recovery, 50% silver recovery, C$11.50/t processing and G&A, C$3.50/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, 26-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 six 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 1-3, with a 0.15 g/t gold cut-off grade.

Table 1-3: Mine plan ROM production

Pit content	Amount	Unit
Mill feed	286	Mt
Gold grade	0.41	g/t
Silver grade	0.65	g/t
Waste material	507	Mt
Strip ratio	1.8	t/t

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 8% 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 18 months 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.

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.

Owner run 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 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 1 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 class 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$2.72 to C$5.07 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.

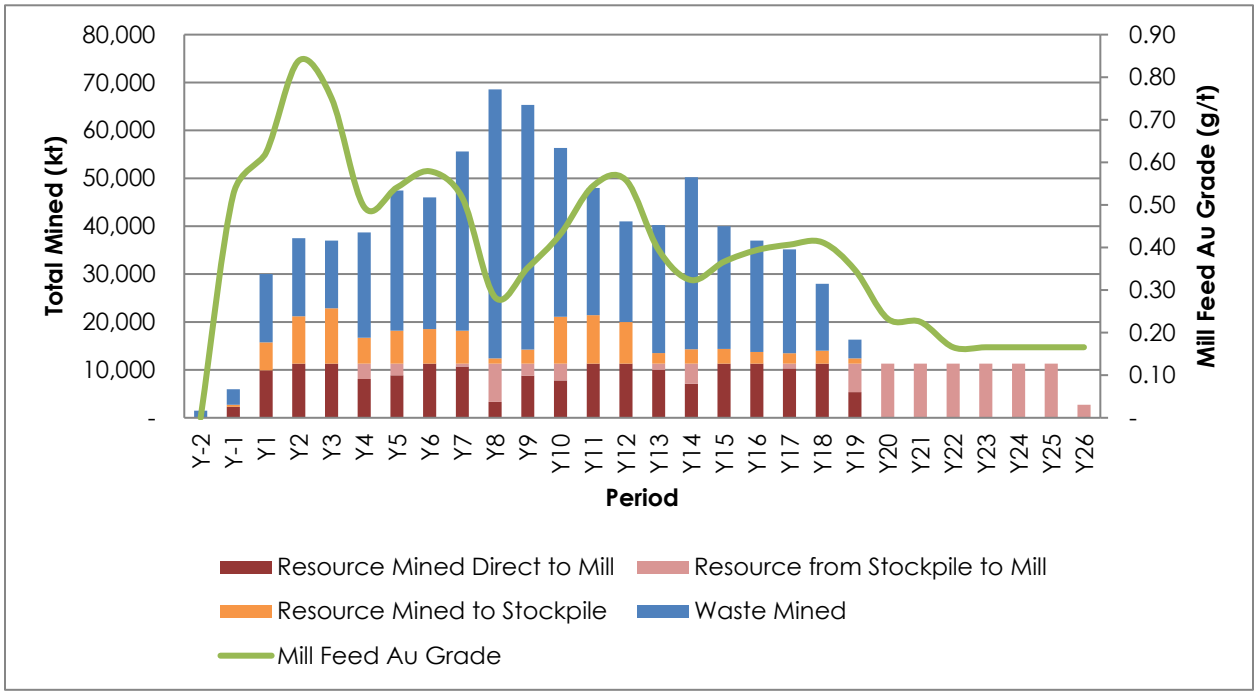


Figure 1-1: Mine production schedule, material mined and mill feed gold grades

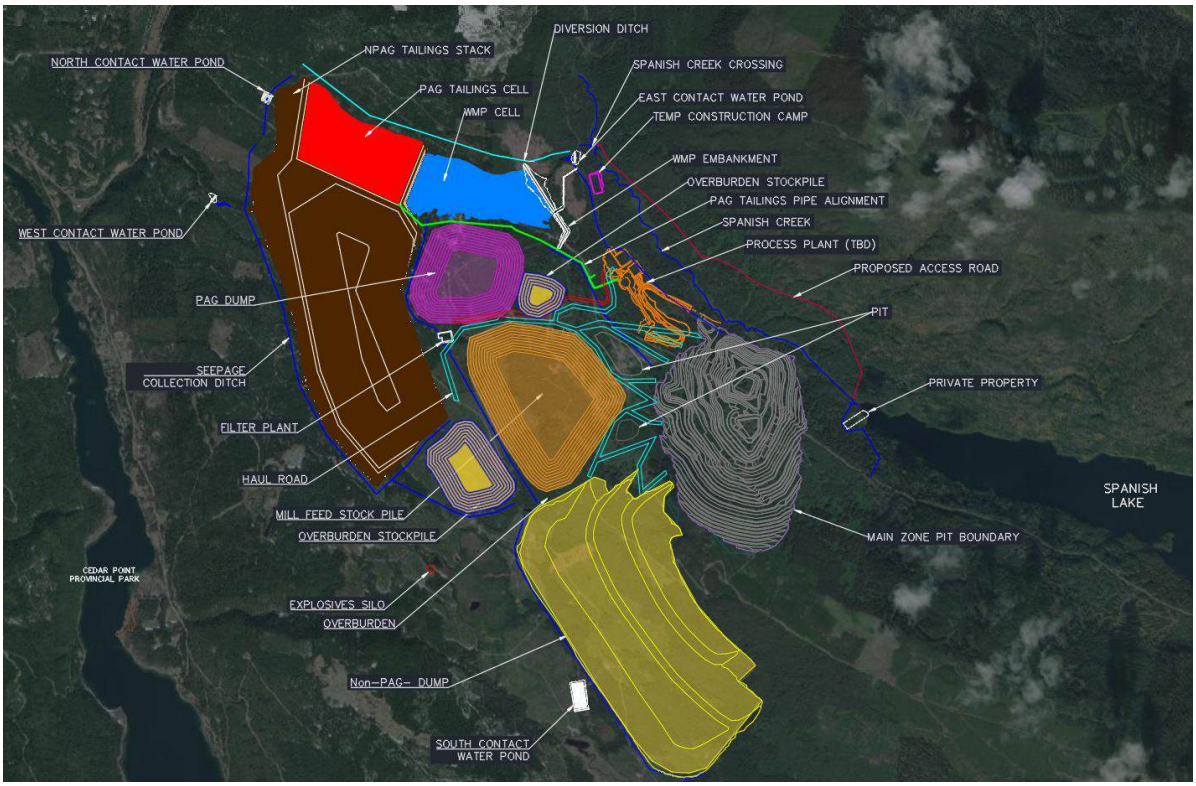


Figure 1-2: Mine area general arrangement

1.15 Recovery Methods

The process flowsheet for the Spanish Mountain project is based on the preliminary metallurgical testwork discussed in Section 13. Based on the analysis, a process route was chosen as the best suited for the Project objectives, testwork results and subsequent economic analysis for the material. The unit operations selected are typical for this industry.

The plant is designed to process 31,000 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 crushing ROM mineralized material.
- SAG and Ball mill grinding with cyclone classification.
- Coarse particle flotation with concentrate regrind.
- Gravity concentration with intensive cyanide leach.

- Rougher flotation with concentrate regrind.
- Cleaner flotation.
- Flotation tailings screening, thickening, filtration, and deposition.
- Concentrate leaching with CIL precious metal adsorption.
- Precious metal desorption, electrowinning, and smelting.
- Concentrate leach residue cyanide destruction and deposition.

The crushing circuit is designed to reduce a ROM material from a feed size (F_{80}) of 180 mm down to a product size (P_{80}) of 108 mm. The grinding circuit design consists of a SAG and a ball mill in closed circuit with a cyclone to produce a product size (P_{80}) of 600 µm which will feed the coarse particle flotation (CPF). The CPF concentrate will feed the first regrind circuit, with a target P_{80} grind size of 200 um, before feeding the rougher flotation circuit. 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 dedicated 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.

The rougher concentrated will feed the second stage regrind, with a target P_{80} grind size of 20 um, prior to the two-stage cleaning flotation circuit. The final concentrate will report to the CIL circuit. 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 or adsorbed to preg-robbing material.

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.

CPF tailings will be screened and directed to the dry stacking tailings facility. Rougher and cleaner flotation tailings will be pumped to the fine tailings thickening and filtration systems prior to be sent to the dry stacking tailings facility. The CIL tailings will undergo the detoxification process and will be disposed as slurry in a lined facility.

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 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 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.

1.16.3 Utility Power Supply (SMG)

1.16.4 Power Distribution and Transmission

Electric power will be supplied to the mine by a 230 kV, 75 km long, conventional wood pole H-Frame transmission line from a proposed new BC Hydro switching station near McLeese Lake, BC. This high voltage line will inherently have the capacity to transmit any plausible amount of electric power required by the mine and process plant. In accordance with the BC Hydro tariffs, the transmission line will be owned and constructed by Spanish Mountain Gold.

The operating cost of electric power will be as per BC Hydro Electric Tariff Rate Schedule 1830, the BC Hydro flat-rate structure for bulk transmission customers.

Power will be stepped down to the mine site distribution voltage of 13.8 kV by a 230 kV substation at the plant site. This substation, with redundant equipment will have a nominal capacity of 65 MVA but is designed to be scalable and in the future the capacity could be economically increased, if required by mine and plant expansion.

Site power reticulation will be at 13.8 kV. Supply from the substation to the process plant will be by underground cables and power will be distributed by overhead wood pole power lines to the open pit mine and other facilities.

Diesel powered generators will be included to provide emergency power to essential loads in the event of failure of utility power.

1.17 Market Studies and Contracts

No market studies or product valuations were completed as part of the PEA Update. 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$3,600/oz Au and US$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. Additional studies will be undertaken as required to support the Project evaluation and regulatory applications.

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 Update 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 modelling.
- 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 effective defined criteria for metal leaching sorting at present.
- Coarse and fine rougher 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, closure cover designs, revegetation prescriptions, post-closure water management and environmental monitoring.

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 TSF, 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, including the definition of end land use plans and reclamation objectives in collaboration with First Nations, 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 the 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

Indigenous Nations

The Project is located within the asserted traditional territories of Xatśūll First Nation (XFN), Williams Lake First Nation (WLFN), and Lhtako Dene Nation (LDN), which were identified for engagement early in Project development. SMG has engaged with these Nations for more than a decade through formal agreements, consultation activities, environmental review processes, archaeological and traditional use studies, and ongoing Project discussions. Current and former agreements that have guided these engagements include a Protocol Agreement with XFN (March 6, 2012), an Amended Protocol Agreement with WLFN (March 13, 2012), a Cooperation Agreement with LDN (July 11, 2012), and an Engagement Protocol Agreement with XFN (September 10, 2021). Current and former agreements established frameworks for information sharing, consultation, relationship building, and discussion of potential future participation in the Project.

Other potentially affected Indigenous communities include the Tsilhqot'in Nation and the Métis Nation British Columbia. The proposed transmission line point of interconnection at McLeese Lake

lies at the eastern margin of the asserted traditional territory of the Tsilhqot'in Nation, near the community of ʔEsdilagh. The Métis Nation British Columbia asserts Aboriginal rights in and around the Project area, and the Cariboo-Chilcotin Métis Association, a Chartered Métis community based in Williams Lake, asserts harvesting and hunting rights in the region.

Following publication of the 2025 PEA and the start of Feasibility Study (FS) activities, SMG re-engaged XFN, WLFN, and LDN on the revised Project design, environmental assessment strategy, baseline studies, archaeological investigations, and governance. Engagement in 2026 has focused on negotiating updated agreements suited to the current stage of development. SMG has proposed a phased approach: governance, engagement processes, information sharing, technical review, and capacity funding would be established during the FS, environmental assessment, and permitting stages, with longer-term commercial arrangements to be addressed once Project design and economics are more fully defined.

The status of discussions with each Nation is as follows:

- **XFN:** XFN has advised SMG that it considers the 2021 Engagement Protocol Agreement terminated and has proposed negotiation and interim regulatory capacity funding arrangements to support its participation in engagement, environmental assessment, technical review, and negotiation of a future relationship agreement. Negotiations are ongoing. SMG is also planning to fund XFN's update to its 2023 Traditional Knowledge and Use Study.
- **WLFN:** Discussions have focused on a revised Project collaboration agreement, review of the revised Project design, environmental assessment re-baselining requirements, technical review processes, and capacity funding. WLFN has stated that meaningful participation requires an updated engagement framework and capacity support, and that its participation should not be interpreted as support for the Project or endorsement of the current environmental assessment process. Draft agreement discussions are ongoing.
- **LDN:** Advanced discussions are underway on a Phased Project Collaboration and Engagement Agreement. Draft agreements have been provided to LDN leadership, covering governance, environmental review, information sharing, employment and business opportunities, technical participation, and capacity funding through the FS and environmental assessment phases.

No updated long-term agreements have been finalized. SMG is not aware of any Indigenous-related matter that would currently preclude continuation of FS activities. However, successful advancement of the Project will require:

- Continued consultation and relationship building.
- Resolution of agreement negotiations.

- Meaningful participation by Indigenous Nations in the environmental assessment and permitting processes.

Local Communities

The Project is located immediately east of the community of Likely (population approximately 350) in Electoral Area F of the Cariboo Regional District (CRD), which also includes the communities of Big Lake and Horsefly. The CRD comprises 12 electoral areas (A through L), each represented by an elected director, and the incorporated member municipalities of Williams Lake (population approximately 10,000), Quesnel (approximately 10,000), and 100 Mile House (approximately 1,900), each represented by an elected mayor and council.

SMG engages with local residents and businesses through community meetings, coffeehouses and townhalls, prioritizing local hiring and procurement, and supporting community events. Social and community engagement will continue through the FS and environmental assessment processes.

1.19 Capital and Operating Cost

The capital and operating cost estimates presented in this PEA Update 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 31,000 t/d with a mine life of 25.8 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 -30%/+50%. The capital cost estimate was developed in Q3 2026 Canadian dollars. The process plant, infrastructure costs, tailings, and water management structure costs were estimated by BBA, Brazier, BGC, and Integrated Sustainability while mining costs were estimated by MMTS.

The total initial capital cost for the Project is C$1,418M or US$1,050M. The capital costs are summarized in Table 1-4.

Table 1-4: Initial capital cost summary and comparison

WBS (Level 1)	WBS description	Initial capital cost (C$M) (2025 PEA)	Initial capital cost (C$M) (2026 PEA Update)
1000	Mining	113[1]	111[1]
2000	Process plant and facilities	419	442
4000	On-site infrastructure	152	206
5000	Off-site infrastructure	159	157
	Total direct costs	**842**	**916**
6000	Project preliminaries	37	46
7000	Project delivery	91	105
	Total indirect cost	**129**	**151**
8100	Total Owner's cost	21	24
	Total provisions	259	327[2]
	Total	**1,250**	**1,418[3]**

(1) The mining costs shown are direct costs. The mining indirect cost and contingency are built into the total provisions.
(2) The provisions include all contingencies, and have augmented following the September 21, 2026, news release.
(3) Totals may not match due to rounding.

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 1-5.

The average operating cost is C$19.49/t (or US$14.44/t) processed.

Table 1-5: Operating cost summary

	2025 PEA	2026 PEA Update
Cost area	**C$/t milled**	**C$/t milled**
Mining	10.38	9.61
Process	9.00	8.66
General and administration	1.45	1.22
Total	**20.83**	**19.49**

Note: The average operating cost of US$14.44 is derived from the financial model, which uses a long-term exchange rate of 1 USD = 1.35 CAD.

Common to all cost estimates are the following assumptions:

- Costs estimated are based on Q3 2026 pricing without allowances for inflation.
- Costs are expressed in Canadian dollars (C$).
- Majority of the labour 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 $0.0709/kWh.
- The diesel fuel price provided was $1.35/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$2,910M; the internal rate of return (IRR) is 35.2%, and the payback period is 1.8 years. On a pre-tax basis, the NPV5% is C$4,592M; the IRR is 43.5%, and the payback period is 1.7 years. The analysis was done on an annual cashflow basis; the Project economics are summarized in Table 1-6.

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 1-6: Economic analysis summary

Description	Units	PEA (2025)		PEA Update (2026)	
		Base Case	Spot Price (as of July 1, 2025)	Base Case	Spot Price (as of Sep 1, 2026)
Gold Price	US$/oz	2,450	3,300	$3,600	$4,400
Silver Price	US$/oz	28.50	36.00	$50	$66
FX Rate	CAD:USD	0.74	0.74	0.74	0.74
Production					

Description	Units	PEA (2025)		PEA Update (2026)	
		Base Case	Spot Price (as of July 1, 2025)	Base Case	Spot Price (as of Sep 1, 2026)
Mine Life	Years	24.5	24.5	25.8	25.8
Total Mill Feed	kt	228,823	228,823	286,484	286,484
Mill Feed Grade – Au	g/t	0.46	0.46	0.41	0.41
Mill Feed Grade – Ag	g/t	0.65	0.65	0.65	0.65
Total Metal Content – Au	koz	3,348	3,348	3,765	3,765
Total Metal Content – Ag	koz	4,763	4,763	6,022	6,022
Average Recovery Rate – Au	%	89.3	89.3	88.6	88.6
Average Recovery Rate – Ag	%	44.1	44.1	32.6	32.6
Recovered Au	koz	2,990	2,990	3,337	3,337
Average Payable Au (in Doré)	koz/a	122	122	129	129
Recovered Ag	koz	2,099	2,099	1,963	1,963
Average Payable Ag (in Doré)	koz/a	81	81	72	72
Total Payable Metal – Au	koz	2,984	2,984	3,330	3,330
Total Payable Metal – Ag	koz	1,994	1,994	1,864	1,864
Revenue					
Total Revenue – LOM	C$M	9,956	13,404	16,306	19,942
Average Annual Revenue	C$M/a	406	547	633	774
Total EBITDA – LOM	C$M	5,067	8,465	10,344	13,892
Average Annual EBITDA	C$M/a	207	346	401	539
Operating Cost					
Total Operating Costs – LOM	C$M	4,741	4,741	5,560	5,560
Mining Cost	US$/t mined	2.57	2.57	2.57	2.57
Mining Cost	US$/t milled	7.60	7.60	7.12	7.12
Processing Cost	US$/t milled	6.66	6.66	6.42	6.42
G&A Cost	US$/t milled	1.07	1.07	0.90	0.90
Total Operating Cost	US$/t milled	15.33	15.33	14.44	14.44
Total Cash Cost (by-product basis)	US$/oz Au	1,194	1,194	1,299	1,299
All-in Sustaining Cost (by-product basis)	US$/oz Au	1,338	1,338	1,449	1,449
Capital Cost					

Description	Units	PEA (2025)		PEA Update (2026)	
		Base Case	Spot Price (as of July 1, 2025)	Base Case	Spot Price (as of Sep 1, 2026)
Initial Capital Cost	C$M	1,250	1,250	1,418	1,418
Sustaining Capital Cost	C$M	443	443	539	539
Closure Cost	C$M	161	161	161	161
Salvage Value	C$M	21	21	22	22
Post-Tax Valuation Indicators					
Undiscounted cash flow	C$M	2,089	4,228	5,218	7.458
NPV5%	C$M	1,025	2,315	2,910	4,242
IRR	%	18.2	32.0	35.2	46.3
Payback period (from start of commercial production)	years	3.4	2.0	1.8	1.5
Pre-Tax Valuation Indicators					
Undiscounted cash flow	C$M	3,232	6,631	8,213	11,761
NPV5%	C$M	1,644	3,675	4,592	6,693
IRR	%	23.1	41.2	43.5	57.4
Payback period (from start of commercial production)	years	2.8	1.7	1.7	1.4

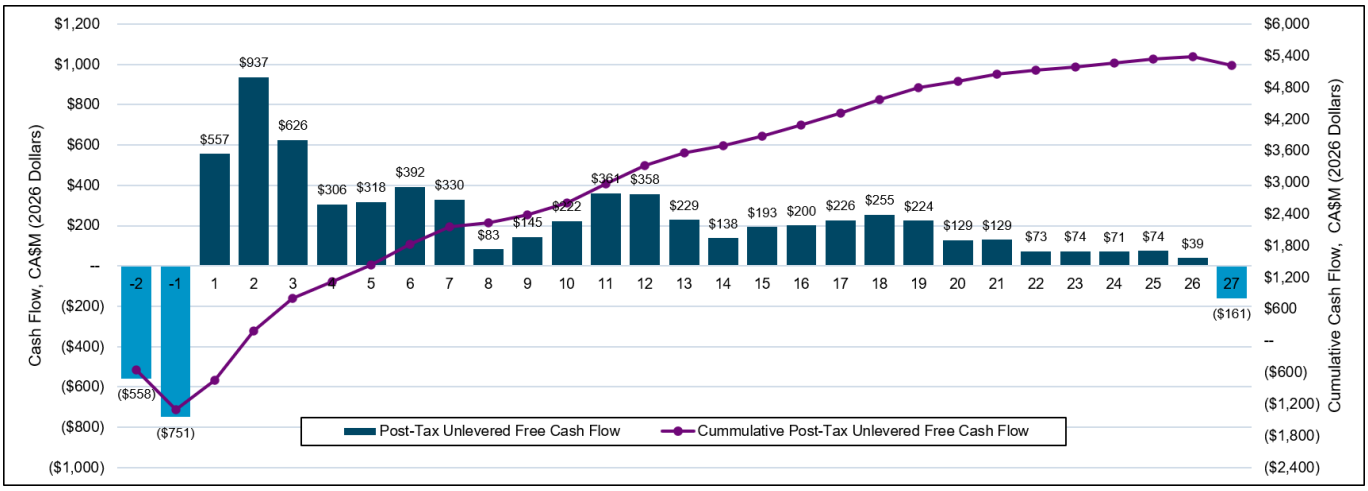


Figure 1-3 : Unlevered Free Cashflow – Post tax

The PEA Update 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, and exchange rate, and initial capital cost on a post-tax basis, and less sensitive to total operating 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 SHV orogenic gold mineralization that occurs on the SMG Property. 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 ha of mineral tenure that is 100% owned by Karus and extends both northwest and southeast of SPA's SMG Property. The SC Property hosts several SHV orogenic gold prospects and showings, including Frasergold, Gold Creek, and several others.

1.22 Conclusions and Interpretations

Based upon the mineral resources defined for Main Deposit, the economics demonstrate a post-tax NPV5% of C$2,910M, with a post-tax IRR of 35.2%, and a payback period of 1.8 years after an initial capital cost of C$1,418M.

1.23 Risks and Opportunities

As with most mining projects, there are risks that could affect the economic viability of the Project. Many of these risks are based on a lack of detailed knowledge and can be managed as more sampling, testing, and design are conducted during the detailed engineering phase. The primary risks are defined in Table 1-7.

There are opportunities not currently included in this PEA Update that could improve the economics, timing, and/or permitting potential of the Project. The opportunities that have been identified at this time are summarized in Table 1-8.

Table 1-7: Primary identified project risks

Area	Risk description and potential impact	Mitigation approach
Tenure	Twenty-one placer leaseholders hold surface rights over various parts of the SMG property, including the western portion of the SMG deposit. Conversion of these areas to mining leases will require an agreement between the placer leaseholders and SPA.	Initiate consultation with placer leaseholders and seek to establish agreements to facilitate the conversion of the affected areas to mining leases.
Electrical	The 75km transmission line route will likely need to change from the PEA Update as it is routed through over 100 private properties.	Conduct a trade-off study targeting old growth areas and three options on different transmission routes. Continue to work with permits and first nation groups to secure support in the areas that are impacted.
Tailings and water management	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 31,000 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.
Mineral Processing and Metallurgy	**Recovery model validation:** Laboratory results and assumed stage recoveries may not reproduce integrated plant performance, particularly where circulating loads affect recovery and concentrate quality.	Complete locked-cycle or continuous testing of the selected flowsheet. Reconcile stage and overall recoveries and update the lithology- and grade-based recovery models within their demonstrated ranges.

Table 1-8: Primary identified project opportunities

Area	Opportunity explanation	Benefit
Exploration	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.

Area	Opportunity explanation	Benefit
Drilling, Geology and Mineral Resources	**Phoenix Zone** Follow up significant historical gold intercepts. Increase drill density to better define geology, mineralization geometry, and potential for a future resource.	Additional drill testing of the Phoenix deposit could identify additional mineralization, improve confidence in the resource model, and potentially enhance project economics through resource expansion and improved mine planning.
Geotechnical and Mining	Optimization of the pit phasing and mine production schedule, especially as the Mineral Resource is modified through further exploration and infill drilling,	Bring higher grade resources sooner in the mine production schedule, delay waste stripping to later in the mine production schedule, build robustness and better safety into the mine operating plans.
	Further planned electrification of the mine fleet, specifically the mine hauling function, as cutting-edge technologies for battery and trolley operations become commercialized	Reduction in emissions, and savings in fuel costs
Mineral Processing and Metallurgy	Recover additional gold from flotation tailings through scavenger gravity concentration: Historical McClelland testing recovered 48.4% of the gold remaining in rougher tailings into a concentrate representing only 0.07% of the tailings mass. Confirm whether this response persists with the proposed flowsheet and whether a dedicated scavenger gravity stage is justified.	Potential incremental gold recovery from material otherwise discarded, with a small additional concentrate treatment load. Benefits depend on performance after coarse particle flotation and the OPEX and CAPEX cost of the additional gravity recovery step.
Tailings and Water Management	Develop an options assessment for tailings and waste rock strategies, which considers best available technologies, to support future permitting efforts.	Potential to optimize early production footprints which may support improved permitting timelines.
Water Treatment	Optimizing the site-wide water balance, and by incorporating additional passive water treatment techniques where possible.	Reduction of CAPEX and OPEX for WTP.

1.24 Recommendations

In preparing this PEA Update, portions of historical report text have been incorporated where they remain technically valid and relevant to the current assessment. The Qualified Persons responsible for this update have reviewed such content and confirmed its suitability for inclusion in this report.

The SMG PEA Update demonstrates positive economics, as shown by the results presented in this Technical Report. It is recommended that the Project proceed to FS. Chapter 26 summarizes the estimated costs for the recommended future work on the SMG Project.

The Company is targeting a 2028 build decision.

2. Introduction

2.1 Introduction

Spanish Mountain Gold Ltd (SPA) commissioned BBA Engineering Ltd. (BBA) to compile a Preliminary Economic Assessment (PEA) Update 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.

2.2 Terms of Reference

The purpose of this report is to present the results of the PEA Update and to support the disclosures by Spanish Mountain Gold Ltd.'s disclosure in a news release dated September 21, 2026 and Titled "Spanish Mountain Gold Announces Uplift In Scale And Value At Its B.C. Gold Project And Receives Confirmation From Provincial Regulators To Resume The Previously Paused Environmental Assessment And Permitting Process Advancing Towards Development"

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 43-101.

Table 1: Report contributors

Qualified Person	Professional Designation	Position	Employer	QP Site Visit
Amanda Fitch	P.Eng.	Director, Mining and Metals	BBA Engineering Ltd.	No
Ronald Voordouw	P. Geo.	Partner and Chief Operating Officer	Equity Exploration Ltd.	Yes

Qualified Person	Professional Designation	Position	Employer	QP Site Visit
Colin Hardie	P.Eng.	Senior Consultant, Mining and Metals	BBA Engineering Ltd.	No
Bahram Bahrami	P. Geo.	Resource Geologist	Equity Exploration Ltd.	No
Marc Schulte	P. Eng.	Mining Engineer	Moose Mountain Technical Services	Yes
Andrea Samuels	P. Geo.	Senior Geochemist	pHase Geochemistry Inc	No
Brad Russell	P. Eng.	Principal Geotechnical Engineer	BGC Engineering Inc.	Yes
Rolf Schmitt	P.Geo.	Technical Director	ERM	No
Walter Neil Brazier	P. Eng.	Principal	WN Brazier & Associates Inc.	Yes
AJ MacDonald	P.Eng.	Vice President, Engineering / Senior Technical Specialist	Integrated Sustainability Consultants Ltd.	No

Table 2-2: Qualified persons and areas of report responsibility

Chapter	Description	Qualified person	Company	Comments and exceptions
1.	Summary	Amanda Fitch	BBA	All QPs contributed based on their respective scope of work and the sections under their responsibility.
2.	Introduction	Amanda Fitch	BBA	Responsible for Section 2.1, 2.2, 2.3, 2.4.5, 2.5, 2.6 and 2.7
		Ronald Voordouw	Equity	Responsible for Section 2.4.1
		Marc Schulte	MMTS	Responsible for Section 2.4.2
		Brad Russell	BGC	Responsible for Section 2.4.3
		Neil Brazier	WN Brazier Associates Inc.	Responsible for Section 2.4.4
		Colin Hardie	BBA	Responsible for Section 2.4.6
		Bahram Bahrami	Equity	Responsible for Section 2.4.7
		Andrea Samuels	pHase	Responsible for Section 2.4.8
		Rolf Schmitt	ERM	Responsible for Section 2.4.9
		AJ MacDonald	Integrated Sustainability	Responsible for Section 2.4.10
3.	Reliance on Other Experts	Amanda Fitch	BBA	Responsible for Section 3.1 and 3.4
		Ron Voordouw	Equity	Responsible for Section 3.2
		Rolf Schmitt	ERM	Responsible for Section 3.3
4.	Project Property Description and Location	Ronald Voordouw	Equity	

Chapter	Description	Qualified person	Company	Comments and exceptions
5.	Accessibility, Climate, Local Resource, Infrastructure and Physiography	Ronald Voordouw	Equity	
6.	History	Ronald Voordouw	Equity	
7.	Geological Setting and Mineralization	Ronald Voordouw	Equity	
8.	Deposit Types	Ronald Voordouw	Equity	
9.	Exploration	Ronald Voordouw	Equity	
10.	Drilling	Ronald Voordouw	Equity	
11.	Sample Preparation, Analyses and Security	Ronald Voordouw	Equity	
12.	Data Verification	Ronald Voordouw	Equity	
13.	Mineral Processing and Metallurgical Testing	Colin Hardie	BBA	
14.	Mineral Resource Estimate	Bahram Bahrami	Equity	
15.	Mineral Reserve Estimate	Marc Schulte	MMTS	
16.	Mining Methods	Marc Schulte	MMTS	
17.	Recovery Methods	Colin Hardie	BBA	
18.	Project Infrastructure	Amanda Fitch	BBA	Responsible for Section 18.1, 18.2, 18.3, 18.4, 18.7.1, 18.8, 18.9.6
		Marc Schulte	MMTS	Responsible for Section 18.6
		Brad Russell	BGC	Responsible for Sections 18.5, 18.9.1, 18.9.2, 18.9.3, 18.9.4
		Neil Brazier	Brazier	Responsible for Sections 18.7.2, 18.7.3, 18.7.4, 18.7.5
		AJ MacDonald	Integrated Sustainability	Responsible for Section 18.9.5
19.	Market Studies and Contracts	Amanda Fitch	BBA	
20.	Environmental Studies, Permitting, and Social or Community Impact	Rolf Schmitt	ERM	Responsible for Sections 20.1.1.1, 20.1.1.2, 20.1.1.3, 20.1.1.4, 20.1.1.5, 20.1.1.6, 20.1.1.7, 20.1.2, 20.2, 20.3, 20.4.1, 20.4.2.2, 20.4.2.4, 20.4.2.5, 20.4.3, 20.5
		Brad Russell	BGC	Responsible for Sections 20.1.3, 20.4.2.3
		Marc Schulte	MMTS	Responsible for Section 20.4.2.1
		Andrea Samuels	pHase	Responsible for Section 20.1.1.8
21.	Capital and Operating Costs	Amanda Fitch	BBA	Responsible for Section 21.1, 21.2 (except for Section 21.2.3), Section 21.3 (except for Section 21.3.3)
		Marc Schulte	MMTS	Responsible for Section 21.2.3 and 21.3.3

Chapter	Description	Qualified person	Company	Comments and exceptions
22.	Economic Analysis	Amanda Fitch	BBA	
23.	Adjacent Properties	Ronald Voordouw	Equity	
24.	Other Relevant Data and Information	Amanda Fitch	BBA	
25.	Interpretation and Conclusions	Amanda Fitch	BBA	All QPs contributed based on their respective scope of work and the sections under their responsibility.
26.	Recommendations	Amanda Fitch	BBA	All QPs contributed based on their respective scope of work and the sections under their responsibility.
27.	References	Amanda Fitch	BBA	All QPs contributed based on their respective scope of work and the sections under their responsibility.

2.4 Site Visits and Scope of Personal Inspection

2.4.1 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 Geochemistry (ALS) for photon and screen metallic assays.

2.4.2 Marc Schulte, P. Eng.

Marc Schulte visited the site on January 21 and 22, 2026. Activities during the site visit included:

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

- Inspected drill core with site geologist.
- Examined routes between nearby population and mining supply chain centres to site.

2.4.3 Bradley Russell, P. Eng.

Mr. Bradley Russell has visited the site on three occasions. The first visit occurred on October 3, 2024. 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.

The second site visit occurred on January 21 and 22, 2026. Activities during this site visit included:

- General observation of proposed tailings and water management footprints, along with locations of the proposed pit, stockpile, haul roads, plant site, and other supporting infrastructure.

The third site visit occurred on June 11, 2026. Activities during this site visit included:

- Inspected proposed tailings and water management footprints and embankment locations.
- Inspected overburden and shallow bedrock drilling activities and samples.

2.4.4 Walter Niel Brazier, P.Eng.

Walter Neil Brazier visited the site on June 15, 2026. Activities included:

- Travelled one of the proposed 230 kV transmission line routes via pickup truck.
- Reviewed the proposed plant site area.

2.4.5 Amanda Fitch, P.Eng.

Amanda Fitch, P.Eng., did not undertake a personal inspection of the Spanish Mountain Property. Her responsibilities as overall integrating QP, have meant that she has relied upon the geological, mining and infrastructure QPs for their professional observation of the site.

2.4.6 Colin Hardie, P.Eng.

Colin Hardie, P.Eng., did not undertake a personal inspection of the Spanish Mountain Property. His responsibilities for Chapters 13 and 17 were based on the review of metallurgical testwork, process design criteria and engineering documentation, which could be assessed without a site visit.

2.4.7 Bahram Bahrami, P.Geo.

Bahram Bahrami, P.Geo., did not undertake a personal inspection of the Spanish Mountain Property. A personal inspection by Mr. Bahrami was not considered necessary. His work (Section 14) is a desktop-based Mineral Resource Estimate, and his colleague at Equity, QP Ronald Voordouw, P.Geo., conducted the site visits and verified the data on site (Section 12).

2.4.8 Andrea Samuels, P.Geo.

Andrea Samuels, P.Geo., did not undertake a personal inspection of the Spanish Mountain Property. No new samples were collected to support the current PEA Update. Her responsibilities for Section 20.1.1.8 were based on an updated assessment of results from previous geochemical characterization programs which could be summarized and assessed without a site visit.

2.4.9 Rolf Schmitt, P.Geo.

Rolf Schmitt, P.Geo., did not undertake a personal inspection of the Spanish Mountain Property. His responsibilities for Chapter 20 were based on the baseline environmental surveys conducted and reported by the Owner's consulting SMEs, and the Indigenous and community engagement activities, consultations and agreement documentation of Owner's representatives directly involved, which could be summarized and assessed without a site visit.

2.4.10 AJ MacDonald, P.Eng.

AJ MacDonald, P.Eng., did not undertake a personal inspection of the Spanish Mountain Property. His work represented in Chapter 18 is based on the review of water balance and chemistry, process design criteria and engineering documentation, which could be assessed without a site visit.

2.5 Effective Dates

The effective date of the overall Technical Report is September 20, 2026.

The effective date of the Mineral Resource Estimate is May 19, 2026.

2.6 Information Sources and References

2.6.1 General Information

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.

2.6.2 BBA Engineering Ltd.

The following individuals provided specialist input to Colin Hardie, QP:

- Denise Nunes and Gabriel Hernandez, both of BBA, assisted with the analysis and interpretation of the metallurgical testwork presented in Chapter 13. Their work informed the development of the preliminary process flowsheet described in Chapter 17.

The following individuals provided specialist input to Amanda Fitch, QP:

- Amaru Humala (BBA) provided capital estimation development.
- Denise Nunes (BBA) provided inputs for the development of the process plant operating cost estimate in Chapter 21 (Capital and Operating Costs).

2.6.3 Equity Exploration Ltd.

The following individuals provided specialist input to Ronald Voordouw, QP:

- 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.

The following individuals provided specialist input to Bahram Bahrami, QP:

- Mr. Bahrami relied on the SPA Geological Team for general geological modelling, Ron Uken of SRK Consulting for structural input, and Warren Black and Gerry Dumouche of APEX Geoscience Ltd. for lithogeochemical input to inform the domain modelling used for the Mineral Resource Estimate.

2.6.4 ERM

The following individual provided specialist input to Rolf Schmitt, QP:

- Travis Desormeaux (SMG) provided updates on the First Nations and community engagement and agreement(s). This information is relevant to Sections 1.18.4, 20, and 25.13.1.

2.6.5 BGC

The following individuals provided specialist input to Brad Russell, QP:

- Rebecca Lee (BGC) led the development of the water management plan, including water management facility layouts and sizing, and the development of a water balance model.

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 units of measurement is provided at the beginning of this report.

3. Reliance on Other Experts

3.1 Introduction

The QPs have relied on reports, information sources, and opinions provided by outside experts and SPA related to the Project's mineral rights, surface rights, property agreements, royalties, and tax matters.

As of the date of this PEA Update Report, SPA indicates that there are no known or potential litigations that could affect the Project.

A draft copy of the Report has been reviewed for factual errors by SPA. Any changes made as a result of these reviews did not involve any alteration to the conclusions made. Hence, the statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are neither false nor misleading at the date 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 SPA and experts retained by SPA 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 and Royalties

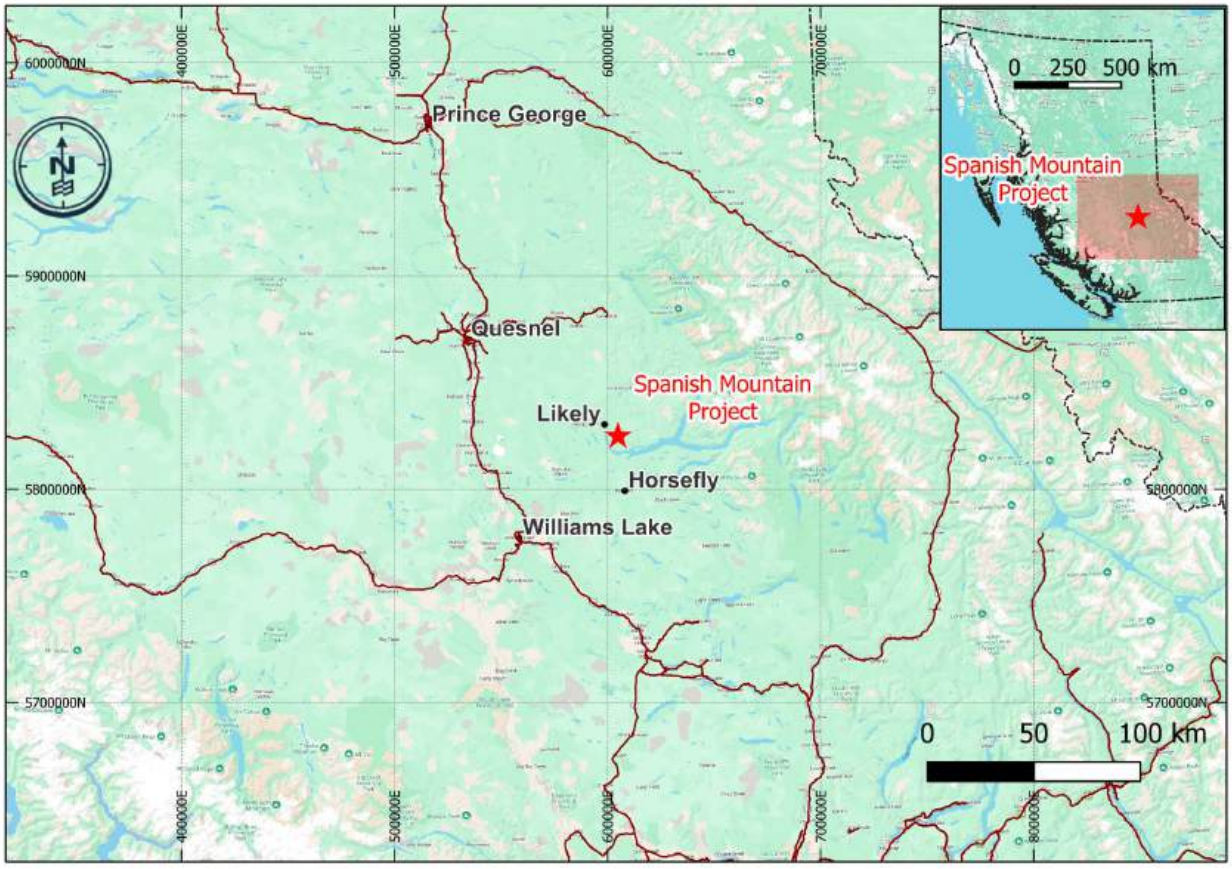
Amanda Fitch, QP, from BBA has relied on Mark Ruus, Chief Financial Officer of SPA, for guidance on applicable taxes, royalty agreements, and other government levies or interests, applicable to potential revenue or income from the Project. This information is used in Chapter 19 (Market Studies and Contracts) and Chapter 22 (Economic Analysis) of the Report.

4. Property Description and Location

4.1 Introduction

The Spanish Mountain Gold (SMG) Property covers 12,215 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).



Source: Equity, 2026

Figure 4-1: Spanish Mountain Project location map

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 63 mineral claims that are all 100% owned by SPA, with the 60 mineral claims in good standing until 2035 and three recently acquired claims in good standing until 2027 (Table 4-1). The SMG Property is not subject to any back-in rights or claw-back provisions.

To maintain claims in good standing, the Mineral Tenure Act requires annual exploration expenditures of between C$5 and C$20 per hectare, depending on claim age. The QP estimates that, after 2035, maintenance to keep the Property in good standing will require approximately C$225,000 in annual exploration expenditures, or $450,000 per year in cash in lieu of work.

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 63 claims comprising the SMG Property consist of 20 Legacy and 43 MTO claims (Figure 4-2). All 63 claims are contiguous and add up to 13,303 ha (Table 4-1) but this total includes 1,088 ha overlap between Legacy and MTO claims (Figure 4-2) so that the effective extent of mineral claims comprising the Property is 12,215 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 BC.

Placer claims and leases ("placer holdings") cover 6,072 ha of the 12,215 ha SMG Property (Figure 4-3). Of these holdings, one-third (1,928 ha) is owned by SPA, while the remaining two-thirds (4,144 ha) are held by 21 different majority owners. The latter area includes a 64 ha overlap between SPA's placer claims with placer leases that are not owned by SPA, where the leases supersede SPA's claims. In addition, SPA owns 247 ha of placer claims that extend beyond the SMG Property, where SPA does not own the underlying subsurface mineral rights. This brings SPA's total placer holdings to 2,239 ha and effective holdings to 2,175 ha.

The placer holding held by 21 different majority owners 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.

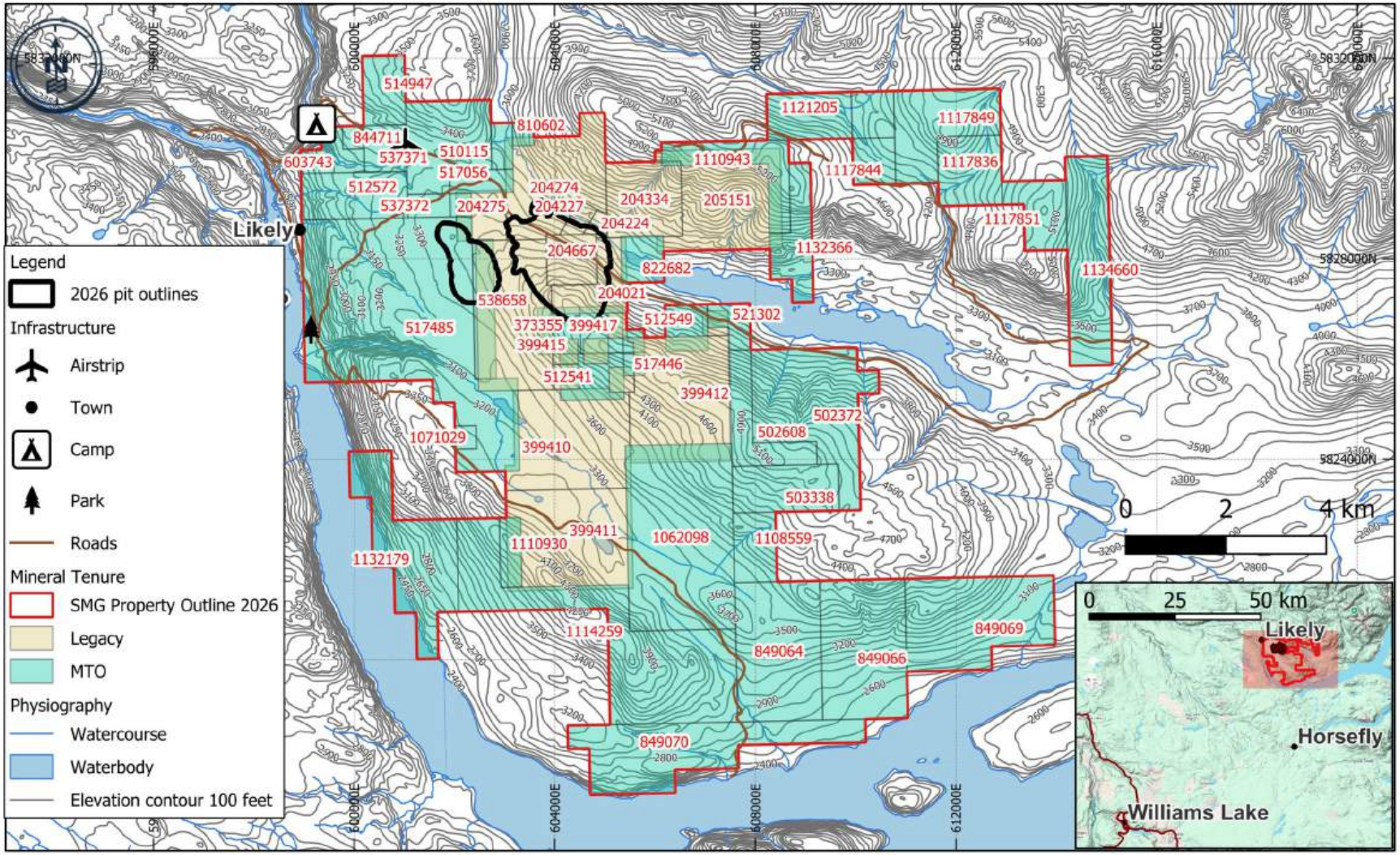
Additional overlaps occur between the SMG mineral claims and several district lots granted under the Mineral and Land acts, as well as with Cedar Point Provincial Park. The overlaps with Land Act and Provincial Park district lots are further described under surface rights in Section 4.5 of this Technical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

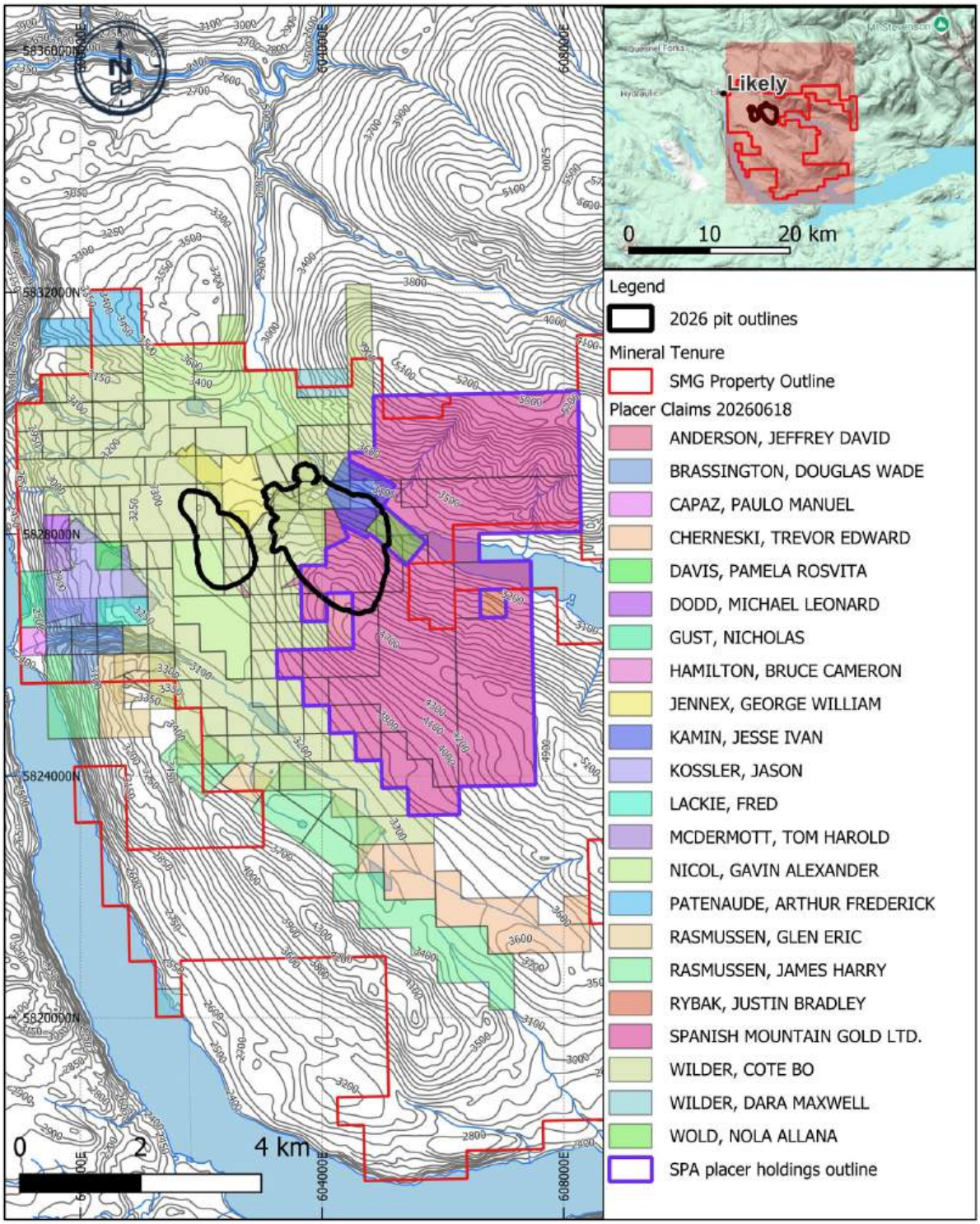
Claim Name	Claim Number	Holder	Type of Claim	Issue Date	Expiration Date	Area (ha)
JUL 2	204334	SPA (100%)	Legacy	08-Aug-80	10-Sep-35	225.0
CPW	204667	SPA (100%)	Legacy	01-Nov-82	10-Sep-35	100.0
MEY 1	205151	SPA (100%)	Legacy	08-May-86	10-Sep-35	500.0
ARMADA	373355	SPA (100%)	Legacy	12-Nov-99	10-Sep-35	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)	512541	SPA (100%)	MTO	13-May-05	10-Sep-35	117.9
(unnamed)	512542	SPA (100%)	MTO	13-May-05	10-Sep-35	78.6
(unnamed)	512544	SPA (100%)	MTO	13-May-05	10-Sep-35	78.6
(unnamed)	512547	SPA (100%)	MTO	13-May-05	10-Sep-35	19.6
(unnamed)	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)	517446	SPA (100%)	MTO	12-Jul-05	10-Sep-35	19.6
(unnamed)	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

Claim Name	Claim Number	Holder	Type of Claim	Issue Date	Expiration Date	Area (ha)
MOOREHEAD 14	538658	SPA (100%)	MTO	04-Aug-06	10-Sep-35	117.9
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)	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	25-Apr-35	118.0
Span 9	1110930	SPA (100%)	MTO	01-Feb-24	25-Apr-35	59.0
Span 19	1110943	SPA (100%)	MTO	01-Feb-24	25-Apr-35	176.7
KG	1114259	SPA (100%)	MTO	05-Jul-24	25-Apr-35	767.1
Quesnel	1117836	SPA (100%)	MTO	02-Dec-24	02-Dec-35	176.7
Quesnel	1117842	SPA (100%)	MTO	02-Dec-24	02-Dec-35	78.5
(unnamed)	1117844	SPA (100%)	MTO	02-Dec-24	02-Dec-35	78.5
(unnamed)	1117849	SPA (100%)	MTO	02-Dec-24	02-Dec-35	274.8
Quesnel	1117851	SPA (100%)	MTO	02-Dec-24	02-Dec-35	137.5
muchas gracias	1121205	SPA (100%)	MTO	27-Feb-25	25-Apr-35	157.0
Gutter	1132179	SPA (100%)	MTO	13-Apr-26	13-Apr-27	412.9
Omax	1132366	SPA (100%)	MTO	20-Apr-26	20-Apr-27	157.1
OMG	1134660	SPA (100%)	MTO	25-Jun-26	25-Jun-27	353.6
63 Claims						**13,303**



Source: Equity, 2026

Figure 4-2: Plan map showing mineral tenure



Source: Equity, 2026

Figure 4-3: Location of placer holdings

4.5 Property Agreements

The 63 mineral claims that comprise the SMG Property can be split into 36 claims that have been amalgamated through six purchase agreements and 27 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 27 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.

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.

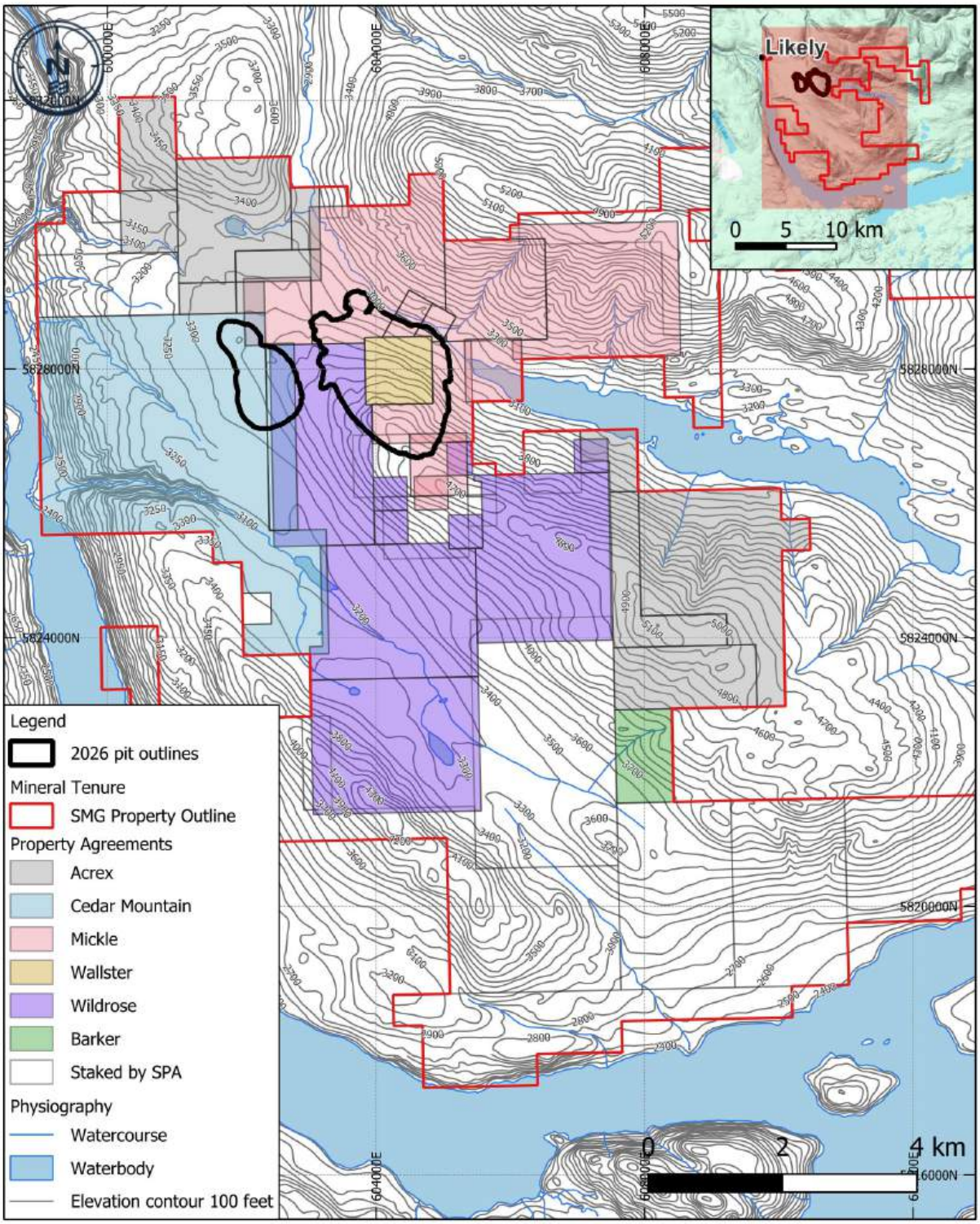
Table 4-2: Summary of purchase agreements

Agreement	Interest Earned	Signed Date	Cash (CAD$)	Expenditures (CAD$)	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.

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.



Source: Equity, 2026

Figure 4-4: Mineral tenure map coded by agreements

4.6 Surface Rights

Surface rights for the SMG Property are mostly held by the Government of BC (or the "Crown") aside from 151 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 held by the Crown that is not available for development.

Approximately 127 ha of Land Act district lots that overlap with SPA's tenure lie along the western edge of the SMG Property, mostly 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.

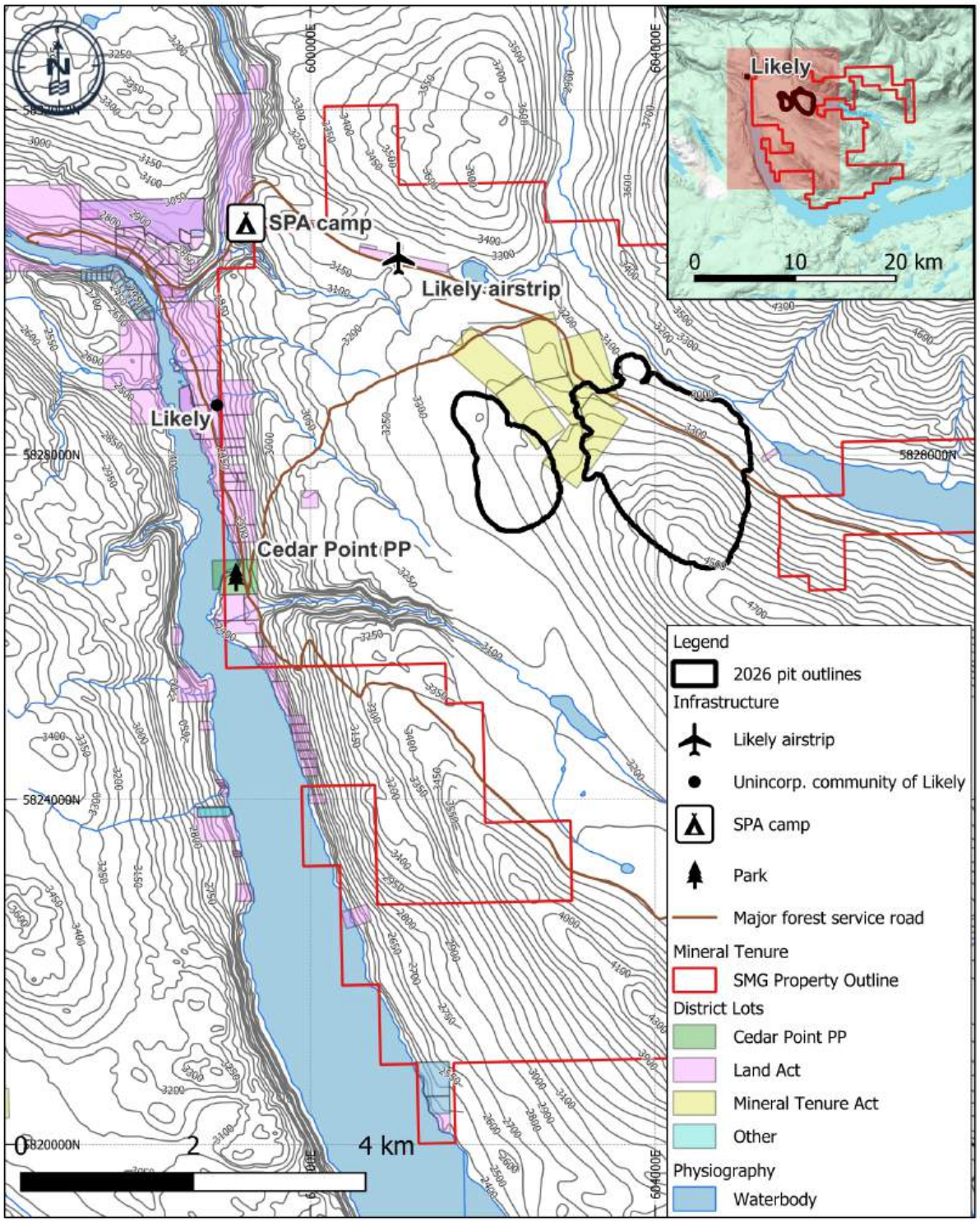
Cedar Point Provincial Park comprises a highly protected area that is administered by the Crown and lies within the unincorporated community of Likely. This park has an overlap of approximately 12 ha with SPA's mineral tenures and lies approximately 5 km from the SMG deposit. SPA's lack of surface rights in this area is unlikely to impede any future mine development.

The Likely Airstrip comprises 11 ha of Land Act district lots located entirely within SPA's mineral tenure, approximately 3 km northwest of the SMG deposit. Planned mine infrastructure described in this Technical Report overlaps the airstrip area, suggesting that SPA may need to acquire surface rights to these lots to advance mine development.

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.



Source: Equity, 2026

Figure 4-5: Location of district lots

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 (35% by area), including all areas encompassing the mineralized zones for which Mineral Resources are estimated in Section 14, are subject to one or more NSR royalties under the Mickle, Wallster, Cedar Mountain, Acrex, and Barker agreements. No separate NSR royalty is associated with the Wildrose agreement other than those inherited through the Mickle and Wallster agreements. In addition, all future gold and silver production from the SMG Project is subject to a 1.5% NSR royalty payable to Wheaton Precious Metals Corp (Wheaton). The applicable royalty agreements are 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 the 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 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.

The Wheaton royalty is pursuant to the royalty agreement signed between SPA and Wheaton on April 20, 2026. Under the agreement, SPA granted Wheaton a 1.5% NSR royalty on gold and silver production from the SMG Project in exchange for total consideration of US$55 million. The royalty is subject to provisions that may result in the royalty percentage being reduced or increased under specified circumstances. If SPA or a successor company achieves specified commercial production thresholds ("Completion") by December 31, 2030 ("Outside Completion Date"), the initial 1.5% NSR remains in effect, subject to other provisions in the agreement. If Completion has not been achieved by the Outside Completion Date, the NSR will increase by up to 0.15 percentage points on the Outside Completion Date and by a further 0.15 points on each anniversary thereafter, subject to an adjustment based on actual production throughput. The Payors may elect to make a US$6 million cash payment to Wheaton in lieu of each such increase.

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$0.5M
Wallster	2.5% NSR	204667	1.0% NSR for C$0.5M
Cedar Mtn	2.5% NSR	517485, 538658	C$0.5M per 1.0% NSR
Acrex	4.0% NSR	502372, 502608, 503338, 510115, 514947, 517007, 517056, 517098, 521302, 537371, 537372	2.0% NSR for C$1.0M
Barker	0.5% NSR	1108559	Entire NSR for C$0.45M
Wheaton	1.5% NSR	All future gold and silver production	0.5% NSR for to be determined

Source: Equity, 2026

If Completion is achieved and a Change of Control of the Parent Company occurs before the Outside Completion Date, the Payors have a one-time option to buy back one-third of the royalty at a cost determined in accordance with the agreement, based on the amount borrowed, gold prices, and/or specified internal rate of return thresholds.

4.9 Environmental Consideration

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 February 24, 2026 and is currently valid until July 7, 2027. SPA should start their permit extension 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 335 diamond drill, 10 reverse circulation (RC), 50 sonic drill, and 30 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 Lhatko Dene Nation, a member of the Carrier Chilcotin Tribal Council (CCTC), is also engaged in permitting consultation for the SMG Property. The Lhatko Dene Nation has just over 200 members with its main community located just south of Quesnel, BC.

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 4,144 ha of the SMG Property is covered by placer claims and leases that are majority owned by 21 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.

Gold and silver production from the SMG deposit will be subject to a combined 4.0% NSR royalty, comprising a 1.5% NSR on all production payable to Wheaton and a 2.5% NSR under one of the tenure related agreements. Buydown provisions provide the option to reduce the combined NSR to between 2.0% and 2.5%. However, the Wheaton royalty also includes step-up provisions related to the achievement of specified production thresholds ("Completion") by December 31, 2030 ("Outside Completion Date"). If Completion has not been achieved by the Outside Completion Date, the NSR will increase by up to 0.15 percentage points on the Outside Completion Date and by a further up to 0.15 points on each anniversary thereafter. The Payors may elect to make a US$6 million cash payment in lieu of each such increase.

Production from the Phoenix deposit is subject to the same Wheaton NSR as well as the tenure-related Cedar Mountain royalty, for a combined NSR of 4.0%, with buydown provisions that, under the most favourable circumstances for SPA, allow the NSR to be reduced to 1.0%.

The project's exploration permit is valid until 2027 and it is recommended that SPA commence the process to extend this permit in 2026. The permit has been successfully amended and extended 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. An 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 kilometres 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 centre 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 through a 240 km drive to the south on BC Provincial Highway 97.

The City of Williams Lake has a population of approximately 11,000 people and is the second largest population centre in the Cariboo region after the City of Quesnel. Both cities lie alongside Highway 97 with Quesnel lying halfway between Williams Lake and Prince George. Williams Lake is a major centre for forestry, mining, and ranching in the area and is served by the 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 around 350 people and lies at the western end of Quesnel Lake where it empties into the Quesnel River. The Mount Polley copper-gold mine is reached by driving 25 km on 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 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 FSRs but is, overall, less accessible than the northern part. Regardless, any part of the Property is accessible with a 4x4 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 broadly consistent throughout the year with a peak in June to July and lows in February to April. The average snow depth does not exceed thirty centimetres (Table 5-1), and the area is generally snow free from April to October. Given that this weather station is at an elevation 400 to 1,100 m lower than the SMG Property, it is likely 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 practical 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 into 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 straddles the northwestern corner of the SMG Property and provides limited services to the mining and mineral exploration industry, including accommodations in hotels and rental housing, restaurants, fuel, and labour. 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 m northeast of the SMG claims (Figure 5-1a). 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 system that services Likely, can house up to 30 people, and is equipped with a water well and pump system, 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 5-1b).

Surface 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 metres above sea level (masl) and high points reaching up to 2,500 masl (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 5-1c, Figure 5-1d) 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.



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

Figure 5-1: Photos of infrastructure and physiography

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 bio-geoclimatic 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 Engelmann spruce, white spruce, subalpine fir, and lodgepole pine. Logging is extensive across the northern half of the Property, especially on the northwestern part of Spanish Mountain 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 and just a few hundred metres 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 the Property. The low-lying area on the southwest 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.

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 favourable 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 the claims most relevant to this Technical Report are 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 completed in 1984 by Mt Calvery Resources Ltd (Mt Calvery) and allowed for 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 described in Sections 9 and 10 of this Technical Report.

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

Source: Equity, 2026

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.

6.2 Property Exploration History

The historical exploration summarized in this section is split into five periods (Table 6-2) and is largely derived from a historical work summary in an assessment report by Morton (2004). Other references include 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.

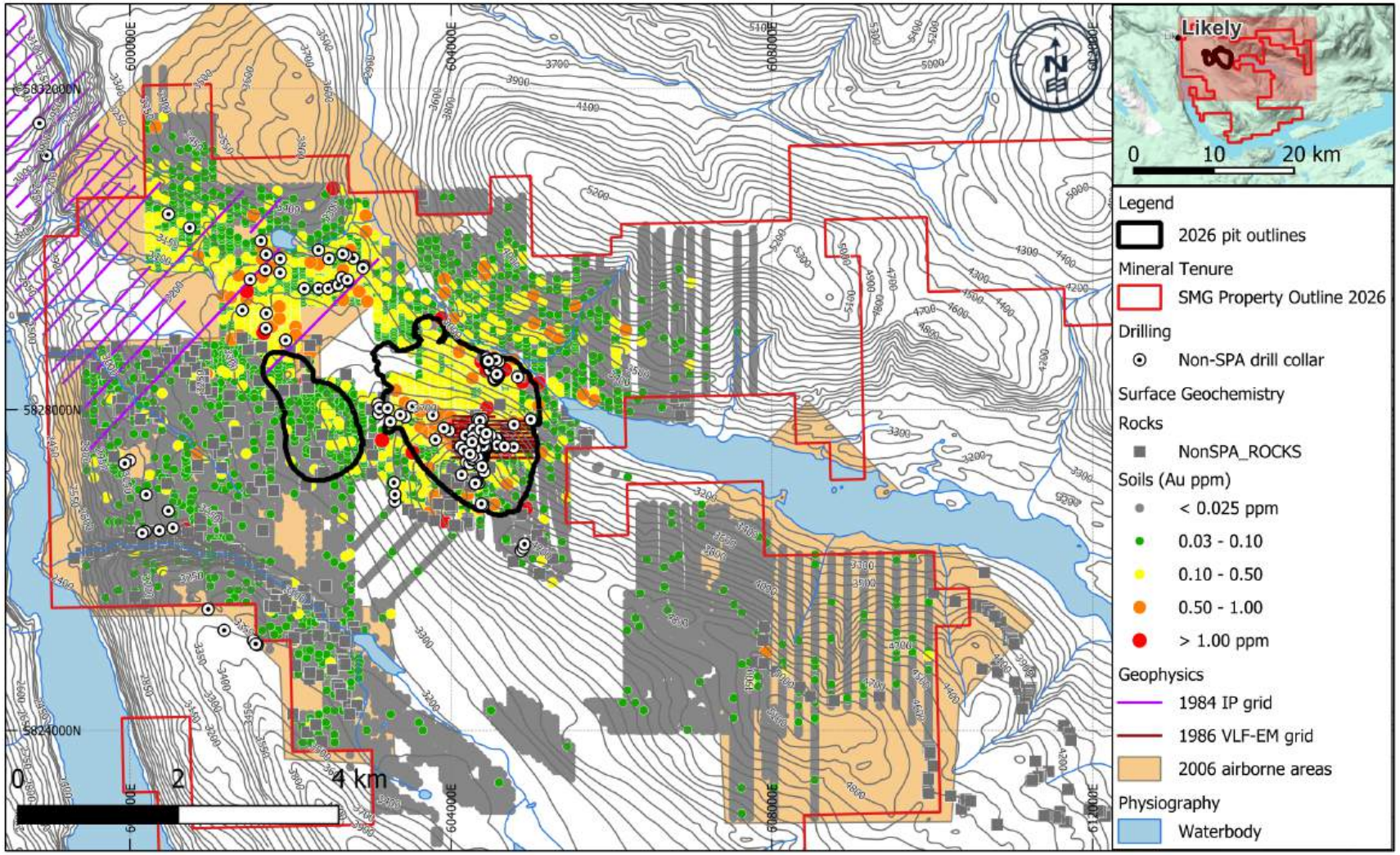
6.2.1 Pre-1976

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 (Table 6-2).

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 ounces of placer gold was recovered from Cedar Creek on the southern flank of Spanish Mountain and another 3,706 ounces 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, 2004).



Source: Equity, 2026

Figure 6-1: Historical drilling, surface geochemistry, and geophysical surveys

Table 6-2: Exploration history pre-1976

Year	Company	Drilling		Trenching		Surface Geochemistry		Geophysics	
		Holes	Meters (m)	Line (km)	Rocks	Soils	Silts, HM	Method	Line (km)
1933	Unk	-	-	Unk	Unk	-	-	-	-
1938	N.A. Timmins	-	-	Unk	Unk	-	-	-	-
1940	Premier	-	-	-	>9	-	-	-	-
1947	El Toro	8	793	-	-	-	-	-	-
Total		**8**	**793**	**Unk**	**>9**	**-**	**-**	**-**	**-**

Source: Equity, 2026

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 (Morton, 2004). This program comprised drilling of eight holes (for 793 metres) within the current footprint 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 on the SMG Property, through claim staking and small surface work programs led by individual prospectors and joint venture partnerships (Table 6-3).

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 staked at this time 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 and are currently held by SPA as legacy claims. Sampling on the Mariner II claim returned a few low grade assays (Stacey, 1976) whereas small surface programs were completed on the PESO claims by Silver Standard Mines and Longbar Minerals Ltd from 1977 to 1978.

Table 6-3: Exploration history 1976 to 1984

Year	Company	Drilling		Trenching		Surface Geochemistry		Geophysics	
		Holes	Meters (m)	Line (km)	Rocks	Soils	Silts, HM	Method	Line (km)
1977	Silver Std	Unk	Unk	-	-	Unk	-	-	-
1977-1978	Longbar	-	-	-	14	60	-	-	-
1979-1981	Aquarius	-	-	Unk	Unk	Unk	-	Airborne	Unk
1979-1982	S-K	-	-	0.2	Unk	Unk	-	-	-
1982	Celtic Three	-	-	-	-	207	-	-	-
1983	Lacana	-	-	-	Unk	-	-	-	-
1983	Whitecap	-	-	Unk	-	401	-	-	-
1984	JMT	-	-	-	-	-	-	-	-
1984	Hycroft	-	-	-	-	-	-	-	-
Total		**Unk**	**Unk**	**>0.2**	**>14**	**>668**	**-**	**-**	**Unk**

Source: Equity, 2026

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 three trenches for 100 metres 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 phase includes the first significant drill programs on the SMG deposit, all competed between 1984 to 1988, followed by the waning of exploration activity and fragmentation of tenures from 1988 to 1992 (Table 6-4).

In 1984, Mt Calvery optioned the CPW claim from Whitecap as well as the DON and PESO groups from Mr. R.E. Mickle to consolidate patchworked mineral tenure overlying the SMG deposit. 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 metres of trenching, and 1,056 metres of diamond drilling from 20 holes. This work comprised the first significant 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 metres of trenching as well as 47 holes for 3,771 metres of RC and diamond drilling, extending the Madre zone along strike and at depth. Later that year, Mt Calvery optioned Hycroft's PESO and DON claims 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 6-5.

Table 6-4: Exploration history 1984 to 1992

Year	Company	Drilling		Trenching		Surface Geochemistry		Geophysics	
		Holes	Meters (m)	Line (km)	Rocks	Soils	Silts, HM	Method	Line (km)
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	-	-	-	-	-	-
Total		**145**	**10,778**	**4.5**	**622**	**5,350**	**-**	**-**	**>82**

Source: Equity, 2026

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 metres, all within the current footprint of the SMG deposit. Notable results include 10.0 g/t Au over 6.1 metres and 7.1 g/t Au over 3.1 metres, along with several other intersections of 1.0 to 3.0 g/t Au over 1 to 5 metres core width. This was the only work program completed by Mandusa.

Table 6-5: 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
		& 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
		& 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

Source: Equity, 2026

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 poly-metallic 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 metres into bedrock. Combined drill production was 14 holes for 459 metres with nine of these holes, for 265 metres, 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 metres (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

From 1992 to 2004, tenures over the SMG deposit were reconsolidated by Eastfield and subjected to intermittent exploration work, including optioning of this property to SPA's predecessor in 2003 (Table 6-6).

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.

Table 6-6: Exploration history 1992 to 2004

Year	Company	Drilling		Trenching		Surface Geochemistry		Geophysics	
		Holes	Meters (m)	Line (km)	Rocks	Soils	Silts, HM	Method	Line (km)
1992	Eastfield	-	-	-	7	-	-	-	-
1992	Renoble	-	-	-	-	-	-	-	-
1993	Cogema	-	-	2.0	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
Total		**496**	**5,061**	**7.1**	**978**	**1,479**	**8**	**-**	**23**

Source: Equity, 2026

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 metres of trenching with results including 2.9 g/t Au over 32 metres in trench TR96-101 as well as 0.7 g/t Au over 64 metres 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 metres 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) but completed no further work on the property.

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 metres (Morton, 2004) that returned several intervals of 0.4 to 1.2 g/t Au over 20 to 80 metres of core length in addition to higher-grade intervals of 10 to 20 g/t Au over 1 to 5 metres (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 poly-metallic occurrences.

Table 6-7: 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

Source: Equity, 2026

In 2003, Wildrose optioned the core of the SMG Property to Skygold, the predecessor of SPA, and completed a 2004 exploration program prior to the transfer of ownership. Beginning in 2005, all subsequent exploration and drilling completed by Skygold and SPA on these claims is considered issuer work and is summarized in Sections 9 and 10 of this Technical Report.

6.2.5 2004 to 2012

The current SMG Property also includes claims acquired after the 2003 transaction through Company-led staking and additional purchase agreements completed in 2010, 2012, 2025, and 2026 (see Section 4.5). These claims were not part of the original core property optioned from Wildrose and retain separate exploration histories prior to their acquisition by SPA (or Skygold).

The exploration history of these claims is summarized below. Prior to their acquisition by SPA, historical exploration was conducted on these peripheral claims between 2004 to 2012 by An-Kobra, Cedar Mountain, Freeport Resources Incorporated (Freeport), and Acrex. Most of this work was completed on claims that now comprise the western and northwestern part of the SMG Property.

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 10 anomalous samples.

Table 6-8: Exploration history 2004 to 2012

Year	Company	Drilling		Trenching		Surface Geochemistry		Geophysics	
		Holes	Meters (m)	Line (km)	Rocks	Soils	Silts, HM	Method	Line (km)
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 Mtn	-	-	Unk	355	4,331	-	Airborne	99
Total		**33**	**5,022**	**Unk**	**381**	**7,993**	**8**	**-**	**394**

Source: Equity, 2026

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 metres (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 metres in addition to longer and lower grade intersections like 0.4 g/t Au over 16.5 metres (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 10 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 metres. 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 metres and 1.1 g/t Au over 3 metres (Table 6-9).

Table 6-9: Select assay composites for 2004-2010 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

Source: Equity, 2026

6.3 Historical Mineral Resource Estimates

There are no historical Mineral Resource Estimates for the SMG deposit that were prepared prior to SPA's acquisition of the Property.

SPA has commissioned seven Mineral Resources Estimates for the SMG deposit, which were 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; Murray et al., 2025). These estimates have subsequently been superseded and are not being treated as current Mineral Resource Estimates by SPA.

An updated Mineral Resource Estimate for the SMG deposit is presented in Section 14.0 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

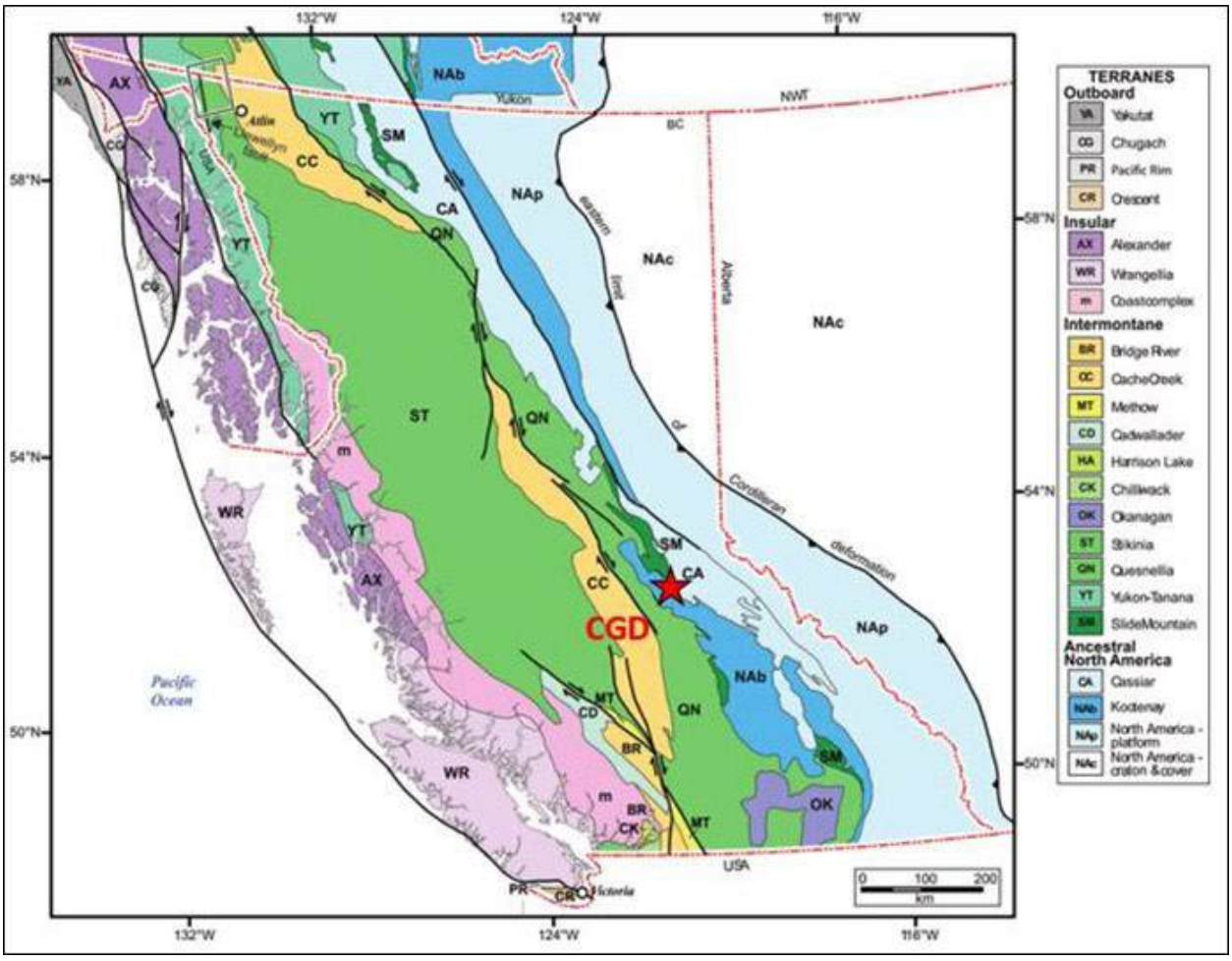
The SMG Property is situated along the terrane boundary between the Quesnel (or Quesnellia) and Kootenay terranes (Figure 7-1), here referred to as the "Kootenay-Quesnell suture zone". This suture zone is defined by a broad belt of deformed sedimentary and volcanic rocks that, prior to obduction, developed in a peri-cratonic basin separating 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 underlying 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 that locally host broken quartz veins and significant gold mineralization.



Source: modified from Ootes et al., 2017

Figure 7-1: Geological terrane map of British Columbia and the location of the Cariboo Gold District (CGD)

7.2 Regional Metallogeny

Significant deposits in the area surrounding the SMG Property include orogenic gold, alkalic porphyries, and placer gold, whereas polymetallic veins form subeconomic occurrences. The orogenic deposits comprise part of the Cariboo Gold District (CGD) and are most relevant to mineralization on the SMG Property. Historically, the CGD was an important placer district. The nearest mine to the SMG Property is the Mount Polley copper-gold porphyry, located 10 to 15 km to the west-southwest. 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 Gold deposit** is located entirely within the SMG Property that is the subject of this Technical Report and is described in Section 7.4.1.

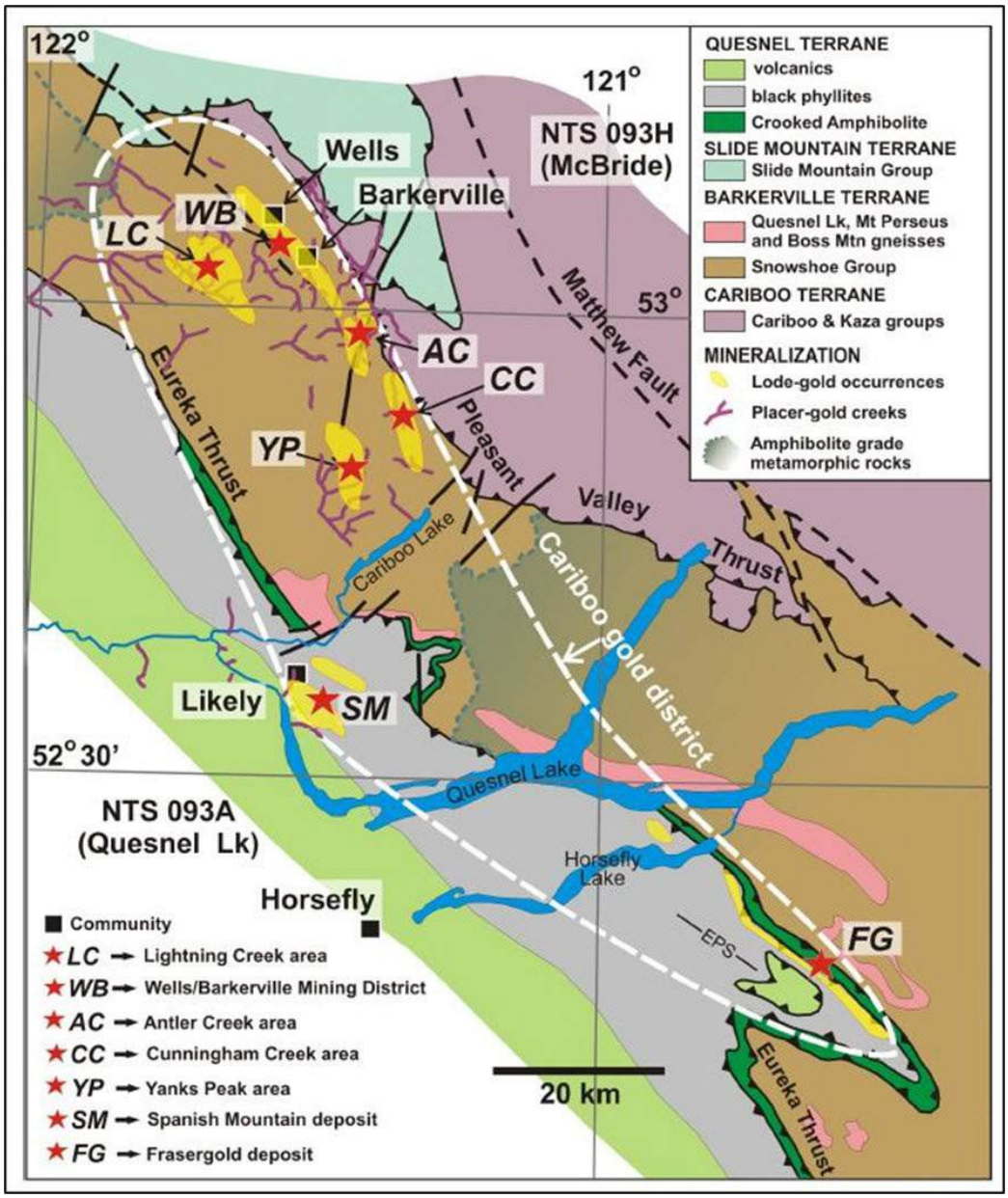
The **Wells-Barkerville Camp** is located 50 to 60 km north of the SMG Property and comprises at least two sets of gold-bearing quartz-carbonate-pyrite veins as well as pyrite replacement-style deposits, all hosted in metasedimentary rocks. $^{40}Ar/^{39}Ar$ ages indicate emplacement of early veins between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

Exploration work by Barkerville Gold Mines, Osisko Gold Royalties Ltd, and Osisko Development Corp, has demonstrated Mineral Reserves of 17.8 million tonnes (Mt) grading 3.6 g/t Au for 2.1 million ounces (Moz) of contained gold in addition to Measured + Indicated resources of 17.4 Mt averaging 2.9 g/t Au, for 1.6 million ounces of gold (Belisle et al., 2025). 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 ounces of gold (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.



Source: from Mortensen et al., 2011

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

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., 2014). The mine is currently in production, following three years of care-and-maintenance from 2019-2022, and, as of 10 years ago, reported reserves of 73.6 million tonnes as well as measured and indicated resources of 247 million tonnes, all averaging 0.3% Cu, 0.3 g/t Au, and 0.6 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 and massive sulphide occurrences, the latter possibly comprising volcanogenic massive sulphide (VMS) occurrences (see MINFILE 093A 217 and 093A 324 in BCMEM, 2025), replacement-style orogenic gold, or porphyry- to epithermal-related mineralization.

An example of polymetallic veins near the SMG Property includes the G-South prospect, which is located 80 km northwest of the Property and comprises an Au-Cu-Zn-Pb-Ag zone within a brittle fault structure. The mineralized body measures at least 70 metres in both strike length and depth extent as well as 1.2 to 1.5 metres 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 camp that produced an estimated 2.5 to 3.0 million ounces 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 approximately 20 to 75 km north to northwest of the SMG deposit. This 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.

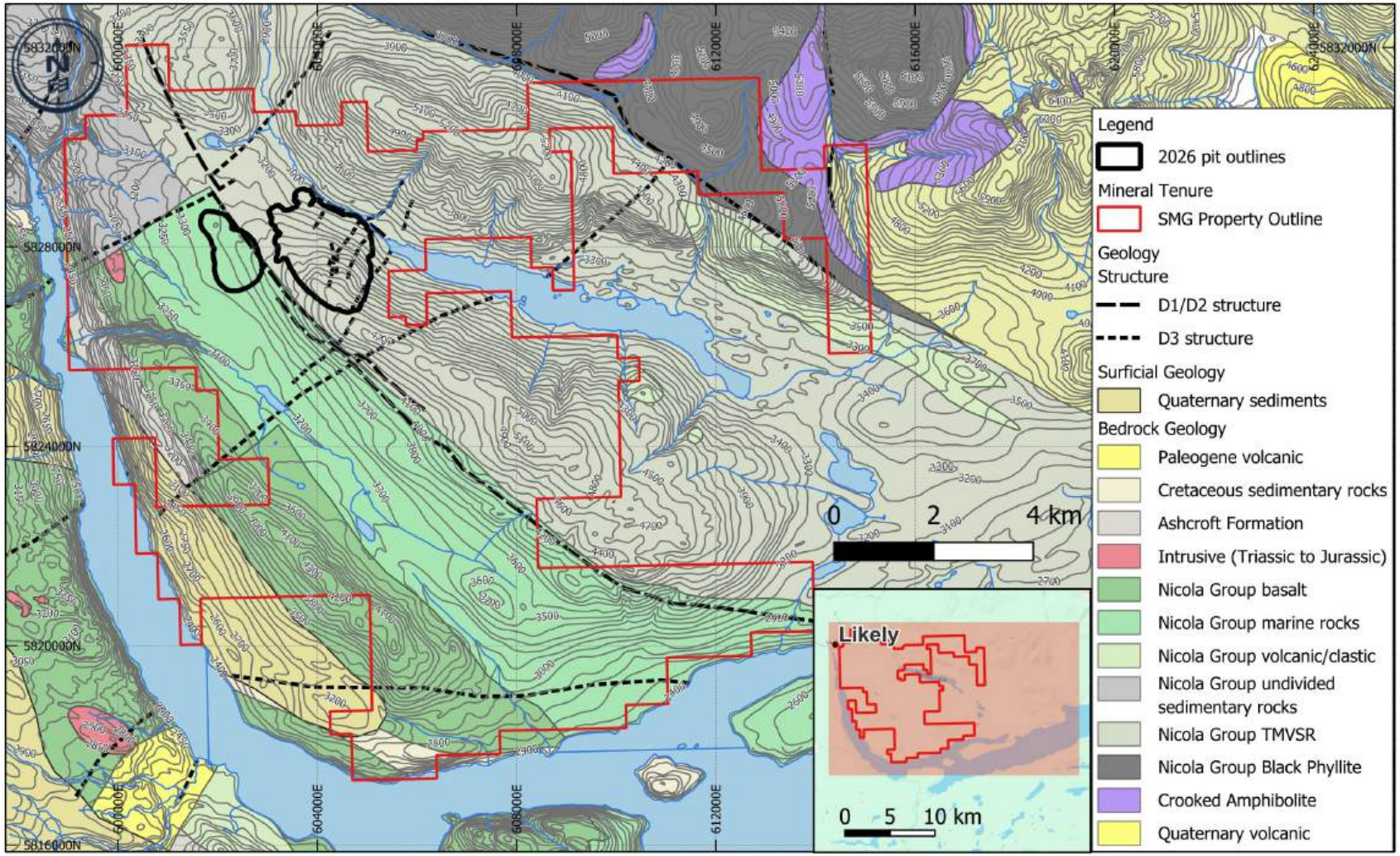
7.3.1 Lithology

The broader-scale lithological framework for the SMG Property (Table 7-1, Figure 7-3) has been established through BC Geological Survey (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 provides more detail for the immediate area of the SMG deposit, with the most current Company deposit map (see Section 9) based on top-of-bedrock intersections from drilling.

Table 7-1: Lithology framework for the SMG Property

Group	Formation	Age (Ma)		Rock types	Comments
		Max	Min		
Layered rocks					
Quaternary Till		3	0	Unconsolidated sediment	-
Unnamed Cretaceous		143	66	Conglomerate, sandstone, shale	-
Ashcroft Formation		201	174	Turbidites, greywacke, argillite	-
Nicola	Unnamed basalt II	237	201	Basaltic volcanic rocks	-
	Unnamed marine rocks	237	201	Marine sedimentary and volcanic	Hosts Phoenix
	Unnamed undivided	237	201	Undivided sedimentary rocks	-
	Unnamed basalt I	247	201	Basaltic volcanic rocks	-
	Unnamed TMVSR	247	201	Volcaniclastic, siltstone, sandstone	Hosts SMG deposit
	Unnamed black phyllite	247	201	Siltstone, shale, slate, sandstone	-
Crooked Amphibolite		359	252	Serpentinite, ultramafic, amphibolite	
Snowshoe		1,000	252	Quartzite, schist, phyllite, gneiss	
Intrusive rocks					
Other Intrusive	Unnamed	<240		Mafic dykes	-
	Unnamed	<240		Felsic dykes	-
Triassic-Jurassic Intrusive		247	143	Syenite to monzonite	-

Source: Equity, 2026



Source: Equity, 2026, with bedrock geology from BCMEM, 2019

Figure 7-3: Geological map of the SMG Property

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

BCGS mapping splits Nicola Group on the SMG Property into six unnamed formations (Figure 7-3). The most northeasterly of these is referred to as the black phyllite unit that, locally, forms the base of Quesnellia directly overlying the Crooked Amphibolite. The black phyllite is overlain by a "transitional mixed volcanic and sedimentary rock" (TMVSR) unit that hosts the SMG deposit and comprises volcaniclastic, siltstone, sandstone, and minor limestone (BCMEM, 2019). The base of this TMVSR unit locally hosts an unnamed formation of conglomerate that occurs in the eastern-most claim forming the Property.

The TMVSR unit is structurally underlain by the younger and unnamed "marine rocks" formation, comprising marine sedimentary and basaltic rocks that host the Phoenix deposit, and then an unnamed "basalt" formation that hosts some poly-metallic vein occurrences. Structural overturning of the stratigraphy likely occurred through thrust faulting and/or folding. An unnamed formation mapped by the BCGS as "undivided sedimentary rocks" occurs in the NW corner of the Property.

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 with 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 grey to black colour. Both units are moderately to strongly deformed, with the strongest deformation (i.e., cataclastic) textures locally correlating with a stronger hydrothermal overprint (Figure 7-4b). Pyrite is widespread in argillite and is more abundant in mineralized zones, suggesting possibly 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 compositions is typically based on visual estimates of chromium-bearing mica. The very strong alteration of these units has completely obscured primary mineralogy and textures. In the opinion of the QP, the most likely pre-alteration lithology ("protolith") is a subvolcanic diorite to gabbro sill or an ash tuff.



Source: Equity, 2023

Figure 7-4: Photos of drill core showing different lithologies on the SMG Property

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 intersected in drilling. There is likely an underestimate of the intrusive rock abundance on the Property owing to the strong regional alteration masking 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.

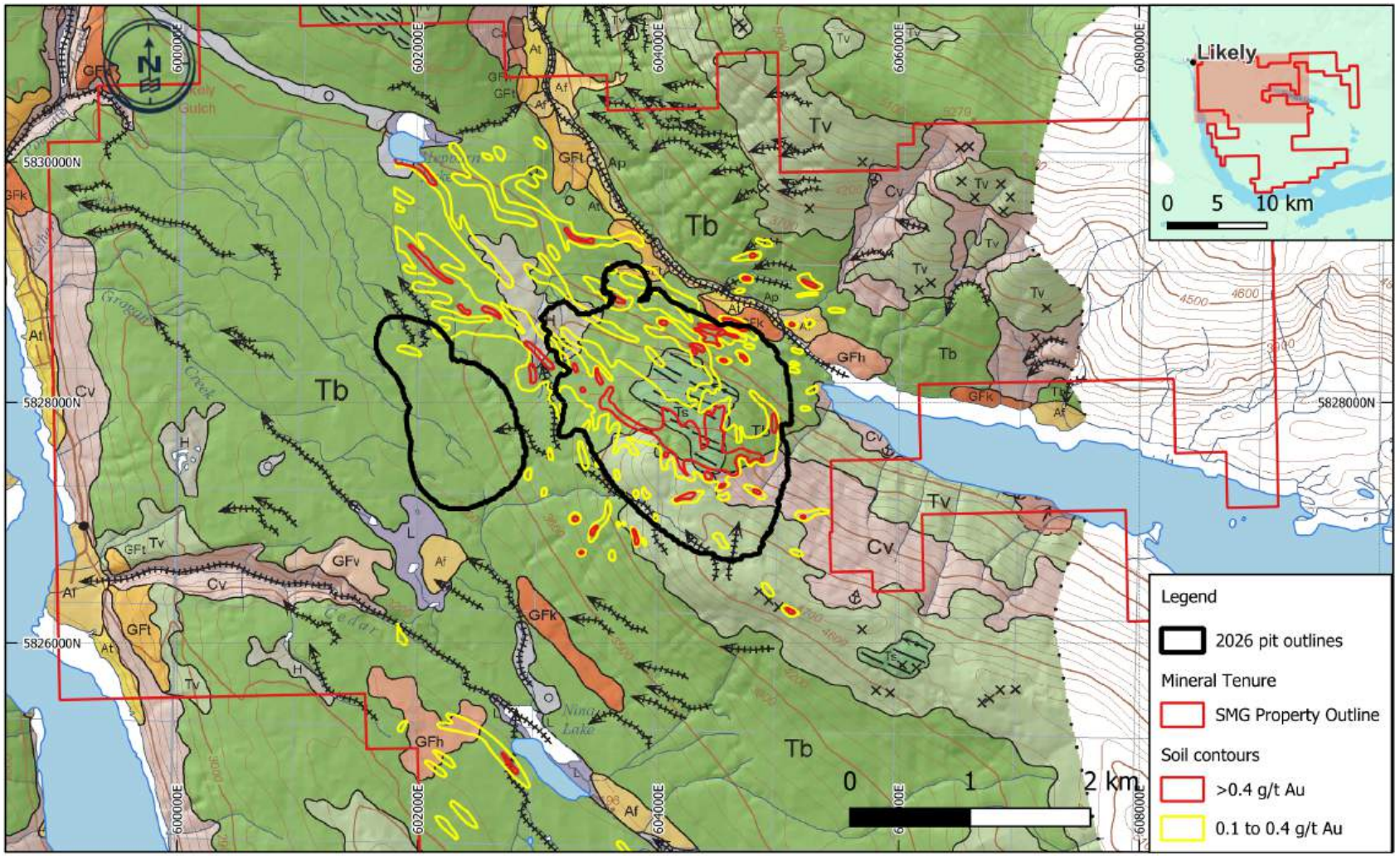
Mafic dykes are widespread and usually altered to carbonate, silica, and chromium-rich mica, with feldspar remaining as the only primary igneous mineral. These altered mafic to ultramafic dykes are more appropriately referred to as "listwanite" (Figure 7-4e). Felsic dykes are also widespread and typically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

7.3.2 Structure

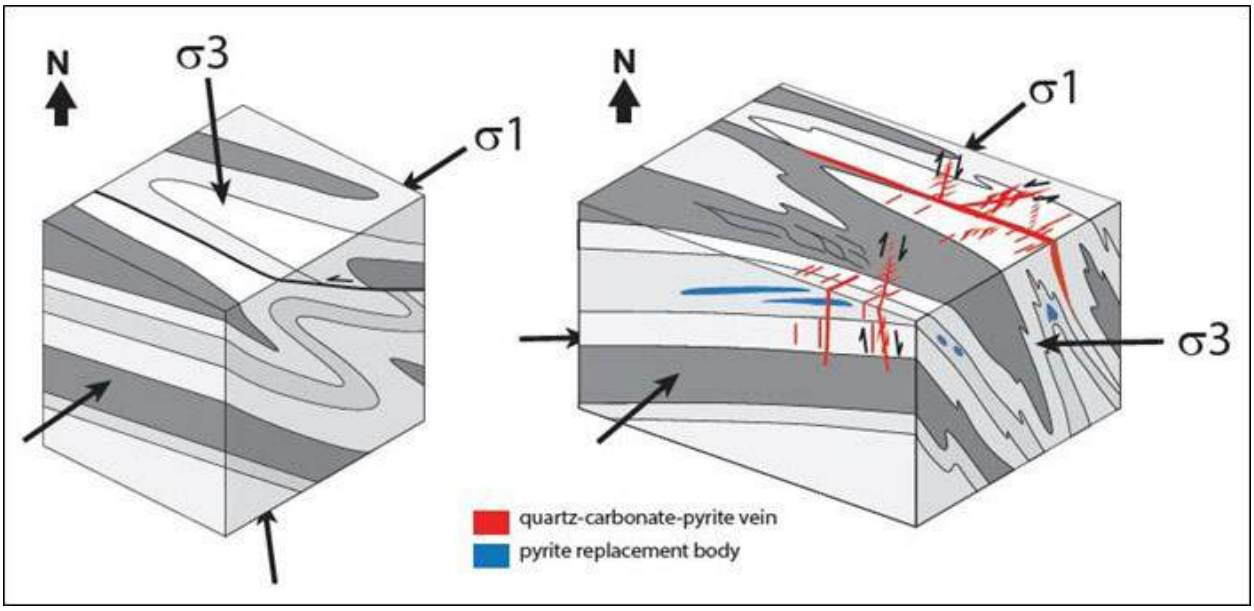
The most prominent structural features on the SMG Property are related to the D1-D2, NE-SW directed, shortening event (Figure 7-6). Less prominent, but more significant for mineral exploration, are the D3 (here used synonymously with "late D2") brittle faults that crosscut D1-D2 structures and centers 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.

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 towards the north. Textures in D2 fault zones range from ductile to brittle (e.g., Rhys et al., 2009).



Source: Surficial geology from Hashmi et al. (2015) with gold contours from Morton (2004)

Figure 7-5: Surficial geology map for the SMG Property with gold-in-soil contours



Source: Allan et al., 2017

Figure 7-6: Block models that show structural evolution of CGD

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 modelling (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 centred 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 metres 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 brittle fault zones at the Phoenix deposit that have crushed most of the late gold veins into gravel-sized rubble.

Note that, in general throughout the SMG Property, 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 gold mineralization and, therefore, 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 are 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 strongly 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, are weakly deformed, 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 brittle fault structures.

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.

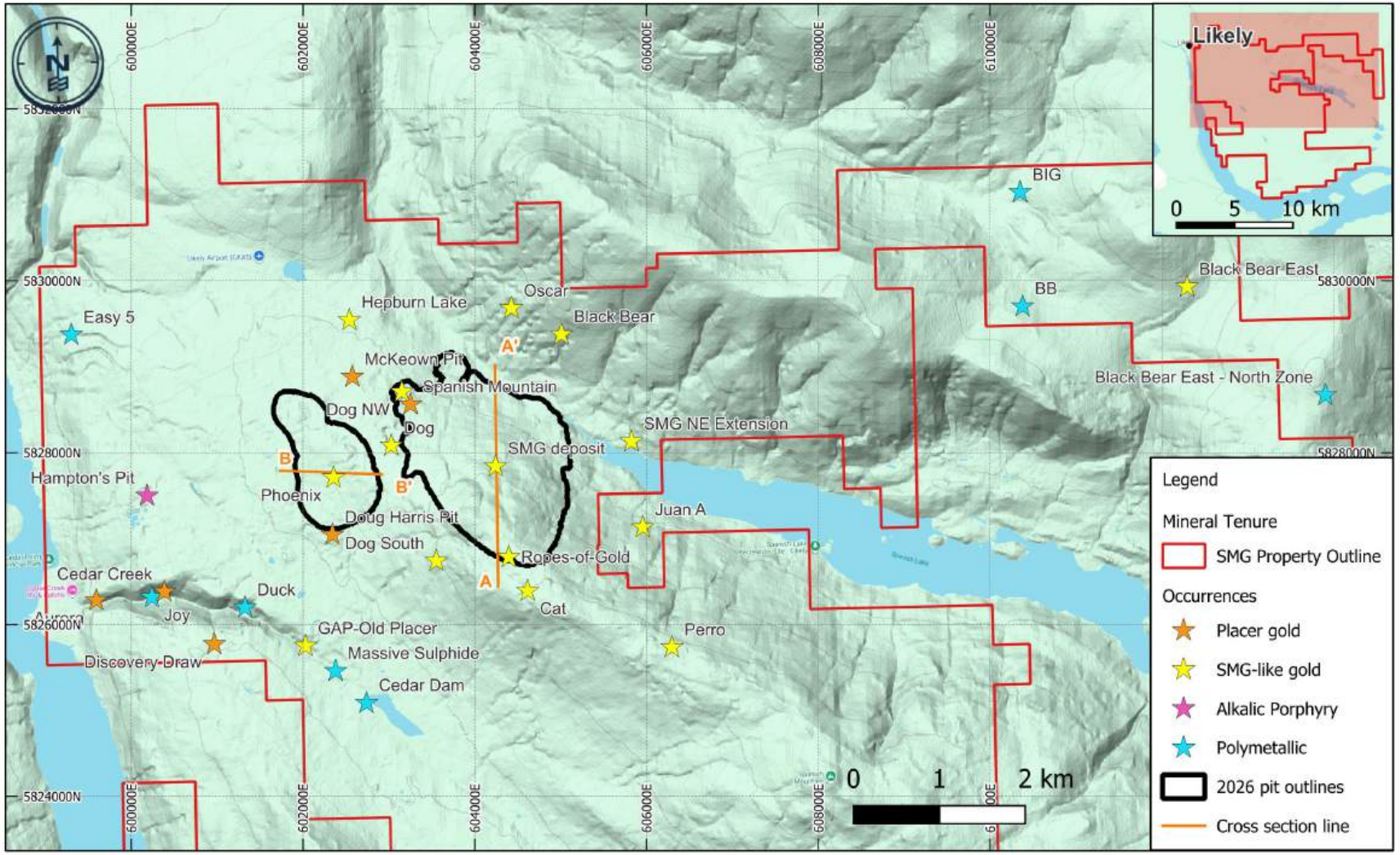
Pervasive silica ("silicification") and albite alteration occurs locally in drill core. Silicification may be synchronous with early quartz veins emplaced under ductile conditions.

7.4 Property Mineralization

The most significant mineralization on the 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 in addition to placer gold, polymetallic vein, and alkalic porphyry-style occurrences (Table 7-2). Target and showings were derived through SPA's work and the MINFILE database maintained by the BC Geological Survey. These showings are shown in Figure 7-7, listed in Table 7-2, and are briefly described below.

Table 7-2: Mineral deposits, prospects, and showings on the SMG Property

Deposit style	Status	Name(s)	Deposit details	Commodities	MINFILE ID
SHV Orogenic Gold	Deposit	SMG, Phoenix	SHV type orogenic gold	Au >> Ag	093A-043, 249
	Showing	Black Bear, Black Bear East, Cat, Dog, Dog NW, Dog South, GAP-Old Placer, Hepburn Lake, Juan A, Oscar, Perro, Ropes-of-Gold, SMG NE Extension	SHV type orogenic gold	Au >> Ag	093A-195, 197, 254, 326, 327, 332
Polymetallic veins	Showing	BB, Big, Black Bear East - North Zone, Cedar Dam, Duck, Easy 5, Joy, Massive Sulphide	Polymetallic veins, massive sulphide (VMS, orogenic, porphyry, epithermal), shear-related	Ag, Pb, Zn ± Au, Cu	093A-072, 151, 217, 298, 324, 331, 333
Alkalic porphyry	Showing	Hampton's Pit	Alkalic porphyry	Au, Zn	093A 216
Placer	Showing	Aurora, Cedar Creek, Discovery Draw, Doug Harris Pit, McKeown, Spanish Mountain Placer	Placer	Au	093A 192



Source: Equity, 2026

Figure 7-7: Mineral deposits and occurrences on the SMG Property. Section lines A-A' and B-B' refer to Figure 7-8 and Figure 7-9

7.4.1 Spanish Mountain Gold Deposit

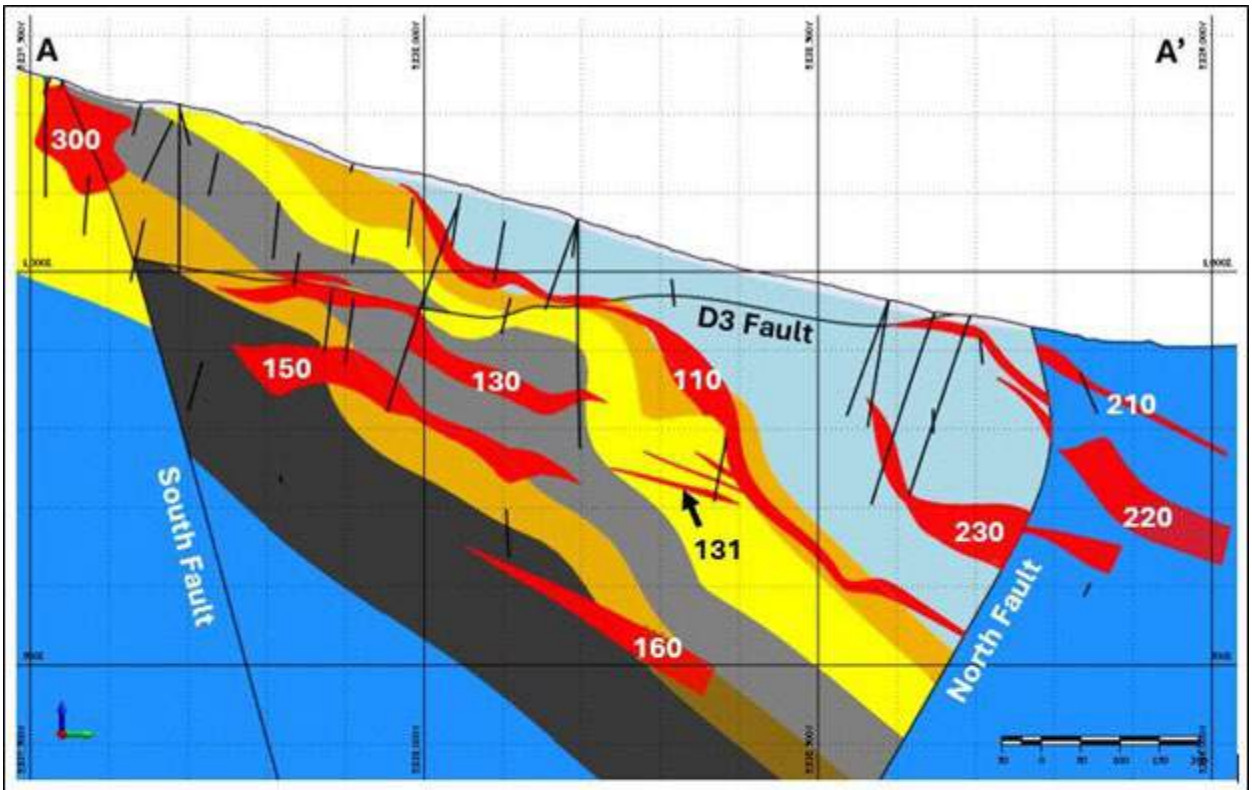
The SMG deposit is a bulk tonnage, SHV orogenic system that is hosted in metasedimentary rocks and tuff of the TMVSR formation (see Section 7.3.1). Gold mineralization is controlled by stratigraphy and a N-S striking D3 brittle fault system that channeled auriferous fluids and provided access to permissive 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 event.

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

Gold mineralization comprises two generations; an early ductile- to brittle-hosted (D1-D2) event and a later brittle (D3) event. 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). In the Main Block of the SMG deposit, these lithological units range from 10 to 150 m in true width (Figure 7-8), strike NW-SE, and dip gently to moderately northeast. Gold mineralization is disseminated and associated with pyrite and strongly deformed quartz-carbonate-pyrite veins, with higher grades typically 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 hosted within more competent lithological units (e.g., tuff). Veins form NE-SW to N-S striking and steeply NW to north dipping arrays, 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.



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

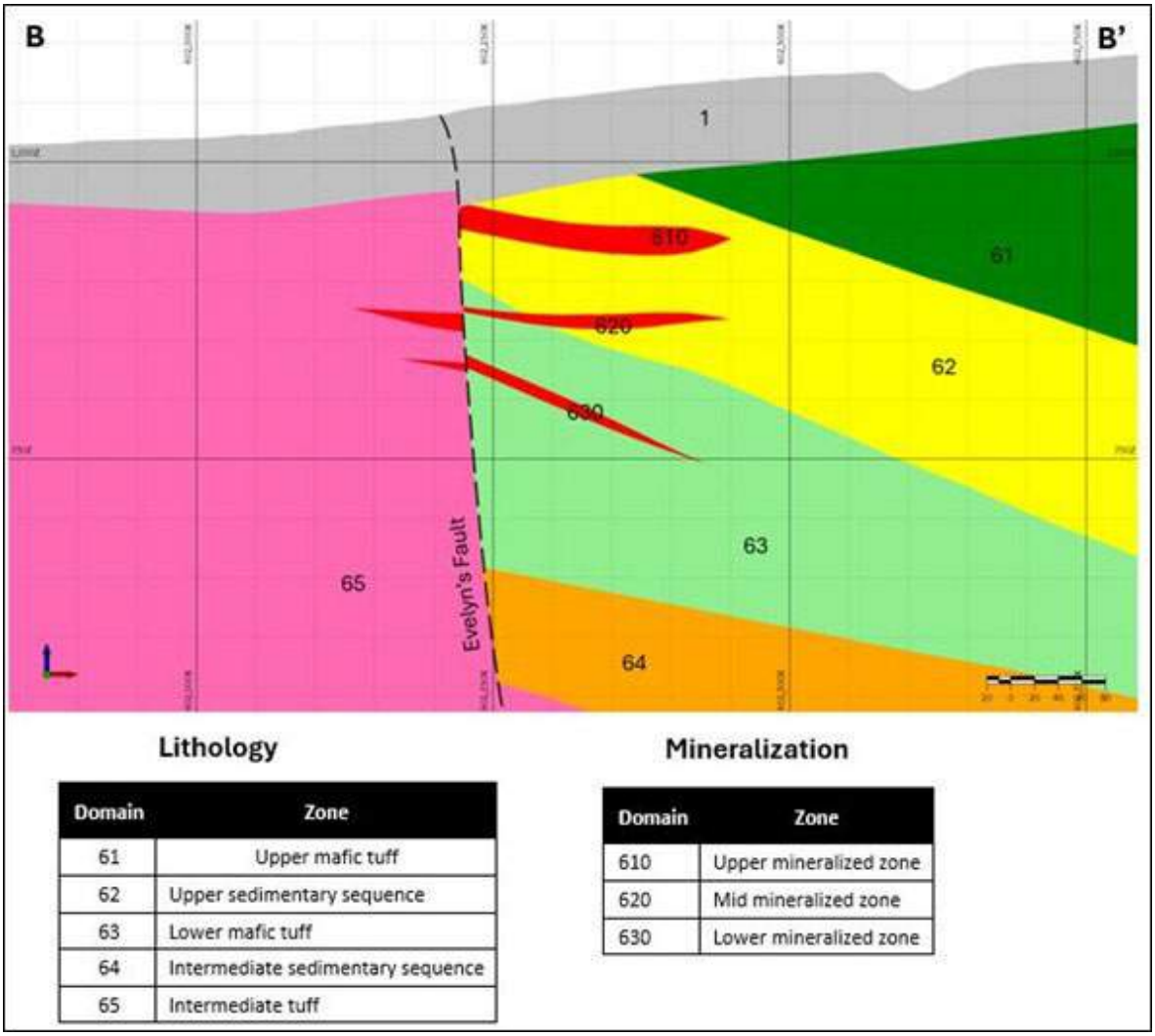
Block	Domain	Zone	Dominant Mineralisation Style
Main Block	110	Main Upper	Early + Late
	120	Main West (Slipper)	Early
	130	Main Mid	Early + Late
	131	Main Tuff Veins	Late
	140	Main Lower Mid	Early
	150	Main Lower	Early
	160	Main Basal	Early
North Block	210	North Upper	Early
	220	North Mid	Early
	230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

Source: Bahrami and Rabb, 2025

Figure 7-8: Vertical cross-section through the SMG Deposit

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, like the SMG deposit, a bulk tonnage SHV orogenic system hosted in metasedimentary rocks and tuff, albeit in an unnamed formation that stratigraphically overlies and structurally underlies the unit hosting SMG. Gold mineralization is pseudo-stratiform and centered on a subvertical north-south striking brittle fault (Figure 7-9) that provided the most likely pathway for auriferous fluids. Most gold mineralization appears to be late-style quartz veins although early-style mineralization could also be present.



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

Figure 7-9: Vertical cross-section through the Phoenix Deposit

The deposit itself comprises at least three stacked, sub-horizontal to gently northeast-dipping lens-like bodies. Collectively, these lenses form a deposit that measures approximately 1,500 m from north to south, 300 to 400 m from east to west, and 100 to 200 m in thickness. Individual lenses range from approximately 10 to 70 m in thickness.

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. Some of these showings are registered in MINFILE whereas others are known only from Company files.

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.

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.

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 meters 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, mostly in areas peripheral to the SMG deposit. Polymetallic occurrences include quartz-carbonate veins with silver, lead, and zinc (Ag-Pb-Zn) mineralization as well as massive to semi-massive pyrite-pyrrhotite veins with weak polymetallic enrichment.

The best-developed polymetallic quartz-carbonate veins on the SMG Property occur at the Joy prospect (or Paddy Creagh tunnel) in the Cedar Creek area, southwest of the SMG deposit. This showing is defined by a sulphide-bearing, quartz-carbonate altered, shear and fracture zone that has returned rock samples grading 13 to 17 g/t Au in addition to maximum grades of 55 g/t Ag, 0.4% Cu, 6.2% Zn, and 6.8% Pb (see 093A 072 in BCMEM, 2025). Other Ag-Pb-Zn enriched veins occur elsewhere in the Cedar Creek area, northeast of the SMG deposit, and within the SMG deposit itself.

Massive sulphide showings consist of semi-massive to massive pyrite—pyrrhotite veins that are characterized in MINFILE as volcanic-hosted massive sulphide (VMS) but could also comprise a replacement-style body related to the SMG mineralization or sulphide-rich pods related to epithermal or porphyry-style mineralization. Showings typically comprise one or two veins, ranging from 20 to 30 cm thick and continuous along, perhaps, tens of meters of strike. Sulphide mineralogy is dominated by pyrite and pyrrhotite associated with weakly anomalous values of gold, silver, copper, zinc, and/or lead (Dawson, 2006; see 093A 217 in BCMEM, 2025). Most of these showings occur west and southwest of the SMG deposit, in the Cedar Creek area.

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. This showing, referred to as Hampton's pit (see 093A 216 in BCMEM, 2025), consists of epidote-altered diorite with disseminated pyrite with grab samples that 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 only MINFILE-registered placer showing on the Property 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 are noted on various compilation maps and include Aurora, Cedar Creek, Discovery Draw (or Rasmussen placer pit in Besserer, 2007), Doug Harris, and McKeown (Figure 7-7).

8. Deposit Types

8.1 Deposit Model

The principal deposit type on the SMG Property is an orogenic gold deposit of the sedimentary-hosted vein (SHV) controlled subtype. SHV deposits constitute a family of gold-bearing vein deposits that occur worldwide and are united by common characteristics including Late Proterozoic to early Paleozoic passive-margin shale-siltstone host rocks (Klipfel, 2005). Other deposit styles relevant to the Property include alkalic porphyry copper-gold, polymetallic vein, and placer gold deposits, all of which are briefly described below.

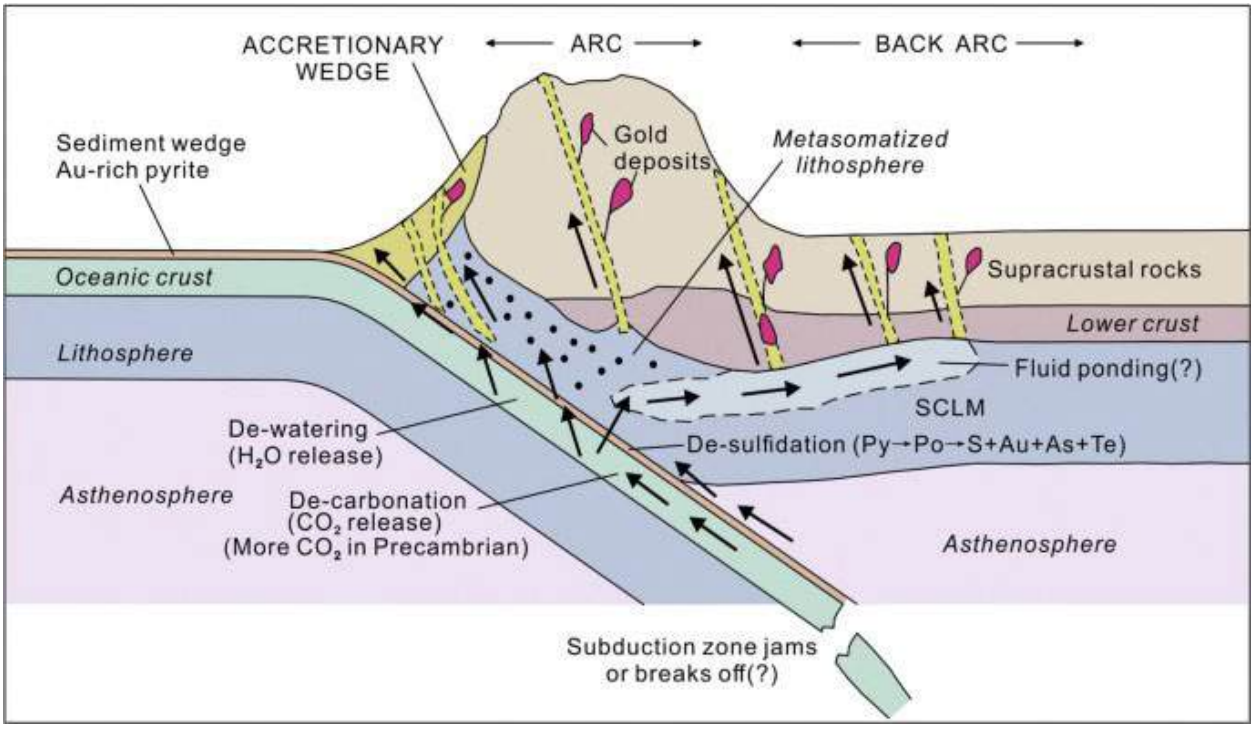
8.1.1 Orogenic-Style Gold Deposits

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). Globally, most orogenic gold deposits formed during three principal periods: 2.8 to 2.55 Ga (Archean), 2.1 to 1.8 Ga (Paleoproterozoic) and 600 to 50 Ma (Phanerozoic). Orogenic-style mineralization within the eastern Cordilleran gold belt, including the Cariboo Gold District, formed during the latter interval, between 180 to 140 Ma (e.g., Allan et al., 2017).

Phanerozoic gold mineralization includes a relatively high proportion of SHV deposits, which formed during and shortly after deformation and metamorphism of passive margins within regional-scale fold-and-thrust belts (Klipfel, 2005). Hydrothermal fluids generated during these events ascended along associated faults and deposited gold within 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 in 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).



Source: Groves et al., 2020

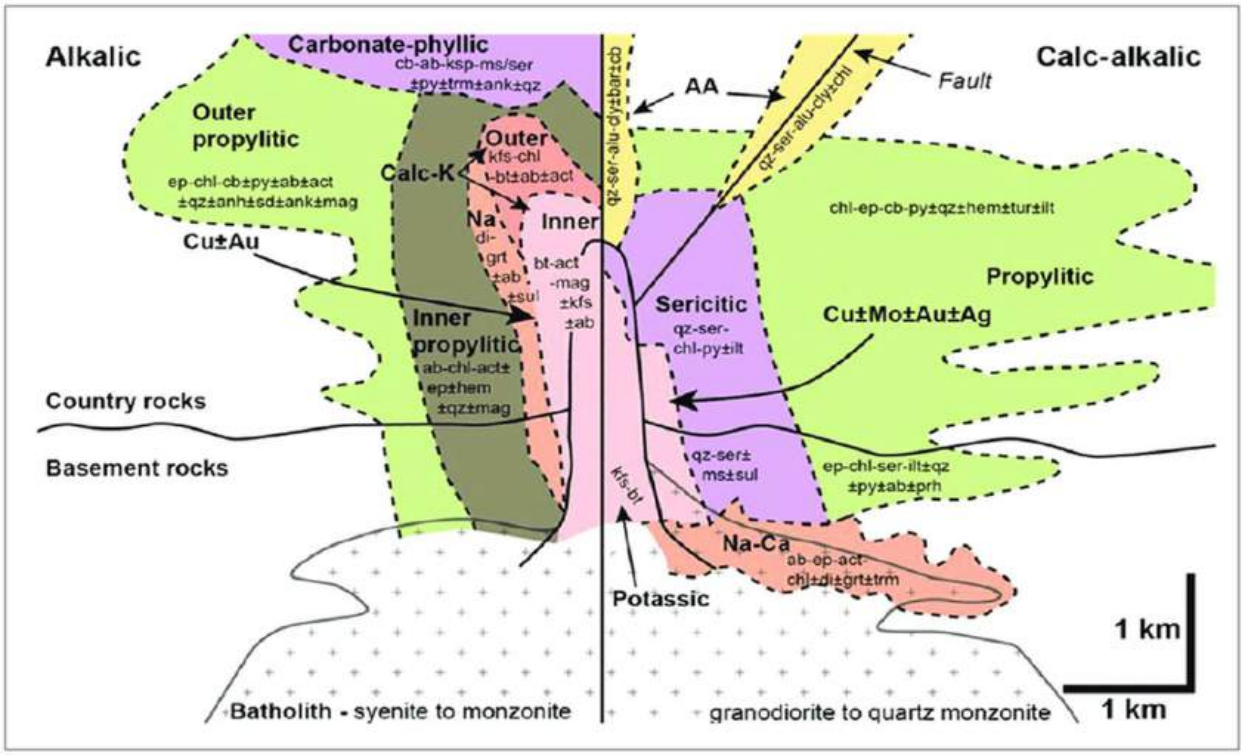
Figure 8-1: Deposit model for orogenic gold deposits

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.

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 along with sulphide minerals that include chalcopyrite, pyrite, and, in some deposits, significant bornite (Panteleyev, 1995).



Source: Leet et al., 2020

Figure 8-2: Comparison of alkalic and calc-alkalic porphyry deposit models

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.

8.1.3 Polymetallic Deposits

The SMG Property hosts several subeconomic showings of polymetallic quartz-carbonate veins as well as thin, weakly polymetallic, massive sulphide veins and/or layers.

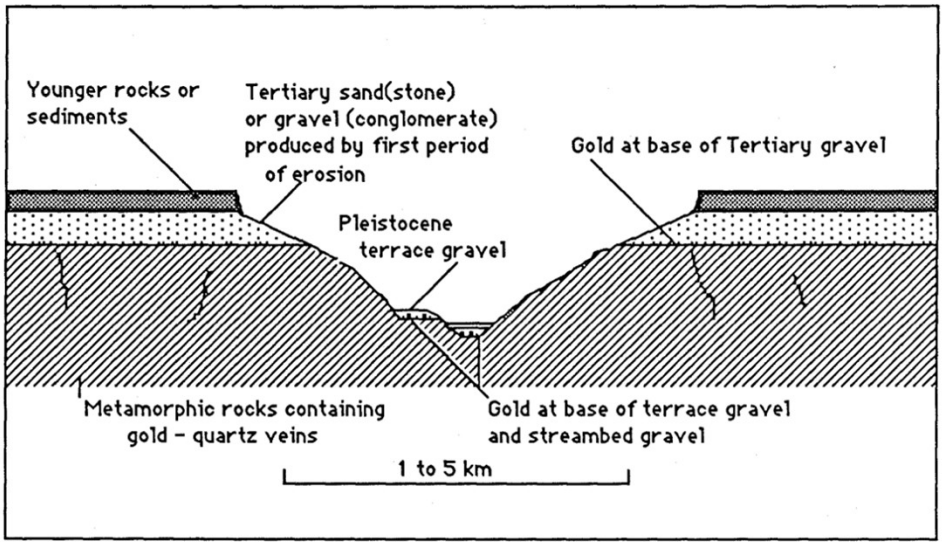
Polymetallic quartz-carbonate veins are most likely analogous to the "felsic intrusion-associated Ag-Pb-Zn vein" deposit type that forms silver mining districts in Keno Hill, Yukon, and Coeur d'Alene, Idaho. Deposits are hosted in quartz-carbonate veins that were derived from nearby felsic intrusions 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 massive sulphide layers and veins on the SMG property may be linked to a number of deposit models, including VMS, replacement style orogenic gold deposits like those in the Wells-Barkerville Camp (see Section 7.2.1), as well as epithermal and porphyry systems.

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.



Source: Yeend, 1987

Figure 8-3: Schematic cross-section for placer gold deposits

8.2 Comments on Deposit Type

The primary exploration target on the SMG Property is sedimentary-hosted and SHV orogenic gold, like the SMG and Phoenix deposits as well as several 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 and 10). Prospecting, rock sampling, and trenching are cost-effective and efficient means of exploration 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 is often used to explore for buried orogenic gold deposits but should be used cautiously 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 and/or finer sediment fractions, 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, typically to map structures that control gold mineralization. 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 integrating interpretation products with geology 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 discovery of economic alkali porphyry and polymetallic deposits is considered low.

9. Exploration

9.1 Introduction

This section summarizes exploration work carried out by SPA 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, geophysical surveys, and remote sensing. SPA's diamond drilling is described in Section 10 of this Technical Report whereas 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).

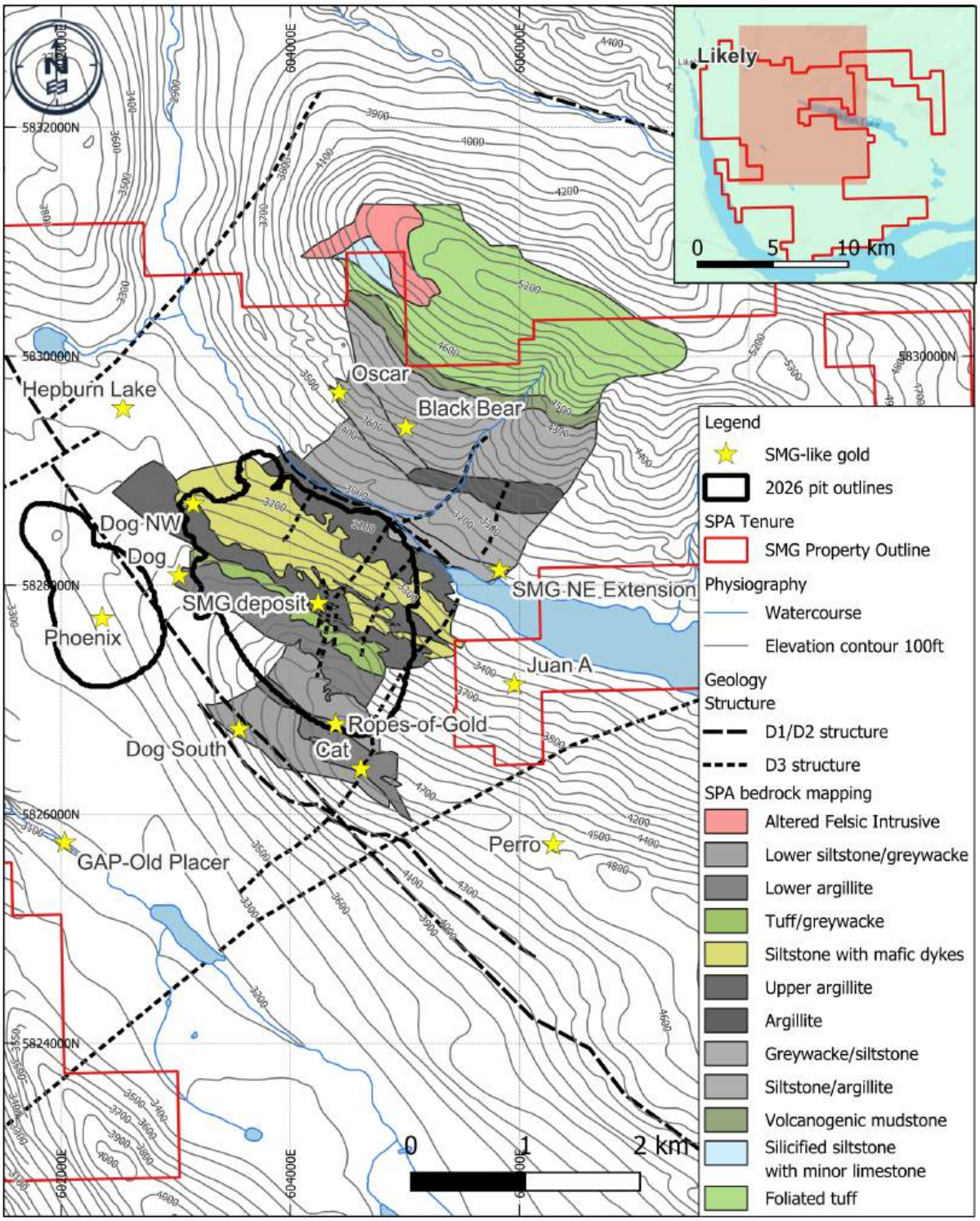
Elevations were determined from a digital elevation model produced from SPA's 2011 LiDAR survey (see Section 9.8) and has topographic surface control of less than 1 m. The 2011 LiDAR survey covers the SMG deposit and surrounding prospective ground so that it can be applied for topographic survey control 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 confirmed the map patterns of historical mapping (e.g., McClintock, 1985) and located several historical bulk sample pits but failed to 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 was not 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.



Source: Modified from Peatfield et al., 2009

Figure 9-1: Geological map of the SMG Deposit overlain on BCGS mapping

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) emphasized the regional-scale controls related to fold-thrust belt architecture. This included a system of N-S to NNE trending faults centering the SMG deposit delineated through deposit-scale mapping by Price (2008).

A detailed compilation and review of structural studies, as well as GIS linework, was provided by Campbell (2011). Structural work by Uken (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). These samples include outcrop, float, and suspect outcrop/float. This section describes the methods by which SPA collected their rock samples (Section 9.4.1) and reviews the results in terms of an area classification (Section 9.4.2) shown as Figure 9-2.

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 in-situ 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 from 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.

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**

Source: Equity, 2025

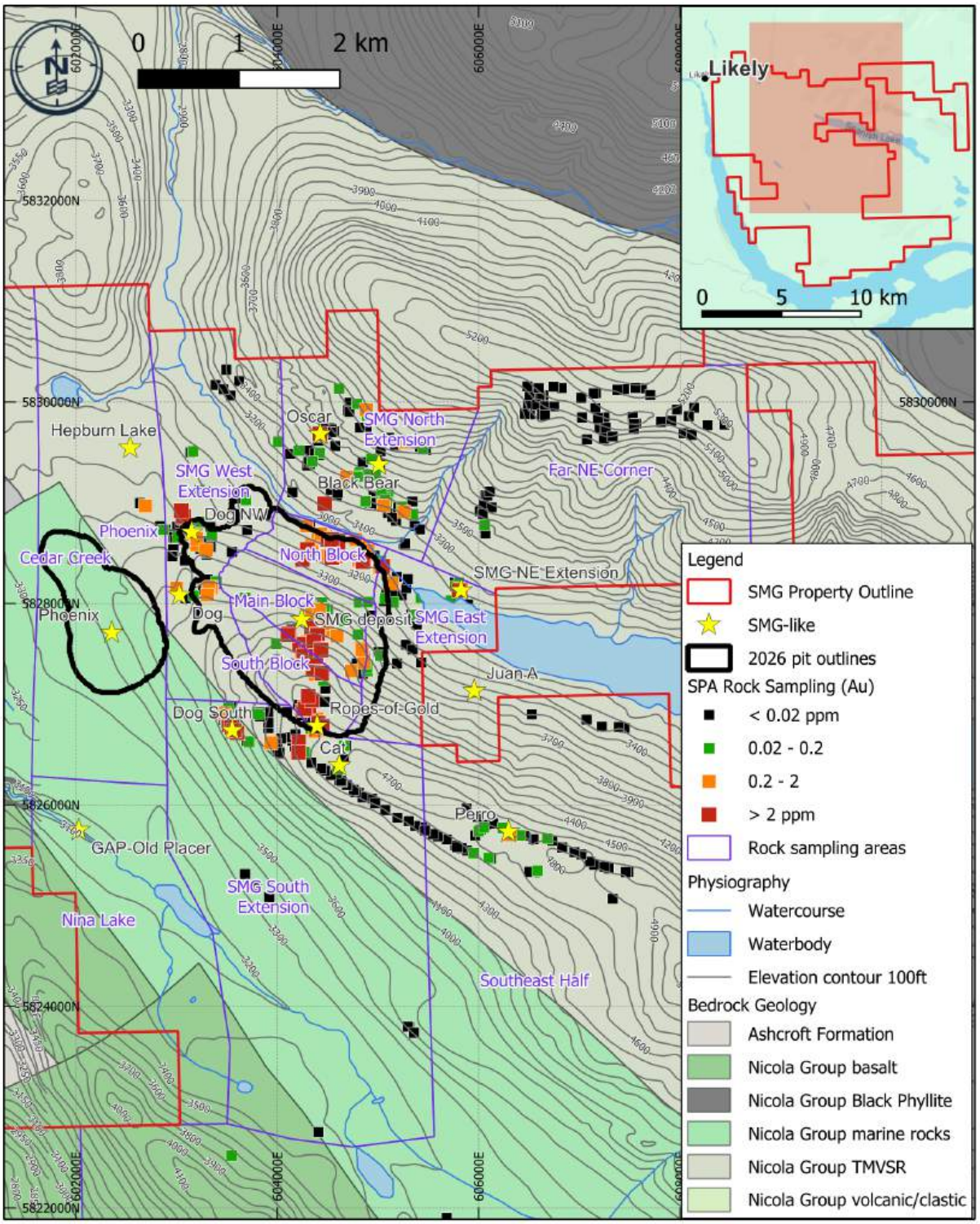
SPA has retained rock sample certificates of analysis (COA) only as spreadsheet files, with none of the COAs retained in the preferred format as password protected PDFs. Methods recorded on these certificates suggest gold was analyzed using metallic screen or lead collection fire assay methods, which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

SPA has a total of 1,182 rock samples in their 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 shown on Figure 9-2 and are summarized in Table 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.



Source: Equity, 2026

Figure 9-2: Rock sampling completed by SPA

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**

Source: Equity, 2025

SPA has collected 66 samples in the North Block, all of which have locations and assays, 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 Ag and Pb whereas As and Sb are low.

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 Ropes-of-Gold. Higher gold is associated with increased silver, lead, and zinc whereas arsenic and antimony values are low.

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 Dog, Hepburn Lake, and Dog NW showings. SPA has collected 79 rock samples in this area that all have assay and location data, with 20% returning more than 0.2 g/t Au and five assaying between 4.0 g/t to 11.9 g/t Au. All higher-grade samples cluster around the Dog NW showing whereas samples from the Dog showing returned values around 0.5 g/t Au. 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 assayed between 1.0 to 2.7 g/t Au. The highest value defines the 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 silver, lead and zinc.

The SMG East Extension lies immediately east of the SMG deposit and includes the SMG NE Extension showing. 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 assaying 4.5 g/t and 41.0 g/t Au, the latter defining the SMG NE Extension occurrence. None of the gold enrichment in this area is associated with polymetallic enrichment.

The SMG South Extension includes the Dog South and Cat showings as well as the southern extent of the 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, with the highest values collected at Ropes-of-Gold. The Dog South showing returned eight samples between 0.2 to 10 g/t Au. All samples with more than 10 g/t Au also returned more than 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, with only 10% of samples returning more than 50 ppb Au and a maximum grade of 0.3 g/t Au. This sample defines the Perro showing along with a few other samples that returned 50 to 200 ppb Au.

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 grid providing near-blanket coverage over the SMG deposit and the other two 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**

Source: Equity, 2025

9.5.1 Methods

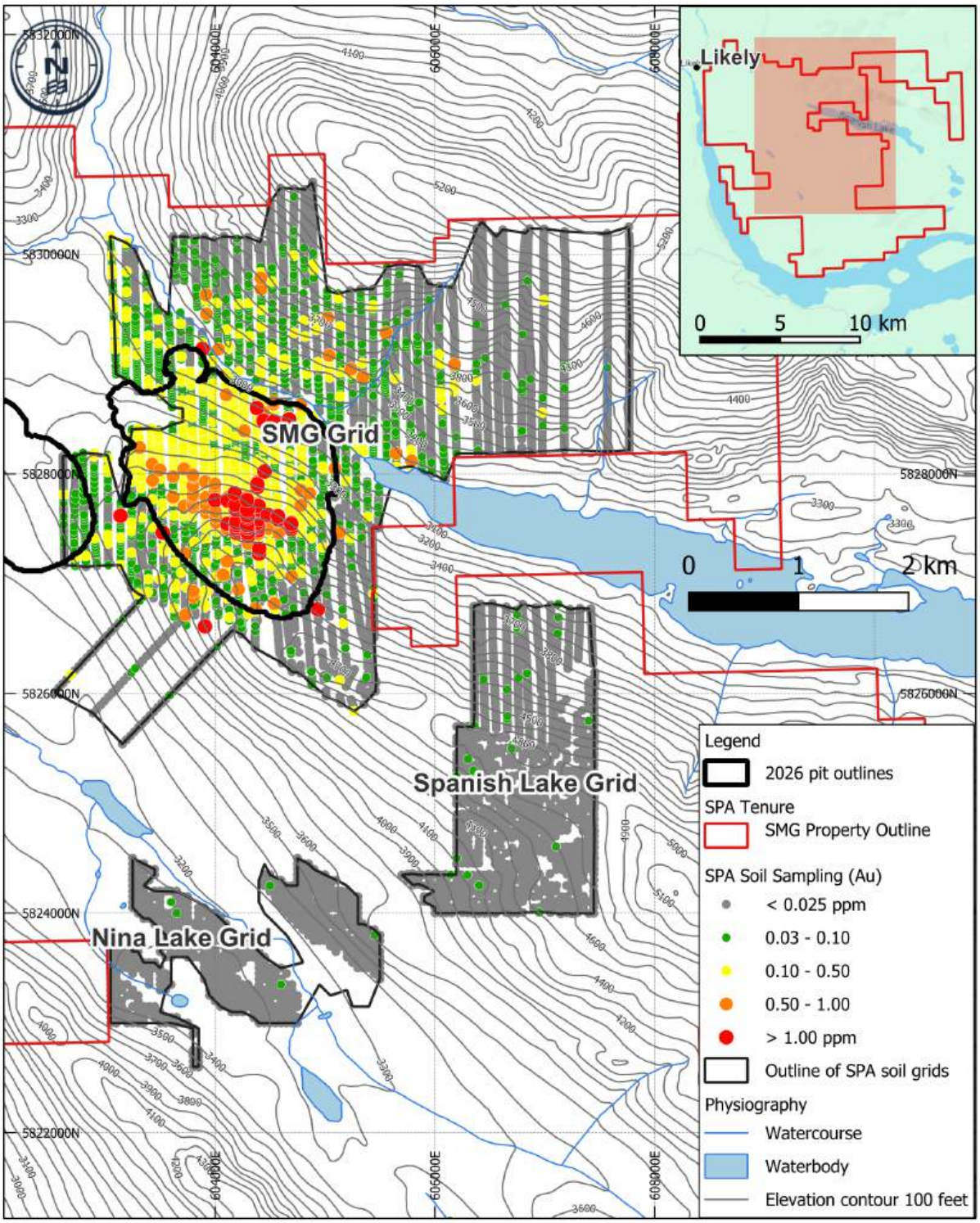
Soil sampling completed by SPA can be split into three more-or-less continuous grids, here referred to as the SMG, Nina Lake, and Spanish Lake (Figure 9-3).

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 lines near the edge 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 extensions in all directions.

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 consists of sample locations spaced 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.

Soil sampling methods for each campaign are broadly similar. Sample locations are 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 to yield at least 30 grams of fine fraction, with samples then aggregated into rice (or poly-weave) bags for shipment to the analytical lab.



Source: Equity, 2026

Figure 9-3: Soil sampling completed by SPA

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 MS Analytical in Langley, BC (MSA). At the lab, 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.

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 (see Figure 7-5) 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.

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 part of the SMG Grid immediately south of the SMG deposit also shows some gold-in-soil continuity but over a smaller area (approximately 500 by 1,500 m).

The Spanish Lake Grid shows 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 that appear to form at least one or two clusters meriting possible follow-up work.

Gold values 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 between 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%**

Source: Equity, 2025

9.6 Stream Sediment Geochemistry

SPA has completed stream sampling programs in 2016 and 2017 (Table 9-5), 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**

Source: Equity, 2025

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 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 drained and placed

in a sample bag with a unique identifying tag, then aggregated into shipments sent to MSA for analysis. Heavy mineral samples were first sent to CF Mineral Research Ltd in Kelowna, BC ("CF Mineral") for concentration, then to MSA for analysis.

Heavy mineral concentration comprised sieving of a -60-mesh fraction that 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 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) to provide ultra-trace level analyses for gold and 36 other elements. Note that these gold assays were not done 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 five with over 0.1 g/t Au and a high value of 1.6 g/t Au (Table 9-6). Three of the five samples with over 0.1 g/t Au were collected within the footprint of the SMG deposit whereas one was taken 2.7 km to the southeast and the other 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, 15 returned between 10 to 25 g/t Au, and four exceeded the over limit of 25 g/t Au (Table 9-6). 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. Together with silt sampling results, 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 silt and heavy mineral (HM) 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
	HM	16	0	1	0	1	7	7
2017	HM	35	0	0	0	1	22	12
Subtotals	**Silt**	**31**	**15**	**8**	**3**	**4**	**1**	**0**
	HM	**51**	**0**	**1**	**0**	**2**	**29**	**19**

Source: Equity, 2025

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) that was integrated with historical surveys to provide complete coverage over the SMG Property. This work is summarized below.

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**	**-**

Source: Equity, 2025

9.7.1 Methods

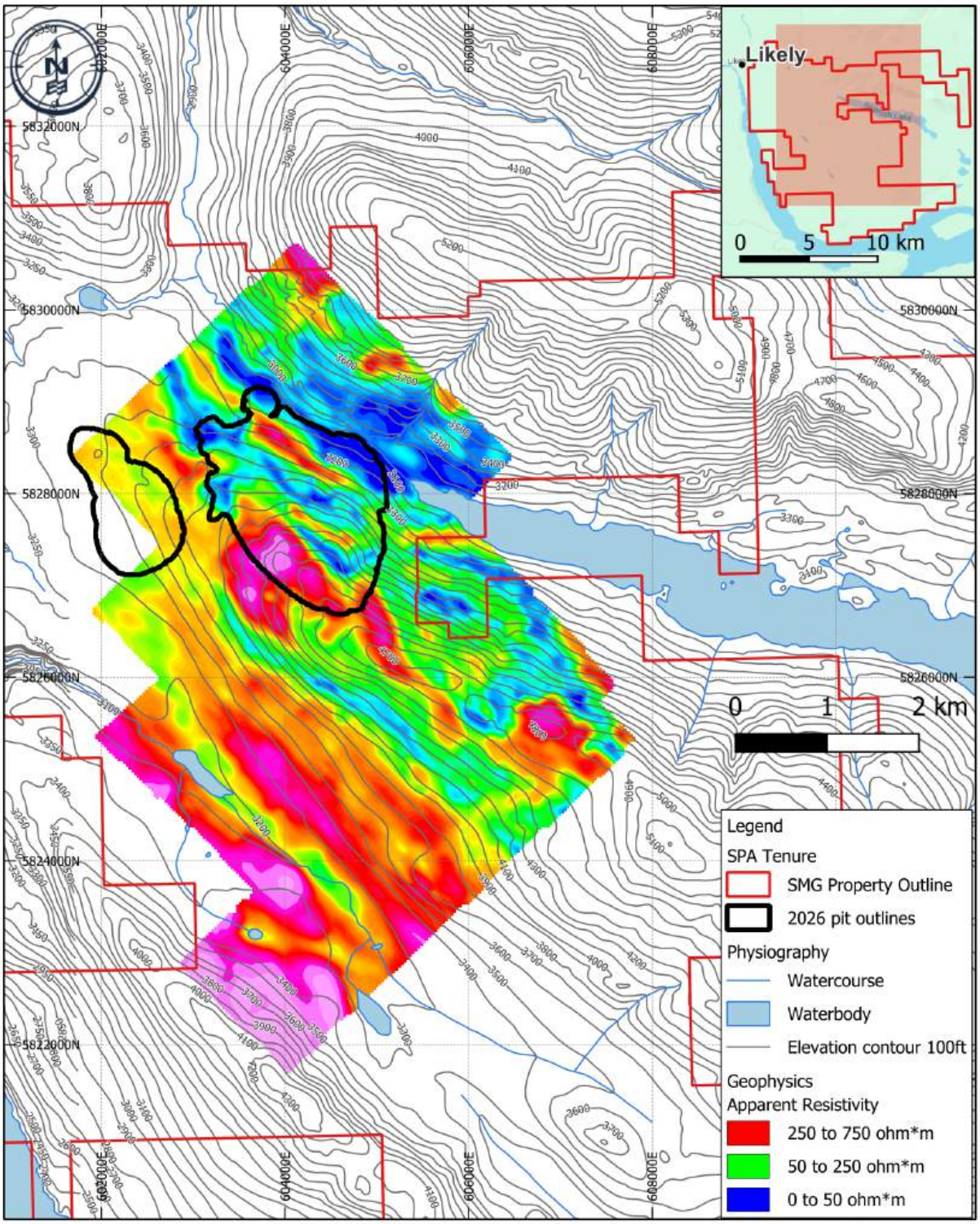
Airborne EM and magnetic work completed by SPA includes surveys flown in 2006 and 2011 as well as merging of the 2006 data with similar data collected on adjacent claims in 2007. The area covered by the merged data was acquired by SPA in 2012 under the Acrex agreement (see Section 4.4).

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.

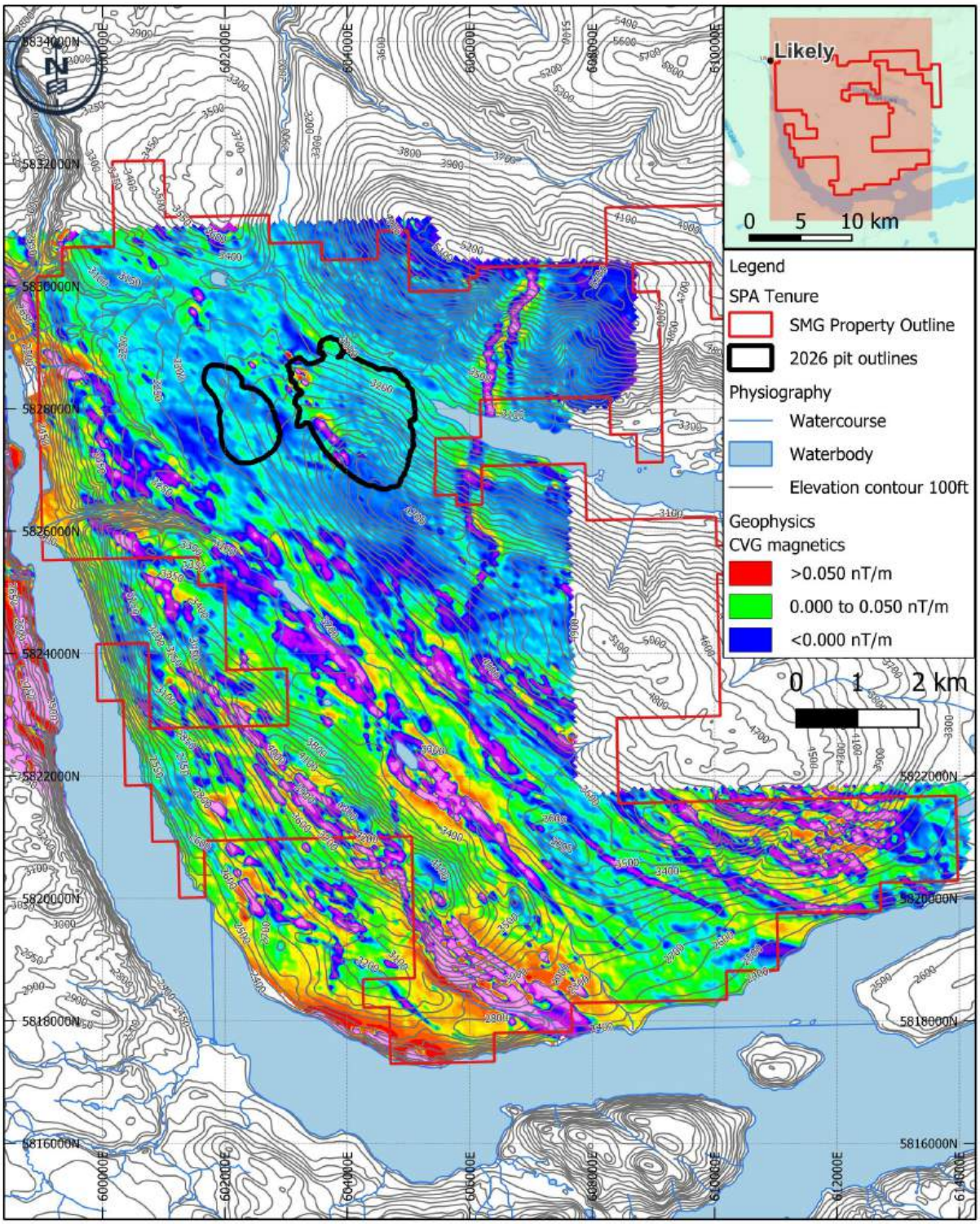
The EM sensor, or "bird", was towed at a survey altitude of 30 to 35 m above the ground surface. EM data was collected through five different coil frequencies reading ten samples per second, equivalent to one sample every 2.8 to 3.3 m at a flight speed of 100 to 120 km per hour.

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 m for the main block and 75 m 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).



Source: Smith (2006) modified by Equity (2026)

Figure 9-4: Apparent resistivity from SPA's 2006 DIGHEM survey



Source: Fugro (2012) modified by Equity (2026)

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

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 (Figure 9-4 and Figure 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 Property (Walker, 2007).

9.7.2 SMG 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 EM and resistivity data show 100 to 300 m wide (Figure 9-4) alternating 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 (Figure 9-5). The N-S D3 system that centers the SMG deposit may be defined by a weak series of breaks in D1-D2 fabrics (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.

In 2026, SPA contracted Eagle Mapping Ltd. of Port Coquitlam, BC (Eagle Mapping) to complete an updated laser detection and ranging (or LiDAR) survey over the SMG Property.

9.9 Ground Geophysics

Only one ground geophysical survey has been completed by SPA, comprising an 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).

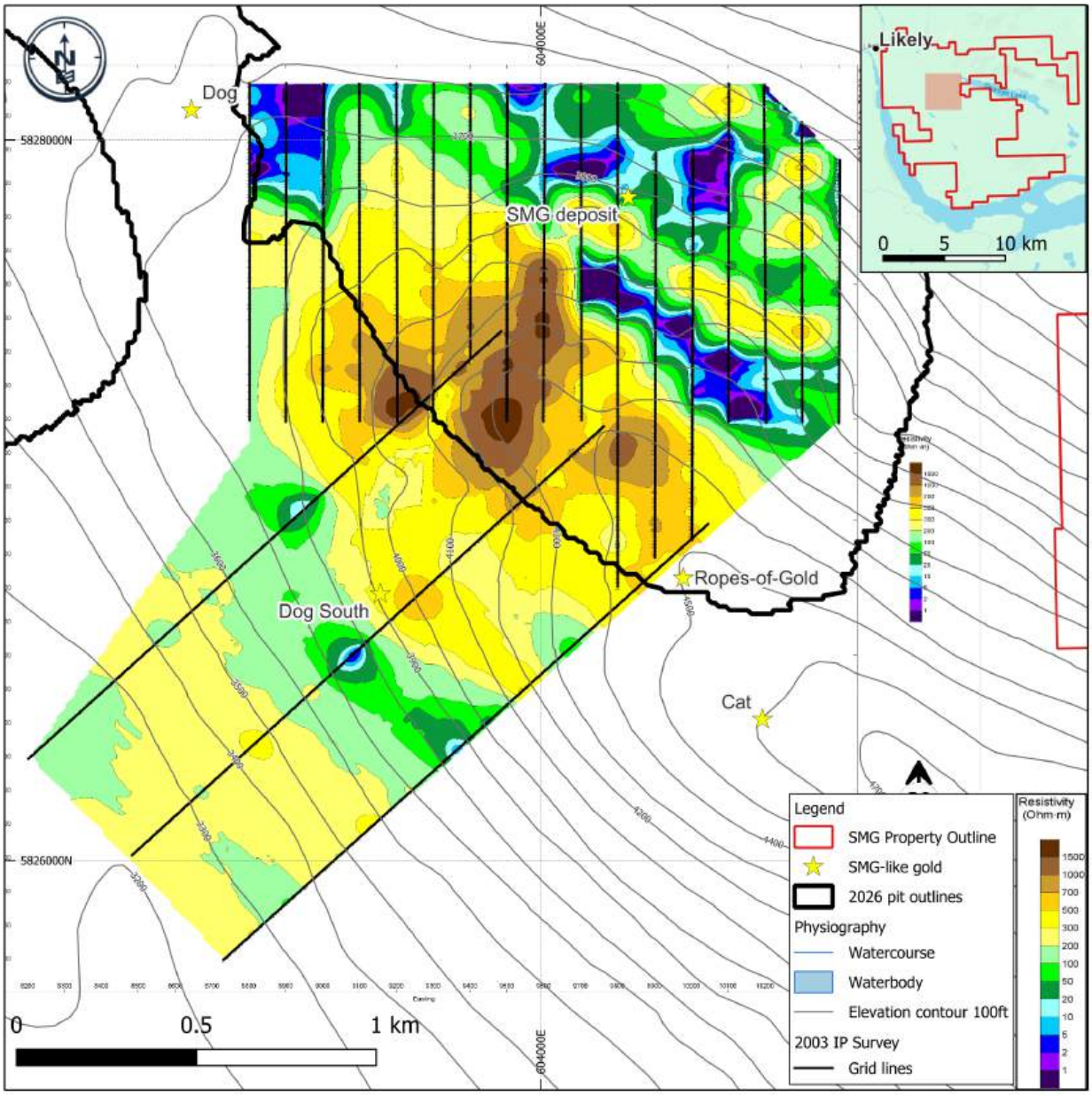
IP surveying was done by Scott Geophysics Ltd of Vancouver, BC, (Scott Geophysics) using a pole-dipole array with five receivers placed at a spacing of 25 m for an approximate depth penetration of 50 to 75 m below the surface. Scott Geophysics used a Scintrex TSQ4 transmitter and IPR12 receiver to take time domain readings using a 2 seconds on/2 seconds off square wave. Pseudo-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 sulphur-deficient lithologies like siltstone and tuff. Possibly these more tightly intercalated rocks may be prospective in that they provide favourable permeability contrasts that focus auriferous fluids. The north-south orientation of the survey lines

was not conducive to imaging the N-S striking controlling structures, like the Madre Fault, that appear to have a significant structural control on the SMG deposit.



Source: Morton (2004) modified by Equity (2026)

Figure 9-6: 3D Inverted Resistivity data from SPA's 2003 IP survey

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 CAD$100 per rock and soil sample, CAD$200 per silt, CAD$100 per line-km of airborne EM and magnetics, CAD$250 per km^2 of LiDAR and orthophoto, and CAD$5,000 per line-km of IP, it is estimated that SPA has spent CAD$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 1:50,000 scale is too coarse for property-scale exploration; more detailed mapping should be completed for high priority areas. The top-of-bedrock intersection map should be updated with new drilling and better integrated with bedrock mapping and structural data.

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 used 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, a lack of external QA/QC data, and a general lack of contextualized interpretation. Despite these gaps, SPA's surface geochemical data is adequate for defining areas of interest for follow-up surface work and further data processing. This data is not adequate for drill targeting and planning. Further work on this data is recommended to include interpretation in the context of surficial geology, as well as additional digitization, compilation work, and desktop targeting.

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 the 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 reviewed 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 reviewed 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 its northern and southern extensions, 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. Poor bedrock exposure in this area suggests that trenching, ground geophysics, 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 survey to help establish geophysical criteria associated with gold mineralization on the Property.

Rock sampling highlights the exploration potential of the SMG West Extension, between the SMG and Phoenix deposits. This area includes the Hepburn Lake, Dog, and Dog NW gold occurrences. 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 prospective due to the presence of several gold showings, its proximity to the SMG deposit, and similar stratigraphy but is somewhat size 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 likely hosts the southward extension of the D3 fault systems that centers the SMG deposit and hosts the Ropes-of-Gold prospect. Additional targets may emerge through property-scale mapping, rock sampling, and silt sampling work.

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

Exploration potential in the Nina Lake, Cedar Creek, southeast half, and northeast parts of the property appears to be limited, since mineral showings are relatively sparse, low-grade, and discontinuous. Future work should assess potential for deposits that are buried by till by, for example, tracing prospective units and structures through geophysical data sets.

10. Drilling

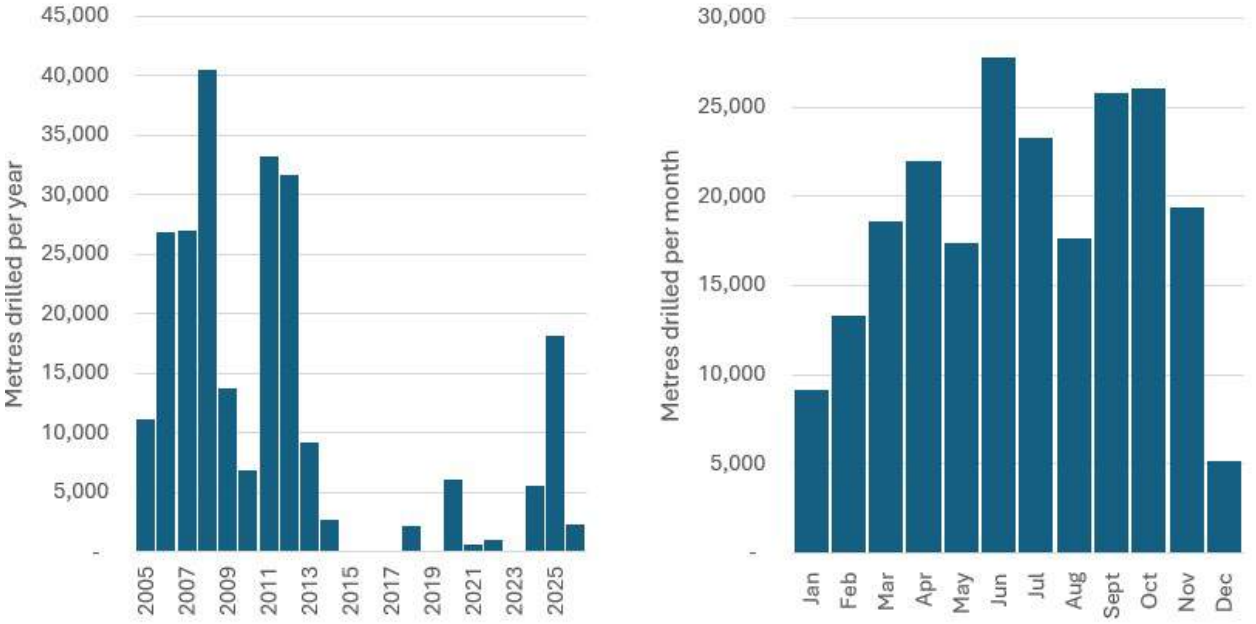
10.1 Introduction

Since acquiring the Property in 2003 and up to May 19, 2026, SPA and its predecessor, Skygold, have completed 1,177 drill holes within the current boundaries of the SMG Property, for a total of and 238,784 m (Table 10-1). The bulk of this drilling was done with diamond tools whereas a lesser number of holes were drilled with RC and other methods (mostly sonic). Both diamond and RC drill holes are included in the updated mineral resource estimate presented in Section 14.

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

Year	DDH		RC		Other		Yearly total	
	Holes (N)	Metres	Holes (N)	Metres	Holes (N)	Metres	Holes (N)	Metres
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	149	33,237	-	-	-	-	149	33,237
2012	191	31,683	-	-	-	-	191	31,683
2013	-	-	56	9,229	-	-	56	9,229
2014	-	-	18	2,676	-	-	18	2,676
2018	6	1,061	11	1,091	-	-	17	2,153
2020	6	527	28	4,486	30	1,050	64	6,063
2021	15	303	-	-	6	274	21	577
2022	5	1,026	-	-	-	-	5	1,026
2024	11	5,590	-	-	-	-	11	5,590
2025	65	18,221	-	-	-	-	65	18,221
2026	8	2,353	-	-	-	-	8	2,353
Total	**948**	**211,591**	**193**	**25,868**	**36**	**1,324**	**1,177**	**238,784**

Source: Equity, 2026, for drilling up to May 19, 2026.



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 10-1: Bar charts showing drill production by year and month

Diamond drilling rigs were used to complete the bulk of the holes and metres on the SMG Property. Most of these holes 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.

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.

Just over 85% of all metres drilled on the SMG Property have targeted the main, north, and south blocks of the SMG deposit, with the remaining ~15% split among the Phoenix deposit, extensions 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), and 2025, 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 to 2026 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 metres 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.

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. A few of the furthest outlying holes, like those testing the Black Bear and Oscar targets, may have required helicopter and lumber pad building support.

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 948 diamond drill holes in SPA's database, 389 (or 41%) are labeled as having been surveyed with a Trimble differential GPS (DGPS) or Trimble R8 Global Navigation Satellite System (GNSS) that have nominal X-Y accuracy of less than 1 metre. The proportion of RC holes surveyed with DGPS or GNSS is 115 of 193 (or 60%). Some of the post-drilling DGPS and GNSS surveys were completed by Crowfoot Developments Ltd of Kamloops, BC, Allnorth Consultants Ltd of Prince George, BC, and Celtic Engineering Ltd. of Williams Lake, 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. As of May 2026, the magnetic declination for the SMG Property is 15.8° east and is changing at 0.14° west per year.

The SPA drilling database indicates that just under 85% of all diamond core was drilled as NQ or NQ2, with the balance drilled as HQ or HQ3. 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.

Just over 60% 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 every 25, 30, 45, or 60 m along the drill string. Survey results indicate that the dip angle for most holes stayed straight or steepened with depth.

Downhole survey azimuths are measured relative to magnetic north, but in SPA's drilling database they appear to have been stored mostly as declination-corrected values, preventing verification of the applied magnetic declination correction. Survey data suggests that non-vertical holes typically stay straight or turn clockwise. Subvertical holes (i.e., steeper than 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 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 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 collected on oriented core in the 2024 and 2025 programs. Most of SPA's early core logging was in Lagger software developed by North Face Software Ltd of Surrey, BC (Lagger) with more recent logging done in MX Deposit 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. 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 205 of 948 diamond drill holes, typically at intervals of 2 to 20 m down the drill string for a total of 7,741 measurements. All density measurements were taken

using the industry standard dry and wet weight "Archimedes" technique. Approximately 70% of samples returned density measurements between 2.5 to 3.0 g/cm^3, for an average of 2.7 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 metres.

10.2.3 Recovery

Core recovery is the ratio of the measured core length recovered to the drilled interval length. SPA has recovery data for 798 of the 948 diamond drill holes, with just under 85% of holes returning fair to very good (70% to 95%). The poorest recoveries (10% to 50%) typically occur within brittle fault zones, which are widespread on the Property and may host significant mineralization, such as at the Phoenix deposit. Overall, the data indicate that core recovery is generally good across the Property, with localized reductions related mostly to brittle faulting.

Rock quality designation (RQD) values average between 40% and 45%, corresponding to poor rock quality, with all measurements falling below 75%. The generally low RQD values reflect the highly fractured and blocky nature of bedrock on the Property. Together, core recovery and RQD data suggest that the rock mass is mechanically poor but that the quality of recovered core is sufficient for geological logging, sampling, and resource estimation.

10.2.4 Sample Length/True Thickness

Just over 95% of all metres drilled by SPA on the SMG Property have been sampled and assayed. The remaining 5% consists primarily of overburden and unsampled geotechnical drill holes; consequently the proportion of unsampled resource and exploration drill core is very small.

Just over 80% of diamond drill core samples are 1.5 m in length, and only 5% are less than a metre long or longer than 2 metres. Samples that exceed 2.0 m in length were typically collected in intervals of poor core recovery whereas samples shorter than 1.0 m generally correspond to narrow mineralized zones and/or lithological units. Unusual sample lengths may also reflect 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 was stapled to the core box at the start of each interval.

RC chips were sampled at continuous 1.5-metre intervals, with each 1.5 m long sample passed through a riffle splitter to produce two sub-samples. One of these sub-samples was sent to the lab whereas the other was retained on the SMG Property for reference. For the 2013 to 2014, 2018, and 2020 programs, representative chips were also placed in chip trays labeled with sample depth and sample ID.

Approximately 95% of all RC metres drilled have been sampled and assayed, with most of the remaining 5% comprising overburden. Consequently, the proportion of unsampled RC material is negligible. Nearly all (99%) RC samples are 1.5 m in length. For all drilling campaigns, sampling intervals were marked on poly-ethylene sample bags and, for post-2012 RC drilling, on the corresponding chip trays.

Diamond drill core was cut using a diamond-bladed core saw to produce half-core samples. One half of the core was submitted for assay, while the remaining half was retained in the core box for reference. Half-core samples were placed in a pre-labeled poly-ethylene bag together with a sample tag stapled to the inside of each bag, then sealed with a zip tie. Sample shipment to the commercial laboratories, together with the sample preparation and analytical methods, 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 shipments, as well as the preparation and analytical methods, are described in Section 11.

SPA 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 labs. Results from this QA/QC monitoring program are summarized in Section 11.

Just under 85% of drill holes completed on the SMG deposit are vertical or inclined at -60° to -80° towards azimuths ranging from southeast to southwest. These drill orientations are broadly perpendicular to mineralized bodies in the SMG deposit, such that the true widths of mineralized intersections are estimated to be approximately 65% to 100% of the reported widths in Table 10-3 to Table 10-5. The remaining 15% of holes are mostly drilled from south to north, broadly parallel to the dip direction of the mineralized bodies. For these holes, true widths are estimated to range from 35% to 85% of the drilled and reported widths.

For the Phoenix deposit, all holes are oriented broadly perpendicular to the mineralized bodies, such that the true widths of reported mineralized intersections are estimated to be approximately 65% to 100% of the drilled widths reported in Table 10-6.

The true width of intersections reported in Table 10-7 to Table 10-12 cannot be reliably estimated because the overall orientation of the mineralized bodies is not yet sufficiently constrained.

10.3 Significant Results and Interpretation

This section summarizes results of SPA's drilling by area (Table 10-2). Approximately 75% to 80% of the drill holes and metres have been drilled in the main, north, and south blocks of the SMG deposit with the remaining 20% to 25% drilled mostly at the Phoenix deposit and on extensions of the SGM deposit.

Table 10-2: Summary of SPA's drilling by area

Area	DDH		RC		Other		Total for area	
	Holes (N)	Metres	Holes (N)	Metres	Holes (N)	Metres	Holes (N)	Metres
Main Block	462	113,697	83	11,865	-	-	545	125,562
North Block	183	40,166	23	3,250	-	-	206	43,415
South Block	96	20,721	43	6,384	-	-	139	27,105
Phoenix	78	14,172	13	1,344	10	441	101	15,956
SMG West Extension	36	6,325	18	2,193	-	-	54	8,517
SMG South Extension	19	2,758	6	137	19	711	44	3,606
SMG North Extension	7	1,535	-	-	-	-	7	1,535
SMG East Extension	5	720	6	669	-	-	11	1,389
Cedar Creek	37	5,499	-	-	-	-	37	5,499
Nina Lake	25	5,999	1	27	7	172	33	6,198
Grand Total	**948**	**211,592**	**193**	**25,868**	**36**	**1,324**	**1,177**	**238,784**

Source: Equity, 2026, for drilling up to May 19, 2026

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.

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 545 holes and 125,562 m

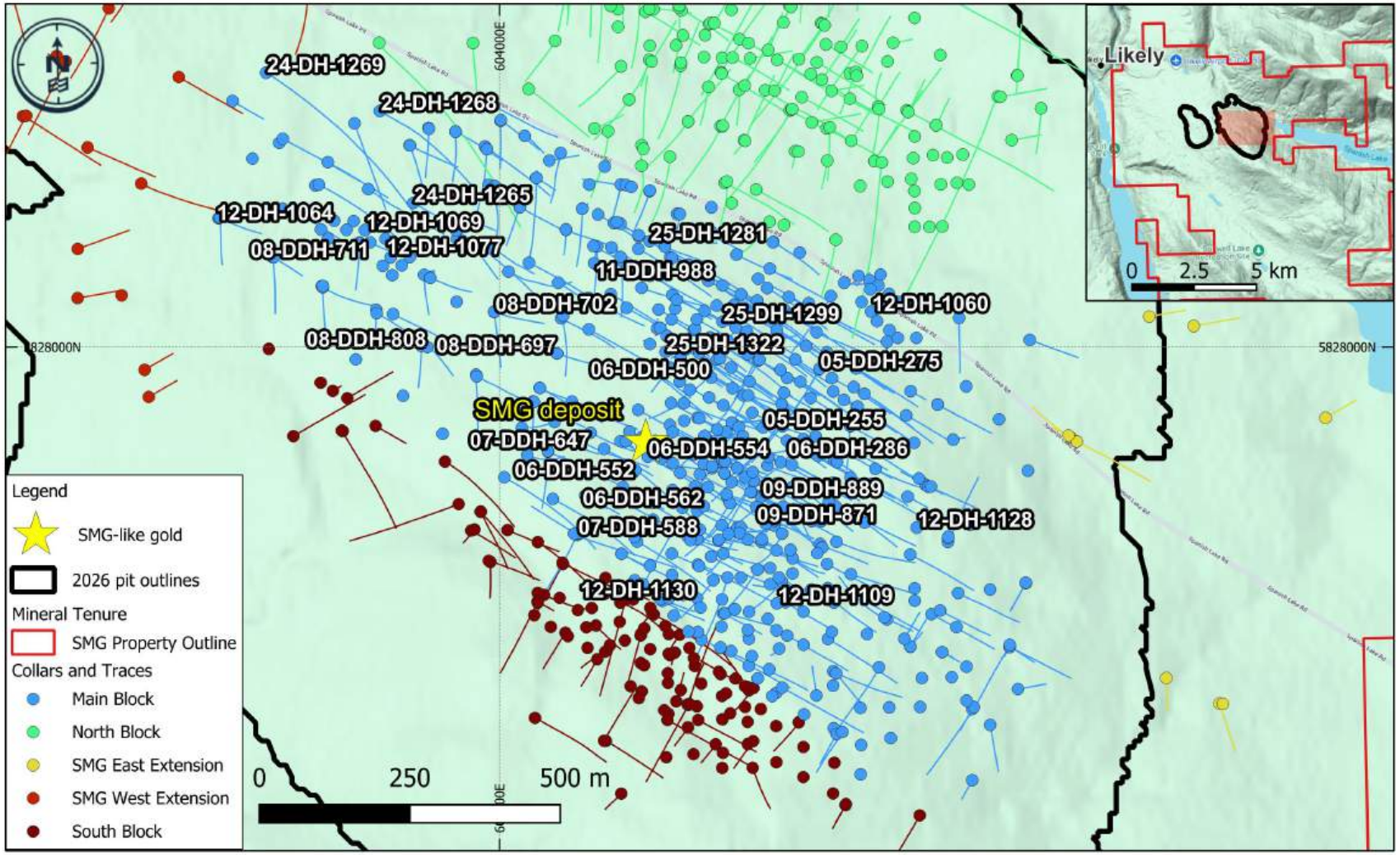
(Figure 10-2) comprise approximately half of the holes and metres drilled by SPA on the Property. Approximately 85% of these 545 holes were drilled as diamond core with the rest drilled as RC.

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, some of which are new and others that have historical equivalents. 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 "Lower Zone", and the Main Mid Zone is equivalent to the "N2W Zone". The Main Tuff Vein and Main Basal zones are first defined in this Technical Report. The "Orca Fault Trend" referred to by SPA in 2025 and 2026 public disclosure refers to intersections that cut the Main Upper and/or Main Tuff Vein zones.

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 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° in a southerly direction, suggesting the true widths of the intervals in this table are approximately 65% to 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 representative of the early and late events, respectively. Broad intervals typically range from 0.1 to 1.0 g/t Au over 10 to 100 but may return up to 1 to 2 g/t Au over 50 to 100 m (Table 10-3). Narrow and high-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. Gold shows a weak positive correlations of Au with Ag, Pb, and Zn whereas arsenic contents range between 100 to 200 ppm.

The Main Tuff Vein Zone occurs immediately below the Main Upper Zone and is mostly stratabound to the Main Tuff unit. Mineralization is predominantly late vein-style, reflecting the relatively competent nature of the host tuff. Gold mineralization typically averages 1 to 10 g/t Au over 1 to 10 m of core length with the best intersections marked by higher-than-average grades and/or intersection lengths. Examples include 225 g/t Au over 0.8 m as well as 86 g/t Au over 1.5 m (Table 10-3). Longer intervals (10 to 50 m) with lower grade typically include at least one high-grade sample (e.g., 06-DDH-562 in Table 10-3). Some of the higher-grade gold veins are associated with elevated Ag (15 to 30 g/t) as well as Cu, Pb, and Zn, whereas arsenic contents range from 100 to 200 ppm.



Source: Equity, 2026, for drilling up to May 19, 2026

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

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-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
	25-DH-1281	DDH	102.0	194.0	92.0	1.4	128.7
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
	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
	25-DH-1322	DDH	132.4	157.9	25.5	4.3	109.1
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
	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
	25-DH-1299	DDH	284.0	329.5	45.5	1.7	75.9
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

Zone	Hole ID	Hole Type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)
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
	12-DH-1109	DDH	97.5	101.3	3.8	34.5	129.2
	25-DH-1322	DDH	181.5	207.9	26.5	1.5	40.6
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

Source: Equity, 2026, for drilling up to May 19, 2026

The Main Lower Zone is a stratiform mineralized body that is broadly aligned with the contact between the Main Argillite and Lower Greywacke, but locally transects stratigraphy at a low angle. The zone cuts downward from the Main Argillite, in the southeast, through the Lower Greywacke and into the Lower Argillite toward the northwest. Assay composites include both long intervals of low-grade and shorter intersections of high grade. Broader intersections average 0.8 to 1.0 g/t Au over 90 to 120 m (Table 10-3) whereas high-grade intersections include 241 g/t Au over 1.5 m as well as 41 g/t Au over 1.5 m (Table 10-3). 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 are weakly correlated with As and Mo.

The Main West (or Slipper) Zone is essentially the westward continuation of the Main Upper Zone following a 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 as well as 7.2 g/t Au over 4.9 m (Table 10-3). Both high-grade intersections are central to broader zones of lower-grade mineralization. There is a weak association of gold with arsenic and molybdenum.

The Main Mid Zone is a planar mineralized body that transgresses 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 average 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 (Table 10-3). Gold is weakly correlated with silver, zinc, and lead.

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 known unit 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 206 holes for 43,415 m (Figure 10-3), comprising just under 20% of SPA's drill collars and metres. Most North Block holes were drilled between 2005-2012 with the remainder drilled in 2020, 2021, and 2025. 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) has defined three mineralized zones within the North Block, comprising 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 35% to 85% of the drilled widths.

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 132 m (Table 10-4) or 0.5 g/t Au over 139 m (11-DDH-931). Narrow high-grade intervals are less abundant relative to the Main Block, 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. Higher gold grades are locally correlated with elevated Pb and Zn, 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.

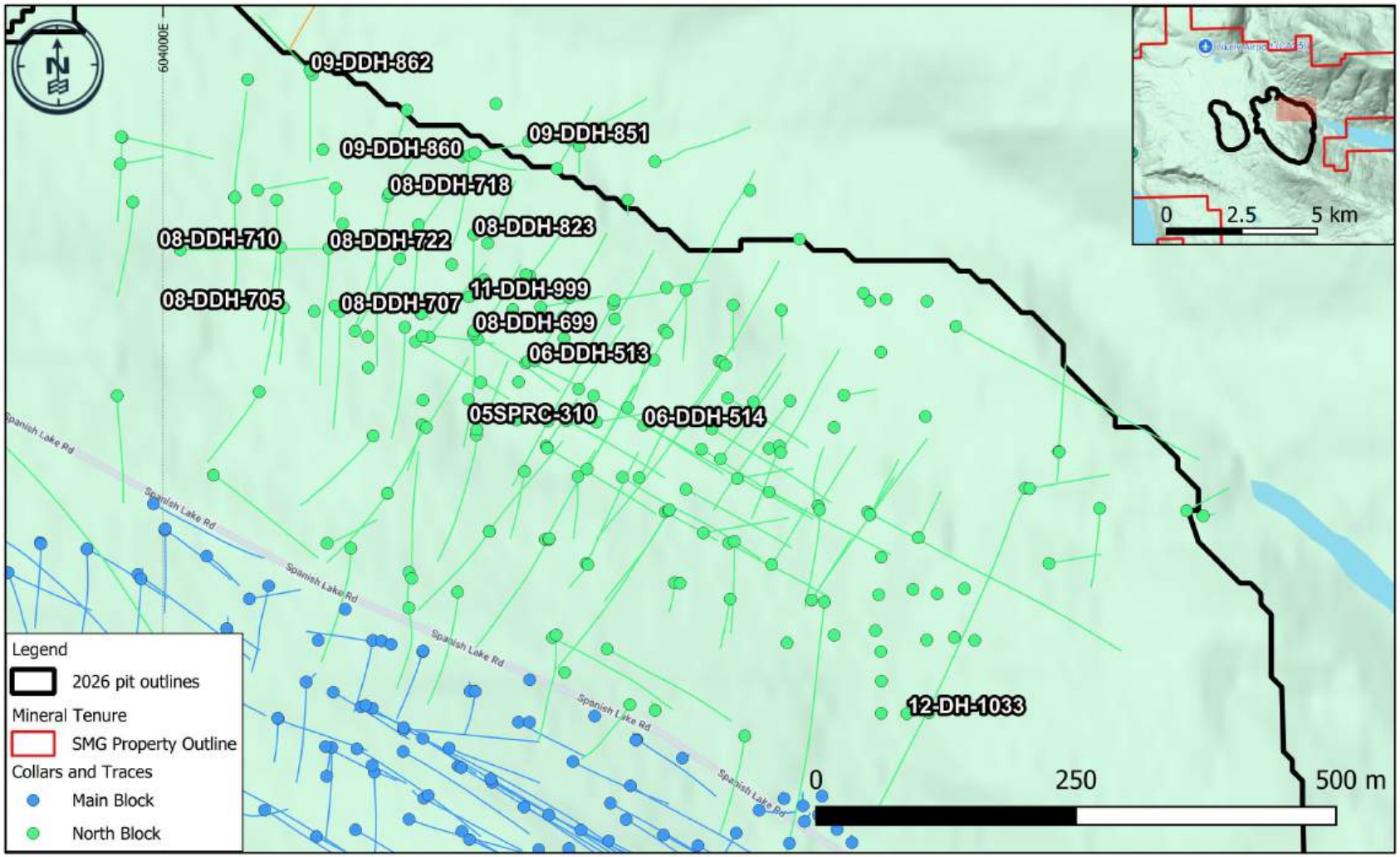
Table 10-4: Select core assay composites for the North Block

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

Source: Equity, 2026, for drilling up to May 19, 2026

The North Mid Zone lies approximately 25 to 50 m beneath the North Upper Zone and, likewise, 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 (Table 10-4) and 10.8 g/t Au over 1.5 m in 08-DDH-722. Weakly elevated Ag, Pb and Zn occur in some of the gold-bearing intervals whereas arsenic contents (100 to 300 ppm) are similar to 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 (Table 10-4). Gold is weakly correlated with Pb and Zn as well as 100 to 300 ppm As.



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 10-3: Drill collars in the north block of the SMG Deposit

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, 2024, and 2025 for a total of 139 holes for 27,105 m (Figure 10-4). Approximately 70% of these holes were drilled with diamond tools and the remainder with RC. SPA drilled the South Block to test for southward extension of the SMG deposit and to explore their Ropes-of-Gold target, which appears to follow the same D3 fault system that centers the SMG deposit.

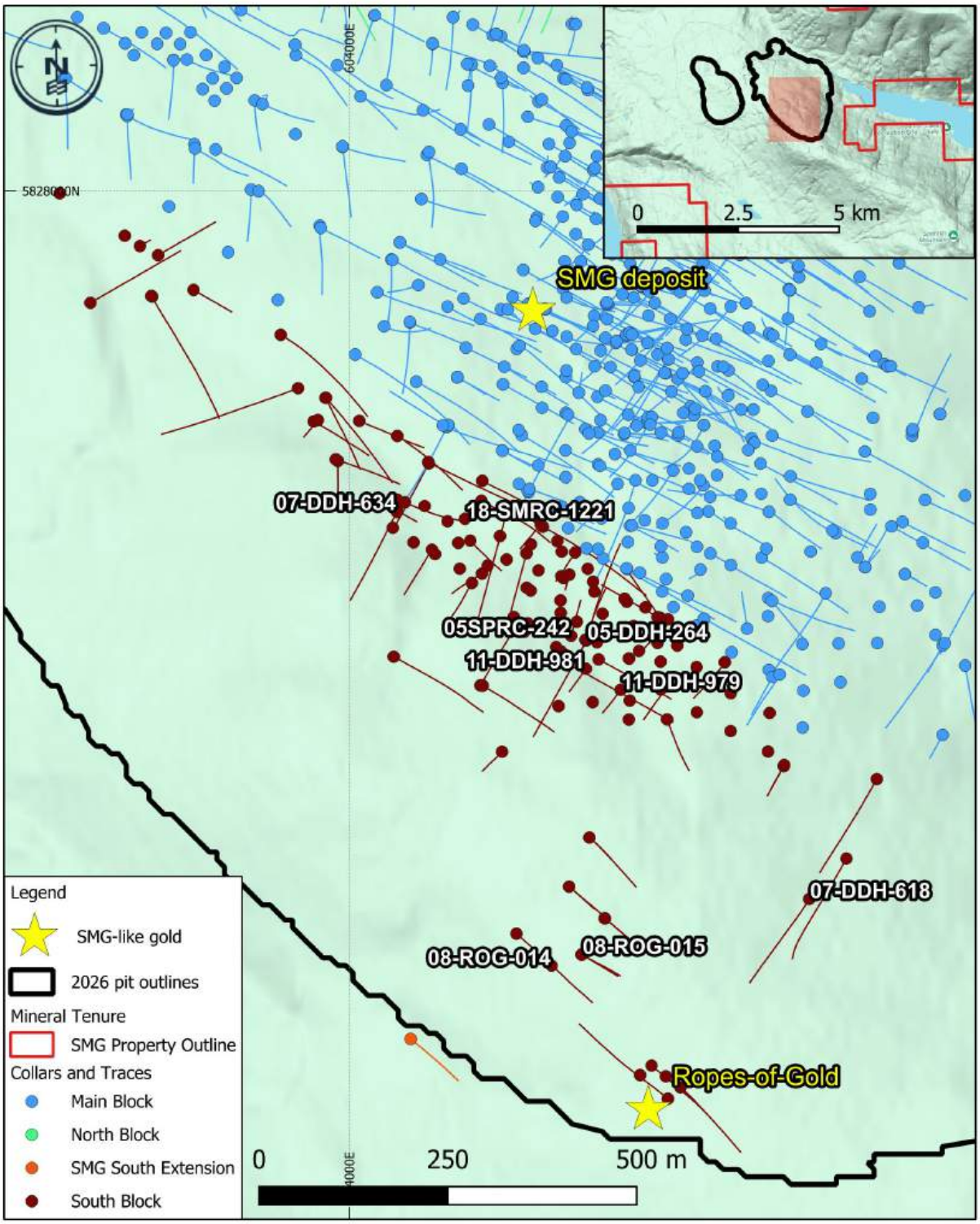
The South Block is bound on its north side by the South Fault and Main Block, and by diminished grade continuity to the south, east, and west. The South Block hosts the Ropes-of-Gold showing and the Main South Zone, which straddles the South Fault and so occurs in both the Main and South blocks. The 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. This zone 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 at orientations between -60 to -80 from the south to north, suggesting the true widths of the intervals in this table are approximately 65% to 100% of the drilled widths.

The mineralization style in the Main South Zone is characterized as both early and late, reflecting assay composites that include long intervals of low-grade and short intervals of higher-grade material. 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 (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 and 56 g/t Au over 1.0 m (Table 10-5).

An impressive intersection of 75 g/t Au over 3.5 m (Table 10-5) 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), which is somewhat disappointing given that high-grade surface sampling results (see Section 9.4.2). 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.



Source: Equity, 2026, for drilling up to May 19, 2026

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

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

Source: Equity, 2026, for drilling up to May 19, 2026

10.3.4 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 54 holes into this area for 8,517 m (Figure 10-5), with around two-thirds of these metres drilled with diamond tools and the remaining third drilled with RC.

Thirty-one of the 54 holes drilled on the SMG West Extension returned at least one grade-thickness interval greater than one, with 11 returning intervals greater than 5. Collectively, these results indicate widespread, albeit low-grade, gold mineralization in the West Extension 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 from the SMG West Extension grade between 0.2 to 0.6 g/t Au over approximately 10-60 m whereas high-grade intervals range from 4.3 to 5.8 g/t Au over 1.5 m (Table 10-6). The co-occurrence of broad low grade with narrow high-grade intervals could reflect overprinting early and late 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. Gold generally lacks correlation with silver, base metals, and arsenic. The orientation of mineralized bodies is likely sub-horizontal to gently

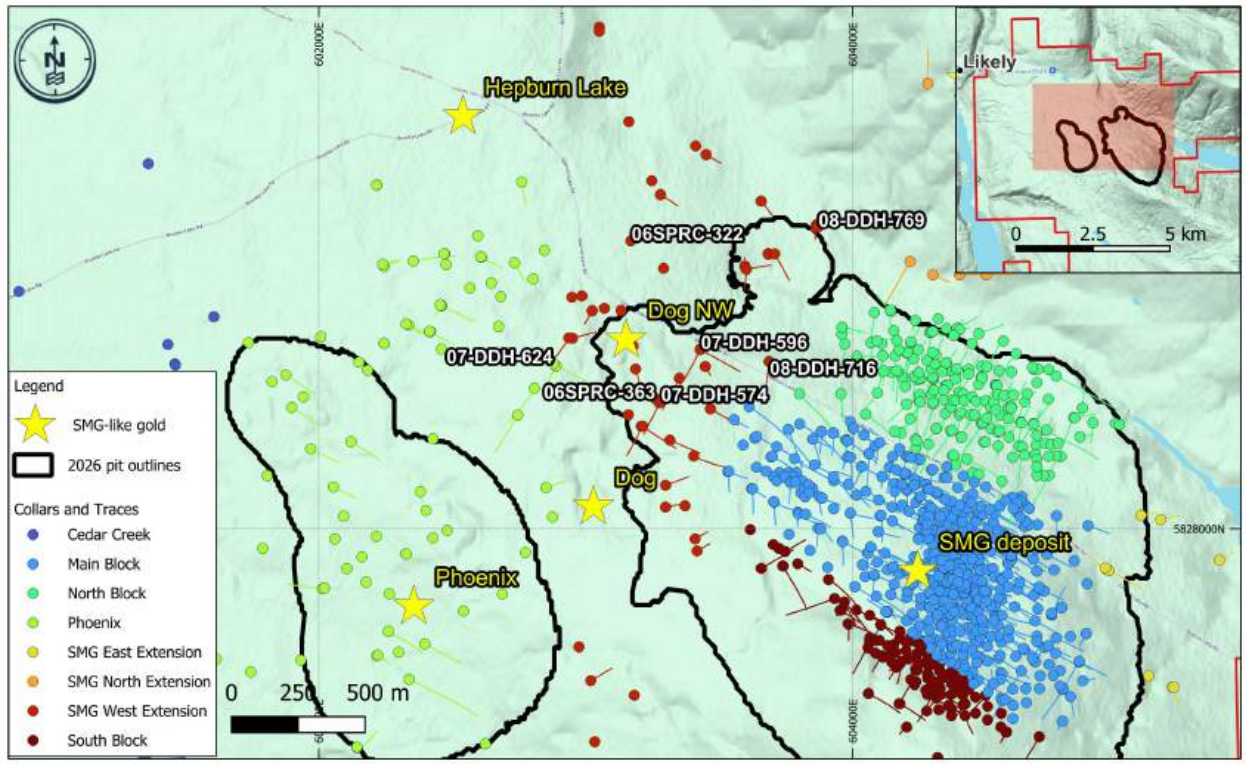
northeast dipping, suggesting that true widths are between 65% to 100% of the drilled widths presented in Table 10-6.

Some of the mineralized intersections are likely the deep and/or westward extensions of Main Block mineralized bodies (e.g., 08-DDH-716 in Table 10-6), with the lower grades and shorter intersection lengths suggesting a waning of the SMG deposit system to the west.

Table 10-6: 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	-

Source: Equity, 2026, for drilling up to May 19, 2026



Source: Equity, 2026, for drilling up to May 19, 2026

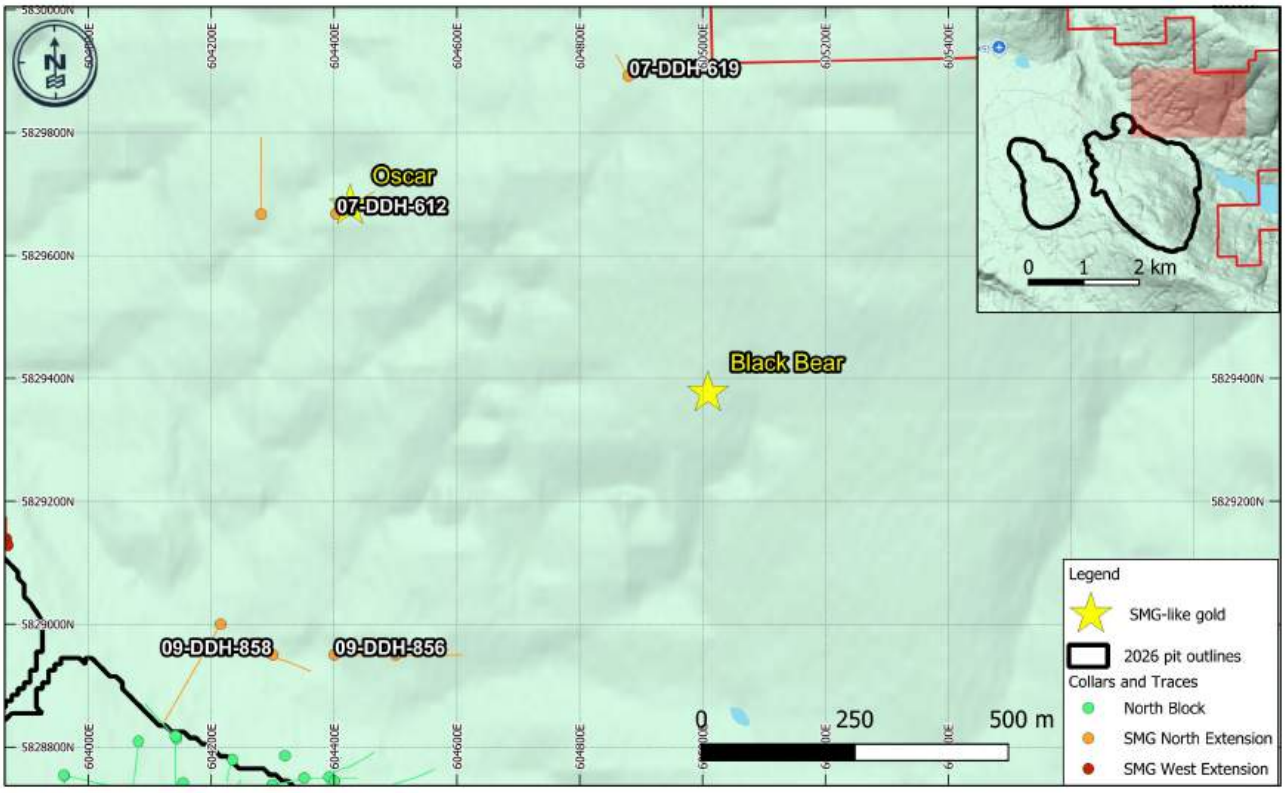
Figure 10-5: Drill collars in the SMG West extension area

10.3.5 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 10-6).

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, usually cored by a 1 to 2 m interval grading 2.0 to 3.0 g/t Au (Table 10-7). The best results are returned from holes 09-DDH-856 and -858 (Table 10-7), which were drilled just 200 m from the North Block. Gold mineralization is hosted in cataclastic argillite, 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-metre length. The orientation of mineralization in this area is unknown so it is uncertain how the drilled widths presented in Table 10-7 relate to true widths.



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 10-6: Drill collars in the SMG North extension area

Table 10-7: 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

Source: Equity, 2026, for drilling up to May 19, 2026

10.3.6 SMG East Extension

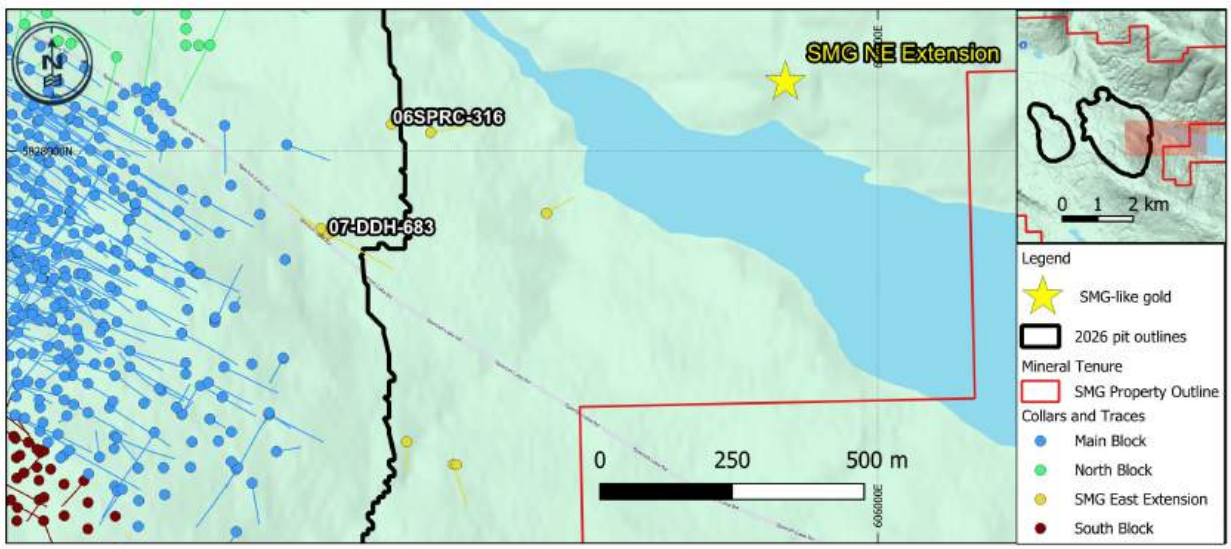
The SMG East Extension covers a relatively small area between the eastern edge of the SMG deposit and the eastern Property boundary. SPA has drilled eleven holes in this area for 1,400 m (Figure 10-7), with the metres more-or-less evenly split between RC and diamond rigs.

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 10-8). The orientation of mineralization in this area is unknown so it is uncertain how the drilled widths presented relate to true widths.

Table 10-8: 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

Source: Equity, 2026, for drilling up to May 19, 2026



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 10-7: Drill collars in the SMG East Extension area

10.3.7 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.

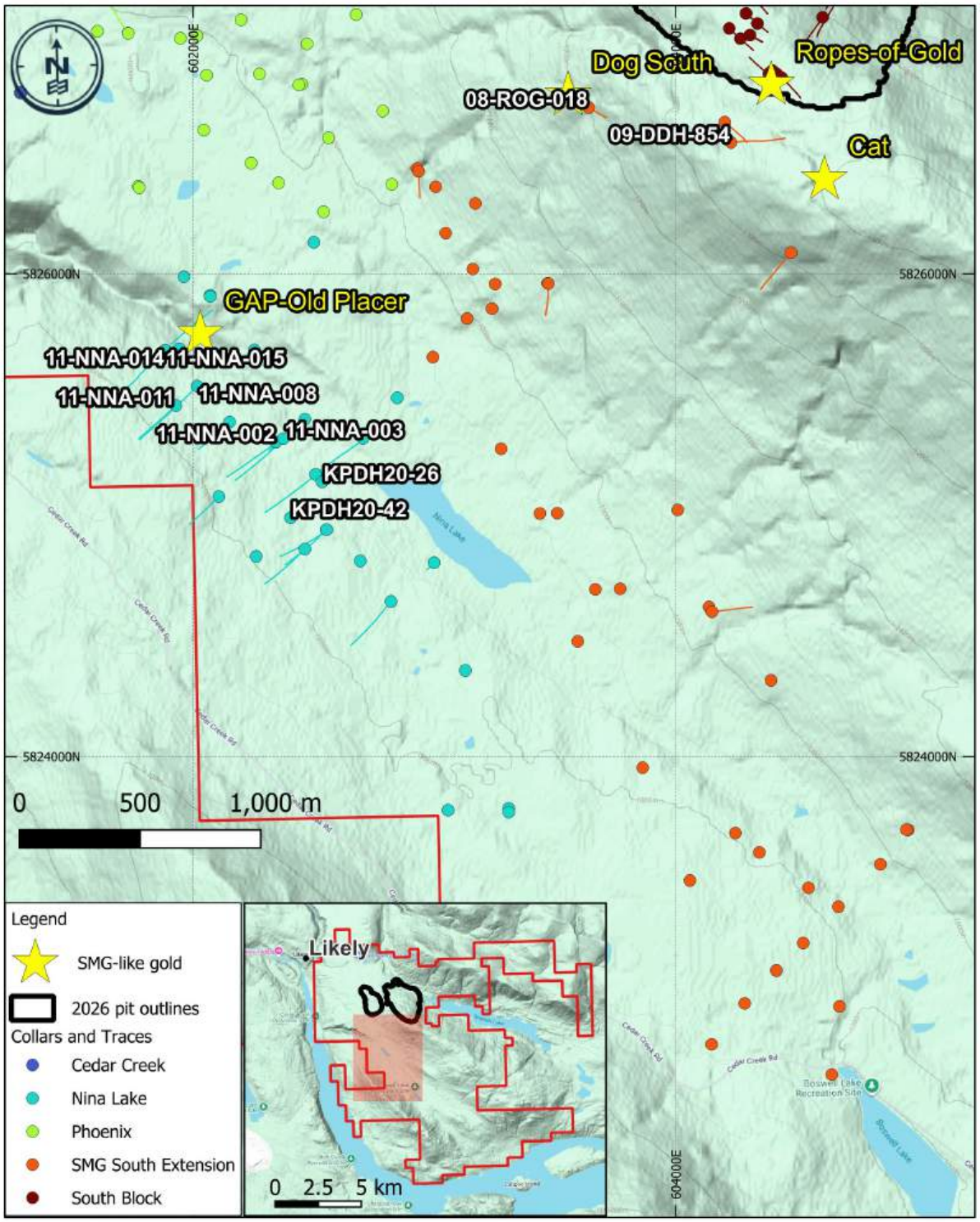
SPA has drilled 44 holes for 3,606 m on the South Extension (Figure 10-8), many of which were drilled for geotechnical purposes. Only 19 of these holes were drilled as diamond core, but they account for three-quarters of the metres, with the remainder drilled using RC and sonic methods. Holes along the 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 diamond and RC holes returning an assay composite that exceeds grade-thickness of one (Table 10-9). One of these holes, 08-ROG-018, consists of tightly intercalated argillite, siltstone, ultramafic, and minor conglomerate, with gold hosted in argillite, whereas the other hole, 09-DDH-854, consists almost entirely of fault zone with relict bits of greywacke and tuff. The orientation of mineralization in this area is unknown, so it is uncertain how the drilled widths presented in relate to true widths.

Table 10-9: 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

Source: Equity, 2026, for drilling up to May 19, 2026



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 10-8: Drill collars in the SMG South extension and Nina Lake areas

10.3.8 Nina Lake Target

The Nina Lake target is located around three kilometres southwest of the SMG deposit and has been tested with 33 holes for a total of 6,198 m (see Figure 10-8). Over 95% of these metres were drilled with diamond tools with the remainder drilled as RC and sonic.

Exploration drilling in the Nina Lake area tested a 1.4 km x 0.5 km northwest-trending domain that includes significant proportions of greywacke and mafic to ultramafic rock relative to the SMG deposit area. Results from diamond drilling include several intersections of 1 to 4 g/t Au over 1 to 5 m (Table 10-10), usually in association with elevated arsenic (0.1 to 1%). The orientation of mineralization in this area is unknown so it is uncertain how the drilled widths presented in related to true widths.

Table 10-10: 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

Source: Equity, 2026, for drilling up to May 19, 2026

10.3.9 Phoenix Deposit

The Phoenix deposit is located approximately 1 to 2 km west of the SMG deposit and consists of three stacked sub-horizontal mineralized bodies developed over 100 to 200 m of stratigraphy that extend for approximately 1,500 m in a north-south direction and 300 to 400 m from east to west. SPA's drilling in this area includes 101 holes for 15,956 m (Figure 10-9) with just under 90% of metres drilled with diamond tools and the remainder with 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 resource infill drilling to support the first mineral resource estimate (Murray et al., 2025).

Bedrock comprises an unnamed formation of marine sedimentary and volcanic rocks that is younger than, but structurally underlies, the host rocks for the SMG deposit. The long axis of the Phoenix deposit follows a subvertical and north-south striking D3 brittle fault system.

Just under a third of all metres drilled in the Phoenix area were completed from 2006 to 2009 but returned the best results outside the current mineral resource. These include 73.8 g/t Au over 1.5 m and 0.4 g/t Au over 29.0 m (Table 10-11), both located 300 to 500 m northeast of the current mineral resource. Arsenic contents in mineralized intersections are much higher than the SMG deposit, regularly exceeding 1,000 ppm and in places 10,000 ppm, whereas concentrations of other precious and base metals are low. Assuming a sub-horizontal orientation for these mineralized bodies, the true widths are estimated to be 80 to 90% of the drilled widths.

Most drilling on the Phoenix Zone was completed in 2011, 2012, and 2025, when SPA drilled 61 diamond holes for 11,295 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 10-11), suggesting both early and late styles of gold mineralization.

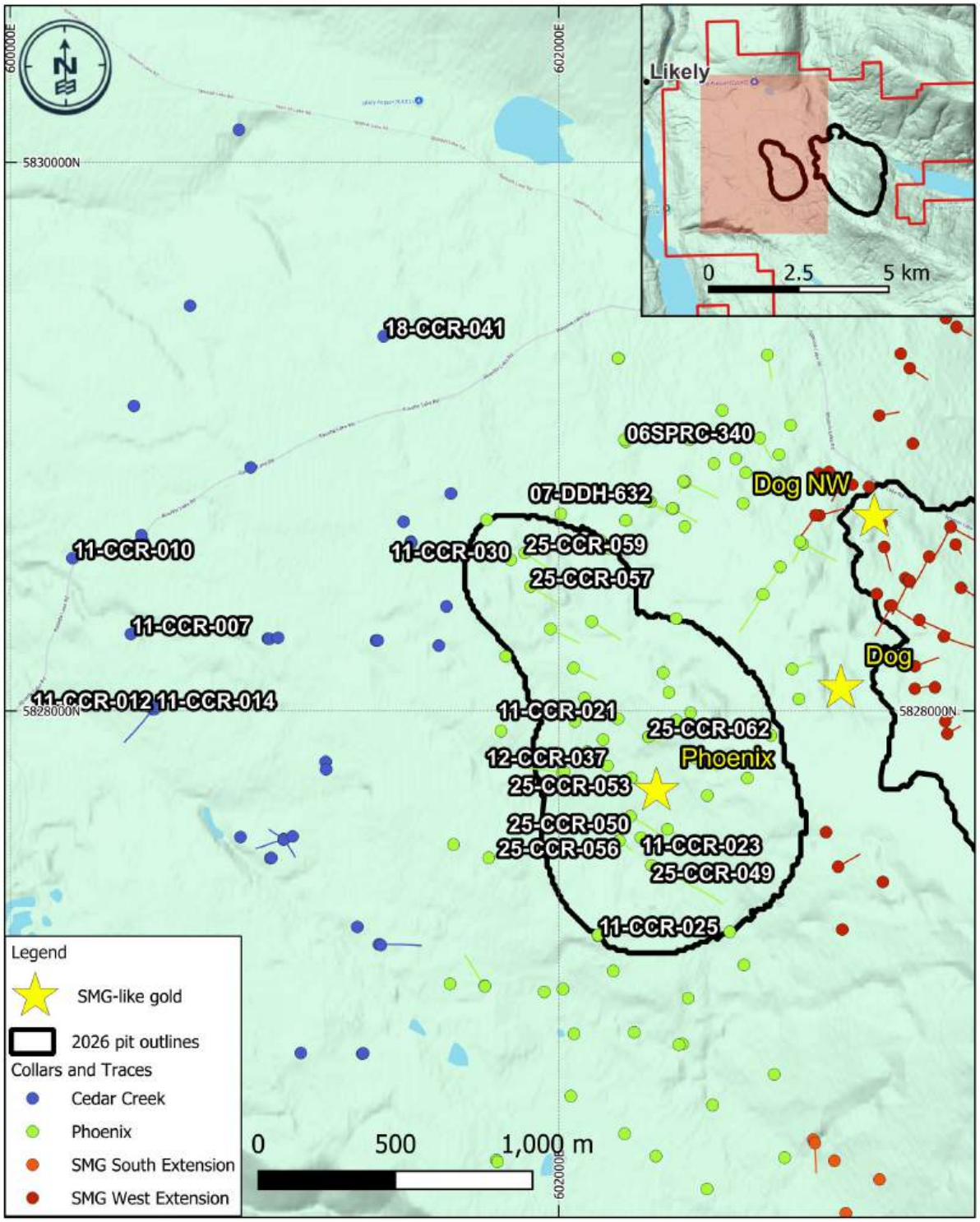
The Mid mineralized zone returned similar results to the Upper zone, including 20- to 40 m-long intersections that returned around 0.5 g/t Au as well as a 4.0 m interval that averages 4.7 g/t Au (Table 10-11). The Lower mineralized zone, likewise, returned intersections of 0.5 to 1.0 g/t Au over 25 to 30 m as well as 24.1 g/t Au over 4.0 m (Table 10-11), which represents the best grade-thickness result from within the Phoenix deposit.

Table 10-11: 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	-

Zone	Hole ID	Hole type	From (m)	To (m)	Interval (m)	Au (g/t)	GT (m*g/t)	Comment
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

Source: Equity, 2026, for drilling up to May 19, 2026



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 10-9: Drill collars in the Phoenix deposit and Cedar Creek areas

10.3.10 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 this area includes 37 diamond drill holes for 5,499 m (Figure 10-9), 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 37 holes returned intervals with grade-thickness greater than one, mostly from 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 (Table 10-12). 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 one sample, however, abundances of Ag, Pb, and Zn are generally low. 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 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	-

Source: Equity, 2026, for drilling up to May 19, 2026

10.4 Comments on Drilling

Since acquiring the Property in 2003, and up to 19 May 2026, SPA have completed 1,177 drill holes on the SMG Property for 238,784 m. The bulk (approximately 85%) of this drilling was done with diamond tools whereas the balance was completed with reverse circulation (RC) and sonic rigs. Just over 80% of the metres were drilled into the Main, North, and South blocks of the SMG deposit with the remainder split among the Phoenix deposit, extensions of the SMG deposit, and other

targets. Most of the drilling was done by subcontractors still currently active in BC's mineral exploration industry.

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.

Most drilling was done broadly perpendicular to the mineralized zones, with the remainder drilled at down-dip orientations. Most of the intersections are shown in Table 10-3 to Table 10-12, however, were drilled broadly perpendicular to the mineralized bodies.

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

Features of SPA's drilling work prior to 2025 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 most of the mineralized bodies comprising the SMG deposit and returned numerous intervals of 0.1 to 1.0 g/t Au over 10 to 200 m, as well as 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 mineralized bodies forming the SMG deposit whereas the South Block hosts one, with all four of these 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 159.7 m in 05SPRC-310 and 74.7 g/t Au over 3.5 m in 11-DDH-979. Concentrations of silver and base metals are 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 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 deposit is located 1 to 2 km west of the SMG deposit and appears to be centered on a north-south striking, subvertical, 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 0.05 g/t Au over 52.0 m in 25-CCR-053 and 24.1 g/t Au over 4.0 m in 25-CCR-062. Arsenic contents are relatively high, typically exceeding 1,000 ppm and locally above 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 and up to May 19, 2026, SPA has collected over 144,000 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 advanced 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 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%**

Source: Equity, 2026

11.2 Reverse Circulation Sampling

From 2005 to 2024, SPA collected over 16,000 chip samples from 24,677 m of RC drilling, representing 95% of the total RC meters drilled (Table 11-2). The remaining 5% consists primarily of overburden, such that the cumulative length of unsampled bedrock intervals is negligible. Almost all samples (99%) are 1.5 m in length.

All RC samples were passed through a riffle splitter to divide each sample into two equal portions that were placed into separate poly-ethylene bags. One bag contained the sample submitted for assay, while the other was retained on site for reference. Drill hole identification and sample depth interval were recorded on each sample bag. A sample tag was also placed within the bag submitted to the laboratory. The assay bags were then sealed with zip ties, grouped into batches, and packed into labeled rice (or poly-weave) bags for shipment to the analytical laboratory.

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%**

Source: Equity, 2026, for drilling up to May 19, 2026

Sample shipments were completed by SPA and third-party service providers, from SPA's exploration camp to the analytical laboratories in Kamloops or Vancouver, BC.

None of the sample shipment paperwork or correspondence is preserved in SPA's archives. 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.

11.3 Core Sampling

For drilling completed between 2005 and May 19, 2026, SPA collected just under 128,000 drill core samples from around 200,000 m of diamond drill core (Table 11-3), comprising 94% of all diamond meters drilled. Just over 80% of diamond drill core samples are 1.5 m in length, and only 5% are less than a metre long or longer than 2 meters. Samples that exceed 2.0 m in length were typically collected in intervals of poor core recovery whereas samples shorter than 1.0 m generally correspond to narrow mineralized zones and/or lithological units. Unusual sample lengths may also reflect 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 was stapled to the core box at the start of each interval.

Diamond drill core was cut using a diamond-bladed core saw to produce half-core samples. One half of the core was submitted for assay, while the remaining half was retained in the core box for reference. Half-core samples were placed in a pre-labeled poly-ethylene bag together with a sample tag stapled to the inside of each bag, then sealed with a zip tie, and aggregated into poly-weave bags in preparation for shipment.

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	7,506	97%
2006	14,136	1.50	21,245	97%
2007	16,238	1.55	25,209	93%
2008	25,070	1.56	39,230	97%
2009	8,286	1.56	12,950	95%
2010	3,636	1.54	5,586	82%
2011	19,910	1.57	31,290	94%
2012	17,639	1.65	29,188	92%
2018	262	1.53	401	38%

Year	Samples (N)	Average length (m)	Total length (m)	% Meters drilled
2020	231	1.98	458	87%
2021	175	1.35	236	78%
2022	940	1.05	984	96%
2024	3,715	1.47	5,479	98%
2025	10,834	1.63	17,685	97%
2026	1,557	1.46	2,266	96%
Total	**127,833**	**1.56**	**199,712**	**94%**

Source: Equity, 2026, for drilling up to May 19, 2026

11.4 Density Determinations

SPA's database, up to May 19, 2026, includes 7,794 measurements of relative density (or specific gravity) taken from 205 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 were done on half core samples ranging mostly from 10 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.

Table 11-4: Summary of SPA's relative density program

Year	Holes	% Holes	SG measurements per hole			
			Average	Minimum	Maximum	Total
2005	17	49%	5	2	7	76
2006	23	26%	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	46	71%	97	1	221	4,478
2026	8	100%	126	25	196	1,008
Total	**164**	**27%**	**38**	**1**	**221**	**7,794**

Source: Equity, 2026, for drilling up to May 19, 2026

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

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

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, 2025, and 2026, with 70% of all measurements taken in the last two years. The 2010 campaign included measurements on holes from 2007 to 2009. Recent sampling, done in 2025 and 2026, was done at 2 m intervals down the drill string whereas earlier sampling was mostly completed at 3 to 40 m intervals.

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 and winter 2025 drill programs were returned to SPA's exploration camp, where they are currently stored (Kimberly Guttormson, personal communication, July 2026). As of the effective date of this Technical Report, the fall 2025 and 2026 pulps and rejects remain at MSA in Prince George 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 and 2026 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 favoured 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 and 2026 photon activation analyses were completed on coarse crush material and so these samples were not pulverized.

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, 2026), 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.

Table 11-5: Overview of analytical methods for drill samples

Analysis Type	Year(s)	N	Lab	Code	Comments
Au Screen Fire Assay	2005-07	40,484	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	-
	2010-24	53,998	ALS	Au-SCR21	-
Au Screen Subtotal		**127,815**			
Au Other	2011	3,485	ALS	ME-MS41	51 elem. aqua regia ICP-MS
	2020	231	ALS	Au-OG43	Aqua regia ICP-MS
	2020-21	948	ALS	Au-AA23	30 g fire assay AA finish
	2025-26	12,225	MSA	CPA-Au1	500 g photon act. assay
		20		FA50	50 g fire assay AA finish
Au Other Subtotal		**16,909**			
Multi Element	2005-06	24,280	Eco-Tech	AR/ICP	28 element aqua regia ICP
	2007	16,204	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 elem. four-acid ICP-AES
		1,329	ALS	ME-ICP61	34 elem. four-acid ICP-AES
	2009	885	Eco-Tech	4A/ICP	29 elem. four-acid ICP
		7,397	ALS	ME-ICP61	34 elem. four-acid ICP-AES
	2010	3,636	ALS	ME-ICP61	34 elem. four-acid ICP-AES
	2011	3,484	ALS	ME-MS41	51 elem. aqua regia ICP-MS
		16,426		ME-ICP61	34 elem. four-acid ICP-AES
	2012-24	33,092	ALS	ME-ICP61	34 elem. four-acid ICP-AES
	2025-26	12,159	MSA	MS-230	48 elem. four-acid ICP-MS
Multi Element Subtotal		**142,613**			

Source: Equity, 2026, for drilling up to 19 May 2026

Most 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 by aqua regia digestion with an ICP finish.

Drill core samples collected from Cedar Creek in 2020 were analyzed at ALS for gold by aqua regia digest with ICP-MS finish. 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 QA/QC data for drilling completed between 2005 and May 19, 2026 that was provided in SPA's database export. In total, SPA inserted 7,047 certified reference materials (CRMs), 4,730 field duplicates, 1,621 preparation duplicates, and 6,359 blanks into their stream of 144,055 drill samples. These 19,757 QA/QC samples indicate a QA/QC insertion rate of 12.1% that is within recommended insertion rates of 10 to 20% (e.g., Abzalov, 2008).

This review identifies QA/QC failures for CRMs and blanks inserted by SPA into their samples stream. CRM failures comprise single assays exceeding ±3 standard deviations (SD) from the certified mean (3SD) or at least two of three consecutive CRMs exceeding +2 or -2 SDs (2SD). Blank failures are defined as gold concentrations exceeding 5 to 10 times the analytical detection limit.

11.8.1 Certified Reference Materials

SPA's drilling database export includes 7,047 CRMs used between 2005 and 2026. Out of these 7,047 CRMs, 460 are unidentified and another 69 are identified but lack gold assay results so that the total number of CRMs available to assess QA/QC is 6,518 (Table 11-7).

The CRMs were inserted alongside 144,055 drill samples for an insertion rate of 4.5%, or approximately one CRM in every 20 to 25 samples. This insertion rate is close to 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 35 different CRMs with 32 of these manufactured by CDN Resource Laboratories Ltd of Langley, BC, (CDN) two made by WCM Minerals from Burnaby, BC, and one made by OREAS North America Inc from Mansfield, Ontario, (OREAS). 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, of SPA's 6,518 CRMs, 6,339 passed QA/QC checks, 17 likely represent database misidentifications (outliers in Table 11-7) and 162 failed, for an overall failure rate of 2.5%. Several of these failures, particularly those with extreme Z-scores (>5 or <–5) may also reflect mislabeled CRMs (i.e., outliers) rather than true QA/QC failures. In the opinion of the QP, SPA's 2.5% failure rate is acceptable and indicates that analyses are generally accurate and precise, and that QA/QC performance was diligently monitored in real time, with corrective actions requested where necessary.

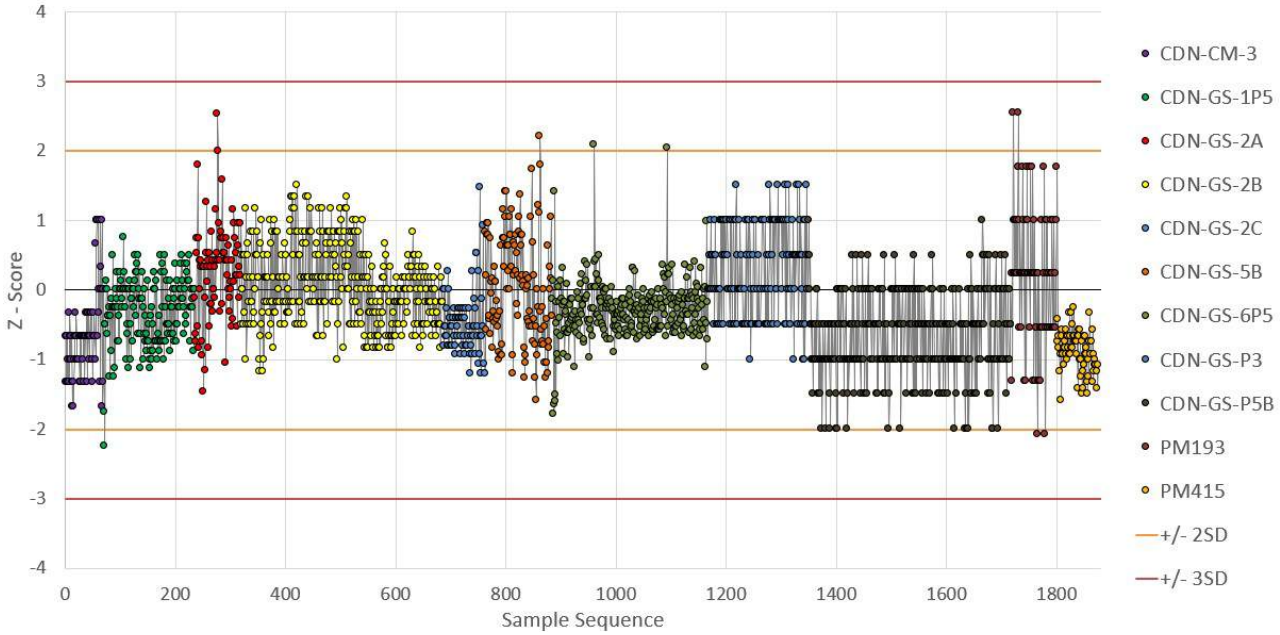
Since 2025, SPA has used MX Deposit software to review QA/QC results and document follow-up actions in response to QA/QC failures, including investigations, requests for repeat analyses, and batch acceptance decisions. This process addresses the general lack of documented QA/QC follow-up prior to 2025, although follow-up actions were likely undertaken given the unusually low QA/QC failure rates recorded in SPA's drilling database.

A second gap in SPA's QA/QC program relates to analyses done prior to 2025, when SPA used CRMs of pulverized material to monitor screen fire assays, which include gravimetric analysis of the coarse (+) fraction retained on the sample screen. This mismatch between the CRM material and the analytical method has been resolved by SPA's subsequent adoption of photon activation analysis.

Table 11-6: Overview of SPA's CRM performance

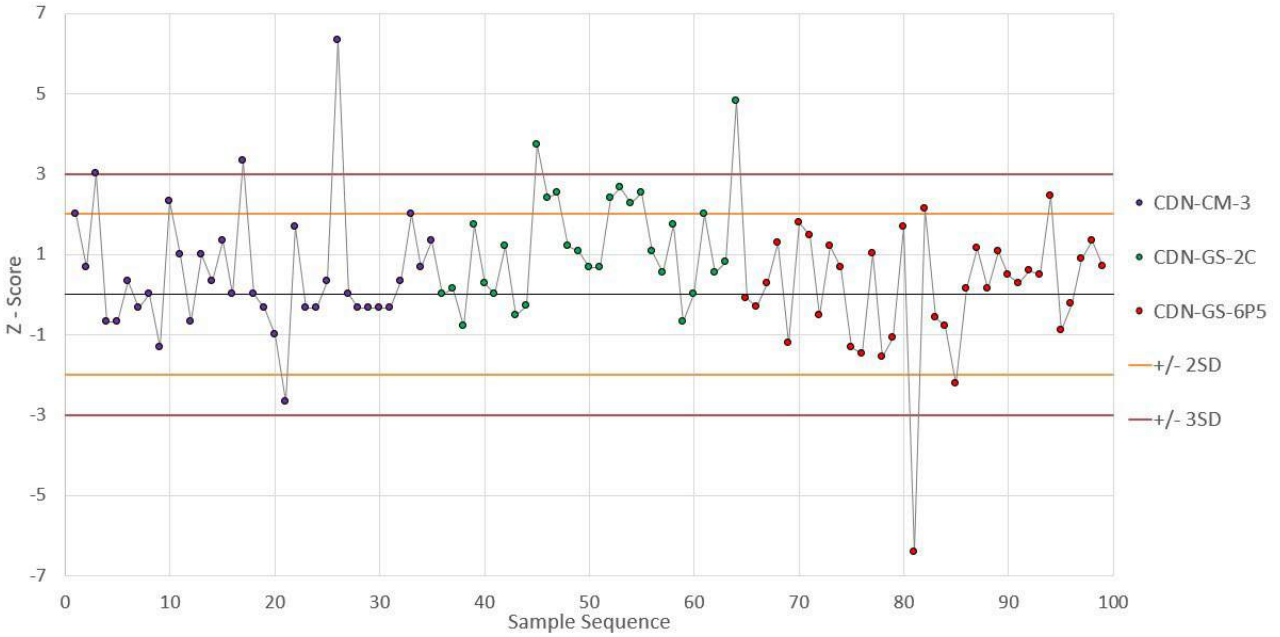
Lab	CRM (N)	Pass (N)	3SD Fail (N)	2SD Fail (N)	Outliers (N)	Pass (%)	Fail (%)
ACME	100	87	5	7	1	87.9	12.1%
Eco-Tech	1,875	1,875	-	-	-	100	0%
ALS	3,612	3,479	73	47	13	96.7	3.3%
MSA	931	898	14	16	3	96.8	3.2%
Total	**6,518**	**6,339**	**92**	**70**	**17**	**97.5**	**2.5%**

Source: Equity, 2026, for drilling up to May 19, 2026



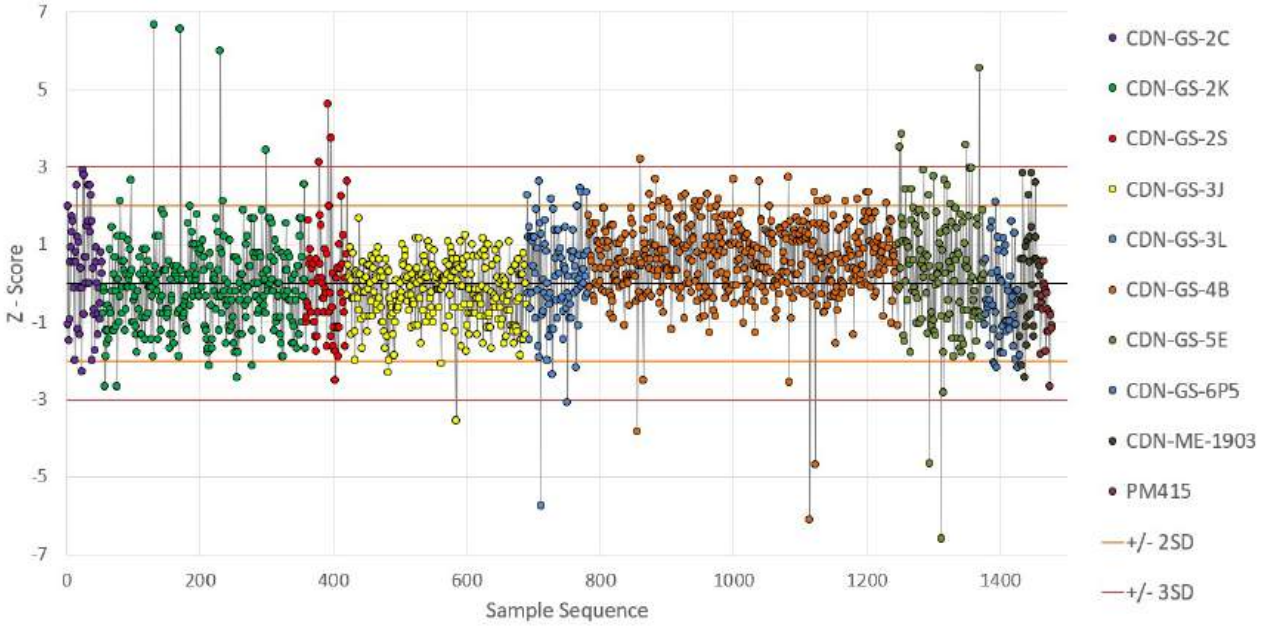
Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-1: Shewhart control chart for SPA CRMs analyzed at Eco Tech



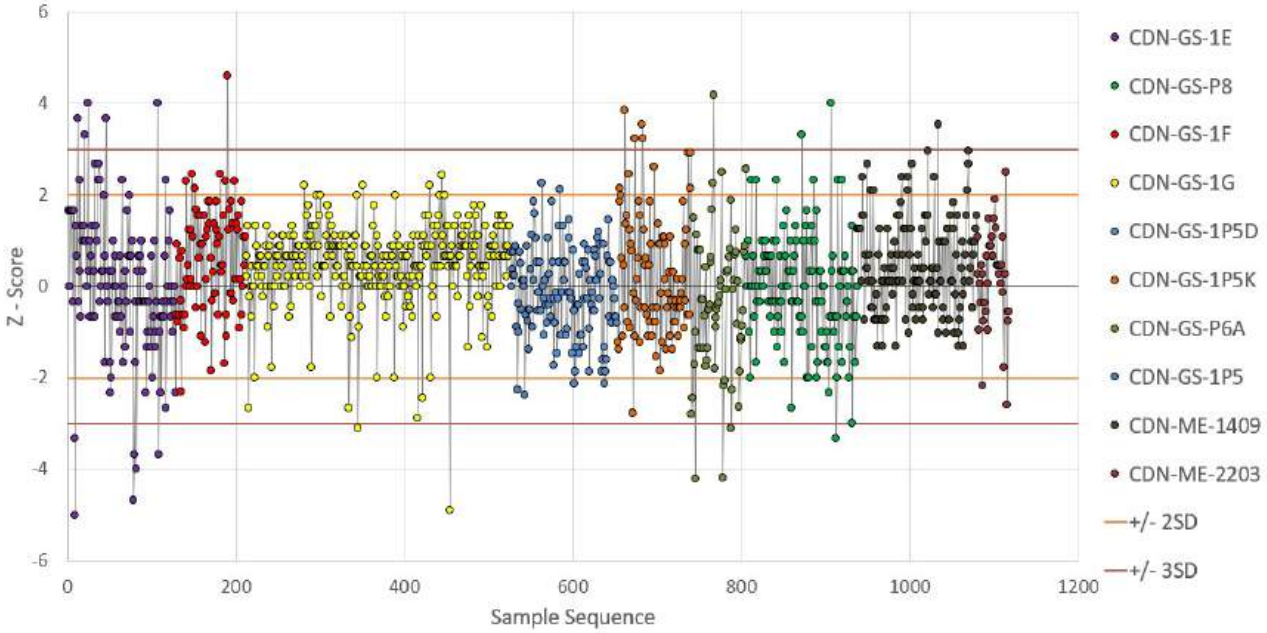
Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-2: Shewhart control chart for SPA CRMs analyzed at ACME



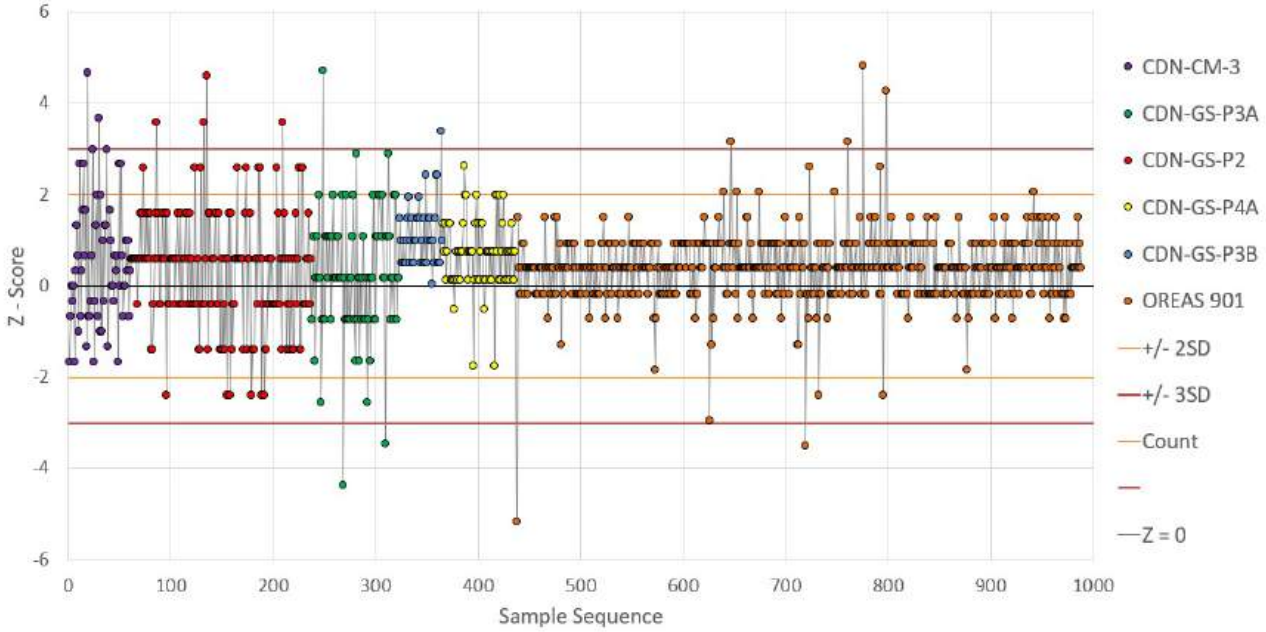
Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-3: Shewhart control chart for SPA CRMs, with >2.0 g/t Au, analyzed at ALS



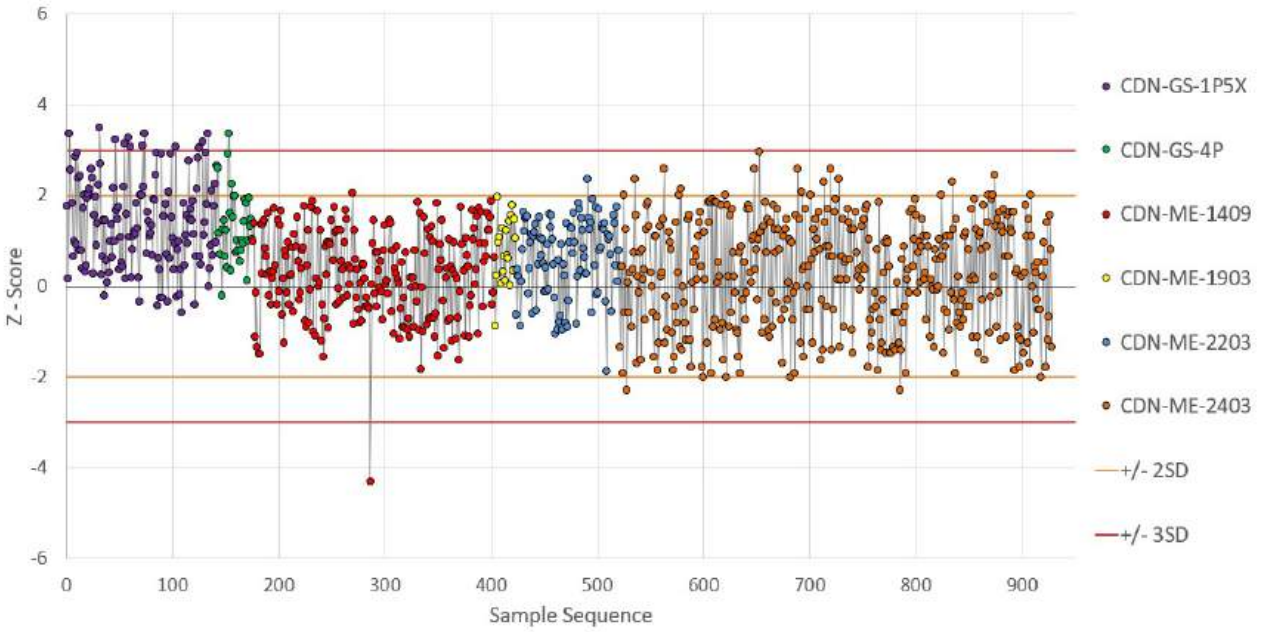
Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-4: Shewhart control chart for SPA CRMs, with 0.5 to 2.0 g/t Au, analyzed at ALS



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-5: Shewhart control chart for SPA CRMs, with less than 0.5 g/t Au, analyzed at ALS



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-6: Shewhart control chart for SPA CRMs analyzed by photon activation at MSA

The 2025 and 2026 gold analyses were performed by PAA; however, the CRMs used for QA/QC comprised a mixture of materials certified for PAA and others certified only for fire assay. Two of the poorest-performing CRMs, CDN-GS-1P5X and CDN-GS-4P, are both certified for PAA but exhibit an average positive bias of 1.0 to 1.5 standard deviation over their certified means. The four CRMs beginning with "CDN-ME" performed considerably better but are not certified for PAA, representing a method mismatch that does not conform to QA/QC best practices. Overall, CRM performance is adequate; however, further investigation is required to determine the causes of the high failure rates observed for CDN-GS-1P5X and CDN-GS-4P.

11.8.2 Field (or Quarter Core) Duplicates

The SPA database export includes 4,730 field duplicate pairs (4,289 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, ALS, and MSA (Table 11-8), all of which show poor correlation with R2 values ranging from 0.0 to 0.5 (Figure 11-6). The average coefficient of variation (CV_{AVR}) values for SMG duplicates are acceptable (30-40%) to high (Table 11-8) in comparison to similar types of gold deposits (see Abzalov, 2008).

Correlation is affected by duplicate pairs with large absolute differences stemming from the natural variability of high-grade samples and, possibly handling errors. Removing these samples from the dataset, comprising 1-2% of the total duplicate pairs, increases R2 values to 0.7-0.9 whereas CV_{AVR}, stay broadly the same (Table 11-9). The CV_{AVR} is affected by large relative differences for sample pairs at or below the method detection limits, which comprises approximately 80% of duplicate pairs in this data set (Figure 11-7).

Table 11-7: Comparison of SPA's raw original and field duplicate assays

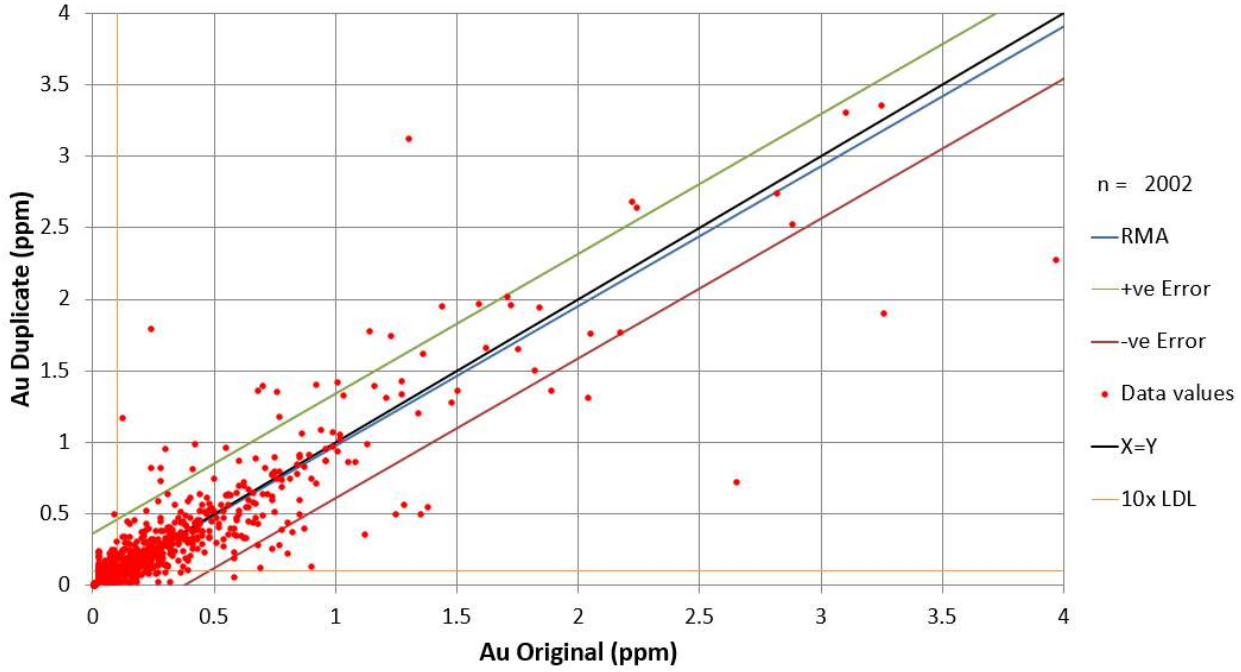
Lab	Sample type	Pairs (N)	Mean original (ppm)	Mean check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
Eco-Tech	QCORE	1,709	0.19	0.16	-15	0.3	41
Eco-Tech	RC Chips	109	0.17	0.17	1	1.0	26
ACME	QCORE	100	0.04	0.05	8	0.9	33
ALS	QCORE	2,020	0.18	0.17	-7	0.5	28
ALS	RC Chips	332	0.28	0.27	-2	0.6	27
MSA	QCORE	460	0.22	0.27	22	0.0	53
Total		**4,730**	**0.19**	**0.18**	**-1**	**0.2**	**36**

Source: Equity, 2026, for drilling up to May 19, 2026

Table 11-8: 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	0.13	0.13	-1	0.8	39
ALS	QCORE	2,002	0.15	0.15	-2	0.9	26
MSA	QCORE	452	0.14	0.14	-3	0.7	52
Total		**4,132**	**0.14**	**0.14**	**-2**	**0.8**	**36**

Source: Equity, 2026, for drilling up to May 19, 2026



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-7: Reduced major axis regression plot for cleaned field duplicates analysed at ALS

11.8.3 Preparation (or Coarse Crush) Duplicates

Preparation or coarse crush duplicates in SPA's drilling database includes 1,621 sample pairs with assay results for both parent and daughter. These duplicate pairs have R2 values ranging from 0.6 to 0.9, indicating generally good correlation, and CV_{AVR} values from 20% to 42% (Table 11-10, Figure 11-7), slightly to much higher than the 10 to 20% range suggested by Abzalov (2008) as typical for coarse- to medium-grained gold deposits. The CV_{AVR} values for MSA's photon activation assays are particularly poor.

Removal of four pairs from the MSA duplicates improves the correlation to an R2 value of 0.9 but still leaves an unusually high CV_{AVR} value of 41% (Table 11-11).

Table 11-9: Comparison of SPA's raw original and preparation duplicates

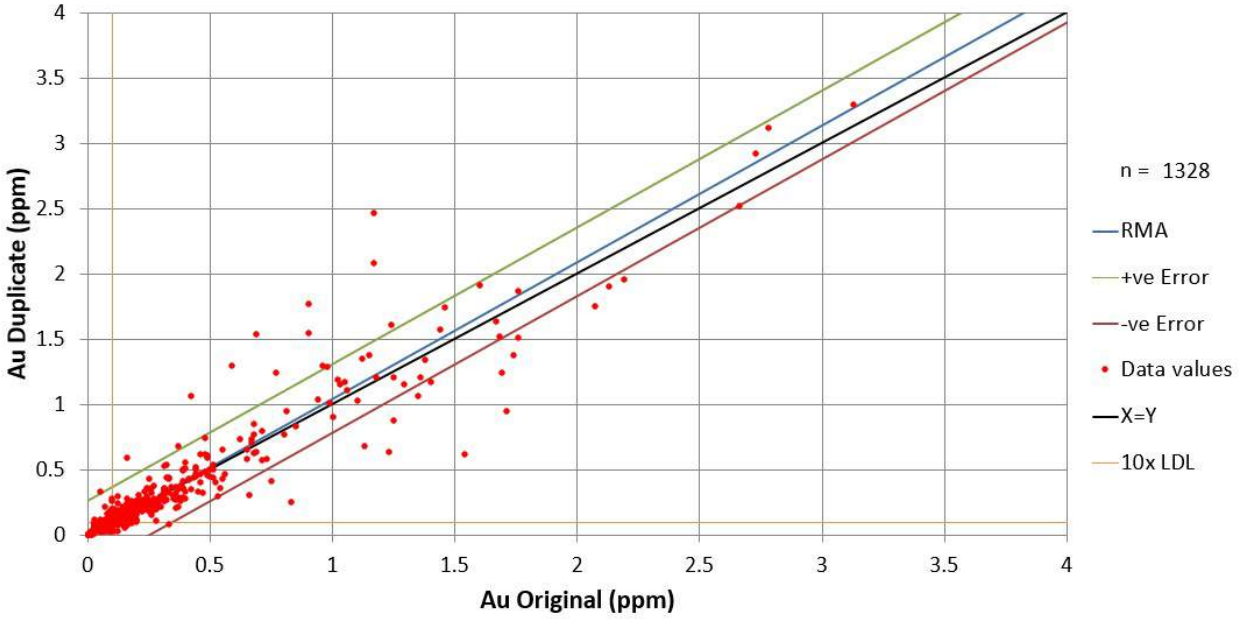
Lab	Sample type	Pairs (N)	Mean original (ppm)	Mean check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
ALS	QCOR	969	0.13	0.13	4	0.9	20
ALS	RC Chips	244	0.31	0.30	-3	0.6	24
MSA	QCOR	408	0.15	0.16	6	0.8	42
Total		**1,621**	**0.16**	**0.16**	**2**	**0.7**	**27**

Source: Equity, 2026, for drilling up to May 19, 2026

Table 11-10: 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	QCOR	967	0.12	0.12	1	0.9	19
MSA	QCOR	404	0.14	0.15	2	0.9	41
Total		**1,371**	**0.13**	**0.13**	**2**	**0.9**	**27**

Source: Equity, 2026, for drilling up to May 19, 2026



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-8: Reduced major axis regression plot for preparation duplicates analysed at ALS

11.8.4 Blanks

SPA's drilling database export includes 6,359 blank analyses completed from the 2005 to 2026 drilling programs (Table 11-12) for an insertion rate of approximately 4.4% or one blank in every 20 to 25 samples. This insertion rate is slightly low for resource-stage gold projects where it is more typical to insert one blank for every 20 samples. SPA's database export includes 62 blanks that lack assay data so that the total number of blanks available for QA/QC review is 6,297. SPA has used multiple blanks since 2005 with the results from each laboratory summarized below. The overall failure rate of 0.2% (Table 11-12, Figure 11-8) is low by industry standards.

Blanks used in the 2005 to 2009 programs comprised CDN Labs pulp blanks (CDN-BL-2 and CDN-BL-3), coarse blank material purchased from Home Depot (Sky Blank), and coarse sand collected from a gravel pit along the Likely Road (SL-1). A total of 1,839 blanks were inserted, of which 1,800 were analysed at Eco-Tech. Only one blank returned a gold value exceeding 10x the detection limit for gold (i.e., >0.3 ppm). In the opinion of the QP, this result is more likely attributable to a mislabeled sample than a true blank failure so that, accordingly, no meaningful blank failures were identified in the Eco-Tech dataset.

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 exceeding the 10x detection limit for gold (>0.1 ppm).

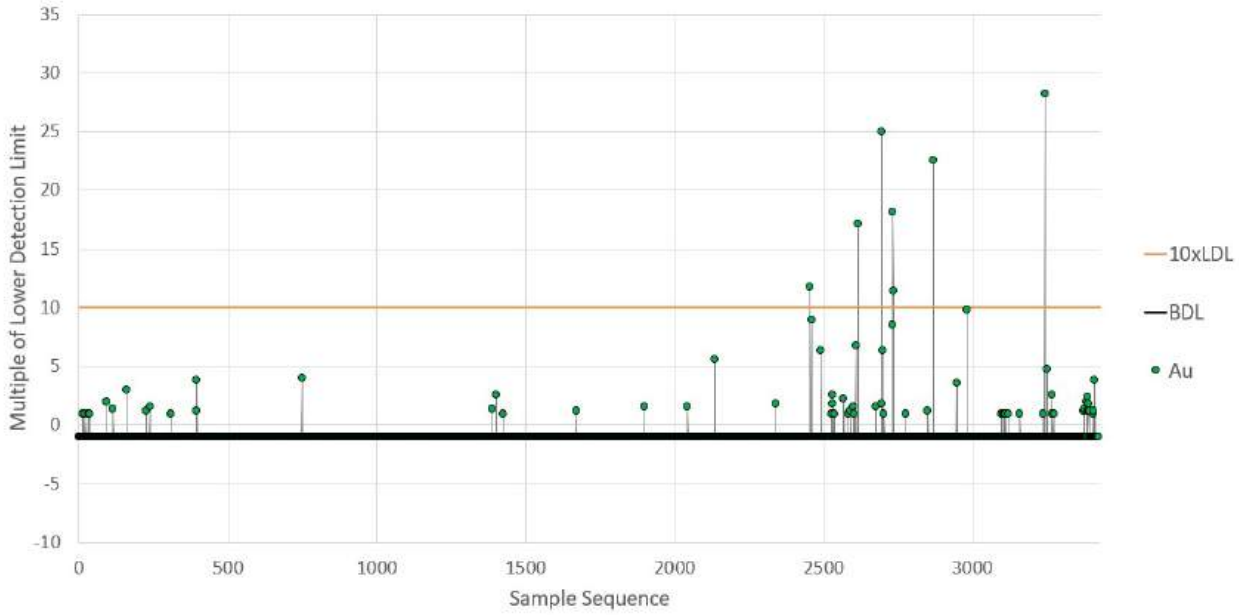
Table 11-11: Overview of SPA's blank performance

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	3,426	3,412	14	0.4%
	Pulp	11	11	0	0.0%
MSA	Pulp	960	960	0	0.0%
Total		**6,297**	**6,282**	**15**	**0.2%**

Source: Equity, 2026, for drilling up to May 19, 2026

For the 2008 to 2024 drill programs, SPA inserted 3,459 blanks that were analyzed at ALS, comprising 3,448 samples of SL-1 and 11 samples of CDN-BL-3. Owing to the higher detection limit of the ALS screen fire assay method (0.05 ppm Au), a failure threshold of five times the detection limit (>0.25 ppm Au) was applied, with 14 blanks exceeding this threshold. Most failures (10) occurred during the 2013 RC drill program. Overall, the failure rate of less than 1% is considered acceptable by the QP and indicates limited, if any, cross-contamination during sample preparation and analysis.

At MSA in 2025 AND 2026, 961 blanks of CDN-BL-10 pulp were included in the sample stream with none of them returning values above 0.075 ppm (five times the detection limit).



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-9: Control chart for SPA's blanks analysed at ALS

11.8.5 Check Assaying

Check assay programs were completed in 2005, 2007, and 2025, for a total of 691 sample pairs with both parent and daughter assays in SPA's drilling database export.

In 2005 and 2007, reject material from drill core samples analysed by Eco-Tech was submitted to ALS for check assaying by screen fire assay (Au-SCR21) and conventional fire assay (Au-AA23 or AA26). Differences in detection limits between methods and laboratories required removal of the lowest-value results, while the top 1% of assays (>4 ppm Au) were excluded because large

absolute differences between duplicate pairs disproportionally influence correlation. Raw and cleaned results are provided in Table 11-13 and Table 11-14, respectively. The cleaned duplicate dataset shows good correlation between original and umpire assays (R2 = 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 R2 (0.99) and identical means across 27 check pairs.

Table 11-12: Comparison of SPA's raw original and umpire assays

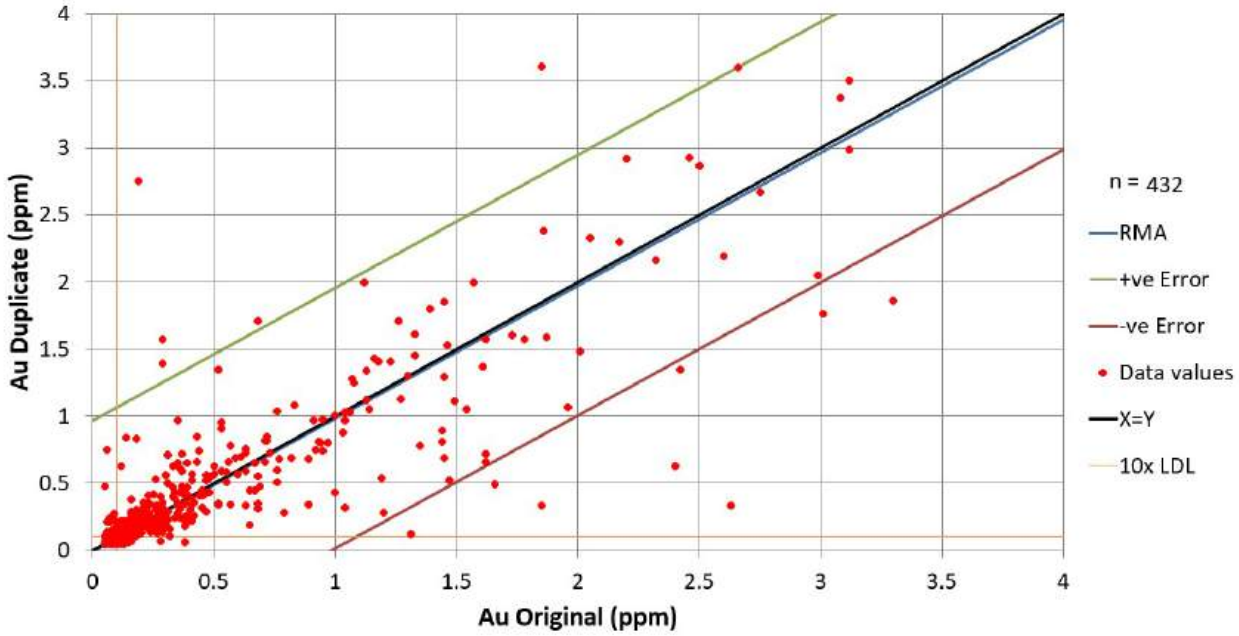
Original	Check	Pairs (N)	Mean original (ppm)	Mean check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
Eco-Tech screen	ALS FA	664	0.53	0.48	11%	0.8	50
	ALS screen	653	0.52	0.64	-17%	0.3	41
ALS screen	ALS FA	653	0.46	0.64	-28%	0.6	45
MSA PAA	ALS screen	27	0.34	0.34	2%	1.0	21

Source: Equity, 2026, for drilling up to May 19, 2026

Table 11-13: Comparison of SPA's clean original and umpire assays

Original	Check	Pairs (N)	Mean original (ppm)	Mean check (ppm)	Bias (%)	R^2	$CV\%_{AVR}$
Eco-Tech screen	ALS FA	505	0.43	0.42	2	0.7	41
	ALS screen	432	0.50	0.48	2	0.7	32
ALS screen	ALS FA	438	0.49	0.49	1	0.8	28

Source: Equity, 2026, for drilling up to May 19, 2026



Source: Equity, 2026, for drilling up to May 19, 2026

Figure 11-10: Reduced major axis regression plot for SPA's Eco Tech vs ALS screen assays

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 to 2026 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 and 2026 drill program show strong correlation with check assays done by screen fire assay methods.

SPA's overall QA/QC sample insertion rate is 13.3%, which falls within the industry best practice range of 10 to 20% (e.g., Abzalov, 2008). This adequate insertion rate is driven by a higher-than-

average frequency of duplicate samples, while the insertion rates for CRMs and blanks are slightly below the commonly adopted industry benchmark of 5% each.

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.

SPA's 2026 PAA demonstrate poorer performance of CRMs certified for PAA than for CRMs certified only for fire assay. This unexpected result, together with the use of CRMs not certified for the analytical method used, warrants further investigation.

Blank data indicates that cross-contamination, if any, was limited.

Duplicates show good correlation between parent-daughter pairs and mostly show 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.

Quarter core and preparation duplicates analysed by PAA show CV_{AVR} values that lie significantly above the ranges determined by Abzalov (2008) as typical for medium- to coarse-grained gold deposits. In contrast, duplicate precision from screen fire assays falls within or close to the expected ranges, suggesting that elevated variability is specific to the PAA method rather than an inherent characteristic of the mineralization.

Relative density was determined using the industry-standard Archimedes method. The resulting v values are consistent with the lithologies hosting gold mineralization on the SMG property and are considered suitable for 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 collected by SPA (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 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 9,649 m drilled between these three operators comprise 45% 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 55% 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 as part of the second review.



Source: Equity, 2025

Figure 12-1: Field photos showing (a) 2025 drill pad and (b) Late (D3) quartz vein cutting argillite in the LE Pit

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.

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

Source: Equity, 2025

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 2,366 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.

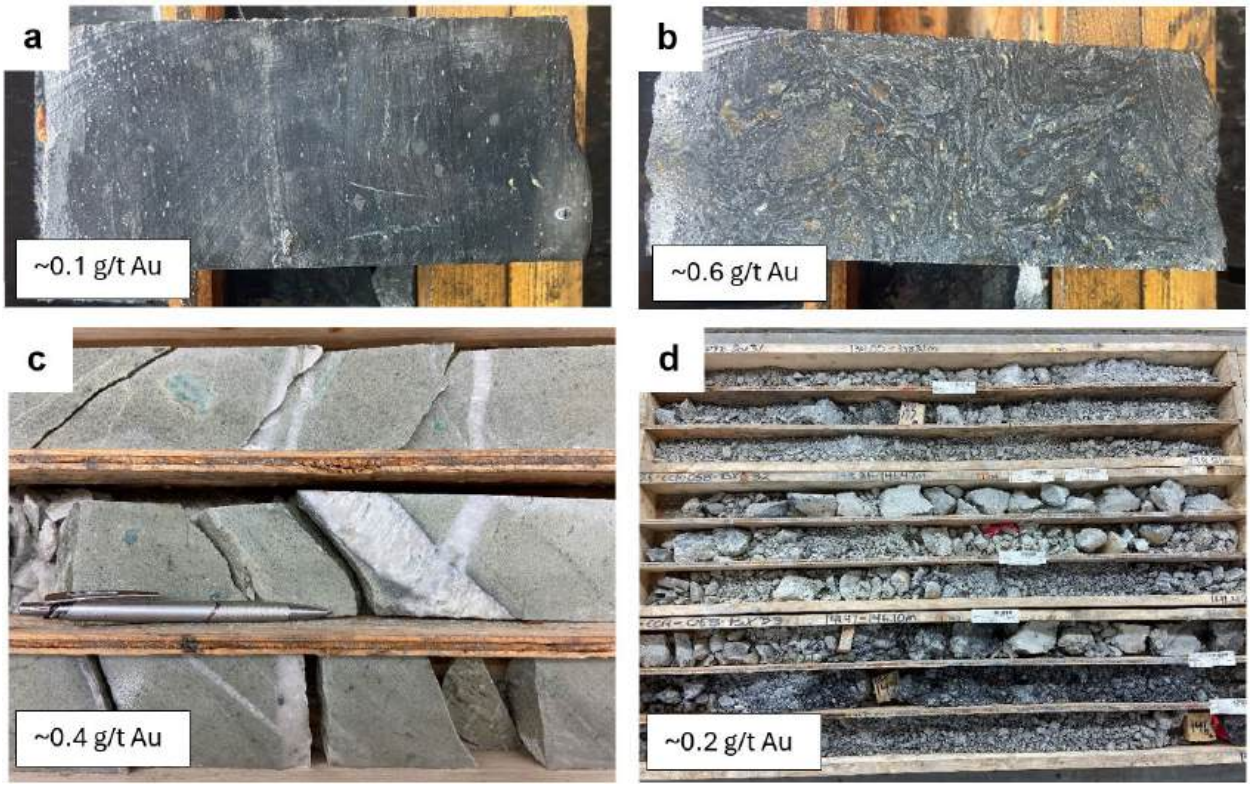
Other observations made during the core reviews that are relevant to this Technical Report:

- Occurrences of early (Figure 12-2a, b) and late (Figure 12-2c, d) gold mineralization are consistent with previous descriptions of these mineralization styles (see Section 7.4.1).
- Occasional visible gold in late quartz veins.
- Correlation of higher grade assays with increased cataclastic texture (Figure 12-2b, and quartz-pyrite veins Figure 12-2c).
- Widespread brittle faulting resulting in low core recovery and RQD over tens to hundreds of meters (Figure 12-2 d).
- The occurrence of several mineralized zones in fault rubble (Figure 12-2d), implying that some mineralized zones have core recoveries of <50%. This includes half the mineralized zones through the Phoenix deposit that were reviewed by the QP.
- Review of longer holes transecting most of the deposit stratigraphy were found to be consistent with previous descriptions of deposit stratigraphy (see Section 7.3.1).
- "Mafic dyke" units are widely altered to carbonate, silica, and chromium -rich mica (listwanite).
- QP Voordouw inferred the presence of possibly large D1-D2 structures separating the Main Block of the SMG deposit from the North and South blocks. These structures are here referred to as the North and South faults, and are marked by strong deformation, tightly interleaved lithology, and a notable increase in listwanite dykes. Similar structures were identified in earlier work by Mt Calvary (McClintock, 1985) but they do not appear in subsequent work.
- Tuff may be a strongly altered diorite as suggested by Mr. Garnet Dawson (personal communication, July 31, 2023).

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**	**-**	**-**

Source: Equity, 2025



Source: Equity, 2025

Figure 12-2: Drill core photos of (a) massive argillite, (b) cataclastic argillite, (c) late veins in tuff, (d) late veins in fault rubble

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 describing 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 to its analytical code and method, and filling in data gaps.

Much of this work was subsequently completed by Equity, resulting in a drill assay database that was compiled independently of SPA and has a low likelihood of transcription errors.

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 a 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.

After samples were received at ALS they were 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.

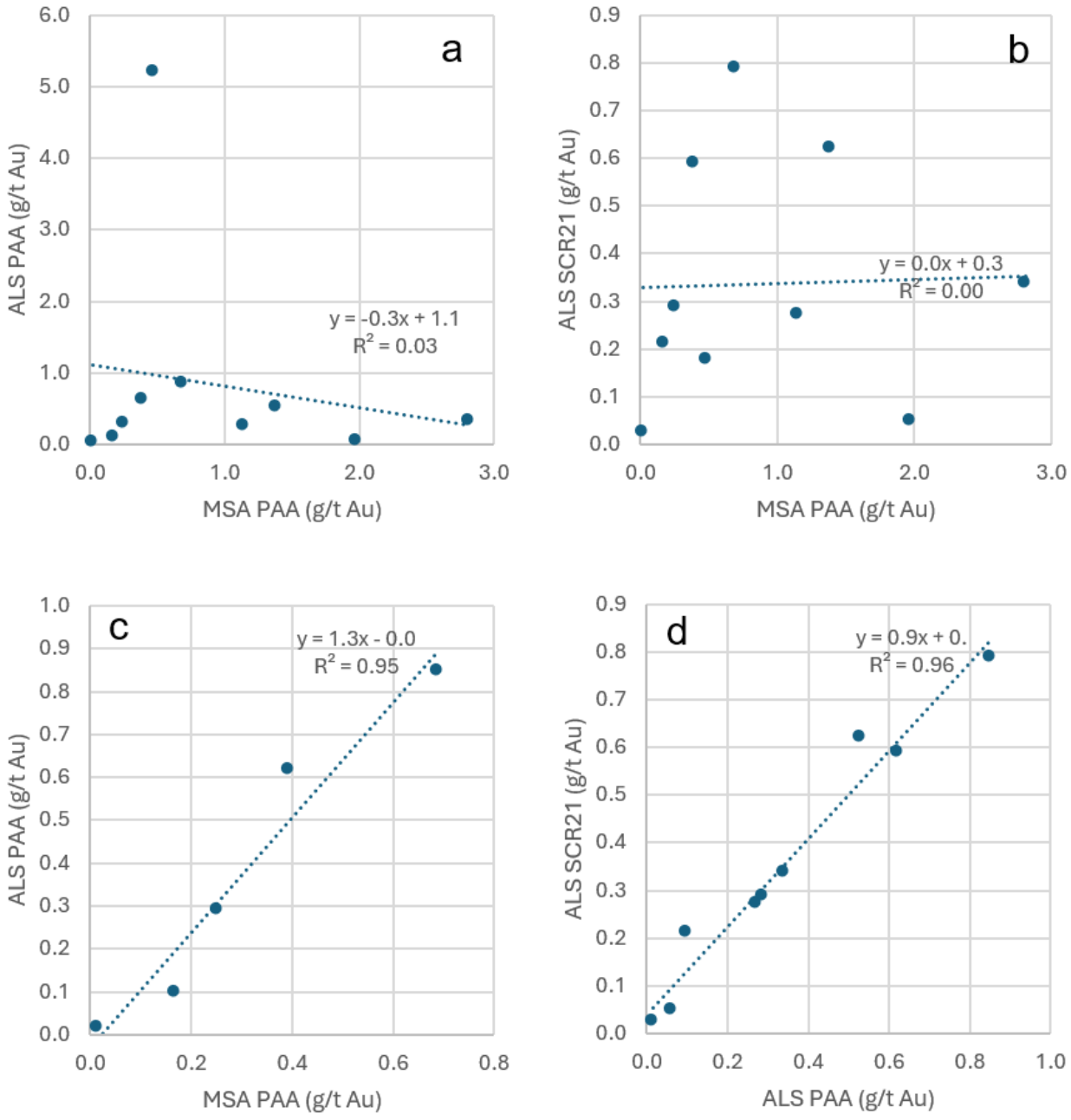
Results of the duplicate analyses show that there is no correlation between SPA's photon activation analyses (PAA) and either the QP's PAA (Figure 12-3a) or screen assay (Figure 12-3b) results. Correlation is especially poor for SPA's samples that assayed over 1.0 g/t Au, with four original analyses 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.

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

QP sample	Drill hole	SPA sample	Hole depth (m)			Assay (g/t Au)		
			From	To	Interval	SPA PAA	QP PAA	QP Screen
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

Source: Equity, 2025



Source: Equity, 2025

Figure 12-3: Plots comparing SPA assays (MSA PAA) with the QP's (ALS PAA, ALS SCR21)

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).

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 excluded (Figure 12-3d), suggesting that the QP's analytical results are generally precise and internally consistent.

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 45% of the legacy drill meters are adequate for inclusion in mineral resource estimates. Any drill holes planned entirely off legacy data should be validated in the field, preferably through relogging, target-scale mapping, and 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. Target-scale mapping and, possibly, resampling is recommended prior to drilling but, overall, SPA's data was mostly collected with handheld GPS and therefore has considerably higher location confidence than 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, particularly for samples with at least one assay above 1.0 g/t Au. These results suggest that coarse-gold spatial variance is not adequately captured at the sample scale. 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 Overview

This chapter presents an overview of the mineral processing and metallurgical testwork undertaken for the Spanish Mountain Gold Project. The results provide the basis for defining the preliminary process flowsheet, establishing process design criteria, and estimating process operating costs.

Since 2007, the test programs have included head assays, mineralogical characterization, comminution testing, gravity concentration, flotation, cyanidation, preg-robbing assessment, cyanide destruction, and preliminary settling and filtration testing. More recent investigations have also evaluated coarse particle flotation and sensor-based and bulk ore sorting.

Historical programs focused primarily on material from the Main Deposit, including composite and variability samples representing different lithologies and gold grades. Testwork completed in 2024 and 2025 further investigated flotation performance at coarser primary grind sizes, concentrate leaching, preg-robbing behaviour, and the metallurgical response of low-grade material. Programs initiated in 2026 extend the assessment to material from the Phoenix Deposit and include additional investigations of ore sorting.

A summary of the metallurgical test programs since 2010, including the laboratories, program references, and principal testing activities, is provided in Table 13-1. The programs were commissioned by Spanish Mountain Gold Ltd., formerly Skygold Ventures Ltd., and carried out by the laboratories and specialist organizations identified in the table. Programs identified as in progress were ongoing at the time of preparation of this report.

Table 13-1: Summary of metallurgical test programs

Year	Laboratory	Test work performed	Reference
2026	(Program BL2259) Base Met Laboratory (in progress)	Head assays, assay by size, gravity, flotation and cyanidation on four composites from the Phoenix Deposit	Base Metallurgical Laboratories, 2026
2026	(Project S0980) ABH Engineering (in progress)	Dual-energy XRT scanning and assaying of 96 individual rock samples from the Phoenix Deposit, with sorting algorithm development	ABH Engineering, 2026
2026	OrePortal Technologies	Desktop bulk ore sorting study using drill hole assays and the resource block model	OrePortal, 2026

Year	Laboratory	Test work performed	Reference
2025	(Project 741) ABH Engineering	Dual-energy XRT, laser and electromagnetic sorting of 300 half-core samples from six zones, with gold and multi-element assays and simulated XRF	ABH Engineering, 2025
2025	(Program BL1852) Base Met Laboratory	Gravity and flotation of eight low-grade composite samples from four drill holes	Base Metallurgical Laboratories, 2025
2024	(Program BL1610) Base Met Laboratory	Cyanidation and preg-robbing on four composites from three drill holes	Base Metallurgical Laboratories, 2024
2024	(Program BL1565) Base Met Laboratory	Head assays, mineralogy, gravity and flotation on three composites from three drill holes	Base Metallurgical Laboratories, 2025
2024	(Program BL1481) Base Met Laboratory	Head assays, mineralogy, gravity, flotation and Hydrofloat pilot test, one composite from three drill holes	Base Metallurgical Laboratories, 2025
2022	(Program BL1074) Base Met Laboratory	Head assays, comminution, gravity, flotation and cyanidation of four composites and 18 variability samples from 15 drill holes	Base Metallurgical Laboratories, 2024
2021/ 2022	(Program KM6318) ALS Metallurgy	Head assays, flotation, DFR pilot test and concentrate mineralogy on one composite sample from two drill holes	ALS Metallurgy, 2021
2019	(Job. No.4373) McClelland Laboratories, Inc	Head assays, comminution, flotation, cyanidation and cyanide destruction on four composite samples from three drill holes	McClelland Laboratories, 2019
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	Met-Solve, 2017
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	G&T Metallurgical Services, 2012
2012	(Project KM3403) by G&T Metallurgical Services	Preliminary sighter setting and filtration tests on two composite samples	G&T Metallurgical Services, 2012
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	SGS Canada, 2012
2011	(Project 12488-003 – Final Report by SGS Canada	HPGR grindability characteristics of two samples	SGS Canada, 2011
2010	(Project. No. 12488-001) by SGS Canada	Comminution tests on 24 variability samples from five drill holes	SGS Canada, 2010
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	G&T Metallurgical Services, 2010 G&T Metallurgical Services, 2011

Year	Laboratory	Test work performed	Reference
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	Knelson Research & Technology Centre, 2010
2010	(Project KM2538) by G&T Metallurgical Services	Comparative gold content in the core using gravity concentration techniques	G&T Metallurgical Services, 2010

13.2 Spanish Mountain Main Deposit

13.2.1 Sample Selection and Characterization

Metallurgical samples have historically been sourced from drill core intervals totalling approximately 6,000 m. Over the course of these programs, all rock types identified in the PEA mine plan have been tested. Samples for the 2024–2025 test programs were selected by Spanish Mountain Gold geologists to represent the main lithological groups within the deposit and collectively encompass the range of grades included in the PEA mine plan.

Sample lithologies are described using the lithological framework for the SMG Property presented in Section 7.3.1 (Lithology). Argillite and siltstone are both fine-grained, with argillite containing more carbonaceous material. Greywacke is coarser-grained, while tuff is strongly altered.

The relative contributions of these lithologies to mill feed vary throughout the LOM. Figure 13-1 presents the annual mill feed distribution by lithology, and Table 13-2 summarizes the distribution. Both are based on the MMTS mine schedule adopted for this PEA Update, which targets annual mill feed of 11.3 Mt (SMG - PEA Update - Mine Sched scd6a – 260912).

Upper Argillite, Tuff and Greywacke are the three principal mill feed lithologies. Upper Argillite accounts for 55% of mill feed during the first five years of production and 32% over the LOM. Tuff contributes 35% during the first five years and 23% over the LOM. Greywacke accounts for 8% during the first five years, becomes a more significant component from Year 9 onward, and contributes 24% of total LOM mill feed.

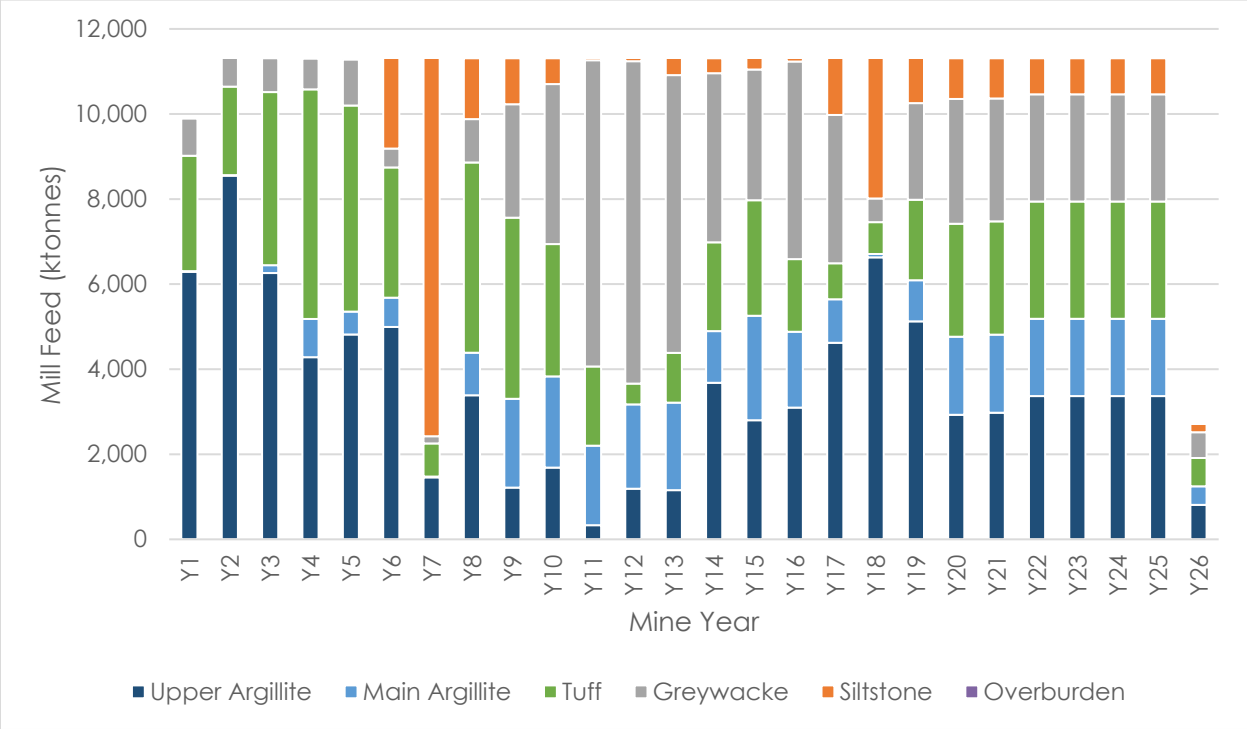


Figure 13-1: Annual mill feed by lithology – September 2026 mine plan

Table 13-2: Mill feed breakdown by lithology

Lithology	First 5 Years	Life of Mine
Upper Argillite	55%	32%
Main Argillite	3%	11%
Tuff	35%	23%
Greywacke	8%	24%
Siltstone	0%	9%

13.2.1.1 Head Assays

13.2.1.2 G&T, SGS, Met-Solve and McClelland Programs (2010-2019)

Composite samples were prepared to represent the lithology groups for the G&T, Met-Solve and McClelland programs. The SGS work was completed on 24 variability samples. A summary of head assay results is presented on Table 13-3.

Table 13-3: G&T, SGS, Met-Solve and McClelland Programs (2012-2019)

Program	Sample ID	Type of rock	Head assays						
			Au (g/t)	Ag (g/t)	Fe (%)	S_{tot} (%)	Sulphur (S^{2-}) (%)	TOC (%)	TOC (%)
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
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
SGS (2488-001/002)	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	-
	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	-

Program	Sample ID	Type of rock	Head assays						
			Au (g/t)	Ag (g/t)	Fe (%)	S_{tot} (%)	Sulphur (S^{2-}) (%)	TOC (%)	TOC (%)
	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	-

Mercury concentrations in the samples tested by McClelland (4373) were below 0.02 ppm for all samples.

13.2.1.3 BaseMet Program (2022)

Approximately 1,200 kg of sample, primarily drill core, was received at Base Metallurgical Laboratories in September 2022 under testwork program BL1074. Composite samples were prepared to represent the principal lithology groups: Argillite (ARG), Lower Argillite (LARG), North Zone Argillite (NARG), and Tuff. Head assay results for the composite and variability samples are presented in Table 13-4 and Table 13-5.

Table 13-4: 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 13-5: 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

Lithology	Sample ID	Au (g/t)	S (%)	C (%)	Ag (g/t)	TOC (%)
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

*Major lithology in a blended lithology composite

Gold grades ranged from 0.35 to 1.36 g/t Au, while silver grades ranged from 0.10 to 0.95 g/t Ag. TOC values ranged from 0.03% to 1.70%, and sulphur grades ranged from 0.53% to 3.62%.

13.2.1.4 BaseMet Program (2024-2025)

In February 2024, Base Metallurgical Laboratories (BaseMet) received 552 kg of drill core. A 150 kg composite of Upper Argillite material was prepared for testing under program BL1481. A further 156 kg shipment of drill core was received in June 2024, and three additional composite samples were prepared for testing under programs BL1565 and BL1610. North Argillite material previously received in 2022 for the BL1074 program was also used in the 2024 test program, using remaining master composite material from that lithology. Head assay results are shown in Table 13-6.

Table 13-6: 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, while silver grades ranged from 0.55 to 1.00 g/t Ag. TOC values ranged from 0.06% to 1.37%, and sulphur grades ranged from 0.72% to 2.44%.

In February 2025, BaseMet received 124 kg of low-grade drill core. Duplicate head assays were completed for each composite sample. Average element-specific assay results are presented in Table 13-7.

Table 13-7: 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 grades in the samples ranged from 0.20 to 1.24 g/t Au. Graphitic carbon (Cg) and TOC values ranged from 0.01% to 0.60% and 0.01% to 1.97%, respectively. Sulphur content ranged from 0.55% to 4.49%, with most of the sulphur occurring as sulphide sulphur.

13.2.2 Mineralogy

13.2.2.1 BaseMet Program (2024-2025)

A Particle Mineral Assessment (PMA) was completed on four composite samples at a primary grind size of approximately 400 µm P_{80}. The ground material was separated into six size fractions and analysed using QEMSCAN technology. Each fraction was also assayed to support the mineralogical evaluation. Mineral composition results, as weight distribution, are presented in Table 13-8.

Table 13-8: Mineral composition data

Mineral	Main Tuff	Main Upper Argillite	Main Lower Argillite	North Argillite
Pyrite	1.8%	5.4%	2.5%	5.4%
Chalcopyrite	0.1%	0.1%	0.04%	0.03%
Other Sulphides	0.1%	0.1%	0.1%	0.1%
Quartz	27.5%	44.6%	58.5%	51.4%
Feldspar	10.2%	3.3%	1.8%	1.2%
Sericite/Muscovite	30.0%	23.4%	18.9%	23.8%
Chlorite	1.7%	0.7%	0.2%	0.3%
Clays	1.9%	1.5%	1.3%	1.5%
Dolomite/Ankerite	19.2%	16.8%	12.6%	12.1%
Other Carbonates	5.4%	2.2%	2.8%	2.8%
Oxides	1.4%	1.3%	0.9%	0.8%
Other	0.8%	0.8%	0.5%	0.6%

Pyrite was the dominant sulphide mineral in all composites, representing approximately 95% to 99% of the sulphur in the feed. The Main Upper Argillite and North Argillite composites contained the highest sulphide mineral contents, at approximately 5.5%. The Tuff sample showed a distinct mineral assemblage compared with the argillite composites, with lower quartz content and higher proportions of mica and carbonate minerals. Although these mineralogical analyses were not intended to characterize gold deportment, pyrite characteristics are useful for interpreting flotation performance, as a significant portion of the gold is understood to be associated with pyrite.

Pyrite liberation was measured for each composite, with the results summarized in Table 13-9.

Table 13-9: 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

Pyrite was highly liberated in all composites, with an average liberation of 83.4%. On average, nearly 95% of the pyrite occurred in grains with more than 50% surface liberation, indicating that the material should be well suited to conventional froth flotation, as a substantial proportion of the

grain surface is available for bubble attachment. This degree of pyrite liberation is unusual at such coarse grind sizes and presents a valuable opportunity to process the material using coarse particle flotation methods while significantly reducing grinding energy requirements.

Diagnostic leach tests completed on rougher tailings from four lithology composites indicated that, on average, 29.9% of the gold in the rougher tailings was associated with carbonate minerals, 13.0% was cyanide-leachable, 14.3% was associated with arsenopyrite minerals, 17.4% was associated with pyritic sulphide minerals, and 25.4% was encapsulated within gangue minerals.

13.2.3 Comminution Testing

Comminution studies were conducted by each of the metallurgical lab to assess ore hardness, grindability, and abrasive characteristics. A summary of results is presented in Table 13-10 below.

Table 13-10: 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

Sample ID	Main Lithology Unit	Ai (g)	CWi (kWh/t)	RWi (kWh/t)	Bond grind mesh(um)	BWi (kWh/t)	SMC		Report
							SG	Axb	
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
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

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-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

Sample ID	Main Lithology Unit	Ai (g)	CWi (kWh/t)	RWi (kWh/t)	Bond grind mesh(um)	BWi (kWh/t)	SMC		Report
							SG	Axb	
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
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

Sample ID	Main Lithology Unit	Ai (g)	CWi (kWh/t)	RWi (kWh/t)	Bond grind mesh(um)	BWi (kWh/t)	SMC		Report
							SG	Axb	
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. Testwork indicates that sample hardness generally increases with depth.

13.2.4 Gravity Concentration and Flotation

13.2.4.1 G&T, SGS, Met-Solve and McClelland Programs (2012-2019)

Historical metallurgical testwork on mineralized material from the SMG Project was conducted across a range of grind sizes and reagent schemes to optimize flotation performance. The optimized operating conditions were subsequently applied to variability samples. Numerous flowsheet configurations were evaluated, including pre-flotation, desliming, gravity gold recovery ahead of rougher flotation, rougher flotation followed by two stages of cleaner flotation, and gravity recovery of gold from second cleaner flotation tailings through a scavenger gravity circuit. These test programs demonstrated that TOC concentrations exceeding 0.5% in leach feed adversely affected leach performance, prompting investigation of several processing strategies aimed at reducing TOC levels prior to leaching.

Under Program G&T KM2637, stage gold recoveries for five variability composite samples ranged from 74% to 98% at primary grind sizes (P_{80}) between 98 and 227 µm. The evaluated flowsheet incorporated gravity recovery and rougher flotation followed by a single cleaner flotation stage. TOC concentrations in the cleaner concentrate varied from 0.1% to 3.0%.

Program SGS 12488 achieved stage gold recoveries ranging from 49% to 92% at primary grind sizes (P_{80}) of 128 to 194 µm. The flowsheet included gravity concentration, desliming of gravity tailings, rougher flotation, and three stages of cleaner flotation. TOC concentrations in the third cleaner concentrate ranged from 0.2% to 0.86%. Gold losses to the deslime cyclone overflow varied between 1.1% and 5.2%, while 3.2% to 40.2% of the feed TOC was rejected to this stream.

In Program G&T KM3185, stage gold recoveries ranged from 38% to 99% at primary grind sizes (P_{80}) between 59 and 323 µm. The tested flowsheet incorporated gravity concentration, pre-flotation (8 min) for organic carbon removal, and rougher flotation (8 min) followed by two cleaner flotation stages with flotation times of 8 min for first stage and 6 min for the second cleaner stage. TOC concentrations in the cleaner concentrate ranged from 0.14% to 0.66%. Gold losses to the pre-flotation concentrate stream ranged from less than 1% to 13%, while 10.6% to 26.1% of the feed TOC was rejected through this circuit.

The Met-Solve MS1735 program included a 20 kg bulk flotation test on Composite 865-3 at a primary grind size (P_{80}) of 180 µm. Gold distribution to rougher flotation tailings was 7.8%, while combined cleaner tailings contained 6.0% of the gold, of which 54% was subsequently recovered using scavenger gravity units. The flowsheet consisted of rougher flotation, two stages of cleaner flotation, and two stages of gravity concentration treating cleaner flotation tailings.

Program McClelland 4373 evaluated four composite samples at a target primary grind size (P_{80}) of 180 µm using a flowsheet consisting of rougher flotation followed by two cleaner flotation stages. Kinetic rougher and cleaner flotation tests were completed, along with a bulk flotation test to generate concentrate for leach grind-size optimization and cyanide destruction testing. Bench-scale flotation tests recovered between 79% and 92% of the gold to second cleaner concentrate. The bulk flotation test produced a concentrate representing 3.1% of the feed mass, grading 27.9 g/t Au and 0.37% TOC, with an overall gold recovery of 88.2%. A scavenger gravity test conducted on rougher flotation tailings from the bulk sample demonstrated that 48.4% of the gold remaining in this stream could be recovered to a gravity concentrate representing only 0.07% of the flotation tailings mass.

In general, the rougher flotation times for these programs were much shorter than for the most recent test, leading to increased gold losses to the rougher tailings. The cleaner stage Au recoveries were consistent with the higher 90s observed in more recent tests.

13.2.4.2 Knelson (KRTC) Program (2010)

Extended Gravity Recoverable Gold (e-GRG) testing was conducted in 2010 by the Knelson Research and Technology Centre (Program 20559) on two composite samples, representing the argillite lithology and a blend of tuff, greywacke and siltstone, at three grind sizes. For sample 865-2 (Argillite), the overall gravity recoverable gold (GRG) recovery after three stages of grinding was

57.7%. Stage recoveries were 15.6%, 20.6%, and 21.6% for Stages 1, 2, and 3, respectively, with a final grind size of P_{80} 53 µm. The corresponding P_{20}, P_{50}, and P_{80} values were 25, 53, and 120 µm. Based on the Amira P420B gold grain size classification scale, the GRG in this sample is classified as Fine to Moderate.

Sample 865-3 (Tuff/Greywacke/Siltstone blend) achieved an overall E-GRG recovery of 65.2%. Recoveries from Stages 1, 2, and 3 were 26.1%, 22.5%, and 16.6%, respectively. The P_{20}, P_{50}, and P_{80} values were 25, 75, and 300 µm. According to the Amira P420B classification, the GRG grain size in this sample is categorized as Coarse to Very Coarse.

The e-GRG test results were subsequently used by Knelson to model expected plant gravity recovery performance. The modelling indicates a projected gravity circuit recovery of 14% to 18% when treating 24% of the mill circulating load, increasing to 16% to 20% when treating 32% of the circulating load.

13.2.4.3 BaseMet Program (2022)

Four master composites, designated ARG MC, LARG MC, NARG MC, and TUFF MC, were prepared for this phase of the test program. These composites represented the four lithologies identified for metallurgical evaluation. The majority of optimization testing was performed on the LARG MC composite, while selected test conditions were assessed on the remaining master composites.

The optimization program investigated gravity concentration, rougher flotation, and two stages of cleaner flotation across a range of primary grind sizes. Flotation reagent optimization included the evaluation of several gangue depressants, and flotation performance was assessed at two different pulp densities (%w/w).

The optimized processing conditions were subsequently applied to 18 variability composites. Each composite underwent gravity concentration followed by rougher flotation (10 min) and two stages of cleaner flotation at a target primary grind size of P_{80} 180 µm. Potassium amyl xanthate (PAX), carboxymethyl cellulose (CMC), and methyl isobutyl carbinol (MIBC) were used as flotation reagents.

Results showed that the combined gravity and flotation concentrate weight recovery represented 1.1% to 5.1% of the feed. Concentrate grades ranged from 15.7 to 48.5 g/t Au, 11.3 to 39.5 g/t Ag, and 0.11% to 0.69% TOC. Gold recoveries to concentrate varied from 81.1% to 97.3%, while silver recoveries ranged from 26.1% to 83.8%.

13.2.4.4 BaseMet Program (2024-2025)

Testwork conducted under Program BL1481 focused on the characterization of mineralized material and the evaluation of coarse particle flotation using a single composite sample representing the Main Upper Argillite zone.

The program assessed the impact of primary grind size on flotation performance using conventional flotation methods as summarized in Table 13-11. In addition, the amenability of the material to coarse particle flotation using Eriez HydroFloat technology was evaluated as a potential means of improving recovery relative to conventional flotation. Two processing configurations were investigated as illustrated in Figure 13-2: (i) split-feed processing and (ii) tails scavenging. A summary of results including Hydrofloat (HF) is presented in Table 13-12.

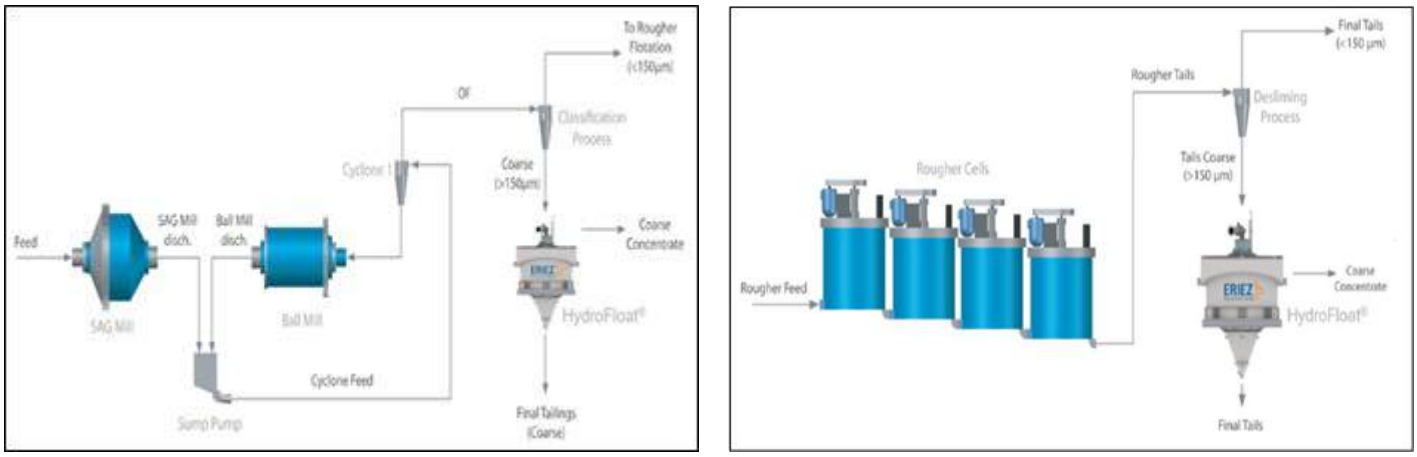


Figure 13-2: HydroFloat split-feed processing (left) and tails scavenging (right) flowsheets

Table 13-11: 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
1	4	180	Not used	0.19	20.9	4.7	13.5	92.2	93.8	13.7	93.8	94.1
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
4	4	180	Not used	0.14	20.7	3.4	8.9	95.7	93.3	9.0	96.6	93.6

Note: Flotation recovery is relative to flotation feed.

Table 13-12: 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 (16 min)	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 (24 min)	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 (16 min)	11.2	7.02	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 inclusion of HydroFloat as a scavenger stage proved effective in reducing gold losses associated with the coarse fraction of conventional rougher flotation tailings. For tests conducted at primary grind sizes of P_{80} 350 µm and 450 µm, HydroFloat recovered an additional 1.8% to 3.6%

of the feed gold while generating only a modest increase in mass recovery. A split-circuit configuration incorporating HydroFloat was also evaluated; however, overall recoveries were lower than those achieved using the gravity and conventional flotation flowsheet alone.

Testwork completed under Program BL1565 focused on flowsheet optimization and the assessment of metallurgical variability across different lithologies. Four lithology composites were prepared from half HQ drill core samples for metallurgical testing. The resulting optimized process flowsheet developed during the program is presented in Figure 13-3.

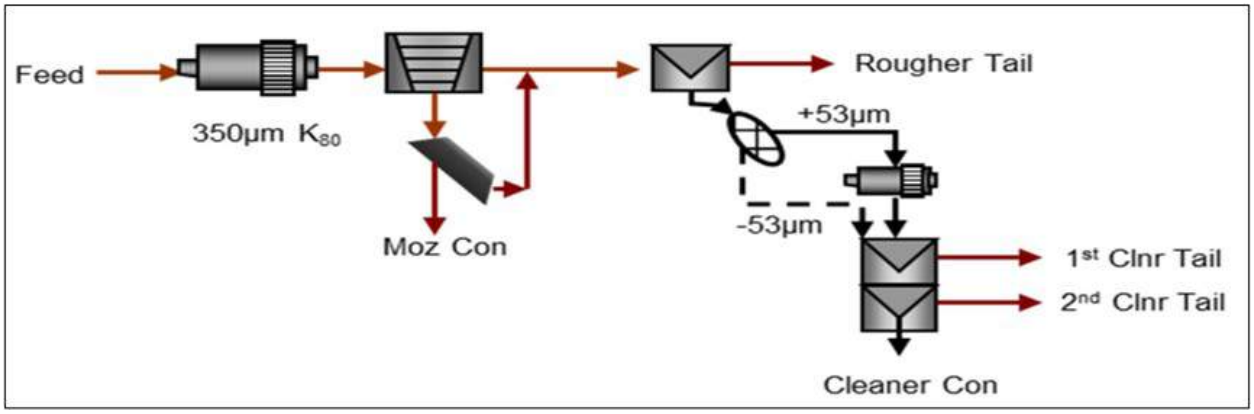


Figure 13-3: Flowsheet for testwork in program BL1565

A summary of results using the developed flowsheet applied at a primary grind size of 350 µm P_{80} is presented in Table 13-13.

Table 13-13: 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 demonstrate that high gold recoveries can be achieved at a primary grind size of P_{80} 350 µm using a flowsheet comprising gravity concentration, rougher flotation, regrinding, and two stages of cleaner flotation.

Program BL1852, completed in 2025, evaluated the rougher flotation performance of low-grade samples, all from half HQ core drilled in 2022, at a primary grind size of P_{80} 350 µm. Tuff Samples 1

and 2 underwent gravity concentration prior to rougher flotation, as variability in the head assay results suggested the presence of free gold. The corresponding results are presented in Table 13-14.

Table 13-14: 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	Greywacke 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 were maintained in the lower-grade samples during rougher flotation testing. Lower recoveries were observed for Argillite #1 and Argillite #2, both of which were obtained from near-surface (above 23 m depth) intervals. Two composites were prepared from the low-grade samples and evaluated using the developed flowsheet presented in Figure 13-3. The results of the cleaner flotation tests conducted on the low-grade composites are summarized in Table 13-15.

Table 13-15: 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 gold recovery in Composite #1 may be attributable to sample aging and oxidation, as Argillite #1 material was sourced from the top 23 m of drill core drilled three years prior testing. Additional optimization work is recommended for aged and near-surface low-grade material. The majority of gold losses occurred in the first cleaner flotation tailings, which would be mitigated with the recirculation of that stream to and earlier stage of the circuit.

Overall, the test results indicate that gold recoveries can be maintained above 90% via the gravity plus conventional flotation flowsheet at primary grind sizes as coarse as 450 µm P_{80}. The gold recovery can be maintained at similar ranges at rougher grind size range of 180 to 450 µm as shown in Figure 13-4.

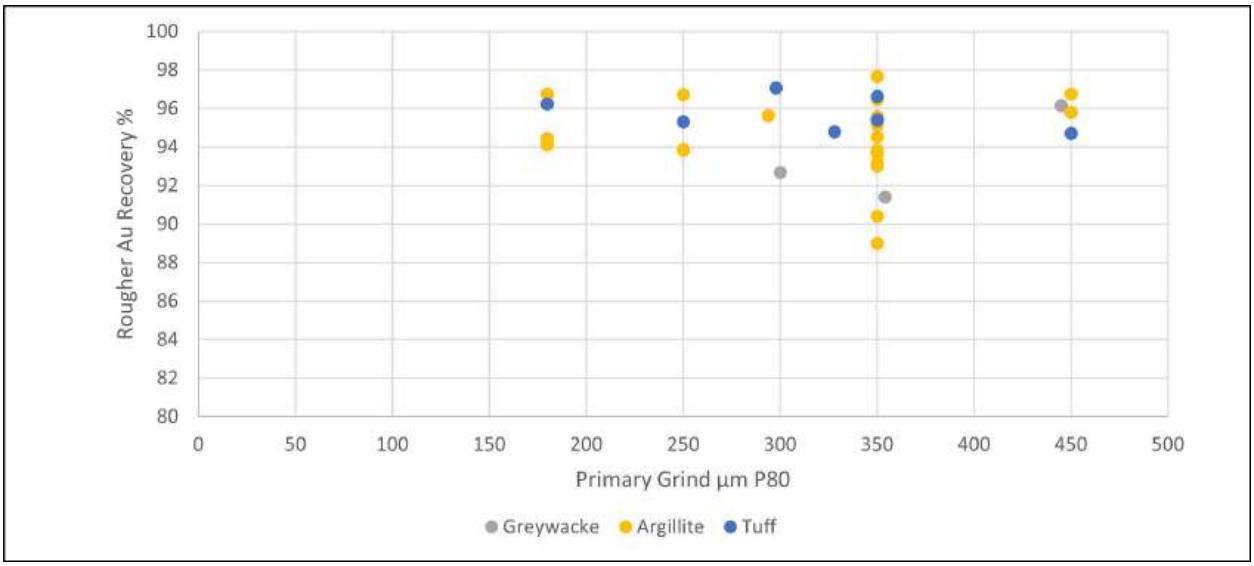


Figure 13-4: Effect of primary grind size on rougher recovery

13.2.5 Leach

13.2.5.1 G&T, SGS, Met-Solve and McClelland Programs (2012-2019)

In Program KM2637, five variability composites were evaluated through CIL bottle roll leach testing. The testwork flowsheet incorporated gravity recovery and a pre-flotation stage to reduce organic carbon content to below 0.3%. First cleaner flotation concentrates were reground to a target P_{80} of <20 µm and subjected to 72 hours of pre-aeration followed by 48 hours of cyanidation with 22 g/L of carbon added to the slurry. Gold extraction ranged from 93% to 98%, while cyanide consumption varied between 5.5 and 6.1 kg/t. Dissolved oxygen (DO) concentrations of 0.5 to 4.0 mg/L were recorded during pre-aeration, where air was used as the oxygen source. Cyanide concentrations were maintained at 2,000 mg/L throughout the tests.

In SGS Program 12488, sixteen variability composites were subjected to CIL bottle roll leach testing. The testing flowsheet included gravity recovery and desliming and flotation. Third cleaner flotation concentrates containing less than 1% TOC were reground to a P_{80} ranging from 9 to 109 µm and leached for 48 hours at 35% solids. Pre-aeration periods of 5 to 24 hours were conducted using oxygen before leaching, and carbon was added at a concentration of 22 g/L. Cyanide

concentrations were maintained at 2,000 mg/L throughout the tests. The test results are summarized in Table 13-16.

Table 13-16: 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%, while silver extraction varied between 74.5% and 88.5%. Cyanide consumption ranged from 5.0 to 15.7 kg/t, and lime consumption ranged from 3.3 to 16.0 kg/t.

In G&T Program KM3185, four composites comprising eight variability samples were evaluated through CIL bottle roll leach testing. The testing flowsheet included gravity recovery, carbon pre-flotation followed by flotation of gold bearing minerals. First cleaner flotation concentrates containing 0.15% to 0.55% TOC were reground to a P_{80} ranging from 10 to 104 µm and subjected to 48 hours of cyanidation following 12 hours of pre-aeration. Carbon was added at a concentration of 22 g/L. Gold extraction ranged from 81% to 95%, while cyanide consumption varied between 2.8 and 10.4 kg/t. Dissolved oxygen (DO) concentrations between 0.6 and 7.0 mg/L were recorded during pre-aeration, where air was used as the oxygen source. Cyanide

concentrations were maintained at 2,000 mg/L for the first six hours of leaching and then allowed to decline to 500 mg/L.

In Met-Solve Program MS1735, a single sample was subjected to CIL bottle roll leach testing. A second cleaner flotation concentrate containing 0.2% TOC was reground to 100% passing 20 µm and leached for 48 hours following 12 hours of pre-aeration. Carbon was added at 20 g/L. Gold extraction reached 98.5%, with cyanide consumption of 5.3 kg/t. Dissolved oxygen concentrations during pre-aeration ranged from 0.4 to 6.5 mg/L, with air serving as the oxygen source. Cyanide concentrations were maintained at 2,000 mg/L for the first six hours of leaching before being allowed to decline to 500 mg/L.

In McClelland Program 4373, cyanidation testwork was conducted on a single composite sample. A second cleaner flotation concentrate containing 0.37% TOC was leached at various grind sizes and 50% solids for 48 hours following 12 hours of pre-aeration, with carbon added at 20 g/L. Cyanide concentrations were maintained at 2,000 mg/L during the first six hours of leaching and subsequently allowed to decline. Dissolved oxygen concentrations between 1 and 6 mg/L were recorded during pre-aeration, with air used as the oxygen source. The leach test results are summarized in Table 13-17. The first three tests were bottle roll leach tests conducted on second cleaner flotation concentrate, whereas the fourth test was an agitated leach test performed on a 7 kg sample comprising second cleaner flotation concentrate and scavenger gravity concentrate recovered from the cleaner flotation tailings stream.

Table 13-17: 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%-75 µm	90.8	78.6	28.1	14.0	1.9	1.1
4373-004	CY-02	96%-37 µm	99.8	78.6	29.1	14.0	3.0	5.6
4373-004	CY-03	97%-25 µm	98.8	83.3	27.6	18.0	3.2	4.1
4373-AL-1	FT-03	95%-37 µm	97.3	80.2	23.7	15.0	3.3	1.1

Cyanidation testing was conducted on flotation concentrates at three grind conditions: no regrinding, regrinding to 96% passing 37 µm, and regrinding to 97% passing 25 µm. Following 48 hours of leaching, CIL gold extraction increased from 90.8% to 99.8% of the gold contained in the flotation concentrate when the material was reground to 96% passing 37 µm. Sodium cyanide consumption ranged from 1.1 to 3.3 kg/t, while lime consumption varied between 1.1 and 5.6 kg/t.

13.2.5.2 BaseMet Program (2022)

Cleaner flotation concentrates from selected variability tests were subjected to cyanide leach investigations to evaluate the effect of TOC content on leaching performance. Four composites were tested, with one composite representing each lithology. Samples were selected to target flotation concentrates containing approximately 0.5% TOC.

Bottle roll leach tests were conducted on second cleaner flotation concentrates reground to a target P_{80} of 15 µm. The samples were leached for 48 hours at 33% solids following 12 hours of pre-oxidation, with carbon added at a concentration of 24 g/L. Dissolved oxygen levels were maintained at 20 mg/L throughout leaching. Cyanide concentrations were initially set at 2,000 mg/L and subsequently maintained at 500 mg/L. The test results are summarized in Table 13-18.

Table 13-18: 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

Gold leach extraction ranged from 98% to 99%, while silver extraction varied between 75% and 90%. Cyanide consumption averaged approximately 8 kg/t, and lime consumption ranged from 10.0 to 12.7 kg/t. The results indicate that a modest increase in concentrate TOC content above 0.5% had no discernible adverse effect on leaching performance.

13.2.5.3 BaseMet Program (2024-2025)

In Program BL1610, four lithology composite samples were evaluated to investigate the preg-robbing characteristics of the mineralized material and the leaching performance of rougher flotation concentrates.

Preg-robbing tests were conducted under the following intensive leach conditions:

- Baseline intensive leach: 25% solids, 0.5% NaCN, pH 11, and a leach duration of 24 hours.
- Intensive leach with gold addition: Identical conditions to the baseline test, with the addition of a gold spike.

- Intensive leach with activated carbon: Identical conditions to the baseline test, with activated carbon added at 50 g/L.

The PRV was determined by comparing the pregnant solution from the baseline intensive leach test with that from the gold-spiked test. The PRV provides a quantitative measure of the preg-robbing behaviour associated with the TOC present in the samples. The test results are summarized in Table 13-19.

Table 13-19: 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 preg-robbing assessment indicated that all samples exhibited strong preg-robbing behaviour, with between 80% and 99% of the dissolved gold being adsorbed by the TOC present in the samples. A strong correlation was observed between preg-robbing potential and TOC content, with the highest PRVs recorded for the NARG MC and Main Lower Argillite (06/24/2024) samples, both of which contained elevated levels of TOC. These results demonstrate that TOC content is a key factor influencing the preg-robbing characteristics of the ore.

The addition of activated carbon during leaching resulted in a significant reduction in leach tailings grades, which ranged from 0.33 to 1.10 g/t Au, compared with 0.55 to 4.18 g/t Au for the baseline intensive leach tests conducted without activated carbon. This finding indicates that activated carbon exhibited a greater affinity for dissolved gold than the naturally occurring TOC within the samples, thereby reducing the impact of preg-robbing.

Following the preg-robbing evaluation, baseline leach tests were conducted to assess the leaching performance of the four lithological composites. Bottle roll leach tests were performed on second cleaner flotation concentrates reground to a target P_{80} of 20 µm. The samples were leached for 24 hours at 33% solids after six hours of pre-oxidation, with carbon added at a concentration of 22 g/L. Dissolved oxygen levels were maintained at 20 mg/L throughout leaching. Cyanide concentrations were initially set at 2,000 mg/L and subsequently maintained at 500 mg/L. The leach test results are summarized in Table 13-20.

Bulk flotation concentrates from all tested lithologies exhibited excellent leaching performance, with average leach-stage gold extractions of approximately 98%. Variations in TOC content within the leach feed, ranging from 0.8% to 1.2%, had no significant impact on overall leach performance.

Table 13-20: 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 results of this test program confirmed that the precious metals extraction losses attributed to the pre-robbing nature of the tested lithologies can be lessened with the addition of activated carbon with the cyanide addition to the slurry. A CIL circuit is recommended for the concentrate leaching with gold extraction expected to be above 97%.

13.2.6 Cyanide Detoxification

Cyanide detoxification test work was conducted by McClelland under Program 4373 in 2019 to evaluate the treatment of cyanide-bearing leach residues using the SO_2/air detoxification process. The tests were performed on leach residues generated from the combined bulk concentrate (flotation and gravity) Composite 4373-004. Test conditions included a sample mass of 6.7 kg, a grind size of 95% passing 37 µm, a pulp density of 50% solids, an NaCN concentration of 2 g/L, and a pH range of 9.4 to 11 maintained through lime addition. Carbon was added at a concentration of 20 g/L, and leaching was conducted for 48 hours prior to detoxification. The cyanide detoxification results are summarized in Table 13-21.

Table 13-21: Detoxification test results in program 4373

Composite	Detoxification test	Residence time, hours	SO2 Addition, gSO2/gCNwad	Lime consumption, gCa(OH)2/g CNwad	Slurry pH	Solution analysis		
						CNwad 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 demonstrated that the SO_2/air process was effective in reducing weak acid dissociable (WAD) cyanide concentrations. Using an SO_2 dosage of 6.0 g per gram of WAD cyanide and a $Ca(OH)_2$ dosage of 4.2 g per gram of WAD cyanide, the WAD cyanide concentration was reduced from 497 mg/L in the feed solution to 1.5 mg/L in the treated product.

13.2.7 Dewatering

In 2012 Program KM3403 by ALS Geochemistry, settling and filtration testwork was conducted on composite samples 865-3 and Master Composite 4 from testwork program KM2637. Samples were retrieved from the storage warehouse at G&T Metallurgical Services and both composites were ground to a 184 µm P_{80} for flocculant testing, followed by filtration testing. Settled solids concentrations ranging from 57% to 61% were achieved with a flocculant dosage of 5 g/t. Subsequent leaf filtration tests were performed on thickener underflow samples to evaluate vacuum filtration characteristics. Filter cake moisture contents of approximately 18% were obtained following filtration times of approximately 10 - 12 minutes. Testwork was performed using vacuum filtration only. Further testwork with representative samples is required.

13.2.8 Deleterious Elements

McClelland Program 4373 reported a copper concentration of 670 mg/L in the leach solution feed to cyanide detoxification testing. Given this elevated concentration, copper levels should be monitored in future test programs, as high dissolved copper concentrations may adversely affect adsorption circuit performance and could justify consideration of a dedicated copper recovery circuit.

Testing showed that the mineralized material had significant levels of TOC which can negatively impact gold recovery. Testwork results indicate a strong correlation between TOC content and preg-robbing behaviour. However, testwork demonstrated that the adverse effects of preg-robbing can be effectively mitigated through control of TOC levels in the leach feed with the use of CMC to in the flotation circuit, and the application of a CIL process. Bottle roll leach tests conducted during the 2024-2025 program on cleaner flotation concentrates reground to a target

P_{80} of 20 µm achieved average leach-stage gold extractions of approximately 98% following 24 hours of leaching in the presence of activated carbon. Variations in leach feed TOC content between 0.8% and 1.2% had no material impact on overall leaching performance.

No other deleterious elements were identified at concentrations that would be expected to present processing or environmental concerns.

13.2.9 Ore Sorting

Bulk and particle ore sorting were evaluated as potential methods to reject low-grade material ahead of milling and increase mill feed grade, particularly after year 19 of production when direct from pit mill feed ends and only material from stockpiles is scheduled for processing. Two programs are summarized below and described in the following subsections.

The 2025 ABH Engineering Inc. (ABH) program evaluated particle sorting and represents the only physical sorting testwork completed to date. The program involved scanning 300 individual drill core samples using full-scale X-ray transmission (XRT) and laser sorters. Sensor responses were compared with sample assays to assess the potential to distinguish higher-grade mineralized material from waste.

The 2026 OrePortal Technologies study evaluated bulk sorting through desktop modelling using drill hole assays and the resource block model. No physical sorter testwork was undertaken as part of this study.

The programs assessed different sorting scales and sensing methods; consequently, their results are not directly comparable.

13.2.9.1 Program ABH Engineering Inc (2025)

ABH completed a Phase 1 scoping-level particle ore sorting study in March 2025 to assess whether dual-energy XRT sorting could detect and separate high-grade material from waste at the Spanish Mountain deposit. X-ray fluorescence (XRF), laser and electromagnetic sensors were also evaluated.

The test program used 300 half-core samples, 50 from each of six zones (Upper Main Argillite, Main Tuff, Lower Main Argillite, Quartz Vein, Upper North Argillite and Siltstone). Each sample was scanned individually at Tomra's test facility in Wedel, Germany, on a full-scale COM Tertiary dual-energy XRT sorter with an integrated electromagnetic sensor and a PRO Tertiary laser sorter. The samples were then assayed at ALS Geochemistry in North Vancouver by gold fire assay and 34-element ICP, to give a scan-versus-assay result for every sample. XRF performance was simulated

from the ICP results, and sorter performance was scaled to the reserve average grade of 0.76 g/t Au. The sample set averaged 0.91 g/t Au.

XRT scan results correlated strongly with gold assays (R = 0.748 for the algorithm using all density classes), and the sorting response followed the ideal grade-recovery curve closely. At a 39% mass pull to product, the sorter recovered 81% of the Au into a 1.56 g/t Au product, with a reject grade of 0.24 g/t Au. More selective settings (28% mass pull) gave a 1.93 g/t Au product at 72% Au recovery, and more conservative settings (55% mass pull) gave a 1.18 g/t Au product at 86% Au recovery. Siltstone and Lower Main Argillite samples sorted best, and Quartz Vein and Upper North Argillite samples sorted least well.

Simulated XRF sorting recovered approximately 5% more Au than XRT, but XRT was recommended because of its higher throughput (approximately 200 t/h per machine compared with 40 t/h). Laser and electromagnetic sensing were not effective.

A preliminary economic simulation, based on the 2025 PEA schedule and a simulated XRF performance of 55% mass pull at 95% Au recovery, indicated pre-tax NPV increases of C$233M to C$371M, depending on the case. ABH recommended proceeding to feasibility-level XRT testing of a 500 to 1,000 kg bulk sample, with a further 200 to 500 kg of marginal material.

13.2.9.2 OrePortal Technologies Study (2026)

OrePortal Technologies completed a desktop bulk ore sorting (BOS) study in January 2026 to assess whether sensor-based sorting could add value to the SMG Project. The focus was on the low-grade years of production (Years 6 to 12 on the 2025 PEA mine plan), when lower cut-off grades bring marginal material into the plan and mill feed grade declines to 0.44 g/t Au on average, with a minimum of 0.38 g/t Au. The study evaluated grade heterogeneity, sensor availability, sensing configurations and Project economics, to determine whether laboratory or pilot sorting trials were warranted.

The assessment used the drill hole assay databases, the January 2025 resource block model and the nominated pit shell. Downhole mass-pull recovery curves were calculated at composite sizes of 1, 2 and 4 m. Proxies for XRF and prompt gamma neutron activation analysis (PGNAA) sensors were tested on 15,000 to 23,000 assays. Sorting performance by mine life period was then modelled on the resource model regularized to 10 m x 10 m x 5 m blocks, using a 0.2 g/t Au cut-off, and carried through an economic comparison.

Assuming perfect gold sensing, 30% to 50% of the mass could be rejected while retaining 95% of the Au, with a consistent response across mine life periods. No commercial sensor detects gold directly, and no reliable proxy for Au grade was identified. Single-element regression gave R^2 values of 0.01 to 0.31, multi-element regression gave a maximum R^2 of 0.54, and domain-based

classification was 60% to 65% accurate. Sulphur thresholding was the only workable proxy: at assay scale, a 0.75% S threshold rejected 44% of the mass at 82% Au recovery. In the sorting model for the low-grade years, sulphur sensing at 60% product mass pull gave 71.5% Au recovery and raised the feed grade from 0.44 to 0.52 g/t Au. Perfect Au sensing (95% recovery, +0.28 g/t Au) would return approximately C$54M/yr, but this technology is not commercially available.

The study concluded that BOS does not add value in the low-grade years with current technology and did not recommend progressing to vendor testwork.

13.3 Phoenix Deposit

Phoenix deposit is a satellite gold zone located near the main zone and not currently included in the mine production plan. Preliminary testwork has been completed in 2026 on Phoenix mineralization to assess flotation performance and ore sorting amenability. Flotation performance was tested under Project number BL2259.

13.3.1 Gravity Concentration and Flotation (2026)

Base Metallurgical Laboratories is carrying out the BL2259 metallurgical test program on samples expected to represent the Phoenix Deposit mineralization. Samples were the products from the ABH ore sorting program described in section 13.3.2.

The objectives of the program are to characterize the ore and its products, and to assess amenability to coarse particle flotation by conventional Denver cell testing, using the earlier BL1565 program as a guide. As of the date of this report this program is currently in progress. This summary covers the gravity and flotation results available to date, which are for the PHX Exploration Comp. representing the feed to the ore sorting program. The composite head assayed 0.295 g/t Au, 0.8 g/t Ag, 1.12% S, 2.64% C, 0.055% TOC and 1,271 ppm As.

Table 13-22: Head assay of the PHX Exploration Comp, program BL2259

Sample	Au (g/t)	Ag (g/t)	S (%)	C (%)	TOC (%)	As (ppm)
PHX Exploration Comp	0.295	0.8	1.12	2.64	0.055	1,271

Six laboratory tests have been completed: three gravity and rougher tests (BL2259-01 to -03) and three gravity, rougher and kinetic cleaner tests (BL2259-04 to -06). Each test used a 2 kg charge ground in a laboratory rod mill with mild steel rods, followed by gravity concentration on a Knelson concentrator and Mozley concentrator. The gravity tailings were floated for 30 minutes in seven timed concentrates with PAX, CMC and MIBC, using air and Kamloops tap water. Tests BL2259-01 to -03 were run at nominal primary grind P_{80} values of 180, 450 and 700 µm. Particle size distributions

measured on the rougher tailings gave P_{80} values of 155, 523 and 756 µm respectively. The cleaner tests BL2259-04 to -06 were run at a nominal primary grind K80 of 450 µm. The rougher concentrate was reground to K80 values of 13, 14 and 16 µm, measured by laser, and floated in five one-minute cleaner concentrates to assess the cleaner kinetics. Figure 13-5 shows the rougher kinetics of gold recovery for the three grind sizes and Figure 13-6 shows the sulphur curves.

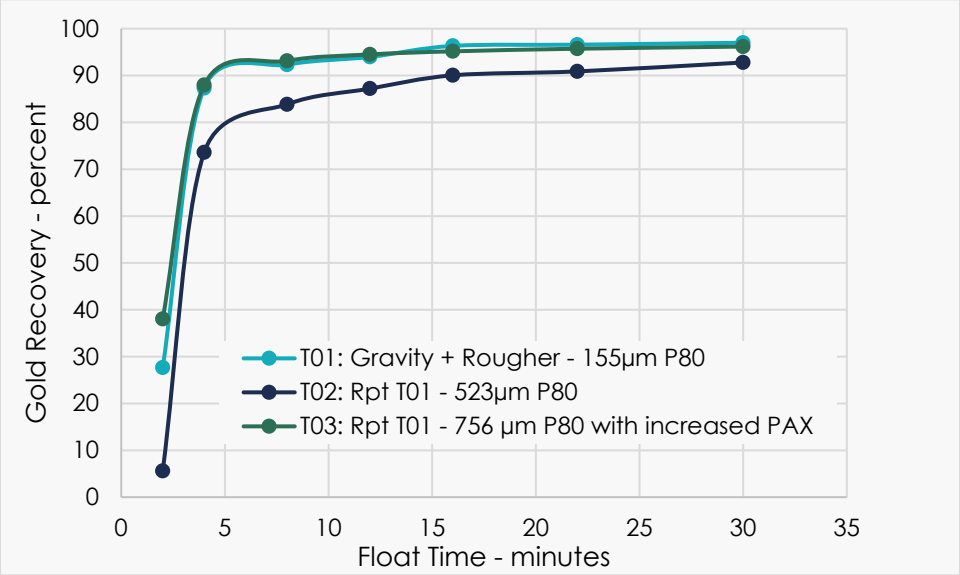


Figure 13-5 - Cumulative gold recovery versus float time in rougher tests BL2259-01 to -03

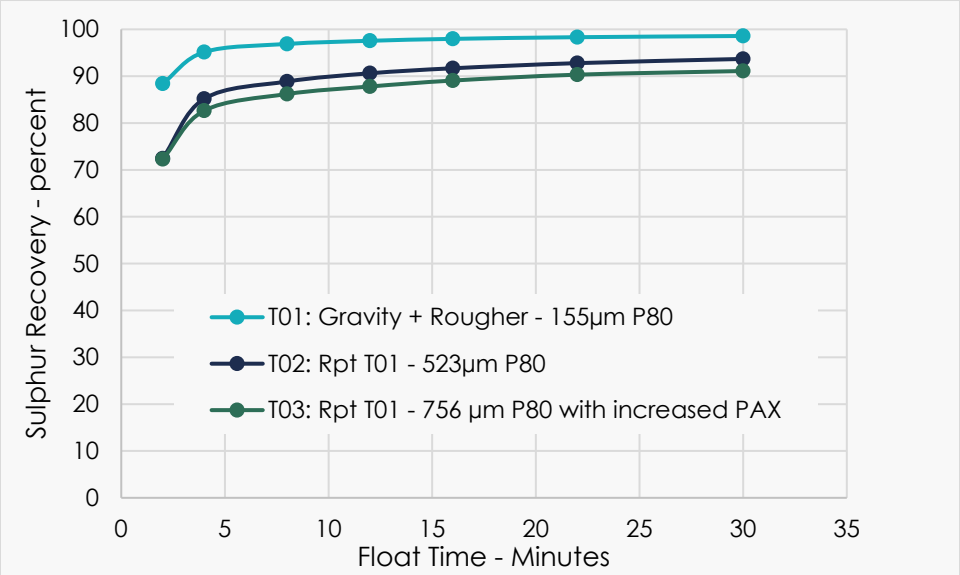


Figure 13-6 - Cumulative sulphur recovery versus float time in rougher tests BL2259-01 to -03

The test conditions and gravity concentration performance for the three rougher kinetics tests are summarized in Table 13-23 and the rougher performance is summarized in Table 13-24. Tests were run at natural pH of roughly 8 and CMC was added to all test at the concentration of 35 g/t of test feed. Rougher stage upgrade, calculated as the rougher concentrate Au grade divided by the rougher feed Au grade, was 5.5, 6.1 and 4.9 for the three rougher tests.

Table 13-23: Primary grind, gravity and reagent results in tests BL2259-01 to -03

Test no.	Primary grind P_{80} (µm)		Gravity		Reagent additions	
	Nominal	Measured	Au recovery (%)	Concentrate Au (g/t)	PAX (g/t)	MIBC (g/t)
BL2259-01	180	155	27.6	127.9	300	42
BL2259-02	450	523	5.6	10.7	300	42
BL2259-03	700	756	38.0	106	350	21

Table 13-24: Rougher flotation results in tests BL2259-01 to -03

Test no.	Rougher mass pull (%)	Rougher stage recovery (%)			Gravity + rougher Au recovery (%)	Rougher tailings Au grade (g/t)	Rougher stage Au upgrade ratio
		Au	Ag	S			
BL2259-01	17.5	96.2	78.6	98.6	97.2	0.02	5.5
BL2259-02	15.3	93.2	70.5	93.7	93.5	0.03	6.1
BL2259-03	19.1	94.3	70.1	91.1	96.4	0.03	4.9

In the cleaner tests, the rougher conditions were kept constants as per BL2259-03 test conditions. The three cleaner tests were run the three regrind sizes with unchanged collector dosages, however the frother was adjusted as needed by the technician. Table 13-25 summarizes the gravity and rougher performance for the three cleaner tests at different regrind sizes. The rougher Au upgrade ratio was 5.5, 5.6 and 5.4 for tests BL2259-04, BL2259-05 and BL2259-06 respectively and aligned with 6.1 from BL2259-02 taking into consideration the increased rougher mass pull from 15% to roughly 18% as expected with an increase in PAX dosage.

Table 13-25: Primary grind, regrind, gravity and rougher results in tests BL2259-04 to -06

Test no.	P_{80} (µm)		Gravity Au recovery (%)	Rougher stage performance			
	Primary (nominal)	Regrind		Mass pull (%)	Au rec. (%)	Ag rec. (%)	S rec. (%)
BL2259-04	450	13	24.6	17.5	96.2	69.8	95.0
BL2259-05	450	14	45.6	17.4	97.6	70.1	94.8
BL2259-06	450	16	11.1	18.5	99.0	74.4	95.1

Table 13-26: Cleaner flotation results in tests BL2259-04 to -06

Test no.	Cleaner mass pull (% of rougher conc.)	Cleaner stage Au recovery (% of rougher conc. Au)	Au to cleaner tailings (% of test feed)	Cleaner concentrate grade			Au in cleaner conc. (% of feed)	Flotation + Gravity Au recovery (%)
				Au (g/t)	S (%)	TOC (%)		
BL2259-04	36.2	70.5	21.4	14.0	13.7	0.67	51.2	75.7
BL2259-05	46.9	98.0	1.0	7.9	12.5	0.62	52.1	97.6
BL2259-06	45.3	99.3	0.6	38.6	12.2	0.58	87.4	98.5

Table 13-26 summarizes the cleaner results and the rougher tailings Au grade for the three cleaner tests. Cleaner stage Au recovery was 70.5%, 98.0% and 99.3% of rougher concentrate Au, with

21.4%, 1.0% and 0.6% of the Au reporting to the cleaner tailings, indicating that coarser regrind should be implemented for Phoenix mineralization. Cleaner concentrate grades for TOC were below the threshold identified as problematic for the main zone in terms of preg-robbing risk. Nugget effect was observed throughout the test program, with the recalculated Au head grade for the tests ranging from 3.68 to 0.39 g/t Au. The preliminary Phoenix results are very encouraging with overall gold recoveries of up to 98.5% for a single stage cleaner concentrate combined with gravity recovery.

13.3.2 Ore Sorting

13.3.2.1 ABH Engineering Program (2026)

ABH was engaged to perform ore sorting testwork on the Phoenix Deposit in two phases. ABH presented preliminary Phase 1 particle ore sorting results in February 2026.

The objective of Phase 1 was to verify Phoenix cascade sorting tests on a rock-by-rock basis, using dual-energy XRT sorting, and to track potential recovery losses by zone. The scope included a review of historical work, guidance on sample selection and tagging, an assessment of sorting technology, and recommendations for the scanning and assay laboratories.

The test program used 96 individually labelled and bagged rock samples from the Phoenix Deposit, which were XRT scanned and individually assayed at Saskatchewan Research Council (SRC). The scan and assay results were integrated to build sorting algorithms by multivariable regression, and these were compared with algorithms from simpler methods. Three programs, referred to as 25% contain, 50% contain and no contain, were evaluated at operating points of 22%, 36% and 45% mass pull, at a feed grade of 0.48 g/t Au.

The 25% contain program recovered 84% of the Au at 22% mass pull (1.80 g/t Au product, 0.10 g/t Au reject), 91% at 36% mass pull (1.21 g/t Au product, 0.07 g/t Au reject) and 92% at 45% mass pull (0.99 g/t Au product, 0.07 g/t Au reject).

The 50% contain program recovered 86%, 89% and 89% at the same mass pulls, with product grades of 1.85, 1.18 and 0.96 g/t Au and a reject grade of 0.09 g/t Au.

The no contain program recovered 75%, 82% and 92%, with reject grades of 0.16, 0.13 and 0.07 g/t Au. Both contain programs achieved higher recoveries and upgrades than no contain in the 30% to 50% mass pull range.

Across the programs, Au grade was upgraded by two to three times, 50% to 70% of the mass was rejected as barren material and Au recoveries were 85% to 91%. ABH noted a high nugget effect and selected the 50% contain program for Phase 2. Nugget effect was also observed on flotation testwork.

13.4 Recommendation for PEA Flowsheet

The recommended flowsheet is informed by the testwork completed on both Main and Phoenix deposits, but the mine plan does not include Phoenix at this time. The flowsheet includes coarse particle flotation (CPF) of a pre-screened feed ground to a target primary grind of 600 µm. The screen undersize below 200 µm bypasses the CPF and the CPF concentrate is reground to a target grind of P_{80} 200 µm prior to combining with the screen undersize delivering a feed to the gravity and rougher circuits at a grind size of approximately P_{80} 180 µm. The target mass pulls are 25% for the CPF, and 20-25% for the rougher circuit. Rougher concentrate is to be reground to a target grind of P_{80} 20 µm in preparation to a two-stage cleaning circuit with a target mass pull of 50%. Cleaner concentrate will feed a CIL circuit to mitigate the pre-robbing risk. Flotation times and conditions to reach the target mass pulls will be confirmed with ongoing testwork designed to represent all concentration steps detailed in Chapter 17.

Testwork results provided the basis for the reagent and grinding media consumption rates used to develop the process operating cost estimate.

13.5 Recovery Estimates

Gold and silver recovery models for the main deposit were developed using results from the 2024-2025 metallurgical test program and flowsheet proposed in Section 13.4. Recovery equations for the Argillite (Main Upper and Lower), Tuff, and Greywacke lithologies were derived by combining three processing stages: rougher flotation recovery, cleaner flotation recovery, and leach extraction.

Gold rougher flotation recovery, evaluated in conjunction with gravity concentration over a primary grind size range of P_{80} 180 to 450 µm, was correlated with feed grade for each lithology. The resulting recovery relationships are presented in Figure 13-7, Figure 13-8, and Figure 13-9.

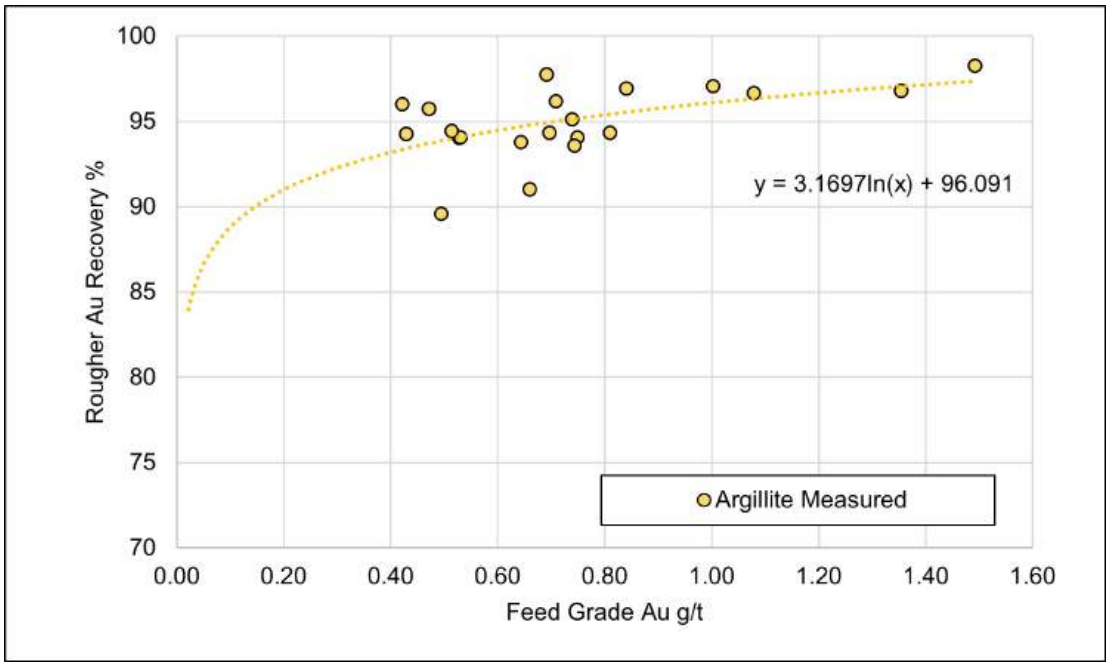


Figure 13-7: Rougher test results - recovery of gold as a function of feed grade for argillite

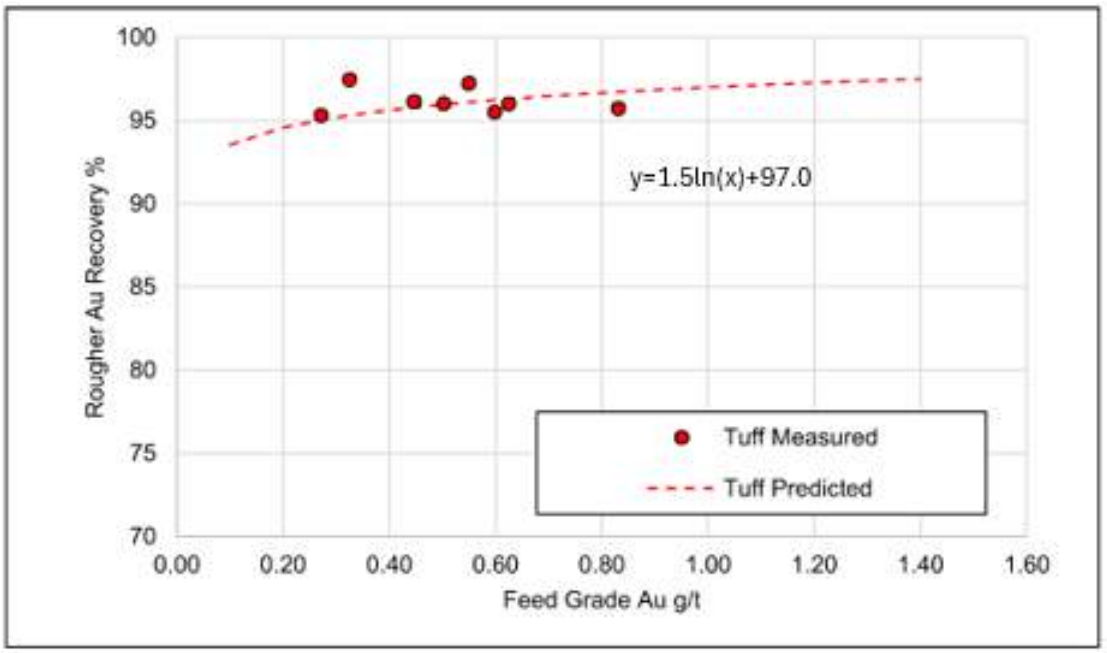


Figure 13-8: Rougher test results - recovery of gold as a function of feed grade for tuff

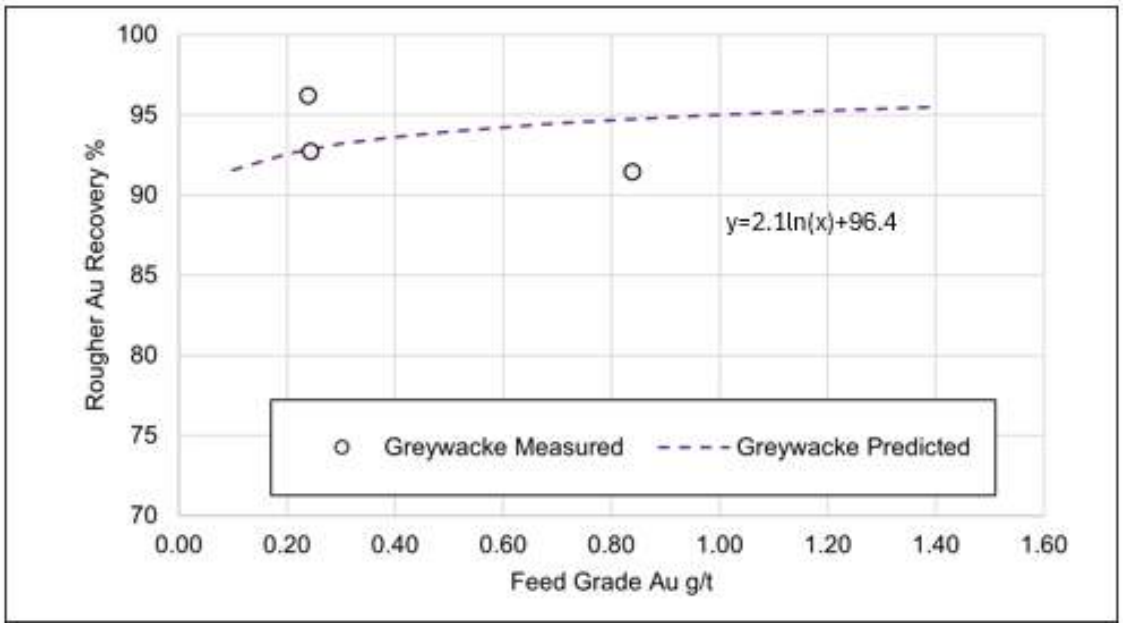


Figure 13-9: Rougher test results - recovery of gold as a function of feed grade for greywacke

A CPF bypass of 35% of mill feed and metal recovery of 97% was applied to all lithologies. In addition, cleaner flotation recoveries and leach extraction factors were applied to the rougher flotation recovery models to estimate overall gold recovery. The resulting combined CPF, cleaner and leaching recoveries factors were 94% for Argillite, 94% for Tuff, and 95% for Greywacke.

The equations used to predict overall gold recovery are presented in Table 13-27.

Table 13-27: Overall recovery equations for gold

Lithology	Recovery Equation
Argillite	$Au\ Recovery\ \% = 90.2 + 3.6 * LN(Au\ feed\ grade)$
Tuff	$Au\ Recovery\ \% = 91.9 + 1.45 * LN(Au\ feed\ grade)$
Greywacke	$Au\ Recovery\ \% = 89.8 + 1.44 * LN(Au\ feed\ grade)$

Note: Feed grade is expressed in g/t.

Rougher flotation silver recovery for the Argillite and Greywacke lithologies was found to be dependent on feed grade. To estimate overall silver recovery, the same methodology as for gold production forecast was used. The combined CPF and cleaner flotation recovery of 72% and leach extraction factors of 73% were applied to the rougher flotation recovery model. Tuff recovery was assumed to be 56.8% Ag and independent of head grade.

The equations used to predict overall silver recovery are presented in Table 13-28.

Table 13-28: Overall recovery equations for silver

Lithology	Recovery Equation
Argillite/Greywacke	$Ag\ Recovery\ \% = 33.6 + 13.6 * (Ag\ feed\ grade)$
Tuff	$Ag\ Recovery\ \% = 56.8$

13.6 QP Observations and Recommendations

Colin Hardie, P.Eng., of BBA Inc., is the Qualified Person responsible for the mineral processing and metallurgical testwork review presented in this chapter. Based on his review, the principal observations and recommendations are summarized below.

13.6.1 Testwork Summary and Observations

The metallurgical testwork completed to date provides a basis for the preliminary process flowsheet, recovery estimates, and process design assumptions adopted for the PEA. The Main Deposit has been evaluated through several programs encompassing sample characterization, comminution, gravity concentration, flotation, concentrate leaching, and supporting process investigations. Additional testwork is required to confirm flowsheet performance across the expected range of mill feed characteristics and establish the design criteria and operating cost basis for a future feasibility study.

The results support gold recovery through gravity concentration and flotation, followed by fine grinding and cyanidation of flotation concentrates. Testing has also demonstrated the potential to recover gold from coarse particles and reject gangue ahead of further grinding, supporting the inclusion of coarse particle flotation. Performance varies with lithology, feed grade, and sample condition. Lower recoveries observed in certain low-grade, near-surface samples warrant further investigation to distinguish the effects of oxidation, grade, and mineralogical variability.

Concentrate leach testing has generally achieved high gold extraction when activated carbon is present during leaching. Preg-robbing tests demonstrated that naturally occurring carbonaceous material can adsorb dissolved gold, while the addition of activated carbon reduced these losses. These results support the proposed carbon-in-leach approach. Further testing should confirm extraction and carbon requirements across representative concentrate types and operating conditions.

The coarse particle flotation assumptions incorporated into the PEA recovery model require further confirmation, particularly at coarser primary grind sizes of 450 to 600 um (P_{80}). The proposed mass rejection or bypass associated gold losses, and downstream flotation performance should be evaluated together using representative samples.

Preliminary gravity, flotation, and particle sorting testwork has also been undertaken on Phoenix Deposit material. Further investigation would be required to establish a design and recovery basis should this material be considered for inclusion in a future mine plan.

Particle sorting results indicate potential to upgrade selected material, subject to validation using representative bulk samples. The separate desktop bulk sorting study did not support further development of bulk sorting under the conditions evaluated.

13.6.2 Planned Testwork

Mineralized material from the Main Deposit, selected to represent the first five years of production in the PEA mine plan, has been shipped to Base Metallurgical Laboratories in Kamloops, British Columbia, and Metso's testing facility in Finland. The program comprises 145 samples representing more than 700 m of mineralized drill core and covering the lithologies identified within the mine plan.

The program is intended to expand the metallurgical database and support a future feasibility study. Planned investigations include evaluation and optimization of coarse particle flotation using Eriez HydroFloat and Metso Sampo technologies, characterization of flotation concentrate comminution requirements, and assessment of alternative cleaner circuit configurations. Concentrate leach extraction will also be evaluated, and representative tailings will be generated for characterization to support tailings facility design and water quality modelling.

13.6.3 Recommendations for Future Work

The QP recommends the following work as part of, or in addition to, the planned program:

- **Sample representativity and variability:** Confirm sample coverage against the mine schedule, lithology, spatial distribution, grade, oxidation, sulphur, and organic carbon content. Supplement the initial five-year program with material representing later production, particularly Greywacke and other feed types whose contributions increase over the mine life.
- **Comminution and fine grinding:** Expand hardness and abrasion testing to support equipment sizing and throughput estimates. Compare suitable fine grinding technologies using representative concentrates to establish specific energy and media consumption, achievable product size distributions, and the relationship between grind size and leach extraction.
- **Coarse particle flotation**: Complete additional confirmatory testing at coarser primary grind sizes of 450 to 600 µm across the principal lithologies and expected feed grades. Evaluate classification efficiency, size-by-size gold recovery, mass rejection, water requirements, and

downstream flotation performance. Continuous or pilot testing should confirm the selected technology and the recovery assumptions adopted for the PEA.

- **Gravity and cleaner circuit optimization:** Confirm the contribution of gravity recovery within the selected flowsheet and evaluate alternative cleaner configurations. Locked-cycle or continuous testing should assess circulating loads, concentrate mass pull, organic carbon rejection, and gold losses, with particular attention to low-grade and partially oxidized material.
- **Leaching and preg-robbing:** Evaluate leach kinetics, reagent and oxygen demand, and activated carbon requirements across the expected range of concentrate characteristics. Confirm gold and silver extraction at the selected regrind size and residence time, including tests with representative process water.
- **Process solution chemistry:** Monitor dissolved copper and other relevant constituents during future testwork to confirm their effects on cyanide consumption, carbon adsorption, and cyanide detoxification requirements.
- **Phoenix Deposit:** Should Phoenix material be considered for a future mine plan, complete the ongoing program and undertake additional variability testing to establish its processing requirements and recovery characteristics.
- **Particle ore sorting:** Validate sorting performance using independent samples and representative crushed bulk material. Assess particle size effects, fines bypass, throughput, gold losses, and reject grades. Further Phoenix testing should build on the proposed Phase 2 investigation. Update the economic assessment using demonstrated performance and the associated mining, handling, and processing requirements.
- **Tailings, water, and dewatering:** Generate representative coarse and fine flotation tailings and detoxified leach residues from the selected flowsheet. Complete geochemical, settling, rheology, and filtration testing appropriate to the proposed disposal strategy. Confirm cyanide detoxification requirements and evaluate the effects of recycled water on flotation and leaching.

The results should be incorporated into an updated metallurgical balance and recovery model and used to refine process design criteria and reagent and energy consumption estimates. Remaining uncertainties should be documented and addressed as the Project advances to the next study phase.

14. Mineral Resource Estimates

14.1 Introduction

The SMG 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, and for the Phoenix Deposit. The effective date of these Mineral Resource Estimates is May 19, 2026.

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 with no assay certificates 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 2026.1. Geostatistical evaluation of the data was completed using Leapfrog 2026.1 and Micromine Origin & Beyond 2026. Leapfrog was used for grade estimation, while Micromine was used for exploratory data analysis (EDA), additional block model editing, classification, and reporting.

14.2 Spanish Mountain Main Deposit

14.2.1 Drill Hole Database

The drill hole database (DHDB) is built from data from recent drilling, legacy digital files and previous compilations. The DHDB provided by Spanish Mountain Gold Corporation (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 drill campaign logs from 2024 and onwards were directly imported 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 May 19, 2026. Additional details of the DHDB verification are included in Section 12.

The database includes 1,896 drill holes representing a cumulative length of 263 km. Drilling by year and company is summarized in **Error! Not a valid bookmark self-reference.**. For the Main Deposit extent of the MRE of this report, a total of 1,034 drill holes, accounting for 215 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	-
2005-2026	Spanish Mountain Gold	1,184	240,378	Yes

The drill hole database was modified as follows:

- Intervals representing less then 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 10 holes of the 1985 campaigns 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 metres	Number of samples	Total sample length (m)
DDH	785	184,597	115,787	178,009
RC	249	30,553	207,702	29,424
TOTALS	**1034**	**215,150**	**136,489**	**207,433**

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. in the LiDAR point cloud data was used to prepare a 1-metre resolution digital elevation model (DEM) for the Project area.

14.2.2.2 Fault Model

The Project's fault model is based on compilation work completed by SRK (Uken, 2024). Three high confidence faults have been modeled; the North Fault, South Fault and Fault 1. Additional faults with lower confidence have been modelled 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 modelled, 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
Norh	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 modelled 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 modelling was completed on a section-by-section basis and reconciled in 3D.

14.2.2.3 Lithology Model

Lithology models used for the MRE were developed using data from the 2023–2024 core re-logging 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 re-logging 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

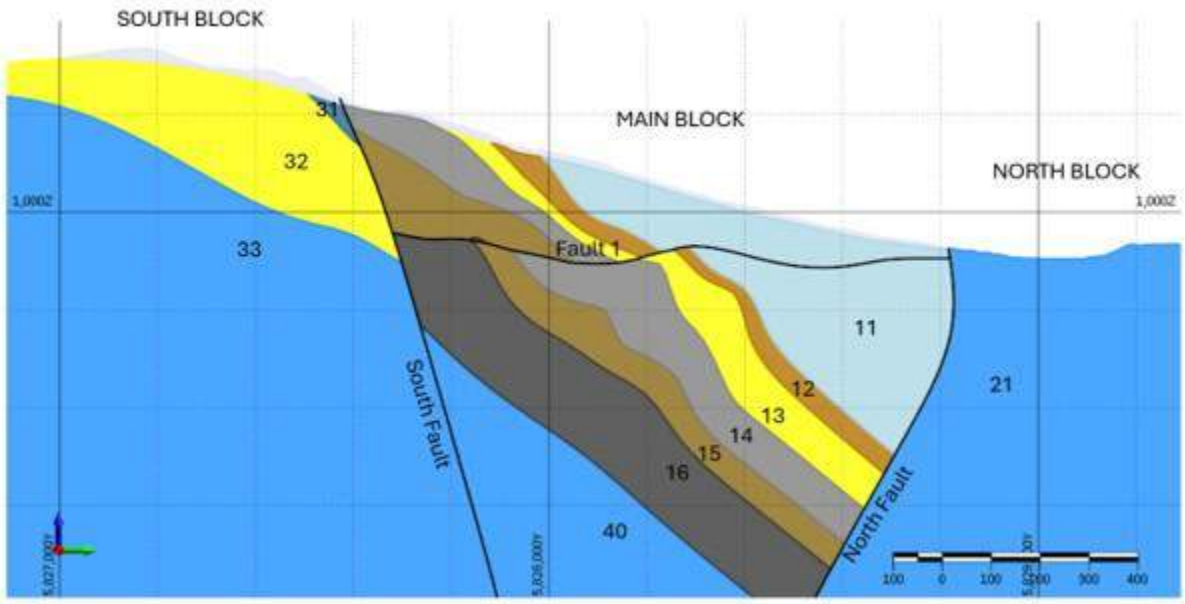


Figure 14-1: Spanish Mountain main deposit lithological model section, looking west

14.2.2.4 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 re-logging programs, Structural Geology of the Spanish Mountain Main Deposit: Summary of Phase 1 and Phase 2 Investigations (Uken, 2024) and geochemical classification (Black and Dumouchel, 2024). Mineralization models were developed by identifying zones between drill sections 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 stratiform mineralization and is concentrated within the argillite-bearing lithologies. The controls for the stratiform mineralization include structure and stratigraphy. The continuity of gold mineralization generally follows stratigraphy and relies on the orientation of modelled lithology. The second style is interpreted to be late stage mineralization and occurs as quartz vein systems. During the modelling process, both styles of mineralization are honored throughout the deposit. Most of the gold mineralization occurring within the Main Block (i.e. Main Upper, Lower Mid and Lower) are dominantly early-stage mineralization. The stratiform 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 modelled as a series of moderately dipping zones (dipping from 30° to 50°) that include abundant quartz veins. These

quartz veins generally have localized high-grade mineralization and are commonly 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

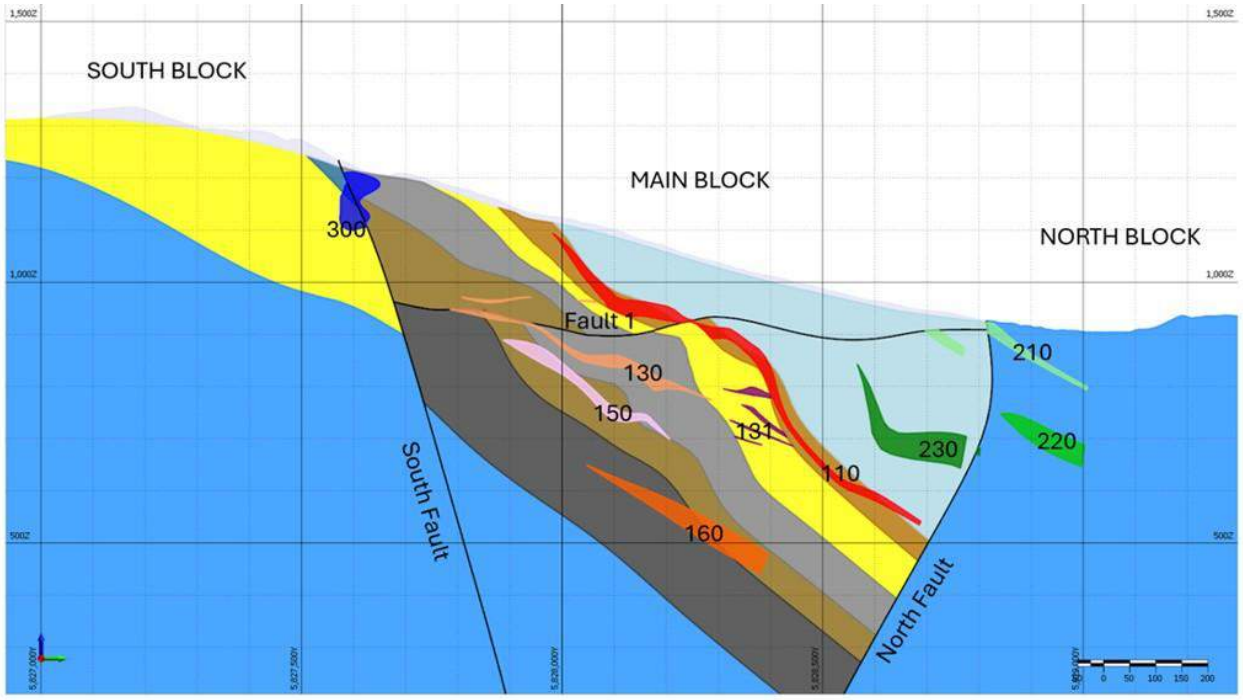


Figure 14-2: Spanish Mountain Main Deposit mineralization model Section, looking west

14.2.3 Density

The drill hole database includes 2,166 bulk density measurements from the 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	30	2.59	2.10
11	1,409	2.69	2.78
12	414	2.75	2.79
13	1,636	2.71	2.79
14	1,051	2.63	2.75
15	143	2.67	2.78
16	53	2.78	2.78
21	337	2.66	2.77

Domain	Count	Average of bulk density (t/m³)	Block model assigned value (t/m³)
31	13	2.83	2.78
32	30	2.85	2.78
33	22	2.78	2.78
40	0	-	2.78
110	1,217	2.65	2.77
120	0	-	2.78
130	39	2.74	2.78
131	98	2.71	2.78
140	3	2.37	2.78
150	254	2.61	2.76
160	0	-	2.78
210	111	2.79	2.81
220	17	2.83	2.78
230	31	2.79	2.78
300	11	2.8	2.78

14.2.4 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. Outlier restrictions were applied in addition to the defined capping values for lithological domains 11–40, which have broader drill hole spacing. In the main block, values above 3 g/t gold were excluded at search distances greater than 20% of the search range. In the South and North blocks, values above 1 g/t were excluded at search distances greater than 33% of the search range. The same restriction (values above 3 g/t excluded beyond 33% of the search range) was applied to Domain 150 in the second pass, to control erratic high-grade smearing where drill density was low. No outlier restrictions were applied to any other mineralized domains.

Summary statistics for the original and capped Au and Ag assays are summarized in Table 14-7 and Table 14-8 respectively.

Table 14-7: Summary statistics of Au (g/t), original and capped assays, Spanish Mountain Main Deposit

Domain	Code	Length weighted statistics Au (g/t)								
		Count	Uncapped			Capped				
			Mean	SD	CoV	Top cut value	Top cuts applied	Mean	SD	CoV
Main Upper Argillite	11	22,186	0.08	0.46	5.25	7	10	0.08	0.27	3.3
Main Upper Greywacke	12	7,304	0.19	1.15	5.73	7	7	0.18	0.52	2.85
Main Tuff	13	20,735	0.18	2.5	12.31	18	14	0.16	0.74	4.27
Main Argillite	14	17,343	0.1	0.39	3.65	10	2	0.1	0.35	3.32
Main Lower Greywacke	15	6,914	0.1	0.29	2.86	4	7	0.1	0.25	2.5
Main Lower Argillite	16	3,866	0.08	0.27	3.22	4	2	0.08	0.18	2.28
North Siltstone	21	7,610	0.09	0.39	4.01	8	3	0.09	0.31	3.23
South Siltstone Tuff	31	458	0.06	0.18	2.97	-	-	0.06	0.18	2.97
South Tuff	32	5,182	0.11	1.9	18.58	10	5	0.07	0.41	5.74
South Siltstone	33	4,072	0.07	0.76	10.1	10	3	0.07	0.46	6.96
Main Siltstone Basal	40	285	0.09	0.07	2.04	-	-	0.03	0.07	2.04
Main Zone Upper	110	14,690	0.6	2.13	3.36	32	10	0.59	1.51	2.47
Main West (Slipper) Zone	120	564	0.49	1.41	2.77	-	-	0.49	1.41	2.77
Main Mid Zone	130	921	0.62	3.4	5.5	6	6	0.48	0.77	1.59
Main Tuff Veins Zone	131	1,553	1.74	6.69	3.65	35	4	1.6	3.6	2.18
Main Lower Mid Zone	140	554	0.71	3.5	4.71	6	7	0.52	0.9	1.72
Main Lower Zone	150	5,826	0.57	3.49	6.1	12	14	0.5	1.08	2.11
Main Basal Zone	160	270	0.53	0.84	1.57	-	-	0.53	0.84	1.57
North Upper Zone	210	5,433	0.4	0.95	2.34	11	2	0.4	0.67	1.71
North Mid Zone	220	1,386	0.44	1.62	3.54	11	1	0.42	0.78	1.83

Domain	Code	Length weighted statistics Au (g/t)								
		Count	Uncapped			Capped				
			Mean	SD	CoV	Top cut value	Top cuts applied	Mean	SD	CoV
North Lower Zone	230	701	0.53	1.22	2.32	11	2	0.52	1.03	2.02
Main South (K) Zone	300	9,100	0.47	1.8	6.34	27	14	0.42	1.59	3.56

Table 14-8: Summary statistics of Ag (g/t), original and capped assays, Spanish Mountain Main Deposit

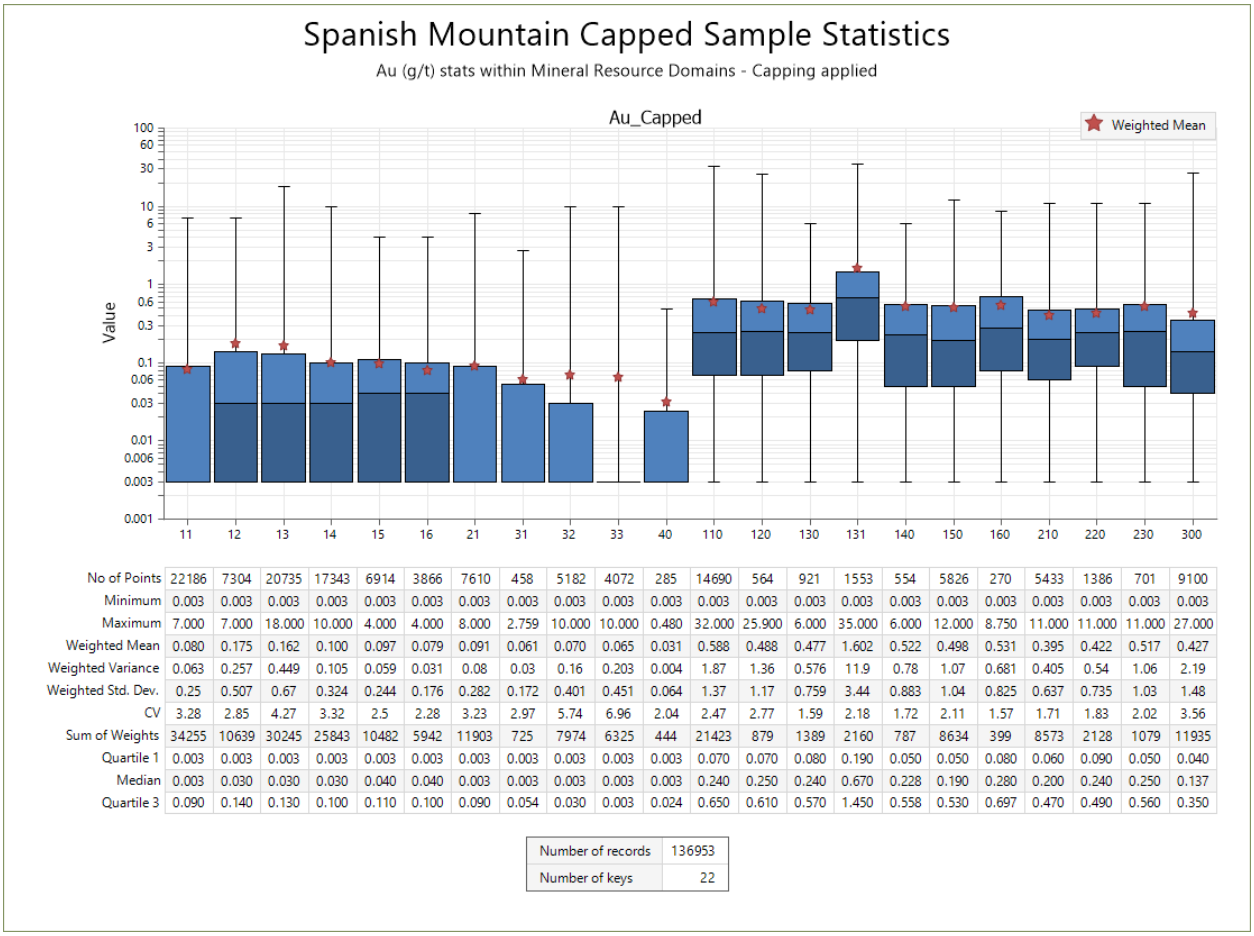
Domain	Code	Length weighted statistics Ag (g/t)								
		Count	Uncapped			Capped				
			Mean	SD	CoV	Top cut value	Top cuts applied	Mean	SD	CoV
Main Upper Argillite	11	22,035	0.59	0.94	1.6	14	3	0.59	0.87	1.5
Main Upper Greywacke	12	7,161	0.39	0.7	1.79	14	1	0.39	0.7	1.79
Main Tuff	13	19,285	0.33	2.09	6	30	4	0.33	0.8	2.41
Main Argillite	14	16,524	0.53	0.7	1.35	30	0	0.53	0.7	1.35
Main Lower Greywacke	15	6,756	0.59	1.34	2.31	13	3	0.57	0.75	1.33
Main Lower Argillite	16	3,867	0.64	0.9	1.42	13	1	0.63	0.84	1.33
North Siltstone	21	7,610	0.38	1.09	2.81	8	9	0.37	0.6	1.62
South Siltstone Tuff	31	439	0.46	1.55	3.74	10	2	0.4	0.95	2.55
South Tuff	32	4,593	0.2	0.67	3.33	10	3	0.2	0.45	2.32
South Siltstone	33	4,048	0.18	0.65	3.67	10	3	0.17	0.46	2.71
Main Siltstone Basal	40	285	0.39	0.65	1.61	3	1	0.39	0.65	1.61
Main Zone Upper	110	13,543	0.71	1.58	2.24	32	4	0.7	1.22	1.76
Main West (Slipper) Zone	120	564	0.55	1.46	2.6	30	0	0.55	1.46	2.6
Main Mid Zone	130	921	0.69	1.29	1.89	6	5	0.65	0.68	1.07
Main Tuff Veins Zone	131	1,408	0.79	2.07	2.51	8	15	0.7	1.11	1.54
Main Lower Mid Zone	140	516	0.76	1.63	2.14	6	3	0.7	0.8	1.13
Main Lower Zone	150	5,824	0.64	0.9	1.42	12	4	0.63	0.78	1.24
Main Basal Zone	160	270	0.55	0.53	0.95	4.1	0	0.55	0.53	0.95
North Upper Zone	210	5,433	0.74	1.93	2.58	11	12	0.71	0.92	1.31

Domain	Code	Length weighted statistics Ag (g/t)								
		Count	Uncapped			Capped				
			Mean	SD	CoV	Top cut value	Top cuts applied	Mean	SD	CoV
North Mid Zone	220	1,386	0.83	1.19	1.41	11	2	0.83	1.16	1.38
North Lower Zone	230	701	0.76	1.58	2.08	11	2	0.71	0.93	1.3
Main South (K) Zone	300	4,822	0.71	1.27	1.81	11	6	0.68	1	1.47

14.2.5 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.



	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	22186	7304	20735	17343	6914	3866	7610	458	5182	4072	285	14690	564	921	1553	554	5826	270	5433	1386	701	9100
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	7.000	7.000	18.000	10.000	4.000	4.000	8.000	2.759	10.000	10.000	0.480	32.000	25.900	6.000	35.000	6.000	12.000	8.750	11.000	11.000	11.000	27.000
Weighted Mean	0.080	0.175	0.162	0.100	0.097	0.079	0.091	0.061	0.070	0.065	0.031	0.588	0.488	0.477	1.602	0.522	0.498	0.531	0.395	0.422	0.517	0.427
Weighted Variance	0.063	0.257	0.449	0.105	0.059	0.031	0.08	0.03	0.16	0.203	0.004	1.87	1.36	0.576	11.9	0.78	1.07	0.681	0.405	0.54	1.06	2.19
Weighted Std. Dev.	0.25	0.507	0.67	0.324	0.244	0.176	0.282	0.172	0.401	0.451	0.064	1.37	1.17	0.759	3.44	0.883	1.04	0.825	0.637	0.735	1.03	1.48
CV	3.28	2.85	4.27	3.32	2.5	2.28	3.23	2.97	5.74	6.96	2.04	2.47	2.77	1.59	2.18	1.72	2.11	1.57	1.71	1.83	2.02	3.56
Sum of Weights	34255	10639	30245	25843	10482	5942	11903	725	7974	6325	444	21423	879	1389	2160	787	8634	399	8573	2128	1079	11935
Quartile 1	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.070	0.070	0.080	0.190	0.050	0.050	0.080	0.060	0.090	0.050	0.040
Median	0.003	0.030	0.030	0.030	0.040	0.040	0.003	0.003	0.003	0.003	0.003	0.240	0.250	0.240	0.670	0.228	0.190	0.280	0.200	0.240	0.250	0.137
Quartile 3	0.090	0.140	0.130	0.100	0.110	0.100	0.090	0.054	0.030	0.003	0.024	0.650	0.610	0.570	1.450	0.558	0.530	0.697	0.470	0.490	0.560	0.350

Number of records	136953
Number of keys	22

Figure 14-3: Spanish Mountain main deposit 2 m composites gold box and whisker by domain

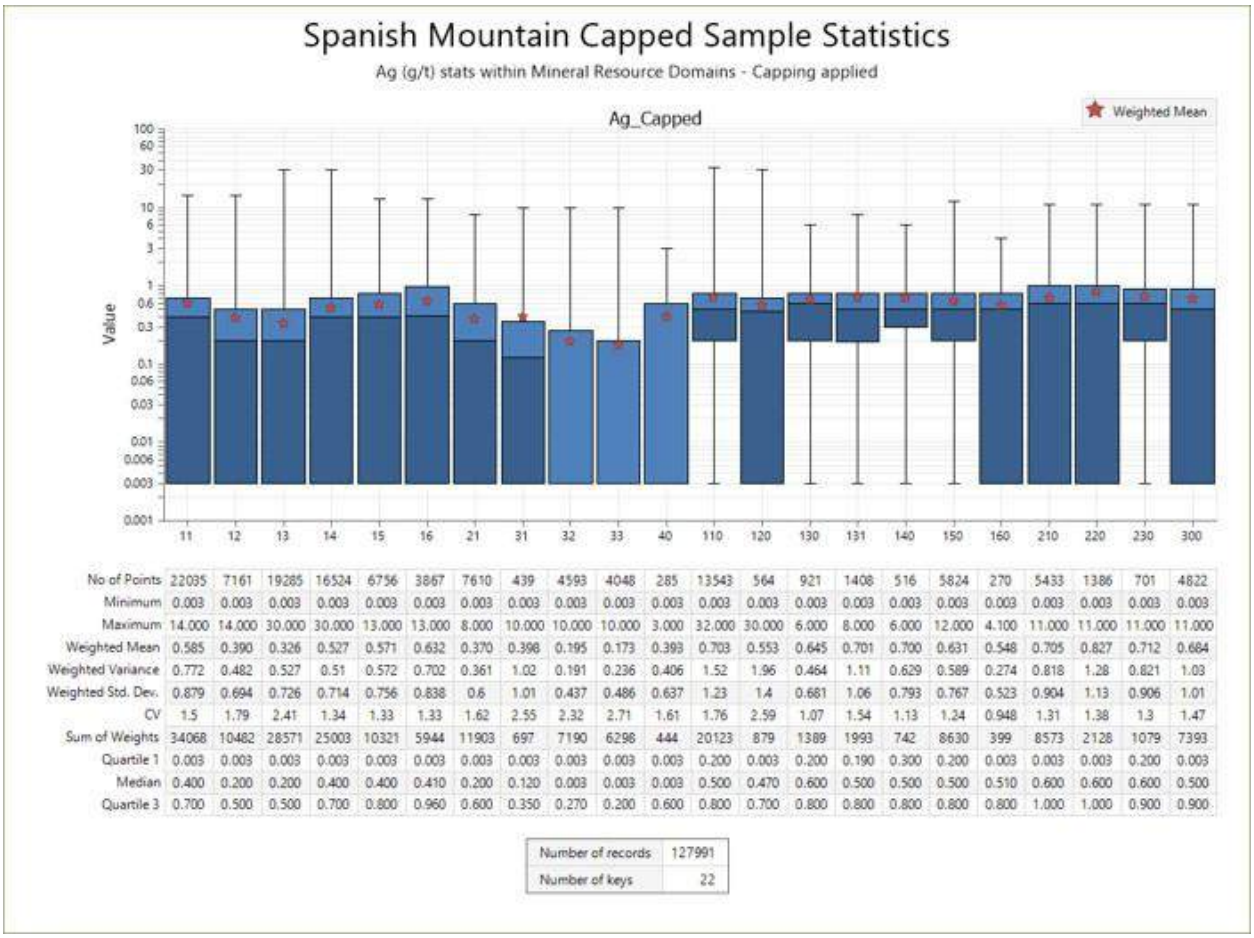


Figure 14-4: Spanish Mountain main deposit 2 m composites silver box and whisker by domain

14.2.6 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 the search distance parameters.

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

14.2.7 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 metres, 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 metres
Lithological domains (11-40)	Hard	All estimation runs utilized semi-hard boundary approach with distances ranging between 15 and 25 metres

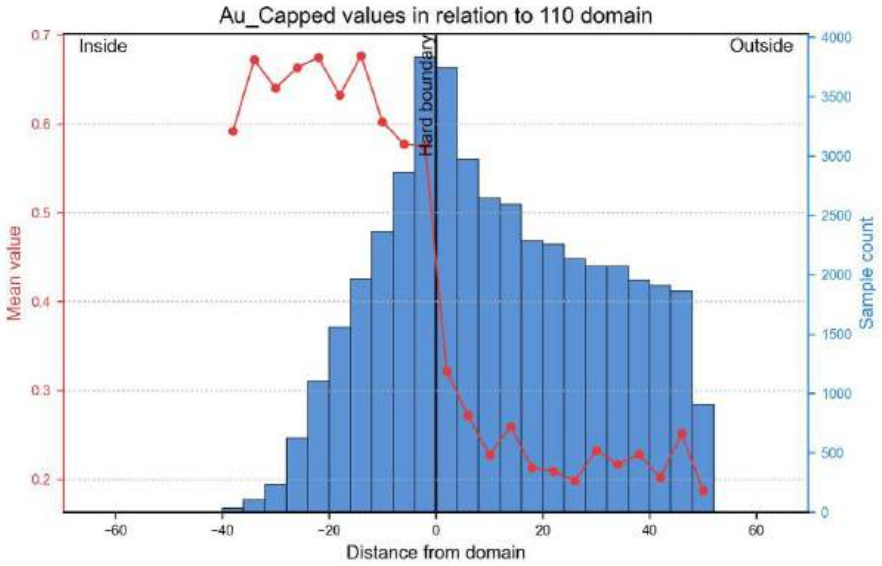


Figure 14-5: Contact analysis of gold in Main Upper Zone (Domain 110) of Spanish Mountain Main Deposit

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 14-11. 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	5,826,500	2,700
Z	5	1.25	0	280	1,220

14.2.10 Grade Estimation

Estimates were generated for gold, silver, arsenic, calcium, cadmium, and sulphur using inverse distance cubed (ID^3) interpolation.

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 (110-300), while two passes were applied in the lithological domains (11-40). In the mineralized domains (110-300), 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 (11-40), 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			

				Ellipsoid ranges			Ellipsoid directions		
Domain	Pass	Boundary type	Range	Maximum	Intermediate	Minimum	Dip	Dip azi.	Pitch
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			
	2	Hard		85	75	20			
	3	Semi-hard	15	140	120	30			

				Ellipsoid ranges			Ellipsoid directions		
Domain	Pass	Boundary type	Range	Maximum	Intermediate	Minimum	Dip	Dip azi.	Pitch
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			

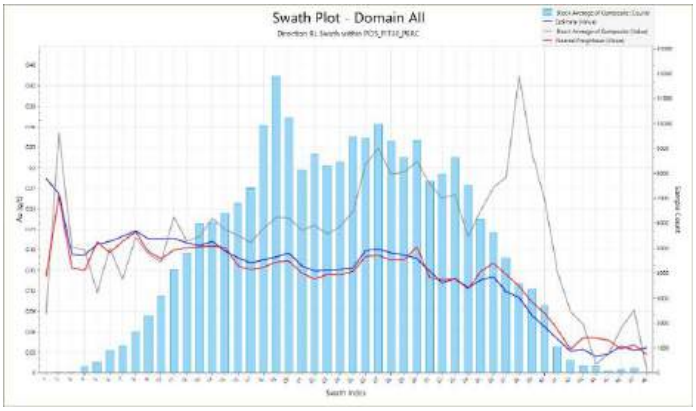
Estimations for arsenic, calcium, cadmium, sulphur, nickel and cobalt use two estimation passes for all domains. The first pass used the full range of the modelled Correlogram ranges, while the second pass utilized approximately twice the ranges of the correlograms. The ellipsoid directions used the same parameters as those for gold and silver, as listed in Table 14-10 above.

14.2.11 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 in easting and vertical directions with a width of 15 m. Figure 14-9 shows swath plot of the blocks within the resource pit. Red lines illustrate nearest neighbor (NN) grade estimates, blue lines represent ID^3 gold grade estimates, blue bars represent composites count, and grey 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.



Elevation swaths

Easting swaths

Figure 14-6: Swath plots of estimated blocks within the $3,400 resource pit of Spanish Mountain Main Deposit

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

Domains	Number of pairs	Average grade		Rank correlation coefficient
		Composites	Estimated blocks	
11	7,747	0.08	0.10	0.82
12	2,615	0.19	0.21	0.83
13	7,333	0.17	0.23	0.84
14	6,166	0.11	0.12	0.82
15	2,341	0.10	0.11	0.84
16	1,125	0.08	0.09	0.86
21	2,297	0.10	0.12	0.81
31	122	0.06	0.06	0.89
32	1,873	0.07	0.08	0.80
33	1,375	0.07	0.07	0.72
40	22	0.04	0.04	0.80
110	5,183	0.60	0.58	0.87
120	209	0.49	0.51	0.84

Domains	Number of pairs	Average grade		Rank correlation coefficient
		Composites	Estimated blocks	
130	356	0.54	0.46	0.77
131	707	1.87	1.23	0.622
140	224	0.57	0.48	0.72
150	2,092	0.49	0.48	0.84
160	41	0.65	0.65	0.76
210	2,100	0.40	0.39	0.88
220	484	0.43	0.38	0.74
230	176	0.71	0.53	0.77
300	2,709	0.44	0.42	0.86

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, 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 ≤ 30 m, estimated with at least three holes.
- Indicated Mineral Resources: average drill hole spacing threshold of ≤ 70 m, estimated with at least three holes.
- Inferred Mineral Resources: all other calculated blocks with average sample distance ≤ 150 m, 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	≤ 30 m	-
Indicated	≥ 3	49 m	≤ 70 m	-
Inferred	≥ 2	138 m	-	≤ 150 m

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 14-15 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$ per oz	3,400
Silver price	US$ per oz	45
Payability gold	%	99.8
Payability silver	%	90
Process recovery Gold	%	90
Process recovery Silver	%	50
Mill process and site G&A costs	CAD$/t processed	11.50
Ore mining costs	CAD$/t	3.50
Waste mining costs	CAD$/t	3.50
Incremental mining costs[1]	CAD$/t	0.03
Exchange rate	C$ to US$	0.73
Offsite charge gold	CAD$ per oz	7.00
Offsite charge silver	CAD$ per oz	2.00
Royalty[2]	%	1.5

[1] Starting at 950 m for every 10 m elevation drop.

[2] Royalty assumes WPM buyout of 1% and buyout of other NSR holder/s of 0.5%, for a total of 1.5% on average for property

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.

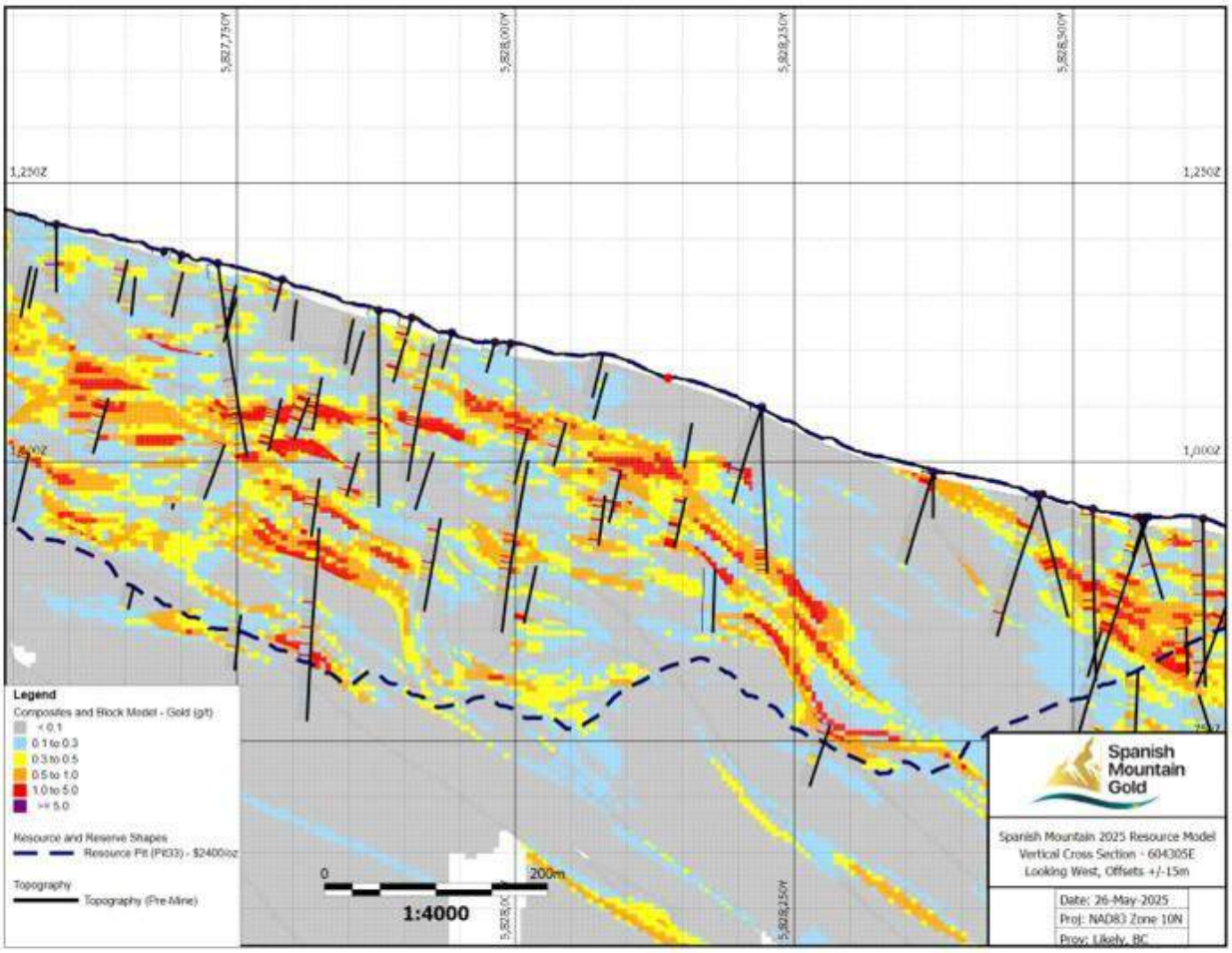


Figure 14-7: Cross-section through Spanish Mountain Main Deposit at 604305 E, looking west +/- 15 m, with estimated block grades and the $3,400 pit outline

Table 14-16: Gold grade cut-off sensitivities of Spanish Mountain Main Deposit

Class	Cut-off grade	Tonnes	Gold grade	Contained gold	Silver grade	Contained silver
	(Au, g/t)	(kt)	(Au, g/t)	(Au, k.oz.)	(Ag, g/t)	(k.oz.)
Measured	0.3	66,406	0.71	1,518	0.67	1,424
	0.25	78,256	0.64	1,622	0.67	1,682
	0.2	92,946	0.58	1,728	0.67	1,990
	0.15	111,383	0.51	1,831	0.66	2,356
	0.1	133,485	0.45	1,920	0.64	2,727
Indicated	0.3	104,148	0.59	1,971	0.68	2,282
	0.25	132,613	0.52	2,221	0.68	2,881
	0.2	172,263	0.45	2,506	0.67	3,705
	0.15	230,636	0.38	2,832	0.66	4,863
	0.1	318,434	0.31	3,180	0.63	6,429
Measured & Indicated	0.3	170,553	0.64	3,489	0.68	3,706
	0.25	210,869	0.57	3,844	0.67	4,563
	0.2	265,208	0.50	4,234	0.67	5,695
	0.15	342,019	0.42	4,663	0.66	7,219
	0.1	451,919	0.35	5,099	0.63	9,156
Inferred	0.3	10,843	0.50	174	0.67	232
	0.25	16,231	0.42	221	0.70	364
	0.2	25,693	0.35	289	0.78	641
	0.15	42,375	0.28	382	0.86	1,174
	0.1	71,407	0.22	497	0.83	1,908

14.2.14 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 14.2.13, drill hole composites and estimated gold grades are shown in Figure 14-7.

Table 14-17: Mineral Resources for the Spanish Mountain Main Deposit with effective date of May 19, 2026

Resource classification	Cut-off grade	Tonnes	Gold grade	Contained gold	Silver grade	Contained silver
	(Au, g/t)	(kt)	(Au, g/t)	(Au, k.oz.)	(Ag, g/t)	(k.oz.)
Measured	0.15	111,383	0.51	1,831	0.66	2,356
Indicated	0.15	230,636	0.38	2,832	0.66	4,863
Measured & Indicated	0.15	342,019	0.42	4,663	0.66	7,219
Inferred	0.15	42,375	0.28	382	0.86	1,174

Notes:

1. The qualified person responsible for the Main Deposit MRE, effective May 19, 2026, is Bahram Bahrami, P.Geo. of Equity.
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$3,400/oz Au and US$45/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 Update Technical Report.

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.

14.2.16 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 modelling 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 ordinary kriging, whereas the current MRE uses inverse distance cubed (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 modelled domains utilized for estimation for the 2026 and 2021 MREs, and Figure 14-9 shows the gold grade estimates for each respective block model.

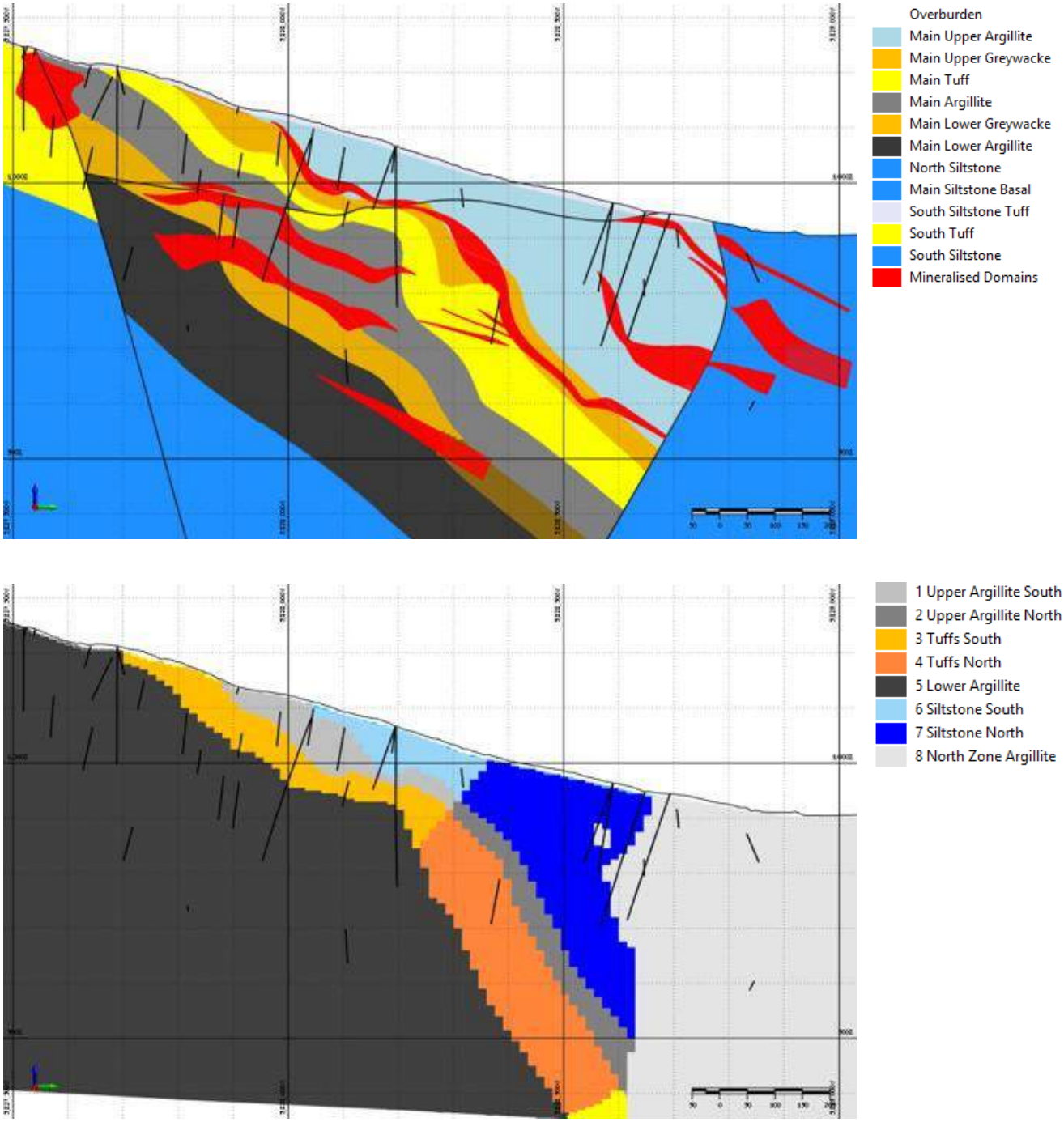


Figure 14-8: 2026 (top) and 2021 (bottom) resource domains comparison of Main Deposit, section 604105E (+/- 20 m), looking west

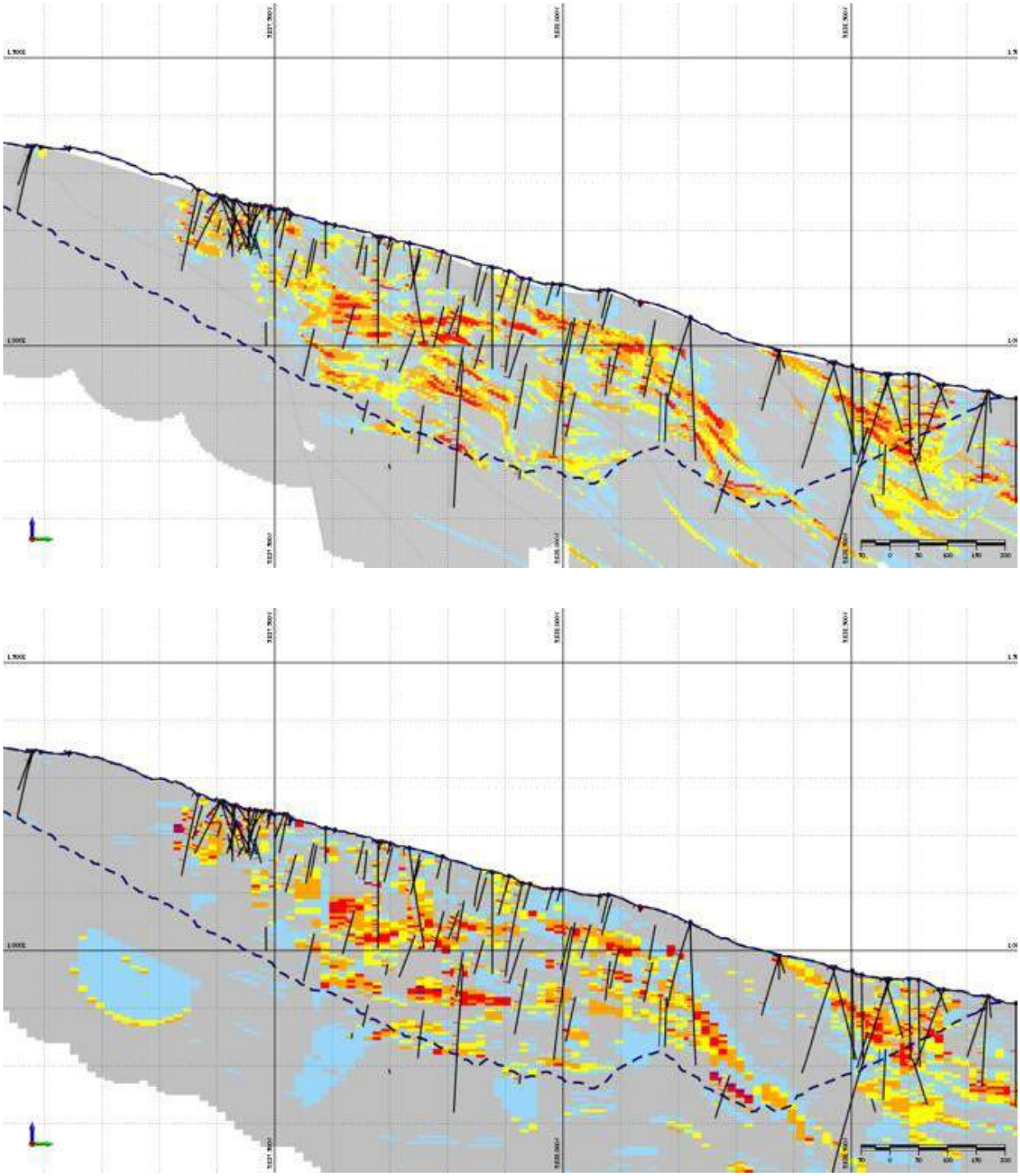


Figure 14-9: 2026 (top) and 2021 (bottom) gold grade estimation of Main Deposit with section 604305E (+/- 15 m), looking west with $3,400 pit outline

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 2026 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.

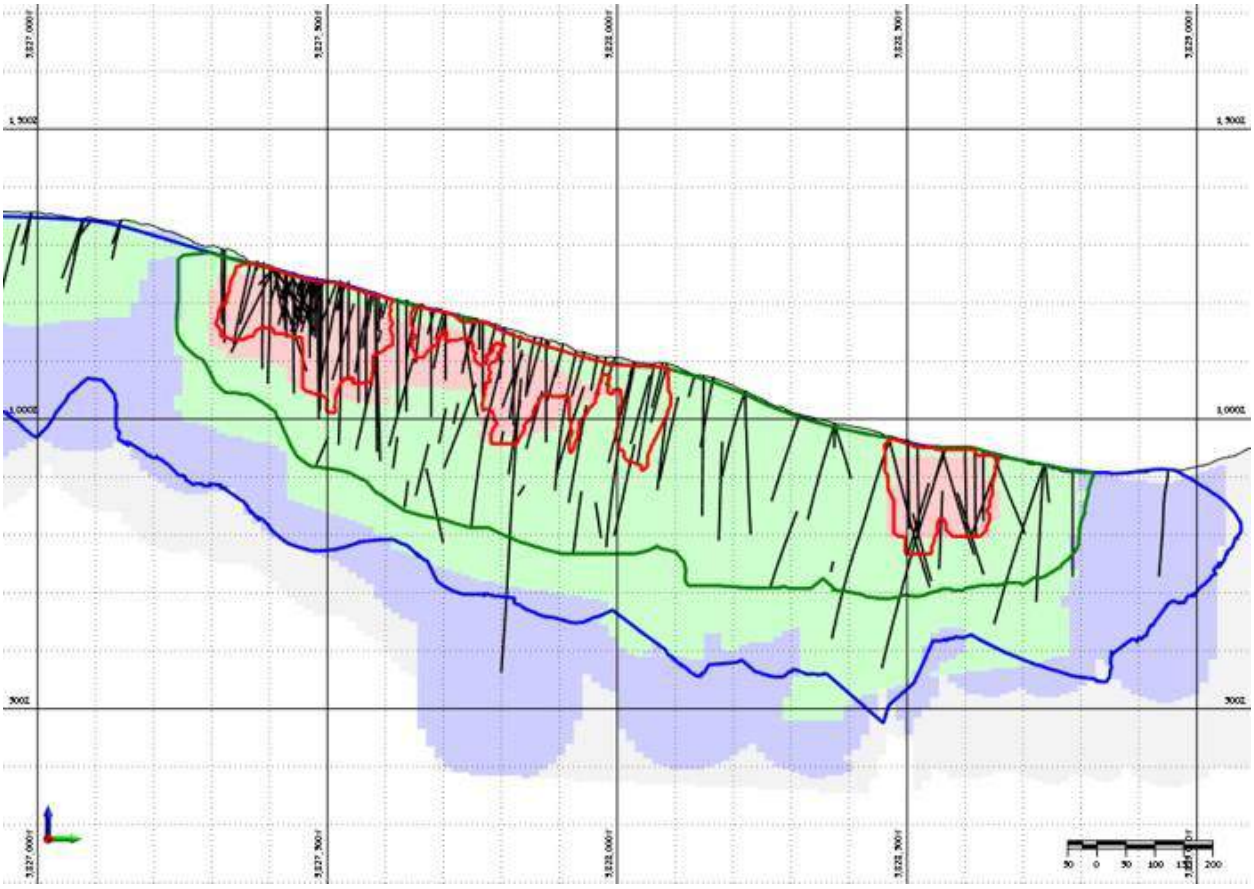


Figure 14-10: 2026 (outline) and 2021 (filled) resource classification comparison of Main Deposit section 604305N (+/- 30 m), looking west

14.3 Phoenix Deposit

14.3.1 Drill Hole Database

The cut-off date for the Phoenix drill hole database used in the Mineral Resource Estimate is May 19, 2026. 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 **Error! Not a valid bookmark self-reference.**.

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

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 metres	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

14.3.2 Geological Models

14.3.2.1 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-metre resolution DEM for the Project area.

14.3.2.2 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

14.3.2.3 Mineralization Model

Gold mineralization at the Phoenix deposit is modelled 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

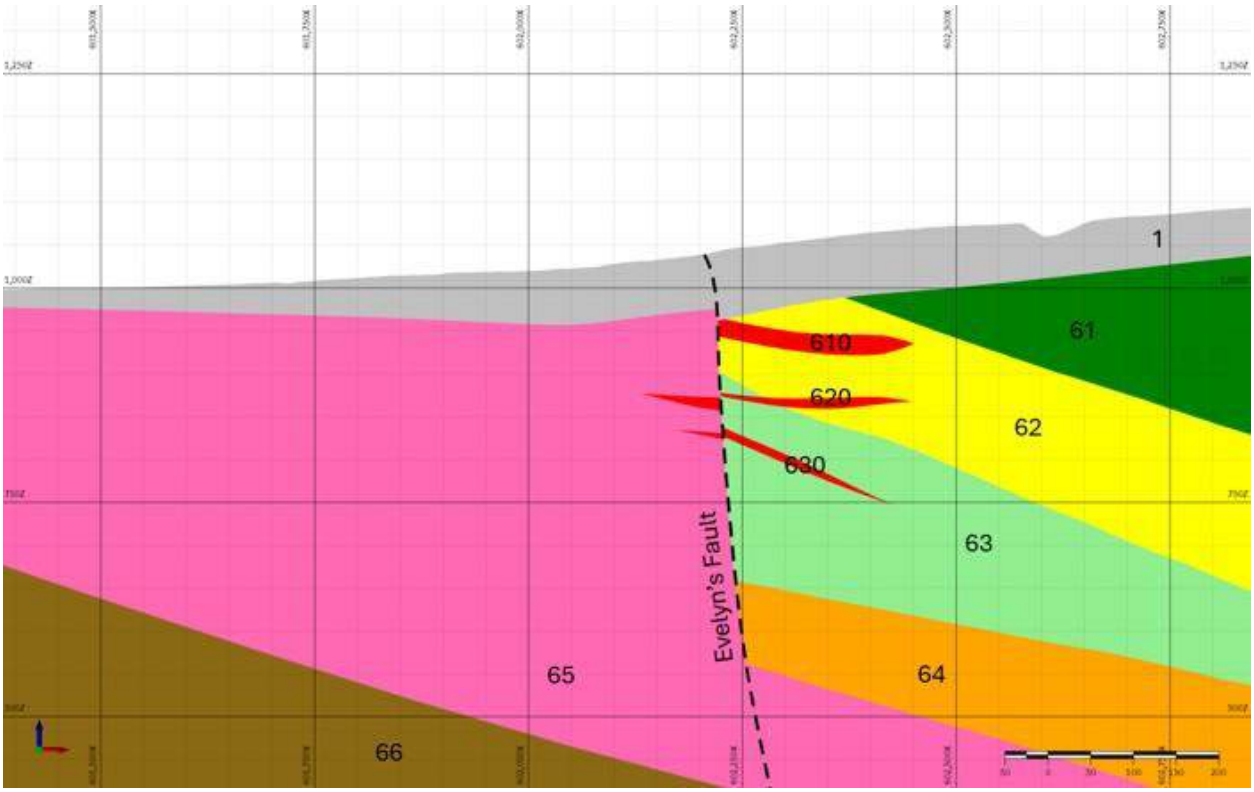


Figure 14-11: Phoenix Deposit geological model section 5828000N, looking north

14.3.3 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/m^3)	Block model assigned value (t/m^3)
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

Domain	Count	Average of bulk density (t/m³)	Block model assigned value (t/m³)
610	78	2.52	2.63
620	91	2.47	2.63
630	106	2.61	2.61

14.3.4 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 are 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

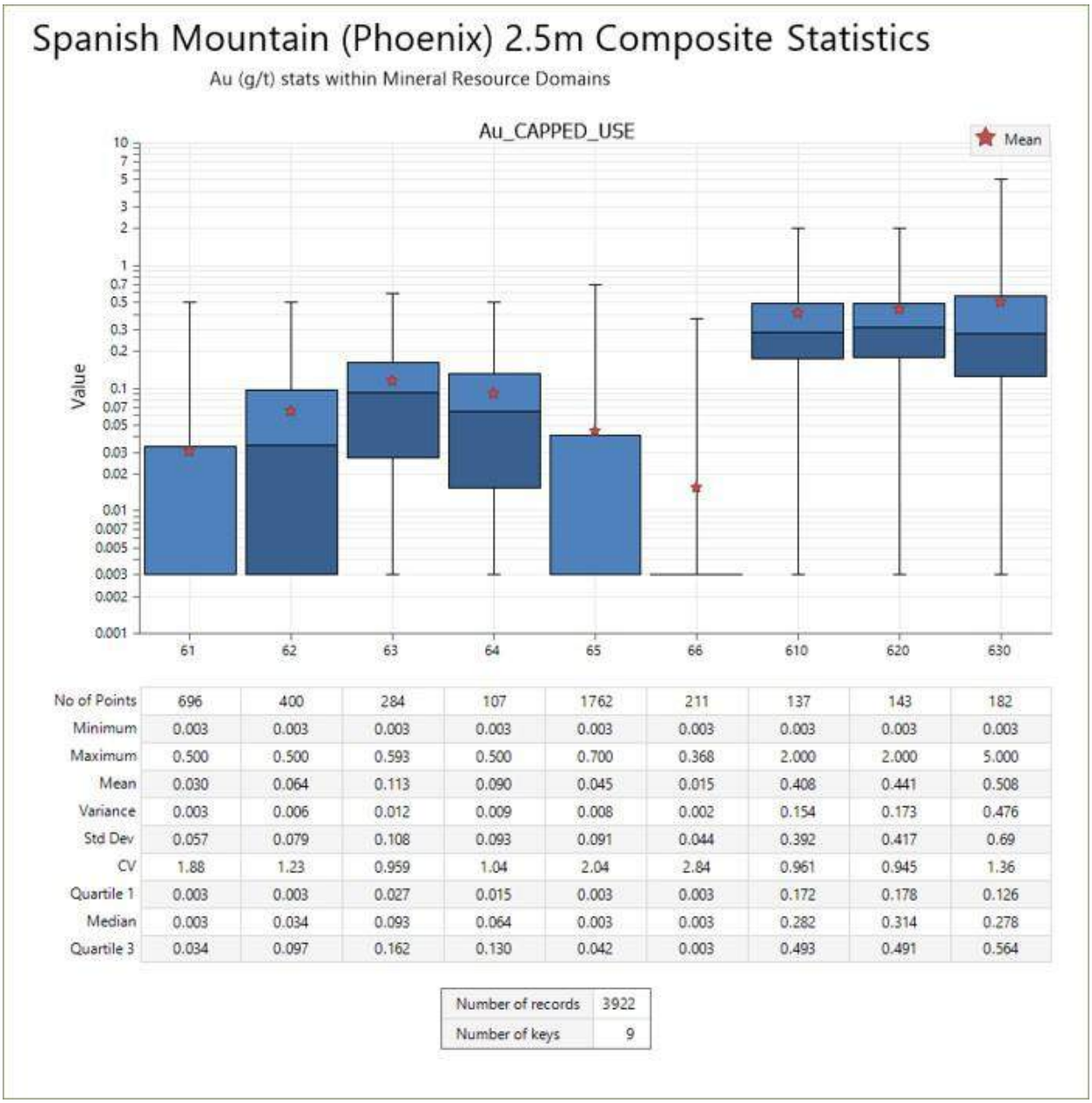
Domain name	Code	Capping value (Au g/t)	Number of samples capped
Upper mafic Tuff	61	0.5	10
Upper Sedimentary Sequence	62	0.5	4
Lower Mafic Tuff	63	0.7	8
Intermediate Sedimentary Sequence	64	0.5	5
Intermediate Tuff	65	0.7	18
Lower Sedimentary	66	0.5	1
Upper Zone	610	2.0	6
Mid Zone	620	2.0	7
Lower Zone	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

14.3.5 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 **Error! Reference source not found.**.



	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

Figure 14-12: Phoenix Deposit 2.5 m composites gold box and whisker by Domain

14.3.6 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

14.3.7 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 15 m.

Domain	Boundary type	Treatment
66	Semi-hard	Both estimation runs used semi-hard boundary with tolerance distance of 50 m.
610, 620	Hard	Hard boundary
630	Hard	First estimation run used hard-boundary, second estimation run used semi-hard boundary with tolerance distance of 5 m.

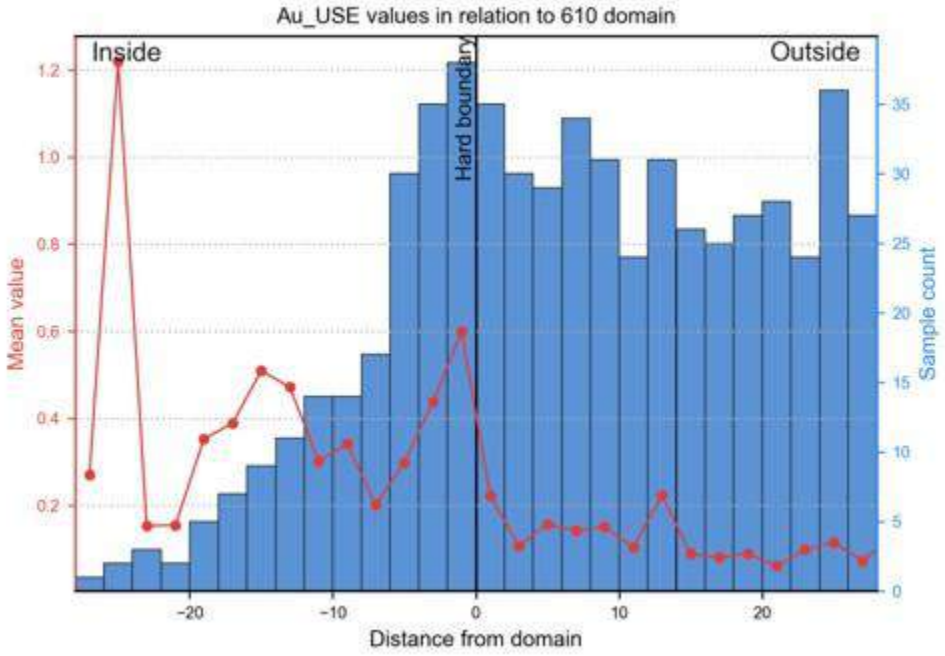


Figure 14-13: Contact analysis of gold in Upper Mineralized Zone (Domain 610)

14.3.8 Estimation Methods

14.3.9 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

14.3.10 Grade Estimation

Grade estimation was conducted using Ordinary Kriging (OK) or ID^3 methods. OK was used for all mineralized domains where variograms could be reliably modelled; whereas ID^3 was used for domains that could not yield reliable variogram models. LVA was applied within mineralized domains. A summary of the gold estimation parameters are provided in Table 14-28.

Table 14-28: Phoenix Deposit gold estimation parameters

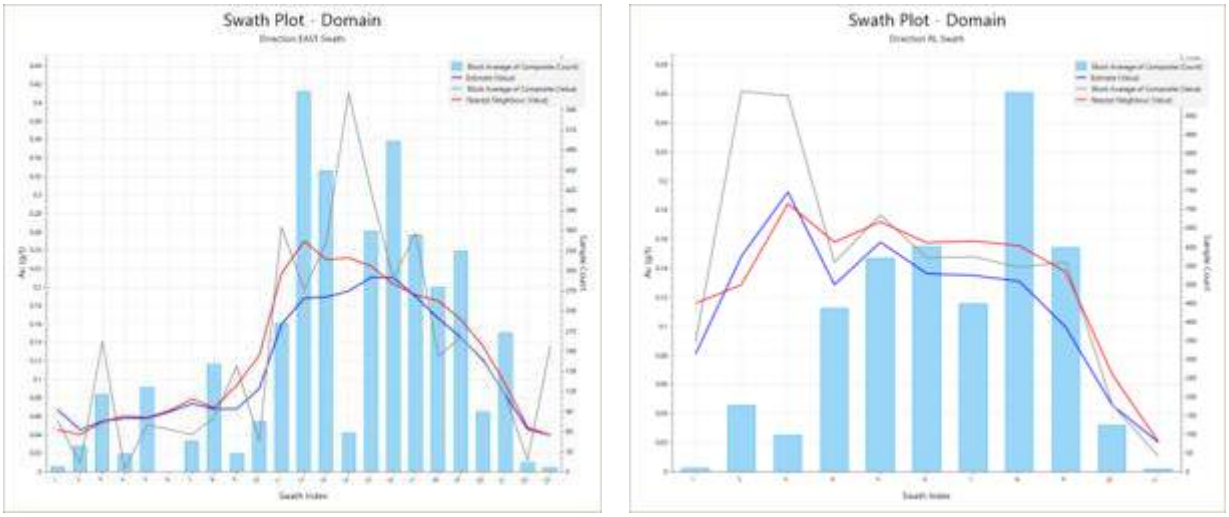
					Ellipsoid ranges			Ellipsoid directions		
Domain	Estimator	Pass	Boundary type	Range	Maximum	Intermediate	Minimum	Dip	Dip Azi.	Pitch
61	OK	1	Hard		150	110	20	5	85	163
		2	Hard		250	200	30			
62	OK	1	Hard		370	100	15			
		2	Hard		420	330	70			
63	OK	1	Hard		300	125	20			
		2	Soft	15	400	250	30			
64	ID3	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			

14.3.11 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 in easting and vertical directions with a width of 30 m. Figure 14-14 shows swath plots of the Phoenix MRE. Red lines illustrate NN grade estimates, blue lines signify gold grade estimates (OK and ID^3), blue bars represent composites count, and grey 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.



Easting swaths **Elevation swaths**

Figure 14-14: Swath plots of estimated blocks within the $2,400 resource pit of Phoenix Deposit

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		Rank 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

14.3.12 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 ≤ 70 m, estimated with at least three holes.
- Inferred Mineral Resources: all other calculated blocks with average sample distance ≤ 155 m, 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	60 m	≤ 70 m	-
Inferred	≥ 2	127 m	-	≤ 155 m

14.3.13 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$ per oz	3,400
Payability gold	%	99.8
Process recovery gold	%	90
Mill Process and Site G&A costs	CAD$/t processed	11.50
Ore mining costs	CAD$/t	3.50
Waste mining costs	CAD$/t	3.50
Incremental mining costs[1]	CAD$/t	0.03
Exchange rate	C$ to US$	0.73
Offsite charge Gold	CAD$ per oz	7.00
Royalty[2]	%	1.5

[1] Starting at 1,050 m for every 10 m elevation drop.

[2] Royalty assumes WPM buyout of 1% and buyout of other NSR holder/s of 0.5%, for a total of 1.5% on average for property

14.3.14 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 14.3.13, 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 May 19, 2026

Resource classification	Cut-off grade	Tonnes	Gold grade	Contained gold
	(Au, g/t)	(Mt)	(Au, g/t)	(Au, k.oz.)
Indicated	0.15	0.09	0.25	0.72
Inferred	0.15	54.45	0.36	629

Notes:

1. The qualified person responsible for the Phoenix Deposit MRE, effective May 19, 2026, is Bahram Bahrami, P.Geo of Equity.
2. Mineral Resources are classified in accordance with CIM (2014) definition standards.
3. Mineral Resources are reported using a 0.15 g/t gold cut-off grade.
4. Metal price assumptions include US$3,400/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 are not Mineral Reserves and 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 Update Technical Report.

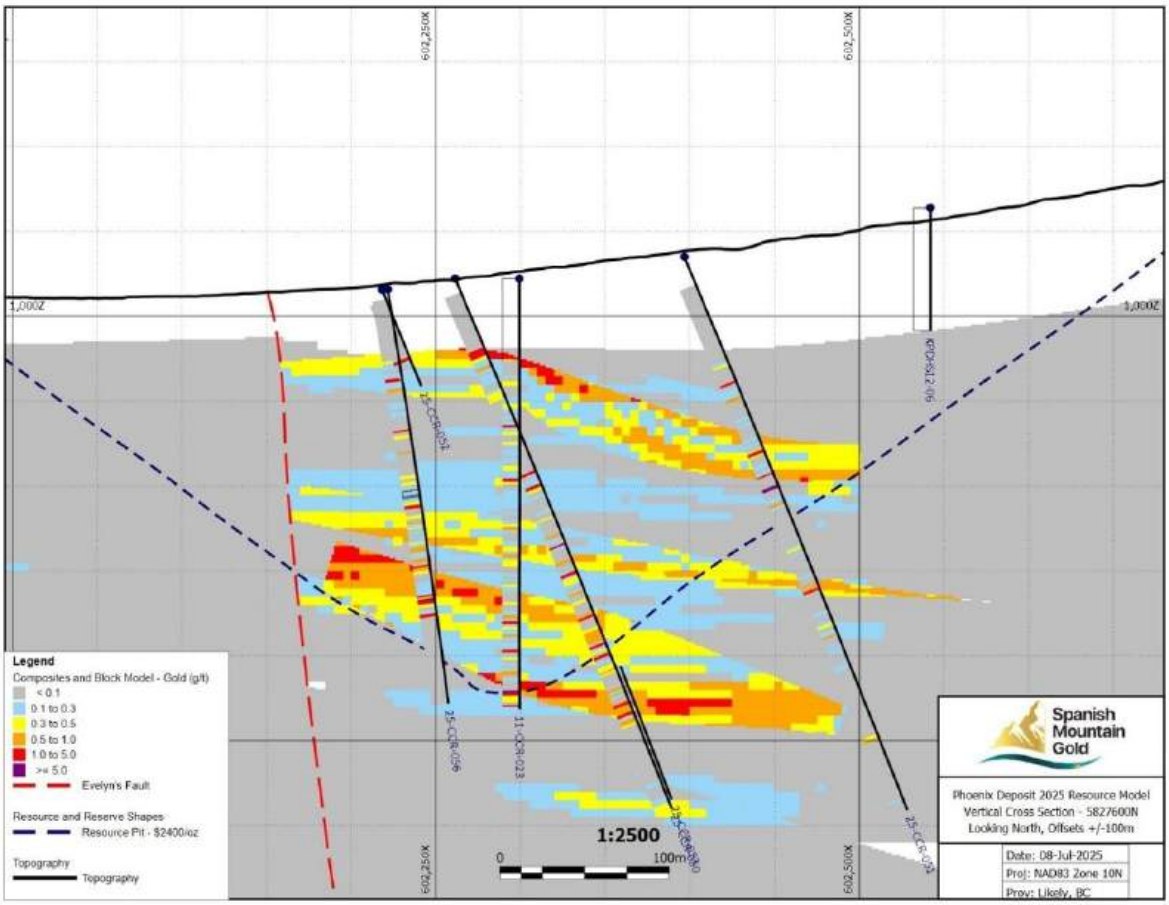


Figure 14-15: Phoenix Deposit gold grade estimation with the $3,400 pit outline section 5827600N (+/- 100 m), looking north

14.3.15 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 form the basis of 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 scoping level of engineering. The Phoenix deposit resources are excluded from the mine plan and financial analysis.

16.1 Summary

The open pit mining operations are designed for approximately 20 years of duration, including one and a half years of pre-production pre-stripping, and followed by seven years of low-grade stockpile rehandle to feed the mill after the open pit is exhausted. The Run-of-Mine (ROM) material contained within the designed open pit, summarized in Table 16-1 with a 0.15 g/t gold cut-off grade to the mill, forms the basis of the mine plan and production schedule.

Table 16-1: Mine Plan ROM production

Pit content	Amount	Units
Mill feed	286	Mt
Gold grade	0.41	g/t
Silver grade	0.65	g/t
Waste material	507	Mt
Strip ratio	1.8	t/t

The crusher will be fed with material from the pit and operating stockpiles at an average feed rate of 31,000 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 six pit phases. Phase 1 will commence near the centre of the deposit, where the highest grade of mineralized material and lowest strip ratio will be encountered.

An elevated variable cut-off grade to the mill, ranging from 0.2 to 0.4 g/t Au, is managed during the pit mining portion of the mine plan 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 ROM feed when an appropriate opportunity arises.

Pit mined waste material will be hauled to piles 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.

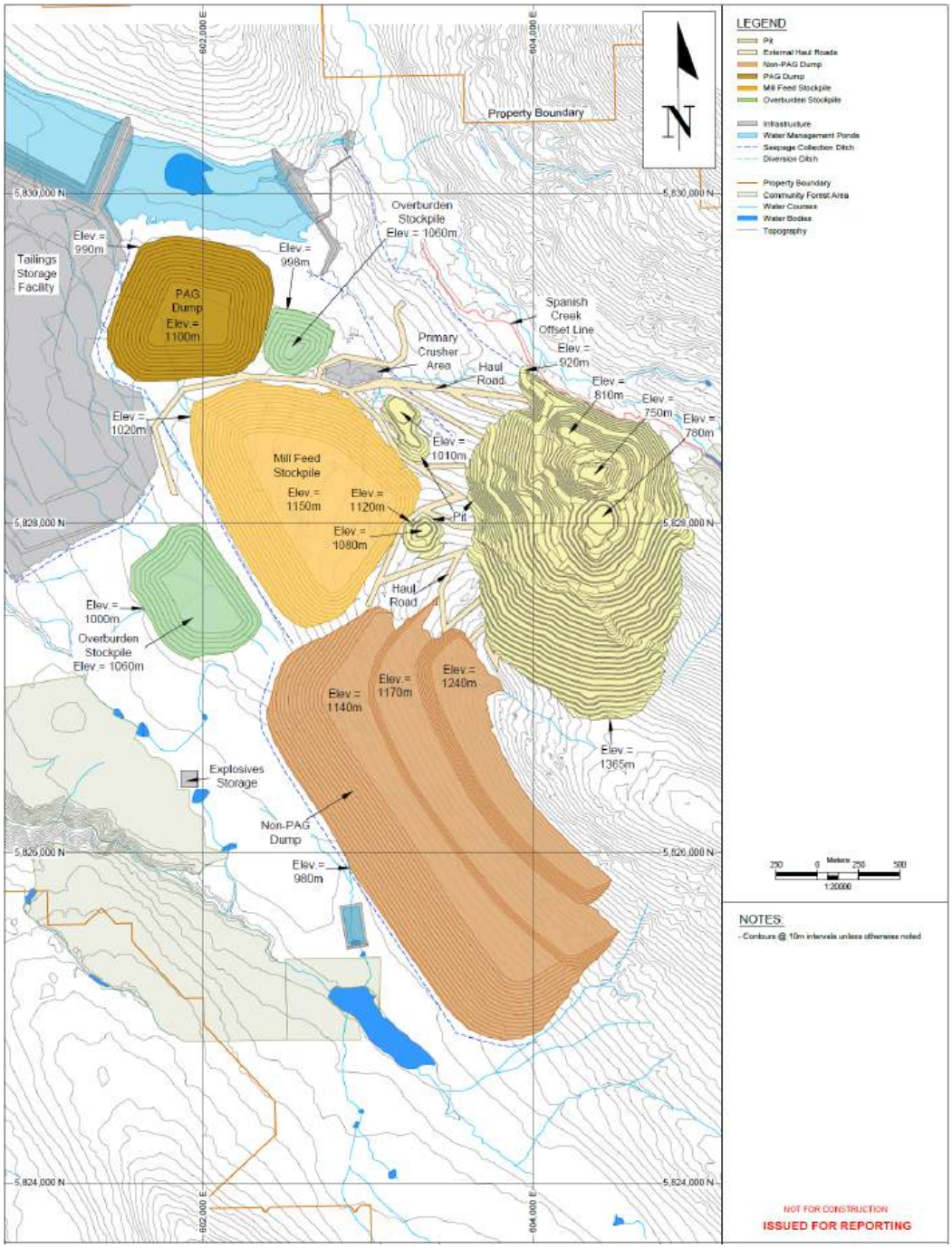


Figure 16-1: Mine layout

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 6% 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 modelled 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	0.3	<0.4
3	Low-grade	0.2	<0.3
4	Sub-grade	0.15	<0.2
5	Waste	0	<0.15

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 the 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 modelled 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

Edges	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.

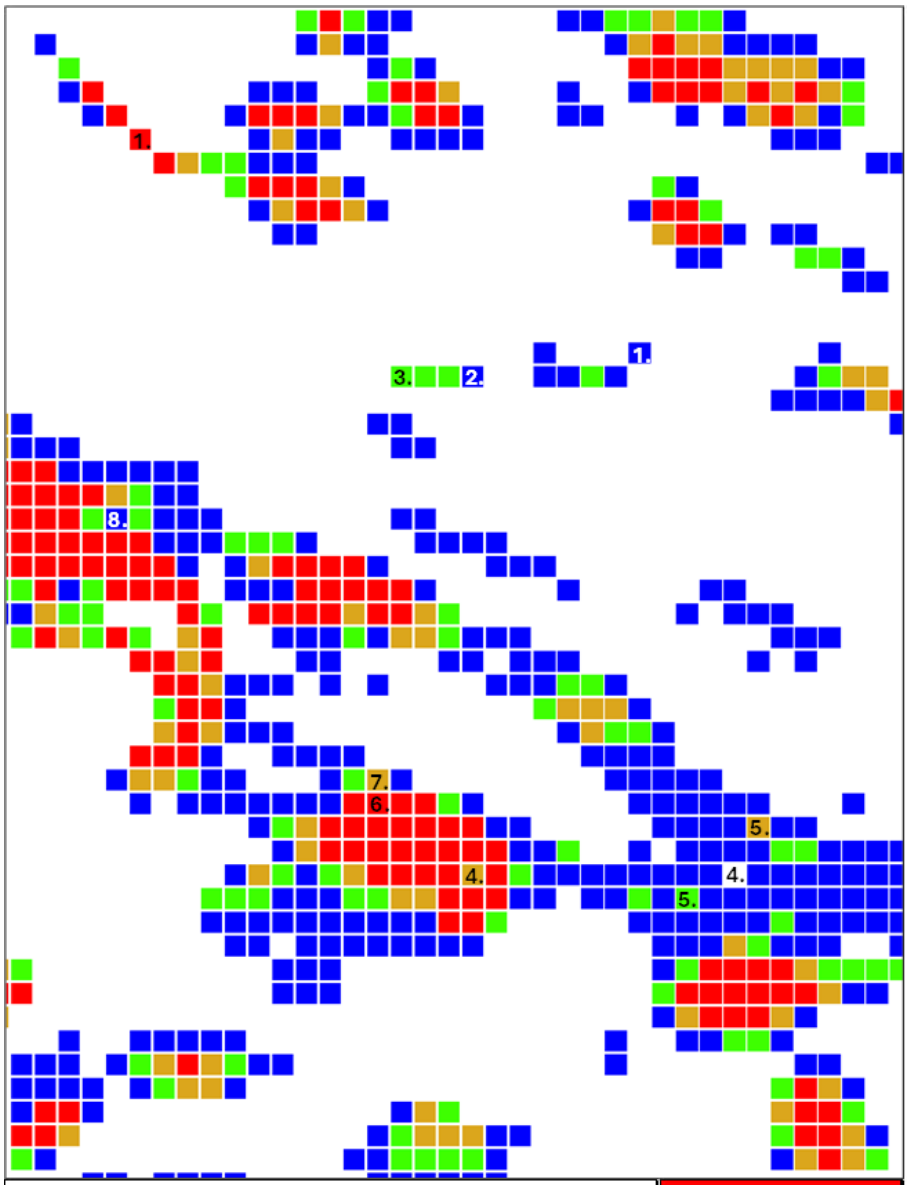
A total mill feed percent is calculated to provide confidence that no gold was created in the process, just shifted between grade-bin categories, including bringing sub-economic cut-off grade material into the overall mill feed tonnage.

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 selectively. 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 0% to the gold ounces and 2% to the mill feed tonnes, beyond the effects of internal block dilution.

Total losses and dilution from combined internal and external methods are 9% additional mill feed tonnes and 0% additional gold ounces when compared to the original sub-block resource model.



1. 4 Waste edges- **Loss**
2. 3 Waste edges -**Loss**
3. 3 Waste edges - **Mill Feed**
4. 1 block with 4 higher grade Mill Feed edges - **100% dilution**
5. 1 block with 4 lower grade Mill Feed edges - **surounding blocks 20% moved to higher grade ore percent.**
6. High-Grade Block - **100% HG Ore%**
7. Medium-Grade block with 1 High-grade edge - **20% HG Ore%, 80% MG Ore%**
8. Sub-Grade block with one HG edge, 1 MG edge and 2 LG edges - **20% HG ore%, 20% MG Ore%, 36% LG Ore% and 24% SG Ore%**

Figure 16-2: Blocks identified for loss by grade bin

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

MII 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$3,400/oz Au and US$45/oz Ag results in NSP values of C$4,572/oz or C$146.98/g Au and C$1.69/g Ag. The NSP calculation uses the inputs shown in Table 16-4.

Table 16-4: NSP calculation inputs

Description	Values	Units
Gold price	$3,400	US$/oz
Silver price	$45	US$/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 $20.50/t. Based on the NSP and process recovery formulas above, the economic gold cut-off grade is 0.15 g/t.

To boost mill feed grades, an elevated period-variable gold cut-off grade of up to 0.40 g/t is applied during the pit mining phase of the Project. 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

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 (°)	
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
Overburden	-	000	360	20	65	31.7	100	26	-
Shear Zone	-	000	360	20	65	31.7	100	26	-

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 100 m 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 SMG 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)	$3.50/t
Incremental haulage cost	$0.03/10 m bench below 950 m model elev.
Processing cost	$9.50/t
General/administration cost	$2.00/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$5,000/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 0.15 g/t cut-off gold grade. Various inflection points can be seen in the curve drawn of the cumulative inventory by pit case.

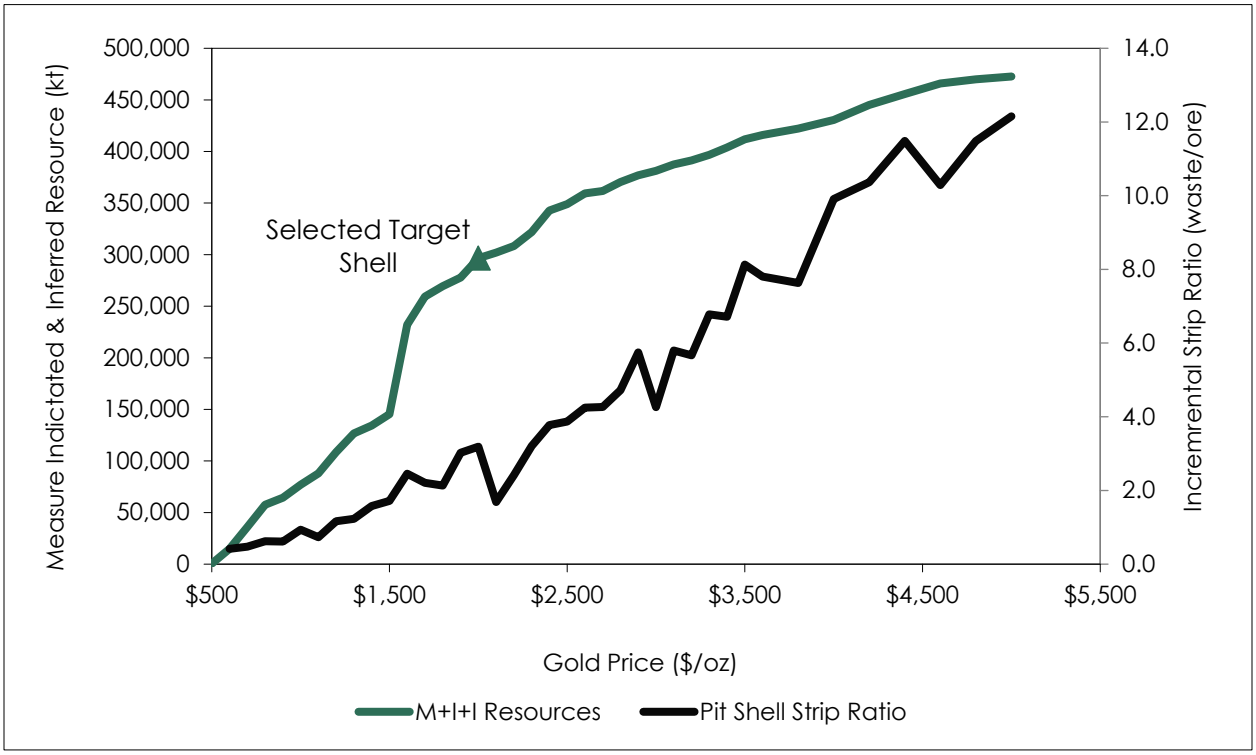


Figure 16-3: Price cases cumulative inventory

16.3.3 Selected Ultimate Pit Limits

The pit shell generated at the $2,000/oz gold price or 59% 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 0.15 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	$2,000	US$/oz
Measured, Indicated & Inferred Resource	297	Mt
Gold grade	0.41	g/t
Waste	510	Mt
Strip ratio	1.7	Waste/mill feed
Total pit contents	807	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.

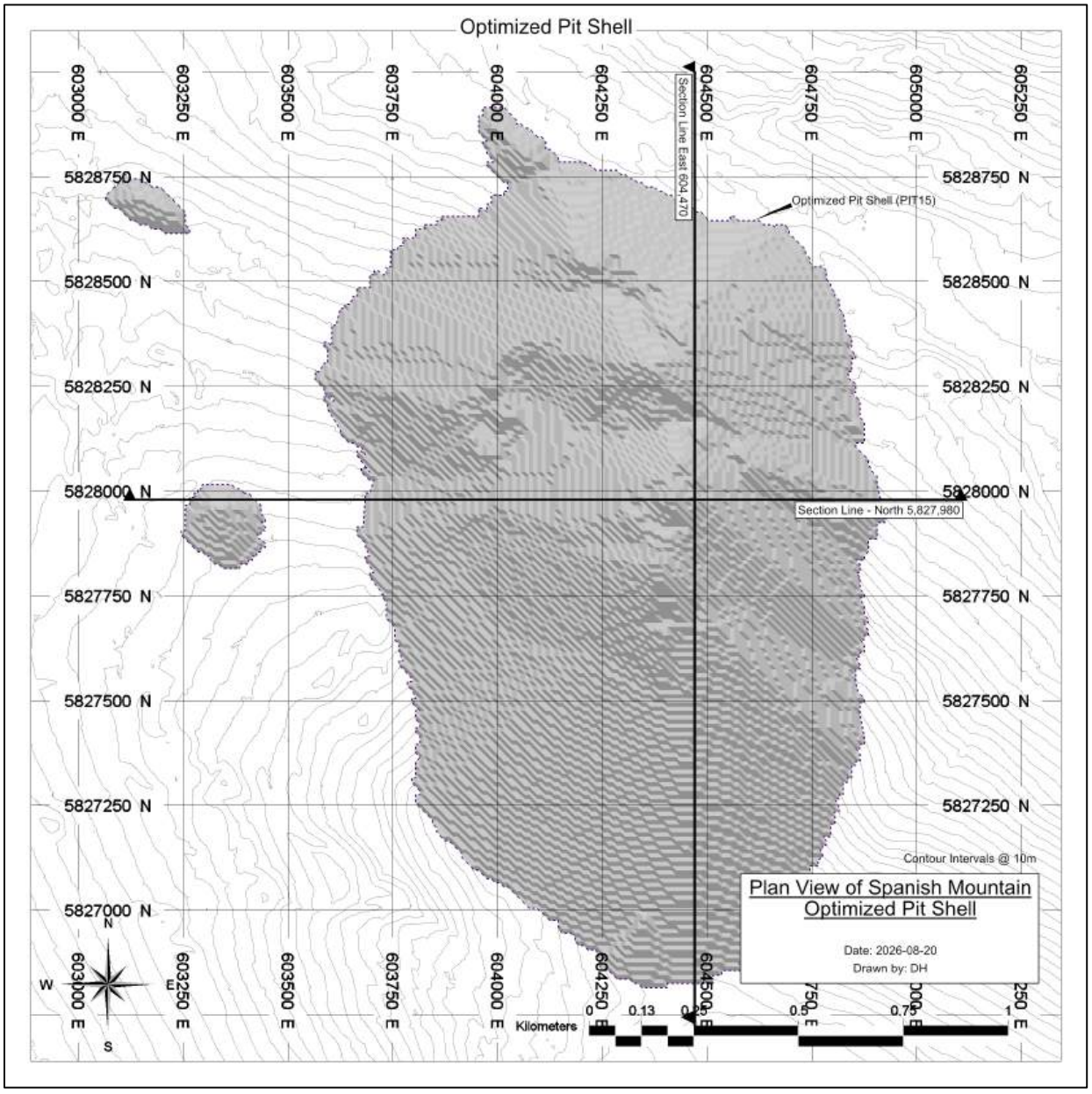


Figure 16-4: Plan view of optimized pit shell

Block views show gold grade in all blocks above a 0.15 g/t cut-off. Inferred Class blocks are shown with hatching. The gray line, at the top of the shaded pit represents original topography.

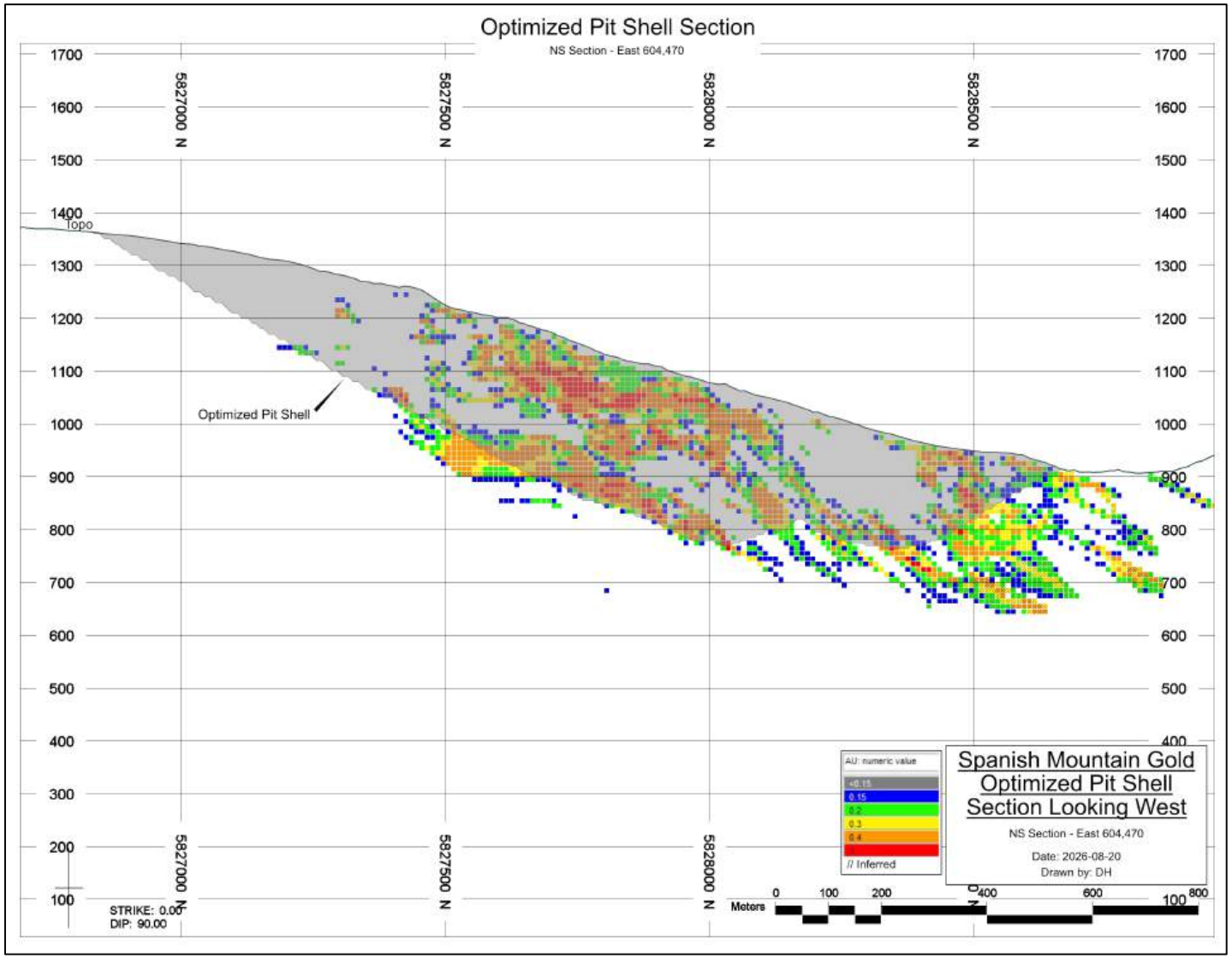


Figure 16-5: Cross-section view, 604,470E (looking west), of selected optimized pit shell

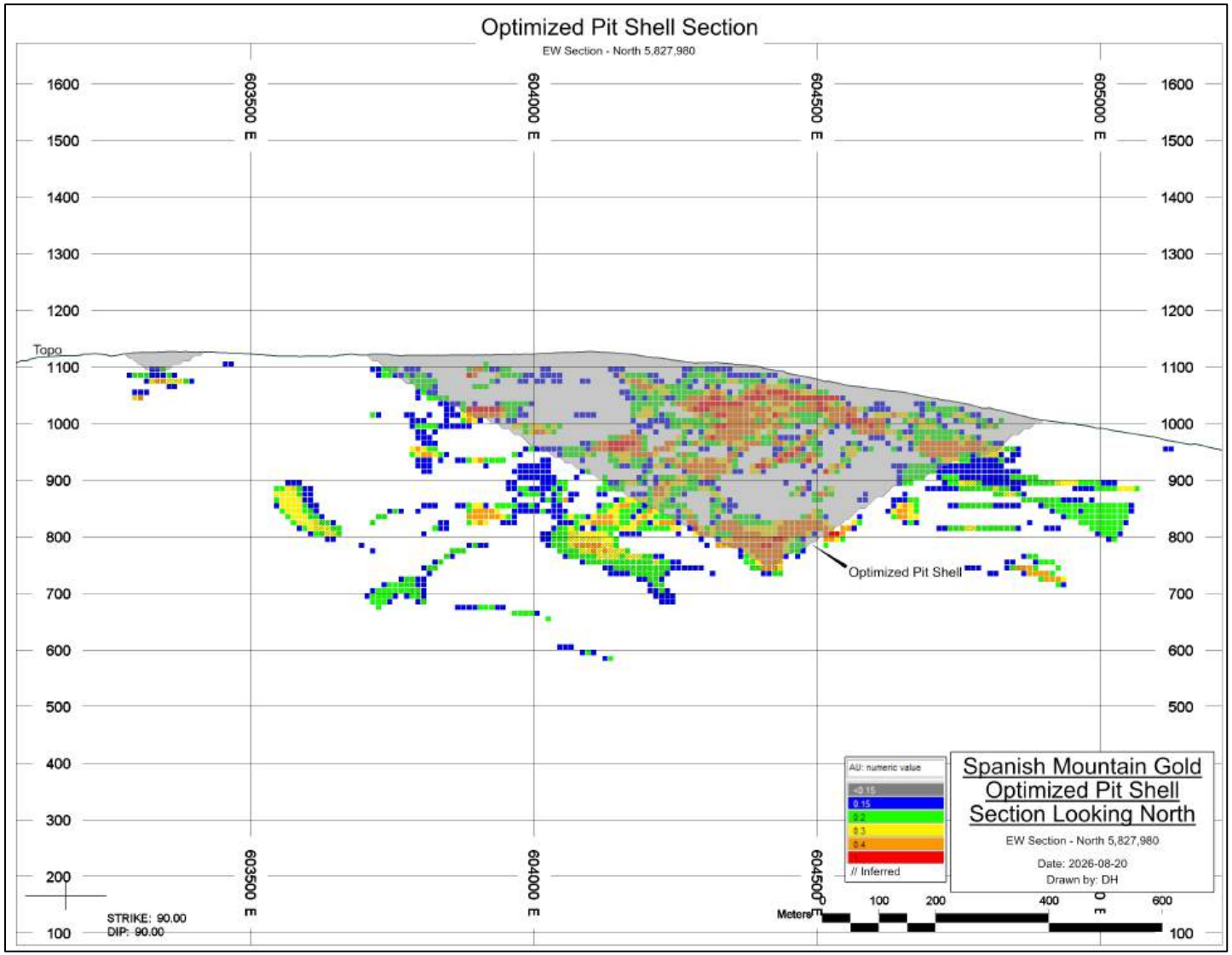


Figure 16-6: Cross-section view, 5,827,980N (looking north), of selected optimized pit shell

16.3.4 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 three years (32 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 section 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 $800/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 southeast to northwest split in the target shell.

16.4 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 240-tonne payload class 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 bottom 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, stockpile, and waste rock storage facilities.

The following sections describe the designs of the open pit phases.

16.4.1 Starter Pit, P621

This starter pit contains four 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 1,310 m elevation, down to the ramp exit on the 1,020 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 960 m elevation.

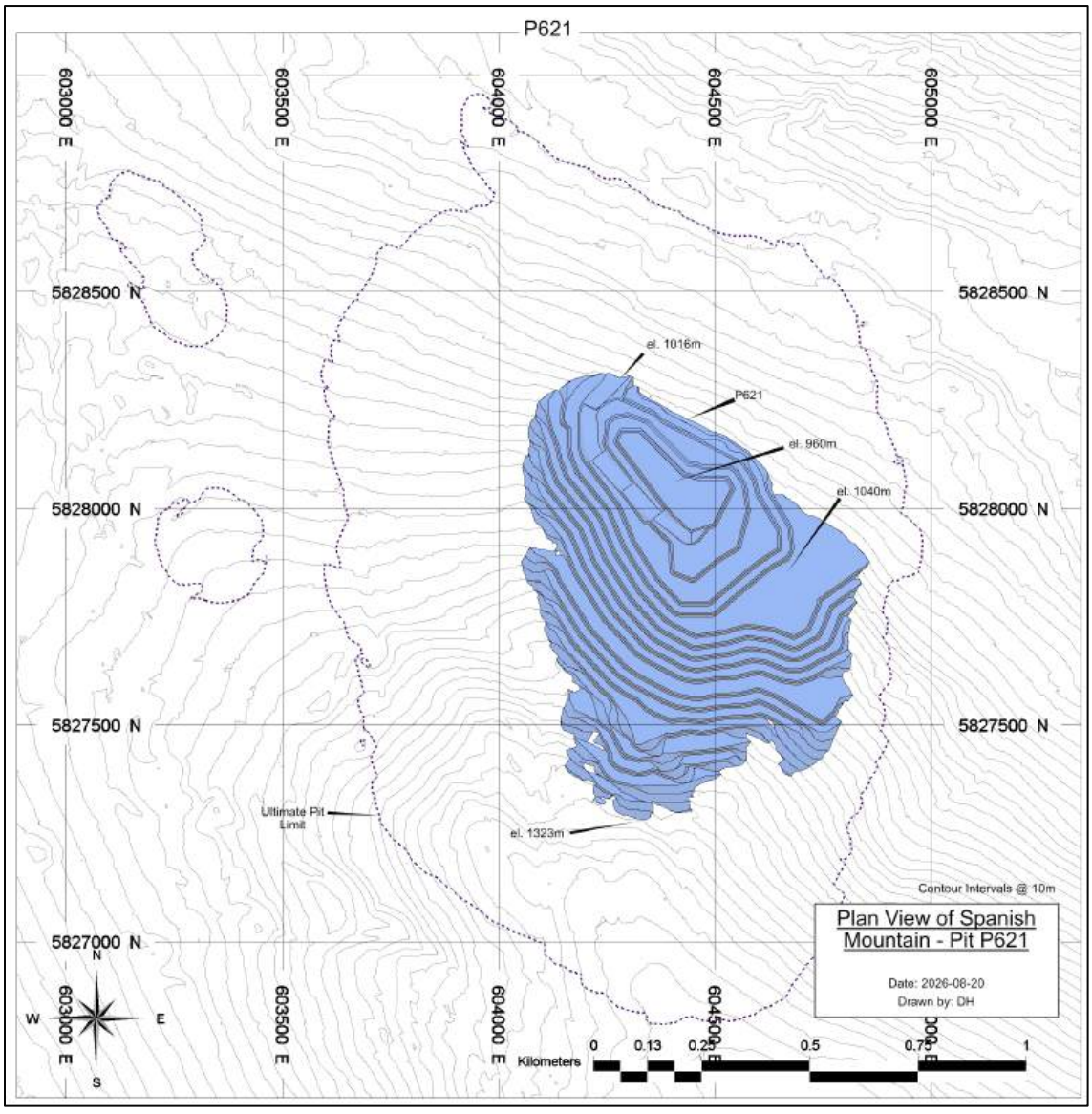


Figure 16-7: Plan view of starter pit, P621

16.4.2 Second Phase, P622

P622 is a pushback around the P621 pit to the north, south, and west. This pit mines from the pushback crest at 1,350 m elevation down to the pit exit at the 980 m elevation via external roads; then down the counterclockwise ramp to the pit bottom at the 900 m elevation.

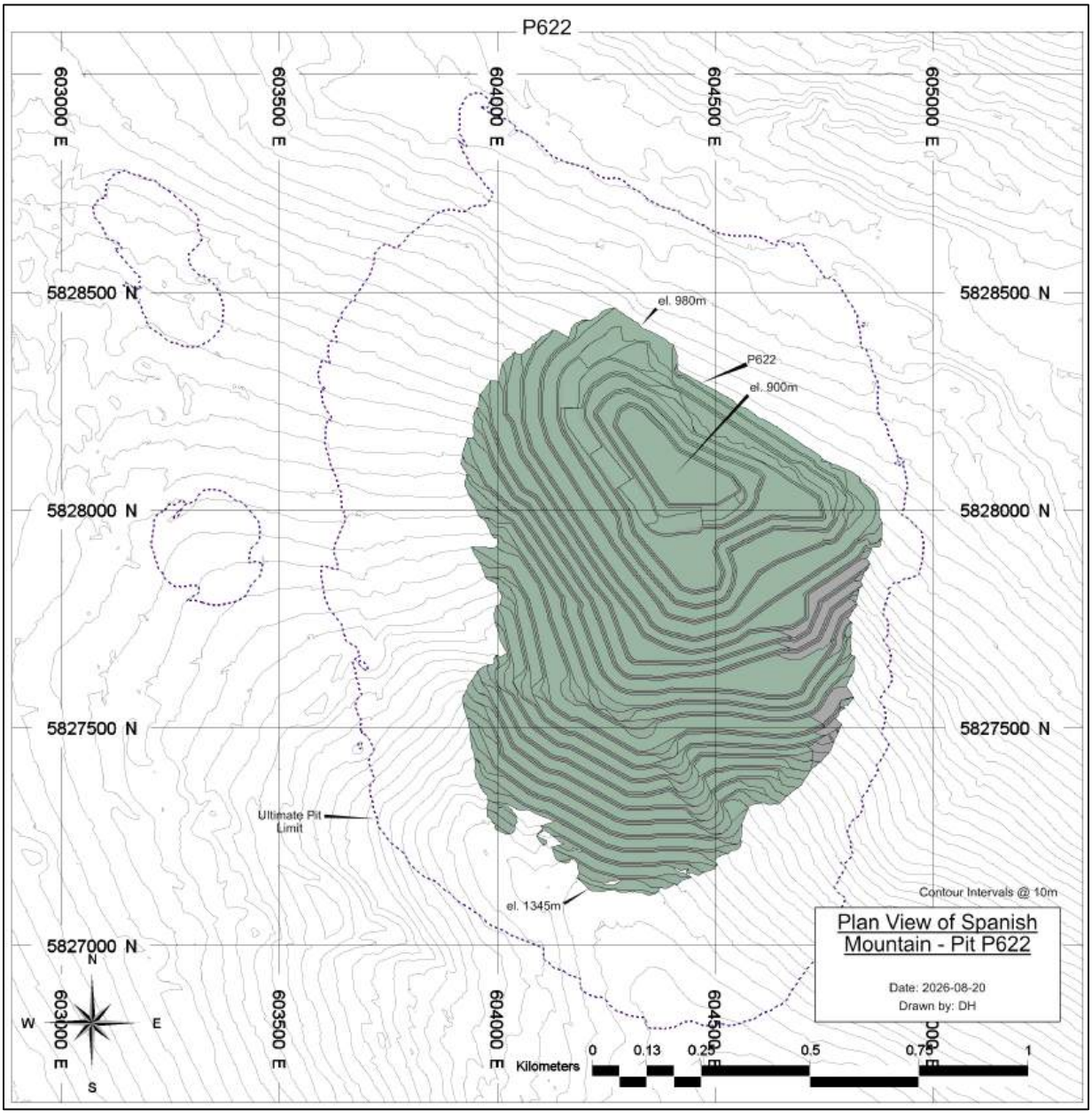


Figure 16-8: Plan view second phase of P622

16.4.3 North Phase, P623

P623 is an extension of the starter phases to the north. A saddle is created at the 950 m elevation between this phase and P622 to the south. This pit mines from the crest at 1,040 m elevation down to the pit exit at the 940 m elevation via external roads; then down the counterclockwise ramp to the pit bottom at the 860 m elevation.

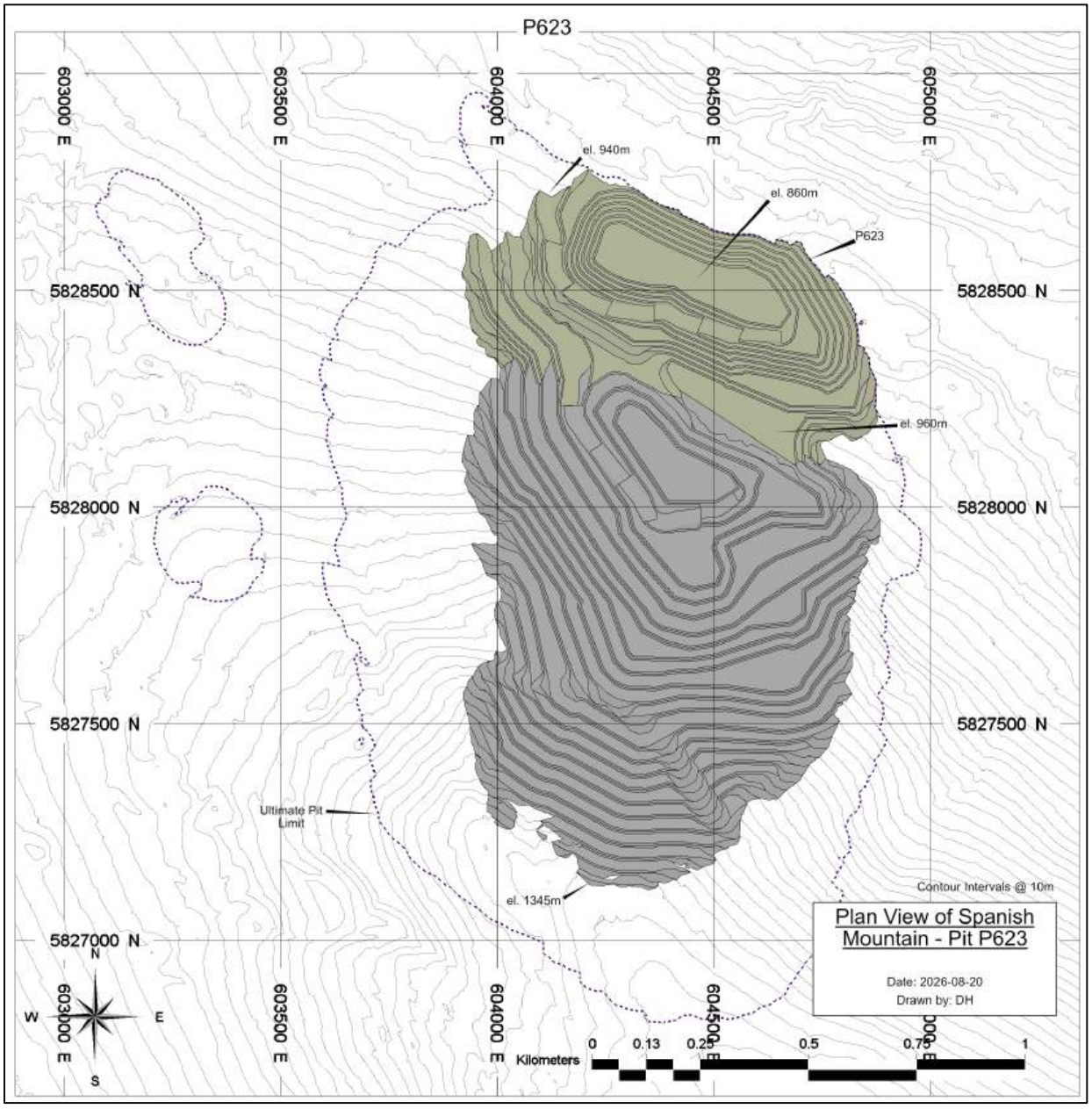


Figure 16-9: Plan view of north phase, P623

16.4.4 South Ultimate Phase, P624

P624 mines to the designed pit limits on the south side of the deposit. It is a pushback from P622 to the west, east, and south. This pit mines from the crest at 1,370 m elevation down to the pit exit at the 980 m elevation via external roads; then down the counterclockwise ramp to the pit bottom at the 840 m elevation.

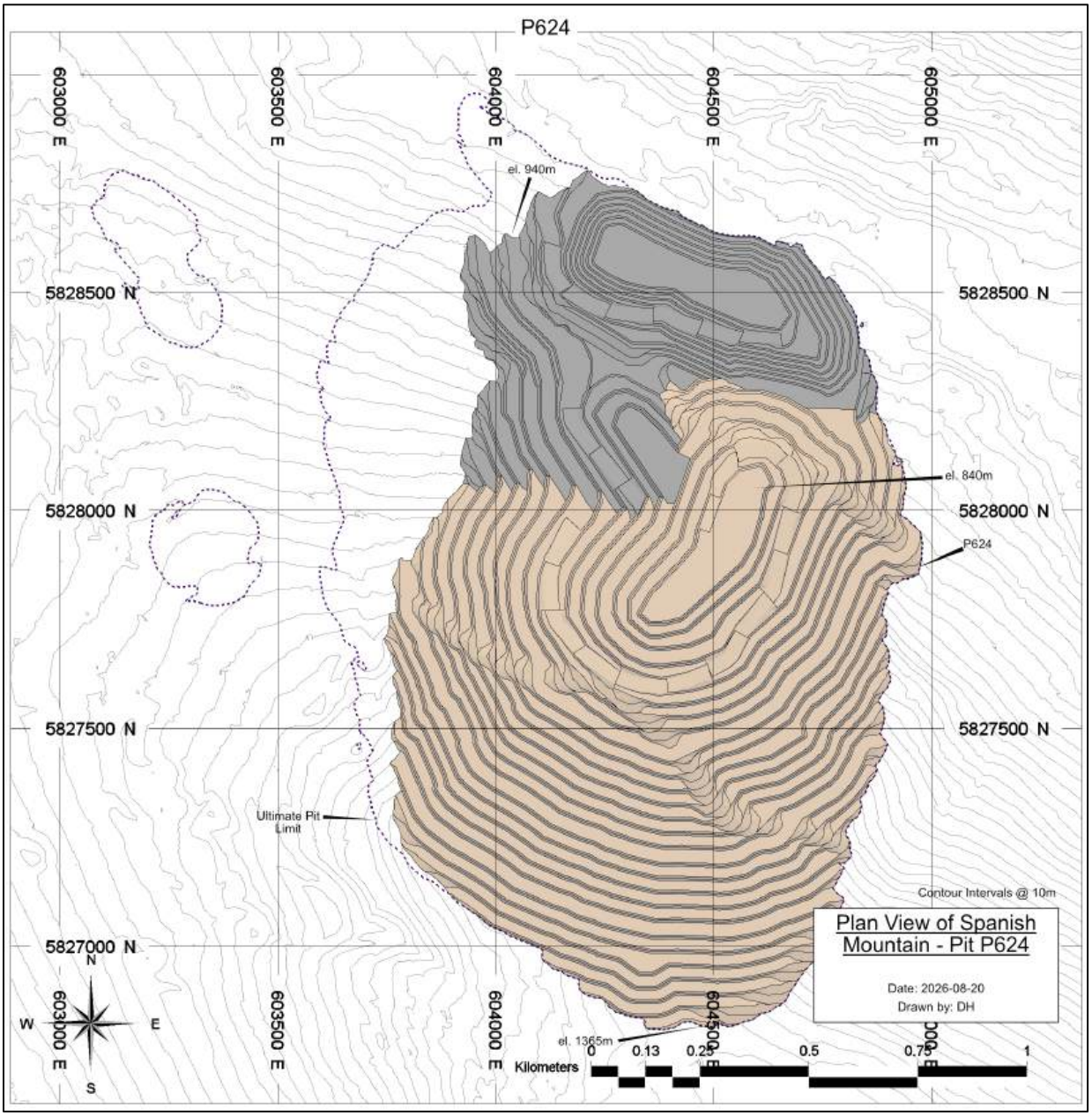


Figure 16-10: Plan view of south ultimate phase, P624

16.4.5 West Ultimate Phase, P625

P625 mines to the designed pit limits in the west portion of the deposit, pushing out from the P624 phase to the west. This pit mines from the crest at 1,300 m elevation down to the pit exit at the 960 m elevation via external roads, then down the counterclockwise ramp, switch-backing clockwise at the 900 m elevation, down to the pit bottom at the 780 m elevation.

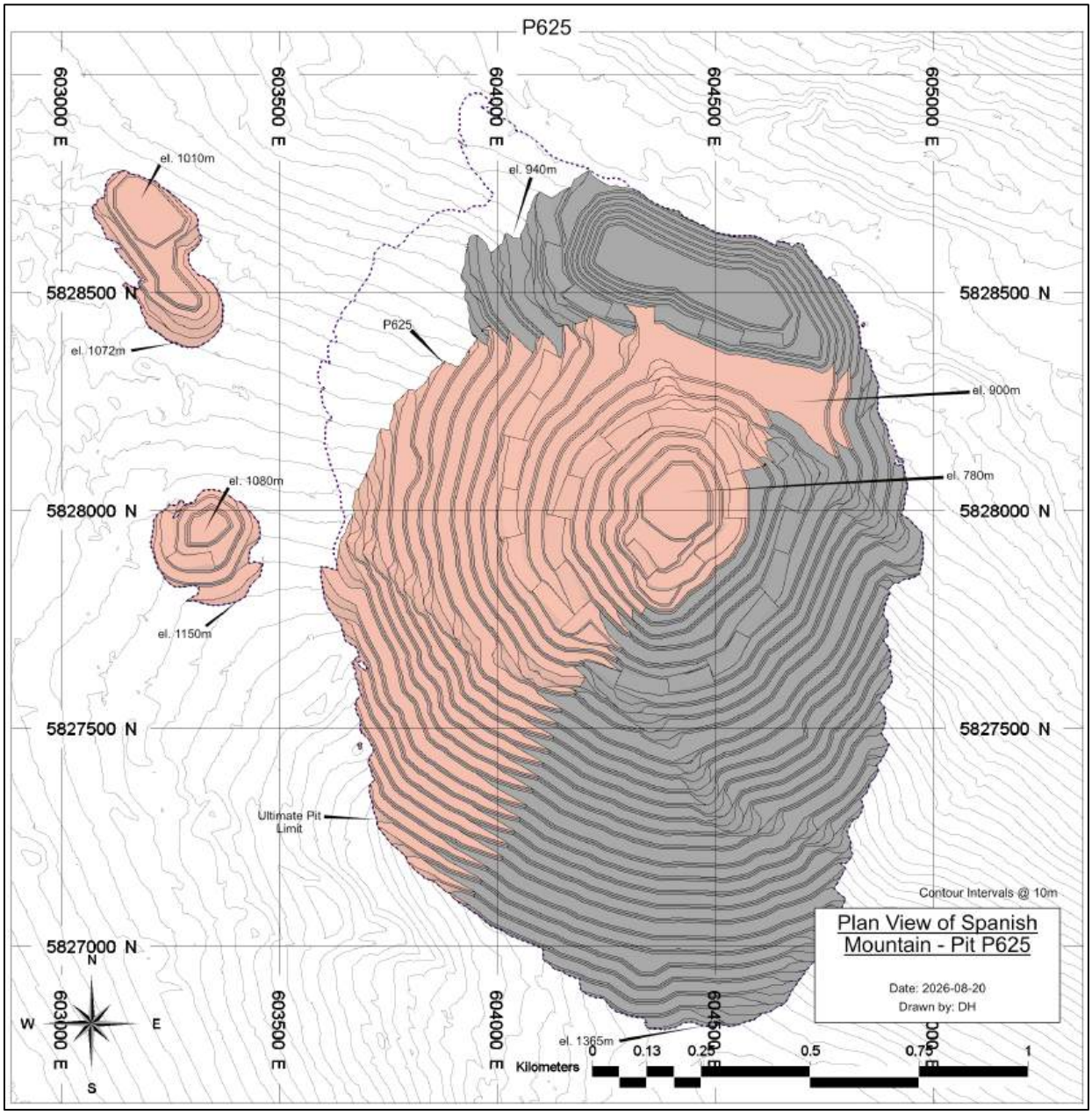


Figure 16-11: Plan view of north ultimate phase, P625

16.4.6 Northwest Ultimate Phase, P626

P626 mines to the designed pit limits in the northwest portion of the deposit, pushing out from the P623 and P625 phases to the west. This pit mines from the crest at 1,110 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 750 m elevation. The saddle between the north and south phases is mined down to the 820 m elevation. The design assumes the P625 is completely mined out in advance of P626 progression to this saddle point, and the ramp between 830 m and 820 m elevations in backfilled into the bottom of the P625 pit.

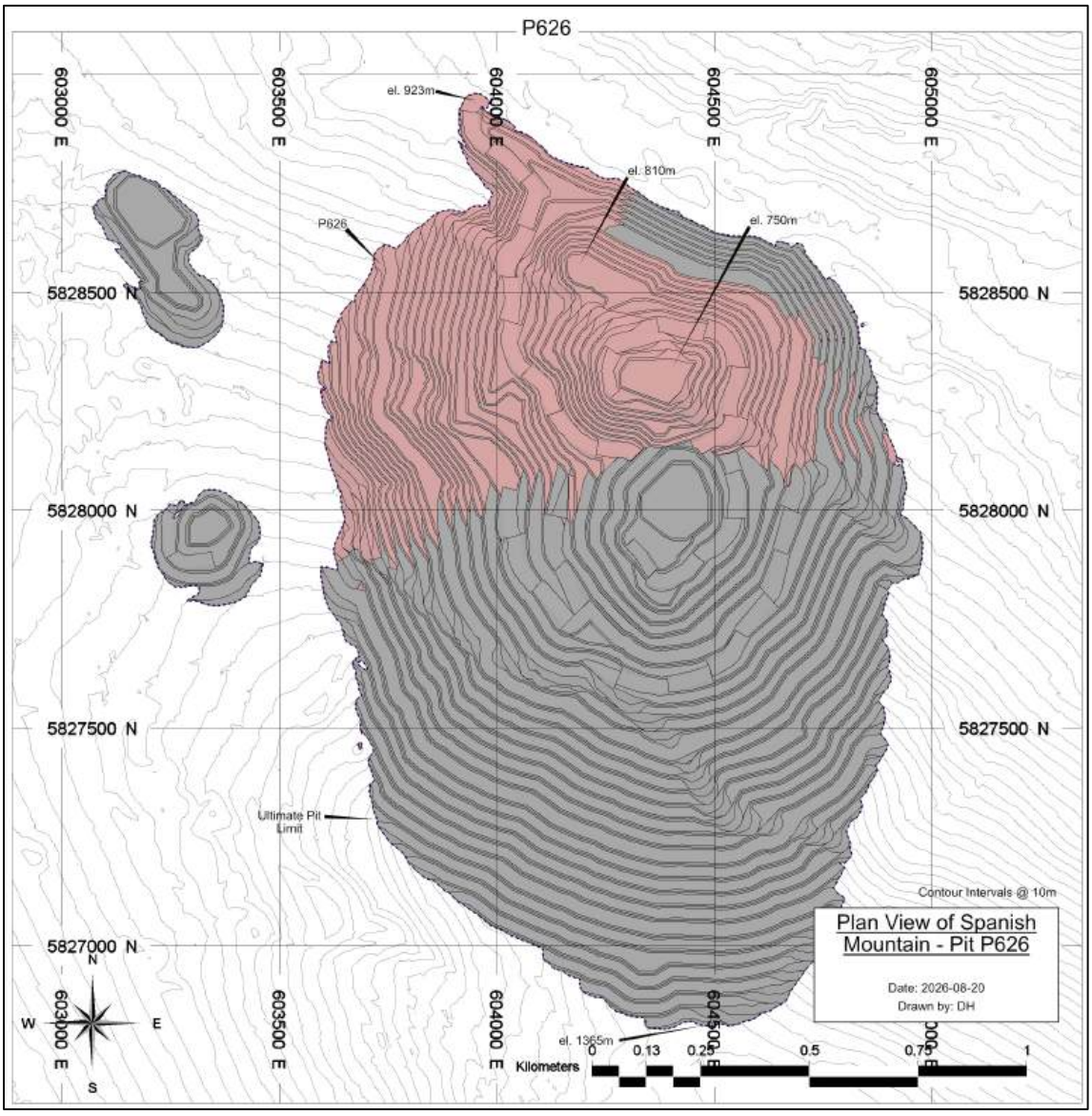


Figure 16-12: Plan view of north ultimate phase, P626

16.4.7 Ultimate Pit for Mine Planning

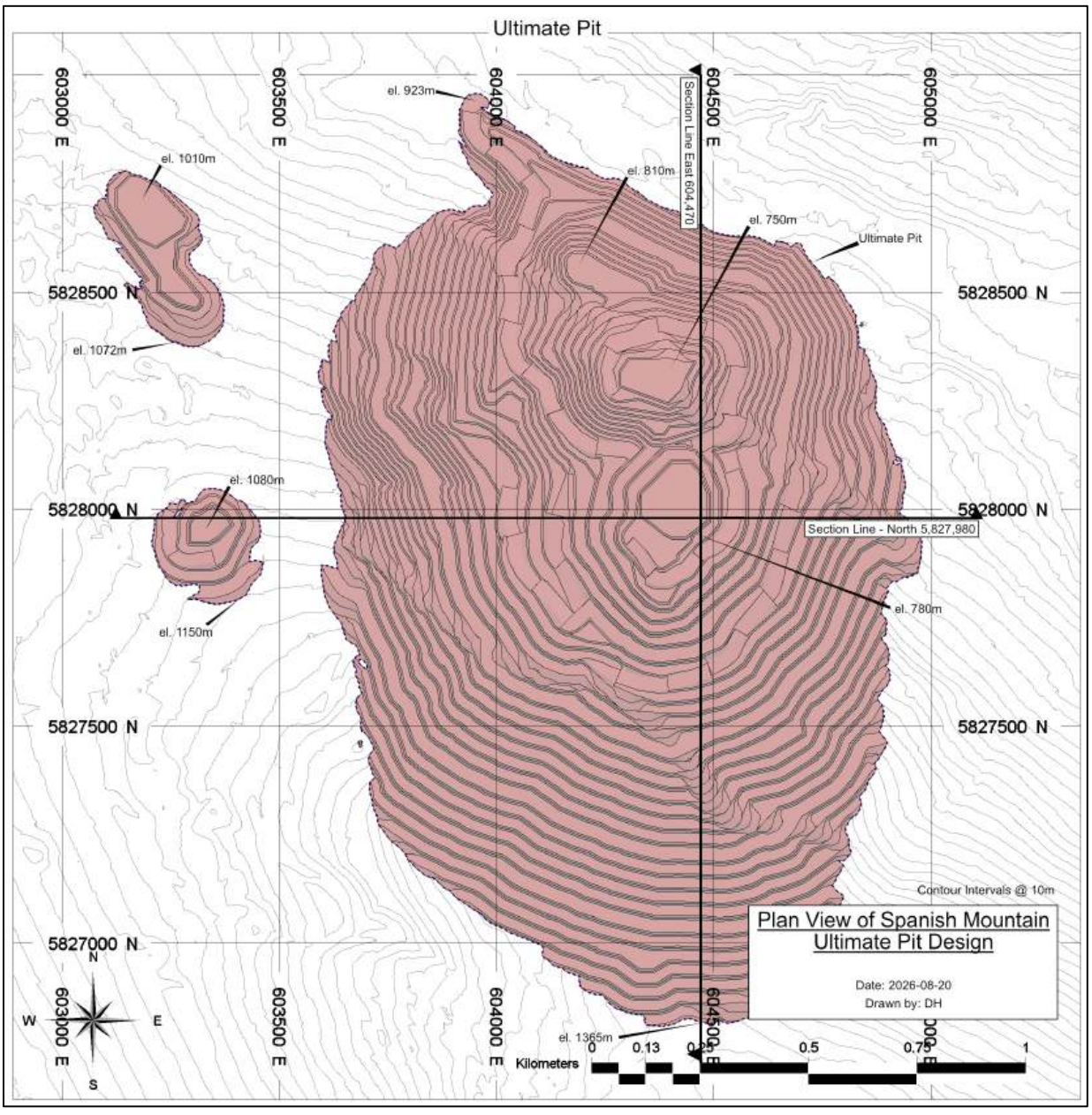


Figure 16-13: Plan view of ultimate pit for mine planning

Block views show gold grade in all blocks above a 0.15 g/t cut-off. Inferred class blocks are shown with hatching.

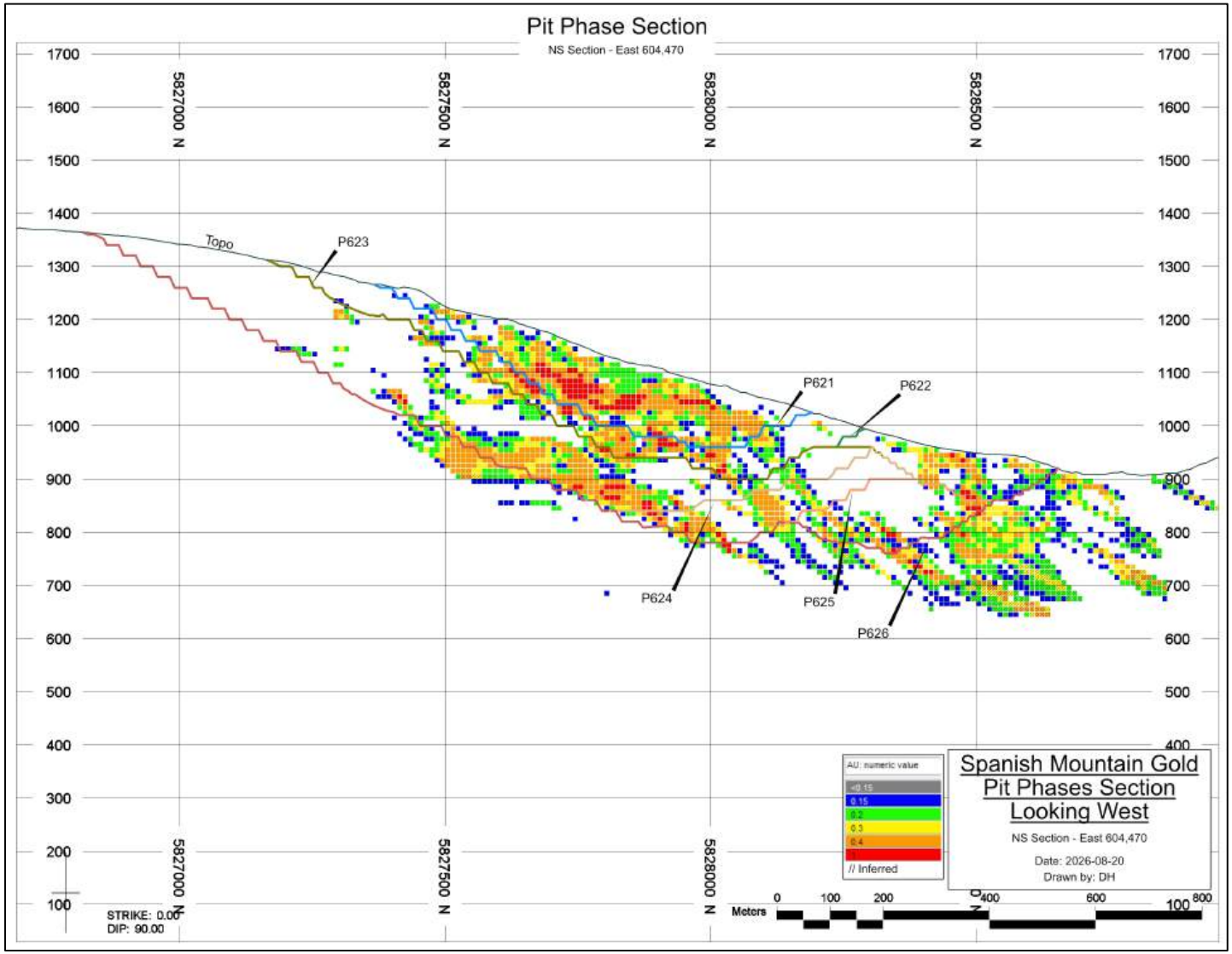


Figure 16-14: Cross-section view, 604,470E (looking west) of phased pit designs

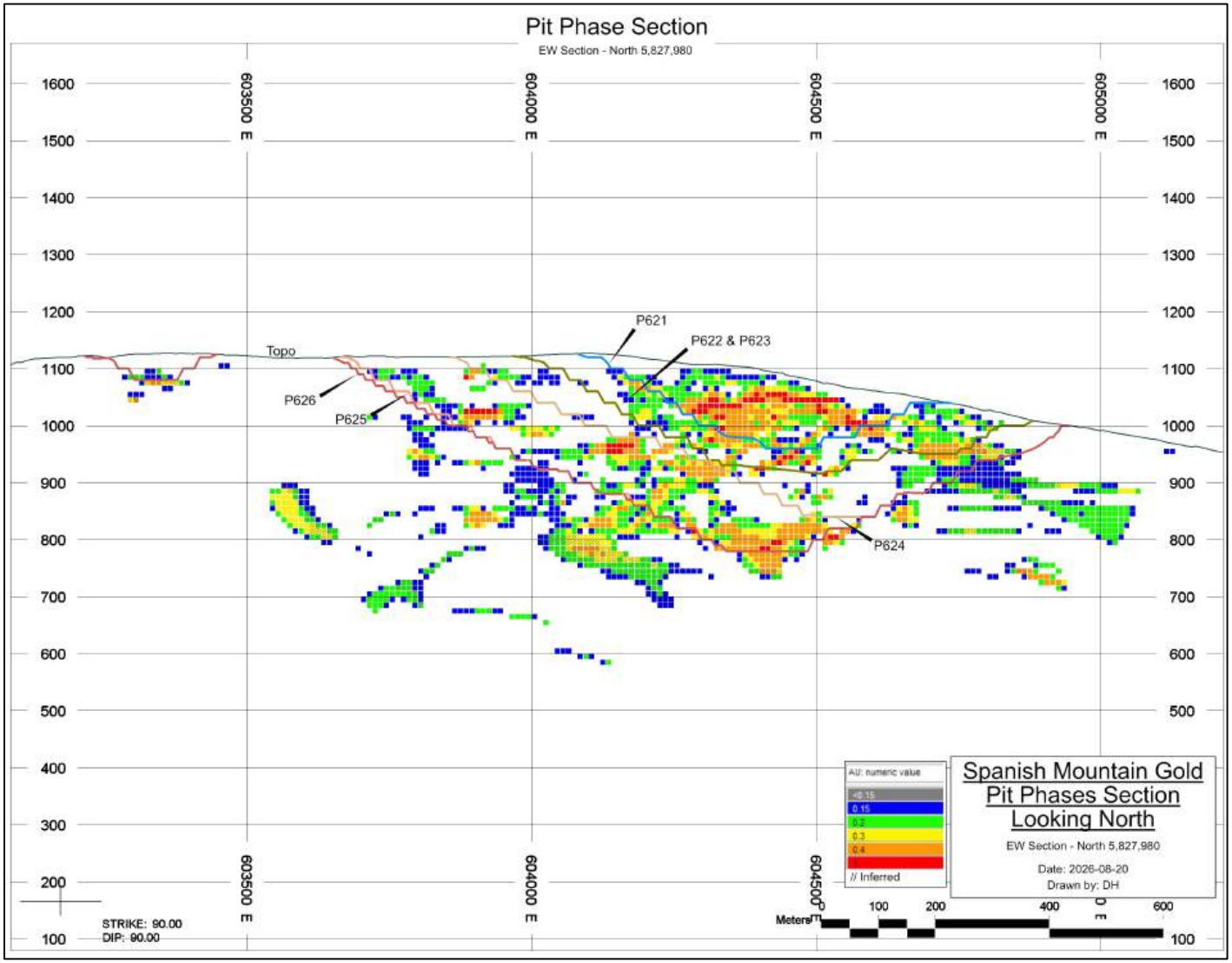


Figure 16-15: Cross-section view, 5,827,980N (looking north), of phased pit designs

16.4.8 Pit Contents

The Mineral Resources delineated by the pit designs are shown in Table 16-1 and illustrated in Figure 16-16. The utilized cut-off gold grade is 0.15 g/t.

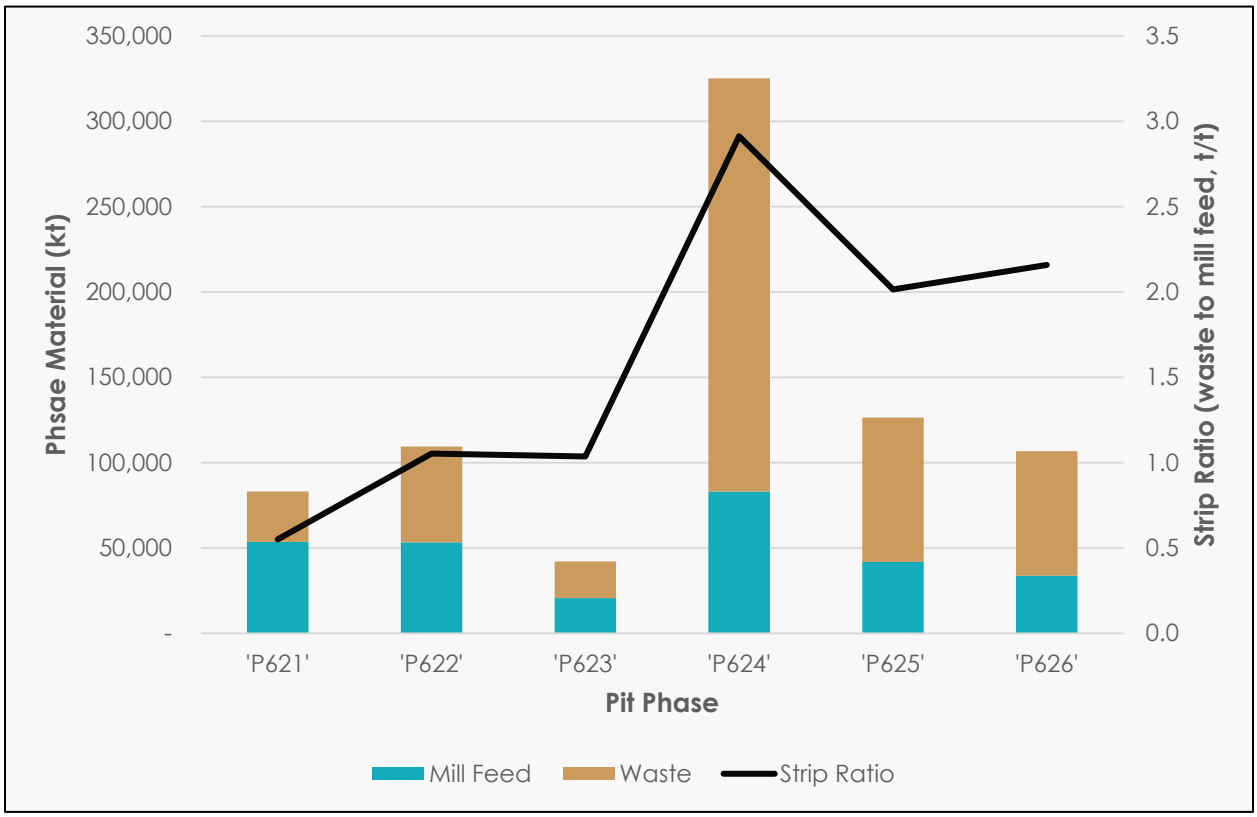


Figure 16-16: Designed phase pit contents

16.5 Waste Rock Management

16.5.1 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 are 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 is broken up by lithology into different metallurgical domains, when combined with the ARD to produce a Waste Management Code (WMC), defined in Table 16-8. Modelled sulphur values of 0%, are assumed to be unknown and treated as default WMC material. Default WMC material is 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

16.5.2 Waste Rock Disposal Strategy

Waste rock will be sorted based on whether it is PAG, non-PAG rock, or non-PAG overburden and distributed as shown in Table 16-8 to various waste rock storage facilities (WRSF).

A placed waste density of 2.3 t/m^3 is assumed for all waste rock, 2.2 t/m^3 for overburden. These densities are used to size the potential areas for waste storage.

The PAG WRSF and overburden stockpiles will be built in lifts, where the non-PAG WRSF will be built in a combination of lifts and top-down wraparounds. Layouts for the WRSF's use an overall slope of 2.5:1 from crest to toe. Top-down wraparound areas use an overall slope of 1.3:1. The overburden stockpiles use overall slopes of 3:1.

Non-PAG overburden waste will be segregated into two stockpiles for use during reclamation and closure. The first pile sits between the plant site and the PAG WRSF, 1 km west of the open pit. The final elevation at the top of this overburden stockpile will be 1,060 m, with capacity for 6 Mt of

overburden. The second pile sits between the mill feed stockpile and the tailings facility, 2 km west of the open pit. The final elevation at the top of this overburden stockpile will be 1,060 m, with capacity for 29 Mt of overburden.

The non-PAG WSRF will be located directly southwest of the pit and will be split into three wraparounds, 1,240 m crest elevation, 1,170 m crest elevation, and 1,140 m crest elevation. Non-PAG rock will be hauled to each lift based on the closest in-situ elevation in the pit. Portions of the 1,140 m segment will be built in bottom-up lifts, where appropriate from the pit. The non-PAG WSRF has a total capacity for 385 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, 2 km west of the open pit. The crest of the PAG WRSF is at 1,100 m elevation, with a capacity for 84 Mt.

The layout for the waste storage facilities can be seen in Figure 16-1.

16.6 Ex-pit Haul Roads

Ex-pit haul roads are designed with a maximum grade of 10%. A 32 m width that incorporates a dual-lane running width and berms on both edges of the haul road is sized to accommodate 240-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.

External roads are assumed to use a fill construction strategy. Initial development to the top benches of each pit phase, constructed within the ultimate pit limit, use a cut construction strategy. The 32 m wide roadway will be cut up the side of the hill, then retreated and mined out to the surrounding ex-pit haul roads.

Simplified layouts for the ex-pit haul roads can be seen in Figure 16-1. Future engineering will require 3D cut and fill optimization.

16.7 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 pit 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.

16.8 Mine Production Schedule

16.8.1 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 7.5 Mt from the open pit is planned. The construction of the starter tailings dam and water management pond will require 0.3 Mt for non-PAG rock from the pre-strip. Haul roads will require an additional 2.0 Mt of non-PAG rock from the pre-strip. The remainder of the pre-strip is associated mill feed that will be stockpiled (0.4 Mt), overburden material that will be stockpiled (1.4 Mt), PAG rock that will be stockpiled (1.1 Mt), and mill feed that will be used for mill commissioning during the construction period (2.3 Mt).

Figure 16-17 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.

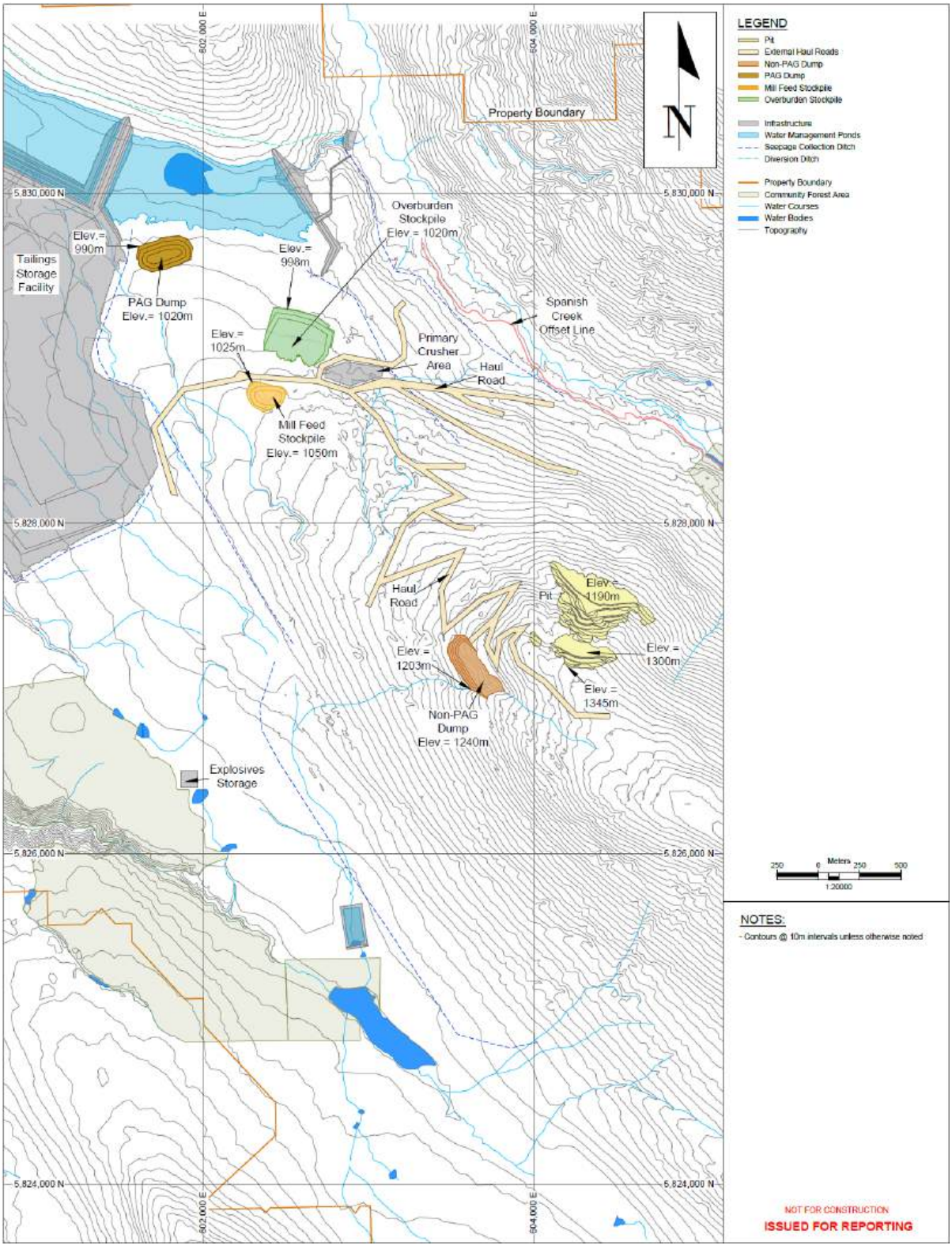


Figure 16-17: Mine development - pre-production

16.8.2 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 11.3 Mt is targeted based on an average of 31,000 t/d milling:
  - Commissioning is assumed over the last six month of Y-1, utilizing 2.3 Mt of mill feed.
  - Mill production will ramp up through Year 1 at 9.9 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 nine benches each year. Average phase progression in an annual period is six 10 m benches.
- A grade-bin stockpiling strategy is employed. Grade bins of 0.15 – 0.20 g/t Au, 0.20 g/t – 0.30 g/t Au, and >0.3 g/t Au are managed during the open pit operations.
- Material in the stockpiles will be reclaimed to the mill as needed and once the pit is exhausted.

The mine production schedule is illustrated in the following tables and graphs.

Table 16-9: Mine production schedule summary

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	0	0	0	0.00	0.00	1,500	0.0	1,500	1,500
Y-1	2,300	433	0	2,300	0.52	0.68	3,242	1.2	5,975	5,975
Y01	9,900	5,838	0	9,900	0.62	0.58	14,262	0.9	30,000	30,000
Y02	11,315	9,883	0	11,315	0.84	0.63	16,302	0.8	37,500	37,500
Y03	11,315	11,543	0	11,315	0.75	0.63	14,142	0.6	37,000	37,000
Y04	8,115	5,405	3,200	11,315	0.50	0.62	21,980	1.6	35,500	38,700
Y05	8,865	6,879	2,450	11,315	0.54	0.66	29,255	1.9	45,000	47,450
Y06	11,315	7,212	0	11,315	0.58	0.74	27,473	1.5	46,000	46,000
Y07	10,715	6,875	600	11,315	0.52	0.72	37,410	2.1	55,000	55,600
Y08	3,315	1,086	8,000	11,315	0.28	0.60	56,156	12.8	60,557	68,557
Y09	8,815	2,926	2,500	11,315	0.35	0.58	51,090	4.4	62,831	65,331
Y10	7,815	9,798	3,500	11,315	0.43	0.65	35,222	2.0	52,835	56,335
Y11	11,315	10,105	0	11,315	0.54	0.68	26,580	1.2	48,000	48,000
Y12	11,315	8,681	0	11,315	0.56	0.63	21,004	1.1	41,000	41,000
Y13	10,015	2,187	1,300	11,315	0.39	0.71	26,739	2.2	38,941	40,241
Y14	7,115	3,002	4,200	11,315	0.32	0.76	35,919	3.6	46,036	50,236
Y15	11,315	3,063	0	11,315	0.37	0.64	25,621	1.8	40,000	40,000
Y16	11,315	2,446	0	11,315	0.39	0.60	23,239	1.7	37,000	37,000
Y17	10,315	2,163	1,000	11,315	0.41	0.67	21,688	1.7	34,167	35,167
Y18	11,315	2,701	0	11,315	0.41	0.81	13,958	1.0	27,974	27,974
Y19	5,354	1,096	5,961	11,315	0.35	0.74	3,902	0.6	10,353	16,314
Y20	0	0	11,315	11,315	0.23	0.62	0	0.0	0	11,315
Y21	0	0	11,315	11,315	0.23	0.62	0	0.0	0	11,315

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)
Y22	0	0	11,315	11,315	0.17	0.61	0	0.0	0	11,315
Y23	0	0	11,315	11,315	0.17	0.61	0	0.0	0	11,315
Y24	0	0	11,315	11,315	0.17	0.61	0	0.0	0	11,315
Y25	0	0	11,315	11,315	0.17	0.61	0	0.0	0	11,315
Y26	0	0	2,722	2,722	0.17	0.61	0	0.0	0	2,722
Total	**183,161**	**103,323**	**103,323**	**286,484**	**0.41**	**0.65**	**506,685**	**1.8**	**793,169**	**896,492**

Table 16-10: Mill feed mined by phase

Period	P621, (kt)	P622, (kt)	P623, (kt)	P624, (kt)	P625, (kt)	P626, (kt)	Total (kt)
Y-2	0	0	0	0	0	0	0
Y-1	2,733	0	0	0	0	0	2,733
Y01	15,728	10	0	0	0	0	15,738
Y02	19,115	2,083	0	0	0	0	21,198
Y03	13,891	8,967	0	0	0	0	22,858
Y04	2,133	11,330	0	57	0	0	13,520
Y05	0	15,728	5	11	0	0	15,745
Y06	0	13,667	4,789	71	0	0	18,527
Y07	0	1,517	15,911	162	0	0	17,590
Y08	0	0	31	4,370	0	0	4,401
Y09	0	0	0	11,741	0	0	11,741
Y10	0	0	0	17,613	0	0	17,613
Y11	0	0	0	21,420	0	0	21,420
Y12	0	0	0	19,995	1	0	19,996
Y13	0	0	0	7,661	4,103	439	12,202
Y14	0	0	0	0	8,505	1,613	10,117
Y15	0	0	0	0	13,949	430	14,379
Y16	0	0	0	0	11,113	2,647	13,761
Y17	0	0	0	0	4,267	8,211	12,478
Y18	0	0	0	0	0	14,016	14,016
Y19	0	0	0	0	0	6,451	6,451
Total	**53,600**	**53,303**	**20,735**	**83,102**	**41,937**	**33,806**	**286,484**

Table 16-11: Waste mined by destination

Period	Non-PAG to construction (kt)	Non-PAG to WRSF (kt)	Overburden to stockpile (kt)	PAG to WRSF (kt)	Total
Y-2	575	2	665	258	1,500
Y-1	1,695	1	730	817	3,242
Y01	2,880	3,994	3,921	3,468	14,262
Y02	0	8,907	2,369	5,026	16,302
Y03	0	10,515	1,083	2,543	14,142
Y04	0	14,901	3,758	3,321	21,980
Y05	0	20,438	4,173	4,644	29,255
Y06	0	19,952	4,015	3,506	27,473
Y07	0	30,802	2,566	4,042	37,410
Y08	0	45,791	2,026	8,340	56,156
Y09	0	41,457	1,476	8,157	51,090

Period	Non-PAG to construction (kt)	Non-PAG to WRSF (kt)	Overburden to stockpile (kt)	PAG to WRSF (kt)	Total
Y10	0	31,350	638	3,235	35,222
Y11	0	21,995	455	4,129	26,580
Y12	0	16,555	529	3,920	21,004
Y13	0	18,238	3,660	4,841	26,739
Y14	0	26,084	1,444	8,391	35,919
Y15	0	20,084	499	5,039	25,621
Y16	0	17,985	433	4,821	23,239
Y17	0	19,066	41	2,581	21,688
Y18	0	12,189	0	1,769	13,958
Y19	0	3,011	0	891	3,902
Total	**5,150**	**383,318**	**34,480**	**83,737**	**506,685**

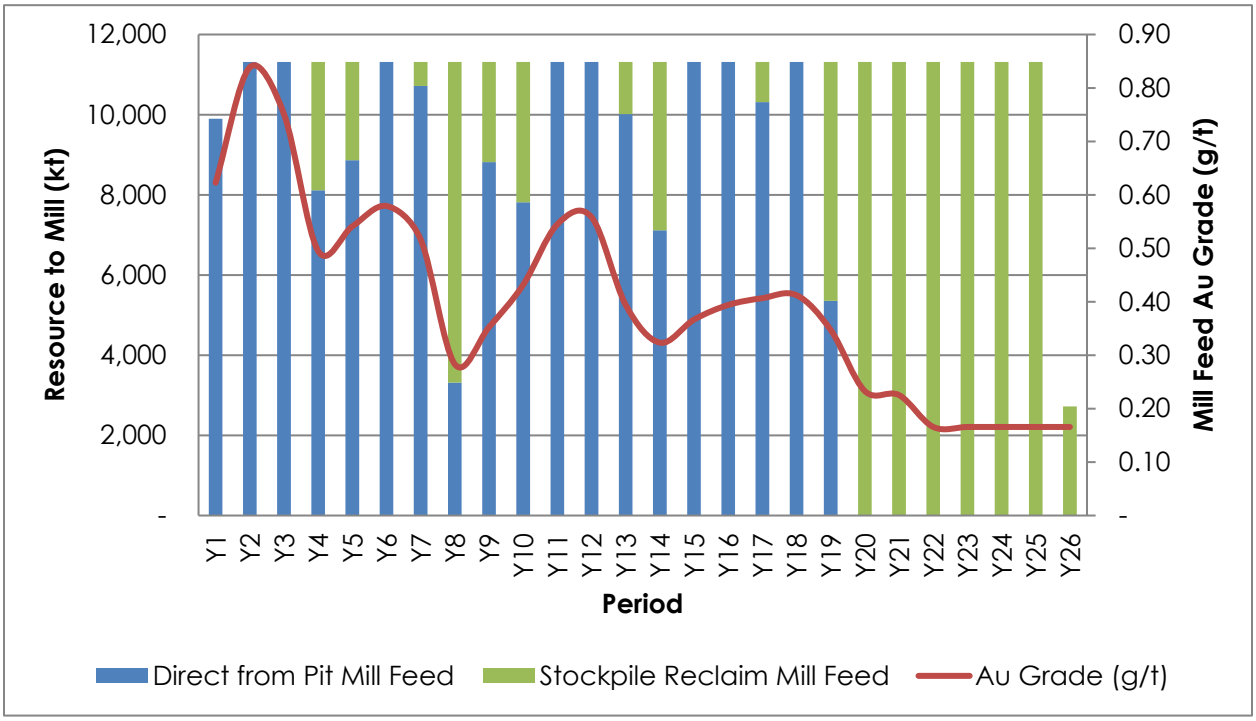


Figure 16-18: Mine production schedule, mill feed tonnes and grades

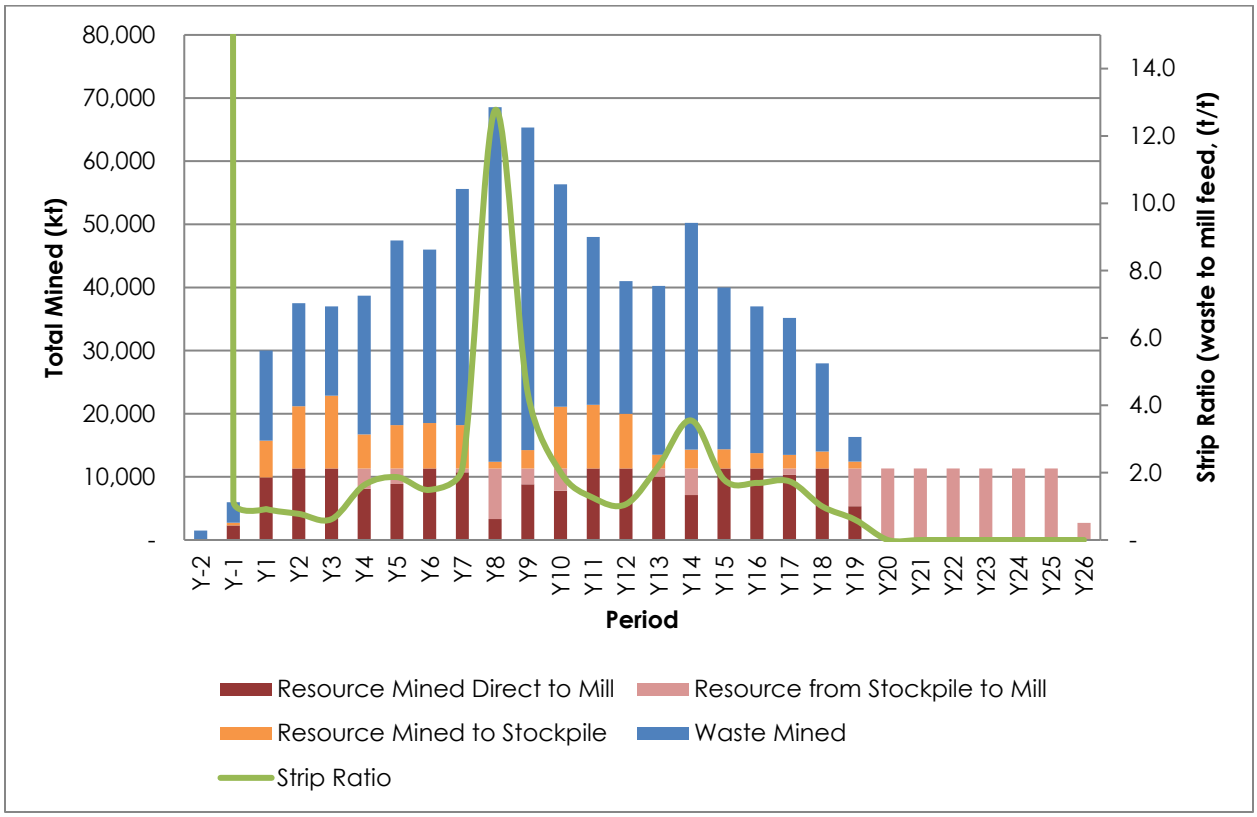


Figure 16-19: Mine production schedule, total mined and strip ration (waste to mill feed)

16.8.3 Mine End of Period Maps

The following figures show the general arrangement of the mine operations at Year 1, Year 3, Year 5, and LOM. The end of the construction period is shown in Figure 16-17. The completion of open pit operations in Year 13 is shown in Figure 16-1. Between Year 14 and LOM in Year 31 the mill feed stockpile material will be reclaimed to the mill.

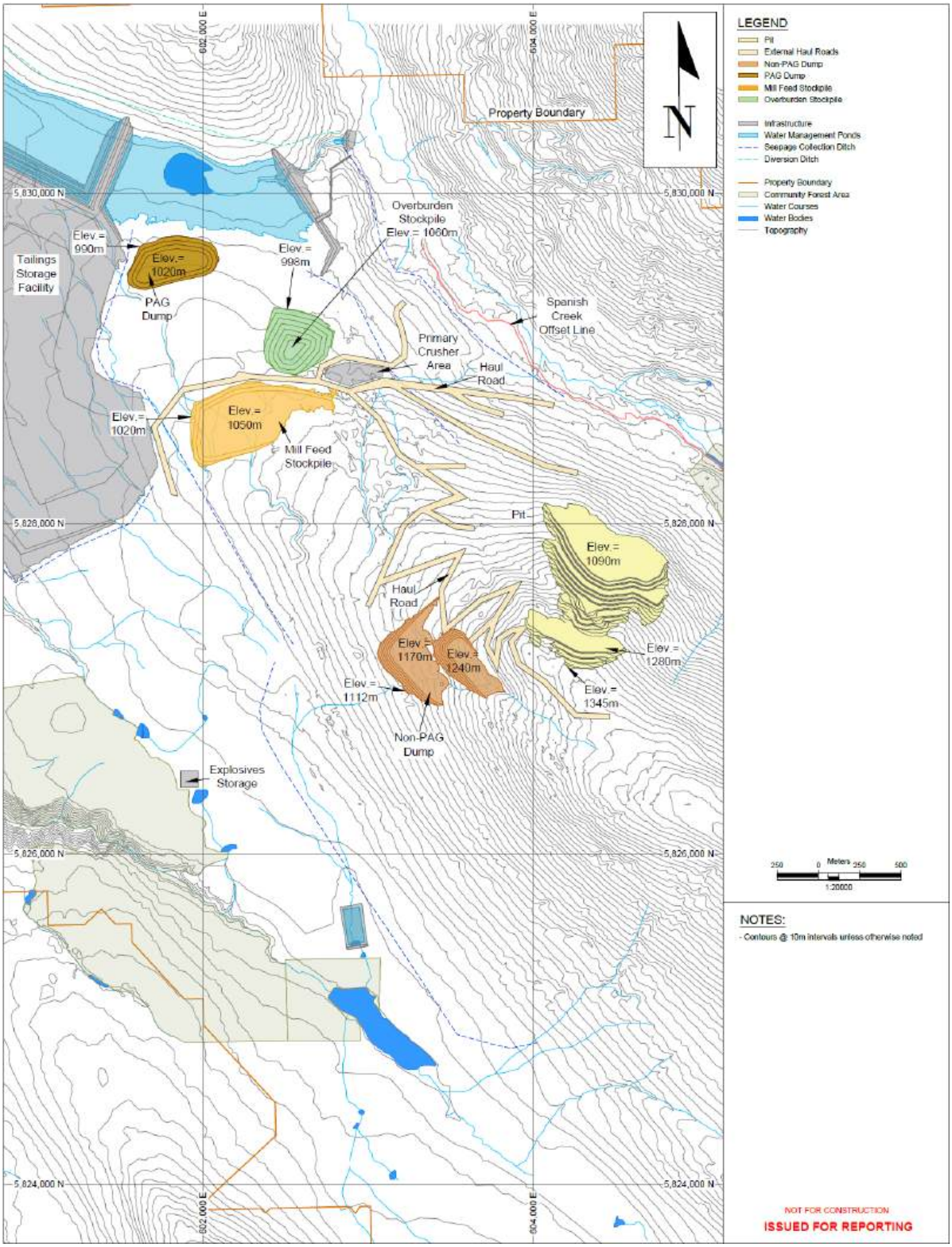


Figure 16-20: Year 1 end of period map

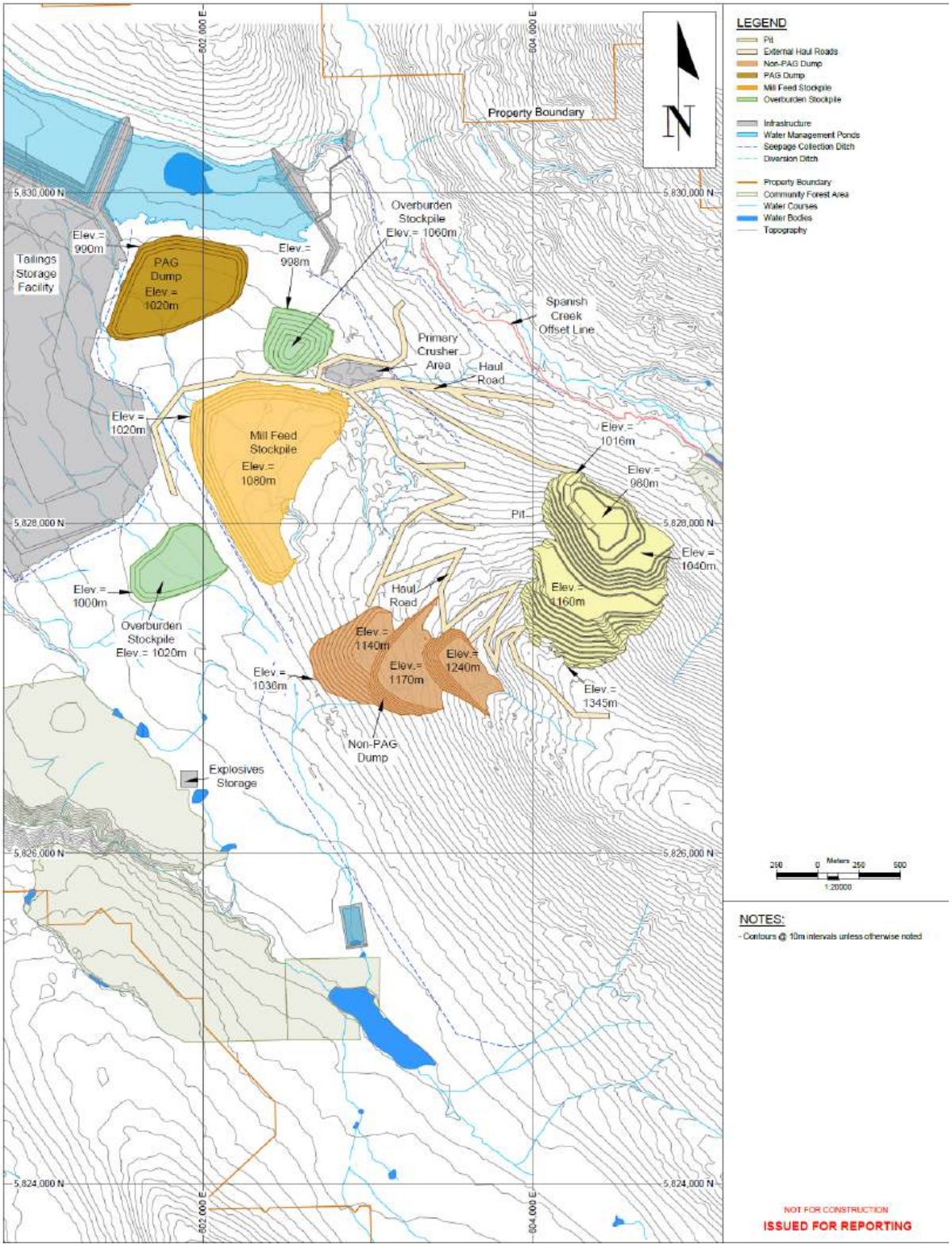


Figure 16-21: Year 3 end of period map

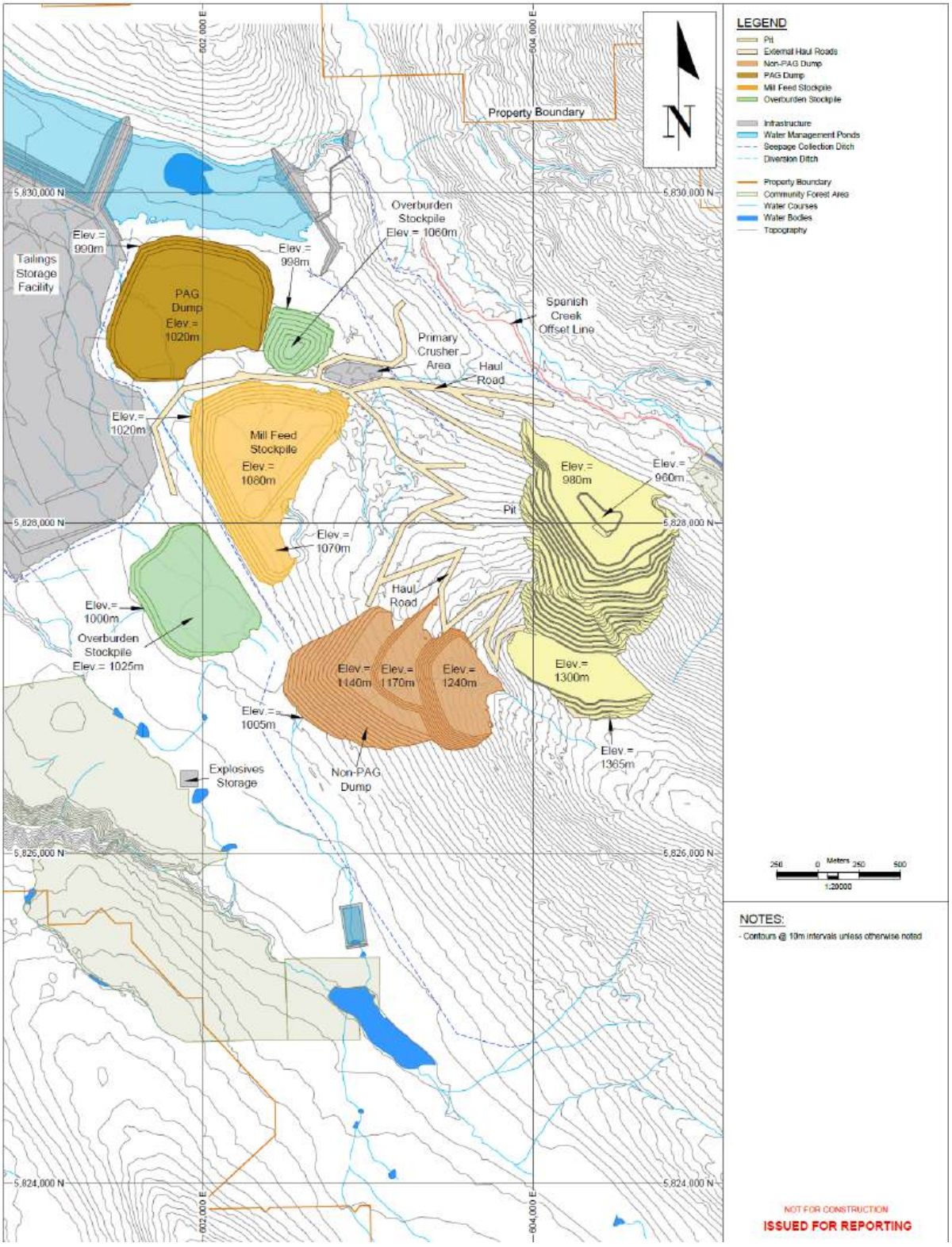


Figure 16-22: Year 5 end of period map

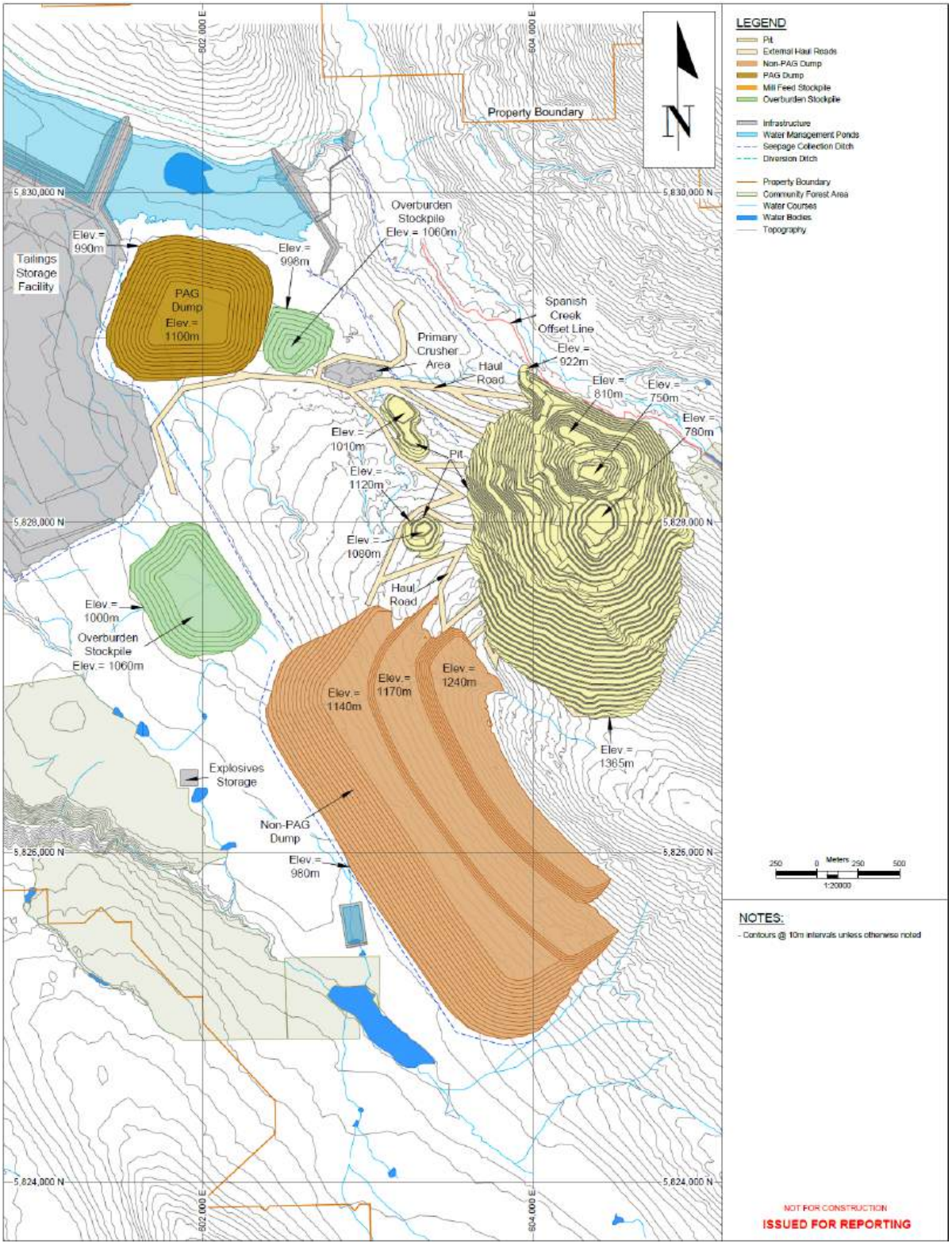


Figure 16-23: Year 26 end of period map

16.9 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 1 of the Project, with a portion of the drilling and loading fleets converting to electric power.

In-situ 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, modelling 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 ensures delivery to the correct destination.

Mine operations are organized into two areas, Direct Mining and General Mine Expense (GME).

16.9.1 Direct Mining

Direct Mining includes the equipment operating costs, and operating labour, 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 labour and repair parts, operation of mine maintenance equipment and tooling, plus off-site repairs which contribute to the hourly operating cost of the equipment.

16.9.1.1 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. Planned ARD sampling and assaying on 50,000-tonne mined intervals have also been included.

16.9.1.2 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 1 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.

16.9.1.3 Blasting

Target powder factors of 0.21 kg/t for the waste rock and 0.26 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.

16.9.1.4 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 1 of the Project and two electric-powered 34 m^3 hydraulic face shovels will be added to the fleet. These shovels are also planned to handle the stockpile rehandle after the pits are exhausted. 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, execute 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).

16.9.1.5 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 242-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 138-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.

16.9.1.6 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.

16.9.1.7 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 modelling 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 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 is to be implemented 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.

16.9.1.8 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.

16.9.2 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.

16.9.3 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.

16.9.4 Fleet Summary

Primary mining equipment requirements are summarized in Table 16-12.

Table 16-12: Mining fleet schedule

Fleet Summary	Y-1	Y 1-4	Y 5-8	Y 9-19	Y20-26
Drilling					
Electric Rotary Drill, Tracked, 250 mm	0	2	3	3	0
Diesel Rotary Drill, Tracked, 200 mm	1	2	2	2	0
DTH Drill, Tracked, 115 mm	1	3	3	3	0
Loading					
Electric Hydraulic Face Shovel, 34 m^3 bucket	0	1	2	2	1
Diesel Hydraulic Excavator, 22 m^3 bucket	1	2	2	2	0
Wheel Loader, 14 m^3 bucket	1	1	1	1	1

Fleet Summary	Y-1	Y 1-4	Y 5-8	Y 9-19	Y20-26
Hauling					
Rigid Hauler, 242 t payload	0	9	14	15	3
Rigid Hauler, 138 t payload	4	4	4	4	0
Articulated Hauler, 40 t payload	2	2	2	0	0
Primary Support					
Motor Grader, 5.4 m blade	1	2	3	3	1
Water/Gravel Truck	1	2	2	2	1
Track Dozer, 447 kW	2	2	2	2	0
Track Dozer, 325 kW	1	2	3	3	1
Wheel Loader, 4.5 m^3 bucket	1	2	2	2	1
Hydraulic Excavator, 4.5 m^3 bucket	1	2	2	2	1
Fuel/Lube Truck	1	2	2	2	1
Cable Reeler	0	1	1	1	0

17. Recovery Methods

17.1 Overview

The process flowsheet for the Spanish Mountain Project was developed from the metallurgical testwork summarized in Chapter 13 to meet the Project's throughput and precious metal recovery objectives. The proposed flowsheet combines established mineral processing technologies, with CPF incorporated to recover gold-bearing material at a coarse grind size.

The processing facility is designed for a nominal throughput of 31,000 t/d, equivalent to approximately 11.3 Mt/y, and will produce gold and silver doré. The flowsheet comprises crushing, grinding, CPF, concentrate regrinding, gravity concentration, conventional flotation, concentrate leaching via CIL, and precious metal recovery through carbon adsorption. The design assumes operating availabilities of 70% for crushing, 91% for milling, flotation and leaching, and 88% for tailings filtration. These allowances account for planned maintenance and operational downtime.

Commissioning and initial ramp-up are scheduled over a six-month pre-production period, during which approximately 2.3 Mt of material will be processed. Throughput will continue to increase during Year 1, with planned mill feed of 9.9 Mt, equivalent to approximately 88% of annual nameplate capacity. Full annual throughput of 11.3 Mt is scheduled from Year 2 onward, subject to mill feed availability under the mine plan.

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	31,000
Life of mine	Year	26
Operating days per year	d/y	365
Sulphur head grade, design	%	1.5
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

Description	Units	Value
Mineralization characteristics		
Axb, design	-	31
Bond ball work index, design	kWh/t	14.2
Bond abrasion index, design	g	0.21
Specific gravity	-	2.72
Primary crushing		
Crushing feed size, F_{80}	mm	180
Crushing product size, P_{80}	mm	108
Nominal throughput, dry	t/h	1,845
Grinding		
Grinding product size, P_{80}	µm	600
Circuit arrangement		SAB
Nominal throughput, dry	t/h	1,420
Ball mill recirculating load	%	350
CPF/Regrind 1/Gravity		
Fine feed - CPF bypass throughput, dry	t/h	473
CPF feed rate, dry	t/h	947
CPF tails rate, dry	t/h	757
CPF concentrate to regrind 1 rate, dry	t/h	189
Regrind 1 circuit arrangement		single vertical mill
Regrind 1 product size, P_{80}	µm	180
Proportion of cyclone underflow to gravity	%	35
Rougher/Regrind 2/Cleaner		
Circuit arrangement		rougher/regrind/2-stage cleaner
Rougher feed rate, dry	t/h	663
Rougher concentrate to regrind 2 rate, dry	t/h	133
Regrind 2 circuit arrangement		two stages - vertical mills
Stage two regrind product size, P_{80}	µm	20
Cleaner concentrate rate, dry	t/h	46
Leaching/Carbon System		
Leach feed, dry	% plant feed	3
Leach + adsorption residence time	h	24
Carbon Batch Size	t	5

Description	Units	Value
Tailings		
Fine tailings thickening, solids flux loading rate	(t/h)/m²	0.8
Thickener underflow density, dry	% (w/w)	60
Cyanide detox residence time	h	1.5
Fine tailings filtration rate	(kg/h)/m²	195
Filter cake moisture, maximum target	%	13

17.3 Process Plant Description

The process design incorporates the following major unit operations:

- Primary crushing of ROM mineralized material.
- SAG and ball milling with cyclone classification followed by screening.
- CPF treatment screen overflow.
- Screening and dry stacking of CPF tailings.
- CPF concentrate regrinding followed by rougher flotation.
- Rougher concentrate regrinding followed by cleaner flotation.
- Gravity concentration and intensive cyanide leaching of gravity concentrates.
- Thickening, filtration, and dry stacking of rougher and cleaning flotation tailings.
- Leaching of flotation concentrates.
- Precious metal recovery through carbon desorption, electrowinning, and doré smelting.
- Cyanide destruction and deposition of slurry in lined facility.

An overall process flow diagram showing the unit operations in the selected process flowsheet is presented in Figure 17-1.

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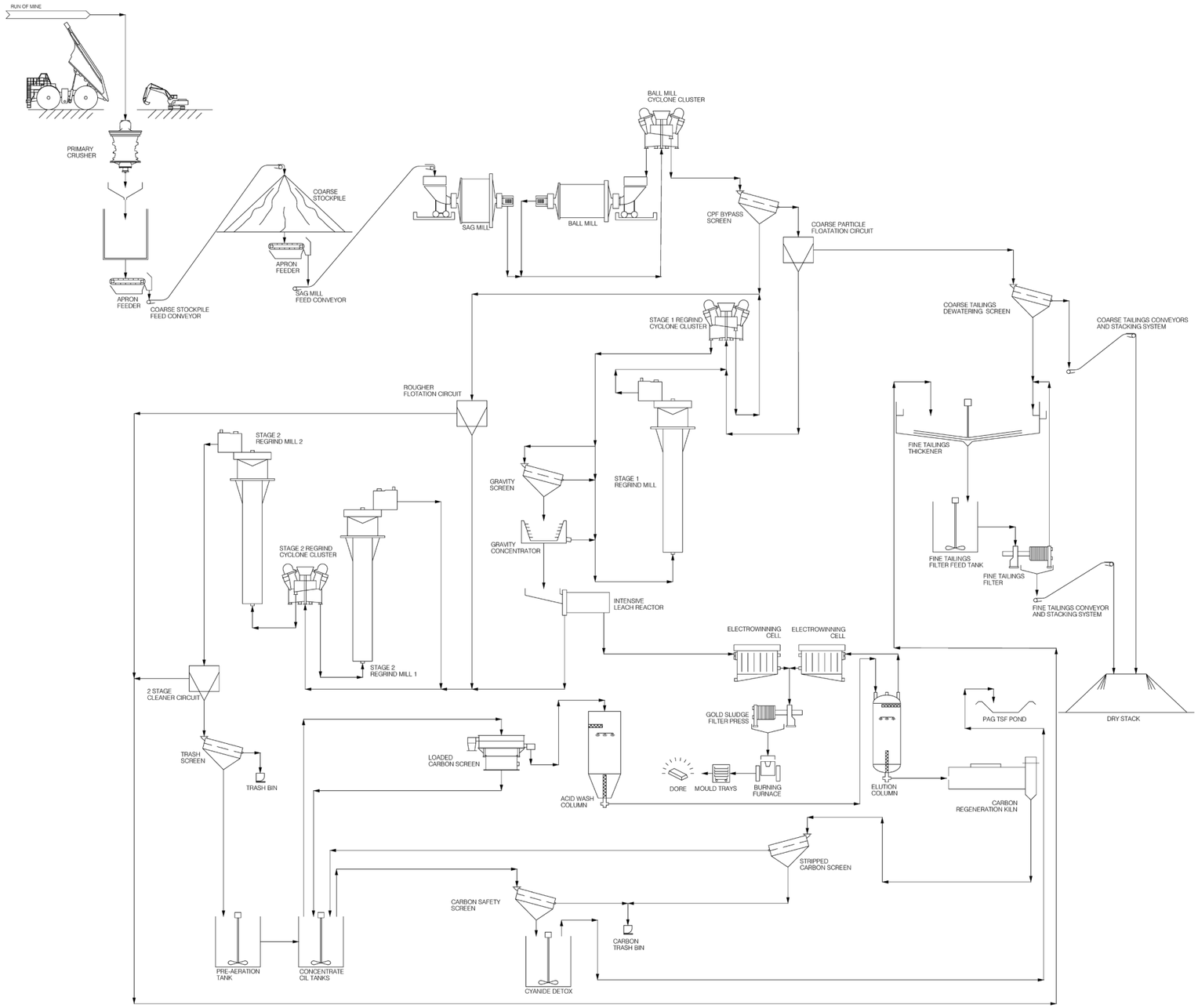


Figure 17-1: Process flowsheet

17.3.1 Crushing and Stockpiling

The crushing circuit consists of a one-stage configuration designed to reduce ROM mineralized material from an F_{80} feed size of 180 mm to a crushed product P_{80} of 108 mm.

ROM mineralized material will be transported from the mine and discharged into a receiving pocket feeding the primary crusher. The primary crusher product will be conveyed directly to the crushed mineralized material stockpile.

Crushed material will be reclaimed from the stockpile by apron feeders and conveyed to the grinding circuit.

Major equipment included in the crushing area comprises:

- One primary crusher.
- One apron feeder.
- One stockpile feed conveyor.
- Two stockpile reclaim feeders.

17.3.2 Grinding Circuit

The grinding circuit consists of a semi-autogenous grinding (SAG) mill with a ball mill operating in closed circuit with a cyclone classification system to produce a final grinding product with a P_{80} of 600 µm.

Processed material from the SAG mill will discharge to a cyclone feed pumpbox, where process water will be added as required to achieve the target slurry density. The slurry will then be pumped to the cyclone cluster for classification. Cyclone overflow, with a target particle size of P_{80} 600 µm, will feed the CPF circuit for further processing. Cyclone underflow will be returned to the ball mill for additional grinding, completing the closed-circuit grinding arrangement.

Major equipment in the grinding area will include:

- One SAG mill (10.4 m diameter x 4.1 effective grinding length (EGL), 8,950 kW).
- One ball mill (7.3 m diameter x10.4 m EGL, 7,000 kW).
- One cyclone cluster.

17.3.3 Coarse Particle Flotation Circuit and Stage 1 Regrind Circuit

The coarse particle flotation circuit is designed to enhance overall tailings management and plant design by rejecting coarse clean gangue and upgrading rougher feed grade.

Ball mill cyclone overflow will feed the CPF circuit to reject coarse clean gangue. The overflow from the ball mill cyclone will be classified in the CPF screen with an aperture of 106 µm. The oversize will be directed to the CPF cells for flotation with the addition of a frother and collector. The CPF screen undersize, containing the finer particles and about one third of the solids from cyclone overflow, will bypass the CPF cells and report to the rougher circuit.

Concentrate produced by the CPF cells will feed the stage 1 regrind for further liberation prior to the rougher flotation, while tails will be directed to the coarse tailings dewatering screens. The stage 1 regrind has a target particle size of P_{80} 200 µm.

Potassium amyl xanthate (PAX) and MIBC will be added to the CPF circuit.

Major equipment in this area will include:

- Four scalping screens.
- Four CPF cells.
- One 2,237 kW vertical stirred mill

17.3.4 Gravity Concentrator and Intensive Leach Circuit

The gravity circuit is intended to recover free-milling precious metals early in the process, reducing the load on downstream flotation and leaching circuits while improving overall plant recovery.

About one third of the stage 1 regrind cyclone underflow will be diverted to the gravity screen. Screen undersize will be directed to four gravity concentrators for recovery of high-density valuable minerals. Concentrate produced by the gravity concentrators will be processed through an intensive leach reactor, generating a high-grade pregnant leach solution for precious metal recovery by electrowinning.

The coarse from the screen is returned to the cyclone feed pumpbox.

Tailings from the gravity concentrators and the gravity screen oversize will be returned to the cyclone feed pumpbox for further processing within the regrinding circuit. Residue from the intensive leach reactor will be forwarded to the stage 2 regrind circuit to promote additional mineral liberation and enhance downstream recovery.

Major equipment in the gravity recovery area will include:

- One gravity screen.
- Three gravity concentrators.
- One intensive leach reactor.
- One electrowinning cell.

17.3.5 Rougher Flotation Circuit and Stage 2 Regrind Circuit

The reground CPF concentrate and the CPF bypass will be upgraded through rougher flotation and regrind circuits prior to the cleaning flotation.

The resulting slurry, with a target grind size of P_{80} 200 µm will be processed in a rougher flotation circuit consisting of a single train of conventional mechanical flotation cells. Rougher flotation tailings will be directed to the fine tailings thickener to produce dry stack tailings.

Concentrate from the rougher circuit will be pumped to the stage 2 regrind circuit for further mineral liberation. The regrind circuit will include two mills with target grind sizes of 40 µm and 20 µm.

Reagents added to the rougher flotation circuit will include PAX and MIBC as the frother.

Major equipment in this area will include:

- One 2,237 kW vertical stirred mill.
- One 500 kW vertical stirred mill.
- Five 300 m^3 mechanical flotation cells.

17.3.6 Cleaner Flotation Circuit

The stage 2 regrind product, with target particle size of P_{80} 20 µm, will be further upgraded through two stages of cleaner flotation utilizing conventional mechanical flotation cells.

The final cleaner flotation concentrate will be passed through a trash screen before being sent downstream for leaching, while the final cleaner flotation tailings will be combined with the rougher tailings and pumped to the fine tailings thickener for subsequent filtration and dry stacking.

Reagents added to the cleaner flotation circuit will include PAX as the collector, CMC as the depressant, and MIBC as the frother. These reagents will support selective sulphide recovery and concentrate upgrading prior to leaching.

Major equipment in this area will include:

- Four 50 m^3 mechanical flotation cells for the first cleaner.
- Two 50 m^3 mechanical flotation cells for the second cleaner.

The cleaner flotation is designed to maximize value, producing a finely ground concentrate suitable for efficient downstream precious metal leaching and recovery.

17.3.7 Concentrate CIL Circuit

The flotation concentrate CIL circuit is designed to integrate gold leaching and adsorption within a single process stream, allowing dissolved precious metals to be adsorbed onto activated carbon as leaching progresses. Activated carbon is introduced into the circuit and advances counter-current to slurry flow. While slurry moves sequentially through the tanks, carbon is transferred in the opposite direction, maximizing contact between dissolved gold and activated carbon. This configuration promotes high gold adsorption efficiency and minimizes soluble gold losses in the final leach residue.

The CIL circuit comprises one pre-aeration tank followed by six mechanically agitated CIL tanks. Each CIL tank has a working volume of 650 m³, providing a total leach and adsorption residence time of approximately 24 hours at a slurry density of 30% solids by weight.

The circuit will receive feed from the cleaner flotation circuit. Concentrate from the cleaner circuit will report to the pre-aeration tank, where oxygen will be introduced to enhance leaching kinetics. Additional oxygen will be sparged into the first CIL tanks to maintain a target dissolved oxygen concentration of 20 ppm. Hydrated lime will be added to the pre-aeration tank and the first three CIL tanks to maintain the desired operating pH and optimize cyanide leaching performance.

NaCN will be added as the primary leaching reagent to facilitate dissolution of gold and silver metals.

Loaded carbon recovered from the final stages of the circuit will be screened and transferred to the carbon handling and precious metal recovery area for subsequent desorption, electrowinning, and doré production.

Major equipment in this area will include:

- One pre-aeration tank.
- Six 650 m^3 CIL tanks.
- One loaded carbon screen.

This conventional arrangement provides a robust and widely proven method for recovering gold and silver from flotation concentrates.

17.3.8 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.

17.3.8.1 Carbon Acid Wash

The carbon acid washing stage is designed to restore the adsorption efficiency of loaded activated carbon by removing accumulated inorganic contaminants and mineral scale acquired during the leaching and adsorption process. During this stage, loaded carbon is treated with hydrochloric acid (HCl), which dissolves and removes scale-forming compounds such as calcium carbonate, magnesium hydroxide, and other inorganic precipitates that can foul the carbon surface and reduce adsorption performance.

Following acid treatment, the carbon is thoroughly rinsed with water to remove residual acid and dissolved contaminants, ensuring that the carbon is adequately prepared for the elution circuit.

The carbon acid wash process contributes to maintaining long-term carbon performance, reducing fouling-related losses, and maximizing precious metal recovery during downstream elution and electrowinning operations.

17.3.8.2 Elution

Following the acid washing stage, the cleaned carbon is transferred to the elution column, where adsorbed gold and silver are desorbed from the carbon surface. Elution is accomplished by circulating a heated solution containing NaCN and sodium hydroxide (NaOH) through the carbon bed under elevated temperature and pressure conditions. Sodium cyanide acts as the primary reagent for dissolving the precious metals from the activated carbon, while sodium hydroxide maintains the alkaline conditions required for efficient desorption and process stability.

The resulting metal-rich solution, known as pregnant eluate, is discharged from the elution column and passed through a heat exchanger to reduce its temperature prior to downstream precious metal recovery. Cooling the eluate prepares the solution for subsequent electrowinning operations, where dissolved gold and silver are recovered and ultimately refined into doré.

The elution circuit is designed to efficiently strip precious metals from loaded carbon, regenerate carbon adsorption capacity, and produce a high-grade pregnant solution for downstream metal recovery.

17.3.8.3 Carbon Dewatering and Regeneration

Upon completion of the elution process, the barren (stripped) carbon is hydraulically transferred from the elution column to a carbon dewatering screen. The dewatering stage removes excess moisture from the carbon, preparing it for thermal regeneration.

The dewatered carbon is then fed to a carbon regeneration kiln, where elevated temperatures are used to remove residual organic compounds, adsorbed contaminants, and other fouling

agents that may impair carbon adsorption performance. Thermal regeneration restores the activity of the activated carbon and enhances its capacity for subsequent precious metal adsorption.

Following regeneration, the carbon is screened to remove undersized particles generated through attrition during handling and processing. These carbon fines are discarded, while the regenerated carbon is returned to the CIL circuit for reuse.

The carbon regeneration circuit is designed to maintain carbon activity, maximize adsorption efficiency, and reduce operating costs through the continual recycling of activated carbon within the precious metals recovery process.

17.3.8.4 Electrowinning

The cooled pregnant eluate is discharged to a pregnant eluate tank, which serves as the feed and surge vessel for the electrowinning circuit. From this tank, the eluate is continuously circulated through the electrowinning cells in a closed-loop arrangement, allowing dissolved gold and silver to be plated onto cathodes while the stripped solution is returned to the tank for recirculation.

This recirculating configuration maximizes metal recovery by maintaining repeated contact between the pregnant solution and the cathode surfaces until the precious metal content of the eluate has been substantially depleted. The resulting cathode deposits are subsequently collected and processed in the smelting circuit for doré production.

17.3.8.5 Doré Production

Following electrowinning, the precious metal-bearing cathode sludge is collected and dewatered using a filter press to produce a semi-solid filter cake. The filter cake is then transferred to the smelting furnace, where it is blended with appropriate fluxes and heated to separate precious metals from residual impurities.

During smelting, impurities combine with the fluxes to form a slag phase, which floats on the surface of the molten metal and is removed from the furnace. The slag is poured into a slag pot for handling and disposal or further treatment, as required. The molten precious metal alloy is subsequently poured into molds, where it cools and solidifies to produce gold-silver doré bars for shipment to an off-site refinery.

The smelting circuit is designed to generate a high-value doré product while efficiently removing impurities and maximizing precious metal recovery.

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.

17.3.9 Cyanide Detoxification

Tailings exiting the leaching circuit will be treated in a cyanide destruction system consisting of two parallel cyanide destruction tanks. The treated slurry discharged from these tanks, together with undersize material from the carbon sizing screen, will pass through a carbon safety screen to recover any residual activated carbon prior to final tailings disposal.

Undersize from the carbon safety screen will be directed to the PAG tailings storage facility, while oversize material, consisting primarily of retained carbon, will be collected in a trash bin for disposal or further handling as required.

Lime and sodium metabisulphite (SMBS) will be added to the cyanide destruction circuit to facilitate cyanide detoxification. Lime will be used to maintain the required alkaline operating conditions, while SMBS will serve as the source of SO_2 for the cyanide destruction reaction.

The cyanide destruction circuit is designed to reduce residual cyanide concentrations in the leach residue to acceptable levels prior to tailings disposal, while the carbon recovery screens minimize activated carbon losses and support overall precious metal recovery efficiency.

Major equipment in this area will include:

- Two cyanide destruction tanks.
- One carbon safety screen.

17.3.10 Tailings Management

The tailings management strategy combines dry-stack storage for non-PAG tailings with subaqueous storage of PAG tailings, reducing overall water consumption, maximizing water recovery to the process plant, and supporting long-term environmental management objectives. The non-PAG material is comprised of the CPF, rougher and cleaner flotation tailings and the PAG tailings is the discharge from the cyanide destruction system.

Tailings generated from the CPF will be screened on dewatering screens. The screen undersize below 200 µm will be sent to the fine tailings thickening and filtration system. The screen oversize is the coarse tailings and will be sent to the dry stack directly.

Tailings generated from the rougher and cleaner flotation circuits will be dewatered in a fine tailings thickener in conjunction with the fines from the CPF tailings. Thickener overflow will be recovered and directed to the process water tank for reuse in the plant, while thickener underflow will be pumped to the tailings filtration facility. The filtered tailings cake, with a target moisture content of 13%, will be transported to the dry-stack tailings facility via a series of fine tailings stacking conveyors.

Tailings originating from the leaching circuit will undergo cyanide destruction as described in Section 17.3.9 and will be transported by pipeline to the PAG tailings storage facility. Due to their geochemical characteristics, PAG tailings will be managed separately from non-PAG tailings and will be stored in a lined facility under subaqueous conditions to minimize the potential for sulphide oxidation and acid generation.

Major equipment in this area will include:

- One fine tailings thickener.
- Four coarse tailings screen.
- Two fine tailings filter feed tank.
- Five fine tailings filters.
- One coarse tailings dry stacking system.
- One fine tailings dry stacking system.

17.4 Reagent Handling and Storage

The reagent handling area will include facilities for reagent receiving, unloading, storage, preparation, and distribution to the process plant. The system will comprise bulk storage areas, mixing and make-up tanks, day tanks, and reagent dosing equipment, as required for each process reagent.

Reagents will be stored and handled in designated containment areas designed to segregate incompatible chemicals and prevent unintended mixing. Secondary containment structures will be provided to capture potential spills and protect personnel, equipment, and the environment.

Appropriate health and safety measures will be incorporated throughout the reagent handling facility, including ventilation systems, fire protection equipment, emergency eyewash and safety

shower stations, and readily accessible Safety Data Sheet (SDS) stations. These measures are intended to support the safe storage, handling, and use of all process reagents.

Each containment area will be equipped with dedicated sumps and sump pumps to collect and manage spills, washdown water, and drainage, ensuring effective spill control and housekeeping throughout the facility.

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
NaCN	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
HCl	Received in solution form in totes. Distributed to elution circuit and eluate tanks.	Carbon washing
NaOH	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 Chapter 13. (section 13.2) 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	300
Sodium Cyanide	t/a	200
PAX	t/a	2,700
MIBC	t/a	900
CMC	t/a	600
Carbon Makeup	t/a	200
Hydrochloric Acid	t/a	30
Sodium Hydroxide	t/a	30
SMBS	t/a	3,600
Flocculant	t/a	300
Antiscalant	t/a	30

17.5 Plant Services

The plant services consist of all water, gas and power needed to operate the processing facility. The water systems, compressed air, oxygen and power systems are summarized within this section.

17.5.1 Water Systems

17.5.1.1 Raw Water

Raw water will be supplied to the process plant and stored in a dedicated raw water storage tank, which will serve as the primary distribution point for site water requirements. From this facility, raw water will be delivered to various plant consumers, including reagent preparation systems, process water make-up systems, gland seal water services, and potable water treatment facilities.

The plant is estimated to require approximately 200 m^3/h or 1.5 million cubic metres (Mm^3) of raw water annually to support processing operations and site infrastructure requirements.

The raw water distribution system is designed to provide a reliable and flexible supply of water to all major plant users while ensuring adequate storage capacity to accommodate operational demand fluctuations.

17.5.1.2 Process Water

Process water for the plant will be sourced primarily from reclaimed water streams, including fine tailings thickener overflow, and reclaim water recovered from the PAG tailings storage facility. Raw water will be supplemented as required to satisfy overall plant water demand.

Process water will be collected and stored in a dedicated process water tank, from which it will be distributed throughout the plant via centrifugal pumps. The process water system will supply the various process and service water requirements of the facility, including grinding, flotation, leaching, tailings handling, and general plant operations.

The process water distribution system is designed to maximize water recovery and reuse within the operation, reducing raw water consumption while providing a reliable supply of water to support continuous plant operation.

17.5.1.3 Gland Water

Gland seal water for the process plant will be supplied from the raw water system. Water will be withdrawn from the raw water storage tank and distributed throughout the plant to equipment requiring gland sealing, including slurry pumps and other rotating machinery.

The gland seal water system is designed to provide a reliable supply of clean water at the required pressure to protect mechanical seals and pump packing, prevent process slurry ingress, and support the safe and efficient operation of process equipment across the facility.

17.5.1.4 Fire Water

Fire water for the process plant will be maintained as a dedicated reserve within the raw water storage tank. A dedicated fire water pumping system, consisting of an electric duty pump, a pressure-maintaining jockey pump, and a diesel-powered standby pump, will draw water from the fire water reserve and supply the site fire protection distribution network.

The jockey pump will maintain system pressure under normal operating conditions, while the electric fire pump will provide the primary source of fire water during an emergency. The diesel-driven fire pump will serve as a backup to ensure continued fire protection capability in the event of a power outage or failure of the primary pump.

The fire water system is designed to provide a reliable and readily available water supply for firefighting purposes, supporting the protection of personnel, plant infrastructure, and critical process facilities in accordance with applicable industry standards and site safety requirements.

17.5.1.5 Potable Water

Potable water for the operation will be produced by an on-site water treatment plant supplied from the raw water storage system. Raw water will undergo treatment to meet applicable potable water quality standards for domestic and site use.

Treated potable water will be stored in a dedicated potable water storage tank before being distributed throughout the process plant and associated site facilities. The potable water distribution system will provide a reliable supply of drinking water and other domestic services for plant personnel and site infrastructure.

The potable water system is designed to ensure the consistent delivery of safe, treated water while maintaining sufficient storage capacity to meet operational and emergency demand requirements.

17.5.2 Gas Systems

17.5.2.1 Compressed Air

High-pressure air required for plant operations will be generated on site by a dedicated compressor system. Compressed air from the compressors will be collected in a plant air receiver, which will provide surge capacity and help maintain stable system pressure prior to distribution throughout the facility.

A portion of the plant air will be directed through an air drying system to produce instrument-quality air. Dried air will then be stored in a dedicated instrument air receiver before being distributed to process control equipment, instrumentation, and pneumatic devices across the plant.

The compressed air system is designed to supply both plant air and instrument air requirements, ensuring reliable operation of process equipment, maintenance activities, and automated control systems. The inclusion of air receivers and drying equipment provides pressure stability, moisture control, and consistent air quality to support safe and efficient plant operation.

17.5.2.2 Oxygen

The oxygen supply system is designed to deliver oxygen at the required flow rates and purity levels to support efficient precious metal leaching and detoxification processes while maintaining operational flexibility and reliability.

Oxygen required for the cyanide leaching and cyanide destruction circuits will be supplied by an on-site oxygen generation system. The oxygen plant will utilize vacuum swing adsorption (VSA) technology to produce a high-purity oxygen stream containing approximately 93% oxygen.

Oxygen generated by the VSA system will be distributed to the process areas where enhanced dissolved oxygen concentrations are required to support leaching kinetics and cyanide destruction performance. The use of on-site oxygen generation eliminates the need for bulk oxygen deliveries, providing a reliable, continuous, and cost-effective source of oxygen for plant operations.

17.5.3 Power

The power system has been sized to support all major process equipment, utilities, and ancillary facilities while providing the reliability and capacity required for continuous plant operation.

The total installed electrical load for the process plant is estimated at approximately 40 MW with the breakdown by area summarized on Table 17-4. Details of the proposed power supply and distribution infrastructure are provided in Chapter 18, including the design basis and requirements for delivering power to the processing facility and associated site services.

Information related to operating costs associated with electrical power consumption, including assumptions and cost estimates for plant operations, is presented in Section 21.

Table 17-4: Process plant installed power by WBS

WBS	Area	Installed power (MW)
2100	Crushing	0.5
2200	Stockpile	0.5
2300	Grinding	20
2400	Gravity / ILR / Flotation	7.8
2600	CIL / Elution	4.6
2700	Detox / Tailings	5.2
2800	Reagents	0.2
2900	Utilities	1.2
Total		**40**

18. Project Infrastructure

18.1 Introduction

In preparing this PEA Update, portions of historical report text have been incorporated where they remain technically valid and relevant to the current assessment. The QPs responsible for this update have reviewed such content and confirmed its suitability for inclusion in this report.

This section discusses the Project infrastructure, including on-site infrastructure, off-site infrastructure, the TSF, water treatment plant (WTP), and water management systems and process and non-process related site infrastructure. During operations, SMG will transport operation staff from local pick-up hubs to the Project site. A temporary 265-person camp will be provided during construction, and an existing 30-person 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 bulk earthworks, a 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 that 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.
- 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 kilometres 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.

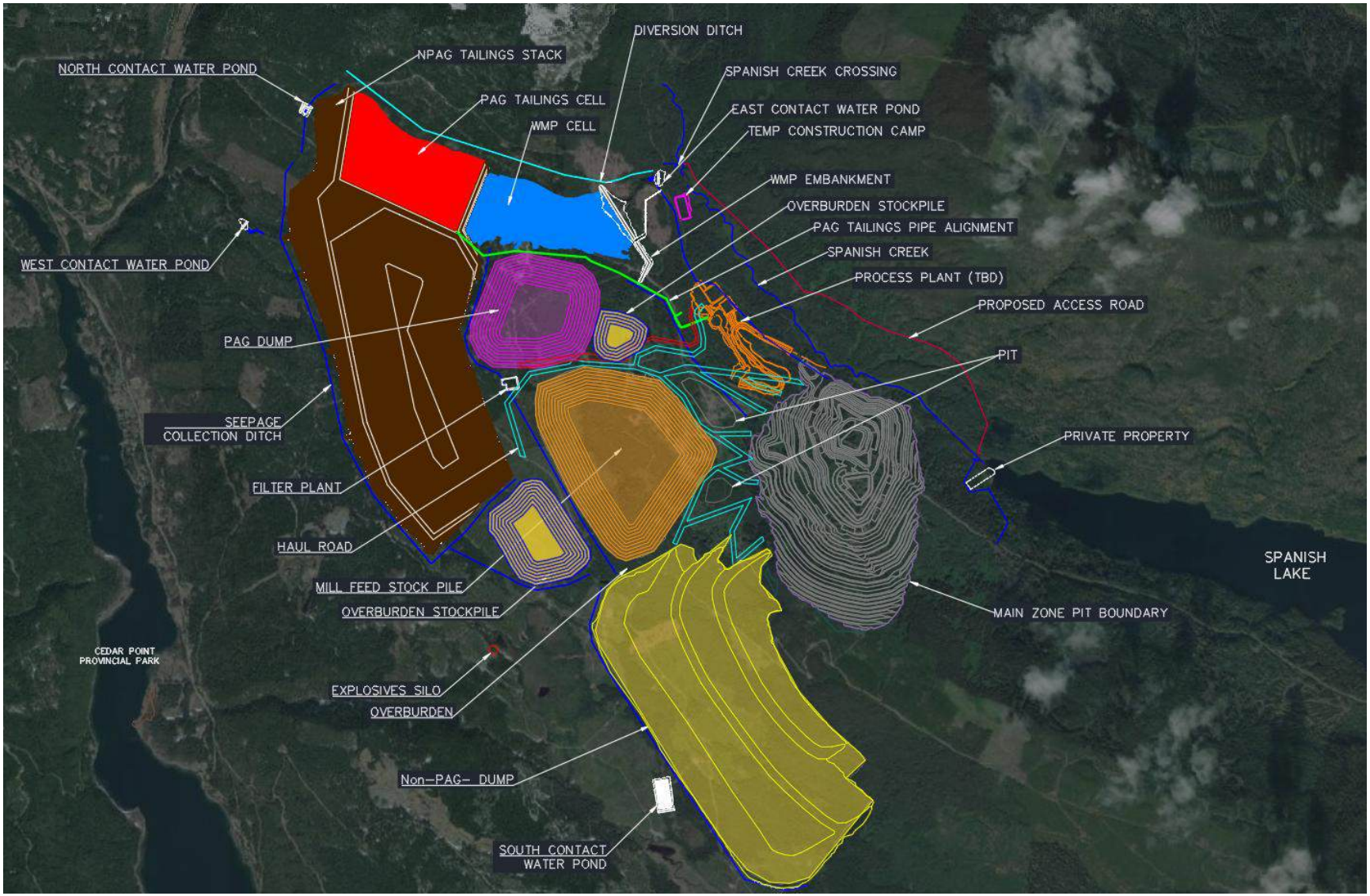


Figure 18-1: Overall site layout

18.3.1 Accommodation

A construction camp capable of accommodating and catering for 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 30-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).

A grade management strategy prioritizes high-margin mill feed in early years, deferring lower-grade material for rehandling to the crusher in later years. 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.

18.5 Tailings Storage Facilities

Approximately 286 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 278 Mt) are expected to be a non-PAG with low ML potential tailings stream. The remaining 3% (approximately 8.6 Mt) is expected to be a PAG tailings stream with ML potential. 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 non-PAG tailings stream will consist of separate coarse and fine streams, of approximate proportions of 40% and 57%, respectively, of the total tailings throughput. 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.

Design details related to tailings storage is provided in BGC (September 5, 2025), with minor adjustments to facility footprint and geometry to accommodate an increased tailings throughput.

18.5.1 Non-PAG Tailings Dry Stack

The non-PAG Tailings Dry Stack will be a constructed landform sized to store approximately 163 Mm^3 (278 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 and reaches a maximum dry stack height of approximately 125 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 7.8 Mm^3 (8.6 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 in 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 16.5.

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)

aluminum conductor steel reinforced (ACSR) conductors and twin optical ground wire (OPGW) 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. 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 modelled to a reliability level of 2, which corresponds to a 100-year return period which is typical for 230 kV 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.

An allowance for a transmission line isolating switch and overcurrent protection immediately outside the BC Hydro substation designated SMM (located adjacent to their McLeese Lake Capacitor Station) has been included as required by Technical Safety BC (TSBC) regulations. 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 SMG 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 metalled power distribution switchgear

including 1,200-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 step-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 Update report.

18.8 Fuel

Diesel fuel, the primary Project fuel, will be supplied in mobile 75,000 L 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 litres from Years 4 to 17, then ramping down to 4 million litres 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 the 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.

Design details related to the water management infrastructure is provided in BGC (July 11, 2025), with minor adjustments related to facility footprint modifications.

18.9.2 Water Management Pond

The 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 overburden stockpiles and waste storage facilities that are not upgradient of the WMP and PAG TSF Pond. Four of the ditches discharge to the CWPs, 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 (BGC, July 11, 2025). This model stochastically simulates the inflow and outflow of water from all mine facilities, considering precipitation, runoff, evaporation, seepage, void losses, and pumping. Figure 18-2 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.

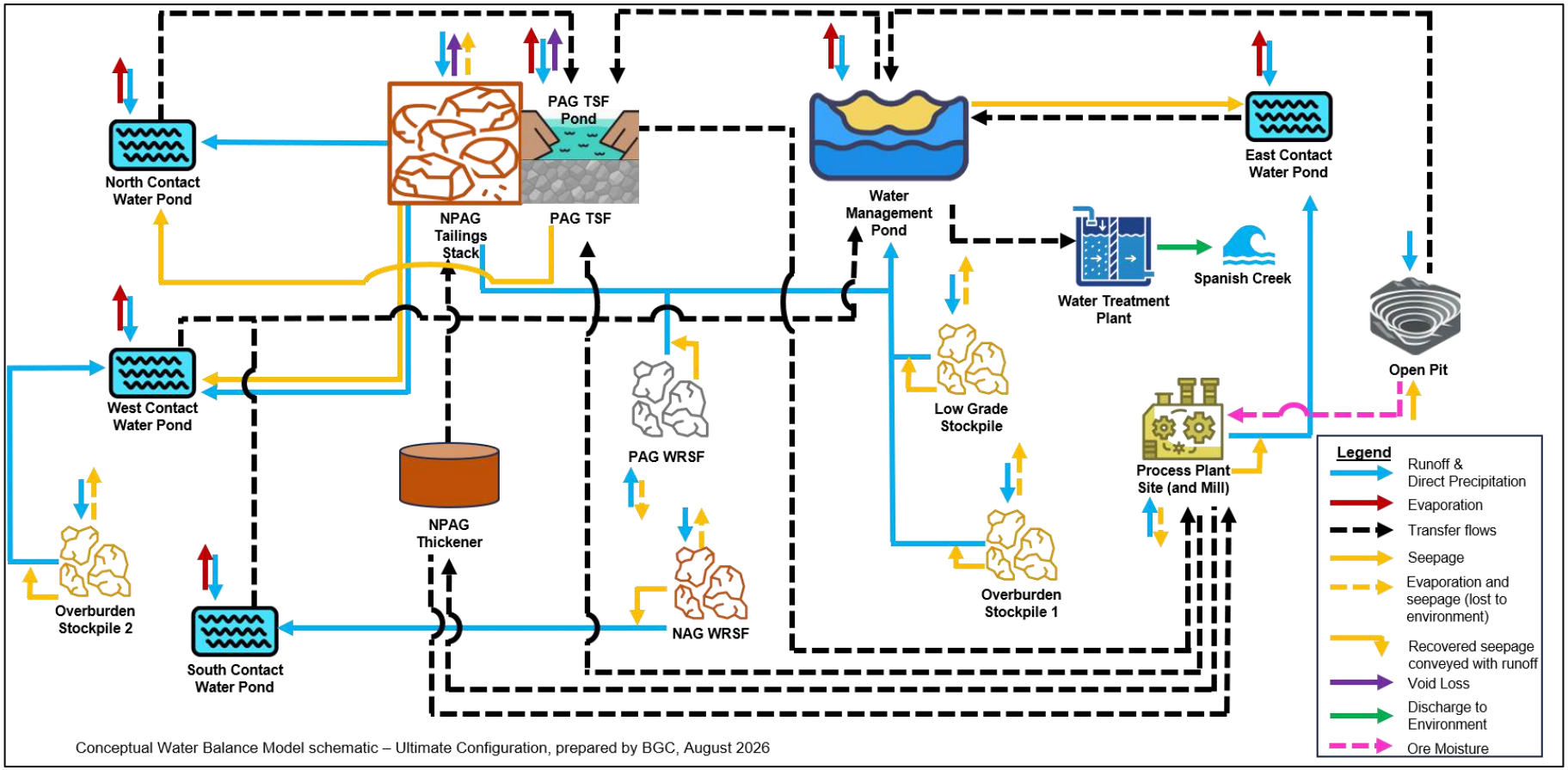


Figure 18-2: Conceptual water balance schematic

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 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

In preparing this PEA Update, portions of historical report text have been incorporated where they remain technically valid and relevant to the current assessment. The QPs responsible for this update have reviewed such content and confirmed its suitability for inclusion in this report.

The Spanish Mountain Gold Project is expected to produce gold doré, a readily marketable product with established domestic and international markets and flexibility in the selection of end customers. The doré is assumed to contain negligible deleterious elements that could adversely affect its marketability.

Given the deep, liquid and well-established markets for gold and silver, no additional market studies or product valuations were considered necessary for this PEA Update. Gold and silver are commonly sold through commercial banks and established metal traders, with pricing generally referenced to recognized international benchmarks. Sales arrangements are expected to reflect standard industry terms for doré, providing the Project with multiple potential sales channels and limited exposure to product-specific marketing or offtake constraints. Accordingly, only limited additional effort is anticipated to establish the Project's doré marketing strategy.

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 Exchange Rate and Commodity Price Projections

Project economics for this PEA Update were estimated based on long-term flat metal prices of US$3,600/oz Au and US$50/oz, and a long-term exchange rate of 1.35:1.00 (CAD:USD), as summarized in Chapter 22. 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.

19.4 QP Note

Amanda Fitch, QP, notes that Spanish Mountain Gold's gold and silver pricing as well as the CAD:USD exchange rate, used in the cashflow analysis, are aligned with BBA's internal guidelines and recent surveys of industry-consensus prices available in the public domain.

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

SMG operated three climate stations within the Project footprint; two were decommissioned in 2010 (SM-HIGH; SM-LOW) and the other (SM-CAMP), an X-Link 500 model installed in 2010, replaced in 2023, is currently active though requires active maintenance (see location on Figure 20-1). . 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 retrieved from the site climate station and calculated between 2023 and 2026 is 6.0°C, with mean monthly temperatures ranging from a high of 16.8°C in August to a low of -4.4°C in January. Within the period of record, the maximum daily temperature reached 35.2°C and the minimum daily temperature dropped to -34.5°C. The mean monthly precipitation ranged from a low of 23 mm in April to a high of 76 mm in December. Within the period of record, the average annual precipitation was 713 mm. BGC derived site-specific snowpack quantiles from a 64-year (1961–2024) maximum annual SWE record built from nearby BC snow survey stations and scaled to the mean site elevation of 1,200 m. The resulting 100-, 200-, and 10,000-year SWE values are 320 mm, 350 mm, and 500 mm, conservatively unadjusted for projected climate-driven snowpack declines.

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.

SMG is also working with RWDI Consultants to complete additional baseline air quality and noise monitoring plus impact assessment work in 2027 in support of the BC EAO Environmental Assessment and permit application. RWDI's scope spans four tasks: one year of TSP/PM10/PM2.5 air quality monitoring, CALMET/CALPUFF dispersion modelling and reporting, a two-season ambient noise survey (four locations, plus two additional in early 2027), and noise impact assessment modelling — with baseline and technical data reports as deliverables but excluding Environmental Assessment section drafting or concordance tables.

20.1.1.2 Surface Hydrology

The Spanish Mountain Project lies within the Spanish Creek watershed, which is a tributary to the 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 stations 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. In spring 2026 three continuous flow stations have been re-confirmed and maintained in 2026, and one additional station was installed at Poquette Creek. Figure 20-2 below displays the current hydrometric monitoring locations.

Table 20-1: 2026 Hydrometric program summary

Monitoring location	Historical name(s)	Waterbody name	Existing	Easting (m)	Northing (m)
SC-03	SPAN	Spanish Creek	Yes	602870	5831209
CC-01	CEDA2	Cedar Creek	Yes	605162	5822736
CC-02	NINA3	Cedar Creek	Yes	602524	5825065
PC-01	POQ1	Poquette Creek	No	598935	5830193

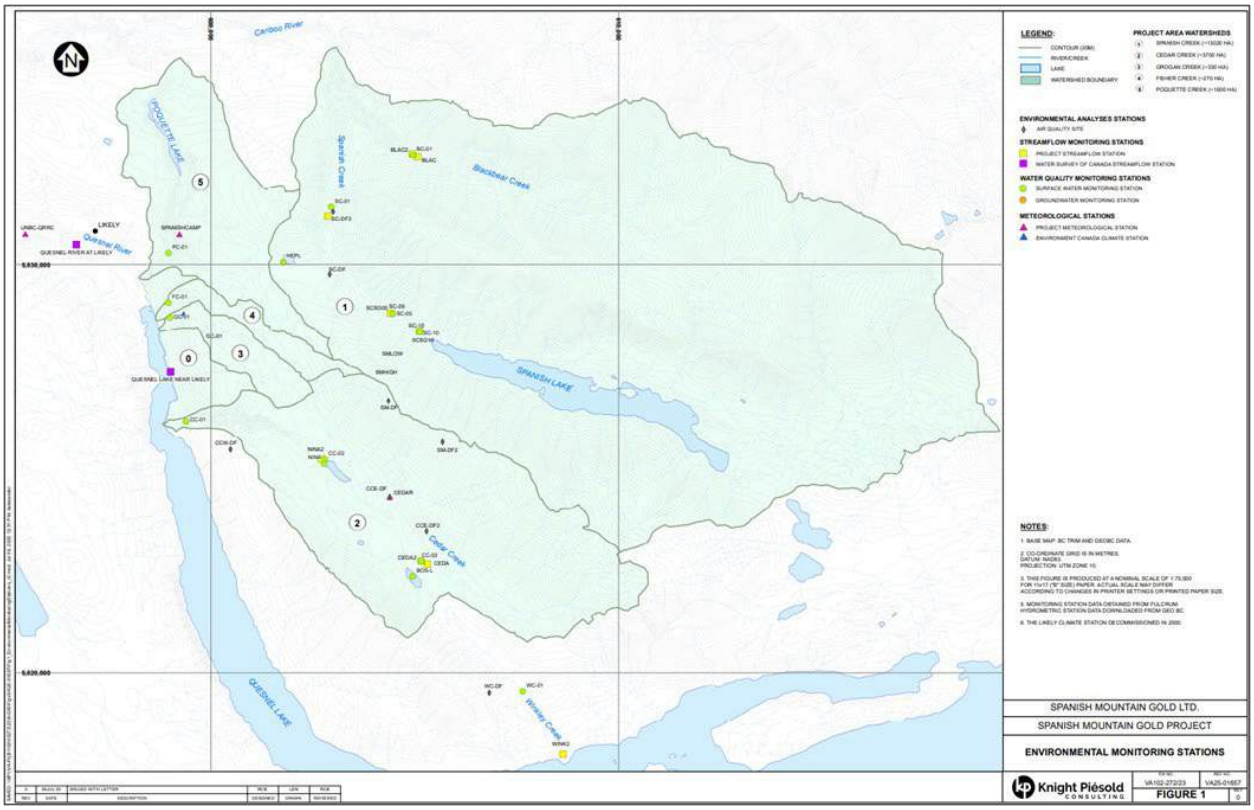
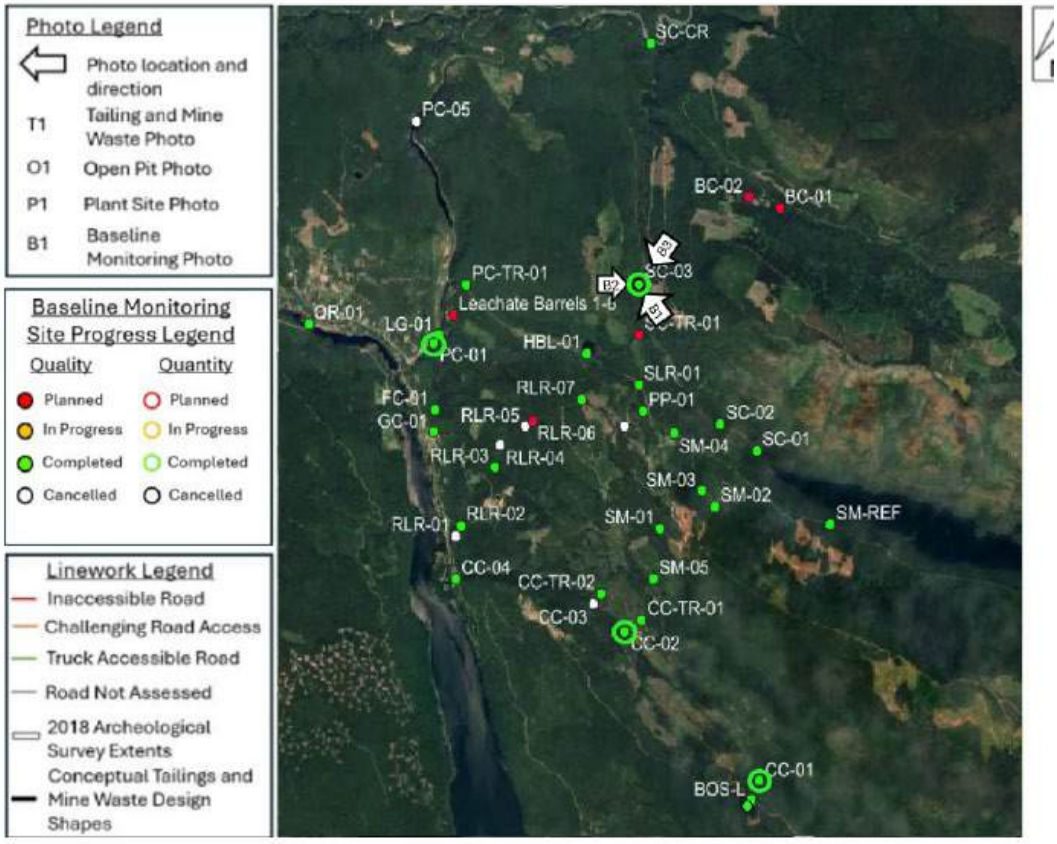


Figure 20-1: Watershed catchment areas



Notes:
1. Conceptual tailings and mine waste structures shown as black lines. 2018 Archeological Clearance area shown as white line.
2. Existing and Proposed surface water monitoring locations shown.
3. Progress rings for the water quantity stations show completion status for hydrometric station installation, water level surveys and discharge measurements.

Figure 20-2: 2026 Hydrometric / surface water monitoring program map

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. In spring 2026, approximately 32 surface water quality stations were re-established and sampled for the same parameters as the previous 2020 – 2022 programs. The locations of the monitoring locations are displayed in Figure 20-2. SMG has onboarded its own environmental team as of July 2026 will be taking over the hydrometric, surface water and groundwater, and climate station programs as of September 2026. With resumption of the surface water program, evaluation of naturally occurring background concentrations of metals against provincial aquatic life guidelines will continue.

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 2.4 x 10-8 m/s and 2.0 x 10-5 m/s. The hydraulic conductivity in the wells installed in the overburden was between 8.8 x 10-6 m/s and 9.0 x 10-5 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. The 2011 and 2012 monitoring results revealed that 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 1 x 10-5 and 3 x 10-6 m/s, respectively. Response tests conducted in bedrock reported hydraulic conductivity estimates between 8 x 10-9 to 2 x 10-5 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. Historical monitoring data indicate limited

exceedances, primarily associated with arsenic and iron. Water quality data will inform the mine site water management.

Baseline groundwater investigations have continued as part of the ongoing Feasibility Study program initiated in 2026. Current work includes site-wide hydrogeological characterization, groundwater quantity monitoring, groundwater quality monitoring of approximately 38 historical wells, as well as newly installed wells, which will be used to update the conceptual hydrogeological model and support development of a 3D numerical groundwater model used for feasibility-level engineering, environmental assessment studies, and future permitting activities. Groundwater data are also being incorporated into site-wide water balance and water quality models to support mine planning, tailings and mine waste management design, and environmental effects assessment. A Conceptual Hydrogeological Model Report and associated technical studies are underway as part of the broader Feasibility Study work program

20.1.1.5 Fish and Fish Habitat

Fish and fish habitat studies were conducted between 2007 and 2012 in the Project area. 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.

To support feasibility-level environmental studies and future permitting requirements, Spanish Mountain Gold initiated an expanded Aquatic Resources Baseline Program in 2026. The program includes characterization of fish communities, fish habitat, benthic invertebrate communities, sediment quality, aquatic tissue chemistry, and supporting aquatic environmental conditions at locations within potential Project influence areas and reference areas. The program was designed to establish the required baseline dataset for future environmental assessment, effects assessment, and Aquatic Effects Monitoring Program (AEMP) development. Figure 20-3 below depicts the study areas.

The 2026 field programs included additional fish community assessments in Winkley Creek and a reference lake, expanded sampling in Spanish Creek, including far-field and near-field monitoring locations, and collection of benthic invertebrate, sediment quality, and aquatic tissue data at selected monitoring sites. Consistent with technical input provided during program development, sampling design incorporated replication at key locations to better characterize natural variability

and support future statistical comparisons. Benthic community surveys were planned in accordance with the Canadian Aquatic Biomonitoring Network (CABIN) methodology to establish baseline biological conditions within the local watershed. Reference site investigations, including assessment of Blackbear Creek and other candidate reference locations, were incorporated to support future effects assessment and monitoring design.

The ongoing aquatic baseline program is intended to provide the information required to support environmental assessment and permitting applications currently anticipated for submission in 2028 and to establish baseline conditions against which potential Project-related effects on fish, fish habitat, and aquatic ecosystems can be evaluated.

Most recently in July 2026, as part of the aquatic baseline program, temperature loggers were installed and aquatic habitat reconnaissance in Spanish Creek and surrounding watersheds was conducted. Fish observations included numerous fish fry and juvenile salmonids, confirming continued fish use of monitored reaches. Habitat assessments identified a range of conditions, including steep confined channels, beaver-influenced low-gradient reaches, and areas with existing hydrometric infrastructure. Additional reconnaissance identified several candidate monitoring locations, although some tributaries were dry during summer low-flow conditions. These investigations support the expanded 2026 aquatic baseline program and provide updated information on fish presence, habitat conditions, and long-term aquatic monitoring requirements for environmental assessment and permitting.

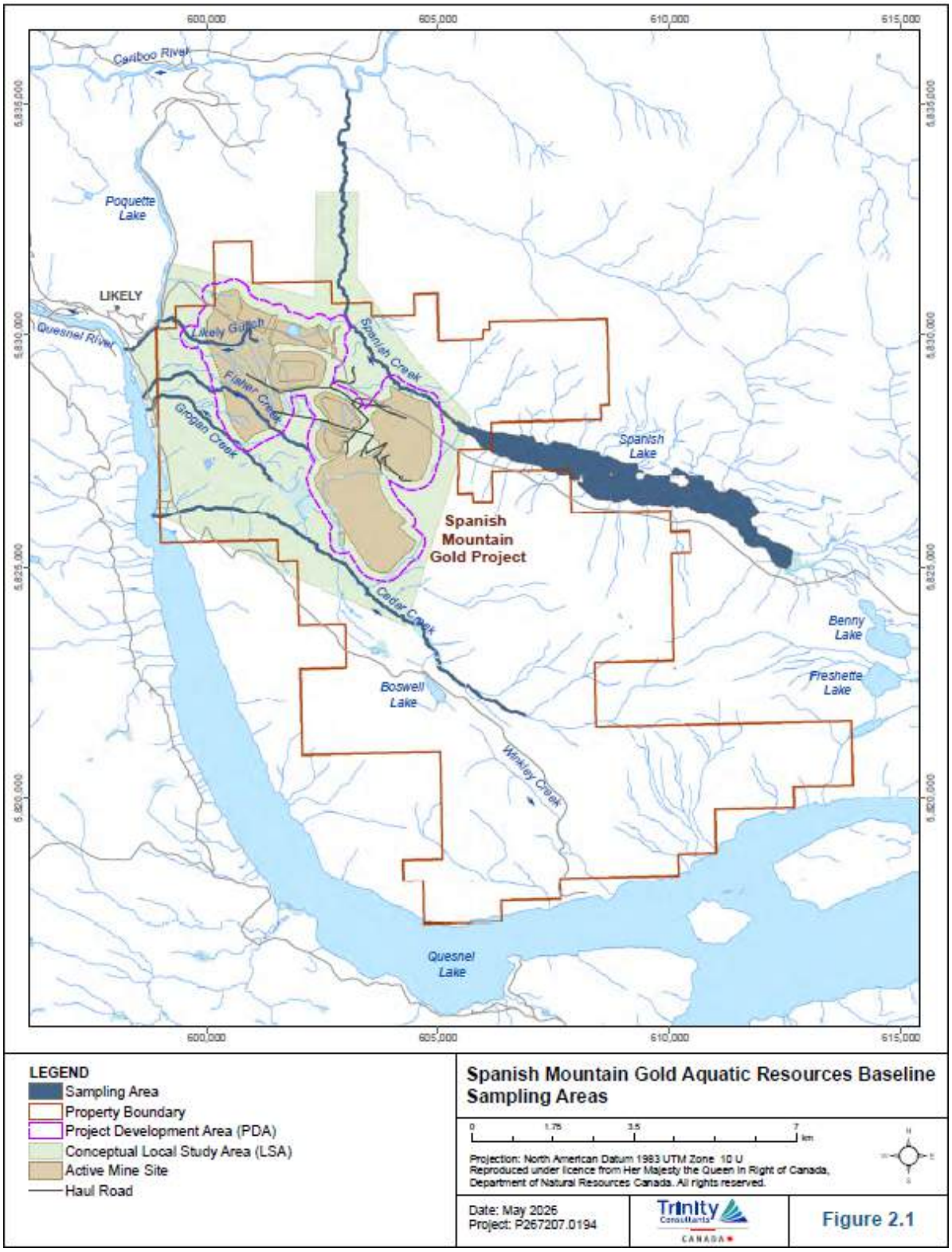


Figure 20-3: Aquatic resources baseline sampling areas

20.1.1.6 Land Use Management, 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 Bear 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 red squirrel.

In 2026, Spanish Mountain Gold commenced an updated vegetation and wildlife baseline program led by EDI Environmental Dynamics Inc. to support the environmental assessment and permitting process. The program includes updated terrestrial ecosystem mapping (TEM), wetland mapping and functional assessments, targeted field verification, predictive ecosystem mapping within the Regional Study Area, rare plant surveys, invasive plant surveys, breeding bird surveys, bat monitoring, large mammal monitoring using remote wildlife cameras, habitat assessments, and updated wildlife database reviews. The 2026 program is intended to update and validate the 2021 baseline datasets, account for recent landscape changes and infrastructure refinements, and provide current baseline conditions for environmental effects assessment.

Consistent with recommendations arising from the environmental assessment gap analysis, the vegetation and wildlife program incorporates Local Study Area and Regional Study Area assessments, habitat modelling, wetland delineation and classification, and continued evaluation of species of conservation concern and species identified through Indigenous engagement. Wildlife and vegetation baseline information will continue to be refined through ongoing field

investigations and engagement with Indigenous Nations to support future effects assessment and permitting requirements.

20.1.1.7 Heritage

An Archaeological Impact Assessment (AIA) was completed for the then-proposed Project footprint in 2018/2019, concluding that Project development was unlikely to result in significant impacts to archaeological resources provided appropriate management measures were implemented. In 2026, Spanish Mountain Gold retained Sugar Cane Archaeology (SCA) to undertake an updated Archaeological Overview Assessment (AOA) and Preliminary Field Reconnaissance (PFR) program to support expanded geotechnical, hydrogeological, and Project development investigations occurring outside portions of the areas previously assessed. The AOA included a desktop review of archaeological, ethnographic, historical, biophysical, and archaeological predictive model information, including review of previously recorded archaeological sites and earlier studies. The PFR program will be completed in Q4 2026 involving field assessment of proposed drill holes, test pits, and associated development areas not previously subject to archaeological assessment.

Field investigations completed during summer and fall 2026 have identified a limited number of Areas of Archaeological Potential (AOPs) associated with several proposed geotechnical investigation locations. SCA recommended either avoidance through drilling location redesign or subsurface assessment under an appropriate Heritage Conservation Act permit for these locations. All other assessed drill hole and test pit locations were determined to have low archaeological potential, and no further archaeological work was recommended at those locations provided Project activities remain within the assessed areas.

Concurrent with the AOA and PFR program, SCA prepared and submitted a Heritage Conservation Act permit application on SMG's behalf to support future Archaeological Impact Assessment work within the broader Project Development Area. The 2026 archaeological program significantly expanded archaeological baseline coverage beyond the areas previously assessed and informed ongoing Project planning by identifying locations where additional archaeological assessment, avoidance, or mitigation measures may be required prior to future development activities. SMG maintains a Chance Find Procedure through its Mineral Exploration permit should unexpected archaeological or heritage features be encountered.

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 Main Deposit at the Spanish Mountain Project. A geochemical characterization program for of the Phoenix Deposit has not been conducted.

The study consisted of 200 drill core samples from the Main Deposit 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 as provided by SMG. 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. In-fill sampling and characterization is on-going.

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 of the waste rock samples tested, approximately 75% of the samples in the combined dataset classified as non-PAG and 25% of samples classified as 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. Arsenic-bearing minerals identified through mineralogical evaluation included primarily gersdorffite [NiAsS] and alloclasite [(Co,Fe)AsS] with lesser arsenopyrite [FeAsS], pyrite [FeS_2] with arsenic zonation, and secondary arsenic phases annabergite, [$(Ni_3AsO_4)_2 \cdot 8H_2O$], parasymplesite [$Fe_3(H_2O)_8(AsO_4)_2$], and hydrous ferric arsenate (HFA). 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 gersdorffite and alloclasite identified in mineralogical evaluation. The lack of correlation between arsenic metal leaching potential and solids content deserves further study to understand whether this poses a challenge with respect to waste rock sorting for metal leaching management.

Other parameters that indicated the potential for neutral pH metal leaching based on elevated soluble concentrations in leach tests 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 rougher 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 Management

Current environmental monitoring and management efforts for the Project include ongoing baseline studies designed to characterize existing environmental conditions across key media such as air, water, soil , and biodiversity. Furthermore, the site is developing its waste management, spill prevention, response and reporting procedures to support compliance with its mineral exploration permit governing the Project drilling activities. These studies and development of site compliance programs provide foundational data to support future environmental assessments and permitting processes including the development and implementation of a comprehensive Environmental Management System of Policies, Responsibilities, Environmental Management and Monitoring Plans. Collectively, these programs will support the development of the BC Joint Application Information Requirements (JAIR) as the basis for applying for the Project Mines Act and Environmental Management Act permits.

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 (MCM, 2026).

Water management upon closure, with regards to the TSF and WMP, is described in Section 20.4.2.4. Further details on water management post operations will be developed as the Project advances.

20.2 Permitting Considerations

20.2.1 Environmental Permits

The regulatory framework governing mine development in British Columbia and Canada is well established and requires authorizations under numerous federal and provincial statutes. In addition to legislative requirements, regulators expect adherence to a broad range of policies, guidelines, standards and technical guidance documents. Project development therefore requires ongoing engagement with regulators, Indigenous Nations and stakeholders throughout environmental assessment, permitting, construction, operation and closure.

The Spanish Mountain Gold Project has undergone several iterations of mine planning and environmental review over the past two decades. An earlier version of the Project entered both provincial and federal environmental assessment processes in 2011. Following changes to environmental assessment legislation in British Columbia and Canada in 2019, the Project entered the current environmental assessment regime in 2022 through submission of an Initial Project Description and Early Engagement Plan. In August 2022, the Company elected to pause advancement of the environmental assessment process in response to the early engagement feedback gained in 2021 and 2022. This allowed the company to undertake additional geological studies, engineering optimization, environmental baseline work, and preparation of an updated Mineral Resource Estimate and Preliminary Economic Assessment. On March 10, 2026, the EAO and the Impact Assessment Agency of Canada issued joint correspondence regarding the elapsed time since the EAO's section 13(5) notice and the potential termination of the Spanish Mountain Gold Project under section 39 of the Environmental Assessment Act. The Company responded in June and July 2026, outlining activities undertaken since the notice and requesting to continue in the current Environmental Assessment (EA) process.

In a letter dated August 27, 2026, the EAO confirmed acceptance of the Company's plan to resume the EA process and advised it will not pursue termination under section 39 at this time. The

plan includes continued engagement with First Nations, the public, and key stakeholders; submission of a draft Detailed Project Description (DPD) in Fall 2026; and formal DPD submission anticipated for March 2027. The EAO also reiterated 2022 Joint Summary of Issues and Engagement (JSOIE) requirements (DPD and a table-form JSOIE response, with a previously requested Application Information Requirements document no longer needed) and requested supplementary information on engagement activities, JSOIE-related steps taken, and Project design changes to support a future readiness determination under section 16 of the Act. As this correspondence is related to the Project's environmental assessment, this letter is publicly available through the BC Environmental Assessment Office's EPIC online registry. Consequently, SMG is continuing to execute its 2026 baseline studies and community engagement to work towards submission of a draft DPD in Q4 2026 and a formal submission in Q1 2027. The substantially revised Project design presented in the 2025 PEA incorporated numerous engineering, environmental and operational improvements relative to previous Project configurations. In 2026, the Company initiated a Feasibility Study and re-commenced engagement with provincial and federal regulators regarding the proposed path forward within the existing environmental assessment process. Discussions with the Environmental Assessment Office (EAO), Impact Assessment Agency of Canada (IAAC), Ministry of Mining and Critical Minerals, and Ministry of Environment in Q2 and Q3 2026 have focused on the evolution of the Project design, requirements for updating the Detailed Project Description, and the Company's preferred strategy of advancing a combined EA / Mines Act / Environmental Management Act integrated regulatory review process following completion of the Feasibility Study.

20.2.2 Mining Permits

The Project currently possesses a Mineral Exploration (MX) permit as well as an Occupant Licence to Cut (OLTC) and a Free Use Permit (FUP) for vegetation removal, supporting the Development-phase activities. In addition to Provincial and Federal EAs, Provincial and Federal permits and authorizations will be required prior to the commencement of mine construction. Key authorizations potentially required are listed in Table 20-1 and Table 20-2.

Table 20-2: 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 Assessment Act	Environmental Assessment Certificate	Approving Project with Conditions

Legislation	Authorization	Authorization purpose
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 to air 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 management at transfer facility, plant truck shop
Environmental Management Act	Fuel Storage Registration	Authorizes fuel storage exceeding certain volume thresholds
Environmental Management Act	Municipal Wastewater Regulation - Sewage Registration	Authorizes sewage treatment plant and sewage discharge to ground exceeding prescribed volume
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 Forest Service Roads (FSR)
Forest and Range Practices Act	Special Use Permit	Authorizes construction and operation of the Mine Access Road on Crown Land
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 archaeological site alteration and inspection
Land Act	License of Occupation (transmission line)	Authorizes occupancy and use of Crown Land
Land Act	Temporary use permit	Temporary access roads and investigation permits
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

Legislation	Authorization	Authorization purpose
Safety Standards Act	Permit	Connect to 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, registration of groundwater wells for beneficial use
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 a no shooting area, relocate wildlife during construction

Table 20-3: Potential federal authorization list

Legislation	Authorization	Authorization purpose
Explosives Act	License	Manufacturing and use of explosives, facility siting
Fisheries Act (Section 34 and 35)	Authorization	Harmful, alteration, disruption of fish habitat (HADD; Section 35(1))
Metal and Diamond Mining Effluent Regulation (MDMER)	Regulation Registration	Authorize the discharge of metal mining effluent to the receiving environment in compliance with discharge limits for relevant parameters.
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
Canada Nuclear Safety and Control Act	Registration	Management of devices such as flow-meters which contain radioactive materials

Ongoing engineering studies, environmental baseline programs, Indigenous engagement, and regulatory discussions will continue to inform the specific approvals required for the final Project design. Project permitting and environmental assessment timelines remain subject to regulatory review requirements, Indigenous consultation processes, Project design evolution, and future regulatory determinations.

20.2.3 Additional Permits and Authorizations

The potential applicability of the Metal and Diamond Mining Effluent Regulations (MDMER), including whether amendments to Schedule 2 may ultimately be required, remains under evaluation. Aquatic baseline studies, fish habitat assessments, water management studies, and engineering design work are ongoing to better understand interactions between Project infrastructure and fish-bearing waters. At the time of writing, no determination has been made regarding the need for a Schedule 2 amendment. Future permitting and environmental assessment studies will further evaluate federal fisheries requirements and any associated authorization pathways. There are no additional permits or authorizations associated with the Project as proposed at this time, that the QP is aware of.

20.3 Social Considerations

20.3.1 Engagement with Indigenous Nations

The Spanish Mountain Gold Project is located within the asserted traditional territories of Xatśūll First Nation (XFN), Williams Lake First Nation (WLFN), and Lhtako Dene Nation (LDN). The Company has maintained engagement with these Nations for more than a decade through formal agreements, consultation activities, environmental review processes, archaeological and traditional use studies, and ongoing Project discussions. Existing agreements include a Protocol Agreement with XFN dated March 6, 2012, an Amended Protocol Agreement with WLFN dated March 13, 2012, a Cooperation Agreement with LDN dated July 11, 2012, and a subsequent Engagement Protocol Agreement with XFN dated September 10, 2021. These agreements established frameworks for information sharing, consultation, relationship building, and discussions regarding potential future participation in the Project.

Following publication of the 2025 PEA and the commencement of feasibility study activities, the Company re-engaged Indigenous Nations regarding the revised Project design, environmental assessment strategy, ongoing baseline studies, and the proposed path forward for consultation and relationship development. Throughout 2026 year-to-date, meetings were held with leadership and technical staff from XFN, WLFN, and LDN to discuss Project refinements, environmental assessment requirements, baseline environmental programs, archaeological investigations, governance structures, and future collaboration opportunities.

A principal focus of engagement during 2026 has been negotiation of updated agreements intended to reflect the current stage of Project development. The Company has proposed a phased approach whereby governance, engagement processes, information sharing, technical review, and capacity funding are established during the feasibility study, environmental assessment, and permitting stages, while longer-term commercial arrangements would be

addressed during subsequent Project phases once Project design and economics are more fully defined.

Discussions with XFN remain active. XFN has advised the Company that it considers the 2021 Engagement Protocol Agreement to have been terminated and has proposed negotiation and interim regulatory capacity funding arrangements to support participation in ongoing Project engagement, environmental assessment activities, technical reviews, and negotiation of a future relationship agreement. Both parties continue to engage constructively regarding a new framework for the relationship and associated capacity funding arrangements. Negotiations remain ongoing and no final agreements have yet been concluded. SMG recognizes the deep cultural, spiritual, and ecological significance of the area to First Nations and in support of this recognition, among other things, funding updates to the 2023Traditional Knowledge and Use Study by XFN.

With respect to WLFN, discussions during 2026 focused on development of a revised Project collaboration agreement, review of the substantially revised Project design, environmental assessment baseline requirements, technical review processes, and capacity funding. WLFN has indicated that meaningful participation in review of the revised Project requires an updated engagement framework and associated capacity support. WLFN has advised that participation in engagement activities should not be interpreted as support for the Project or endorsement of the current environmental assessment process. Draft agreement discussions remain ongoing.

The Company has also held advanced discussions with LDN regarding an updated phased-project collaboration and engagement agreement. Draft agreements have been provided to LDN leadership and discussions have focused on governance, environmental review, information sharing, employment and business opportunities, technical participation, and capacity funding during the feasibility study and environmental assessment phases.

The Company anticipates Indigenous engagement, technical review, capacity funding discussions, and agreement negotiations will continue throughout the feasibility study and environmental assessment processes. While no updated long-term agreements have yet been finalized, engagement with Indigenous Nations remains active and ongoing. The Company is not aware of any Indigenous-related matter that would currently preclude continuation of feasibility study activities; however, successful advancement of the Project will require continued consultation, relationship-building, resolution of agreement negotiations, and meaningful participation by Indigenous Nations in future environmental assessment and permitting processes.

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.

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 Cariboo region, and more specifically town of Likely have a history of placer mining and the district is becoming a prolific mining region with Imperial Metals, Trekor Metals Ltd., and Osisko Gold all with operations in the region. 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 labour, 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 previously initiated communications with land users and has continued that through the 2026 newsletter and Likely town hall meetings.

SMG interacts informally with community members and businesses by maximizing locally sourced labour and supplies and participating in, and supporting, various community events. Additionally, SMG has 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, Cariboo Regional District, 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 previously, and continued to participate in, and sponsor community events and organizations, WLFN Father's Day Pow Wow, Likely Museum, Cedar Point Provincial Park children's playground, Community investments have included support for the Likely Victoria Day celebrations, Likely Elementary School activities, local golf tournaments, Williams Lake First Nation community events, the Likely Museum, Cedar Point Provincial Park, and community infrastructure initiatives such as local fire hall and community hall fundraising efforts.

SMG has maintained an ongoing presence in the local and regional communities surrounding the Project through employment, procurement, community investment, and stakeholder engagement activities. The Company continues to prioritize local hiring and procurement opportunities where practical and has maintained relationships with residents, businesses, community organizations, and local governments throughout Project planning activities.

Since publication of the 2025 PEA and commencement of the Feasibility Study in 2026, the Company has re-initiated engagement with local communities, regulators, Indigenous Nations, and stakeholders to provide Project updates, discuss proposed Project refinements, environmental assessment planning, and ongoing baseline studies. The Company continues to provide Project information through direct meetings, correspondence, technical discussions, and community outreach activities.

The Company has also provided assistance to emergency response efforts in the region, including making Project camp facilities available to support BC Wildfire Service personnel during periods of heightened wildfire activity. Through these efforts, SMG seeks to maintain positive relationships with neighbouring communities while providing local economic and social benefits during Project development activities.

As the Project advances through the feasibility study, environmental assessment, and permitting stages, the Company anticipates further community engagement activities will be undertaken to communicate Project developments, receive stakeholder feedback, and support informed participation in the environmental assessment process.

20.4 Closure and Reclamation

20.4.1 Closure and Reclamation

The Project Mines Act permit will require a detailed Mine Closure and Reclamation Plan to be guided by an End Land Use Plan and the requirements of the Code. First Nations and communities

will be engaged in defining the End Land Use Plan objectives. A detailed Reclamation Liability Cost Estimate will inform government's requirements for reclamation security bonding.

The Project will be closed in two phases: the active closure phase and the passive post-closure phase. During the active closure phase, closure activities for the mining, process plant, infrastructure, and tailings storage facility will take place and generally involve decommissioning and removal of infrastructure not required for post-closure, earthworks and revegetation, and construction of any engineering works required for post-closure as per the final Mine Closure and Reclamation Plan. Environmental monitoring, in accordance with permit requirements, will span both the active and post-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 but is not limited to:

- Establishing stable hydrologic pathways.
- Regrading stockpiles to overall stable slope angles.
- Scarification of haul roads and other compacted areas.
- Placement of 0.3 m of overburden on the tops and sides of the stockpiles and selected areas of the open pit which are not exempt from reclamation. Overburden cover thickness requirements may vary depending on detailed reclamation prescriptions.
- Placement of 0.1 m of overburden on the haul roads. Overburden cover thickness requirements may vary depending on detailed reclamation prescriptions.
- Placement of 0.3 m of topsoil on the tops and sides of stockpiles and selected areas of the open pits which are not exempt from reclamation. Soil cover thickness requirements may vary depending on detailed reclamation prescriptions.
- Placement of 0.1 m of topsoil on the haul roads. Soil cover thickness requirements may vary depending on detailed reclamation prescriptions.
- Revegetation of the stockpiles and haul roads using prescribed plants and seed mixes typically of native plant types.
- Placement of large woody debris as available to create micro-habitats.

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, truck shop, warehouses, ancillary buildings, surface and underground utilities, there are four areas that will be addressed:

- Removing all machinery, equipment, building, structures and utilities.
- Covering and revegetating concrete foundations following prescribed breakage.
- Disposing of scrap metal.
- Disposing of chemicals and reagents.
- Recycling or making available for re-purposing materials of value.
- Assessment and remediation of identified residual soil contamination following infrastructure removal.
- 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 Post-closure period.

20.4.2.5 Environmental Monitoring

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

communities. Monitoring programs may be modified during the post-closure period as reclamation success criteria are achieved and permit requirements are modified.

20.4.3 Closure Cost Estimates

Ministry of Mining and Critical Minerals (MCM) Regulation and Guidelines set out the requirements for scope and level of detail for Reclamation Liability Cost Estimates (RLCE). The RLCE informs the MCM mine reclamation security bonding and is reviewed no less than each five years and updated if required. MCM guidelines describe seven cost categories for closure activities and whether the category elements are eligible for present value analysis at the prescribed discount rate. The Mine Closure and Reclamation Plan directly informs the RLCE which is prepared under the direction of a qualified person. For this PEA Update, conceptual closure planning includes considerations for mining, process plant and on-site infrastructure, the tailings storage facility, water treatment, and environmental monitoring to achieve closure success criteria from provincial authorities. The total conceptual closure costs for the Project are estimated to be $161,300,000.

20.4.3.1 Total Closure Costs

The total conceptual closure costs for the Project are estimated to be $161,300,000.

The following components contribute to the estimated total closure costs. Cost estimates, prepared in accordance with government guidelines, will be reviewed and updated as the final mine plan is developed, and to inform regulators for the purpose of establishing and periodically adjusting mine reclamation securities.

Table 20-4: Total closure cost estimates

Design component	Costs (C$)
Mining – Earthworks, Covers and Revegetation	$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**

20.5 Comments on Environmental Studies, Permitting and Social or Community Impact

The environmental, permitting and community aspects of the Project are being studied and are becoming understood. Ongoing and updated studies continue to add clarity to the baseline conditions and will be used as a foundation to complete the environmental assessment and permitting processes at the completion of the Feasibility Study. 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, permitting or social constraints that could materially impact the issuer's ability to extract the mineral resources. The total conceptual mine closure and post-closure costs are estimated to be $161,300,000.

21. Capital and Operating Costs

21.1 Introduction

The capital and operating cost estimates presented in this PEA Update 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 31,000 t/d with a mine life of 25.8 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 -30%/+50%. The capital cost estimate was updated in Q3 2026 Canadian dollars. The process plant costs were estimated by BBA, water management and treatment costs were estimated by BBA with input provided by BGC. WN Brazier Associates (Brazier) provided the costs for the power supply, while mining costs were estimated by Moose Mountain Technical Services (MMTS).

The total initial capital cost for the Project is C$1,418M or US$1,050M. The total sustaining capital cost for the Project is C$539M or US$399M. The initial and sustaining capital cost summary is presented below in Table 21-1.

Table 21-1: Capital Cost Estimate Summary

WBS (Level 1)	WBS description	Initial capital cost (C$M)	Sustaining capital cost (C$M)
1000	Mining	111[1]	480
2000	Process Plant	420	-
3000	Additional Process Facilities	22	-
4000	On-Site Infrastructure	206	-
5000	Off-Site Infrastructure	157	52
	Total direct costs	**916**	**532**

WBS (Level 1)	WBS description	Initial capital cost (C$M)	Sustaining capital cost (C$M)
6000	Project Preliminaries	46	1
7000	Project Delivery	105	-
	Total Indirect Cost	**151**	
8100	Total Owner's Cost	24	1
	Total Provisions	327[2]	5
	Total	**1,418**	**539**

(1) The mining costs shown are direct costs. The mining indirect cost and contingency are built into the total provisions.
(2) The provisions include all contingencies, and have been augmented following the September 21, 2026, news release.
(3) 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 BBA and MMTS.
- Major mechanical equipment costs based on vendor quotations, first principles and BBA's database of historical projects.
- Material take-offs (MTOs) 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 Q3 2026 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 the start of commercial production) 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 departments.

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 3 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. The Owner takes full title of the equipment after the 5-year payment term. Expansion and replacement fleet purchases made after Year 3 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 1 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. The use of second-hand equipment, which could reduce equipment capital costs, has not been considered in 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 and machine guidance systems.
- Fleet management and dispatch system.
- Communication radios.
- Mine survey gear and supplies.
- Geology, grade control, and mine planning software licenses.
- Maintenance shop 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 direct capital costs

WBS	Item	Initial capital cost (C$M)	Sustaining capital cost (C$M)
1000	Mining building and electrical (E-rooms, electrical equipment, truck shop building)	4.7	0.0
1100	Pre-Production	54.5	0.0
1200	Mining Equipment	47.7	468.1
1300	Mining Facilities	0.9	0.0
1400	Mining Dewatering	2.7	0.0
1500	Mining Electrical and Communication	0.1	8.1
	Total direct	**110.6**	**476.2**

21.2.4 On-site Infrastructure Capital Costs

The on-site infrastructure costs are summarized in Table 21-3. 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.
- 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.
- 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 21-3: On-site infrastructure initial capital costs

WBS	WBS description	Initial capital cost (C$M)
4100	Bulk Earthworks	26.8
4200	Power Substation	27.8
4300	Power Switchyard and Power Distribution	6.7
4400	Fuel Storage	0.4
4500	Sewage	0.6
4600	Infrastructure Buildings	35.9
4700	Off-Plot Piping	7.1
4800	Surface Water Management	51.0
4900	Mine Water Treatment	49.8
Total		**206.1**

Note: Totals may not match due to rounding.

21.2.5 Surface Water Management and Mine Water Treatment

Surface Water Management

The surface water management system from the storm water retention structures (north, west, east, and south) to PAG and WMP areas consists of the WMP, freshwater diversion ditches, contact water collection ditches, a seepage recovery system, and the associated piping network.

Mine Water Treatment

The mine impacted water (WIP) from the open pit, NAG tailings stockpile, sub-grade ore stockpile, overburden stockpile, NPAG rock stockpile, and the PAG rock stockpile will be collected and routed to the water management pond (WMP) during the life of the mine. This store water will be used as part of the process water. The excess water in the WMP will be actively treated in the mine water treatment plant (MWTP) and discharge to Spanish Creek. The MWTP is sized to treat an average of 18,000 m^3/day from the WMP.

21.2.6 Off-Site Infrastructure

The breakdown of the costs for the off-site infrastructure planned for the Project is shown in Table 21-4.

The off-site infrastructure costs include building the main access road, water and power supply, and the tailings storage facility.

Table 21-4: Off-site infrastructure initial capital costs

WBS	WBS description	Initial capital cost (C$M)	Sustaining capital cost (C$M)
5100	Main Access Road	1.7	-
5200	Water Supply	2.5	-
5300	Power Supply	123.8	-
5400	Tailings Storage Facility	28.5	51.5
TOTAL		**156.5**	**51.5**

Note: Totals may not match due to rounding

21.2.7 Power Supply Infrastructure

The total power supply infrastructure initial capital amounts to C$123.8M. This total accounts for a new 75 km long 230 kV, transmission line constructed by the Company from site to a new switching station.

21.2.8 Total Indirect Costs

Indirect capital costs are calculated as a percentage of the direct costs. The indirect capital costs are summarized in Table 21-5 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 21-5: Indirect initial capital cost summary

WBS	WBS description	Initial capital cost (C$M)
6100	Field Indirects	20.0
6200	Commissioning Operations Readiness	4.6
6300	Vendor Representatives	4.6
6400	Spares	11.4
6500	First Fills	5.7
Total Project Preliminaries		46.3
7100	Engineering Services	65.7
7200	Construction Management	39.1
Total Project Delivery		104.8
8100	Owner's Project Management	24.1
Total Owner's Cost		24.1
Sub-Total Project Preliminaries, Project Delivery, Owner's Cost		175.2
9100	Escalation	-
9200	Contingency	327.0[2]
9300	FOREX	-
Total provisions		**327.0**
Total indirect costs and provisions		**502.2**

(1) Totals may not match due to rounding.
(2) The provisions include all contingencies, and have been augmented following the September 21, 2026, news release.

21.2.8.1 Owner's (Corporate) Capital Costs

The Owner's costs are estimated as 3% of total direct costs excluding mining (particularly mobile equipment fleet purchases and contract mining pre-stripping) and are calculated to be C$24.1M during the pre-production period. Owner's costs include such things as project staffing and miscellaneous expenses, pre-production labour, home office project management, home office finance, legal costs, insurance and bonds, licenses and fees.

21.2.8.2 Provisions

The total contingency for the Project is estimated at C$327.0M. 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 31% of the aggregate total of direct, indirect costs, and Owner's costs, however the royalty buydown is excluded from this percentage.

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 21-6. The average operating cost is C$19.49/t (or US$14.44/t) processed, including an annual G&A cost of C$13.80M (or US$10.22M).

Table 21-6: Operating cost summary

Cost area	C$/t Milled	% of Total
Mining	9.61	49.3
Process	8.66	44.4
General and Administration	1.22	6.3
Total(2)	**19.49(1)**	**100**

(1) The average operating cost of US$14.44 is derived from the financial model, which uses a long-term exchange rate of 1 USD = 1.35 CAD

(2) 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 Q3 2026 pricing without allowances for inflation.
- Costs are expressed in Canadian dollars (C$).
- The majority of the labour 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 C$0.0709/kWh.
- The diesel fuel price provided was C$1.35/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 labour ratios. Labour rates for planned hourly and salaried personnel have been benchmarked to other BC open pit operations.

Estimated LOM unit mining costs are shown Table 21-7.

Table 21-7: Unit mine operating costs C$/t mined and C$/t milled

Operation	C$/t Mined	C$/t Milled
Drilling	0.43	1.20
Blasting	0.39	1.07
Loading	0.44	1.21
Hauling	1.31	3.62
Mine Support	0.51	1.41
Site Development	0.06	0.17
Direct Costs – Subtotals	**3.14**	**8.67**
Mine Operations - GME	0.15	0.42
Mine Maintenance – GME	0.06	0.16
Technical Services – GME	0.13	0.36
GME Costs (Indirects) - Subtotals	**0.34**	**0.94**
Total Mine Operating Cost	**3.47**	**9.61**

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$1.35/L is used. This value includes provision for delivery and storage on site, as well as applicable provincial and federal non-sales taxes.

21.3.4 Process Operating Costs

The process operating costs are estimated based on a nominal 31,000 t/d and consist of crushing, grinding, flotation, concentrate regrind, gravity concentration, leaching, adsorption, desorption, electrowinning, and tailings handling. The LOM average processing cost is C$98.0 M/a. The cost per tonne milled is shown in Table 21-8.

Table 21-8: Process operating cost summary

Description	Annual cost (C$M/a)	C$/t Milled	% of Total
Power	20.18	1.78	21%
Reagents	25.41	2.25	26%
Consumables	23.93	2.11	24%
Maintenance	7.73	0.68	8%
Labour	15.51	1.37	16%
Mobile Equipment	1.66	0.15	2%
Lab Services	0.76	0.07	1%
Water	2.83	0.25	3%
Total	**98.01**	**8.66**	**100%**

Note: Totals may not match due to rounding

21.3.4.1 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 31,000 t/d. The total costs of the reagents and consumables by area used are shown below in Table 21-9.

Table 21-9: Reagents and consumables cost summary

Item	Annual cost (C$M/a)	C$/t Milled
Lime	0.17	0.02
Sodium Cyanide	0.82	0.07
Potassium Amyl Xanthate (PAX)	12.22	1.08
Methyl Isobutyl Carbinol (MIBC)	3.62	0.32

Item	Annual cost (C$M/a)	C$/t Milled
Carboxymethyl Cellulose (CMC)	2.53	0.22
Carbon	1.17	0.10
Hydrochloric Acid	0.04	0.003
Sodium Hydroxide	0.03	0.003
Borax	0.01	0.0005
Nitre	0.0007	0.00006
Sodium Carbonate	0.0002	0.00002
Silica	0.002	0.0002
Sodium Metabisulphite (SMBS)	2.85	0.25
Flocculant (Magnafloc 10)	1.77	0.16
Antiscalant	0.17	0.01
Total Reagents	**25.41**	**2.25**
Ball Mill - Grinding Media	6.77	0.60
SAG Mill - Grinding Media	4.46	0.39
1st Regrind Mill - Grinding Media	0.55	0.05
2nd Regrind Mill - Grinding Media	1.17	0.10
Primary Crusher Liners	0.36	0.03
Ball Mill Liners	2.00	0.18
SAG Mill Liners	6.46	0.57
1st Stage Regrind Liners	0.18	0.02
2nd Stage Regrind Liners	0.05	0.004
Gravity Screen Deck Panels	0.83	0.07
Tailings Filter Cloth	1.11	0.10
Total Consumables	**23.93**	**2.11**
Total	**49.34**	**4.36**

Note: Totals may not match due to rounding.

21.3.4.2 Maintenance Consumables

Annual maintenance consumable costs were calculated based on a total mechanical capital cost by area using a weighted average factor from 4% to 7%. The total maintenance consumables operating cost is C$7.7M/a.

21.3.4.3 Power

Power operating costs were calculated from an estimate of annual power consumption using a unit cost of C$0. 0.0709/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 284 GWh per year. The total power operating cost is C$20.18M/a or C$1.78/t of feed.

21.3.4.4 Plant Labour

Labour includes all processing and maintenance labour costs.

Processing production labour was developed using benchmarks from similar projects and includes operation departments such as metallurgy, mill operations, maintenance and the assay lab.

Plant labour costs include all required processing and maintenance staff for operation of the process plant, as shown in Table 21-10.

Table 21-10: Plant labour costs

Plant labour cost areas	Headcount	Annual cost (C$M/a)
Plant General	11	1.83
Crushing	4	0.50
Coarse Mill Feed Handling	4	0.50
Grinding	4	0.50
Flotation	16	1.91
Leaching, Detox, Elution	8	0.97
Refinery	2	0.25
Reagents	4	0.50
Tailings	4	0.50
Metallurgical and Assay Lab	17	2.16
Maintenance	37	5.50
Warehouse	3	0.38
Total	**114**	**15.51**

Note: Totals may not match due to rounding

Processing production labour 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 labour force for the plant is 114 employees. The total estimated labour cost is C$15.5M/a.

21.3.4.5 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$1.66M/a, and C$0.80M/a for G&A mobile equipment.

21.3.4.6 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$0.76M/a.

21.3.5 General and Administrative (G&A) Operating Costs

In preparing this section of the report, historical numbers and text have been incorporated where they remain technically valid and relevant to the current assessment. The QPs responsible for this update have reviewed such content and confirmed its suitability for inclusion in this report.

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 BBA'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 personal protective equipment (PPE) 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. Table 21-11 shows the breakdown of G&A cost by department, however labour cost for the 51 staff is all accounted for under the Personnel line item at annual cost of C$5.42M/a.

Table 21-11: G&A cost summary

Department	Annual cost (C$M/a)
Travel and Accommodation	1.66
Site Maintenance	1.08
Personnel	5.42
Human Resources	0.19
Mobile equipment	0.80
Health & Safety	0.38
Environmental	0.91
IT & Telecommunications	0.58
Insurance and Legal	2.55
Sanitation & Cleaning	0.18
Administration	0.06
Total	**13.80**

Note: Totals may not match due to rounding

22. Economic Analysis

The economic assessment of the Spanish Mountain Gold Project was carried out using a discounted cash flow approach on a pre-tax and after-tax basis. 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 reader is cautioned that this Preliminary Economic Assessment ("PEA") is preliminary in nature and includes the use of Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves and, as such, there is no certainty that the PEA economics will be realized.

Portions of this report draw upon technical narratives developed by previous authors. Where appropriate, this content has been retained and adapted to reflect current Project information, analyses, and assumptions. The authors of this update have reviewed the reused material and accept responsibility for its presentation within this Report.

22.1 Methodologies Used

The Project has been evaluated using a discounted cashflow (DCF) analysis, on a pre-tax and after-tax basis, 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 Q3 2026 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$3,600/oz and a silver price of US$50/oz. The long-term price of gold was estimated based on discussions with experts, consensus analyst estimates, and recently published economic studies. The forecasts used are meant to reflect the average metal price expectation over the life of the Project. No price inflation or escalation factors were considered. It is understood that commodity prices can be volatile and that there is the potential for deviation from the LOM forecasts.

The economic analysis also used the following assumptions:

- Construction and commissioning period of 18 months.

- Total mine life of 25.8 years.
- Cost estimates in constant Q3 2026 Canadian dollars with no inflation or escalation factors considered.
- Results based on 100% ownership with a combination of three 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 reviewed and updated 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 total corporate tax (after ITC on pre-production development) result in an estimated total tax of C$1,963M 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 September 1, 2026)
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 LOM. Closure costs were estimated to be C$161 million, and salvage value was estimated to be C$22.1M, which was factored as 5% of the initial process plant and facilities' direct capital costs.

22.2.5 Royalties

There are three NSR payments applicable to the current Mineral Resource.

There are two 1.0% NSRs payable, and one 1.5% NSR payable to another royalty holder. These are the only three royalties that apply to the current Mineral Resources as mill feed for the Project and they have been incorporated into the economic analysis of the 2026 PEA Update. The Company plans to exercise its right to buydown the NSRs, for a total buydown payment of $25.9 Million USD ($35 million CAD) as provided in the agreements to be paid during the initial capital period. Therefore, all or substantially all the Project (Main Deposit only) is subject to a combined NSR burden of between 2 and 2.5% after the buydowns.

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 and transportation	C$/oz Au	2.00
Ag refining and transportation	C$/oz Ag	0.50

22.3 Economic Analysis

The economic analysis was performed using a 5% discount rate, with a Study gold price of US$3,600/oz and a silver price of US$50/oz. The after-tax NPV discounted at 5% (NPV5%) is C$2,910M, the IRR is 35.2%, and the payback period is 1.8 years from the start of commercial production. On a pre-tax basis, the NPV5% is C$4,592 the IRR is 43.5%, and the payback period is 1.7 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.

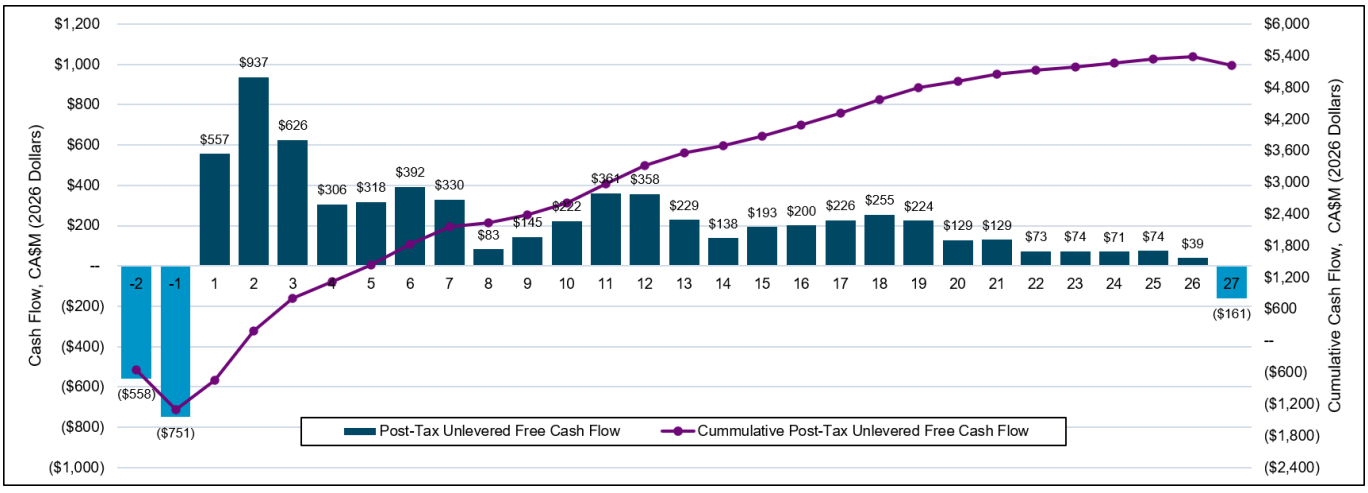


Figure 22-1: Undiscounted, unlevered, free cash flow – post-tax

Table 22-3: Economic analysis summary

Description	Units	PEA (2025)		PEA Update (2026)	
		Base case	Spot price (as of July 1, 2025)	Base Case	Spot price (as of Sep 1, 2026)
Gold Price	US$/oz	2,450	3,300	$3,600	$4,400
Silver Price	US$/oz	28.50	36.00	$50	$66
FX Rate	CAD:USD	0.74	0.74	0.74	0.74
Production					
Mine Life	Years	24.5	24.5	25.8	25.8
Total Mill Feed	kt	228,823	228,823	286,484	286,484
Mill Feed Grade – Au	g/t	0.46	0.46	0.41	0.41
Mill Feed Grade – Ag	g/t	0.65	0.65	0.65	0.65
Total Metal Content – Au	koz	3,348	3,348	3,765	3,765
Total Metal Content – Ag	koz	4,763	4,763	6,022	6,022
Average Recovery Rate – Au	%	89.3	89.3	88.6	88.6
Average Recovery Rate – Ag	%	44.1	44.1	32.6	32.6
Recovered Au	koz	2,990	2,990	3,337	3,337
Average Payable Au (in Doré)	koz/a	122	122	129	129
Recovered Ag	koz	2,099	2,099	1,963	1,963
Average Payable Ag (in Doré)	koz/a	81	81	72	72
Total Payable Metal – Au	koz	2,984	2,984	3,330	3,330
Total Payable Metal – Ag	koz	1,994	1,994	1,864	1,864
Revenue					
Total Revenue – LOM	C$M	9,956	13,404	16,306	19,942
Average Annual Revenue	C$M/a	406	547	633	774
Total EBITDA – LOM	C$M	5,067	8,465	10,344	13,892
Average Annual EBITDA	C$M/a	207	346	401	539
Operating Cost					
Total Operating Costs – LOM	C$M	4,741	4,741	5,560	5,560
Mining Cost	US$/t mined	2.57	2.57	2.57	2.57
Mining Cost	US$/t milled	7.60	7.60	7.12	7.12
Processing Cost	US$/t milled	6.66	6.66	6.42	6.42
G&A Cost	US$/t milled	1.07	1.07	0.90	0.90

Description	Units	PEA (2025)		PEA Update (2026)	
		Base case	Spot price (as of July 1, 2025)	Base Case	Spot price (as of Sep 1, 2026)
Total Operating Cost	US$/t milled	15.33	15.33	14.44	14.44
Total Cash Cost (by-product basis)	US$/oz Au	1,194	1,194	1,299	1,299
All-in Sustaining Cost (by-product basis)	US$/oz Au	1,338	1,338	1,449	1,449
Capital Cost					
Initial Capital Cost	C$M	1,250	1,250	1,418	1,418
Sustaining Capital Cost	C$M	443	443	539	539
Closure Cost	C$M	161	161	161	161
Salvage Value	C$M	21	21	22	22
Post-Tax Valuation Indicators					
Undiscounted cash flow	C$M	2,089	4,228	5,218	7.458
NPV5%	C$M	1,025	2,315	2,910	4,242
IRR	%	18.2	32.0	35.2	46.3
Payback period (from start of commercial production)	years	3.4	2.0	1.8	1.5
Pre-Tax Valuation Indicators					
Undiscounted cash flow	C$M	3,232	6,631	8,213	11,761
NPV5%	C$M	1,644	3,675	4,592	6,693
IRR	%	23.1	41.2	43.5	57.4
Payback period (from start of commercial production)	years	2.8	1.7	1.7	1.4

Table 22-4: Cashflow statement on an annualized basis

Item	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	27
Gold Price	US$/oz	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600	$3,600
Silver Price	US$/oz	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00	$50.00
Revenue	**CA$M**	**$16,306**	**--**	**$172**	**$862**	**$1,335**	**$1,197**	**$785**	**$859**	**$916**	**$813**	**$444**	**$556**	**$681**	**$863**	**$881**	**$621**	**$508**	**$575**	**$617**	**$636**	**$643**	**$543**	**$362**	**$350**	**$256**	**$256**	**$256**	**$256**	**$62**	**--**
Off-Site Costs	CA$M	($7.6)	--	($0.1)	($0.4)	($0.6)	($0.5)	($0.4)	($0.4)	($0.4)	($0.3)	($0.2)	($0.3)	($0.3)	($0.4)	($0.4)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.3)	($0.2)	($0.2)	($0.1)	($0.1)	($0.1)	($0.1)	($0.0)	--
Royalties	CA$M	($394.2)	--	($4.0)	($21.5)	($33.1)	($29.3)	($19.4)	($21.3)	($22.7)	($18.0)	($10.4)	($12.7)	($16.5)	($21.6)	($22.0)	($13.2)	($11.7)	($14.3)	($15.4)	($15.3)	($15.1)	($13.4)	($8.9)	($8.6)	($6.1)	($6.1)	($6.1)	($6.1)	($1.5)	--
Operating Cost	CA$M	($5,560.3)	--	($21)	($195)	($222)	($231)	($244)	($246)	($251)	($261)	($293)	($282)	($278)	($259)	($291)	($233)	($253)	($247)	($282)	($244)	($224)	($164)	($146)	($131)	($129)	($132)	($135)	($131)	($34)	--
EBITDA	**CA$M**	**$10,344**	**--**	**$147**	**$645**	**$1,079**	**$937**	**$521**	**$591**	**$642**	**$533**	**$140**	**$260**	**$387**	**$582**	**$567**	**$374**	**$243**	**$313**	**$319**	**$376**	**$404**	**$365**	**$207**	**$210**	**$121**	**$118**	**$116**	**$120**	**$26**	**--**
Initial CAPEX	CA$M	($1,418)	($570)	($848)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Sustaining CAPEX	CA$M	($539)	--	--	($76)	($59)	($61)	($41)	($79)	($32)	($15)	($10)	($27)	($33)	($15)	($3)	($10)	($21)	($10)	($3)	($15)	($2)	($9)	($4)	($6)	($5)	($2)	($2)	($2)	($0)	--
Royalty Buyback	CA$M	($35)	($1.0)	($34.0)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Closure CAPEX	CA$M	($161)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	($161.3)
Salvage Credit	CA$M	$22	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$22.1	--
Pre-Tax Unlevered Free Cash Flow	**CA$M**	**$8,213**	**($571)**	**($735)**	**$570**	**$1,019**	**$876**	**$480**	**$513**	**$610**	**$519**	**$131**	**$233**	**$354**	**$567**	**$564**	**$365**	**$222**	**$303**	**$316**	**$361**	**$402**	**$357**	**$203**	**$205**	**$116**	**$116**	**$113**	**$117**	**$48**	**($161)**
Cumulative Pre-Tax Unlevered Free Cash Flow	CA$M		($571)	($1,306)	($737)	$283	$1,158	$1,639	$2,152	$2,762	$3,280	$3,411	$3,644	$3,998	$4,566	$5,130	$5,494	$5,716	$6,020	$6,336	$6,697	$7,099	$7,455	$7,658	$7,863	$7,979	$8,095	$8,209	$8,326	$8,374	$8,213
Income Tax, Government Royalties and Profit Sharing	CA$M	($2,996)	--	($3)	($13)	($83)	($250)	($174)	($194)	($219)	($189)	($48)	($89)	($132)	($207)	($206)	($135)	($84)	($111)	($116)	($135)	($146)	($132)	($74)	($76)	($43)	($43)	($42)	($43)	($10)	--
Post-Tax Unlevered Free Cash Flow	**CA$M**	**$5,218**	**($571)**	**($738)**	**$556**	**$937**	**$626**	**$306**	**$318**	**$392**	**$330**	**$83**	**$145**	**$223**	**$361**	**$358**	**$229**	**$138**	**$193**	**$200**	**$226**	**$255**	**$224**	**$129**	**$129**	**$73**	**$74**	**$71**	**$74**	**$39**	**($161)**
Cumulative Post-Tax Unlevered Free Cash Flow	CA$M		($571)	($1,309)	($753)	$184	$810	$1,116	$1,434	$1,826	$2,156	$2,238	$2,383	$2,605	$2,966	$3,324	$3,553	$3,691	$3,884	$4,085	$4,311	$4,566	$4,790	$4,919	$5,048	$5,121	$5,195	$5,266	$5,340	$5,379	$5,218
Production Summary																															
Waste Mined Total	kt	506,685	1,500	3,242	14,262	16,302	14,142	21,980	29,255	27,473	37,410	56,156	51,090	35,222	26,580	21,004	26,739	35,919	25,621	23,239	21,688	13,958	3,902	--	--	--	--	--	--	--	--
Mineralized Material Mined Total	kt	286,484	0	2,733	15,738	21,198	22,858	13,520	15,745	18,527	17,590	4,401	11,741	17,613	21,420	19,996	12,202	10,117	14,379	13,761	12,478	14,016	6,451	--	--	--	--	--	--	--	--

Item	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	27
Total Mill Feed	kt	286,484	--	2,300	9,900	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	11,315	2,722	--
Project Life	yrs	25.8	--	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	1.0	0.3	--
Processing Summary																															
Mill Feed - Au Grade	g/t	0.41	--	0.52	0.62	0.84	0.75	0.50	0.54	0.58	0.52	0.28	0.35	0.43	0.54	0.56	0.39	0.32	0.37	0.39	0.41	0.41	0.35	0.23	0.23	0.17	0.17	0.17	0.17	0.17	--
Mill Feed - Ag Grade	g/t	0.65	--	0.68	0.58	0.63	0.63	0.62	0.66	0.74	0.72	0.60	0.58	0.65	0.68	0.63	0.71	0.76	0.64	0.60	0.67	0.81	0.74	0.62	0.62	0.61	0.61	0.61	0.61	0.61	--
Total Au Content	**koz**	**3,765**	**--**	**38.8**	**198.2**	**305.1**	**273.2**	**180.1**	**196.8**	**210.7**	**187.9**	**103.0**	**128.2**	**157.0**	**198.2**	**203.1**	**143.4**	**117.7**	**133.4**	**143.3**	**148.0**	**150.0**	**126.3**	**84.7**	**82.0**	**60.28**	**60.28**	**60.28**	**60.28**	**14.50**	**--**
Total Ag Content	**koz**	**6,022**	**--**	**50**	**183**	**228**	**231**	**224**	**241**	**270**	**260**	**218**	**211**	**237**	**248**	**229**	**260**	**276**	**232**	**217**	**244**	**293**	**268**	**227**	**226**	**224**	**224**	**224**	**224**	**54**	**--**
Average Recovery - Gold	%	88.6%	--	90.7%	89.3%	89.9%	90.0%	89.4%	89.6%	89.3%	89.2%	88.1%	88.6%	88.7%	89.1%	88.8%	88.2%	87.7%	88.1%	88.1%	87.9%	87.9%	87.8%	87.0%	86.9%	86.1%	86.1%	86.1%	86.1%	86.1%	--
Average Recovery - Silver	%	32.6%	--	30.2%	29.2%	29.2%	29.8%	29.5%	31.5%	24.1%	6.2%	28.2%	33.5%	37.7%	47.1%	46.5%	44.4%	39.3%	34.3%	38.0%	32.6%	24.1%	32.5%	33.7%	33.7%	33.2%	33.2%	33.2%	33.2%	33.2%	--
Total Gold Produced	koz	3,337	--	35.2	177.0	274.4	246.0	161.0	176.2	188.1	167.5	90.7	113.6	139.3	176.5	180.3	126.5	103.2	117.5	126.2	130.1	131.8	110.9	73.7	71.3	51.9	51.9	51.9	51.9	12.5	--
Total Silver Produced	koz	1,963	--	15.1	53.6	66.5	68.7	66.2	75.9	65.3	16.2	61.6	70.8	89.6	116.5	106.3	115.3	108.3	79.7	82.4	79.6	70.6	87.1	76.4	76.2	74.2	74.2	74.2	74.2	17.8	--
Total Payable Gold	**koz**	**3,330**	**--**	**35.1**	**176.7**	**273.9**	**245.5**	**160.6**	**175.9**	**187.8**	**167.2**	**90.5**	**113.4**	**139.0**	**176.2**	**179.9**	**126.2**	**103.0**	**117.3**	**126.0**	**129.8**	**131.5**	**110.6**	**73.5**	**71.1**	**51.8**	**51.8**	**51.8**	**51.8**	**12.5**	**--**
Total Payable Silver	**koz**	**1,864**	**--**	**14.4**	**50.9**	**63.2**	**65.3**	**62.9**	**72.1**	**62.0**	**15.4**	**58.5**	**67.3**	**85.1**	**110.7**	**101.0**	**109.5**	**102.9**	**75.8**	**78.3**	**75.6**	**67.1**	**82.7**	**72.6**	**72.4**	**70.5**	**70.5**	**70.5**	**70.5**	**17.0**	**--**
Total Operating Costs	**CA$M**	**($5,560)**	**--**	**($21)**	**($195)**	**($222)**	**($231)**	**($244)**	**($246)**	**($251)**	**($261)**	**($293)**	**($282)**	**($278)**	**($259)**	**($291)**	**($233)**	**($253)**	**($247)**	**($282)**	**($244)**	**($224)**	**($164)**	**($146)**	**($131)**	**($129)**	**($132)**	**($135)**	**($131)**	**($34)**	**--**
Mine Operating Costs	CA$M	(2,730)	--	--	(93)	(111)	(119)	(132)	(135)	(140)	(150)	(181)	(171)	(166)	(148)	(180)	(121)	(141)	(136)	(171)	(133)	(113)	(52)	(34)	(19)	(17)	(20)	(23)	(19)	(7)	--
Mill Processing Costs	CA$M	(2,481)	--	(21)	(87)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(98)	(24)	--
G&A Costs Total	CA$M	(349)	--	--	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(14)	(4)	--
Total Unit Operating Costs	$/t Milled	(14.4)	--	(6.7)	(14.6)	(14.6)	(15.1)	(16.0)	(16.1)	(16.5)	(17.1)	(19.2)	(18.5)	(18.2)	(17.0)	(19.1)	(15.2)	(16.6)	(16.2)	(18.5)	(16.0)	(14.7)	(10.7)	(9.6)	(8.6)	(8.5)	(8.6)	(8.8)	(8.5)	(9.2)	--
Total Offsite Charges	**CA$M**	**($7.6)**	**--**	**($0.1)**	**($0.4)**	**($0.6)**	**($0.5)**	**($0.4)**	**($0.4)**	**($0.4)**	**($0.3)**	**($0.2)**	**($0.3)**	**($0.3)**	**($0.4)**	**($0.4)**	**($0.3)**	**($0.3)**	**($0.3)**	**($0.3)**	**($0.3)**	**($0.3)**	**($0.3)**	**($0.2)**	**($0.2)**	**($0.1)**	**($0.1)**	**($0.1)**	**($0.1)**	**($0.0)**	**--**
Au Transport & Refining Charges	CA$M	(6.7)	--	(0.1)	(0.4)	(0.5)	(0.5)	(0.3)	(0.4)	(0.4)	(0.3)	(0.2)	(0.2)	(0.3)	(0.4)	(0.4)	(0.3)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	--
Ag Transport & Refining Charges	CA$M	(0.9)	--	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	--
NSR Royalties	**CA$M**	**($394.2)**	**--**	**($4.0)**	**($21.5)**	**($33.1)**	**($29.3)**	**($19.4)**	**($21.3)**	**($22.7)**	**($18.0)**	**($10.4)**	**($12.7)**	**($16.5)**	**($21.6)**	**($22.0)**	**($13.2)**	**($11.7)**	**($14.3)**	**($15.4)**	**($15.3)**	**($15.1)**	**($13.4)**	**($8.9)**	**($8.6)**	**($6.1)**	**($6.1)**	**($6.1)**	**($6.1)**	**($1.5)**	**--**

Item	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	27
Royalty Buyback	**CA$M**	**($35.0)**	**($1.0)**	**($34.0)**	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Cash Costs (By-Product Basis)																															
C1 Cash Cost*	US$/oz Au	$1,299	--	$507	$894	$681	$772	$1,197	$1,108	$1,067	$1,236	$2,451	$1,900	$1,538	$1,152	$1,264	$1,403	$1,854	$1,622	$1,723	$1,455	$1,325	$1,153	$1,515	$1,407	$1,869	$1,908	$1,947	$1,889	$2,036	--
C3 Cash Cost**	US$/oz Au	$1,449	--	$507	$1,211	$842	$958	$1,384	$1,440	$1,191	$1,302	$2,531	$2,076	$1,713	$1,214	$1,277	$1,459	$2,004	$1,683	$1,739	$1,539	$1,337	$1,211	$1,554	$1,464	$1,944	$1,939	$1,977	$1,920	$723	--
Total Initial Capital	**CA$M**	**($1,418)**	**($570)**	**($848)**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
1000 - MINING	CA$M	($111)	($47)	($63)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2000 - PROCESS PLANT	CA$M	($420)	($168)	($252)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3000 - ADDITIONAL PROCESS FACILITIES	CA$M	($22)	($9)	($13)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4000 - ON SITE INFRASTRUCTURE	CA$M	($206)	($82)	($124)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5000 - OFF SITE INFRASTRUCTURE	CA$M	($157)	($63)	($94)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6000 - INDIRECTS	CA$M	($46)	($19)	($28)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
7000 - PROJECT DELIVERY	CA$M	($105)	($42)	($63)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8000 - OWNER'S COSTS	CA$M	($24)	($10)	($14)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
9000 - PROVISIONS	CA$M	($327)	($131)	($196)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Sustaining Capital	**CA$M**	**($539)**	**--**	**--**	**($76)**	**($59)**	**($61)**	**($41)**	**($79)**	**($32)**	**($15)**	**($10)**	**($27)**	**($33)**	**($15)**	**($3)**	**($10)**	**($21)**	**($10)**	**($3)**	**($15)**	**($2)**	**($9)**	**($4)**	**($6)**	**($5)**	**($2)**	**($2)**	**($2)**	**($0)**	**--**
1000 - MINING	CA$M	($480)	--	--	($71)	($56)	($58)	($38)	($76)	($29)	($13)	($8)	($25)	($31)	($13)	($1)	($8)	($19)	($7)	($1)	($13)	--	($7)	($2)	($3)	($3)	--	--	--	--	--
2000 - PROCESS PLANT	CA$M	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3000 - ADDITIONAL PROCESS FACILITIES	CA$M	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4000 - ON SITE INFRASTRUCTURE	CA$M	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Item	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	27
5000 - OFF SITE INFRASTRUCTURE	CA$M	($51.5)	--	--	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	($2.1)	--	--
6000 - INDIRECTS	CA$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)	($0.0)	--	--
7000 - PROJECT DELIVERY	CA$M	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
8000 - OWNER'S COSTS	CA$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)	($0.0)	--
9000 - PROVISIONS	CA$M	($5.3)	--	--	($2.5)	($1.0)	($1.0)	($0.5)	($0.2)	($0.1)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Closure Cost and Salvage Credit	CA$M	($139)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	$22.1	($161.3)
Total Capital Expenditures Including Salvage Value	**CA$M**	**($2,096)**	**($570)**	**($848)**	**($76)**	**($59)**	**($61)**	**($41)**	**($79)**	**($32)**	**($15)**	**($10)**	**($27)**	**($33)**	**($15)**	**($3)**	**($10)**	**($21)**	**($10)**	**($3)**	**($15)**	**($2)**	**($9)**	**($4)**	**($6)**	**($5)**	**($2)**	**($2)**	**($2)**	**$22**	**($161)**

Dollar figures in Real 2026 CA$M unless otherwise noted

* Cash Costs consist of mining costs, processing costs, mine-level G&A, offsite 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.

As shown in Figure 22-2, the sensitivity analysis revealed that the Project is most sensitive to changes in commodity price, and exchange rate and less sensitive to total operating cost and initial capital cost. Pre and post-tax sensitivities for both the NPV5% base case, and the NPV8% case are shown in Table 22-5 through Table 22-8.

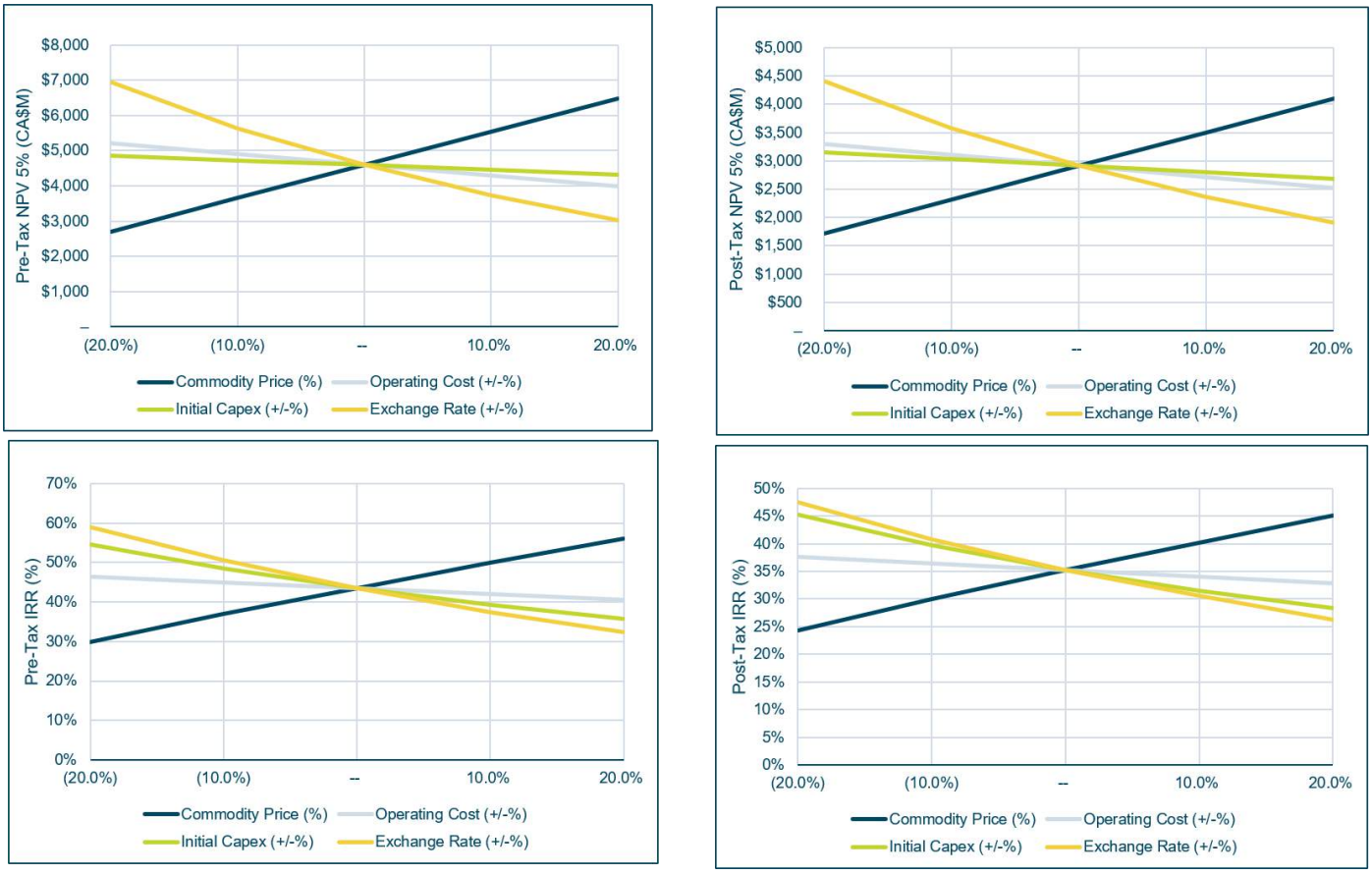


Figure 22-2: Sensitivity analysis

Table 22-5: Pre-tax sensitivity (NPV5%)

Pre-Tax Sensitivity to Metal Price						
Pre-Tax NPV (USM)Sensitivity to Discount Rate						
	Commodity Price					
Discount Rate	(20.0%)	(10.0%)	--	10.0%	20.0%	
1.0%	$4,420	$5,838	$7,257	$8,675	$10,093	
3.0%	$3,442	$4,587	$5,731	$6,876	$8,021	
5.0%	$2,705	$3,648	$4,592	$5,534	$6,477	
8.0%	$1,908	$2,636	$3,364	$4,092	$4,819	
10.0%	$1,518	$2,142	$2,766	$3,390	$4,014	
Pre-Tax IRR (%) Sensitivity to Discount Rate						
	Commodity Price					
Discount Rate	(20.0%)	(10.0%)	--	10.0%	20.0%	
1.0%	29.8%	36.7%	43.4%	49.7%	55.8%	
3.0%	29.8%	36.7%	43.4%	49.7%	55.8%	
5.0%	29.8%	36.7%	43.5%	49.7%	55.8%	
8.0%	29.8%	36.7%	43.4%	49.7%	55.8%	
10.0%	29.8%	36.7%	43.4%	49.7%	55.8%	
Pre-Tax $NPV_{5\%}$ (USM) Sensitivity to OPEX						
	Commodity Price					
Total OPEX	(20.0%)	(10.0%)	--	10.0%	20.0%	
(20.0%)	$3,315	$4,258	$5,201	$6,143	$7,086	
(10.0%)	$3,010	$3,953	$4,896	$5,839	$6,781	
--	$2,705	$3,648	$4,592	$5,534	$6,477	
10.0%	$2,400	$3,343	$4,286	$5,229	$6,172	
20.0%	$2,095	$3,038	$3,981	$4,924	$5,867	
Pre-Tax IRR (%) Sensitivity to OPEX						
	Commodity Price					
Total OPEX	(20.0%)	(10.0%)	--	10.0%	20.0%	
(20.0%)	33.2%	39.8%	46.2%	52.4%	58.4%	
(10.0%)	31.5%	38.3%	44.8%	51.0%	57.1%	
--	29.8%	36.7%	43.5%	49.7%	55.8%	
10.0%	28.0%	35.1%	41.8%	48.3%	54.5%	
20.0%	26.1%	33.5%	40.3%	46.8%	53.1%	
Pre-Tax $NPV_{5\%}$ (USM) Sensitivity to Initial CAPEX						
	Commodity Price					
Initial CAPEX	(20.0%)	(10.0%)	--	10.0%	20.0%	
(20.0%)	$2,974	$3,917	$4,860	$5,802	$6,745	
(10.0%)	$2,839	$3,782	$4,725	$5,668	$6,611	
--	$2,705	$3,648	$4,592	$5,534	$6,477	
10.0%	$2,570	$3,513	$4,456	$5,399	$6,342	
20.0%	$2,436	$3,379	$4,322	$5,265	$6,208	
Pre-Tax IRR (%) Sensitivity to Initial CAPEX						
	Commodity Price					
Initial CAPEX	(20.0%)	(10.0%)	--	10.0%	20.0%	
(20.0%)	38.4%	46.6%	54.3%	61.8%	69.0%	
(10.0%)	33.6%	41.2%	48.3%	55.1%	61.7%	
--	29.8%	36.7%	43.5%	49.7%	55.8%	
10.0%	26.6%	33.1%	39.2%	45.1%	50.8%	
20.0%	23.9%	29.9%	35.7%	41.2%	46.5%	
Pre-Tax $NPV_{5\%}$ (USM) Sensitivity to Mill Recovery						
	Commodity Price					
Mill Recovery	(20.0%)	(10.0%)	--	10.0%	20.0%	
(20.0%)	$1,197	$1,951	$2,706	$3,460	$4,214	
(10.0%)	$1,951	$2,800	$3,648	$4,497	$5,345	
--	$2,705	$3,648	$4,592	$5,534	$6,477	
10.0%	$3,459	$4,496	$5,533	$6,570	$7,608	
20.0%	$3,645	$4,706	$5,766	$6,827	$7,887	
Pre-Tax IRR (%) Sensitivity to Mill Recovery						
	Commodity Price					
Mill Recovery	(20.0%)	(10.0%)	--	10.0%	20.0%	
(20.0%)	17.6%	23.9%	29.8%	35.4%	40.7%	
(10.0%)	23.9%	30.5%	36.7%	42.7%	48.4%	
--	29.8%	36.7%	43.5%	49.7%	55.8%	
10.0%	35.4%	42.7%	49.7%	56.4%	62.9%	
20.0%	36.2%	43.6%	50.6%	57.3%	63.9%	

Pre-Tax Sensitivity to Metal Price												
	Pre-Tax NPV5% (USM) Sensitivity to Head Grade							Pre-Tax IRR (%) Sensitivity to Head Grade					
	Commodity Price							Commodity Price					
Head Grade		(20.0%)	(10.0%)	--	10.0%	20.0%	Head Grade		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$1,197	$1,951	$2,706	$3,460	$4,214		(20.0%)	17.6%	23.9%	29.8%	35.4%	40.7%
	(10.0%)	$1,951	$2,800	$3,648	$4,497	$5,345		(10.0%)	23.9%	30.5%	36.7%	42.7%	48.4%
	--	$2,705	$3,648	$4,592	$5,534	$6,477		--	29.8%	36.7%	43.5%	49.7%	55.8%
	10.0%	$3,459	$4,496	$5,533	$6,570	$7,608		10.0%	35.4%	42.7%	49.7%	56.4%	62.9%
	20.0%	$4,213	$5,344	$6,476	$7,607	$8,739		20.0%	40.7%	48.4%	55.8%	62.9%	69.7%
	Pre-Tax NPV5% (USM) Sensitivity to Exchange Rate							Pre-Tax IRR (%) Sensitivity to Exchange Rate					
	Commodity Price							Commodity Price					
Exchange Rate		(20.0%)	(10.0%)	--	10.0%	20.0%	Exchange Rate		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$4,591	$5,769	$6,948	$8,127	$9,305		(20.0%)	43.3%	51.2%	58.8%	66.0%	73.1%
	(10.0%)	$3,543	$4,591	$5,638	$6,686	$7,734		(10.0%)	36.0%	43.3%	50.4%	57.1%	63.6%
	--	$2,705	$3,648	$4,592	$5,534	$6,477		--	29.8%	36.7%	43.5%	49.7%	55.8%
	10.0%	$2,019	$2,876	$3,734	$4,591	$5,448		10.0%	24.5%	31.1%	37.4%	43.3%	49.1%
	20.0%	$1,448	$2,233	$3,019	$3,805	$4,591		20.0%	19.8%	26.2%	32.2%	37.9%	43.3%

*Spot price is based on the opening market gold price on September 1, 2026

Table 22-6: Post-tax Sensitivity (NPV5%)

Post-Tax Sensitivity to Metal Price												
Post-Tax NPV (USM)Sensitivity to Discount Rate							Post-Tax IRR (%) Sensitivity to Discount Rate					
	Commodity Price							Commodity Price				
Discount Rate		(20.0%)	(10.0%)	--	10.0%	20.0%	Discount Rate		(20.0%)	(10.0%)	--	10.0%	20.0%
	1.0%	$2,823	$3,717	$4,613	$5,510	$6,405		1.0%	24.3%	29.9%	35.2%	40.1%	45.0%
	3.0%	$2,192	$2,918	$3,642	$4,367	$5,091		3.0%	24.3%	29.9%	35.2%	40.1%	45.0%
	5.0%	$1,711	$2,311	$2,910	$3,507	$4,105		5.0%	24.3%	29.9%	35.2%	40.1%	45.0%
	8.0%	$1,180	$1,648	$2,112	$2,575	$3,039		8.0%	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$917	$1,321	$1,720	$2,118	$2,517		10.0%	24.3%	29.9%	35.2%	40.1%	45.0%
Post-Tax NPV$_{5\%}$ (USM) Sensitivity to OPEX							Post-Tax IRR (%) Sensitivity to OPEX					
	Commodity Price							Commodity Price				
Total OPEX		(20.0%)	(10.0%)	--	10.0%	20.0%	Total OPEX		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$2,099	$2,699	$3,297	$3,895	$4,493		(20.0%)	27.1%	32.5%	37.4%	42.3%	47.1%
	(10.0%)	$1,905	$2,505	$3,103	$3,701	$4,299		(10.0%)	25.7%	31.2%	36.3%	41.2%	46.1%
	--	$1,711	$2,311	$2,910	$3,507	$4,105		--	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$1,516	$2,117	$2,715	$3,313	$3,911		10.0%	22.8%	28.6%	33.9%	38.9%	43.9%
	20.0%	$1,322	$1,922	$2,521	$3,119	$3,717		20.0%	21.2%	27.2%	32.7%	37.8%	42.7%
Post-Tax NPV$_{5\%}$ (USM) Sensitivity to Initial CAPEX							Post-Tax IRR (%) Sensitivity to Initial CAPEX					
	Commodity Price							Commodity Price				
Initial CAPEX		(20.0%)	(10.0%)	--	10.0%	20.0%	Initial CAPEX		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$1,946	$2,546	$3,144	$3,741	$4,339		(20.0%)	32.3%	39.0%	45.1%	51.1%	56.8%
	(10.0%)	$1,829	$2,429	$3,026	$3,624	$4,222		(10.0%)	27.9%	34.0%	39.6%	45.1%	50.3%
	--	$1,711	$2,311	$2,910	$3,507	$4,104		--	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$1,594	$2,194	$2,792	$3,389	$3,987		10.0%	21.3%	26.5%	31.4%	36.0%	40.4%
	20.0%	$1,476	$2,076	$2,674	$3,272	$3,869		20.0%	18.9%	23.7%	28.2%	32.5%	36.7%
Post-Tax NPV$_{5\%}$ (USM) Sensitivity to Mill Recovery							Post-Tax IRR (%) Sensitivity to Mill Recovery					
	Commodity Price							Commodity Price				
Mill Recovery		(20.0%)	(10.0%)	--	10.0%	20.0%	Mill Recovery		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$749	$1,231	$1,711	$2,192	$2,670		(20.0%)	14.4%	19.6%	24.3%	28.8%	33.1%
	(10.0%)	$1,231	$1,771	$2,311	$2,849	$3,388		(10.0%)	19.6%	24.9%	29.9%	34.6%	39.1%
	--	$1,711	$2,311	$2,910	$3,507	$4,105		--	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$2,191	$2,849	$3,507	$4,164	$4,822		10.0%	28.8%	34.6%	40.1%	45.5%	50.6%
	20.0%	$2,309	$2,982	$3,654	$4,327	$4,999		20.0%	29.6%	35.3%	40.8%	46.3%	51.4%

Post-Tax Sensitivity to Metal Price

Post-Tax $NPV_{5\%}$ (USM) Sensitivity to Head Grade

Head Grade \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	$749	$1,231	$1,711	$2,192	$2,670
(10.0%)	$1,231	$1,771	$2,311	$2,849	$3,388
--	$1,711	$2,311	$2,910	$3,507	$4,105
10.0%	$2,191	$2,849	$3,507	$4,164	$4,822
20.0%	$2,669	$3,387	$4,104	$4,822	$5,539

Post-Tax IRR (%) Sensitivity to Head Grade

Head Grade \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	14.4%	19.6%	24.3%	28.8%	33.1%
(10.0%)	19.6%	24.9%	29.9%	34.6%	39.1%
--	24.3%	29.9%	35.2%	40.1%	45.0%
10.0%	28.8%	34.6%	40.1%	45.5%	50.6%
20.0%	33.1%	39.1%	45.0%	50.6%	56.1%

Post-Tax $NPV_{5\%}$ (USM) Sensitivity to Exchange Rate

Exchange Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	$2,909	$3,656	$4,404	$5,151	$5,899
(10.0%)	$2,244	$2,909	$3,573	$4,238	$4,902
--	$1,711	$2,311	$2,910	$3,507	$4,105
10.0%	$1,274	$1,820	$2,365	$2,909	$3,453
20.0%	$909	$1,410	$1,911	$2,411	$2,909

Post-Tax IRR (%) Sensitivity to Exchange Rate

Exchange Rate \ Commodity Price	(20.0%)	(10.0%)	--	10.0%	20.0%
(20.0%)	35.1%	41.3%	47.4%	53.1%	58.8%
(10.0%)	29.3%	35.1%	40.6%	46.0%	51.2%
--	24.3%	29.9%	35.2%	40.1%	45.0%
10.0%	20.0%	25.3%	30.4%	35.1%	39.6%
20.0%	16.2%	21.4%	26.2%	30.8%	35.1%

Table 22-7: Pre-tax Sensitivity (NPV8%)

Pre-Tax Sensitivity to Metal Price												
	Pre-Tax NPV8% (USM) Sensitivity to OPEX							Pre-Tax IRR (%) Sensitivity to OPEX						
	Commodity Price							Commodity Price						
Total OPEX		(20.0%)	(10.0%)	--	10.0%	20.0%	Total OPEX		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$2,358	$3,086	$3,814	$4,542	$5,270		(20.0%)	33.2%	39.8%	46.2%	52.4%	58.4%
	(10.0%)	$2,133	$2,861	$3,589	$4,317	$5,045		(10.0%)	31.5%	38.3%	44.8%	51.0%	57.1%
	--	$1,908	$2,636	$3,365	$4,092	$4,820		--	29.8%	36.7%	43.5%	49.7%	55.8%
	10.0%	$1,683	$2,411	$3,139	$3,866	$4,594		10.0%	28.0%	35.1%	41.8%	48.3%	54.5%
	20.0%	$1,458	$2,186	$2,913	$3,641	$4,369		20.0%	26.1%	33.5%	40.3%	46.9%	53.1%
	Pre-Tax NPV8% (USM) Sensitivity to Initial CAPEX							Pre-Tax IRR (%) Sensitivity to Initial CAPEX						
	Commodity Price							Commodity Price						
Initial CAPEX		(20.0%)	(10.0%)	--	10.0%	20.0%	Initial CAPEX		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$2,169	$2,897	$3,625	$4,352	$5,080		(20.0%)	38.4%	46.6%	54.3%	61.8%	69.0%
	(10.0%)	$2,038	$2,766	$3,494	$4,222	$4,950		(10.0%)	33.7%	41.2%	48.3%	55.1%	61.7%
	--	$1,908	$2,636	$3,365	$4,092	$4,820		--	29.8%	36.7%	43.5%	49.7%	55.8%
	10.0%	$1,778	$2,505	$3,233	$3,961	$4,689		10.0%	26.6%	33.1%	39.2%	45.1%	50.8%
	20.0%	$1,647	$2,375	$3,103	$3,831	$4,559		20.0%	23.9%	29.9%	35.7%	41.2%	46.5%
	Pre-Tax NPV8% (USM) Sensitivity to Mill Recovery							Pre-Tax IRR (%) Sensitivity to Mill Recovery						
	Commodity Price							Commodity Price						
Mill Recovery		(20.0%)	(10.0%)	--	10.0%	20.0%	Mill Recovery		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$744	$1,326	$1,909	$2,491	$3,073		(20.0%)	17.6%	23.9%	29.8%	35.4%	40.7%
	(10.0%)	$1,326	$1,981	$2,636	$3,291	$3,946		(10.0%)	23.9%	30.5%	36.7%	42.7%	48.4%
	--	$1,908	$2,636	$3,365	$4,092	$4,820		--	29.8%	36.7%	43.5%	49.7%	55.8%
	10.0%	$2,490	$3,291	$4,091	$4,892	$5,693		10.0%	35.4%	42.7%	49.7%	56.4%	62.9%
	20.0%	$2,623	$3,440	$4,258	$5,075	$5,892		20.0%	36.2%	43.6%	50.6%	57.3%	63.9%
	Pre-Tax NPV8% (USM) Sensitivity to Head Grade							Pre-Tax IRR (%) Sensitivity to Head Grade						
	Commodity Price							Commodity Price						
Head Grade		(20.0%)	(10.0%)	--	10.0%	20.0%	Head Grade		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$744	$1,326	$1,909	$2,491	$3,073		(20.0%)	17.6%	23.9%	29.8%	35.4%	40.7%
	(10.0%)	$1,326	$1,981	$2,636	$3,291	$3,946		(10.0%)	23.9%	30.5%	36.7%	42.7%	48.4%
	--	$1,908	$2,636	$3,365	$4,092	$4,820		--	29.8%	36.7%	43.5%	49.7%	55.8%
	10.0%	$2,490	$3,291	$4,091	$4,892	$5,693		10.0%	35.4%	42.7%	49.7%	56.4%	62.9%
	20.0%	$3,072	$3,945	$4,819	$5,692	$6,566		20.0%	40.7%	48.4%	55.8%	62.9%	69.7%

Pre-Tax Sensitivity to Metal Price													
	Pre-Tax NPV8% (USM) Sensitivity to Exchange Rate							Pre-Tax IRR (%) Sensitivity to Exchange Rate					
	Commodity Price							Commodity Price					
Exchange Rate		(20.0%)	(10.0%)	--	10.0%	20.0%	Exchange Rate		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$3,364	$4,274	$5,183	$6,093	$7,003		(20.0%)	43.3%	51.2%	58.8%	66.0%	73.1%
	(10.0%)	$2,555	$3,364	$4,173	$4,981	$5,790		(10.0%)	36.0%	43.3%	50.4%	57.1%	63.6%
	--	$1,908	$2,636	$3,365	$4,092	$4,820		--	29.8%	36.7%	43.5%	49.7%	55.8%
	10.0%	$1,379	$2,040	$2,702	$3,364	$4,025		10.0%	24.5%	31.1%	37.4%	43.3%	49.1%
	20.0%	$937	$1,544	$2,151	$2,757	$3,364		20.0%	19.8%	26.2%	32.2%	37.9%	43.3%

Table 22-8: Post-tax Sensitivity (NPV8%)

Post-Tax Sensitivity to Metal Price													
	Post-Tax NPV8% (USM) Sensitivity to OPEX							Post-Tax IRR (%) Sensitivity to OPEX					
	Commodity Price							Commodity Price					
Total OPEX		(20.0%)	(10.0%)	--	10.0%	20.0%	Total OPEX		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$1,469	$1,936	$2,399	$2,862	$3,326		(20.0%)	27.1%	32.5%	37.4%	42.3%	47.1%
	(10.0%)	$1,325	$1,792	$2,255	$2,719	$3,182		(10.0%)	25.7%	31.2%	36.3%	41.2%	46.1%
	--	$1,180	$1,648	$2,113	$2,575	$3,039		--	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$1,036	$1,504	$1,968	$2,432	$2,895		10.0%	22.8%	28.6%	33.9%	38.9%	43.9%
	20.0%	$891	$1,359	$1,825	$2,288	$2,751		20.0%	21.2%	27.2%	32.7%	37.8%	42.7%
	Post-Tax NPV8% (USM) Sensitivity to Initial CAPEX							Post-Tax IRR (%) Sensitivity to Initial CAPEX					
	Commodity Price							Commodity Price					
Initial CAPEX		(20.0%)	(10.0%)	--	10.0%	20.0%	Initial CAPEX		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$1,413	$1,880	$2,343	$2,806	$3,268		(20.0%)	32.3%	39.0%	45.1%	51.1%	56.8%
	(10.0%)	$1,297	$1,764	$2,227	$2,691	$3,153		(10.0%)	27.9%	34.0%	39.6%	45.1%	50.3%
	--	$1,181	$1,649	$2,113	$2,575	$3,038		--	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$1,064	$1,532	$1,996	$2,459	$2,922		10.0%	21.3%	26.5%	31.4%	36.0%	40.4%
	20.0%	$947	$1,416	$1,881	$2,344	$2,807		20.0%	18.9%	23.7%	28.2%	32.5%	36.7%
	Post-Tax NPV8% (USM) Sensitivity to Mill Recovery							Post-Tax IRR (%) Sensitivity to Mill Recovery					
	Commodity Price							Commodity Price					
Mill Recovery		(20.0%)	(10.0%)	--	10.0%	20.0%	Mill Recovery		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$425	$805	$1,181	$1,556	$1,927		(20.0%)	14.4%	19.6%	24.3%	28.8%	33.1%
	(10.0%)	$805	$1,227	$1,649	$2,066	$2,483		(10.0%)	19.6%	24.9%	29.9%	34.6%	39.1%
	--	$1,180	$1,648	$2,113	$2,575	$3,039		--	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$1,555	$2,065	$2,575	$3,085	$3,594		10.0%	28.8%	34.6%	40.1%	45.5%	50.6%
	20.0%	$1,640	$2,160	$2,680	$3,201	$3,721		20.0%	29.6%	35.3%	40.8%	46.3%	51.4%
	Post-Tax NPV8% (USM) Sensitivity to Head Grade							Post-Tax IRR (%) Sensitivity to Head Grade					
	Commodity Price							Commodity Price					
Head Grade		(20.0%)	(10.0%)	--	10.0%	20.0%	Head Grade		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$425	$805	$1,181	$1,556	$1,927		(20.0%)	14.4%	19.6%	24.3%	28.8%	33.1%
	(10.0%)	$805	$1,227	$1,649	$2,066	$2,483		(10.0%)	19.6%	24.9%	29.9%	34.6%	39.1%
	--	$1,180	$1,648	$2,113	$2,575	$3,039		--	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$1,555	$2,065	$2,575	$3,085	$3,594		10.0%	28.8%	34.6%	40.1%	45.5%	50.6%
	20.0%	$1,926	$2,482	$3,038	$3,594	$4,149		20.0%	33.1%	39.1%	45.0%	50.6%	56.1%

Post-Tax Sensitivity to Metal Price													
	Post-Tax NPV8% (USM) Sensitivity to Exchange Rate							Post-Tax IRR (%) Sensitivity to Exchange Rate					
	Commodity Price							Commodity Price					
Exchange Rate		(20.0%)	(10.0%)	--	10.0%	20.0%	Exchange Rate		(20.0%)	(10.0%)	--	10.0%	20.0%
	(20.0%)	$2,112	$2,691	$3,270	$3,849	$4,427		(20.0%)	35.1%	41.3%	47.4%	53.1%	58.8%
	(10.0%)	$1,597	$2,112	$2,627	$3,142	$3,656		(10.0%)	29.3%	35.1%	40.6%	46.1%	51.2%
	--	$1,180	$1,648	$2,113	$2,575	$3,039		--	24.3%	29.9%	35.2%	40.1%	45.0%
	10.0%	$839	$1,266	$1,691	$2,112	$2,533		10.0%	20.0%	25.3%	30.4%	35.1%	39.6%
	20.0%	$552	$946	$1,336	$1,726	$2,112		20.0%	16.2%	21.4%	26.2%	30.8%	35.1%

23. Adjacent Properties

23.1. Overview

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 to support future mining operations. 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. 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.

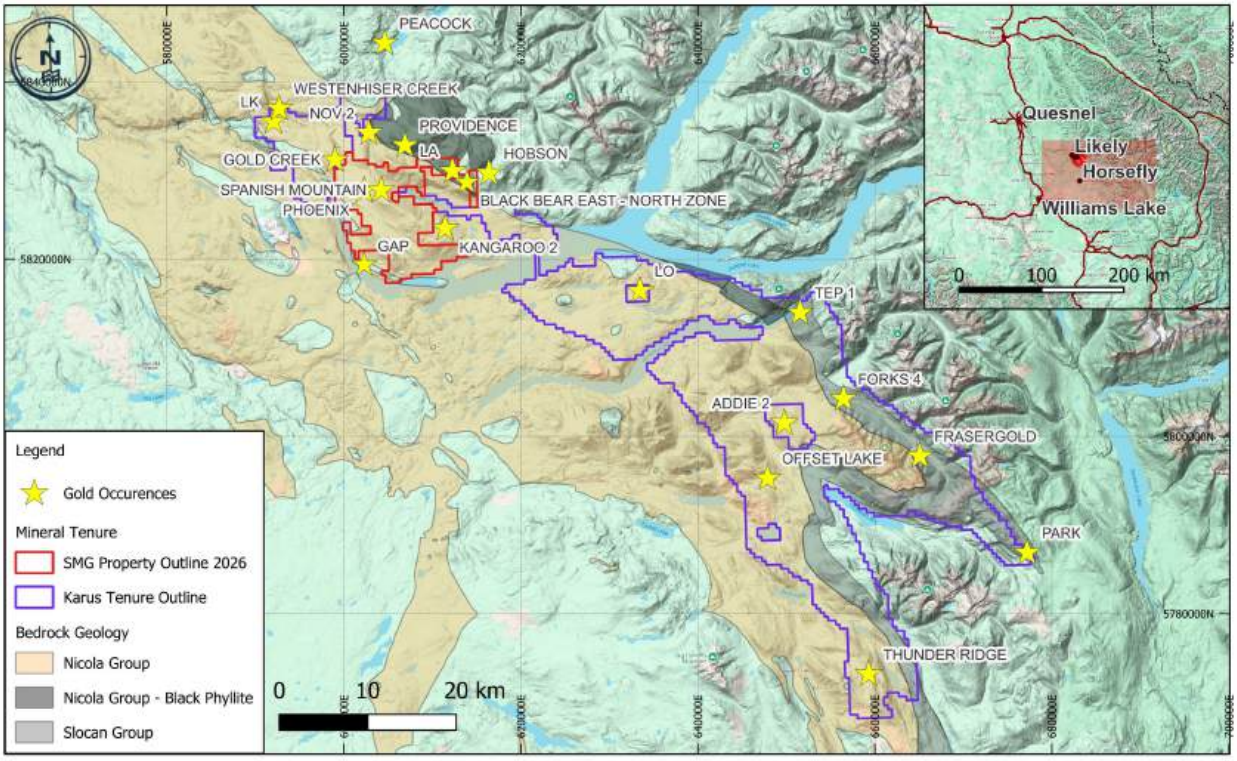
Karus' SC Project comprises 105,085 hectares of mineral tenure that is 100% owned by Karus and extends both northwest and southeast of SPA's SMG Property (Figure 23-1). The SC Property covers broadly the same stratigraphy as the SMG Property and hosts several SHV orogenic gold prospects and showings, 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.



Source: Equity, 2026

Figure 23-1: Location of South Cariboo Property relative to the SMG Property

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 376,000 ounces of gold. An additional 635,000 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.

23.2.2. Gold Creek Area

The Gold Creek area lies immediately northwest of the SMG Property and comprises a broadly 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

24.1 Alternate Project Development Plan

24.1.1 Introduction

An alternate project development scenario has been considered for the Spanish Mountain Gold Main Deposit to evaluate the potential implications of developing a larger portion of the Mineral Resource. The alternate scenario considers a larger development footprint to exploit a larger portion of the Mineral Resource. The Mineral Resource could potentially utilize the planned PEA Update metallurgical process and milling rate, expanding the limits of the open pit and waste storage facilities and ultimately extending the LOM.

This alternative is presented to illustrate potential additional impacts that could be considered as the Project advances through further engineering studies and development forecasts.

It is important to note that the alternate scenario presented herewith is not part of the PEA Update Economic Evaluation.

24.1.2 Mining

The alternate production plan targets a larger pit limit containing a larger portion of the Mineral Resources than the PEA Update mine plan. All mine planning inputs described in Section 16.2 are still applied in this scenario. The pit shell targeted is that of the 71% price factor shell described in Section 16.3.2 and Figure 16-3.

An alternative series of open pit designs have been completed to target this larger Project pit shell. All pit design inputs described in Section 16.4 apply to these pits. Figure 24-1 and Figure 24-2 show plan and section views of these larger pit designs.

Table 24-1 summarizes the sub-set of Mineral Resources contained in the alternate larger pit designs. Measured, Indicated, and Inferred Class resources are included in the mill feed contents. A gold cutoff grade of 0.15 g/t is utilized, which covers payment for processing, G&A, and low-grade stockpile reclaim costs.

Table 24-1: Alternate pit design contents

Pit content	Amount	Units
Mill feed	348	Mt
Gold grade	0.39	g/t
In situ Gold	4.4	Moz.

Pit content	Amount	Units
Silver grade	0.65	g/t
In situ Silver	7.3	Moz.
Waste material	699	Mt
Strip ratio	2.0	t/t
Total pit tonnage	1,047	Mt

Notes:

1. The alternate mine plan mill feed estimates are a subset of the May 19, 2026 Mineral Resource Estimates and are based on open pit mine engineering and technical information developed at a Scoping level for the Spanish Mountain Gold Main deposit.
2. Mill Feed estimates are mined tonnes and grade. The reference point is the primary crusher. Mill feed tonnages and grades include open pit mining method modifying factors, such as dilution and recovery.
3. Net Smelter Prices (NSP) and metallurgical recoveries are used to define the cutoff grade. NSPs include market price assumptions of US$3,400/oz Au and US$45/oz Ag. A 0.73 US$:C$ exchange rate, 99.8% payable and US$7/oz offsite costs for Au, 90% payable and US$2/oz offsite costs for Ag, and 1.5% royalties derive NSPs of C$146.98/g Au and C$1.69/g Ag. Metallurgical recoveries of 90% Au and 50% Ag are applied.
4. The chosen cut-off grade of 0.15 g/t Au covers total operating costs of $20.50/t, which exceeds estimated PEA Update processing and G&A cost estimates.
5. Estimates have been rounded and may result in summation differences.

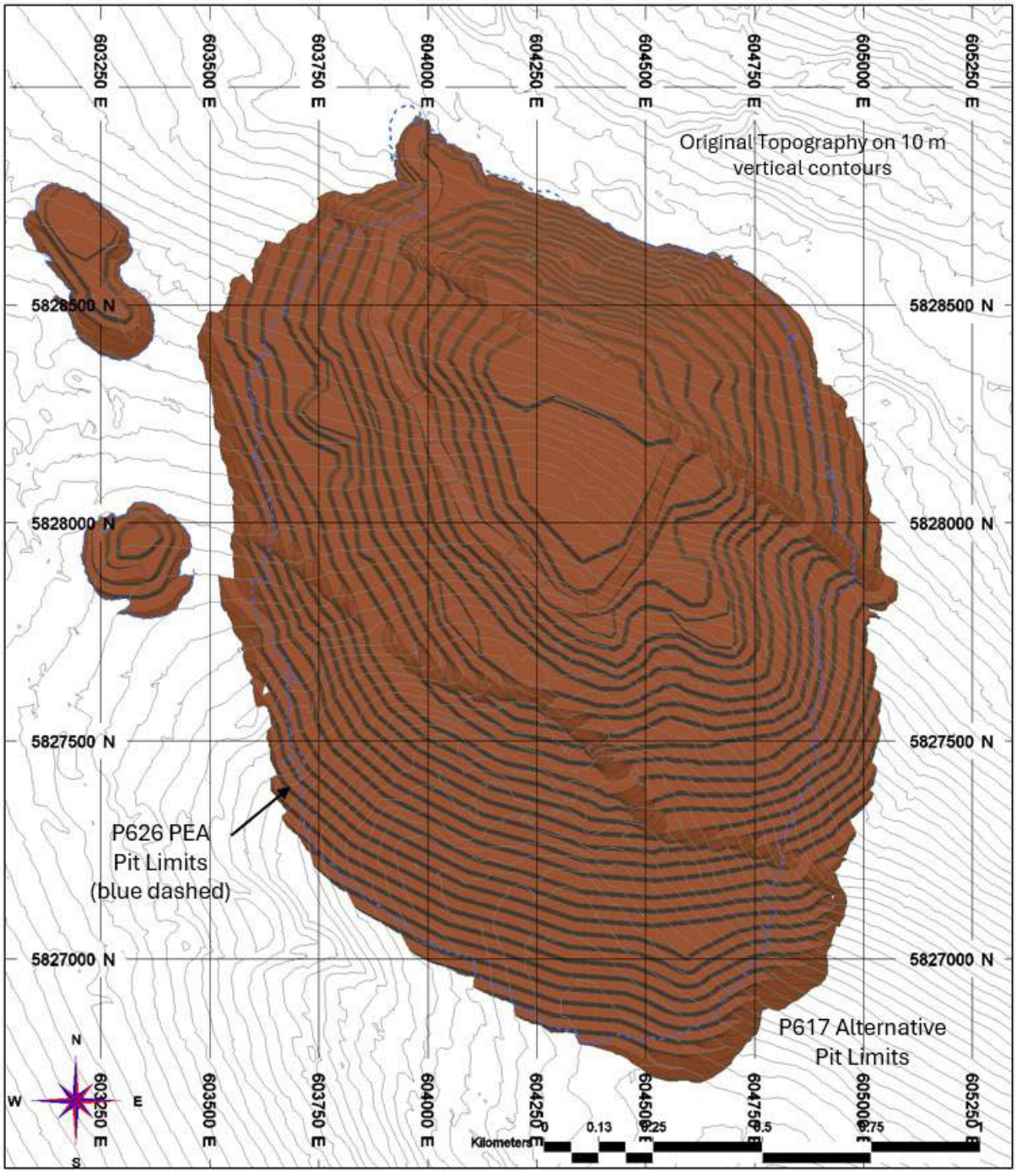


Figure 24-1: Alternate open pit designs, P617

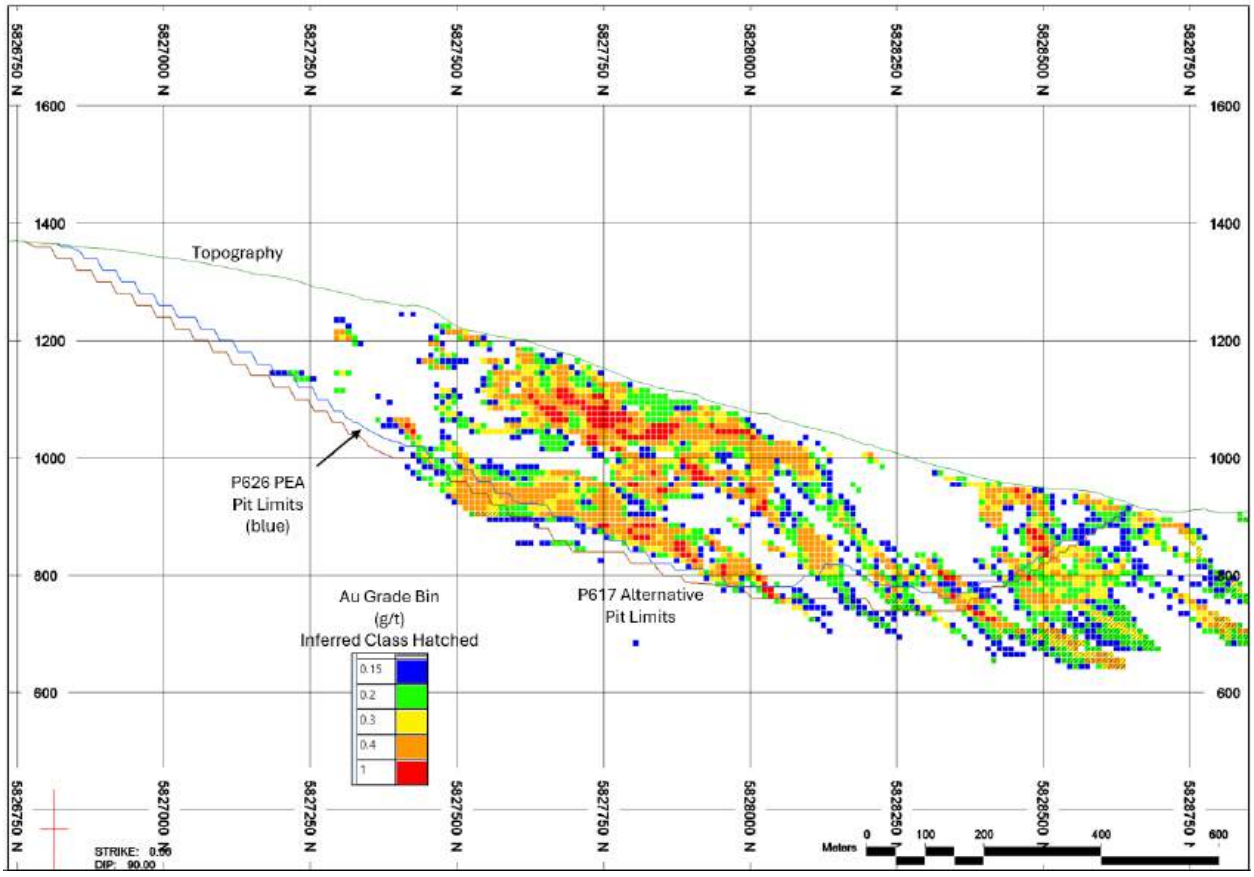


Figure 24-2: Alternate pit designs, NS section view, 604,470E (looking west)

An alternative waste rock storage and stockpile scenario, shown in Figure 24-3, is designed at a scoping level of engineering to store pit mined materials in this alternate mine plan. Both the PAG and non-PAG waste rock storage piles are expanded in footprint and height, while the required footprints for the overburden and mill feed stockpile would be the same as the PEA Update mine plan. The mill feed stockpile would still be planned to be completely rehandled and exhausted after the open pit is mined out. All ex-pit haul roads from the open pit to the various mill feed and waste destinations would be the same as the PEA Update mine plan.

The implications of the alternate mine plan for the tailings storage facility have not been evaluated and would require assessment as part of subsequent engineering studies.

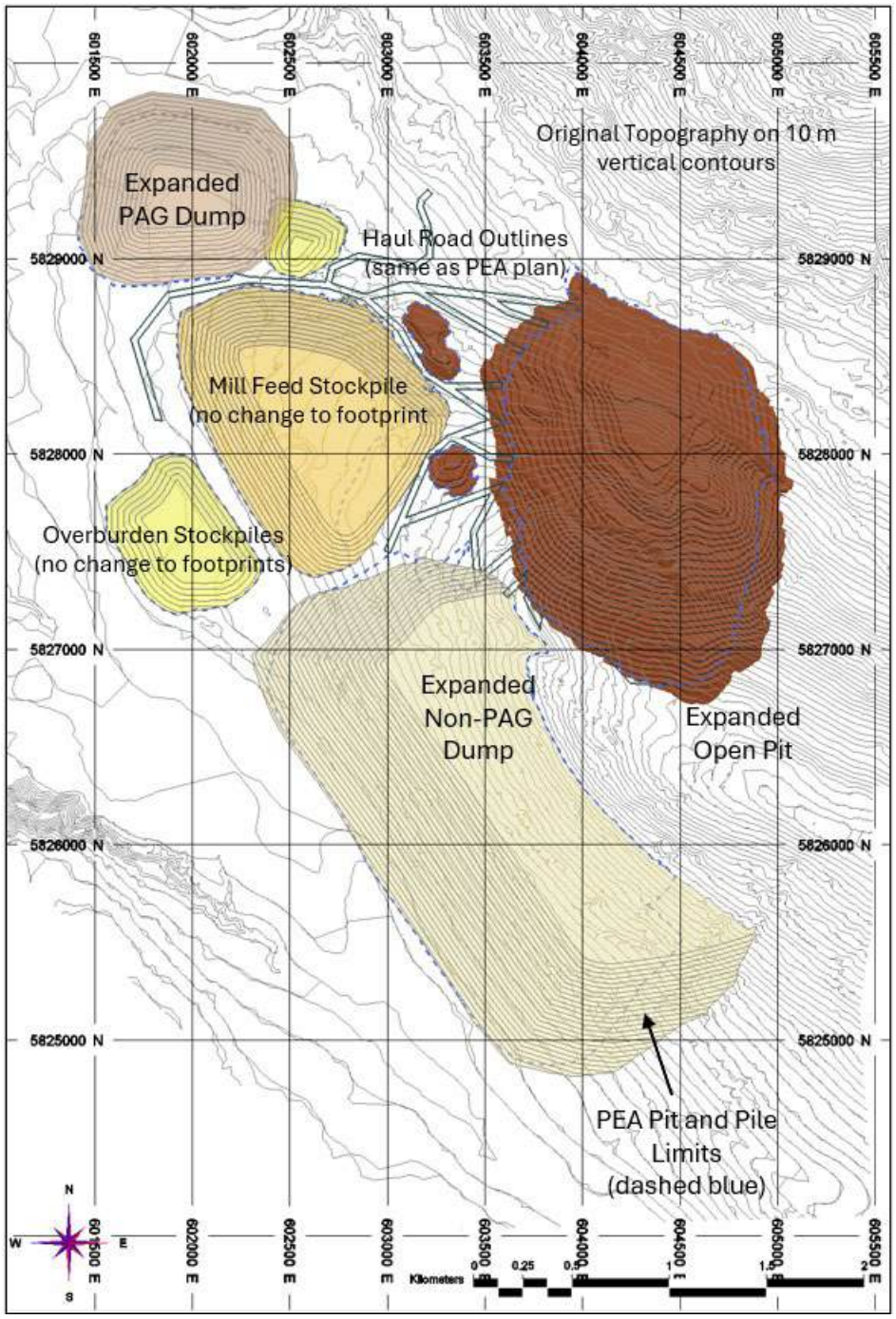


Figure 24-3: Alternate case mine general arrangement

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 12,215 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 63 mineral claims that are all 100% owned by Spanish Mountain Gold Ltd., with 60 of the claims in good standing until 2035.

Approximately 4,144 ha of the SMG Property is covered by placer claims and leases ("holdings") that are not owned by SPA and have at least 21 different majority owners. These claims cover the western part of the SMG deposit as well as the immediate 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.

Gold and silver production from the SMG deposit will be subject to a combined 4.0% NSR royalty, comprising a 1.5% NSR on all production payable to Wheaton Precious Metals Corp. ("Wheaton") and a 2.5% NSR under one of the tenure related agreements. Buydown provisions provide the option to reduce the combined NSR to between 2.0% and 2.5%. However, the Wheaton royalty also includes step-up provisions related to the achievement of specified production thresholds ("Completion") by December 31, 2030 ("Outside Completion Date"). If Completion has not been achieved by the Outside Completion Date, the NSR will increase by up to 0.15 percentage points on the Completion Date and by a further up to 0.15 points on each anniversary thereafter. The Payors may elect to make a US$6 million cash payment in lieu of each such increase.

Production from the Phoenix deposit is subject to the same Wheaton NSR as well as the tenure-related Cedar Mountain royalty, for a combined NSR of 4.0%, with buydown provisions that, under the most favourable circumstances for SPA, allow the NSR to be reduced to 1.0%.

Other than the placer claims held by others, 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.

25.3 Geology and Mineralization

The SMG and Phoenix deposits occur in the CGD of south-central BC and together form a bulk tonnage, SHV, orogenic system. Gold mineralization across the CGD occurred in at least two events between 180 and 140 Ma; an early event during the transition from D1 ductile to D2 brittle deformation and a later D3 brittle event. Geochronological studies specific to the SMG area have constrained the lower age of D1 to around 167 Ma and D3 to between 161 and 150 Ma, suggesting a time gap of approximately 6 to 17 million years between mineralizing events.

The SMG deposit consists of multiple 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 pipe-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.

D1-D2 mineralization on the SMG Property is typically stratiform, prefers less competent host rocks like argillite, and is associated with disrupted 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.

Prospecting, 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.

Besides gold, abundances of other precious metals, base metals, and/or industrial commodities are insignificant.

25.4 Exploration

SPA's exploration work, from 2004 to 19 May 2026, totals at least 1,182 rock samples, 7,024 soils, 82 silts, 1,701 line-km of airborne EM and magnetic surveys, 127 km^2 of airborne LiDAR and orthophotography, and 23 line-km of ground-based IP surveys. This work is estimated to represent between C$1.0 million and C$2.0 million in non-drilling exploration expenditures, which is less than 1% of SPA's total exploration expenditure when drilling is included. The relatively limited investment in foundational exploration work suggests there may be untapped potential for discovery through targeted non-drilling programs, particularly those designed to generate new targets or refine existing ones ahead of future drilling campaigns.

Prospecting, rock sampling, geological mapping, and/or trenching led to the discovery of the SMG deposit as well as most other showings within the SMG Property. Future exploration should continue to use prospecting and rock sampling as 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 and down-ice of the SMG deposit, it may primarily reflect gold dispersal from the deposit rather than buried mineralization. Careful evaluation of surficial geology and anomaly intensity is therefore essential before using SPA's soil data for targeted surface exploration. Future soil sampling should focus on basal till or other soil horizons most likely to reflect proximal bedrock geochemistry. An orientation soil survey over the Phoenix deposit could be completed as a proof-of-concept exercise, although it is not recommended at this time.

Stream sediment sampling density is insufficient to determine its utility. 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 resistivity surveys show patterns of closely intercalated conductive and resistive units underlying the SMG deposit area. This intercalated pattern most likely reflects graphite- and/or pyrite-rich units intercalated with units lacking these minerals and may be an important component of the mineralizing system, with conductive units potentially acting as aquifers that channeled auriferous fluids and resistive units as aquicludes. Early (i.e., D1-D2) gold mineralization also shows a strong association with pyrite and graphitic argillite, suggesting that EM and IP conductors may themselves represent exploration targets. Future work should include reprocessing of these data and identification of EM and IP anomalies that may be gold-enriched and/or exhibit patterns analogous to those associated with the SMG deposit.

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

Between 2004 and 19 May 2026, SPA have completed 1,177 drill holes on the SMG Property for 238,784 m. The bulk of this drilling was done with NQ diamond tools whereas the balance was completed with RC and sonic rigs. Approximately 85% of the meters were drilled into the Main, North, and South blocks of the SMG deposit with the balance split among deposit extensions, the Phoenix deposit, and other targets. Abundances of silver and base metals are generally insignificant.

The highest-grade thickness intersections have been drilled in the Main Block area, which hosts seven of the 11 mineralized bodies forming the SMG deposit and returned numerous early-style intervals averaging 0.1 to 1.0 g/t Au over 10 to 200 m as well as late-style intervals grading 1 to 10 g/t Au over 1 to 10 m. Notable examples of early- and late-style mineralization, respectively, 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.

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, with notable examples including an early-style intersection of 1.2 g/t Au over 159.7 m in 05SPRC-310 and a late-style intersection of 74.7 g/t Au over 3.5 m in 11-DDH-979.

Drilling results from the West, South, North, and East extensions of the SMG deposit are generally lower-grade and narrower than those in the Main, South, and North blocks. 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 Phoenix deposit consists of three mineralized bodies centered on a N-S striking D3 brittle fault, with drilling returning 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 24.1 g/t Au over 4.0 meters in 25-CCR-062 and 1.2 g/t Au over 33.0 m in 11-CCR-030. Arsenic contents are often between 1,000 to 10,000 ppm.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, typically in association with 1,000 to 10,000 ppm arsenic.

25.6 Analytical Data Collection in Support of Mineral Resource Estimation

Verification of pre-SPA legacy data shows that it is fit for purposes of exploration targeting and planning surface work programs, and that approximately 45% of the legacy drill meters are adequate for inclusion in mineral resource estimates. Any new drilling planned to follow up on legacy drill results should first be validated in the field, preferably through target-scale mapping, rock sampling and core relogging. 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 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.

Verification of SPA's geology, geophysical, and surface geochemical data shows that they are fit for the purposes of exploration targeting and planning surface work programs. SPA's data were also mostly collected using handheld GPS and therefore have considerably better spatial accuracy than the legacy data. The QP nevertheless recommends ground-truthing new drill targets derived from SPA's data prior to drilling.

Quarter core duplicate sampling of ten intervals from the Phoenix deposit shows poor correlation between SPA and QP values, particularly for samples with at least one assay above 1.0 g/t Au. These results suggest that the spatial variability of coarse gold is not accurately captured by the sample size. Additional work is recommended to assess grade variability within the Phoenix deposit.

CRMs used to monitor SPA's 2026 PAA recorded numerous failures and an average positive bias of 1.0 to 1.5 standard deviations relative to their certified means. In contrast, CRMs analysed by PAA that were certified only for metallic screen assay performed adequately. Together, the frequency of failures for PAA-certified CRMs and the mismatch between the analytical methods used to certify and analyse the CRMs that passed, warrant further investigation.

Aside from the concerns around Phoenix duplicate and PAA CRMs, SPA's drilling data are otherwise adequate for the purposes of mineral resource estimation and exploration targeting.

25.7 Metallurgical Testwork

Considerable metallurgical testwork has been completed for the Spanish Mountain Gold Project. Earlier programs focused on samples from a relatively limited area of the Main Zone, while the 2022 and 2024–2025 programs evaluated the principal lithologies with improved spatial coverage.

Collectively, the results provide a basis for the preliminary process flowsheet, recovery estimates, and process design assumptions adopted for the PEA.

Pyrite is the dominant sulphide mineral, accounting for approximately 95% to 99% of the sulphur in the composites examined. Mineralogical testing demonstrated substantial pyrite liberation at a primary grind size of approximately P_{80} 400 µm, with average liberation of 83.4%. Nearly 95% of the pyrite occurred in particles with more than 50% surface liberation. These characteristics support flotation at relatively coarse grind sizes, although pyrite liberation alone does not establish gold recovery. Comminution testing indicates variable competency, with the material generally characterized as competent, moderately hard, and moderately abrasive relative to the JKTech database.

The 2024–2025 programs demonstrated encouraging gold recovery at primary grind sizes up to P_{80} 450 µm using gravity concentration and conventional flotation. At approximately P_{80} 350 µm, combined gravity and cleaner flotation gold recoveries ranged from approximately 88% to 98% for the lithology composites tested. Most low-grade samples also responded well to rougher flotation; however, two near-surface Argillite samples achieved lower recoveries of approximately 66% to 78%. Oxidation is a possible contributor and requires further investigation.

Coarse particle flotation testing supports its inclusion in the proposed flowsheet. HydroFloat testing in a scavenger configuration recovered an additional 1.8% to 3.6% of feed gold from the coarse fraction of conventional rougher tailings at primary grind sizes of P_{80} 350 and 450 µm. A split-feed configuration returned lower overall recoveries than gravity and conventional flotation alone. Further testing is therefore required to confirm the selected configuration, mass rejection, associated gold losses, and downstream flotation response. In particular, the PEA model assumptions of a 35% mill feed bypass and 97% metal recovery through the coarse particle flotation stage require confirmation across representative feed types and particle sizes (450 to 600 um).

Preg-robbing was demonstrated in the carbonaceous Argillite samples, with preg-robbing values of approximately 80% to 99%; the Tuff sample showed no measurable preg-robbing in the reported test. Adding activated carbon during leaching reduced gold losses by competing with naturally occurring carbonaceous material for dissolved gold. These results support the proposed CIL approach. Recent Main Zone second cleaner concentrates, reground to a target P_{80} of approximately 20 µm and leached for 24 hours with activated carbon, achieved average leach-stage gold extraction of approximately 98%. Concentrate TOC contents within the tested range did not materially reduce extraction under these conditions. Further testing should confirm carbon requirements and extraction across the expected range of concentrate characteristics.

The Main Zone overall gold and silver recovery equations adopted for the PEA combine the testwork-based recovery relationships with the assumed recoveries for the individual processing stages:

Table 25-1: Main Zone overall recovery equations

Lithology	Gold recovery, RAu (%)	Silver recovery, RAg (%)
Argillite	90.2 + 3.6 ln(GAu)	33.6 + 13.6 GAg
Tuff	91.9 + 1.45 ln(GAu)	56.8
Greywacke	89.8 + 1.44 ln(GAu)	33.6 + 13.6 GAg

GAu and GAg are the respective gold and silver feed grades in g/t, and ln denotes the natural logarithm. These relationships represent the Main Zone recovery basis for the PEA and should be reviewed as additional variability and confirmatory testwork becomes available.

Particle sorting investigations indicate potential to upgrade selected Main Zone material, subject to validation using representative crushed bulk samples and an updated economic assessment. A separate desktop bulk sorting study did not support further development under the conditions evaluated. Preliminary gravity, flotation, and particle sorting testwork has also been undertaken on Phoenix Zone material.

Dissolved copper warrants further evaluation following a reported concentration of 670 mg/L in the solution feed to a historical cyanide detoxification test. Future testing should establish whether this result is representative and assess its implications for cyanide consumption, carbon adsorption, and detoxification requirements before determining whether additional treatment is justified.

A further Main Zone testwork program comprises 145 samples representing more than 700 m of mineralized drill core, selected to cover the lithologies scheduled during the first five years of production. Material has been shipped to Base Metallurgical Laboratories and Metso for testing. The QP recommends using this program, supplemented by later-life variability samples, to confirm coarse particle flotation performance, optimize cleaner flotation and fine grinding, and strengthen the CIL design basis. Additional work should validate particle sorting where warranted, assess process solution chemistry, and characterize representative tailings and recycled water. The results should be incorporated into updated metallurgical balances, recovery models, and process design criteria for the next study phase.

25.8 Mineral Resource Estimate

Mineral Resources for the SMG Project include the Main and Phoenix 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 May 19, 2026, for the Main Deposit and May 19, 2026, for the Phoenix Deposit. The SMG Project's total Measured and Indicated Mineral Resources include 342.1 Mt at 0.42 g/t Au and 0.66 g/t Ag, for total contained mineral inventory of 4.66 Moz Au and 7.22 Moz Ag. Total Inferred Mineral Resources include 96.8 Mt at 0.32 g/t Au and 0.86 g/t Ag, for total contained mineral inventory of 1.01 Moz Au and 1.17 Moz Ag.

The Main Deposit's Measured and Indicated Mineral Resources include 342.0 Mt at an average grade of 0.42 g/t Au and 0.66 g/t Ag, for total contained mineral inventory of 4.66 Moz Au and 7.22 Moz Ag, and Inferred Mineral Resources include 42.4 Mt at an average grade of 0.28 g/t Au and 0.86 g/t Ag, for total contained mineral inventory of 0.38 Moz Au and 1.17 Moz Ag.

The Phoenix Deposit's Indicated Mineral Resources include 0.09 Mt at an average grade of 0.25 g/t Au for total contained mineral inventory of 0.7 koz Au, and Inferred Mineral Resources include 54.4 Mt at an average grade of 0.36 g/t Au for a total contained mineral inventory of 0.63 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 0.15 g/t Au for the Phoenix Deposit. The Mineral Resources are constrained within an optimized pit shell generated using Lerchs–Grossman pit optimization based on a gold price of US$3,400/oz, silver price of US$45/oz, 99.8% payability, 90% gold recovery, 50% silver recovery, C$11.50/t processing and G&A, C$3.50/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 0.15 g/t gold cut-off grade, of 286 Mt at 0.41 g/t Au and 0.65 g/t Ag, with an associated waste mining quantity of 507 Mt. These quantities will be mined over a 2-year construction period, a 19-year pit-to-mill operating period, and a 7-year period of low-grade stockpile rehandling to the mill.

The mine plan supports the cash flow model and financials developed for the PEA Update.

25.10 Recovery Methods

The process flowsheet and design criteria described in Chapter 17 were developed from the metallurgical testwork summarized in Chapter 13. The selected configuration incorporates primary crushing followed by SAG and ball milling to prepare feed for coarse particle flotation. Early gangue rejection limits the mass requiring finer grinding and downstream treatment. Gravity concentration recovers liberated gold, while staged regrinding and conventional rougher and cleaner flotation provide additional liberation and upgrading before concentrate leaching. This arrangement balances precious metal recovery with grinding energy, downstream equipment capacity and tailings handling requirements.

The concentrate treatment circuit incorporates fine regrinding, pre-aeration and CIL treatment. These selections reflect the liberation requirements and leaching conditions identified through testwork. The inclusion of CIL addresses the preg-robbing potential associated with naturally occurring organic carbon by adsorbing dissolved gold onto activated carbon during leaching. Established carbon elution, electrowinning and smelting processes complete precious metal recovery, while cyanide destruction treats leach residues before their separate storage.

Equipment selection and sizing are based on a nominal treatment capacity of 31,000 t/d, comminution characteristics, flotation performance and leaching residence time established through testwork, together with assumed operating availabilities. The design uses commercially available equipment and established technologies and provides an appropriate basis for the PEA Update. Further variability testing and integrated flowsheet validation are required to confirm the selected design criteria, particularly coarse particle flotation performance at the proposed

primary grind size, recovery from aged low-grade mineralization, and tailings dewatering requirements.

25.11 Infrastructure

25.11.1 Tailings Storage Facilities Conclusions

- A total of approximately 286 Mt of tailings is anticipated over the LOM. Most of the tailings (i.e., approximately 278 Mt or 97%) will be classified as non-PAG with low ML potential. The remaining tailings (i.e., approximately 8.6 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 163 Mm^3. The ultimate tailings dry stack height reaches a maximum of approximately 125 m. 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 7.8 Mm^3, inclusive of PAG tailings, water cover, inflow design flood volume, and freeboard. The approximately 25 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 height of approximately 60 m.

25.11.2 Closure

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.

25.11.3 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 2026 PEA update but gold doré is a readily marketable commodity with transparent market pricing.

Project economics were estimated based on long-term metal prices of US$3,600/oz Au and US$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 analyzed to date are expected to have a material impact on the ability to extract the mineral resources or reserves.

SMG are pursuing the option of completion of the provincial and federal EAs concurrent with the required federal and provincial 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 conditions 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 community 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 based on samples tested to date. 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 initial capital cost estimate for this PEA Update amounts to C$1,418M, and the sustaining capital cost estimate amounts to C$539M. These have been incorporated 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 Q3 2026 Canadian dollars and conforms to Class 5 guidelines of the AACE International for a PEA-level with an estimated accuracy of -30%/+50%. A comparison of initial capital costs is shown below in Table 25-2.

Table 25-2: Initial capital cost summary and comparison

WBS (Level 1)	WBS description	Initial capital cost (C$M) (2025 PEA)	Initial capital cost (C$M) (2026 PEA Update)
1000	Mining	113[1]	111[1]
2000	Process plant and facilities	419	442
4000	On-site infrastructure	152	206
5000	Off-site infrastructure	159	157
	Total direct costs	**842**	**916**
6000	Project preliminaries	37	46

WBS (Level 1)	WBS description	Initial capital cost (C$M) (2025 PEA)	Initial capital cost (C$M) (2026 PEA Update)
7000	Project delivery	91	105
	Total indirect cost	**129**	**151**
8100	Total Owner's cost	21	24
	Total provisions	259	327(2)
	Total	**1,250**	**1,418(3)**

Note:
(1) The mining costs shown are direct costs. The mining indirect cost and contingency are built into the total provisions.
(2) The provisions include all contingencies, and have augmented following the September 21, 2026, news release.
(3) Totals may not match due to rounding.

25.15 Operating Cost Estimate

The operating cost estimate was developed in Q3 2026 using data from projects, studies, mining input from MMTS, and previous operations from BBA's internal database. The operating cost estimate was developed to an estimated accuracy of -30%/+50%. The estimate covers the tailings storage facility, mobile equipment, G&A, mining, and processing. A summary of the unit operating costs is shown below in Table 25-3.

Table 25-3: Unit operating cost summary

	2025 PEA	2026 PEA Update
Cost area	**C$/t milled**	**C$/t milled**
Mining	10.38	9.61
Process	9.00	8.66
General and administration	1.45	1.22
Total	**20.83**	**19.49**

25.16 Economic Analysis

An economic model was developed to estimate the Project's annual pre-tax and post-tax cash flows, sensitivities, and NPV results using a 5% discount rate. Based on the assumptions and parameters, the PEA Update shows positive economics of C$2,910M post-tax NPV of 5% and 35.2% post-tax IRR. The All-In Sustaining Cost per Ounce (AISC) over the life of mine is US$1,449/oz Au, and the AISC over the first five years is US$1,099/oz Au.

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 NPV is most sensitive to changes in commodity price, and exchange rate, while the IRR is equally sensitive to commodity price as it is to initial capital and exchange rate.

The PEA Update 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 Update results will be realized.

Based on this analysis, the Project is sufficiently robust (from an economic perspective) to support advancing to Feasibility Study Engineering, as per the recommendations set out in Chapter 26.

25.17 Risks and Opportunities

25.17.1 Risks

As with most mining projects, there are risks that could affect the economic viability of the Project. Many of these risks are based on a lack of detailed knowledge and can be managed as more sampling, testing, and design are conducted during the detailed engineering phase.

Table 25-4 identifies what are currently deemed to be the most significant internal Project risks, potential impacts, and possible mitigation approaches that could affect the economic outcome of the Project.

External risks are generally outside the control of the Project proponents and can be difficult to anticipate or mitigate, although certain measures may help reduce their potential impacts. Key external risk factors include political and regulatory conditions, metal price volatility, exchange rate fluctuations, and changes in government legislation. These risks are common to most mining projects, and negative variances from the assumptions incorporated into the economic model could adversely affect mine profitability and the economic viability of the mineral resources.

Table 25-4 : Spanish Mountain Gold Project risks

Area	Risk description and potential impact	Mitigation approach
Tenure	Twenty-one placer leaseholders hold surface rights over various parts of the SMG Property, including the western portion of the SMG deposit. Conversion of these areas to mining leases will require an agreement between the placer leaseholders and SPA.	Initiate consultation with placer leaseholders and seek to establish agreements to facilitate the conversion of the affected areas to mining leases.
Royalties	If SPA has not achieved certain production thresholds ("Completion") by 31 December 2030 ("Outside Completion Date"), the net smelter return royalty will increase by up to 0.15 percentage points on the Completion Date and by a further up to 0.15 points on each subsequent anniversary.	Consider the potential royalty increases in the context of the most likely development scenario and the associated Project economics.
Exploration	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.	Adherence to workflows that evolve from prospecting/rock sampling and geological mapping, through expanded geochemical and geophysical surveys toward drilling. This would prevent misappropriation of exploration expenditure by ensuring that targets are truly drill-ready before they are drilled.
	The historical reliance on drilling as the primary exploration tool may have resulted in the sterilization of targets that warrant further investigation.	Adhere to systematic exploration workflows that progress from prospecting, rock sampling and geological mapping, through expanded geochemical and geophysical surveys toward drilling. This approach would improve the allocation of exploration expenditure and avoid sterilizing legitimate prospects, by ensuring that targets are drill-ready before drilling commences.
	Gold-in-soil results for the SMG Property are a risk, as they appear to provide a 2- by 5-km target area extending northwest of the SMG deposit.	Gold-in-soil anomaly likely resulted from glacial dispersion of gold derived from the SMG deposit. Gold-in-soil anomalies on the SMG Property should not be drilled without local assessment of the surficial geology and derisking by following appropriate exploration workflows.

Area	Risk description and potential impact	Mitigation approach
Analytical Data Collection	Poor reproducibility of quarter core duplicates from the Phoenix deposit suggests that the sample size may not adequately capture the spatial variability of coarse gold, potentially introducing uncertainty into the estimation of gold grades and the resulting Mineral Resource Estimate.	Conduct additional quarter-core sampling to investigate the poor reproduction identified in the 10 quarter-core duplicates collected by the QP in 2025. Undertake significant infill drilling to further assess the spatial variability of gold grades and support potential upgrades to the Phoenix Mineral Resource Estimate.
Geology and Mineral Resources	The overall low recovery and RQD could provide some risk for mineral resource estimation and mine development.	Implement improved drilling and sampling procedures, especially in mineralized zones of where recovery is expected to be poor. This could include use of triple-tube core barrels, shorter drill runs, and concerted efforts to reduce mechanical core loss and washout.
	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.
Mining and Geotechnical	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.	Continue mine planning using lower than market metal prices to ensure economic margins remain for any planned mill feed quantities.
	Decreases in the resource base could significantly alter the mine plan.	Continue exploration and geologic modeling updates.
	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.	Continue hydrogeotechnical drilling and analysis.
	Limited recent period of record for surface water gauging stations on Spanish Creek.	Continue monitoring water gauging stations to build confidence in readings over time.
	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.	Continue hydrogeotechnical analysis and updates to water modelling.

Area	Risk description and potential impact	Mitigation approach
	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.	Continue geotechnical field work and analysis to confirm confidence in utilized pit slopes.
	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.	Continue hydrogeotechnical field work and analysis to confirm confidence in the estimated water management strategies.
	Geochemical sampling, test work, and analysis, specifically in the open pit waste rock, may identify a more onerous (costly) PAG and/or ML management solution.	Continue geochemical characterization and analysis to better understand acid generating and metal leaching characteristics of the rocks encountered within the Spanish Mountain deposit.
	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.	Ensure all future planning is done with appropriate SMU mining block grade estimates sized for planned drilling and loading equipment. Develop robust operating procedures as the company matures.
	Operating cost assumptions and cost creep.	Continue to improve the data used to build mine plans, as well as the level of detail applied to the mine planning.
	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.	Develop robust operating procedures as the company matures. Continue to engage with impacted communities.
	Ability to access capital for Project and mine fleet financing.	Continue to build relationships with financing partners and industry suppliers.
Electrical	The 75 km transmission line route will likely need to change from the PEA Update as it is routed through over 100 private properties.	Conduct a trade-off study targeting old growth areas and three options on different transmission routes. Continue to work with permits and first nation groups to secure support in the areas that are impacted.

Area	Risk description and potential impact	Mitigation approach
Tailings and water management	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 31,000 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.

Area	Risk description and potential impact	Mitigation approach
Mineral Processing and Metallurgy	**Sample representativity**: Tested samples may not fully represent the variability in lithology, grade, hardness, oxidation, and carbonaceous material across the mine plan, resulting in plant performance different from predictions.	Complete the planned variability program and confirm coverage against the mine schedule. Include later-life material, particularly Greywacke, and update design criteria and recovery models as results become available.
	Coarse particle flotation: Limited testing above P80 450 µm on the Main Deposit creates uncertainty in the assumed mass rejection, gold recovery, and downstream flotation performance.	Complete testing at P80 450 to 600 µm across representative feed types. Use continuous or pilot testing to confirm classification performance and the PEA assumptions of 35% mill feed bypass and 97% metal recovery through the coarse particle flotation stage.
	Preg-robbing: Variations in the amount and activity of naturally occurring carbonaceous material may increase preg-robbing losses and reduce gold recovery.	Retain CIL in the flowsheet and expand variability testing to confirm preg-robbing activity, activated carbon requirements, and extraction under representative operating conditions. Evaluate additional mitigation measures where required.
	Recovery model validation: Laboratory results and assumed stage recoveries may not reproduce integrated plant performance, particularly where circulating loads affect recovery and concentrate quality.	Complete locked-cycle or continuous testing of the selected flowsheet. Reconcile stage and overall recoveries and update the lithology- and grade-based recovery models within their demonstrated ranges.
	Comminution and fine grinding: Variability in feed hardness and concentrate grindability may reduce throughput or increase energy and media consumption.	Expand comminution testing and complete concentrate fine grinding tests. Compare technologies and confirm equipment sizing, energy requirements, and the grind sizes needed for flotation and leaching.
	Dissolved copper: A historical detoxification feed solution contained 670 mg/L copper. If representative, elevated copper could increase cyanide consumption and affect carbon adsorption and detoxification requirements.	Monitor copper concentrations and deportment in representative leach tests. Confirm process impacts before determining whether additional copper management or recovery is justified.
	Recycled process water: Fresh-water laboratory tests may not reflect the effects of dissolved constituents and reagent accumulation in recycled plant water.	Test flotation, leaching, and detoxification with representative recycled water and incorporate the results into the water balance and water management strategy.

Area	Risk description and potential impact	Mitigation approach
	Tailings dewatering: Limited testing of tailings from the selected flowsheet may result in inaccurate settling, filtration, moisture, or handling assumptions.	Generate representative tailings streams and complete settling, rheology, and filtration testing to confirm equipment sizing and disposal design criteria.
Water Treatment	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.	Include contingency at this level of Study to account for future study & analysis.
	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.	Revise and update SMG Community and Indigenous Communities Engagement Plan in 2026. Expand community consultation opportunities through open house town hall meetings, coffee house meetings, donations and sponsorships program rollout with WPM in 2026. SMG is also rolling out an ESRI-hosted Story Map website in 2026 to better share Project information.
Environmental, Permitting and Social License	Additional environmental risks include extreme weather events and forest fires.	Wildfire management plan, including collaboration with SkyWest and Hardrock, and weekly monitoring and active management throughout the summer. BC Wild Service Staging area / partnerships in place for support at site. Evacuation plans, mine and emergency response plan. Hold the proper Insurance policy.

25.17.2 Opportunities

There are opportunities not currently included in this PEA Update that could improve the economics, timing, and/or permitting potential of the Project. The opportunities that have been identified at this time are summarized in Table 25-5 excluding those typical to all mining projects, such as changes in metal prices, exchange rates, etc. Further information and assessments are needed before these opportunities should be included in the Project economics.

Table 25-5 : Spanish Mountain Gold Project opportunities

Area	Opportunity explanation	Benefit
Exploration	SPA has invested an estimated $1M to $2M in foundational, non-drilling exploration activities, like geological mapping, geophysics, and surface geochemical surveys. This represents a relatively modest investment given the advanced stage of exploration and the extent of surficial cover on the Property. Additional targeted non-drilling exploration programs could generate new exploration targets and refine existing ones, potentially identifying previously unrecognized mineralization and improving effectiveness of future drilling programs.	Target non-drilling exploration work is a cost-effective means to expand the discovery potential of the Property while improving the targeting and efficiency of future drilling.
	There is a lack of compiled and/or properly attributed outcrop mapping, trenching data, 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.
	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)	A property-scale mapping program for the SMG Property is recommended to better identify the most prospective areas and support mine development planning.
	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.
	SPA will create a catchment map for the SMG Property and ensure that every catchment has at least one silt sample of the same type.	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 has retained the raw data, providing an opportunity to reprocess the Furgo airborne survey data (2011)	Redefine priority target areas, ideally through integration with other data sets.

Area	Opportunity explanation	Benefit
	The gold content of unconsolidated material overlying the SMG deposit, as well as elsewhere on the SMG Property, is currently unknown. SPA's soil sampling results and historical placer workings suggest that gold contents may be significant, raising the possibility that unconsolidated material to be stripped during mining could represent a supplementary source of gold.	Asses the gold content of surficial material that would be disturbed under the planned mining scenario and evaluate its potential for economic gold recovery. If warranted, investigate the feasibility of incorporating this material into the mineral processing workflow.
	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.	Systematic integration and ranking of exploration targets can be used to identify the most prospective areas of the Property, improve the prioritization of exploration expenditure, and increase the efficiency of future exploration and drilling programs.
Drilling, Geology and Mineral Resources	**SMG Main Block** Slipper Zone: Expand near-surface mineralization west of the existing deposit and assess potential open-pit continuity. K Zone: Follow up isolated high-grade intercepts to determine continuity and connectivity. Lower Cataclastic Argillite Horizon: Test a newly identified, largely unexplored high-grade underground target.	Drill testing of high-priority targets in the SMG Main Block could identify additional mineralization, improve confidence in the resource model, and potentially enhance Project economics through resource expansion and improved mine planning.
	SMG West Extension One of the strongest expansion opportunities outside the existing SMG deposit. Follow up broad lower-grade and narrower higher-grade intersections with tighter-spaced drilling to establish continuity and geometry.	Drill testing of high-priority targets in the SMG West Extension could identify additional mineralization and potentially enhance Project economics through resource expansion.
	Phoenix Zone Follow up significant historical gold intercepts. Increase drill density to better define geology, mineralization geometry, and potential for a future resource.	Additional drill testing of the Phoenix deposit could identify additional mineralization, improve confidence in the resource model, and potentially enhance Project economics through resource expansion and improved mine planning.

Area	Opportunity explanation	Benefit
	SMG South Block / Ropes-of-Gold Explore the possible southward continuation of the D3 structure associated with the SMG deposit. Opportunity is supported by surface gold anomalies, although mapping, prospecting, and trenching should precede additional drilling.	Drill testing of high-priority targets in the SMG South Block could identify additional mineralization and potentially enhance Project economics through resource expansion.
	SMG East Extension Test an under-drilled area immediately adjacent to the SMG deposit. Improve drill targeting first through mapping and ground geophysics.	Drill testing of high-priority targets in the SMG East Extension could identify additional mineralization and potentially enhance Project economics through resource expansion.
Geotechnical and Mining	Optimization of the pit phasing and mine production schedule, especially as the Mineral Resource is modified through further exploration and infill drilling,	Bring higher grade resources sooner in the mine production schedule, delay waste stripping to later in the mine production schedule, build robustness and better safety into the mine operating plans.
	Optimization of the open-pit design through collection of additional geotechnical information	Steepen pit slopes and either access deeper resources or reduce waste required to access existing resources.
	Detailed equipment costing, as well as review purchase versus leasing options for mining equipment,	Potential discounts to list price for all major components
	Further planned electrification of the mine fleet, specifically the mine hauling function, as cutting-edge technologies for battery and trolley operations become commercialized	Reduction in emissions, and savings in fuel costs
	Exploring the potential for back-filling of waste rock into the open pit	Reduced use of site footprint
Mineral Processing and Metallurgy	Recover additional gold from flotation tailings through scavenger gravity concentration: Historical McClelland testing recovered 48.4% of the gold remaining in rougher tailings into a concentrate representing only 0.07% of the tailings mass. Confirm whether this response persists with the proposed flowsheet and whether a dedicated scavenger gravity stage is justified.	Potential incremental gold recovery from material otherwise discarded, with a small additional concentrate treatment load. Benefits depend on performance after coarse particle flotation and the OPEX and CAPEX cost of the additional gravity recovery step.

Area	Opportunity explanation	Benefit
	Evaluate alternative treatment of a gold-bearing pyrite concentrate: Investigate producing a higher-grade concentrate for sale or off-site gold recovery and compare this route with the proposed on-site fine grinding and CIL circuit.	Potentially reduce initial capital, on-site reagent use, cyanide treatment requirements and environmental risks. Economic benefits would depend on concentrate recovery and grade, gold payability, transport and treatment charges, and penalties for constituents such as arsenic.
	Additional testwork to optimize reagents conditions	Reduction in OPEX and environmental impact
Tailings and Water Management	Detailed analysis of tailings storage and waste storage facilities for an integrated waste management plan and design	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	Reduction in initial CAPEX.
	Develop an options assessment for tailings and waste rock strategies, which considers best available technologies, to support future permitting efforts.	Potential to optimize early production footprints which may support improved permitting timelines.
	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.	Potential for reduction in size of water management facilities.
Water Treatment	Optimizing the site-wide water balance, and by incorporating additional passive water treatment techniques where possible.	Reduction of CAPEX and OPEX for WTP.
Environmental, Permitting and Social License	Completion of baseline and social studies with advanced engineering to advance Environmental Assessment and Permitting in parallel. Regular engagement with First Nations to increase Project knowledge and integrate or mitigate issues and concerns in Project design.	Efficient and timely permitting of the Project.

26. Recommendations

26.1 Introduction

In preparing this PEA Update, portions of historical report text have been incorporated where they remain technically valid and relevant to the current assessment. The Qualified Persons responsible for this update have reviewed such content and confirmed its suitability for inclusion in this report.

The SMG PEA Update demonstrates positive economics, as shown by the results presented in this Technical Report. It is recommended that the Project proceed to Feasibility Study (FS). Table 26-1 summarizes the estimated costs for the recommended future work on the SMG Project.

The Company is targeting a 2028 build decision.

Table 26-1: Recommended work program

Program component	Estimated total cost (C$M)
Phase 1	
Exploration	0.60
Drilling	5.00
Metallurgical Testing	1.00
Mining	5.90
Pit Geotechnical Work	2.00
Process Engineering	4.00
Infrastructure (Tailings)	5.00
Geochemistry	0.70
Environmental Studies, Stakeholder Engagement and Permitting Support	2.50
Subtotal Phase 1:	**26.7**
Phase 2	
Exploration	2.00
Drilling	7.75
Subtotal Phase 2:	**9.75**
Contingency	**7.29**
Total	**43.74**

26.2 Exploration

Continued exploration work should remain an important component of SPA's long-term strategy on the SMG Project, with the potential to expand known resources, identify new mineralized zones, and provide opportunities to enhance the mine plan over time. Given the relatively limited investment in foundational exploration work to date, a two-phase program of non-drilling exploration is recommended below to help define new drilling targets across the SMG Property. Recommendations for additional drilling are summarized in Section 26.3.

26.2.1 Phase 1 Exploration

Phase 1 exploration work includes completion of a permit amendment, additional data compilation and digitization, re-processing of raw geophysical data, desktop targeting, and property- to prospect-scale surface programs. These activities are described below and would cost an estimated C$600,000 (Table 26-2).

SPA's exploration permit is valid until July 2027; however, it is recommended that the amendment process begin as soon as possible for an estimated cost of C$30,000.

It is recommended that SPA complete additional compilation and digitization of bedrock outcrop maps, trench maps and assay results, as well as surface geochemical samples for which location information or gold assay data are missing from the current database. The results of this work could help identify new exploration targets and improve understanding of the property-scale geological context for the SMG deposit. The estimated cost of completing this compilation is C$50,000, which is 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 development of geophysical targeting criteria and identification of new exploration targets. The estimated cost for this program is C$30,000 based on 15 days of work by a qualified geophysicist.

A desktop-based data integration and targeting program is recommended to prioritize fieldwork for advancing early-stage exploration targets to the drill-ready stage. This work would include reviewing and scoring exploration targets based on the coincidence of prospective features, such as gold-in-rock assays, tightly intercalated resistive and conductive units, northerly trending structures, and previously identified airborne anomalies. The estimated cost of this program is C$50,000, 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 create the first-ever property-scale geology map for the SMG Property, identify new gold showings, and achieve comprehensive catchment coverage for silt

samples. The program is estimated to cost C$4,000 per day, including a geologist, assistant, equipment rentals, room and board, and collection of five samples per day, for a total of C$200,000 for 50 days of work.

More detailed, target-scale exploration work is recommended for several prospects that already show meaningful potential to support the discovery of additional mineral resources. Each of these targets should be assessed through core relogging and, where possible, surface work including detailed geological mapping and rock sampling. This work may be organized into focused sub-programs for each prospect, with the objective of advancing them to a trench- and/or drill-ready stage ahead of the recommended Phase 2 work. A total of C$240,000 is allocated to this work, based on the same daily cost used for the recommended property-scale program. Some of the higher-priority targets are listed 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)
Permit amendment	1,250/d	0.03
Additional compilation and digitization	1,250/d	0.05
Reprocess geophysical data	2,000/d	0.03
Desk targeting ±prospectivity analysis	1,250/d	0.05
Property-scale surface work program	4,000/d	0.20
Target-scale relogging and surface work	4,000/d	0.24
Total		**0.60**

26.2.2 Phase 2 Exploration

The scope and budget for a second phase of exploration work would be contingent on results of the first phase. This may include trenching on the prospects listed in Phase 1, in addition to more detailed work on prospective areas identified through the Phase 1 property-scale work. A

recommended Phase 2 program is described below and summarized in Table 26-3, with an estimated total cost of C$2.0M.

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 metres of trenching, for an estimated cost of C$300,000, is proposed, with actual totals contingent on the number and quality of targets generated through Phase 1 work.

Other Phase 1 prospective areas can be advanced further through 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. Recommended work amounts include 50 line-km of IP for an estimated cost of C$500,000, as well as 2,000 line-km of UAV magnetics for C$200,000.

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)
Trenching (2,000 m)	150/m	0.3
Ground-based IP survey (50 line-km)	10,000/line-km	0.5
Ground-based or UAV magnetics (2,000 line-km)	100/line-km	0.2
Top-of-bedrock RC drilling (2,000 m)	500/m	1.0
Total		**2.0**

26.3 Drilling

26.3.1 Phase 1 Drilling

Recommended Phase 1 drilling work includes follow-up investigations into two data-quality concerns from SPA's recent core assay programs, as well as infill and expansion drilling on the SMG deposit.

Data-quality concerns identified in SPA's core assay data include: (1) poor reproducibility of quarter core duplicates from the Phoenix deposit, and (2) a high bias in CRMs that were certified for and analysed by PAA. Investigation of both concerns is recommended through additional assays, including analysis of 100 quarter core duplicates from the Phoenix deposit and re-assay of 100 PAA rejects and/or the failed CRMs using screen metallic methods. The total estimated cost of this work is $20,000.

A Phase 1 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)
PAA and Phoenix QAQC follow-up	100/assay	0.02
Drilling (10,000 m)	500/m	5.00
Total		**5.02**

26.3.2 Phase 2 Drilling

A Phase 2 drilling program is recommended to infill and expand the SMG deposit to the south, east, and west, and to complete condemnation drilling to support infrastructure planning.

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 exploration work, which includes systematic evaluation and modelling of this target area. A total of five holes at 300 m each is recommended for this drilling, at an all-inclusive unit cost of C$500/m.

Additional drilling in the SMG West Extension area is, likewise, contingent on positive results from Phase 1 exploration work and the potential to discover one or more mineralized bodies containing a minimum of 100,000 oz Au. A 3,000-m exploration drill program is proposed as a starting point but would ultimately be contingent on the quality and number of targets generated through the surface work program, as well as real-time drilling results.

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 1,000 metres is proposed for a total cost of C$400,000.

The Nina Lake and Cedar Creek areas are relatively large areas located farther from the SMG deposit and have demonstrated only limited potential for gold mineralization. Consequently, these areas have been selected to host the bulk of proposed mine infrastructure, and a condemnation drilling program is needed to provide assurance that infrastructure will not be constructed over potentially mineralized areas. This condemnation program should be designed with results from the recommended exploration work and is proposed to comprise approximately 10,000 m, reflecting the size of the area and the presence of several, albeit minor, mineral indications that warrant follow-up. The actual amount of drilling would be contingent on the quality and number of targets, as well as real-time drilling results.

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)	500/m	0.75
SMG West Extension drilling (3,000 m)	500/m	1.50
SMG East Extension drilling (1,000 m)	500/m	0.50
Cedar Creek and Nina Lake drilling (10,000 m)	500/m	5.00
Total		**7.75**

26.4 Mineral Processing and Metallurgical Testing

The following metallurgical testwork is recommended to confirm the PEA flowsheet and recovery assumptions, optimize process performance, and develop the design criteria and operating cost basis for future studies:

- **Sample representativity and variability:** Complete the planned Main Zone program comprising 145 samples. Confirm coverage of the principal lithologies, feed grades, spatial distribution, and material characteristics scheduled during the first five years of production. Supplement this program with samples representing later production, particularly Greywacke and other feed types whose contributions increase over the mine life.
- **Comminution:** Expand hardness and abrasion testing to confirm equipment sizing and throughput estimates. Investigate Bond ball mill work index testing at coarser closing screen sizes and establish a consistent basis for interpreting historical results obtained at finer closing screen sizes.

- **Coarse particle flotation:** Investigate coarse particle flotation technologies and optimize the proposed configuration of the Main zone at primary grind sizes of P_{80} 450 to 600 µm. Confirm classification efficiency, size-by-size gold recovery, mass rejection, water requirements, and downstream flotation performance. Continuous or pilot testing should validate the PEA assumptions of a 35% mill feed bypass and 97% metal recovery through the coarse particle flotation stage.
- **Gravity and cleaner flotation:** Confirm the contribution of gravity recovery and optimize the cleaner circuit using representative composites and variability samples. Locked-cycle or continuous testing should establish circulating loads, concentrate mass pull, organic carbon rejection, and gold losses. Particular attention should be given to low-grade material and losses to first cleaner tailings.
- **Fine grinding:** Determine concentrate grinding energy and media requirements and compare suitable fine grinding technologies. Establish the optimum grind sizes ahead of cleaning and leaching by evaluating their effects on recovery, extraction, and operating costs.
- **Leaching and preg-robbing:** Expand CIL testing across representative concentrate types to confirm gold and silver extraction, leach kinetics, residence time, cyanide and lime consumption, oxygen demand, and activated carbon requirements. Characterize preg-robbing activity alongside TOC content and assess whether the results support incorporating relevant carbonaceous material characteristics into the geological model.
- **Process solution chemistry:** Monitor dissolved copper, silver, and other relevant constituents during leaching and detoxification. Confirm whether the elevated copper concentration reported in historical testing is representative and assess its effects on cyanide consumption, carbon adsorption, and detoxification requirements.
- **Particle ore sorting:** Validate sorting algorithms using independent samples and representative crushed bulk material. Assess particle size effects, fines bypass, throughput, gold recovery, and reject grades, and update the economic assessment using demonstrated performance and associated mining, handling, and processing costs.
- **Phoenix Zone:** Should Phoenix material be considered for a future mine plan, complete the ongoing program and undertake additional variability testing to establish its processing requirements and recovery characteristics.
- **Tailings, water, and dewatering:** Generate representative coarse and fine flotation tailings and detoxified leach residues from the selected flowsheet. Complete geochemical, settling, rheology, and filtration testing appropriate to the proposed tailings management strategy. Confirm cyanide detoxification requirements and evaluate the effects of recycled process water on flotation and leaching.

The results should be incorporated into updated metallurgical balances, recovery models, process design criteria, and reagent and energy consumption estimates for the next study phase.

Table 26-6: Phase 1 recommended metallurgical work program

Program component	Unit cost (C$)	Estimated total cost (C$M)
Metallurgical testing		1.00
Total		1.00

26.5 Mineral Resource Estimate

Additional drilling is recommended to evaluate potential extension zones adjacent to the Main Deposit. This includes the K-Zone, the southern parts and extension of the Main Deposit, and the Slipper Extension Zone, located northwest of the Main Deposit. Further drilling to the northeast of the Orca Fault is warranted to follow up on some of the recent drilling intercepts. Further drilling at tighter spacing is warranted at Phoenix to support an uplift of the current MRE.

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:
  - Install a pumping test well.
  - 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 depressurization requirements of the updated open pit.
  - 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 modelled 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 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		**7.9**

26.7 Process Engineering

The next phase of process plant engineering should refine the PEA flowsheet, incorporate additional metallurgical testwork, and develop the engineering and cost estimates required for a FS. The recommended scope includes:

- **Technology evaluations:** Compare HPGR-based and SAG-based primary grinding circuits, coarse particle flotation technologies, and fine grinding technologies through techno-economic studies considering recovery, throughput, CAPEX, OPEX, energy and water consumption, footprint, layout, operability, and maintenance.
- **Flowsheet and testwork integration:** Coordinate metallurgical and vendor testwork to confirm the selected flowsheet, recovery models, equipment sizing, and consumption estimates. Optimize gravity recovery, flotation, concentrate treatment, and CIL, and assess additional processing opportunities where justified.
- **Process and equipment definition:** Develop process design criteria, flow diagrams, FS-level piping and instrumentation diagrams, mass and water balances, equipment specifications, and a sized equipment list. Obtain quotations for major equipment and define plant availability and ramp-up assumptions.
- **Plant layout and services:** Confirm the plant location and develop general arrangements and elevations addressing civil works, buildings, material handling, maintenance access, and infrastructure interfaces. Define electrical loads, distribution, and utility requirements.

- **Cost estimation:** Prepare FS-level capital and operating cost estimates supported by vendor quotations, engineering quantities, installation requirements, staffing, and testwork-based consumption estimates. Include freight, commissioning, first fills, and initial spares.
- **Execution planning:** Complete constructability and maintainability reviews and develop an engineering, procurement, construction, and commissioning schedule addressing long-lead equipment and site constraints.

The estimated budget for the process plant FS scope, including technology evaluations, trade-off studies, engineering, and cost estimation, is C$4.0M.

26.8 Infrastructure

26.8.1 Tailings and Surface Water Management Recommendations

Future studies (e.g., feasibility study) should consider the items listed below. Recommendations have been provided with the associated risk identified in Section 25.17.1:

- 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	Estimated total cost ($M)
Tailings, mine waste and surface water management engineering design	3.5
Drilling contractor cost	1.5
Total	**5.0**

26.9 Environmental, Permitting and Social Considerations

26.9.1 Geochemistry

Recommended geochemistry related tasks for post-PEA studies to support feasibility and permitting for the SMG Project include:

- Continued advancement of the understanding of neutral pH metal leaching behavior (e.g. arsenic) via:
  - Additional mineralogical evaluation of solid arsenic phases and related weathering products.
  - Monitoring of leachate from five historic field barrel leach tests that were restarted on-site in fall 2024.
  - Expansion of the sample set and characterization dataset used in evaluations.
- Comprehensive geospatial assessment of arsenic (and other parameters) in the block model as appropriate to advance the development of waste sorting criteria and waste management planning.
- In-fill sampling for geochemical characterization including final pit walls and 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 and pre-strip materials including overburden on the proposed pit, proposed infrastructure areas, and any borrow areas and/or quarries that are being considered for potential use in construction 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 feasibility-level geochemistry program could cost an estimated C$0.7M.

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$2-2.5M.

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