ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2025

As of March 25, 2026

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In this Annual Information Form for the financial year ended December 31, 2025 (the "**Annual Information Form**"), the "Corporation", the "Company", "ESM" or "Euro Sun" refers to Euro Sun Mining Inc., unless otherwise indicated or the context otherwise requires. All information contained herein is as at March 25, 2026, unless otherwise indicated.

All dollar amounts in this Annual Information Form are in Canadian dollars, unless otherwise indicated.

GLOSSARY OF MINING TERMS

The following is a glossary of certain mining terms used in this Annual Information Form:

assay	A wet chemical, fusion, or x-ray test performed on a small sample of ores or minerals to determine the amount of valuable metals contained.
Au	Gold.
chalcopyrite	A sulphide mineral of copper and iron; the most important ore mineral of copper.
Cu	Copper.
deposit	A natural occurrence of a useful mineral, in sufficient extent and degree of concentration to invite exploitation.
diorite	An intrusive igneous rock composed chiefly of sodic plagioclase, hornblende, biotite or pyroxene.
epithermal	A term applied to hydrothermal mineral deposits formed at shallow depths from ascending solutions of moderate temperatures and occurring mainly in veins.
flotation	A milling process in which valuable mineral particles are induced to become attached to bubbles and float as others sink.
g/t Au	Grams of gold per tonne.
grade	The relative quantity of the mineral or metal content in a deposit.
hydrothermal	A term pertaining to hot water, especially with respect to its action in dissolving, re-depositing and otherwise producing mineral changes within the Earth's crust.
igneous rock	Rocks formed by the solidification of molten material from far below the Earth's surface.
intrusive rock	A body of igneous rock formed by the consolidation of magma intruded into other rocks, in contrast to lavas, which are extruded upon the surface.
km	Kilometres.

m	Metres.
metamorphic rocks	Rocks which have undergone a change in texture or composition as the result of heat and/or pressure.
mineral	A naturally occurring homogeneous substance having definite physical properties and chemical composition and, if formed under favorable conditions, a definite crystal form.
mineral reserves	A *mineral reserve* is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes allowances for dilution and losses that may occur when the material is trained. *Proven mineral reserve:* A proven mineral reserve is the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, and economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified. *Probable mineral reserve:* A probable mineral reserve is the economically mineable part of an indicated mineral resource, and in some circumstances a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, and economic and other relevant factors that demonstrates, at the time of reporting, that economic extraction can be justified.
mineral resource	A *mineral resource* is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. *Measured mineral resource:* A measured mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

	Indicated mineral resource: An indicated mineral resource is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and test information gathered through appropriate techniques from location such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.
mineralization	The introduction of potential ore minerals into a pre-existing rock.
open pit	A mine that is entirely on surface. Also referred to as an open-cut or open-cast mine.
oz	Troy ounce, the unit in which gold is quoted. A Troy ounce represents approximately 31.103 g.
porphyry	Any igneous rock in which relatively large crystals, called phenocrysts, are set in a fine-grained groundmass.
pyrite	A yellow iron sulphide mineral, normally of little value.
QA/QC	Quality assurance/quality control.
reclamation	The process by which lands disturbed as a result of mining activity are reclaimed back to a beneficial land use. Reclamation activity includes the removal of buildings, equipment, machinery and other physical remnants of mining, closure of tailings impoundments, leach pads and other mine features, and contouring, covering and re-vegetation of waste rock piles and other disturbed areas.
recovery	A term used in mineral processing to indicate the proportion of valuable material obtained in the treatment of an ore. It is generally stated as a percentage of valuable metal in the ore that is recovered compared to the total valuable metal present in the ore.
rock	Any natural combination of minerals; part of the Earth's crust.
skarn	Name for the metamorphic rocks surrounding an igneous intrusive where it comes in contact with a limestone or dolostone formation.
sulphide	A group of minerals in which one or more metals are found in combination with sulphur.
supergene	The leaching of valuable elements from the upper parts of mineral deposits and their precipitation at depth to produce higher concentrations.

vein	A thin sheet-like intrusion into a fissure or crack, commonly bearing quartz.
waste	Barren rock in a mine, or mineralized material that is too low in grade to be mined and milled at a profit.

Metric Equivalent Table

For ease of reference, the following factors for converting imperial measurements into metric equivalents are provided:

Metric Measurement Units	To Convert to Imperial Measurement Units	Divide By
Hectares	Acres	0.4047
Metres	Feet	0.3048
Kilometres	Miles	1.6093
Grams	Ounces (Troy)	31.1035
Kilograms	Pounds	0.4536
Tonnes	Short tons	0.9072
Grams per tonne	Troy ounces per ton	34.2857

FORWARD-LOOKING INFORMATION

Certain information provided in this Annual Information Form and any documents incorporated by reference may constitute "forward-looking information" within the meaning of applicable Canadian securities legislation which may include, but is not limited to, information with respect to the Corporation's expected production from, and further potential of, the Corporation's properties; the Corporation's ability to raise additional funds; submission of the EIA (as defined herein); the future price of minerals, particularly gold and copper; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information is based on management's expectations and reasonable assumptions at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or

achievements of Euro Sun and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include: the nature of mineral exploration and mining; exploration and development risks; risks and uncertainties associated with the construction and start-up of new mines; risks associated with operations in foreign jurisdictions; no guarantee of titles to explore for minerals and operate; environmental and social risks and other regulatory requirements; potential revocation or change in permit, license and project approval requirements; uncertainties of mineral resource estimates; variations in ore grade and recovery rates; cost of operations; fluctuations in the sale prices of products; volatility of gold and copper prices; dependence on adequate infrastructure; liquidity concerns and future financings; competition; risks and uncertainties associated with acquisitions and integration; litigation risks; dependence on key individuals; conflicts of interests; compliance with anti-corruption laws; insurance; fluctuation in market value of Euro Sun's shares; rising production costs; equipment, materials and skilled technical workers; nature and climatic conditions; Euro Sun's negative operating cash flow; the volatility of current global financial conditions; public health crises and other uninsurable risks; currency fluctuations; and other risks pertaining to the mining industry, as well as those factors discussed in the section entitled "*Risk Factors*". Although Euro Sun has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information contained herein or incorporated by reference are made as of the date of this Annual Information Form or as of the date of the documents incorporated by reference, as the case may be, and Euro Sun does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained or incorporated by reference in this document is presented for the purpose of assisting shareholders in understanding the financial position, strategic priorities and objectives of the Corporation for the periods referenced and such information may not be appropriate for other purposes.

CORPORATE STRUCTURE

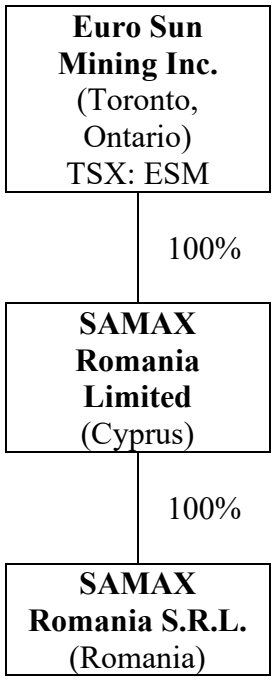
Name, Address and Incorporation

The Corporation's full corporate name is Euro Sun Mining Inc. The Corporation's head and registered office is at 289 Courtland Avenue, Vaughan, Ontario, Canada L4K 4W9.

The Corporation was incorporated pursuant to the provisions of the *Canada Business Corporations Act* (the "**CBCA**") as Ore-Leave Capital Inc. on January 17, 2003. On March 26, 2003, the Corporation amended its Articles to remove the private company provisions and the restrictions on share transfers. On June 24, 2004, the Corporation amended its Articles to change its name to Carpathian Gold Inc. On August 18, 2016, the Corporation further amended its Articles to change its name to Euro Sun Mining Inc. On January 1, 2020, the Corporation amended its Articles and completed a short form vertical amalgamation with Vilhelmina Minerals Inc., a wholly-owned subsidiary of the Corporation and continued under the name "Euro Sun Mining Inc.".

Intercorporate Relationships

The following diagram illustrates the current corporate structure of the Corporation, including the percentage of voting securities beneficially owned, directed or controlled, directly or indirectly by the Corporation of its principal subsidiaries, as well as the jurisdictions in which such principal subsidiaries were incorporated, continued, formed or organized:



GENERAL DEVELOPMENT OF THE BUSINESS

Current Developments

On February 17, 2026, the Corporation filed an updated technical report entitled "NI 43-101 Updated Technical Report on Rovina Valley Project in Romania" (the "**Updated DFS**").

Three Year History

2025

On December 15, 2025, the Corporation announced that it had entered into definitive agreements to amend and restate the Facility Agreement (defined below) that the Company executed with Trafigura Pte Ltd. (the "**Trafigura**") effective July 10, 2025 (as amended and restated, the "**Multi-Facility Agreement**"), to secure up to US$200m towards the advancement of and future construction at the Rovina Valley Project (defined below). Pursuant to the Multi-Facility Agreement, the first tranche ("**Tranche A**") was fully drawn down in mid-2025. An additional US$17.5m tranche ("**Tranche B**") may be drawn down by June 30, 2027, and the final US$180m may be drawn down by June 30, 2031 ("**Tranche C**"), in each case provided several conditions have been satisfied, including, among others, completion of requisite land purchases and environmental and social impact assessments and receipt by the Company of regulatory authorizations. Drawdowns under Tranche A and Tranche B are repayable on June 30, 2027 (subject to automatic extensions in certain circumstances); drawdowns under Tranche C are repayable on June 30, 2031. Subject to a capitalization option, interest is payable quarterly on the outstanding amount owing under the facility, calculated based on a market rate of interest. The facility is secured by all present and after-acquired assets of the Company and its subsidiaries. The Company also reiterated that Trafigura intends to assist the Company in sourcing additional financing upon reaching the construction phase of the Project.

Also on December 15, 2025, the Company announced it had issued 22m warrants (the "**Trafi Warrants**") to Trafigura, of which 2.75m vested immediately, 2.20m vest upon a draw down under Tranche B, and the remaining 17.05m vest upon a drawn down under Tranche C. Each Trafi Warrant entitles Trafigura to acquire one common share at a price of $0.50 per Trafi Warrant until June 30, 2029, provided Trafigura may elect a net cash settlement option, which shall be subject to certain payment deferral rights.

On December 3, 2025, the Corporation acknowledged the European Commission's published responses to allegations submitted by certain Non-Governmental Organizations directly to the European Union's Critical Raw Materials Act ("**CRMA**") Strategic Project Promoters in Brussels regarding the Commission Decision 2025/840 of 25 March 2025, which designated certain critical raw material projects as strategic. The Company noted the positive outcome of the European Commission's internal review of our Rovina Valley Project, which found eleven allegations to be partially inadmissible and, in all cases, unfounded.

On November 14, 2025, the Corporation announced that under an Emergency Ordinance, the Romanian Government had established a national regulatory and administrative framework for

creating a Single Point of Contact to implement the CRMA. This is aimed to fast-track permitting and simplify procedures for projects with strategic status. Along with the completion of Euro Sun's environmental impact assessment technical report (the "**EIA**"), the Company also shared the results (including key highlights) of its Updated DFS respecting CAPEX and OPEX revalidation and economic modelling, for the Colnic and Rovina open pits - representing the first stage of development at the Rovina Valley Project.

Also on November 14, 2025, the Company announced that it had:

- repaid a debenture (the "**Second Debenture**"), which had been previously issued to a holding company of a director of the Company in the principal amount of $350,000 and which had a maturity date of December 19, 2025. The Second Debenture was secured against all of the assets and property of the Company pursuant to a general security agreement, which was terminated upon repayment;
- engaged Cantor Fitzgerald Canada Corp. as its exclusive financial advisor to assist in evaluating potential strategic transactions involving the Company or its assets, including mergers, acquisitions, or sales. This engagement supports Euro Sun's ongoing efforts to maximize shareholder value at the Rovina Valley Project; and
- completed its EIA and that management intended to work closely with Romanian officials to coordinate the official submission of the document.

On July 10, 2025, the Company announced that it had:

- entered into a pre-development facility agreement dated July 10, 2025 (the "**Facility Agreement**") with Trafigura, pursuant to which Trafigura made available a facility of up to US$2.5m (the "**Facility**") to be used for general corporate purposes. Drawdowns under the Facility were repayable on or (in certain circumstances) prior to June 30, 2027. Subject to a capitalization option, interest was payable quarterly by the Company on the outstanding amount owing under the Facility, calculated based on a market rate of interest;
- entered into the Offtake Agreement (defined below) dated July 10, 2025, with Trafigura providing for offtake volumes of up to 100% of commercial production for nine years or until minimum aggregate quantities of specified tonnages have been delivered. Pursuant to the Offtake Agreement, certain of Trafigura's rights to offtake volumes and minimum aggregate quantities of specified tonnages shall continue after prepayment or repayment of the Facility; and
- relocated its registered and head office to from 198 Davenport Road, Toronto, Ontario M5R 1J2 to 289 Courtland Avenue, Vaughan, Ontario, Canada L4K 4W9, which also serves as the office of the Company's chairman, Carlo LiVolsi, to better align with the Company's current leadership and operational focus.

On June 20, 2025, the Company announced that it had:

- agreed in principle to the terms and conditions (the "**Term Sheet**") for a copper concentrates prepayment facility of up to US$200m (the "**Proposed Facility**") offered by Trafigura, which was intended to secure the financial requirements

needed by the Company to complete all necessary permitting and further investment over the next 18 months to advance the Rovina Valley Project. Pursuant to the Term Sheet, US$2.5m could be drawn down within 16 months from the first availability date agreed by the parties following completion of the applicable definitive agreement (the "**First Availability Date**"), an additional US$17.5m may be drawn down within 16 months from the First Availability Date, and the final US$180m may be drawn down within 18 months from the First Availability Date, in each case provided several conditions had been satisfied;

- agreed to enter into a binding offtake agreement with Trafigura (the "**Offtake Agreement**") providing for offtake volumes of up to 100% of commercial production for between seven and nine years or until minimum aggregate quantity of specified tonnages has been delivered;
- agreed to issue a number of warrants equal to 40% of the aggregate amount drawn down under the first few tranches of the Proposed Facility, each entitling Trafigura to acquire one common share at a price of $0.50 per warrant until June 30, 2029, provided Trafigura may elect a net cash settlement option, which shall be subject to certain payment deferral rights;
- entered into a settlement agreement dated June 19, 2025 ("**Settlement Agreement**") with Heart Capital Group Ltd. ("**Heart**") in connection with an engagement letter dated March 29, 2025 (the "**Letter Agreement**"). Pursuant to the Settlement Agreement, Heart and Euro Sun agreed to a mutual release of claims and to settle any and all issues between the parties relating to the Letter Agreement in exchange for the Company issuing to Heart 1 million of its common shares (the "**Common Shares**") at a deemed price of $0.125 per share, based on the closing price of the shares on the Toronto Stock Exchange ("**TSX**") on June 19, 2025 (the "**Settlement**"). The Settlement was completed effective on July 16, 2025; and
- appointed Mr. Aaron Atin as Corporate Secretary following the resignation of Mr. Kenny Choi.

On May 7, 2025, the Corporation announced continued progress on the Rovina Valley Project, with a high-level meeting held on April 29, 2025, with Romania's Minister of Environment, Mr. Mircea Fechet. Both the Ministry and Euro Sun confirmed the need for a single point of contact within the Romanian government to ensure compliance and to fulfil the requirements contained within the framework of the CRMA. During the meeting, Euro Sun confirmed that submission of its updated EIA is anticipated in the near future.

On March 25, 2025, the Corporation announced that the Rovina Valley Project was included on the European Union's first list of strategic assets following their May 27, 2024 call for applications under the CRMA. This decision allowed Euro Sun to fast-track the permitting process under new European legislative guidelines to facilitate the development of the Rovina Valley Project.

2024

On November 1, 2024, the Corporation announced that it intended to complete a non-brokered private placement financing of up to 43,000,000 units of the Company (the "**Units**") at a price of C$0.05 per Unit for gross proceeds to the Company of up to approximately C$2.15 million (the "**Offering**"). Each Unit consisted of one Common Share and one Common Share purchase warrant ("**Warrant**"). Each Warrant is exercisable to acquire one Common Share at a price of C$0.05 per share for 24 months from the closing of the Offering. The Company closed four tranches of the Offering on November 8, 2024, December 19, 2024, February 7, 2025, and February 13, 2025, for gross proceeds of $1,821,742.25. In the aggregate, the Company issued 36,434,845 Units and paid $14,000 in cash commission and issued 380,000 broker warrants, each entitling the holder to acquire one Common Share at a price of $0.05 for 24 months, to eligible finders. Directors or officers of the Company acquired 10,529,426 Units pursuant to the Offering.

On October 31, 2024, the Corporation announced that it entered a binding Memorandum of Understanding (the "**MOU**") with **Glencore International AG** ("**Glencore**") by which Euro Sun granted Glencore the right of first refusal ("**ROFR**") for an offtake of all future concentrate to be produced by Euro Sun at its Rovina Valley Project. In addition, Glencore has the right to nominate one director to the Euro Sun board of directors. The MOU was subsequently terminated in later 2024.

On September 23, 2024, the Corporation announced it appointed Carlo LiVolsi as an independent director of the board of directors of the Company (the "**Board**"). Furthermore, Mr. LiVolsi replaced Mr. Neil Said as Chairman of the Board, with Mr. Said remaining as an independent director. The Company also announced that the European Commission reviewed the Company's application (the "**Application**") for the Rovina Valley Project to be granted the status of a "strategic project" under the European *Critical Raw Materials Act* and has considered that the Application is complete.

On July 26, 2024, the Corporation announced that it completed the submission of the Application to the European Commission for the Rovina Valley Project to be designated as a "strategic project" within the European Commission's CRMA. The Application is supported by the Romanian Ministry of Economy and represents a significant achievement in progressing the Rovina Valley Project, as a "strategic project" designation would accelerate the development of the Rovina Valley Project to be a critical supplier of materials, namely copper, within the European Union's supply chain

On June 21, 2024, the Corporation confirmed that the mining license for the Rovina Valley Project is valid for 20 years from when it was issued in November 2018. Furthermore, Euro Sun also has the option, subject to the terms of the licence, to extend this license after 2038 if required.

On June 10, 2024, the Corporation confirmed that the Company has formally begun proceedings to list the Rovina Valley Project with the European Commission as a "strategic project" for the European supply of critical minerals. Following a meeting held on May 27, 2024, with the Romanian Ministry of Economy, the application for the Project to be designated as a "strategic project" within the European Commission's *CRMA* was sanctioned. This positive

development will take place whilst Romania continues towards overhauling its existing mining legislation to align with the *CRMA*.

On June 4, 2024, the Corporation announced that it issued a convertible promissory note (the "**Final Note**") to John Robins and James Paterson (the "**Lenders**") providing for a principal amount of US$200,000 (the "**Final Principal Amount**") and maturing on May 27, 2025. The Final Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to an amended and restated general security agreement. The Principal Amount and all interest accrued thereon is convertible into Common Shares (the "**Final Conversion Shares**") at a price of $0.0656 per Final Conversion Share. Euro Sun intends to use the Final Principal Amount for working capital costs in Canada and Romania.

On April 29, 2024, the Corporation announced that it issued a convertible promissory note (the "**Third Note**") to the Lenders providing for a principal amount of US$200,000 (the "**Third Principal Amount**") and maturing on April 22, 2025. The Third Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to an amended and restated general security agreement. The Third Principal Amount and all interest accrued thereon is convertible into Common Shares (the "**Third Conversion Shares**") at a price of $0.06 per Third Conversion Share, subject to the approval of the Toronto Stock Exchange. Euro Sun intends to use the Third Principal Amount for working capital costs in Canada and Romania.

On April 23, 2024, the Corporation highlighted the Romanian Government's strategic announcement on April 22, 2024 (announcement link), formally listing copper as a strategic and critical material, and their planned intention to adjust existing mining legislation to align to Europe's CRMA. Announced by Romania's Ministry of Economy, the announcement details an overhaul of existing mining legislation and the reorganisation of regulatory bodies to simplify and streamline the inspection and permitting process to construct mines in Romania. Also included is a focus on opening new and previously sites to acquire critical minerals and the adoption of procedures to secure and access land for mining activities.

On April 2, 2024, the Corporation announced that it issued a convertible promissory note (the "**Second Note**") to the Lenders providing for a principal amount of US$200,000 (the "**Second Principal Amount**") and maturing on March 22, 2025. The Second Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to an amended and restated general security agreement. The Second Principal Amount and all interest accrued thereon is convertible into Common Shares (the "**Second Conversion Shares**") at a price of $0.045 per Second Conversion Share. Euro Sun intends to use the Second Principal Amount for working capital costs in Canada and Romania.

On March 1, 2024, the Corporation announced that, through its wholly owned Romanian subsidiary SAMAX Romania S.R.L. ("**SAMAX**"), it has successfully concluded meetings with the Romanian Ministry of Economy (December 2023) and the Romanian Ministry of Environment, Water and Forests (January 2024). Represented by Mr. Grant Sboros (CEO of Euro Sun) and Mr. Sorin Halga (General Director of SAMAX), the meetings held in Bucharest have discussed various

aspects of Euro Sun's permitting submission and the ability of the Euro Sun to support the long-term economic aspirations of Romania's Hunedoara region.

In the meeting at the Ministry of Economy, the focus was on how Romania was working to implement the changes contained within the European Commission's recently adopted CRMA in the next two to three months. The meeting also examined how Romania, with its abundance of natural resources and extended border, was being identified as being at the forefront to aid and benefit in the eventual rebuild of Ukraine. The Rovina Valley Project was considered important in this regard.

In the successful engagement with the honourable minister, Mr. Mircea Fechet, Minister of Environment, Water and Forests, a full commitment of support was given to get the Rovina Valley Project into production. Once a follow-up meeting requested by this ministry is concluded, then a meeting with the Prime Minister of Romania was deemed appropriate.

The Corporation also announced that it issued a convertible promissory note (the "**First Note**") to the Lenders providing for a principal amount of US$125,000 (the "**First Principal Amount**") and maturing on February 22, 2025. The First Note bears interest at 6% per annum, compounded monthly, and is secured against all of the assets and property of the Company pursuant to a general security agreement. The First Principal Amount and all interest accrued thereon is convertible into Common Shares (the "**First Conversion Shares**") at a price of $0.035 per First Conversion Share. Euro Sun intends to use the First Principal Amount for funding annual mining license fees for the Rovina Valley Project and for working capital costs in Canada and Romania.

2023

On December 6, 2023, the Corporation announced that it issued a debenture to certain lenders providing for a principal amount of US$660,000 and maturing on June 15, 2024 (the "**Debenture**"). The Debenture is non-interest bearing and is secured against all of the assets and property of the Company pursuant to a general security agreement. In connection with the Debenture, the Company issued 20,000,000 warrants exercisable at CAD$0.05 per Common Share until December 6, 2026.

On November 14, 2023, the Corporation announced that the European Commission has reached a political agreement on the CRMA. The CRMA represents a significant milestone in ensuring the European Union's access to secure, diversified, affordable and sustainable supply of critical raw materials, and in particular, Euro Sun is pleased to announce that copper has been deemed both a strategic raw material and critical raw material.

On October 30, 2023, the Corporation announced that the Cluj-Napoca district court (the "**Court**") delivered a judgement requiring the Corporation to re-apply for their Environmental Endorsement for the Rovina Valley Project. The Court ruled that the Environmental Resources Management's certificate ("**ERM Certificate**") issued by The Ministry of Environment was not valid at the time when the Corporation's environmental report was submitted for obtaining the

environmental endorsement. The Corporation did not appeal this judgment and is preparing new documentation for obtaining an environmental endorsement.

On August 28, 2023, the Corporation announced that it entered into a net smelter return royalty agreement (the "**NSR Royalty Agreement**") with certain purchasers (the "**Holders**") for the Rovina Valley Project. Pursuant to the NSR Royalty Agreement, the Corporation granted a 1.0% net smelter return royalty (the "**Royalty**" for consideration of C$4.0 million, with C$2.0 million paid as of the date of the NSR Royalty Agreement and the remainder to be paid within nine months. Furthermore, the Company has the right, on behalf of the Holders, to sell the Royalty to a third-party purchaser subject to minimum purchase prices by such third-party. In connection with the sale of the Royalty, the Company granted 32,000,000 Common Share purchase warrants with an exercise price of $0.125 to the Holders which shall only vest upon the Company's exercise of its royalty sale right under the NSR Royalty Agreement. The proceeds from the NSR Royalty agreement was used to settle the outstanding portion of the convertible security funding agreement with Lind Global Fund II, LP ("**Lind**") in full.

On August 9, 2023, the Corporation issued 12,500,000 warrants of the Corporation to Lind (the "**Lind Warrants**") in exchange for Lind's waiver of its (a) ongoing conversion rights under the two convertible security funding agreements (together, the "**CSFAs**") and (b) its right to receive Common Shares should the Corporation elect to buy-back the amounts outstanding under the CSFAs, in each case for the period between July 31, 2023 to August 28, 2023. The Lind Warrants entitle Lind to acquire one additional Common Share at a price of $0.05 per Common Share.

On July 25, 2023, the Corporation announced that it intends to complete a non-brokered private placement of up to 100,000,000 Common Shares at a price of C$0.05 per Common Share for gross proceeds to the Corporation of up to approximately C$5 million. The Corporation closed a first tranche of $150,000 on August 9, 2023.

On June 23, 2023, the Corporation announced the resignation of Scott Moore as a member of the board of directors effective immediately.

On March 23, 2023, the Corporation announced that it intends to complete a non-brokered private placement financing of up to 20,000,000 units of the Company at a price of C$0.05 per unit for gross proceeds to the Company of up to approximately C$1 million (the "**March 2023 Offering**"). Each unit was to consist of one Common Share and one-half Common Share purchase warrant of Euro Sun, exercisable to acquire one Common Share at a price of C$0.075 per share for 24 months from the closing of the March 2023 Offering. The March 2023 Offering closed on April 28, 2023, and pursuant to the closing of the Offering, the Company issued 19,750,000 units of the Company at a price of C$0.05 per unit for gross proceeds of C$987,500.

NARRATIVE DESCRIPTION OF THE BUSINESS

The Corporation is principally a mineral exploration and development company. Through its subsidiaries, the Corporation is involved in the exploration and development of mineral

properties situated in Romania. The Corporation has carried out extensive exploration programs on three copper-gold porphyry systems referred to as Rovina, Colnic and Ciresata (collectively, the "**Rovina Valley Project**", the "**Project**", or "**RVP**").

The table below provides a breakdown of exploration and development expenditures on all of the Corporation's properties over a three-year period ending December 31, 2025:

Year	Exploration Expenditures (US$)
2023	$1,740,299
2024	$1,275,778
2025	$1,525,778
Total:	**$4,541,855**

The Corporation's long-term business objective is to initiate construction of the Rovina Valley Project. However, it should be noted that the Corporation will need to successfully complete a number of key milestones prior to being able to achieve its goal, including the completion of the re-zoning plan and the technical plan for the Urbanism Certificate, which includes a Strategic Environmental Assessment and an EIA.

The Corporation's significant projects for the past three years, as more fully described by management, are set out below.

Rovina Valley Gold-Copper Project

The Rovina Valley Project is situated in the Hunedoara County of Transylvania in western – central Romania. The Rovina Valley Project consists of three deposits, Rovina to the North, Colnic Central and the Ciresata deposit to the south. The Updated DFS only incorporates the Rovina and the Colnic deposits and does not include the Ciresata deposit, which the Corporation expects will be brought into the project for development later, assuming future mining studies are completed and positive results are obtained The Rovina exploration licence (the "**Rovina License**") is held by SAMAX, a Romanian registered company which is a wholly owned subsidiary of ESM. Since November 2018, ESM has possessed an exploitation permit and mining licence with a renewable 20-year validity.

The Colnic and Ciresata deposits are described as gold-copper porphyries while the Rovina deposit is termed a copper-gold porphyry. All three of these deposits are located such that they can access a central processing plant. The Rovina Valley Project processing facility is being designed to produce a gold and copper concentrate from the Colnic and Rovina deposits.

The Rovina Valley Project is within the Golden Quadrilateral Mining District of the South Apuseni Mountains, an area with a history of mining dating back to Roman times. This has supported the development of excellent infrastructure including rail, power and paved access roads. In addition, there are two international airports less than 180 km from the project location. These being in the cities of Timisoara and Sibiu. The town of Brad is within 5 km of the project site from where there will be a good source of local skilled labour. Sourcing the right skills and resources locally supports ESM community upliftment opportunities.

The Rovina Valley Project is expected to be mined with a standard open-pit mining method using rigid dump trucks and hydraulic loaders. The open pit mining operation is anticipated to last approximately 17.2 years, during which the lower-grade material will be stockpiled if possible, for treatment at the tail end of mining operations.

Over the life of the project, it is planned that 140.0 Mt of ore will be mined. Of this ore, 123.3 Mt will be delivered to the processing facility, including 13,9 Mt of LG ore which will have been stockpiled for future processing. A total of 16.7Mt of LG ore will be sent to waste due to insufficient space to store this LG ore for future processing. A total of 203.1 Mt of waste will be mined and placed on the waste facility combined with tailings. This represents a life of mine stripping ratio of 1.45:1.

Tailings Management

Knight Piésold have advanced the design of a waste management facility within the project area for the co-deposition of waste rock and filtered rougher tailings. Process plant rougher tailings will be filtered in the plant where the resultant filter cake will be transported by conveyors and will be co-mingled with waste rock prior to deposition. The cleaner tails will be filtered separately from the rougher tailings and the resultant filter cake will be transported by conveyors and deposited separately within a lined zone contained within the boundary of the co-mingled facility. This design has been engineered to reduce the risk of development of impacted seepage from potentially acid generating waste rock and capture the impacted seepage from the cleaner tailings. After completion of mining the Colnic pit, the waste rock and rougher tailings will be preferentially backfilled into the Colnic pit, while the cleaner tails will continue to report to the lined zone of the waste management facility.

Capital Costs

The estimated capital costs for the Rovina Valley Project were in almost all cases built up from quotations and proposals from equipment and service providers. The Updated DFS costs currently utilize an owner purchased and operated mining fleet. All financial analysis for the Life of Mine includes the total design, construction and commissioning, production, and closure.

Project Opportunities

The Updated DFS has been completed based upon the development of the Colnic and Rovina pits only. Further developing and treating the resource at Ciresata could further extend the life of the operation while utilising the infrastructure and processing capabilities anticipated to be in operation for the Rovina and Colnic deposits.

Rovina Valley Project 2022 Resource Update

Three porphyry deposits, Rovina (Cu-Au), Colnic (Au-Cu), and Ciresata (Au-Cu), from north to south, comprise the Rovina Valley Project and lie within Euro Sun's 100% owned Rovina License in west-central Romania. All three deposits are in close proximity and, given similar

metallurgy, can be treated at a central processing facility. Colnic and Rovina are amenable to open-pit mining and are included in the Updated DFS, and Ciresata is envisioned as a bulk underground mining operation and will be evaluated for its economic potential in a later study.

Key Milestones

In April 2019, the Corporation announced that its wholly owned operating subsidiary, SAMAX, received authorization from NAMR to begin mining activity at the Rovina Valley Project. Mining activity as per Romanian mining law includes all prospecting, exploration, development, exploitation, preparation/processing, concentration, commercialization of mining products, conservation and closure of mines, including environmental rehabilitation and recovery related works.

Through SAMAX, the Corporation continues to maintain its proactive local stakeholder engagement program. The program includes local community hall public meetings, a public information centre and partnership programs with local nongovernmental organizations and community leaders to implement community-based projects. The good relations with the community have allowed unhindered surface access for drilling in the Rovina Valley Project area which requires permission from landowners.

In August 2022, the Hunedoara County Environmental Protection Agency successfully completed the SEA approval process for the PUZ and issued the Environmental License. Subsequent to the issuance of the Environmental License, SAMAX received a notice of action from the Cluj County court regarding an action made by Asociatia Declic against SAMAX for the suspension of Environmental Licence, followed by an action for annulment in respect of the same Environmental License (together, the "**Actions**"). The Cluj County court dismissed the grounds for suspension of the Environmental License. However, on appeal, the Cluj Court of Appeals overturned this verdict and admitted the suspension thereof. On October 30, 2023, the Cluj County court delivered a judgement requiring the Corporation to re-apply for its Environmental Endorsement. The Court ruled that the ERM Certificate issued by The Ministry of Environment was not valid at the time when the Corporation's environmental report was submitted for obtaining the Environmental Endorsement. The Corporation did not appeal this judgement and is preparing new documentation for obtaining an Environmental Endorsement.

With respect to the Construction Permit, the Rovina License ratified by the Romanian Government allows the Corporation to make official requests to the County Council of Hunedoara for an Urbanism Certificate[1] to start the permitting stage of the mining project development. In

[1] The Urbanism Certificate represents an information by which the authorities: (a) make known to the applicant the information regarding the legal, economic and technical regime of the lands and constructions existing at the request date, in accordance with the provisions of the urban plans and their regulations or of the spatial planning plans, as the case may be, approved and approved according to law; (b) establish the urban requirements to be met depending on the specifics of the location; (c) establish the list containing the approvals / agreements necessary for the authorization; and (d) informs the investor / applicant about the obligation to contact the competent authority for environmental protection, in order to obtain the point of view and, as the case may be, of its administrative act, necessary for the authorization.

order to advance to the construction stage there are two urbanism approvals required: (a) for the Area Land Usage Plan and after that, another one (b) for the Project Technical Design Construction Permit:

(a) Land Usage Plan (re-zoning) is a documentary process of public analysis and decision focused on urbanism development plans that result in changes of land assignment by the county authority to permit utility change from the actual pastoral and forest usage, into a future industrial activities category. Land Usage Plan is the instrument of urban planning of specific regulation, through which the integrated urban development of some areas of the locality is coordinated, characterized by a high degree of complexity or by an accentuated urban dynamics.

(b) Project Technical Design (construction) results from technical documentation for the authorization of the execution of the construction works which is elaborated by authorized designers and, after certified unchanged, is developed in the technical project prepared according to (i) the legal provisions, (ii) the requirements of the urbanism certificate, (iii) the content of approvals, endorsements, the point of view of the competent environmental protection authority, and, as the case may be, of its administrative act, required by the urbanism certificate.

Each of these urbanism permitting processes: Land Usage Plan (for land utility change) and Project Technical Design (for mining project construction) have to be submitted, sustain and obtain approvals for: (a) specific urbanism documentation and (b) various impact domain assessments[2] (by far, the most important assessment is related to the environmental impact).

In order to sustain the urbanism component of Land Usage Plan permitting process, the Corporation has engaged MetricSpace, an architectural and urban planning firm based in Cluj-Napoca, Romania to provide all the necessary documentation and support to the chief architect of the county.

In November 2019, the Corporation awarded the environmental impact assessment work for the Rovina Valley Project to ERM Environmental Resources Management SRL ("**ERM**") based in Bucharest, Romania. ERM will support SAMAX in the preparation of the Notification, public announcements and Environmental Report for rezoning, in line with the Strategic Environmental Assessment Directive, which came into force under Romanian legislation by Government Decision 1076/2004. ERM will also provide support during the permitting procedure, including participation in the Special Committee and Working Groups of Hunedoara County and support during the public hearing until the Corporation has obtained the environmental approval for rezoning. Additionally, ERM will support the preparation of the Notification, Presentation Memorandum and EIA, in line with the EIA Directive, which came into force under Romanian legislation by Law No 292/2018. ERM will provide support to the Corporation during the permitting procedure, including participation in the Technical Analysis Committee meetings and support during the public hearing until the Corporation has obtained the Environmental Agreement for construction.

[2] Required by the County Council authority through the Urbanism Certificates.

The finalization of the permitting process ends with the issuance of a Construction Permit.

All exploration activities undertaken by the Corporation and its subsidiaries in Romania must comply with valid exploration licenses or prospecting permits issued by NAMR in Bucharest, which is responsible for the administration of all mining and exploration licenses and prospecting permits. According to applicable regulations and standard practices in Romania, the Corporation and its subsidiaries must submit reports of work completed and follow-up work programs on an annual basis to NAMR demonstrating its compliance with the terms of such exploration licenses or prospecting permits. The Corporation's submission in November 2019 demonstrated such compliance. The Corporation anticipates that it will remain in compliance with the terms of its exploration licenses and/or prospecting permits.

In February 2026, the Corporation filed the Updated DFS with updated results respecting CAPEX and OPEX revalidation and economic modelling, for the Colnic and Rovina open pits - representing the first stage of development at the Rovina Valley Project.

In late 2025, the Corporation completed the EIA and secured up to US$200m towards the advancement of and future construction at the Rovina Valley Project.

In early 2025, the Rovina Valley Project was included on the European Union's first list of strategic assets under the CRMA.

Key Milestones on the Rovina Valley Project to Date

2006	2007	2012	2015	2018	2019	2021	2022	2023	2024	2025	2026
Initial Resources	Updated Mineral Resources	Exploration Permit Granted	Exploration Permit Ratified	Resources Updated	Project Engineering Study	Definitive Feasibility Study	First Updated DFS and Environmental License	Re-submission of Environmental Endorsement	Applied as CRMA strategic aroject	Designated CRMA strategic asset Completed EIA Secured US$200 Facility	Updated DFS

Stanija Property

On October 18, 2016, the Corporation announced that it obtained a new prospecting permit from NAMR for the Stanija area (the "**Stanija PP**"), located approximately 3 km east of its Rovina Valley Mining Licence, in west-central Romania. The Stanija property covers 42 square km in the highly prolific Golden Quadrilateral mining district in the South Apuseni Mountains. The permit was valid for three years and exploration work began immediately. Extensive exploration activities were conducted in the Stanija area after the modern mining law became effective, in 1998; initially from 2000 to 2004 by European Goldfields, and again by Euro Sun's subsidiary, SAMAX in 2007. Based on results from this historical work, Euro Sun has already identified several exploration targets within the two target areas. The prospecting permit obtained in September 2016 has since

expired and been terminated. In November 2019 the Corporation submitted a request to NAMR to participate in a bidding round with the aim of obtaining an exploration license in respect of the Stanija property.

On November 4, 2019, the Corporation announced that rock chip sampling and grab sample assay results indicated the presence of porphyry-style gold-copper mineralization and gold epithermal vein-style mineralization. Examples include sample CS-10193 with 1.39 g/t Au and 0.34% Cu porphyry style occurrence and sample CS-10104 with 25.9 g/t Au and 0.005% Cu epithermal vein style occurrence. Compilation of historic and the Corporation's soil sampling programs which cover approximately 80% of the Stanija PP, defines four porphyry targets and one broad zone with epithermal characteristics. A cluster of three porphyry targets (1.5 km apart from each other) occur 6 km east from the Colnic Au-Cu porphyry deposit on the Rovina License.

Employees

The Corporation currently employs a total of 8 people throughout the year on a full-time basis.

SAMAX employs approximately 50 people on a full-time basis. SAMAX operates its head office in Crisior in Hunedoara County. Local labour is employed as needed.

Specialized Skills and Knowledge

All aspects of the Corporation's business require specialized skills and knowledge. Such skills and knowledge include the areas of finance, geology, drilling, logistical planning and implementation of exploration programs, accounting and natural resources. The Corporation retains executive officers and consultants with experience in these areas. See "*Directors and Officers*" for details as to the specific skills and knowledge of the Corporation's directors and management.

Competitive Conditions

The gold and copper mineral exploration and mining business is a competitive business. The Corporation competes with numerous other companies and individuals in the search for and the acquisition of attractive gold mineral properties, and to retain qualified personnel, suitable contractors for drilling operations, technical and engineering resources, and necessary exploration and mining equipment. The ability of the Corporation to acquire gold and/or copper mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for gold development, copper development or mineral exploration.

Economic Dependence and Components

Other than in respect of the Multi-Facility Agreement on which the Corporation depends to finance its activities, the Corporation's business is not dependent on any contract to sell the major part of its products or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends. It is not expected that the

Corporation's business will be affected in the current financial year by the renegotiation, amendment or termination of contracts or subcontracts.

Business Cycles

The Corporation's business, at its current exploration phase, is not cyclical, and may be conducted year-round.

Environmental Protection

The Corporation's exploration activities are subject to, and any future development and production operations will be subject to, environmental laws and regulations in the jurisdictions in which its operations are carried out. See "*Risk Factors*".

Mining is an extractive industry that impacts the environment. The Corporation's goal is to constantly evaluate ways to minimize that impact. The Corporation has strived to meet or exceed environmental standards at the Rovina Valley Project, and the Corporation expects to continue this approach through effective engagement with affected stakeholders, including local communities, government and regulatory agencies.

The Corporation recognizes environmental management as a corporate priority and places a strong emphasis on preserving the environment for future generations, while also providing for safe, responsible and profitable operations by developing natural resources for the benefit of its employees, shareholders and communities. The Corporation intends to maintain the standards of excellence for environmental performance it has set at its mining properties into the future and has adopted various measures in order to do so.

Cognizant of its responsibility to the environment, the Corporation will strive to conform with all applicable environmental laws and regulations and to promote the respect of the environment in its activities. Employees are expected to maintain compliance with the letter and spirit of all laws governing the jurisdictions in which they perform their duties. Specifically, employees are expected to support the Corporation's efforts to develop, implement and maintain procedures and programs designed to protect and preserve the environment.

Foreign Operations

The Corporation's primary mineral project is located in Romania and its head office is located in Vaughan, Ontario, Canada. Consequently, the Corporation is substantially dependent on its foreign operations, which are subject to social, political and other risks. For further discussion of risks relating to foreign operations, see the discussion under the heading "*Risk Factors*" below.

MINERAL PROJECTS

The Corporation's primary mineral project is the Rovina Valley Project, located in Romania.

Technical Report

The scientific and technical information included in the below summary has been extracted from the technical report entitled "NI 43-101 Updated Technical Report on Rovina Valley Project in Romania" with an effective date of December 23, 2025 (the "**Technical Report**") prepared by Dr. Andreas Rompel, M.Sc. (Geology/Palaeontology), PhD (Structural Geology) and Sivanesean Subramani, BSc Honours (Geology and Economic Geology), each of whom is a "qualified person" pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

All capitalized terms used in the following summary and not otherwise defined herein have the meanings ascribed to them in the Technical Report. The below summary is subject to all the assumptions, qualifications and procedures set out in the Technical Report. The Technical Report was prepared in accordance with NI 43-101. For full technical details of the report, reference should be made to the complete text of the Technical Report, which has been filed with the applicable regulatory authorities and is available under the Corporation's SEDAR+ profile at www.sedarplus.ca. The summary set forth below is qualified in its entirety with reference to the full text of the Technical Report. The authors of the Technical Report have reviewed and approved the scientific and technical disclosure contained in this Annual Information Form.

Property Description

Regionally, the RVP is in the Golden Quadrilateral Mining District of the South Apuseni Mountains in west-central Romania, approximately 300 km northwest of the city of Bucharest, and 140 km east-northeast of the city of Timisoara. Locally, the property is approximately 25 km north of the city of Deva, which is the administrative centre for the county, and 7 km east of the town of Brad, for which mining has played an important role.

The Golden Quadrilateral has a long history of gold mining, which predates the Roman occupation. Results of modern exploration efforts have defined two other advanced-stage gold projects: Rosia Montana (Gabriel Resources) and Certej (Eldorado Gold). From the Rovina Licence, Rosia Montana is approximately 25 km northeast, and Certej is 17 km southeast.

Ownership of the Property

The Rovina property consists of one Exploitation (Mining) Licence (the Rovina Exploitation Licence, Number 18174/2015 for Cu-Au), covering an area of approximately 2,768 ha. The Corporation, through intermediary subsidiaries, owns 100 % of SAMAX, which in turn owns 100 % of the Rovina Exploitation Licence. The Rovina Exploitation Licence was ratified by the Romanian Government on the 9 November 2018 and is valid for 20 years, starting on 16 November 2018, and renewable for periods of five years. Upon any production, SAMAX must pay a 5 % to 6 % royalty for copper and gold, respectively, to the Romanian Government.

The Corporation does not hold any surface rights on their Rovina property. Romanian law does not vest surface rights with mineral rights and any proposed development requires the developer to either purchase the surface rights or enter into an appropriate agreement with the surface rights owners to have access to the property. According to Romanian Mining Law, upon

conversion of their Exploration Licences to an Exploitation Licence, ESM has the right to legally acquire these rights through one of the following processes:

- Sale
- Land exchange
- Rental
- Expropriation, if in the public or national interest
- Application
- Association with an existing owner
- Other process allowed by law

Numerous private individual local landowners and the state forestry hold surface rights over the Rovina, Colnic, and Ciresata deposits. ESM has initiated a land acquisition programme with three phases:

1. Public information campaign
2. Surveying and registration of land parcels not officially registered with the local government cadastral map
3. Acquisition of surface rights using one of the methods listed above

This programme is being implemented by SAMAX through a Social-Community Relations Manager, Legal Team, and Survey Team. The information campaign is well advanced, informing landowners of the legal process of cadastral registration through public postings and public meetings held between 2012 and 2015. The land acquisition process began in 2024.

Geology And Mineral Deposit

The Rovina, Colnic, and Ciresata porphyry deposits are the principal targets for exploration and mining within the RVP, with their locations defining a north-northeast trend. The Rovina porphyry is the northern-most deposit, with the Colnic porphyry lying approximately 2.5 km south of the Rovina porphyry, and the Ciresata porphyry approximately 4.5 km south of the Colnic porphyry.

Geology

On a regional level, most of the mineral deposits in the Romanian region are in the Carpathian Fold Belt, an arcuate orogenic belt which is part of a much larger belt extending westward into Austria and Switzerland and south into Serbia and Bulgaria. These belts developed during the late Cretaceous and Tertiary periods, following closure of the Tethys Ocean due to the collision of continental fragments of Gondwana with continental Europe and the related subduction of small, intervening oceanic basins. The development of the Carpathian Fold Belt was accompanied by widespread igneous activity, including a suite of late Cretaceous to early Eocene acidic to intermediate intrusive and extrusive rocks, known as “banatites”. These rocks are believed to have formed during the early stages of subduction and are host to several Cu-Mo-Fe porphyry and skarn deposits.

The South Apuseni Mountains represent a somewhat isolated massif of volcanism and ore deposits within the Carpathian orogenic belt. The southern portion of the Apuseni Mountains, where the

RVP is located, consists of a complex area of Palaeozoic (and older) metamorphic rocks, Mesozoic ophiolites and sedimentary rocks, and Tertiary igneous and sedimentary rocks.

On a local level, the property covers a sequence of Neogene-aged subvolcanic intrusive rocks, which in other parts of the Golden Quadrilateral host epithermal and porphyry-style mineralisation. ESM's exploration programmes have identified gold- and copper-rich porphyry systems (the Rovina, Colnic, and Ciresata deposits) hosted by these Neogene subvolcanic intrusives. The Rovina and Colnic porphyry deposits lie within an 8 km to 10 km diameter north-eastern volcanic outlier, Neogene-aged, Brad-Barza volcanic field. The Brad-Barza volcanic field is well known for hosting high-grade gold veins with historical gold production dating back to the Roman period (ca. 2,000 years ago). The Ciresata porphyry, 4.5 km south of Colnic, lies within the eastern part of the Brad-Barza volcanic field.

The main mineralised targets on the Rovina property are the Rovina Cu-Au porphyry, Colnic Au-Cu porphyry, and the Ciresata Au-Cu porphyry. Porphyry deposits are generally large, low- to medium-grade deposits in which primary (hypogene) sulphide minerals are dominantly structurally controlled, and which are spatially and genetically related to felsic to intermediate porphyritic intrusions.

The mineralised porphyries at Rovina, Colnic, and Ciresata display moderate to intense potassic hydrothermal altered cores, and strong quartz stockwork veining. The Au-Cu mineralisation manifests as stockworks and disseminations centred on porphyritic, subvolcanic-intrusive complexes of hornblende-plagioclase diorites. These porphyries classify as gold-rich, especially Ciresata and Colnic, and contain many of the features common in gold-rich porphyries (i.e. dioritic, calc-alkaline stock associated and abundant magnetite alteration). Oxidation is restricted to the uppermost few metres of the prospect, and no significant oxide cap or supergene-enriched horizons have been encountered to date.

Mineral Resource Statement

In 2007, AMEC Americas Limited ("**AMEC**") completed the maiden mineral resource estimate for the Colnic and Rovina deposits. In 2009, after further resource definition drilling, PEG Mining Consultants Inc. ("**PEG**") updated the mineral resource estimate for the Colnic and Rovina deposits and completed a maiden mineral resource estimate for the Ciresata deposit. After completion of an intensive infill drilling programme in preparations for a Preliminary Economic Assessment ("**PEA**"), the Corporation commissioned AGP Mining Consultants Inc. ("**AGP**") in 2012 to complete an updated mineral resource estimate on the three deposits.

In February 2019, AGP completed a PEA study on the Rovina, Colnic and Ciresata deposits. There were 16 additional holes drilled on the RVP since the 2012 mineral resource estimate, ten holes at Ciresata deposit and three each at the Rovina and Colnic deposits. These drillholes were either for metallurgical samples or for twin confirmation drilling as part of the Euro Sun-Barrick exploration collaboration or brownfield exploration. AGP assessed the possible impact of the additional drilling and concluded that it was unlikely to have a significant impact on the mineral resources. The 2019 PEA, therefore, used the same geological and mineral resource block models of 2012 to

report an updated mineral resource estimate reflecting current metal prices and operation parameters at that time (2019).

From March 2020 to April 2021, the Corporation commissioned SENET to complete a DFS on the open-pit Rovina and Colnic deposits. As part of this study, Caracle Creek International Consulting MinRes ("**CCIC MinRes**") completed a detailed technical audit of the resource models, including an assessment on the possible impact of the ESM-Barrick exploration collaboration drilling on the mineral resource estimates. CCIC MinRes also recommended that the Corporation not update the 2012 geological and mineral resource block models until more holes are added to the resource database. The outcome of the technical audit confirmed the robustness of the AGP mineral resource models for the Rovina and Colnic deposits. The March 2021 mineral resource estimate for the Rovina and Colnic deposits was, therefore, updated to reflect the metal prices and operating parameters derived during the March 2021 DFS.

The December 2021 mineral resource estimates for the Rovina and Colnic deposits remain unchanged, but the economics have been updated to reflect the metal prices and operating parameters in conformance with the 2014 "Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves" referred to in NI 43-101. Mr. Subramani, BSc Hons (Geology), Pr.Sci.Nat. (400184/06), is the QP for this mineral resource estimate. The mineral resources were constrained to a Lerchs-Grossmann pit shell previously using different metal equivalent cut-off grades for the Rovina and Colnic deposits. The geological model and mineral resource block models remain unchanged in this current estimate. The mineral resource estimate for Ciresata remains unchanged from February 2019. Table 1.3 summarises the mineral resource estimates for the Rovina and Colnic deposits, stated above a 0.25 % Cu equivalent grade cut-off for the Rovina deposit, and above a 0.35 g/t Au equivalent grade cut-off for the Colnic deposit. The total Measured mineral resources for the Rovina and Colnic deposits amount to 62.4 Mt grading at 0.49 g/t Au and 0.21 % Cu, containing 0.99 Moz Au and 288 Mlb Cu, with the Au equivalent grading of 0.79 g/t. The total Indicated mineral resources for the Rovina and Colnic deposits amount to an additional 182.7 Mt grading at 0.39 g/t Au and 0.15 % Cu, containing 2.28 Moz Au and 607 Mlb Cu, with the Au equivalent grading of 0.60 g/t.

Table 1.3: December 2021 Mineral Resource Estimate – Rovina and Colnic Deposits

Deposit	Resource Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Au (Moz)	Cu (Mlb)	AuEq* (g/t)	AuEq* (Moz)
Colnic	Measured	29.2	0.65	0.12	0.61	74	0.81	0.76
	Indicated	103.6	0.48	0.10	1.61	224	0.62	2.07
	Inferred	4.1	0.36	0.10	0.05	9	0.50	0.07
Rovina	Measured	33.2	0.36	0.29	0.38	213	0.77	0.82
	Indicated	79.1	0.26	0.22	0.67	384	0.57	1.46
	Inferred	16.0	0.18	0.19	0.09	66	0.45	0.23
Total	Measured	62.4	0.49	0.21	0.99	288	0.79	1.58
	Indicated	182.7	0.39	0.15	2.28	607	0.60	3.53
	Inferred	20.1	0.22	0.17	0.14	75	0.46	0.29
Grand Total	**Measured and Indicated**	**245.1**	**0.42**	**0.17**	**3.27**	**895**	**0.65**	**5.11**

NOTES:
1. Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
2. Mineral Resources are contained within conceptual pit shells that are generated using the same economic and technical parameters used for Mineral Reserves but at a gold price of US$3,300/oz and a copper price of US$4.50/lb.
3. The Colnic and Rovina deposits are amenable to open-pit mining, and Mineral Resources are pit constrained and tabulated at a base case cut-off grade of 0.35 g/t AuEq for Colnic and 0.25 % Cu equivalent for Rovina.
4. Minor summation differences may occur as a result of rounding.

* The Au and Cu equivalents were determined by using a long-term gold price of US$3,300/oz and a copper price of US$4.50/lb with metallurgical recoveries not taken into account.

The Ciresata underground mineral resource estimate remains unchanged from the 20 February 2019 estimate by AGP. Table 1.4 summarises the mineral resource estimate for Ciresata, stated at above a 0.65 g/t Au equivalent grade cut-off. The Measured mineral resources amount to 28.5 Mt grading at 0.88 g/t Au and 0.16 % Cu, containing 0.81 Moz Au and 102 Mlb Cu, with the Au equivalent grading of 1.13 g/t. The Indicated mineral resources amount to an additional 125.9 Mt grading at 0.74 g/t Au and 0.15 % Cu, containing 3.01 Moz Au and 413 Mlb Cu, with the Au equivalent grading of 0.97 g/t.

Table 1.4: 2019 Mineral Resource Estimate – Ciresata Deposit

Deposit	Resource Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Au (Moz)	Cu (Mlb)	AuEq* (g/t)	AuEq* (Moz)
Ciresata	Measured	28.5	0.88	0.16	0.81	102	1.13	1.03
	Indicated	125.9	0.74	0.15	3.01	413	0.97	3.92
	Inferred	8.6	0.70	0.14	0.19	26	0.94	0.25
Total	**Measured and Indicated**	**154.4**	**0.77**	**0.15**	**3.82**	**515**	**1.00**	**4.95**

NOTES:
1. The Ciresata deposit is amenable to bulk underground mining, and resources are tabulated at a base case of 0.65 g/t Au equivalent.
2. No Mineral Reserves have been defined at the Ciresata deposit. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. Minor summation differences may occur as a result of rounding.

*The Au and Cu equivalents were determined by using a long-term gold price of US$3,300/oz and a copper price of US$4.50/lb.

Source: From Table 14-20, AGP PEA NI 43-101 2019 Report (available on SEDAR+)

It must be noted that the quantity and grade of Inferred resource reported above are conceptual in nature and are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply, but not verify, geological and grade or quality continuity. For these reasons, an Inferred mineral resource has a lower level of confidence than an Indicated mineral resource, and it is reasonably expected that most of Inferred mineral resources could be upgraded to an Indicated mineral resource with continued exploration. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Rounding of tonnes as required by reporting guidelines may result in apparent differences between tonnes, grade, and contained metal content.

The net effect of previous changes to the input parameters resulted in the Lerchs-Grossmann mineral resource constraining pit shell becoming slightly steeper and extending a little deeper, shrinking in volume for both the Rovina and Colnic deposits and, therefore, an increase in the overall mineral resource estimates for the Rovina and Colnic deposits. The total Measured Mineral Resource Tonnage increased by 0.3 %, with the Au and Cu grades remaining the same. The total Indicated mineral resource tonnage increased by 2.4 %, from 175.6 Mt to 182.7 Mt, with the Au and Cu grades remaining the same. The total Inferred mineral resource tonnage increased by 9.7 %, from 17.6 Mt to 20.1 Mt, with the Au and Cu grades remaining the same. This increase in tonnages for the Inferred and Indicated categories is a result of the deepening in the mineral resource constraining shells.

Status of Exploration

Most of the exploration on the property has been performed by three companies: Minexfor between 1974 and 1998, and again in 2001; Rio Tinto from 1999 to 2000; and ESM since 2004. In September 2011, Barrick Gold and ESM formed an exploration collaboration group to evaluate further exploration targets on the Rovina licence.

Exploration activities on the Rovina Licence property were halted in 2012, as required by the process of conversion to an Exploitation Licence. Since granting of the Exploitation Licence in November 2018, the Corporation has focused all efforts on the DFS and towards mine development.

Development and Operations

The RVP is an advanced exploration project and is currently not in operation.

Conclusions

CCIC MinRes concluded that, effective 12 December 2021 and utilising approximately 120,256 m of diamond drillhole data drilled by the Corporation from 2006 to 2012, the mineral resource of the RVP (inclusive of all three deposits) amounts to 90.9 Mt of Measured Resources grading at 0.62 g/t Au and 0.19 % Cu containing 1.80 Moz Au and 390 Mlb Cu. Indicated resources amounted to an additional 308.6 Mt grading 0.53 g/t Au and 0.15 % Cu containing 5.29 Moz Au and 1,020 Mlb Cu. The total Measured and Indicated resources amounted to 399.5 Mt grading at 0.55 g/t Au and 0.16 g/t Cu containing 7.09 Moz Au and 1,410 Mlb Cu. Inferred resources added an additional 28.7 Mt grading 0.36 g/t Au and 0.16 % Cu containing 0.33 Moz Au and 101 Mlb Cu.

CCIC MinRes concluded the following:

- While other companies conducted exploration drilling on the property, only the ESM sampling data, collected since 2006, was used in the mineral resource estimate. This ensured that modern assaying techniques and proper quality assurance/quality control (QA/QC) protocols were in place for the entire drill programme and eliminated any need to rely on historical data.

- CCIC MinRes has reviewed the methods and procedures used to collect and compile the geological and assaying information for the RVP and found that they met accepted industry standards for an advanced-stage project and are sufficient for the porphyry style of mineralisation.
- A review of the QA/QC results for all drilling since 2006 concluded that, despite minor insufficiencies of the QA/QC programme, the Au and Cu assays from drillhole sampling are sufficiently precise and accurate for mineral resource estimation purposes.
- During a site visit and data verification conducted by Mr Subramani, between 9 and 12 November 2020, he concluded that the data collection and verification procedures implemented by ESM are to industry standards, and that the geological database is of sufficient reliability for use in mineral resource estimation.
- CCIC MinRes assessed the possible impact of the six additional drillholes (from the ESM-Barrick exploration collaboration) on the mineral resource estimates for the Rovina and Colnic deposits and concluded that there is no risk of overestimation and, therefore, recommended that ESM not update the 2012 geological and mineral resource block models until more holes are added to the resource database.
- CCIC MinRes completed a detailed technical audit of the geological and mineral resource block models for Rovina and Colnic and confirmed the robustness of the AGP mineral resource models for these deposits.

Recommendations

In preparation for mine development, DRA recommended that ESM should consider the following for operational readiness:

- Conduct pre-production drilling within the mine planning footprint for the first 24 to 36 months of ore mining. This will ensure that all mineral resources mined during this period are converted to Proven Mineral Reserves, thereby minimising geological risks during this crucial payback period.
- Implement database management software to manage and monitor sampling QA/QC programmes. This system will flag batches that are beyond the threshold limits and allow for immediate remedial action. Also, where there is evidence of positive or negative drifts, the laboratory can be notified to calibrate their equipment more regularly.
- Research the implementation of Leapfrog Implicit modelling of geological and geostatistical domains during grade-control modelling. This will allow for quick and efficient updating of the geological models when turnaround times are crucial.
- Undertake a geostatistical study to determine the optimum drill spacing for grade-control modelling. Optimum drill spacing will assist with time and costs during mine production.
- Research the correlation between the results from a mobile X-ray fluorescence (XRF) scanner and those from a laboratory. This will be useful for grade-control sampling and modelling as follows:
    - If there is a reliable proxy between the Cu and Au grades in the deposit, then the XRF readings for Cu can be used as a proxy for anticipating the Au grades.
    - If a reliable proxy can be established, this will facilitate quick and cost-efficient turnaround times for grade-control assays.

Mineral Reserve and Mine Planning

Mineral Reserve Estimates

The process to develop the Mineral Reserve estimate for the RVP was conducted by David Alan Thompson, B-Tech, Pr Cert Eng, SACMA, Pr Eng (RSA), Reg. No. 201190010 of DRA Projects (Pty) Ltd. ("**DRA**") (2021) and is as follows:

- The open-pit optimisation has been undertaken on the Measured and Indicated Resources only.
- The geological losses in the block model allow for a 2.5 % loss on Measured resources and a 3.5 % loss on Indicated resources.
- The grades and tonnes of the mineral resource model have been modified by mining/geological recovery and mining dilution based on orebody geometry and mining methodology. The mining model contains undiluted ore tonnes and ore grade. Owing to the massive nature of both the Colnic and Rovina orebodies, fixed dilution and recovery percentages of 2 % and 97.5 %, respectively, were applied in the Whittle optimisations.
- The Whittle suite of optimisation software was used to perform the pit optimisations. Whittle is an accepted industry optimisation tool. A range of operating costs and production parameters were applied. The parameters used previously are summarised below, along with the source of the information where relevant:
    - A base gold price of US$1,550/oz with a government royalty of 6.0 % of the revenue. This resulted in a net gold price of ~US$1,409.39/oz at both pits. (ESM) The updated economic model used a net gold price of US$3,300/oz.
    - A base copper price of US$3.30/lb with a government royalty of 5.0 % of the revenue. This resulted in a net copper price of ~US$6,011.82/t for the Colnic pit and US$6,054.7/t for the Rovina pit. (ESM) The updated economic model used a net copper price of US$4.50/lb.
    - Pit slope inter-ramp angles ranging from 46.7° to 51.90°, depending on the pit slope geometry. The resulting overall pit slope angles account for access ramps where applicable. (Middindi Consulting)
    - Gold recovery ranging from 77.6 % to 85.5 %, depending on the mining area and the ore type being processed. (Metallurgical test work)
    - Processing throughput of 7.2 Mt/a. (ESM)
    - The Owner's mining fleet capital and operating costs are based on budget pricing submissions from various original equipment manufacturers (OEMs), and all costs have been converted to United States dollars.
    - An average annual processing cost per tonne of ore, inclusive of general and administration costs and overland haulage.

For the updated economic model report in the Updated DFS, a sensitivity assessment was done on gold prices of US$2,640/oz and US$3,960/oz. An updated optimal shell inventory has not been performed in this report and therefore ultimate pit designs can still be formulated.

Previously, optimal shells were selected for each deposit, and these were then used as the basis for the ultimate pit designs. The shell selection criteria was conservative and based on a gold price of US$1,550/oz and a copper price of US$3.50/lb.This indicated that the optimal shell inventory (i.e. the size and shape of the optimal shell and, therefore, the ore and waste generated) was robust for all mining areas.

Optimal shells were selected for each deposit, and these were then used as the basis for the ultimate pit designs. The shell selection criteria were conservative and were based on a gold price of US$1,550/oz and a copper price of US$3.30/lb.

The RVP co-disposal facility space constraint and the Colnic pit backfill capacity limited the stockpiling capacity for the low-grade ore.

Various cut-off grades were applied, based on projected incremental revenue per tonne, and high-grade and low-grade stockpiles were generated based on a two-stage pit design with pushbacks to ensure that optimal revenue is delivered in the early life of mine ("**LOM**").

Table 1.5 summarises the Mineral Reserve Statement based on the work detailed above, undertaken as part of the RVP.

Table 1.5: RVP Mineral Reserve Statement Summary

Deposit	Classification	Tonnage (Mt)	Au Grade (g/t)	Cu Grade (%)	Au (koz)	Cu (t)
Colnic	Proven	25.60	0.65	0.11	535	28,159
	Probable	47.99	0.55	0.09	849	43,190
Rovina	Proven	22.58	0.34	0.29	243	66,006
	Probable	27.13	0.24	0.22	212	60,167
Total	Proven	48.18	0.50	0.20	778	94,165
	Probable	75.12	0.44	0.14	1,060	103,357
Grand Total	**Proven + Probable**	**123.3**	**0.47**	**0.16**	**1,839**	**197,522**

NOTES:
1. All tonnes quoted are dry tonnes. Differences in the addition of deposit tonnes to the total displayed are due to rounding.
2. Due to severe stockpile constraints in storing low-grade ore, a total of 16.7 Mt (Colnic: 9.33 Mt and Rovina: 7.37 Mt) was discarded to waste and as such was excluded from this table.

The Mineral Reserve estimate has been classified and reported in accordance with NI 43-101 and the classifications adopted by the CIM Council in November 2010. Furthermore, the Mineral Reserve classifications are also consistent with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" of 2012 (JORC Code) as prepared by the Australasian Joint Ore Reserves Committee comprising representatives from the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists, and the Minerals Council of Australia, with the minor exception that the JORC Code refers to Ore Reserves while NI 43-101 refers to Mineral Reserves.

The RVP Mineral Reserve estimate is not at this stage materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issue. Furthermore, the estimate of Project Reserves is not materially affected by any known mining, metallurgical, infrastructure, or other relevant factor.

Under SENET's stewardship, DRA was confident that sufficient geological work had been undertaken, and sufficient geological understanding gained, to enable the construction of an orebody model suitable for the derivation of Mineral Resource and Mineral Reserve estimates. DRA considered that both the modelling and the grade interpolation had been carried out in an unbiased manner and that the resulting grade and tonnage estimates should be reliable within the context of the classification applied. In addition, the DRA was not aware of any metallurgical, infrastructural, environmental, legal, title, taxation, socio-economic, or marketing issues that would impact on the Mineral Resource or Mineral Reserve statements as presented.

Mining Methods, Mining Equipment and Infrastructure

Introduction

A LOM schedule has been developed to supply one processing plant for the full LOM. The processing plant has a planned throughput of 7.2 Mt/a (Colnic pit and then Rovina pit) and a LOM of 17 years, excluding most of the Colnic and Rovina low-grade material due to the long-term storage space requirements. The LOM schedule considers the in-pit and stockpile blending requirements during the life of each pit, as well as the changeover from Colnic to Rovina ore supply to the processing plant.

The Owner's mining fleet will be responsible for all mining-related earthmoving activities.
All deposits will be mined utilising conventional truck and shovel methods to supply ore to the run of mine (ROM) tip and waste to the respective pit's waste crushing and conveying station, which will transport the waste to the Colnic stockpile area and backfill the Colnic pit.

Most of the ore and waste materials will be drilled and blasted as there is a nominal amount of free dig/oxidised materials.

Free-dig and blasted waste will be loaded with 200 t class hydraulic backhoe excavators, hauled with 90 t haul trucks, and stockpiled at designated co-disposal facility locations, which will be systematically dozed and levelled to allow the facilities to be raised in accordance with the geotechnical design parameters.

Free-dig and blasted ore will be loaded with 200 t class hydraulic backhoe excavators and hauled with 90 t haul trucks to the plant feed ROM pad. From there the ore will either be direct tipped into the crushing facility or placed on the ROM pad stockpile areas, depending on the grade control strategy being applied.

The project is to be mined utilising proven drilling, blasting and earthmoving equipment operated by an experienced Owner's team and well-trained workforce.

Owing to the significantly higher elevation and limited capacity of the Colnic co-disposal facility, a waste/low-grade crushing and conveying system will be installed for waste/low-grade transportation only during the operational life of the Colnic pit. This crushing and conveying system will be reclaimed at the end of the Colnic pit's life and reused for both waste/low-grade material and ore batched transportation to the Colnic co-disposal facility backfill site and the Colnic ROM pad position from Year 11 till the end of the Rovina pit's life.

The Colnic pit will commence production first as it has the best incremental value per tonne and as such will assist in delivering higher mill feed grades early in the project life.

Approximately six to seven months of pre-stripping will be required to expose sufficient ore to maintain a constant ore feed of 7.2 Mt/a post commissioning and the planned process plant feed build-up.

The mining of the two deposits runs for a period of approximately 17.2 years based on the current production schedule and design parameters.

The peak production requirements of the total mining fleets have been capped at an estimated 27.4 Mt/a (total material movement).

Project Design and Operation

Slope Design

The final optimised pit slope design parameters were provided by Middindi Consulting. The slopes were provided based on the weathering codes within the block model (i.e. oxide/transition/fresh). The final design parameters for both the Rovina and Colnic pits are detailed in Table 1.6.

Table 1.6: Colnic and Rovina Geotechnical Domains

Colnic and Rovina End Walls – Optimised				Check Calculations			NB
Pit Sector	Bench Height (m)	Bench Face Angle (BFA) (degrees)	Berm (m)	Step out (m)	Height (m)	Inter-Ramp Angle (IRA) (degrees)	Geotechnical berm required every 120 m vertical height, 15 m wide
C1, C2 (ALL)	24	65	6	11.19	24	54.4	
C3-C8	24	70	6	8.74	24	58.5	
R1-R7	24	70	6	8.74	24	58.5	
Averages	24.00	68.33	6.00	9.55	24.00	57.10	
Estimated Overall Slope Angle (OSA)						47.10	

Processing Recoveries and Costs

Processing costs and recoveries for each metallurgical domain were received from DRA and modelled in 3D using the ESM geological model for each of the domains of the open-pit deposits.

Financial Parameters

The gold price and discount rate used in the optimisations are summarised in Table 1.7.

Table 1.7: Financial Parameters Used for Updated DRS

Parameter	Unit	Colnic	Rovina
Discount Rate	%	10	10
Base Price:			
Gold	US$/oz	1,550	1,550
Copper	US$/lb	3.50	3.50
Government Royalty:			
Gold	%	6.0	6.0
Copper	%	5.0	5.0
Processing Cost	US$/t ROM	9.77	7.53

Bench Height Selection

Motivation for Bench Height Analysis

The geological resource block model was generated on a parent block cell size of 10 m × 10 m × 12 m (X, Y and Z, respectively) for both the Rovina and Colnic pits.

Ore Dilution and Ore Loss

A 2 % dilution and 2.5 % loss were assumed because the ore domains are continuous and will be clearly delineated and marked. Sampling of blast holes would be the basis for grade control in this analysis. The accuracy of the resulting ore/waste boundary is limited by the resolution of the grade control, which is a function of the density of the drilling pattern. The lower the flitch height, the smaller the pattern, the smaller the distance between “ore holes” and “waste holes” and hence the smaller the potential for ore loss and/or ore dilution. These dilution and loss percentages are accepted as being in line with smaller flitch heights such as the 6 m flitches associated with this mining operation.

Colnic Shell Selection Run 6

Similar to the approach taken in the first updated DFS (2022), the shell selection run was not updated in the Updated DFS.

By selecting Shell 16 in Run 6, the total waste mined was limited to 77.08 Mt and the ore to 86.86 Mt at an average gold grade of 0.54 g/t and an average copper grade of 0.09 %. This selection of the maximum specified discounted net present value (NPV) shell with a revenue factor of 0.6 is necessary due to the limited capacity of the Colnic co-disposal facility, which at this stage was estimated at 230 Mt. The Colnic Whittle optimisation results are shown in Figure 1.1.

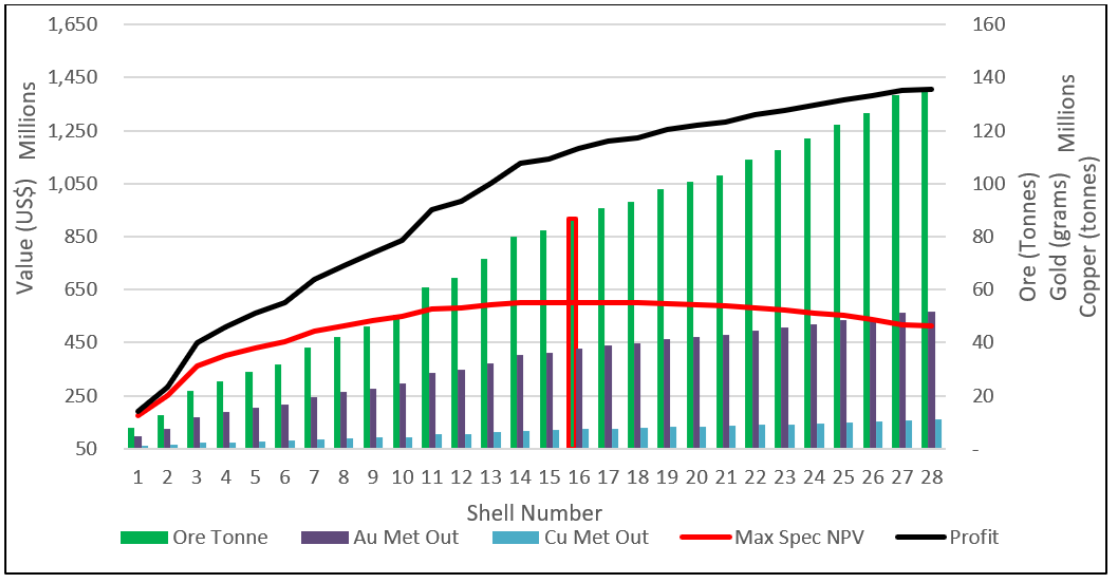


Figure 1.1: Colnic Whittle Analysis Results

Rovina Shell Selection Run 6

Similar to the approach taken in the first updated DFS (2022), the shell selection run was not updated in the Updated DFS.

By selecting Shell 21 of Run 6, the total waste mined was limited to 77.1 Mt and the ore to 62.7 Mt at an average gold grade of 0.255 g/t and an average copper grade of 0.222 %. This selection of the maximum specified discounted NPV shell with a revenue factor of 0.7 is necessary due to the limited combined capacity of the Colnic co-disposal facility and Colnic pit backfill co-disposal facility, which at this stage was estimated at a total of 330 Mt. The Rovina Whittle optimisation results are shown in Figure 1.2.

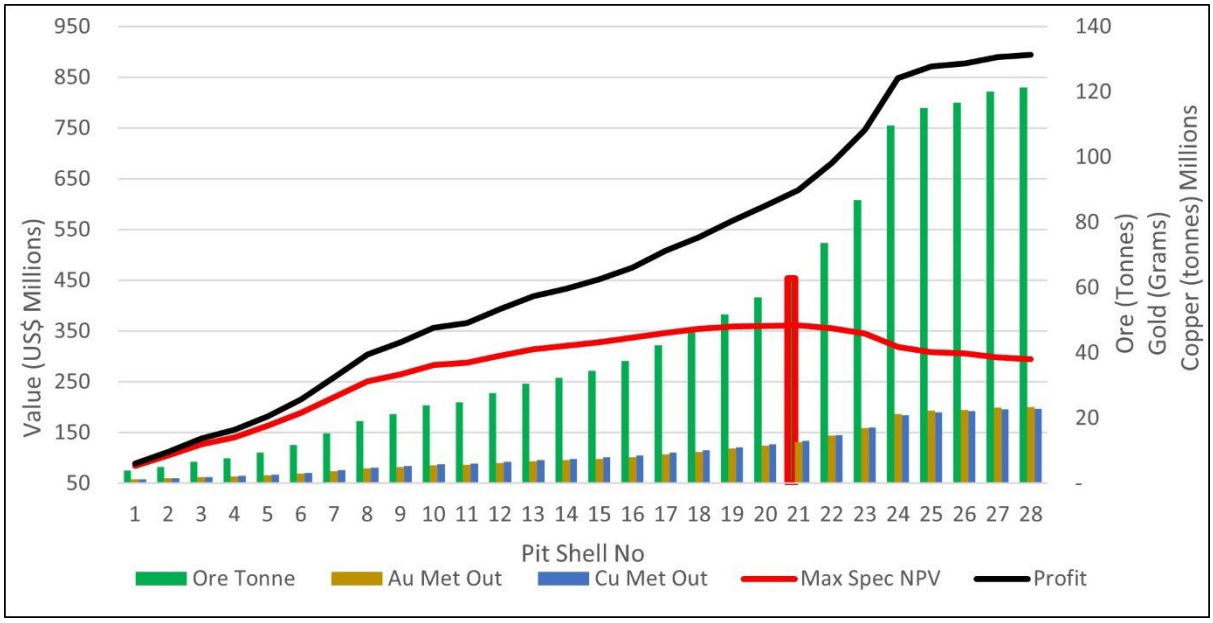


Figure 1.2: Rovina Whittle Analysis Results

Shell Selection Summary

The inventories of the selected shells are summarised in Table 1.8.

Table 1.8: Summary of Selected Shells

Similar to the approach taken in the first updated DFS (2022), these were the Selected Shell Results based on previous pricing.

Area	Pit Shell No.	Discounted Cash Flow (DCF) (Specified)	Indicative Profit	Waste	Ore	Au Mined	Au Grade	Cu Mined	Cu Grade
		US$ million	US$ million	Mt	Mt	t	g/t	t	%
Colnic Run 6	16	602.24	1,181.38	77.08	86.86	47.24	0.54	8,228	0.09
Rovina Run 6	21	360.71	627.43	77.10	62.77	16.02	0.26	139,922	0.22

Project Design

All the pit designs were developed using the Deswik.CAD suite of software packages. They were based on the optimal shells selected and utilised the latest ESM resource block models that have been reviewed and signed off by CCIC MinRes.

The models were coded with the appropriate batter angles, berm widths, bench, and stack heights for the different rock/material types for each deposit. The slope design parameters (summarised in

Table 1.6) were based on geotechnical design criteria provided by Middindi Consulting as used in the open-pit optimisation.

The criteria for pit and waste stockpile ramp designs were based on the width and turning circle of 90 t dump trucks as this size truck is likely to be used as the OEM trucking fleet. Ramp gradients are 10 %. Wherever possible, the ramp exits were located at the closest possible distance to the waste haulage and handling facilities to minimise ex-pit haulage.

A minimum mining width of 20 m is maintained.

Haul Roads

Where possible, existing haul roads will be used for ore and waste. However, several temporary haul roads will be required during the LOM of both pits. All haul roads have been laid out on the overall site plans.

Pit Designs

The RVP area consists of two mining areas containing one pit each. These are the Colnic pit in Figure 1.3 and the Rovina pit in Figure 1.4.

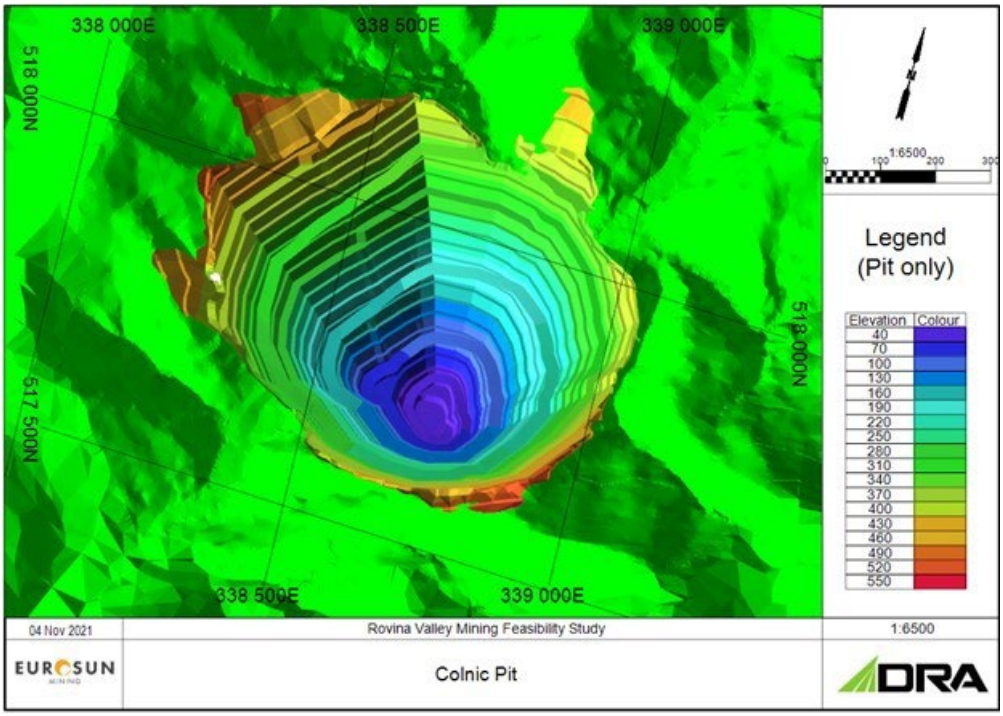


Figure 1.3: Colnic Pit

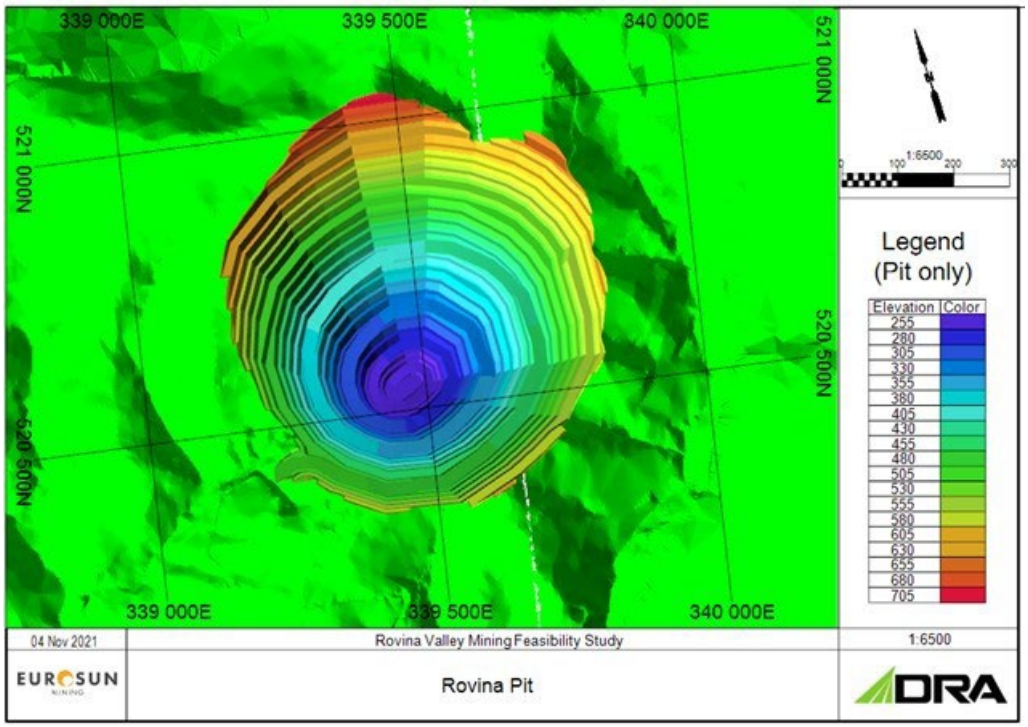


Figure 1.4: Rovina Pit

Scheduling Results

The scheduling results are summarised in Figure 1.5, which depicts the RVP combined LOM schedule. The results show that the schedule is a practical solution that targets value and meets all mining and processing goals monthly. The key features of the final base case schedule include the following:

- The requirement of 7.27 Mt of pre-strip waste and low-grade ore material movement over seven months of pre-stripping in the Colnic mining area.
- The requirement for the Rovina pit to be pre-stripped while the Colnic high-grade stockpiles are being depleted. The pre-strip waste and low-grade ore requirement for the Rovina pit is 7.27 Mt.
- The requirement that a maximum annual materials movement of 27.3 Mt be maintained throughout each production year. The three FELs can be utilised to assist in achieving this production performance when planned production, planned maintenance and breakdowns would impede achieving this total productivity.

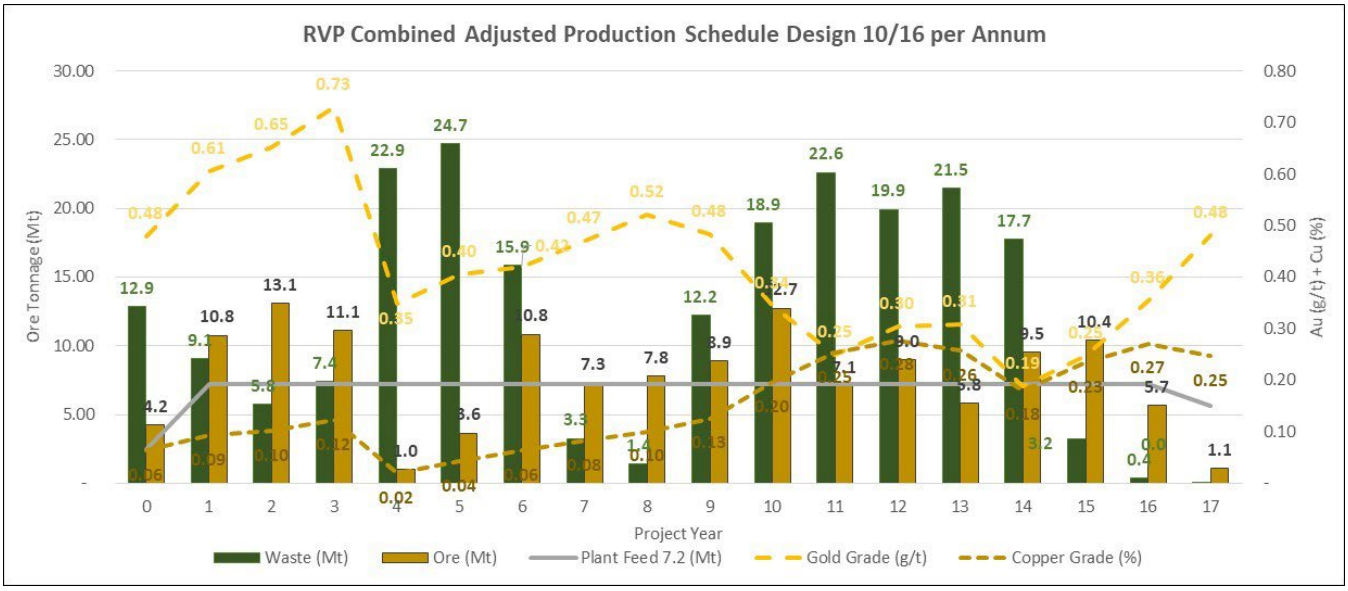


Figure 1.5: Total Project Material Movements for LOM

Equipment Fleets

The scheduling in XPAC is driven by the excavating capability during each period (i.e. the product of the number of excavators and their productivity).

For scheduling purposes, it was assumed that two 200 t excavators with 12.5 m^3 buckets and three FELs with 10 m^3 buckets would be deployed on both waste and ore production. These excavators and FELs will be loading rigid dump trucks with a payload capacity of 90 t. The first principal productivity calculations for determining period-by-period material movement are based on two 200 t excavators and up to a maximum of three FELs and 17 × 90 t rigid dump trucks, which will be allocated to each mining area, taking cognisance of the hauling routes that each fleet will use. The envisioned excavator and FEL fleet deployment is shown in Figure 1.6.

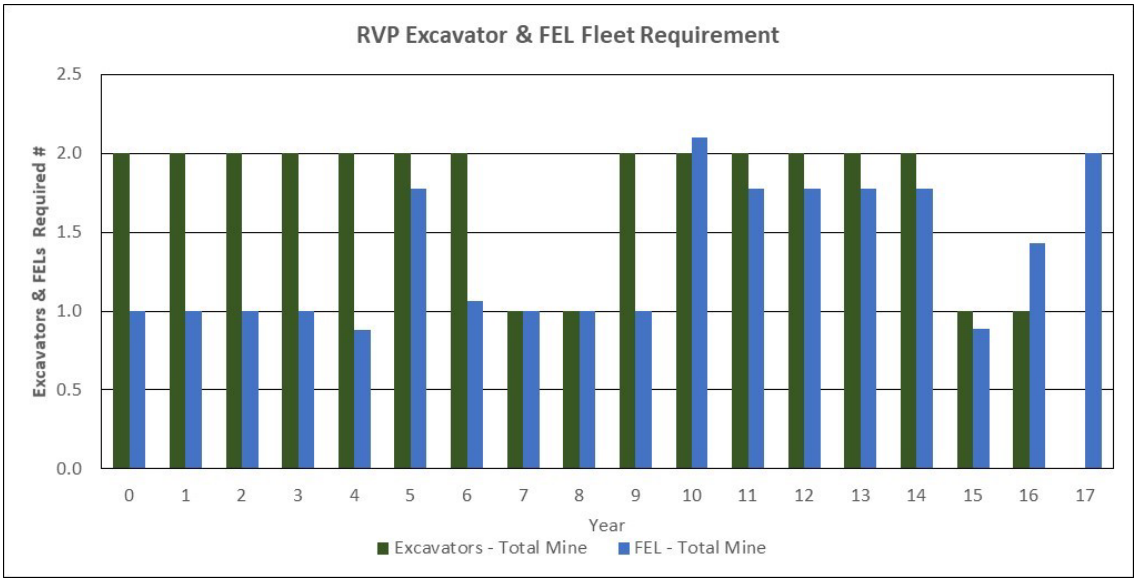


Figure 1.6: LOM Excavator and FEL Fleet

Excavator Productivity

Excavator productivity varies with the two loader types as indicated in Table 1.9.

Table 1.9: Loader Productivity

Loader Type	Truck Type	Annual Capacity	Unit
Hydraulic Excavator 200 t – 12.5 m³	DT 90 t	9,874,851	t/a
FEL 10 m³	DT 90 t	4,240,989	t/a

During the first four months of operation, the loader productivity is reduced to reflect commissioning, shift ramp-up, and the ramping up of each operator's skills level.

Waste Rock Stockpiles

The placement of the waste rock stockpiles is constrained and should be optimised to limit hauling and conveying distances over the LOM. These optimisation results are shown in Figure 1.7 and Figure 1.8 for waste rock and ore, respectively, showing the haul distances for ore and waste for Colnic to the Colnic waste storage facility and Rovina to the north of the Colnic waste storage facility and then backfilling of the Colnic pit. The Rovina waste and ore will be batch-conveyed from the Rovina crushing station to the ore ROM pad and the Colnic backfill stockpile.

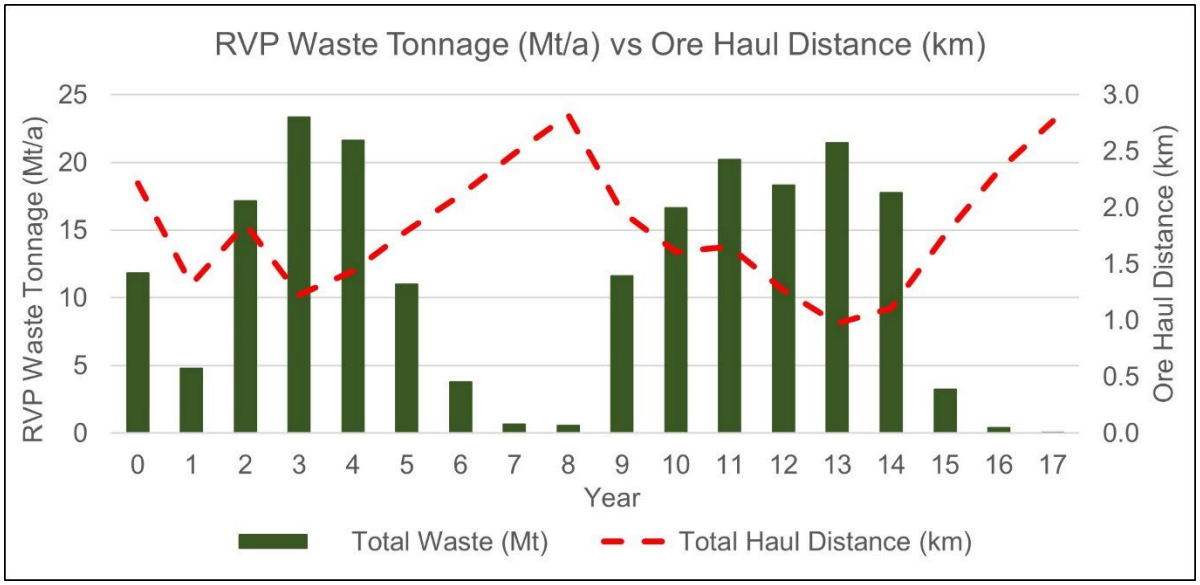


Figure 1.7: Weight Averaged Haul Distances – Total Mine Waste

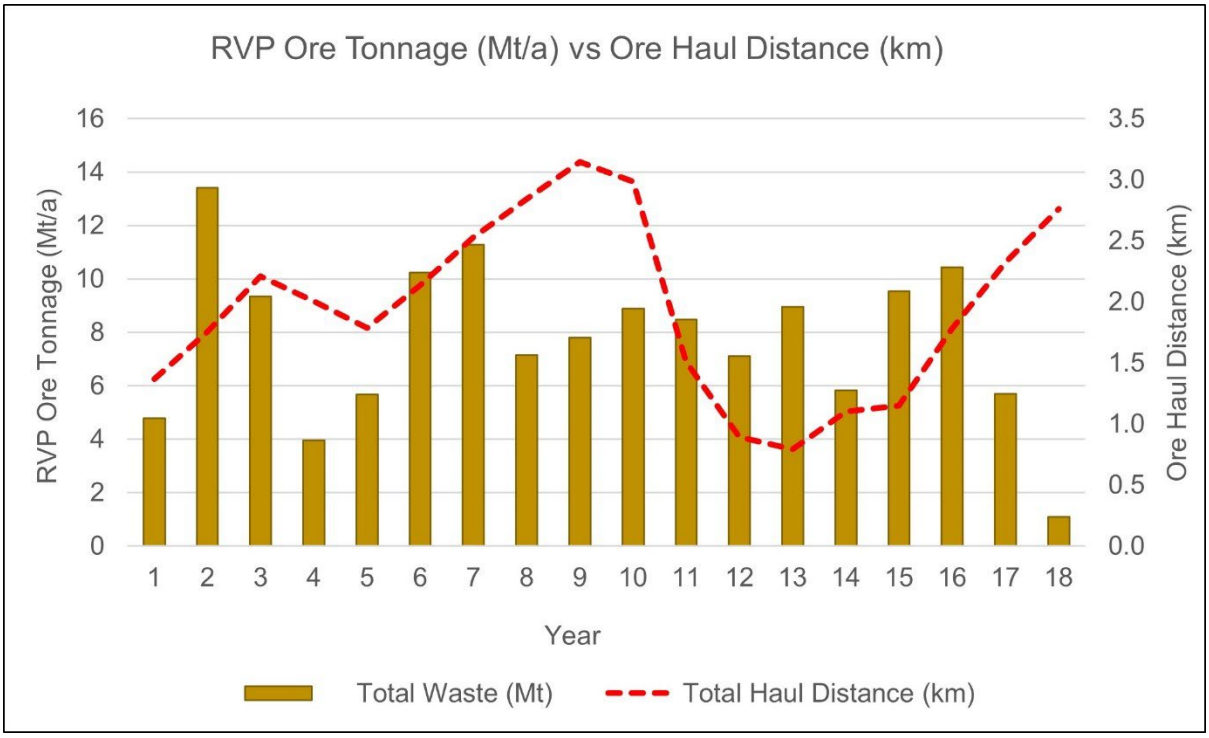


Figure 1.8: Weight Averaged One-Way Haul Distances – Total Mine Ore

Waste Management Facility – Conveyors and Infrastructure.

The Colnic waste will be hauled to the waste crushing facility situated along the haul road to the ore crushing pad. Waste will be tipped into the receiving bin and fed from the bin via an apron feeder to the semi-mobile crushing station.

The waste passes over a vibrating grizzly feeder ("**VGF**") cutting at a 450 mm particle size, with the oversize reporting to a C200 jaw crusher and the undersize reporting directly to the waste extraction conveyor. The jaw crusher product (−450 mm) also reports to the extraction conveyor.

The crushing system has an average capacity of 3,891 t/h and can handle up to 5,000 t/h peaks. Table 1.10 highlights the key parameters included in the crusher selection process, and Figure 1.9 shows the general arrangement ("**GA**") and flow of waste material through the tipping and crushing process.

Table 1.10: C200 Waste Crusher System Key Parameters

C200 Crusher Parameters Description	Unit	Value
Maximum product size	mm	450
Design percentage passing ± 5 %	%	77
VGF undersize	t/h	2,743
Crusher feed	t/h	817
Closed crusher size	mm	300
Operational efficiency	%	80
C200 crushing throughput	t/h	1,148
C200 crusher production	t/h	3,891

Figure 1.9: Waste Crusher GA and Flow

The crushing system waste stream (see Figure 1.10) is transferred via the extraction conveyor (CV-00) to the waste facility conveyor system. The waste facility conveyor system has a total of five conveyors and a telescopic spreader/stacker, scheduled in the capital costing according to the waste facility building process.

The first three conveyors in the system (CV-01, CV-02 and CV-03) have an average design capacity of 3,891 t/h. The last conveyors in the system (CV-04 and CV-05), as well as the spreader/stacker, have an average design capacity of 4,800 t/h to cater for plant tailings added at the transfer point between CV-02 and CV-03.

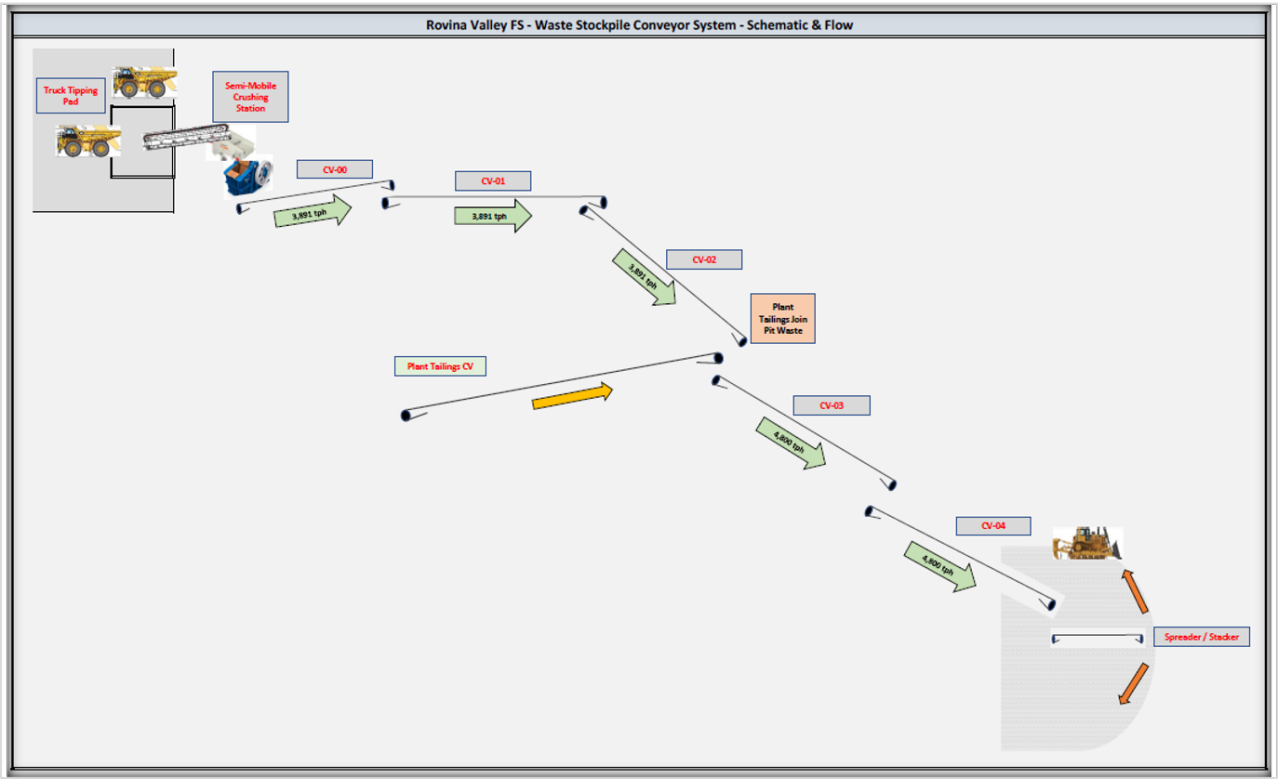


Figure 1.10: Waste Conveyor System Schematic

A comprehensive request for budget pricing ("**RFBP**") process was conducted to obtain pricing for the capital costing and scheduling aligned with the waste facility planning and design.
Some key items addressed during design:

- Skid-mounted stringer sections that are 2.4 m long to ensure ease of movement and extension of conveyors
- Standardisation of conveyor drive units to minimise spares keeping
- Standardisation of the class of belting to minimise spare quantity
- Track-mounted telescopic spreader stacker to facilitate final waste storage facility construction with dozer assistance

The waste facility conveyor and semi-mobile crusher system will be utilised for the life of the Colnic pit mining. Once mining of the Rovina pit commences, this crusher station and conveyor system will be reclaimed and installed (reused) from the Rovina pit to be able to backfill the Colnic pit with Rovina waste, low-grade ore and rougher tailings. This move will be done once the waste handling facility is nearing its maximum capacity. The crusher station, CV-00, CV01, CV-02, CV-03, CV-04 and CV-05 will be available for relocation once the Colnic waste and low-grade ore are depleted in February of Year 10 and while the Rovina waste (trucked to the Colnic co-disposal facility) pre-development is taking place. The rougher tails need to be diverted to the Colnic pit backfill co-disposal facility from March of Year 10.

The earthworks and civil works for the crusher and conveyor relocation will commence in July of Year 9 and be complete in February of Year 10.

The crusher station and conveyor will be relocated from March to June of Year 10. The timing of the move can, however, be optimised during the LOM planning process.

Once the crusher and conveyor system has been moved to the Rovina pit position, the system will be utilised for both ore and waste in a batching regime. Ore will be conveyed to the existing plant ROM tip crushing system with a diversion chute arrangement. Waste will be conveyed via the same system to backfill the Colnic pit.

The system design in the Rovina pit configuration has been adapted to handle both waste and ore and will have a capacity of 4,800 t/h. This is possible as the conveyors in this configuration have lower inclinations and the system will also require less absorbed power.

Metallurgical Test Work and Process Design

Metallurgical Test Work

Comprehensive metallurgical test work has been conducted over the years on the composite samples of the Rovina Valley orebodies to support the studies conducted in 2010, 2012 and the PEA conducted in 2019. Historical work included preliminary evaluation of grindability, mineralogical gold deportment, geometallurgical populations and mineralogy, and bench-scale flotation (batch and locked cycle). In 2019, a column flotation pilot campaign was conducted on three composite samples representing the Colnic K1 domain, Rovina domain and Colnic K2K3 domain. Since all historical test work conducted to support the process flowsheet was based on composite samples only, SENET, therefore, proposed a comprehensive metallurgical test work programme to establish the degree of comminution characteristics within the ore domains, solid-liquid separation, and transport moisture limits tests for filter cake conveying and stacking.

It should be noted that the flotation or recovery variability and concentrate solid-liquid separation test work could not be conducted due to a lack of samples; therefore, it was agreed that the column flotation pilot plant results would be used for the flotation plant design. The cleaner tails solid-liquid separation results will be applied for the concentrate equipment design.
Table 1.11 outlines a summary of the test work results.

Table 1.11: Summary of Test Work Results

Test Work	Outcome
Comminution	The comminution test work was performed in two phases: • Phase 1 comminution test work (Bond ball work index (BBWi), Abrasion index (Ai), SAG mill comminution (SMC)) on variability samples • Phase 2 comminution test work (BBWi, BRWi, Ai, SMC) on composite samples The results indicated that the Rovina orebody can be classified as moderately hard to very hard, and medium abrasive to abrasive. Therefore, the energy requirements for crushing and milling are expected to be high. Liner wear and media wear are also

	expected to be high. The A × b values indicate that the Rovina ore is a good candidate for semi-autogenous grinding (SAG) milling. From the test work results, Orway Mineral Consulting (OMC) selected the following values for the design of the comminution circuit. It should be noted that since no crushability work index (CWi) test work was conducted on the Rovina ore, the Colnic ore results have been applied in the design. Colnic ore: • BBWi average 18.1 kWh/t • BRWi average 18.4 kWh/t • Ai average 0.323 • CWi average 15.9 kWh/t • A × b average 26 Rovina ore: • BBWi average 15.9 kWh/t • BRWi average 14.3 kWh/t • Ai average 0.285 • CWi average N/A • A × b average 25
Head Assays	Multi-head assays show that the Colnic orebody has a high gold content (averaging 0.62 g/t) and low copper content (averaging 0.10 %). The Rovina orebody shows a low gold content (averaging 0.23 g/t) and high copper content (averaging 0.26 %)
Mineralogy	Sulphide mineralogy consists primarily of pyrite and chalcopyrite with minor amounts of pyrrhotite in both the Colnic and Rovina units. Of note, is the ratio of pyrite to chalcopyrite, which ranges from 8.1 in Rovina up to 18.6 in Colnic. Limited mineralogy indicates gold population as fine-grained particles occurring as native gold, attached, or locked in sulphides and also locked in silicates.

Eriez Column Flotation Pilot Plant Results	The results from the Eriez pilot plant are summarised below:
	• Colnic Ore:
	  • Gold recovery range: 77 % to 86 %
	  • Gold concentrate grade range: 83 g/t to 111.4 g/t
	  • Copper recovery range: 92.4 % to 94.7 %
	  • Copper concentrate grade range: 21.13 % to 22.60 %
	• Rovina Ore:
	  • Gold recovery range: 70.6 % to 75.7 %
	  • Gold concentrate grade range: 10.7 g/t to 13 g/t
	  • Copper recovery range: 94 % to 95.5 %
	  • Copper concentrate grade range: 19.1 % to 22.65 %

IsaMill™ Fine Grind Test Work (Signature Plot Test Work)	Since the selected flotation circuit involved fine milling the rougher concentrate, it was imperative that IsaMill signature plot test work be conducted to determine the power requirements for fine milling the concentrates from P_{80} 75 µm to P_{80} 13.5 µm. However, there were no flotation concentrate samples available to conduct the fine milling test work. To give an indication of the power requirements for fine milling, IsaMill signature plot test work was conducted on ROM samples of the Colnic and Rovina

	Valley samples. The test work indicated power requirements of 76.1 kWh/t and 61.2 kWh/t for the Rovina ore and Colnic ore, respectively. The values were on the higher side; this was due to the fact that the test work was done on ROM samples and not concentrate. The ROM material would have gangue, which is difficult to fine mill.
Thickening and Rheology	Thickening and rheology test work conducted on the column flotation pilot plant tails slurry showed that the ore settles easily, and the following was determined: • <u>Scavenger Tails:</u> • The flocculant SNF AN905 SH gave better overall performance and was able to produce clear supernatant liquor at 25 g/t to 35 g/t. • The optimum feed well density was 17.5 % w/w to 25 % w/w. • The dynamic thickener achieved an underflow density of 57 % to 64 %. • The solids flux rate was 0.578 t/h/m^2 to 0.698 t/h/m^2. • The apparent viscosity range was 6.47 Pa·s (at 5 s^{-1} shear rate) to 0.17 Pa·s (at 1,000 s^{-1} shear rate). • <u>Cleaner Tails:</u> • The flocculant SNF AN905 SH at a consumption range of 40 g/t to 50 g/t gave better overall performance and was able to produce clear supernatant liquor. • The optimum feed well density was 20 % w/w to 25 % w/w. • The dynamic thickener achieved an underflow density of 57 % to 63.5 %. • The solids flux rate was 0.649 t/h/m^2 to 0.897 t/h/m^2. • The apparent viscosity range was 4.31 Pa·s (at 5 s^{-1} shear rate) to 0.12 Pa·s (at 1,000 s^{-1} shear rate).
Filtration and Transportable Moisture Limits	Filtration and transportable moisture limit test work was conducted on thickened slurry from the column flotation pilot plant tails, and the following was determined: • <u>Scavenger Tails:</u> o The feed density was 50 % w/w. o The filtration rate range was 156.6 kg/h/m^2 to 183.49 kg/h/m^2. o The filter cake moisture range was 13.7 % to 14.5 %. o The filter cake thickness range was 54.2 mm to 57 mm. o The transportable moisture limit values range from 15 % to 16.5 %. • <u>Cleaner Tails:</u> o The feed density range was 57 % w/w to 60 % w/w. o The filtration rate range was 157.26 kg/h/m^2 to 206 kg/h/m^2. o The filter cake moisture range was 13.7 % to 16.6 %. o The filter cake thickness range was 51.9 mm to 57.4 mm. o The transportable moisture limit values range from 10.4 % to 17 %. The filtration test work compared pressure filtration against vacuum filtration. Vacuum filtration generally gave a higher moisture content compared to pressure filtration. Pressure filtration was, therefore, selected as the preferred filtration technology.

Acid Base Accounting (ABA) and Net Acid Generation	The ABA and net acid generation tests were conducted on the column flotation pilot plant tails slurry and the following was determined: • Scavenger Tails are non-acid generating, and their disposal will not produce acidity or significant metal leaching (ML). • Cleaner Tails, however, are strongly acid generating, will apparently oxidise readily, and will represent a high risk for the generation of acidic drainage containing significant metal. The tests showed that if the scavenger and cleaner tailings are not kept separate in the processing plant, then the combined tailings will be acid generating and would not only represent a risk to the quality of water draining from the waste facility, but could also increase the risk of an earlier onset of acid rock drainage (ARD) from the co-deposited waste rock. A mineralogical analysis was performed on the tailings samples. With respect to ARD, the minerals of interest are the sulphides providing the potential for acid generation and those minerals capable of neutralising the acidity generated by sulphide oxidation. Pyrite is the dominant sulphide present, with lesser but significant quantities of chalcopyrite and pyrrhotite.

Flowsheet Development

The Rovina Valley process plant flowsheet was developed from the interpretation of the results of various test work programmes conducted by SGS Lakefield, Eriez and Pocock laboratories on samples from the Colnic and Rovina porphyry orebodies. The flowsheet comprises primary crushing and stockpiling, milling (SAG, ball and pebble crushing), roughing and scavenger flotation, concentrate regrind, three-stage cleaning, concentrate dewatering and bagging, tails dewatering and dry stacking.

Process Design

The proposed process plant design is based on a well-known and established conventional concentrator plant flowsheet with major unit operations selected based on their suitability for the duty, reliability and ease of operation and maintenance.

Table 1.12 outlines the key process design criteria developed for the Rovina Valley selected flowsheet/processing route.

Table 1.12: Summary of Key Design Criteria

Parameter	Unit	Value		Source
		Colnic Open Pit	Rovina Open Pit	
OPERATING SCHEDULE				
Plant				
Throughput	Mt/a	7.2	7.2	Client
Crushing				
Overall Utilisation/Availability	%	70	70	SENET/Industry

Annual Operating Hours	h	6,171	6,171	Calculated
Primary Crushing Product Size P_{80}	mm	150	150	OMC
Milling				
Overall Utilisation/Availability	%	91	91	SENET/OMC
Annual Operating Hours	h	8,000	8,000	Calculated
Mill Circuit Product Size (P_{80})	µm	75	75	Test Work
Concentrate Regrind Product Size (P_{80})	µm	13.5	13.5	Test Work
PRODUCTION SCHEDULE				
Copper Production				
Overall Head Grade – LOM	%	0.10	0.24	DRA Mining
Overall Recovery – LOM	%	88.5	92.5	SENET/Test Work
Overall Product Grade – LOM	%	20.3	22.1	SENET/Test Work
Gold Production				
Head Grade – LOM	g/t	0.62	0.26	DRA Mining
Overall Recovery – LOM	%	80.0	78.8	SENET/Test Work
Product Grade – LOM	g/t	65.87	22.92	SENET/Test Work
FILTRATION				
Scavenger Tails Filter Cake Moisture Content	%	14.5	14.5	Test Work
Cleaner Tails Filter Cake Moisture Content	%	14.5	14.5	Test Work
Concentrate Filter Cake Moisture Content	%	8.5	8.5	Test Work

Waste Management Facility

Geotechnical and geochemical test programmes have been undertaken on samples of tailings produced from a flotation test programme carried out in 2018 (Eriez, 2018). It is anticipated that two tailings products will be produced from the process plant:

- A cleaner tailings stream
- A rougher-scavenger tailings stream

Geochemical testing has shown that the cleaner and rougher-scavenger tailings are strongly potentially acid generating (PAG) and non-PAG, respectively. These materials will therefore be transported separately to the waste storage facility by means of conveyors and will be placed in separate designated areas of the waste storage facilities. It is anticipated that most of the rougher-scavenger tailings stream will be mixed, on the conveyor, with waste rock prior to placement. Mixing the non-PAG tailings with the predominantly PAG waste rock will provide several geochemical benefits and will lower the risk of acid generation and associated metal leaching from the waste rock at least in the short to medium term, allowing rehabilitation of the facility to prevent risks of ARD in the long term. Production waste rock is anticipated to be crushed prior to transport

to the waste storage facilities by conveyor. Separate storage of the PAG cleaner tails will allow full containment, collection and treatment of any ARD that will likely be produced.

The waste from the Colnic pit and Rovina pit will be stored in two waste management areas:

- **Co-Disposal Facility (CDF)** – Designed to maximise the capacity for the storage of tailings and waste rock from the Colnic pit and the Rovina pit, within the given permitted boundary. Will receive the following:
  - All cleaner tailings sourced from both the Colnic pit and the Rovina pit
  - Co-mingled rougher-scavenger tailings and waste rock sourced from the Colnic Pit and the Rovina Pit, from Year 0.6 to Year 12.6
- **Colnic Pit Infill** – Designed to store the remaining waste rock and rougher-scavenger tailings produced from the Rovina Pit, from Year 12.6 to the end of Year 17.

The general arrangement of the waste management facilities is shown in plan in Figure 1.12.

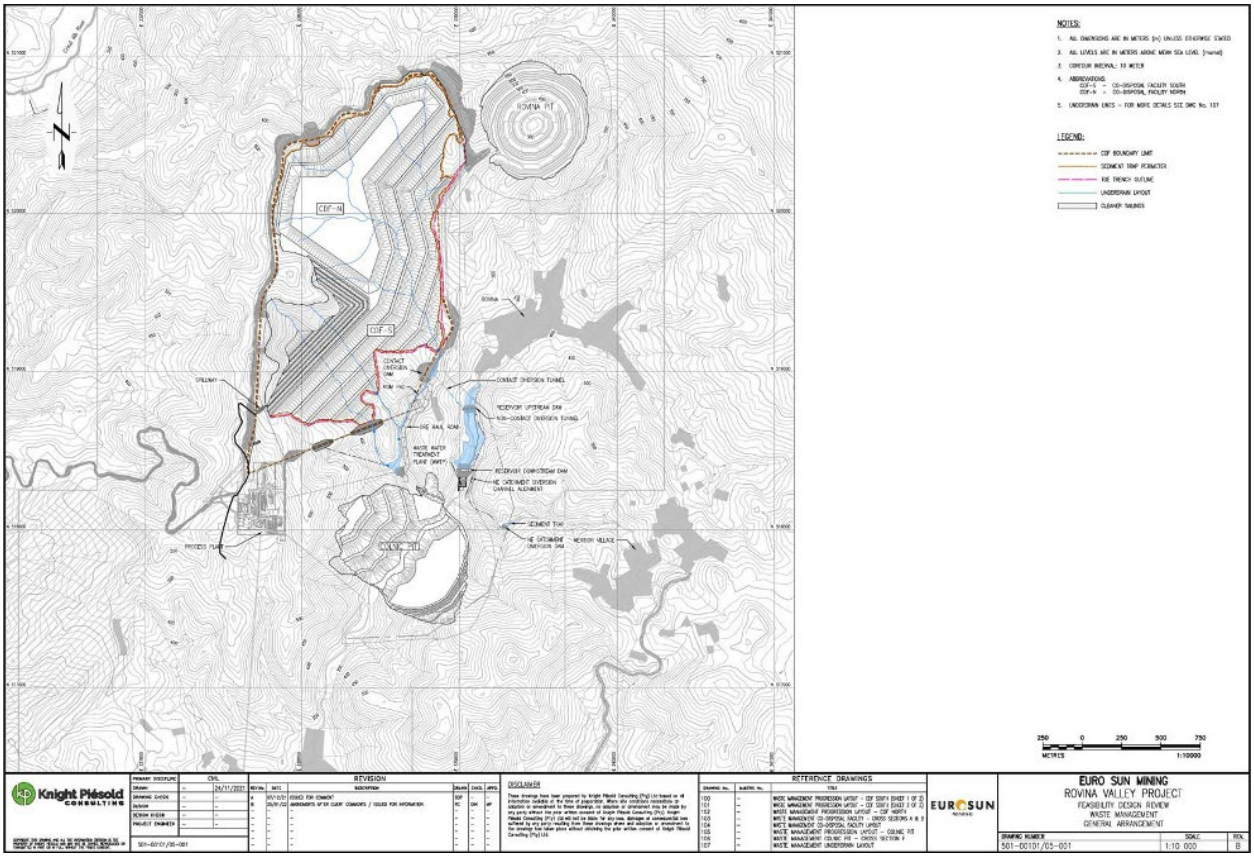


Figure 1.12: Waste Management Facilities – Plan

The CDF configuration extends north-south between the Rovina pit and Colnic pit and stores cleaner and co-mingled waste on an annual basis to accommodate the production schedule. The geometry of the CDF footprint was constrained to an area already permitted by ESM, bounded by the access and haul road alignments, and was developed with a design philosophy to store all cleaner tailings in one area.

Underdrains will be constructed in stream beds within the footprint of the CDF to collect groundwater seepage and precipitation infiltration, and thereby draw down the phreatic surface within the CDF.

The Colnic pit will be backfilled with co-mingled rougher-scavenger tailings and waste rock once the storage capacity of the CDF is reached, following Year 12.6. Cleaner tailings will continue to be stored at the CDF during this period. The geometry of the Colnic pit infill was developed to allow for the return of the Rovina Valley drainage to its natural course at project closure; a commitment made by ESM in project permitting. To achieve this arrangement, the facility was designed to allow for a 20 m wide channel to pass through the facility and with slopes that mesh well with the natural topography at closure.

RISK FACTORS

The operations of the Corporation as well as those of its subsidiaries are speculative due to their nature, the location in which they operate, and the relative stages of their development. The following risk factors pertain to the business and operations of the Corporation and its subsidiaries.

Nature of Mineral Exploration and Mining

The exploration and development of mineral deposits involve significant risks over an extended period of time which even with a combination of careful evaluation, experience and knowledge may not eliminate. As a result, few properties which are explored are ultimately developed into producing mines. The long term profitability of the Corporation's operations will be in part related to the cost and the success of its exploration programs, which programs may be affected by a number of factors out of the Corporation's control, such as commodity prices, the availability of skilled personnel, qualified vendors and the availability of critical equipment and capital.

Substantial expenditures on drilling and related costs are required to establish reserves through drilling, to determine the technical and economic feasibility of mining and extraction and, if warranted, to develop the mining and processing facilities and infrastructure of any given project. Although substantial benefits may be derived from the discovery of a major mineralized deposit, it is impossible to ensure that proposed exploration programs on the properties will result in profitable mining operations. There is no assurance that the Corporation's expenditures will result in discoveries of commercially viable ore bodies. Furthermore, there can be no assurance that the Corporation's estimates of future exploration expenditures will be accurate. Actual expenditures may be significantly higher than currently anticipated. Whether a deposit will be commercially viable depends on a number of factors, including, but not limited to, the particular attributes of the deposit (e.g. size and grade of the deposit), costs and efficiency of the recovery methods that can be employed, proximity to infrastructure, land use and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on its invested capital.

Exploration and Development Risks

Mineral exploration and mining involve considerable financial and technical risks. Substantial expenditures are usually required to establish ore reserves, to evaluate mineral treatment processes and to construct mining and processing facilities. The Corporation cannot assure that the current exploration programs planned by the Corporation will result in profitable commercial mining operations, as few properties that have been explored are ultimately developed into producing mines. Unusual or unexpected geological formations, unstable ground conditions that could result in cave-ins or landslides, floods, power outages or fuel shortages, labour disruptions, fires, explosions, and the inability to obtain suitable or adequate machinery, equipment, materials or labour are risks associated with the conduct of exploration programs and the operation of mines, any of which could result in legal liabilities arising therefrom. The Corporation has relied, and may continue to rely, upon consultants for expertise with respect to the construction and operation of a mining facility.

Construction and Start-up of New Mines

The success of construction projects and the start-up of new mines by the Corporation is subject to a number of factors including the availability and performance of engineering and construction contractors, mining contractors, suppliers and consultants, the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the conduct of mining operations (including environmental permits), the successful completion and operation of the ore pass, the plant, the conveyors to move the ore and other operational elements. Any delay in the performance of any one or more of the contractors, suppliers, consultants or other persons on which the Corporation is dependent in connection with its construction activities, a delay in or failure to receive the required governmental approvals and permits in a timely manner or on reasonable terms, or a delay in or failure in connection with the completion and successful operation of the operational elements in connection with new mines could delay or prevent the construction and start-up of new mines as planned. There can be no assurance that current or future construction and start-up plans implemented by the Corporation will be successful; that the Corporation will be able to obtain sufficient funds to finance construction and start-up activities; that available personnel and equipment will be available in a timely manner or on reasonable terms to successfully complete construction projects; that the Corporation will be able to obtain all necessary governmental approvals and permits; and that the completion of the construction, the start-up costs and the ongoing operating costs associated with the development of new mines will not be significantly higher than anticipated by the Corporation. Any of the foregoing factors could adversely impact the operations and financial condition of the Corporation.

Foreign Jurisdictions

The Corporation’s assets are all located outside of Canada. It may be difficult or impossible to effect service or notice to commence legal proceedings upon foreign governments, persons and businesses. Even if effected, it may not be possible to enforce against such parties, judgements obtained in Canadian courts predicated upon the civil liability provisions available under Canadian laws.

The Corporation conducts its operations through foreign subsidiaries, which hold all of the assets in connection with the Rovina License. Accordingly, any limitations placed by foreign governments on the transfer of cash or other assets between the Corporation and its subsidiaries could restrict the Corporation's ability to fund the Rovina License efficiently. Any such limitations could have an adverse impact on the Corporation's prospects, financial condition and results of operations.

The Corporation's assets are located in Romania, which causes it to be subject to certain risks, including possible political or economic instability, which may result in the impairment or loss of licenses or mineral rights. Mineral exploration and mining activities may be affected in varying degrees by instability and government regulations relating to the mining industry, which could include the cancellation or renegotiation of licenses and other contracts, changes in local domestic laws or regulations, changes in tax laws, royalty and tax increases, restrictions on production, price controls, expropriation of property, fluctuations in foreign currency, foreign exchange controls, import and export regulations, restrictions on the export of gold, restrictions on the ability to repatriate earnings and pay dividends, environmental legislation, employment practices and mine safety. There can be no assurance that such restrictions and controls will not be imposed in the future and such restrictions, controls or fluctuations may materially affect the Corporation's financial position as well as the Corporation's ability to develop its assets. Any changes in the laws, rules or regulations, policies or shifts in political attitudes regarding foreign investment in the Romanian mining industry are beyond the Corporation's control and may adversely affect its business.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action and the escalation of war between Israel and Hamas in Gaza, any of which may have a destabilizing effect on commodity prices, supply chains, and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Corporation's business, financial condition, financing options, and results of operations. The extent and duration of the current Russia-Ukraine conflict, the Israel and Hamas conflict in Gaza, the instability in Iran, the increasing potential for tariffs and countervailing duties as a result of protectionist measures and trade wars threatened by the United States, China, and other countries, and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this AIF, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on shareholders of the Corporation, and third parties with which the Corporation relies on or transacts, may materialize and may have an adverse effect on the Corporation's business, results of operation, and financial condition.

No Assurance of Title to Exploration Licenses or Surface Rights

To carry out its activities, the Corporation must obtain licenses and or permits to explore for minerals in any given area. These licenses are granted by government agencies and, once granted, are registered with such agencies. The Corporation has conducted title searches on all of its exploration licenses and, to the best of its knowledge; the titles to all of its licenses are in good standing. However, this should not be construed as a guarantee of such titles. The Corporation's licenses may be subject to prior unregistered agreements or transfers or third party claims or may also be affected by other undetected defects. There is no assurance that the interests of the Corporation in any of its licenses may not be challenged or impugned.

Exploration licenses do not include the surface rights to the areas covered by such licenses nor the accesses thereto. In the event that a positive development and or production decision is made, the Corporation would need to acquire the surface rights to the areas covered by such licenses and possibly other surface rights providing access to such areas. These surface rights may be owned by governmental authorities or private interests and there is no guarantee that the Corporation would ever be able to acquire such surface rights on reasonable terms or at all.

Environmental and other Regulatory Requirements

Key environmental and social risks are similar to those associated with other copper and gold mining projects and include the social license to operate; air quality and noise impacts; safeguarding rivers and biodiversity by mitigating permanent effects; and risks associated with land acquisition and resettlement.

The Rovina Valley Project has attracted the attention of international and national NGOs and national media interest. Local community relationships in this historical mining region are good, although community engagement has highlighted concerns around the environmental impact and consequent effects on human health. Land acquisition will be complex, and resettlement will also pose challenges that need to be carefully managed.

Air quality from dust and noise impacts are likely to affect the closest residents, although the extent is not currently known as baseline surveys and mitigation studies are not yet complete. The diverse tree habitats in the Rovina Valley Project area may meet the criteria for European Bank for Reconstruction and Development (EBRD) priority biodiversity features and IFC natural habitat, and will require further investigation and evaluation. Impacts will be managed by the application of the mitigation hierarchy and careful biodiversity-led management of re-forestation during the closure phase.

The Rovina Valley Project will impact soils, surface water and groundwater. However, these impacts and risks can be mitigated, to the extent that they are not likely to be significant, by the designs adopted by the Rovina Valley Project and by careful management of the specific structures, practices and plans that have been developed to protect them. The mine closure process is a critical element of this mitigation, based on a closure concept of re-forestation of the waste facilities, plant areas, and one of the pits, with the other pit being converted to a lake. In the long term, once geochemical and geotechnical stability has been achieved, the Rovina Valley stream, though altered, can return to flow without requiring active treatment.

Permits, Licenses and Approvals

The operations of the Corporation require permits, licenses and approvals from various governmental and non-governmental authorities. The Corporation has obtained, or will be required to obtain, all necessary permits, licenses and approvals required to carry on its operations under applicable laws and regulations. However, such permits, licenses and approvals are subject to change in regulations and in various operating circumstances. Furthermore, the Corporation may face legal challenges to its licenses and permits, such as the Actions filed by Asociatia Declic. While inclusion of the Rovina Valley Project on the European Union's list of strategic assets under the CRMA is anticipated to be helpful to fast-track the permitting process, there can be no assurance that the Corporation will be able to obtain or maintain in good standing all necessary permits, licenses and approvals required to carry out exploration, development and mining operations in connection with its proposed projects.

Uncertainty of Mineral Resource Estimates

The figures for mineral resources presented herein are estimates, and no assurance can be given that the anticipated tonnage and grades will be achieved or that the indicated level of recoveries of gold and copper will be realized. The ore grade actually recovered by the Corporation may differ from the estimated grades of the mineral resources. Such figures have been determined based on assumed gold and copper prices and operating costs.

Mineral resource estimates for properties that have not commenced production are based, in most instances, on very limited and widely spaced drill hole information, which is not necessarily indicative of conditions between and around the drill holes. Accordingly, such mineral resource estimates may require revision as more drilling information becomes available or as actual production experience is gained.

Mineral Deposits, Production Costs and Metal Prices

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, cost of operations and fluctuations in the sale prices of products. The value of the Corporation's mineral properties is heavily influenced by metal prices. Metal prices can and do change substantially over a short period of time, and are affected by numerous factors beyond the control of the Corporation, including, but not limited to, changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, new discoveries, speculative activities and increased production arising from improved mining and production methods. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Corporation's properties can be mined profitably. Depending on the price received for minerals produced, the Corporation may determine that it is impractical to commence or continue commercial production.

The grade of any ore ultimately mined from a mineral deposit may differ from the Corporation's estimates based on drilling results. Production volumes and costs can be affected by such factors as the proximity and the capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or

unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of the operations. Moreover, there can be no assurance that any gold, silver, copper or other minerals recovered in small-scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental liability.

Volatility of Gold Price

The price of gold is primarily influenced by interest rate cuts, volatility in the credit and financial markets, strong investment demand and inflation expectations. As with many other commodities, the price of gold has fluctuated widely in recent years. While the price of gold has risen dramatically over the past year and is currently in the order of US$5,000 per oz, there can be no assurance that gold prices will remain at such levels or be such that the Corporation's properties can be exploited at a profit. If the price of gold declines, it could have a material adverse effect on the Corporation's share price, business and operations.

Volatility of Copper Price

The price of copper is dependent on the global supply and demand factors that are beyond the control of the Corporation. The price of copper is currently in the order of US$12,700 per tonne; however, there can be no assurances that the price will remain at this level or be at such a price that the Corporation's properties can be exploited at a profit.

Infrastructure

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

Liquidity Concerns and Future Financing

The viability of further development and exploration of the various mineral properties in which the Corporation holds interests will depend upon the Corporation's ability to obtain financing through joint ventures, equity financing, debt financing or other means. There is no assurance that the Corporation will be successful in obtaining required financing when needed. Volatile markets for precious and base metals may make it difficult or impossible for the Corporation to obtain debt financing or equity financing on favourable terms or at all. Failure to obtain such additional financing could result in the dilution or complete loss of the Corporation's interests in these properties.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Corporation competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Corporation, in the search for and the acquisition of attractive mineral properties. The ability of the Corporation to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that the Corporation will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Acquisitions and Integration

From time to time, the Corporation examines opportunities to acquire additional mining assets and businesses. Any acquisition that the Corporation may choose to complete may be of a significant size, may change the scale of the Corporation's business and operations, and may expose the Corporation to new geographic, political, operating, financial and geological risks. The Corporation's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Corporation. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after the Corporation has committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; the Corporation may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Corporation's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Corporation chooses to raise debt capital to finance any such acquisition, the Corporation's leverage will be increased. If the Corporation chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Corporation may choose to finance any such acquisition with its existing resources. There can be no assurance that the Corporation would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Litigation Risks

All industries, including the mining industry, are subject to legal claims, with and without merit. The Corporation may become involved in legal disputes in the future. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material effect on the Corporation's financial position or results of operations.

Dependence on Key Individuals

The Corporation is dependent on a relatively small number of key personnel, and the loss of any one of them could have an adverse effect on the Corporation. In addition, while certain of the Corporation's officers and directors have experience in the exploration and development of mineral producing properties; the Corporation will remain highly dependent upon contractors and other third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Corporation or be available upon commercially acceptable terms.

Conflicts of Interest

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation. The directors and officers of the Corporation are also directors and officers of other companies, some of which conduct business similar to that of the Corporation. The directors and officers of the Corporation are required by law to act in the best interest of the Corporation. They have the same obligations to the other companies to which they act as directors and officers. The discharge by the directors and officers of their obligations to the Corporation may result in a breach of their obligations to the other companies and, in certain circumstances; this could expose the Corporation to liability to those companies. Similarly, the discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interest of the Corporation. Such conflicting obligations may expose the Corporation to liability to others and impair its ability to achieve its business objectives.

Compliance with Anti-Corruption Laws

The Corporation is subject to various anti-corruption laws and regulations including, but not limited to, the Canadian Corruption of Foreign Public Officials Act. In general, such laws prohibit a company and its employees and intermediaries from bribing or making prohibited payments to foreign officials or other persons to obtain business or gain some other business advantage. The Corporation's operations are located in Romania, a country which, according to Transparency International, is perceived as having significantly higher levels of corruption relative to Canada. The Corporation cannot predict the nature, scope or effect of future anti-corruption regulatory requirements to which its operations may be subject or the manner in which existing laws may be administered or interpreted.

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

As a consequence of these legal and regulatory requirements, the Corporation has adopted policies and procedures with regard to business ethics and anti-corruption which have been designed to ensure that the Corporation and its employees comply therewith. However, there can be no assurance or guarantee that such efforts have been or will be completely effective in ensuring

the Corporation's compliance and the compliance of its employees, consultants, contractors or agents with all applicable anti-corruption laws and regulations.

Insurance

The Corporation currently holds a certificate of insurance providing for Directors and Officers Liability coverage of up to $5,000,000, inclusive of defence costs. There is no guarantee that this policy will provide sufficient protection for the Corporation against certain risks associated with mineral exploration and related corporate activities. Even with this policy in place, there remains a risk that unusual liabilities may not be covered or that the insured amounts may prove insufficient.

Fluctuation in Market Value of the Corporation's Shares

The market price of the publicly traded Common Shares is affected by many variables not directly related to the performance of the Corporation, including, but not limited to, the market in which the Common Shares are traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for the stock. The effect of these factors on the market price of the Common Shares in the future cannot be predicted.

Rising Production Costs

Like other mining companies similar in size, the Corporation is faced with the challenge of rising production and energy costs. Such rising costs are caused by, among other things, high commodity prices, higher royalty and tax structures, tariffs, inflationary pressures from monetary support during the COVID-19 pandemic, the weak U.S. dollar and long delays in permitting mineral projects and may affect the ability of mining companies to explore, commence or sustain economically viable production at their mines. While the recent onset of the recession has had the effect of abating these pressures somewhat, there is no guarantee that costs will not rise again in future thereby having an adverse effect on the Corporation's ability to carry out its intended plans with respect to its mineral properties if the price of carrying out such plans is no longer commercially reasonable.

Equipment, Materials and Skilled Technical Workers

The Corporation is dependent on the availability of affordable and accessible equipment, replacement parts, and repair services and the absence or disrepair of such equipment, parts and services could affect or halt exploration or eventual production on the properties of the Corporation. There can be no guarantee that such equipment, parts or repair services will be available to the Corporation, or that such equipment, replacement parts or repair work will be available on commercially reasonable terms.

The Corporation is dependent on the availability of affordable and accessible materials. There can be no guarantee of the availability, quality and reliability of the supply of neither such materials, nor that such materials will continue to be available to the Corporation on commercially reasonable terms.

The Corporation is also dependent on the availability of skilled technical workers to carry out various functions on the properties of the Corporation. There can be no guarantee that such skilled workers will be available to carry out such activities on behalf of the Corporation or that such workers will be available on commercially reasonable terms.

Nature and Climatic Conditions

The Corporation and the mining industry continuingly face geotechnical challenges which could adversely impact the Corporation's production and profitability. Unanticipated adverse geotechnical and hydrological conditions, such as severe rainfall, floods, landslides, droughts, pit wall failures and rock fragility may occur, and such events may not be detected in advance. Geotechnical instabilities and adverse climatic conditions can be difficult to predict are often affected by risks and hazards outside of the Corporation's control. Such conditions could result in limited access to mine sites, suspensions or reductions in operations, government investigations, increased monitoring costs, remediation costs, loss or ore and other impacts which could cause the Corporation's projects to be less profitable than currently anticipated and could result in a material adverse effect on the Corporation's results of operations and financial position.

Negative Operating Cash Flow

Given that none of the Corporation's properties have yet to enter commercial production and generate cash flow, the Corporation had negative operating cash flow for its financial year ended December 31, 2025. To the extent that the Corporation has negative cash flow in future periods, the Corporation may need to deploy a portion of its cash reserves to fund such negative cash flow.

Current Global Financial Conditions

Current global financial conditions have been characterized by markedly increased volatility and have led to intervention by governments in many financial markets. Further, events in global financial markets in the past several years have had a profound impact on the global economy, particularly in connection with the COVID-19 pandemic and the related injection of monetary support and the massive increase in government debt in response thereto, causing significant global inflationary pressures. A number of issues related to economic conditions could have a material adverse effect on our business, financial condition and results of operations, including:

- inflation, volatility and other pressures in credit markets could impact the cost and availability of financing and our overall liquidity;
- recessionary pressures could adversely impact demand for production;
- volatile energy, commodity and consumables prices and currency exchange rates could impact our anticipated production costs;
- Russia's invasion of the Ukraine, the threat of expanded conflict in Europe, the conflict in Gaza and broader threat of international conflict and terrorism, and other geo-political instability;
- increasing potential for tariffs and countervailing duties as a result of protectionist measures and trade wars threatened by the United States, China, and other countries;

- and
  the volatility of global stock markets could impact the valuation of our equity and other securities.

These factors may impact the ability of the Corporation to obtain equity and/or debt financing in the future or on terms favourable to the Corporation. Additionally, these factors, as well as other related factors, may cause decreases in the asset values that are deemed to be other than temporary, which may result in impairment losses.

Public Health Crises such as the COVID-19 Pandemic and other Uninsurable Risks

Events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. General global economic conditions seemingly unrelated to the Corporation or to the mining industry, including, without limitation, interest rates, general levels of economic activity, fluctuations in the market prices of securities, participation by other investors in the financial markets, economic uncertainty, national and international political circumstances, natural disasters, or other events outside of the Corporation's control may affect the activities of the Corporation directly or indirectly.

In the course of development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. The Corporation's business, operations and financial condition could also be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. For example, in late December 2019, a novel coronavirus ("**COVID-19**") originated, subsequently spread worldwide and on March 11, 2020, the World Health Organization declared it was a pandemic. The risks of public health crises such as the COVID-19 pandemic to the Corporation's business include without limitation, the ability to gain access to government officials, the ability to continue drilling, the ability to raise funds, employee health, workforce productivity, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, disruption of the Corporation's supply chains and other factors that will depend on future developments beyond the Corporation's control.

There can be no assurance that the Corporation's personnel will not ultimately see its workforce productivity reduced or that the Corporation will not incur increased medical costs or insurance premiums as a result of these health risks. Epidemics such as COVID-19 could have a material adverse impact on capital markets and the Corporation's ability to raise sufficient funds to finance the ongoing development of its material business. All of these factors could have a material and adverse effect on the Corporation's business, financial condition and results of operations.

It is not always possible to fully insure against such risks, and the Corporation may decide not to insure such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

Currency Fluctuations

Currency fluctuations may affect the costs that the Corporation incurs for its exploration programs and at its operations. Gold and copper are sold throughout the world based principally on a U.S. dollar price, but some of the Corporation's operating expenses are incurred in other currencies including Euros and Romanian Lei. The fluctuation of the Euro or Lei against the U.S. dollar will influence the cost of gold and copper production at such mining operations and could materially affect the Corporation's earnings and financial condition.

DIVIDENDS AND DISTRIBUTIONS

The Corporation has not declared nor paid any dividends and does not foresee the declaration or payment of dividends in the near future. Any decision to pay dividends on the Common Shares will be made by the Board of Directors on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time, and shall be subject to the conditions set out in the Multi-Facility Agreement.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, all without nominal or par value. The holders of the Common Shares are entitled to vote at all shareholder meetings and to receive such dividends as the Board, in its discretion, shall declare and have rights upon dissolution or winding up of the Corporation. The preferred shares are issuable in series, and the directors of the Corporation have the right, from time to time, to fix the number of, and to determine the designation, rights, privileges and conditions attaching to the shares of series, including the rate or amount of dividends thereon (if any), the method of calculating any dividends, the dates of payment thereof, the right (if any) to convert shares of a series into shares of another series of preferred shares or into another class of shares (including Common Shares), the right (if any) to participate in the remaining assets of the Corporation upon its liquidation or dissolution, as well as any other rights, privileges, restrictions or conditions attached to a series of preferred shares, subject to any limitations set out in the Corporation's articles of incorporation. The holders of preferred shares are not, as such, entitled to receive notice of, to attend or to vote at any meetings of shareholders of the Corporation, subject to the provisions of the CBCA.

As at the date hereof, there were a total of 442,324,633 Common Shares and no preferred shares issued and outstanding.

MARKET FOR SECURITIES

On May 2, 2003, the Common Shares commenced trading on the TSX Venture Exchange (the "**TSX-V**") under the trading symbol "CPN". On November 1, 2006, the Common Shares were removed from the TSX-V and began trading on the TSX. On July 21, 2015, the Common Shares were delisted from the TSX, and trading of the Common Shares began on the Canadian Securities Exchange on July 22, 2015. On September 9, 2016, the Common Shares were removed from the

Canadian Securities Exchange, and the Common Shares began trading on the TSX on September 12, 2016 under the trading symbol "**ESM**".

Trading Price and Volume

The following table provides the price ranges and volume traded of the Common Shares on a monthly basis for each month of the most recently completed financial year:

Month	High ($)	Low ($)	Volume
December 2025	0.35	0.21	15,690,200
November 2025	0.24	0.17	12,862,500
October 2025	0.21	0.18	11,268,400
September 2025	0.21	0.17	13,153,600
August 2025	0.24	0.15	15,348,700
July 2025	0.17	0.14	12,947,400
June 2025	0.15	0.13	19,341,400
May 2025	0.15	0.09	14,139,800
April 2025	0.10	0.07	19,088,700
March 2025	0.11	0.05	23,021,700
February 2025	0.06	0.05	2,715,600
January 2025	0.05	0.04	4,105,500

ESCROWED SECURITIES

There are no securities of the Corporation that are subject to escrow restrictions.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table outlines the names and residency of all the directors and the officers of the Corporation, together with their respective principal occupations for the past five years. The directors and officers of the Corporation, as a group, own, directly or indirectly, 50,094,159 Common Shares representing approximately 11.3% of the Corporation's issued and outstanding share capital. The term of office of each director of the Corporation expires at each annual meeting of the shareholders of the Corporation, unless such director resigns prior thereto. The officers of the Corporation are appointed by the Board of Directors.

Director/Officer	Director or Officer Since	Number of Common Shares Owned Directly or Indirectly[(1)] (as of date hereof)
Grant Sboros Greece	December 1, 2022	23,510,359

Chief Executive Officer and Director

Principal Occupation: Grant Sboros is the Chief Executive Officer of the Company. He previously worked as the Chief Financial Officer of Katanga Mining Limited from 2017 to 2019. From 2013 to 2017 he was DCFO of Mopani Copper Mines PLC. From 2007 until 2013 Grant was Head of Auditing as a Deloitte partner in Mozambique. He is a Chartered Accountant and holds an Honors degree in Accounting Science from the University of South Africa. Mr. Sboros has extensive mining experience in Africa in both operations and finance.

Ryan Ptolemy Ontario, Canada	December 16, 2022	1,932,300

Chief Financial Officer

Principal Occupation: Mr. Ptolemy is the Corporation's Chief Financial Officer. He is a CPA, CGA and CFA charter holder who also attained a Bachelor of Arts from Western University. Mr. Ptolemy serves as Chief Financial Officer to many public and private companies in the resource sector, particularly development-stage companies. Mr. Ptolemy formerly served as Chief Financial Officer for an independent investment dealer in Toronto where he was responsible for financial reporting, budgeting and the company's internal controls.

Carlo LiVolsi Ontario, Canada	September 23, 2023	23,126,500

Director

Principal Occupation: Mr. LiVolsi is currently the Chief Executive Officer at Apex Branded Solutions, Inc. and was formerly a director of Apollo Healthcare Corp., previously listed on the TSX. In this role, Mr. LiVolsi sat on the audit committee and represented Apollo in connection with the successful acquisition of Apollo by Anjac SAS.

Aaron Atin Ontario, Canada	June 20, 2025	225,000

Corporate Secretary

Principal Occupation: Mr. Atin is the Corporation's Corporate Secretary. He is a corporate lawyer who is corporate secretary and legal consultant to various Canadian publicly listed companies. He was previously an associate at a large Toronto corporate law firm, where he worked on a variety of corporate and commercial transactions. Mr. Atin studied at the University of Toronto, where he obtained a Juris Doctor from the Faculty of Law.

Neil Said(2) Ontario, Canada	December 1, 2022	1,000,000

Director

Chair of the Corporate Governance and Nominating Committee

Member of the Audit Committee and the Human Resources and Compensation Committee

Principal Occupation: Neil Said is a businessman and corporate securities lawyer who has worked as an officer and legal consultant to numerous Canadian-listed companies in the technology, cannabis, mining, oil & gas and healthcare industries. Mr. Said began his career as a securities lawyer at Osler, Hoskin & Harcourt LLP, where he worked on a variety of corporate and commercial transactions. Mr. Said obtained a Juris Doctor from the Faculty of Law at the University of Toronto and he received a Bachelor of Business Administration with a minor in Economics from Wilfrid Laurier University.

Deborah Battiston(2) Fort Erie, Ontario	January 31, 2023	300,000

Director

Chair of the Audit Committee

Member of the Corporate Governance and Nominating Committee and the Human Resources and Compensation Committee

Principal Occupation: Deborah Battiston is a Chartered Professional Account and an ICD.D (Institute of Corporate Director's Director) obtained from the University of Toronto's Rotman School of Management. Ms. Battiston also holds a BA in Economics from the University of Guelph. She has over 35 years of financial management experience, 24 of which are in the public company sector. Ms. Battiston has broad experience in the mining sector, having been CFO and director of multiple mining companies in various stages of exploration, development, and production. Her experience includes mergers and acquisitions, divestitures, US and Canadian IPO's, tax, and financing.

Martin Schuermann(2) Germany ***Director*** *Chair of the Human Resources and Compensation Committee* *Member of the Audit Committee and the Corporate Governance and Nominating Committee*	January 31, 2023	Nil

Principal Occupation: Mr. Schuermann has been a serial entrepreneur throughout different industries and has been involved in the clean energy sector since 2009, becoming the CEO of Vision Motor Corp and Vision Industries where they were focused on developing zero emission transportation solutions, using hydrogen as the dominant energy storage medium. Vision was the first company in the world to put hydrogen powered class 8 trucks through regular duty cycles in the ports of Los Angeles and Long Beach. Mr. Schuermann holds a BA from Westfaelische Wilhelms Universitaet Muenster (Germany) and an MBA from Azusa Pacific University and UCLA (Los Angeles).

Notes:

(1) The information as to shares beneficially owned, not being within the knowledge of the management of the Corporation, has been furnished by the respective individuals or has been extracted from the register of shareholdings maintained by the Corporation's transfer agent or from the System for Electronic Disclosure by Insiders at www.sedi.ca.

(2) These directors are considered "independent" pursuant to National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the directors or executive officers of the Corporation are, as at the date hereof, or have been, within the ten years prior to the date hereof, a director or executive officer, of any company that:

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

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

None of the directors or executive officers of the Corporation, nor any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

(a) is, as at the date hereof, or has been within the 10 years before the date of hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

None of the directors or executive officers of the Corporation, nor any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors and officers of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest which they may have in any property or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his or her interest and abstain from voting on such matter. The directors and officers of the Corporation are not aware of any such conflicts of interests.

AUDIT COMMITTEE

The purpose of the Audit Committee of the Corporation's Board of Directors is to provide assistance to the directors of the Corporation in fulfilling their legal and fiduciary obligations with respect to matters involving accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. It is the objective of the Audit Committee to maintain communication among the directors of the Corporation, the external auditors and the senior management of the Corporation.

Audit Committee Charter

The text of the Audit Committee's charter is attached to this Annual Information Form as Appendix "A".

Composition of the Audit Committee

The Audit Committee meets with the Corporation's auditors as necessary and before submission of audited annual financial statements to the Board of Directors. The Audit Committee is responsible for assessing the performance of the Corporation's auditors and for reviewing the Corporation's financial reporting and internal controls. The Audit Committee met quarterly during the fiscal year ended December 31, 2025.

The Audit Committee members are currently Deborah Battiston (Chairman), Neil Said and Martin Schuermann, each of whom is a director and financially literate in accordance with Section 1.6 of NI 52-110. All three members of the Audit Committee are independent in accordance with Sections 1.4 and 1.5 of NI 52-110.

Relevant Education and Experience

Collectively, the members of the Audit Committee have considerable skill and professional experience in accounting, business and finance.

Ms. Battiston is a Chartered Professional Account and an ICD.D (Institute of Corporate Director's Director) obtained from the University of Toronto's Rotman School of Management. Ms. Battiston also holds a BA in Economics from the University of Guelph. She has over 35 years of financial management experience, 24 of which are in the public company sector. Ms. Battiston has broad experience in the mining sector, having been CFO and director of multiple mining companies in various stages of exploration, development, and production. Her experience includes mergers and acquisitions, divestitures, US and Canadian IPO's, tax, and financing.

Mr. Said is a businessman and corporate securities lawyer who has worked as an officer and legal consultant to numerous Canadian-listed companies in the technology, cannabis, mining, oil & gas and healthcare industries. Mr. Said began his career as a securities lawyer at Osler, Hoskin & Harcourt LLP, where he worked on a variety of corporate and commercial transactions. Mr. Said obtained a Juris Doctor from the Faculty of Law at the University of Toronto and he received a Bachelor of Business Administration with a minor in Economics from Wilfrid Laurier University.

Mr. Schuermann has been a serial entrepreneur throughout different industries and has been involved in the clean energy sector since 2009, becoming the CEO of Vision Motor Corp and Vision Industries where they were focused on developing zero emission transportation solutions, using hydrogen as the dominant energy storage medium. Vision was the first company in the world to put hydrogen powered class 8 trucks through regular duty cycles in the ports of Los Angeles and Long Beach. Mr. Schuermann holds a BA from Westfaelische Wilhelms Universitaet Muenster (Germany) and an MBA from Azusa Pacific University and UCLA (Los Angeles).

Each of the current members of the Audit Committee acts, or has acted, as a director, officer and/or audit committee member of other public issuers and, as such, has obtained experience in the analysis and evaluation of financial statements generally and an understanding of the internal controls and procedures for financial reporting.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on any of the exemptions set out in Section 2.4 (*De Minimis Non-audit Services*), Section 3.2 (*Initial Public Offerings*), Section 3.4 (*Events Outside Control of Member*), Section 3.5 (*Death, Disability or Resignation of Audit Committee Member*), Subsection 3.3(2) (Controlled Companies), 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*) or Section 3.8 (*Acquisition of Financial Literacy*) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Audit Committee Oversight

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

Pre-Approval Policy and Procedures

The Audit Committee pre-approves the retention of the external auditor for any non-audit services and the fee for such services. Such pre-approval requirement may be satisfied if: (i) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Corporation to its external auditor during the fiscal year in which the services are provided; (ii) the services were not recognized by the Corporation at the time of the engagement to be non-audit services; and (iii) the services are promptly brought to the attention of the Audit Committee and are approved, prior to the completion of the audit, by the Audit Committee or by one or more members of the Audit Committee to whom authority to grant such approvals has been delegated by the Audit Committee.

The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

External Auditor Service Fees (By Category)

The auditors of the Corporation are currently McGovern Hurley LLP of Toronto, Ontario.

The following table provides detail in respect of audit, audit related, tax and other fees payable by the Corporation to the external auditors for professional services for the past two completed financial years:

Year Ended	Audit Fees[(1)]	Audit-Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
December 31, 2025	$119,840	$Nil	$7,500	$Nil
December 31, 2024	$85,600	$Nil	$7,597	$Nil

Notes:

(1) Audit Fees – payable for professional services rendered by the auditors for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings, which included the review of quarterly financial statements and related documents.

(2) Audit-Related Fees – payable for assurance and related services by the Corporation's auditors that are reasonably related to the performance of the audit or review of the Corporation's financial statements and not disclosed in the Audit Fees column.

(3) Tax Fees – payable for tax compliance, tax advice and tax planning professional services. These services included corporate tax return preparation services.

(4) All Other Fees – payable for professional services which are not reported under the "Audit Fees", "Audit-Related Fees" and "Tax Fees" categories.

PROMOTERS

No person or company has been a promoter of the Corporation during the two most recently completed financial years or during the current financial year.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of management, during the year financial year ended December 31, 2025, no legal proceedings of a material nature involving the Corporation have been initiated or are contemplated by any individuals, entities or governmental authorities.

No penalties or sanctions were imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2025, nor were there any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision, nor were any settlement agreements entered into by the Corporation before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2025.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Management is unaware of any material interest of any director or executive officer of the Corporation or a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares or any associate or affiliate of any of the foregoing persons or companies, in any transaction within the three most recently completed financial years of the Corporation or any proposed transaction that has materially affected or would materially affect the Corporation or any of its affiliates, other than as described herein in respect of the Second Debenture, which was issued to a holding company of Carlo LiVolsi.

TRANSFER AGENT AND REGISTRAR

The Corporation's registrar and transfer agent for the Common Shares is TSX Trust Company, having an office at:

100 Adelaide Street West, Suite 301
Toronto, Ontario
M5H 4H1

MATERIAL CONTRACTS

Except for contracts entered into by the Corporation in the ordinary course of business or otherwise disclosed herein (such as the Multi-Facility Agreement), no contracts entered into by the Corporation during the financial year ended December 31, 2025, or which remain in effect, can reasonably be regarded as presently material. Copies of these agreements are available for viewing on SEDAR+ at www.sedarplus.ca.

INTERESTS OF EXPERTS

The auditors of the Corporation during the year ended December 31, 2025 were McGovern Hurley LLP ("**McGovern Hurley**"). McGovern Hurley has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Dr. Andreas Rompel, M.Sc. (Geology/Paleontology), PhD (Structural Geology) and Sivanesean Subramani, BSc Honours (Geology and Economic Geology) have prepared and certified the Technical Report, which has been described in this Annual Information Form and each is independent of the Corporation applying all of the tests contained in NI 43-101.

To the knowledge of the Corporation, the persons above, as a group, beneficially owned, or controlled or directed, directly or indirectly, less than 1% of the issued and outstanding Common Shares, at the time of or after such person prepared the statement, report or valuation, and none of the persons above is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

ADDITIONAL INFORMATION

Additional information about the Corporation is available at the Corporation's website at www.eurosunmining.com and on SEDAR+ at www.sedarplus.ca**Error! Hyperlink reference not valid.**. Information about the Corporation, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Corporation's Management Information Circular for the Corporation's 2025 annual and special meeting of shareholders which was held on June 18, 2025.

Additional financial information about the Corporation is provided in the Corporation's audited consolidated financial statements as at December 31, 2025, the notes thereto and the report of the Corporation's auditors thereon, as well as the Management's Discussion and Analysis for the financial year ended December 31, 2025.

Copies of these documents, together copies of any documents or the pertinent pages of any documents incorporated by reference in this Annual Information Form, are available upon request to the Corporation's Corporate Secretary at 289 Courtland Avenue, Vaughan, Ontario, Canada L4K 4W9, provided that the Corporation may require payment of a reasonable charge if the request is made by a person who is not a security holder of the Corporation. All of this documentation is also available on SEDAR+ at www.sedarplus.ca.

APPENDIX "A"

AUDIT COMMITTEE CHARTER

See attached.

AUDIT COMMITTEE CHARTER

A. PURPOSE

The primary function of the Audit Committee (the "Committee") of Euro Sun Mining Inc. (the "Company") is to assist the Board of Directors of the Company (the "Board") in fulfilling its oversight responsibilities, relating to each of the:

(a) Company's accounting and financial reporting process and systems of internal accounting and financial controls;

(b) quality and integrity of the Company's financial statements;

(c) Company's compliance with legal and regulatory requirements; and

(d) independence and performance of the Company's external auditor.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Board shall appoint the members and the Chair of the Committee each year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

2. The Committee shall consist of at least three members of the Board all of whom shall be independent in accordance with the securities laws, rules, regulations and guidelines of all applicable securities regulatory authorities, including without limitation the securities commissions in each of the provinces and territories of Canada, and the stock exchanges on which the Company's securities are listed, including without limitation the Toronto Stock Exchange and also including all and any rules, regulations or laws applicable by virtue of any listing of the Company's securities on any of the exchanges maintained by the London Stock Exchange plc. (collectively, "Securities Laws"), subject to any exemptions provided thereunder.

3. All Committee members shall be financially literate as defined by Securities Laws. The Chair of the Board shall be an ex-officio member of the Committee.

4. If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

5. The Corporate Secretary of the Company shall be the secretary of the Committee, unless otherwise determined by the Committee.

6. The Committee shall meet at least four times annually on such dates and at such locations as may be determined by the Chair and may also meet at any other time or times on the call of the Chair, the external auditor or any two of the other Committee members.

7. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. The Committee may also act by unanimous written consent of its members.

8. The external auditor or any two Directors may request the Chair to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to the external auditor or such Directors, and may participate in such meeting.

9. Notice of the time and place of every meeting shall be given in writing or by e-mail communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10. The Chair shall develop the Committee's agenda, in consultation with the other members of the Committee, the Board and management, as necessary. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

11. At the invitation of the Chair, one or more officers or employees of the Company may, and if required by the Committee shall, attend a meeting of the Committee. The external auditor shall receive notice of and have the right to attend all meetings of the Committee.

12. The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board).

13. The external auditor shall have a direct line of communication to the Committee through the Chair and may bypass management if deemed necessary. The external auditor shall report to the Committee and is ultimately accountable to the Board and the Committee.

14. The Committee, through its Chair, may contact directly the external auditor, the internal auditor, if any, and any employee of the Company as it deems necessary.

15. In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Company, to the Company's legal counsel and to such other information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities.

16. The Committee shall annually assess its performance and review this charter and the calendar of activities, attached as Appendix A, and submit any recommended changes thereto for approval by the Board.

C. OUTSIDE CONSULTANTS AND ADVISORS

The Committee, when it considers it necessary or advisable, may retain, at the Company's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.

D. ROLES AND RESPONSIBILITIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities as outlined in the "Purpose" section of this charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.

The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee as outlined in the "Purpose" section of this charter.

The Committee shall carry out the duties set forth below for the Company, major subsidiary undertakings and the group as a whole, as appropriate. The Committee's principal responsibility is one of oversight. The Company's management is responsible for preparing the Company's financial statements and ensuring their accuracy and completeness, and the Company's external auditor is responsible for auditing and/or reviewing those financial statements. In carrying out these oversight responsibilities, the Committee is not required to provide any expert or special assurance as to the Company's financial statements or any professional certification as to the external auditor's work.

1. Overall Duties and Responsibilities

The overall duties and responsibilities of the Committee shall be to:

(a) assist the Board in the discharge of its responsibilities relating to the quality, acceptability and integrity of the Company's accounting policies and principles, reporting practices and internal controls;

(b) assist the Board in the discharge of its responsibilities relating to compliance with disclosure requirements under applicable Securities Laws, including approval of the Company's annual and quarterly consolidated financial statements together with the Management's Discussion and Analysis;

(c) oversee the work of and to establish and maintain a direct line of communication with the Company's external auditor and internal auditor (if any) and assess their performance;

(d) ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal controls; and

(e) report regularly to the Board on the fulfillment of its duties and responsibilities.

2. Public Filings, Policies and Procedures

The Committee is charged with the responsibility to:

(a) review and approve for recommendation to the Board:

(i) the annual audited financial statements, with the report of the external auditor, Management's Discussion and Analysis and the impact of unusual items and changes in accounting policies and estimates;

(ii) the interim unaudited financial statements, Management's Discussion and Analysis and the impact of unusual items and changes in accounting policies and estimates;

(iii) financial information in earnings press releases;

(iv) the annual information form;

(v) prospectuses; and

(vi) financial information in other public reports and public filings, including but not limited to the *Extractive Sector Transparency Measures Act* annual report and the Company's annual Sustainability Report, if applicable, requiring approval by the Board;

(b) ensure adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the Company's disclosure controls and procedures, and management's evaluation thereof, to ensure that financial information is recorded, processed, summarized and reported within the time periods required by law;

(c) review disclosures made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process for any statutory documents about any significant deficiencies in the design or operation of internal controls or material weakness therein and any fraud involving management or other employees who have a significant role in internal controls; and

(d) review with management and the external auditor:

(i) significant variances in actual financial results for the applicable period from budgeted or projected results;

(ii) any actual or proposed changes in accounting or financial reporting practices;

(iii) any significant or unusual events or transactions and the methods used to account for significant or unusual transactions where different approaches are possible;

(iv) any actual or potential breaches of debt covenants;

(v) the consistency of, and any changes to, accounting policies both on a year to year basis and across the Company;

(vi) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments;

(vii) the presentation and impact of significant risks and uncertainties;

(viii) the accuracy, completeness and clarity of disclosure in the Company's financial reports and the context in which statements are made;

(ix) any tax assessments, changes in tax legislation or any other tax matters that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

(x) any litigation, claim or other contingency that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

(xi) all material information presented in the Management's Discussion and Analysis;

(xii) material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;

(xiii) any fraud, illegal acts, deficiencies in internal controls or other similar issues;

(xiv) general accounting trends and issues of auditing policy, standards and practices which affect or may affect the Company; and

(xv) any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

3. Internal Controls, Risk Management and Compliance

The duties and responsibilities of the Committee as they relate to the Company's internal controls, risk management and compliance are to:

(a) evaluate whether management is setting the appropriate "control culture" by communicating the importance of internal controls and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities;

(b) review the adequacy, appropriateness and effectiveness of the Company's policies and business practices which impact on the integrity, financial and otherwise, of the Company, including those relating to hedging, insurance, accounting, cybersecurity, information services and systems, financial controls, management reporting and risk management;

(c) receive an annual report from management on tax issues and planning, including compliance with the Company's source deduction obligations and other remittances under applicable tax or other legislation;

(d) receive a report on the annual policy attestation process for, and review exceptions, if any, under the Company's Code of Business Conduct and Ethics, Anti-Bribery, Anti-Corruption and Sanctions Compliance Policy, Corporate Disclosure and Insider Trading Policy, Whistleblower Policy, Safety & Health Policy, Environmental & Community Policy and Human Rights Policy;

(e) review compliance with, issues arising from and consider any changes required or recommended to the Company's Whistleblower Policy, Information Technology Acceptable Use Policy and Information Technology Security Compliance Policy;

(f) review any issues between management and the external auditor that could affect the financial reporting or internal controls of the Company;

(g) periodically review the Company's accounting and auditing policies, practices and procedures and the extent to which recommendations made by the external auditor have been implemented;

(h) review annually the adequacy and quality of the Company's financial and accounting staffing, including the need for and scope of internal audit reviews (if any);

(i) review annually with the external auditor any significant matters regarding the Company's internal controls and procedures over financial reporting, including any significant deficiencies or material weaknesses in their design or operation, that have come to their attention during the conduct of their annual audit, and review whether internal control recommendations made by the external auditor have been implemented by management;

(j) receive report from management on the identification, assessment and management of new material financial risks in the Company's risk register and report to the Board in respect thereof;

(k) review and recommend for approval by the Board the appointment of the Chief Financial Officer and review the appointment of any other key financial executives involved in the financial reporting process;

(l) establish procedures for:

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

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

and review any such complaints and concerns received and the investigation and resolution thereof, including without limitation the review of all complaints and concerns of any nature under the Whistleblower Policy; and

(i) review and approve related party transactions.

4. External Auditor

The duties and responsibilities of the Committee as they relate to the external auditor shall be to:

(a) consider and make recommendations to the Board, to be put to shareholders for approval at the annual meeting of shareholders, in relation to the appointment, re-appointment or removal of the Company's external auditor;

(b) oversee the selection process for a new external auditor if required, and if an external auditor resigns the Committee shall investigate the issues leading to such resignation and decide whether any action is required;

(c) oversee the relationship with the external auditor, including without limitation to:

(i) recommend to the Board for approval the engagement of the external auditor for interim reviews and the remuneration for the audit and interim reviews and to assess whether fees for audit or non-audit services are appropriate to enable an adequate audit to be conducted;

(ii) review the terms of engagement for the external auditor and review any engagement letter issued at the start of each audit and the scope of the audit;

(iii) assess annually the independence and objectivity of the external auditor taking into account relevant professional and regulatory requirements and the relationship with the external auditor as a whole, including the provision of any non-audit services, which assessment shall include receipt of a report from the external auditor delineating all relationships between the external auditor and the Company;

(iv) assess annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process, which shall include a report from the external auditor on its own internal quality procedures;

(v) satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business);

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

(vii) monitor the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and

(d) review with the external auditor, upon completion of the audit and interim reviews:

(i) contents of the report;

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

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

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

(v) internal resources used;

(vi) significant transactions outside of the normal business of the Company;

(vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles and management systems;

(viii) the quality, acceptability and integrity of the Company's accounting policies and principles;

(ix) the non-audit services provided by the external auditor;

(x) the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements;

(xi) the management letter and management's response to the external auditor's findings and recommendations;

and report to the Board in respect of the foregoing and on such other matters as they consider necessary;

(e) implement structures and procedures to ensure that the Committee meets with the external auditor on a regular basis in the absence of management in order to review any difficulties encountered in carrying out the audit and to resolve disagreements between the external auditor and management; and

(f) pre-approve the retention of the external auditor for any non-audit services and the fee for such services.

The Committee may satisfy the pre-approval requirement in subsection (f) if:

(i) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the services are provided;

(ii) the services were not recognized by the Company at the time of the engagement to be non-audit services; and

(iii) the services are promptly brought to the attention of the Committee and are approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the full Committee at its first scheduled meeting following such pre-approval.

For greater certainty, the external auditor shall report directly and be responsible to the Audit Committee.

5. **Internal Audit Function (if applicable) / Internal Controls**

The duties and responsibilities of the Committee as they relate to the internal audit function (if applicable) / controls shall be to:

(a) review and approve the annual internal audit plan or N.I. 52-109 internal control testing report prepared by external consultant;

(b) review the significant findings prepared by the internal auditor / external 52-109 internal control testing consultant and recommendations issued by any external party relating to internal audit issues, together with management's response thereto;

(c) review the adequacy of the resources of the internal audit function (if appliable) and not just external consultant used to test controls, to ensure the objectivity and independence of the internal audit function;

(d) consult with management on management's appointment, replacement, reassignment or dismissal of any personnel engaged in the internal audit function (if applicable);

(e) ensure that the individual responsible for the internal audit function (if applicable) has access to the Chair of the Committee, the Chair of the Board, the Chief Executive Officer and the Chief Financial Officer, and periodically meet separately with such individual to review any problems or difficulties he or she may have encountered and specifically:

    (i) any difficulties that were encountered in the course of the internal audit work, including restrictions on the scope of activities or access to required information and any disagreements with management;

    (ii) any changes required in the planned scope of the internal audit;

    (iii) the internal audit function's responsibilities, budget and staffing; and

(f) report to the Board on each of the foregoing matters.