



Northwest Territories Mineral Exploration Overview

Updated March 2021



B. Elliott, G. Lambiv-Dzemua, L. Powell, and M. Reynolds

NORTHWEST TERRITORIES
GEOLOGICAL SURVEY

Government of
Northwest Territories

Cover image:

Drilling at the Crestaurum site, Yellowknife City Gold Project – Gold Terra Resource Corporation (formerly TerraX Minerals Inc.). Photo credit–Hendrik Falck.



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English

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French

Kīspin ki nitawih̄tīn ē nīh̄yawih̄k ōma ācimōwin, tipwāsīnān.

Cree

Tłıchq̄ yatı k'ee. Dı wegodı newq̄ de, gots'ō gonedē.

Tłıchq̄

Perıhtłı s Dēne Sų ııné yatı t'a huts'elkēr xa beyá yatı theᓇ ᓇat'e, nuwe ts'ēn yołtı.

Chipewyan

Edı gondı dehgah got'ie zhatıé k'eę' edat'eh enahddhę nıde naxets'e'edahı.

South Slavey

K'ahshó got'ine xədə k'é hederı Ɂedihtł'é yerııwę nıdé dule.

North Slavey

Jii gwandak izhii ginji k vat'atr'ıjā hch'uu zhit yınohthan ji', diits'at ginohkhii.

Gwich'in

Uvanittuaq ilitchurisukupku Inuvialuktun, ququaqłuta.

Inuvialuktun

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Inuktitut

Hapkua titiqqat pijumagupkit Inuinnaqtun, uvaptinnut hivajarłutit.

Inuinnaqtun

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Executive summary

Despite the challenges associated with the COVID-19 pandemic in 2020, mining and exploration continued in the Northwest Territories (NWT), though at a slowed pace. The NWT 2020 projections from Natural Resources Canada (NRCan) stated exploration spending was projected to fall to \$36.6 million, a 54% decrease from 2019. Diamond mining continued at the Diavik Diamond Mine and Gahcho Kué Mine. The Ekati Diamond Mine was placed on care and maintenance for much of the year but resumed operations in January 2021. Diamond sales and prices were significantly curtailed by COVID-19 restrictions but showed signs of recovery in the fourth quarter of 2020.

Gold Terra Resource Corp. (formerly TerraX) continued to generate results from the drilling programs at Sam Otto and Crestaurum as part of their Yellowknife City Gold Project. Nighthawk Gold Corp. expanded known areas of mineralization on their Indin Lake Gold Property. Osisko Metals Inc. advanced the Pine Point Project with the release of a new National Instrument (NI) 43-101 Standards of Disclosure for Mineral Projects technical report and drill holes with an intersection greater than 20 metres of high-grade lead-zinc mineralization. NorZinc Ltd. received the final permits for the Prairie Creek zinc-lead-silver mine and associated all-season road. Vital Metals Ltd. of Australia filed a Joint Ore Reserves Committee Code (JORC) 2012 compliant resource update for the Nechalacho Rare Earth Element Project, targeting production by mid-2021. Fortune Minerals Ltd. completed an updated resource model and initiated a geophysical program on the NICO Project to assist future drilling between two areas of known mineralization (Figure 1).

Several exploration programs were carried out in a modified or reduced form. The following projects saw limited exploration activity this year: Kennady North Project (Mountain Province Diamonds Inc.), Loki Project (North Arrow Minerals Inc.), Lac de Gras Joint Venture (Dominion Diamond Mines and North Arrow Minerals Inc.), Seahorse Project (Olivut Resources Ltd. and Talmora Diamond Inc.), Cabin Lake Gold Project (Rover Metals Corp.), Clan Lake Project (Dave Webb and Coulter Hess), and Stratus Project (Brayden St. Pierre). Sixty North Gold Ltd. began preparations to restart mining on the Mon Property.

A total of 100 new claims were staked in 2020, with a total area of 75,440.50 hectares (Figure 2). New claims were staked near Walmsley Lake, Margaret Lake, Gordon Lake, and Point Lake. Ten claims were cancelled with a combined area of 7084 hectares. No claims lapsed in 2020 due to the Mining Recorder's COVID-19 relief measures. There are currently 21 active prospecting permits with a total area just under 332,000 hectares.

In 2019-2020 fiscal year, the Government of Northwest Territories (GNWT) invested nearly \$1 million in grassroots mineral exploration through the Mining Incentive Program (MIP). This funding was dispersed to 17 exploration projects comprising nine prospectors and eight companies. Several of the MIP funded projects were negatively affected by the COVID-19 restrictions, and by way of support, the GNWT extended the MIP reporting requirements for the affected projects to 2021.

Sommaire

Malgré les difficultés liées à la pandémie de COVID-19 en 2020, les activités d'exploration et d'exploitation minières se sont poursuivies aux Territoires du Nord-Ouest (TNO), mais à un niveau réduit. Le ministère des Ressources naturelles du Canada (RNCan) estime que les dépenses liées à l'exploration aux TNO s'établiront à 36,6 millions de dollars, ce qui représente une baisse de 54 % par rapport à 2019. L'extraction des diamants a continué aux mines Diavik et Gahcho Kué. La mine Ekati a été placée en mode de surveillance et d'entretien pendant la majeure partie de l'année, mais a repris ses activités en janvier 2021. Les ventes et les prix des diamants ont nettement baissé à la suite des restrictions liées à la COVID-19, mais ont montré des signes de reprise au quatrième trimestre 2020.

Les programmes de forage en place à Sam Otto et à Crestaurum ont permis à Gold Terra Resource Corp. (anciennement connue sous le nom de TerraX) de continuer à générer des résultats, dans le cadre de son projet Yellowknife City Gold. Nighthawk Gold Corp. a élargi les zones connues de minéralisation de son site aurifère du lac Indin. Métaux Osisko a fait avancer son projet de Pine Point, avec le lancement d'un nouveau rapport technique autour de la norme nationale 43-101 « Information concernant les projets miniers » et des trous de forage ayant une intersection dépassant les 20 mètres avec une minéralisation plomb-zinc de haut niveau. NorZinc Ltd. a reçu les derniers permis pour la mine de zinc-plomb-argent de Prairie Creek et la route toutes saisons qui y est rattachée. L'entreprise minière australienne Vital Metals Ltd a rempli une mise à jour des ressources conforme au Joint Ore Reserves Committee Code (JORC) de 2012, pour le projet de métal des terres rares de Nechalacho. L'entreprise prévoit de commencer à produire à la mi-2021. Fortune Minerals Ltd. a complété une version mise à jour d'un modèle de ressources et a mis en branle un programme géophysique rattaché au projet NICO, dans le but d'aider les prochaines manœuvres de forage, entre deux zones dont la minéralisation est connue (Figure 1).

De nombreux programmes d'exploration ont été réalisés, dans des versions modifiées ou réduites. Les activités d'exploration des projets suivants étaient limitées cette année : Kennady North (Mountain Province Diamonds Inc.), Loki (North Arrow Minerals Inc.), Lac de Gras Joint Venture (Dominion Diamond Mines et North Arrow Minerals Inc.), Seahorse (Olivut Resources Ltd. et Talmora Diamond Inc.), Cabin Lake Gold (Rover Metals Corp.), Clan Lake (Dave Webb et Coulter Hess), et Stratus (Brayden St. Pierre). Sixty North Gold Ltd. a commencé à préparer la reprise de ses travaux d'exploitation sur la propriété Mon.

Au total, 100 nouvelles concessions minières ont été jalonnées en 2020, ce qui représente une superficie totale de 75 440,50 hectares (Figure 2). De nouvelles concessions minières ont été concédées près du lac Walmsley, du lac Margaret, du lac Gordon et du lac Point. Dix concessions minières ont été annulées, ce qui représente une surface combinée de 7 084 hectares. Aucune concession minière n'a expiré en 2020, en raison des mesures d'allègement mises en place par le Bureau du registraire des mines, pour lutter contre la COVID-19. Il y a actuellement 21 permis de prospection actifs pour une surface totale un peu inférieure à 332 000 hectares.

Pendant l'exercice 2019-2020, le gouvernement des Territoires du Nord-Ouest (GTNO) a investi près d'un million de dollars dans la prospection minière locale par l'intermédiaire du Programme d'encouragement aux activités minières (PEAM). Ce financement a été réparti entre 17 projets d'exploration, comprenant 9 prospecteurs et 8 entreprises. Plusieurs des projets financés par le PEAM ont été négativement touchés par les restrictions liées à la COVID-19 et, à titre de soutien, le GTNO a prolongé les exigences en matière de rapport du PEAM pour les projets touchés jusqu'en 2021.



Figure 1. The location of 2020 mining and exploration projects.

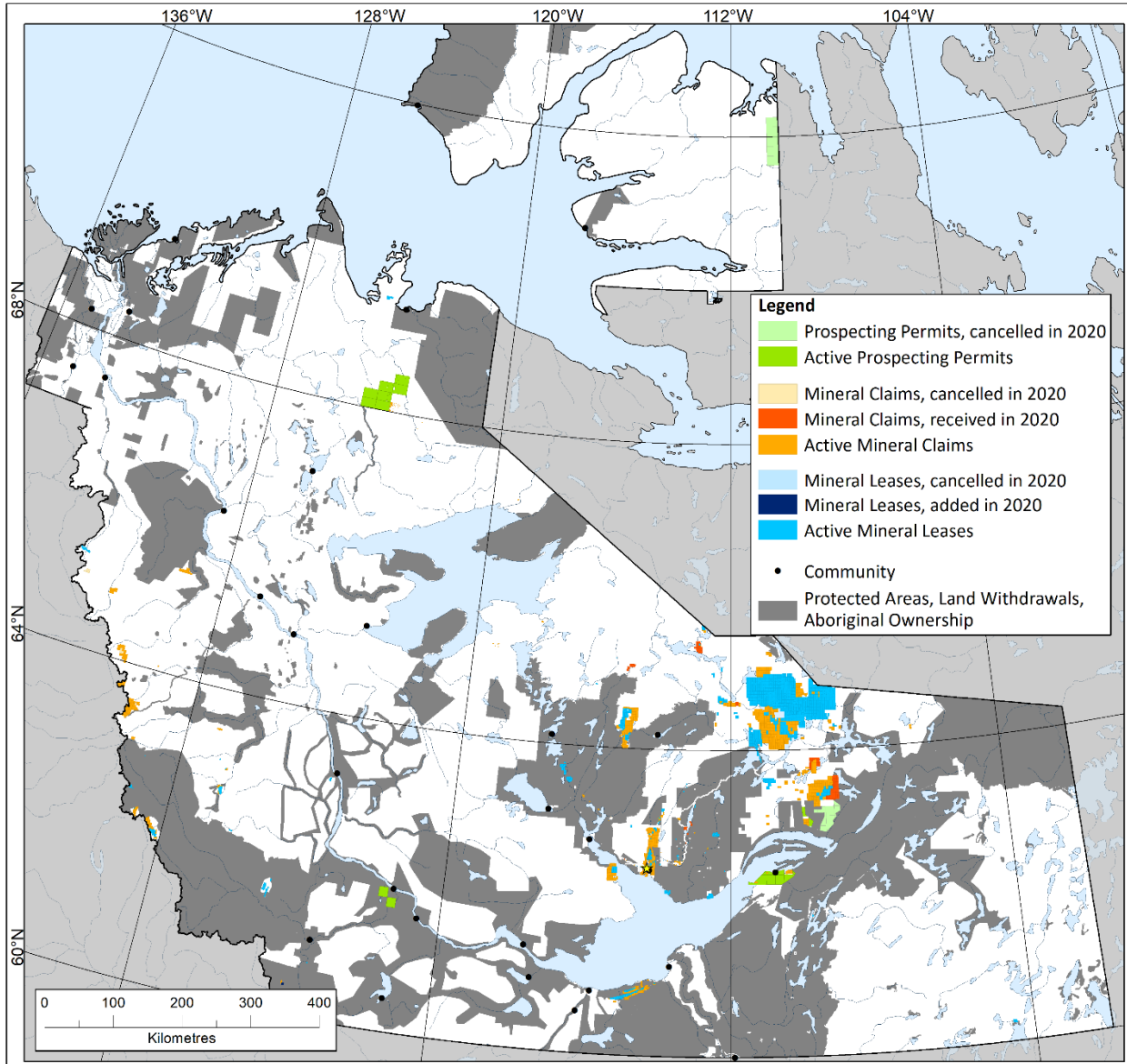


Figure 2. Mineral tenure in the Northwest Territories as of December 31, 2020.

Mining

Gahcho Kué Diamond Mine

The Gahcho Kué Joint Venture (GKJV) mineral leases cover 5,216 hectares, including the Gahcho Kué Diamond Mine. Mountain Province Diamonds Inc. is a 49% partner in the GKJV and 51% is owned by De Beers Canada Inc., which operates the mine and exploration activities on the GKJV leases.

A total of 35,870,474 tonnes (ore and waste) were mined at Gahcho Kué in 2020 (Table 1). This represents a 17% decrease in production compared with 2019 due to the impacts of the COVID-19 pandemic on mine operations. Most of the reduction was in waste tonnes mined with only a slight

decrease in ore tonnes mined. The Gahcho Kué Diamond Mine recovered 6,518,261 carats from 3,245,941 tonnes of ore with an average grade of 2.01 carats per tonne. Whereas the ore tonnes treated in 2020 were down nearly 10% compared with 2019, the average grade was up more than 5%. Production fluctuated in 2020. Results from the third quarter were significantly better than those from the second quarter as mine operations were adapting to new COVID-19 related protocols but in the fourth quarter active cases of COVID-19 were reported on site, requiring additional preventative measures that adversely affected production. A bright spot at the end of the year was Mountain Province Diamonds' announcement of the recovery of the 157.40 carat exceptional 'Polaris' diamond, the largest gem-quality diamond produced from Gahcho Kué to date. The diamond will be offered for sale during the first quarter of 2021.

Table 1. Mountain Province Diamonds Inc. and De Beers Canada Inc. Gahcho Kué Diamond Mine production and sales statistics (on a 100% basis) for the fourth quarter (Q4) and the 2020 fiscal year (FY).

| | 2019 Q4 to 2020 Q4 | | | 2019 to 2020 | | |
|------------------------------------|-----------------------|------------|----------|-----------------|------------|----------|
| | 2020 Q4 | 2019 Q4 | Variance | FY 2020 | FY 2019 | Variance |
| Total tonnes mined (ore and waste) | 9,796,823 | 11,089,408 | -12% | 35,870,474 | 43,224,827 | -17% |
| Ore tonnes mined | 840,261 | 890,886 | -6% | 3,286,843 | 3,247,324 | -1% |
| Ore tonnes treated | 736,138 | 936,903 | -21% | 3,245,941 | 3,580,551 | -9% |
| Carats recovered | 1,521,617 | 1,977,438 | -23% | 6,518,261 | 6,820,631 | -4% |
| Average grade (carats per tonne) | 2.07 | 2.11 | -2% | 2.01 | 1.90 | 6% |

Mountain Province Diamonds reported that they sold a total of 3,329,289 carats in 2020, which is on par with sales in 2019. However, the average sale value per carat and total sales fell nearly 20% to \$68 per carat (US\$51) and \$227 million (US\$171.3 million), respectively. Nevertheless, Mountain Province Diamonds ended the year with a strong sales performance in the fourth quarter, reporting the same average sale value as in the fourth quarter in 2019 (\$84 or US\$65) and a more than 20% increase in total carats sold (957,120 carats) and in total sales (\$80.2 million or US\$ 61.7 million).

Exploration activities on the GKJV included 116 line-kilometres of ground gravity and 128 line-kilometres of OhmMapper data collected between October 2019 and February 2020. Mountain Province Diamonds planned to test eight of the targets generated by this work with a 2100-metre, eight-hole drilling program but the program was scaled down to 549 metres in two holes due to the COVID-19 pandemic. No kimberlite was intersected.

Diavik Diamond Mine

Despite the COVID-19 pandemic, operations continued at the Diavik Diamond Mine, which is owned by Rio Tinto Group (60%) and Dominion Diamond Mines (40%; a part of the Washington Companies). The Diavik Diamond Mine processed 2,518,000 tonnes of ore and recovered 6,218,000 carats (Table 2). The total carats recovered in 2020 were 7% lower than in 2019 with a 10% reduction in grade offset by an increase in ore tonnes processed. The quarterly reports from Rio Tinto Group indicate that a mine-lease exploration program was carried out at the Diavik Diamond Mine in 2020. Dominion Diamond Mines's recent agreement to sell the Ekati Diamond Mine and other assets does not include their share in the Diavik Diamond Mine.

Table 2. Dominion Diamond Mines and Rio Tinto Group Diavik Diamond Mine production statistics (on a 100% basis) for 2020.

| | Q4 | Q1 | Q2 | Q3 | Q4 | Full Year | Full Year |
|----------------------------------|-------|-------|-------|-------|-------|-----------|-----------|
| Diavik Diamond Mine Production | 2019 | 2020 | 2020 | 2020 | 2020 | 2019 | 2020 |
| Ore processed ('000 tonnes) | 516 | 571 | 626 | 679 | 643 | 2,435 | 2,518 |
| Diamonds recovered ('000 carats) | 1,400 | 1,428 | 1,606 | 1,668 | 1,517 | 6,719 | 6,218 |

Q1–first quarter; Q2–second quarter; Q3–third quarter; Q4–fourth quarter.

Ekati Diamond Mine

The Ekati Diamond Mine was owned and operated by Dominion Diamond Mines, a part of the Washington Companies. The Ekati Diamond Mine consists of the Core Zone that hosts the current mining operations and the adjacent Buffer Zone. The Core Zone, in which Dominion Diamond Mines has an 88.9% participating interest (the balance is held by Stu Blusson), encompasses 175 mining leases totalling almost 173,000 hectares. Dominion Diamond Mines has 100% ownership of the Buffer Zone, comprising 106 mining leases totalling approximately 89,000 hectares.

On March 19, 2020, Dominion Diamond Mines announced the suspension of operations at the Ekati Diamond Mine to safeguard its employees and their communities from the COVID-19 pandemic. As a result of this decision, the Ekati Diamond Mine was on care and maintenance for most of the year. The COVID-19 lockdown measures effectively shut down Dominion Diamond Mines's ability to move product to market, with approximately \$180 million worth of diamonds stuck in inventory. These factors led Dominion Diamond Mines to seek creditor protection in April 2020 while undergoing restructuring. On November 13, 2020, Dominion Diamond Mines announced a recall of 60 furloughed employees to prepare for a restart of operations at the Ekati Diamond Mine in anticipation of reaching a debt restructuring agreement. In early 2021, the mine was sold to Arctic Canadian Diamond Company Limited. Mine operations resumed in January and a full recall of employees is expected by the end of February 2021.

Exploration

Diamonds

Kennady North Project

The Kennady North Project, wholly owned by Mountain Province Diamonds Inc., covers an area of 106,202 hectares adjacent to the Gahcho Kué Diamond Mine, including 39,000 hectares in forty-one claims staked in April 2020. There are five known kimberlites on the property, with an indicated resource for the Kelvin kimberlite and inferred resources for the Faraday kimberlites.

Mountain Province Diamond Inc. exploration activities were reduced due to the COVID-19 pandemic. Of the four planned drill holes, one geotechnical hole was drilled. Bathymetry data was collected for several lakes by conventional depth sounding. A 43 line-kilometre OhmMapper survey was carried

out over a kimberlite indicator mineral and geophysical target located 1.5 kilometres up ice from the Faraday 2 anomaly.

ZIP Diamond Project

On April 28, 2020, GGL Resources Corp. announced heavy mineral sampling results for 123 till and esker samples from its wholly-owned ZIP Diamond Project. The sampling was conducted as part of a research program with Simon Fraser University, Carleton University, and the Northwest Territories Geological Survey (NTGS) to improve the understanding of the diversity of indicator mineral transport systems and till sampling suitability in areas surrounding the ZIP property. These samples returned kimberlite indicator mineral counts of up to 75 total grains per sample (standardized to 20 kilograms). Several samples had garnet with preserved kelyphitic rims, suggesting a short transport distance from the source kimberlite.

Loki Diamonds Project

North Arrow Minerals Inc. completed a ground gravity survey during the fall of 2020 at its wholly-owned Loki Diamond Project, located south of Lac de Gras, roughly 40 kilometres west of the Diavik Diamond Mine. This survey followed up on magnetic and topographic anomalies in the northern part of the project area. On February 17, 2021, North Arrow Mineral Inc. announced the commencement of a ground geophysics program on the Loki project, which will include a gravity survey of the EG05 kimberlite as well as gravity and magnetic surveys over the north Loki target area. This work is supported in part by the GNWT's MIP. In 2018, North Arrow Minerals Inc. reported a new kimberlite discovery in the Loki project area.

Lac de Gras Project

The Lac de Gras project is a joint venture between North Arrow Minerals Inc. and Dominion Diamond Mines (operator) and is located south of Lac de Gras to the east of the Loki Project. The Anchor kimberlite was discovered on this property during the summer 2019 exploration program. A total of 232 diamonds were recovered from a 388.15-kilogram bulk sample of the Anchor kimberlite (Table 3).

On February 27, 2020, North Arrow Minerals Inc. announced the commencement of a ground geophysical survey as part of a planned \$3.5 million exploration program including at least 2,000 metres of drilling. The program was suspended indefinitely on March 19, 2020, due to the COVID-19 pandemic. Dominion Diamond Mines filed for insolvency protection on April 22 and later announced a plan to sell Lac de Gras with the deal scheduled to close on January 31, 2021.

Table 3. Micro diamonds retrieved from the 388.15-kilogram bulk sample of the Anchor kimberlite from North Arrow Minerals Inc. and Dominion Diamond Mines Lac de Gras Project.

| | -0.850 | -0.600 | -0.425 | -0.300 | -0.212 | -0.150 | -0.106 | Total |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Sieve size (mm) | +0.600 | +0.425 | +0.300 | +0.212 | +0.150 | +0.106 | +0.075 | stones |
| Number of diamonds | 0 | 0 | 0 | 3 | 20 | 56 | 153 | 232 |

Seahorse Project

On January 15, 2020, Olivut Resources Ltd. and Talmora Diamond Inc. provided an update on the 2019 Seahorse Project drilling program, located roughly 150 kilometres northeast of Colville Lake and 120 kilometres south of Paulatuk, which concluded in September 2019. The drilling program consisted of six drill holes, all of which encountered fine-grained clays deemed inconsistent with derivation from the dolomitic country rock. The geochemical analyses of these clays showed elevated levels of rare earth elements generally higher than, or consistent with, levels of rare earths found in clays over kimberlites in some locations worldwide. A sample of the clay material was sent to the Saskatchewan Research Council for heavy mineral analysis. On July 6, 2020, Olivut Resources Ltd. announced they had exercised their option to earn 50% of the Seahorse Project.

Additionally, a large gossan zone on the Seahorse property with a strike length of approximately eight kilometres was sampled and determined to be gold-bearing.

Gold

Yellowknife City Gold Project

Gold Terra Resource Corp. (formerly TerraX Minerals Inc.) expanded the Yellowknife City Gold Project, which is located to the north and south of Yellowknife, by acquiring two claims along strike from the decommissioned Ptarmigan and Tom mines. The company also entered into an Exploration Agreement with Newmont Corp. on a series of leases and claims adjacent to the decommissioned Con Mine, which would allow Gold Terra Resources Corp. up to a 60% earn interest.

The focus of Gold Terra Resource Corp. 2020 winter drilling program was the Sam Otto area, where 34 holes with a cumulative depth of 9,622 metres were drilled. The drilling objectives were to increase the 735,000 ounces of inferred gold resource estimated on their Yellowknife City Gold Project (NI 43-101, November 2019) and to confirm the continuity of mineralization within and between the various deposits. Twenty-three of the thirty-four drill holes were in Sam Otto South, eight in Sam Otto Main, and three in the 'connector' zone between Sam Otto Main and Sam Otto South.

The eight holes drilled at Sam Otto Main intersected gold mineralization outside the November 2019 inferred resource pit outline. Three of the eight holes were drilled at 100-metre spacing and vertically into the 2019 pit outline. All three of the holes intersected wide zones of gold mineralization with the following highlights:

- 1.30 grams per tonne gold over 50.6 metres, including 3.02 grams per tonne gold over 9.00 metres in drill hole TSO20-083.
- 1.18 grams per tonne gold over 51.65 metres, including 2.07 grams per tonne gold over 11.05 metres and 2.03 grams per tonne gold over 13.50 metres in drill hole TSO20-081.

The remaining five holes were drilled within a one-kilometre gap in the southern part of Sam Otto Main, outside of the 2019 NI 43-101 resource estimate. All holes intersected mineralization with the following highlights:

- 1.06 grams per tonne gold over 12.90 metres and 1.63 grams per tonne gold over 7.25 metres in drill hole TSO20-063.
- 0.45 grams per tonne gold over 41.96 metres, including 1.68 grams per tonne gold over 5.00 metres in drill hole TSO20-06.

Drilling in Sam Otto South identified a new mineralized structure 50 metres away from previously known mineralization in the hanging wall. The previously unrecognized structure with 1.39 grams per tonne gold over 25 metres, including 2.48 grams per tonne gold over 10.59 metres, was intersected in drill hole TSO20-058. Drill hole TSO20-052 also intersected the structure with 1.56 grams per tonne gold over 5.00 metres and 1.05 grams per tonne gold over 3.30 metres. The newly identified structure has an interpreted strike length of 250 metres and remains open to the north.

Most holes drilled in Sam Otto South intersected shear zones with alteration, disseminated sulphides, and quartz veins, some with visible gold. Other highlights from the zone are summarized in Table 4.

Table 4. Gold Terra Resource Corp. Sam Otto South gold drilling highlights in grams per tonne (gpt) over various interval lengths in metres (m).

| Drill hole ID | Gold (gpt) | Interval length (m) |
|------------------|-------------|---------------------|
| TSO20-053 | 6.24 | 2.00 |
| TSO20-071 | 2.50 | 5.75 |
| TSO20-071 | 1.81 | 3.91 |
| TSO20-067 | 1.80 | 6.30 |
| TSO20-078 | 1.60 | 11.75 |
| TSO20-081 | 1.18 | 51.65 |
| <i>including</i> | <i>2.07</i> | <i>11.05</i> |
| <i>including</i> | <i>2.03</i> | <i>13.50</i> |
| TSO20-074 | 1.18 | 11.00 |
| <i>including</i> | <i>1.94</i> | <i>6.00</i> |
| TSO20-083 | 1.30 | 50.60 |
| <i>including</i> | <i>3.02</i> | <i>9.00</i> |
| TSO20-077 | 1.03 | 23.00 |
| <i>including</i> | <i>1.30</i> | <i>12.00</i> |

These results demonstrate lateral and vertical continuity of greater than one gram per tonne gold mineralization in Sam Otto South to a vertical depth of 200 metres to 250 metres. The three holes drilled in the 'connector' zone between Sam Otto Main and Sam Otto South did not intersect any significant gold mineralization.

In addition to the winter drilling program, Gold Terra Resource Corp. completed a 125 line-kilometre induced polarization ground geophysical survey on the Yellowknife City Gold Project, focused north of

the past-producing Giant Mine and the Campbell Shear structure. Several anomalies from the survey were tested with two deep holes; assay results are pending.

During the summer of 2020, Gold Terra Resource Corp. completed ten diamond drill holes totalling 5,743 metres at its Crestaurum deposit to test the depth extension of the deposit. The four drill holes tested a strike length of approximately 600 metres at a vertical depth of 400 metres. All ten drill holes intersected the Crestaurum shear structure, indicating the Crestaurum shear is continuous at depth. The best intercept reported is 6.81 grams per tonne gold over 1.40 metres in drill hole GTCR20-092. The interpreted results have expanded the potential size of the Crestaurum deposit by showing that the Crestaurum shear has over three kilometres of yet-untested strike length and is still open at depth.

In the fall of 2020 and winter of 2021, Gold Terra Resource Corp. reported on an additional 1,784 metres from 15 drill holes to test the southwest and northeast extensions of mineralization along the Crestaurum Shear and to test the mineralization associated with the secondary shears and splays of the main Crestaurum Shear. The highlights of returned assays from 14 holes include 9.60 grams per tonne gold over 4.50 metres within the main Crestaurum shear (drill hole GTCR20-103), 43.00 grams per tonne gold over 1 metre in the footwall to the Crestaurum shear (drill hole TCR15-057X), and 16.60 grams per tonne gold over 1 metre in a quartz vein in the hanging wall of the main Crestaurum Shear (drill hole GTCR20-100).

On November 12, 2020, following the compilation of historical data on the Campbell Shear zone, Gold Terra Resource Corp. started a 12,000-metre drilling program on the south belt segment of the Campbell Shear zone, south of the historic Con Mine, on the recently optioned property from Newmont Corp. The compilation, which included the production of an integrated three-dimensional model using 13,699 historical drill holes from underground and surface exploration, highlighted the prospectivity of the southern extension of the Campbell Shear zone, which is a secondary or tertiary structure associated with the district-scale Yellowknife River Fault Zone. In Phase 1 of the drilling program, the company plans to drill 19 holes testing over 1.20 kilometres of strike extension at vertical depths of between 250 metres and 600 metres.

Indin Lake Gold Property

In 2020, Nighthawk Gold Corp. updated their Indin Lake Gold Property Mineral Resource Estimate (MRE) and carried out prospecting, metallurgical testing, and nearly 23,000 metres of diamond drilling on their Indin Lake Gold Property, located approximately 200 kilometres north of Yellowknife. Work on site began in late March but was suspended on April 5, 2020, due to the COVID-19 pandemic. Streamlined exploration activities resumed in mid-July and despite the interruption, Nighthawk Gold Corp. drilled most of the 25,000 metres they had planned for the year.

The MRE was based on a US\$1,425 an ounce gold price and involves the Colomac and Damoti Lake gold projects. The previous MRE for the Colomac Gold Project was updated using 924 drill holes totalling 177,598 metres to define 25.89 million tonnes of Indicated Resources at an average grade of 2.01 grams per tonne gold for 1.67 million ounces and 5.71 million tonnes of Inferred Resources at an average grade of 2.03 grams per tonne gold for 0.37 million ounces of gold, in both open pit and underground, representing an 82% conversion to the Indicated Resource category. At the Damoti Lake Gold Project, 266 drill holes totalling 33,433 metres were used to outline a maiden MRE of 0.74 million tonnes

Inferred Resources at an average grade of 4.97 grams per tonne gold for 0.12 million ounces. Both resource estimates are NI 43-101 compliant, and the estimated resources are summarized in Table 5.

Table 5. Nighthawk Gold Corp. 2020 Indin Lake Gold Property (Colomac and Damoti Lake gold projects) indicated and inferred resources for open pit and underground (UG) bulk.

| Project | Deposit | Mining method | Cut-off (g/t) | Indicated resource | | | Inferred resource | | |
|--------------|--------------|---------------|---------------|--------------------|------------|-------------|-------------------|------------|-------------|
| | | | | Tonnage (t*1000) | Gold (g/t) | Ounces (oz) | Tonnage (t*1000) | Gold (g/t) | Ounces (oz) |
| Colomac Gold | Colomac | Open pit | 0.6 | 7,996 | 1.73 | 443,800 | 159 | 1.46 | 7,500 |
| | | UG bulk | 1.3 | 14,922 | 2.21 | 1,058,800 | 4,740 | 2.08 | 316,500 |
| | Goldcrest | Open pit | 0.6 | 1,362 | 1.56 | 68,100 | 8 | 1.00 | 300 |
| | | UG bulk | 1.3 | 780 | 2.08 | 52,200 | 217 | 1.79 | 12,500 |
| | Grizzly Bear | Open pit | 0.6 | 628 | 1.62 | 32,800 | 12 | 1.52 | 600 |
| | | UG bulk | 1.3 | 202 | 1.89 | 12,300 | 30 | 1.80 | 1,700 |
| | 24/27 | Open pit | 0.6 | - | - | - | 375 | 1.89 | 22,800 |
| | | UG bulk | 1.3 | - | - | - | 171 | 1.92 | 10,600 |
| | Sub-total | Open pit | 0.6 | 9,986 | 1.70 | 544,700 | 554 | 1.75 | 31,200 |
| | Sub-total | UG bulk | 1.3 | 15,904 | 2.20 | 1,123,300 | 5,158 | 2.06 | 341,300 |
| Total | | | 25,890 | 2.01 | 1,668,000 | 5,712 | 2.03 | 372,500 | |
| Damoti Lake | | | | | | | | | |
| Gold | Damoti | UG selective | 2.0 | - | - | - | 736 | 4.97 | 117,800 |

Preliminary metallurgical studies were done on four bulk drill core samples collected from Colomac in 2018. Highlights of the studies include:

- Column leach: 54.9% to 69.7% gold recovery with an average of 59.4%
- Bottle roll leach tests: 31.5% to 49.6% gold recovery with an average of 44.3% on minus half-inch crushed material ran for ten days
- Cyanide heap leach: 31.5% to 81.8% recovery

At the time of the 2019 NWT Mineral Exploration Overview publication release, assay results were outstanding for 19 of the 110 holes that Nighthawk Gold Corp. drilled in 2019. These included ten holes drilled at Colomac Zone 2.5 and seven holes drilled at Goldcrest South, a 2.5-kilometre-long mineralized sill approximately 400 metres from, and running parallel to, the Colomac Main sill. Results from Colomac Zone 2.5 support the idea that the mineralized portion of the sill widens at depth. Assay highlights include 36.10 metres (26.00 metres true width) of 1.86 grams per tonne gold from drill hole C19-47B. The seven holes were drilled at Goldcrest South were spread over a strike length of 400 metres and all contained gold mineralization. There were several high-grade intercepts including 68.50 metres (8.00 metre true width) of 2.00 grams per tonne gold from drill hole C19-05.

In 2020, Nighthawk Gold Corp. drilled a total of 22,985 metres with 16,421 metres drilled at Colomac and the remaining metres drilled at regional targets: Leta Arm and Treasure Island. The most impressive intercept of the program reported to date is 150.00 metres true width of 1.84 grams per tonne gold, including 110.00 metres true width of 2.01 grams per tonne gold in Colomac Zone 2.

Additional details are reported by zone below. At the time of publication, assay results were still outstanding for 12 of 29 holes drilled at Colomac and 3 of 15 holes drilled at Treasure Island. Nighthawk Gold Corp. reported that the COVID-19 pandemic was slowing assay processing times.

Zone 1.5: Drill hole C20-03 was drilled in the south of Zone 1.5 to explore an area to depth within the 2020 MRE “Exploration Target.” The hole deviated off-section to the south and missed its objective but intersected new mineralization returning 38.25 metres of 2.09 grams per tonne gold, including 10.50 metres of 4.16 grams per tonne gold, and including 6.00 metres of 6.64 grams per tonne gold.

Zone 2: Results from three drill holes extended the depth of known mineralization, which continues to be open at depth. Drill hole C20-06 returned the best continuous downhole mineralization with 252.13 metres (150.00 metres true width) of 1.84 grams per tonne gold, including 200.45 metres (110.00 metres true width) of 2.01 grams per tonne gold with several internal higher-grade intercepts. Visible gold was observed in 79 individual assay samples. Additional highlights include 75.00 metres true width of 2.11 grams per tonne gold (drill hole C20-06B), 60.00 metres true width of 1.36 grams per tonne gold (drill hole C20-10), and 45.00 metres true width of 1.50 grams per tonne gold (drill hole C20-10B).

Zone 2.5: Drill hole C20-12 intersected 34.50 metres (11.00 metres true width) of 1.85 grams per tonne gold. This extends mineralization to 320 metres vertical depth where it remains open.

Zone 3.0: Drill hole C20-08 intersected 85.00 metres (43.00 metres true width) of 1.19 grams per tonne gold, including 21.75 metres of 2.35 grams per tonne gold and including 12.25 metres of 2.91 grams per tonne gold. Two additional holes were drilled to test intermediate depths at the south (drill hole C20-09) and north (drill hole C20-11) boundaries of the zone. Although drill hole C20-09 in the south was only weakly mineralized, drill hole C20-11 intersected 12.00 metres true width of 2.00 grams per tonne gold with mineralization open at depth and to the north.

Zone 3.5: All the six drill holes in Zone 3.5 intersected mineralization with the following highlights:

- Drill hole C20-02: Three mineralized intervals: an upper 8.65 metres of 4.81 grams per tonne gold, including 4.35 metres of 8.85 grams per tonne gold; a 33.25 metres (12 metres true width) middle interval with 3.89 grams per tonne gold, including 9.25 metres of 10.93 grams per tonne gold, and including 5.50 metres of 16.63 grams per tonne gold; and a lower interval of 6.50 metres grading 14.61 grams per tonne gold, including 3.00 metres of 31.20 grams per tonne gold.
- Drill hole C20-04: Three mineralized intervals 66.50 metres of 2.15 grams per tonne gold, including 18.00 metres of 4.42 grams per tonne gold, and including 5.75 metres of 7.94 grams per tonne gold.
- Drill hole C20-08: 85.00 metres (43.00 metres true width) of 1.19 grams per tonne gold, including 21.75 metres of 2.35 grams per tonne gold, and including 12.25 metres of 2.91 grams per tonne gold.
- Drill hole C20-05B: 7.25 metres of 9.04 grams per tonne gold, including 4.25 metres of 13.09 grams per tonne gold.

- Drill hole C20-07: 20.25 metres of 2.19 grams per tonne gold, including 9.00 metres of 2.74 grams per tonne gold.

Leta Arm: Three drill holes with a total depth of 1,065 metres were drilled at the Diversified deposit, part of the Leta Arm Gold Project. All three drill holes intersected mineralization with highlights including 3.59 grams per tonne gold over 5.10 metres, including 5.44 grams per tonne gold over 3.00 metres in drill hole DV20-01, and 1.21 grams per tonne gold over 16.45 metres, including 2.65 grams per tonne gold over 2.75 metres in drill hole DV20-02.

Treasure Island: Previous drilling at Treasure Island, located 11 kilometres north of Colomac, has identified a series of the stacked mineralized zones associated with a sequence of felsic rocks located at the contact between mafic volcanics and clastic sediments. The 2020 drill program was designed to test the western extension of this Main Zone as well as the Seadog showing, an area several kilometres north of the Main Zone on Treasure Island where surface grab samples previously returned values of up to 27.8 grams per tonne gold. Assay results reported for seven holes drilled at the Main Zone includes 47.55 metres of 1.73 grams per tonne in drill hole T20-05 and assay results reported for five drill holes testing the Seadog Showing include 5.00 metres of 10.37 grams per tonne gold.

Cabin Lake Gold Project

Rover Metals Corp. carried out a 1,110-metre exploration drilling program on their wholly-owned Cabin Lake Gold Project. The program was designed to confirm and expand on historical drilling results. Six of nine diamond drill holes returned significant gold assay values, including 22.01 metres averaging 7.94 grams per tonne gold (drill hole CL-20-01) and 31.9 metres 13.66 grams per tonne gold (drill hole CL-20-08).

Clan Lake Project

Between August 10 and 19, 2020, Dave Webb and Coulter Hess spent 20 man-days prospecting, grab sampling and collecting biogeochemical samples on Dr. Webb's DRW1 Claims. Twenty-two rocks were analyzed for 37 elements on aqua regia digestions and four samples by fire assay for gold, platinum, and palladium. A total of four carbonate-rich rocks were analyzed for both oxygen ($\delta^{18}\text{O}$) and carbon isotopes ($\delta^{13}\text{C}$) by mass spectrometry. Seventeen bark samples from pine trees were macerated and analyzed for 37 elements on nitric acid digestions. The Morel gold zone on the northeast side of a small lake and extensions of GoldMining Inc.'s Clan Lake gold zones at the south-end of the same lake could be traced in both grab and bark samples although with different element ratios. The isotopic data was presented but not interpreted. The best gold value of 2.9 grams per tonne gold had very low associated arsenic (eight parts per million) and base metal values.

Stratus Project

Brayden St. Pierre conducted prospecting, mapping, sampling, and structural measurements on his Stratus Project near Point Lake. Fieldwork took place between August 2 and 14, 2020. The program focused on confirming two significant historical showings to investigate potential orogenic gold within the Point Lake Greenstone Belt. Mapping and compiled historical work suggest the Fubar Fault is the most important structure controlling gold mineralization in the area. Sampling targeted mineralized shears and sulphidized banded iron formations in outcrop along the Fubar Fault

spanning historical showings. A total of 22 grab samples were taken, and gold values in the samples ranged from 0.002 grams per tonne to 0.822 grams per tonne, with an average of 0.13 grams per tonne. Gold was found to correlate most strongly with silver, copper, and arsenic. Mr. Pierre recommends further mapping and sampling along the Fubar Fault to understand structural control on gold grade and the surface expression of mineralized zones.

Mon Property

Sixty North Gold Mining Ltd. is preparing to restart mining operations on the Mon Property, located 40 kilometres north of Yellowknife. The historic Mon Mine produced 15,000 ounces of gold between 1989 and 1997. February 2, 2021, Sixty North Gold Mining Ltd. announced that the construction of a winter road had made its first pass to the Mon mine site. After some further preparation, the road will be used to transport heavy equipment and supplies in preparation for the commencement of mining in the spring.

Base metal exploration

Pine Point Project

On July 30, 2020, Osisko Metals Inc. filed a NI 43-101 compliant technical report for their wholly-owned Pine Point Project, which has an after-tax net present value of \$500 million at a discount rate of 8%, an after-tax internal rate of return of 29.6% and an after-tax payback period of 2.9 years with a mine life of 10 years (Table 6).

Table 6. Osisko Metals Inc. Pine Point Project NI 43-1010 highlights.

| Pine Point lead-zinc project preliminary economic assessment | Reported values |
|--|---------------------|
| After-Tax Internal Rate of Return ("IRR") | 29.60% |
| After-Tax Net Present Value ("NPV") (Discount Rate 8%) | \$500 million |
| After-Tax Payback Period | 2.9 Years |
| Pre-Production CAPEX (including \$71.2 million Contingency) | \$555 million |
| Average Annual LOM Production Zinc | 327 million pounds |
| Average Annual LOM Production Lead | 143 million pounds |
| Life of Mine ("LOM") | 10 Years |
| Total Mineral Resources Mined | 39.1 million tonnes |
| Average zinc equivalent Diluted (12%) Grade of Mineral Resources Mined | 6.17% |
| Gross Revenue After Royalty (LOM) | \$4,371 million |
| After-tax Operating Cash Flow (LOM) | \$1,064 million |
| C1 Costs over LOM (zinc equivalent)* | US\$0.67 per pound |
| Estimated All-In Costs (Total CAPEX plus OPEX, zinc equivalent)** | US\$0.82 per pound |
| LOM Zinc Price | US\$1.15 per pound |
| LOM Lead Price | US\$0.95 per pound |
| FX Rate (CAD:USD) | 1.31 |

*C1 cost is mine site cost plus smelting, transport, and royalty; **All-in costs are C1 plus sustaining CAPEX.

On August 27, 2020, Osisko Metals Inc. announced drilling activities had restarted following recommendations from the Northwest Territories Health and Social Services Authority. Results reported for the 2020 drill campaign included 44 holes in the Central Zone, which targeted gradiometry anomalies and areas of unconstrained mineralization in the current resource model. Drill hole O53-20-PP-012 intersected 28.80 metres grading 23.90% zinc and 6.24% lead, which extends high-grade prismatic mineralization approximately 10 metres below the current modelled pit boundary in the immediate area of the drill hole. Other highlights include 4.80 metres of 7.25% zinc and 1.45% lead (drill hole OM13-20-001) and 3.00 metres grading 8.45% zinc and 0.61% lead (drill hole O53-20-PP-003), which are interpreted to represent a new trend of tabular mineralization, a style of mineralization that was not a focus of the previous mining operations at Pine Point. Other advancements include a recently completed induced polarization survey, which identified a chargeability and resistivity target in an area previously untested by drilling.

On February 4, 2021, Osisko Metals Inc. announced that they submitted an Environmental Assessment Initiation Package to the Mackenzie Valley Environmental Impact Review Board. The Environmental Assessment should take approximately eighteen months to complete.

Prairie Creek Mine

On March 13, 2020, NorZinc Ltd. provided a report of their results from the previous year on their Prairie Creek zinc-lead-silver mine. Regulatory highlights include receiving the final permits for the Prairie Creek Mine and permits for the all-season road from the Mackenzie Valley Land and Water Board and Parks Canada.

NorZinc Ltd. continued discussions with regulators regarding advancing the project while also evaluating the silver production potential of the mine.

The mine site was reopened in July to start water treatment. Underground drilling was deferred due to safety concerns related to the COVID-19 pandemic. Surface drilling commenced in October but was discontinued in mid-November due to deteriorating winter weather conditions and logistical challenges associated with the pandemic. Upwards of 1,100 metres of drilling was completed of the proposed 1,300 metres to 3,250-metres program designed to target vein and stockwork-mineralized areas currently classified as inferred resources. Results are summarized in Table 7. The hole summarized in Table 7 was also assayed for gold as part of an effort to identify additional metal opportunities and 4 of 35 samples returned anomalous gold values. Results have yet to be validated by QAQC.

Table 7. NorZinc Ltd. Prairie Creek assay results for drill hole PC-20-225.

| Mineralization Type | Length on Core | Silver (oz/t) | Zinc (%) | Lead (%) | Copper (%) | Zinc equivalent (%) |
|---------------------|----------------|---------------|-------------|-------------|-------------|---------------------|
| Main Vein Quartz | 4.26 | 5.94 | 27.18 | 16.89 | 0.47 | 56.28 |
| Stockwork | 1.98 | 2.56 | 5.58 | 8.44 | 0.16 | 19.64 |
| Stockwork | 61.23 | 0.85 | 3.79 | 2.47 | 0.06 | 8.02 |
| <i>Including</i> | <i>1.02</i> | <i>5.51</i> | <i>25.4</i> | <i>10.4</i> | <i>0.57</i> | <i>45.48</i> |

Other commodities

Nechalacho Project

Vital Metals Ltd. acquired Cheetah Resources Pty Ltd. that controls 100% of the Nechalacho high-grade light rare earth elements between the surface and a depth of 150 metres above sea level. Following a review of the geological interpretation of the project, Vital Metals Ltd. completed the work needed to re-estimate and update the Upper Zone resource on the Nechalacho deposit per JORC 2012 compliance (Table 8).

Table 8. Vital Metals Ltd. Nechalacho Rare Earths Project Mineral Resource Estimate.

| Resources | Tonnage (Mt) | TREO (%) | HREO/ TREO (%) | NdPr/TREO (%) |
|---------------|--------------|----------|----------------|---------------|
| Measured | 0.287 | 2.73 | 7.70 | 24.10 |
| Indicated | 1.611 | 2.43 | 7.20 | 24.10 |
| Inferred | 1.297 | 3.38 | 6.80 | 24.20 |
| Total/average | 3.196 | 2.38 | 7.10 | 24.20 |

TREO – Total Rare Earth Oxide, HREO – Heavy Rare Earth Oxide, NdPr – neodymium and praseodymium.

The Upper Zone is estimated to host combined mineral resources (measured, indicated, and inferred; Table 9) of 94.7 million tonnes grading 1.46% Total Rare Earth Oxides (TREO) including 0.29% neodymium oxide (Nd₂O₃) at a cut-off grade of 0.1% neodymium oxide above the 150-metre elevation level. The high-grade Tardiff Zone is located in the larger Upper Zone and is estimated to host a combined JORC 2012 compliant measured, indicated, and inferred mineral resources of 3.19 million tonnes at 2.4% Total Rare Earth Oxide using a cut-off grade of 0.3% neodymium oxide (Table 10).

In April 2020, Vital Metals Ltd. announced a significant increase in resource tonnage and grade for the North T Zone (Table 11), with a JORC 2012 MRE of 105,000 tonnes at 8.9% Light Rare Earth Oxides using a cut-off grade of 0.3% neodymium oxide.

In May 2020, Vital Metals Ltd. announced it had received amendments to Land Use Permit MV2014D0001 and Water License MV2014L2-0001, issued by the MacKenzie Valley Land and Water Board, enabling the development and operation of a mining and concentration operation at Nechalacho's North T Zone. In quarters three and four, Vital Metals Ltd. progressed with various site preparation activities in anticipation of mining operations starting between April and October 2021. Nechalacho will be the first commercial rare earth project in Canada. In December, Vital Metals Ltd. announced the signing of a binding term sheet for a base of 1,000 tonnes rare earths oxides (excluding cerium) per annum for a period of five years with REEtec, a Norwegian company that has developed a sustainable process for manufacturing rare earth elements.

Table 9. Vital Metals Ltd. Nechalacho Upper Zone Resources.

| Confidence | Nd ₂ O ₃ Cut-off grade (%) | Tonnage (Mt) | REO (%) | LREO (%) | HREO (%) | Nd ₂ O ₃ (%) | Pr ₆ O ₁₁ (%) | NdPr/TREO (%) |
|-----------------------------------|--|--------------|---------|----------|----------|------------------------------------|-------------------------------------|---------------|
| Measured | 0.3 | 1.094 | 2.004 | 1.817 | 0.186 | 0.394 | 0.106 | 25.00 |
| | 0.1 | 2.914 | 1.468 | 1.326 | 0.142 | 0.288 | 0.077 | 24.90 |
| Indicated | 0.3 | 6.246 | 1.928 | 1.762 | 0.166 | 0.38 | 0.102 | 25.00 |
| | 0.1 | 14.662 | 1.508 | 1.372 | 0.137 | 0.295 | 0.08 | 24.90 |
| Inferred | 0.3 | 30.945 | 1.797 | 1.637 | 0.161 | 0.36 | 0.094 | 25.30 |
| | 0.1 | 77.159 | 1.456 | 1.323 | 0.133 | 0.291 | 0.077 | 25.30 |
| Measured, indicated, and inferred | 0.3 | 38.285 | 1.825 | 1.662 | 0.162 | 0.364 | 0.096 | 25.20 |
| | 0.1 | 94.735 | 1.464 | 1.33 | 0.134 | 0.291 | 0.078 | 25.20 |

REO – Rare Earth Oxide, LREO – Light Rare Earth Oxide, TREO – Total Rare Earth Oxide, HREO – Heavy Rare Earth Oxide, NdPr – neodymium and praseodymium, Nd₂O₃ – neodymium oxide, Pr₆O₁₁ – praseodymium oxide.

Table 10. Vital Metals Ltd. Nechalacho Tardiff Zone Resources.

| Confidence | Nd ₂ O ₃ Cut-off grade (%) | Tonnage (t) | TREO (%) | LREO (%) | HREO (%) | Nd ₂ O ₃ (%) | Pr ₆ O ₁₁ (%) | NdPr/TREO (%) |
|-----------------------------------|--|-------------|----------|----------|----------|------------------------------------|-------------------------------------|---------------|
| Measured | 0.3 | 286,563 | 2.729 | 2.518 | 0.211 | 0.515 | 0.144 | 24.10 |
| Indicated | 0.3 | 1,611,345 | 2.429 | 2.254 | 0.176 | 0.457 | 0.128 | 24.10 |
| Inferred | 0.3 | 1,297,073 | 2.237 | 2.085 | 0.152 | 0.423 | 0.119 | 24.20 |
| Measured, Indicated, and Inferred | 0.3 | 3,194,982 | 2.378 | 2.209 | 0.169 | 0.449 | 0.126 | 24.20 |

LREO – Light Rare Earth Oxide, TREO – Total Rare Earth Oxide, HREO – Heavy Rare Earth Oxide, NdPr – neodymium and praseodymium, Nd₂O₃ – neodymium oxide, Pr₆O₁₁ – praseodymium oxide. All four surface zones < 50 metres depth outlined by 2% TREO.

Table 11. Vital Metals Ltd. Nechalacho North T Zone Resources.

| Bastnasite Sub-zone | Kilotonnes | LREO (%) | La ₂ O ₃ (%) | CeO ₂ (%) | Pr ₆ O ₁₁ (%) | Nd ₂ O ₃ (%) |
|---------------------|------------|----------|------------------------------------|----------------------|-------------------------------------|------------------------------------|
| Measured | 68 | 9.6 | 2.5 | 4.9 | 0.5 | 1.8 |
| Indicated | 33 | 7.8 | 2 | 4 | 0.4 | 1.5 |
| Inferred | 4 | 5.8 | 1.4 | 2.9 | 0.3 | 1.1 |
| Total | 105 | 8.9 | 2.3 | 4.5 | 0.5 | 1.6 |

LREO – light rare earth oxide, La₂O₃ – lanthanum oxide, CeO₂ – cerium oxide, Nd₂O₃ – neodymium oxide, Pr₆O₁₁ – praseodymium oxide.

NICO Project

Fortune Minerals Ltd. updated the mineral resource block model for its NICO project, reducing dilution and capturing mineralized material omitted in the previous model. The new model also optimizes the proposed open-pit shell using a net smelter return cut-off of C\$60.49 per tonne to obtain the optimal pit shell for the open pit design and production schedule. Fortune Minerals Ltd. is now developing a new mine plan and schedule based on the Updated Mineral Resource model, optimized open pit, and preliminary underground stope designs. The work is aimed at gaining early access to higher-grade material using a combination of open pit and underground mining methods.

To identify new drill targets, Fortune Minerals Ltd. carried out a geophysical exploration program including induced polarization and ground magnetometer surveys over the 1.2-kilometre Peanut Lake anomaly on its NICO project in September 2020. Most of the Peanut Lake anomaly occurs beneath an area of wetlands and overburden between two known mineralized areas. The surveys identified new magnetic and chargeability anomalies to the southeast and the northeast of the NICO deposit. Additional smaller anomalies were also identified.

Mining Incentive Program (MIP)

In 2019-2020, the GNWT invested nearly \$1 million in grassroots mineral exploration through the MIP. This funding was dispersed to seventeen exploration projects comprising nine prospectors and eight companies. The 2019-2020 fiscal year saw several MIP-funded projects negatively affected by COVID-19. By way of support, MIP reporting requirements for the affected projects were extended to 2020-2021. Final figures for total MIP funding, total exploration spending, and leveraged exploration spending for 2019-2020 will not be known until all projects have completed their reporting. Preliminary reporting suggests that despite the negative influence of the pandemic, MIP results for 2019-2020 are positive and in line with those of recent years.

Between 2014 and 2018, the MIP has provided nearly \$3 million in government support to NWT mineral exploration projects. This has resulted in additional project spending of nearly \$12 million from MIP recipients.

For 2020-2021, \$995,413 in MIP funding has been allocated to 20 exploration projects (13 prospectors and 7 companies) – see Table 12 and Table 13 for the 2020 grant distribution. Please note that this is the initial allocation and that final funding amounts are dependent on the approval of final reports and expenses.

Table 12. Government of Northwest Territories Mining Incentive Program – 2020-2021 recipients (Prospectors).

| Recipient and project | Commodity | Initial funding awarded |
|---|-----------------------|-------------------------|
| Blake Mowbray – Copper Goat | Gold, Base metals | 20,000 |
| Brayden St. Pierre – Stratus | Gold | 19,599.89 |
| Colin Ross – Golden Goat 1 | Gold | 20,000 |
| Danny Yakeleya – Summer Prospecting on the Redstone, Keele, Natla and Mackenzie River | Gold | 21,250 |
| Dave Nickerson – Circles 2020/Aye Drilling | Gold, Multiple metals | 9,025 |
| Dave Smith – Drumlin Prospecting | Diamonds | 17,600 |
| Dave Webb – Clan Lake | Gold | 22,500 |
| Drake Hyden – Lighthouse | Gold | 19,562.63 |
| Florent Pons – Hermes | Gold | 19,984.29 |
| Jared Suchan – Luna | Diamonds | 20,000 |
| Lane Dewar – Jax Lake Gold Property | Gold | 21,250 |
| Ryan Bachynski – Viking 4 | Gold | 19,038.02 |
| Wayne Kendrick – Hangstone Gold | Gold | 21,250 |

Table 13. Government of Northwest Territories Mining Incentive Program – 2020-2021 recipients (Corporate).

| Recipient and Project | Commodity | Initial funding awarded |
|--|---------------------------|-------------------------|
| BNT Gold Resources Ltd. – Mapping Prospecting and Geophysics on the Fox Lake Expansion | Gold | 37,123.30 |
| Cheetah Resources Corp. – Nechalacho Rare Earth | REE | 180,000 |
| Fortune Minerals Ltd. – NICO | Gold, Silver, Base metals | 144,000 |
| Gold Terra Resource Corp. – Yellowknife City Gold | Gold | 86,148 |
| North Arrow Minerals Inc. – Loki | Diamonds | 130,000 |
| Pine Point Mining Ltd. – Pine Point Induced Polarization | Lead, Zinc | 47,082 |
| StrategX Elements Corp. – 939 | Cobalt | 120,000 |

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