ANACONDA MINING INC.

Annual Information Form

For the year ended December 31, 2019

February 28, 2020

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ABOUT THIS ANNUAL INFORMATION FORM

In this annual information form ("Annual Information Form" or "AIF"), references to the "Company", "Anaconda" or "Anaconda Mining", mean Anaconda Mining Inc. and its subsidiaries, unless the context otherwise requires or indicates. The information in this document is presented as at December 31, 2019, unless otherwise indicated.

All references to dollar amounts and to "$" or "dollar" in this document are to Canadian dollars, unless otherwise indicated.

CAUTIONARY STATEMENTS

Forward-Looking Information

This AIF contains "forward-looking information" under applicable Canadian securities legislation. Forward-looking information is characterized by words such as "plan", "expect", "budget", "target", "schedule", "estimate", "forecast", "project", "intend", "believe", "anticipate" and other similar words or statements that certain events or conditions "may", "could", "would", "might", or "will" occur or be achieved. Forward-looking information includes, but is not limited to, information with respect to: the Company's expected production from, and further potential of, the Company's properties; the Company's ability to raise additional funds; the future price of minerals, particularly gold; the estimation of Mineral Reserves and Mineral Resources; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates. Capital and operating cost estimates are based on extensive research of the Company, purchase orders placed by the Company to date, recent estimates of construction and mining costs and other factors.

Forward-looking information is based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include: the requirement for additional funding for development and exploration; the fluctuating price of gold; success of exploration, development and operations activities; health, safety and environmental risks and hazards; uncertainty in the estimation of Mineral Reserves and Mineral Resources; replacement of depleted Mineral Reserves; the potential of production and cost overruns; obligations as a public company; risks relating to government regulation and taxation; volatility in the market price of the Company's securities; risks relating to title and First Nations; risks relating to the construction and development of new mines; the availability of adequate infrastructure; limitations on insurance coverage; the prevalence of competition within the mining industry; currency exchange rates (such as the Canadian dollar versus the United States dollar); risks relating to potential litigation; risks relating to the dependence of the Company on outside parties and key management personnel; as well as those risk factors discussed or referred to herein and in the Company's annual management's discussion and analysis as at and for the fiscal years ended December 31, 2019 and December 31, 2018, available under the Company's SEDAR profile at www.sedar.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company disclaims any obligation to update forward-looking information if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented to assist investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

Note to United States Investors Concerning Estimates of Mineral Reserves and Mineral Resources

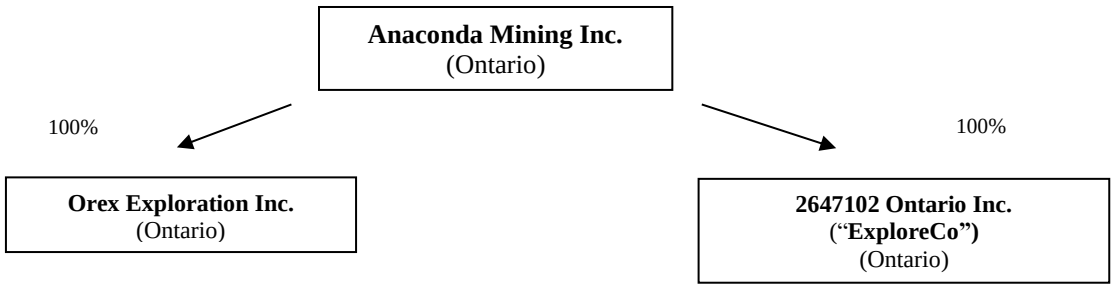
This Annual Information Form uses the terms "measured", "indicated" and "inferred" Mineral Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred Mineral Resources may not form the basis of feasibility or other economic studies, except in limited circumstances. United States investors are cautioned not to assume that all or any part of measured or indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable.

CORPORATE STRUCTURE

Anaconda Mining Inc. was incorporated in the Province of British Columbia under the *Business Corporations Act* (British Columbia) on April 12, 1994 under the name Mina Resources Inc. On April 28, 1997, the Company changed its name to Anaconda Uranium Corp. On July 22, 2002, the Company continued into the province of Ontario under the *Business Corporations Act* (Ontario) (the "OBCA"), changed its name to Anaconda Gold Corp. and increased its authorized capital to an unlimited number of common shares. On April 17, 2007, the Company changed its name to Anaconda Mining Inc. and consolidated the issued and outstanding common shares in the capital of the Company on the basis of one common share for two common shares then outstanding. On January 18, 2018, the Company completed a consolidation of its share capital on the basis of four (4) existing common shares for one (1) new common share. The number, exchange basis or exercise price of all stock options and warrants were also adjusted accordingly.

Anaconda's head and registered office is located at 150 York Street, Suite 410, Toronto, Ontario, Canada M5H 3S5. Anaconda's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "ANX" and on the OTCQX Best Market in the United States ("OTCQX") under the symbol "ANXGF".

he following chart illustrates the material intercorporate relationships of the Company as at the date of this AIF. The chart shows the jurisdiction of incorporation of each subsidiary and the percentage of votes attaching to all voting securities beneficially owned, controlled or directed (directly or indirectly), by the Company.



On May 19, 2017, Anaconda completed an acquisition of all the issued and outstanding common shares of Orex Exploration Inc. ("Orex") by way of a court-approved Plan of Arrangement (the "Arrangement"), as a result acquiring the Goldboro Gold Project in Nova Scotia, Canada.

ExploreCo was created in 2018 with a mandate to identify strategic options to unlock the value of the Company's early stage exploration assets for shareholders. On October 15, 2019, the Company announced that it had entered into a definitive Share Purchase Agreement with Magna Terra Minerals Inc. ("Magna Terra") to divest of ExploreCo, which now holds the Cape Spencer Project in New Brunswick and Great Northern Project in Newfoundland. The transaction was approved by Magna Terra shareholders on February 27, 2020 and closing of the transaction, expected to close in March 2020, is conditional on Magna Terra raising a minimum of $1.5 million to advance to the projects.

DESCRIPTION OF THE BUSINESS

General

Anaconda is a TSX and OTCQX-listed gold mining, development, and exploration company, focused in Atlantic Canada. The company operates mining and milling operations in the prolific Baie Verte Mining District of Newfoundland which includes the fully-permitted Pine Cove Mill, tailings facility and deep-water port, as well as ~11,000 hectares of highly prospective mineral lands including those adjacent to the past producing, high-grade Nugget Pond Mine at its Tilt Cove Gold Project. Anaconda is also developing the Goldboro Gold Project in Nova Scotia, a high-grade resource and the subject of an on-going feasibility study.

Further information about Anaconda Mining can be found in the Company's regulatory filings available on SEDAR at www.sedar.com and on the Company's website at www.anacondamining.com.

Change in Year-End **-** In 2017, the Company changed its fiscal year-end to December 31, from its previous fiscal year-end of May 31. Consequently, the Company reported audited financial results for the seven-month transition period from June 1, 2017 to December 31, 2017. Going forward, the Company will revert to a customary quarterly reporting calendar based on a December 31 financial year-end, with fiscal quarters ending on the last day in March, June, September, and December each year.

The Goldboro Gold Project – Nova Scotia, Canada

The Goldboro Gold Project ("Goldboro") is a 100%-owned, high-grade Mineral Resource located in Guysborough County, Nova Scotia, located approximately 180 kilometres northeast of Halifax and covering 600 hectares. The Goldboro Gold Project currently has a NI 43-101 compliant Mineral Resource which occurs in a single deposit with three spatially contiguous zones along the Upper Seal anticline, a significant gold-bearing structure.

Anaconda is targeting to complete a Feasibility Study on the Project in the first quarter of 2020, while it progresses with the permitting process in parallel. The Feasibility Study is being lead by WSP Canada Inc. ("WSP"), with support from Ausenco Solutions Canada Inc. ("Ausenco") with respect to process optimization and mill design for the Study (Ausenco was involved in the engineering and construction of Atlantic Gold Corporation's mill at the Moose River Consolidated Project in Nova Scotia).

In July 2019, the Company signed a Memorandum of Understanding with the Assembly of Nova Scotia Mi'kmaq Chiefs that will govern the process by which the parties will work together in good faith to resolve a Mutual Benefits Agreement in a way that reflects a desire to build a mutually beneficial relationship that will be sustained for the life of the Goldboro Gold Project.

In January 2020, the Company announced the positive results of an underground bulk sample program (the "Bulk Sample") undertaken at the Goldboro Gold Project. The objectives of the Bulk Sample were to confirm the geological interpretation of the deposit, test for spatial and grade continuity of the mineralized structures, validate key assumptions of the updated Mineral Resource model, and test certain types of mining methods. The Bulk Sample successfully tested a large area within the 2019 Mineral Resource Estimate with respect to continuity of gold grade and geological interpretation, confirming the position and continuity of mineralized zones. The average head grade of 3.81 g/t gold from the Pine Cove Mill showed a positive reconciliation of 8.5% to the mine grade of 3.51 grams per tonne ("g/t") gold, demonstrating an upside bias within an acceptable range, while the high gravity recovery of 51% confirmed metallurgical test work.

The Company in parallel is advancing the Project through the permitting process, engaging GHD Limited ("GHD") of Nova Scotia for that process, the same group that worked with Atlantic Gold Corporation during its permitting of the Moose River Consolidated Project. In September 2019, Anaconda announced that it intends to file a new Environmental Assessment Registration Document ("EARD"), as the environmental and engineering work to date has resulted in material changes and improvements from the original concept outlined in the initial EARD, including a modified project layout and a reduction in mining at surface. The new EARD will also contemplate a full processing facility at Goldboro which will produce gold doré bars, reflecting the growing mineral resource and the potential for a longer-life mining operation.

Baie Verte Mining District, Newfoundland, Canada - Point Rousse Complex

The Company owns 100% of the Point Rousse Complex (the "Point Rousse") which is situated within the larger Baie Verte Peninsula on the north-central part of Newfoundland. The Point Rousse Complex is comprised of the Pine Cove

open pit mine, the Stog'er Tight open pit mine, the Argyle Deposit, the fully permitted Pine Cove Mill, a 7-million tonne capacity tailings facility, and a deep-water port. The Pine Cove Mill is capable of processing approximately 400,000 tonnes of ore annually (the "Pine Cove Mill"). The Pine Cove Mill throughput is currently approximately 1,200 - 1,400 tonnes per day.

The Company will be mining exclusively from the Pine Cove Pit in 2020, as the Company has continued to successfully expand the mining operations at Pine Cove, which is well understood geologically and from a mining perspective, limiting technical risk. The Company continues to progress the Argyle Deposit ("Argyle"), where infill drilling is ongoing, with development expected to commence towards the middle of 2020. The Argyle Deposit is located approximately 4.5 kilometres from the Pine Cove Mill and is a shallow-dipping, near-surface mineralized gold system subject to a NI 43-101 compliant Mineral Resource. The Company has now received a Mining Lease for Argyle and has submitted the development and rehabilitation plan for review by the Department of Natural Resources in Newfoundland.

Baie Verte Mining District, Newfoundland, Canada – Tilt Cove Gold Project

The Tilt Cove Project is an exploration-stage gold project located within the Baie Verte Mining District, near the community of La Scie, Newfoundland, approximately 45 kilometres by road from the Company's Pine Cove Mill. In May 2019, Anaconda announced that it had significantly expanded the footprint of its Tilt Cove Project with the consolidation of a property package covering a 20 km strike extent of the Betts Cove Complex, a highly prospective geological terrane with a record of past gold and copper production. The Tilt Cove Project now comprises a total of 6,075 hectares of prospective mineral lands acquired via a combination of staking by the Company and the execution of option agreements, marking the first time the package has been assembled in 20 years.

The Tilt Cove Project is characterized by the same geological environment as part of the Point Rousse Complex, specifically the Nugget Pond horizon, an iron formation that hosted the historical high-grade-gold Nugget Pond Mine, which produced 168,748 ounces of gold, with an average grade of 9.85 g/t gold. The Tilt Cove Project has several historical occurrences with high-grade gold grab samples from prospecting including 69.38 g/t gold from the Scarp zone, 13.47 g/t gold from the Shaft zone and 6.02 g/t gold from the Road showing.

The Company initiated a fully funded $1.5 million exploration program at Tilt Cove in June 2019. Field work included the collection of 569 prospecting rock samples and 2,192 soil samples, a detailed drone magnetic survey, the completion of a LiDAR survey over the entire area, and a review of all available drill core.

Upon receipt of all prospecting and soil sample assays and geophysical data sets, Anaconda conducted a full evaluation of all available data to determine the highest priority targets prior to drilling. In Q4 2019, the Company initiated a trenching program and a diamond drilling program of up to 4,000 metres, including initial trenching and drill testing at the Growler Showing, West Pond, East Pond, Red Cliff Pond, and Long Pond targets.

Principal Product

The principal product of the Company is gold in the form of doré bars. The gold is refined under commercially competitive terms common to the industry and meets international delivery standards for gold bullion. Gold trades on numerous liquid markets worldwide, generally allowing for the orderly sale of gold at any time when the markets are open. The Company is not dependent on an individual purchaser with regard to the sale of any gold produced.

In 2019, Anaconda sold 17,265 ounces of gold to generate metal revenue of $29.5 million at an average realized gold price of C$1,804 per ounce (US$1,360), including 903 ounces of gold recovered and sold from the Goldboro bulk sample, which generated further proceeds of $1.8 million. During the year-end December 31, 2018, the Company sold 19,290 ounces of gold and generated $31.7 million of revenue.

Competitive Conditions

The gold mining and exploration business is an intensely competitive business and the Company is a relatively small producer of gold in the context of the scale of the industry. The Company competes with numerous companies for capital, prospective mineral properties, qualified service providers, labour, equipment, and suppliers. The ability of the Company to acquire additional mineral properties in the future will depend on its ability to develop and operate its present properties, and on its ability to identify and acquire suitable producing properties or prospects for development or exploration in the future.

Environmental Protection

The Company's mining, development, and exploration activities are subject to laws and regulations governing environmental protection, employee health and safety, waste disposal, environmental remediation and reclamation of mine and exploration sites, mine safety, hazardous goods regulations, and other matters. Compliance with applicable laws and regulations requires forethought and diligence in the conduct of the Company's activities.

Currently, the Company has posted performance bonds (through an insurance underwriter) with the respective agencies of the jurisdictions in which it operates, as financial assurance for its future asset reclamation obligations for the Point Rousse Project and the Goldboro Gold Project. These financial assurances given are based on the cost estimates outlined in the most recent mine closure plans accepted by the appropriate agencies in the jurisdictions in which the Company operates.

Employees' Specialized Skill and Knowledge

The Company's business requires specialized skills and knowledge, including with respect to geological interpretation, engineering, construction, mechanical installation and repair, gold mining, processing, mine planning, regulatory compliance, accounting and financial reporting, and capital markets expertise. The Company has found that it can locate and retain employees and contractors with such skills and knowledge to enable the Company to achieve its business goals.
At the end of the fiscal year ended December 31, 2019, the Company had approximately 90 direct employees, and 105 full-time equivalents including contractors.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

The general development of the Company for the last three years is described below. The Company's history prior to the financial year ended December 31, 2017 is available on the Company's website and under the Company's profile on SEDAR at www.sedar.com.

Recent Developments

On February 6, 2020, the Company announced that Gordana Slepcev had stepped down as Chief Operating Officer. The Company had no plans to fill the position at the time, given the advanced stages of the Goldboro Gold Project.

On January 16, 2020, the Company released positive results from the underground bulk sample taken at the Goldboro Gold Project. The Bulk Sample results demonstrated a slightly positive reconciliation to the mined grade, within acceptable limits, providing further confidence in the Mineral Resource being used as the basis for the Feasibility Study. It also confirmed high gravity recovery as demonstrated by metallurgical test work, and demonstrated excellent ground conditions through test mining

Financial Year Ended December 31, 2019

On December 18, 2019, the Company filed the updated Technical Report prepared in accordance with National Instrument 43-101 regarding the updated Mineral Resource Estimate for its 100%-owned Goldboro Gold Project (as defined below under the Summary of Mineral Reserves and Mineral Resource Estimates). The updated Mineral Resource, announced on October 30, 2019, demonstrated increases in grade and ounces across all Mineral Resource categories.

On October 15, 2019, the Company announced that it had entered into a definitive Share Purchase Agreement with Magna Terra Minerals Inc. to sell its wholly-owned subsidiary, 2647102 Ontario Inc. ("ExploreCo"), which holds the Great Northern and Viking Projects in Newfoundland and Labrador and the Cape Spencer Project in New Brunswick.

On October 2, 2019, Dustin Angelo stepped down from the position of President and from the board of directors of the Company, and effective immediately Kevin Bullock was appointed to the role of President and Chief Executive Officer.

On July 22, 2019, Anaconda announced that it had signed a Memorandum of Understanding with the Assembly of Nova Scotia Mi'kmaq Chiefs (the "Assembly") that will govern the process by which the parties shall negotiate a Mutual Benefits Agreement regarding the Goldboro Gold Project

On July 17, 2019, Anaconda announced that it has entered into two option agreements to acquire 100% of the Country Harbour and Lower Seal Harbour properties, which comprise approximately 1,150 hectares of prospective mineral land within proximity of the Goldboro Gold Project.

On July 10, 2019, the Company completed a non-brokered private placement of 7,515,701 units of the Company ("FT Units") at a price of $0.35 per FT Unit, and 7,630,185 units of the Company (the "Units") at a price of $0.27 per Unit, for aggregate gross proceeds of up to $4,690,646. Each FT Unit will consist of one common share, which qualify as "flow-through shares" within the meaning of the Income Tax Act (Canada), and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Unit will consist of one common share and one-half of one Warrant. Each Warrant will entitle the holder thereof to purchase one common share of the Company (a "Warrant Share") at a price of $0.45 for a period of 18 months following the closing date of the Offering. The Warrants will contain an acceleration clause whereby if the common shares of Anaconda trade at a volume weighted average price of $0.70 or more for 20 consecutive trading days, Anaconda will have the right to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants.

On May 9, 2019, the Company announced it has significantly expanded the footprint of its Tilt Cove Project, located within the Baie Verte Mining District approximately 45 kilometres by road from the Company's Pine Cove Mill, consolidating a significant property package covering a 20 kilometre strike extent of the Betts Cove Complex, a highly prospective geological terrane with a record of past gold and copper production.

On April 3, 2019, Kevin Bullock, a Professional Engineer with over 30 years of senior mining and capital markets experience, was appointed as Chief Executive Officer. Dustin Angelo remained with the Company as President, focusing on operations and the Company's ancillary business opportunities.

On March 12, 2019, the Company announced it had entered into a $5 million term loan from the Royal Bank of Canada ("RBC"), providing the Company the financial flexibility to advance the Goldboro Gold Project. The term loan is repayable over a 24-month term and carried a fixed interest rate of 4.6% and a performance guarantee fee by Export Development Canada ("EDC") of 1.85%, payable quarterly based on the proportional amount outstanding. In December 2019, the Company extended the amortization period on the term loan to April 2022.

On February 26, 2019, the Company announced the commencement of a feasibility study on the Goldboro Gold Project, which will incorporate the data from an underground Bulk Sample and include the results of 22,000 metres of diamond drilling that was completed from June 2017 to December 2018. The Company has retained WSP Canada Inc. ("WSP") to lead the Study and work on the mine design, project infrastructure, and economics. Ausenco Solutions Canada Inc. ("Ausenco") has also been engaged to support WSP with respect to process optimization and mill design for the Study.

On January 24, 2019, the Company announced updated Mineral Resource Estimates for the Great Northern and Cape Spencer Gold Projects. As at December 31, 2019, the Great Northern and Cape Spencer Gold Projects were held in the wholly-owned subsidiary of the Company ("ExploreCo"), with a mandate to identify strategic options to unlock the value of these assets for shareholders through a separate vehicle, allowing Anaconda to focus on its core mining and development operations.

Financial Year Ended December 31, 2018

On December 10, 2018, the Company filed the updated Technical Report entitled "Anaconda Mining Inc., Goldboro Project Mineral Resource Update and Preliminary Economic Assessment" for its 100%-owned Goldboro Gold Project Goldboro Gold Project.

On October 25, 2018, the Company announced an increase to Mineral Resource Estimate for the Goldboro Gold Project, in addition to updated after-tax economics with respect to the positive preliminary economic assessment ("PEA") on the Goldboro Gold Project.

On September 26, 2018, the Company announce the creation of a technical advisory committee to assist and provide technical guidance to the Anaconda management team regarding all aspects of the development of large mining and

processing capital projects. The "Advisory Committee" includes Kevin Bullock, Glenn Dobby and Keith Bullock as founding members.

On September 10, 2018, the Company executed an option agreement to acquire a 100% undivided interest in the Cape Spencer Gold Property, located east of the City of Saint John, New Brunswick. In conjunction with this transaction, the Company has created a new wholly-owned subsidiary of Anaconda ("ExploreCo"), which will focus on early-stage gold exploration projects within Atlantic Canada. ExploreCo has a mandate to identify strategic options to unlock the value of these assets for shareholders through a separate vehicle, allowing Anaconda to focus on its core mining and development operations.

On August 1, 2018, the Company registered its 100%-owned Goldboro Gold Project with the Nova Scotia Department of Environment, a significant milestone in the continued development of the Goldboro Gold Project.

On August 1, 2018, the Company received the permits required to proceed with the extraction of the proposed 10,000-tonne underground bulk sample at its 100%-owned Goldboro Gold Project. The bulk sample will provide valuable geological, operational and processing information for design and optimization of the overall project in a feasibility study.

On July 12, 2018, the Company withdrew its previously announced premium take-over bid to acquire all the issued and outstanding shares of Maritime Resources Corp. Anaconda did not take up any of the Maritime shares tendered in connection with the Offer.

On June 26, 2018, the Company completed the second and final tranche of a non-brokered private placement of 2,219,000 units of the Company ("FT Units") at a price of $0.41 per FT Unit, for aggregate gross proceeds of $909,790 (total proceeds raised under the private placement are $4,465,290). Each FT Unit consists of one common share of the Company, which qualify as "flow-through shares" and one-half of one non-flow-through common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share of the Company (a "Warrant Share") at a price of $0.55 per Warrant Share until June 26, 2020.

On June 25, 2018, the Company completed the first tranche of a non-brokered private placement of 8,671,952 FT Units of the Company at a price of $0.41 per FT Unit, for aggregate gross proceeds of $3,555,500. Each FT Unit consists of one common share of the Company, which qualify as "flow-through shares" and one-half of one non-flow-through common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one common share of the Company (a "Warrant Share") at a price of $0.55 per Warrant Share until June 22, 2020.

On May 9, 2018, the Company's common shares begin trading on the OTCQX® Best Market, a top-tier public market in the United States, under the symbol "ANXGF".

On April 13, 2018, the Company announced a formal offer (the "Offer") to acquire all of the issued and outstanding common shares ("Maritime Shares") of Maritime Resources Corp. (TSX-V:MAE) ("Maritime"), in exchange for consideration of 0.390 of a common share of Anaconda for each Maritime Share (the "Offer Consideration").

On March 29, 2018, the Company announced the resignation of Mr. Kevin Bullock from the Board of Directors effective March 31, 2018, due to other board conflicts.

On March 2, 2018, the Company filed the Goldboro Gold Project Preliminary Economic Assessment Report.

On February 26, 2018, the Company filed the Point Rousse Technical Report (as defined below under the Summary of Mineral Reserves and Mineral Resource Estimates).

On January 29, 2018, the Company announced the acquisition of the Rattling Brook Deposit and nearby property in northwest Newfoundland, from Kermode Resources Ltd. The property comprises 425 hectares of property and is contiguous with Anaconda's existing land holdings in the immediate area. Pursuant to the acquisition, Anaconda paid Kermode Resources Ltd. $50,000 in cash and 1,113,218 common shares of $500,000 in value based on a twenty-day volume weighted average price as of January 24, 2018.

On January 18, 2018, the Company completed a consolidation of its share capital on the basis of four (4) existing common shares for one (1) new common share. As a result of the share consolidation, the 423,430,258 common shares issued and outstanding as at January 18, 2018, were consolidated to 105,857,465 common shares. As a result of the share consolidation, the number, exchange basis or exercise price of all stock options and warrants was also adjusted accordingly.

On January 18, 2018, the Company announced a maiden Mineral Resource Estimate for the Argyle Deposit.

On January 17, 2018, the Company announced a positive preliminary economic assessment for its 100% owned Goldboro Gold Project in Nova Scotia.

Financial Year Ended December 31, 2017 (seven-month transition year)

On November 16, 2017, the Company received shareholder approval such that all unallocated stock options issuable pursuant to the Company's Stock Option Plan are approved and authorized, allowing the Company the ability to continue granting options under the Stock Option Plan until November 20, 2020.

On October 31, 2017, the Company announced that it had issued 25,812,500 flow-through common shares at a price of $0.08 per common share for aggregate gross proceeds of $2,065,000. The Company also issued 14,392,268 Units at a price of $0.065 per Unit, for gross proceeds of $935,497. Each Unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share of the Company at a price of $0.105 per common share until October 31, 2020. The warrants contain an acceleration clause whereby if the common shares of the Company trade at a volume weighted average price of $0.21 or more for 20 consecutive days of trading, the Company will have the right to accelerate the exercise period.

On October 17, 2017, the Company announced it was changing its fiscal year-end to December 31 from its current fiscal year-end of May 31. As a result, the Company reported audited financial results for a seven-month transition year from June 1, 2017 to December 31, 2017. Going forward, the Company will revert to a customary quarterly reporting calendar based on a December 31 financial year-end, with fiscal quarters ending on the last day in March, June, September, and December each year.

On September 7, 2017, the Company received approval from the Newfoundland and Labrador Department of Natural Resources to utilize the Pine Cove Pit at the Point Rousse Project as a 7 million-tonne in-pit tailings storage facility.

On July 27, 2017, 14,551,889 common share warrants and 1,376,560 broker warrants expired unexercised. Both tranches of warrants carried an exercise price of $0.10.

On June 26, 2017 PricewaterhouseCoopers LLP was appointed as the auditors of the Company following the resignation of Parker Simone LLP.

RISK FACTORS

The operations of the Company are subject to significant uncertainty due to the high-risk nature of exploring for, developing and operating gold mines. The following risk factors could materially affect the Company's financial condition and/or future operating results and could cause actual events to differ materially from those described in forward looking statements relating to the Company.

Requirement of Additional Financing

The Company may not have a source of funds to continue current operations, or to engage in additional exploration and development which may be necessary to develop its properties, other than through the exercise of stock options, the exercise of warrants, and further financings. No assurance can be given that the Company will be successful in obtaining the required financing on acceptable terms, if at all. Failure to obtain sufficient financing will result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties, or even a loss of a property interest.

Fluctuations in the Market Price of Mineral Commodities

The profitability of the Company's operations will be dependent upon the market price of gold and any other mineral commodities it may produce. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities, and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. A decline in the price of gold could cause production to be uneconomic, thereby having a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, mineral reserve calculations and life-of-mine plans using significantly lower metal prices could result in material write-downs of the Company's investment in mining properties and increased amortization, reclamation and closure charges. Declining commodity prices may require a reassessment of the feasibility of a project, which even if ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Need for Additional Mineral Reserves

Mines have limited lives based on Proven and Probable Mineral Reserves, consequently the Company must continually replace and expand its Mineral Reserves and Mineral Resources and discover, develop, or acquire Mineral Reserves for production. The life-of-mine estimates contained in this Annual Information Form may not prove correct. The Company's ability to maintain or increase its annual production of gold will be dependent in significant part on its ability to bring new mines into production and to expand Mineral Reserves at existing mines.

Mining Industry Risks

The exploration for, and development of, mineral deposits involve a high degree of risk. Few properties that are explored are ultimately developed into producing mines. It is impossible to ensure that the exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, including the characteristics of the deposit, such as size, grade and proximity to infrastructure; metal prices, which can be volatile, and; government regulations, including regulations relating to taxes, royalties, land tenure, land use, and environmental protection. As a result, actual costs and economic returns may differ significantly from those currently estimated for these projects.

Licences and Permits

The operations of the Company may require licenses and permits from various governmental authorities. Obtaining necessary permits and licenses can be a complex, time consuming process and the Company cannot be certain that it will be able to obtain necessary permits on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop, delay or restrict the Company from proceeding with the development of an exploration project or the development and operation of a mine. Any failure to comply with applicable laws and regulations or permits could result in interruption or closure of exploration, development or mining operations, and/or fines, penalties or other liabilities. The Company could also lose its mining concessions under the terms of its existing agreements.

Governmental Regulation of the Mining Industry

The mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards, employment and occupational health, mine safety, use of water, toxic substances and waste disposal, and environmental protection, among others. Although the Company believes that it operates in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company, or more stringent implementation thereof, could have a material adverse effect on the business, financial condition and results of operations of the Company.

The Company is also subject to regulation by the relevant tax authorities. Risk exists with respect to tax audits and potential changes in and interpretation of tax regulations by the responsible tax authorities. Possible areas of tax audit and interpretation may include the Company's judgements in respect of qualifying Canadian exploration expenses and the related tax deductions renounced to investors under flow-through common share financings.

Climate Change

As part of the risk factors outlined in the Company's AIF, management and the Board have considered risks to the business from climate change. Climate change is an international concern and as a result poses risk of both climate changes and government policy in which governments are introducing climate change legislation and treaties at all levels of government that could result in increased costs, and therefore, decreased profitability. Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations or the potential economic value of its development projects.

In addition, our operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, increased snowpack and extreme weather events. While the Company has not experienced these events at this point, such events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on our workforce and on the communities around our mines.

First Nations

Consultation and collaboration with First Nations groups is required of the Company in the environmental assessment, subsequent permitting, development and operation stages of certain projects. Certain First Nations groups may oppose projects at any given stage and such opposition may adversely affect the projects, the Company's public image, or the Company's share performance.

Canadian law relating to aboriginal rights, including aboriginal title rights, is in a period of change. There is a risk that future changes to the law may adversely affect the Company's rights to its projects. First Nations title claims as well as related consultation issues may impact the Company's ability to pursue exploration, development and mining at its projects. Managing relations with the local native bands is a matter of paramount importance to the Company. There may be no assurance however that title claims as well as related consultation issues will not arise on or with respect to the Company's properties.

Health, Safety and Environmental Risks and Hazards

Mining, like many other natural resource extractive industries, is subject to potential risks and liabilities due to accidents that could result in serious injury or death and/or material damage to the environment and the Company's assets. The impact of such accidents could affect the profitability of the operations, cause an interruption to operations, lead to a loss of licenses, affect the reputation of the Company and its ability to obtain further licenses, damage communicate relations and reduced the perceived appeal of the Company as an employer.

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and

a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that existing or future environmental regulation will not materially adversely affect the Company's business, financial condition and results of operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Government approvals and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from proceeding with planned exploration, development or production of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of production at producing properties, or abandonment or delays in development of new mining properties.

Market Price of Securities

Securities markets have had a high level of price and volume volatility, and the market price of securities of many resource companies have experienced wide fluctuations in price that have not necessarily reflected operating performance, underlying asset value, or future prospects. Factors unrelated to the performance or prospects of the Company include macroeconomic events locally and globally and market perceptions of certain industries. Consequently, the market price of the Company's securities at any given point in time may not accurately reflect the Company's long-term value. In the past, following periods of volatility in market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if initiated, could result in a substantial cost and diversion of management attention and resources, which could significantly harm the profitability and reputation of Anaconda Mining.

Reclamation Estimates and Obligations

It can be difficult to determine the exact cost amounts which will be required to complete all land reclamation activities on the Company's properties. Reclamation bonds and other forms of financial assurance may not reflect the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Company.

There is a potential future liability for clean-up of tailings deposited on the mining license areas during previous periods of mining and reprocessing. It is not possible to quantify at this time what the potential liability may be, and detailed assessments need to be made to determine future land reclamation costs, if any, in respect of the Point Rousse Project.

Increase in Production Costs

Changes in the Company's production costs could have a major impact on its profitability, many of which would be beyond the Company's control. Its main production expenses are contractor costs, materials, personnel costs and energy. Changes in costs of the Company's mining and processing operations could occur because of unforeseen events, including international and local economic and political events, a change in underlying commodity prices (including oil, steel and diesel), and scarcity of labour, and could impact profitability and/or mineral reserve estimates.

The Company relies on third-party suppliers for several raw materials. Any material increase in the cost of raw materials, or the inability by the Company to source third-party suppliers for the supply of its raw materials, could have a material adverse effect on the Company's results of operations or financial condition.

Uncertainty in the Estimation of Mineral Reserves and Mineral Resources

Mineral Resources that are not Mineral Reserves do not have economic viability. The figures for Mineral Reserves and Mineral Resources contained in the Company's NI 43-101 compliant technical reports are estimates only, and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery

will be realized, or that Mineral Reserves could be mined or processed profitably. Actual Mineral Reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold recoveries in small-scale laboratory tests will be duplicated in larger-scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its Mineral Reserve estimates from time to time or may render the Company's Mineral Reserves uneconomic to exploit. Mineral Reserve estimates are not indicative of future results of operations. If the Company's actual Mineral Reserves and Resources are less than current estimates, or if the Company fails to develop its Mineral Resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of Mineral Reserves and Resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of Inferred Mineral Resource is often the least reliable mineral resource category and is subject to the most variability. The Company regularly evaluates its Mineral Resources and it often determines the merits of increasing the reliability of its overall Mineral Resources.

Production Estimates

The Company has prepared estimates of future gold production for its existing and future mines. The Company cannot give any assurance that such estimates will be achieved. Failure to achieve production estimates could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial conditions. The realization of production estimates are dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, the presence or absence of particular metallurgical characteristics, and the accuracy of the estimated rates and costs of mining, ore haulage and processing. Actual production may vary from estimates for a variety of reasons, including the actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades from those planned; mine failures or slope failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment. Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities in addition to adversely affecting mineral production. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing the Company to cease production.

Capital Cost Estimates

Capital and operating cost estimates made in respect of the Company's mines and development projects may not prove accurate. Capital and operating cost estimates are based on the interpretation of geological data, feasibility studies, anticipated climatic conditions, market conditions for required products and services, and other factors and assumptions regarding foreign exchange currency rates. Any of the following events could affect the ultimate accuracy of such estimate: unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delay in construction schedules, unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals); and title claims.

Uninsured Risks

The Company may not carry insurance to protect against certain risks, including environmental pollution, earthquake damage, mine flooding or other hazards against which the Company, and in general, mining exploration corporations, cannot insure or against which the Company may elect not to insure because of high premium costs or other reasons.

Failure to have insurance coverage for any one or more of such risks or hazards could have a material adverse effect on the Company's business, financial condition and results of operations.

Competition

The mining industry is intensely competitive in all of its phases and the Company will compete with many companies possessing greater financial and technical resources. Competition in the precious metals mining industry is primarily for: mineral-rich properties which can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties, and; the capital required to such properties. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees, or to obtain the capital necessary to fund its operations and develop its properties. An inability to obtain the capital necessary to fund its operations and develop its properties may cause the Company to not satisfy the requirements under the option agreements pursuant to which it holds its interest in the properties. Further, increased competition can result in increased costs and lower prices for metal and minerals produced and reduced profitability. Consequently, the revenues of the Company, its operations and financial condition could be materially adversely affected.

Instability of Political and Economic Environments

The mining interests of the Company may be affected in varying degrees by political or economic stability. Associated risks include, but are not limited to terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Any change in regulations or shifts in political attitudes are beyond the control of the Company and may materially adversely affect its business, financial condition and results of operations. Operations may also be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, land use, environmental legislation, water use, land claims of local people, and mine safety. The effect of these factors cannot be accurately predicted.

Risk of Dilution

Under applicable Canadian law, shareholder approval is not required for the Company to issue common shares in certain circumstances. Moreover, the Company has commitments that could require the issuance of a substantial number of additional common shares, in particular options to acquire common shares under the stock option plan of the Company. The future business of the Company will require substantial additional financing which will likely involve the sale of equity capital. The Company can also be expected to issue additional options, warrants and other financial instruments, which may include debt. Future issuances of equity capital may have a substantial dilutive effect on existing shareholders. The Company is not able at this time to predict the future amount of such issuances or dilution.

Litigation

Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Although the Company is not currently subject to litigation and claims, it may be involved in disputes with other parties in the future which may result in litigation or other proceedings. The results of litigation or any other proceedings cannot be predicted with certainty. Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of conflict and legal disputes with third parties. However, if the Company is unable to resolve future legal disputes favourably, it could have material adverse effects on its business, financial condition and results of operations.

Obligations as a Public Company

The Company's business is subject to evolving corporate governance and public disclosure regulations that may from time to time increase both the Company's compliance costs and the risk of non-compliance, which could adversely impact the price of the Company's common shares. These rules and regulations, promulgated by governmental and self-regulated organizations, including, but not limited to, the Canadian Securities Administrators, the TSX, and the International Accounting Standards Board, continue to evolve in scope and complexity. The Company's efforts to comply with such legislation could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Title Matters

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral concessions may be disputed. Although the Company believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impaired. Third parties may have valid claims underlying portions of the Company's interests.

Conflict of Interest

Certain directors and officers of the Company also serve as directors, officers and/or advisors of and to other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. The Company expects that any decision made by any of such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders, but there can be no assurance in this regard. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the OBCA and any other applicable law.

SUMMARY OF MINERAL RESERVES AND MINERAL RESOURCE ESTIMATES

Set forth below are the Mineral Resource and Mineral Reserve estimates for the Company's material mineral properties prepared in accordance with National Instrument 43-101 – Standard of Disclosure for Mineral Projects ("NI 43-101"). Such estimates were based on the following reports:

1. GOLDBORO GOLD PROJECT RESOURCE UPDATE PHASE 2 for Anaconda Mining Inc., dated December 18, 2019, and authored by independent qualified persons Todd McCracken, P.Geo., of WSP Canada Inc., and Tommaso Roberto Raponi, P.Eng., of Ausenco Engineering Canada Inc. ("The Goldboro Technical Report").
2. NI 43-101 TECHNICAL REPORT, MINERAL RESOURCE AND MINERAL RESERVE UPDATE ON THE POINT ROUSSE PROJECT, BAIE VERTE, NEWFOUNDLAND AND LABRADOR, CANADA, dated February 22, 2018, and authored by Michael Cullen, (P. Geo), Catherine Pitman (P. Geo.), David Copeland (P. Geo.), Paul McNeill (P. Geo) and Gordana Slepcev (P.Eng.) ("The Point Rousse Technical Report").

Mineral Resource and Mineral Reserve Estimates are prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's ("CIM") Definition Standards on Mineral Resources and Mineral Reserves, as amended. Unless otherwise noted, the reported mineral resources are inclusive of Mineral Reserves. There have been no material changes to the Mineral Resources since the filing of the Technical Reports, other than from depletion due to mine operations, where applicable.

Table 1 – Consolidated Mineral Reserves

The Mineral Reserve Estimates for the Point Rousse Project have been calculated as of December 31, 2017. There have been no material changes to the Mineral Reserves since the filing of the Technical Report, other than from depletion due to mine operations. Production from Point Rousse since December 31, 2017 is outlined below under the Material Properties section.

Probable Mineral Reserves					
	Category	**Cut-off Grade (g/t)**	**Tonnes (t)**	**Grade (g/t)**	**Ounces Gold (ozs)**
Point Rousse Project					
Pine Cove	Probable	0.5	696,200	0.96	21,440
Stog'er Tight	Probable	1.0	191,500	2.39	14,740
			887,700	**1.27**	**36,180**

Notes:

- Mineral Reserves have been rounded to 100 tonnes, ounces to 0.1 g/t Au and 100 ounces. Minor discrepancies in summation may occur due to rounding.
- Since the effective date of the Mineral Reserve and Resource Estimates for Point Rousse of December 31, 2017, the Company has mined 741,430 tonnes or ore from the Stog'er Tight and Pine Cove mining areas. See Material Properties Section below for full annual production details.

Table 2 – Consolidated Mineral Resources

The Mineral Resource Estimates reported in the table below are inclusive of Probable Mineral Reserves reported above. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. There have been no material changes to the Mineral Resources since the filing of the Technical Reports, other than from depletion due to mine operations, where applicable. Production from Point Rousse since December 31, 2017 is outlined below under the Material Properties section.

Mineral Resource Estimates				
	Deposit	**Tonnes (t)**	**Gold Grade (g/t)**	**Ounces Gold (ozs)**
Goldboro Gold Project				
Measured		1,811,000	4.37	254,400
Indicated		2,285,000	6.05	444,200
		4,096,000	**5.30**	**698,600**
Inferred		3,007,000	7.09	685,100
Point Rousse Project				
Indicated	Pine Cove	863,500	2.07	57,730
Indicated	Stog'er Tight	204,100	3.59	23,540
Indicated	Argyle	543,000	2.19	38,300
		1,610,600	**2.30**	**119,570**
Inferred	Pine Cove	476,300	1.39	21,330
Inferred	Stog'er Tight	252,000	3.30	26,460
Inferred	Argyle	517,000	1.80	30,300
		1,245,300	**1.95**	**78,090**
Total Measured and Indicated Mineral Resources				**818,170**
Total Inferred Mineral Resources				**763,290**

Notes:

- Mineral Resources have been rounded to 100 or 1,000 tonnes, gold grade to 0.1 g/t Au, and ounces gold to 10 or 100 ounces. Minor discrepancies in summation may occur due to rounding.
- The Mineral Resource Estimates for the Point Rousse Project have been estimated as of December 31, 2017. There have been no material changes to the Mineral Resource since the filing of the Technical Report, other than from depletion due to mine operations.
- Point Rousse: Pine Cove cut-off grade of 0.5 g/t Au, Stog'er Tight cut-off grade of 0.8 g/t Au, Argyle cut-off grade of 0.5 g/t Au, and gold price assumption of US$1,250 per ounce (Source: The Point Rousse Technical Report)
- The Mineral Resource Estimates for the Goldboro Project have been estimated as of August 21, 2019, the effective date of the Report. Parameters for Goldboro include an Open pit cut-off grade of 0.5 g/t and underground cut-off grade of 2.0 g/t Au, at a gold price of US$1,350 per ounce (approximately CAD$1,753 per ounce) (Source: The Goldboro Technical Report)

MATERIAL PROPERTIES

Anaconda Mining's material properties are the Goldboro Gold Project in Nova Scotia and the Point Rousse Project in Newfoundland. The following summaries of the material properties are based in part on the respective filed technical reports for each property.

The Mineral Resource Estimates for the Goldboro Gold Project have been calculated as of the effective date of August 21, 2019. The Mineral Reserves and Resource Estimates for the Point Rousse Project have been calculated as of the effective date of December 31, 2017. There have been no material changes to the Mineral Resources since the filing of the Technical Reports, other than from depletion due to mine operations at the Point Rousse Project. Production from Point Rousse since December 31, 2017 is outlined below under the Material Properties section.

In addition to the material properties, the Company also has other early-stage exploration properties as outlined below in this section under Other Projects.

THE GOLDBORO GOLD PROJECT, NOVA SCOTIA

On December 18, 2019, the Company filed an updated technical report for the Goldboro Gold Project prepared in accordance with National Instrument 43-101 regarding an update to the Mineral Resource Estimate ("Mineral Resource") for Goldboro. Each author has reviewed and approved the technical and scientific information that has been summarized from the Goldboro Technical Report included in this AIF. Paul McNeill, P. Geo., and Kevin Bullock, P. Eng., have also reviewed other technical and scientific information not summarized from the Goldboro Technical Report and included in this AIF.

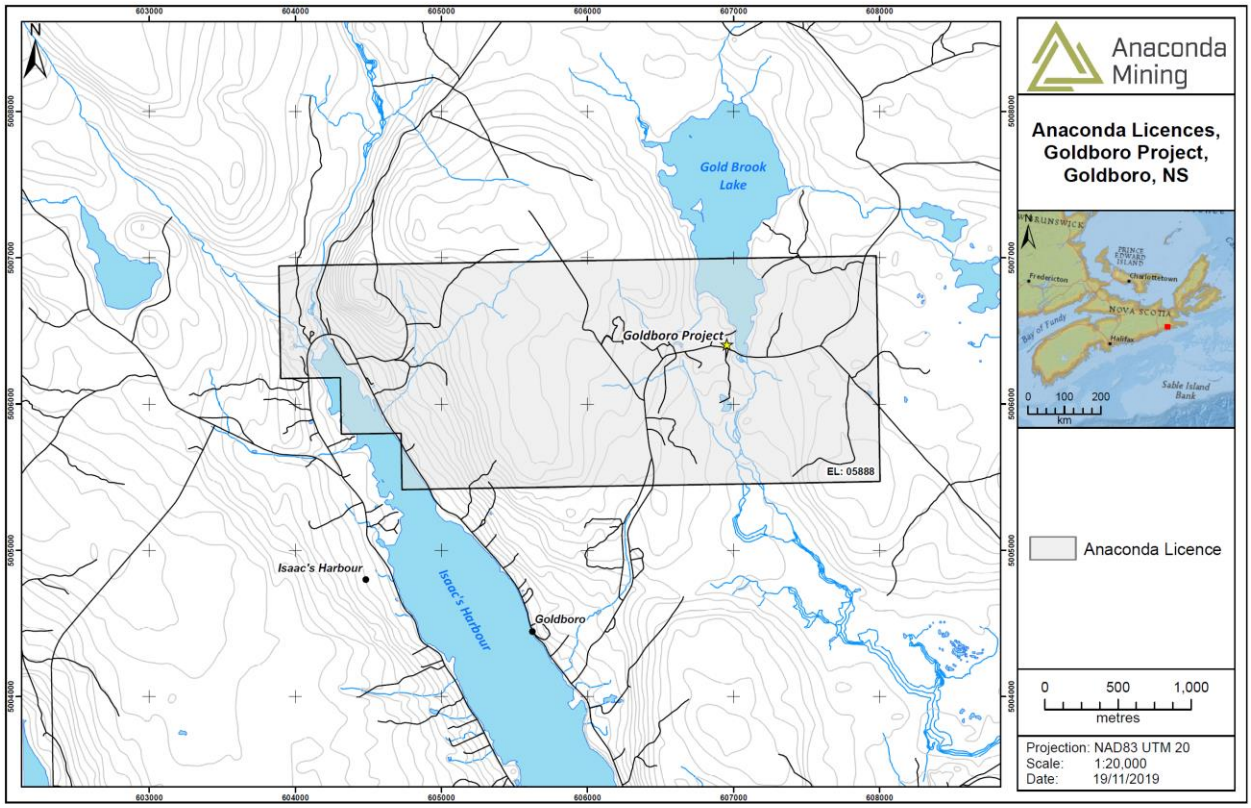
All summaries and references to the Goldboro Technical Report are qualified in their entirety by reference to the complete text of the Goldboro Technical Report, which is available under Anaconda's profile on SEDAR at www.sedar.com.

Property Description and Location and Access

The Goldboro Property (the Property) is situated on the eastern shore of Nova Scotia, Canada, with the central point of the Property being approximately located at 45° 12' 2.6" N latitude and 61° 39' 2.0" W longitude. The Property consists of 37 contiguous claims covering a total area of approximately 592 hectares held under Exploration Licence No. 05888. This title is in its 40th year of issue in 2019.

The Property is located approximately 175 km northeast of the city of Halifax, 60 km southeast of the town of Antigonish, and 1.6 km north of the village of Goldboro, on the eastern shore of Isaac's Harbour, in Guysborough County, Nova Scotia, Canada. The elevation is nominally 70 m above sea level. All weather Highway 316 links the village of Goldboro to the town of Antigonish. A secondary gravel road (Goldbrook Road), accessed from Highway 316, crosses the Property and passes near the historic Boston Richardson shaft and exploration decline. Smaller logging roads and trails provide good access to most areas of the Property.

Gold mineralization at the Goldboro Project is hosted within 3 key mineralized zones namely the West Goldbrook Gold System (WG Gold System), the Boston-Richardson Gold System (BR Gold System), and the East Goldbrook Gold System (EG Gold System).



History

Gold mineralization on the Property was first discovered in 1862 by Howard Richardson of the Geological Survey of Canada in quartz veins within the Isaac's Harbour anticline. The gold-bearing Boston-Richardson belt (slate and quartz) was subsequently discovered by Richardson in 1892. The Richardson Gold Mining Company began production from the belt in 1893 at an average reported grade of 0.38 oz. of gold per short ton (13.03 g/t Au;) milled. Milling recoveries were reported to be in the 50 to 60% range.

From 1901 to 1905, three gold-bearing belts were intersected in the Dolliver Mountain mine, located 2 km west of the Boston-Richardson mine. In 1904, 205 oz. (6,376 g) of gold were recovered from 8,059 short tons milled, producing an average gold grade of 0.87 g/t. Work at Dolliver ceased in 1905 due to unfavourable drilling results. In 1907, the East Goldbrook property that adjoins the Boston Richardson property to the east was acquired by F.S. Andrews and others. A shaft was sunk 175 feet (53 m), and three promising gold-bearing belts were explored in 1908. One of these was reported as being well-mineralized but no other work was carried out on the property at that time. Operations were suspended on August 15, 1908 due to financial difficulties but were later resumed.

From 1909 to 1910, the West Goldbrook exploration shaft intersected five gold-bearing belts. Three of these were mill tested but results were unsatisfactory, and the mine was abandoned.

Government records show total gold recovery from 1893 to 1910 for the property to be 54,871 ounces (1,707 kg) from 414,887 short tons of material milled (376,303 t), with this producing an average recovered gold grade of 4.11 g/t. However, mill recovery is reported to be approximately 67 % (Roy, 1998). Intermittent activities on the property between 1910 and 1981 included metallurgical test work, reprocessing of mine tailings, shaft sinking, and cross-cutting.

In 1981, Patino Mines (Quebec) Ltd. completed a geophysical program covering the Upper Seal Harbour district. In 1984, Onitap Resources Inc. (Onitap) acquired 37 claims overlying the property. Between 1984 and 1988, Onitap conducted diamond drilling programs, airborne VLF-EM surveys and surface Induced Polarization (IP) surveys. During this period several new mineralized belts were discovered.

Orex Exploration Inc. (Orex) acquired the Goldboro Property from Onitap in 1988 and, with the exception of a period of inactivity from 1996 to 2004, since that time has actively pursued both surface and underground exploration programs, including large amounts of core drilling, metallurgical testing programs, resource estimation programs and

economic assessments of the property. The most recent major exploration effort consisted of an extensive core drilling assessment of the property that was carried out by Osisko Mining Corporation (Osisko) under terms of agreement with Orex during the 2010 to 2012 period.

In March of 2017, Anaconda acquired control of the Goldboro Property under terms of a court-approved plan of Arrangement whereby Orex became a subsidiary of Anaconda. Work programs carried on in 2017, 2018 and 2019 by Anaconda are summarized in the Exploration Section below.

Geological Setting and Mineralization and Deposit Types

The Goldboro Property is underlain by folded sedimentary rocks of the Cambro-Ordovician Goldenville Formation of the Meguma Group. This formation consists of interbedded greywacke, arenite, and argillite (slate) that are affected by the east-west trending, upright, Upper Seal Harbour Anticline.

Quartz vein systems associated with the hinge zone of the shallowly east-plunging Upper Seal Harbour Anticline are the most important hosts for gold in this district, but gold values are also present in hosting argillite units in association with disseminated sulphides and adjacent to some vein contacts. Mineral resources reported below occur in three spatially contiguous zones along the Upper Seal Harbour Anticline. In combination, these comprise the total Goldboro Deposit for current reporting purposes and consist of the WG Gold System, the BR Gold System, and the EG Gold System. Each system is characterized by stacked, gold-bearing quartz-veined stratigraphic intervals that can be correlated both along strike and down dip.

Veins at Goldboro, which form during deformation, present three major geometries commonly referred to as ‘reefs’, these being saddle reefs, leg reefs, and spur reefs. Saddle reefs occur about the apex of the fold and are commonly the dominant vein types within some Nova Scotia gold districts. Leg reefs extend down the limbs of the fold, beyond the saddle reefs and are generally parallel with the argillite layers. They may also be identified as bedding parallel or ‘BP’ veins. Spur reefs are veins that cross between layers and may be in the apex of the fold or on its limbs.

The Goldboro Deposit contains all three types of quartz vein types outlined above but is also characterized by mineralization within the host argillite units. Because the Goldboro Deposit contains saddle, leg, and spur reefs and has gold within the argillite hosting the veins, it contains significantly more gold resources than deposits that contain gold only in the reefs and not in the host argillite.

The Goldboro Deposit contains at least 57, stacked, quartz veining-argillite belts that vary in thickness from less than 1 metre up to 20 metres. These are folded into a tight, gently east-plunging, anticline referred to as the Upper Seal Harbour Anticline. The EG and BR Gold Systems are separated by a thick greywacke sequence (the Marker Horizon) with the EG Gold System above the greywacke and the BR Gold System below. The WG Gold System is separated from the BR Gold System by a fault zone and represents the continuation of the BR Gold System on the west side of the fault. The trace of this Upper Seal Harbour Anticline crosses the Property and is found near the historical Dolliver Mountain mine, several kilometres to the west of the Goldboro Deposit demonstrating that the structure which hosts gold continues for several kilometres.

The turbidite-hosted gold deposits of Nova Scotia have been compared to similar-age turbidite-hosted quartz vein deposits elsewhere in the world, particularly those in the Bendigo and Ballarat areas of the Lower Paleozoic Lachlan Fold Belt in the state of Victoria, Australia, and have historically been similarly classified. This deposit class is identified as a member of the ‘Turbidite-hosted, quartz-carbonate vein deposit (Bendigo Type)’ category. Categorization within the USGS classification system of mineral deposits places the Goldboro Deposit in the broad 36A category of ‘Low-Sulphide Gold-Quartz Vein Deposits’.

Exploration

Anaconda acquired its interest in the Property early in 2017 under terms of a court-approved Plan of Arrangement whereby Orex became a subsidiary of Anaconda. On this basis, work completed by Orex and others prior to the acquisition is considered historic in terms of current NI 43-101 technical reporting. A summary of historic exploration was presented in Section 1.3 History.

Work completed by Anaconda on the Property since its acquisition in March of 2017 includes three drilling programs identified as Phase I, Phase II and Phase III, the completion of several mineral resource updates, a Preliminary Economic Assessment (PEA) of the Goldboro Project, and a 10,000 tonnes bulk sample program.

The Phase I core drilling program (holes BR17-01 to 05) was designed to obtain material for metallurgical testing and geotechnical analysis, and to initiate deposit exploration. The larger Phase II program during late 2017 and 2018

focused on infill and extension drilling (holes BR17-06 to 13 and BR18-14 to 42). Phase III program (BR18-43 to 99) was completed to delineate resource in the Boston Richardson and East Goldbrook domains.

In addition to the drilling and associated metallurgical programs, the company retained Mercator in 2017 to prepare an updated mineral resource estimate, Thibault to carry out metallurgical test work, WSP to prepare a PEA based on Mercator 2017 resource, and WSP was retained in 2018 to update the resource after Phase II drilling program.

Drilling

A total of 65,968 m of surface and underground diamond drilling was completed between 1984 and 2011. Orex was corporately involved in all programs from 1988 through 2011, and earlier programs were carried out by Onitap, Petromet Resources Ltd., and Greenstrike Gold Corp.

In 2010, reverse circulation (RC) drilling equipment was used by Osisko to explore near-surface gold mineralized structures on the Property by recovering basal till and bedrock samples for gold assaying and whole-rock analysis. The program consisted of 64 RC drillholes completed in the East Goldbrook, Boston-Richardson Ramp, and West Goldbrook areas. Assay results from the RC drill program were not used for the resource estimate.

During the summer of 2017, Anaconda completed a five-hole (BR-17-01 to 05), 643 m, diamond drill program that tested the BR and EG Gold Systems. Drilling of the five holes was completed in order to collect samples for metallurgical test work on mineralization, with each of the completed holes twinning an historic drillhole.

In addition to the metallurgical drilling program described above, Anaconda completed thirty-nine additional core holes on the Property (BR-17-06 to BR-17-13 and BR-18-14 to BR-18-42) totaling 11,712.9 m of drilling.

The 2017-2018 drill program focused on infilling areas of Inferred resources as outlined in the 2018 PEA filed on March 2, 2018 and expanding the Goldboro Deposit along strike and down plunge, and at depth along the host fold structure. Drilling has focussed on testing the down-plunge, down-dip and along strike extension of the BR Gold System and the EG Gold System. Drilling also focussed on infilling under-drilled areas of the deposit in order to upgrade mineral resources from the Inferred to Indicated category with focus on sections 9000E, 9050E, 9100E, 9150E, 9250E, 9350E, 9450E, 9500E, 9550E and 9650E.

The 2018-2019 drill program focused on infilling areas of Inferred mineral resources and expanding the Goldboro Deposit along strike and at depth along the host fold structure. Infill drilling targeted under drilled areas of the deposit in order to upgrade mineral resources from the Inferred to Indicated category within the WG and EG Gold Systems. Drilling also focussed on testing the down-plunge, down-dip and at depth expansion of the WG, BR and EG Gold Systems. From July 2018 to August 2019 Anaconda completed 63 drillholes (BR-18-43 to BR-18-71 and BR-19-72 to BR-19-104) on the Property totaling 15,851.5 m of drilling.

Sample Preparation, Analyses and Security and Data Verification

Sample preparation, analysis, and security discussions for all drilling programs carried out on the Property prior to 2010 were addressed in previous NI 43-101 mineral resource estimate technical reports completed by Gervais et al. (2009), Puritch et al. (2006), Bourgoin et al. (2004), Cullen and Yule (2013, 2017) and Robinson et al. (2018). Drillholes from programs completed between 1984 and 2011 are included in the database used for the current resource estimate. The sampling approaches in programs carried out prior to 2005 generally reflect sampling of visibly determined mineralized belts, respective of major geological units, plus varying amounts of adjacent material. Exceptions to this, which include continuous core sampling and/or total core rather than half core sampling, pertain to certain historic metallurgical programs. Continuous mineralized zone sampling, respective of major lithologic units, pertains to 2005 and later programs.

Drill core samples from surface drilling programs carried out in 2005 (HQ core) and 2008 (NQ core) were generated by Orex during this period. Samples were sent to ALS Canada Ltd. (ALS) facilities in either Val d'Or, Québec (2005) or Timmins, Ontario (2008). Standard rock sample crushing and grinding procedures at ALS were followed by initial fire assay (FA) fusion Atomic Absorption (AA) finish analysis of 50 g pulp splits. If the initial result met or exceeded a 2.5 g/t gold threshold, analysis of a second coarse reject split was carried out using a gravimetric finish. Composite metallurgical samples were created from coarse reject materials selected by Orex consultants and these were submitted to SGS Lakefield for whole sample metallurgical testing. A quality assurance and quality control program that included analysis of Certified Reference Material (CRM), field duplicates, coarse reject duplicates, pulp split duplicates, and blank samples was carried out with respect to both the 2005 and 2008 programs, and results of these programs are presented in the report.

The 2010-2011 Osisko program was carried out under project supervision of Mr. J. Lafleur, P. Geo. and site supervision by consultant Mr. Bruce Mitchell, P. Geo. W.G. Shaw and Associates Ltd. provided most core logging, sample cutting, and field support staff for both programs and Mercator supplied one P. Geo. staff geologist to assist with the 2011 core logging. All the NQ-sized core was logged, photographed, sampled, bagged, tagged, and sealed at the Goldboro site by qualified personnel. Logging utilized Gemcom GemsTM Logger software, and project protocols included progressive, systematic, and secure offsite backup of digital drilling, logging, and sampling data. At ALS, each sample was crushed to 70% < 2 mm, split to 250 g using a riffle splitter, pulverized to 85% at < 0.075 mm, and made into a 50 g sample of the pulp. The 50 g pulp was fire assayed with atomic absorption spectrometry finish (ALS codes Au-AA24 and Au-AA26). Samples exceeding the atomic absorption spectrometry threshold were re-assayed using a gravimetric finish (ALS code Au-GRA22). All samples containing visible gold were directly assigned for processing using the total metallic screen method with FA and AA or gravimetric finish.

Review of assessment reporting related to the various drilling programs carried out during the 1984 to 2005 period showed that, with the exception of the metallurgical and check sampling program carried out by Placer in 1995, no structured programs designed to systematically monitor quality control and assurance issues for drill core were in place. Orex drilling programs in 2005 and 2008 and Orex-Osisko programs in 2010 and 2011 were subject to rigorous QA/QC programs, with some procedural changes incorporated during the period.

During the 2017, 2018 and 2019 Anaconda programs, drill core samples were collected systematically down the hole based on the occurrence of visual alteration, mineralization and quartz veining. Samples ranged in length from 0.3 to 1.0 m depending on the nature and width of veining and mineralization samples, while trying to best honour geological contacts. Samples were collected of half-sawn drill core and shipped to Eastern Analytical Limited in Springdale, Newfoundland and Labrador for analysis via standard 30 g FA-AA finish. Samples were also analyzed at Eastern Analytical Ltd. via total pulp metallics method (screen metallic) using the entire sample for samples assaying greater than 0.5 g/t gold, and samples up to drillhole BR-18-62 were submitted for 34-element ICP analysis. Check assays on all sample pulps assaying >0.5 g/t Au were completed at ALS for the 2017 and 2018 drill programs.

Data Verification

Core sample records, lithologic logs, laboratory reports and associated drillhole information for all drill programs completed in the 1984 to 2011 period were digitally compiled for use in Gemcom-Surpac Version 6.2.1® (SurpacTM) deposit modeling software. Historic and current drilling program information was reviewed and digital records of historic drilling were checked for both consistency and accuracy against original source documents available through NSDNR or received from Orex. All 2010, 2011, 2017, 2018 and 2019 drillhole coordination and orientation data inputs were checked, and validation of approximately 20% of the assay dataset for sample interval and assay value information against corresponding source documents was carried out.

After completion of all manual record checking procedures, the drilling and sampling database records were further assessed through digital error identification methods available through the SurpacTM modeling software. The digital review and import of the manually checked datasets through SurpacTM provided a validated Microsoft Access® database that Mercator and WSP considered to be acceptable with respect to support resource estimation programs.

In January of 2013, Mercator staff completed a site visit at Goldboro during preparation of the 2013 resource estimate. An independent check sampling program consisting of 22 quarter-cut core samples was completed during the visit. The check sample program results are interpreted as confirming the general mineralized character of the core intervals tested, with new data showing a low bias in most cases. This is considered a reflection of 'nugget-effect' that is a well-documented characteristic of gold mineralization on the Goldboro Property. A drillhole location check of 17 collar coordinates was also completed during the site visit with acceptable results.

Todd McCracken, Independent Qualified Person of WSP completed a site visit in October 2018 and in July 2019 to the Property and reviewed diamond drill core and sampling procedures for the ongoing Anaconda drilling program.

Mineral Processing and Metallurgical Testing

Metallurgical testing was completed to quantify the metallurgical response of samples from deposits in the Goldboro project. The testing focused on samples from Boston-Richardson and East Goldbrook deposits. The program was designed with the intent to develop the parameters for process design criteria for comminution, gravity concentration, leaching, carbon adsorption, cyanide destruction and carbon elution, and gold refining in the process plant. The metallurgical program was performed on the following composites:

- Boston-Richardson: low grade, medium grade, and high grade;
- East Goldbrook: marginal grade, low grade, medium grade, and high grade.

The composites were selected by Anaconda geologists with input from metallurgists to represent the spatial distribution, head grades, and mineralization types of the Goldboro project.

Boston-Richardson samples were tested through a suite of grinding characterization tests including Bond low energy, rod mill and ball work index, and Bond abrasion index tests. The Boston-Richardson samples were selected to complete SMC tests. The East Goldbrook samples were used for Bond ball mill work index variability tests.

The program included grind optimization, gravity concentration, leaching studies on the Boston Richardson composites. The East Goldbrook composites were tested as variability samples to evaluate the optimum conditions determined through the Boston-Richardson tests. An overall Master Composite was assembled for bulk leach tests to provide feed material for cyanide destruction testing and carbon adsorption testing. Tailings solids samples were then used for environmental testing. An overall recovery model was derived from the test data for use in process design and mine scheduling.

The testing showed the samples to be amenable to standard crushing, grinding, gravity concentration and leaching for gold recovery. The testing showed that significant portions (>50%) of the contained gold could be recovered with gravity concentration. An overall recovery model was derived from the test data for use in process design and mine scheduling. Overall gold recovery will be approximately 95%, dependent of the head grade.

Cyanide detoxification and arsenic removal was tested using standard SO2/air and ferric sulphate precipitation respectively. Both methods were found to be successful in reducing weak acid dissociable cyanide and arsenic concentrations that comply with environmental regulations. Tailings solids samples were then used for environmental testing.

Mineral Resource Estimate

The current mineral resource estimate for the Goldboro Deposit is based on validated results of 492 surface and underground drillholes. Modeling was performed using Geovia SurpacTM 2019 modeling software with gold grades estimated using ordinary kriging (OK), inverse distance squared (ID2) and nearest neighbor (NN) interpolation methodology and capped 1.0 m downhole assay composites. Block size is 1 m (x) by 1 m (y) by 1 m (z) with no sub-blocking allowed. The drilling defined deposit is divided into three spatial domains for modeling purposes, these being (1) the WG Gold System, (2) the BR Gold System, and (3) the EG Gold System.

Sectional interpretations correlating folded ‘belts’ of argillite and quartz veining supporting a minimum gold grade of 0.50 g/t were first defined and then digitally wireframed to create three-dimensional solid model domains. A total of 16 belt domains were created for the Boston-Richardson System, 13 belt domains for the West Goldbrook System, and 25 belt domains for the East Goldbrook System. All mineralized belt domains are centered on the hinge area of the Upper Seal Harbour Anticline, which plunges 20 to 30° to the east over a strike length of 1,500 m in the deposit area. Belts have been defined to depths of up to 400 m below surface and vary in average thickness from a few metres or less in fold limb areas to tens of metres in hinge zone saddles. A digital terrain model of the top of bedrock surface was also developed to constrain the model, along with digital solid models for underground workings and an east trending fault zone that intersects the BR Gold System; the New Belt Fault.

Grade interpolation Mineral Resources was constrained within the various belt domain wireframes using four interpolation passes, utilizing a variable sized search ellipse, with contributing assay composites capped at 80 g/t gold. Multiple search ellipsoid orientations were applied in each pass to accommodate local variations in mineralization trends. These generally conform in strike and plunge of the fold axis.

Upon completion of the classification macro, the model was reviewed and “orphan” blocks of Inferred resources were converted to Indicated resources, and “orphan” Indicated blocks converted to Inferred resource.

Block grade for the Goldboro Deposit were estimated using the methods described. Bulk Density was assigned to individual blocks based on a regression formula. Density and gold attributes for all resource blocks intersecting underground development and stoping solid models were defaulted to null values.

Subsequent application of resource category parameters set out above resulted in the mineral resource estimate statement presented in Table 1.1. Results are in accordance with Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: Definitions and Guidelines (the CIM Standards, 2014) as well as disclosure requirements of National Instrument 43-101.

Goldboro Project Mineral Resource Statement – Effective August 21, 2019

Resource Type	Au Cut-off (g/t)	Category	Tonnes ('000)	Au (g/t)	Troy Ounces	% Change in Grade from Dec. 2018**	% Change in Ounces from Dec.2018***
Open Pit	0.5	Measured	844.00	2.40	65,200	-	-
		Indicated	111.00	2.63	9,400	-	-
		Measured + Indicated	955.00	2.43	74,600	-	-
		Inferred	22.00	2.79	2,000	-	-
Underground	2	Measured	967.00	6.08	189,200	-	-
		Indicated	2,174.00	6.22	434,800	-	-
		Measured + Indicated	3,141.00	6.18	624,000	-	-
		Inferred	2,985.00	7.12	683,200	-	-
Combined	0.50/2.00	Measured	1,811.00	4.37	254,400	3.3%	16.0%
		Indicated	2,285.00	6.05	444,200	10.0%	15.9%
		Measured + Indicated	4,096.00	5.30	698,600	6.9%	15.9%
		Inferred	3,007.00	7.09	685,100	6.9%	51.2%

Mineral Resource Estimate Notes:

1. *Mineral Resources were prepared in accordance with NI 43-101 and the CIM Definition Standards (2014). Mineral resources that are not mineral reserves do not have demonstrated economic viability. This estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.*
2. *Open pit Mineral Resources are reported at a cut-off grade of 0.5 g/t gold that is based on a gold price of CAN$1,753/oz (~US$1,350/oz). and a gold processing recovery factor of 95%.*
3. *Underground Mineral Resource is reported at a cut-off grade of 2.0 g/t gold that is based on a gold price of CAN$1,753/oz (~US$1,350/oz). and a gold processing recovery factor of 95%.*
4. *Appropriate mining costs, processing costs, metal recoveries, and inter-ramp pit slope angles were used by WSP to generate the pit shell.*
5. *Appropriate mining costs, processing costs, metal recoveries and stope dimensions were used by WSP to generate the potential underground resource.*
6. *Rounding may result in apparent summation differences between tonnes, grade, and contained metal content.*
7. *Tonnage and grade measurements are in metric units; contained gold ounces are in troy ounces.*
8. *Contributing assay composites were capped at 80 g/t Au.*
9. *A bulk density factor was calculated for each block based on a regression formula.*

A mineral reserve has not been estimated for the Project as part of the Goldboro Technical Report.

Bulk Sample Program at Goldboro

In August 2018, the Company initiated an underground bulk sample at Goldboro (the "Bulk Sample") of approximately 10,000 tonnes. The objectives of the Bulk Sample were to confirm the geological interpretation of the deposit, test for spatial and grade continuity of the mineralized structures, validate key assumptions of the updated Mineral Resource model, and test certain types of mining methods.

Key Takeaways of the Bulk Sample include:

- Successfully tested a large area within the 2019 Mineral Resource Estimate[1] with respect to continuity of gold grade and geological interpretation, confirming the position and continuity of mineralized zones;
- The average ***diluted*** mine grade based on grade control samples[2] of 3.51 g/t gold reconciles well with the average ***undiluted*** grade of the Mineral Resource block model of 3.81 g/t gold in the area of the Bulk Sample (both capped at 80 g/t);
- The average head grade of 3.81 g/t gold from the Pine Cove Mill shows a positive reconciliation of 8.5% to the mine grade of 3.51 g/t gold, demonstrating an upside bias within an acceptable range;
- High gravity recovery of 51%, confirming metallurgical test work; and
- Demonstration of excellent ground conditions through test mining and successful testing of certain underground mining methods to optimally extract the Mineral Resource.

Bulk Sample Shipped (Diluted)			**Head Grade Through Mill**			**Variance**
Tonnes (dry)	**g/t Au[2]**	**Ounces**	**Tonnes (dry)**	**g/t Au[3]**	**Contained Ounces**	**(%)**
9,785	3.51	1,106	9,785	3.81	1,197	8.5%

[1] Refer to the Company's technical report entitled "Anaconda Mining Inc., Goldboro Gold Project Resource Update Phase 2, Guysborough County, NS" with an effective date of August 21, 2019 and report filing date of December 18, 2019.
[2] Mine grade was based on muck samples taken from every second truck during the mining process, estimated using metallic screening with an 80 g/t gold top cut.
[3] Contained ounces and head grade calculated based on gold produced from the Pine Cove Mill plus gold contained in tailings.

The calculated head grade from processing was 3.81 g/t gold, a positive reconciliation of 8.5% compared to the average mine grade of 3.51 g/t gold. The Bulk Sample results indicate that we have achieved good reconciliation of the diluted material mined compared to the block model, and the reconciliation of the calculated head grade to the average mine grade indicates that the capping of 80 g/t gold is appropriate, with upside bias.

Mining Operations

The Company is reviewing optimal mining methods as part of a Feasibility Study to be released in the first half of 2020. Test mining undertaken as part of the Bulk Sample demonstrated excellent ground conditions through and successful testing of certain underground mining methods to optimally extract the Mineral Resource.

Processing and Recovery Options

On July 9, 2019, the Company released results of a metallurgical test program (the "Met Program") that was conducted as part of the feasibility study for the Goldboro Gold Project, which demonstrated extremely high processing recoveries in a range of 87%-99%. The Met Program was completed at Base Metallurgical Laboratories Ltd. in Kamloops, BC and under supervision of Ausenco Engineering Canada Inc., which is leading the Goldboro mineral processing plant design.

Highlights of the metallurgical testing program include:

- High overall gold recoveries from samples tested averaged 97% with a range from 87% to 99%, with a range of 8% to 97% recovered by the gravity circuit;
- All tests showed low reagent consumption;
- No deleterious elements were found within the Goldboro samples which contained approximately 3% sulphide minerals;
- In more than 70% of the samples (5 out of 7), the calculated head grade exceeded the value returned from the samples' metallic screen assays;

- This testing confirmed that cyanide destruction and arsenic removal systems would achieve water quality that meets the Federal Environmental Code of Practice for Metal Mines and the Metal Mining Effluent Regulations (MMER) discharge criteria.

The objective of the Met Program was to determine a flow sheet that optimizes gold recovery while minimizing reagent consumptions via gravity processing followed by leaching, as well as to assess the effect of grind on gold recovery by gravity and leach-CIP processes. The Met Program included comminution testing, grind optimization, gravity concentration, leach testing, cyanide destruction and arsenic precipitation. Cyanide destruction and arsenic precipitation development was also completed to generate samples for environmental and geotechnical characterization studies in support of continued environmental permitting. No deleterious elements were found within the Goldboro samples which contained approximately 3% sulphide minerals.

Anaconda obtained seven samples from the Boston Richardson (Low, Medium and High Grade) and East Goldbrook (EG1, EG2, EG3 and EG4) mineral resource areas and made composites by grade and to spatially represent their respective resource areas. The gold feed grades of the samples, determined by screened metallics protocol, ranged from 0.6 g/t to 12 g/t Au. The purpose of testing a wide range of gold grades was to ascertain plant recoveries over the entire project life as grades will be relatively lower during the open pit mining period as compared to the higher-grade underground mining portion, which represents the majority of the mine life.

Crushing and Grinding Testing: Detailed comminution testing characterized ore hardness by Bond Low Energy Impact Crushing Work Index (CWI), SMC Test, and Bond Rod Mill Work Index (RWI), Bond Ball Mill Work Index (BWI) and Bond Abrasion Index (AI). The composites tested fell in the range of 36.8 to 79.4 A x b through SMC tests, with a Bond Ball Mill Work Index median of 15.7 kWh/t which spanned the medium to medium hard range of hardness.

Gravity Testing: Samples from the Boston Richardson zone were tested with the Extended Gravity Recoverable Gold (E-GRG) protocol to determine their amenability to gravity concentration. The results showed very high Gravity Recoverable Gold (GRG) numbers, which ranged from 78 to 98% Au. The GRG value does not directly predict or correlate gold recovery results from a closed-circuit milling operation. It is indicative of gravity gold amenability and in this scenario all three samples would benefit from the inclusion of a gravity circuit.

Leach Testing: Leach conditions were evaluated over a range of grind sizes (from 80% passing 250 ppm to 80% passing 60 ppm) and leach retention times up to 48 hours. Leach tests were preceded by batch gravity concentration to replicate plant conditions. The optimal grind size was found to be 80% passing 100 to 110 ppm. Leach recovery was not overly sensitive to fineness of grind. Under optimized conditions (cyanide maintained at 0.5 g/L as NaCN) reagent consumption is low, with sodium cyanide (NaCN) and lime (CaO) averaging 0.14 kg/t and 0.53 kg/t, respectively.

Initial kinetic screening tests include batch gravity recoveries ranging from 8% Au to 97% Au and overall leach recoveries ranging from 86% to 98% for overall recoveries ranging from 87% Au to 99% Au. Leach tests were run over 48 hours.

Optimization Testing and Detailed Results: Optimization tests were run at the optimal grind and at reduced cyanide concentrations of 0.5 g/L NaCN at 50% solids for 24 to 36 hours. The results show in the table below combined gravity/leach gold extractions of 94% Au to 99% Au with a final residue values of 0.07 g/t Au to 0.46 g/t Au for the Boston Richardson Ore types and 87 to >99% with final residues 0.04 g/t Au to 0.20 g/t Au for East Goldbrook samples. Calculated head grades ranged from 5.0 g/t Au to 17.1 g/t Au for the Boston Richardson samples and from 0.90 g/t Au to 21 g/t Au for the East Goldbrook samples. The metallurgical testing shows an increase of 44 % in the calculated head grade versus samples Screen Metallics.

Cyanide Destruction: Cyanide destruction using the SO2/air method testing with batch and continuous testing demonstrated that a weak acid dissociable cyanide (CNWAD) below 3 mg/L could be achieved with 45 minutes of retention time using a conventional ratio of 5g SO2/g CNWAD.

Arsenic precipitation of the Cyanide Destruction product with ferric sulphate reduced arsenic in solution to below 0.5 mg/L and less than 0.1 mg/L can be attained. Addition rates of ferric sulphate were in line with industrial practice at 10:1 iron to arsenic. This testing confirms that cyanide destructions and arsenic removal systems would achieve water quality that meets the Federal Environmental Code of Practice for Metal Mines and the Metal Mining Effluent Regulations (MMER) discharge criteria.

Bulk Sample Processing Results: Anaconda shipped the Goldboro Bulk Sample to the Pine Cove Mill in Newfoundland for processing, where the gold was extracted via a combination of gravity recovery followed by

sulphide flotation and cyanide leaching. The mill recovered 610 ounces of gold from the gravity concentration circuit, with an additional 360 ounces being recovered through the flotation and leaching circuits, for a total of 970 ounces of gold recovered and an overall recovery of 81%. Concentrate from the gravity circuit was further cleaned through the use of a shaker table and additional gravity concentration processes to ultimately produce gold doré bars.

The recovery results reflect the limitations of the Pine Cove Mill with respect to the processing of Goldboro material. The metallurgical test work described above demonstrated high overall gold recoveries averaging 97% using gravity processing followed by whole-ore leaching.

Composite samples taken from key sampling points in the process, including gold contained in tailings, were used in conjunction with the actual gold recovered and milled tonnage to calculate an average head grade of 3.81 g/t gold. The reconciled results from the processing of the Bulk Sample material are as follows:

Tonnes Processed (dry)	**Head Grade**	**Contained Ounces**	**Gravity Concentrate**		**Flotation Concentrate Leach**		**Overall Recovery**	**Recovered Ounces**
	Au (g/t)	Au	Au Rec (%)	Au Oz	Au Rec (%)	Au Oz	(%)	Au
9,785	**3.81**	**1,197**	**51%**	**610**	**30%**	**360**	**81%**	**970**

The calculated head grade from processing was 3.81 g/t gold, a positive reconciliation of 8.5% compared to the average mine grade of 3.51 g/t gold. The Bulk Sample results indicate that we have achieved good reconciliation of the diluted material mined compared to the block model, and the reconciliation of the calculated head grade to the average mine grade indicates that the capping of 80 g/t gold is appropriate, with upside bias.

The gravity recovery compared well to bench scale testing completed in 2019, as part of metallurgical testing done by Base Metallurgical Laboratories Ltd. (see above).

Infrastructure, Permitting and Compliance Activities

The Company is reviewing all infrastructure requirements for the Goldboro Gold Project as part of a Feasibility Study to be released in the first half of 2020.

In parallel, the Company is advancing the Project through the permitting process, engaging GHD Limited ("GHD") of Nova Scotia for that process, the same group that worked with Atlantic Gold Corporation during its permitting of the Moose River Consolidated Project. In September 2019, Anaconda announced that it intends to file a new Environmental Assessment Registration Document ("EARD") for the Project with the Nova Scotia Department of Environment, as the environmental and engineering work to date has resulted in material changes and improvements from the original concept outlined in the initial EARD, including a modified project layout and a reduction in mining at surface. The new EARD will also contemplate a full processing facility at Goldboro which will produce gold doré bars, reflecting the growing mineral resource and the potential for a longer-life mining operation. The updated EA is expected to be filed in the first half of 2020.

As the work on the new EA progresses, Anaconda continues to maintain open opportunities for dialogue and community engagement with representation from the Nova Scotia Mi'kmaq First Nations, the Municipality of the District of Guysborough, and the public regarding the Goldboro Project.

In July 2019, the Company signed a Memorandum of Understanding with the Assembly of Nova Scotia Mi'kmaq Chiefs that will govern the process by which the parties will work together in good faith to resolve a Mutual Benefits Agreement in a way that reflects a desire to build a mutually beneficial relationship that will be sustained for the life of the Goldboro Gold Project. Anaconda has participated in multiple meetings thus far with Chief Terry Paul who is the Co-Chair of the Assembly of Mi'kmaq Chiefs for Nova Scotia and is responsible for the Mining portfolio.

The Company also commissioned a Mi'kmaq Ecological Knowledge Study (MEKS) by a company endorsed by KMKNO. Anaconda representatives participated in the site visit component of the MEKS study to receive first-hand knowledge shared by a Mi'kmaq Elder from the nearest Mi'kmaq community of Paqtnkek.

As required by the Nova Scotia Department of Environment, a Community Liaison Committee (CLC) has been established to ensure information sharing with the community. The goal of the CLC is to maintain good public relations, foster environmental stewardship, and act as a vehicle for transparent and ongoing communications between community, stakeholders, and the Company on matters pertaining to current and planned development.

The other key approvals and permits required prior to development and production include: a Water Withdrawal Permit, an Industrial Approval, a Mineral Lease, an approved reclamation plan, and a letter of authority form the Director of Mines of the NSDNR. Baseline water quality measurements and ongoing water quality testing is being carried out to obtain the Water Withdrawal Permit. Approval of the design of the tailings facility is required for the industrial approval.

Capital and Operating Costs

The Company is reviewing all economic parameters of the Goldboro Gold Project, including operating costs, up-front capital costs, and sustaining capital, as part of a Feasibility Study to be released in the first half of 2020.

Exploration, Development and Production

As outlined in the sections above, the Company is working towards completing a Feasibility Study on the Goldboro Gold Project which it expects to publish in the first half of 2020. Potential future exploration work is outlined below under Recommendations, subject to a positive Feasibility Study and successful project financing.

Recommendations

Following up on the work completed and outlined in this report, the Phase I recommendations for the 2020 exploration program include the following.

- Phase I – Exploration:
  - Complete a hyperspectral imaging program on up to 7,500 m of core to better characterize alteration mineralogy with the goal of identifying more refined grade control techniques.
- Phase II – Upon completion of a positive feasibility study and successful project financing:
  - Complete a 300 m geotechnical drilling and site investigation around the proposal tailings storage facility and along the road re-alignment.
  - Complete 1,000 m condemnation drilling program in areas of planned mine infrastructure.
  - Complete a 10,000 m reverse circulation drill program within the volume of the conceptual open pit to upgrade all resource categorization to the Measured category.
  - Conduct a 5,000 m diamond drilling program to upgrade the first three years of underground mining outlined in the feasibility study to the Measured category.
  - Conduct a 20-line km, ground induced polarization survey, to identify the position of the alteration system along strike from the existing deposit and to identify high priority drill targets with open pit potential.

The tables below summarize the above recommendations and estimated costs, totaling CAN$2,575,000. Phase II work is not entirely contingent on successful completion of Phase I but could be modified in consideration of Phase I results.

Phase I Summary of Recommended Work

Work Program	Estimated Cost (CAN$)
Hyperspectral Imaging	100,000
Phase I Total	**$100,000**

Phase II Summary of Recommended Work

Work Program	Estimated Cost (CAN$)
Geotechnical program	200,000
Condemnation program	200,000
10,000 metre RC drill program	1,000,000
5,000 metre diamond drill program	1,000,000
Ground IP survey	75,000
Phase II Total	**$2,475,000**

POINT ROUSSE PROJECT

On February 26, 2018, the Company filed the Point Rousse Technical Report. The following scientific and technical information is summarized from the Point Rousse Technical Report and has been updated to reflect the current production, development and exploration activities of the Company. Each author has reviewed and approved the technical and scientific information that has been summarized from the Point Rousse Technical Report included in this AIF. Paul McNeill, P. Geo., and Kevin Bullock, P. Eng, has also reviewed other technical and scientific information not summarized from the Point Rousse Technical Report and included in this AIF.

All summaries and references to the Point Rousse Technical Report are qualified in their entirety by reference to the complete text of the Point Rousse Technical Report, which is available on SEDAR under Anaconda's profile at www.sedar.com.

Property Description, Location and Access

The Point Rousse Project is located within the Baie Verte Mining District, in the northern portion of the Baie Verte Peninsula, approximately 6 kilometres northeast of the town of Baie Verte, in north central Newfoundland, in the Province of Newfoundland and Labrador. The area encompassing the Point Rousse Project includes 5 mining leases and 24 mineral licences with a total of 5,878 hectares (58.78 square kilometres).

The Project covers three prospective gold trends: the Scrape Trend, the Goldenville Trend and the Deer Cove Trend. These trends have approximately 20 km of cumulative strike length and include three deposits and numerous prospects and showings all located within 8 km of the Pine Cove Mine and Mill. The Point Rousse Project is accessible year-round through a network of provincial paved roads and a 5 km mine road maintained by the Company.

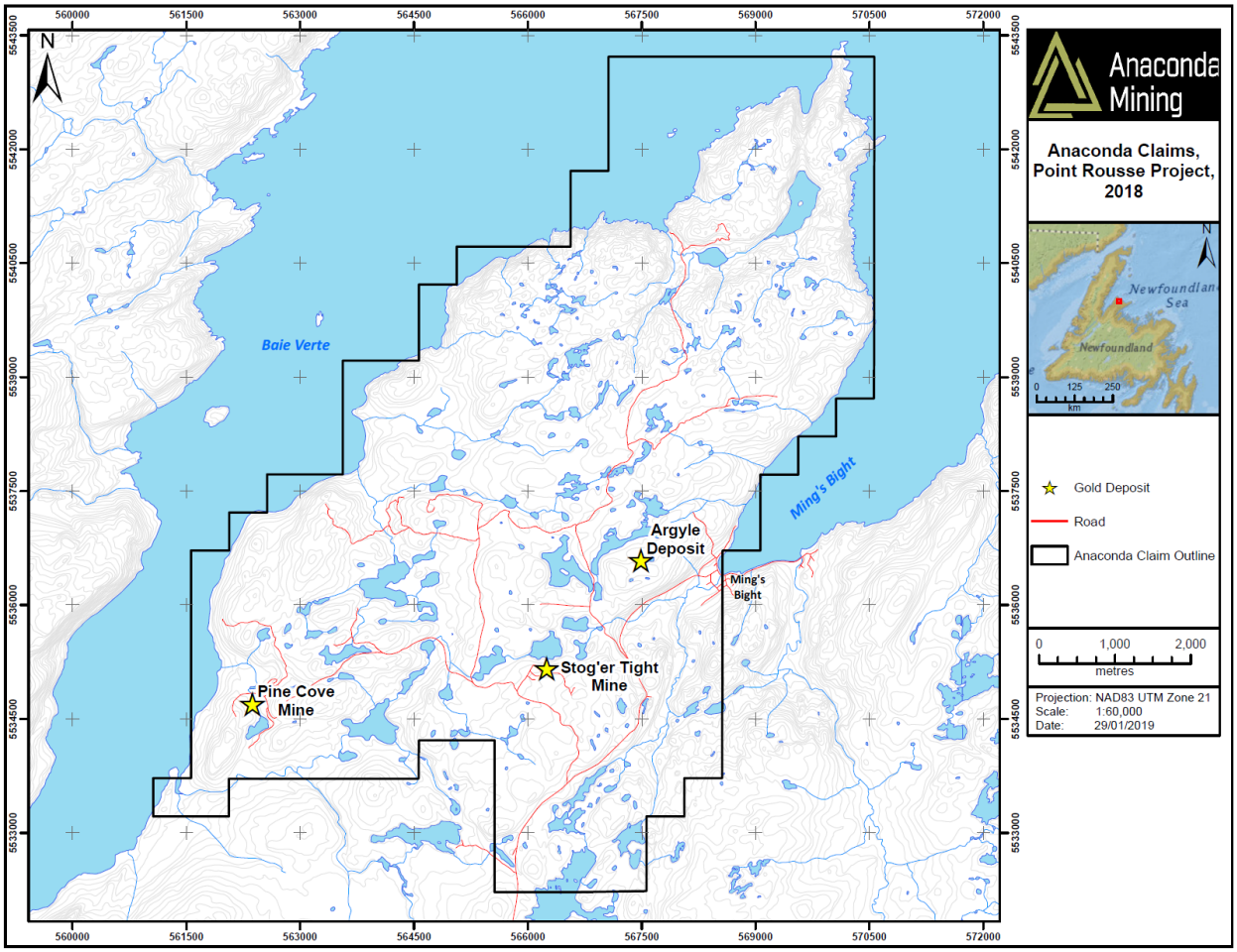
The Company has exclusive mineral rights to these mining leases and mineral licenses. All mining leases and mineral licences are in good standing with the Government of Newfoundland and Labrador.

All mineral licences were obtained either through staking or through option agreements with other parties, and the Company maintains a 100% interest in all mineral licenses.

The Project is subject to the following royalty agreements or net profit interest arrangements:

- A net profits interest ("NPI") agreement over the Point Rousse Mining Leases with Royal Gold Inc. whereby the Company is required to pay Royal Gold Inc. 7.5% of net profits, calculated as the gross receipts generated from the claims less all cumulative development and operating expenses. The Company does not expect to make any payments under the NPI in the upcoming fiscal year.
- A net smelter return ("NSR") of 3% is payable to a third-party on gold produced from the Stog'er Tight Property, with an option to buy back 1.8% for $1,000,000.
- A $3,000,000 capped NSR on two mineral exploration licenses in the Point Rousse Project, which forms part of the Argyle property, is calculated at 3% when the average price of gold is less than US$2,000 per ounce for the calendar quarter, and is 4% when the average price of gold is more than US$2,000 per ounce for the calendar quarter.
- A $3,000,000 capped NSR of 3% on a property that forms part of the Argyle Property. Once the aggregate limit has been met and 200,000 ounces of gold has been sold from the property, the NSR decreases to 1%.

Access to the Point Rousse Project is via paved highway from the Trans-Canada Highway to the town of Baie Verte (Route 410), then along the La Scie Road (Route 414) to the Ming's Bight Road (Route 418). The Pine Cove gravel road, which leaves the Ming's Bight road approximately 8 km from the La Scie Road, provides the final 5.5 km of access to the mine site. In addition, Route 418 provides limited access to the eastern portion of the Point Rousse Project. The Point Rousse Project can also be reached via a short boat ride from Baie Verte. Access to the remainder of the Point Rousse Project is by gravel road access. All localities within the Company's mineral properties are similarly accessible by ATV or walking.



Anaconda has been mining continuously at the Point Rousse Project since 2010 and has expanded and improved Project infrastructure and mill capacity.

Advancements at the Point Rousse Project outlined in and since the Point Rousse Technical Report include:

- The discovery of and determination of Mineral Resources at the Argyle Deposit;
- Mining at Stog'er Tight beginning in Q1 of 2018 through the middle of 2019, with the potential for further mining in the future;
- The construction of a new port and tailings storage facilities;
- Approval to convert the Pine Cove Pit into an in-pit tailings storage facility, providing over 7 million tonnes of capacity over 15 years at current throughput rates, which is now in use and has eliminated the needed for lifts on its existing surface storage facility; and
- Generation of a new revenue source through the sale of repurposed waste rock as aggregate.

History

The Pine Cove Deposit was discovered in June 1987 by South Coast Resources Ltd. following initial acquisition of the claims in 1985. In November 1988, Corona Corp. optioned the property from Varna Resources Inc. and conducted detailed geological, geophysical and soil geochemistry surveys, followed by trenching and diamond drilling in 24 holes. In the fall of 1991, Nova Gold Resources Inc. optioned Corona's 70% interest in the Pine Cove property with the view to mine the deposit by open pit after definition drilling. Other work by Electra Mining Consolidated/Electra Gold/Raymo Processing in 1996, and New Island Resources Inc. in 2000 lead to further definition of the resource.

In 2003, Anaconda acquired an exclusive option from New Island to earn a 60% interest in the Pine Cove project. In the fall of 2004, a 5,000-tonne bulk sampling program was completed and a feasibility study published in 2005. A production decision followed, construction was initiated in 2007 and production commenced in 2008. Start-up issues resulted in reconfiguring the mill with a flotation circuit to produce a gold-pyrite concentrate. Commercial production enabled Anaconda to earn a total of 60% of the project. In January 2011, Anaconda acquired New Island's remaining 40% interest.

The Stog'er Tight area was staked in 1986 by Pearce Bradley and optioned to International Impala. Impala formed a 50/50 joint venture arrangement with Noranda Exploration Company Ltd. and in 1987, an extensive soil geochemistry survey and trenching resulting in the discovery of several mineralized zones. Noranda conducted geochemical, geological and geophysical surveys, trenching and an 8,000 m diamond drilling program, outlining more mineralized zones. In 1996, Ming Minerals Inc. purchased the Stog'er Tight property from Noranda and extracted a 30,735 tonne bulk sample grading 3.25 g/t gold from the Stog'er Tight Deposit. The material was processed at the former Consolidated Rambler mill, located approximately 7.5 km south of Stog'er Tight. Due to lower than expected head grade and poor mill recoveries, no further work was completed at that time. In 2006, Tenacity Gold Mining Company Ltd. carried out additional trenching and drilling and estimated a non-compliant indicated mineral resource of 96,000 tonnes grading 7.04 g/t gold and an inferred mineral resource of 53,000 tonnes at an average grade of 5.75 g/t gold which included a mineral reserve of 65,200 tonnes at an average grade of 4.96 g/t gold and a cut-off grade of 1.9 g/t gold. Tenacity began mining and toll milling at the Rambler Metals and Mining PLC's Nugget Pond mill located 47 km by road to the east. A total of 29,695 tonnes of material with an estimated average grade of 4.8 g/t gold was trucked to the mill. The actual mill head grade was 1.92 g/t gold. The difference between the estimated grade and the actual head grade was attributed to mining dilution. No further work was undertaken and the Stog'er Tight Mining Lease was subsequently acquired by 1512513 Alberta Ltd. and optioned by Anaconda in 2012.

The Point Rousse Project was assembled by Anaconda in 2012. Prior to 2012 and since the feasibility study of 2005, exploration efforts focused solely on the Pine Cove Mine area and were limited to small diamond drilling programs focused on specific areas of the Deposit. Since 2012, Anaconda has conducted the following exploration activities:

- An airborne DIGHEM magnetic and electromagnetic survey including 725.2 line km at a 100 m line spacing (2012).
- An initial compilation of historical soil samples, ground magnetics and geology over the project area (2012).
- 12,908.93 m of diamond drilling in 89 holes on the Pine Cove Deposit.
- Twenty-five trenches and test pits and 200 m of channel samples in the area between Pine Cove and Romeo and Juliet (2012).
- 2,004 m of diamond drilling in 19 holes on the Romeo and Juliet prospect.
- 2,100.72 m of diamond drilling in 17 holes on the Deer Cove Deposit (2014).
- 2,486.54 m of diamond drilling in 39 holes on the Stog'er Tight Deposit (2014 and 2015).
- 121.75 m of channel samples from 12 trenches in the Stog'er North area (2014).
- Collection of 2,494 soil samples in the Argyle and Goldenville areas (2012 and 2014).
- 205.41 m of channel samples from 13 trenches in the Argyle area (2014 and 2015).
- Reprocessing of historical ground magnetic, VLF and IP surveys (2012 and 2015).
- Compilation of remaining geological and geochemical data sets for the project area (up to 2017).
- In 2018, since the Point Rousse Technical Report, the Company drilled 7,306.6 metres in 71 diamond drill holes. Diamond drilling was primarily focused around the margins of the Pine Cove deposit and Anoroc Prospect (3,432 m in 23 drill holes) and at the Argyle Deposit and along strike (4,240.2 m in 42 drill holes).
- Drilling programs for 2019 are outlined below under the Drilling section.

Geological Setting, Mineralization and Deposit Types

Gold deposits in Newfoundland are typical of orogenic gold deposits associated with large scale fault systems. Gold deposits at Point Rousse are orogenic gold deposits and are associated with the Scrape Thrust – a secondary fault associated with the larger-scale Baie Verte – Brompton Fault. Gold mineralization is intimately associated with disseminated and massive pyrite within the host rock indicating that iron rich rocks are an important precursor to mineralization. Alteration within mafic volcanic and gabbroic rocks can be is characterized by albitization and carbonitization. Iron and titanium rich lithologies associated with the Scrape Thrust are typical host rocks.

The Point Rousse Project overlies rocks of the Cambro-Ordovician ophiolitic Betts Cove Complex and Snooks Arm Group cover rocks. The Betts Cove Complex includes ultramafic cumulates, gabbros, sheeted dykes and pillow basalts. The Snooks Arm Group consists of a lower banded magnetite and jasper iron formation referred to as the Nugget Pond Horizon (Goldenville Horizon within the Point Rousse Complex) overlain by tholeiitic basalts overlain by calc-alkaline basalt, clinopyroxene-phyric tuff, mafic epiclastic wackes and conglomerates, iron formation and tholeiitic basalts. Four phases of regional deformation termed D_1 through D_4 are evident, with gold related to D_1 - D_2 progressive deformation potentially synchronous with the emplacement of the Taconic allochthons.

The most prospective geology of the Point Rousse Project is divided into three gold trends: The Scrape Trend, the Goldenville Trend and the Deer Cove Trend. The Scrape Trend is defined by Snooks Arm group cover rocks associated with the Scrape Thrust Fault. The Scrape Trend is host to the Pine Cove, Stog'er Tight and Argyle Deposits. The Goldenville Trend is defined by the geology associated with the Goldenville Horizon of the Snooks Arm Group and a suite of prospects found within these rocks. The Deer Cove Trend is defined by the Snooks Arm Group volcanic rocks associated with the Deer Cove Thrust and a suite of prospects along this fault including the Deer Cove quartz vein, which contains intersections of high-grade gold.

Exploration

Systematic exploration was completed on the Point Rousse Project from late October 23, 2015 to December 31, 2017. Work included follow-up of exploration targets generated within the 3 gold trends as part of a property wide data compilation and targeting exercise in mid-2015. Since the 2015 Technical Report the Company has explored with the goal of expanding known resources adjacent to existing the Pine Cove and Stog'er Tight Deposits. The result includes an expansion of the Pine Cove Deposit, the discovery of the Argyle Deposit and the discovery of new zones of mineralization along strike from Stog'er Tight.

Exploration completed since the Point Rousse Technical Report includes:

- Ground magnetic and IP surveys at Deer Cove, east of Pine Cove and northeast of Argyle (2018)
- Infill and expansion drilling at Argyle (Initiated late 2018)
- Exploration drilling northeast of Argyle (Initiated late 2018)
- Infill and expansion drilling around the Pine Cove pit, particularly in the south and southwest areas of the Pit, which has led to extended mining operations at Pine Cove.

As at the date of this AIF, exploration programs in the form of percussion and diamond drilling are being executed at the Argyle Deposit and around the Stog'er Tight Deposit, including the prospective 278 Zone.

Drilling

In 2018, since the Point Rousse Technical Report, the Company drilled 7,306.6 metres in 71 diamond drill holes. Diamond drilling was primarily focused around the margins of the Pine Cove deposit and Anoroc Prospect (3,432 m in 23 drill holes) and at the Argyle Deposit and along strike (4,240.2 m in 42 drill holes). In 2019 the company drilled a total of 4,176 metres of diamond drilling and 53 metres of percussion drilling at the Point Rousse Project.

Drilling at Pine cove in 2018 tested the expansion of the open pit mainly in the Pine Cove Pond area to the south of the current open pit and westerly extensions of the Northwest Extension as well as the stratigraphy between Pine Cove and the Anoroc Prospect. In 2019, the Company completed 2,056 metres of diamond drilling in 34 holes (PC-19-280 to PC-19-313) in the southern portions of the Pine Cove deposit to expand resources in this area.

Highlighted composited assays (true thickness estimated between 70% to 100% of composited thickness) from drilling at Pine Cove include:

- 2.50 g/t gold over 9.0 metres (17.0 to 26.0 metres) in hole PC-18-271;
- 1.73 g/t gold over 9.0 metres (5.0 to 14.0 metres) in hole PC-18-281; and
- 1.50 g/t gold over 5.0 metre (10.0 to 15.0 metres) in hole PC-18-269.

At the Argyle Deposit drilling from 2016 and 2018 focussed on testing mineralization discovered in 2014 trenching. Drilling was successful in outlining mineralization over a strike length of 685 metres and down-dip to 225 metres outlining a Mineral Resource. In 2019, the Company drilled 1,583 metres of diamond drilling in 29 holes (AE-19-105 to AE-19-133) at Argyle as part of an infill and expansion drill program.

Highlighted composited assays (true thickness estimated between 70% to 100% of composited thickness) from the Argyle Drilling include:

- 12.76 g/t gold over 6.0 metres (46.0 to 52.0 metres), including 48.30 g/t gold over 1.0 metres in hole AE-19-122;
- 2.69 g/t gold over 10.0 metres (50.0 to 60.0 metres) in hole AE-19-131;
- 4.83 g/t gold over 5.0 metres (48.0 to 53.0 metres) in hole AE-19-119;
- 4.94 g/t gold over 8.0 metres (45.0 to 53.0 metres) in hole AE-19-121; and
- 6.17 g/t gold over 8 .0 metres (3.0 to 11.0 metres) in hole AE-19-107.

The Company also drilled a further 537 metres in 10 diamond drill holes (BN-19-293 to BN-19-302) and 53 metres in 6 percussion drill holes (BNP-19-164 to BNP-19-169) in the Stog'er Tight area focused specifically on the 278 zone to establish if there was potential for a deposit in this area.

Highlighted composited assays (true thickness estimated between 70% to 100% of composited thickness) from the Stog'er Tight Drilling include:

- 6.45 g/t gold over 5.0 metres (65.0 to 70.0 metres) in hole BN-18-288;
- 1.89 g/t gold over 12.0 metres (64.0 to 76.0 metres) in hole BN-18-290; and
- 2.46 g/t gold over 8.0 metres (79.8 to 87.8 metres) in hole BN-18-292.

Sampling, Analysis and Data Verification

Diamond drill core is delivered from the drill rig to the core login and core storage following from the most recent core. The core and core trays are labeled and the core is logged daily, which includes documentation of core recovery, lithology, alteration, mineralization and magnetic susceptibility.

The core is selectively sampled through the mineralized zone and with a shoulder of around 1 m either side of this. Broader sampling of the margins of mineralization within select holes or mineralized zones may occur.

Core is cut with a diamond saw lengthwise and generally divided into 1 m samples except where there is a reduction due to core loss or to respect geological boundaries. One-half of the cut core is bagged as a sample for analysis and the remaining half is retained in the core tray.

The sample is sealed with a plastic cable tie in a labelled plastic bag containing a corresponding sample tag matching a sample tag that remains with the core in its sampled location. The sample numbers are also labelled on the outside of each bag and checked against the contents, prior to delivery to the laboratory Anaconda employees deliver the sample batches to Eastern Analytical in Springdale, NL by truck.

The remaining core is archived along with the pulps and rejects, from the assay program and are permanently stored in racks at either the Pine Cove or Stog'er Tight core storage facility.

Verification of historical drilling at Stog'er Tight was accomplished by completing 9 twinned drill holes in 2014. Comparison between twinned hole pairs show good correlation. All twinned holes were included in the Stog'er Tight Mineral Resource estimate.

All fire assays are completed at Eastern Analytical, an independent analytical laboratory located in Springdale, NL, which is ISO 17025 accredited. The lower detection limit for the gold is 0.01 ppm. Mineral Resource estimates for Pine Cove, Stog'er Tight and Argyle include samples analyzed by fire assay and samples determined by gravimetric finish at Eastern Analytical.

Check assays were completed at ALS Canada Ltd. ("ALS") in North Vancouver, British Columbia on pulps from 2016 and 2017 drill core samples from the Argyle Deposit. Overall the gold assay grades from Eastern Analytical reproduced very well in check assays. Overall the check assay results validate the fire assay results obtained from Eastern Analytical and used in the Argyle resource estimate.

A systematic quality control sampling program is employed throughout all diamond drill programs that includes the insertion of a natural blank and powdered reference standards for Au for at least every 25 core samples collected and

at least one blank and one standard per sample shipment. Sample preparation and analytical procedures have been reviewed by Qualified Persons who concluded that data is collected according to industry standards and are adequate for use in Mineral Resource Estimation.

Results are monitored by senior personnel and if a batch fails a partial re-run of the samples is undertaken with a repeat standard; if this fails the whole batch is re-run with a new standard.

Mineral Processing and Metallurgical Testing

Metallurgical work on the Stog'er Tight Deposit consists of bench scale tests as well as a total of 26,557 tonnes of bulk sample material processed at the Pine Cove mill during 2016. Bench scale samples were tested by RPC Science and Engineering of New Brunswick, Canada ("RPC") for grind, liberation and flotation characteristics. Grinding studies indicated that the Stog'er Tight material (Malvem sizing analysis indicated 80% passing 74 um and 95% passing 150 um) appears to be much softer then the Pine Cove ore (80% passing 150 um). The RPC study also reported that when the Stog'er Tight material was subjected to the same flotation conditions as used in the Pine Cove mill a low grade final product was obtained (13.32 g/t gold at an Au recovery of 96.9% in 25.8% of the mass). Optimum results were obtained when slimes depressants/dispersants were employed.

The February 2016 bulk sample produced 638 ounces of gold from 15,167 tonnes at an average recovered grade of 1.66 g/t gold, resulting in a recovery of 79%. There were issues with organic material in the mill feed due to overburden present with the sample. The May 2016 bulk sample was much more successful, with 824 ounces of gold being produced from 9,991 tonnes at an average grade of 3.08 g/t gold, resulting in a recovery of 86%. The throughput was comparatively higher than when processing Pine Cove ore, confirming the work done by RPC in 2015. The December 2016 bulk sample comprised producing 64 ounces of gold from 1,404 tonnes at an average grade of 1.64 g/t gold, resulting in a recovery of 86%.

Metallurgical test work on core samples collected from the Argyle Deposit were conducted by RPC for grinding, flotation, gravity, and leaching characteristics. The core samples were crushed on arrival and blended to create a representative 25 kg sample, with a sub-sample being sent out for whole rock analysis, multi-element ICP analysis, and Au fire assay.

The milling curve was generated for the Argyle samples and was similar to that used for the Pine Cove ore in a previous study done by RPC. Grindability test work on the Argyle Deposit is recommended to confirm this finding. Utilizing the milling curve, four respective size fractions were generated for preliminary flotation test work to assess the liberation characteristics of the Argyle Deposit material. These four size fractions were as follows: 70% passing 150 µm, 80% passing 150 µm, 90% passing 150 µm and 100 % passing 150 µm. Flotation test work was carried out utilizing a flow sheet similar to the Pine Cove Mill configuration.

The test work indicated that four grind sizes tested on the Argyle material resulted in high Au recoveries. At a grind size of 80% passing 150 µm, which is currently employed at the Pine Cove mill, a sample containing a grade of 63.98 g/t gold in 4.6% of the mass at a recovery of 95.9 % could be produced. When the liberation was increased to 90% passing 150 µm the gold recovery in the sample was further increased to 96.7% at a lower Au grade of 34.14 g/t gold in 6.3% of the mass.

Scoping flotation test work at varying grind sizes showed that while the highest cumulative Au recovery of 96.7% could be attained at 90 % passing 150 µm, the highest cumulative Au grade could be attained at 80 % passing 150 µm. At 80% passing 150 µm the cumulative concentrate contained 63.98 g/t gold in 4.6% of the mass with an Au recovery of 95.9%.

Centrifugal gravity concentration test work indicated that a gold concentrate could be produced prior to flotation at a grind size of 100% passing 425 µm. The gravity concentrate obtained 13.80 g/t gold in 8.0% of the mass at a recovery of 48.9 %. Additional centrifugal gravity concentration test work at increased liberation was recommended on the Argyle feed material to evaluate the extent to which the gold recovery could be increased.

Cyanidation test work on a combination of flotation concentrate fractions indicated that a gold extraction value of 88.2% was obtained with a NaCN consumption value of 2.96 kg/t at a NaCN concentration of 2 g/L on this material. The lower extraction and higher consumption obtained as compared to the whole ore was potentially due to the higher S contents in the flotation concentrate material. The final residue grade was still high at 6.88 g/t gold. Further work to optimize the leaching recovery will be completed, as it is expected it should be closer to the leaching performance of other Point Rousse ores.

Samples of diamond drill core were also submitted to RPC during the summer of 2017 for ARD test work on the Argyle material. It was determined that of the 20 samples submitted, 18 were potentially not acid generating, 1 was potentially acid generating, and 1 was uncertain (NP/AP value between 2.0 and 1.0). Further work on ARD characterization will be completed in early 2018.

Routine Acid Rock Drainage (ARD) and metallurgical testing was also completed on the Pine Cove, Stog'er Tight and Argyle Deposits.

ARD tests were completed on the Pine Cove tailings in 2015. A total of six samples were collected from the tailings facility and sent to RPC. All test results indicate that Pine Cove tailings are not acid generating. Stog'er Tight waste is not acid generating while ores can be potentially acid generating. Stog'er Tight tailings will be deposited sub-aqueously in Pine Cove Pit mitigating any possibility of acid generating.

Mineral Resource and Mineral Reserve Estimates

The Mineral Resources for the Pine Cove Mine and Stog'er Tight Deposit were estimated by Ms. Catherine Pitman, P.Geo. Director and Principal Geologist with AdiuvareGE. Modelling and the gold block grade estimation were carried out using Datamine™ software. Mr. Michael Cullen, P. Geo., of Mercator Geological Services Ltd. is responsible for the Argyle Deposit mineral resource estimate that was completed using GEOVIA SurpacTM 6.8 modeling software.

Mineral Reserves for the Pine Cove Mine and Stog'er Tight Deposit were estimated by Qualified Person Ms. Gordana Slepcev, P.Eng., then the Chief Operating Officer of Anaconda Mining. The Mineral Reserve estimates reported in the table below are included in Mineral Resources. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability.

The Point Rousse Mineral Resources and Mineral Reserves are effective as at December 31, 2017 and have not been adjusted for depletion due to mining operations, where applicable.

Point Rousse Mineral Resources[1] (Effective December 31, 2017)				
Deposit	**[3]Cut-off (g/t)[3]**	**Indicated Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	863,500	2.07	57,730
Stog'er Tight	0.8	204,100	3.59	23,540
Argyle	0.5	543,000	2.19	38,300
Total Point Rousse		**1,610,600**	**2.30**	**119,570**
Deposit	**[3]Cut-off (g/t)**	**Inferred Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	476,300	1.39	21,330
Stog'er Tight	0.8	252,000	3.30	26,460
Argyle	0.5	517,000	1.80	30,300
Total Point Rousse		**1,245,300**	**1.95**	**78,090**

Point Rousse Probable Mineral Reserves[2,5] (Effective December 31, 2017)				
Deposit	**[3]Cut-off (g/t)**	**Probable Tonnes[4]**	**Au (g/t)**	**Ounces**
Pine Cove	0.5	696,200	0.96	21,440
Stog'er Tight	1.0	191,500	2.39	14,740
Total		**887,700**		**36,180**

1 – Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability
2 – The Pine Cove and Stog'er Tight Mineral Resource statement is inclusive of Mineral Reserves
3 – Grams per tonne
4 – Rounded tonnes
5 – Proven Mineral Reserves have not been defined at the Point Rousse Project

The Pine Cove Mine Probable Mineral Reserve was estimated using an ultimate pit shell design created in GEOVIA Surpac™ 6.8 software and running a reserve report between this shell and the most recent topographic surface available. The Pine Cove open pits design was derived from optimized pit shells using GEOVIA Whittle 4.5 software and geotechnical pit designs inputs provided by Knight-Piesold Ltd. The block model used for the Pine Cove Probable Mineral Reserve was produced by AdiuvareGE in December 2017. Probable Mineral Reserves are estimated at a cut-off grade of 0.5 g/t gold and gold price of US$1,250/oz using only Indicated Mineral Resource blocks to which 5% mining dilution and 15% grade loss were applied.

The Stog'er Tight Deposit Probable Mineral Reserve was estimated using an ultimate pit shell design created in GEOVIA Surpac™ 6.8 software and running a reserve report between this shell and the most recent topographic surface available. The East and West open pits designs were derived from optimized pit shells using GEOVIA Whittle 4.5 software and geotechnical pit designs inputs provided by Knight-Piesold Ltd. Probable Mineral Reserves are estimated at a cut-off grade of 1.0 g/t gold and gold price of US$1,250/oz using only Indicated Mineral Resource blocks to which 7% mining dilution and 35% grade loss were applied.

The Argyle Mineral Resource was estimated using GEOVIA Surpac™ 6.8 modeling software to create the Deposit block model, develop digital geological and grade solids and interpolate gold grade. The Mineral Resource estimate is based on the validated Argyle Deposit database containing results for 52 holes totaling 4,820.2 metres of diamond drilling and 12 surface trenches. Mineralization is constrained within a digital 3D geologic solid constructed using Surpac™ modeling software and based on a nominal 0.5 g/t gold over 5m down hole length cut-off value. Contributing 1.0 metre assay composite populations were capped at a gold grade of 12 g/t.

Mining Operations

The Pine Cove Mine is an open pit, hard-rock gold mining operation, consisting of drilling, blasting, excavation and loading of haul trucks for ore and waste transport to surface. Between 8,000 and 10,000 tonnes per day of combined waste and ore is mined. The mine is a 350-metre wide open pit that will reach a maximum depth of 150 metres by end of production. Access ramps are 15 metres wide and at a gradient of 10% in order to accommodate rear wheel drive haul trucks and facilitate two-way truck traffic. Haul trucks employed are 44 tonne John Deere 460D.

Production blast and grade control holes are typically drilled on a 3 metre by 3 metre pattern with a bench height of 6 metre using track mounted percussion drill rigs. Emulsion is used for production blasts and dynamite is used for pre-shear blasts. There are generally two blasts per week.

Grade control samples are analysed in house using a combination of Au assay via bottle leaching with AA finish and sulphur analysis via LECO. At Pine Cove there is a strong correlation between sulfur content and gold grade (1 g/t gold = 3000 ppm S). 10% of samples are sent to Eastern Analytical for check analysis via fire assay. Ore blocks for mining are determined by a combination of gold grades determined by the methods above combined with geological mapping and categorized based on the grade. Mined rock is separated and stockpiled according to its gold content. All rock above 0.5 g/t gold is stockpiled at the ROM pad and its corresponding ore piles while waste rock is hauled to the waste dumps.

To minimize dilution and ore loss, blast movement technologies is used to determine the ore movement during a blast. This technology produces moved ore outlines which are then defined with spray paint in corresponding colours on the blasted ore and downloaded to the excavators' Leica GPS system. This system is backed up and aided by visual observations by the mine geologists. The ore is mined in three cuts to minimize ore/waste mixing and loss.

Waste rock at Pine Cove is stored in 3 separate mine waste areas. These include the South Mill Dump, located immediately southeast of the Pine Cove Mill; the North Pit Dump located to the immediate northwest of the Pine Cove open pit; and the rehabilitated West Dump, located immediately west of the Pine Cove open pit. All dumps were built at overall slopes of 2H: 1V. Slopes are graded as required to allow for progressive rehabilitation and natural re-vegetation.

In 2016 Anaconda and its partners constructed a port facility northwest of the Pine Cove Mine and adjacent to the North Pit Dump. The port was constructed in order to facilitate the export of waste rock material from the North Pit Dump as construction aggregate. A total of approximately 3 million tonnes of waste rock was shipped from September 2016 to October 2017.

Mining at Stog'er Tight began in Q1 of 2018 and continued into the middle of 2019. The mining operation was undertaken using the same mining and grade control methods that were employed at Pine Cove. Ore was stockpiled at Stog'er Tight prior to transport to the Pine Cove Mill for processing. Waste rock was trucked to two storage areas adjacent to the Stog'er Tight open pits.

In 2019, mine operations moved 413,139 tonnes of ore during the year at an average grade of 1.54 g/t and a strip ratio of 4.3 waste tonnes to ore tonnes. In general, mined tonnes have increased in the third and fourth quarters of 2019 compared to the first half of the year, when mining activity was focused at Stog'er Tight and on the development of the Pine Cove Pit. Tonnes of ore produced increased 26% and total material moved increased 35% compared to 2018, when mining was focused on the lower-tonnage profile Stog'er Tight Mine. In 2020, mine production will remain focused on production from the south and southwest areas of the Pine Cove Pit, with the strip ratio expected to decrease over the year. The Company continues to progress the Argyle Project, where infill drilling is ongoing, with development expected to commence towards the middle of 2020.

The Company is now using its in-pit tailings facility to deposit tailings, however this does not impede any planned or future expansions of the pit.

Processing and Recovery Operations

The Pine Cove Mill operates as a grind/flotation circuit followed by leaching. Comminution is via a two-stage crushing plant followed by a 10 foot by 14 foot primary ball mill, which processes an average of 1,300 tonnes per day of ore. Cyclone overflow feeds the flotation circuit, with 3 column cells for roughing, 1 scavenger/staged reactor cell, and one cleaner cell. The concentrator has a flotation circuit which produces a gold-pyrite concentrate that advances to the leach circuit. Mass concentration is typically 2-4%, with a recovery of 92-93%. Flotation concentrate is thickened in a 4.5 m diameter thickener and reground in a 5.5 ft diameter ball mill down to a P80 of 20 microns. Leaching is conducted in a series of four 70 m^3, mechanically-agitated leach tanks. Two drum filters and a Merrill-Crowe circuit are used for gold recovery from the pregnant solution. Cyanide destruction of leach tailings is achieved through the Inco SO_2 process. The mill currently achieves 86-88% recovery.

Infrastructure, Permitting and Compliance Activities

The following is a listing of infrastructure present at the Pine Cove Mine and mill complex:

<u>Access</u>

- 5.5 km long all-weather gravel road that links the mine with the Ming's Bight Highway (Route 418)
- Mine roads/ramp, maintained by Bailey
- Access roads to Romeo & Juliet and Anoroc

<u>Administration Buildings</u>

- Administration office – wooden building with pitched roof
- Engineering and Geology – modified trailer with pitched roof
- Emergency Response Building – modified trailer
- Mine Dry – modified trailer with pitched roof

<u>Exploration</u>

- Core logging building and core storage racks

<u>Mill</u>

- Mill Building – steel building, which includes the onsite assay laboratory
- Reagent Storage – wooden building
- Warehouse – 3 modified Sea Can Containers
- Primary Crusher – enclosed
- Mill reclaim pump and 6" HDPE pipeline system running from the Polishing Pond to the Pine Cove mill

<u>Mine</u>

- Standard open pit operation with 15 m wide ramp
- Waste Dumps (Reclaimed West Dump, South Dump and North Dump)
- Tailings Ponds TSF 1 and TSF2 (Phase I) – with geomembrane lined waste rock embankment
- Polishing Pond
- Run of the Mine Ore Pad and Ore Stockpiles (Including Marginal Piles)
- Topsoil Stockpiles
- Open pit dewatering system

<u>Mine Contractor</u>

- Garage – steel building
- Office – modified trailer
- Aggregate Crusher
- Maintenance Shop – Crusher Area
- Ship loading Office
- Ship loading Conveyance System

Power

- 25 kV three-phase power line connected to the provincial power grid – the mill consumes 900,000 kW hours per month on average
- 150 KW/600 V through on-site generators for essential power to the plant for sanitary/minimum equipment operations

Water Supply

- Pine Cove Pond water supply. The mill consumes an average of 70-80 m3 of water per hour

Port

- Causeway and Timber Cribs
- Barge offloading Facility
- Access Road and Laydown

The Point Rousse Project and its operating Pine Cove and Stog'er Tight mines are in compliance with all current mining and effluent regulations.

In 2015/2016 the Company permitted and constructed a new polishing pond downstream and west of the previous polishing pond at the Pine Cove Mine. A second tailings storage facility was constructed at the site of the previous polishing pond. In order to accommodate tailings for future operations, the Pine Cove pit has been permitted as a tailings storage facility, capable of storing up to 7 million tonnes.

In 2016 Anaconda and its partners constructed a port facility to facilitate the export of waste rock material from the North Pit Dump as construction aggregate. As part of the aggregates project a crushing facility was installed capable of producing 1.5" crushed rock. Anaconda obtained all necessary provincial and federal approvals, secured bonds, and provided engineering support and design to enable the execution of the aggregates project.

The Stog'er Tight Mine consists of two fully permitted open pits and a South Waste Dump. Currently, the historic East Dump is being used to store waste rock. As part of the development of the western pit, Fox Pond was temporarily lowered by three metres to accommodate mining. All necessary approvals are in place with the development at Stog'er tight.

The Argyle Project was released, subject to certain conditions, from the further Environmental Assessment in the fall of 2018 by the Department of Environment and Conservation. The Company has now received a Mining Lease for Argyle and has submitted the development and rehabilitation plan for review by the Department of Natural Resources in Newfoundland.

Capital and Operating Costs

Capital expenditures budgeted for the Point Rousse Project for 2020 are approximately $5,500,000, which includes sustaining capital of $900,000 for the Pine Cove Mill (including a drum filter, thickener upgrade, and cone crusher rebuild), approximately $4,350,000 of mine development (most of which relates to the development of the Argyle Deposit), and $250,000 in sustaining exploration.

Included in capital development for Argyle is $3,200,000 of capitalized development and other surface infrastructure, including power, water management system, and on-site facilities.

A forecast of projected capital expenditures for the Project's current mine life is as follows:

Capital Expenditure		2020	2021
Pine Cove Mill		900,000	-
Mine Development		1,150,000	-
Argyle Development – stripping		3,200,000	985,000
Sustaining Exploration		250,000	-
Total		**5,500,000**	**985,000**

Estimated capital costs for 2021 reflect the continued development and production from the Argyle Deposit however do not reflect potential upside at Stog'er Tight, which is currently subject to a percussion and diamond drill program. The success of that program may require further development capital.

Approximate operating unit costs per tonne of ore for the Point Rousse Project are based on costs used in the 2020 budget, which reflects current mining and development plans and is supported by mining experience since 2010. Ore Trucking cost is related to transport of ore from Stog'er Tight or Argyle to the Pine Cove Mill, although in 2020 mill feed is expected to be exclusively from the Pine Cove Pit.

Operating Cost Estimates	Unit Basis	Cost per Unit ($)
Drilling & blasting	Total material mined	1.75
Load/haul	Total material mined	1.75
Trucking (Stog'er Tight)	Tonnes mined	3.00
Trucking (Argyle)	Tonnes mined	4.00
Processing (including surface maintenance, refining, and transport)	Tonnes Milled	24.00
General and administrative	Tonnes Milled	4.60

Exploration, Development and Production

The Company's production results from the Point Rousse Project for the previous two fiscal periods are as follows:

	Year ended Dec 31, 2019	Year ended Dec 31, 2018
Mine Statistics		
Ore production (tonnes)	**413,139**	328,291
Waste production (tonnes)	**1,771,408**	1,288,306
Waste: Ore ratio	**4.3**	3.9
Mill Statistics		
Dry tonnes processed	**391,714**	461,439
Tonnes per day ("tpd")	**1,248**	1,317
Grade (g/t)	**1.46**	1.56
Recovery (%)	**82.8**	86.7
Gold Ounces Produced	**15,211**	**20,149**
Gold Ounces Sold	**16,362**	**19,290**

Anaconda sold 17,265 ounces of gold in 2019, including 903 ounces from the Goldboro Bulk Sample which was processed in the fourth quarter. The Point Rousse Complex produced 15,211 ounces of gold during 2019, coming in below the revised guidance of 16,000 to 17,000 ounces of gold, mainly due to a slower than planned throughput rate for the Bulk Sample to maximize recovery, which displaced Pine Cove ore, and lower grades during the fourth quarter as slope conditions required a change to mine sequencing.

The Pine Cove Mill processed 401,499 tonnes during 2019, including 9,875 tonnes from the Bulk Sample, a decrease of 15.1% compared to 2018 largely due to challenges in the second quarter when unplanned maintenance of the regrind mill impacted mill availability, which in turn impacted throughput and recovery. At the time, the Company took the opportunity to accelerate other planned maintenance programs, invest in critical spares, bolster preventative maintenance programs, and appoint experienced senior mining leadership, with mill availability returning to historical levels of 97% in the second half of the year, up significantly from 85.8% in Q2 2019.

Average grade from production from the Point Rousse Complex in 2019 was 1.46 g/t, down 6.4% from 2018 when mill feed was predominantly from the higher grade Stog'er Tight Mine. The average grade in 2019 was also impacted by lower than planned grade in the fourth quarter due to a change in the mine sequence. The mill achieved an average recovery rate of 82.8% in 2019, excluding the impact of the Bulk Sample, a significant decrease from 2018 due to the challenges in Q2 2019 when the recovery rate was 74.7%.

Mine operations moved 413,139 tonnes of ore during the year at an average grade of 1.54 g/t and a strip ratio of 4.3 waste tonnes to ore tonnes. In general, mined tonnes have increased in the third and fourth quarters of 2019 compared to the first half of the year, when mining activity was focused at Stog'er Tight and on the development of the Pine Cove Pit. Tonnes of ore produced increased 26% and total material moved increased 35% compared to 2018, when mining was focused on the lower-tonnage profile Stog'er Tight Mine. In 2020, mine production will remain focused on production from the south and southwest areas of the Pine Cove Pit, with the strip ratio expected to decrease over the year.

Anaconda is projecting to produce and sell between 18,000 and 19,000 ounces of gold in 2020, which at a budgeted gold price of $1,800 (approximately US$1,350) will generate approximately $33.3 million of revenue. Mill feed in 2020 will be exclusively from mining in the Pine Cove Pit, as the Company has continued to successfully expand the mining operations at Pine Cove, which is well understood geologically and from a mining perspective, limiting technical risk. The Company continues to progress the Argyle Project, where infill drilling is ongoing, with development expected to commence towards the middle of 2020. The Company has now received a Mining Lease for Argyle and has submitted the development and rehabilitation plan for review by the Department of Natural Resources in Newfoundland. Operating cash costs per ounce for the full year are expected to be between $1,050 and $1,100 per ounce of gold sold (US$775 - US$825 at an approximate exchange rate of 0.75), which is consistent with historical levels for the Point Rousse Complex, although expected to be higher earlier in 2020 due to the grade profile of the mine plan.

Exploration is focused on resource growth and development of Mineral Resources within key areas of the Point Rousse Project which remain prospective for discovery, such as at Argyle, which is also open for expansion. Similarly, recent drill programs along strike from Stog'er Tight intersected mineralization and have not been further tested. Adjacent to the Pine Cove Mine, the stratigraphy which hosts the Pine Cove deposit continues both east and west of the deposit and have not been fully explored yet remain prospective for gold deposits.

Recommended work for the Point Rousse Project includes: extending the existing deposits along strike and, where high grade trends exist, expanding them down plunge. Drilling along the margins of Pine Cove, Stog'er Tight and Argyle is recommended. Follow up drilling on previously intersected mineralization along strike from current deposits is recommended such as at the 278 Zone near Stog'er Tight and along strike from Argyle. At Argyle, the Company should obtain permits to allow development and consider a bulk sample.

The Company has commenced a $257,000 program at Argyle comprised of percussion and diamond drilling and a $35,000 drill program in Stog'er Tight area, comprised of percussion drilling. Based on the results, a more robust diamond drill program will be recommended.

OTHER PROJECTS

In addition to the material properties outlined in this AIF, the Company also has the following exploration properties, which are not considered material properties for the purposes of the Company's AIF.

Tilt Cove Gold Project

The Tilt Cove Project is an exploration-stage gold-copper project located within the Baie Verte Mining District, near the community of La Scie, Newfoundland, approximately 45 kilometres by road from the Company's Pine Cove Mill. In May 2019, Anaconda announced that it had significantly expanded the footprint of its Tilt Cove Project with the consolidation of a property package covering a 20 km strike extent of the Betts Cove Complex, a highly prospective geological terrane with a record of past gold and copper production. The Tilt Cove Project now comprises a total of 6,075 hectares of prospective mineral lands acquired via a combination of staking by the Company and the execution of option agreements, marking the first time the package has been assembled in 20 years.

The Tilt Cove Project is characterized by the same geological environment as part of the Point Rousse Complex, specifically the Nugget Pond horizon, an iron formation that hosted the historical high-grade-gold Nugget Pond Mine, which produced 168,748 ounces of gold, with an average grade of 9.85 g/t gold. The Tilt Cove Project has several occurrences with high-grade gold grab samples from prospecting including 69.38 g/t gold from the Scarp zone, 13.47 g/t gold from the Shaft zone and 6.02 g/t gold from the Road showing.

The Company initiated a fully-funded $1.5 million exploration program at Tilt Cove in June 2019. Field work included the collection of 569 prospecting rock samples and 2,192 soil samples, a detailed drone magnetic survey, the completion of a LiDAR survey over the entire area, and a review of all available drill core.

In November Anaconda received final results from a LiDAR survey over the entire area, detailed drone magnetic survey (453 line-kilometres) covering the Nugget Pond Horizon, and assays from all soil (2,335) samples and prospecting (1,045) samples. From these data sets the following advances have been made:

- Discovered the new Growler Showing with seven grab samples ranging in grade from 2.11 to 5.68 g/t gold, with similarities to Nugget Pond-style gold mineralization;
- Discovered a new prospective iron formation, the Red Cliff Horizon, in the footwall of the Nugget Pond Horizon with a 6 km strike, establishing two potential host rocks for Nugget Pond-style gold mineralization in this area;
- Acquired new land adjacent to the Growler Showing that hosts the Betts Big Pond Showing with historic grab samples up to 60.66 g/t gold and chip samples of 8.19 g/t gold over 2.3 m;
- Developed three drill targets associated with coincident structures that cross the Nugget Pond and Red Cliff Horizons, associated with low magnetic intensity and includes gold-in-soil anomalies located along the southeast trend of historic glacial movement ("down-ice");
- Identified a broad gold-in-soil anomaly down-ice from the Red Cliff Pond Target;
- Found 154 samples with anomalous gold (82 samples greater than 0.50 g/t gold, 31 greater 3.00 g/t gold and 14 high-grade samples ranging from 5.16 g/t gold to 216.10 g/t gold) and two visible gold occurrences; and
- Initiated a trenching program and a diamond drilling program of up to 4,000 metres, including initial trenching and 1,000 metres of drill testing at the Growler Showing, West Pond and Red Cliff Pond targets.

Upon receipt of all prospecting and soil sample assays and geophysical data sets, Anaconda conducted a full evaluation of all available data to determine the highest priority targets prior to drilling. In Q4 2019, the Company initiated a trenching program and a diamond drilling program of up to 4,000 metres, including initial trenching and drill testing at the Growler Showing, West Pond, East Pond, Red Cliff Pond, and Long Pond targets.

DIVIDEND POLICY

Although the Company has not declared or paid dividends on any common shares since incorporation and does not anticipate declaring or paying dividends in the foreseeable future, the Board of Directors of the Company may declare from time to time such cash dividends out of the monies legally available for dividends as the Board of Directors considers appropriate. Any future determination to pay dividends will be at the discretion of the Board of Directors and will depend on the capital requirements of the Company, results of operations and such other factors as the Board of Directors considers relevant.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares of which there were 135,225,295 common shares issued and outstanding as at the date of this AIF. The holders of the common shares have the right to one vote per common share at any meeting of shareholders, to receive any dividend declared by the Board of Directors, and to receive on a pro rata basis the remaining property of the Company on its dissolution, liquidation, winding up or other distribution of its assets or property among its shareholders for the purpose of winding up its affairs. The common shares do not contain any pre-emptive subscription, redemption or conversion rights.

As at February 28, 2020, the Company also had 23,795,645 share warrants outstanding at an average exercise price of $0.42. The expiry dates of the share warrants are between June 22, 2020, and October 11, 2021.

The Company has adopted a stock option plan and a share unit plan (collectively, the "Incentive Plans"). The Incentive Plans are each a "rolling evergreen" plan and provide that the number of common shares of the Company available for issuance from treasury under the Incentive Plans shall not exceed 10% of the issued and outstanding common shares of the Company at the time of grant. Any increase in the issued and outstanding common shares of the Company will result in an increase in the available number of common shares issuable under the Incentive Plans. Any issuance of common shares from treasury pursuant to the settlement of stock options or share units granted pursuant to the Incentive Plans shall automatically replenish the number of common shares issuable under the Incentive Plans. When each stock option or share unit is exercised, cancelled, or terminated, a common share shall automatically be made available for the grant of a stock option or share unit under the Incentive Plans.

As at December 31, 2019, 7,772,875 options under the Company's Stock Option Plan were outstanding with 7,581,208 exercisable at an average exercise price of $0.28. The expiry dates of the stock options are between May 4, 2020, and July 15, 2024.

As at December 31, 2019, there were 1,967,256 share units outstanding, which represent the right to receive one common share (subject to adjustments) issued from treasury per share unit. The number of share units granted, and any applicable vesting conditions, are determined in the discretion of the Board of Directors on the date of grant.

MARKET FOR SECURITIES

Trading Price and Volume

The common shares of the Company trade on the TSX under the symbol "ANX". Information concerning the trading prices and volumes on the TSX during the year ended December 31, 2019, is set out below.

ANX Trading Price and Volume for Fiscal 2019

Month	High ($)	Low ($)	Close ($)	Share Volume
January	0.295	0.215	0.285	2,953,110
February	0.30	0.245	0.26	3,404,610
March	0.34	0.26	0.32	5,218,360
April	0.355	0.30	0.34	3,564,360
May	0.355	0.275	0.295	2,375,840
June	0.32	0.27	0.30	2,440,720
July	0.325	0.27	0.29	3,116,769
August	0.30	0.225	0.235	2,308,320
September	0.27	0.225	0.23	2,482,010
October	0.225	0.19	0.20	2,581,905
November	0.235	0.195	0.225	2,099,420
December	0.25	0.21	0.25	2,384,700

Prior Sales

During the recently completed fiscal year ended December 31, 2019, the Company issued the following securities:

Date	Type of Security	Number of Securities	Price per Security / Exercise Price ($)	Nature of Transaction
November 2019	Common Shares	150,000	0.20	Acquisition of Mineral Properties
November 2019	Share Units	68,423	0.205	Grant of Share Units
October 2019	Common Shares	333,333	0.32	Redemption of Share Units
October 2019	Common Shares	34,467	0.22	Acquisition of Mineral Properties
September 2019	Common Shares	30,105	0.25	Acquisition of Mineral Properties
August 2019	Common Shares	17,000	0.24	Exercise of Share Purchase Warrants
August 2019	Common Shares	528,332	0.32	Redemption of Share Units
August 2019	Share Units	74,999	0.285	Grant of Share Units
July 2019	Common Shares	7,630,185	0.27	Financing (non-flow-through)
July 2019	Common Shares	7,515,701	0.35	Financing (flow-through)
July 2019	Warrants	7,572,944	0.45	Issued as part of July 2019 Financing
July 2019	Warrants	264,600	0.45	Finder warrants issued as part of July 2019 Financing
July 2019	Stock Options	125,000	0.31	Grant of Stock Options
May 2019	Common Shares	125,000	0.27	Exercise of Stock Options

Date	Type of Security	Number of Securities	Price per Security / Exercise Price ($)	Nature of Transaction
May 2019	Common Shares	58,721	0.30	Acquisition of Mineral Property
May 2019	Share Units	69,999	0.30	Grant of Share Units
April 2019	Share Units	300,000	0.315	Grant of Share Units
March 2019	Common Shares	27,483	0.27	Acquisition of Mineral Property
March 2019	Share Units	2,355,000	0.315	Grant of Share Units
February 2019	Stock Options	100,000	0.25	Grant of Stock Options
January 2019	Share Units	85,500	0.315	Grant of Share Units

DIRECTORS AND OFFICERS

Name, Address, Occupation and Security Holding

The following table sets forth the name, province or state, country of residence, position held with the Company and principal occupation of each of the directors and executive officers of the Company, as at the date of this AIF. The directors of the Company were appointed by the directors to fill vacancies on the board or elected by the shareholders at the annual general meeting of shareholders on May 15, 2019 and hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed.

The number of common shares beneficially owned, or controlled, or directed, are presented as at the date of this AIF.

Name and Province/State and Country of Residence	Position	Principal Occupation	Year Became a Director	Number of Common Shares Beneficially Owned, or Controlled or Directed[(1)]
Kevin Bullock Ontario, Canada	President, Chief Executive Officer and Director	President and Chief Executive Officer, Anaconda Mining	2019	765,000
Michael Byron Ontario, Canada	Director	President and Chief Executive Officer, Nighthawk Gold Corp.	2012	43,000
Robert J. Dufour Ontario, Canada	Chief Financial Officer and Secretary	Chief Financial Officer and Corporate Secretary, Anaconda Mining	N/A	654,721
Jonathan Fitzgerald Ontario, Canada	Director and Non-Executive Chairman	President of Stope Capital Advisors	2017	127,500
Lewis Lawrick[(2)] Ontario, Canada	Director	President & CEO of Magna Terra Minerals Inc and Managing Director of Thorsen-Fordyce Merchant Capital Inc. (private investment company)	2007	2,088,156[(2)]
Jacques Levesque Quebec, Canada	Director	Chief Financial Officer of Pershimex Resources Corporation	2017	4,761,337
Maruf Raza Ontario, Canada	Director	Partner, MNP LLP (public accounting firm)	2012	N/A

Notes:

(1) The information as to the number of common shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by the directors and executive officers, but which are not registered in their names and not being within the knowledge of the Company, has been furnished by such directors and executive officers.

(2) Mr. Lawrick beneficially holds 1,643,225 common shares through Thorsen-Fordyce Merchant Capital Inc., a private company controlled by Mr. Lawrick, and 2,375 common shares through VLL Investments Inc., a private company controlled by Mr. Lawrick and 442,554 personally.

Each of the foregoing individuals has been engaged in the principal occupation set forth above opposite his name during the past five years or in a similar capacity with a predecessor organization, except for:

- Mr. Bullock acted as Chief Executive Officer of Mako Mining Inc. (previously Golden Reign Resources) from January 2016 until March 2019. Previously, Mr. Bullock was Corporate Development Advisor of B2Gold Corp. until the end of 2014. Mr. Bullock was President & Chief Executive Officer of Volta Resources Inc. from its inception in 2002 until the end of 2013.
- Mr. Byron acted as, and Co-founder, Director and VP Exploration of Falco Resources Ltd. (April 2010 to May 2015).
- Mr. Levesque acted as Chief Financial Officer of Radisson Mining Resources Inc. (September 2017 to September 2018) and was Chief Financial Officer of Orex Exploration Inc. prior to its acquisition by Anaconda Mining in May 2017.
- Mr. Fitzgerald served as Chief Executive Officer of Orex Exploration Inc. prior to its acquisition by Anaconda Mining in May 2017.

As at the date of this AIF, the directors and executive officers of the Company as a group, beneficially owned, or controlled or directed, directly or indirectly, 8,439,714 common shares of the Company, being approximately 6.2% of the issued and outstanding common shares. The information as to the number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors and executive officers, but which are not registered in their names and not being within the knowledge of the Company, has been furnished by such directors and officers.

The committees of the Board of Directors are constituted as follows:

Corporate Governance	Audit	Compensation	Safety
Jonathan Fitzgerald (Chair) Michael Byron Lewis Lawrick	Maruf Raza (Chair) Lewis Lawrick Michael Byron	Lewis Lawrick (Chair) Michael Byron Maruf Raza	Vacant (Chair) Jacques Levesque Vacant

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

The following information has been furnished by the directors and executive officers of the Company. No director or executive officer of the Company is, as at the date hereof or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

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

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

No director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

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

(b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings,

arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

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

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

Conflicts of Interest

To the best knowledge of the Company, and other than disclosed in this AIF, there are no known existing or potential conflicts of interest between the Company and any of its directors or officers except that certain of the directors and officers of the Company and its subsidiaries also serve as directors, officers and/or advisors of and to other companies involved in natural resource exploration and development. Consequently, there exists the possibility for such directors and officers to be in a position of conflict.

The Company expects that any decision made by any such directors and officers involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest or which are governed by the procedures set forth in the *Business Corporations Act* (Ontario) and any other applicable law.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In July 2019, the Company began shipping the Goldboro bulk sample material to the Pine Cove Mill with NIL Group Limited ("NIL"). On July 23, 2019, the Company announced that NIL has filed a Statement of Claim (the "Claim"), alleging that the Company was responsible for certain additional costs in relation to the shipment. As a result, NIL issued and served an arrest warrant with respect to the 1,132 tonnes ("Arrested Ore") which were yet to be discharged from the barge at the time of filing of the Claim, from a total initial delivery of 3,900 tonnes. The Company considers the Claim to be without merit and on August 16, 2019, the Company filed its Statement of Defense and Counterclaim against NIL and its principals, alleging, among other things, contractual breach, negligent and/or fraudulent misrepresentation, and fraudulent deceit. In October 2019, the Company obtained a Court order in order to process the Arrested Ore on condition that the proportional gross revenue generated from the Arrested Ore of $208,838 would be deposited to an escrow account with the Court pending further legal proceedings. Such funds were paid to the Court in January 2020 and have been reflected as restricted cash on the statement of financial position.

There are no regulatory actions against the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer, or person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of common shares, or any associates or affiliate thereof, has or has had any material interest, direct or indirect, in any transaction of the Company within the three most recently completed fiscal years and during the current fiscal year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares is TSX Trust Company at its office in Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business and not required to be filed under Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102"), there are no contracts which are regarded as material which are still in effect and which were entered into by the Company within or before the year ended December 31, 2018.

INTERESTS OF EXPERTS

Names and Interests of Experts

The following are the qualified persons involved in preparing the NI 43-101 Technical Reports or who certified a statement, report or valuation from which certain scientific and technical information relating to the Company's material mineral projects contained in this AIF has been derived, and in some instances extracted from:

- Todd McCracken, P.Geo. (WSP Canada Inc. ("WSP")), and Tommaso Roberto Raponi, P.Eng., of Ausenco Engineering Canada Inc. , who are independent of Anaconda as defined by NI 43-101, and who prepared the Goldboro Technical Report.
- Catherine Pitman, P. Geo. (Adiuvare Geology and Engineering Ltd.), Michael P. Cullen, P. Geo. (Mercator Geological Services Limited), who are independent of Anaconda as defined by NI 43-101, and Paul McNeill, P. Geo. (Anaconda Mining Inc.), David Copeland, P. Geo. (Anaconda Mining Inc.) and Gordana Slepcev, P. Eng. (formerly of Anaconda Mining Inc.), who prepared the Point Rousse Report.

Each of the named experts held, directly or indirectly, less than one percent of the Company's issued and outstanding common shares at the time of the preparation of the Point Rousse Technical Report and the Goldboro Technical Report. Each author has reviewed and approved the technical and scientific information include in this AIF, which has been summarized from the Point Rousse Technical Report and the Goldboro Technical Report. Paul McNeill, P. Geo. and Gordana Slepcev, P. Eng. have also reviewed other technical and scientific information included in this AIF, which is not summarized from the Point Rousse Technical Report and the Goldboro Technical Report.

The Company's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated February 28, 2020 in respect of the Company's consolidated financial statements as at and for the year ended December 31, 2019 and December 31, 2018. PricewaterhouseCoopers LLP has advised that they are independent to the Company within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

AUDIT COMMITTEE INFORMATION

The following information is provided in accordance with Form 52-110F1 – *Audit Committee Information Required in an AIF* under the National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The full text of the Audit Committee Charter, as passed by the Board, is attached hereto as Appendix "A".

The Audit Committee's Charter

The Audit Committee has adopted a written charter setting out its purpose, which is to oversee all material aspects of the Company's financial reporting, control and audit functions. The Audit Committee is responsible for, among other matters, (a) monitoring the performance and independence of the Company's external auditors, (b) reviewing certain public disclosure documents, and (c) monitoring the Company's systems and procedures for financial reporting and internal control.

Composition of the Audit Committee

As at the date of this AIF, the Audit Committee is composed of the following three directors: Messrs. Raza (Chair), Byron and Lawrick, all of whom are considered "independent" and "financially literate" (as such terms are defined in NI 52-110).

Relevant Education and Experience

Each member of the Audit Committee is financially literate, meaning each member, can read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and understands internal controls and procedures for financial reporting. Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter.

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member are summarized below:

Name	Education and Experience
Maruf Raza (Chair)	Chartered Professional Accountant (2001) – CPA Ontario Partner, MNP LLP (Toronto) (2014 – Present)
Dr. Michael Byron	Professional Geologist, PhD (Carleton University) President and Chief Executive Officer, Nighthawk Gold Corp.
Lewis Lawrick	President & CEO, MagnaTerra Mineral (2012 – Present) President, VLL Investments Inc. (1994 – Present) Managing Partner, Thorsen-Fordyce Merchant Capital Inc. (2005 – Present)

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions regarding the Audit Committee provided in NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the board of directors.

Pre-Approval Policies and Procedures

The Audit Committee's Charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy requires Audit Committee pre-approval of permitted non-audit services.

External Auditor Service Fees (By Category)

For the fiscal years ended December 31, 2019 and December 31, 2018, PricewaterhouseCoopers LLP received fees from the Company as detailed below:

	December 31, 2019 **$**	December 31, 2018 $
Audit Fees[(1)]	**196,350**	166,594
Audit-related Fees[(2)]	**-**	26,775
Tax Fees[(3)]	**31,254**	40,018
Total Fees	**227,604**	233,387

(1) Audit fees include fees for services rendered by the external auditor in relation to the quarterly reviews and annual audit of Anaconda's financial statements and in connection with the Company's statutory and regulatory filings, including out-of-pocket expenses of $2,625.
(2) Other audit-related fees relate to French translation services.
(3) Tax Fees are comprised of fees for tax services, including tax compliance, tax advice and tax planning.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the Company's information circular for the annual and special meeting of shareholders held on May 15, 2019 available under the Company's profile on SEDAR at www.sedar.com.

Additional information relating to the Company, including the audited financial statements and management's discussion and analysis for the fiscal year ended December 31, 2019, may be found under the Anaconda Mining profile on SEDAR at www.sedar.com.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

1. **Purpose and Objectives**

The purpose of the Audit Committee (the "Committee") is to:

(a) assist the board of directors' (the "Board") oversight of the Company's financial integrity, specifically:

(i) the integrity of the Company's financial statements and other financial reporting;
(ii) the independent auditor's qualifications and independence;
(iii) the performance of the Company's internal audit functions and internal auditors;
(iv) the Company's compliance with legal and regulatory requirements; and
(v) any other matters as defined by the Board.

(b) manage, on behalf of the shareholders, the relationship between the Company and the external auditors by:

(i) recommending to the Board the nomination and remuneration of the external auditors;
(ii) overseeing the work of the external auditors for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of any disagreements between management and the external auditor regarding financial reporting;
(iii) pre-approving all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor; and
(iv) managing the relationship and facilitating communication between the Company and the external auditors.
(v) prepare any report that is required to be included in the Company's annual information form ("AIF") relating to the Committee.

2. **Authority**

The Board authorizes the Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from the external auditors, to retain outside legal or professional counsel and other experts and to ensure the attendance of the Company's officers at meetings as appropriate.

3. **Organization**

(a) Membership

(i) The Committee shall be comprised of at least three members, appointed annually by the Board and each member shall be:

(A) neither an officer or employee of the Company or any of its affiliates;
(B) "independent" as defined in National Instrument 52-110 – Audit Committees ("NI-52-110"), in that they are free from any direct or indirect material relationship that, in the opinion of the Board, would reasonably interfere with the exercise of independent judgement as a member of the Committee; and
(C) "unrelated" members for the purposes of the Toronto Stock Exchange Corporate Governance Guidelines.

(ii) No member of the Committee may serve as a consultant or service provider to the Company.

(iii) All members of the Committee must be "financially literate" as defined in NI 52-110.

(iv) At least one member of the Committee must possess accounting or related financial expertise and shall have:

(A) an understanding of financial statements and the generally accepted accounting principles used by the Company to prepare its financial statements;
(B) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and mineral reserves;

(C) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;

(D) an understanding of internal controls and procedures for financial reporting; and

(E) an understanding of audit committee functions.

(v) The financial expertise referred to in subsection (iv) must have been acquired through educational means alone, or in combination with a complex financial or accounting employment background.

(vi) A Chair shall be appointed by the Committee.

(vii) A quorum for any meeting shall be two members.

(viii) The secretary of the Committee shall be such person as nominated by the Chairman.

(b) Committee Meetings

(i) The time and place of all Committee meetings shall be determined by the Committee, provided that meetings are held at least quarterly. Special meetings shall be convened as required.

(ii) Matters reported to the Committee or submitted for consideration shall be reported or submitted together with all necessary information and documentation prior to the Committee meetings.

(iii) The Committee shall be provided quarterly financial statements, including a comparison of current period actual results to budget and prior year, as well as certain operating statistics and analyses as the Committee may require from time to time.

(iv) The external auditor of the Company shall be given notice of every meeting of the Committee and, the expense of the Company, shall be entitled to attend and be heard thereat.

(v) Any member of the Committee or the external auditor may call a meeting of the Committee.

(vi) The Committee may invite such other persons (e.g. the CEO) to its meetings, as it deems appropriate.

(vii) The proceedings of all meetings will be recorded in the minutes.

4. Reporting to the Board

The Committee shall report to the Board following every meeting and at such other times as the Chair of the Committee may determine appropriate.

5. Remuneration of Committee Members

(a) No member of the Committee may earn fees from the Company or any of its subsidiaries other than directors' fees (which fees may include cash and/or securities or options or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive).

(b) For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Company.

6. Duties and Responsibilities

(a) Financial Information

(i) Annual Financial Statements: Before the release of the Company's annual financial statements and related management's discussion and analysis ("MD&A"), press release and AIF the Committee shall meet with management and the external auditors to review and discuss the contents of those documents. The Committee shall then present a report to the Board based on this review.

(ii) Interim Financial Statements: Before the release of the Company's interim financial statements and related MD&A and press release, the Committee shall review those documents. They shall then provide a report to the Board based on this review.

(iii) Review Procedures: The Committee must establish procedures and periodically assess such procedures for review of the Company's disclosure of financial information extracted or derived from the Company's financial statements.

(iv) Accounting Treatment: The Committee shall review and discuss with management and the external auditors:

(A) the quality of the Company's accounting principles and financial statement presentations, including any significant accounting changes and the Company's application or selection of accounting principles;
(B) any analysis prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within GAAP that the external auditor has discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor;
(C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of the Company; and
(D) any material written communications between the external auditor and the Company including any management letter or schedule of unadjusted differences.

(b) Disclosure of Other Information

(i) The Committee shall review:
(A) the types of information to be disclosed and the type of presentation to be made in connection with earnings press releases; and
(B) financially related press releases (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information).

(c) External Auditor

(i) External auditors shall report directly to the Committee, and provide to them an annual audit plan for approval.

(ii) The Committee shall:

(A) Make recommendations to the Board as to the selection of the firm of independent public accountants to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
(B) Review and approve the Company's independent auditors' annual engagement letter and audit plan, including the proposed fees contained therein, and make recommendations thereon to the Board;
(C) Review the performance of the Company's independent auditors and make recommendations to the Board regarding the replacement or termination of the independent auditors when circumstances warrant; and
(D) Oversee the independence of the Company's independent auditors by, among other things:

(1) Recommending approval by the Board of the appointment, compensation and work carried out by the independent auditors, including the provision of both audit related and non-audit related services to the Company or any of its subsidiaries.

(2) Requiring the independent auditors to deliver to the Committee, at least annually, a formal written statement delineating all relationships between the independent auditors and the Company and confirming their independence from the Company.

(3) Actively engaging in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact upon the objectivity and independence of the independent auditors and recommending that the Board take appropriate action to satisfy itself of the auditors' independence.

(d) Internal Auditor

(i) Reporting: There shall be regular reporting from the internal auditor to the Committee and direct communications, without management present, with respect to specific material issues as they arise.

(ii) Oversight: The Committee shall oversee management reporting on the Company's internal controls and periodically review and approve the mandate and plan of the internal audit department.

(iii) Review: The Committee shall review the scope of the internal audit plan on an annual basis.

(e) Financial Risks

Financial Risks: The Committee shall meet periodically with management to discuss and review the current areas of greatest financial risk and whether management is managing these effectively.

(f) Planned Decisions

The Committee shall discuss and review planned decisions, including but not limited to strategic initiatives, management's plans to access the equity and debt markets, major transactions and significant related party or other contracts or negotiations.

(g) Legal and Regulatory Compliance

The Committee shall review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate. In addition, the Committee shall obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required D - 6 statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.

(h) Annual Budget

The Committee shall work with the Board to determine an appropriate annual budget for the Committee and its required activities, including but not limited to the compensation of the external auditors and any outside counsel or other experts retained by the committee.

7. Complaint Procedure

The Committee shall put in place procedures to deal with:

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

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

(iii) The Committee shall support the auditor, when appropriate, when issues arise, and management and the auditor disagree.

8. Hiring Policies

The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditors of the Company.

9. Review and Amendments to the Charter

(a) By the Committee: The Committee shall review this Charter annually and recommend to the Board any amendments it considers appropriate or desirable.

(b) By the Board: The Board shall review and reassess the adequacy of this Charter annually or whenever necessary and shall consider all recommendations received by it from the Committee.