



**NI 43-101 TECHNICAL REPORT ON THE MEGUMA GOLD PROPERTIES
NOVA SCOTIA, CANADA**

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1.0 SUMMARY

1.1 Overview

MegumaGold Corporation (“MegumaGold”) engaged Mercator Geological Services Limited (“Mercator”) to provide technical evaluations, verification, and supervisory services with respect to general exploration and drilling programs on its Nova Scotia gold properties located in the Meguma Terrane in Eastern Nova Scotia, Canada (the “MegumaGold Properties”) and to report these findings in a NI 43-101 technical report (“Technical Report”) for disclosure purposes. MegumaGold is a listed issuer on the Canadian Securities Exchange (CSE) under the “NSAU” ticker symbol.

Meguma Terrane gold production has historically come from high-grade, quartz vein type orogenic gold deposits that were traditionally exploited as low tonnage mining operations. While these small, historical mining operations were short-lived, the recent development of the Touquoy gold deposit by Atlantic Gold Corp. (a subsidiary of St Barbara Limited) at its Moose River Mine Complex has sparked interest in the discovery and development of similar disseminated style gold deposits hosted by Cambro-Ordovician Meguma Supergroup sequences in the Eastern Shore region of Nova Scotia. The Touquoy mining operation has demonstrated that low-grade, disseminated, high-tonnage gold deposits are present within this geological terrane, resulting in MegumaGold’s current focus to discover similar deposits on its exploration licences. The MegumaGold properties are known to contain occurrences of historically defined gold mineralization, varying in scale from prospects to small past producers within historical mining districts.

This technical report summarizes the work completed by MegumaGold with respect to data compilation of historical assessment work, interpretation of LiDAR datasets and creation of surficial geology maps, regional ground geophysics programs including an IP survey, a regional till sampling program, prospecting, geological mapping and rock sampling, and, in some instances, reverse circulation (RC) drilling on its exploration licences. This exploration work was coordinated and supervised by Mercator between the spring of 2018 and early 2020.

1.2 Property Description and Ownership

Through its subsidiary 1156219 B.C. Ltd, MegumaGold has 100% interest in, or holds under several option agreements, a total of 247 Mineral Exploration Licences comprised of 6,449 mineral claims (104,396 hectares) that are the subject of this technical report. The exploration licences that MegumaGold holds in Nova Scotia span a large area of the central and eastern parts of the mainland of the province, including Halifax, Guysborough, Hants, and Colchester counties. These combined exploration licences are subdivided into eleven main project areas:

- | | |
|---------------------------------|------------------------------|
| (1) Cochrane Hill – Forest Hill | (7) Killag |
| (2) Dufferin | (8) Mooseland |
| (3) Fifteen Mile Stream | (9) Wine Harbour |
| (4) Goldboro-Isaac’s Harbour | (10) Touquoy West |
| (5) Greater Beaver Dam | (11) Other Meguma Properties |
| (6) Greater Goldenville | |

The MegumaGold Properties are mainly situated in Eastern Nova Scotia; specifically, east of the Halifax Regional Municipality (HRM or Halifax), west of the town of Truro, and south of the town of Guysborough. The closest international airport is the Halifax Stanfield International Airport about 25 km north of Halifax. The properties can be easily accessed from secondary highways, such as Highway No. 7 and local roads. All properties are within a 2 to 3-hour drive of the Halifax Regional Municipality (HRM) which has a population of approximately 400,000. From the secondary highways, forestry access roads are normally used to access the mineral claims directly, whether by truck, all-terrain vehicle or by foot, depending on the condition of specific roads or trails. Some areas could not be accessed as they were located on private property where permission could not be obtained or, in one instance, access was not possible due to a hydroelectric project. Sheet Harbour (pop. 800) is the largest town in the Eastern Shore area along Highway No. 7 to offer full services, with the villages of Sherbrooke (pop. 400) and Guysborough (pop. 400) providing partial services. The town of Antigonish (pop. 4,400) is located approximately 62 km north of the village of Sherbrooke along Highway No. 104 and is the closest full-service community to the furthest eastern claims in MegumaGold's property portfolio on mainland Nova Scotia.

Land access permission is required from surface rights holders in Nova Scotia before mineral exploration activities can be undertaken. Surface titles to lands covered by the MegumaGold properties are held by various private landowners and by the Province of Nova Scotia (the "Crown land"). For both Crown land and private land, mineral exploration licence holders must come to an agreement with the landholder in order to gain access for purposes of mineral exploration. There are currently several formal exploration access agreements in place between MegumaGold and corporate and individual surface rights holders. These are associated with areas discussed in this technical report and are detailed in Section 4.

1.3 Geology and Mineralization

The majority of southern mainland Nova Scotia occurs within the Meguma Terrane (also known as Meguma Zone) that is structurally juxtaposed against the Avalon Terrane (Avalon Zone) to the north along the Cobequid-Chedabucto Fault system (Smith and Kontak, 1996) within the Appalachian Orogen. The Meguma Supergroup occurs within the Meguma Terrane and consists of a Cambro-Ordovician turbidite sedimentary sequence formed along the continental margin of the Gondwana paleo-continent during closure of the Iapetus and Rheic oceans (Smith and Kontak, 1996).

The Meguma Supergroup is subdivided into the (1) Goldenville Group, a basal sandy flysch (greywacke) sequence that is estimated to be approximately 6.7 km thick, but with an unknown base; and the (2) Halifax Group, an overlying shale-rich flysch sequence that measures approximately 11.8 km in thickness (Sangster and Smith, 2007). The massive, thick-bedded greywacke sequence of the Goldenville Group is dark grey (carbonaceous) to light grey in colour and contains thin slate-rich horizons that commonly separate the thick, coarser beds. The Goldenville Group grades upwards through manganese-rich strata into a basal Halifax Group unit that consists of sulphidic black slate. The manganese-rich section, along with Tremadocian fossils, marks the transition between the two groups. Black, carbonaceous, sulphidic slate and thinly bedded to cross-laminated metasiltstone comprise much of the Halifax Group but lithologies in the uppermost stratigraphy consist mostly of grey-green slate and siltstone (Sangster and Smith, 2007).

The Meguma Supergroup is pervasively folded and characterised by kilometre-scale fold wavelengths and E-W to NE-SW axial trace directions. Folds are upright to slightly inclined, with plunges to both east and west. Doubly plunging fold trends produce domal structural culminations that in many instances correspond with historic gold producing districts. Cleavages are a predominant structural feature and include regional slaty cleavage, AC cleavage, and pressure-solution cleavage. The bedding-cleavage intersection lineation reflects local plunge variations and indicates a general non-cylindrical fold character (Horne, 1996). The Meguma Supergroup in the eastern part of Nova Scotia was metamorphosed to greenschist-amphibolite facies grade during the mid-Devonian Acadian Orogeny (ca. 400) and subsequently intruded by peraluminous granite, granodiorite, and minor mafic intrusions of mid-Devonian to Carboniferous age (375 Ma) (Sangster and Smith, 2007).

Known gold mineralization in the Meguma Supergroup is typically associated with tabular bedding-parallel quartz veins but also occurs within sulphide bearing, slate-rich host rock sequences of the district (Schofield, 2004). Many of the properties are underlain by greywackes and argillites of the Goldenville Group and historically defined gold mineralization in these areas typically occurs in stratabound quartz veining associated with local anticlines. However, potential exists for gold occurrences in argillite rich sections of local stratigraphy. Most currently defined gold occurrences in the Meguma Supergroup are associated with several prominent anticlinal structures such as the Caribou, Cochrane Hill, Beaver Dam, Fifteen Mile Stream, Goldenville, Killag, and Moose River anticlines. This includes saddle-reef, laminated leg-reef and en-echelon stratabound types plus various discordant vein types (Horne and Jodrey, 2001). Low gold levels also occur locally in the wall rock adjacent to veins in some of the deposit areas. Gold-associated alteration in these districts include chloritization, silicification, carbonation, and sericitization. Carbonate and chlorite alteration commonly occur in association with quartz vein wall rock contacts and sulphides such as arsenopyrite, pyrite and pyrrhotite commonly occur in association with the veins.

Gold mineralization in the Killag area occurs in association with both bedding parallel veins and discordant quartz vein arrays and is particularly focused in the hinge area of the Killag anticline. This fold plunges to the east at approximately 30° in the area of past mining activity and is asymmetric in geometry, having a steeply south-dipping to overturned south limb and a moderately north-dipping north limb. Historical gold mining was focused on bedding parallel quartz veins that generally occur on the steeply dipping south fold limb. The Stuart Lead (vein) is the most prominent of these veins and was stoped to variable extents within historical underground workings. Gold mineralization also occurs in slate beds that host auriferous quartz veins which exhibit a relatively complex assemblage of sulfides and visible gold. Numerous gold showings occur in the area where a north-trending fault crosses this anticline.

The Touquoy West project area occurs to the west and south of St Barbara's Touquoy deposit and on trend with the Moose River and Fifteen Mile Stream anticlines. The Touquoy deposit and the historical Higgin's and Lawlor gold mines both occur within the Moose River Formation near the hinge of the Moose River anticline. The hinge is disrupted by numerous northwest and northeast trending faults and the anticline geometry varies along the hinge. Within the Touquoy deposit, the argillite of the Moose River Formation is up to 180 metres thick in the northern limb near the hinge and is thinner (25 to 60 metres) in the southern limb. Gold mineralization occurs on both the north and south limbs in bedding parallel

quartz veins and stringers and, most prominently, as a disseminated phase in thick argillite units in the anticlinal hinge zone.

1.4 Exploration

Exploration work completed on the MegumaGold exploration licences in Eastern Nova Scotia include historical data compilation, a regional airborne magnetics/radiometrics survey, a regional LiDAR survey, a geological interpretation of the LiDAR dataset, geological modeling, prospecting, geological mapping and outcrop sampling, combined ground VLF and magnetics geophysical surveying, glacial till, and B-horizon soil geochemistry surveys, and a reverse circulation (RC) drilling program. These programs were carried out and/or coordinated by Mercator on behalf of MegumaGold over a 18-month period starting in early 2018.

1.4.1 Till, Soil, and Rock sampling

A total of 1,482 rock samples were collected from the MegumaGold project areas, and 356 samples were analyzed for gold. Gold above the detection limit (>2.5 ppb Au) was recorded in outcrop or boulder samples at the Cochrane Hill area (23 ppb Au), Fifteen Mile Stream (6 ppb Au), Killag (12 ppb Au) and Dufferin property areas (3 ppb Au). Gold was also detected above the detection limit from samples taken from historic waste rock piles on the Killag property at the former historic mine site (up to 14.79 g/t).

A total of 189 till samples were collected by Mercator field staff during July and August of 2019 on the MegumaGold exploration licences. Gold values range from 5 to 19 ppb and are distributed throughout the different property areas. Arsenic values range from 5 to 75 ppm with a detection limit of 5 ppb. Gold anomalous samples from the Killag property areas are located along the trends of interpreted anticlinal structures. Gold results for a large B-horizon soil geochemistry survey carried out at the Touquoy West property ranging from 5 to 56 ppb with a detection limit of 5 ppb. Arsenic results returned for the same survey range from 2 to 900 ppm with a detection limit of 2 ppm. The soil geochemistry survey was successful at outlining three main arsenic-gold anomalies on the Touquoy West property. These anomalies parallel the interpreted northeast trend of the Moose River anticlinal fold corridor and are developed in areas either directly overlying, or to the south of, the interpreted main fold hinge zone.

1.4.2 Combined Ground Magnetometer/VLF-EM Surveys and Touquoy West IP Survey

MegumaGold completed 25.83 line kilometres of Induced Polarization (IP) surveying in the Touquoy West project area in mid February 2020 based on the results of approximately 80 line km of high resolution ground magnetometer and VLF-EM surveying and a soil geochemistry program completed on the property in early 2019. The combined ground magnetometer and VLF-EM survey results were merged with compiled historical survey results from the adjacent St. Barbara Touquoy gold deposit property and the resulting dataset was independently processed to maximize definition of stratigraphic trends. These geophysical results were then used to interpret strike extensions of argillite-bearing stratigraphic intervals and anticlinal fold structures that host gold mineralization on the St. Barbara property onto the Touquoy West property, and to assist with selecting grid areas for the IP survey. The VLF-EM results define a conductivity trend coincident with the faulted axial zone of the main gold-focusing anticlinal fold in this

gold district. This is interpreted to represent the presence of sheared argillite in the hinge zone of the anticline and can be traced southwest from the Touquoy gold mine area for at least 6 km to the western boundary of the Touquoy West survey grid, where it remains open along strike onto claims optioned in 2019 by MegumaGold from Genius Metals Inc. (Genius).

Combined IP survey and geological compilation program results indicate that a well-developed chargeability anomaly coincides with the interpreted main anticlinal fold hinge zone trend on the Touquoy West property. This IP anomaly can be traced discontinuously for approximately 3.6 km across the Touquoy West survey grid and coincides with arsenic and gold soil geochemistry anomalies at several locations along its length. The anticlinal fold hinge zone trend currently remains open beyond the western grid limit onto MegumaGold exploration licences optioned from Genius. A second prominent chargeability anomaly occurs approximately 300 metres north of the main trend and has a strike length of approximately 700 metres. This chargeability anomaly also appears to coincide with anomalous 2019 soil arsenic and gold soil survey results and is associated with an interpreted argillite-bearing stratigraphic interval that may indicate a secondary anticlinal fold trend. A third chargeability anomaly west of the detailed survey block has been tentatively correlated between three survey lines along an 800-metre strike length. This third anomaly parallels the southern margin of a thick unit of interpreted argillite stratigraphy and is supported locally by anomalous arsenic and gold soil survey values. Resistivity anomalies occur peripherally to all three main chargeability anomaly trends and may mark zones of bedrock silicification associated with mineralization. The IP survey chargeability responses detected at Touquoy West, which are in part spatially associated with existing soil geochemistry, magnetometer, and VLF-EM anomalies, may indicate the presence of disseminated sulphide mineralization similar in style to that present adjacent to the Touquoy deposit located a few kilometres to the east along the Moose River Anticline.

1.5 Drilling

MegumaGold completed a regional reverse circulation (RC) drilling program from November 2018 to July 2019 on the: (1) Killag (Killag East, West and Central), (2) Fifteen Mile Stream, and (3) Greater Beaver Dam properties. The RC drilling programs were supervised by Mercator staff and comprised of 94 drill holes totaling 6,567 metres throughout the various target areas.

1.5.1 Killag RC Drilling Program

A total of 20 holes totaling 1,614 metres were completed at the Killag East target area. These drill holes were designed to test gold mineralization in the area of historic Killag mine workings and along the high magnetic anomaly that coincides with the Killag anticline in this area. Drilling revealed that the bedrock sequences are predominantly comprised of greywacke interbedded locally with significant intervals of argillite. Quartz veining in both rock types is present and sulphide minerals such as pyrite, pyrrhotite, arsenopyrite and chalcopyrite were observed in RC chip samples. Pyrrhotite is the likely source of the high magnetic anomaly at Killag East. Above detection limit gold values were encountered in all holes and are associated with the interbedded greywacke and argillite intervals that were observed to have variable amounts of quartz veining. The highest gold value returned was 17,855 ppb (17.86 g/t) over 1 m and correlates with an interval of argillite. Significant assay results are shown in Table 1-1 below.

Table 1-1: Significant Gold Intervals (>0.1 g/t) for Killag East RC Drilling Program

Hole No.	Easting (m)	Northing (m)	Dip (Deg.)	Azimuth (Deg.)	Hole Depth (m)	**Significant Intervals			
						From (m)	To (m)	Length (m)	Gold Grade (Au g/t)
KGRC-30-2019	529872	4985170	-55	330	100	95	98	3	1.52
KGRC-31-2019	529911	4985174	-55	330	67	23	25	2	0.40
KGRC-31-2019	"	"	"	"	"	31	36	5	1.31
Incl.	"	"	"	"	"	31	32	1	5.14
KGRC-31-2019	"	"	"	"	"	47	51	4	1.27
Incl.	"	"	"	"	"	47	48	1	4.48
KGRC-31-2019	"	"	"	"	"	55	58	3	0.32
KGRC-31-2019	"	"	"	"	"	64	65	1	0.22
KGRC-32-2019	529898	4985231	-55	290	103	62	63	1	0.88
KGRC-32-2019	"	"	"	"	"	67	71	4	4.94
Incl.	"	"	"	"	"	67	68	1	17.86
KGRC-32-2019	"	"	"	"	"	90	91	1	0.23
KGRC-33-2019	529945	4985220	-55	290	60	16	17	1	0.13
KGRC-33-2019	"	"	"	"	"	39	40	1	0.21
KGRC-34-2019	529993	4985226	-60	290	36	22	25	3	0.23
KGRC-35-2019	530058	4985241	-55	280	137	11	14	3	0.40
KGRC-35-2019	"	"	"	"	"	23	25	2	0.12
KGRC-35-2019	"	"	"	"	"	34	36	2	0.10
KGRC-35-2019	"	"	"	"	"	55	57	2	2.39
Incl.	"	"	"	"	"	55	56	1	4.70
KGRC-35-2019	"	"	"	"	"	62	64	2	0.36
KGRC-35-2019	"	"	"	"	"	70	72	2	1.29
KGRC-35-2019	"	"	"	"	"	77	79	2	4.64
Incl.	"	"	"	"	"	77	78	1	9.09
KGRC-35-2019	"	"	"	"	"	98	99	1	0.185
KGRC-36-2019	530107	4985261	-55	290	119	15	17	2	0.480
KGRC-36-2019	"	"	"	"	"	49	53	4	0.76
KGRC-36-2019	"	"	"	"	"	57	58	1	1.04
KGRC-36-2019	"	"	"	"	"	83	84	1	1.23
KGRC-36-2019	"	"	"	"	"	88	89	1	0.12
KGRC-36-2019	"	"	"	"	"	94	95	1	0.617
KGRC-36-2019	"	"	"	"	"	100	101	1	0.12
KGRC-36-2019	"	"	"	"	"	103	104	1	0.164

Table Notes:

- (1) ** Weighted average Interval > 0.10 g/t Au with maximum of 3 x 1m length samples @<0.1 g/t included
- (2) Assay values are uncut; some intervals include (incl.) higher grade subintervals
- (3) Assay values generally reflect Fire Assay - Atomic absorption methods applied to regular 30 g pulps generated from splitting of ~2.5 kg Reverse Circulation (RC) drill chip samples; screen metalics processing of ~2.5 kg RC drill chip samples was carried out for selected intervals and resulting assay values were applied when available instead of the regular Fire Assay – Atomic Absorption results
- (4) Downhole sample intervals are presented; insufficient geological control is available to accurately estimate true widths (true thickness) from RC results at this time

A total of 9 holes totaling 633 metres were completed at the Killag Central and Killag West target areas within the Killag project area. Drilling in Killag West returned fire assay gold results mostly at or below the detection limit (1 ppb). The highest value returned was 7 ppb Au over 3 metres between 38 and 41 metres in drill hole KGRC-07-2019. Drill holes of the western part of the licence area mostly intercepted greywacke with 1 to 3 metre interbeds of argillite with associated sulphide mineralization consisting mostly of low levels of pyrite and arsenopyrite. RC drilling in the Killag Central area intersected a discrete high magnetic field anomaly that appears to be sourced in an argillite-rich interval of stratigraphy. At the southern end of the drill fence line, drill hole KGRC-17-2019 intercepted four zones of anomalous gold (>10 ppb) including 50 ppb over 1 metre between 16 to 17 metres; 40 ppb over six metres between 46 and 52 metres; 30 ppb over 5 metres between 58 and 63 metres; and 20 ppb over 1 metre between 72 and 73 metres. The geochemically anomalous zones are associated with extensive quartz veining in greywacke. The highest assay value returned in the four northernmost holes is 70 ppb Au between 45 and 46 metres in hole KGRC-16-2019.

The 2019 RC drilling at Killag referred to above intercepted high gold values in several quartz veined intervals of altered greywacke and argillite. Longer intervals of continuous, anomalous gold values in the 20 to 100 ppb range were intercepted in some of the 2019 holes and also have substantial exploration significance. These may denote presence of a gold-bearing hydrothermal alteration halo centered on the anticlinal corridor at Killag and form the basis of MegumaGold's "alteration gold halo concept". This concept is supported by alteration index and RC chip logging results. Where present, halo zone gold values typically fall in the range of 30 to 200 ppb and comprise continuously anomalous intervals up to 81 m in length. While very encouraging in an exploration context for the Killag Project, MegumaGold cautions that the presence of a low-level gold halo such as that identified at Killag to date provides no certainty of association with a large, undiscovered gold deposit.

1.5.2 Fifteen Mile Stream RC Drilling Program

A total of 13 holes totaling 845 metres were completed at the Moser Lake target area within the Fifteen Mile Stream project area. The Moser Lake target is located on strike with the Fifteen Mile Stream Deposit to the west and is interpreted as occurring on the same fold structure (Fifteen Mile Stream Anticline). The three drill hole transects at Moser Lake intercepted abundant sulfide-bearing argillite (particularly MLRC-03-2019, MLRC-04-2019, MLRC-07-2019, MLRC-08-2019 and MLRC-14-2019) towards the core of the targeted magnetic anomalies, that can be interpreted as representing the Moose River Formation, but no significant intervals of gold mineralization were identified. A total of 10 holes (SLMRC-01-2019 to SLMRC-10-2019) totaling 684 metres were completed at the Seloam Lake target area (EL 51668). No gold values of economic significance were returned from the holes. A total of 13 holes (SMRC-19-2019 to SMRC-23-2019, SMRC-25-2019 and SMRC-26-2019, SMRC-29-2019 to SMRC-34-2019) totaling 885 metres were completed at the Smith Lake target area (EL 51656). Drilling revealed that beds of magnetite-bearing greywacke are the source of the aeromagnetic high and no gold values of economic significance were returned.

1.5.3 Greater Beaver Dam RC Drilling Program

A total of 25 reverse circulation drill holes totaling 1,598 metres were completed at the Ragged Falls target area located within the Greater Beaver Dam project area. The dominant lithology intercepted during the drilling program was greywacke with significant argillite intercepts up to 12 metres in thickness along the hinge of the regional anticline. Sulphide minerals consist of pyrite, pyrrhotite and arsenopyrite. Most gold assay results returned values below the detection limit, though trace gold levels (<100 ppb) were commonly observed in bleached greywacke and argillite intervals that range from 1 to approximately 10 metres in thickness. Some intervals, but not all, show associated quartz veining. A significant gold intercept (1.17 g/t over 1 m) in RFRC-14-2019 at 31 to 32 metres is associated with a quartz vein that constitutes 10% of the 1-metre intercept. This occurs in greywacke whereas the significant gold intercept (0.25 g/t over 1 m) in RFRC-23-2019 occurs in greywacke with minor argillite that lacks logged quartz veins. A large alteration zone defined by quartz veining, wallrock bleaching and carbonate alteration as well as presence of arsenopyrite, pyrrhotite and pyrite and infrequent traces of galena occurs along the southern extent of the drilling target area at Ragged Falls. A total of 5 drill holes (BLRC-01-2019 to BLRC-05-2019) totaling 308 metres were completed at the Beeswanger Lake target area (EL 51698) and no gold values of economic significance were returned.

1.6 Interpretations and Conclusions

Reverse circulation (RC) drilling programs were utilized by MegumaGold to target gold mineralization within or in close proximity to historic mining districts and to test for new gold mineralization along the high magnetic anomalies on strike with several interpreted anticlinal structures identified from 2018 aeromagnetic and radiometrics surveys. This drilling concept was successful at the Killag property where it revealed that significant intervals of sulphide bearing argillite occur interbedded with greywacke, both of which were locally determined to host abundant quartz veining. Sulphide minerals identified in drill chips include pyrite, pyrrhotite, arsenopyrite and chalcopyrite. Pyrrhotite associated with argillite stratigraphy is interpreted as the likely source of a high magnetic anomaly at Killag East that also coincides with areas of past gold mining. Notably, the east extension of the anticlinal structure present in the Killag Gold District hosts the Goldenville Gold District, approximately 50 km to the east.

MegumaGold's Killag RC drilling program intercepted near surface high gold values in several variably quartz-veined intervals of altered greywacke and argillite. This drilling also defined several long intervals of anomalous gold and associated anomalous arsenic values occurring in altered greywacke and argillite rock packages. These intervals occur along the axis of the Killag-Goldenville anticline and are located to the east of historical drill core gold intercepts and underground workings. The long widths of low level, but anomalous gold in Killag RC samples indicate that mineralization extends beyond the limits of traditionally known high grade quartz veins and that it has been deposited at low levels in surrounding thick slate/argillite/greywacke packages comprising the host rock sequence. This is interpreted as forming part of a hydrothermal alteration halo centered on the Killag anticline that may be part of a larger, zoned system that may contain significant gold grades. MegumaGold refers to this as its "alteration halo concept". Alteration gold halos surrounding deposits of importance have already been documented in the

Nova Scotia goldfields, examples of which include St. Barbara’s Touquoy, Fifteen Mile Stream, Beaver Dam and Cochrane Hill deposits, as well as Anaconda’s Goldboro deposit.

Determining potential exploration target areas over large geographic regions through the combined interpretation of airborne and ground geophysics data (magnetics, VLF-EM, and IP) and soil and rock geochemistry data has proven successful in discovering argillite-bearing anticlinal fold structures that contain disseminated iron sulphide and local gold mineralization within the MegumaGold properties. This exploration approach also appears useful in order to target high priority sites for future RC and diamond drilling programs. As discussed above, RC drilling in the Killag project area has demonstrated that alteration gold halo zones are present that require further follow-up drilling to assess this concept along the entire Killag anticline hinge zone corridor. The IP chargeability anomalies discovered at Touquoy West constitute high quality targets for future diamond drilling programs to assess mineralization potential along this anticlinal trend and at depth. The combination of ground magnetics/VLF-EM and soil geochemistry surveys and follow-up IP surveys have also proven themselves as effective exploration tools in bedrock sequences of the Meguma Supergroup. The combined results define argillite-bearing stratigraphic intervals and anticlinal fold structures that may host significant gold mineralization associated with hydrothermally altered zones marked by disseminated sulphides and quartz veining.

1.7 Recommendations

MegumaGold has successfully identified several prospective areas on its exploration licences that may host argillite-associated disseminated iron sulphide mineralization with associated gold in hydrothermally altered and/or quartz-veined areas within anticlinal fold structures. Based on the results from the exploration and drilling programs described in this technical report, the report authors have several recommendations for the next phase of exploration and drilling on the MegumaGold exploration licences as summarized in Table 1-1 below.

Table 1-2: Recommended Program Budget

Phase 1	Task	Estimated Cost (CAD\$)
	Structural lineament and surficial geological interpretations of LiDAR datasets to identify structures and trends and interpretation of airborne geophysics	\$50,000
	Glacial till and soil sampling program and geochemical analyses	\$100,000
	Ground magnetometer and VLF-EM surveys and data interpretation	\$100,000
	Induced Polarization (IP) surveys and data interpretation	\$200,000
	Scout drilling - reverse circulation (RC) or diamond drilling, assay analyses, and 3D geological modelling and interpretation	\$500,000
	Contingency (10%)	\$95,000
	Total	\$1,045,000

Phase 2	Task	Estimated Cost (CAD\$)
	Diamond drilling (core drilling) at Touquoy West and Killag (5,000 m in total) and assay analyses	\$1,000,000
	Geological interpretation of drilling data and 3D geological modelling	\$100,000
	Contingency (10%)	\$110,000
	Total	\$1,210,000

Note: Phase 2 is not dependent on the results of Phase 1 and both phases could be run contemporaneously.

2.0 INTRODUCTION

2.1 Scope of Reporting

MegumaGold Corporation (“MegumaGold”) engaged Mercator Geological Services Limited (“Mercator”) to provide technical evaluations, verification, and supervisory services with respect to general exploration and drilling programs on its Nova Scotia gold properties located in the Meguma Terrane in Eastern Nova Scotia, Canada (“Meguma Gold Properties”) and to report these findings in a NI 43-101 technical report for disclosure purposes. MegumaGold is a listed issuer on the Canadian Securities Exchange (CSE) under the “NSAU” ticker symbol.

MegumaGold has a 100% interest in, or has option agreements in place for, 6,449 exploration claims within 247 exploration licences (104,396 hectares) located in the Meguma Terrane in central and eastern mainland Nova Scotia. Meguma Terrane gold production has historically come from high-grade, quartz vein type orogenic gold deposits that were traditionally exploited as low tonnage mining operations. While these small historical mining operations were short-lived, the recent development of the Touquoy Gold Deposit by Atlantic Gold Corp (a subsidiary of St. Barbara Limited) at its Moose River Mine Complex has sparked interest in the discovery and development of similar disseminated style gold deposits hosted in Cambro-Ordovician Meguma Supergroup rock sequences in the Eastern Shore region of Nova Scotia. The Touquoy mining operation has demonstrated that low-grade, disseminated, high-tonnage gold deposits are present within this geological terrane, resulting in MegumaGold’s current focus to discover similar deposits on its exploration licences. The MegumaGold Properties are known to contain occurrences of historically defined gold mineralization, varying in scale from prospects to small past producers within historical mining districts. They have been subdivided into the following project areas: (1) Cochrane Hill – Forest Hill, (2) Dufferin, (3) Fifteen Mile Stream, (4) Goldboro-Isaac’s Harbour, (5) Greater Beaver Dam, (6) Greater Goldenville, (7) Killag, (8) Mooseland, (9) Wine Harbour, (10) Touquoy West, and (11) Other Meguma Properties.

This technical report summarizes the work completed by MegumaGold with respect to compilation of historic assessment work, interpretation of LiDAR datasets and creation of surficial geology maps, reconnaissance and grid scale ground geophysical surveying, regional glacial till and grid scale B-horizon soil geochemistry surveying, prospecting, geological mapping and rock sampling, and ultimately reverse circulation (RC) drilling on specific exploration licences. This exploration work was coordinated and supervised by Mercator between the spring of 2018 and early 2020.

2.2 Qualified Persons

Report authors Michael Cullen, Michael Power, and Paul Ténrière are Professional Geologists (P.Geo.) registered in the Province of Nova Scotia and/or the Province of Ontario and are employees of Mercator, which has its head office in Dartmouth, Nova Scotia, Canada. The authors have prepared this technical report after reviewing historical exploration work completed on the MegumaGold Properties and conducting property site visits during the recent MegumaGold exploration and drilling programs.

All authors are independent Qualified Persons (QP) as defined by NI 43-101 and are responsible for all items in this report. Neither Mercator, nor the authors of this report, have any material present or contingent interest in the outcome of this report, nor do they have any financial or other interest that could be reasonably regarded as being capable of affecting their independence in the preparation of this report. The report has been prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report. No employee of Mercator is, or is intended to be, a director, officer or other direct employee of MegumaGold. No employee of Mercator has, or has had, any shareholding in MegumaGold.

2.4 Personal Inspection (Site Visits) and Data Verification

Mr. Michael Cullen visited the MegumaGold properties at various times between November 2018 to September 2019, including the Killag and Moser Lake and Ragged Falls properties during the reverse circulation (RC) drilling programs. Specific site visits to the MegumaGold exploration licences include:

November 7, 2018

- Ragged Falls and Kent Lake exploration licences (Greater Beaver Dam Property)
- Moser Lake exploration licence (Fifteen Mile Stream Property)

January 16, 2019

- Ragged Falls exploration licence (Greater Beaver Dam Property)
- Archibald Lake and Moser Lake exploration licences (Fifteen Mile Stream Property)

March 18, 2019

- Killag Property

September 12, 2019

- Touquoy West Property

These site visits were completed for the purposes of site inspection, ground truthing, review of field and drilling activities, procedural review, and information data collection and collation and to satisfy NI 43-101 “personal inspection” requirements. During his various site visits Mr. Cullen completed the following tasks and inspections:

- Field reconnaissance of above-mentioned exploration licences, completing roadside geology, line-cutting inspection, and review of soil geochemical survey procedures in the field.
- Supervising the preparation, review, and inspection of reverse circulation (RC) drilling activities. This included inspection of all safety protocols, drilling equipment, and field procedures for sample collection at the RC drilling rigs including the insertion of certified standards and blanks.
- Reviewed the data and quality assurance/quality control (QAQC) procedures for the reverse circulation (RC) drilling program and the spotting of new drill holes, GPS surveying procedures, and drill site setups.

In addition, Mr. Cullen carried out a QAQC visit to the Minerals Engineering Centre (MEC) laboratory at Dalhousie University in Halifax, Nova Scotia on December 4, 2018 to review the sample preparation protocol implementation.

Figures 2-1 to 2-3 shown below were taken during Mr. Cullen’s personal inspection of the Greater Beaver Dam and Killag project areas during the MegumaGold RC drilling programs in early 2019.

Figure 2-1: RC drilling activities at Ragged Falls (Greater Beaver Dam) showing sample collection



Figure 2-2: RC drilling QAQC field weighing of samples to monitor sample splitter performance



Figure 2-3: Reverse circulation (RC) drilling setup on the Killag Property

Mr. Michael Power did not complete a personal inspection of the MegumaGold properties but did author related assessment reports and reviewed the analytical data for the work programs, including the regional RC drilling program described herein and the MegumaGold QAQC program. MegumaGold's QAQC protocol for the 2018-2019 regional RC drilling program included: (1) field measurements of sample split weights, (2) blind insertion of certified reference materials at 1 in 40 frequency, (3) blind insertion of blank samples at 1 in 40 frequency, and (3) analysis of duplicate pulp splits at 1 in 40 frequency. QAQC samples were inserted/analysed in offset sequences.

Mr. Paul Ténrière did not complete a personal inspection of the MegumaGold properties discussed in this technical report.

Based on a detailed review of the logging, sampling, and QA/QC programs, including the program developed for the RC drill program managed by Mercator on behalf of MegumaGold, the report authors are satisfied these programs fulfill the personal inspection and data verification requirements under NI 43-101. Field programs were designed according to CIM Mineral Exploration Best Practice Guidelines and no issues or fatal flaws were detected during the personal inspections.

2.5 Information Sources

Sources of information, data and reports reviewed as part of this technical report can be found in Section 27 (References). The report authors (Qualified Persons) take responsibility for the content of their sections and believe the data review to be accurate and complete in all material aspects.

Exploration claims and licence documents, historical assessment reports, and exploration data were either acquired by Mercator via third party sources or provided to Mercator by MegumaGold via email. Exploration, drilling, sampling, assay, and quality assurance/quality control (QAQC) data was loaded into a Microsoft Access database and validated by Mercator staff prior to evaluation and reporting.

2.6 Table of Abbreviations

Abbreviation	Meaning		
3D	three-dimensional		
AA	atomic adsorption		
ALS	ALS Global Laboratories		
CALA	Canadian Association for Laboratory Accreditation		
CIM	Canadian Institute of Mining and Metallurgy		
DEM	digital elevation model		
DGPS	differential global positioning satellite		
Eastern	Eastern Analytical Limited		
EL	exploration licence		
EM	electromagnetic		
FA-AA	fire assay-atomic absorption		
GPS	global positioning satellite		
GSC	Geological Survey of Canada		
g/t	grams per tonne		
HRM	Halifax Regional Municipality		
ICP-OES	Inductively Coupled Plasma Optical Emission Spectrometry		
IP	Induced Polarization		
LiDAR	light detection and ranging		
MEC	Minerals Engineering Centre		
MegumaGold	MegumaGold Corporation		
Mercator	Mercator Geological Services Ltd.		
Mt	millions of tonnes		
NI 43-101	National Instrument 43-101		
NovaROC	Mineral Rights Online Registry System for the Nova Scotia Registrar of Mineral and Petroleum Titles		
NSDNR	Nova Scotia Department of Natural Resources		
NSR	net smelter royalty		
oz	ounce		
P.Geol.	Professional Geologist		
ppb	parts per billion		
ppm	parts per million		
QAQC	quality assurance and quality control		
QP	Qualified Person		
RAB	rotary-air blast		
RC	reverse circulation		
UTM	Universal Transverse Mercator		
VLF	very low frequency		
k	thousand	°	degree symbol

Ma	million	%	percent
Ga	billion	Ba	Barium
ca	circa	PGE	Platinum Group Elements
et al.	and others	REE	Rare Earth Elements
C	Celsius	Pb	Lead
ha	hectare	Pd	Palladium
kg	kilogram	Au	Gold
km	kilometre	Ag	Silver
lbs	pounds	As	Arsenic
ft	foot	Cu	Copper
"	inch	Ni	Nickel
µm	micrometre	Zn	Zinc
m	metre	Fe	Iron
mm	millimetre	Mg	Magnesium
cm	centimetre	K	Potassium
ml	millilitre	Th	Thorium
/	per	Co	Cobalt
g	gram (0.03215 troy oz)	Pb	Lead
oz	troy ounce (31.04 g)	Bi	Bismuth
Oz/T to g/t	1 oz/T = 34.28 g/t	Ca	Calcium
st	short ton (2000 lb or 907.2 kg)	ppm	parts per million
ppb	parts per billion	t	tonne (1000 kg or 2204.6 lb)

3.0 RELIANCE ON OTHER EXPERTS

Mercator is relying upon information provided by MegumaGold and its subsidiary, 1156219 B.C. Limited concerning legal, political, environmental, or any royalty matters relating to the Meguma Gold Properties. Mercator has acquired information on the MegumaGold mineral claims and exploration licences from the Nova Scotia Registry of Mineral and Petroleum Titles (NovaROC) claims database and has been provided scans of any royalty and purchase agreements related to the properties, however Mercator has not independently verified the status of, nor legal titles relating to, the mineral claims and licences.

Mercator relied upon a local certified lichenologist, Mr. Tom Neily to conduct surveys around known and potential habitats of the endangered Boreal Felt Lichen. Mr. Neily is authorized to conduct these surveys under the Nova Scotia government Integrated Resource Management (IRM) biological screening process for intrusive work on Crown land. Integrated Resource Management is a planning and decision-making process that attempts to consider the many interests and issues within the forestry and minerals sectors that affect Crown lands in the province. Survey results were used to gain land access and to complete permitting requirements for cutting for drill hole skidder trails and drilling locations. This information was used in preparation of Section 9 – Exploration.

No warranty or guarantee, be it express or implied, is made by Mercator or the authors with respect to the completeness or accuracy of the legal aspects of the MegumaGold properties. Neither Mercator nor the authors accept any responsibility or liability in any way whatsoever to any person or entity in respect to these parts of this document, or any errors in or omissions from it, whether arising from negligence or any other basis in law whatsoever.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Property Location and Description

Through their company subsidiary 1156219 B.C. Ltd., MegumaGold has a 100% interest in, or holds under several option agreements, a total of 247 Mineral Exploration Licences comprised of 6,449 mineral claims (104,396 hectares) that are the subject of this technical report. The exploration licences that MegumaGold holds in Nova Scotia span a large area of the central and eastern parts of the mainland of the province, including Halifax, Guysborough, Hants and Colchester counties (Figure 4-1). These exploration licences combined are referred to as the “MegumaGold Properties” and are subdivided into eleven project areas, specifically:

- | | |
|---------------------------------|------------------------------|
| (1) Cochrane Hill – Forest Hill | (7) Killag |
| (2) Dufferin | (8) Mooseland |
| (3) Fifteen Mile Stream | (9) Wine Harbour |
| (4) Goldboro-Isaac’s Harbour | (10) Touquoy West |
| (5) Greater Beaver Dam | (11) Other Meguma Properties |
| (6) Greater Goldenville | |

The majority of the MegumaGold Properties are located east of the City of Halifax, southeast of Truro, and southwest of Guysborough (Figure 4-1) and are accessible via paved highways and secondary roads. Numerous properties are accessible via Highway No. 7 which runs along the coastline of the Atlantic Ocean (Eastern Shore). Several full-service communities are located along Highway No. 7 including the town of Sheet Harbour located 114 km east of Halifax and the village of Sherbrooke located 200 km east of Halifax. Several secondary highways run north from Highway No. 7 and connect the Eastern Shore to the northern part of Nova Scotia and Highway 104 (Trans-Canada Highway connecting Nova Scotia to New Brunswick). From these secondary highways, forestry access roads are normally used to access the project areas directly, either by truck, all-terrain vehicle or by foot, depending on the condition of the roads.

The Cochrane Hill – Forest Hill project areas and mineral claims (exploration licences) are located within NTS Maps 11E/1, 11E/2, 11E/3, 11E/8, 11F/4, 11F/5, and 11F/6 (Figures 4-1 to 4-2-3); the Dufferin project area is located within NTS Maps 11D/15, 11D/16, 11E/1, and 11F/4 (Figure 4-3); the Fifteen Mile Stream project area is located within NTS Maps 11E/1, 11E/2, and 11F/4 (Figure 4-4); the Goldboro-Isaac’s Harbour project area is located within NTS Map 11F/4 (Figure 4-5); the Greater Beaver Dam project area is located within NTS Maps 11E/1 and 11E/2 (Figure 4-6); the Greater Goldenville project area is located within NTS Maps 11E/1 and 11F/4 (Figure 4-7); the Killag project area is located within NTS Maps 11D/15 and 11E/2 (Figure 4-8); the Mooseland project area is located within NTS Maps 11D/15, 11D/16, 11E/1 (Figures 4-9); the Wine Harbour project area is located within NTS Map 11F/4 (Figure 4-10); and the Touquoy West project area is located within NTS Maps 11D/14, 11D/15, and 11E/2 (Figure 4-11). The remaining exploration licences are dominantly located in the central parts of the province within NTS Maps 11D/13, 11D/14, 11E/2, 11E/3, 11E/4, 21A/2, and 21A/7 (Figures 4-12-1 to 4-12-3).

A condensed tabulation of these exploration licences is provided in Table 4-1.

Table 4-1: Exploration Licences – MegumaGold Corp (through subsidiary 1156219 B.C. Limited)

Project Area	Exploration Licence	Registered Holder	No. of Claims	Issue Date	Anniversary Date	Area (Ha)
Cochrane Hill and Forest Hill NTS Map Areas: 11E/1, 11E/2, 11E/3, 11E/8, 11F/4, 11F/5, 11F/6	53313	1156219 B.C. Limited	36	2019-07-19	2021-07-19	582.8
	52624	1156219 B.C. Limited	10	2018-08-21	2019-09-13 Pending Renewal	161.9
	52614	1156219 B.C. Limited	38	2018-08-17	2019-09-20 Pending Renewal	615.1
	52502	1156219 B.C. Limited	17	2018-08-10	2019-09-20 Pending Renewal	275.2
	52499	1156219 B.C. Limited	23	2018-08-10	2019-09-13 Pending Renewal	372.3
	52498	1156219 B.C. Limited	38	2018-08-10	2019-09-13 Pending Renewal	615.1
	52497	1156219 B.C. Limited	26	2018-08-10	2019-09-13 Pending Renewal	420.9
	52496	1156219 B.C. Limited	24	2018-08-10	2019-09-13 Pending Renewal	388.5
	52495	1156219 B.C. Limited	17	2018-08-10	2019-09-13 Pending Renewal	275.2
	52433	1156219 B.C. Limited	77	2018-08-08	2019-09-13 Pending Renewal	1,246.5
	52403	1156219 B.C. Limited	6	2018-08-01	2019-09-13 Pending Renewal	97.1
	52402	1156219 B.C. Limited	55	2018-08-01	2019-09-13 Pending Renewal	890.3
	52389	1156219 B.C. Limited	53	2018-08-01	2019-09-13 Pending Renewal	858.0
	52388	1156219 B.C. Limited	15	2018-08-01	2019-09-13 Pending Renewal	242.8
	52384	1156219 B.C. Limited	68	2018-07-31	2019-09-13 Pending Renewal	1,100.8
	52383	1156219 B.C. Limited	26	2018-07-31	2019-09-13 Pending Renewal	420.9
	52382	1156219 B.C. Limited	66	2018-07-31	2019-09-13 Pending Renewal	1,068.4
	52381	1156219 B.C. Limited	80	2018-07-31	2019-09-13 Pending Renewal	1,295.0
	52380	1156219 B.C. Limited	26	2018-07-31	2019-09-13 Pending Renewal	420.9
	52379	1156219 B.C. Limited	38	2018-07-31	2019-09-13 Pending Renewal	615.1
	52378	1156219 B.C. Limited	80	2018-07-31	2019-09-13 Pending Renewal	1,295.0
	52363	1156219 B.C. Limited	5	2018-07-13	2021-07-13	80.9
	52358	1156219 B.C. Limited	24	2018-07-12	2021-07-12	388.5
	52058	1156219 B.C. Limited	45	2018-02-02	2021-02-02	728.5
	52057	1156219 B.C. Limited	30	2018-02-02	2021-02-02	485.6
	52056	1156219 B.C. Limited	30	2018-02-02	2021-02-02	485.6
51803	1156219 B.C. Limited	31	2017-08-22	2019-09-20 Pending Renewal	501.8	

51802	1156219 B.C. Limited	40	2017-08-22	2019-09-20 Pending Renewal	647.5
51801	1156219 B.C. Limited	52	2017-08-22	2019-09-20 Pending Renewal	841.8
51800	1156219 B.C. Limited	47	2017-08-22	2019-09-20 Pending Renewal	760.8
51798	1156219 B.C. Limited	43	2017-08-22	2019-09-20 Pending Renewal	696.1
51797	1156219 B.C. Limited	17	2017-08-22	2019-09-20 Pending Renewal	275.2
51796	1156219 B.C. Limited	15	2017-08-22	2019-09-20 Pending Renewal	242.8
51795	1156219 B.C. Limited	9	2017-08-22	2019-09-20 Pending Renewal	145.7
51794	1156219 B.C. Limited	34	2017-08-22	2019-09-20 Pending Renewal	550.4
51793	1156219 B.C. Limited	55	2017-08-22	2019-09-20 Pending Renewal	890.3
51792	1156219 B.C. Limited	10	2017-08-22	2019-09-20 Pending Renewal	161.9
51791	1156219 B.C. Limited	21	2017-08-22	2019-09-13 Pending Renewal	339.9
51762	1156219 B.C. Limited	12	2017-08-09	2019-09-20 Pending Renewal	194.3
51760	1156219 B.C. Limited	15	2017-08-09	2019-09-13 Pending Renewal	242.8
51753	1156219 B.C. Limited	13	2017-08-09	2021-08-09	210.4
51752	1156219 B.C. Limited	25	2017-08-09	2019-09-13 Pending Renewal	404.7
51740	1156219 B.C. Limited	16	2017-08-04	2019-09-13 Pending Renewal	259.0
51739	1156219 B.C. Limited	8	2017-08-04	2021-08-04	129.5
51730	1156219 B.C. Limited	10	2017-08-03	2019-09-13 Pending Renewal	161.9
51696	1156219 B.C. Limited	24	2017-07-18	2021-07-18	388.5
51695	1156219 B.C. Limited	10	2017-07-18	2021-07-18	161.9
51694	1156219 B.C. Limited	34	2017-07-18	2021-07-18	550.4
51693	1156219 B.C. Limited	3	2017-07-18	2021-07-18	48.6
51692	1156219 B.C. Limited	14	2017-07-18	2021-07-18	226.6
51691	1156219 B.C. Limited	34	2017-07-18	2021-07-18	550.4
51667	1156219 B.C. Limited	8	2017-06-29	2021-06-29	129.5
51666	1156219 B.C. Limited	35	2017-06-29	2021-06-29	566.6
51665	1156219 B.C. Limited	32	2017-06-29	2021-06-29	518.0
51664	1156219 B.C. Limited	32	2017-06-29	2021-06-29	518.0
51663	1156219 B.C. Limited	33	2017-06-29	2021-06-29	534.2
51662	1156219 B.C. Limited	21	2017-06-29	2021-06-29	339.9
51661	1156219 B.C. Limited	8	2017-06-29	2021-06-29	129.5
51655	1156219 B.C. Limited	18	2017-06-29	2021-06-29	291.4
51653	1156219 B.C. Limited	10	2017-06-29	2021-06-29	161.9
51652	1156219 B.C. Limited	4	2017-06-29	2021-06-29	64.8
51651	1156219 B.C. Limited	6	2017-06-29	2021-06-29	97.1

	51367	1156219 B.C. Limited	33	2017-01-06	2021-01-06	534.2
	51366	1156219 B.C. Limited	37	2017-01-06	2021-01-06	599.0
	51358	1156219 B.C. Limited	20	2017-01-06	2021-01-06	323.8
	51357	1156219 B.C. Limited	53	2017-01-06	2021-01-06	858.0
	51356	1156219 B.C. Limited	6	2017-01-06	2021-01-06	97.1
	51355	1156219 B.C. Limited	30	2017-01-06	2021-01-06	485.6
	51354	1156219 B.C. Limited	4	2017-01-06	2021-01-06	64.8
	51349	1156219 B.C. Limited	20	2017-01-06	2021-01-06	323.8
	51348	1156219 B.C. Limited	16	2017-01-06	2021-01-06	259.0
	51334	1156219 B.C. Limited	4	2017-01-04	2021-01-04	64.8
Dufferin NTS Map Areas: 11D/15, 11D/16, 11E/1, 11F/4	53285	1156219 B.C. Limited	11	2019-06-27	2021-06-27	178.1
	52794	1156219 B.C. Limited	36	2018-10-19	2019-10-19 Pending Renewal	582.8
	52514	1156219 B.C. Limited	18	2018-08-10	2021-08-10	291.4
	52429	1156219 B.C. Limited	13	2018-08-08	2019-09-13 Pending Renewal	210.4
	52428	1156219 B.C. Limited	36	2018-08-08	2019-09-20 Pending Renewal	582.8
	52427	1156219 B.C. Limited	80	2018-08-08	2019-09-20 Pending Renewal	1,295.0
	52426	1156219 B.C. Limited	68	2018-08-08	2019-09-20 Pending Renewal	1,100.8
	52418	1156219 B.C. Limited	13	2018-08-02	2019-09-13 Pending Renewal	210.4
	52417	1156219 B.C. Limited	15	2018-08-02	2019-09-13 Pending Renewal	242.8
	52409	1156219 B.C. Limited	34	2018-08-01	2019-09-13 Pending Renewal	550.4
	52407	1156219 B.C. Limited	57	2018-08-01	2019-09-13 Pending Renewal	922.7
	52406	1156219 B.C. Limited	80	2018-08-01	2019-09-13 Pending Renewal	1,295.0
	51978	1156219 B.C. Limited	22	2017-11-27	2021-11-27	356.1
	51977	1156219 B.C. Limited	53	2017-11-27	2021-11-27	858.0
	51976	1156219 B.C. Limited	5	2017-11-27	2021-11-27	80.9
	51975	1156219 B.C. Limited	10	2017-11-27	2021-11-27	161.9
	51818	1156219 B.C. Limited	17	2017-08-24	2021-08-24	275.2
	51733	1156219 B.C. Limited	49	2017-08-03	2019-09-13 Pending Renewal	793.2
	51732	1156219 B.C. Limited	36	2017-08-03	2019-09-13 Pending Renewal	582.8
	51364	1156219 B.C. Limited	16	2017-01-06	2021-01-06	259.0
	51363	1156219 B.C. Limited	41	2017-01-06	2021-01-06	663.7
	51293	1156219 B.C. Limited	4	2016-12-20	2020-12-20	64.8
	51291	1156219 B.C. Limited	27	2016-12-20	2020-12-20	437.1
51290	1156219 B.C. Limited	9	2016-12-20	2020-12-20	145.7	
Fifteen Mile Stream	52515	1156219 B.C. Limited	20	2018-08-10	2019-09-20 Pending Renewal	323.8

NTS Map Areas: 11E/1, 11E/2, 11F/4	52500	1156219 B.C. Limited	49	2018-08-10	2021-08-10	793.2
	52400	1156219 B.C. Limited	33	2018-08-01	2021-08-01	534.2
	52391	1156219 B.C. Limited	8	2018-08-01	2019-09-13 Pending Renewal	129.5
	52385	1156219 B.C. Limited	64	2018-07-31	2019-09-13 Pending Renewal	1,036.0
	52377	1156219 B.C. Limited	14	2018-07-31	2019-09-13 Pending Renewal	226.6
	52369	1156219 B.C. Limited	1	2018-07-25	2021-07-25	16.2
	52368	1156219 B.C. Limited	3	2018-07-25	2021-07-25	48.6
	52367	1156219 B.C. Limited	2	2018-07-25	2021-07-25	32.4
	52366	1156219 B.C. Limited	31	2018-07-25	2021-07-25	501.8
	52365	1156219 B.C. Limited	12	2018-07-25	2021-07-25	194.3
	52364	1156219 B.C. Limited	25	2018-07-25	2021-07-25	404.7
	51772	1156219 B.C. Limited	28	2017-08-10	2021-08-10	453.3
	51771	1156219 B.C. Limited	8	2017-08-10	2021-08-10	129.5
	51770	1156219 B.C. Limited	14	2017-08-10	2021-08-10	226.6
	51769	1156219 B.C. Limited	50	2017-08-10	2019-09-13 Pending Renewal	809.4
	51768	1156219 B.C. Limited	50	2017-08-10	2019-09-13 Pending Renewal	809.4
	51766	1156219 B.C. Limited	32	2017-08-10	2021-08-10	518.0
	51671	1156219 B.C. Limited	35	2017-06-29	2021-06-29	566.6
	51670	1156219 B.C. Limited	8	2017-06-29	2021-06-29	129.5
	51669	1156219 B.C. Limited	12	2017-06-29	2021-06-29	194.3
	51668	1156219 B.C. Limited	8	2017-06-29	2021-06-29	129.5
	51660	1156219 B.C. Limited	2	2017-06-29	2021-06-29	32.4
	51656	1156219 B.C. Limited	22	2017-06-29	2021-06-29	356.1
	51644	1156219 B.C. Limited	65	2017-06-28	2021-06-28	1,052.2
	51643	1156219 B.C. Limited	70	2017-06-28	2021-06-28	1,133.2
	50714	Rick Horne (option agreement)	4	2015-08-24	2021-08-24	64.8
Goldboro-Issac's Harbour NTS Map Area: 11F/4	52615	1156219 B.C. Limited	79	2018-08-17	2021-08-17	1,278.9
	52333	1156219 B.C. Limited	10	2018-06-25	2021-06-25	161.9
	52332	1156219 B.C. Limited	12	2018-06-25	2021-06-25	194.3
	52331	1156219 B.C. Limited	60	2018-06-25	2021-06-25	971.3
	51763	1156219 B.C. Limited	22	2017-08-09	2019-09-20 Pending Renewal	356.1
	51761	1156219 B.C. Limited	75	2017-08-09	2021-08-09	1,214.1
	51726	1156219 B.C. Limited	17	2017-08-03	2019-09-13 Pending Renewal	275.2
	51359	1156219 B.C. Limited	17	2017-01-06	2021-01-06	275.2
	51288	1156219 B.C. Limited	15	2016-12-21	2020-12-21	242.8
	51287	1156219 B.C. Limited	28	2016-12-21	2020-12-21	453.3

Greater Beaver Dam NTS Map Areas: 11E/1, 11E/2	52761	1156219 B.C. Limited	34	2018-10-10	2021-10-10	550.4
	52507	1156219 B.C. Limited	19	2018-08-10	2019-09-20 Pending Renewal	307.6
	52359	1156219 B.C. Limited	2	2018-07-12	2021-07-12	32.4
	52054	1156219 B.C. Limited	20	2018-02-02	2021-02-02	323.8
	51767	1156219 B.C. Limited	25	2017-08-10	2019-09-20 Pending Renewal	404.7
	51764	1156219 B.C. Limited	20	2017-08-09	2019-09-20 Pending Renewal	323.8
	51731	1156219 B.C. Limited	24	2017-08-03	2019-09-13 Pending Renewal	388.5
	51699	1156219 B.C. Limited	6	2017-07-18	2021-07-18	97.1
	51698	1156219 B.C. Limited	21	2017-07-18	2021-07-18	339.9
	51697	1156219 B.C. Limited	28	2017-07-18	2021-07-18	453.3
	51659	1156219 B.C. Limited	10	2017-06-29	2021-06-29	161.9
	51645	1156219 B.C. Limited	11	2017-06-28	2021-06-28	178.1
	51642	1156219 B.C. Limited	71	2017-06-28	2021-06-28	1,149.3
	51343	1156219 B.C. Limited	24	2017-01-05	2021-01-05	388.5
	51342	1156219 B.C. Limited	3	2017-01-05	2021-01-05	48.6
	51341	1156219 B.C. Limited	23	2017-01-05	2021-01-05	372.3
	51340	1156219 B.C. Limited	8	2017-01-05	2021-01-05	129.5
	51336	1156219 B.C. Limited	8	2017-01-04	2021-01-04	129.5
51332	1156219 B.C. Limited	6	2017-01-04	2021-01-04	97.1	
Greater Goldenville NTS Map Areas: 11E/1, 11F/4	52511	1156219 B.C. Limited	10	2018-08-10	2019-09-13 Pending Renewal	161.9
	52416	1156219 B.C. Limited	52	2018-08-02	2019-09-13 Pending Renewal	841.8
	52412	1156219 B.C. Limited	7	2018-08-02	2019-09-13 Pending Renewal	113.3
	52410	1156219 B.C. Limited	9	2018-08-01	2019-09-13 Pending Renewal	145.7
	52390	1156219 B.C. Limited	10	2018-08-01	2019-09-13 Pending Renewal	161.9
	52386	1156219 B.C. Limited	19	2018-07-31	2019-09-13 Pending Renewal	307.6
	52334	1156219 B.C. Limited	7	2018-06-25	2021-06-25	113.3
	51816	1156219 B.C. Limited	45	2017-08-24	2021-08-24	728.5
	51815	1156219 B.C. Limited	13	2017-08-24	2021-08-24	210.4
	51765	1156219 B.C. Limited	42	2017-08-09	2019-09-13 Pending Renewal	679.9
	51658	1156219 B.C. Limited	6	2017-06-29	2021-06-29	97.1
	51657	1156219 B.C. Limited	5	2017-06-29	2021-06-29	80.9
	51650	1156219 B.C. Limited	27	2017-06-29	2021-06-29	437.1
	51649	1156219 B.C. Limited	29	2017-06-29	2021-06-29	469.5
	51648	1156219 B.C. Limited	76	2017-06-29	2021-06-29	1,230.3
	51647	1156219 B.C. Limited	57	2017-06-28	2021-06-28	922.7

	51646	1156219 B.C. Limited	15	2017-06-28	2021-06-28	242.8
Killag NTS Map Areas: 11D/15, 11E/2	53249	1156219 B.C. Limited	24	2019-06-05	2021-06-05	388.5
	53248	1156219 B.C. Limited	23	2019-06-05	2021-06-05	372.3
	53128	1156219 B.C. Limited	4	2019-04-09	2021-04-09	64.8
	52635	1156219 B.C. Limited	56	2018-08-28	2019-09-20 Pending Renewal	906.5
	52415	1156219 B.C. Limited	50	2018-08-02	2019-09-13 Pending Renewal	809.4
	52414	1156219 B.C. Limited	18	2018-08-02	2019-09-13 Pending Renewal	291.4
	52413	1156219 B.C. Limited	37	2018-08-02	2019-09-13 Pending Renewal	599.0
	52049	Carol Smith (option agreement)	9	2018-01-30	2021-01-30	145.7
	51823	1156219 B.C. Limited	41	2017-08-24	2019-09-20 Pending Renewal	663.7
	51346	1156219 B.C. Limited	9	2017-01-06	2021-01-06	145.7
	51345	1156219 B.C. Limited	19	2017-01-05	2021-01-05	307.6
	51319	1156219 B.C. Limited	5	2017-01-04	2021-01-04	80.9
	51121	Carol Smith (option agreement)	8	2016-08-16	2021-08-16	129.5
	50692	Carol Smith (option agreement)	6	2015-07-24	2021-07-24	97.1
Mooseland and Wine Harbour NTS Map Areas: 11D/15, 11D/16, 11E/1, 11F/4	52630	1156219 B.C. Limited	24	2018-08-28	2019-09-20 Pending Renewal	388.5
	52622	1156219 B.C. Limited	7	2018-08-21	2019-09-20 Pending Renewal	113.3
	52436	1156219 B.C. Limited	34	2018-08-08	2019-09-13 Pending Renewal	550.4
	52435	1156219 B.C. Limited	37	2018-08-08	2019-09-13 Pending Renewal	599.0
	52434	1156219 B.C. Limited	28	2018-08-08	2019-09-13 Pending Renewal	453.3
	52419	1156219 B.C. Limited	15	2018-08-02	2019-09-13 Pending Renewal	242.8
	52411	1156219 B.C. Limited	32	2018-08-01	2019-09-13 Pending Renewal	518.0
	51825	1156219 B.C. Limited	25	2017-08-24	2019-09-20 Pending Renewal	404.7
	51824	1156219 B.C. Limited	44	2017-08-24	2019-09-20 Pending Renewal	712.3
	51822	1156219 B.C. Limited	27	2017-08-24	2019-09-20 Pending Renewal	437.1
	51821	1156219 B.C. Limited	32	2017-08-24	2019-09-20 Pending Renewal	518.0
	51820	1156219 B.C. Limited	44	2017-08-24	2019-09-20 Pending Renewal	712.3
	51819	1156219 B.C. Limited	36	2017-08-24	2019-09-20 Pending Renewal	582.8
	51735	1156219 B.C. Limited	20	2017-08-03	2019-09-13 Pending Renewal	323.8
	51344	1156219 B.C. Limited	23	2017-01-05	2021-01-05	372.3

	51289	1156219 B.C. Limited	35	2016-12-21	2020-12-21	566.6
	51286	1156219 B.C. Limited	6	2016-12-21	2020-12-21	97.1
	51285	1156219 B.C. Limited	6	2016-12-21	2020-12-21	97.1
Touquoy West NTS Map Areas: 11D/14, 11D/15, 11E/2	53547	1156219 B.C. Limited	80	2019-12-10	2021-12-10	1,295.0
	53480	1156219 B.C. Limited	1	2019-11-14	2021-11-14	16.2
	53479	1156219 B.C. Limited	46	2019-11-14	2021-11-14	744.6
	53383	1156219 B.C. Limited	2	2019-09-11	2021-09-11	32.4
	53382	1156219 B.C. Limited	6	2019-09-11	2021-09-11	97.1
	53381	1156219 B.C. Limited	8	2019-09-11	2021-09-11	129.5
	53380	1156219 B.C. Limited	11	2019-09-11	2021-09-11	178.1
	53379	1156219 B.C. Limited	33	2019-09-11	2021-09-11	534.2
	53378	1156219 B.C. Limited	3	2019-09-11	2021-09-11	48.6
	53105	1156219 B.C. Limited	13	2019-03-28	2021-03-28	210.4
	52623	1156219 B.C. Limited	6	2018-08-21	2019-09-20 Pending Renewal	97.1
	52387	1156219 B.C. Limited	78	2018-08-01	2019-09-13 Pending Renewal	1,262.7
	52055	1156219 B.C. Limited	15	2018-02-02	2021-02-02	242.8
	52053	1156219 B.C. Limited	75	2018-02-02	2021-02-02	1,214.1
	51817	1156219 B.C. Limited	6	2017-08-24	2019-09-20 Pending Renewal	97.1
	51804	1156219 B.C. Limited	12	2017-08-22	2019-09-20 Pending Renewal	194.3
	51780	Genius Metals Inc. (option agreement)	1	2017-08-10	2021-08-10	16.2
	51779	Genius Metals Inc. (option agreement)	4	2017-08-10	2021-08-10	64.8
	51778	Genius Metals Inc. (option agreement)	10	2017-08-10	2021-08-10	161.9
	51777	Genius Metals Inc. (option agreement)	46	2017-08-10	2021-08-10	744.6
	51776	Genius Metals Inc. (option agreement)	1	2017-08-10	2021-08-10	16.2
	51775	Genius Metals Inc. (option agreement)	38	2017-08-10	2021-08-10	615.1
51350	1156219 B.C. Limited	27	2017-01-06	2021-01-06	437.1	
51337	1156219 B.C. Limited	8	2017-01-05	2021-01-05	129.5	
Other Meguma Claims NTS Map Areas: 11D/13, 11D/14, 11E/2, 11E/3, 11E/4, 21A/2, 21A/7	52505	1156219 B.C. Limited	24	2018-08-10	2019-09-20 Pending Renewal	388.5
	51799	1156219 B.C. Limited	19	2017-08-22	2021-08-22	307.6
	51757	1156219 B.C. Limited	23	2017-08-09	2021-08-09	372.3
	51756	1156219 B.C. Limited	52	2017-08-09	2021-08-09	841.8
	51754	1156219 B.C. Limited	77	2017-08-09	2021-08-09	1,246.5
	51751	1156219 B.C. Limited	32	2017-08-09	2019-09-20 Pending Renewal	518.0
	51750	1156219 B.C. Limited	35	2017-08-09	2019-09-20 Pending Renewal	566.6

	51749	1156219 B.C. Limited	58	2017-08-09	2019-09-20 Pending Renewal	938.9
	51748	1156219 B.C. Limited	12	2017-08-09	2019-09-20 Pending Renewal	194.3
	51747	1156219 B.C. Limited	20	2017-08-09	2019-09-20 Pending Renewal	323.8
	51746	1156219 B.C. Limited	17	2017-08-09	2019-09-20 Pending Renewal	275.2
	51745	1156219 B.C. Limited	21	2017-08-09	2019-09-20 Pending Renewal	339.9
	51744	1156219 B.C. Limited	43	2017-08-08	2021-08-08	696.1
	51743	1156219 B.C. Limited	33	2017-08-08	2019-09-20 Pending Renewal	534.2
	51742	1156219 B.C. Limited	34	2017-08-08	2019-09-20 Pending Renewal	550.4
	51729	1156219 B.C. Limited	29	2017-08-03	2019-09-13 Pending Renewal	469.5
	51728	1156219 B.C. Limited	20	2017-08-03	2019-09-13 Pending Renewal	323.8
	51654	1156219 B.C. Limited	6	2017-06-29	2021-06-29	97.1
	51351	1156219 B.C. Limited	9	2017-01-06	2021-01-06	145.7
	51317	1156219 B.C. Limited	14	2017-01-04	2021-01-04	226.6
	51316	1156219 B.C. Limited	25	2017-01-04	2021-01-04	404.7
	51315	1156219 B.C. Limited	10	2017-01-04	2021-01-04	161.9
Totals	247		6,449			104,396

The Mineral Rights Online Registry System for the Registrar of Mineral and Petroleum Titles also known as NovaROC (<https://novaroc.novascotia.ca/novaroc/page/home.jsf>) confirms that all mineral claims comprising the Meguma Gold Properties as described above in Table 4.1 were either in good standing or pending renewal after approval of submitted assessment reports as of the effective date of this report, and that no legal encumbrances were registered with Nova Scotia Department of Lands and Forestry against these exploration licences. Mercator has confirmed that payment of exploration licence renewal fees associated with the pending renewals identified in Table 4.1 has been documented in NovaROC. Mercator makes no further assertion concerning the legal status of the properties. None of the properties have been legally surveyed to date and there is no requirement to do so at this time.

4.2 Option Agreements and Royalties

A total of 237 exploration licences comprised of 6,819 claims (102,340 Ha) listed above under “1156219 B.C. Limited” were acquired through several asset purchase and sale agreements between MegumaGold and Kalt Industries Ltd. and/or Ryan Kalt (combined the “Vendors”) in 2018 and 2019. MegumaGold has 100% right, title and interest in these mineral claims, subject to a 2% gross royalty granted to the Vendors.

One exploration licence comprised of 4 claims (65 Ha) listed above under “Rick Horne” was acquired through an option agreement dated March 19, 2019 between MegumaGold and Rick Horne (the “Optionor”). MegumaGold has the right to earn a 100% interest in this mineral claim after making various

cash payments to the Optionor over 24 months. The Optionor retains a 2% net smelter royalty (NSR) on this claim and MegumaGold has the option to acquire 50% of the total NSR for \$1 million leaving the Optionor with a 1% NSR.

A total of 3 exploration licences comprised of 23 claims (372 Ha) listed above under “Carol Smith” were acquired through an option agreement dated August 10, 2018 between MegumaGold and Carol Smith (the “Optionor”). MegumaGold has the right to earn a 100% interest in these mineral claims after making various cash payments to the Optionor over 24 months. The Optionor retains a 2% net smelter royalty (NSR) on these claims and MegumaGold has the option to acquire 50% of the total NSR for \$1 million leaving the Optionor with a 1% NSR.

A total of 6 exploration licences comprised of 100 claims (1,619 Ha) listed above under “Genius Metals Inc.” were acquired through an option agreement dated December 4, 2019 between MegumaGold and Genius Metals Inc. (the “Optionor”). MegumaGold has the right to earn up to a 70% interest in these mineral claims, subject to completion of a Phase I (49.9% initial earn-in) exploration program within 18 months and completion of a Phase II (20.1% additional earn-in) drilling program within 12 months of completion of the Phase 1 program. Upon MegumaGold earning a 70% interest in the claims, the Optionor has the option to convert its remaining 30% interest in the claims into a 2% NSR, whereby MegumaGold will have an option to acquire 50% of the 2% NSR for \$1.0 million, leaving the Optionor with a 1.0% NSR.

Mercator is not aware of any other back-in rights, payments, or other agreements and encumbrances to which the MegumaGold Properties are subject.

4.3 Surface Rights and Permitting

In the Province of Nova Scotia, a mineral exploration licence is issued for a term of 2 years under the Mineral Resources Act, 2016, c. 3, s. 1. However, a mineral exploration licence may be held in good standing provided the required assessment work is completed for each term and reported upon to the satisfaction of the Registrar of Mineral and Petroleum Titles.

Topographic maps are the basis for determining boundaries of licences and leases in Nova Scotia (No ground staking is necessary). Topographic maps at a 1:50,000 scale are divided into quarter sheets of 1:31680 scale. The quarter sheets are then divided into 108 mineral tracts with each tract containing 16 forty-acre mineral claims. Up to 80 connected claims may be a part of one mineral exploration licence (Kaiser, et al., 1987). In addition, the following requirements must be met (NSDNR, 2008, 2018):

1. Before a licence is issued:
 - a. The applicant is required to submit Licencee Information (Form #7).
 - b. Proprietorship / Partnership / Syndicated Corporate applicants must be registered with the Registry of Joint Stock Companies in Nova Scotia.
2. Before assessment work can begin:
 - a. The applicant requires the permission of the landowner (i.e., permission for surface access) before entering on any lands for purposes of mineral exploration.

- b. In the case of Crown lands: The applicant needs permission of the Lands and Forestry Department of the Nova Scotia Government.
- c. For any intrusive work that requires removal of vegetation (i.e, such as grid line cutting, trenching , road building or drilling work), an executed land access agreement is required and (as well as a completed notification form for drilling) must be submitted to the Registry of Mineral and Petroleum Titles.
- d. All work conducted pursuant to this Registration must be done in compliance with the Occupational Health and Safety Act, the Environment Act, and all other pertinent legislation.

Claim renewal fees and requirements are summarized in Table 4-2.

Table 4-2: Amount of Assessment Work Required Per Licence Term (NSDNR, 2018)

*Number of Terms for Which Licence Issued/Renewed (age of licence at the end of the current licence period)	Dollars per *Term per Claim
1 to 2 (licence age 0-4 years)	\$400
3 to 5 (licence age 5-10 years)	\$600
6 to 8 (licence age 11-16 years)	\$800
9 and any subsequent renewal term (licence age 17 years and older)	\$1600

**A term is 2 years in duration*

Land access permission is required from surface rights holders in Nova Scotia before mineral exploration activities can be undertaken. Surface titles to lands covered by the MegumaGold Properties are held by various private landowners or the Province of Nova Scotia (the “Crown”). For both Crown land and private land, mineral exploration licence holders must come to an agreement with the landholder in order to gain the right to access and be able to conduct assessment work on the land.

There are several formal agreements currently established with both corporate and individual surface rights holders which are detailed below and from these agreements MegumaGold has established surface rights access and good relationships with the local communities; however, Mercator makes no comment on what relationships may exist in the future.

A surface land access agreement was established with Northern Timber Nova Scotia Corporation (NTNS) for the purposes of preparing skidder trail and drilling locations on their land in the Killag property area. Other areas were authorized but have not been drilled. A separate agreement with this firm covers exploration carried out on the Touquoy West exploration property.

A surface land access agreement was established with Musquodoboit Lumber Ltd. securing access and stumpage payment agreements for any line cutting on the Touquoy West properties and will need to be amended to complete any drilling on their lands. A similar land access agreement was established with S. Prest Land Holdings Ltd. securing access and stumpage payment agreements for any line cutting at Touquoy West.

A surface land access agreement was established with Atlantic Star Forestry Ltd. for the purposes of conducting drilling on their land in the Mooseland property area (i.e., Muskrat Lake), but these locations were never drilled.

A surface land access agreement was established with Elmsdale Lumber Company Limited for the purposes of conducting drilling on their land in the Renfrew property area, but these locations were never drilled.

A summary table of the private ownership land access agreements is found in Table 4.3.

Much of MegumaGold’s exploration activity has been carried out on provincial Crown land and access agreements (permits) have been established for individual exploration areas. Examples include the Touquoy West project area, where a Permit for Mineral Exploration on Crown Land was approved by the Province of Nova Scotia on November 6, 2019. This permit is valid for one year and applied to any line cutting activities related to the IP survey at Touquoy West. A new permit will be required for any diamond drilling activities on Crown lands in Killag and Touquoy West.

Table 4-3: Summary of Surface Access Agreements with Private Landowners

Company	Dates of Agreement	Agreement Terms	Expiry Dates
Northern Timber Nova Scotia Corp.	October 23, 2019 (Amendment to Original Agreement signed in 2018)	Compensation for land access, line cutting, and fees paid for drill holes completed	March 30, 2020 (renewable)
Atlantic Star Forestry Ltd.	November 6, 2018	Compensation for land access and fees paid for drill holes completed	November 6, 2019 (renewable)
Elmsdale Lumber Ltd.	November 6, 2018	Compensation for land access and fees paid for drill holes completed	November 6, 2019 (renewable)
Musquodoboit Lumber Ltd.	October 9, 2019	Compensation for land access and line cutting for IP program	October 9, 2020 (renewable)
S. Prest Land Holdings Ltd.	December 19, 2019	Compensation for land access and line cutting for IP program	December 19, 2020 (renewable)

4.4 Other Liability and Risk Factors

Some of the Meguma Gold Properties contain old tailings areas, mine dumps, and underground workings due to historical small-scale gold operations in the region. The accepted practice of the era was to dispose of tailings and waste into adjacent lowlands; however, safety aspects of such sites is the responsibility of associated surface title holders. Unless exploration activities disturb such sites, it is the authors’ opinion that they constitute little risk for mineral exploration licence holders, particularly during early stages of exploration. However, disturbance of such areas during exploration activities should be avoided. The Province of Nova Scotia is currently carrying out assessment and remediation planning with respect to significant environmental liabilities identified at the Goldenville and Montague gold mine sites that have significant production histories (<http://www.nslands.ca/projects/>).

Open or collapsed shafts are present on some of the MegumaGold properties, most prominently at Killag, and several areas of subsidence possibly related to stope collapse are locally evident. A few of these features are fenced off at present, but most are not marked and therefore present surface hazards. There are currently no other known environmental liabilities on the properties.

Figure 4-1: Location Map –Meguma Gold Properties

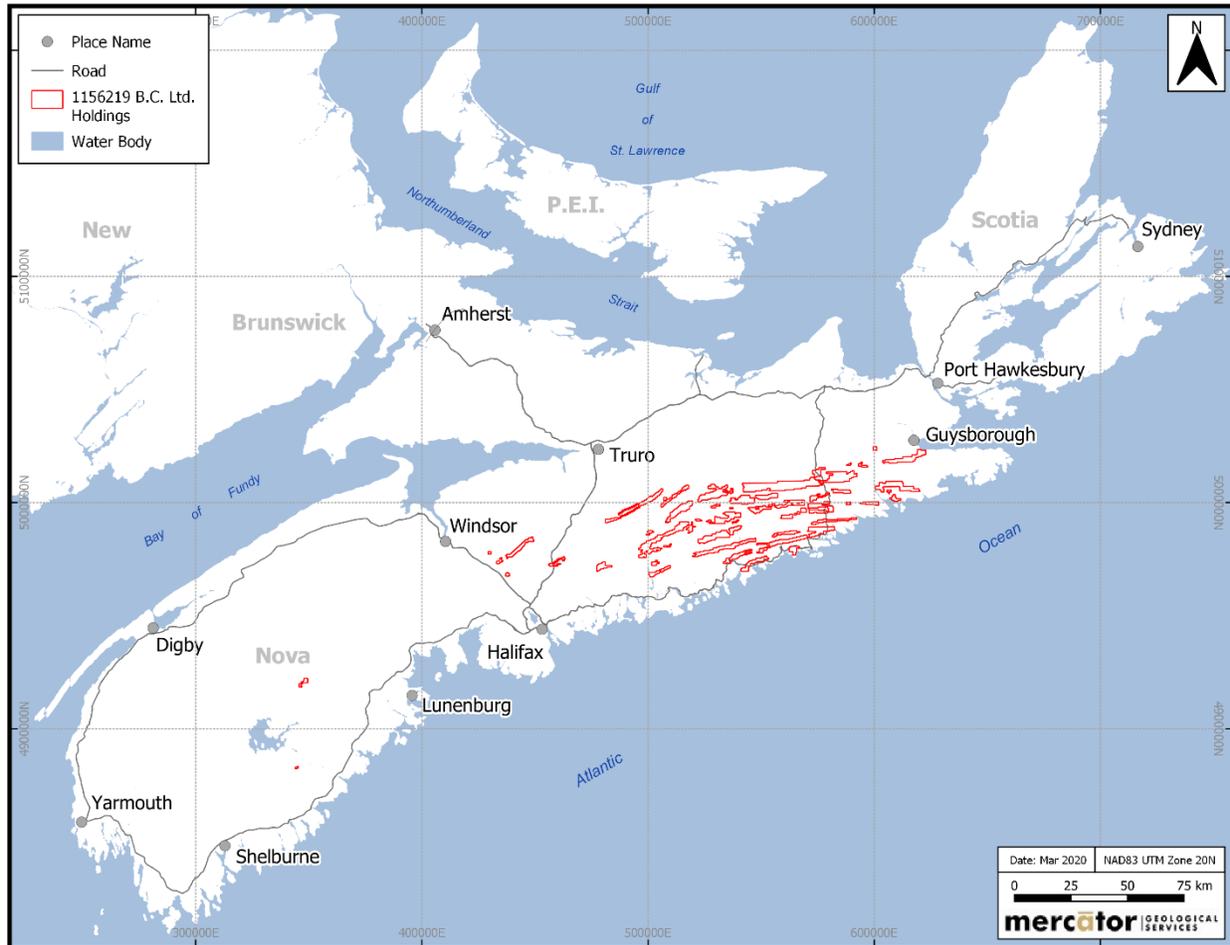


Figure 4-2-1: Exploration Licence Map – Cochrane Hill West Project Area

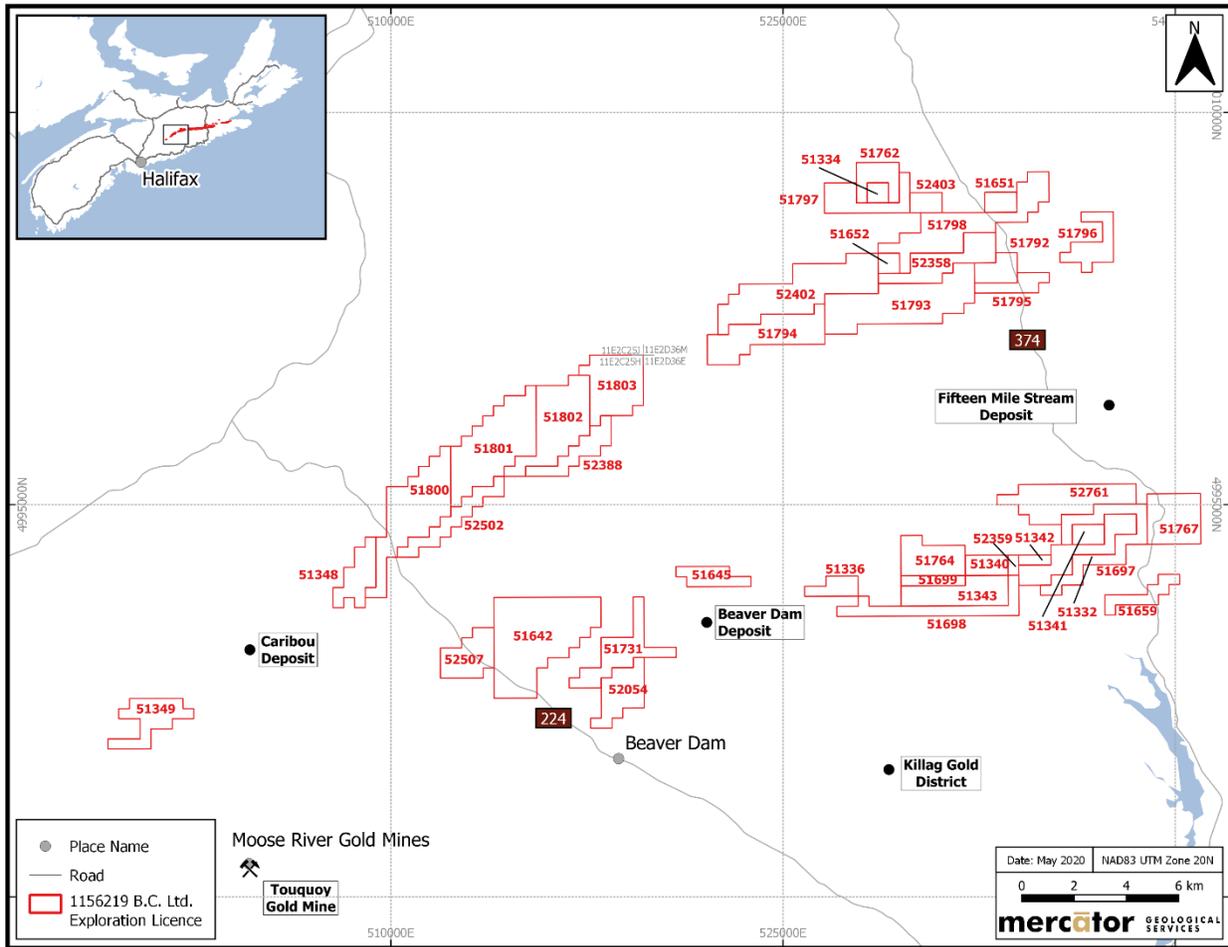


Figure 4-2-2: Exploration Licence Map – Cochrane Hill East and Forest Hill

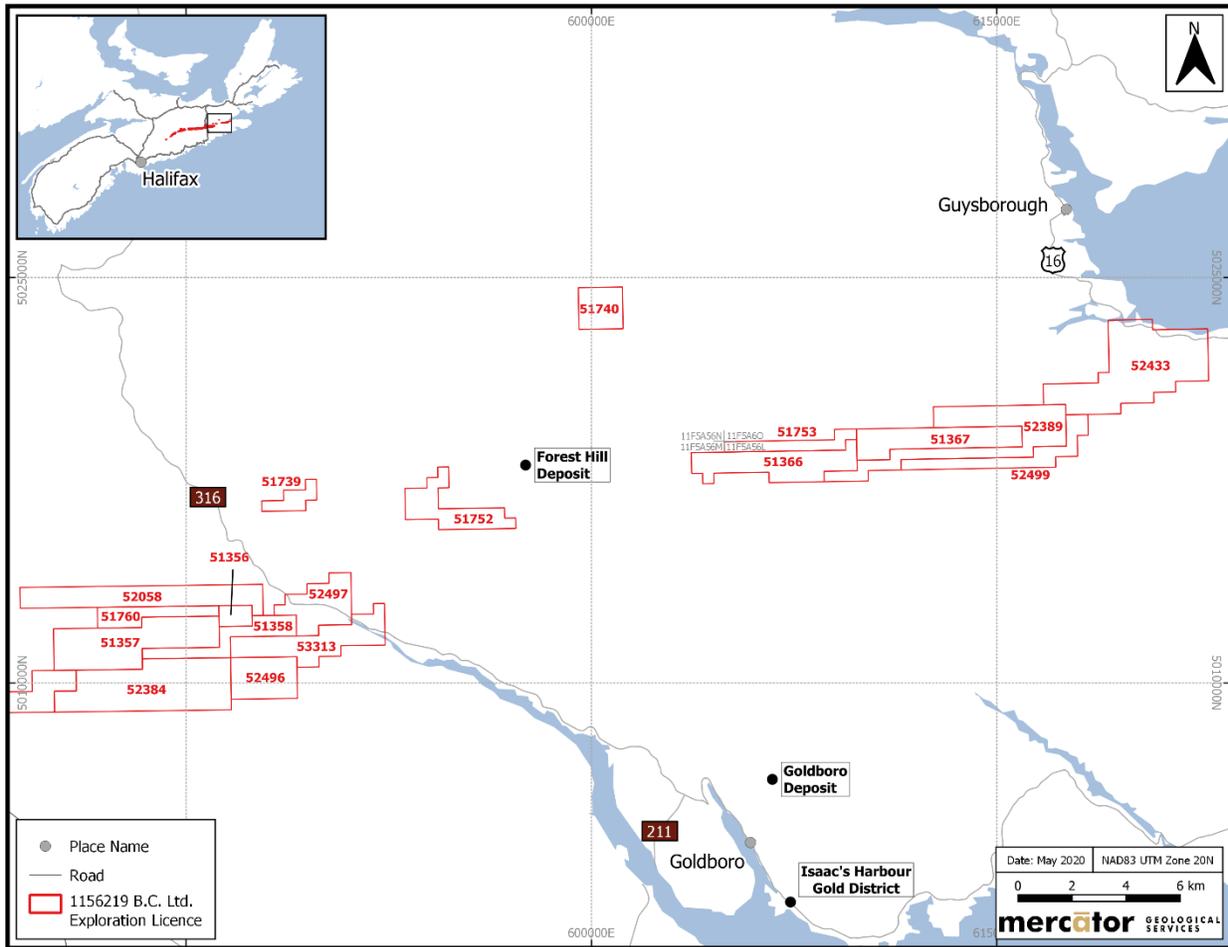


Figure 4-2-3: Exploration Licence Map – Cochrane Hill Central Project Area

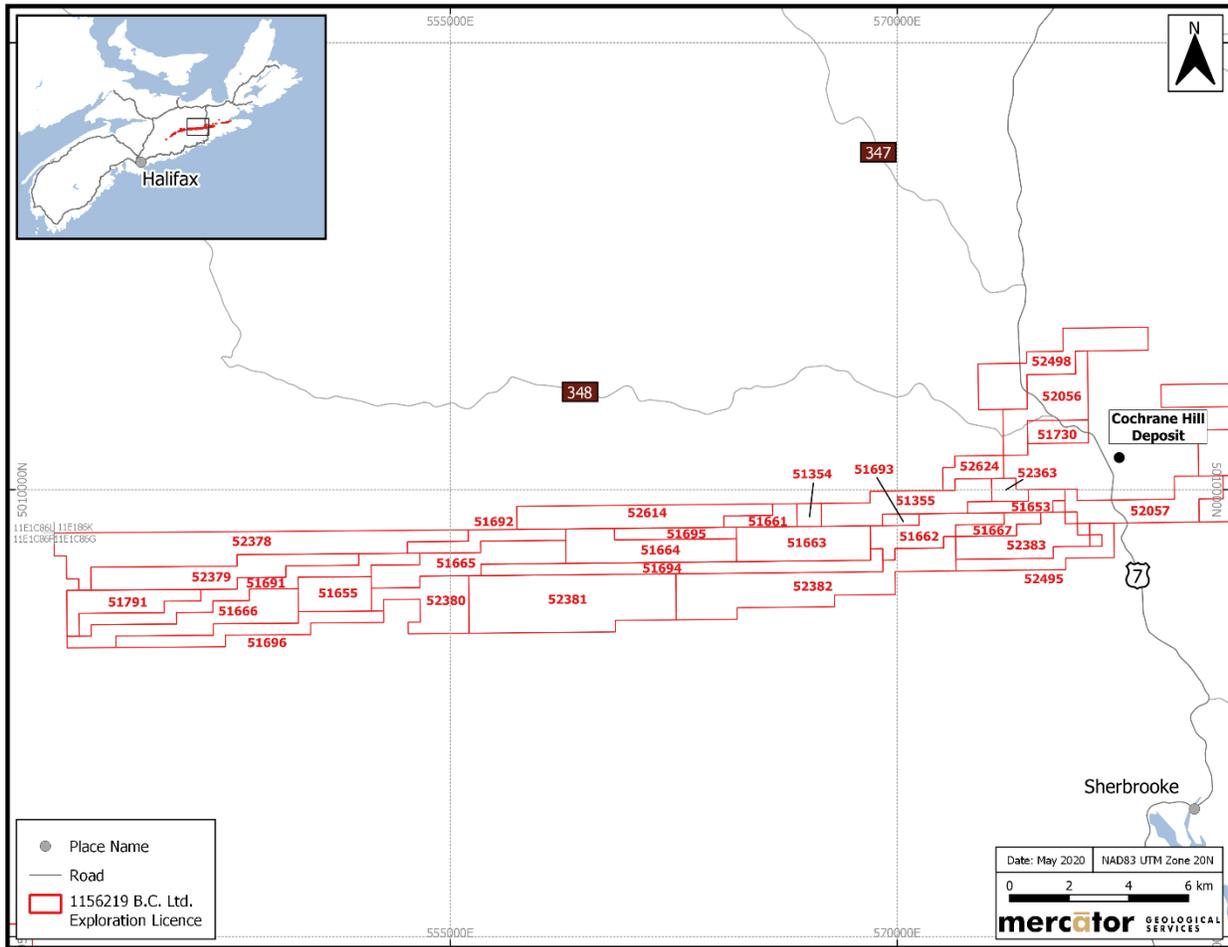


Figure 4-3: Exploration Licence Map – Dufferin Project Area

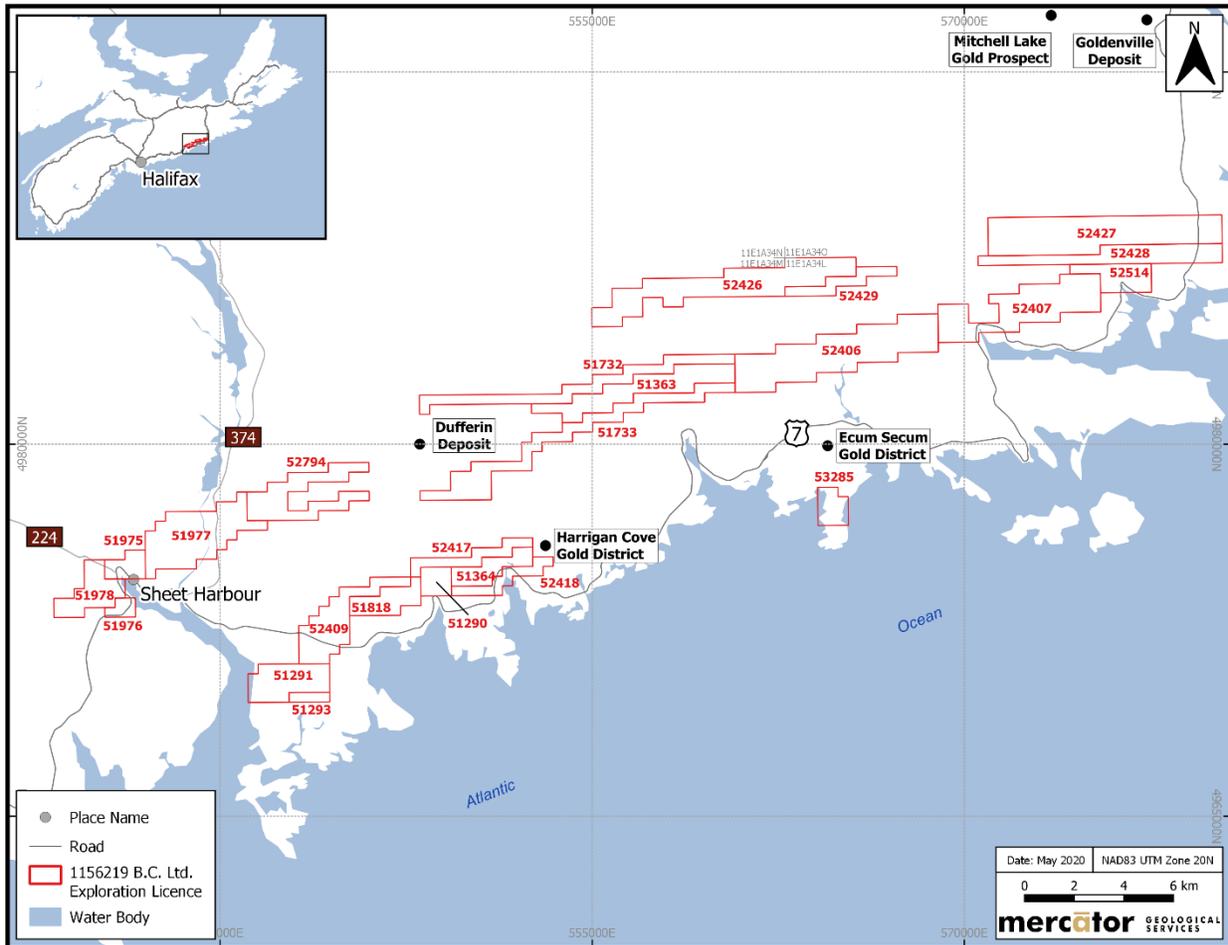


Figure 4-4: Exploration Licence Map – Fifteen Mile Stream Project Area

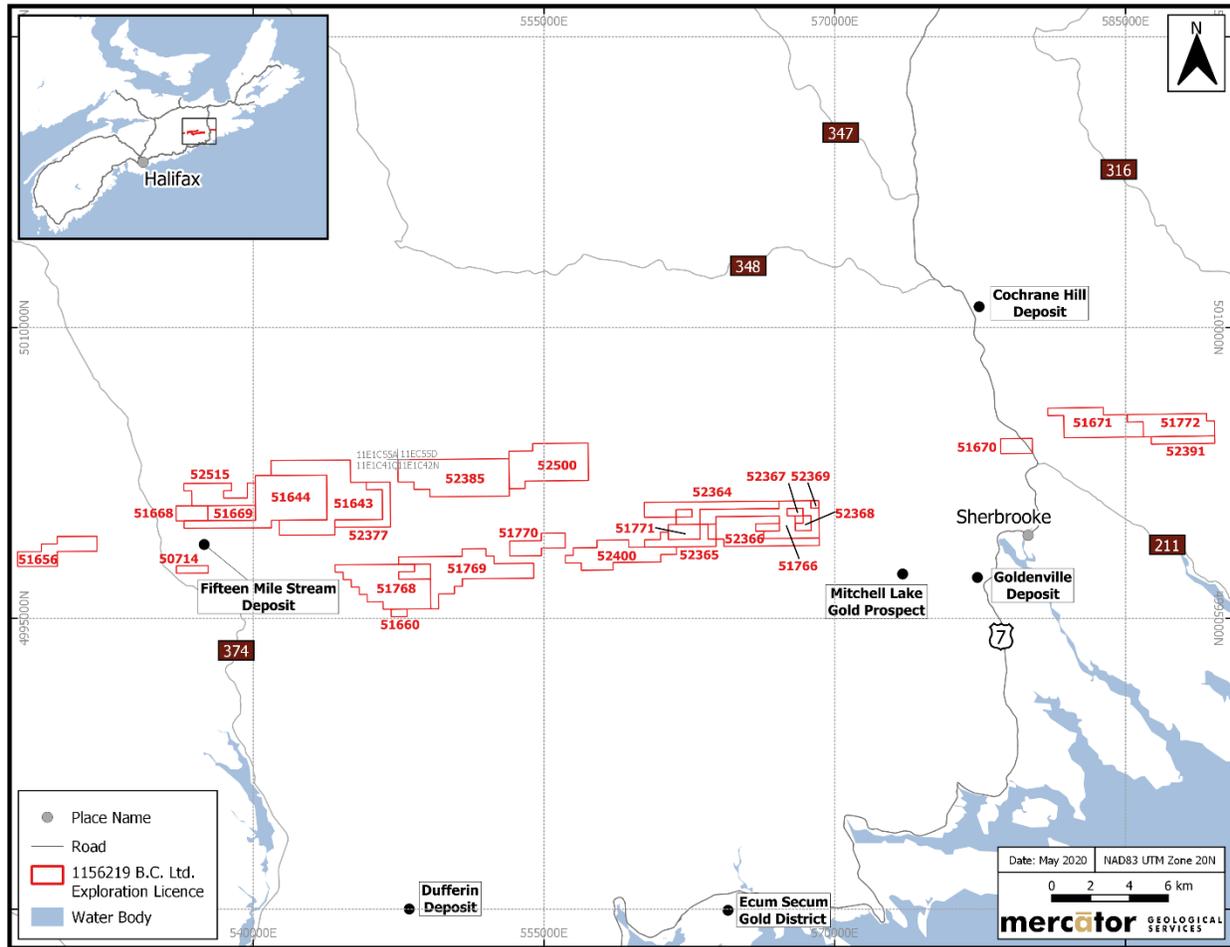


Figure 4-5: Exploration Licence Map – Goldboro-Isaac’s Harbour Project Area

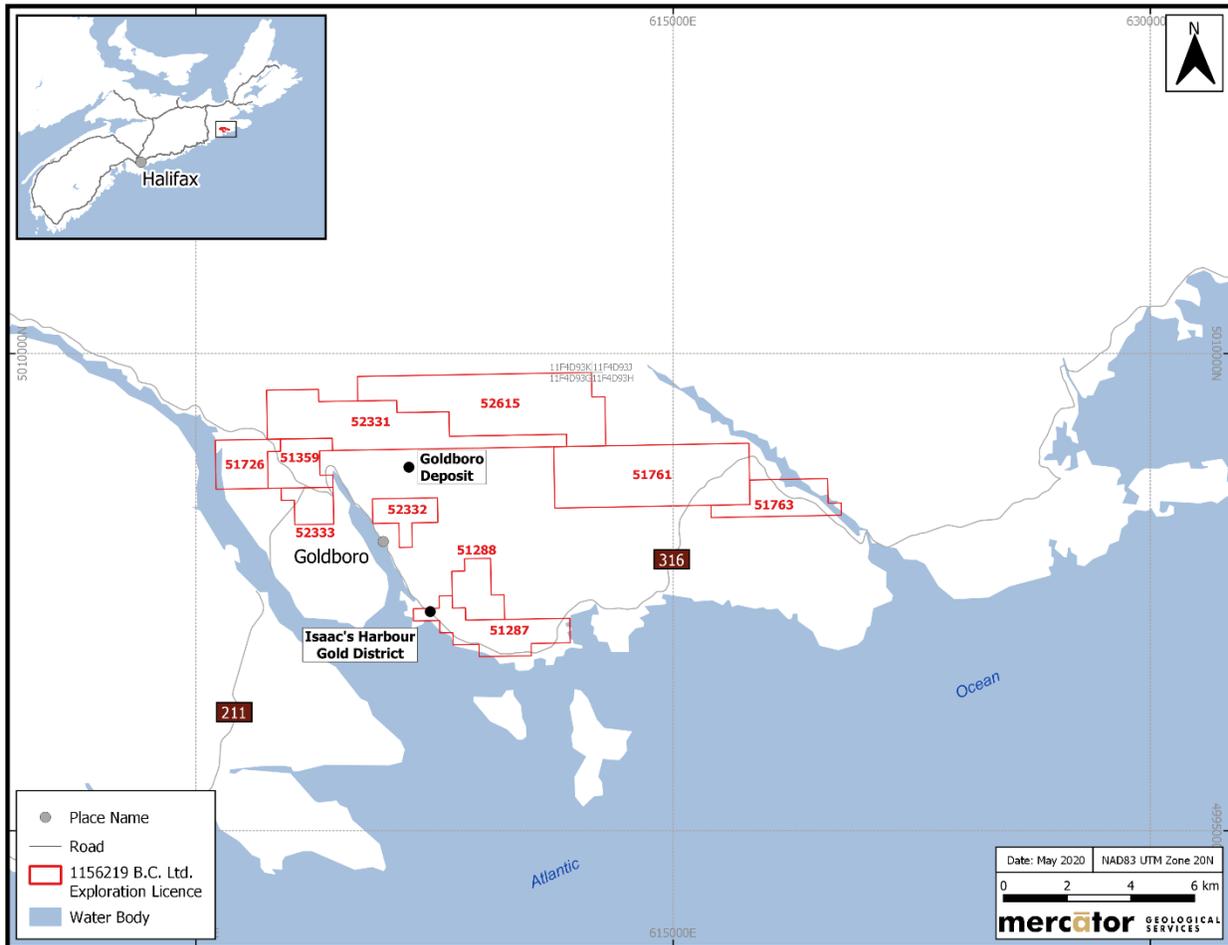


Figure 4-6: Exploration Licence Map – Greater Beaver Dam Project Area

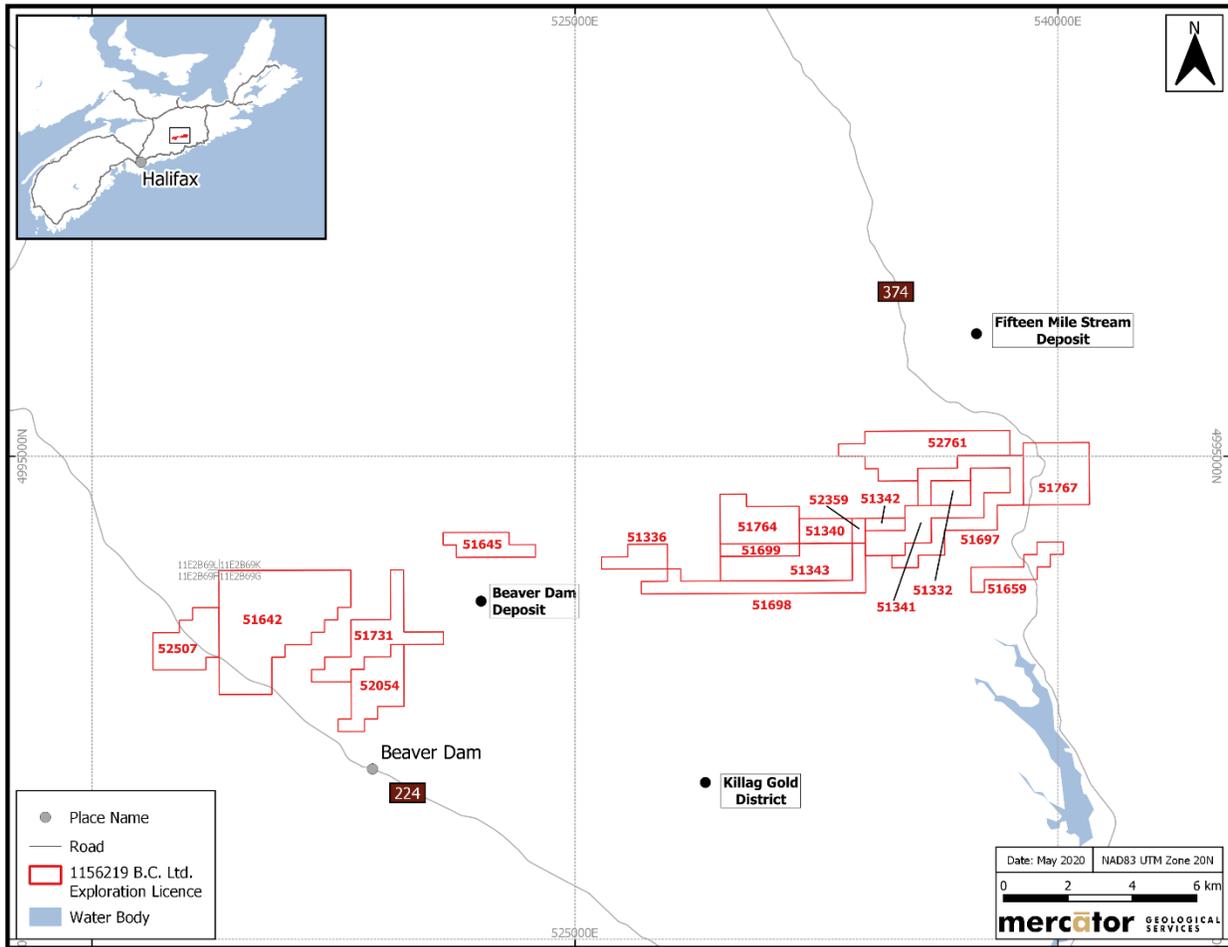


Figure 4-7: Exploration Licence Map – Greater Goldenville Project Area

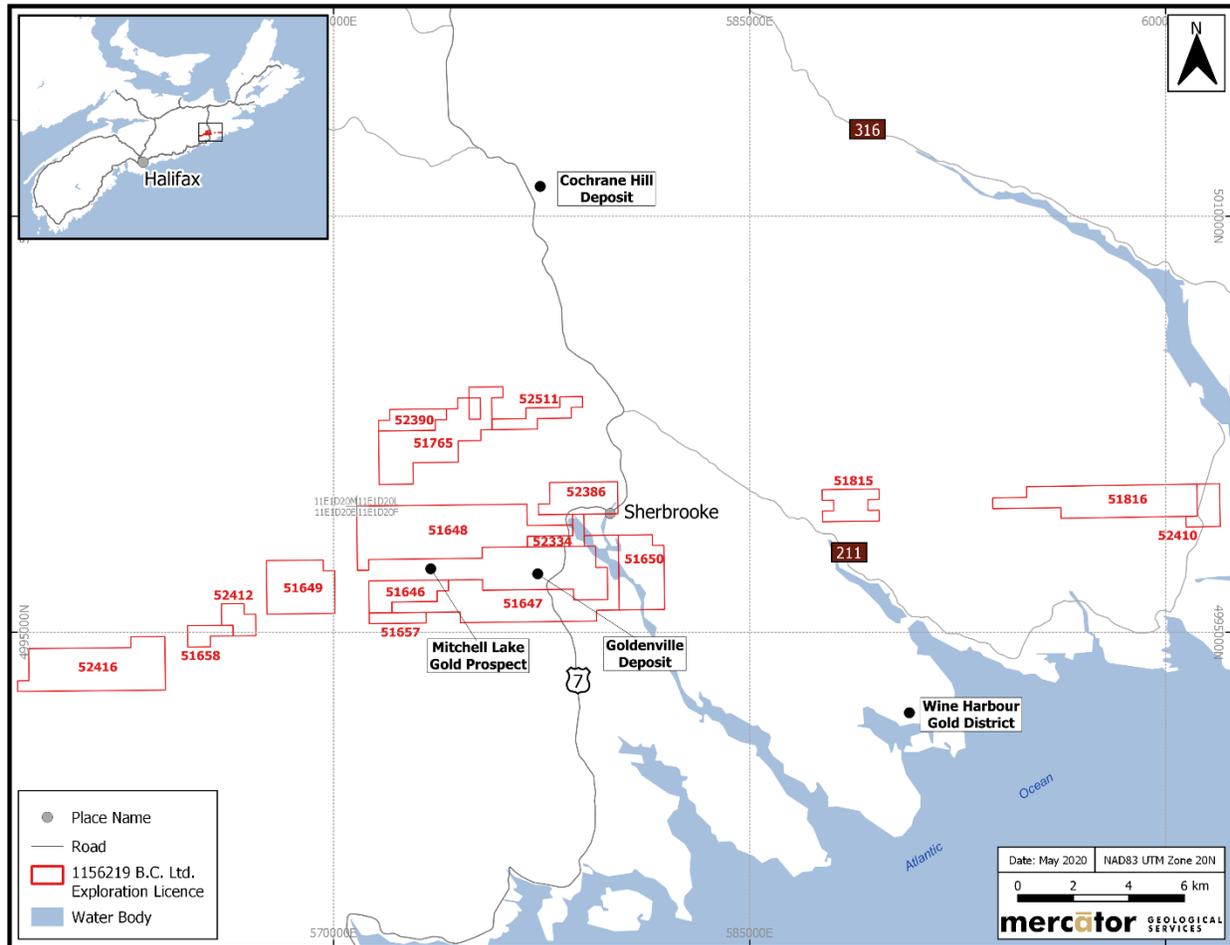


Figure 4-8: Exploration Licence Map – Killag Project Area

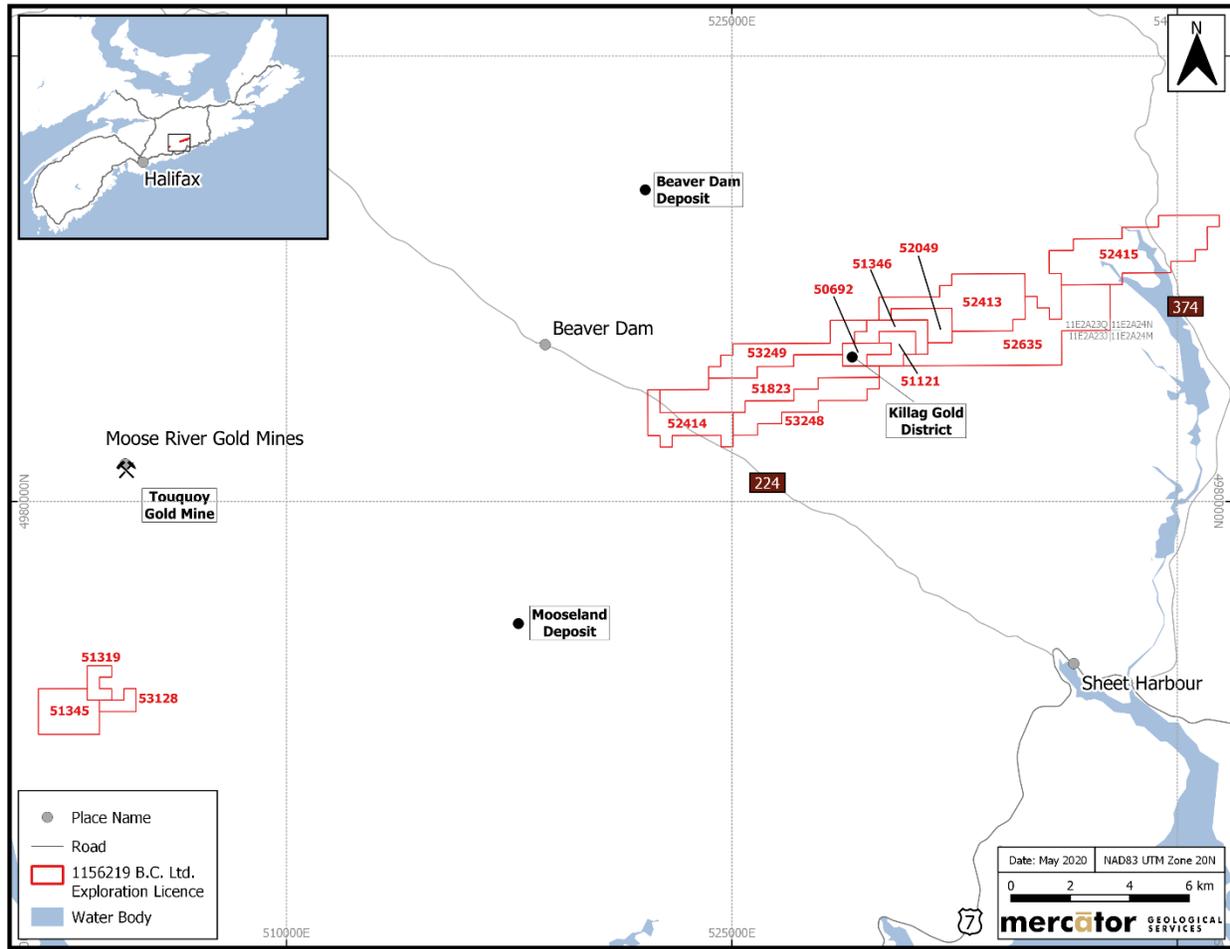


Figure 4-9: Exploration Licence Map – Mooseland Project Area

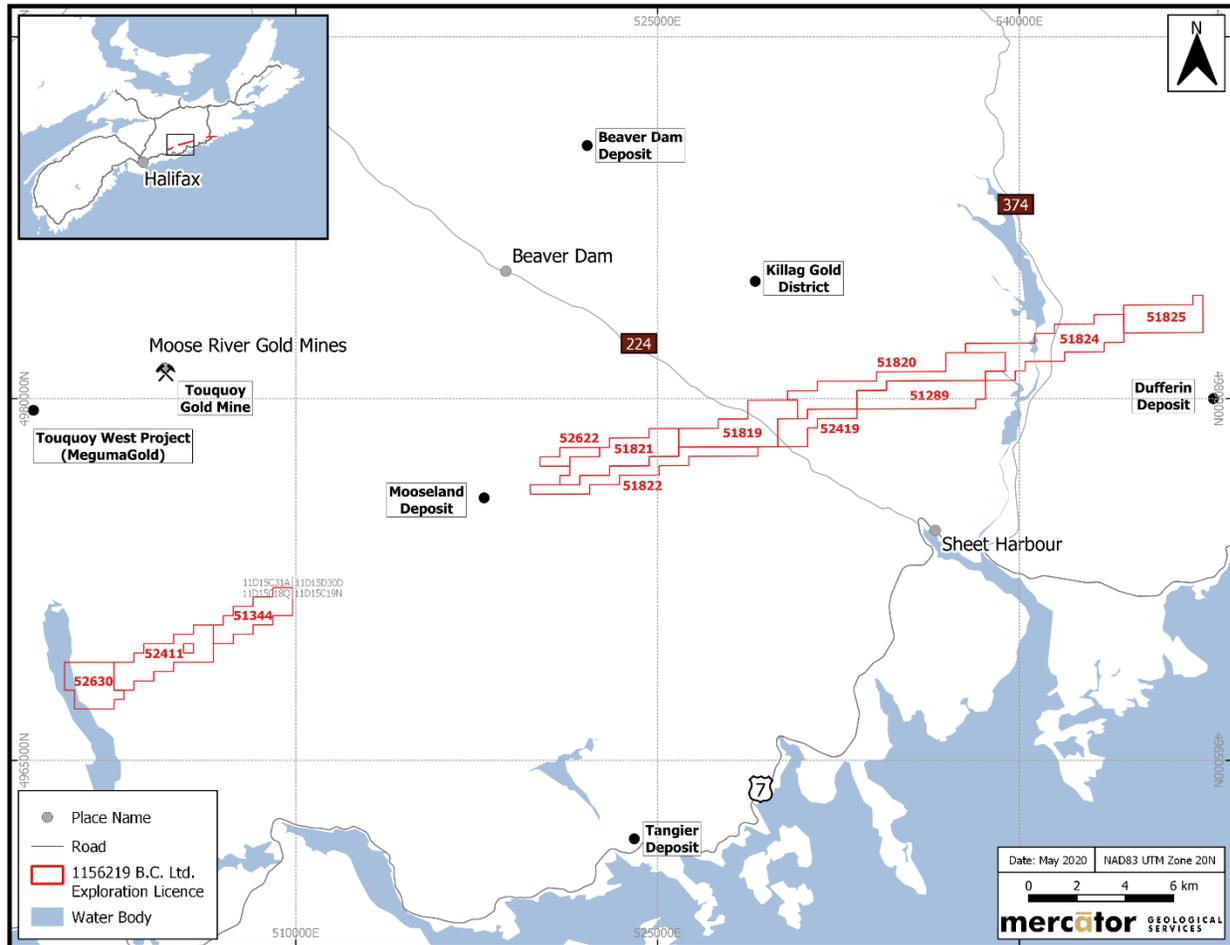


Figure 4-10: Exploration Licence Map – Wine Harbour Project Area

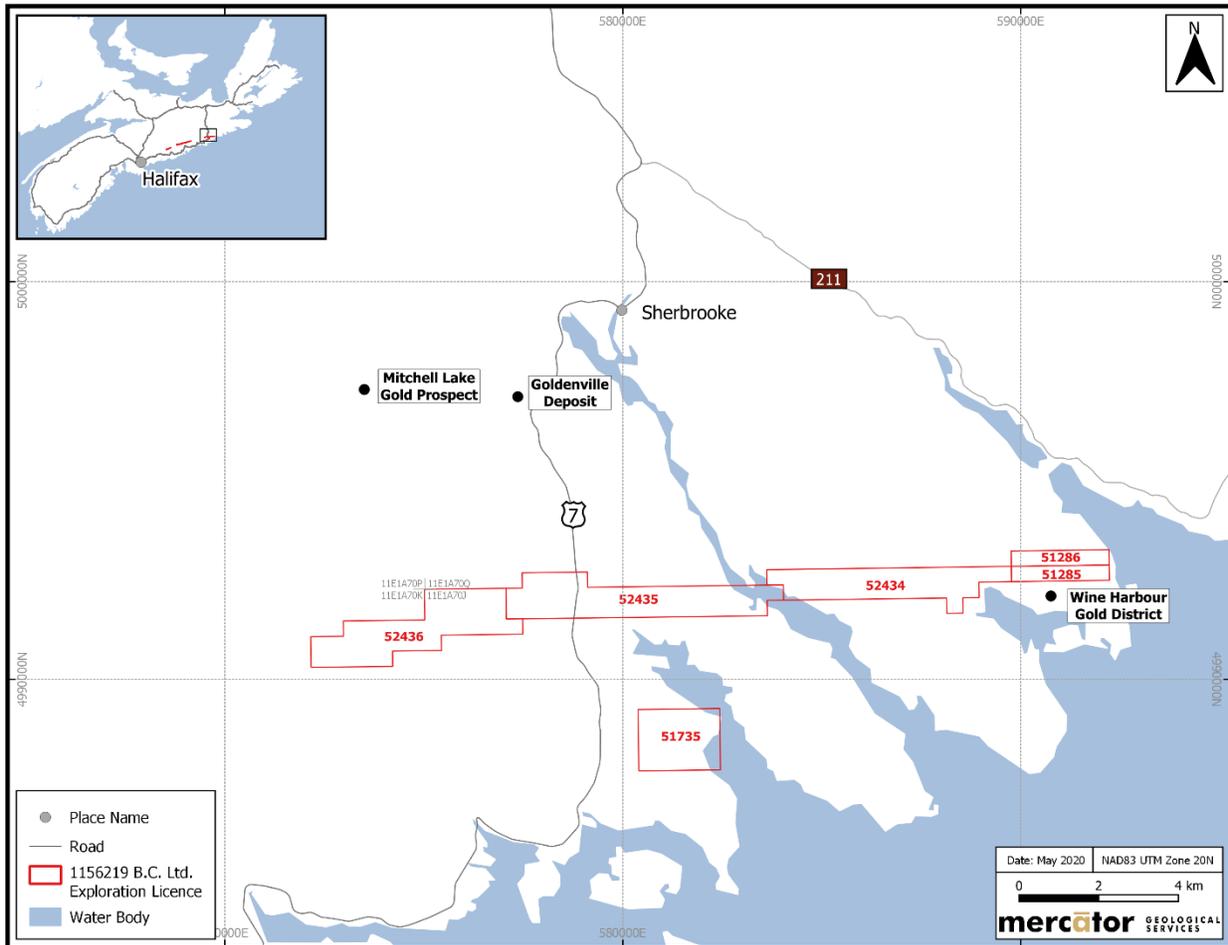


Figure 4-12-1: Exploration Licence Map – Wittenburg Project Area

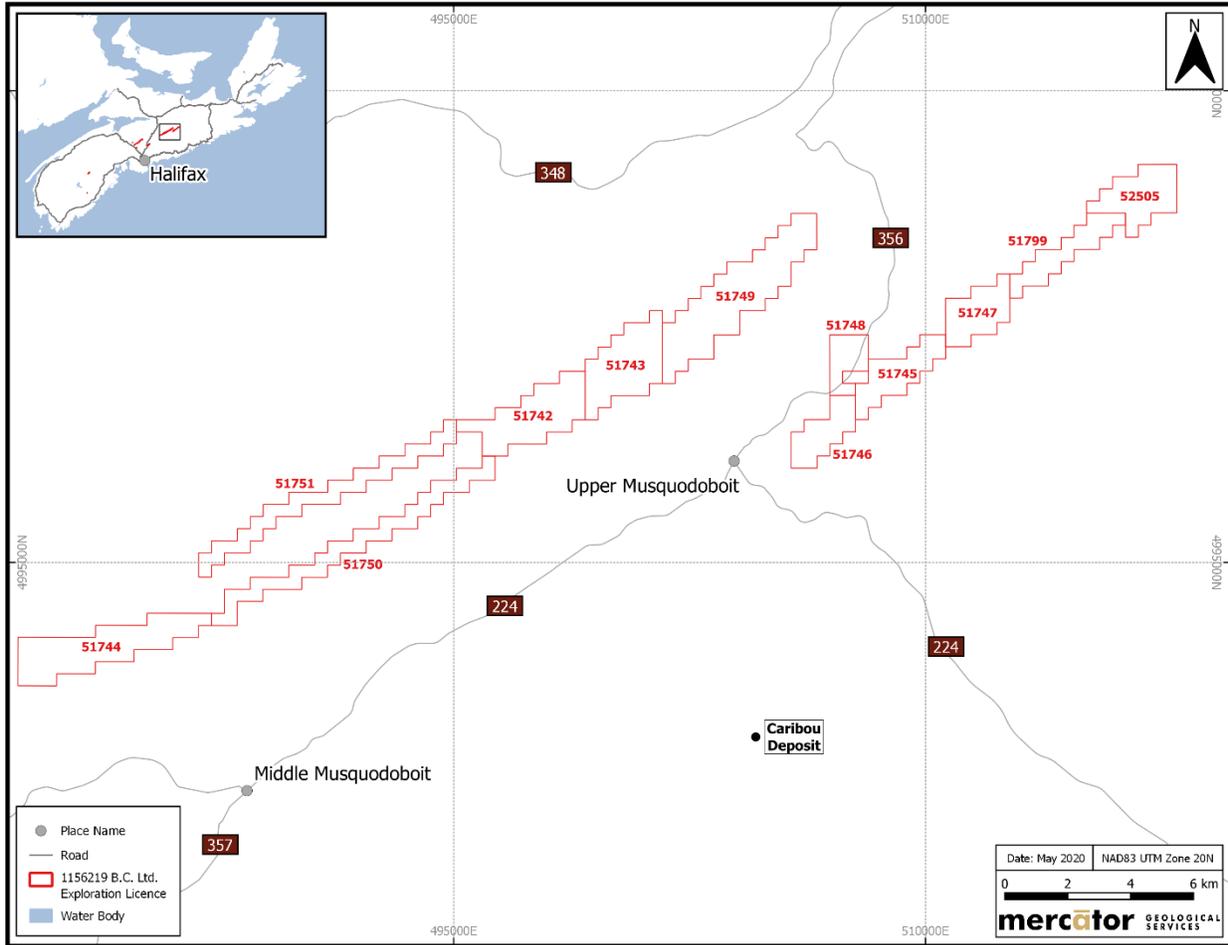


Figure 4-12-2: Exploration Licence Map – Renfrew/Oldham/Mount Uniacke project areas

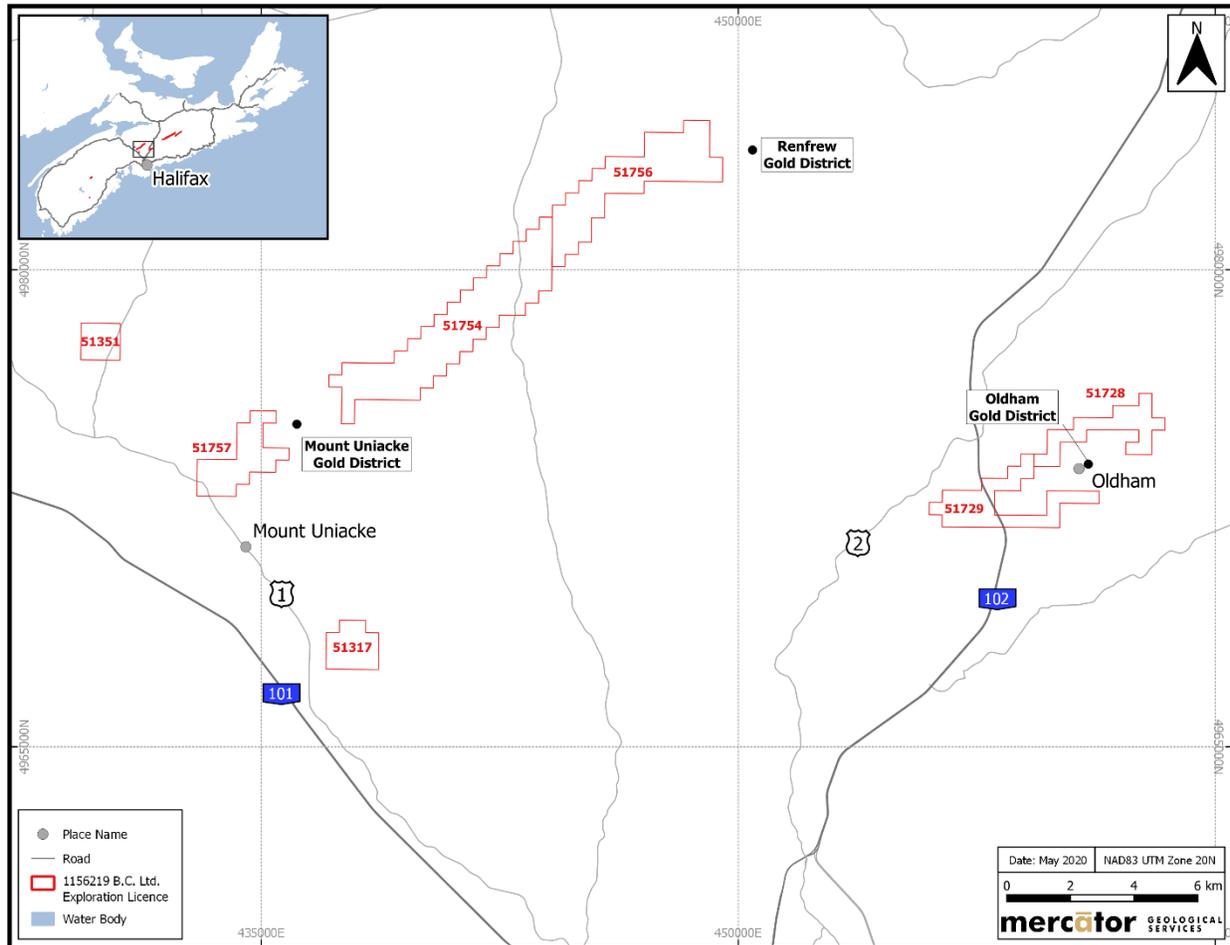


Figure 4-12-3: Exploration Licence Map – Southwest Nova Scotia

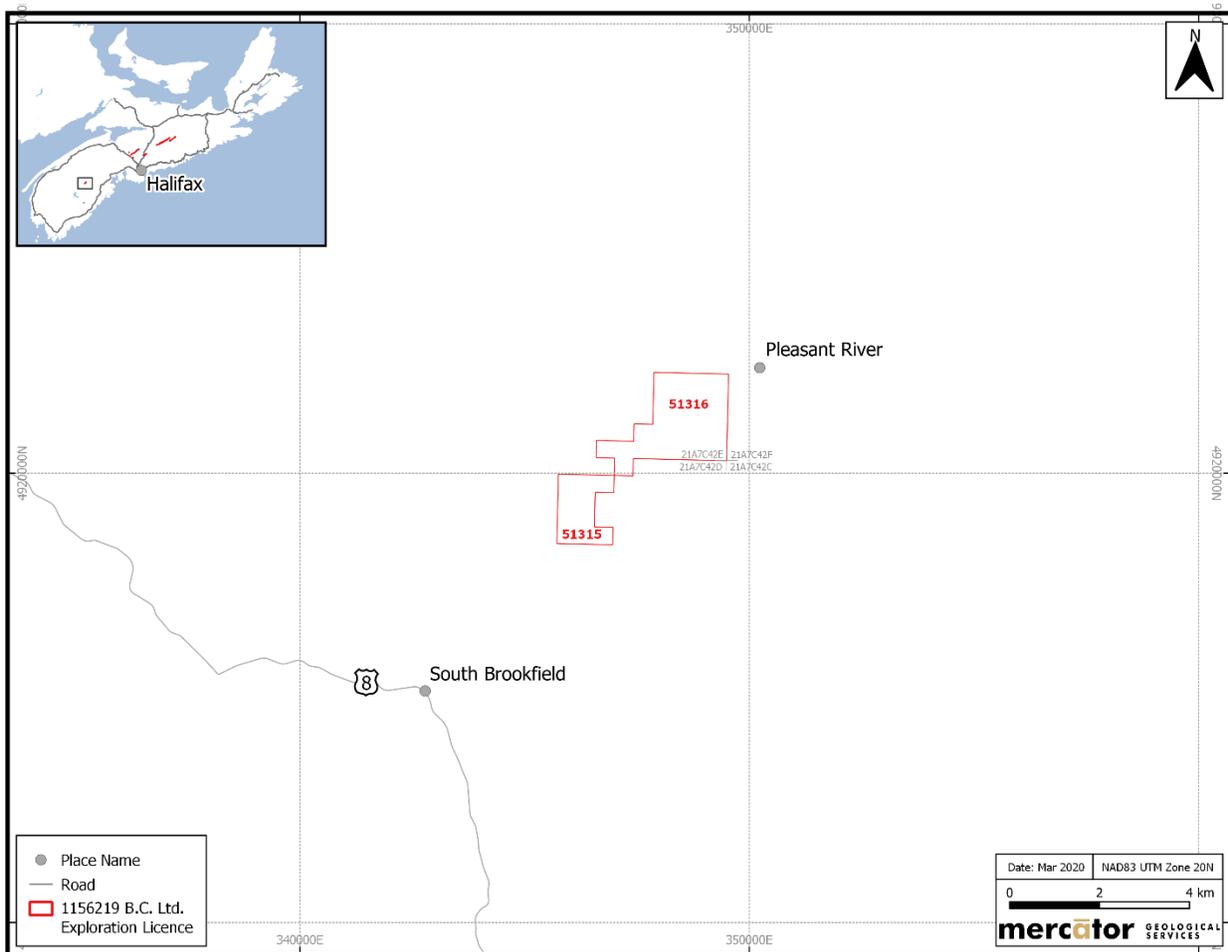
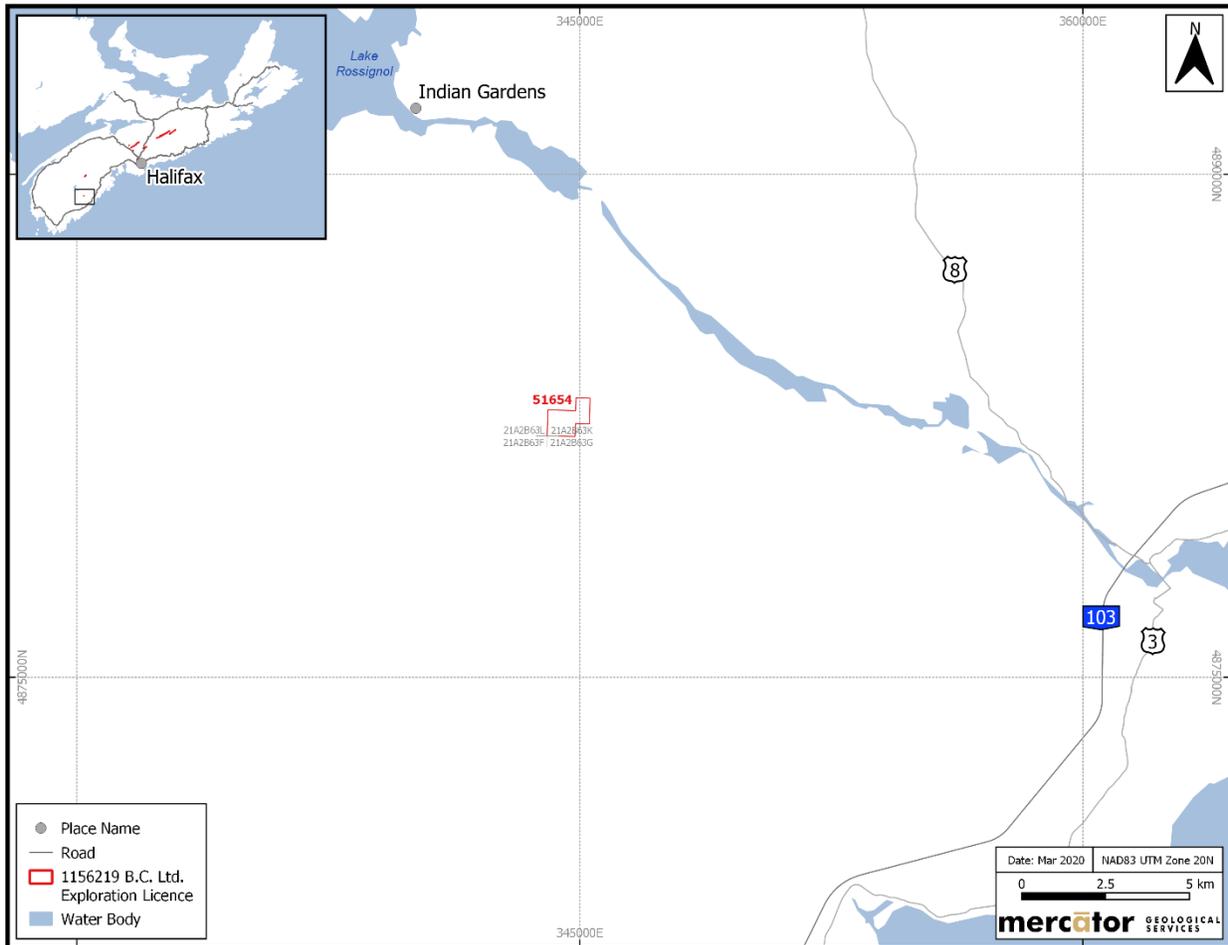


Figure 4-12-4: Exploration Licence Map – Southwest Nova Scotia



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The MegumaGold Properties are mainly situated in Eastern Nova Scotia; specifically, east of the Halifax Regional Municipality (HRM or Halifax), west of the town of Truro, and south of the town of Guysborough. The closest international airport is the Halifax Stanfield International Airport about 25 km north of Halifax. The properties can be easily accessed from secondary highways such as Highway No. 7 and local roads, and all properties are within a 2 to 3-hour drive of the HRM (pop. 400,000). From the secondary highways, forestry access roads are normally used to access the mineral claims directly, whether by truck, all-terrain vehicle or by foot, depending on the condition of the roads. Some areas could not be accessed as they were either located on private property where permission could not be obtained to access lands or were blocked by a local hydroelectric project. Sheet Harbour (pop. 800) is the largest town in the Eastern Shore area along Highway No. 7 to offer full services, with the villages of Sherbrooke (pop. 400) and Guysborough (pop. 400) providing partial services. The town of Antigonish (pop. 4,400) is located approximately 62 km north of the village of Sherbrooke along Highway No. 104 and is the closest full-service community to the furthest eastern claims in MegumaGold's property portfolio on mainland Nova Scotia.

The Cochrane Hill project area is located approximately 12 km north of the village of Sherbrooke in Guysborough County. Secondary and forestry roads east and west of Highway No. 7 provide good access to the property. The Forest Hill project area is located east of the Cochrane Hill project area and 15 km south of the village of Guysborough.

The Dufferin project area is accessible via secondary roads that extend north from Highway No. 7 near the town of Sheet Harbour and connect the Eastern Shore to the northern part of Nova Scotia and Highway 104 (i.e., the Trans-Canada Highway).

The Fifteen Mile Stream project area is located approximately 95 km northeast of Halifax and 38 km north of the town of Sheet Harbour. Forestry roads east of Highway No. 374 provide good access to the property.

The Goldboro-Isaac's Harbour project area is located near the town of Goldboro along Highway No. 316, approximately 45 km east of the village of Sherbrooke and 44 km south of the town of Guysborough. Access is good via forestry roads off Highway No. 316.

The Greater Beaver Dam project area is located approximately 25 km northwest of the town of Sheet Harbour along Highway No. 224 in Halifax County. Access to the properties is along forestry roads east of Highway No. 224.

The Greater Goldenville project area is located immediately west of the village of Sherbrooke, approximately 77 km east of the town of Sheet Harbour along Highway No. 7. Access to the properties is via forestry roads originating in Goldenville or west of Highway No. 7. The historic Goldenville mine is located 5-10 km east of this claim group.

The Killag project area is accessible from Halifax by traveling east along Highway No. 7 for approximately 100 km to the town of Sheet Harbour, then traveling northwest on Highway No. 224 for approximately 10 km. The Old Killag Mine Site is approximately 9 kilometres north of Highway 224 along the Killag Road.

The Mooseland project area is located approximately 15 km northwest of the town of Sheet Harbour along Highway No. 224 and 15 km southeast of the St. Barbara's Touquoy Gold Mine located in Moose River. Access to the properties is along forestry roads west of Highway No. 224 near the village of Marinette.

The Wine Harbour project area is located approximately 15 km south of the village of Sherbrooke and is accessible from the Sonora and Wine Harbour roads that travel along the St. Mary's River and Atlantic Ocean coastline. Some of the exploration licences are also accessible off Highway No. 7 to the south of Sherbrooke and east of Goldenville.

The Touquoy West project area is located in Halifax County immediately west of St Barbara's Touquoy Gold Mine, and north of the Mooseland project area, approximately 58 km west of the town of Sheet Harbour and 100 km northeast of Halifax. The main access to the properties is from either a secondary road extending north of Highway No. 7 near the village of Tangier (Mooseland Road) that provides access to the St Barbara site, or from the Middle Musquodoboit area to the north. Access to the western property area is from the Lays Lake Road and related forestry roads that extend east from Highway 357 near the community of Meaghers Grant. The Touquoy West claim group can be readily accessed via a network of forestry roads that depart from the main routes to the property.

Other mineral claims held by MegumaGold include the Renfrew, Mount Uniacke, South Uniacke, Oldham, Wittenburg project areas and others in southwest Nova Scotia, which are within a 40 to 60 km driving distance from the City of Halifax and are accessible from Highway No. 1, Highway No. 212, and Highway No. 102 and 103.

5.2 Climate and Physiography

Nova Scotia is characterized by northern temperate zone climatic conditions moderated by proximity to the Atlantic Ocean. Winter conditions can often consist of freezing and substantial snowfall from late November through to early April, with spring and fall being cool with frequent periods of rain. Summer conditions can be expected from late June through to mid-September, with modest rainfall and daily mean temperatures ranging from 15 to 20°C. Temperatures exceeding 30°C sometimes occur in the summer, with lows in winter sometimes reaching -30°C. Guysborough County and the eastern region of Halifax County are extensively forested with predominantly coniferous cover and show low population density. The majority of MegumaGold exploration holdings occur in these two counties. The remaining are located in Colchester and Hants Counties which are similarly forested but have higher relative percentages of farmland and populated rural areas. Mineral exploration field programs can efficiently be undertaken from May through to late November in all areas. Winter programs such as drilling and geophysical surveys can also be implemented year-round but delays due to poor winter weather conditions such as heavy snow fall should be expected.

The ocean shoreline along the Eastern Shore is very rocky and dominated by small to large islands and inlets that commonly trend northwest. Topography, both regionally and at claim-scale, is typically gently undulating and locally characterized by south-southeast trending glacial-derived drumlins which range from 20 to 50 metres in height (Stea et. al, 1992). In between drumlins, glacial till cover predominates with local bedrock exposures present intermittently as bedding-parallel ridges that conform with the east to northeast regional bedrock structural grain. Areas of locally derived glaciofluvial material are also present and overburden thickness typically ranges between 0 and 20 metres in depth.

Surface drainage systems consist of abundant lakes, rivers and streams that commonly show northwest-southeast orientations that reflect regional bedrock jointing and faulting trends and associated glacially developed bedrock scours. Major rivers in the Eastern Shore area flow southeast towards the Atlantic Ocean and include the Musquodoboit, Sheet Harbour, and St. Mary's rivers. In the extreme western area of the MegumaGold holding a drainage divide is present and rivers flow north and west toward the Bay of Fundy. Drainage is poor in many of the low-relief exploration areas and has resulted in development of large areas of open peatland and forested bog.

5.3 Local Resources and Infrastructure

The Eastern Shore of Nova Scotia is sparsely populated, with motels, medical services, hardware stores, grocery stores, and gas stations being confined primarily to the centers of Sheet Harbour and Sherbrooke. The City of Halifax is the provincial capital and in combination with surrounding communities forms the Halifax Regional Municipality (HRM). HRM forms the largest population center of the province (~400,000) and supports a wide range of government, business, medical educational, industrial and transportation services. Robert Stanfield International Airport is located approximately 20 kilometers northeast of Halifax City and provides daily domestic and international airline service.

Access to the regional electrical grid is possible along most of the major highway corridors that cross the MegumaGold holdings but is lacking in more remote areas. Mainline rail facilities are available in a corridor extending from Halifax City northward to Truro. Year round, deep-water shipping facilities, including container port services, are available through the Port of Halifax and year-round, deep water access on a smaller scale is possible at the Port of Sheet Harbour, located 120 km east of Halifax City.

The extensive surface drainage systems present across eastern and central Nova Scotia typically provide readily accessible potential water sources for incidental exploration use such core drilling. They also provide good potential as higher volume sources of water such as those required for mining and milling operations.

Exploration staff and consultants, as well as forestry, heavy equipment and drilling contractors used during the MegumaGold exploration projects described in this technical report were sourced from within Nova Scotia. The St Barbara Moose River Consolidated Mine is a major employer in the east-central area of the MegumaGold exploration holding, with the forestry and fishing industries providing important contributions elsewhere across the rural extent of the central and eastern holding area. Farming is more prevalent in rural areas of Colchester and Hants County, in the western area of the holding, where large

scale gypsum and aggregate quarrying operations are also important economic drivers. The combined rural and HRM economies provide a large base of skilled trades, professional, and service sector support that can be readily accessed for exploration and resource development purposes.

6.0 HISTORY

6.1 Introduction

Much of the historical mineral exploration work completed in the Meguma Terrane has been focused on the discovery and evaluation of vein-hosted, orogenic gold deposits associated with anticlinal fold structures, particularly in areas east of Halifax City. The Killag mining district that is completely controlled by MegumaGold provides an example of such a past-producing area. Exploration areas including historic gold districts covered in this technical report are mostly situated in the vicinity of the Cochrane Hill, Forest Hill, Dufferin, Killag, Ragged Falls, Mooseland, Beaver Dam, Fifteen Mile Stream, Goldenville, and Isaac's Harbour gold districts along the Eastern Shore of Nova Scotia. The Goldenville Gold District is the most prolific past-producing district in the province with over 200,000 ounces of gold averaging nearly 12 g/t Au produced between 1862 and 1942 (Bottrill, 1987). Additional smaller gold districts where MegumaGold holds mineral claims include Renfrew, Mount Uniacke, and Oldham in central Nova Scotia. The following section summarizes the extensive exploration work since the 1980's that has been completed on the MegumaGold exploration licences outlined in this technical report. A detailed history is also included for the Killag project area as it is the only project area with a past production history in which MegumaGold has completed drilling activities since acquiring the initial MegumaGold exploration properties in 2018.

6.2 MegumaGold Properties - General

The first documented discoveries of gold in Nova Scotia were in the late 1850's, which included the discovery of gold in quartz veins in Mooseland, which initiated Nova Scotia's first gold rush. Gold production from mining at Mooseland began in 1862. Early gold mines that began operating in the 1860's and 1870's include mines in the historical Mooseland, Caribou, Moose River, Forest Hill, and Cochrane Hill gold districts, which occur adjacent or on trend with the licences covered by this technical report. The following is a generalized, but not comprehensive, history of gold exploration and development in the eastern Meguma Terrane that bears specifically on the MegumaGold holdings.

E.R. Faribault, of the Geological Survey of Canada, mapped the main anticlinal gold deposit districts in the late-1800s to early -1900s period. Relevant to the exploration licences covered in this technical report, Faribault (1897, 1899) mapped four drift gold occurrences in quartz boulders in the Governor Lake area (Cochrane Hill), the gold occurrence at Ragged Falls (Greater Beaver Dam) and the McCullough Brook Gold Occurrence near the Wittenburg claims east of Shubenacadie. The drift gold occurrences in the Governor Lake area are identified as: Round Lake, Day Spring Lake, Indian Lake and Upper Caribou Lake. A second Nova Scotia gold rush in the 1896-1903 period resulted in the development of additional mines including those at South Branch Stewiacke, Killag, and Fifteen Mile Stream that are proximal to MegumaGold's Killag and Fifteen Mile Stream project areas. A third gold rush (1932-1942) resulted in the development of more mines including those at Caribou, Lake Charlotte, and the western end of the Moose River gold district that adjoin MegumaGold's Touquoy West project area.

In 1981, Pan East contracted Sanders Geophysics to conduct an extensive regional airborne magnetic and VLF-EM survey over the Rawdon, Mount Uniacke, Halifax, Wittenburg, and Eastern Shore areas of Nova Scotia (Broome, 1981). The survey covered parts of the Greater Beaver Dam, Touquoy West and Killag areas covered in this report.

In 1985, NovaCan Mining Resources completed grid cutting, magnetic and VLF-EM geophysical surveys, induced polarization (IP) survey and geological mapping in the Greater Beaver Dam-Ragged Falls area. Mapping indicated little bedrock exposure and mostly local till, with the VLF-EM results indicating a regular stratigraphy disrupted by two events of faulting (Veldhuyzen, 1987).

In 1986, Seabright Resources Inc. carried out an extensive exploration program on their regional properties including the Greater Beaver Dam-Ragged Falls area, which consisted of geological mapping and prospecting, detailed soil and till geochemistry surveys, geophysics (ground magnetics, VLF-EM and IP) and overburden drilling (Sexton, 1986; 1987). Significant results were geophysical anomalies that corresponded with the southern limb of the Ragged Falls anticline, anomalous gold dispersion in “B” horizon soil and “C” horizon till profiles down-ice from some geophysical anomalies, and anomalous gold in rock chips from the reverse circulation drill holes that also correspond with the southern limb of the Beaver Dam-Fifteen Mile Stream anticline.

In 1986, Teck Corporation (Teck) optioned the area west of the Beaver Dam gold deposit that includes MegumaGold’s Kent Lake property. Teck set up a semi-reconnaissance grid, conducted ground VLF-EM surveying, outcrop mapping and till sampling in the Kent Lake area (Routledge, 1987). Gold assays of till samples were mostly below the 10 ppb detection limit, though five samples ranged from 10 to 90 ppb in within MegumaGold Licence 51642.

In 1987, Scotia Prime Resources Incorporated (Scotia Prime) optioned 194 claims from prospectors in the Cochrane Hill-Governor Lake area and staked additional claims in the area. Between 1987 and 1988, the company conducted a humus geochemistry survey in the area (Dawe, 1989) that covers parts of MegumaGold’s mineral exploration licences 51762, 51792, 51796, 51797 and 51798 in the Governor Lake area. Gold assays results from this survey ranged from 1 to 30 ppb. Scotia Prime drilled eight diamond drill holes in the Governor Lake - Cameron Dam region in 1988 to the west of Licence 51796 (Dawe, 1989). Significant gold intercepts include 10.9 g/t over 30 cm in CD-88-03 at 15.2 to 15.5 metres, 17.3 g/t over 20 cm in CD-88-03 at 69.9 to 70.1 metres; and 4.4 g/t over 20 cm in CD-88-06 at 85.2 to 85.5 metres.

In 1996, RJZ Mining Inc. (RJZ) acquired 2,555 claims along the Eastern Shore area including part of MegumaGold’s Licence 51645 in the Greater Beaver Dam-Como Lake area (Webster and King, 1997). RJZ drilled thirteen diamond drill holes for a total of 1,192 metres in the Como Lake area, including two on Licence 51645: CL-97-12 and CL-97-13. Most assay results were below detection, but trace levels of gold up to 35 ppb over 3 metres were detected in drill hole CL-97-13.

In 2003, Goldenville Mining Corporation (GMC) Limited held properties in the Goldenville, Moser Lake and Seloam Lake (Fifteen Mile Stream) areas. In 2004, GMC drilled two diamond drill holes on MegumaGold Licence 51647 (JLR04-01, JLR04-02) and one on Licence 51648 (FR04-01) in the Goldenville area (Kennedy,

2004). Most gold assays were below the detection limit. The highest gold grades returned were 0.20 g/t from 11.9 to 12 metres and 0.08 g/t from 20.4 to 20.8 metres in drill hole JLR04-02.

Between 2004 and 2006, Acadian Mining Corporation (Acadian) drilled three diamond drill holes within the Governor Lake – Cameron Dam (Cochrane Hill) area adjacent to current MegumaGold licences. In 2008, Acadian conducted a geological mapping, prospecting and till sampling program at Governor Lake. Anomalous gold values were detected in all surveys. A boulder (float) sample returned the survey high gold value of 1.47 ppm. Acadian drilled two additional diamond drill holes in 2013 (CD-13-01 and CD-13-02), of which CD-13-02 occurs on MegumaGold's Licence 51792. The highest gold assay result was from CD-13-01: 0.3 g/t over 0.44 metres in a quartz vein. The assay results for CD-13-02 were significantly lower than for CD-13-01 with the best result being 0.05 over 0.12 metres.

In 2005, Goldenville Mining Corporation (GMC) drilled 42 rotary-air blast (RAB) drill holes in the Moser Lake and Seloam Lake (Fifteen Mile Stream) areas (Webster, 2005), which extended only 3 metres into the bedrock. Fire assay results were mostly at or below the detection limits.

Between 2005 and 2016, DDV Gold Ltd. (DDV), a former subsidiary of Atlantic Gold Corp. drilled interface reverse circulation (RC) drill hole transects across high magnetic anomalies throughout the Eastern Shore to test for gold mineralization. In 2005, DDV Gold drilled 33 RAB drill holes in the Caribou East area on Licence 51801 (Bourque, 2006; O'Neill, 2006) which extended up to 6 metres into the bedrock. Fire assay results for gold were mostly at or below the detection limit (1 ppb).

Between 2010 and 2011, DDV drilled interface reverse circulation (RC) drill hole transects across magnetic field anomalies in the Greater Beaver Dam and Fifteen Mile Stream areas including 19 holes at Kent Lake (Murphy, 2010; 2011), six holes at Como Lake (Murphy, 2010), seven holes at Little River Falls (Utlely, 2011), and nine holes at Archibald Lake (Bourque, 2011). The DDV RC holes extended up to 4 metres into the bedrock. No significant gold values were returned from the DDV RC drill holes on any of these 1152619 B.C. Limited licences.

In 2010, Acadian contracted Canadian Mining Geophysics Limited to fly helicopter-borne magnetic and VLF-EM surveys of several large flight blocks along the Eastern Shore area of Nova Scotia (Horne et al, 2010). Regional aeromagnetic interpretation was used to identify regional faults and identify the boundaries of major lithologies of the eastern Meguma Terrane's Meguma Supergroup such as the Goldenville Group-Halifax Group boundary and the Tangier Formation-Taylor Head Formation boundary. Results showed most of the significant, known gold mineralization in the surveyed area to be associated with weakly to moderately magnetic argillite units of the Moose River Formation, particularly where they occur in hinge zones of tight anticlines interpreted from the aeromagnetic survey data.

In 2010, Orex Exploration Inc. (Orex) drilled 55 reverse circulation drill holes in the Goldboro area with seventeen of these being completed on MegumaGold's Licence 52332. The RC drill holes extended 2 to 4 metres into the bedrock. Gold assays were mostly below detection limit, and the highest Au value returned on Licence 52332 was 12 ppb over 1 metre in OSK10RC-114 (Mitchell, 2010).

In 2010, Acadian conducted a till sampling program for the purpose of a gold grain study in the Goldboro West area. Four till samples occur on MegumaGold's Licence 52331 area (Pelley et. al, 2011). Gold grains were identified in each of the samples (count range of 7 to 13 grains) and all were classified as being predominantly re-shaped, suggesting substantial transportation by glacial action.

MegumaGold obtained the licences covered in this technical report in 2017 and 2018. In 2018, MegumaGold contracted Precision GeoSurveys Inc. of Langley, BC to conduct a helicopter-borne high resolution aeromagnetic and radiometric survey over 50 flight blocks that include most of the exploration properties described in this technical report. MegumaGold also contracted KBM Resources Group of Thunder Bay, ON to conduct a fixed-wing, airborne LiDAR and orthophoto survey over the same MegumaGold claim blocks. An extensive regional reconnaissance geological field mapping and lithogeochemical sampling program was then carried out by Mercator staff on behalf of MegumaGold, the results of which are discussed in Item 9 of this technical report.

6.3 Killag Project Area

Gold was first discovered in quartz boulders in the Killag Gold District area between 1865 and 1868. Gold-bearing boulders continued to be discovered through the 1870's and early 1880's, but prospectors were unable to locate the source veins.

In 1889, G.W. Stuart sank the "Stuart Shaft" intersecting the "Stuart Lead", a 10-inch thick vein that is the main source of gold from the Killag Gold District (Stuart, 1906). In 1890, the Old Provincial Mining Company bought the property, constructed a 10-stamp mill, sank a second shaft east of the Stuart Shaft and developed the "Killag Mine" (Horne, 2016).

In 1897-1899, Robert Hall sank two shafts on the Flat Lead to the north of the Stuart Shaft, developing the "Little Klondike Mine" (Messervey et. al, 1951). Small-scale mining and development continued sporadically in the Killag Gold District up until 1951, producing 3,504 ounces of gold from 3,794 tons of ore for an average grade of 0.96 oz (Horne, 2016). Exploration continued at Killag after mining ceased (Rozovsky, 1958).

In 1945-46, The Killag Sweet Mining Company sank the "Killag Sweet" shaft east of the Killag Mines shaft to 117 feet and 1,000 feet of workings on the 100-level were developed. Killag Sweet Gold Mines Ltd. subsequently drilled two holes totaling 152.4 metres near the Killag Mines shaft. (Cameron, 1950).

In 1974, Chib-Kayrand Copper Mines Limited drilled 7 diamond drill holes at Killag totaling 518 metres. (Hudgins, 1974).

From 1981 to 1985, Pan East Resources Inc. mapped and prospected the property, carried out stream sediment and humus sampling, airborne geophysics (VLF-EM/Mag) and drilled four diamond drill holes totaling 471 metres (Miller, 1982; Jones, 1985).

In 1986, Maritime Exploration Ltd. (MEX) conducted prospecting, till sampling, trenching, drilled eight core holes totaling 826.5 metres and carried out a geophysical program that included IP, VLF-EM and magnetometer surveys (Covey, 1987).

Between 1987 and 1989, Seabright Explorations Inc. mapped and prospecting the area and drilled two core holes totaling 247.5 metres (Maclsaac, 1988).

Between 2003 and 2008, Acadian mapped and prospected the area (McCuaig and Banks, 2003; Thompson and Webster, 2005) and drilled two core holes totaling 182.7 metres.

In 2016, R. Horne conducted a review of previous work, confirmed physical evidence of previous work on the site and performed evaluation of diamond drill core from one of the MEX exploration drill holes completed in 1986 (Horne, 2016).

In 2018, MegumaGold flew airborne magnetics, radiometrics and LIDAR surveys over part of the property to better define areas of geological structures that could host gold mineralization.

6.4 Historical Mineral Resource and Mineral Reserve Estimate and Past Production

To date no historical mineral resource or mineral reserve estimates have been completed on the mineral exploration licences held by MegumaGold that are described in this technical report. While historical, small-scale mining activities described above in Sections 6.2 and 6.3 have occurred, no large-scale mining has taken place to date on any of the MegumaGold holdings.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The following descriptions of geological setting and mineralization of the Meguma Supergroup are modified after Cullen and Yule (2017), Carrier and Beausoleil (2004), Bourgoin (2004) and as otherwise indicated.

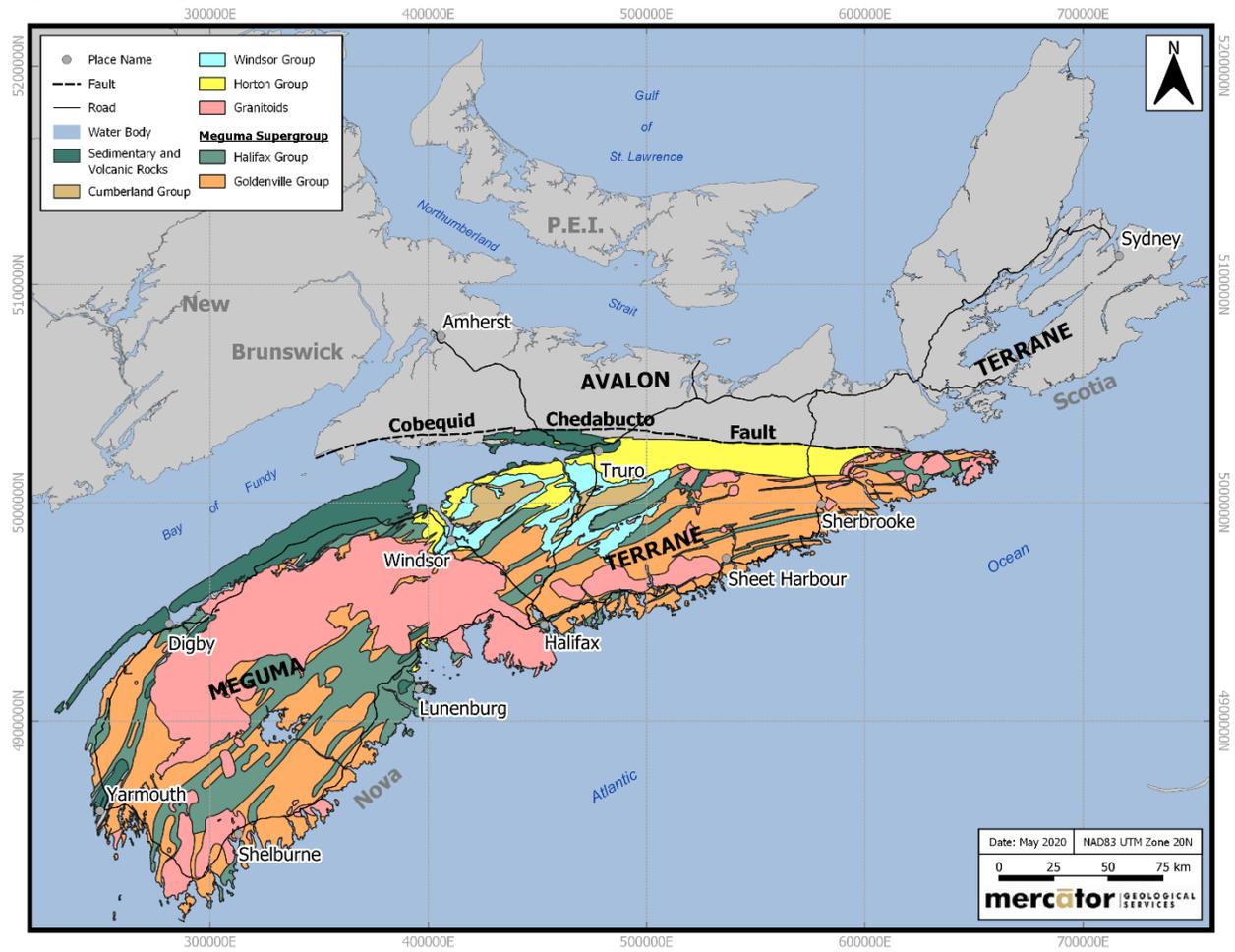
The majority of southern mainland Nova Scotia occurs within the Meguma Terrane (also known as the Meguma Zone) that is structurally juxtaposed against the Avalon Terrane (Avalon Zone) to the north along the Cobequid-Chedabucto Fault system (Smith and Kontak, 1996) within the Appalachian Orogen (Figure 7-1). The Meguma Supergroup occurs within the Meguma Zone and consists of a Cambro-Ordovician turbidite sedimentary sequence formed along the continental margin of the Gondwana paleo-continent during closure of the Iapetus and Rheic oceans (Smith and Kontak, 1996).

The Meguma Supergroup is subdivided into the (1) Goldenville Group, a basal sandy flysch (greywacke) sequence that is estimated to be approximately 6.7 km thick, but with an unknown base; and the (2) Halifax Group, an overlying shale-rich flysch sequence that measures approximately 11.8 km in thickness (Sangster and Smith, 2007). The massive, thick-bedded greywacke sequence of the Goldenville Group is dark grey (carbonaceous) to light grey in colour and contains thin slate-rich horizons that commonly separate the thick, coarser beds. The Goldenville Group grades upwards through manganese-rich strata into a basal Halifax Group unit that consists of sulphidic black slate. The manganese-rich section, along with Tremadocian fossils, marks the transition between the two groups. Black carbonaceous sulphidic slate and thinly bedded to cross-laminated metasilstone comprise much of the Halifax Group, but lithologies in the uppermost stratigraphy consist mostly of grey-green slate and siltstone (Sangster and Smith, 2007).

The Meguma Supergroup is pervasively folded and characterised by kilometre-scale wavelengths and E-W to NE-SW axial trace directions. Folds are upright to slightly inclined, with plunges to both east and west. Doubly plunging fold trends produce domal structural culminations that in many instances correspond with historic gold producing districts. Cleavages are also a predominant structural feature and include regional slaty cleavage, AC cleavage, and pressure-solution cleavage. The bedding-cleavage intersection lineation reflects local plunge variations and indicates a general non-cylindrical character (Horne, 1996).

The Meguma Supergroup in the eastern part of Nova Scotia was metamorphosed to greenschist-amphibolite facies grade during the mid-Devonian Acadian Orogeny (ca. 400) and was subsequently intruded by peraluminous granite, granodiorite, and minor mafic intrusions of mid- Devonian to Carboniferous age (375 Ma) (Sangster and Smith, 2007).

Figure 7-1: Regional Geology



7.2 Property Geology, Structure, and Mineralization

The following section describes the property geology within the MegumaGold project areas (247 exploration licences) on which exploration and drilling activities have been completed and are discussed in this technical report. This includes exploration licences in the Cochrane Hill, Forest Hill, Dufferin, Fifteen Mile Stream, Goldboro-Isaac's Harbour, Greater Beaver Dam, Greater Goldenville, Killag, Mooseland, Touquoy West, and Other Meguma properties project areas.

7.2.1 Cochrane Hill and Forest Hill

The Cochrane Hill properties (Figures 7-2-1-1 to 7-2-1-2) occur on the Cochrane Hill Anticline both east and west of St. Barbara's Cochrane Hill Project. The Cochrane Hill anticline is a northeast trending, tightly folded to isoclinal, doubly plunging anticline that can be mapped 14 kilometres west and 12 kilometres east of the Cochrane Hill deposit (Schofield, 2014). The north and south limbs dip north 55 to 80 degrees. Bedrock is composed of argillites and greywackes metamorphosed to amphibolite facies with common staurolite, garnet and biotite porphyroblasts. Argillites have been recrystallized into biotite schists. The high magnetic anomaly in the northern portion of the Cochrane Hill property is interpreted as magnetite-bearing greywacke of the Taylor's Head Member. Areas of low magnetism are mapped as the Tangier Member of the Goldenville Group. The moderately high magnetic anomaly that occurs along the hinge of the Cochrane Hill anticline is interpreted to be equivalent to the Moose River Formation, where the Cochrane Hill gold deposit occurs. Within the Cochrane Hill deposit, high grade gold mineralization is associated with tabular bedding-parallel quartz veins and also as a disseminated phase within the host rocks (Schofield, 2014).

The Forest Hill gold deposit (Figures 7-2-1-3) is located east of the Cochrane Hill properties and contains bedding parallel, but also cross cutting auriferous quartz veins (Mosher, 2017). Vein thicknesses range from several centimeters to decimeters. Gold most commonly occurs in native form as flakes and grains within quartz veins and on the margins of veins immediately adjacent to wallrock. Gold occurs within "shoots" from seven to 30 m in height and several hundred meters in strike length within a given vein. These zones commonly have the same plunge as the axis of the anticline or of auxiliary or parasitic folds developed on the flanks of the principal anticline. These secondary folds typically occur in en-echelon fashion within a given vein, as well as in adjacent veins. Auriferous quartz veins are all located on the steeply north dipping, overturned, south limb of an east-trending anticline within 250 m of the anticlinal axis. Within that 250 m interval, a central 50 to 60 m wide interval of interbedded metagreywacke and schist contains stratabound veins or vein packages which were historically the most productive. Veins are boudinaged and generally from 5 to 15 cm thick and some are persistent along strike and down-dip for hundreds of meters (Mosher, 2017).

Figure 7-2-1-1: Cochrane Hill West - Property Geology

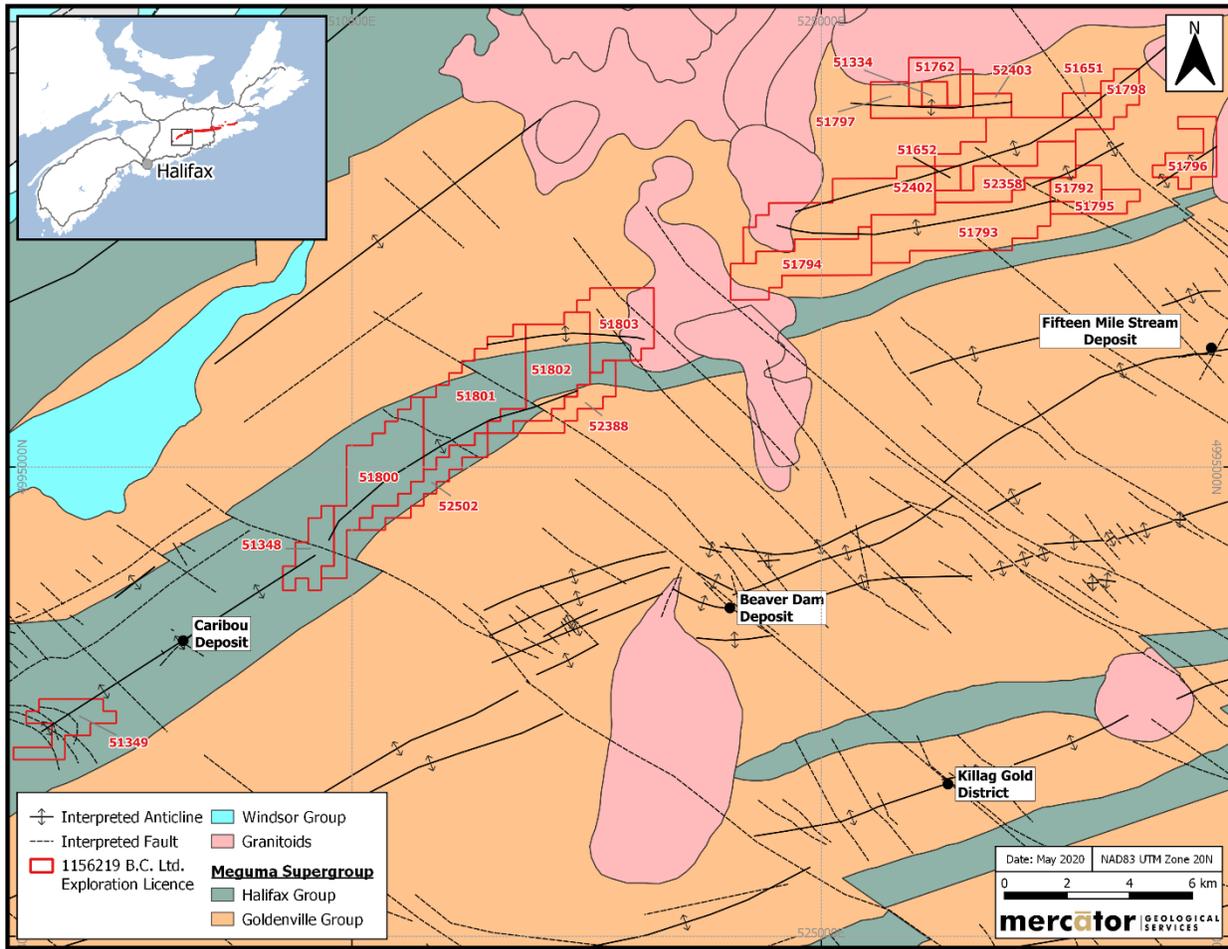


Figure 7-2-1-2: Cochrane Hill Central - Property Geology

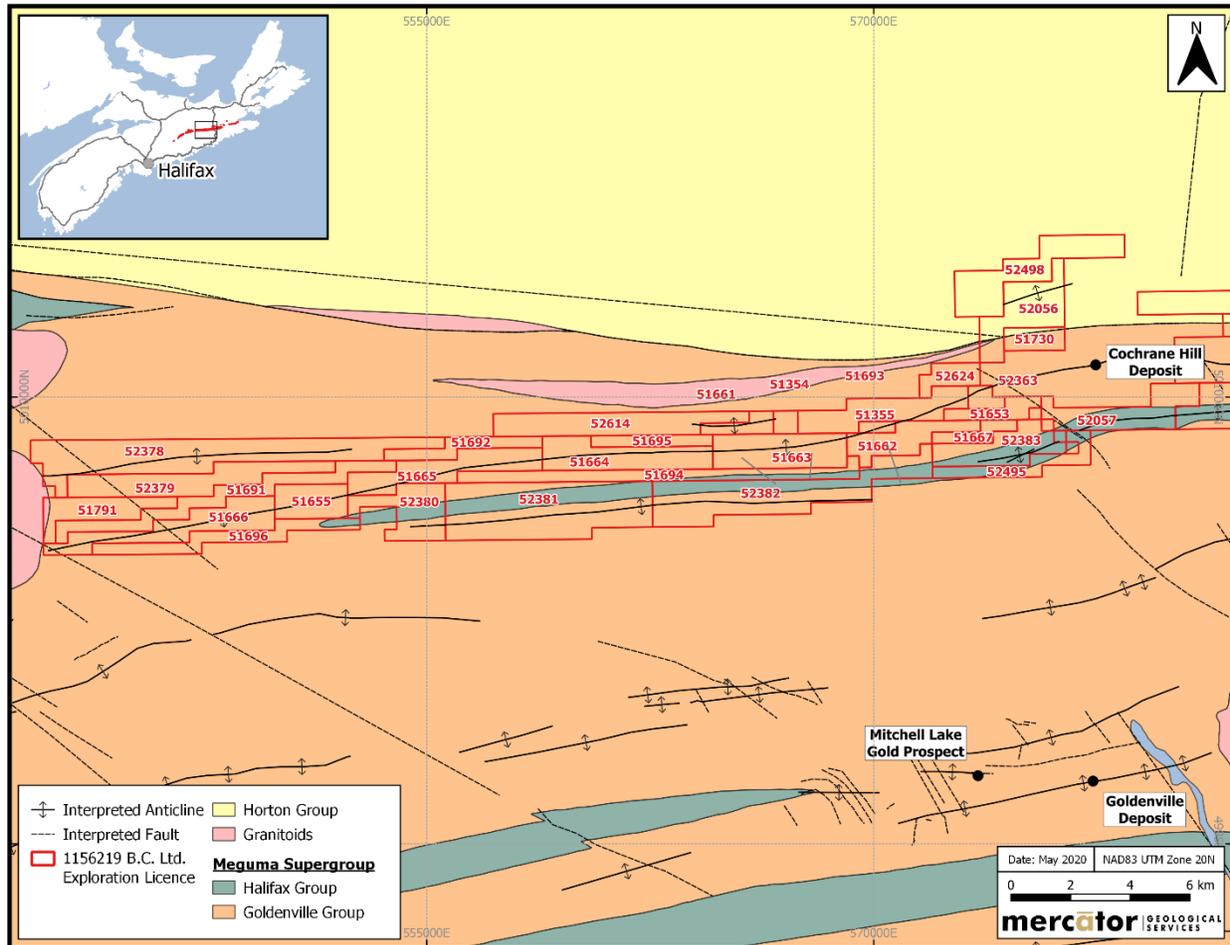
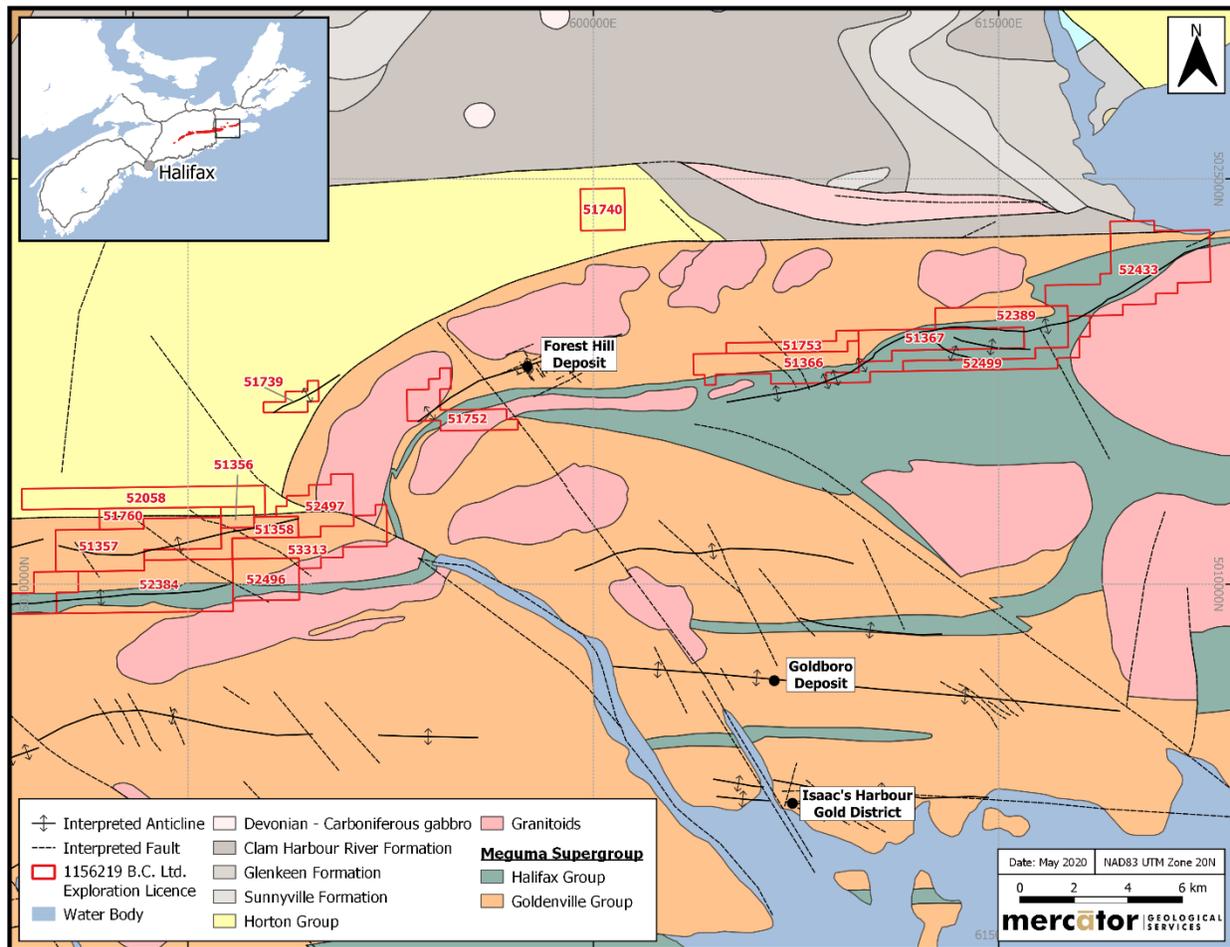


Figure 7-2-1-3: Cochrane Hill East and Forest Hill - Property Geology



7.2.2 Dufferin

The Dufferin properties (Figure 7-2-2) are located within the Goldenville Group. Gold mineralization within the Dufferin properties and at the nearby Dufferin Mine owned by Aurelius Minerals occurs in the hinge of the Crown Reserve Anticline, which represents the faulted extension of the Dufferin Mines Anticline. Gold mineralization, though not very well understood in this region, occurs within all vein types at the Dufferin deposit, including saddle-reef, laminated leg-reef, and en-echelon stratabound types plus various discordant vein types (Horne and Jodrey, 2002). Low gold levels also occur in the wall rock adjacent to veins in the Dufferin deposit.

Bedrock geology in the Dufferin area mainly consists of the Goldenville Group with some very minor Halifax Group to the far southeast edge of the licence area. Most of the outcrop in the area is Goldenville Formation greywacke with less numerous outcrops of Halifax Formation slate. Large northwest-trending faults cut through the town of Sheet Harbour and further to the northeast, and it is possible that these major faults may contribute to gold mineralization in the area, though this is poorly understood at this time. Several kilometres to the west of this licence area is a large, late Devonian intrusive complex of muscovite biotite monzogranite that may have contributed some metals such as tin, molybdenum and

tungsten to locally altered, surrounding Goldenville rocks. The surficial geology mostly consists of ground moraine and streamlined drift approximately 2-20 metres thick, with numerous, elongate, north to northwest trending drumlins approximately 1 kilometre in length by 300 metres in width.

7.2.3 Fifteen Mile Stream

The Fifteen Mile Stream properties (Figure 7-2-3) are located within the Goldenville Group where complexly folded greywackes and interbedded argillites define the eastern portion of the northeast trending Beaver Dam-Fifteen Mile Stream anticline, which hosts the St Barbara-owned Fifteen Mile Stream deposit. The anticline is overturned to the south and contains minor flexures within the north limb (Z folds), the hinge zone (M folds), and the south limb (S folds). The anticline is doubly plunging, which created a domal structure characteristic of many gold districts in the Meguma Supergroup. This region is underlain by folded greywackes and interbedded argillites of the Goldenville Group and the northeast trending Beaver Dam-Fifteen Mile Stream Anticline hinge zone is mapped south of the property area. Results of the aeromagnetic geophysical survey completed by MegumaGold in the spring of 2018 on this property have been interpreted as defining a northeast trending secondary anticlinal structure and several northwest-southeast trending faults in this area.

7.2.4 Goldboro-Isaac's Harbour

The Goldboro-Isaac's Harbour properties (Figure 7-2-4) are underlain by greywackes and argillites of the Goldenville Group. The properties are centered along the Goldboro regional anticline which trends roughly east west across the district and plunges moderately to the east. The axial surface is vertical or dips steeply north and the fold is either upright or overturned slightly to the south. Several northwest trending faults transect the anticline in the property area. The Upper Seal Harbour anticline also transects the area and plunges at approximately 10° to 30° east. It is tightly appressed and nearly upright. Several northwest trending faults transect the anticline in the property area.

The Isaac's Harbour claim group is located within the Isaac's Harbour gold district where the Goldenville Group is exposed and has been folded into three parallel anticlines running east and west across the harbour, named the north, middle and south anticlines. The historically mined gold deposits of this district are predominantly of the inter-stratified type with higher grade gold mineralization typically being concentrated in plunging shoots. The large Lower Seal Harbour mine also produced gold from complex vein arrays and stockwork zones. The north and south anticlines converge at Hurricane Point where there has been significant historical gold production (Malcolm, 1976).

Figure 7-2-2: Dufferin Property Geology

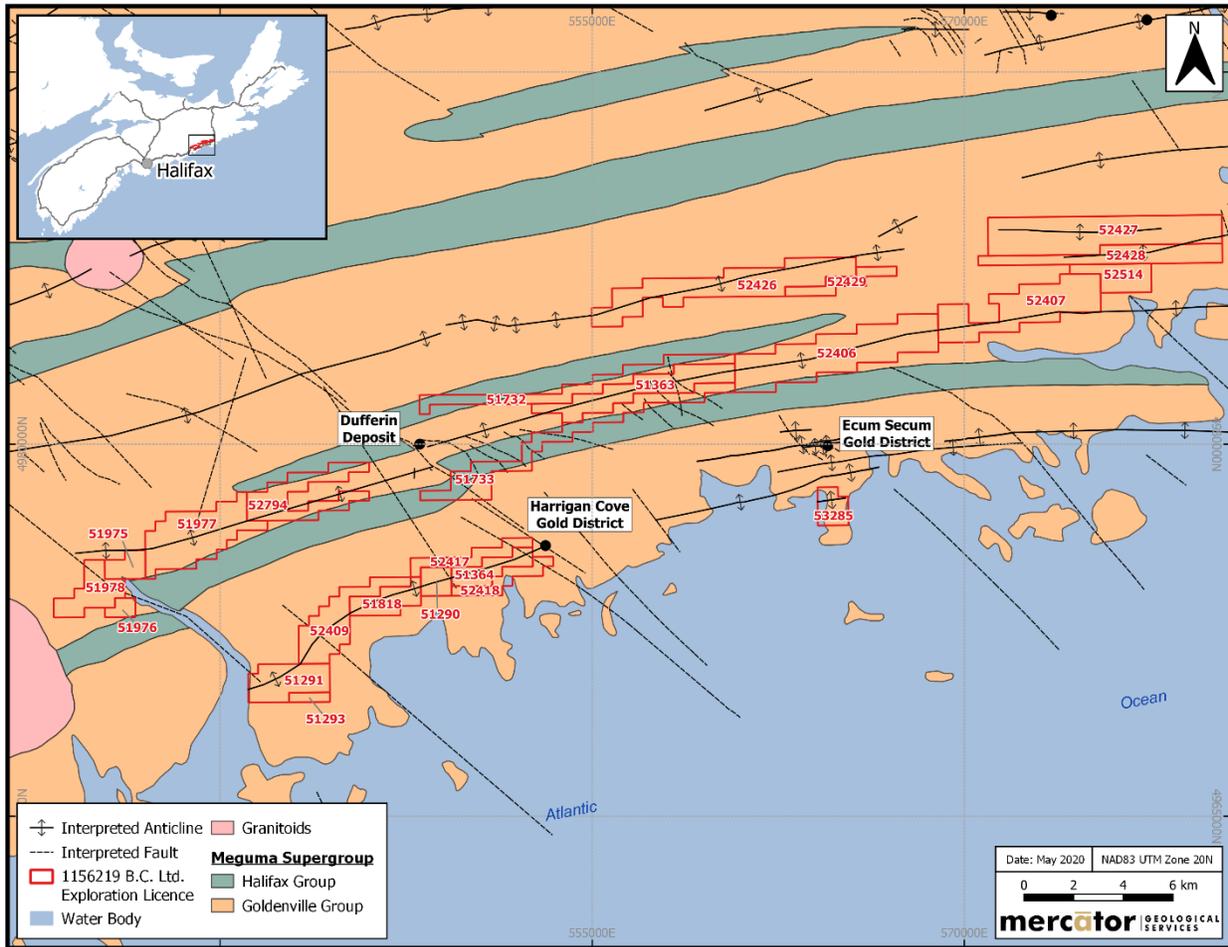


Figure 7-2-3: Fifteen Mile Stream Property Geology

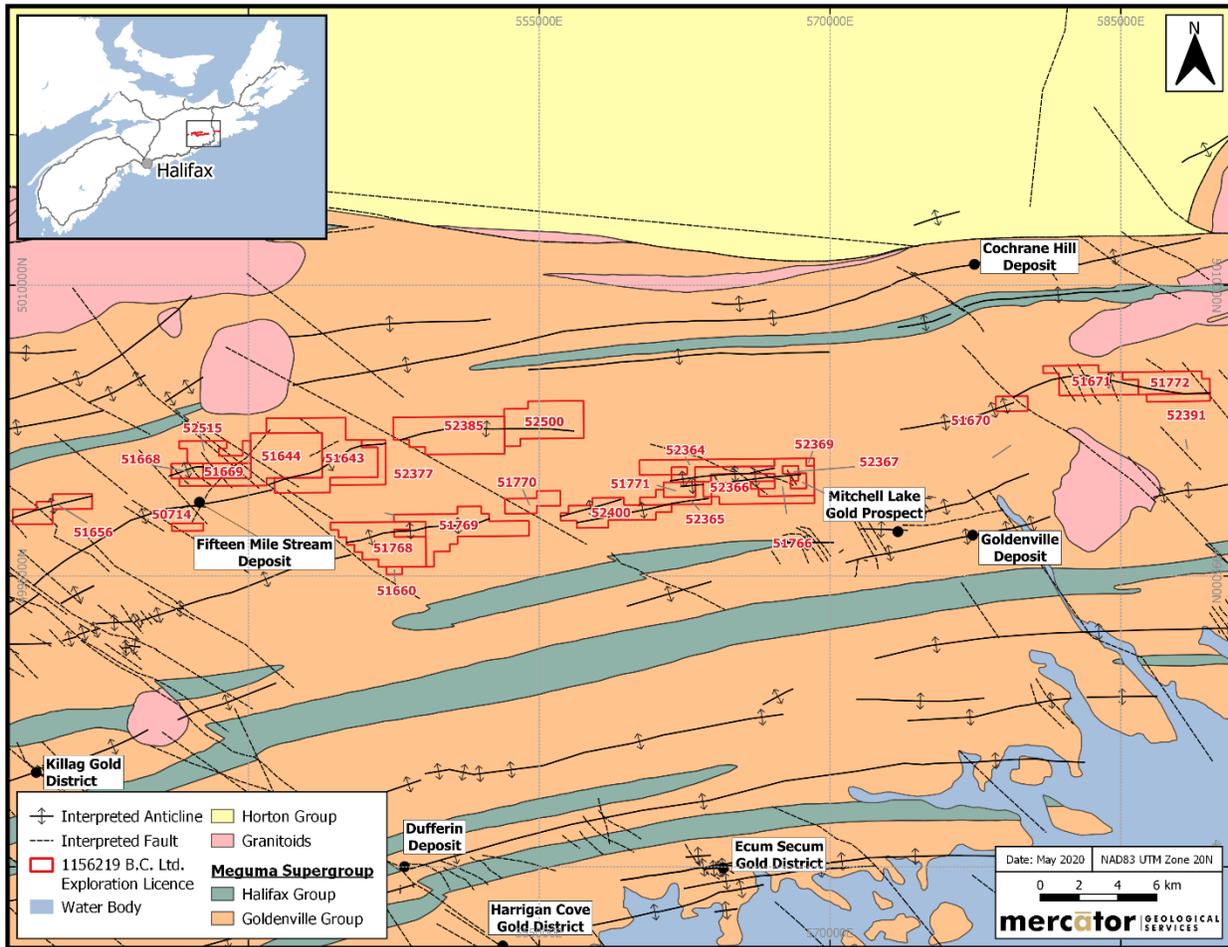
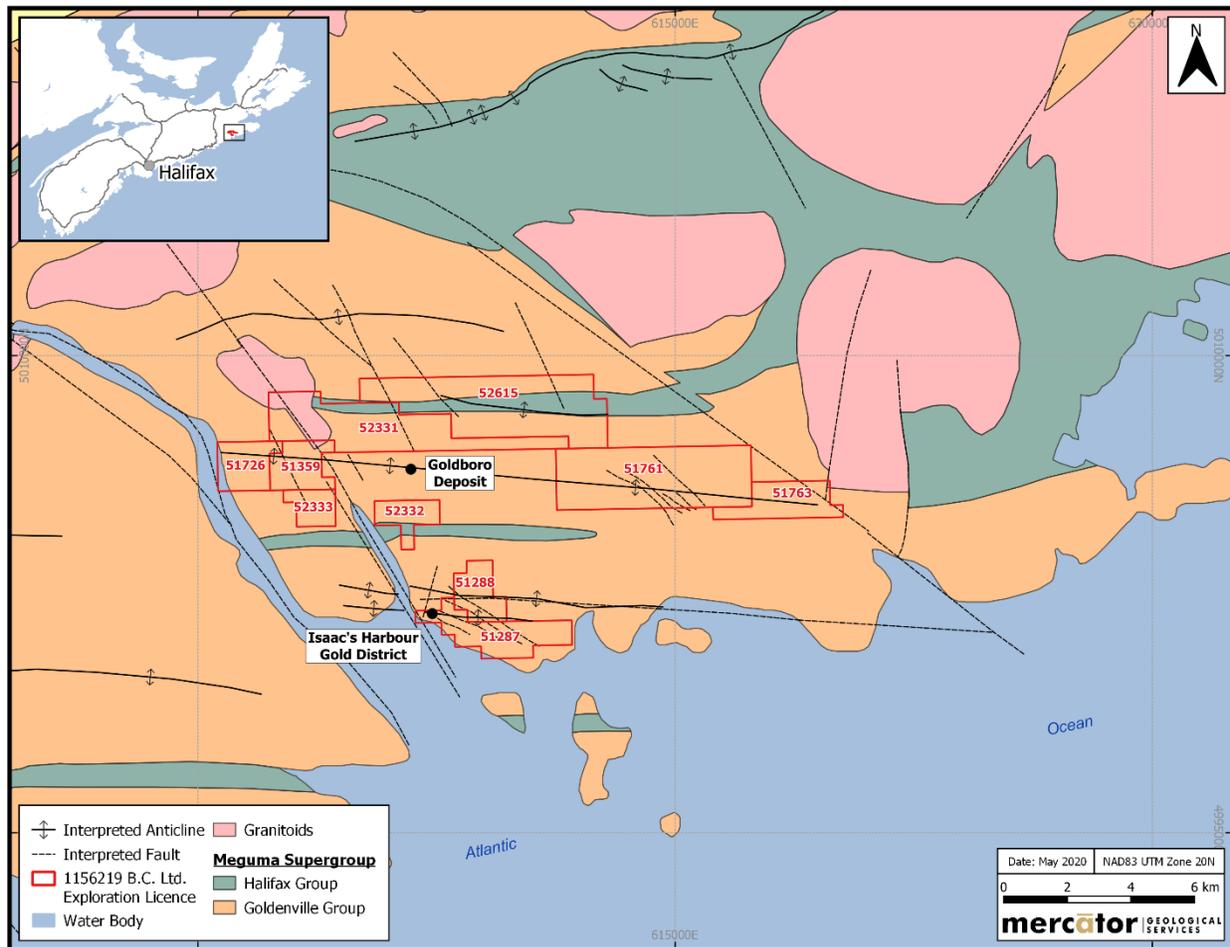


Figure 7-2-4: Goldboro-Isaac's Harbour Property Geology



7.2.5 Greater Beaver Dam

The Greater Beaver Dam project area (Figure 7-2-5) is underlain by folded interbedded greywackes and argillites from the Goldenville Group. Mapping of this district from as early as 1898 (Faribault, 1898) and recent interpretations of aeromagnetic survey data show that the main Moose River-Beaver Dam Anticline's hinge zone occurs south of the MegumaGold licence area. The Beaver Dam Anticline hosts the St Barbara-owned Beaver Dam deposit. The anticline is tightly appressed and upright to locally overturned, with both limbs dipping to the north. It has been disrupted by several northwest-trending faults and contrasting fold geometries occur on opposite sides of some faults, suggesting that folding and faulting may have occurred simultaneously.

Gold mineralization at Beaver Dam has been recognized over a strike length of approximately 1.4 km, extending from the Main Zone northwest to the Mill Shaft Zone. Historical drilling has shown that mineralization weakens between the Main Zone and Mill Shaft Zone. The eastern end of the Main Zone is controlled by the Mud Lake Fault and possible offsets to the mineralization have been identified between the Mud Lake and Cameron Flowage faults and in the Northeast Zone, immediately east of the Cameron Flowage Fault. The mineralised zone can reach as much as 100 m in width with better gold grade (e.g.,

>0.5 g/t) material typically confined to a 5–40 metre width within that zone. Mineralization has been identified in historical drill holes at vertical depths of >600 m below surface and remains open below that depth. Gold mineralization is hosted within quartz veins and within the argillite and greywacke host rocks. Mineralized quartz veins are typically 0.5–20 cm in thickness and are commonly bedding parallel but can also include cross-cutting veins. Sulphide assemblages include pyrrhotite, pyrite and/or arsenopyrite with lesser chalcopyrite, galena or sphalerite. Gold commonly occurs within quartz veins as coarse (>1 mm) grains and clusters of finer, but still visible (<1 mm), grains. Coarse gold grains are more likely to be found at vein-wall rock contacts and are often spatially associated with sulphides. Importantly, gold also occurs as a disseminated phase in some of the main argillite units that host the deposit (Staples et. al., 2019).

7.2.6 Greater Goldenville

The Goldenville Group of the Meguma Supergroup underlies the Greater Goldenville properties and is takes its name from widespread exposure in this former gold mining district (Figure 7-2-6). The Goldenville Gold District in Nova Scotia is considered one of the most prolific gold mining districts in Eastern Canada. Over 200,000 ounces of gold averaging nearly 12 g/t Au were produced between 1862 and 1942 (Bottrill, 1987). The MegumaGold properties surround the Goldenville anticline, which trends roughly east-west across the district and plunges to the west between 0° and 35° (Goldworx NS, 2014). Stratigraphy in the area is transected by west-northwest-trending undulations or flexures that localize quartz dilations and appear to have played an important part in gold mineralization (Malcolm, 1976). The Goldenville anticline passes through the central part of the Goldenville district and is a westerly-plunging asymmetric structure. At the east end of the fold, beds are vertical to overturned and form a narrow zone of tight folding. To the west, the anticline broadens with beds on the north limb dipping 45° and beds on the south limb remaining near vertical (Goldworx NS, 2014).

Figure 7-2-5: Greater Beaver Dam Property Geology

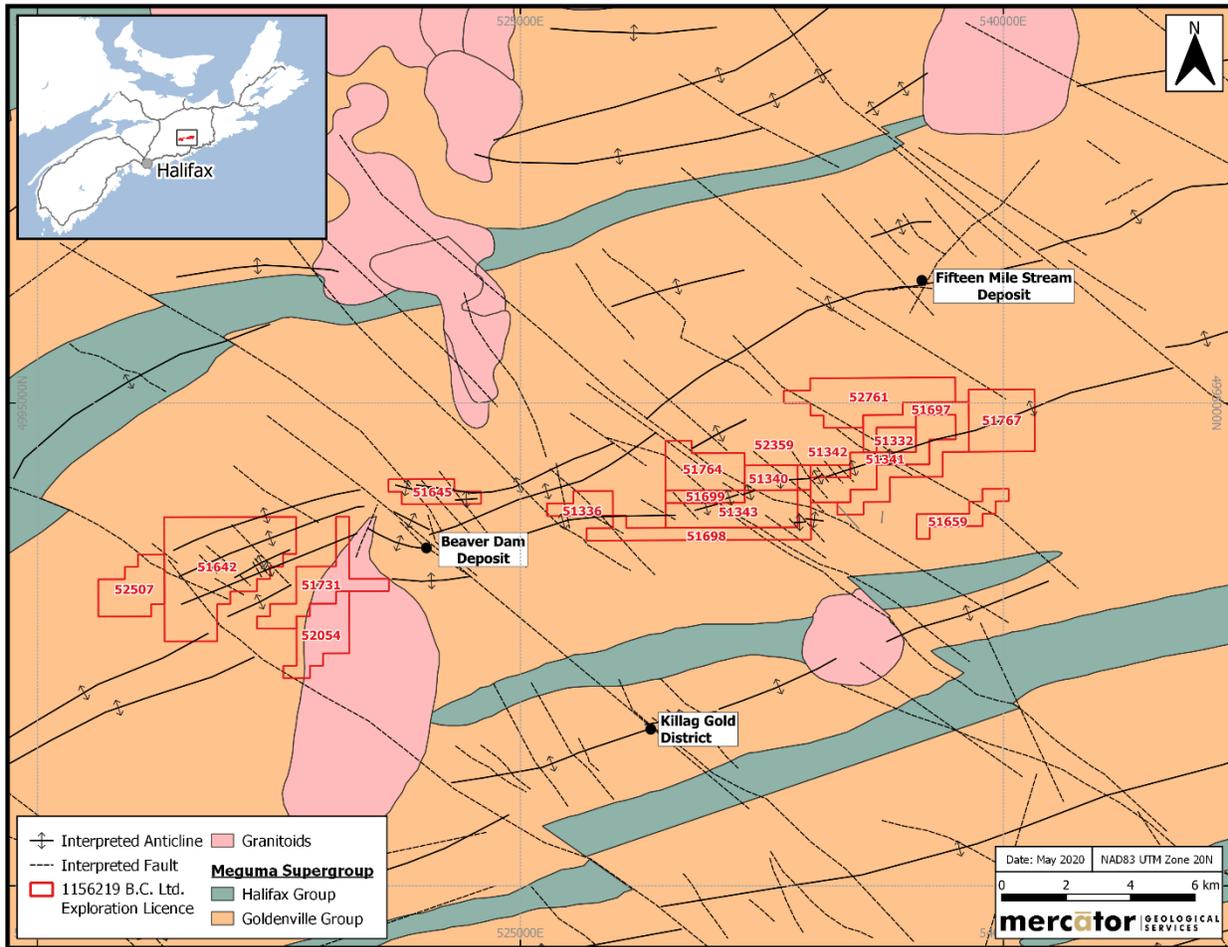
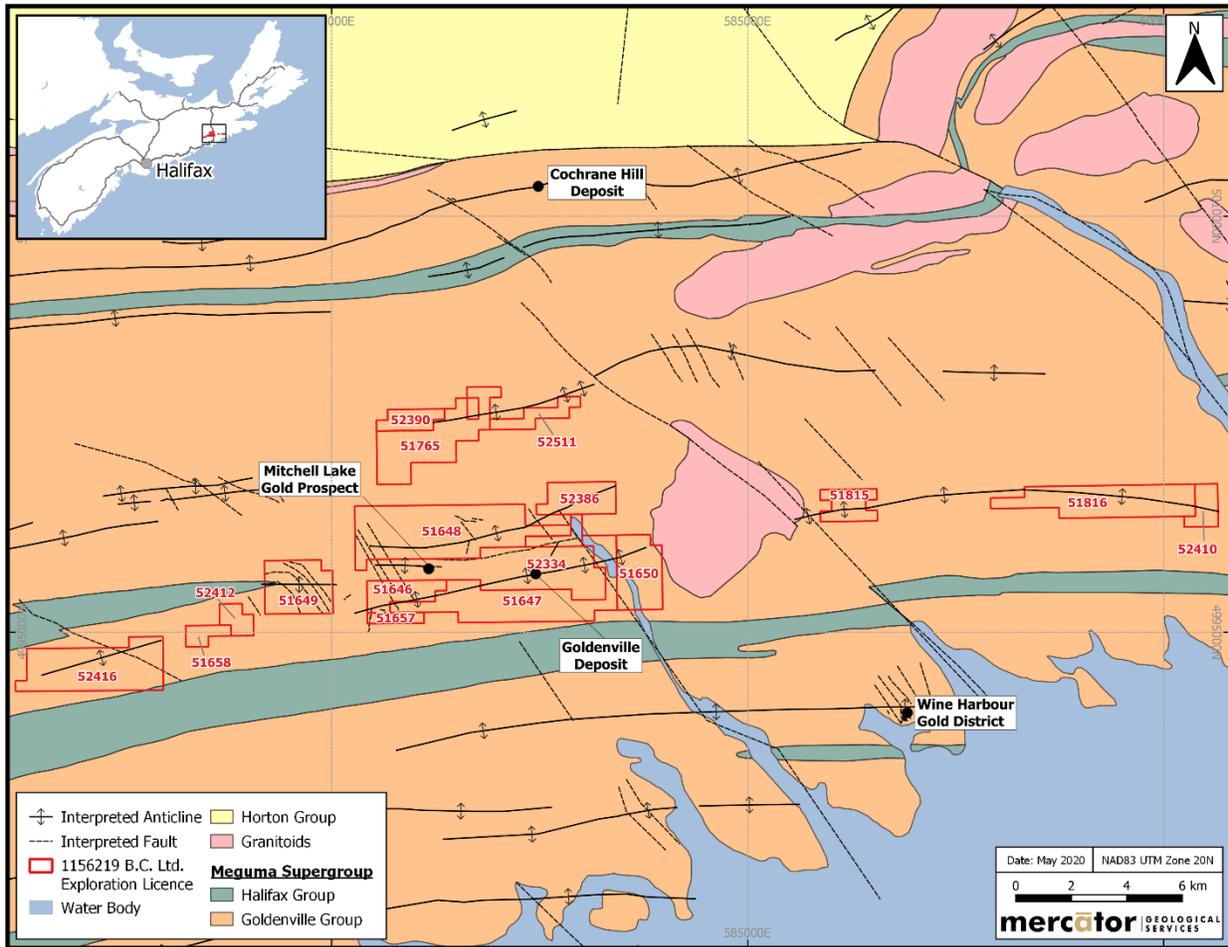


Figure 7-2-6: Greater Goldenville Property Geology

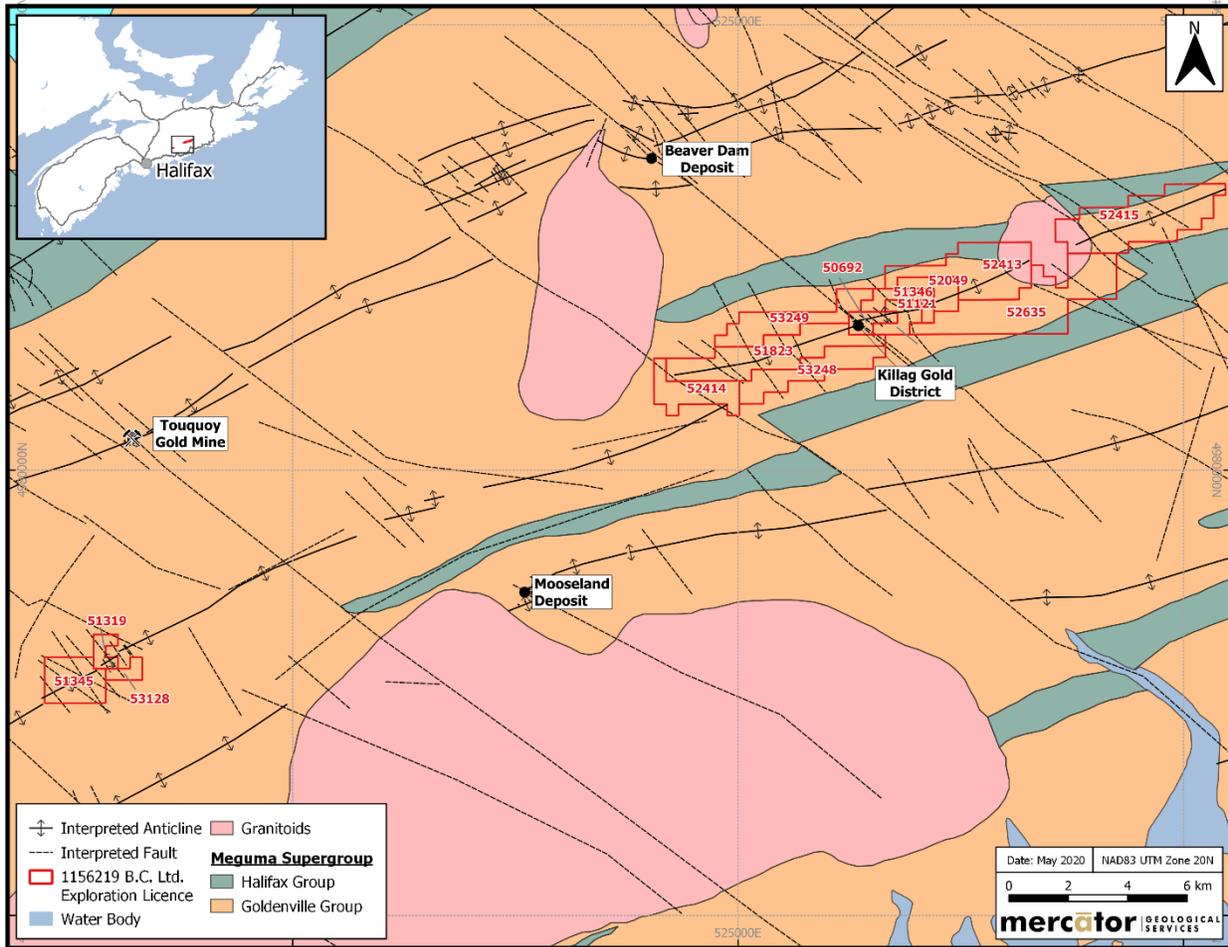


Gold mineralization at Goldenville is hosted by quartz veins and to a lesser extent is dispersed within the surrounding wallrock. Hedley (1941) classified the veins into two main groups: (1) bedded veins, termed leads, and (2) angular veins that strike and dip at angles that crosscut bedding. Both have been correlated over substantial distances in the area. Variable amounts of slate wallrock are found within the veins at Goldenville and show various degrees of assimilation. Gold-associated alteration in the district includes chloritization, silicification, carbonation, and sericitization. Carbonate and chlorite alteration commonly occur in association with quartz vein wall rock contacts and arsenopyrite, pyrite and pyrrhotite often occur in association with the veins.

7.2.7 Killag

The MegumaGold Killag properties include the Killag East, Killag Central, and Killag West project areas, and are located within the historical Killag Gold District (Figure 7-2-7). The geology of the Killag area is reasonably well documented from historical mapping, underground development and mining, and exploration drilling. Gold mineralization in the Killag East area occurs in association with both bedding parallel veins and discordant quartz vein arrays and is particularly focused in the hinge area of the Killag anticline. This fold plunges to the east at approximately 30° in the area of past mining activity and is asymmetric in geometry, having a steeply south-dipping to overturned south limb and a moderately north-dipping north limb. Historical gold mining was focused on bedding parallel quartz veins that generally occur on the steeply dipping south fold limb. The Stuart Lead (vein) is the most prominent of these veins and was stoped to variable extents within historical underground workings. The Stuart Lead is reported to be approximately 0.25 metres in thickness where mined and has a near vertical orientation. Bedding parallel veins were also worked to a lesser degree on the north limb of the anticline that dips north at approximately 35°. The Flat Lead is the most prominent of these veins and measures approximately 0.25 metres in thickness where developed and occurs at the upper contact of a prominent 1.2-metre-thick argillite unit. Historical mapping by the Geological Survey of Canada (GSC) identified at least 10 bedding-parallel quartz veins with interpreted strike lengths exceeding 500 metres on the north limb of the anticline, with a comparable number showing interpreted strike lengths of similar extent on the south limb. An increase in mapped quartz vein frequency in close proximity to the Axis Zone of the Killag Anticline is defined by GSC mapping and is consistent with the occurrence of fold-focused, gold bearing veins of bedding parallel, saddle-type, and discordant styles.

Figure 7-2-7: Killag Property Geology



7.2.8 Mooseland

The Mooseland property area occurs along the Mooseland Gegogan Anticline within the Goldenville Group (Figure 7-2-8) and Mooseland Gold District. Bedrock geology in this area is dominated by metasediments of the Goldenville Group. The main Mooseland gold deposit primarily consists of folded, bedding concordant quartz veins associated with the regional anticline's closure zone in the central area of the district. The deposit is currently held by NSGold Corporation. Northwest-trending faults commonly displace the hinge of the anticline and the Late Devonian Musquodoboit Harbour Batholith occurs to the south of the property. Contact metamorphism associated with the intrusion resulted in the development of andalusite and garnet-bearing banded paragneiss and pelite near the contact. At the Lake Charlotte Gold District to the west of Mooseland, gold and tungsten mineralization occur within bedding parallel quartz veins (Cullen, 2004).

7.2.9 Wine Harbour

The Wine Harbour property area is situated within the Goldenville Group (Figure 7-2-9), which is folded into two east-west trending anticlines that verge towards the west (Malcolm, 1976). The northern anticline passes south of Rocky Point on Indian Harbour and the southern anticline crosses the south end of Barachois Pond. Gold mineralization in this area occurs as interbedded quartz veins within several well-defined stratigraphic sections. At Barachois Pond, the veins lie 100 metres south of the anticlinal hinge zone with gold mineralization plunging east. Historical workings were developed in the Charlotte, Eureka, and Plough belts among others (Malcolm, 1976).

7.2.10 Touquoy West

The Touquoy West project area is currently one of MegumaGold's most prominent areas of exploration focus. It is located along strike to the west and south from St. Barbara's operating Touquoy Gold Mine property, along the trend of the Moose River-Fifteen Mile Stream anticline (Figure 7-2-10). The Touquoy deposit and the historical Higgin's and Lawlor gold mines both occur within the Moose River Formation near the hinge of the Moose River-Fifteen Mile Stream anticline. The hinge of the anticline is traceable for 47 kilometres through an associated high magnetic anomaly (Staples et al., 2019). The hinge is disrupted by numerous northwest and northeast trending faults and fold geometry varies along the hinge. At the Touquoy deposit, the anticline is upright to overturned with both limbs dipping north. The Moose River Formation is composed of multiple, thick argillite sections separated by greywacke units. Within the Touquoy deposit area, argillite accounts for as much as 180 metres of stratigraphy on the northern limb near the hinge but is thinner (25 to 60 metres) on the southern limb (Staples et al., 2019). In this region of Nova Scotia, the rocks have been metamorphosed to greenschist facies. Gold mineralization occurs on both the north and south limbs in bedding parallel quartz veins that were historically mined but is most prominently represented as a disseminated phase in thick, carbonate altered, sulphidic argillite units. The Touquoy West property areas are also in part underlain by greywackes of the Tangier Formation. The high magnetic anomaly to the north of the licenses is interpreted to be magnetite-bearing greywackes of the Taylors Head Formation (Staples et al., 2019).

Figure 7-2-8: Mooseland Property Geology

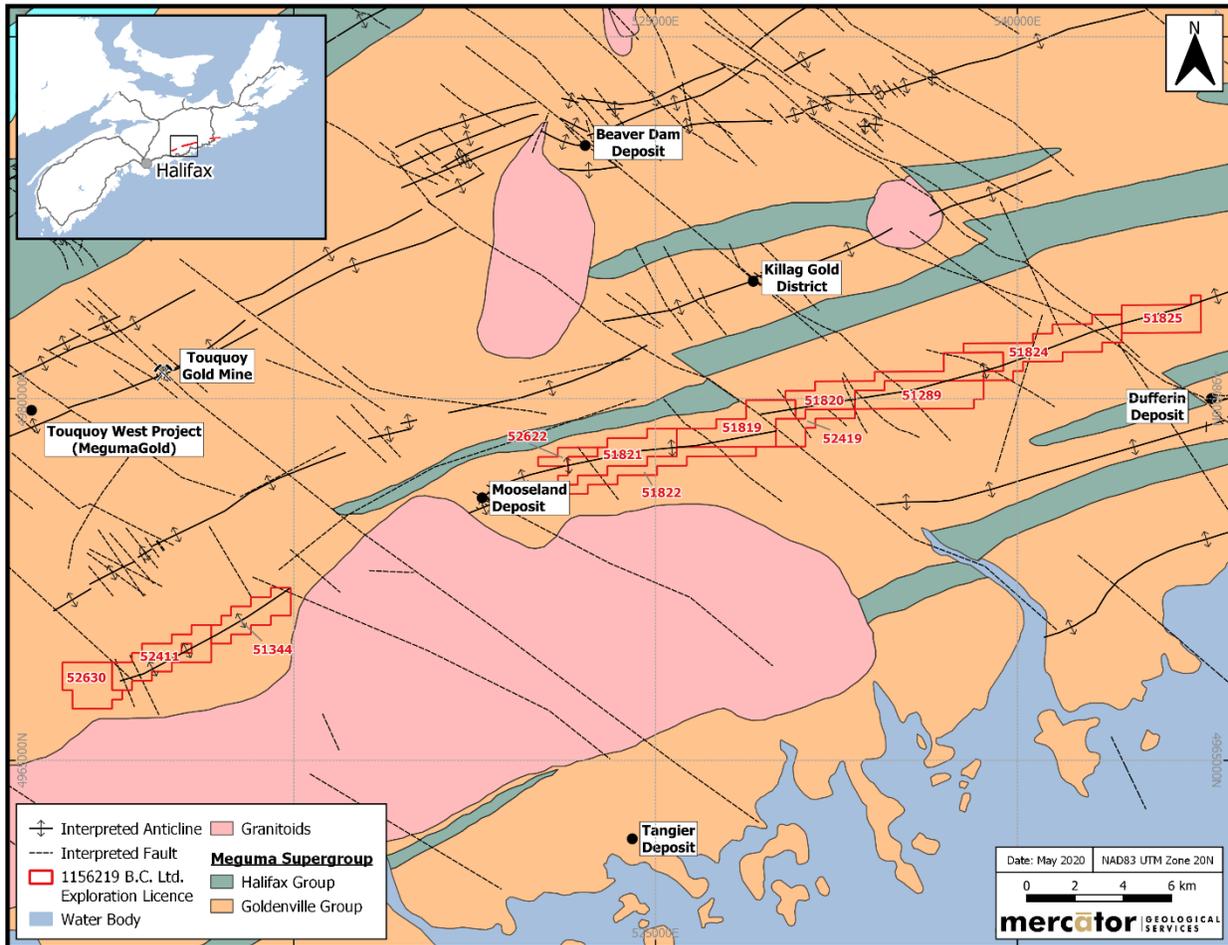
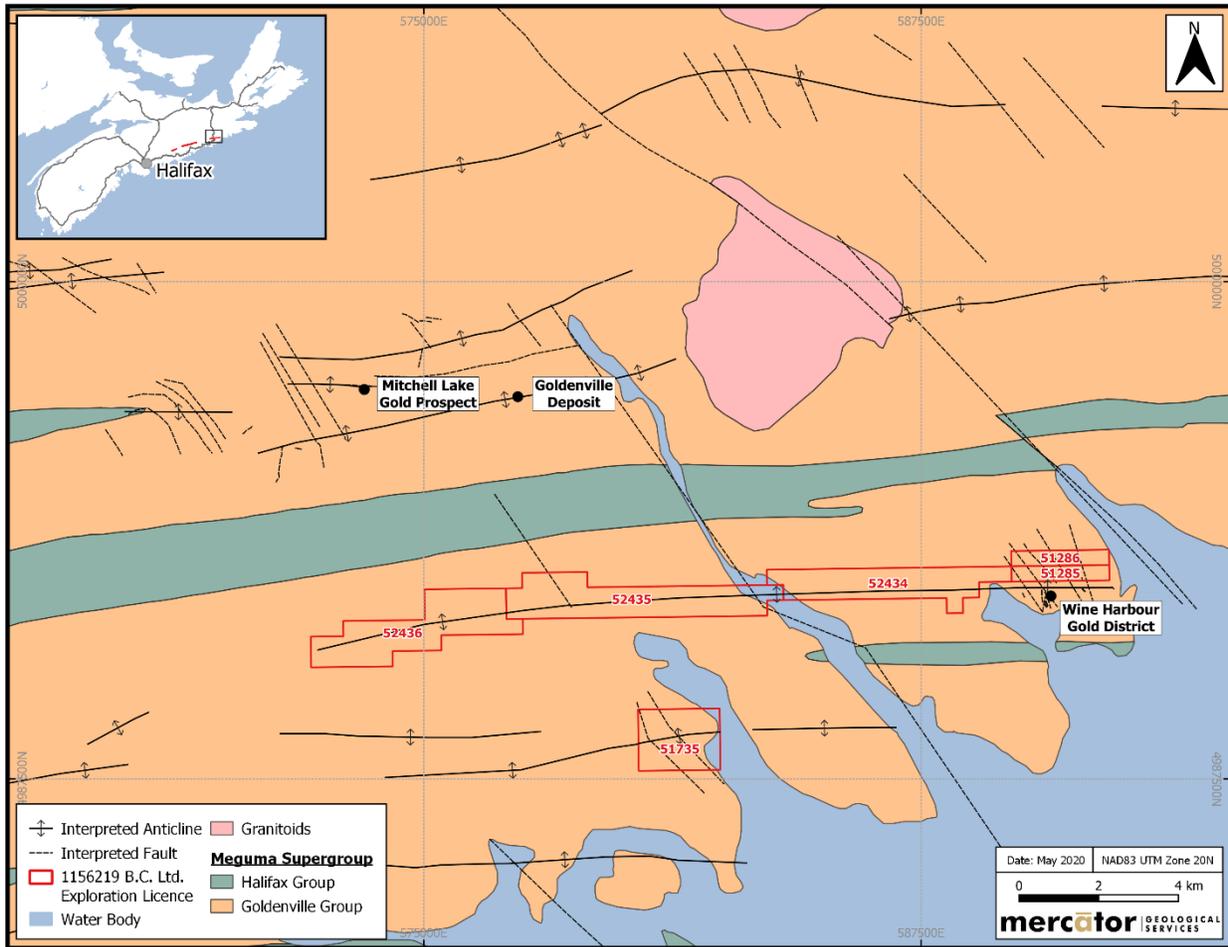


Figure 7-2-9: Wine Harbour Property Geology



7.2.11 Other Meguma Properties

The remaining MegumaGold property areas are located throughout central and western Nova Scotia. Bedrock geology consists of greywackes and argillites of the Goldenville Group overlain unconformably by clastics, carbonates and evaporites of the Windsor Group towards the southwest end of the licences.

MegumaGold's central Nova Scotia exploration licences occur within the Renfrew, Oldham, and Mount Uniacke gold districts and contain numerous examples of historically defined, interbedded or saddle reef type gold-bearing quartz veins within the Goldenville Group around a northeast-trending asymmetrical, anticlinal dome. This dome is an extension of the same anticlinal structure that hosts the Mount Uniacke Gold District, known as the Mount Uniacke-Renfrew Anticline. Strata on the north flank of the dome have average dips of 20° to 30° northwest, while the south limb has generally steeper dips of 30° to 60° southeast (Black et.al, 1987). MegumaGold's South Uniacke, Oldham, Tupper Lake and Toney Lake licence areas are also located close by and are situated in the lower part of the Meguma Supergroup stratigraphy.

The Wittenburg licence area occurs in the Wittenburg Synclinorium along the Stewiacke anticline on the Wittenburg Horst. The Wittenburg horst is confined by two northeast trending faults, the Meadowvale fault to the north and the Musquodoboit Fault to the south. The Stewiacke anticline is tightly confined by the north syncline and south syncline within the Wittenburg Horst. The properties are entirely underlain by slates of the Halifax Group which are overlain unconformably by the Horton and Windsor Group to the southeast and northwest. Regionally, the Halifax Group rocks are tightly folded with the north limb of the anticline dipping approximately 72° to 88° to the north and the south limb dipping approximately 87° to 89° to the south on the MegumaGold properties. Several historically defined gold occurrences associated with either stratabound or discordant, thin quartz veins occur along the trend of the anticline in this area. None of these occurrences resulted in substantial historical gold production.

8.0 DEPOSIT TYPES

The Meguma Supergroup gold deposits are classified as being of turbidite-hosted, orogenic, mesothermal association. Gold typically occurs in discrete quartz vein systems or as a disseminated phase in sulphidic argillite units and tends to be concentrated in proximity to domal anticlines that developed during regional deformation and metamorphism. Quartz vein settings include saddle reefs in anticlinal hinge zones, stratabound veins, structurally controlled quartz vein arrays or stockworks, and discordant vein sets. Historical production came predominantly from narrow (<0.5m thick), high-grade (>15 g/t Au) stratabound veins and saddle reefs veins that carried coarse native gold and were mined using underground mining methods. Anaconda's Goldboro gold deposit that is currently the subject of a feasibility study provides a good example of combined quartz vein gold settings and is also locally characterised by presence of disseminated gold in altered wall rock intervals adjacent to important quartz vein systems.

In contrast to the quartz vein settings, low-grade (approximately 0.5–4 g/t Au) disseminated gold deposits hosted by altered argillite that commonly show mineralized intervals measuring tens of meters in length have also been defined in some historical gold districts, particularly within argillite rich stratigraphy of the lower Goldenville Group. Geometry, gold grade and tonnage potential of this style of mineralization combine to make it amenable to development and mining using open-pit or bulk underground mining methods. St. Barbara's Touquoy gold deposit that is currently being mined by open pit methods at Moose River is the most prominent example of this style of mineralization.

Native gold has also been identified at a few locations in poorly understood zones of non-quartz vein bearing, altered greywacke. In this setting it occurs in low concentrations (<0.5 g/t) in association with disseminated iron sulphide, minor electrum and certain intermetallic compounds and metal alloys. This type of deposit has not supported gold production to date in Nova Scotia and has not been the focus of much exploration effort since its initial description in the 1980s.

Narrow vein gold deposits of the Meguma Supergroup are commonly characterized by multiple high-grade veins within narrow slate intervals in folded, metasandstone (greywacke) dominated sequences. Historically, gold production in Nova Scotia has been relatively small in scale and has come from high-grade quartz vein settings localized along domal anticlinal areas, with mine development in most cases being to depths of less than 200 metres below surface. The potentially bulk-mineable deposits are characterized by a mixture of high-grade vein and low-grade wall rock hosted gold mineralization in both slate/argillite and greywacke sequences (Ryan and Smith, 1998).

Gold deposits of the Meguma Supergroup are considered to be similar in style to those present in the Bendigo, Ballarat, and Stawell areas in the Victoria Goldfields of southeast Australia and also to the Reefton area gold deposits in New Zealand. However, despite the comparable regional geological attributes of these goldfields, equivalence of their gold bearing potential with respect to the MegumaGold property holdings discussed in this technical report is not being suggested.

In the authors' opinion, a turbidite-hosted, orogenic, mesothermal gold model is an appropriate deposit model for MegumaGold to use for exploration planning and drill hole targeting purposes.

9.0 EXPLORATION

9.1 Overview

Exploration work completed on the MegumaGold exploration licences in Eastern Nova Scotia include historical data compilation, regional airborne magnetics/radiometrics surveying, regional LiDAR surveying, geological interpretation of the LiDAR dataset, geological modeling, prospecting, geological mapping and outcrop sampling, combined ground VLF and magnetics geophysical surveying, till and soil geochemistry surveying, and a reverse circulation (RC) drilling program. Details of the RC drilling program are discussed in Section 10. This detailed compilation and exploration work was planned and completed by Mercator on behalf of MegumaGold over a 18-month period starting in early 2018. These exploration programs are further described in detail below.

9.2 Regional Airborne Magnetics/Radiometrics Survey

Precision GeoSurveys Inc. (Precision) of Langley, British Columbia was contracted in the spring of 2019 to provide helicopter-borne, high resolution aeromagnetic and radiometric surveying over the MegumaGold exploration licences. Figure 9-2 illustrates the location of the individual survey blocks that were flown over the extent of mainland Nova Scotia as part of this regional survey. Precision flew the survey using a Bell 206 helicopter with geophysical instrumentation attached directly to the aircraft. The magnetic sensors are flown in a non-magnetic and non-conductive nose stinger configuration, along with radiometric sensors carried in the aircraft fuselage away from variable fuel cell gamma attenuation. Compared to conventional slung bird-type survey systems, the nose stinger configuration allows the survey to be safely flown at reduced terrain clearance to minimize noise, improve resolution and reduce the need for complex corrections to the data. The Precision survey was flown between April 19 and June 16, 2018. A total of 13,834 line km were flown over 49 separate survey blocks during this survey.

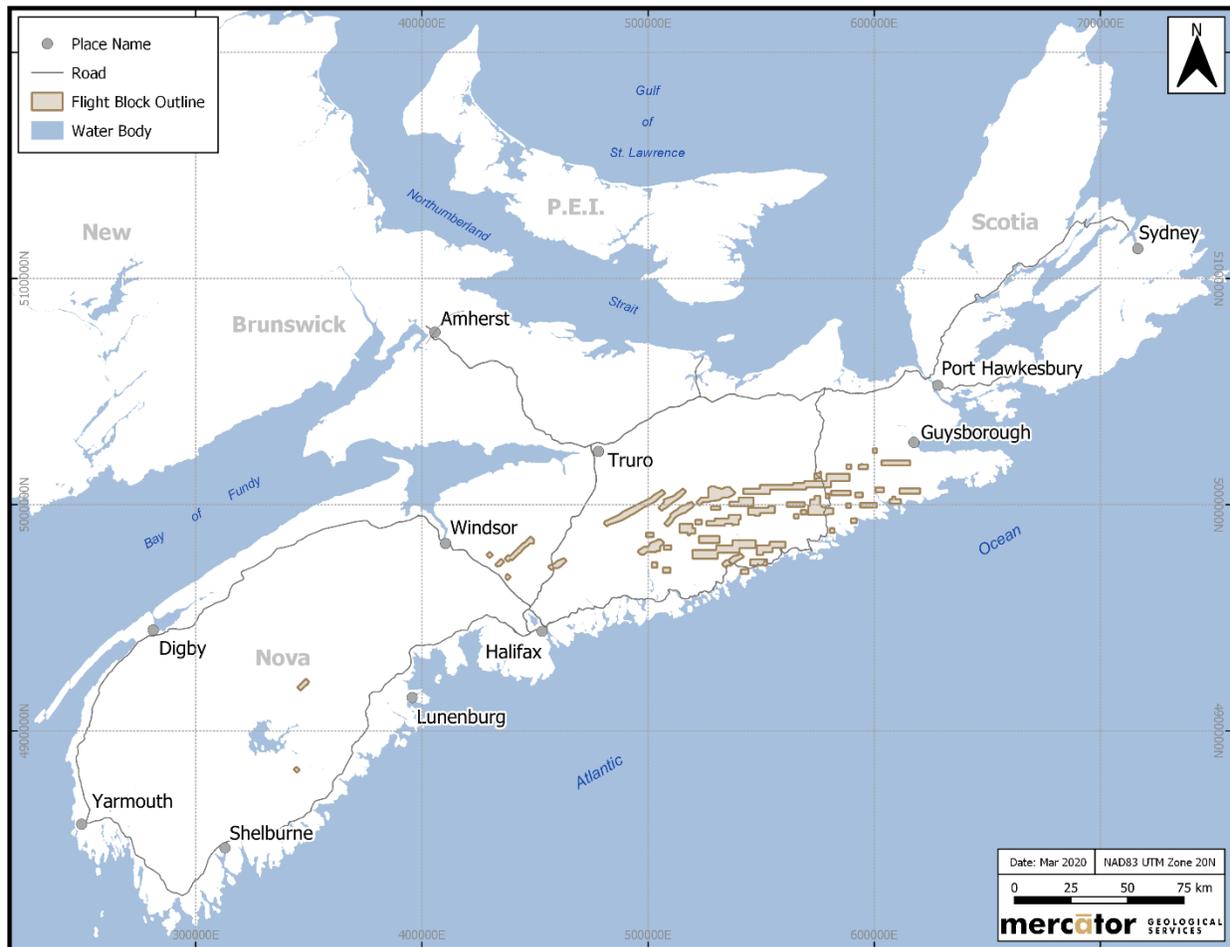
Precision achieves high quality data collection exceeding industry standards and the following points detail the specifications for data collection:

- Navigational accuracy was +/- 8 m L/R and +/- 10 m up/down with a nominal flight height of 40 m above ground. Any flights in excess of these tolerances for one km or more resulted in re-flights at no cost to MegumaGold, provided the flight deviations were not a result of weather, topography, residential/industrial areas, cultural features (including powerlines), mitigation of wildlife/livestock harassment, or other obstacles at pilot discretion.
- Non-linear magnetic diurnal variations, as recorded by one or more magnetic base stations, in excess of 10 nT from a linear chord of length one (1) minute would have resulted in survey flights being postponed and standby time being charged.
- Flight lines recording the normalized 4th difference of the raw magnetic data exceeding 0.20 nT peak to peak for distances of greater than 1 km, provided noise is not due to geological or cultural features, would have been re-flown at no cost to MegumaGold.
- A minimum of four GPS satellites would have been received at all times while data are being collected in flight. Any flight lines where three or less GPS satellites are received for distances of

greater than 1 km, provided signal loss is not due to topography, would have been re-flown at no cost to MegumaGold.

- Unfiltered magnetic survey data was monitored in flight by a geophysicist or trained geophysical operator using real-time QA/QC software. Any noise, drop-outs, line path deviations, or other undesirable anomalies exceeding the predetermined standards would have been re-flown at no cost to MegumaGold.
- All required re-flights were a minimum of 1,000 m long, so that the survey line re-flights would cross at least two tie lines, and tie line re-flights would cross at least five survey lines, where applicable.
- If, at any time during the survey, more than 5% of the data were outside specifications, the survey would have been stopped until corrective measures taken in consultation with MegumaGold.
- Survey operations were conducted in accordance with IAGSA standards.
- Survey aircraft and crew would have remained on the job site until all data have been verified and all re-flights, if any, have been completed.

Figure 9-2: Location of Individual Survey Blocks from Precision Airborne Geophysical Survey Program



9.3 Regional LiDAR Survey and Interpretation

In conjunction with the airborne geophysical survey noted in Section 9.2, KBM Resources Group (KBM) of Thunder Bay, ON was contracted to provide a fixed-wing, airborne LiDAR and orthophoto survey over the MegumaGold geophysical flight blocks at a LiDAR point density of 4 pts/m². The KBM survey was flown at high altitude (+1000 m) with a fixed wing aircraft between May 2 and May 10, 2018. In total, the LiDAR survey covered 620 km² (49 survey blocks) over exploration licences currently held by MegumaGold.

LiDAR and orthophoto survey details are summarized below:

Orthophotos:

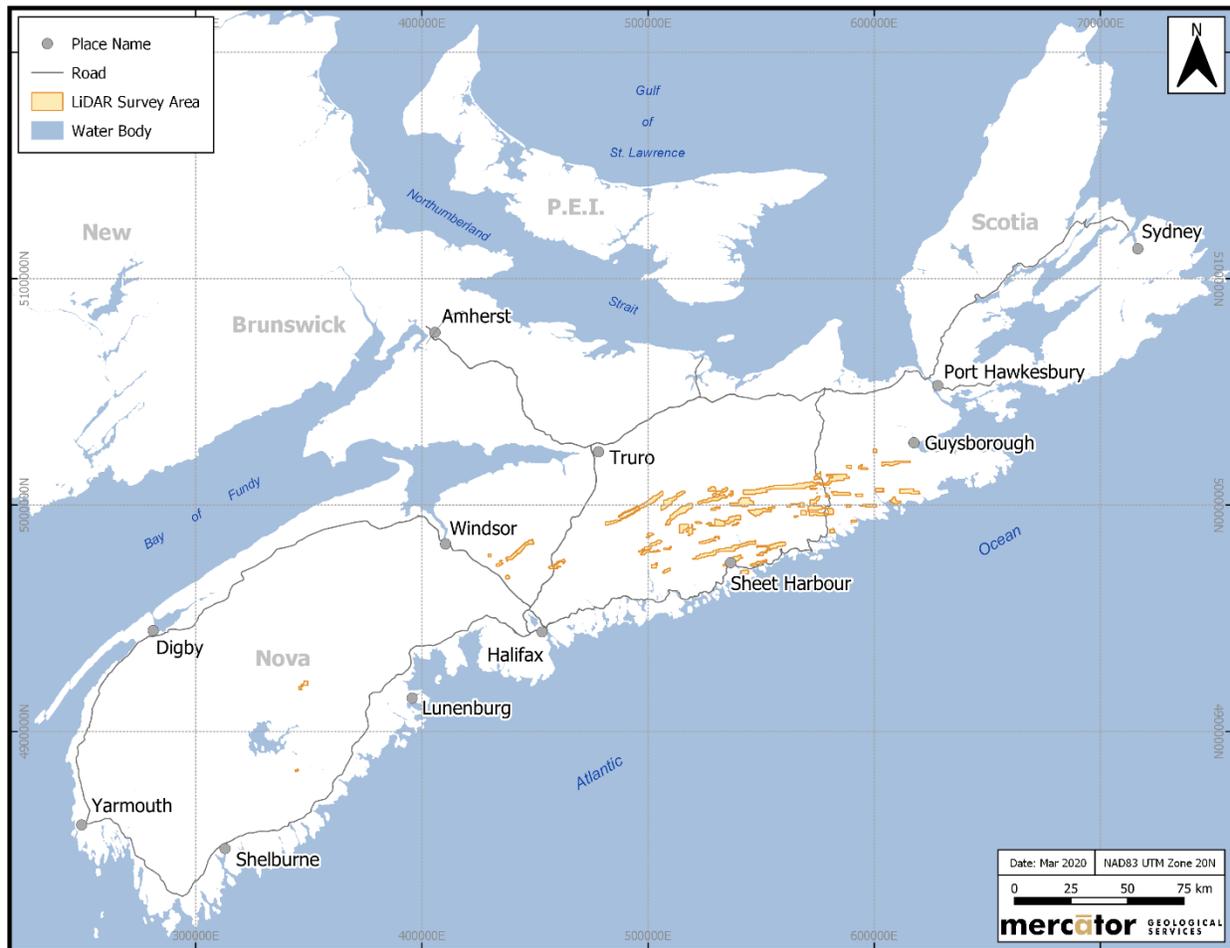
- Trimble Digital Mapping Camera
- 60 Megapixel, 3 channel (RGB) frame camera
- Average Ground Sample distance (GSD) up to 3 centimetres
- Fully calibrated lenses
- Forward Motion Compensation (FMC) provides crisp imagery

LiDAR:

- Up to 400 kHz laser pulse rate with full waveform digitization
- Scan speed up to 200 Hz
- 45-60 degree field-of-view for efficient acquisition time
- High point density from fixed-wing platform
- Typical raw point density ranging from 1-10 pts/m in a single pass

Figure 9-3 shows the individual LiDAR survey blocks completed over the MegumaGold exploration licences.

Figure 9-3: Location of Individual Survey Blocks from KBM LiDAR Survey Program



9.3.1 LiDAR Interpretation

Following collection of the LiDAR data over the MegumaGold exploration licences, a combined surficial and bedrock geological interpretation program was undertaken by Mercator. LiDAR data was sourced from the KBM survey carried out for MegumaGold in the spring of 2018 and also from the publicly accessible GEONOVA website that provides access to Nova Scotia government datasets. Datasets from 2013, 2014 and 2017 were used for the MegumaGold project.

Georeferenced hill-shade images of the LiDAR datasets were placed in the QGIS platform and for each licence, bedrock lineaments and surficial features were interpreted, digitally traced, drawn into map units and checked against the Nova Scotia Department of Natural Resources (NSDNR) Surficial Geology map (Stea et. al., 1992) prior to being used to generate a surficial map of the licence area. Publicly available satellite imagery was also used as a check interpretation where possible. For example, if a bedrock lineament was interpreted, the satellite imagery was used to see if bedrock was actually visible. LiDAR interpretation maps were completed for the Moser Lake, Seloam Lake, Goldenville, Little River Falls, and Goldboro exploration licences. LiDAR lineament interpretation was carried out on the basis of relief and continuity of features in the hill-shaded LiDAR digital elevation model (DEM). Four types of lineaments were digitized and are summarized in Table 9-3-1.

Table 9-3-1: Criteria for Bedrock and Surficial Lineament Interpretation

Type	Order	Continuity	Relief	Occurrence	Trend
Bedrock	First	100 m	High	Parallel sets	East-West, often folded
Bedrock	Second	10 m	High	Between or cutting across first order lineaments	North-South, oblique or high angle to first order bedrock
Surficial	First	100 m	Low	Parallel sets, isolated lines tracing till features	Parallel to bedrock, tracing discrete till features
Surficial	Second	10 m	Low	Irregular sets	Irregular

Bedrock lineaments typically have high relief and locally include visible patches of bare rock in satellite photos. They occur along convex raised topography and in ridges and knobs. Bedrock lineaments are straight or arcuate and continuous over hundreds of metres. They primarily occur as parallel sets that follow bedding features in the underlying Meguma Supergroup rocks and thus follow the predominant regional east-northeast by west-southwest strike. They locally exhibit fold shapes as a result of deformation of the underlying bedrock.

Second order bedrock lineaments are more discontinuous and occur at oblique or high angles to the major stratigraphic fabric. They reflect secondary structures within bedrock fabric, either late faults that cross-cut the predominant bedding fabric or jointing or sedimentary structures that occur between bedding lineaments.

Surficial lineaments are undulating and have lower relief than bedrock lineaments, but locally follow the same stratigraphic patterns as bedrock lineaments. Where they occur in parallel sets, surficial lineaments usually represent a buried bedrock fabric that has been covered with a thicker layer of till. Surficial lineaments may also be rounded or irregular where they trace glacial or glaciofluvial features such as drumlins, eskers, or kame terraces. Secondary surficial lineaments are discontinuous and usually curved and representative of glacial or later erosional features. Digitized lineaments were used along with the hill-shaded LiDAR data, a DEM layer, and satellite photos to interpret and classify the surficial geology of each licence. This classification scheme is shown below in Table 9-3-2.

Table 9-3-2: Classification Scheme for LiDAR Interpretation Maps

Surficial Material	Lineaments	LiDAR Hillshade	Satellite Photo	Occurrence	Sample Suitability
Alluvium	Surficial, along margins	Flat floodplains, steep-sided valleys	Watercourse and banks visible	Usually occupying wider glaciofluvial channels, often meandering	None
Peat bog	Bedrock and surficial, along margins	Flat ovoid areas	Distinctive rusty color, marsh vegetation, water at edges	Between bedrock ridges, in abandoned meanders, patchy on till plains	None
Esker	Surficial, sinuous	Raised narrow sinuous ridge	Poorly expressed	Cutting across regional drainages, in glaciofluvial areas	Poor
Kame (terrace)	Surficial, tracing edge of mounds	Isolated (rare) or clustered mounds, irregular fabric	Poorly expressed	Along ice-valley margins, above or within major drainages	Poor
Glaciofluvial	Surficial, chaotic	Chaotic or valley-parallel fabric	Low forested hills and basins	Along ice-valley margins, above or within major drainages, cutting major thick till features	Poor
Discrete till, undifferentiated	Surficial, around edges, rectangular	Massive	Rolling plains with local boulders	In areas of thick glacial deposits	Poor
Drumlin	Surficial, around edges, ovoid or lobate	Massive	Forested hills	In areas of thick glacial deposits	Poor
Thick till	None	Massive	Rolling plains with local boulders, forests	Major unit underlying most of areas	Poor
Moderately thick till	Surficial, in parallel sets	Ridges and furrows, massive	Slopes and rugged flat areas	Mantling bedrock, on steeper slopes, in patches	Moderate

Bedrock with till veneer	Bedrock, parallel sets or fold patterns	High relief ridges	Locally with visible bedrock, rugged	In patches, with interstitial peat bogs	Good
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Geographic areas were interpreted as underlain by bedrock with thin till veneer where bedrock lineaments occurred in parallel sets of beds and fractures were identified. Patches of exposed rock and the presence of stepped ridges were also used to help identify areas with only thin till cover.

Areas underlain by moderately thick till were interpreted where underlying bedrock lineaments were still visible but were muted and partially covered by thicker deposits of till and were mapped as surficial lineaments. Areas of moderately thick till usually occur as rectangular patches in areas of thicker till or along the slopes of thick till features.

The remaining areas of each block were categorized based on the character of the hill-shaded LiDAR data. Areas of chaotic structure, often with many discontinuous arcuate secondary surficial lineaments, were interpreted as representing glaciofluvial material. Glaciofluvial material is usually located along the edges of major valleys or as paleo-drainage patterns incising thicker till plateaus.

Discrete glacial features were identified on the basis of their morphology. Drumlins have a distinct ovoid shape and are made up of featureless, massive hill-shade. More rectangular or terrace-shaped till features were labelled as “discrete till, undifferentiated”. Eskers are sinuous ridges, narrow relative to their length, that crosscut the predominant drainage pattern in an area. Kames are mound-shaped glaciofluvial features associated with the contact between glacial ice and valley walls. They occur rarely as isolated kame mounds or more commonly as kame terraces, which are clusters of irregular collapsed kame material along the former margins of glacial valleys.

Peat bogs and alluvium were identified based on the truncation of lineaments or by lineaments along their edges, along with their massive hill-shade fabric and distinctive satellite photo appearance. Alluvium was defined as areas underlain by material that had been reworked by recently moving water, such as stream beds, flood plains, and oxbows. After the mapping of features indicated by lineament analysis, the remaining, texturally indistinct areas of each licence were mapped as thick till.

The purpose of the surficial geology interpretation described above was to delineate areas of each exploration licence that were amenable to conventional C-horizon till sampling and/or b horizon soil sampling. Bedrock with till veneer and areas of moderately thick till are considered good targets for till sampling (see Section 9.5 for details). Glaciofluvial material is considered a poor target for sampling due to the effects of reworking, mixture of multiple source materials, and difficulty in interpretation of source areas. Thick till is also a poor target for sampling due to the likely presence of till derived from more distant sources, along with a decreased expected geochemical response due to their thickness above local mineralized bedrock. Peat bogs and alluvium do not have appropriate media for sampling and would need to be avoided during till and soil sampling.

9.4 Historical Data Compilation and Geological Modelling

Mercator also undertook a compilation of available geoscientific data relating to each property area. This data was in the form of provincial and federal government digital datasets plus assessment reports and maps, historical mining company technical reports and maps, and reverse circulation (RC) and diamond drilling logs and assay data. Digital data was collected, organized and reviewed. Relevant data was extracted for use in geographic information system (GIS) software, based on the objective of identifying targets for more focused gold exploration and, ultimately, for RC or core drilling on certain exploration licences to test for bedrock gold mineralization.

As a preliminary step, all base layers were assembled to construct a NAD83 Zone 20 base map on which to build the compilation. This include roads, waterways, contours, faults and detailed property scale bedrock geology. The next step was georeferencing relevant maps from past assessment reports that were selected to be helpful in building a compilation map for developing drilling targets, a process that is still ongoing for many areas within MegumaGold's current land holdings. This georeferencing took place using the QGIS platform, a free open source GIS software. Once these maps were georeferenced, features such as trend lines identified in various types of geological, geophysical and geochemical surveys were either digitized (such as a trend line, polygon or graduated symbol) based on past authors interpretation or an interpretation was made by a Mercator geologist which was then digitized. Features such as aeromagnetic trends and soil sample locations were digitized as lines and points and incorporated into compilation maps displaying geoscience information from areas of interest.

Significant time was spent on geological modeling of the Killag project area due to the more advanced nature of previous exploration and mining activities on those exploration licences. Historic level plans and long sections were digitized from assessment reports for both the Stuart and Killag Sweet historic mine workings at Killag East. In order to reference the level plans spatially, shaft locations were determined from air photo analysis, historic mapping, and field reconnaissance. Georeferencing was further constrained using the reported scales of the level plans. Other historic sketch plans and sections which could not be accurately referenced, or which were not drawn to scale were used to conceptually aid geological interpretation. Level plan images were georeferenced in 3D using the Leapfrog Geo® software package by setting their elevation values to the reported level depth. Long sections were georeferenced based on the locations of shafts and level plans and were assigned vertical dips.

Once level plan and long section images were georeferenced in 3D, centerlines of the historic workings were digitized as polylines. The polylines were then buffered to generate 2 m wide cylindrical solids around all digitized centerlines. Historical mine stopes were modelled as steeply dipping sheets by using their outlines as depicted on long sections. The geometry of the mineralized structures at Killag was interpreted using the geological information represented in the historic level plans and gold-bearing quartz veins were modelled by first tracing their nose and limb patterns as depicted on level plans and surface projections (Figure 9-4-1). The hinges of the veins were interpreted to plunge 30 degrees towards the northeast. The limb geometry of the veining shapes was further constrained using the location of short exploration drifts in the workings model (Figure 9-4-2). Hanging wall and footwall surfaces were defined for the Stuart, Stuart 2, Flat, and Shaft veins. The surfaces were combined into a surface chronology to

generate a set of volumes for the model area and this was used to target the RC drilling program at Killag East (Figure 9-4-3) discussed in Section 10.

Figure 9-4-1: Historic Level Plans with Digitized Vein (Lead) Traces – Killag East

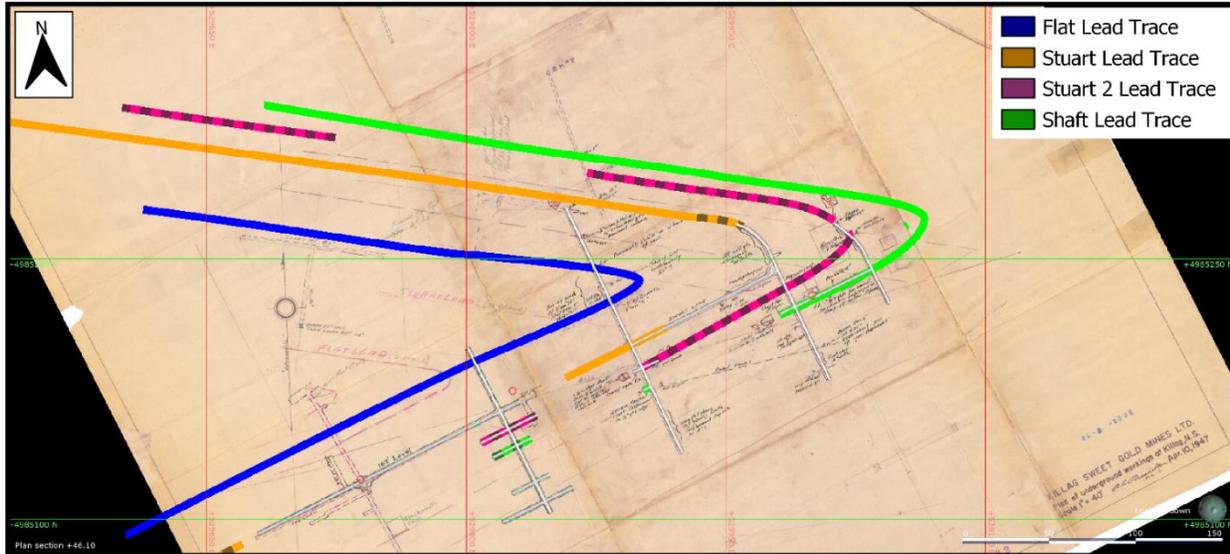


Figure 9-4-2: Fold Limb Geometry and Exploration Drifts from Historic Mine Workings – Killag East

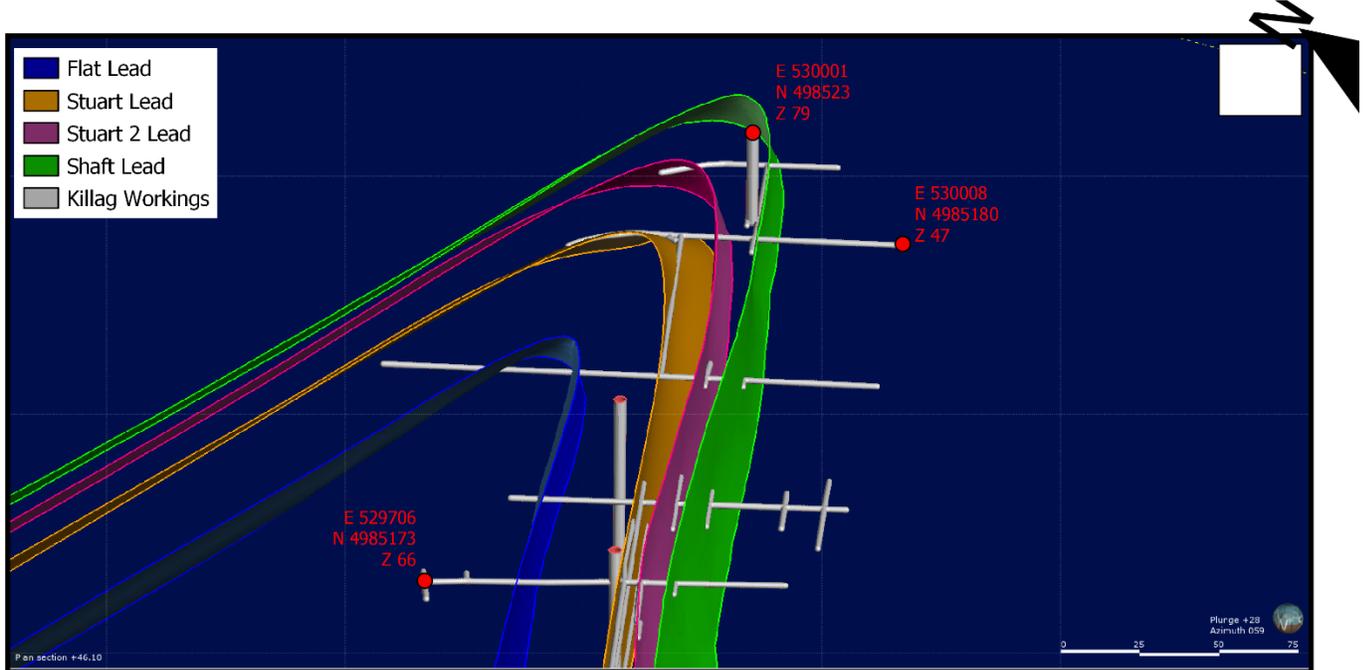
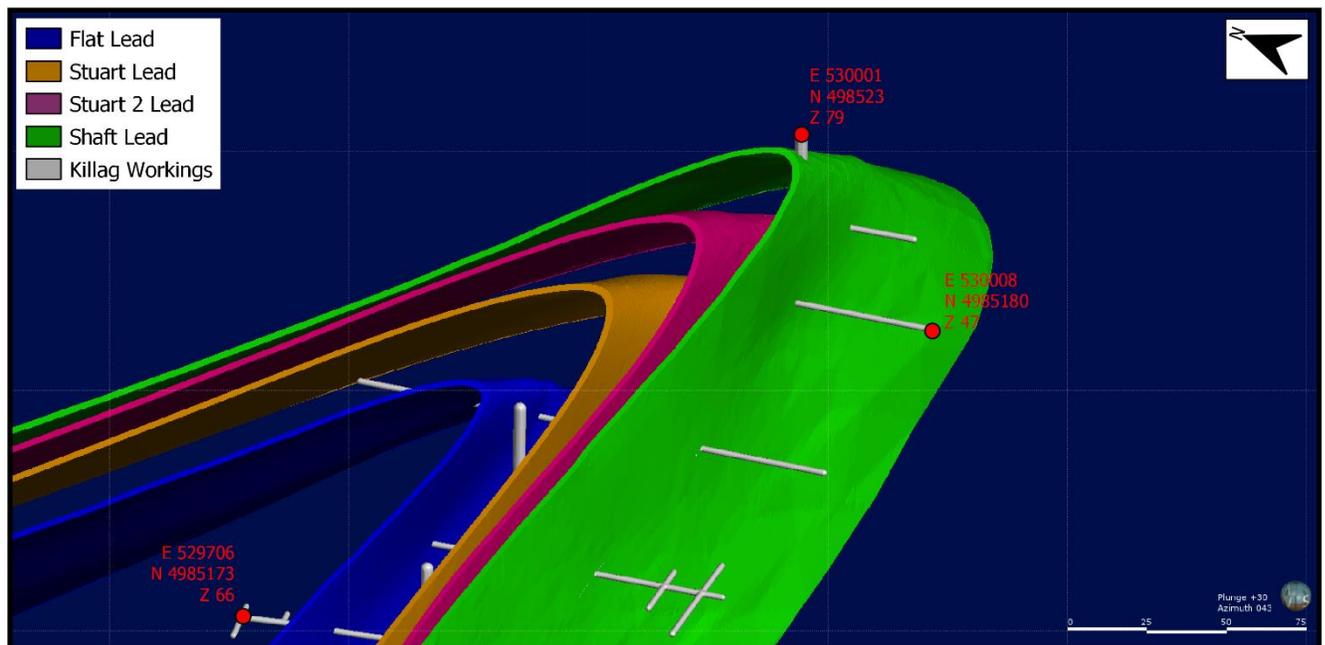


Figure 9-4-3: Volumized Solids Generated for RC Drill Hole Targets – Killag East

9.5 Prospecting, Geological Mapping, Till and Rock Sampling

9.5.1 Field Mapping and Rock Sampling Results

Field mapping and rock sampling of outcrop, float and waste rock samples was completed by Mercator field staff in select areas of MegumaGold's Cochrane Hill, Goldboro - Isaac's Harbour, Fifteen Mile Stream, Touquoy West, Killag, Goldenville, Mooseland, Dufferin, Wittenburg, Renfrew, and Mount Uniacke exploration areas between the spring of 2018 and fall of 2019.

The field mapping and sampling consisted of traversing the project areas by truck and by foot to assess the projected anticlinal axes interpreted from either MegumaGold's 2018 aeromagnetic survey results or where outcrops have been previously mapped by exploration or government programs. Sample locations were marked by handheld GPS units and available structural measurements were recorded along with lithological descriptions, including alteration and mineralization where applicable. Outcrops with quartz veining and sulphide mineralization were sampled for follow up testing and representative country rock samples were collected for use in alteration studies.

To date, 1,482 rock samples have been collected from the MegumaGold project areas, and 356 samples were analyzed for gold. Rock sample locations are plotted on Figures 9-5-1 to 9-5-6 and assay highlights are presented below in Table 9-5. Gold above the detection limit (>2 ppb Au) was observed in outcrop or boulder samples at the Cochrane Hill area (Caribou East, 23 ppb Au), Fifteen Mile Stream (Ragged Falls/Beeswanger Lake, 6 ppb Au), Killag (Gold Lake, 12 ppb Au) and Dufferin property areas (3 ppb Au). Gold was also detected above the detection limit from samples taken from historic waste rock piles on the Killag property at the former historic mine site (up to 14.79 g/t).

Table 9-5: Assay Highlights from the Rock Sampling Program

Sample #	*East (m)	*North (m)	Licence	Sample Type	Lithology	Analysis	Au (ppb)
000520	530009	4985263	50692	Waste Pile	Quartz	Total Pulp Metallics	14719
000532	529997	4985240	50692	Waste Pile	Quartz	Total Pulp Metallics	3823
000528	530003	4985268	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	300
000523	530000	4985256	50692	Waste Pile	Quartz	Total Pulp Metallics	235
000524	529998	4985265	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	145
000530	529997	4985240	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	115
13431	529980	4985226	50692	Boulder	Greywacke	multielement	49
000539	529847	4985212	50692	Waste Pile	Quartz	Total Pulp Metallics	44
000526	529998	4985265	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	33
000521	530000	4985256	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	32
000536	529966	4985223	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	32
000531	529997	4985240	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	27
000518	530009	4985263	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	26
000527	530003	4985268	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	24
12901	517092	4999699	51802	Outcrop	Greywacke	multielement	23
000540	529847	4985212	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	21
000533	529977	4985217	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	19
000543	529853	4985205	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	19
000525	529998	4985265	50692	Waste Pile	Quartz	Total Pulp Metallics	18
000534	529977	4985217	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	18
000545	529863	4985190	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	18
000549	529853	4985186	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	16
000548	529853	4985186	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	15
000516	530018	4985261	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	14
000537	529966	4985223	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	13
000542	529853	4985205	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	13
14867	503960	4973681	51319	outcrop	Greywacke	Fire Assay (AA) - 30g	12
13430	529889	4984936	51121	Outcrop	Greywacke	multielement	11
000546	529863	4985190	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	11
000547	529863	4985190	50692	Waste Pile	Quartz	Total Pulp Metallics	9
000541	529847	4985212	50692	Waste Pile	Greywacke	Fire Assay (AA) - 30g	7
24438	580775	5011135	51357	Outcrop	Schist	multielement	6
12421	540104	4993849	51767	Outcrop	Argillite	multielement	6
000529	530003	4985268	50692	Waste Pile	Quartz	Total Pulp Metallics	6
000517	530018	4985261	50692	Waste Pile	Quartz	Total Pulp Metallics	5
000535	529977	4985217	50692	Waste Pile	Quartz	Total Pulp Metallics	5
000538	529966	4985223	50692	Waste Pile	Quartz	Total Pulp Metallics	5
000544	529853	4985205	50692	Waste Pile	Quartz	Total Pulp Metallics	5
12693	532971	4985183	52635	Outcrop	Argillite	multielement	4
12204	539637	4995019	51767	Outcrop	Quartz	multielement	4

14801	537379	4975182	51977	outcrop	Greywacke	multielement	3
000519	530009	4985263	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	3
000522	530000	4985256	50692	Waste Pile	Argillite	Fire Assay (AA) - 30g	3
12673	531684	4985810	52049	Outcrop	Greywacke	multielement	2
24500	575882	5009455	52057	Outcrop	Quartz	multielement	2
12697	533132	4985194	52635	Outcrop	Greywacke	multielement	2

*UTM NAD 83 Zone 20 coordination

Figure 9-5-1-1: Rock Sample Locations and Gold Assay Results – Cochrane Hill West

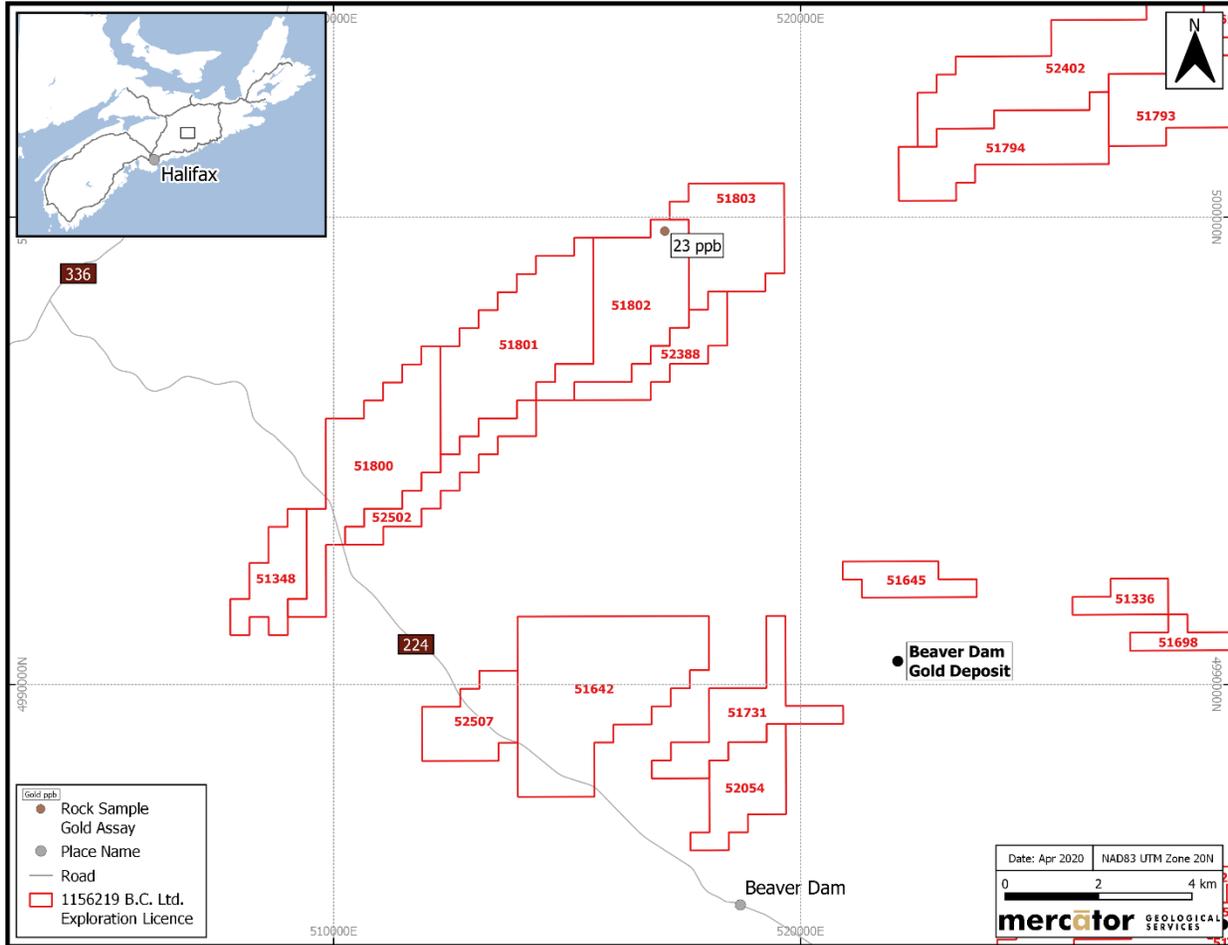


Figure 9-5-1-2: Rock Sample Locations and Gold Assay Results – Cochrane Hill Central

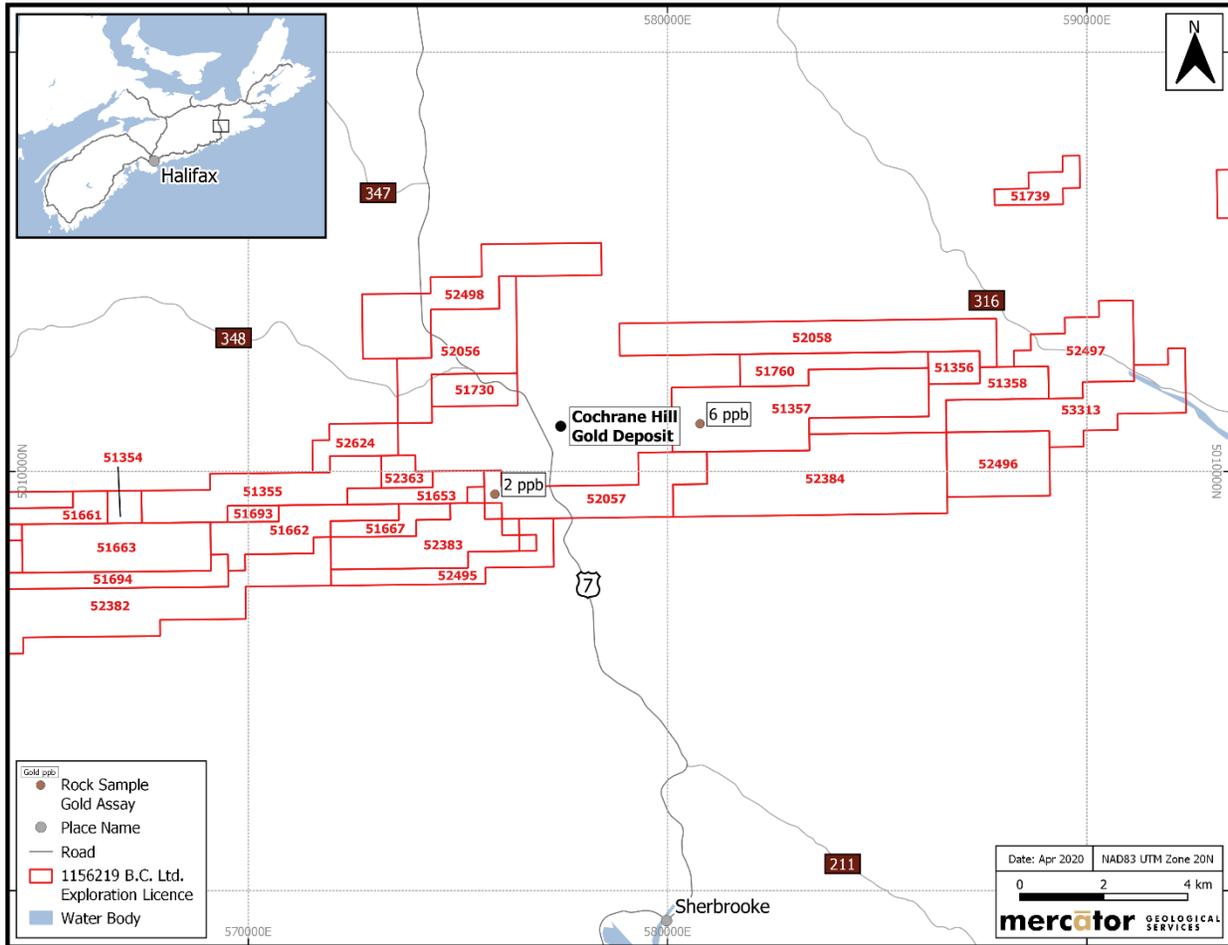


Figure 9-5-1-3: Rock Sample Locations and Gold Assay Results – Greater Beaver Dam

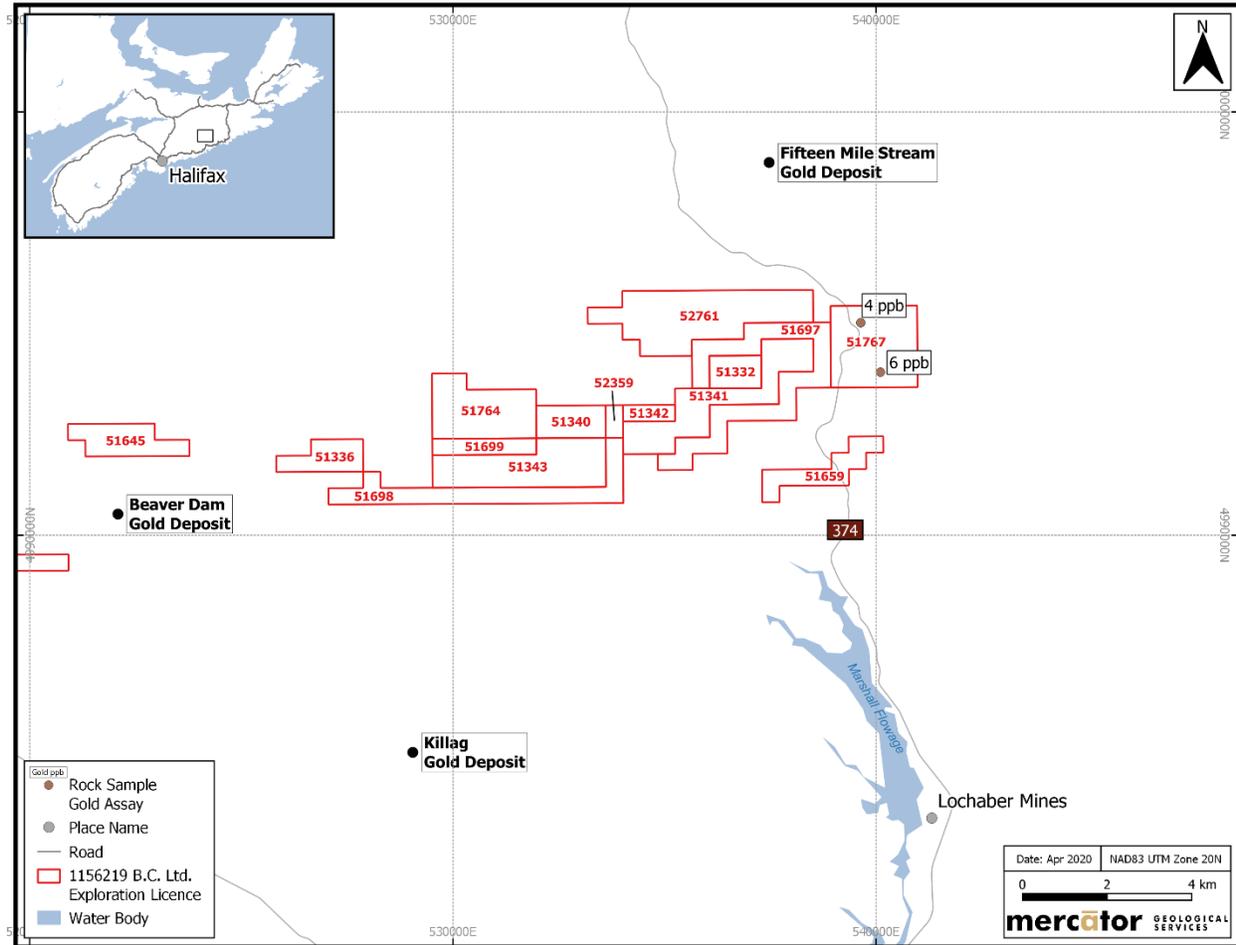


Figure 9-5-1-4: Rock Sample Locations and Gold Assay Results – Killag Central and East

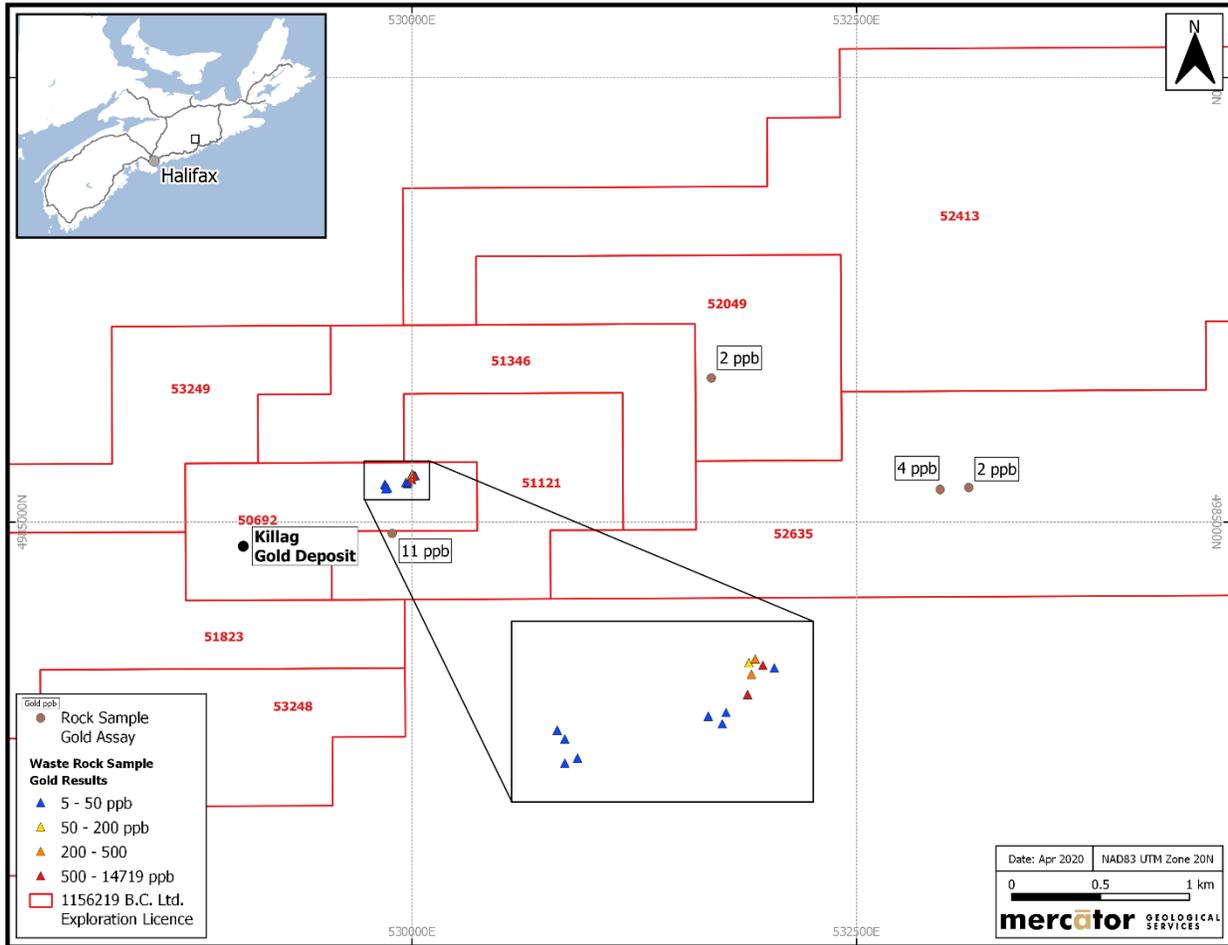
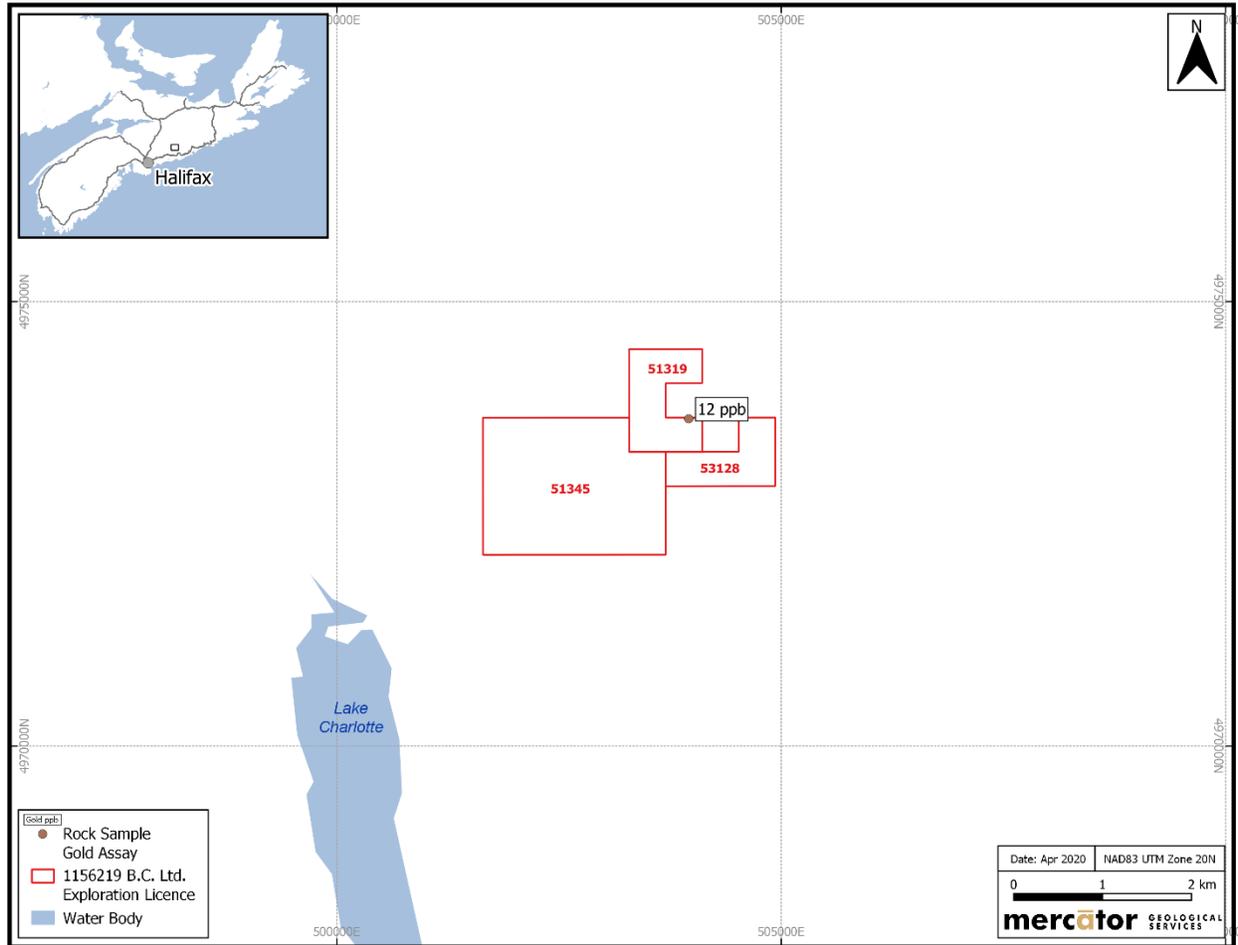


Figure 9-5-1-5: Rock Sample Locations and Gold Assay Results – Killag (Gold Lake Target)



9.5.2 Till and B-horizon Soil Sampling Results

A total of 189 “C” horizon till samples were collected by Mercator field staff during July and August of 2019 and submitted for gold and multi-element analysis at Eastern Analytical Ltd. (Eastern). Two teams of two field geologists completed a till sampling program on exploration licences in the Cochrane Hill (including Governor Lake and Loon Lake areas), Forest Hill, Dufferin, Goldboro-Isaac’s Harbour, Greater Goldenville (including Rainy Valley Falls), Killag, Touquoy West, Fifteen Mile Stream (including Moser Lake and Seloam Lake property areas) and Renfrew property areas.

A total of 21 till samples in this program returned gold values above the 5 ppb detection limit for the fine fraction samples. Gold values range from 5 to 19 ppb and are scattered throughout the different property areas (Figures 9-5-2-1 to 9-5-2-3). Arsenic values range from 5 to 75 ppm (detection limit of 5 ppm). Samples that returned above detection limit gold values at the Killag and Loon Lake property areas are grouped around respective interpreted anticlinal structures and correlate with anomalous arsenic values.

Two teams of two field geologists completed a B-Horizon soil sampling program on exploration licences in the Touquoy West project area. A total of 1,014 B-Horizon soil samples were collected during September and October of 2019 and submitted for gold and multi-element analysis at Eastern Analytical Ltd. (Eastern). B-horizon soil samples on the Touquoy West survey grid were initially collected at 50 m stations along 200 m spaced survey lines, and were subsequently infilled by additional sampling to provide 50 m by 100 m sample station spacing. The sampling grid measures approximately 5.5 km in the northeast extent, parallel to an underlying airborne magnetometer survey anomaly, and from 0.1 to 1.5 km in the northwest-southeast dimension, depending upon survey line location.

Touquoy West B-horizon soil samples returned values ranging from 5 to 56 ppb with a detection limit of 5 ppb. Arsenic results returned values ranging from 2 to 900 ppm with a detection limit of 2 ppm. The survey was successful at outlining three main arsenic-gold anomalies on the Touquoy West property (Figure 9-5-2-4). These anomalies parallel the interpreted northeast trend of the Moose River anticlinal fold corridor and are developed in areas either directly overlying, or to the south of, the interpreted main fold hinge zone (Figure 9-5-2-5).

Figure 9-5-2-1: Till Sample Locations and Gold Assay Results – Killag, Cochrane Hill and Dufferin

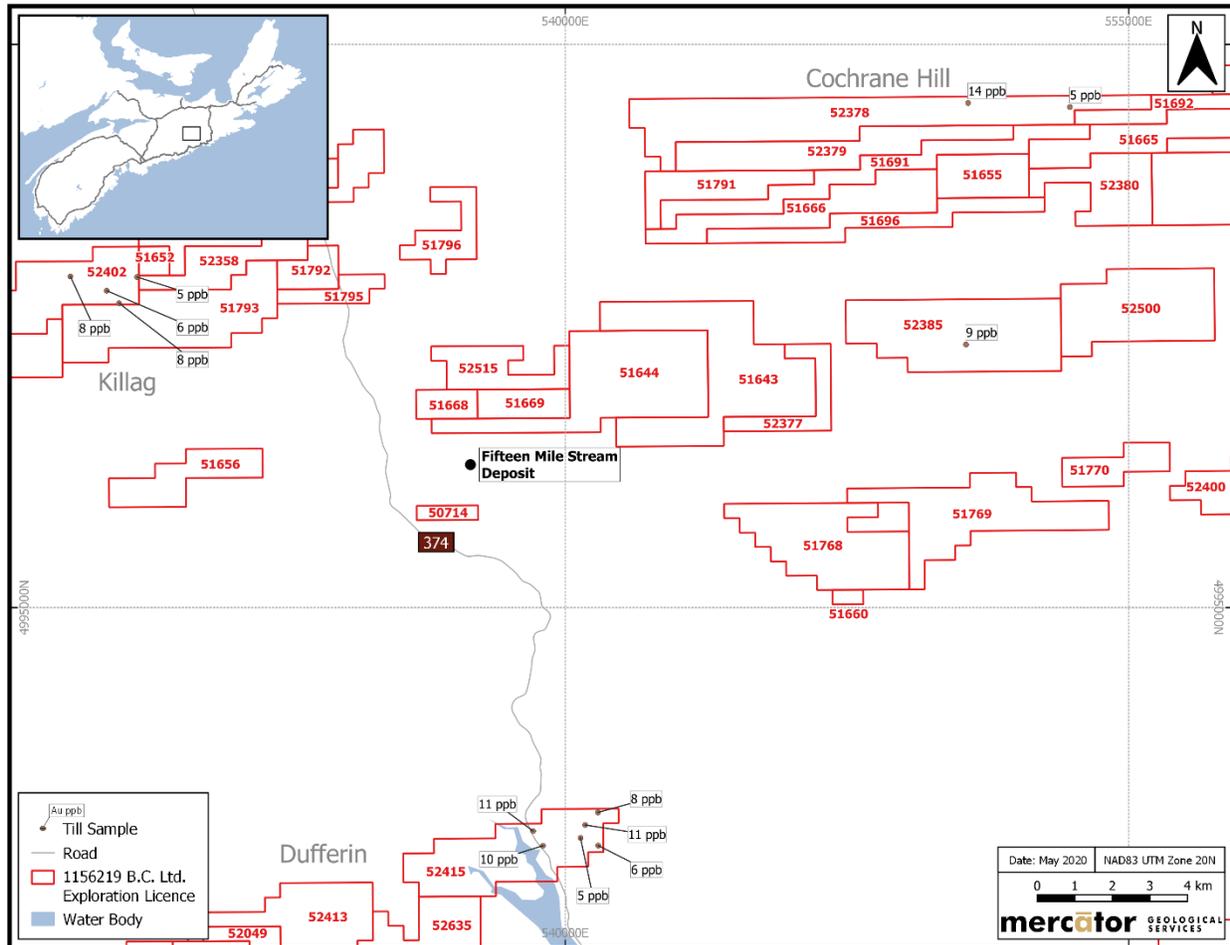


Figure 9-5-2-2: Till Sample Locations and Gold Assay Results – Dufferin and Greater Goldenville

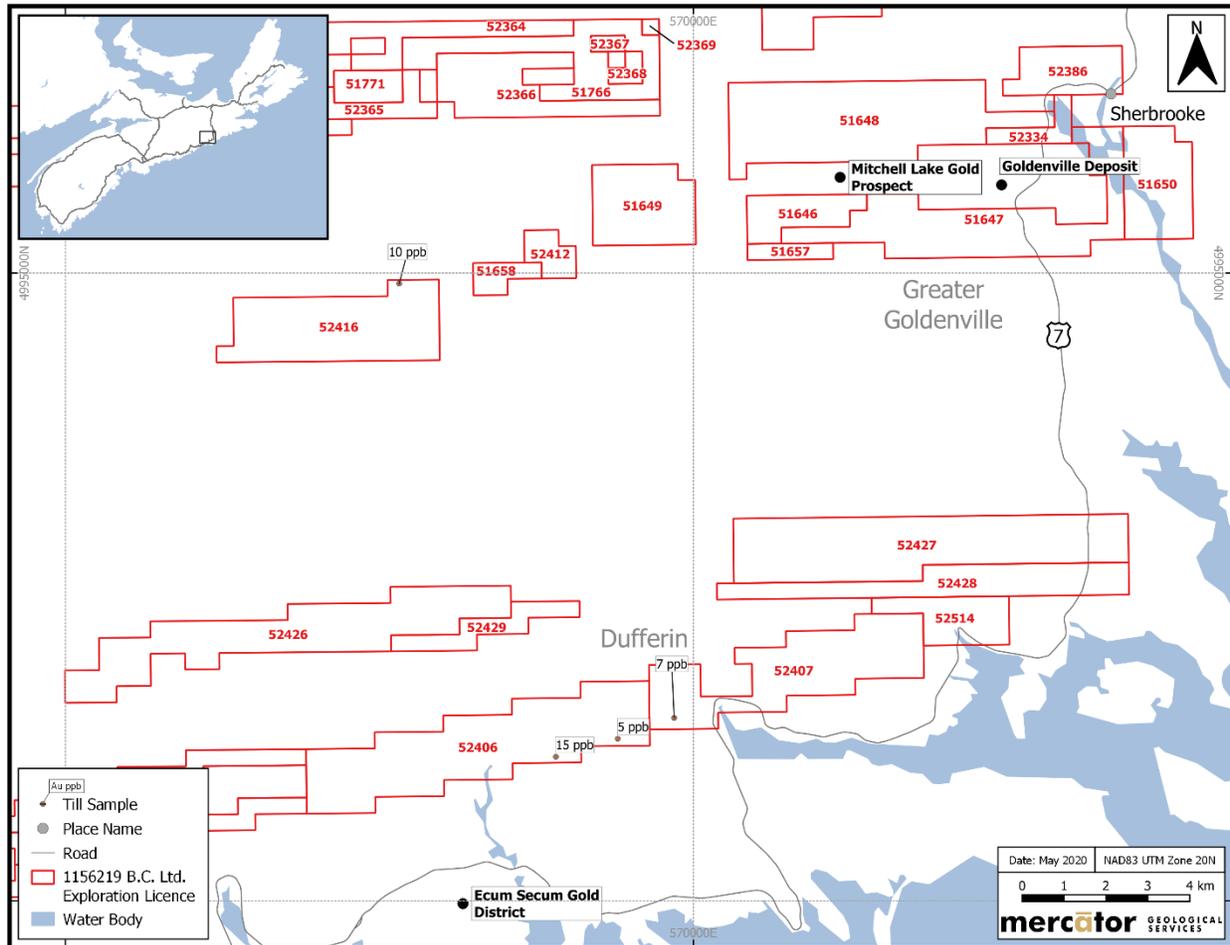


Figure 9-5-2-3: Till Sample Locations and Gold Assay Results – Forest Hill

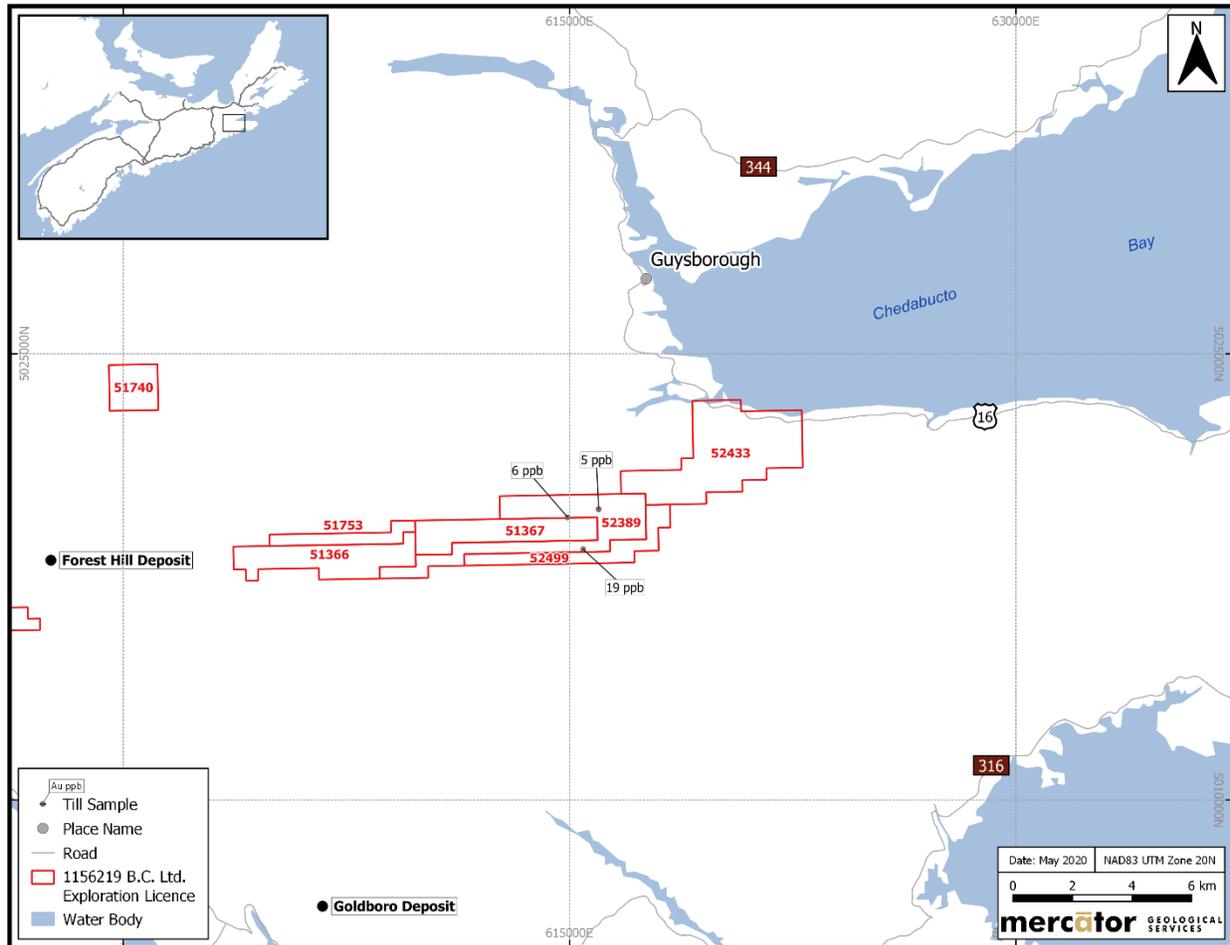


Figure 9-5-2-4: B-horizon Soil Sample Locations and Gold Assay Results – Touquoy West

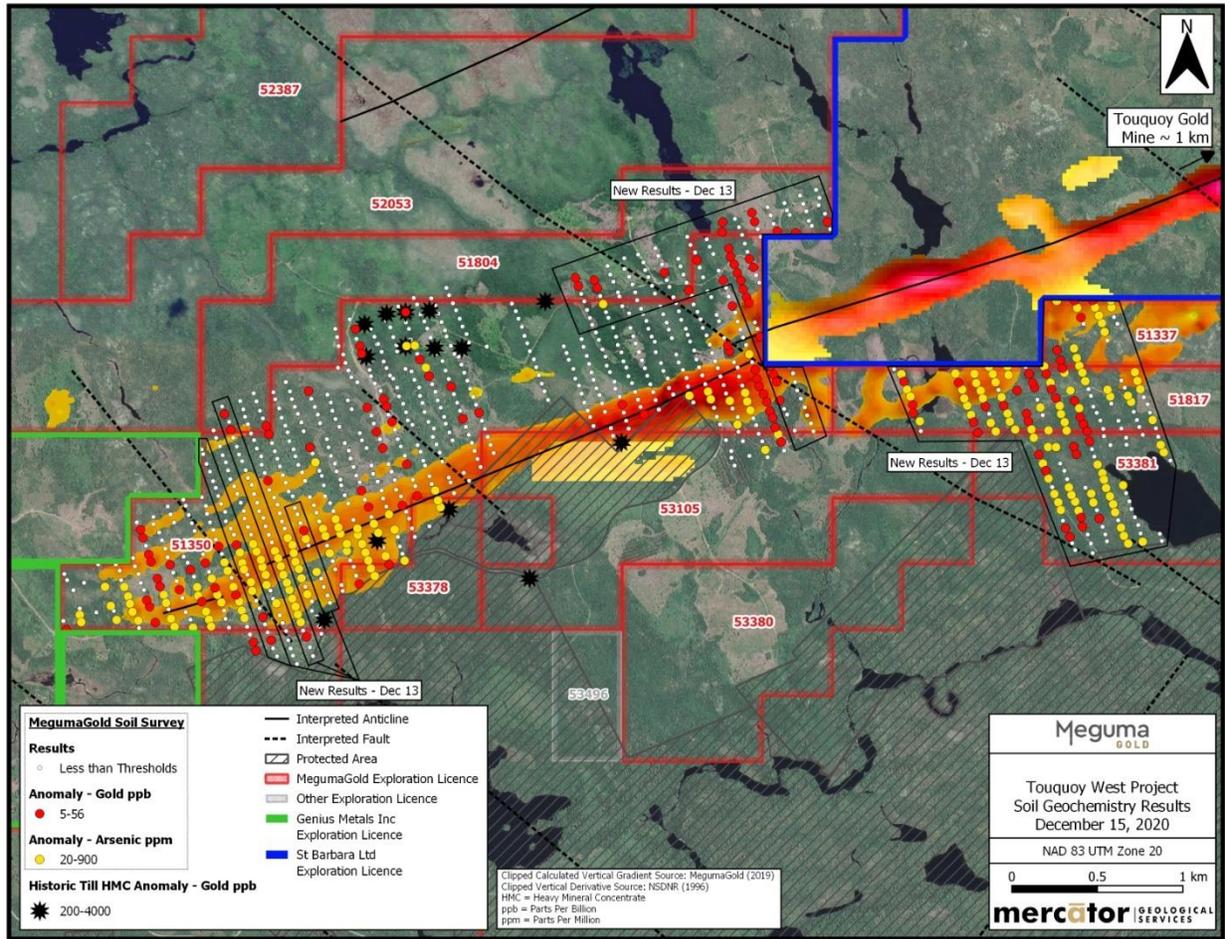
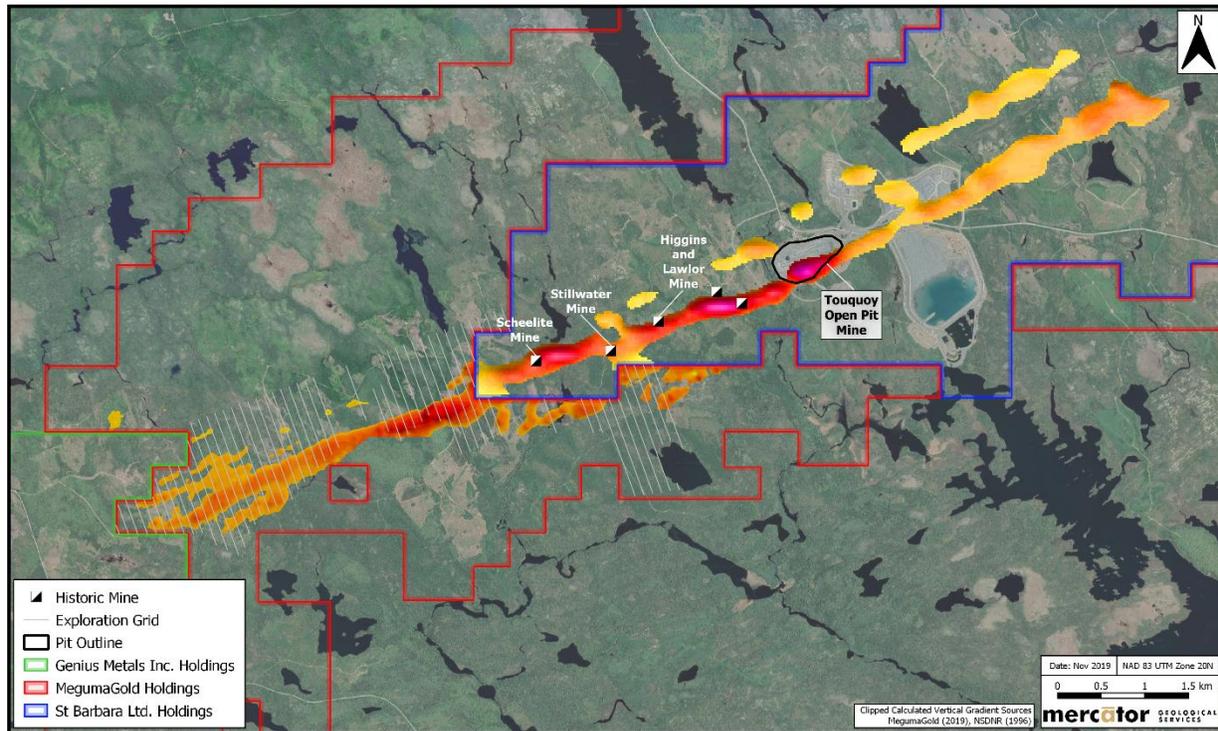


Figure 9-5-2-5: Touquoy West soil geochemistry survey area along Moose River anticlinal fold corridor



9.6 VLF-EM and Magnetometer Ground Geophysical Surveys

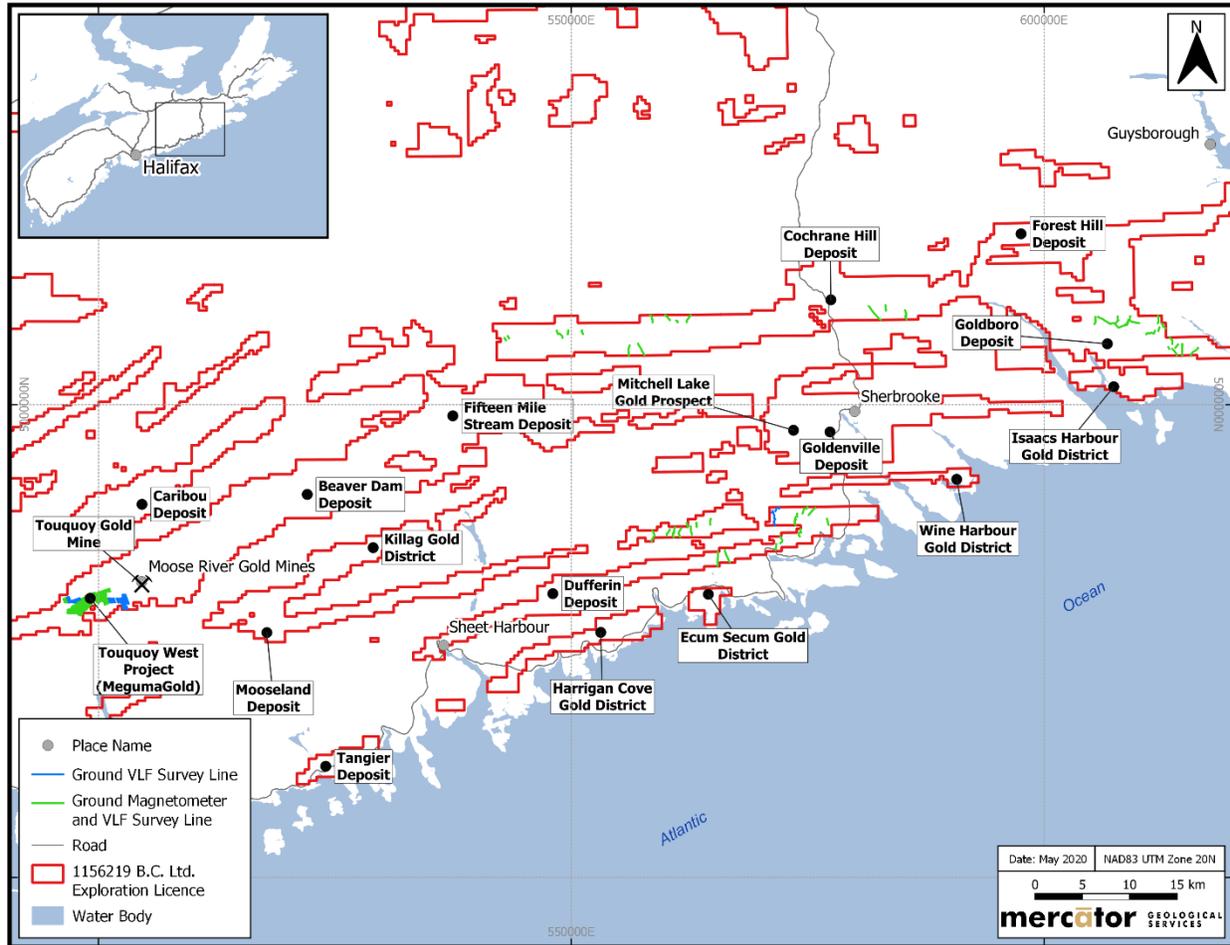
Ground VLF-EM (Very Low Frequency Electromagnetic) geophysical surveys were conducted from April to November 2019 on several MegumaGold project areas including Killag, Greater Beaver Dam, Cochrane Hill, Mooseland, and Touquoy West (Figure 9-6-1). The Cutler, Maine transmitting station operated by the United States government that operates at 24.0 kHz was used as the primary field source for all surveying.

From May to June 2019, a Geonics EM-16 receiver was used to obtain measurements at 20 m station spacing, typically along widely spaced, north-south traverses. The surveys were completed on foot and a handheld Garmin GPS device was used to maintain accuracy. The EM-16 receiver measures in-phase (tilt angle) and quadrature effects of the induced secondary electromagnetic field. Survey data were entered into a tablet-based electronic spreadsheet in the field and a two-person crew carried out the work. Field operations were substantially affected by unscheduled shutdowns of the Cutler transmitter.

From July to November 2019 a GEM system GSM-19 DGPS magnetometer with integrated VLF-EM and Geographic Positioning (GPS) capabilities was used for MegumaGold field programs (Figure 9-6-1). The survey magnetometer measured magnetic field parameters at a frequency of one reading per second. A second GEM system GSM-19 magnetometer serving as a base station was time synchronized with the survey unit to facilitate correction of survey data for effects of diurnal magnetic field fluctuation. The base station data was collected at one reading every three seconds. Initial processing of the ground magnetometer survey data was limited to diurnal corrections. The Cutler transmitting station was also used with this instrumentation when it was consistently transmitting but a Geonics TX-27 local transmitter

operating at 18.6 kHz with a long wire antenna approximately one kilometer in length was used for part of the surveying. The antenna, transmitter and associated gasoline generator were moved as required to obtain acceptable field strengths in the areas surveyed. In total, 129,879 metres (129.88 km) of surveying were completed.

Figure 9-6-1: Areas of Ground Magnetometer and VLF-EM Surveys



9.7 Touquoy West Geophysical Surveys

9.7.1 Magnetometer and VLF-EM Surveys

The combined ground magnetometer and VLF-EM survey results were merged with compiled historical survey results from the adjacent St. Barbara property to the east that hosts the currently producing Touquoy Gold Mine and the resulting dataset was independently processed to maximize definition of stratigraphic trends. These geophysical results were then used to interpret strike extensions of the main argillite-bearing stratigraphic intervals and anticlinal fold structures that host gold mineralization on the adjacent Touquoy gold deposit property onto the Touquoy West property, and to assist with selecting grid areas for the IP survey (Figures 9-7-1 to 9-7-3). The VLF-EM results define a conductivity trend coincident with the faulted axial zone of the main gold-focusing anticlinal fold in this gold district (Figure 9-7-4). This

is interpreted to represent the presence of sheared argillite in the hinge zone of the anticline and can be traced southwest from the Touquoy gold mine area for at least 6 km to the western boundary of the Touquoy West survey grid, where it remains open along strike.

Based on the interpreted results of the combined ground magnetometer and VLF-EM geophysical surveys and the 2019 soil geochemistry program at Touquoy West, MegumaGold initiated the IP survey program over grid areas of highest priority. The purpose of the IP program was to identify areas in which disseminated iron sulphide mineralization is present in association with folded, highly favourable argillite-bearing stratigraphic intervals interpreted from the magnetometer and VLF-EM survey results.

9.7.2 Induced Polarization (IP) Survey

MegumaGold completed 25.83 line kilometres of Induced Polarization (IP) surveying on the Touquoy West detailed survey grid in mid February 2020 based on interpreted results of the ground magnetometer and VLF-EM surveying and B-horizon soil geochemistry programs completed on the property earlier in 2019 (Figure 9-7-1).

The IP survey was carried out by Eastern Geophysics Ltd. of West Pubnico, Nova Scotia between January 13 and February 7, 2020 using a dipole-dipole survey array ($a=25\text{m}$ or $a=50\text{m}$ and $N=6$). IP survey data was processed using inversion methods to produce interpreted sectional and plan presentations of apparent resistivity and chargeability responses. Surveying at 100 m line spacing was carried out for 1.7 km westward from the St. Barbara Touquoy claim boundary and broadly spaced lines were surveyed further to the west over discrete anomalous soil geochemistry areas that generally coincide with VLF-EM east-west trending conductivity and magnetic field anomalies that are interpreted as marking the main anticlinal trend that extends west from the Touquoy deposit area and across the entire length of the Touquoy West property. Two lines of IP surveying were also completed south of the St. Barbara property boundary in an area marked by weaker geophysical survey results but anomalous B-horizon soil geochemistry Au and As results.

The IP program was designed for MegumaGold by a professional geophysicist who was responsible for day to day quality control of survey results and interpretation of survey data.

Combined IP survey and geological compilation program results indicate that a well-developed chargeability anomaly coincides with the interpreted hinge zone trend of the Moose River Anticline on the Touquoy West property. This IP anomaly can be traced discontinuously for approximately 3.6 km across the Touquoy West survey grid and coincides with soil geochemistry anomalies at several locations along its length (Figure 9-7-5). The anticlinal fold hinge zone trend remains open beyond the western grid limit onto MegumaGold exploration licences optioned from Genius Metals Inc. in 2019. A second prominent chargeability anomaly occurs approximately 300 m north of the main trend (Figure 9-7-5) and has a strike length of approximately 700 m. This chargeability anomaly coincides in part with anomalous 2019 soil geochemistry results and is associated with an interpreted argillite-bearing stratigraphic interval that may indicate presence of a secondary anticlinal fold trend. A third chargeability anomaly west of the detailed survey block has been tentatively correlated between three survey lines along an 800 m strike

length. This anomaly parallels the southern margin of a thick unit of interpreted argillite stratigraphy and is supported locally by anomalous gold and arsenic soil survey values (Figure 9-7-5). Several lesser chargeability targets have also been identified (Figure 9-7-5). Resistivity anomalies occur peripherally to all three main chargeability anomaly trends and may mark zones of bedrock silicification associated with mineralization (Figure 9-7-6).

The IP survey chargeability responses detected at Touquoy West, which are in part spatially associated with existing soil geochemistry, magnetometer, and VLF-EM anomalies, may indicate the presence of disseminated sulphide mineralization similar in style to that present adjacent to the Touquoy gold deposit located a few kilometres to the east along the Moose River Anticline trend. These IP anomalies therefore constitute high-quality targets for future diamond drilling programs on the property to assess the potential for gold mineralization along the trend and at depth, with the main anticlinal trend anomaly being highest in priority, followed by the two anomalous trends further north on the grid that are parallel to the main trend.

Figure 9-7-1: Extent of IP, Ground Magnetics and VLF-EM Surveys at Touquoy West

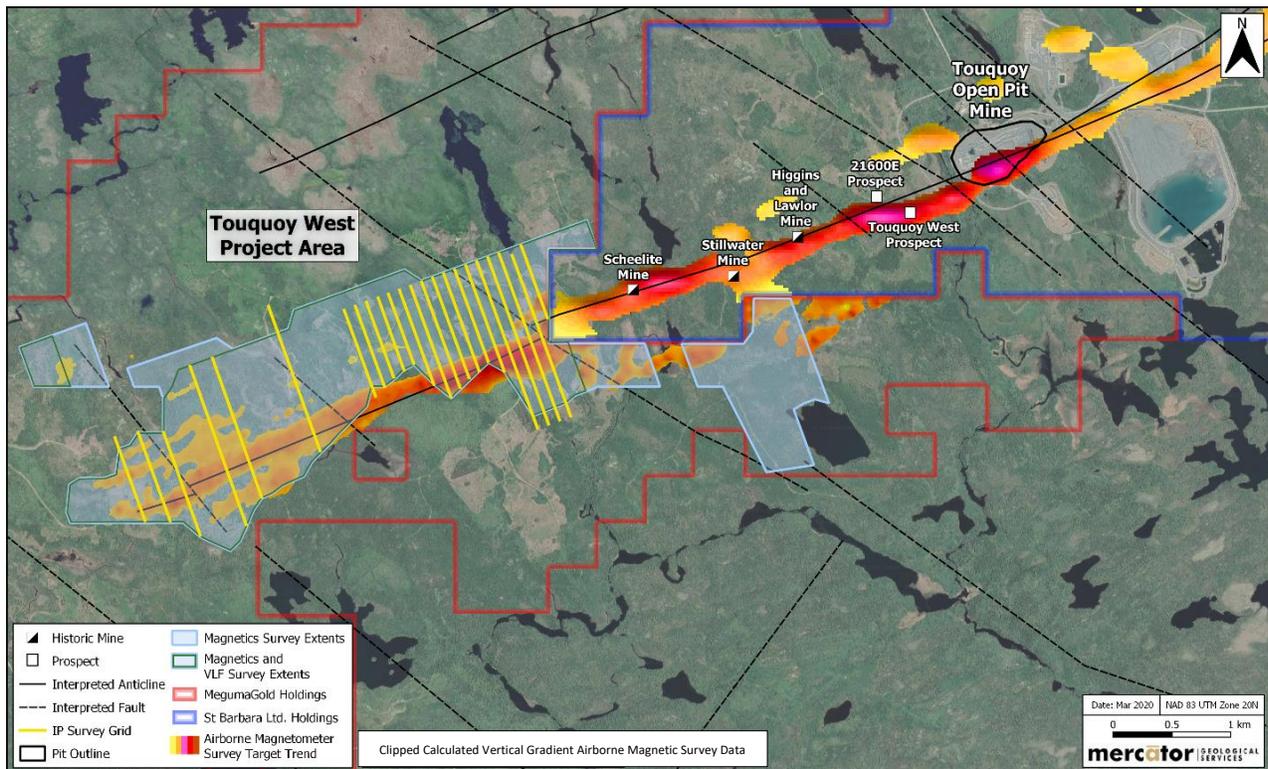


Figure 9-7-2: Compiled Ground Magnetic Survey Results at Touquoy West

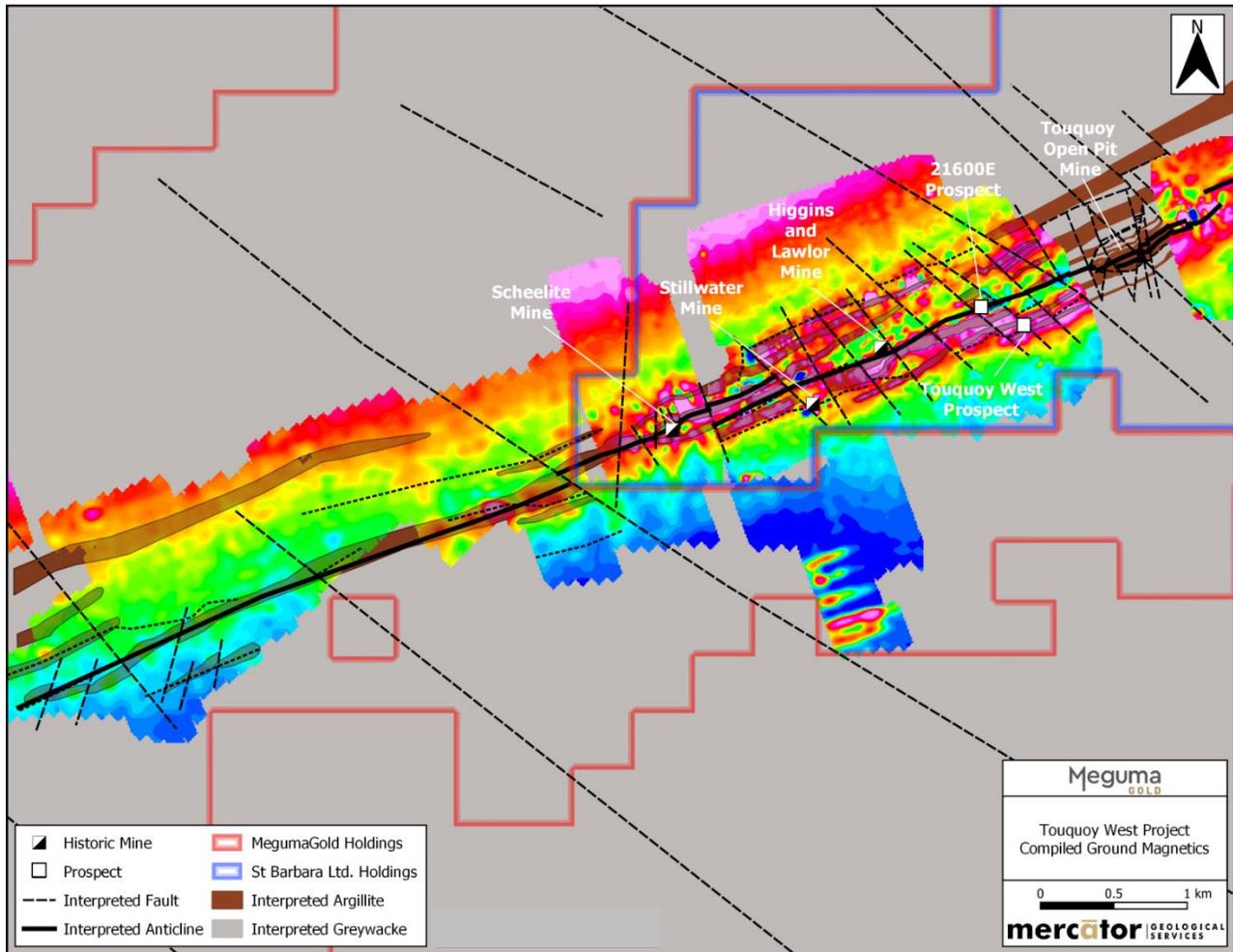


Figure 9-7-3: Interpreted Geology at Touquoy West from Ground Geophysics Survey Results

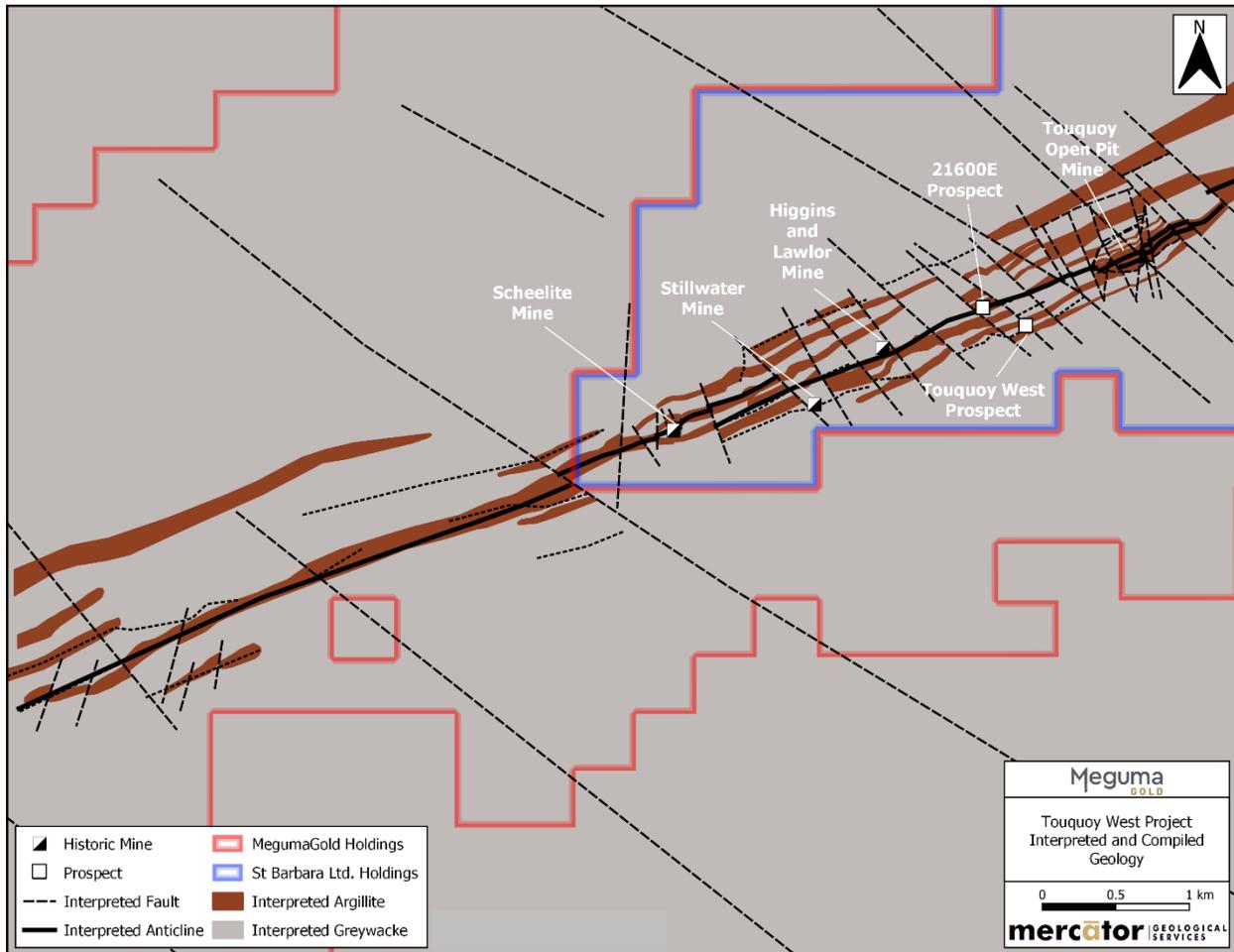


Figure 9-7-4: Compiled Ground VLF-EM Survey Results at Touquoy West

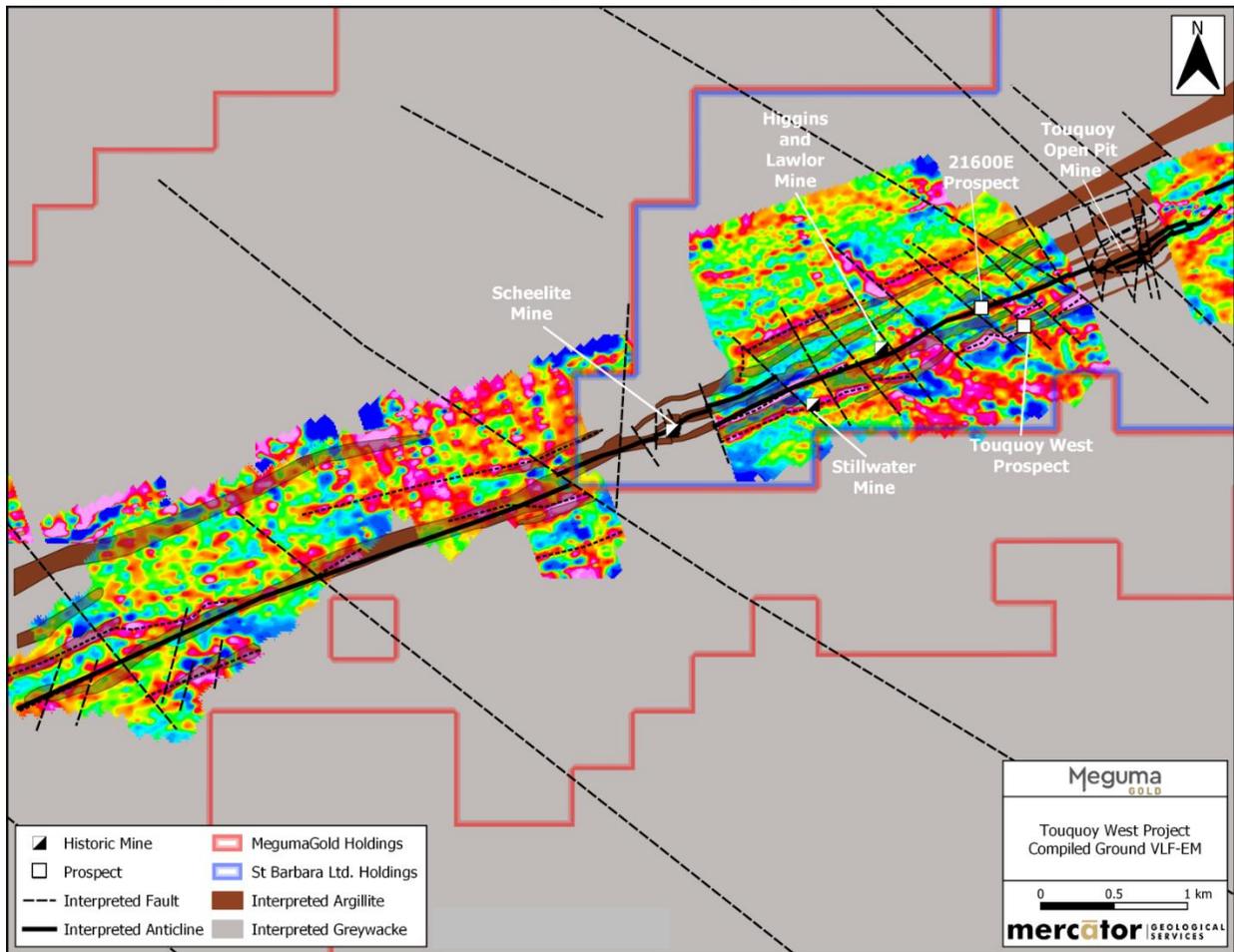


Figure 9-7-5: IP Survey Chargeability Anomalies with Soil Geochemical Survey Results

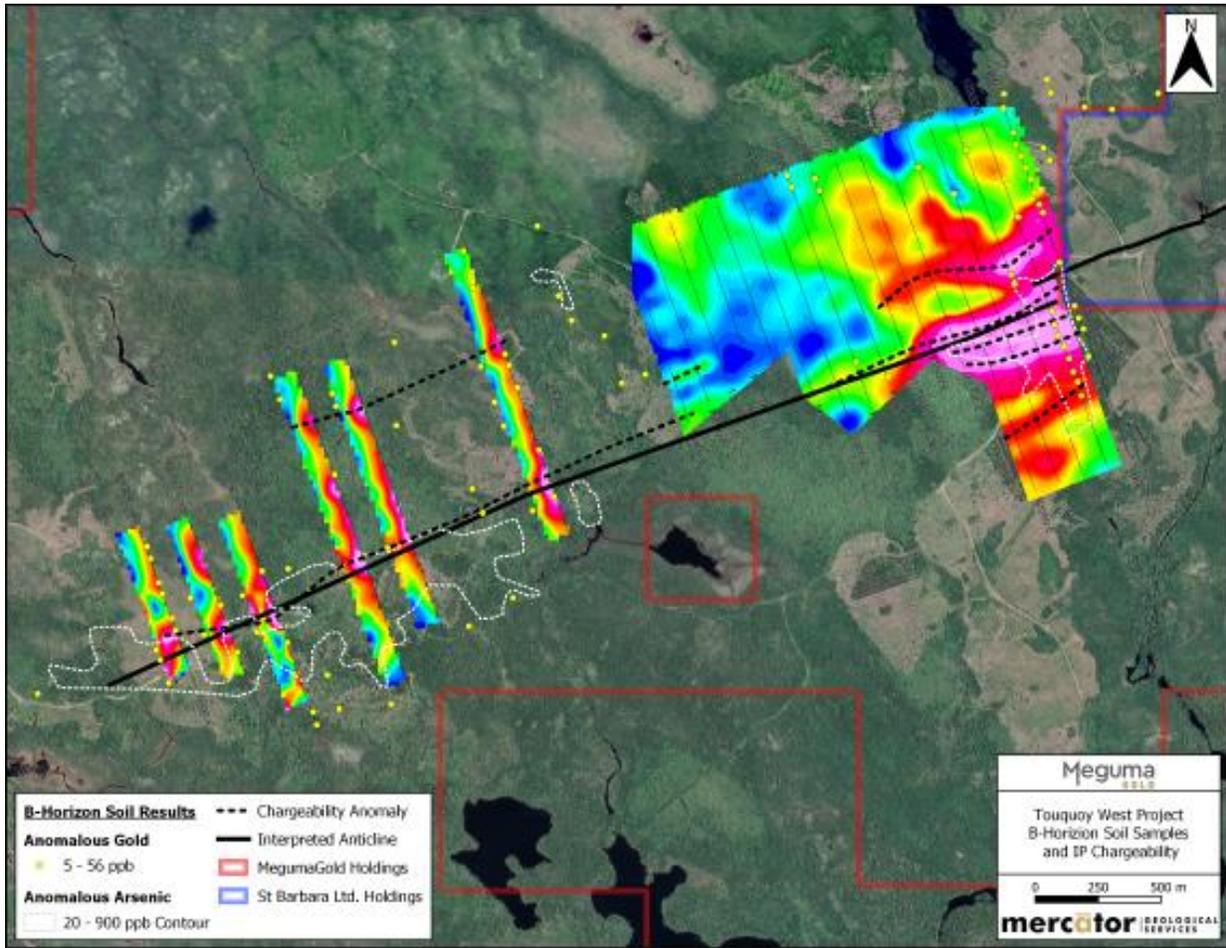
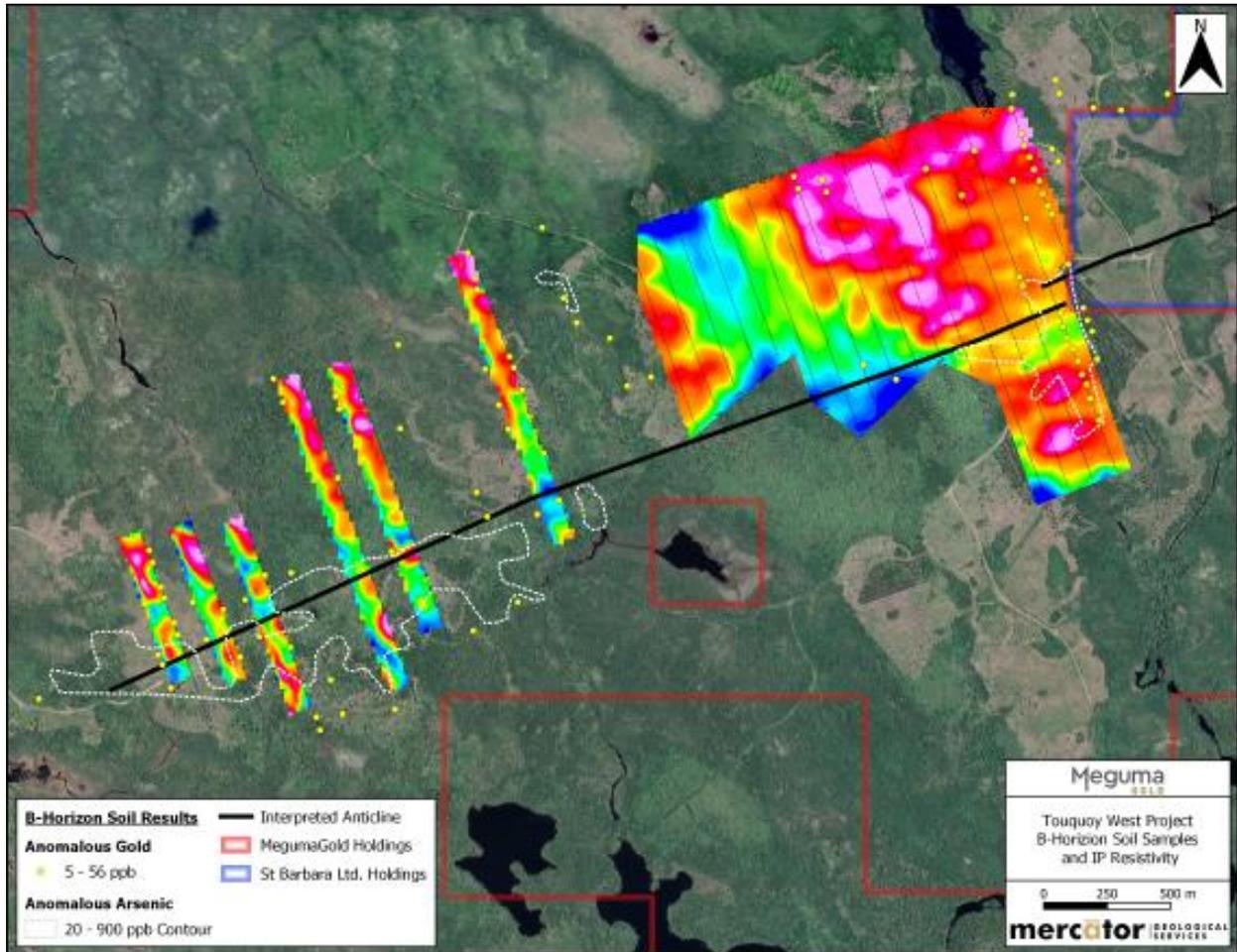


Figure 9-7-6: IP Survey Resistivity Anomalies with Soil Geochemical Survey Results



10.0 DRILLING

10.1 Overview

MegumaGold completed a regional reverse circulation (RC) drilling program from November 2018 to March 2019 that included drilling targets in the Fifteen Mile Stream property area (Moser Lake, Smith Lake, Seloam Lake project areas), Greater Beaver Dam property area (Ragged Falls and Beeswanger Lake project areas) and Killag (Killag East, West and Central) project areas. The RC drilling program was supervised by Mercator staff and comprised of 95 drill holes totaling 6,567 metres throughout the various target areas. Figure 10-2-1 shows the location of RC drill holes completed in the Killag property target areas, Figure 10-2-2 shows the location of RC drill holes completed in the Fifteen Mile Stream property target areas, and Figure 10-2-3 shows the location of RC holes completed in the Greater Beaver Dam property target areas.

10.2 Reverse Circulation (RC) Drilling Program

Reverse circulation (RC) drilling uses a bit attached to a down-hole hammer to produce a hole, and unlike diamond drilling, RC drilling produces samples of rock cuttings rather than a sample of rock core. The down-hole hammer is powered by compressed air, which also acts as the medium bringing the drill cuttings up to surface. Drilling equipment was provided by Brewster Well Drilling (Brewster) of Mount Uniacke, NS and consisted of a Schramm T455-GT track mounted RC rig equipped with a 1050 cfm at 350 psi (27 cubic metre/minute at 24.1 bar) air compressor with clutch and a hydraulic rod handler. The RC rig and compressor are capable of reaching hole depths from 100 to 120 metres depending on groundwater conditions, and at dips varying from -90 to -55°. Brewster also provided a rubber-tracked Morooka carrier for servicing the RC rig as well as transporting the samples from the drill site back to a truck accessible road. Drill holes described in this report are located on either Crown Land owned by the Province of Nova Scotia or land owned by Northern Timber Nova Scotia Corp. (Northern Timber).

For those holes drilled on Crown Land, surface land access was obtained by way of Crown Land Access Permits issued by the Nova Scotia Department of Lands and Forestry (Lands and Forestry). The permit application process is managed through a Regional Geologist of the Government of Nova Scotia and permit applications are evaluated through Lands and Forestry's Integrated Resource Management (IRM) process. IRM is a planning and decision-making process that considers the many interests and issues associated with wildlife, Protected Areas, parks, forestry, and mineral sector issues that may affect Crown lands. Once applications were approved, reclamation bonds were submitted by MegumaGold to Lands and Forestry for each drilling area. Crown Land Access Permits were issued for the drilling sites located in the Fifteen Mile Stream and Greater Beaver Dam project areas.

For the drill targets located on private land, surface land access was requested by way of land access permit applications to the property owner. Like Crown land, these surface land access applications were evaluated either through the property owner's Integrated Resource Management (IRM) process (in the case of Northern Timber) or directly by the landowner. Once the applications were approved and access agreements were signed, fees represented in the agreements that cover the right of access for each

drilling site were paid by MegumaGold. Private land access agreements were made for the drilling sites located in the Killag project areas.

In accordance with the Mineral Resources Act, prior to the commencement of drilling notice was given to the province through a Drilling Notification Part A filed on the online NovaRoc system. The majority of the RC holes drilled were completed on existing forestry access trails, but in some cases, access trails were cut and leveled by a local contractor, B&P Enterprises (B&P) of Tangier NS. B&P employed two line cutters with chainsaws and a 20 ton excavator to establish access trails. The company also provided snow removal services using plow trucks and a bulldozer. All merchantable wood was cut in 8-foot lengths and stacked trail side by species for scaling. Smaller wood was used to shore up access trails to prevent disintegration of the forest floor.

The drill hole diameter for the drilling program was 4.5 inches and hole depths varied from 36 to 137 m in depth from surface. All RC holes were sealed to 3 m below the bedrock interface using bentonite clay on top of a hydraulically inserted wood plug. In a few instances. An excavator was utilized to backfill larger holes where groundwater influx expanded the opening of the hole at surface.

10.2.1 Killag RC Drilling Program

10.2.1.1 Killag East Drilling Results

Mercator field staff supervised the RC drilling of 20 holes (KGRC-18-2019 to KRGRC-36-2019, KGRC-18B-2019) totaling 1,614 metres at the Killag East target area in the Killag project area from March 1 to March 18, 2019 (Figure 10-2-1). This RC drill hole program was designed to target gold mineralization in the historic Killag mine workings area and to test for extension of gold mineralization along the high magnetic anomaly on strike with the Killag anticline that was identified in the 2018 aeromagnetic survey completed for MegumaGold. Drilling revealed that the bedrock sequences are predominantly comprised of greywacke interbedded locally with significant intervals of argillite. Quartz veining in both rock types is present and sulphide minerals such as pyrite, pyrrhotite, arsenopyrite and chalcopyrite were observed in RC chip samples. Pyrrhotite is the likely source of the high magnetic anomaly at Killag East. Above detection limit gold values were encountered in all holes and are associated with the interbedded greywacke and argillite intervals that were observed to have variable amounts of quartz veining. The highest gold value returned was 17.855 ppm (17.86 g/t Au) over 1 m and correlates with an interval of argillite. A summary of the Killag East RC drill holes is shown in Table 10-2-1-1 and significant assay results are shown in Table 10-2-1-2 below. Please note that insufficient geological control is available to accurately estimate true widths (true thicknesses) from the RC drilling results at this time.

Table 10-2-1-1: Summary of Killag East RC Drill Holes

Hole No.	Easting NAD83	Northing NAD83	Azimuth	Inclination	Total Depth metres	Start Date	End Date
KGRC-18	529175	4985079	170	-55	70	02-Mar-19	03-Mar-19
KGRC-18B	529178	4985077	170	-75	80	05-Mar-19	05-Mar-19
KGRC-19	529191	4985036	350	-55	70	02-Mar-19	02-Mar-19
KGRC-20	529195	4984992	350	-55	70	01-Mar-19	01-Mar-19

KGRC-21	529222	4984938	350	-55	70	01-Mar-19	01-Mar-19
KGRC-22	529385	4985207	180	-50	75	05-Mar-19	06-Mar-19
KGRC-23	529426	4985179	150	-55	75	09-Mar-19	09-Mar-19
KGRC-24	529440	4985141	290	-55	75	11-Mar-19	11-Mar-19
KGRC-25	529455	4985111	330	-55	67	10-Mar-19	11-Mar-19
KGRC-26	529466	4985052	330	-55	75	09-Mar-19	10-Mar-19
KGRC-27	529951	4985250	250	-55	86	15-Mar-19	15-Mar-19
KGRC-28	529954	4985169	330	-55	75	12-Mar-19	12-Mar-19
KGRC-29	529851	4985200	290	-55	103	13-Mar-19	14-Mar-19
KGRC-30	529872	4985170	330	-55	100	13-Mar-19	13-Mar-19
KGRC-31	529911	4985174	330	-55	67	12-Mar-19	13-Mar-19
KGRC-32	529898	4985231	290	-55	103	14-Mar-19	14-Mar-19
KGRC-33	529945	4985220	290	-55	61	16-Mar-19	16-Mar-19
KGRC-34	529993	4985226	290	-60	36	16-Mar-19	16-Mar-19
KGRC-35	530058	4985241	280	-55	137	17-Mar-19	17-Mar-19
KGRC-36	530107	4985261	290	-55	119	18-Mar-19	18-Mar-19
Total metrage					1,614 m		

Table 10-2-1-2: Significant Gold Intervals (>0.1 g/t) for Killag East RC Drilling Program

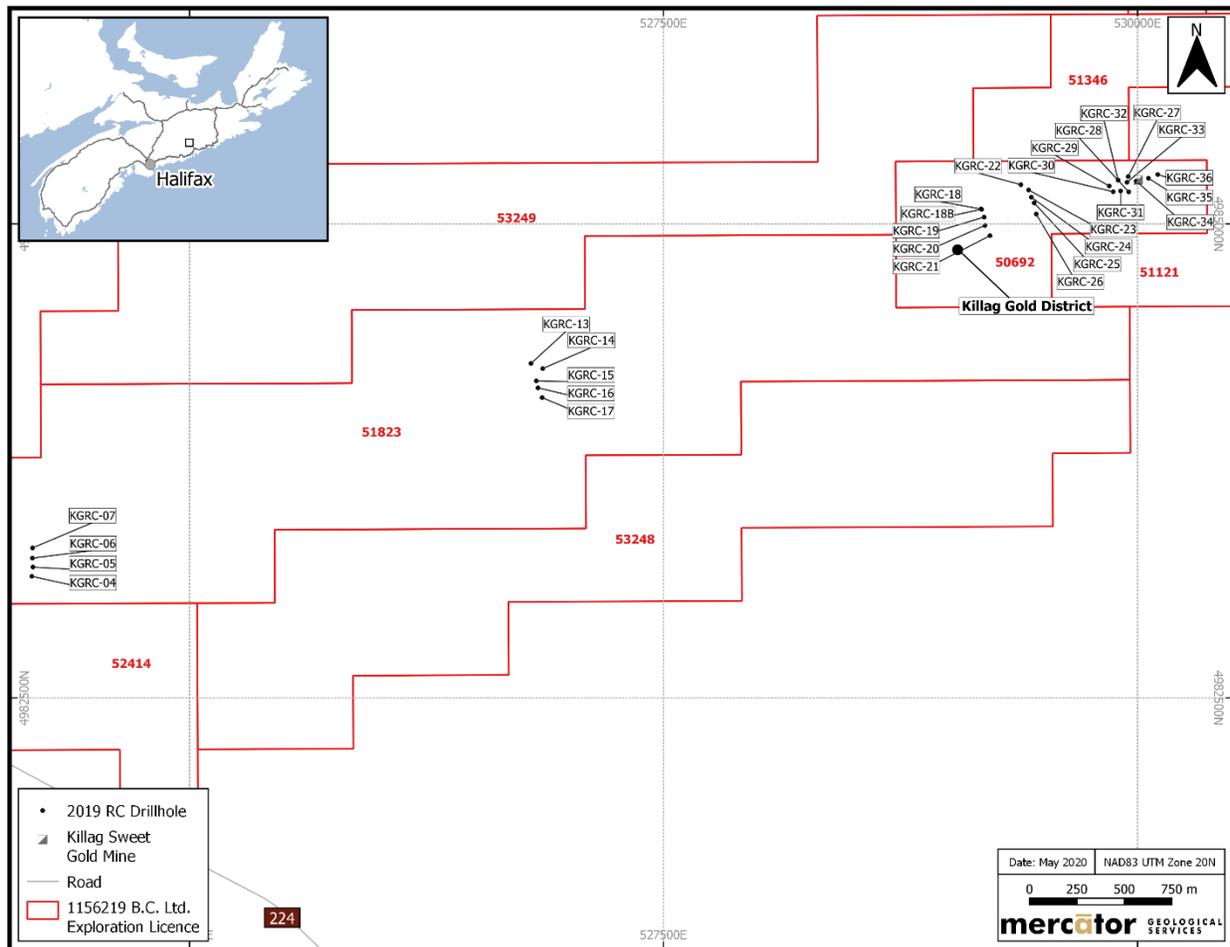
Hole No.	Easting (m)	Northing (m)	Dip (Deg.)	Azimuth (Deg.)	Hole Depth (m)	**Significant Intervals			
						From (m)	To (m)	Length (m)	Gold Grade (Au g/t)
KGRC-30-2019	529872	4985170	-55	330	100	95	98	3	1.52
KGRC-31-2019	529911	4985174	-55	330	67	23	25	2	0.40
KGRC-31-2019	"	"	"	"	"	31	36	5	1.31
Incl.	"	"	"	"	"	31	32	1	5.14
KGRC-31-2019	"	"	"	"	"	47	51	4	1.27
Incl.	"	"	"	"	"	47	48	1	4.48
KGRC-31-2019	"	"	"	"	"	55	58	3	0.32
KGRC-31-2019	"	"	"	"	"	64	65	1	0.22
KGRC-32-2019	529898	4985231	-55	290	103	62	63	1	0.88
KGRC-32-2019	"	"	"	"	"	67	71	4	4.94
Incl.	"	"	"	"	"	67	68	1	17.86
KGRC-32-2019	"	"	"	"	"	90	91	1	0.23
KGRC-33-2019	529945	4985220	-55	290	60	16	17	1	0.13
KGRC-33-2019	"	"	"	"	"	39	40	1	0.21
KGRC-34-2019	529993	4985226	-60	290	36	22	25	3	0.23
KGRC-35-2019	530058	4985241	-55	280	137	11	14	3	0.40
KGRC-35-2019	"	"	"	"	"	23	25	2	0.12
KGRC-35-2019	"	"	"	"	"	34	36	2	0.10
KGRC-35-2019	"	"	"	"	"	55	57	2	2.39
Incl.	"	"	"	"	"	55	56	1	4.70
KGRC-35-2019	"	"	"	"	"	62	64	2	0.36

KGRC-35-2019	"	"	"	"	"	70	72	2	1.29
KGRC-35-2019	"	"	"	"	"	77	79	2	4.64
Incl.	"	"				77	78	1	9.09
KGRC-35-2019	"	"	"	"	"	98	99	1	0.185
KGRC-36-2019	530107	4985261	-55	290	119	15	17	2	0.480
KGRC-36-2019	"	"	"	"	"	49	53	4	0.76
KGRC-36-2019	"	"	"	"	"	57	58	1	1.04
KGRC-36-2019	"	"	"	"	"	83	84	1	1.23
KGRC-36-2019	"	"	"	"	"	88	89	1	0.12
KGRC-36-2019	"	"	"	"	"	94	95	1	0.617
KGRC-36-2019	"	"	"	"	"	100	101	1	0.12
KGRC-36-2019	"	"	"	"	"	103	104	1	0.164

Table Notes:

- (1) ** Weighted average Interval > 0.10 g/t Au with maximum of 3 x 1m length samples @<0.1 g/t included
- (2) Assay values are uncut; some intervals include (incl.) higher grade subintervals
- (3) Assay values generally reflect Fire Assay - Atomic absorption methods applied to regular 30 g pulps generated from splitting of ~2.5 kg Reverse Circulation (RC) drill chip samples; screen metallica processing of ~2.5 kg RC drill chip samples was carried out for selected intervals and resulting assay values were applied when available instead of the regular Fire Assay – Atomic Absorption results
- (4) Downhole sample intervals are presented; insufficient geological control is available to accurately estimate true widths (true thickness) from RC results at this time

Figure 10-2-1: Location of Killag RC Drill Holes – Killag West, Killag Central and Killag East Target Areas



10.2.1.2 Killag Central and West Drilling Results

Mercator field staff supervised the RC drilling of 9 holes (KGRC-04-2019 to KRGRC-07-2019, KGRC-13-2019 to KGRC-17-2019) totaling 633 metres at the Killag Central and Killag West target areas within the Killag project area from February 19 to February 26, 2019 (Figure 10-2-1).

The RC drill hole transects in the West and Central areas were designed to test magnetic high anomalies identified in the 2018 Precision aeromagnetic survey completed for MegumaGold. Drilling near the western part of Licence 51823 (Killag West) resulted in fire assay gold results mostly at or below the detection limit (1 ppb). The highest value returned was 7 ppb Au over 3 metres between 38 and 41 metres in drill hole KGRC-07-2019. Drill holes of the western part of the licence area mostly intercepted greywacke with 1 to 3 metre interbeds of argillite and sulphide mineralization consisting mostly of pyrite and arsenopyrite.

RC drilling in the Killag Central area on Licence 51823 (KGRC-13-2019 to KGRC-17-2019) intersected a discrete aeromagnetic survey anomaly. At the southern end of the drill fence line, drill hole KGRC-17-2019 intercepted four zones of anomalous gold (>10 ppb) including 50 ppb over 1 metre between 16 to 17

metres; 40 ppb over six metres between 46 and 52 metres; 30 ppb over 5 metres between 58 and 63 metres; and 20 ppb over 1 metre between 72 and 73 metres. The anomalous zones are associated with a zone of extensive quartz veining in altered greywacke.

Pyrrhotite associated with interbedded argillite units that occur along the hinge and both limbs of the anticline is interpreted to be the source of the high magnetic anomaly in the central area of Licence 51823. Quartz veining and sulfide concentration decrease towards the north in the Killag Central area. The highest assay value returned in the four northernmost holes (KGRC-13-2019 to KGRC-16-2019) was 70 ppb Au between 45 and 46 metres in hole KGRC-16-2019. The anomalous zone was associated with an interval of argillite with low amounts of quartz veining. A summary of the Killag Central and Killag West RC drill hole information is presented in Table 10-2-1-3 below.

Table 10-2-1-3: Summary of Killag Central and Killag West RC Drill Holes

Hole No.	Easting NAD83	Northing NAD83	Azimuth	Inclination	Total Depth metres	Start Date	End Date
KGRC-04	524168	4983141	350	-55	70	19-Feb-19	19-Feb-19
KGRC-05	524174	4983190	360	-55	70	20-Feb-19	20-Feb-19
KGRC-06	524171	4983237	360	-55	70	20-Feb-19	20-Feb-19
KGRC-07	524172	4983291	360	-55	70	20-Feb-19	21-Feb-19
KGRC-13	526801	4984264	170	-55	70	22-Feb-19	22-Feb-19
KGRC-14	526863	4984237	170	-55	70	22-Feb-19	23-Feb-19
KGRC-15	526829	4984172	195	-50	70	23-Feb-19	24-Feb-19
KGRC-16	526838	4984135	170	-55	70	25-Feb-19	25-Feb-19
KGRC-17	526860	4984084	170	-55	73	26-Feb-19	26-Feb-19
Total metreage					633 m		

10.2.2 Fifteen Mile Stream RC Drilling Program

Mercator staff supervised the RC drilling of 13 holes (MLRC-03-2019 to MLRC-15-2019) totaling 845 metres at the Moser Lake target area (EL 51643) within the Fifteen Mile Stream project area from November 19 to December 1, 2018 (Figure 10-2-2).

The RC drill hole transects were designed to test magnetic high anomalies identified in the 2018 Precision aeromagnetic survey conducted for MegumaGold that are on trend with mapped or interpreted anticlines and subsidiary anticlines east of St. Barbara’s Fifteen Mile Stream Deposit. The Moser Lake target is located approximately 4 km along strike to the east from the Fifteen Mile Stream Deposit, which occurs in the hinge area of the Fifteen Mile Stream Anticline. The three drill hole transects at Moser Lake intercepted abundant sulfide-bearing argillite (particularly MLRC-03-2019, MLRC-04-2019, MLRC-07-2019, MLRC-08-2019 and MLRC-14-2019) towards the core of the magnetic anomaly, that can be interpreted as representing the Moose River Formation. Above detection limit gold values were encountered in 6 holes and are typically associated with sulphide-bearing argillite sections. The highest value returned was 29 ppb over 1.0 m and correlates with an argillite interval in MLRC-03. Unfortunately,

the promising northwest portion of the target in this area could not be tested due to a stream bed preventing safe access to the proposed hole locations.

The presence of sulfide-bearing argillite, quartz veins, calcite presence in greywacke, proximity to a northwest trending fault, and location along strike from the Fifteen Mile Stream Deposit combine to make the Moser Lake target area a favourable setting for gold mineralization. The lack of higher gold levels in samples may indicate that the RC drilling (up to 70m) was not deep enough to intersect the most favourable Moose River Formation sequences, or that a favorable structural position along the anticlinal trend is not present in the area. The Moose River Formation target at Moser Lake is interpreted to plunge easterly. A summary of the Moser Lake RC drill holes is presented in Table 10-2-2-1 below.

Table 10-2-2-1: Summary of Fifteen Mile Stream - Moser Lake RC Drilling

Hole No.	Easting NAD83	Northing NAD83	Azimuth	Inclination	Total Depth metres	Start Date	End Date
MLRC-03	541,407	4,999,799	360	-50	69	Nov 19,2018	Nov 19,2018
MLRC-04	541,414	4,999,755	360	-50	70	Nov 20,2018	Nov 20,2018
MLRC-05	541,433	4,999,704	360	-55	46	Nov 22,2018	Nov 22,2018
MLRC-06	541,615	4,999,967	360	-55	70	Nov 23,2018	Nov 24,2018
MLRC-07	541,628	4,999,923	360	-55	70	Nov 24,2018	Nov 26,2018
MLRC-08	541,625	4,999,885	360	-55	61	Nov 26,2018	Nov 26,2018
MLRC-09	541,662	4,999,830	360	-55	70	Nov 27,2018	Nov 27,2018
MLRC-10	541,675	4,999,779	360	-55	70	Nov 27,2018	Nov 27,2018
MLRC-11	541,796	5,000,011	360	-55	70	Nov 30,2018	Nov 30,2018
MLRC-12	541,797	4,999,957	360	-55	70	Nov 30,2018	Dec 1,2018
MLRC-13	541,810	4,999,870	360	-55	42	Nov 28,2018	Nov 28,2018
MLRC-14	541,808	4,999,907	360	-55	70	Dec 1,2018	Dec 1,2018
MLRC-15	541,816	4,999,808	360	-55	67	Nov 29,2018	Nov 29,2018
Total metreage					845 m		

Mercator field staff supervised the RC drilling of 10 holes (SLMRC-01-2019 to SLMRC-10-2019) totaling 684 metres at the Seloam Lake target area (EL 51668) of the Fifteen Mile Stream project from January 12 to January 20, 2019 (Figure 10-2-2).

Like those at Moser Lake, the Seloam Lake RC drill hole transects were designed to test magnetic high anomalies identified in the 2018 Precision aeromagnetic survey completed for MegumaGold that occur on trend with mapped or interpreted anticlines and subsidiary anticlines east of St. Barbara’s Fifteen Mile Stream Deposit. The RC drilling results indicate that the source of the targeted magnetic anomaly at

Seloam Lake is sulfide-bearing (pyrrhotite, pyrite and arsenopyrite) greywacke. Associated quartz veining is present towards the eastern end of the anomaly and was intersected in drill holes SLMRC-06-2019, SLMRC-08-2019 and SLMRC-10-2019. Above detection limit gold values were encountered in 4 holes and are associated with the sulphide-bearing intervals noted. The highest value returned was 7 ppb over 1.0 m and correlates with an interval of greywacke. A summary of the Seloam Lake RC Drill holes is presented in Table 10-2-2-2 below. No significant gold was encountered in these RC holes based on the assay results.

Table 10-2-2-2: Summary of Fifteen Mile Stream - Seloam Lake RC Drilling

Hole No.	Easting NAD83	Northing NAD83	Azimuth	Inclination	Total Depth metres	Start Date	End Date
SLMRC-01	536,723	5,000,553	340	-55	70	Jan 14,2019	Jan 14,2019
SLMRC-02	536,746	5,000,479	340	-55	70	Jan 13,2019	Jan 14,2019
SLMRC-03	536,771	5,000,426	340	-55	70	Jan 13,2019	Jan 13,2019
SLMRC-04	536,790	5,000,373	340	-55	70	Jan 12,2019	Jan 13,2019
SLMRC-05	536,807	5,000,336	340	-55	70	Jan 12,2019	Jan 12,2019
SLMRC-06	537,274	5,000,663	20	-55	70	Jan 20,2019	Jan 20,2019
SLMRC-07	537,254	5,000,622	20	-55	56	Jan 16,2019	Jan 17,2019
SLMRC-08	537,253	5,000,576	20	-55	70	Jan 16,2019	Jan 16,2019
SLMRC-09	537,248	5,000,534	20	-55	70	Jan 15,2019	Jan 16,2019
SLMRC-10	537,240	5,000,501	20	-55	68	Jan 15,2019	Jan 15,2019
Total metreage					684 m		

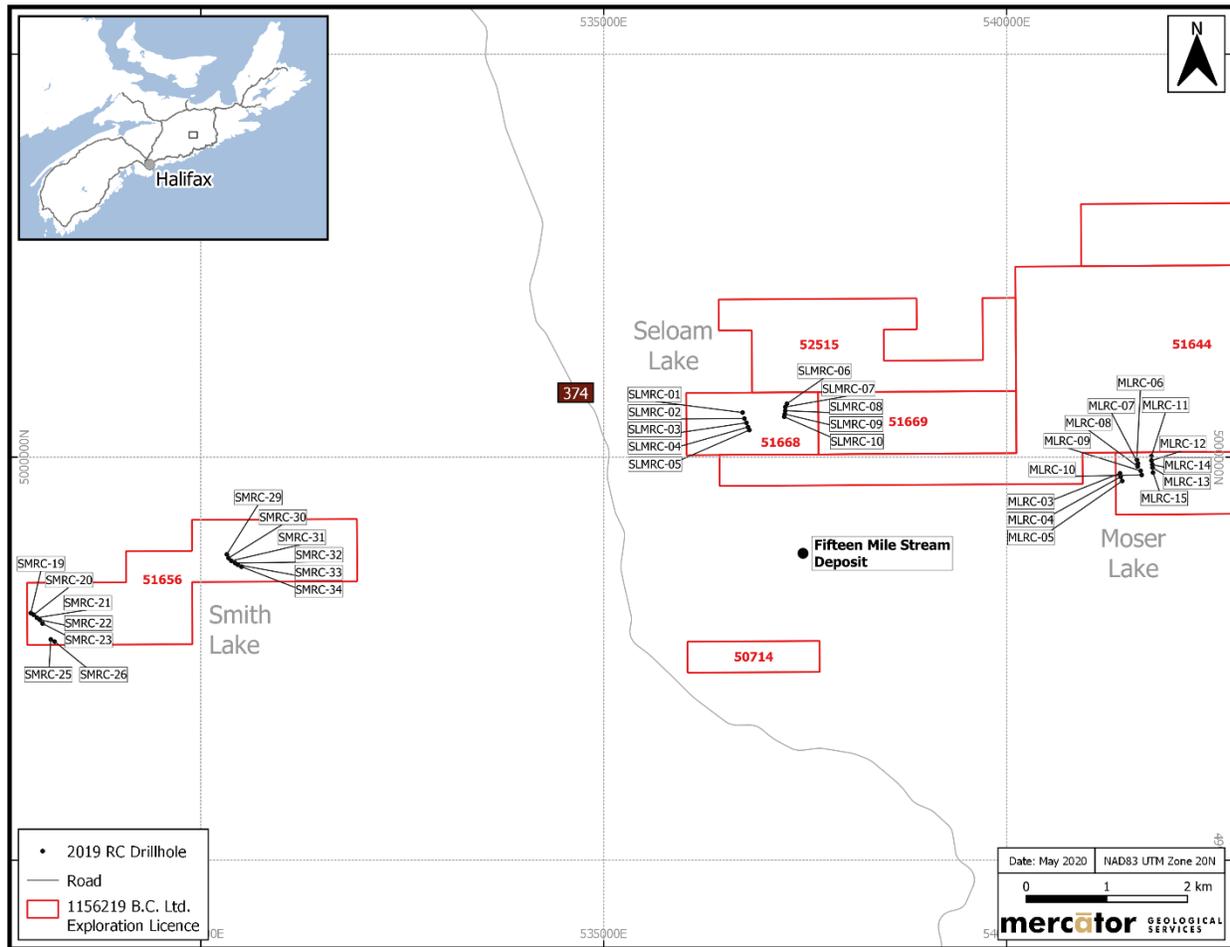
Mercator staff supervised the RC drilling of 13 holes (SMRC-19-2019 to SMRC-23-2019, SMRC-25-2019 and SMRC-26-2019, SMRC-29-2019 to SMRC-34-2019) totaling 885 metres at the Smith Lake target area (EL 51656) within the Fifteen Mile Stream project area from January 23 to February 11, 2019 (Figure 10-2-2).

The RC drill hole transects were designed to test magnetic high anomalies identified in the 2018 Precision aeromagnetic survey completed for MegumaGold that are on trend with mapped or interpreted anticlines and subsidiary anticlines east of St Barbara's Fifteen Mile Stream Deposit. At Smith Lake, drilling revealed that beds of magnetite-bearing greywacke are the source of the aeromagnetic survey high and the potential for significant associated gold mineralization is considered to be relatively low. Above detection limit gold values were encountered in 12 holes and are associated with mostly greywacke and some very minor argillite intervals. The highest value returned was 10 ppb over 1.0 m and correlates with an interval of greywacke. A summary of the Smith Lake RC Drill holes is presented in Table 10-2-2-3 below.

Table 10-2-2-3: Summary of Fifteen Mile Stream - Smith Lake RC Drilling

Hole No.	Easting NAD83	Northing NAD83	Azimuth	Inclination	Total Depth metres	Start Date	End Date
SMRC-19	527,892	4,998,065	150	-55	55	Feb 11,2019	Feb 11,2019
SMRC-20	527,928	4,998,044	150	-55	70	Feb 08,2019	Feb 08,2019
SMRC-21	527,968	4,998,007	150	-55	70	Feb 08,2019	Feb 08,2019
SMRC-22	528,004	4,997,981	150	-55	70	Feb 09,2019	Feb 09,2019
SMRC-23	528,038	4,997,935	150	-55	70	Feb 09,2019	Feb 10,2019
SMRC-25	528,140	4,997,738	150	-55	69	Feb 10,2019	Feb 10,2019
SMRC-26	528,188	4,997,711	150	-55	70	Feb 11,2019	Feb 11,2019
SMRC-29	530,324	4,998,793	160	-55	61	Jan 25,2019	Jan 25,2019
SMRC-30	530,345	4,998,748	160	-55	70	Jan 24,2019	Jan 25,2019
SMRC-31	530,380	4,998,713	160	-55	70	Jan 24,2019	Jan 24,2019
SMRC-32	530,427	4,998,685	150	-55	70	Jan 23,2019	Jan 24,2019
SMRC-33	530,461	4,998,664	160	-55	70	Feb 01,2019	Feb 01,2019
SMRC-34	530,506	4,998,640	160	-55	70	Feb 01,2019	Feb 01,2019
Total metreage					885 m		

Figure 10-2-2: Location of Fifteen Mile Stream RC Drill Holes (Moser Lake, Seloam Lake, and Smith Lake Target Areas)



10.2.3 Greater Beaver Dam RC Drilling Program

Mercator staff supervised drilling of 25 reverse circulation drill holes (RFRC-01-2019 to RFRC-05-2019) totaling 1,598 metres at the Ragged Falls target area (ELs 51340, 51341 and 51342) located within the Greater Beaver Dam project area from December 5, 2018 to January 10, 2019 (Figure 10-2-3). Drill holes RFRC-01-2019 to RFRC-21-2019 were drilled along three north to south trending transects that were designed to test a magnetic anomaly that was identified in the 2018 Precision aeromagnetic survey completed for MegumaGold. The magnetic anomaly occurs on trend with mapped regional anticlines and along strike to the east of St Barbara’s Beaver Dam Deposit. Drill holes RFRC-22-2019 to RFRC-25-2019 were drilled along a north to south trending transect across the regional anticline approximately 1 kilometre to the east of the other three transects and in closer proximity to the historic Ragged Falls gold occurrence, with consists of a shaft that tested quartz vein gold mineralization.

The dominant lithology intercepted during the drilling program was greywacke with interbedded argillite intercepts of up 12 metres in thickness present along the interpreted hinge of the regional anticline. Magnetic susceptibility measurements on the RC chips indicate that sulphide mineralization in the

greywacke and argillite units is the source of the aeromagnetic survey high. Sulphide minerals consist of pyrite, pyrrhotite and arsenopyrite. Above detection limit gold values were encountered in 22 holes and are associated with the sulphide-bearing intervals noted. The highest value returned was 1174 ppb over 1.0 m and correlates with an interval of greywacke. Most gold assay results returned values below the detection limit, though trace gold levels (<100 ppb) commonly occur in bleached greywacke and argillite intervals that range from 1 to approximately 10 metres in thickness. Arsenic levels are consistently high throughout the altered zone and range between the 0.2 ppm detection limit and 1,335 ppm. Not all intervals showing above detection limit (1 ppb) gold values show association with logged quartz veining. Significant gold intercepts are outlined in Table 10-2-3-1 below. The 1.17 g/t Au value in RFRC-14-2019 at 31 to 32 metres is associated with altered greywacke with an estimated 10 % quartz vein component. The 0.25 g/t Au intercept in RFRC-23-2019 at 39 to 41 metres occurs in greywacke with minor argillite and shows no logged quartz veining. A summary of the Ragged Falls RC drill hole information and results is presented in Table 10-2-3-1 below. Please note that insufficient geological control is available to accurately estimate true widths (true thicknesses) from the RC drilling results at this time.

The large area of bedrock alteration at Ragged Falls that is marked by intense bleaching, anomalous arsenic levels and above detection limit gold values is interpreted as being part of a potentially important gold-bearing alteration halo associated with the Ragged Falls anticline in this area. Further assessment of the anticlinal trend in and adjacent to the area is therefore required.

Table 10-2-3-1: Summary of Greater Beaver Dam – Ragged Falls RC Drilling including Significant Gold Intervals (>0.1 g/t)

Hole No.	Easting NAD83	Northing NAD83	Azimuth	Inclination	Total Depth metres	Start Date	End Date	**Significant Intervals		Length (m)	Gold Grade (Au g/t)
								From (m)	To (m)		
RFRC-01	533187	4992573	315	-55	70	December 5, 2018	December 5, 2018	-	-	-	-
RFRC-02	533159	4992618	315	-55	70	December 6, 2018	December 6, 2018	-	-	-	-
RFRC-03	533139	4992651	315	-55	70	December 6, 2018	December 6, 2018	-	-	-	-
RFRC-04	533112	4992683	315	-55	70	December 7, 2018	December 7, 2018	-	-	-	-
RFRC-05	533094	4992727	315	-55	70	December 7, 2018	December 7, 2018	-	-	-	-
RFRC-06	533213	4992526	315	-55	43	December 5, 2018	December 5, 2018	-	-	-	-
RFRC-07	533244	4992481	315	-55	70	December 4, 2018	December 5, 2018	-	-	-	-
RFRC-08	533280	4992451	315	-55	59	December 4, 2018	December 4, 2018	-	-	-	-
RFRC-09	532799	4992695	350	-55	49	December 11, 2018	December 12, 2018	-	-	-	-
RFRC-10	532782	4992646	350	-55	61	December 10, 2018	December 11, 2018	-	-	-	-
RFRC-11	532795	4992598	350	-55	31	December 10, 2018	December 10, 2018	-	-	-	-

RFRC-12	532796	4992551	350	-55	70	December 9, 2018	December 9, 2018	-	-	-	-
RFRC-13	532792	4992497	350	-55	70	December 9, 2018	December 9, 2018	-	-	-	-
RFRC-14	532789	4992429	350	-55	53	December 8, 2018	December 8, 2018	31	32	2	1.17
RFRC-15	532828	4992378	350	-55	58	December 8, 2018	December 8, 2018	-	-	-	-
RFRC-16	532483	4992655	350	-55	54	December 15, 2018	December 15, 2018	-	-	-	-
RFRC-17	532501	4992592	350	-55	70	December 15, 2018	December 15, 2018	-	-	-	-
RFRC-18	532499	4992546	350	-55	70	December 13, 2018	December 13, 2018	-	-	-	-
RFRC-19	532511	4992503	350	-55	70	December 13, 2018	December 13, 2018	-	-	-	-
RFRC-20	532507	4992451	350	-55	70	December 12, 2018	December 12, 2018	-	-	-	-
RFRC-21	532490	4992390	350	-55	70	December 12, 2018	December 12, 2018	-	-	-	-
RFRC-22	534139	4992767	360	-55	70	January 9, 2019	January 9, 2019	-	-	-	-
RFRC-23	534145	4992723	350	-55	70	January 9, 2019	January 9, 2019	39	41	2	0.25
RFRC-24	534163	4992673	350	-55	70	January 10, 2019	January 10, 2019	-	-	-	-
RFRC-25	534190	4992650	350	-55	70	January 10, 2019	January 10, 2019	-	-	-	-
Total metreage					1,598 m						

Notes:

- (1) *UTM NAD 83 Zone 20 coordination
- (2) ** Weighted average Interval > 0.10 g/t Au with maximum of 3 x 1m length samples @<0.1 g/t included
- (3) Assay values are uncut; some intervals include (incl.) higher grade subintervals
- (4) Assay values generally reflect Fire Assay - Atomic absorption methods applied to regular 30 g pulps generated from splitting of ~2.5 kg Reverse Circulation (RC) drill chip samples; screen metallica processing of ~2.5 kg RC drill chip samples was carried out for selected intervals and resulting assay values were applied when available instead of the regular Fire Assay – Atomic Absorption results
- (5) Downhole sample intervals are presented; insufficient geological control is available to accurately estimate true widths (true thickness) from RC results at this time.

Mercator staff also supervised the RC drilling of 5 drill holes (BLRC-01-2019 to BLRC-05-2019) totaling 308 metres at the Beeswanger Lake target area (EL 51698) located within the Greater Beaver Dam project area from December 16 to December 19, 2018 (Figure 10-2-3).

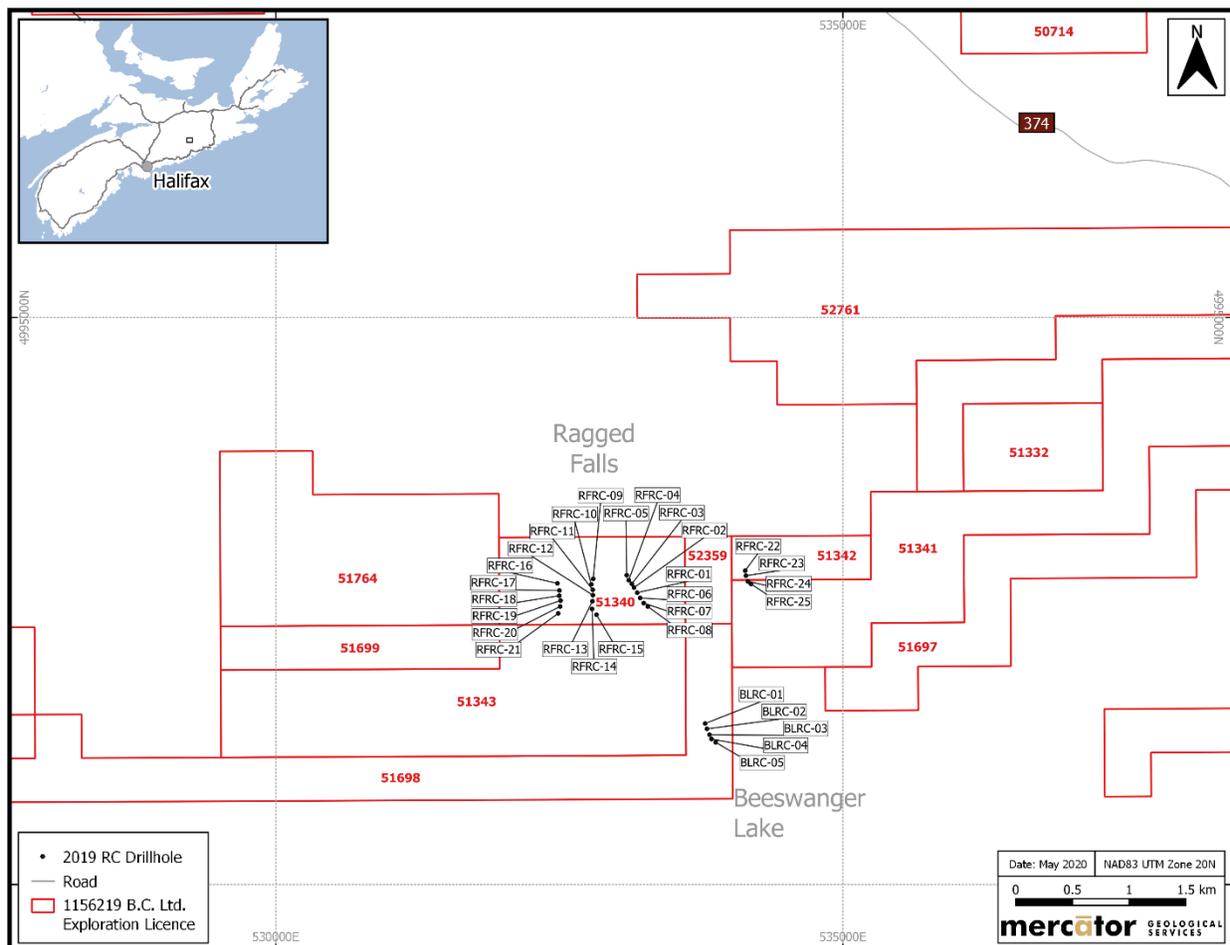
The RC drill hole transect was designed to test an anomaly identified in the 2018 Precision aeromagnetic survey completed for MegumaGold in the vicinity of St. Barbara's Beaver Dam Deposit. The drilling showed that argillite intercepts are all less than 2 metres in thickness and constitute a very low proportion of the tested stratigraphy at Beeswanger Lake. Greywacke is the predominant bedrock lithology intercepted. Magnetic susceptibility measurements on the RC chips indicate that magnetite-bearing greywacke is the source of the aeromagnetic high. Above detection limit gold values were encountered in 2 holes and are associated with the magnetite-bearing intervals noted. The highest value returned was 4 ppb over 3 m and correlates with an interval of greywacke. A summary of the Beeswanger Lake RC drill

hole information is presented in Table 10-2-3-2 below. The potential for discovery of significant bedrock gold mineralization at Beeswanger Lake is considered to be low and no further investigation of the anomaly area tested by RC drilling in 2019 is currently planned by MegumaGold.

Table 10-2-3-2: Summary of Greater Beaver Dam - Beeswanger Lake RC Drilling

Hole No.	Easting NAD83	Northing NAD83	Azimuth	Inclination	Total Depth metres	Start Date	End Date
BLRC-01	533,791	4,991,415	350	-55	55	Dec 19,2018	Dec 19,2018
BLRC-02	533,812	4,991,370	350	-55	70	Dec 18,2018	Dec 19,2018
BLRC-03	533,823	4,991,321	350	-55	70	Dec 18,2018	Dec 18,2018
BLRC-04	533,844	4,991,276	350	-55	70	Dec 17,2018	Dec 18,2018
BLRC-05	533,884	4,991,247	350	-55	43	Dec 16,2018	Dec 17,2018
Total metreage					308 m		

Figure 10-2-3: Location of Greater Beaver Dam RC Drill Holes – Ragged Falls and Beeswanger Lake Target Areas



11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Sample Preparation, QAQC Protocols, and Analytical Methods

11.1.1 Rock Sampling Program

Selected rock samples from the rock sampling program were initially sent to ALS Global (ALS) in Sudbury, ON for laboratory analysis. Gold values were determined using Atomic Emission Spectroscopy methods following Fire Assay preconcentration of a 30 g prepared pulp sample. Sample preparation was through the laboratory's standard rock preparation protocol that begins with jaw crushing followed by pulverization of a sample split to generate a pulp having >85% passing 75 microns grain size. Samples were also analyzed using Inductively Coupled Plasma-Mass Spectroscopy (ICP-MS) methods after 4 acid digestion. A total of 48 elements were determined using this method. Waste rock samples were submitted to Eastern Analytical Ltd. (Eastern) in Springdale, NL for laboratory analysis. Quartz vein samples were designated for processing by screen metallics methods followed by gold analysis using fire assay-atomic absorption (FA-AA) methods. Argillite and greywacke rock samples were designated for standard rock sample preparation followed by gold analysis by FA-AA methods.

Some samples from the initial set of assays found to contain gold were shipped by commercial courier to Eastern for screen metallics processing. This consisted of total sample crushing to -10 mesh followed by pulverization to 95% passing 150 mesh. The plus 150 mesh fraction and one 30 g split of the minus 150 mesh fraction were separately analysed for gold using standard FA-AA methods. A mass-weighted average of results for the two analyses was recorded as the gold grade for the sample. For all other samples, a single 30 g split of the minus 150 mesh pulp material was analyzed using FA-AA methods. For QAQC purposes, one blindly inserted blank sample and one certified reference standard sample were included with each sample shipment. ALS and Eastern are commercially operated analytical services firms that are accredited by the Canadian Association for Laboratory Accreditation (CALA) and registered to ISO 17025 standards for specific procedures. Both laboratories are independent of MegumaGold and Mercator.

11.1.2 Till Sampling Program

Mercator field staff used handheld GPS receivers to locate sites targeted for till sampling during the desktop LiDAR bedrock and surficial geology interpretation exercise. At each sample site, a pit was dug to a depth at which the C-horizon was exposed with depths ranging from 0.3 to 1 metre below ground surface. Samples were screened in the field with a 1 cm sieve and a ~10 kg till sample of the less than 1 cm fraction was collected. Field geologists recorded observations for site type, depth to sample, oxidation, color, moisture, sample weight, clast percent, lithology, and angularity for both fine and coarse grain fraction. Sample spacing was controlled by access and presence of till material but was generally one sample every 500 metres. A total of 189 till samples were collected and analyzed during this program.

Till samples were sent to Eastern where samples were riffle split into 2 kg subsamples and then sieved at 200 mesh (74 microns). Gold values were determined using FA-AA methods on a 30 g prepared sample of minus 200 mesh material. Samples were also analyzed using Inductively Coupled Plasma Optical Emission

Spectrometry (ICP-OES) method after 4 acid digestion. A total of 34 elements were determined using this method. The 200+ mesh coarse fraction, remaining -200 mesh fraction, and the remaining 8 kg unscreened sample fraction were returned to Mercator where they have been archived for potential future additional analysis. As noted above, Eastern is a fully accredited laboratory by the Canadian Association for Laboratory Accreditation (CALA) and registered to ISO 17025 standards for specific procedures.

The Quality Assurance and Quality Control protocol for the till sampling program included systematic analysis of certified reference materials, blank samples and duplicate pulp splits. Certified reference standards and blanks were inserted approximately every 40 samples in an offset manner. A duplicate analysis was performed on approximately every 40th till sample. Certified reference standards consisted of CDN-HZ-2, CDN-SE-1 and CDN-SE-2. QAQC till results were monitored by MegumaGold and all results were within the acceptable range.

11.1.3 B-horizon Soil Sampling Program

Mercator field staff used handheld GPS receivers to locate sampling stations from a pre-planned sampling grid. At each sample site, a pit was dug to a depth at which the B-horizon was exposed with depths ranging from 0.2 to 0.75 metres below ground surface. A description for site type, depth to sample, oxidation, color, moisture, sample weight, clast percent, lithology, and angularity was collected using a digital, tablet-based form. The sample was sealed in a Kraft soil sample bag and marked with its sample number.

B-horizon soil samples were sent to Eastern for preparation and analysis. After drying and sieving, a 30-gram split of minus-mesh material was analyzed for gold using FA-AA methods. A second pulp split was prepared for multi-element analysis by Inductively Coupled Plasma (ICP) methods after four acid digestion. As noted above, Eastern is a commercially operated analytical services firm that is accredited by the Canadian Association for Laboratory Accreditation (CALA) and registered to ISO 17025 standards for specific procedures.

The Quality Assurance and Quality Control protocol for the soil samples included systematic analysis of certified reference standards, blank samples and duplicate pulp splits. Certified reference standards and blanks were inserted in the sequence approximately every 60 samples in offset manner. A duplicate analysis was performed on every 40th sample. Certified reference standards consisted of CDN-HZ-2. The QAQC results for the soil sampling program were monitored by MegumaGold and were determined to be within the acceptable range.

11.1.4 Reverse Circulation (RC) Drilling Sampling Program

During the RC drilling program, the overburden varied from 4 to 20 m in depth with an average depth of 7 m, and no samples were collected from the overburden. Bedrock drill cuttings were collected in large (18 x 21 inch) 4-millimetre poly sample bags attached to one of three discharge ports attached to the cyclone splitter. The cyclone splitter slows the air flow to divide and split each metre of rock cuttings to a 2.5 kg sample. The remainder of the 1 m sample split is discarded below the cyclone. The three ports allow for duplicate samples to be collected and weighted to verify the splitter is dividing the cuttings evenly.

Mercator field staff logged each metre of drill cuttings by screening out the fines and bagging a 100 to 200 g sub sample of rock chips in a zip lock bag that was retained separately for a historic record of each metre from each hole. Rock chips were logged based on lithology, percentage of quartz, sulphide mineralization, alteration, reactivity to hydrochloric acid (HCl) and pen magnet as well as sample weight. Logs were entered into an electronic tablet using the application Open Data Kit (ODK). The ODK application was custom built with drop down menus for logging each metre of drilling as well as geographical locations, recorded with a handheld GPS unit in NAD 83 Zone 20 coordinates.

The 2.5 kg sample bags were then labelled with the drill hole number and metreage intervals and subsequently delivered to the Minerals Engineering Centre (MEC) at Dalhousie University in Halifax, NS for crushing and subsequent pulverization to create >80% passing 200 mesh pulp material. A 100 g split of pulverized pulp was retrieved, bagged and labelled from the pulverizing bowl. Subsequently, 1-metre samples were composited into three-metre samples by mixing 25 g from each 1-metre sample within the 3-metre interval. Composite samples were renumbered and sent by commercial carrier to ALS in Sudbury, ON for processing, with subsequent gold analysis at that firm's Vancouver, BC facility by Fire Assay-Atomic Absorption (FA-AA) methods using a 30 g pulp split. Multi-element analysis of specified pulp samples was also carried out at ALS. As noted above, ALS is a commercially operated analytical services firm that is accredited by the Canadian Association for Laboratory Accreditation (CALA) and registered to ISO 17025 standards for specific procedures. MEC is a commercially operated laboratory that has served the mining, exploration and geoscience research communities in Atlantic Canada for more than 30 years. It is not accredited by CALA but adheres to strict internal QAQC protocols that reflect current industry standards. Both ALS and MEC are fully independent of MegumaGold and Mercator.

For composite samples that returned gold levels of 100 ppb or more, the remaining 1.5 kg of unpulverized rock for each 1-metre interval was shipped by commercial carrier to Eastern for screen metallic processing and gold analysis following the method described above in section 11.1.1.

MegumaGold's QAQC protocol for the RC drilling program included (1) field measurement of sample split weights, (2) blind insertion of certified reference materials at 1 in 40 frequency, (3) blind insertion of blank samples at 1 in 40 frequency, and (3) analysis of duplicate pulp splits at 1 in 40 frequency. QAQC samples are inserted/analysed in offset sequences. Min-U-Sil 40®, a high purity fine ground silica power, was submitted for the blind blank samples along with the prepared pulp materials. Table 11-1-4 outlines the certified reference materials that were submitted to ALS and Eastern for the 2019 MegumaGold RC drilling program. Results of all QAQC programs were continuously monitored by MegumaGold and acceptable results were received for all analytical work.

Table 11-1-4: Certified Reference Standards Used in 2019 MegumaGold RC Drilling Program

	Certified Gold Value (g/t)	2 Standard Deviations	# Samples Submitted	
			ALS Global	Eastern Analytical
CDN-HZ-2	0.124	0.024	37	4
CDN-SE-1	0.48	0.034	15	4
CDN-SE-2	0.242	0.018	16	4
CDN-ME-1403	0.954	0.078	1	0
CDN-ME-1810	4.41	0.33	0	1

In total, 69 blind certified reference standards and 68 blank samples were inserted with RC samples submitted to ALS to be analyzed at their laboratory in Vancouver, British Columbia. The results of ALS analyses of the certified reference materials are plotted in Figures 11-1-4-1 to 11-1-4-4. The majority of the gold assay results plot within the accepted certified range for each standard defined by two standard deviations. The few analytical results that fall outside the two standard deviations warning zone were reviewed by Mercator and determined not to have had to have any significant impact on reported assay results. Analytical results for the blank samples analyzed at ALS are shown in Figure 11-1-4-5 and appear to show no issues of laboratory analysis level cross contamination with respect to gold content.

In total, 65 duplicate fire assay analyses of duplicate pulp split materials were conducted at ALS. The majority of these samples (41 total) had original gold assay values that were below the limit of detection (1 ppb). Figures 11-4-1-6 and 11-4-1-7 compare the duplicate gold fire assay results by ALS to the original gold analyses. At a low level of gold (<0.04 g/t), duplicate and original gold values are relatively consistent, whereas at higher levels of gold, duplicate and original gold assays show greater deviation, which is interpreted to be the result of coarse-gold nugget effect that is common to gold occurrences in the Meguma Supergroup.

In total, 13 blind certified reference standards and 14 blank samples were submitted to Eastern to be analyzed in sequence with the -150 mesh fraction of samples submitted for screen metallics processing. Eastern's analytical results for the certified references materials are plotted in Figures 11-4-1-8 to 11-4-1-11. Mercator evaluated the gold fire assay results of the certified reference standards and determined that with few exceptions, values fall within the plus-minus 2 standard deviations acceptable range. Analytical results for the blank samples analyzed at Eastern are shown in Figure 11-1-4-12 and appear to show no issues of laboratory analysis level cross contamination with respect to gold content. In total, 12 duplicate pulp split fire assay analyses were conducted by Eastern on the -150 fraction from screen metallics processing and results appear in Figure 11-4-1-13 and Figure 11-4-14. There is strong agreement between the original and duplicate analyses.

Figure 11-4-1-1: ALS global fire assay results for certified reference standard CDN-HZ-2

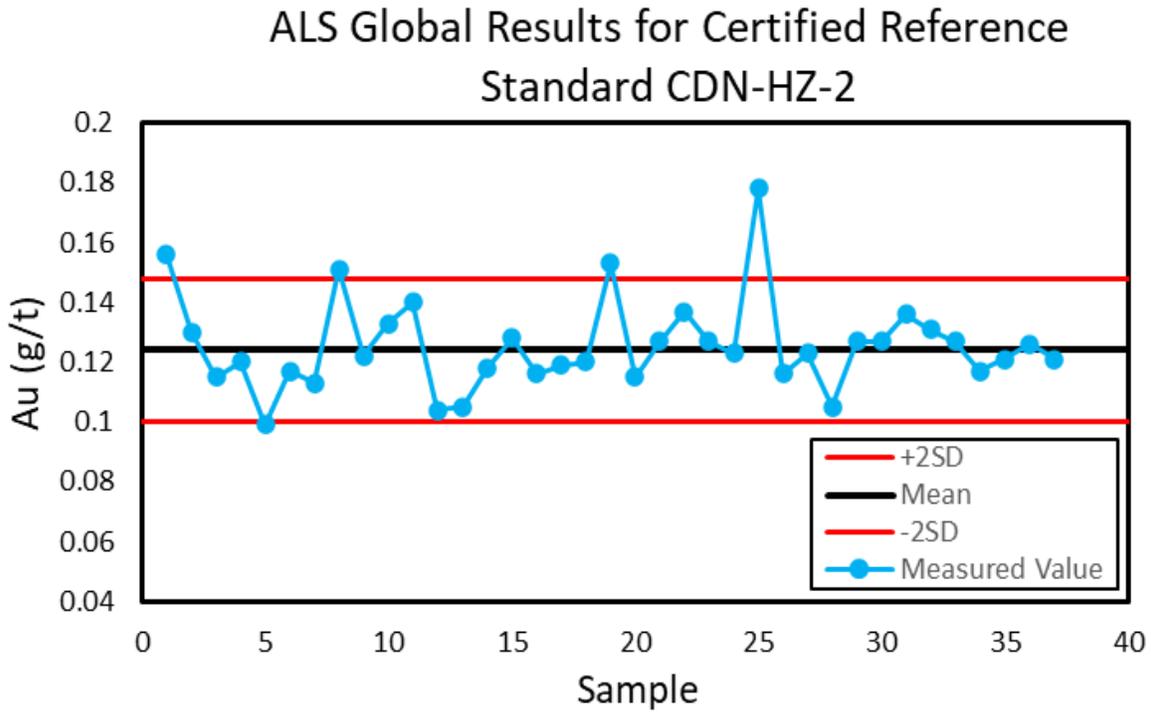


Figure 11-4-1-2: ALS Global fire assay results for certified reference standard CDN-SE-1

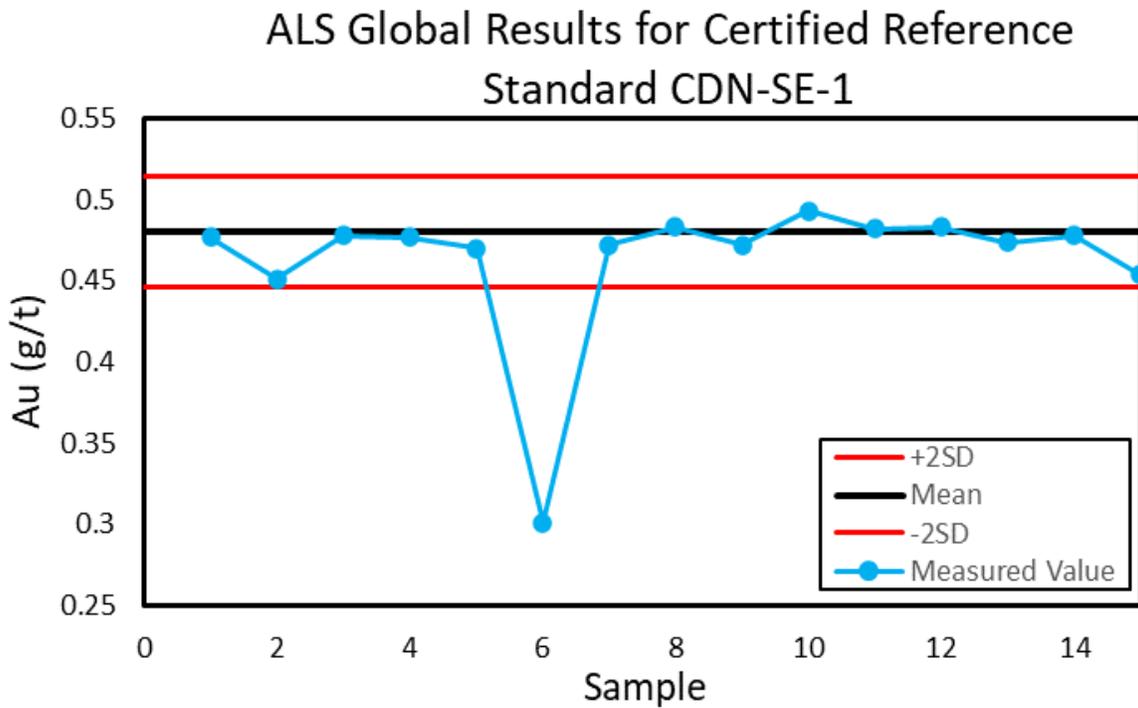


Figure 11-4-1-3: ALS Global fire assay results for certified reference standard CDN-SE-2

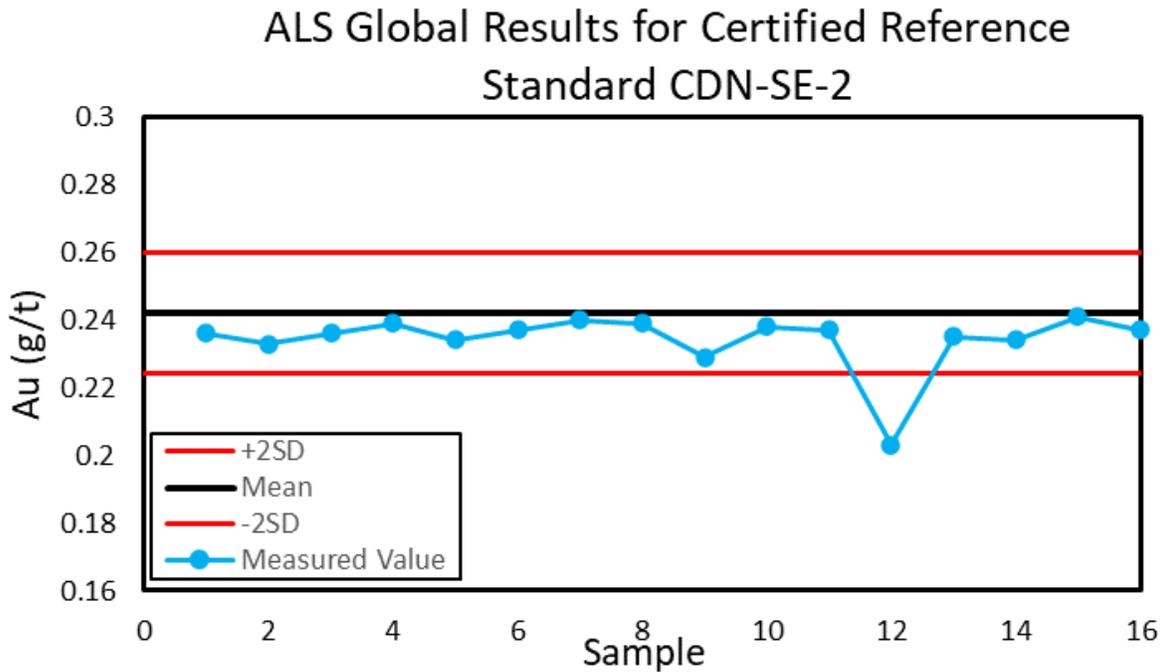


Figure 11-4-1-4: ALS Global fire assay results for certified reference standard CDN-ME-1403

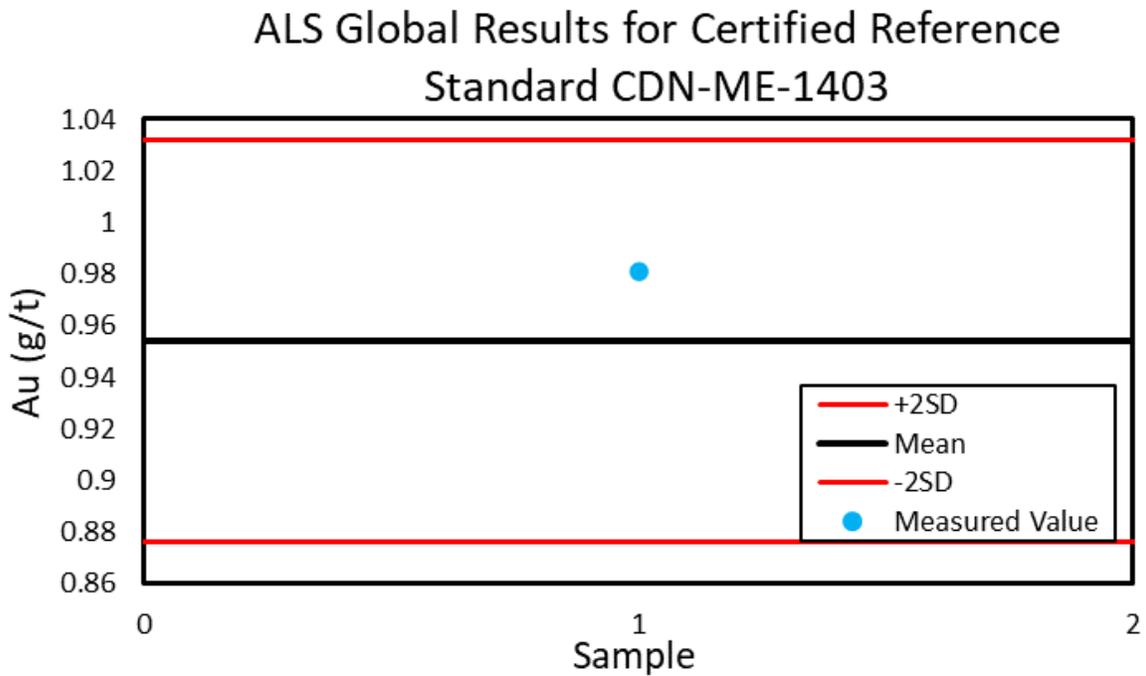


Figure 11-4-1-5: ALS Global gold assay results for blank samples

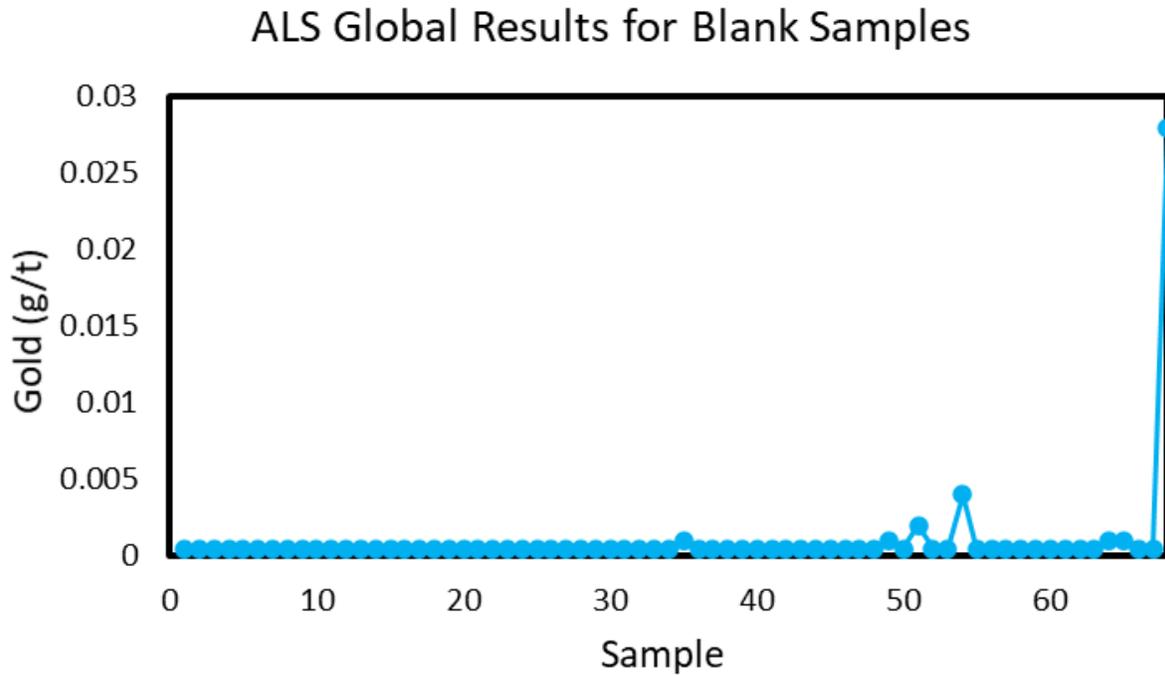


Figure 11-4-1-6: Comparison of duplicate split to original fire assay results at ALS Global to 1.0 g/t

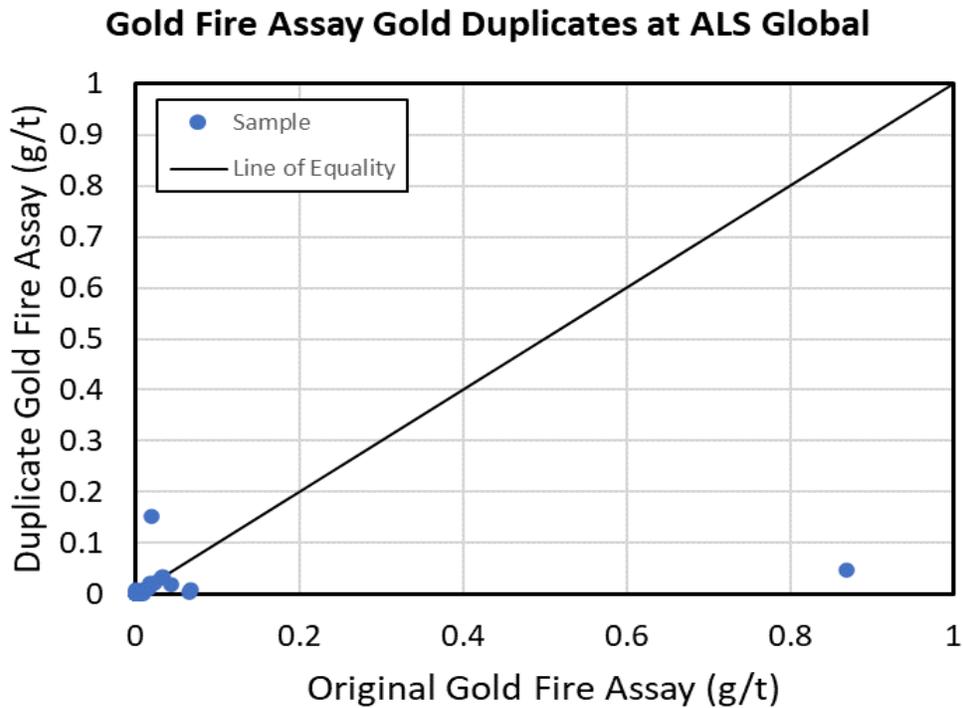


Figure 11-4-1-7: Comparison of duplicate split to original fire assay results at ALS Global to 0.1 g/t

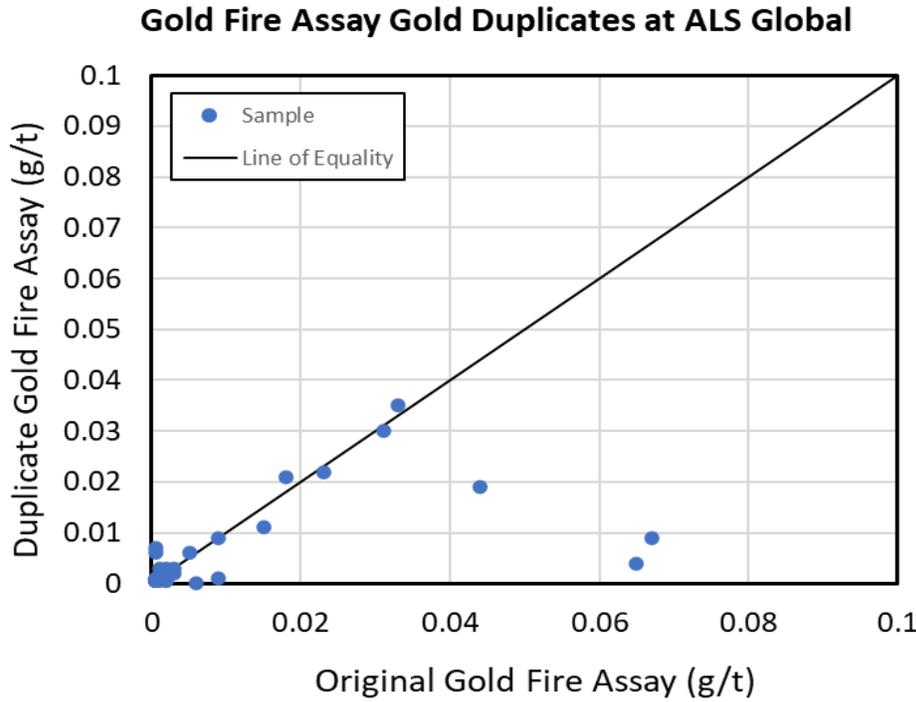


Figure 11-4-1-8: Eastern Analytical fire assay results for certified reference standard CDN-HZ-2

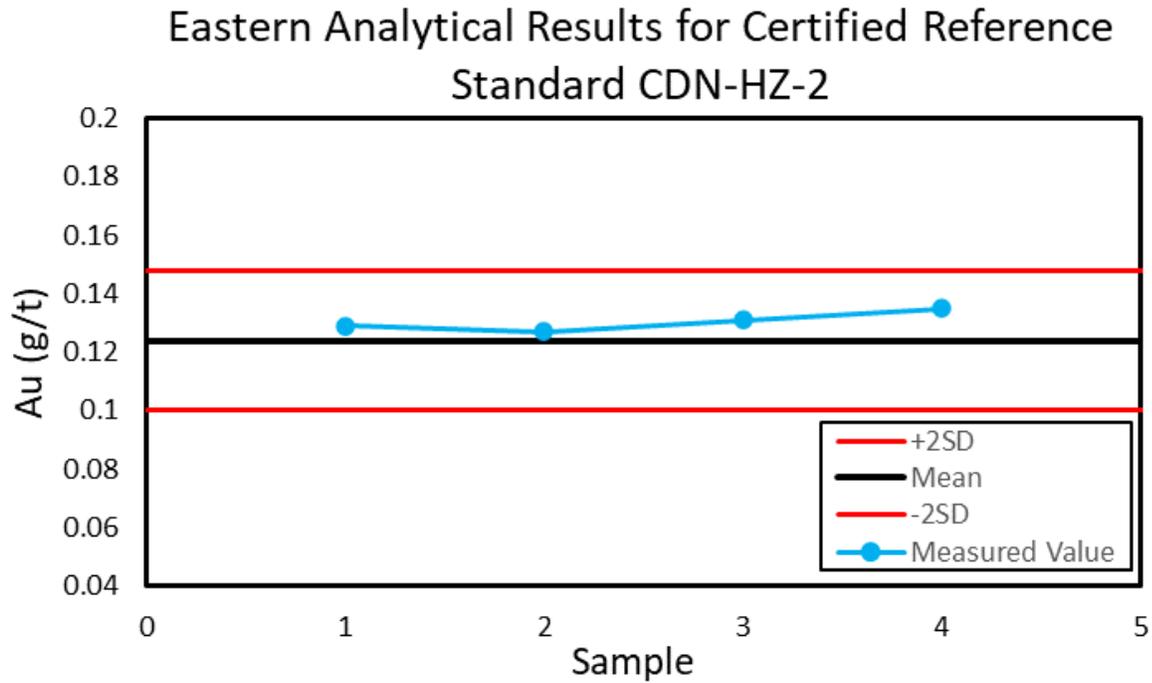


Figure 11-4-1-9: Eastern Analytical fire assay results for certified reference standard CDN-SE-1

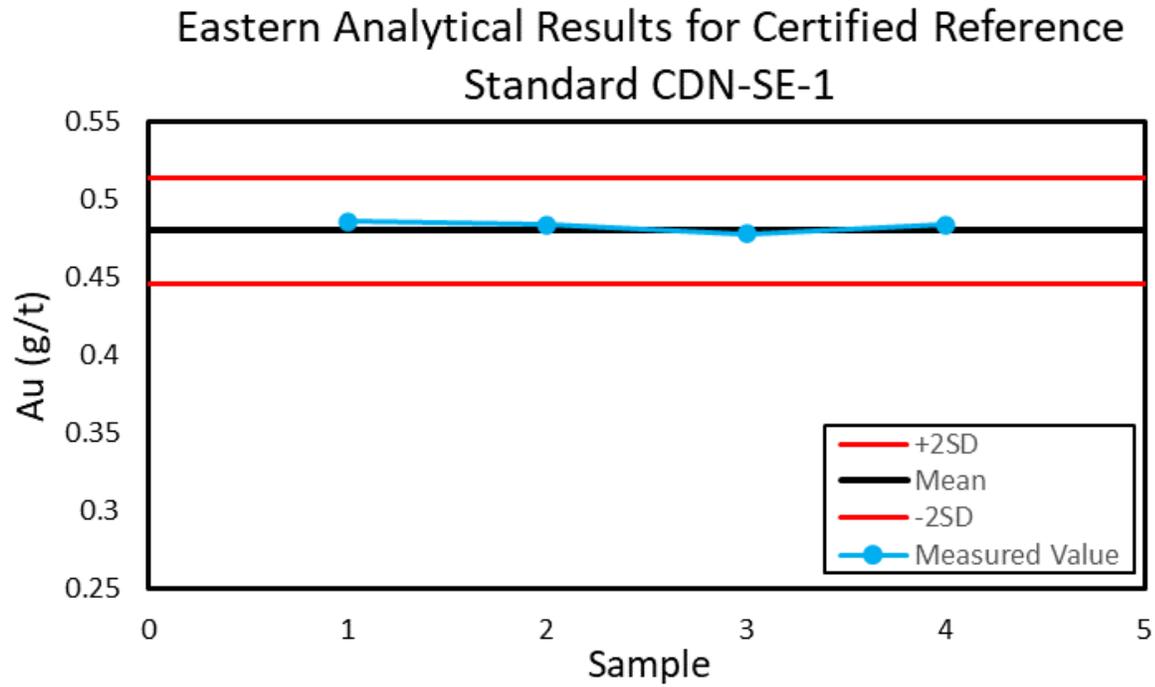


Figure 11-4-1-10: Eastern Analytical fire assay results for certified reference standard CDN-SE-2

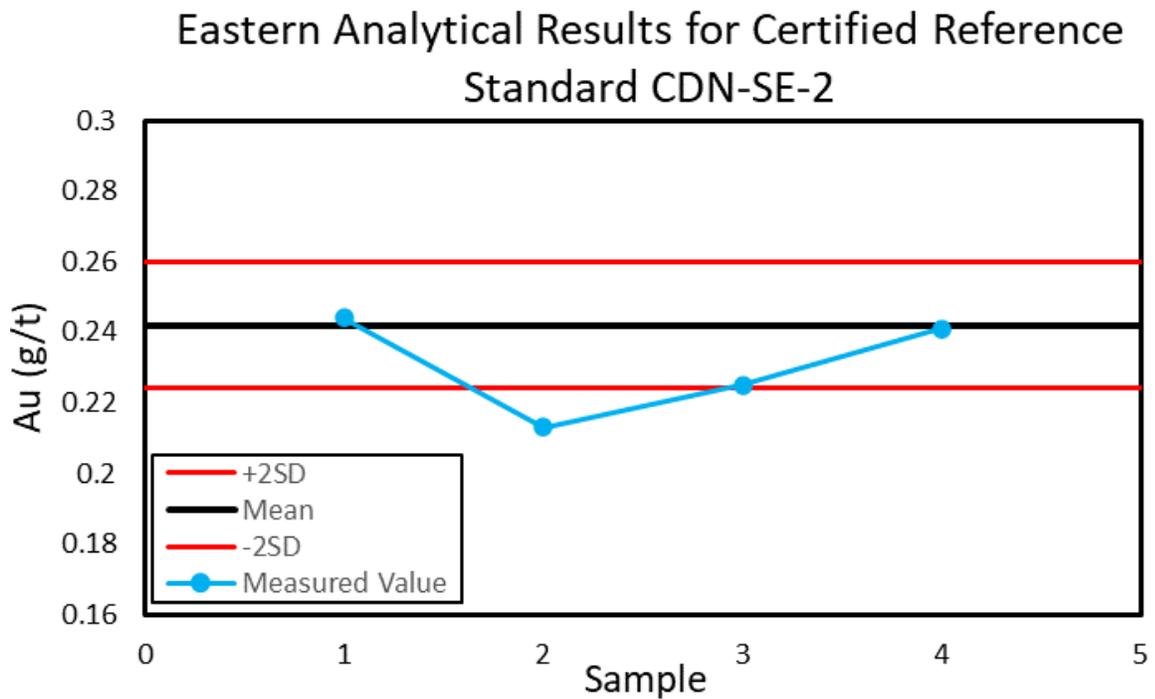


Figure 11-4-1-11: Eastern Analytical fire assay results for certified reference standard CDN-ME-1810

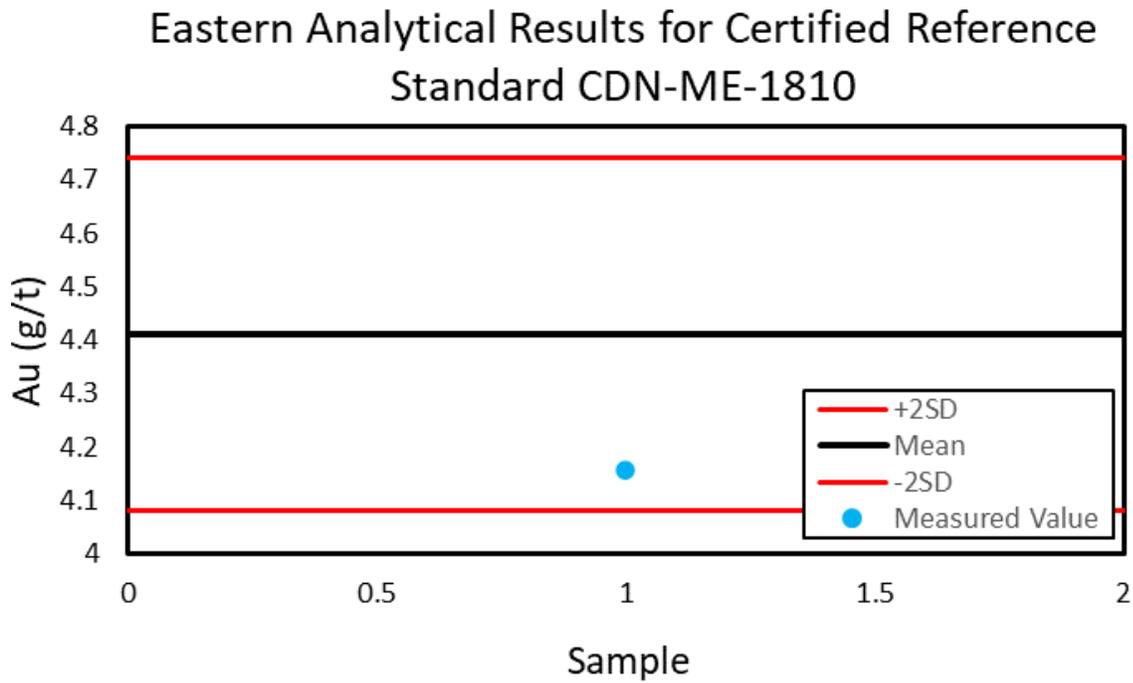


Figure 11-4-1-12: Eastern Analytical gold assay results for blanks

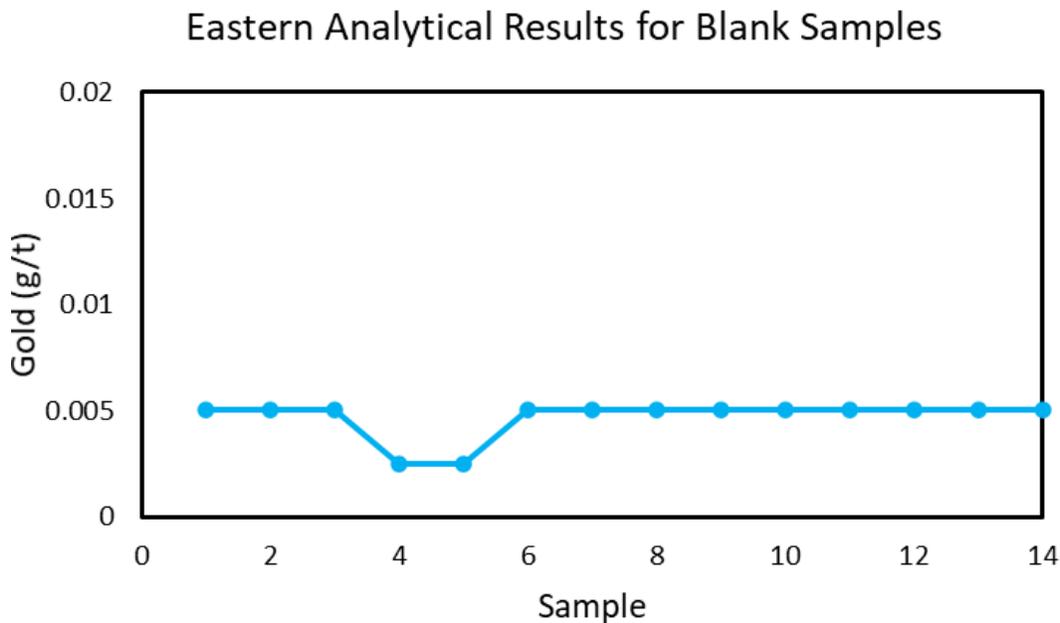


Figure 11-4-1-13: Comparison of duplicate split to original fire assay results of -150 mesh fraction from screen metallics processing at Eastern Analytical (full range of assay results)

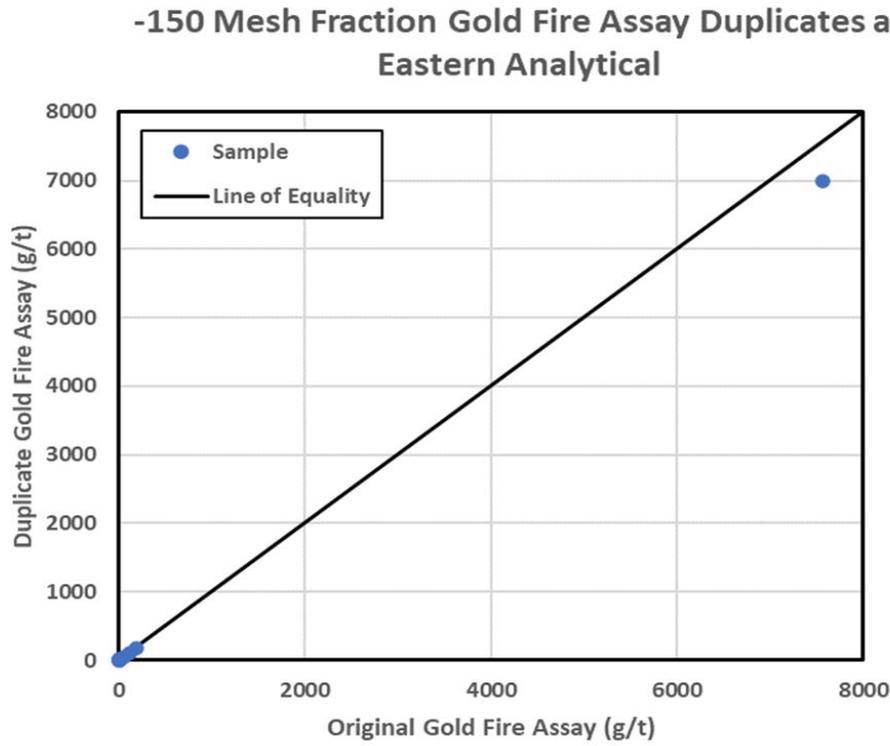
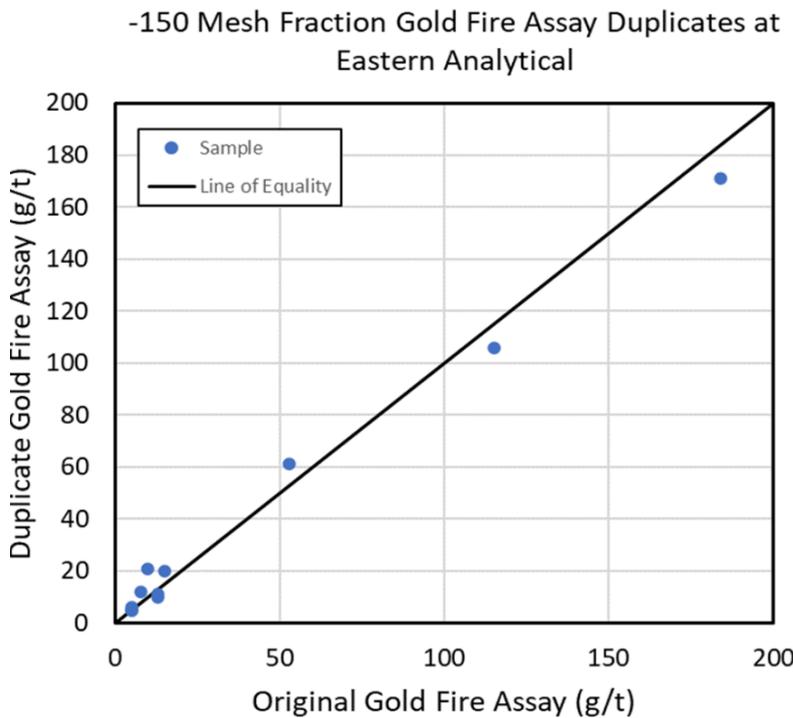


Figure 11-4-1-14: Comparison of duplicate split to original fire assay results of -150 mesh fraction from screen metallics processing at Eastern Analytical (results cropped to 200 ppb)



11.2 Authors' Opinion on Sample Preparation, QAQC Protocols, and Analytical Methods

The report authors are of the opinion that the quality of the gold analytical results from the RC drilling programs are sufficiently reliable to support regional exploration targeting for future diamond drilling programs on the MegumaGold properties. Sample preparation, analysis, and security procedures undertaken by Mercator field staff on behalf of MegumaGold were performed in accordance with exploration best practices and industry standards.

12.0 DATA VERIFICATION

12.1 Introduction

Data verification procedures carried out by the report authors for the MegumaGold Properties consisted of two main components: (1) review of public record and internal source documents cited by MegumaGold with respect to key geological interpretations, previously identified geochemical or geophysical anomalies, or historical drilling results that support the arguments for gold potential on the MegumaGold properties; and (2) completion of various site visits to the Greater Beaver Dam, Fifteen Mile Stream, Killag, and Touquoy West properties during which field and RC drilling, sampling and QAQC procedures were observed to assess the relative quality of exploration data to be used for geological interpretation and modelling purposes. Details of site visit activities carried out by co-author M. Cullen were presented earlier in report section 2.4. Several site visits were conducted, and no issues were identified that impact the findings and conclusions of this report.

Mercator staff were responsible for data compilation, designing and implementing all MegumaGold exploration programs, and interpreting data sets for drill targeting and modelling purposes using mining industry standards and CIM Mineral Exploration Best Practice Guidelines. In addition, Mercator staff, including the report authors, were responsible for completing assessment work reports for the MegumaGold exploration licences since they were acquired by the Company in 2018. The report authors supervised these exploration and technical reporting activities on behalf of MegumaGold and routinely completed data verification procedures throughout the entire process.

Some minor issues were encountered with the base station ground magnetometer survey sensor for a few days during the Touquoy West ground geophysical surveys. Data from days with base station data issues required additional processing and were corrected by "leveling" to adjacent lines having stable base station data. Minor issues were also encountered with the sensor in the walking magnetometer-VLF-EM instrument that resulted in a noisy dataset for some survey lines. This specific issue was resolved by utilizing a new GSM-19 instrument rented from a different firm. Data collected from lines using the faulty device were resurveyed to improve the quality of the dataset. Data collected at Touquoy West was sent to a professional geophysicist for processing and gridding who performed further verification procedures.

12.2 Review of Supporting Documents and Assessment Reports

Other than completing assessment reports for MegumaGold's exploration licences since their acquisition, the report authors also obtained copies of relevant historical assessment work reporting as part of the data validation procedures. Additional internal documents such as technical presentations summarising exploration program results were also made available. Key aspects of this historical reporting are in part referenced in this technical report and were obtained through online searching of historic assessment reports available through the provincial government NovaScan online report database. In addition, recent NI 43-101 reporting by Atlantic Gold Corp. (now St. Barbara) was also reviewed since MegumaGold's claim holdings are adjacent to St. Barbara's holdings in the Touquoy Gold Mine, Fifteen Mile Stream, Cochrane

Hill and Beaver Dam deposit (Moose River Consolidated Project) areas. St. Barbara holds all the main past producing deposits in the Moose River Gold District within the Meguma Supergroup.

Results of the reference documentation checking program showed that in all instances considered, digital and written records presented by MegumaGold and Mercator accurately reflect content of referenced source documents. Interpretations of results differ in many cases and this is not surprising, since much re-interpretation of stratigraphic and structural histories for the Meguma Supergroup has occurred since the early 1980's. This has resulted in changes in stratigraphic assignments for some rock packages which has in turn resulted in changes in perception of associated exploration potential.

12.3 Review of Drilling Procedures and Data Results

The report authors verified the data collection and QAQC procedures during the reverse circulation (RC) drilling program in the field including collar locations, chip logging and sampling procedures, and the insertion of certified standards and blanks. A complete validation of the geological and assay database was also completed including checking for overlapping intervals, missing collar data, negative widths, and results past the specified maximum depth in the collar table. Downhole survey data was checked for overlapping intervals, surveys beyond drill hole depths, duplicate entries, survey intervals past the specified maximum depth in the collar table and/or any abnormal dips and azimuths. There were no issues identified with the geological, collar, assay, and downhole survey records.

Inserted certified reference standard results from ALS Global plotted within the accepted certified range for each standard defined by two standard deviations. The few analytical results that were outside two standard deviations were reviewed by the report authors and determined to have no significant impact on reported assay results.

The duplicate pulp split fire assay analyses conducted at ALS indicate that at low gold levels (<0.04 g/t), duplicate and original analysis gold values are consistent, whereas at higher levels of gold, duplicate and original analysis gold assays show greater deviation. This is interpreted to be the result of coarse-gold nugget effect that is common to gold occurrences in the Meguma Supergroup and elsewhere.

As part of the MegumaGold QAQC procedures, blind certified reference standards and blank samples were submitted to Eastern to be analyzed in sequence with the -150 mesh fraction of the samples submitted for screen metallics processing and FA-AA gold analysis. The report authors evaluated the gold fire assay results for this group of certified reference standards and determined all values to be within the acceptable range. In addition, FA-AA analyses of duplicate pulp split samples of the -150 fraction from screen metallics processing were carried out and results show strong agreement between the original and duplicate analyses. This is attributed to a lack of coarse gold nugget effect at the +150 mesh fraction due to the metallics screening process. The coarse gold fractions that contribute to nugget effect occur most frequently at + 150 mesh grain sizes.

12.4 Authors' Opinion on Data Verification

The report authors are of the opinion that results of the various data validation program components discussed above indicate that industry standard levels of technical documentation and detail are evident in records of the exploration programs carried out by MegumaGold to date on their exploration licences in the Meguma goldfields. More specifically, site visit field observations show that lithologic and other field attributes were being accurately recorded by Mercator field staff and that industry standard QAQC protocols have been consistently applied, and results interpreted, for all aspects of MegumaGold's laboratory analytical programs related to rock, till, soil and RC drilling chip sampling programs.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

This section is not applicable.

14.0 MINERAL RESOURCE ESTIMATES

This section is not applicable.

23.0 ADJACENT PROPERTIES

23.1 Overview

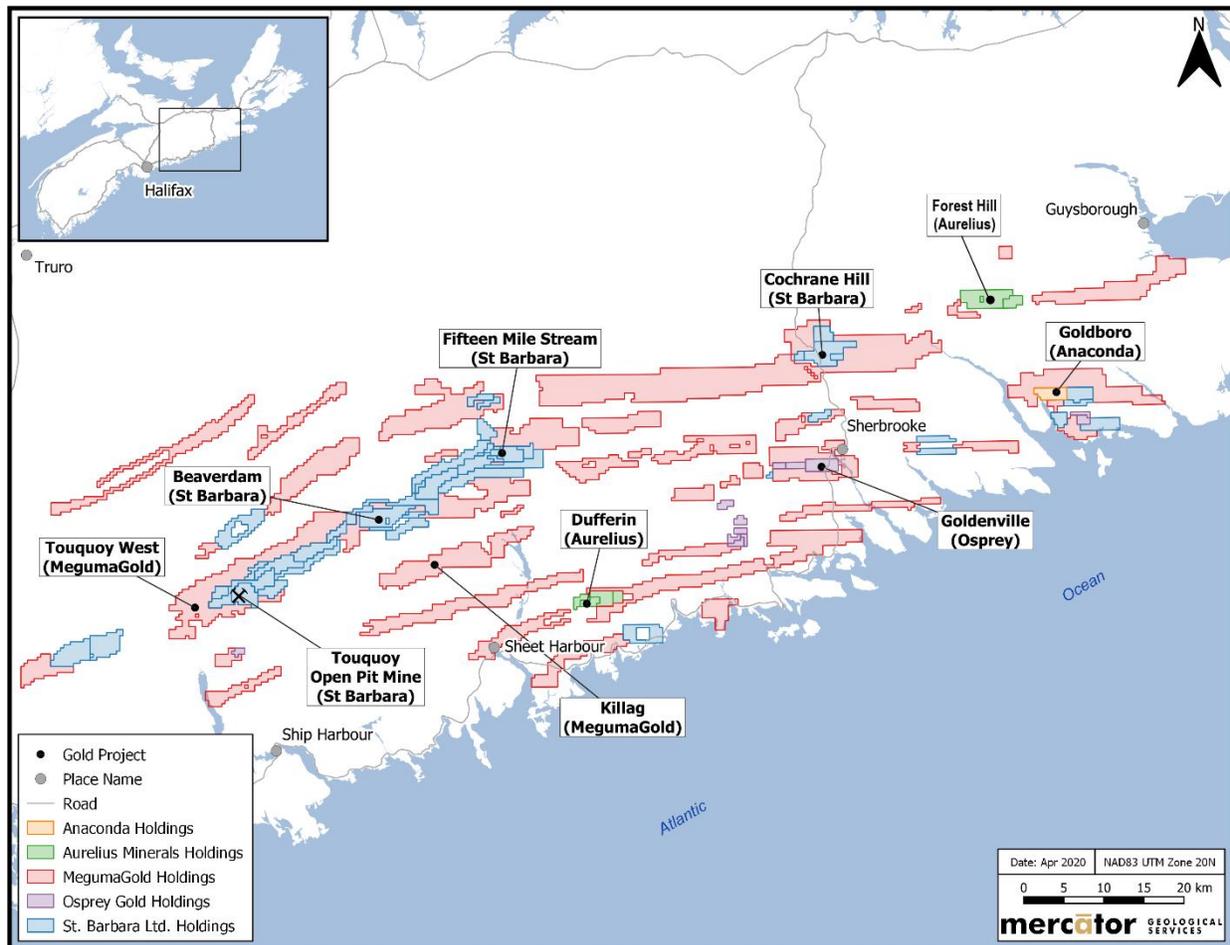
The majority of MegumaGold's exploration claims are broadly adjacent to advanced exploration or development projects and to a currently producing gold mine. The Company's Touquoy West, Fifteen Mile Stream, Greater Beaver Dam and Cochrane Hill project areas are, respectively, located near St. Barbara's Touquoy gold mine and its Beaver Dam, Fifteen Mile Stream and Cochrane Hill development projects. The Company's Greater Goldenville project area is adjacent to Osprey's Goldenville Project, which includes most of the Goldenville Gold Deposit that is reported to be the largest historical gold producer in Nova Scotia. The Goldboro-Isaac's Harbour project area is located near Anaconda's Goldboro Gold Project that is currently the focus of a feasibility study. The Company's Dufferin and Forest Hills project areas are adjacent to Aurelius's recently acquired Dufferin Gold Project and Forest Hill Project. Adjacent properties to Meguma's holdings are illustrated in Figure 23-1.

Please note: the adjacent properties discussed in this section contain broadly similar geology and structure to the MegumaGold properties. However, the report authors have not independently verified the technical information for these adjacent properties and information related to the adjacent properties is not necessarily indicative of the mineralization potential on the MegumaGold properties discussed in this technical report. Furthermore, any mineral resource and mineral reserve estimates completed by the owners of these adjacent properties and disclosed below in Sections 23.2, 23.3, 23.4, and 23.5 have not been verified by the report authors and are not necessarily indicative of the mineralization potential of the MegumaGold properties. As per Section 2.4(a) of NI 43-101, the source and date of these historical estimates and their associated technical reports have been disclosed below and in Section 27.

23.2 St. Barbara Ltd. – Atlantic Gold Operations

MegumaGold's Touquoy West, Fifteen Mile Stream, Greater Beaver Dam and Cochrane Hill project areas are located adjacent to development or operating properties held by St. Barbara's Atlantic Gold Operations. These include the active Touquoy gold mine (Moose River Consolidated Mine) (Figure 23-1). The Atlantic Gold operations were acquired by St. Barbara in July 2019 through a plan of arrangement and purchase of Atlantic Gold Corp. On May 9, 2019, Atlantic Gold Corp. filed a NI 43-101 technical report on SEDAR titled "*NI 43-101 Technical Report on the Moose River Consolidated Mine, Nova Scotia, Canada*" with an effective date of March 25, 2019 (Staples et al., 2019). This technical report was completed just prior to the St. Barbara acquisition and includes mineral resource and mineral reserve estimates completed to 2014 CIM Definition Standards for each of the Atlantic Gold properties. The Mineral Resource statements include:

Figure 23-1: Location of the adjacent properties to MegumaGold’s exploration claims



- (1) total Measured and Indicated resource of 11.26 Mt at 1.23 g/t Au grade for 445,100 contained ounces of gold at the Touquoy Deposit,
- (2) total Measured and Indicated resource of 9.69 Mt at 1.26 g/t Au grade for 391,500 contained ounces of gold at the Beaver Dam Deposit,
- (3) total Measured and Indicated resource of 14.57 Mt at 1.16 g/t Au grade for 543,500 contained ounces of gold at the Fifteen Mile Stream - Egerton Zone Deposit,
- (4) total Measured and Indicated resource of 1.80 Mt at 0.78 g/t Au grade for 44,900 contained ounces of gold at the Fifteen Mile Stream - Hudson Zone Deposit,
- (5) total Measured and Indicated resource of 2.66 Mt at 1.03 g/t Au grade for 87,700 contained ounces of gold at the Fifteen Mile Stream - Plenty Zone Deposit, and
- (6) total Measured and Indicated resource of 17.45 Mt at 1.08 g/t Au grade for 606,500 contained ounces of gold at the Cochrane Hill Deposit

The Mineral Reserve statement disclosed in the same technical report includes total Proven and Probable reserves of 51.95 Mt at a diluted gold grade of 1.12 g/t Au for the Touquoy, Beaver Dam, Cochrane Hill, and Fifteen Mile Stream deposits and includes any existing stockpile reserves for an estimated combined total of 1.9 million ounces of gold. The mineral reserve estimate assumed an open-pit mining scenario for

all four deposits over a 12 year mine life, with cut-off grades assumed at US\$1,300/oz. Au at a currency exchange rate of 0.77 C\$ per US\$; 99.9% payable gold; \$5.00/oz. offsite costs (refining and transport), a 2% royalty; and a 92% metallurgical recovery. A mining recovery of 98.4% and external mining dilution of 1.6% at 0.20 g/t Au grade was applied in addition to the modelled in-block dilution.

The Touquoy open-pit mine reached commercial production in March 2018 and produced 93,000 ounces of gold in 2019. For 2020, production guidance is 95,000 to 105,000 ounces of gold from the Touquoy pit with exploration and development work continuing at the Beaver Dam, Cochrane Hill and Fifteen Mike Stream deposits including feasibility studies (source: St. Barbara corporate website).

23.3 Osprey Gold Development Ltd. - Goldenville Project

MegumaGold's Greater Goldenville project area is located adjacent to Osprey's Goldenville Project near the village of Sherbrooke, NS (Figure 23-1). Over 200,000 ounces of gold are reported to have been produced between 1862 and 1942 from the property (Bottrill, 1987). According to Nova Scotia government records it is the most productive historical gold mining district in the Meguma Supergroup, prior to the opening of the Touquoy mine in 2018. On April 28, 2017, Osprey filed a NI 43-101 technical report on SEDAR titled "*Technical Report on the Goldenville Property, Guysborough County, Nova Scotia Canada*" with an effective date of April 30, 2017 (Osprey Gold Development Ltd, 2017). This technical report discloses an Inferred Mineral Resource of 1.24 million tonnes at 3.02 g/t (0.75 g/t cut-off) under an open-pit scenario (120,000 contained ounces of Au) and 1.56 million tonnes at 3.35 g/t (2 g/t cut-off) under an underground mining scenario (288,000 contained ounces of Au) for a total of 2.8 million tonnes grading 3.20 g/t Au.

Osprey plans to continue diamond drilling on the Goldenville Project, with this to include the Mitchell Lake Zone, 3.5 km west of the main resource area, additional drilling to expand the resource along strike, and local infill drilling (source: Osprey corporate website).

23.4 Anaconda Mining Inc. - Goldboro Gold Project

MegumaGold's Goldboro-Issac's Harbour project area is located near Anaconda's Goldboro Gold Project near the town of Goldboro, NS (Figure 23-1). Anaconda acquired the Goldboro project in May 2017 through a plan of arrangement between Anaconda and Orex Exploration Inc., (Orex) pursuant to which Orex has become a wholly-owned subsidiary of Anaconda. Since acquiring the property, Anaconda has completed further infill drilling of the Goldboro deposit and commenced a feasibility study. On December 18, 2019, Anaconda filed a NI 43-101 technical report on SEDAR, titled "*Goldboro Gold Project: Resource Update Phase 2, Guysborough County, Nova Scotia*" with an effective date of August 21, 2019 (Anaconda Mining, 2019). This technical report discloses a mineral resource estimate for the Goldboro Project including a Measured and Indicated Resource of 0.955 million tonnes at 2.43 g/t Au grade for 74,600 contained ounces of gold under an open-pit scenario, and a Measured and Indicated Resource of 3.141 million tonnes at 6.18 g/t Au grade for 624,000 contained ounces of gold under an underground mining scenario (combined 4.1 million tonnes Measured and Indicated Resources at 5.3 g/t Au grade for 698,600 contained ounces). Open-pit Mineral Resources were reported at a cut-off grade of 0.5 g/t gold that is

based on a gold price of US\$1,350/oz and a gold processing recovery factor of 95%. Underground Mineral Resources were reported at a cut-off grade of 2.0 g/t gold also based on a gold price of US\$1,350/oz and a gold processing recovery factor of 95%.

Anaconda plans further geotechnical and infill drilling (diamond and reverse circulation drilling) on the property to upgrade further resources into the Measured and Indicated resource categories and site investigations as part of an ongoing Feasibility Study (source: Anaconda corporate website).

23.5 Aurelius Minerals Inc. - Dufferin Gold Project

MegumaGold's Dufferin project area is located adjacent to Aurelius' recently acquired Dufferin Gold Project (Figure 23-1) which includes the mine and mill complex (see Aurelius November 18, 2019 news release). The Dufferin project was acquired pursuant to a master transaction agreement entered into between Aurelius and Sprott Private Resource Lending (Collector) LP, by its General Partner, Sprott Resource Lending Corp. ("Sprott Lending" or "Sprott") for a 100% interest in the Dufferin gold properties including the Dufferin Gold Project (other than the Dufferin West Project), the Tangier Gold Project, and the Forest Hill Gold Project. The acquisition was completed on February 27, 2020.

Previous owner Resource Capital Gold Corp. ("RCGC") completed initial gold production on the Dufferin Gold Project from test milling of a bulk sample in March 2017. The gold-bearing vein systems at the Dufferin Gold Project has been defined by diamond drilling over a strike length of 1.4 km and to a depth of 400 metres (m), with 14 different east-west trending saddle reef quartz vein structures recognized, each with free-milling gold. Underground development completed to date has extended to approximately 600 metres in length and to a depth of approximately 150 metres. The Dufferin mine and mill are currently on care and maintenance and the mine is accessible for underground exploration drilling.

An Indicated and Inferred Mineral Resource Estimate for the Dufferin Gold Project was included in a technical report filed on SEDAR by RCGC titled "*Revised Preliminary Economic Assessment of the Dufferin Gold Deposit*" with an effective date of April 3, 2017 (RCGC, 2017). The 2017 RCGC mineral resource estimate includes an Indicated Resource of 151,500 tonnes at 11.9 g/t Au grade for 58,000 contained ounces of gold and an Inferred Resource of 703,900 tonnes at 6.5 g/t Au average grade for 150,000 contained ounces of gold. This resource estimate incorporated a block cut-off grade of 2 g/t Au based on a gold price of US\$1,250/oz.

Aurelius intends to conduct an underground diamond drilling program on the Dufferin Gold Project with the objective of identifying high-grade saddles at depth and completing additional drilling to increase Inferred Mineral Resources (source: Aurelius corporate website). While Dufferin is a higher priority for Aurelius, work is also expected to continue on its Forest Hill project (source: Aurelius corporate website).

24.0 OTHER RELEVANT DATA AND INFORMATION

No additional information or explanation is required to make this technical report understandable and not misleading.

25.0 INTERPRETATION AND CONCLUSIONS

25.1 Summary

This technical report summarizes the results of extensive data compilations, desktop studies, exploration programs, 3D geological modelling, and reverse circulation (RC) drilling programs completed over the past two years on MegumaGold's exploration licences within sequences of the Meguma Supergroup located in Eastern Nova Scotia. These programs specifically include:

- (1) Historical data compilation;
- (2) LiDAR surveys and field geological mapping/prospecting programs;
- (3) Combined airborne magnetic and radiometric surveys;
- (4) Ground magnetic and VLF-EM surveys;
- (5) Geological mapping, prospecting and rock sampling;
- (6) Till and soil geochemical surveys;
- (7) Induced Polarization (IP) survey at Touquoy West; and
- (8) Reverse circulation (RC) drilling programs at several target areas.

Detailed evaluation of all data collected from these exploration activities has been undertaken for the purposes of developing targets for further exploration work, including additional RC drilling and determining high priority targets for future diamond drilling (core drilling) programs. This combined exploration approach has been focused on the assessment of anticlinal corridors known to host both quartz vein and disseminated orogenic gold deposits. Combining soil geochemistry results, aeromagnetic survey results, ground magnetic and VLF-EM survey results and IP survey results has resulted in identification of several key target areas, the highest priority of which, based on currently available data, are Killag and Touquoy West.

25.2 Regional Airborne Geophysics, LiDAR, Ground Geophysics and Geochemistry Results

The regional airborne geophysical and LiDAR surveys have provided high resolution magnetic, radiometric, and elevation data over much of the MegumaGold property areas to aid in the selection of local targets for follow-up ground geophysics and geological mapping and sampling. Elongate, high-amplitude magnetic anomalies in the geophysical data sets were interpreted to represent prospective, possibly gold-bearing anticlinal structures having significant components of sulphide-rich argillite in their associated bedrock sections. They were mostly discernable with respect to the surrounding low-amplitude bedrock signatures and were lower in magnetic intensity than adjacent, less prospective synclinal features cored by Halifax Group strata. To further these interpretations for ongoing drill target development, an interpretive comparison of both the Precision airborne geophysics data acquired by MegumaGold and publicly available government geophysical data was completed. Initial conclusions are that known gold occurrences in the Meguma Supergroup closely correlate with the peak or flanks of moderately high magnetic field anomaly trends. These trends commonly coincide with mapped slate or argillite bearing intervals of the Goldenville Group, such as those of the Moose River Formation, within anticlines that host gold occurrences. The amplitude of these trends may be locally enhanced due to increased pyrrhotite content that may be related to alteration imprints of gold mineralizing hydrothermal systems. Presence

of large, northwest trending cross faults appear to enhance prospectivity of these anticlinal trends. In some areas, potassium channel anomaly trends from the MegumaGold airborne radiometric survey also coincide with the central zones of anticlinal trends. The significance of this association is not clear at present but in areas of thin overburden it may be related to presence of strong, gold-associated hydrothermal alteration of bedrock sequences. The LiDAR survey provided high resolution elevation data over the exploration licences and imaged glacial landform features such as drumlins and northeast-trending scoured bedrock ridges, as well as features such as roads and buildings. This is extremely useful data to obtain since road networks are not often up to date in available government datasets or satellite imagery. Exploration property access can be greatly aided by use of high-quality hill shade maps produced from LiDAR survey data. Further detailed assessment of the MegumaGold datasets will better define how results of magnetometer, electromagnetic, radiometrics, IP and LiDAR survey data sets relate to areas of bedrock gold mineralization. The data collected to date is of high quality and its further reprocessing and study will assist in defining future targets for gold exploration within the large MegumaGold property holdings.

More specifically, combined ground magnetometer and VLF-EM survey results were merged with compiled historical survey results from St. Barbara's exploration holding that covers the producing Touquoy gold deposit. This supported interpretation of strike extensions of several prominent argillite-bearing stratigraphic intervals and gold-bearing anticlinal fold structures from the St. Barbara holdings onto the Touquoy West property. The same dataset was then used in conjunction with soil geochemistry results for selection of grid areas for IP surveying. Notably, ground and airborne VLF-EM results appear to define a conductivity trend coincident with the faulted axial zone of gold-focused anticlinal folds in the Touquoy gold district. This trend is interpreted to represent presence of sheared argillite in the hinge zone of the anticline and has proven to be useful in tracing these anticlinal fold structures across the district.

An IP survey was commissioned based on the interpreted results of the combined ground magnetometer and VLF-EM geophysical surveys and the 2019 soil geochemistry program at Touquoy West. The purpose of the IP program was to identify areas in which disseminated iron sulphide mineralization is present in association with folded, highly favourable argillite-bearing stratigraphic intervals interpreted from the ground magnetometer and VLF-EM survey results. This is an association seen in the vicinity of the Touquoy gold deposit as well as at other substantial Nova Scotia gold deposits that are situated in argillite rich stratigraphy (or higher grade metamorphic equivalents) such as the Beaver Dam, Fifteen Mile Stream and Cochrane Hill deposits held by St. Barbara.

The IP survey chargeability responses detected at MegumaGold's Touquoy West property, which are in part spatially associated with arsenic-gold soil geochemistry anomalies, and combined ground magnetometer and VLF-EM anomalies may indicate the presence of disseminated sulphide mineralization similar in style to that present adjacent to the Touquoy deposit, located a few kilometres to the east along the Moose River Anticline Trend. These IP anomalies therefore constitute high quality targets for future diamond drilling programs on the property. The purpose of such drilling would be to assess gold mineralization potential along the trend and at depth, with the main anticlinal trend anomaly being

highest in priority, followed by the two anomalous trends further north on the IP grid that parallel the main trend.

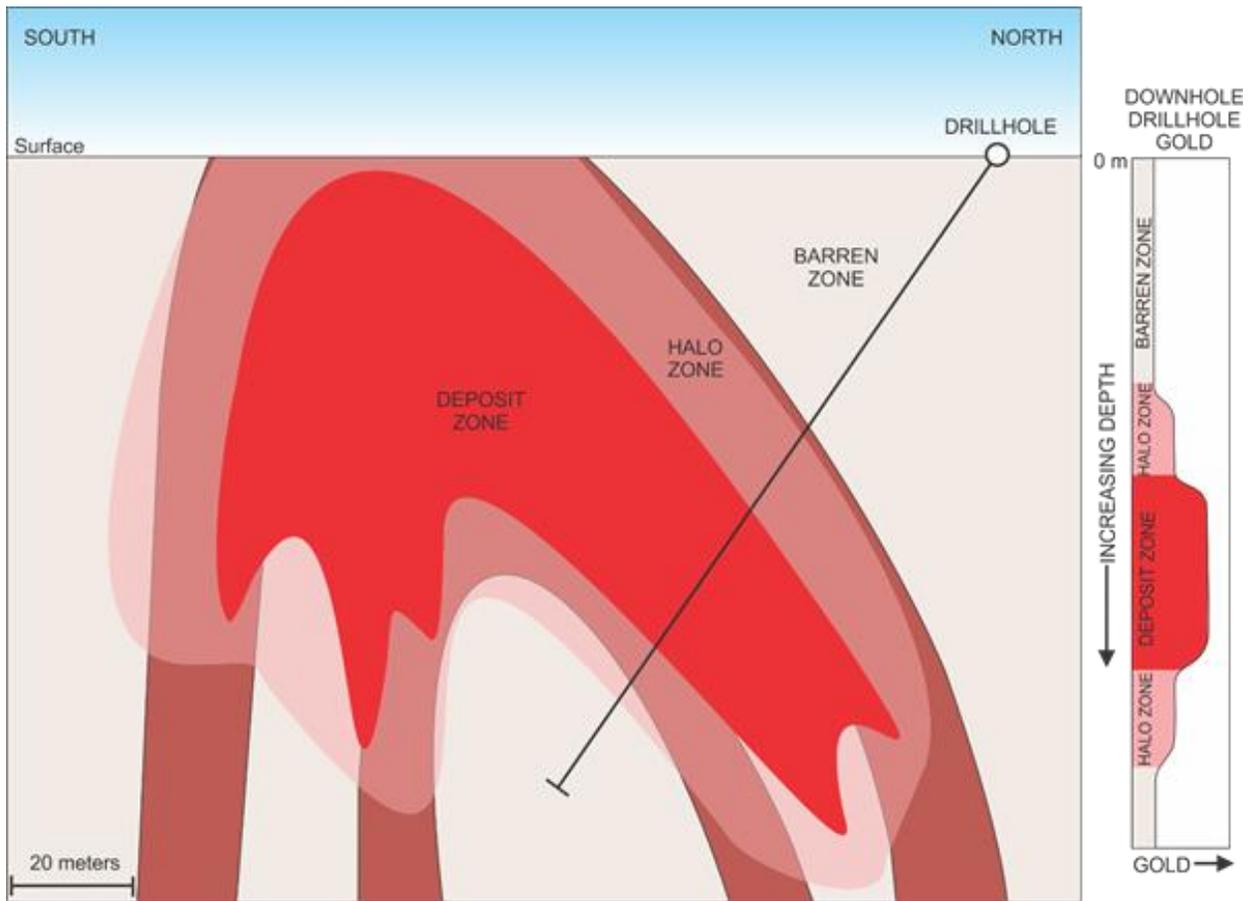
25.3 Reverse Circulation Drilling Program Results

Reverse circulation (RC) drilling programs were utilized by MegumaGold to target gold mineralization within or in close proximity to historic mining districts and to test for new gold mineralization along the high magnetic anomalies on strike with several interpreted anticlinal structures identified from 2018 aeromagnetic and radiometrics surveys. This drilling concept was successful at the Killag property where it revealed that significant intervals of sulphide bearing argillite occur interbedded with greywacke, both of which were locally determined to host abundant quartz veining. Sulphide minerals identified in drill chips include pyrite, pyrrhotite, arsenopyrite and chalcopyrite. Pyrrhotite associated with argillite stratigraphy is interpreted as the likely source of a high magnetic anomaly at Killag East that also coincides with areas of past gold mining. Notably, the east extension of the anticlinal structure present in the Killag Gold District hosts the Goldenville Gold District, approximately 50 km to the east.

MegumaGold's Killag RC drilling program intercepted near surface high gold values in several variably quartz-veined intervals of altered greywacke and argillite. This drilling also defined several long intervals of anomalous gold and associated anomalous arsenic values occurring in altered greywacke and argillite rock packages. These intervals occur along the axis of the Killag-Goldenville anticline and are located to the east of historical drill core gold intercepts and underground workings. The long widths of low level, but anomalous gold in Killag RC samples indicate that mineralization extends beyond the limits of traditionally known high grade quartz veins and that it has been deposited at low levels in surrounding thick slate/argillite/greywacke packages comprising the host rock sequence. This is interpreted as forming part of a hydrothermal alteration halo centered on the Killag anticline that may be part of a larger, zoned system that may contain significant gold grades. MegumaGold refers to this as its "alteration halo concept".

The alteration halo concept is schematically represented in Figure 25-3-1 that shows gold mineralization with an anomalous gold halo occurring within the core of an anticlinal fold. This deposit setting is typical of the Nova Scotia goldfields and the drill hole included in Figure 25-3-1 illustrates the halo zone concept. Gold halos surrounding deposits of importance have already been documented in the Nova Scotia goldfields, examples of which include St. Barbara's Touquoy, Fifteen Mile Stream, Beaver Dam and Cochrane Hill deposits, as well as Anaconda's Goldboro deposit.

Figure 25-3-1: Cross-section through an idealized model of a Nova Scotia goldfields deposit showing a gold “halo zone” surrounding a mineralized “deposit zone”.



The longitudinal section shown in Figure 25-3-2 below parallels Killag’s east-west trending anticlinal hinge zone corridor and illustrates the spatial extent of the gold halo defined by the 2019 RC drilling results (Figure 25-3-3). The longest such interval to date occurs in hole KGRC-36 and has a gold grade of 0.11 g/t over 81 m, beginning at a downhole depth of 8 metres. Details of contributing gold assay results appear in Table 25-3-1 and show that the intervals of interest are consistently mineralized with gold at low levels and do not simply reflect weighted averaging of high-grade gold values over substantial intervening zones of barren wall rock. In each drill hole supporting the current halo assessment illustrated in Figure 25-3-2 sample intervals with gold grades greater than 1 g/t were capped at 1 g/t to reduce grade smearing effects. MegumaGold believes that potential exists for this style of gold halo to be transitional to higher gold grades within the Killag anticline’s hinge zone corridor and potentially within other anticlinal structures discovered on other MegumaGold properties. The Company is currently pursuing further characterization of the alteration halo model using more complex geochemical modelling techniques.

Figure 25-3-2: Gold distribution in longitudinal section at Killag East

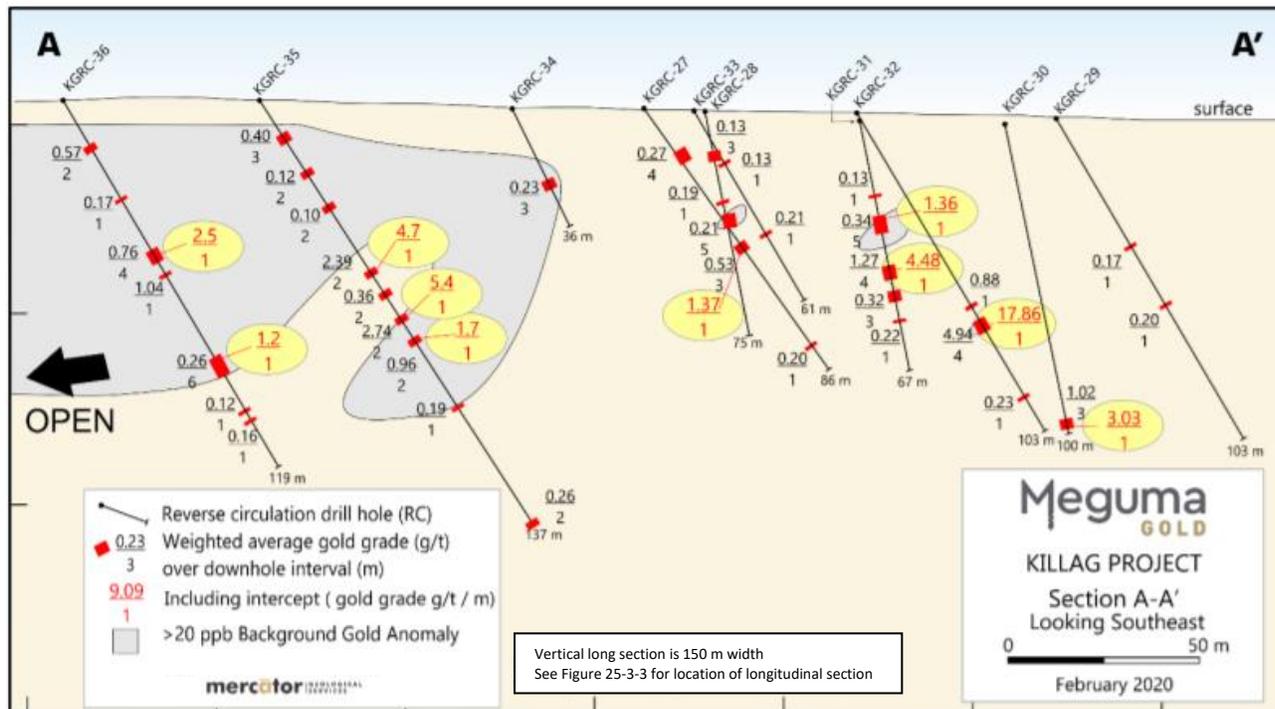
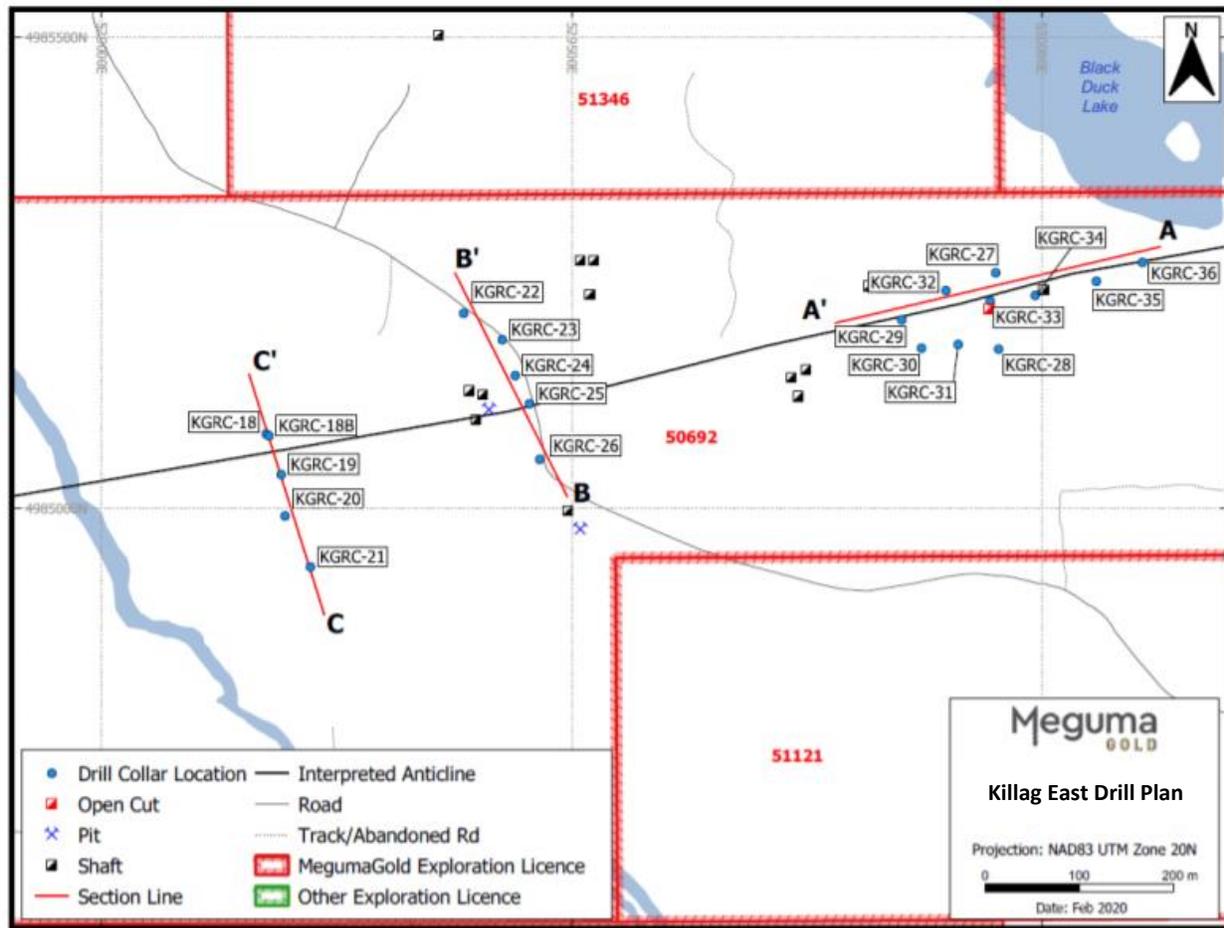


Table 25-3-1: Summary of Low-level RC Drill Program Gold Intercepts at Killag East

Hole	From (m)	To (m)	Length (m)	Weighted Average Gold Grade (g/t)	No. <.02 Au g/t Intervals
KGRC-28	30	35	5	0.21	1
KGRC-31	31	40	9	0.17	2
KGRC-32	67	72	5	0.55	0
KGRC-34	17	30	13	0.08	1
KGRC-35	8	50	42	0.06	5
KGRC-35	55	60	5	0.23	0
KGRC-35	70	100	30	0.11	1
KGRC-36	8	89	81	0.10	5

Notes: True widths of the above intercepts are currently unknown. Included sample intervals with gold grades greater than 1 g/t were capped at 1 g/t to reduce grade smearing. A maximum of 1 sample in ten not meeting a 20 ppb cut-off value was allowed in continuously mineralized sections. Intervals measuring less than 5 m are not included.

Figure 25-3-3: Location of A-A' longitudinal section at Killag East



25.4 Conclusions

Determining potential exploration target areas over large geographic regions through the combined interpretation of airborne and ground geophysical survey data (magnetics, VLF-EM, and IP) and soil and rock geochemistry data has proven successful in identifying argillite-bearing anticlinal fold structures that contain disseminated iron sulphide and gold mineralization within the MegumaGold properties. This exploration approach also appears useful to target high priority sites for future RC and diamond drilling programs. RC drilling in the Killag project area has demonstrated presence of an alteration gold halo that may be part of a larger alteration system centered on the eastern extent of the Killag anticline. This trend requires follow-up core drilling to better understand the nature of gold associated alteration and its potential to indicate proximity to higher grade gold zones that could be of economic interest. IP surveying could be applied on this property to assist in definition of future drilling targets east of the area tested to date along the Killag anticline.

The IP chargeability anomalies discovered at Touquoy West that are coincident with arsenic and gold soil geochemistry anomalies as well as magnetics and VLF-EM anomalies constitute high quality targets warranting near-term evaluation by diamond drilling. The 2018-2019 surveys at Touquoy West have

demonstrated that combined results can be systematically applied as effective exploration tools to detect sulphide-rich, argillite-bearing stratigraphic intervals and anticlinal fold structures in the Meguma Supergroup gold fields. These geological factors combine to form good quality exploration targets with respect to both disseminated and quartz vein hosted gold systems of economic interest.

The report authors do not foresee any significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information disclosed in this technical report.

26.0 RECOMMENDATIONS

As summarized in Section 25, MegumaGold has successfully identified several prospective areas on its exploration licences that are interpreted to host disseminated iron sulphide mineralization associated with hydrothermally altered greywacke and argillite within tight anticlinal fold structures. Their exploration approach has been comprised of: (1) detailed historical data compilation of geological, geophysical and geochemical data and exploration data analytics of geochemical data, (2) using combined LiDAR, airborne, and ground geophysics surveys and soil and rock geochemistry results to identify spatially associated anomalies that constitute potential drilling targets, and (3) the use of low-cost RC drilling techniques to ground truth geophysical and geochemical anomalies and help determine the presence of gold mineralization at shallow depths. Based on the results from the exploration and drilling programs described in this technical report, the report authors have several recommendations for the next phase of exploration and drilling on the MegumaGold exploration licences (Table 26-1).

Phase 1 is comparable to the previous MegumaGold exploration plan and includes further structural lineament and surficial geological interpretations of available LiDAR datasets to identify structures and trends on exploration licence areas that have yet to be interpreted. Based on these results, further till and soil sampling and ground VLF-EM and magnetometer survey programs should be completed in areas of favorable results to further identify possible geochemical and geophysical signatures representative of the Meguma gold deposits. This should be followed by IP surveying in areas of favorable results from these surveys to identify areas in which disseminated iron sulphide mineralization is present in association with folded, highly favourable argillite-bearing stratigraphic intervals. The last step in this phase should be RC or diamond drilling to ground truth any geophysical and geochemical anomalies and confirm the presence of disseminated and/or vein style gold within anticlinal fold structures.

Phase 2 is focused on advanced exploration of the Killag and Touquoy West project areas that already show promise as targets for disseminated and/or vein associated gold deposits based on work completed to date on both properties and disclosed in this technical report. This phase includes at least 5,000 metres of diamond drilling (core drilling) on high priority targets determined from the IP survey at Touquoy West and recent RC drilling at Killag East. In addition to potentially confirming the presence of disseminated and/or vein gold within these anticlinal fold structures, these diamond drilling programs could help delineate important hydrothermal alteration halo trends in both areas.

Phase 2 is not dependent on the results of Phase 1 and both phases could be run contemporaneously, with Phase 1 classified as the continuation of the regional exploration program on the MegumaGold exploration licences, and Phase 2 classified as advanced exploration over high priority targets adjacent to existing gold deposits (Killag and Touquoy West). Combined, these two phases of exploration and drilling will not only help advance the MegumaGold properties but could potentially lead to the discovery of another disseminated or vein gold deposit within the Touquoy – Beaver Dam – Fifteen Mile Stream anticlinal structure or the Killag anticlinal structure.

Table 26-1: Recommended Program Budget

Phase 1	Task	Estimated Cost (CAD\$)
	Structural lineament and surficial geological interpretations of LiDAR datasets to identify structures and trends and interpretation of airborne geophysics	\$50,000
	Glacial till and soil sampling program and geochemical analyses	\$100,000
	Ground magnetometer and VLF-EM surveys and data interpretation	\$100,000
	Induced Polarization (IP) surveys and data interpretation	\$200,000
	Scout drilling - reverse circulation (RC) or diamond drilling, assay analyses, and 3D geological modelling and interpretation	\$500,000
	Contingency (10%)	\$95,000
	Total	\$1,045,000

Phase 2	Task	Estimated Cost (CAD\$)
	Diamond drilling (core drilling) at Touquoy West and Killag (5,000 m in total) and assay analyses	\$1,000,000
	Geological interpretation of drilling data and 3D geological modelling	\$100,000
	Contingency (10%)	\$110,000
	Total	\$1,210,000

Note: Phase 2 is not dependent on the results of Phase 1 and both phases could be run contemporaneously

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28.0 CERTIFICATES OF QUALIFIED PERSONS

I, Michael P. Cullen, M.Sc., P.Geo., do hereby certify that:

1. I am currently employed as Chief Geologist with:
Mercator Geological Services Limited
65 Queen Street, Dartmouth, NS B2Y 1GA Canada
2. The Technical Report to which this certificate applies is titled “*NI 43-101 Technical Report on the Meguma Gold Properties, Nova Scotia, Canada*” with an effective date of April 30, 2020.
3. I hold a M.Sc. in Geology from Dalhousie University (1984) and a B.Sc. (Honours) degree in Geology (1980) from Mount Allison University. I have worked as a geologist in Canada and internationally since my graduation. My relevant experience with respect to this project includes extensive professional experience with respect to geology, mineral deposit styles, and exploration activities in the Northern Appalachians including the Meguma Terrane. I have over 30 years of exploration experience in the Meguma gold district including supervising field and drilling activities, completing mineral resource estimates, and contributing to other studies on various gold deposits within the Meguma Supergroup including the Beaver Dam, Goldenville, Touquoy, Caribou, Tangier and Forest Hill deposits.
4. I am a member in good standing of the Association of Professional Geoscientists of Nova Scotia (Registration Number 064), the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador (Member Number 05058) and Association of Professional Engineers and Geoscientists of New Brunswick, (Registration Number L4333).
5. I have read the definition of a “Qualified Person” as set out in National Instrument 43-101 (“NI 43-101”), and certify that by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a “Qualified Person” for the purposes of NI 43-101.
6. I completed a personal inspection of the MegumaGold properties at various times between November 2018 and September 2019, with the most recent site visit occurring on September 12, 2019 at which time I carried out a personal inspection of the sampling and geological programs on the Touquoy West Property.
7. I am responsible for all sections of this Technical Report and I have no prior involvement with the MegumaGold properties that are the subject of this Technical Report.
8. I am independent of MegumaGold Corporation as described in Section 1.5 of NI 43-101.
9. I have read NI 43-101 and this Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. As of the effective date of this Technical Report, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make this Technical Report not misleading.

Signed, sealed and dated this 30th day of April 2020.

[Original signed and sealed “Michael Cullen”]

Michael P. Cullen, M.Sc., P.Geo.
Chief Geologist, Mercator Geological Services Ltd.

I, Michael J. Power, M.Sc., P.Geo., do hereby certify that:

1. I am currently employed as a Senior Project Geologist with:
Mercator Geological Services Limited
65 Queen Street, Dartmouth, NS B2Y 1GA Canada
2. The Technical Report to which this certificate applies is titled “*NI 43-101 Technical Report on the Meguma Gold Properties, Nova Scotia, Canada*” with an effective date of April 30, 2020.
3. I hold a M.Sc. in Earth Science from the University of Ottawa (2014) and a B.Sc. (Honours) degree in Geology (2011) from Memorial University of Newfoundland. I have worked as a geologist in Canada since my graduation. My relevant experience with respect to this project includes professional and academic research experience as a geologist in Canada for over 10 years. I have commodity experience including gold, uranium, copper, gypsum, heavy oil, and offshore oil and gas, including the type of gold mineralization discussed in this Technical Report. I have specific past exploration experience in the Meguma gold district, most recently through participation in preparation of various assessment reports for MegumaGold’s properties in accordance with Nova Scotia Minerals Resources Act.
4. I am a member in good standing of the Association of Professional Geoscientists of Nova Scotia (Registration Number 246).
5. I have read the definition of a “Qualified Person” as set out in National Instrument 43-101 (“NI 43-101”), and certify that by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a “Qualified Person” for the purposes of NI 43-101.
6. I did not complete a personal inspection of the MegumaGold properties.
7. I am responsible for all sections of this Technical Report and I have no prior involvement with the MegumaGold properties that are the subject of this Technical Report.
8. I am independent of MegumaGold Corporation as described in Section 1.5 of NI 43-101.
9. I have read NI 43-101 and this Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. As of the effective date of this Technical Report, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make this Technical Report not misleading.

Signed, sealed and dated this 30th day of April 2020.

[Original signed and sealed “Michael Power”]

Michael J. Power, M.Sc., P.Geo.
Senior Project Geologist, Mercator Geological Services Ltd.

I, Paul J Ténrière, M.Sc., P.Ge., do hereby certify that:

1. I am currently employed as a Senior Geologist with:
Mercator Geological Services Limited
65 Queen Street, Dartmouth, NS B2Y 1GA Canada
2. The Technical Report to which this certificate applies is titled “*NI 43-101 Technical Report on the Meguma Gold Properties, Nova Scotia, Canada*” with an effective date of April 30, 2020.
3. I hold a M.Sc. in Geology from Acadia University (2002) and a B.Sc. (Honours) degree in Earth Sciences (1998) from Dalhousie University. I have worked as a geologist in Canada, USA, and internationally since my graduation over 20 years ago. My relevant experience with respect to this project includes extensive professional experience with respect to geology, mineral deposit styles, and exploration activities in the Northern Appalachians including the Meguma Terrane. I have exploration experience in the Meguma gold district including supervising field and drilling activities.
4. I am a member in good standing of the Association of Professional Geoscientists of Ontario (Registration Number 2493).
5. I have read the definition of a “Qualified Person” as set out in National Instrument 43-101 (“NI 43-101”), and certify that by reason of my education, affiliation with a professional association, and past relevant work experience, I fulfill the requirements to be a “Qualified Person” for the purposes of NI 43-101.
6. I did not complete a personal inspection of the MegumaGold properties.
7. I am responsible for all sections of this Technical Report and I have no prior involvement with the MegumaGold properties that are the subject of this Technical Report.
8. I am independent of MegumaGold Corporation as described in Section 1.5 of NI 43-101.
9. I have read NI 43-101 and this Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
10. As of the effective date of this Technical Report, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make this Technical Report not misleading.

Signed, sealed and dated this 30th day of April 2020.

[Original signed and sealed “Paul Ténrière”]

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