NI 43-101 TECHNICAL REPORT AND MINERAL RESOURCE ESTIMATE ON THE CAPE SPENCER GOLD DEPOSIT, SAINT JOHN COUNTY, NEW BRUNSWICK, CANADA

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1.0 SUMMARY

Introduction

Mercator Geological Services Limited (Mercator) was retained by Magna Terra Minerals Inc. (Magna Terra) in September of 2019 to prepare this Technical Report ("Technical Report" or the "Report") in accordance with National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines* (the CIM Standards-2014). The purpose of the Report is to provide scientific and technical information related to the Cape Spencer Project and specifically documents a Mineral Resource Estimate prepared for the Cape Spencer gold deposit.

On October 14, 2019, Magna Terra Minerals Corp. (**Magna Terra**) entered into a share purchase agreement (the "**SPA**") with Anaconda Mining Inc. (Anaconda), a public mining company listed on the Toronto Stock Exchange (**TSX**), to acquire Anaconda's wholly-owned subsidiary, 2647102 Ontario Inc. (**ExploreCo**). Under terms of the SPA, at the closing of the transaction (the "**Closing Date**"), Magna Terra will acquire all of the issued and outstanding shares of ExploreCo in exchange for the issuance of an aggregate number of common shares of Magna Terra, equal to 100% of the issued and outstanding common shares in the share capital of Magna Terra, as such share capital is constituted on the Closing Date. On completion of the transaction, ExploreCo will become a wholly-owned subsidiary of Magna Terra. The closing of the transaction is subject to numerous conditions including, notably, regulatory approval, the shareholders of Magna Terra approving the proposed transaction and a consolidation of Magna Terra's issued and outstanding share capital, the completion of a concurrent financing by Magna Terra and other conditions customary to this type of transaction.

Work completed for the Mineral Resource Estimate that is the subject of this Technical Report was carried out by ExploreCo's parent company, Anaconda Mining Inc., between August 19, 2018, the ExploreCo acquisition date of the Project, and January 23, 2019, the Mineral Resource Estimate effective date. Mercator is of the opinion that, based on disclosure provided by Magna Terra and ExploreCo, no material changes to the property's exploration status and associated technical information have occurred since the January 23, 2019 effective date of the previous Mineral Resource Estimate and associated Technical Report. For purposes of this Technical Report, all work completed by ExploreCo and/or its parent company prior to and including the January 23, 2019 effective date of the Mineral Resource Estimate, is referenced herein as having been carried out by ExploreCo.

Property Description and Location

The Cape Spencer Project is located 15 km to the southeast of the City of Saint John in Saint John County, southern New Brunswick, Canada. The central part of the property is located at 270,000mE and 5,0,11,000mN (UTM NAD83 Zone 20) in National Topographic System (NTS) Map Sheet 21H/04

The Cape Spencer Project comprises three mineral exploration claims (7799, 8779 and 8780) that contain a total of 104 mineral claim units covering 2,365 ha of surface area. These were acquired by either staking (8779 and 8780) or under terms of the Cape Spencer Option Agreement with Mr. Robert Richard and Mr. Patrick Russell. The claims are collectively referred to as the "Property" for current report purposes. Cape Spencer Option Agreement conditions apply to claim 7799 in which ExploreCo currently holds a 100% interest. ExploreCo holds a 100% interest in Claims 8779 and 8780 which are not subject to any option or other agreements.

The Cape Spencer Deposit consists of two main gold-bearing zones, the Pit Zone and the Northeast Zone, located in the southwestern area of claim 7799. The term "Pit Zone" reflects previously established deposit nomenclature that has been retained by Magna Terra. It does not denote application of an optimized pit shell or envelop for definition of Mineral Resource.

History

The Cape Spencer Project has been the focus of systematic gold exploration since 1981 that has resulted in delineation to date of two main gold-bearing zones, the Pit Zone (inclusive of the historic Open Pit Mine) and the Northeast Zone. Several additional gold prospects also occur on the Property. A total of 379 historic diamond drill holes (28,211.16 m) are associated with historic gold exploration and resource delineation diamond drilling programs carried out on the Property. All of these drill holes have been compiled in a digital database by ExploreCo that was made available to Mercator to support the current Mineral Resource Estimate.

Early exploration work completed in the Cape Spencer area started in 1965 with local prospector Morton Gordon's assessment of a quartz vein system located at West Beach for silica potential. During 1976 and 1977, Mr. Gordon completed assessment of the Cape Spencer and West Beach Silica Deposits through drilling a total of 10 diamond drill holes (55.2 m).

Discovery of gold in 1981 at Cape Spencer led to more systematic exploration over the property. This included survey grid establishment and initial trenching of areas in which gold-bearing rock

samples had been collected. Work completed at this time resulted in discovery of near-surface gold mineralization that was later mined by Gordex Minerals Limited (Gordex) in the Cape Spencer Open Pit Mine.

In 1982 and 1983, Gordex carried out an extensive program of trenching, geological mapping, geophysical surveys (ground magnetics and VLF), diamond drilling (70 holes, 2,834.78 m) and percussion drilling (57 holes, 6 to 9 m depth). The 1982-1983 Gordex exploration programs supported estimation of a Mineral Resource Estimate based on open pit potential that totaled 527,000 tonnes grading 2.57 g/t gold. A cut-off gold grade was not disclosed. This Mineral Resource Estimate is historical in nature and was not prepared in accordance with National Instrument 43-101 and the CIM Standards. A Qualified Person has not carried out sufficient work to classify it as a current Mineral Resource Estimate and it should not be relied upon. Magna Terra is not considering it to be a current Mineral Resource Estimate.

During 1986 and 1987, Gordex completed an additional 87 diamond drill holes (5,025.62 m), including 65 holes within the Cape Spencer Open Pit Mine area. Additional exploration included soil and rock sampling, geological mapping, geophysics and petrography. An updated Mineral Resource was prepared at this time and defined 937,200 tonnes grading 1.85 g/t gold, including 306,210 tonnes grading 2.1 g/t gold that was considered amenable to economic development using open pit mining methods. A gold cut-off grade was not disclosed. Like that presented above, this Mineral Resource Estimate is historical in nature and was not prepared in accordance with National Instrument 43-101 and the CIM Standards. A Qualified Person has not carried out sufficient work to classify it as a current Mineral Resource Estimate and it should not be relied upon. Magna Terra is not considering it to be a current Mineral Resource Estimate.

Diamond drilling of 19 additional holes (3,518.5 m) was also carried out, including 15 holes that tested the Northeast Zone, located approximately 600 m northeast of the Open Pit Mine near the eastern property boundary. Cambior Inc. (Cambior) optioned the property from Gordex in August, 1988 and completed 4,474.82 m of diamond drilling in 13 drill holes. A Mineral Resource Estimate was completed by Cambior for the Northeast Zone and consisted of an Indicated Mineral Resource of 300,000 tonnes grading 5.5 g/t gold. A cut-off gold grade was not disclosed. This Mineral Resource Estimate is also now historical in nature and was not prepared in accordance with National Instrument 43-101 and the CIM Standards. A Qualified Person has not carried out sufficient work to classify it as a current Mineral Resource Estimate and it should not be relied upon. Magna Terra is not considering it to be a current Mineral Resource Estimate.

Gordex carried out a bulk sample program at the Cape Spencer Open Pit Mine that included a 30,000 tonne sample (estimated head grade of 1.99 g/t gold) in the spring of 1986 and a second bulk sample of 32,374 tonnes (estimated head grade of 1.39 g/t gold). Of this material, 15,000 tonnes were combined with the earlier 30,000 tonnes and treated by heap leaching. From the 45,000 tonnes treated by heap leaching, a total of 1,800 troy ounces of gold are reported to have been recovered. This is equivalent to a head grade of 1.37 g/t gold at an estimated recovery of 70%.

The Cape Spencer Open Pit Mine was in production from 1985 to 1988 and, although there are conflicting production statistics, it is generally considered that an estimated total of 226,000 tonnes of ore at an overall head grade of 1.6 g/t gold were mined by open pit methods and processed using heap leach recovery methods. A total of 5,900 ounces of gold are reported to have been produced during this period and this supports a calculated recovery factor of 50.6%. The Cape Spencer Open Pit Mine operated as a conventional sodium cyanide (NaCN) heap leach operation with gold recovered from pregnant solutions by Merrill Crowe processing, carbon column treatment and electrowinning.

A report in 1998 from the New Brunswick Research and Productivity Council outlined historic metallurgical testing that was completed on Cape Spencer mineralization and presented results of a revised feasibility study and indoor vat leaching metallurgical test. A total of 15 tonnes of mineralized material from the Cape Spencer Open Pit Mine were determined to have a head grade of 2.36 g/t gold. Recoveries of +90% were obtained via flotation to create a pyrite concentrate after crushing to -45 mesh, with the concentrate grading ~40 g/t gold.

In addition to the exploration and development in the Cape Spencer Open Pit Mine area, several other areas within the adjoining nine km belt of favourable geology were explored by geological, geophysical and geochemical surveys by various companies.

Work was completed in the Millican Lake area from 1983 to 1987, with this being largely undertaken by Glenvet Resources Ltd. (Glenvet) reflecting M. Gordon and H.C. McNamara interests. Work included linecutting, rock, soil and stream sediment sampling, geological mapping, ground magnetic, VLF and IP geophysical surveys. Glenvet completed a total of 13 diamond drill holes totalling 1,272.85 m.

Mispec Resources Ltd. (Mispec) explored the Road, Birches and Pond Zones between 1986 and 1988 by following up on earlier prospecting, soil sampling, Induced Polarization (IP) geophysical

and geological work east of the Cape Spencer Open Pit Mine. Mispec completed a total of 153 diamond drill holes (9,198.29 m). During 1990 and 1991, Mispec completed additional ground geophysical surveys (magnetics, VLF, IP), airborne gamma ray surveying, till and soil sampling, trenching and geological mapping and completed 13 additional diamond drill holes (1,363.42 m).

Little exploration interest was shown in the Cape Spencer area between 1991 and 2004. Between 1995 and 2004 Rex Resources Ltd., Pro-Max Resources Inc. and Geodex Minerals Limited completed rock and soil sampling, geological mapping and data compilation, IP geophysical surveys, trenching and completion of an additional 25 diamond drill holes (1,838 m). Several potentially significant new zones of mineralization were identified at this time, including Zones A through F and the Emilio Zone.

The Cape Spencer property was not actively explored between 2004 and the August 9th, 2018 date of its acquisition by ExploreCo.

Geology, Mineralization and Deposit Type

The Cape Spencer Project is centered along the Millican Lake Fault, a regional splay of the Caledonia and Cobequid-Chedabucto Fault Zones. The Property is underlain by Precambrian Millican Lake Granite plus Cambrian Cape Spencer and Coldbrook Group sedimentary and volcanic rocks. The Precambrian-Cambrian stratigraphy is unconformably overlain by, and in fault contact with, younger Carboniferous sedimentary rocks of the Balls Lake and Lancaster Formations.

Gold mineralization at Cape Spencer is generally hosted within altered Precambrian Millican Lake Granite or in similarly altered Cambrian Cape Spencer and Coldbrook Group sedimentary and volcanic rocks. Gold mineralization and associated alteration are concentrated along strongly faulted and sheared contacts between these two lithologies. This “Orogenic Style” gold mineralization is currently interpreted to have formed during Carboniferous to Permian deformation along the Millican Lake Fault splay of the Cobequid-Chedabucto Fault Zone.

Alteration consists of mesothermal style pervasive and patchy illite + pyrite + quartz ± iron carbonate ± sulfide veins and stockworks with 2-5% total sulfides consisting of pyrite, galena, chalcopyrite or sphalerite. Trace amounts of visible gold are locally present.

There are several gold prospects that warrant additional exploration over a nine km strike length defined to date by results of past exploration. Drill highlights from previous exploration work from 1982 to 2004 include:

Pit Zone – Past-producing (1985-1988) Cape Spencer Open Pit Mine - highlight assays include (Brown, 1987a; Humphreys and O'Sullivan, 2004):

- 13.89 g/t gold over 2.46 m within a zone grading 4.76 g/t gold over 9.45 m (Drill hole GX-86-09);
- 6.22 g/t gold over 1.52 m within a zone grading 2.13 g/t gold over 21.0 m (Drill hole GX-82-18);
- 27.08 g/t gold over 1.08 m within a zone grading 5.10 g/t gold over 9.15 m (Drill hole GX-86-29); and
- 18.00 g/t gold over 1.50 m within a zone grading 5.18 g/t gold over 8.25 m (Drill hole AB-04-10).

Northeast Zone - Located 400 m northeast of the Cape Spencer Open Pit Mine - interpreted to be continuous with the Road Zone. Highlight assays include (Tyler and Ash, 1988):

- 41.96 g/t gold over 2.45 m within a zone grading 7.72 g/t gold over 16.2 m (Drill hole CS-87-06);
- 16.20 g/t gold over 1.5 m within a zone grading 4.45 g/t gold over 19.0 m (Drill hole CS-87-08);
- 11.52 g/t gold over 3.0 m within a zone grading 4.85 g/t gold over 10.5 m (Drill hole CS-87-13); and
- 12.54 g/t gold over 4.0 m within a zone grading 4.26 g/t gold over 18.5 m (Drill hole CS-87-17).

Road Zone – 400 m-long zone of gold-bearing alteration zone with an average width of 20 m. This zone is interpreted to be the along strike continuation of the Northeast Zone. Highlight assays include (Mann, 1987; Tyler et al., 1989):

- 16.28 g/t gold over 2.5 m within a zone grading 1.81 g/t gold over 55.0 m (Drill hole MR-087);
- 10.35 g/t gold over 1.0 m within a zone grading 1.49 g/t gold over 20.7 m (Drill hole MR-147); and
- 13.06 g/t gold over 2.0 m within a zone grading 1.28 g/t gold over 18.0 m (Drill hole MR-105).

Birches Zone – 300 m-long gold-bearing alteration zone south of the Road Zone. Highlight assays include (Mann, 1987; Tyler et al., 1989; Humphreys and O'Sullivan, 2004):

- 17.85 g/t gold over 1.0 m within a zone grading 5.23 g/t gold over 4.0 m (Drill hole MR-150);
- 9.48 g/t gold over 1.0 m within a zone grading 4.01 g/t gold over 4.0 m (Drill hole MR-149); and
- 3.60 g/t gold over 5.0 m (Drill hole AB-04-08).

Emilio Zone – Prospect at Eastern end of Property. Highlight assays include (Humphreys and O'Sullivan, 2004):

- 7.86 g/t gold over 7.4 m ((Drill hole AB-04-06);
- 12.00 g/t gold over 1.4 m (chip) and 2.77 g/t gold over 3.0 m (chip); and
- Surface grab samples up to 168.00 g/t gold.

Zone A – Grab samples up to 53.50, 41.10, 37.70, 20.60 and 12.90 g/t gold (Humphreys and O'Sullivan, 2004).

Zone C – Grab samples up to 8.92 and 8.12 g/t gold and a chip sample of 2.77 g/t gold over 3.0 m (Humphreys and O'Sullivan, 2004).

Zone D – Five occurrences of visible gold with grab samples up to 7.12 g/t gold (Humphreys and O'Sullivan, 2004).

Exploration

ExploreCo completed a large digital data compilation project that includes results of diamond drilling programs plus historic trenching, rock and soil geochemistry sample programs that support the current Mineral Resource Estimate. Subsequent to the Mineral Resource Estimate effective date, ExploreCo complied historic ground magnetometer and VLF-EM geophysical data sets for the Property.

Site Visit By Mercator and ExploreCo Staff

Co-author M. Harrington, P. Geo., of Mercator visited the Cape Spencer Project site on September 24th to September 26th, 2018 accompanied by ExploreCo Chief Geologist, D. Copeland, P. Geo.. During this time, field reviews of the Cape Spencer Pit Zone, inclusive of the historic Open Pit Mine, and Northeast Zone areas were carried out. Drill core from ten historic diamond drill holes completed on the Property was also reviewed at the Government of New Brunswick core storage facility in Picadilly, NB. Each of the holes contained significant gold mineralization and 11 quarter core independent check samples were collected by co-author Harrington from these holes.

Co-author M. Cullen has visited the Cape Spencer Project site but did not do so on behalf of Magna Terra in support of this Report. During these earlier visits, bedrock exposures in the Open Pit Mine area and elsewhere along the length of the Property were inspected and selected historic drill cores were reviewed.

Diamond Drilling

The Cape Spencer Project has been the focus of systematic gold exploration since 1981 that has led to the identification of two main gold bearing zones, the Pit Zone and the Northeast Zone, in addition to several other prospects. A total of 379 diamond drill holes (28,211 m) completed during gold exploration and infill diamond drill programs by various past explorers have been compiled for the Property by ExploreCo in a digital drill hole database. Drill collar locations were digitized from historic scanned maps and georeferenced into NAD83 UTM Zone 20 coordinates. All associated information, including lithologic and sampling logs, assay results, and down hole survey data, entered into the database was assembled from assessment reports filed with the New Brunswick Government. ExploreCo provided Mercator with the digital database of historic drill holes to support the current Mineral Resource Estimate. Much of the historical drill core from the Property is preserved and available for review and re-sampling at the Government of New Brunswick drill core storage facility in Picadilly, NB.

Quality Control and Data Verification

In the fall of 2018, ExploreCo geologists carried out a check sampling program on historical drill holes from the Gordex, Mispec, and Acadia Mineral Ventures (Acadia) drilling programs. ExploreCo staff selected 34 sample intervals for check samples with original gold assay values that ranged from 0.52 to 11.55 g/t. Archived half-cores were split using a diamond saw, with quarter core archive splits returned to the source core box and the other quarter split placed in a labelled sample bag with a numbered sample tag for submission to Eastern Analytical in Springdale, NL. Gold was analyzed by Eastern Analytical by fire assay method with an atomic absorption finish. Three certified reference material samples (CDN-GS-1M) were inserted within the sample submission stream and results for all three occur within the two standard deviation range for CDN-GS-1M (0.98-1.16).

During the site visit and core review by Mercator, 11 quarter core samples were obtained for purposes of check sample analysis against Gordex. and Mispec analytical results present in the drilling database. Selected sample intervals were identified by Mercator staff during the core

reviews that were carried out on September 24th, 2018 to September 26th, 2018 in Picadilly , NB. Mercator retained secure procession of the samples until preparation of an analytical shipment that included insertion of one blank sample and one certified analytical standard prior to delivery by commercial courier to ALS Geochemistry in Sudbury, ON for determination of specific gravity, crushing and pulverization and gold analysis. Efforts were made during the core sampling program to obtain representative samples across the deposit gold grade range.

Mercator check samples all returned elevated gold values but show only moderate to poor correlation with the original values recorded for the sampled intervals. A correlation coefficient for gold of 0.36 applies to the 11 sample population. Gold values below approximately 2 g/t show the closest correlation between datasets with variance increasing with gold grade. Several factors may be contributing to this trend, the most obvious being sample heterogeneity at the quarter core sample scale and presence of relatively coarse gold particles in higher grade sample pulps that create a nugget effect. A more extensive re-sample program using screen metallics gold analysis may provide better assessment of these contributing factors. Acceptable results were returned for the Mercator blank sample and certified reference material samples submitted with the quarter core samples.

Mineral Resource Estimate

The current Inferred Mineral Resource Estimate for the Cape Spencer Deposit, consisting of the Pit Zone and Northeast Zone, contains 1,720,000 tonnes at an average gold grade of 2.72 g/t for 151,000 contained gold ounces. These are defined at a cut-off gold grade of 0.5 g/t gold for near-surface material considered potentially amenable to open pit mining and at a 2.5 g/t gold cut-off grade for material considered potentially amenable to underground mining. The current Mineral Resource Estimate has an effective date of January 23, 2019. **No material changes to the property's exploration status and associated technical information have occurred since the January 23, 2019 effective date.** Mineral Resources occur in two zones, these being the Pit Zone and the Northeast Zone and are presented below in Table 1-1.

The Northeast Zone contains a conceptual underground Inferred Mineral Resource Estimate of 740,000 tonnes at an average grade of 4.07 g/t gold for 96,000 contained ounces of gold at a cut-off grade of 2.5 g/t gold and the Pit Zone contains a conceptual open-pit Inferred Mineral Resource Estimate of 990,000 tonnes at an average grade of 1.71 g/t gold for 54,000 contained ounces of gold at a cut-off grade of 0.5 g/t gold.

Table 1-1: Cape Spencer Project Mineral Resource Estimate – Effective Date: January 23, 2019

Zone	Cut-Off (Au g/t)	Category	Rounded Tonnes	Au (g/t)	Rounded Ounces
Northeast	2.5	Inferred	740,000	4.07	96,000
Pit	0.5	Inferred	990,000	1.71	54,000
Total	**0.5 and 2.5**	**Inferred**	**1,720,000**	**2.72**	**151,000**

1. *This Mineral Resources Estimate was prepared in accordance with NI 43-101 and the CIM Standards (2014)*
2. *Mineral Resource tonnages have been rounded to the nearest 10,000 and ounces have been rounded to the nearest 1,000. Totals may not sum due to rounding.*
3. *A cut-off of 2.50 g/t gold was used to estimate Mineral Resources for the Northeast Zone.*
4. *A cut-off of 0.50 g/t gold was used to estimate Mineral Resources for the Pit Zone.*
5. *Mineral Resources were interpolated using Ordinary Kriging from 1.5 m assay composites capped at 15 g/t gold.*
6. *An average bulk density of 2.74 g/cm3 has been applied.*
7. *Northeast Zone Mineral Resources extend to a maximum depth of 225m below surface and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional underground mining methods at a gold price of CAD $1,550 per ounce.*
8. *The term "Pit Zone" reflects previously established deposit nomenclature that has been retained by Magna Terra. It does not denote application of an optimized pit shell or envelop for definition of Mineral Resources. Pit Zone Mineral Resources extend to a maximum depth of 100m below surface and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods at a gold price of CAD $1,550 per ounce.*
9. *Mineral Resources do not have demonstrated economic viability.*
10. *This estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, sociopolitical, marketing, or other relevant issues.*

Conclusions

The Cape Spencer Project has been the focus of systematic gold exploration since 1982. This has resulted in identification of two main gold-bearing zones, the Pit Zone and the Northeast Zone, plus several additional prospects. A total of 379 diamond drill holes totaling 28,211.16 m associated with gold exploration and infill diamond drilling have been compiled to date in a digital database by ExploreCo. Review and resampling of historic diamond drill core support the current NI 43-101 Mineral Resource Estimate for the Project.

The two current Mineral Resource Estimate areas (Pit Zone and Northeast Zone) remain open for expansion along strike and down-dip. In addition to the Mineral Resource areas, several poorly tested prospects, Zones A through E and the Emilio Zone at the eastern end of the property,

require follow-up testing for potential strike and depth expansion. The host environment for gold mineralization, the faulted and sheared contact between Millican Lake Granite and Cape Spencer Formation sediments, remains largely untested for most of its nine km strike extent on the Property and at depth below the Mineral Resource Estimate area and other prospects.

Current drill hole density in the Pit Zone is sufficient to define Indicated and/or Measured Mineral Resources, however, uncertainty in drill hole collar locations, quality of historic analytical data, drill core lithological assignment and the absence of a comprehensive density dataset has resulted in the current Mineral Resource Estimate being entirely assigned to the Inferred category. The Northeast Zone is also not defined at a drill hole spacing sufficient to support Mineral Resources in the Indicated and Measured categories and is subject to the same uncertainty factors related to historic data as referenced above for the Pit Zone.

Recommendations

Based on the results of exploration conducted to date on the Cape Spencer Project, as reviewed in this report, follow up exploration is warranted with the goal of upgrading and expanding the current Mineral Resource Estimate and to discover additional mineralization on the property. A A two phase approach is proposed, with the main focus of Phase 1 being drill testing of known gold mineralization areas additional to the Pit Zone and Northeast Zone deposits and basic exploration of relatively unexplored areas of the property. High priority areas for Phase 1 drilling include the Emilio Zone plus Zones A, B, C and F. A total of 2000 m of drilling has been designated for Phase 1. Re-logging of archived historic drill core and focused surface trenching, plus digital compilation and interpretation of historic geophysical survey results are also included in Phase 1. The main goal of Phase 2 is to provide infill drilling definition in the Pit Zone and Northeast Zone deposits as well as at any additional areas defined through Phase 1 programs. A total of 4000 m of drilling has been designated for Phase 2. Completion of an updated Mineral Resource Estimate for the Property should follow completion of Phase 2 drilling and incorporate results of all Phase 1 and Phase 2 exploration work.

Completion of the recommended Phase 1 and Phase 2 work programs set out above is estimated to require expenditure of $1.2 million (CDN) if completed under contract service conditions existing at the effective date of this report. Phase 1 accounts for $ 535,000 of this total and Phase 2 accounts for the remaining $665,000.

2.0 INTRODUCTION

2.1 Scope of Reporting

Mercator Geological Services Limited (Mercator) was retained by Magna Terra Minerals Inc. (Magna Terra) in September of 2019 to prepare this Technical Report ("Technical Report" or the "Report") in accordance with National Instrument 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines* as amended in 2014 (the CIM Standards-2014). The purpose of the Report is to provide scientific and technical information related to the Cape Spencer Project. The Report specifically documents a Mineral Resource Estimate prepared for the Cape Spencer gold deposit.

On October 14, 2019, Magna Terra Minerals Inc. (**Magna Terra**) entered into a share purchase agreement (the "**SPA**") with Anaconda Mining Inc. Inc. (**Anaconda**), a public mining company listed on the TSX, to acquire Anaconda's wholly-owned subsidiary 2647102 Ontario Inc. (ExploreCo). Under terms of the SPA, at the closing of the transaction (the "**Closing Date**"), Magna Terra will acquire all of the issued and outstanding shares of ExploreCo in exchange for the issuance of an aggregate number of common shares of Magna Terra, equal to 100% of the issued and outstanding common shares in the share capital of Magna Terra, as such share capital is constituted on the Closing Date. On completion of the transaction, ExploreCo will become a wholly-owned subsidiary of Magna Terra. The closing of the transaction is subject to numerous conditions including, notably, regulatory approval, the shareholders of Magna Terra approving the proposed transaction and a consolidation of Magna Terra's issued and outstanding share capital, the completion of a concurrent financing by Magna Terra and other conditions customary to this type of transaction.

The Cape Spencer Project is 100% controlled by 2647102 Ontario Inc. (ExploreCo), which is a Company existing pursuant to the laws of Ontario. Magna Terra trades under the symbol of "MTT", on the Toronto Stock Exchange Its corporate office is located at 150 York Street, Suite 410, Toronto, Ontario, M5H 3S5, Canada.

Work completed for the Mineral Resource Estimate that is the subject of this Technical Report was carried out by ExploreCo's parent company, Anaconda Mining Inc., between August 19, 2018, the ExploreCo acquisition date of the Project, and January 23, 2019, the Mineral Resource Estimate effective date. Mercator is of the opinion that, based on disclosure provided by Magna Terra and ExploreCo, no material changes to the property's exploration status and associated technical information have occurred since the January 23, 2019 effective date of the current

Mineral Resource Estimate. For purposes of this Technical Report, all work completed by ExploreCo and/or its parent company, Anaconda Mining Inc., prior to and including the January 23, 2019 effective date of the Mineral Resource Estimate, is referenced herein as having been carried out by ExploreCo.

The Report was prepared by Michael Cullen, P. Geo., and Matthew Harrington, P. Geo., of Mercator Geological Services Limited ("Mercator") who are independent "Qualified Persons" as defined under National Instrument 43-101 (NI 43-101). An independent inspection of the properties was undertaken by co-author Harrington between the 24th and 26th of September, 2018. The Mineral Resource Estimate supported by this Report was prepared in accordance with NI 43-101 and the 2014 CIM Standards.

Authors Harrington and Cullen are also co-authors of the preceding Mineral Resource Estimate Technical Report for the Cape Spencer Property (Cullen et al., 2019), which has an effective date of January 23, 2019, and was prepared for ExploreCo's parent company, Anaconda. The current Mineral Resource Estimate has the same effective date as the earlier report and there are no differences between the subject Mineral Resource estimates of the two reports in the context of gold grades, cut-off values, Mineral Resource Estimate tonnages or their categorization. To meet author independence requirements of the current Technical Report, co-authors Harrington and Cullen have reviewed and taken responsibility for certain Technical Report content that previous co-author D. Copeland, P. Geo., was responsible for in the previous report. Previous report co-author S. O'Connor, P. Geo., of Mercator, was not available to participate in preparation of the current Technical Report and the current co-authors have taken responsibility for content prepared earlier by Mr. O'Connor. Distribution of current reporting responsibility is detailed below in report section 2.2.

Text of the current Technical Report very closely follows that of the previous Technical Report. In instances where text of the previous Technical Report was the responsibility of original authors, D. Copeland, P. Geo.,or S. O'Connor, P. Geo., they have granted permission for use and modification of their earlier text to meet requirements of the current Technical Report. However, they bear no responsibility for such use in the current Technical Report.

Information and data used in this technical report were obtained through compilation of historic exploration and mining activities carried out by various operators from ca. 1982 to 2004. Historic exploration data has been incorporated when its reliability has been verified by ExploreCo and Mercator.

Unless otherwise stated, the units of measures used in this report conform to the metric system and all dollars are reported in Canadian currency. A list of abbreviations used in this report is presented in Table 2-1.

Table 2-1: Abbreviations Used in this Technical Report.

Abbreviation	Term		Abbreviation	Term
Ag	Silver		P.Geo.	Professional Geologist
ANX	Anaconda Mining Incorporated		QA/QC	Quality Assurance/Quality Control
Calc	Calculated		UTM	Universal Transverse Mercator
DNR	Department of Natural Resources		UTME	UTM Easting
Elva	Elevation		UTMN	UTM Northing
FY	Fiscal Year		V	Volt
G & A	General and Administration		US$	United States Dollars
Au	Gold		%	Percent
Inc.	Incorporated		C	Celsius
IP	Induced Polarization		cm^3	Cubic Centimetres
Ltd.	Limited		m^3	Cubic Metres
MTME	MTM Easting		^{o}	Degree
MTMN	MTM Northing		ft	Foot
NI 43-101	National Instrument 43-101		g	Gram
NTS	National Topographic System		g/t	grams per tonne
NSR	Net Smelter Royalty		kg/t	kilograms per tonne
NAD	North American Datum		km	Kilometre
oz.	Ounce		KV	Kilovolt
ppb	Parts per billion		KW	Kilowatt
ppm	Parts per million		m	Metre
FA	Fire Assay		mm	Millimetre
AA	Atomic Absorption		m^2	Square Metres
P.Eng.	Professional Engineer		M	Million(s)

2.2 Responsibility of Authors

Table 2-2 presents details of report section responsibility with respect to the individual Qualified Persons who have co-authored this Technical Report.

Table 2-2: Qualified Person Report Responsibilities

Qualified Person	Affiliated Firm	Report Item (Section) Responsibility
Matthew Harrington, P.Geo.	Mercator	Item 2, 12, 14 and parts of items 1, 25 and 26
Michael Cullen, P.Geo.	Mercator	Items 3 – 11, 13, 15 through 24 and parts of items 1, 25 and 26

3.0 RELIANCE ON OTHER EXPERTS

The independent Qualified Persons have relied on information provided by ExploreCo and Magna Terra concerning the legal status of claims that form the Cape Spencer Project. Effort was made by author Harrington to review the information provided with respect to the legal status for obvious errors and omissions. However, Mr. Harrington is not responsible for any errors or omissions relating to the legal status of mineral claims described in this report. The authors have also relied upon ExploreCo and Magna Terra for opinions with respect to environmental issues, mineral property agreements and surface titles pertinent to the Cape Spencer Project.

3.1 Disclaimer

This report was prepared by Mercator for Magna Terra and information, conclusions and estimates contained herein are based upon information available to Mercator at the time of report preparation. This includes data made available by ExploreCo and Magna Terra as well as government and public record sources. Information contained in this report is believed reliable, but the report is based upon information not within Mercator's control. Mercator has no reason, however, to question the quality or validity of data used in this report beyond such cautions or comments that may be contained herein. Comments and conclusions presented in the report reflect Mercator's best judgment at the time of report preparation. Mercator is not providing professional opinions with respect to mineral exploration titles, environmental issues, mineral property agreements or surface titles.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Cape Spencer Project is located in NTS Map Sheet 21H/04, 15 km to the southeast of the City of Saint John, in Saint John County, southern New Brunswick (Figure 4-1). The central part of the property is located at UTM NAD 83 Zone 20 grid reference coordinates 270,000mE and 5,011,000mN.

The Cape Spencer Project includes a total of 104 mineral claim units covering 2,365 ha of land acquired via either staking and or under terms of the Cape Spencer Option Agreement. The Cape Spencer Option Agreement covers claim 7799 that is registered 100% to 2647102 Ontario (ExploreCo). Claims 8779 and 8780 were acquired via staking and are held 100% by ExploreCo (Table 4-1; Figure 4-2).

The Cape Spencer Deposit consists of two main gold-bearing zones, the Pit Zone and the Northeast Zone, located in the southwestern area of claim 7799. The term “Pit Zone” reflects previously established deposit nomenclature that has been retained by Magna Terra. It does not denote application of an optimized pit shell or envelop for definition of Mineral Resource.

4.1 Underlying Option Agreements

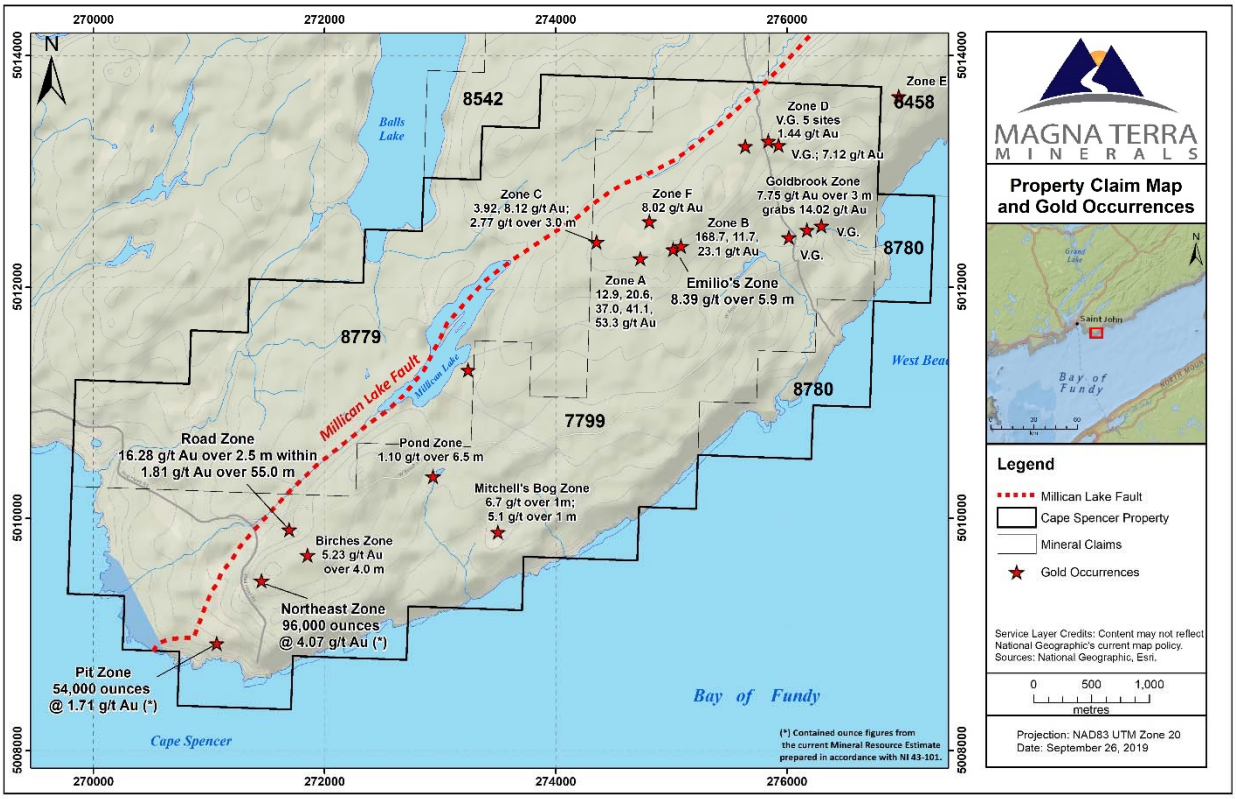
On August 9th, 2018, ExploreCo entered into an Option Agreement with Mr. Robert Richard and Mr. Patrick Russell (the “vendors”) with respect to Claim 7799. Pursuant to the Cape Spencer Option Agreement, for a 100% interest, ExploreCo will pay the vendors a total of $300,000 in cash and $145,000 in cash or equivalent value shares over a five-year period from the signing date. ExploreCo must also complete $400,000 in exploration expenditures on Claim 7799 within the first four years of this five year period. A 2% Net Smelter Return Royalty ("NSR") is payable to the vendors with respect to any metallic mineral production from the optioned claim. One percent of the NSR is purchasable for $1,000,000 (Can) with a right of first refusal on the remaining 1% NSR.

Table 4-1: Mineral Claims – Cape Spencer Gold Project.

Claim	Registered Owner	Issuance Date	Expiry Date	Claims Units	Hectares
7799	2647102 Ontario Inc. 100%	2016-07-01	2020-07-01	62	1410
8779	2647102 Ontario Inc. 100%	2018-07-11	2020-07-11	35	796
8780	2647102 Ontario Inc. 100%	2018-07-11	2020-07-11	7	159
Total				**104**	**2365**

Figure 4-1: Location Map – Cape Spencer Project.

Figure 4-2: Mineral Claim Map – Cape Spencer Project.



4.1.1 Review of Option Agreement by Mercator

Agreement terms summarized above were provided by ExploreCo and Mercator did not otherwise review, confirm or validate any terms or conditions of the option agreement for purposes of this Report. However, at the effective date of the Report Mercator had no reason to question agreement information provided by ExploreCo.

4.1.2 Status of Claims at Effective Date of Report

ExploreCo advised that all claims pertinent to this Report were in good standing at the effective date of the Report. Mercator did not independently verify this assertion but had no reason to question it.

4.2 Summary of Exploration Title and Regulatory Information

Mineral exploration claims in New Brunswick are issued under the province's Mining Act, c.M14.1 of the Acts of New Brunswick, 1985 ("the Act") and adjudicated under terms of associated Regulations. Any individual or company acquiring claims in the province must hold a valid Prospector's Licence at the time of staking. No specific reference to "patented claim status" is defined under this Act but certain mineral rights in certain areas of the province are vested with the surface title holder and therefore excluded from general staking. These areas often reflect land grants issued prior to 1810.

All areas of the province were historically subject to ground staking, but map staking was instituted at 9:00 am on November 12th, 2008. The map staking system is based on the New Brunswick Minerals and Petroleum Grid system coordinated to North American Datum 1983 (NAD 83). A "mineral claim unit" defined under this new system measures approximately 500 m by 500 m in dimension and conforms to the noted grid coordination and identification system. A "mineral claim" cannot contain in excess of 256 "mineral claim units"

There is no general requirement in New Brunswick to legally survey all mineral exploration claim boundaries. A requirement to re-establish mineral exploration claim boundaries in the fifth year of claim issue and every five years thereafter previously applied to ground staked exploration claims. Application for a Mining Lease under the Act, which must be obtained to allow commercial production of a mineral to occur, does require completion of a legal boundary survey of constituent claims.

Mineral claim registration consists of a $10/claim unit registration fee and a $50/claim unit refundable work deposit, refunded upon submission and acceptance of the report covering the first-year work requirements. Under normal circumstances, fees and minimum work requirements set out under provision of the Act vary according to the year of licence issue and are summarized in Table 4-2.

Table 4-2: Standard Claims Renewal Fees and Work Requirements

Year of Issue	Assessment Expenditure	Renewal Fee
1	$100.00 per claim unit	$10.00 per claim unit/year
2	$150.00 per claim unit	$10.00 per claim unit/year
3	$200.00 per claim unit	$10.00 per claim unit/year
4	$250.00 per claim unit	$10.00 per claim unit/year
5 through 10	$300.00 per claim unit	$20.00 per claim unit/year
11 through 15	$500.00 per claim unit	$30.00 per claim unit/year
16 through 25	$600.00 per claim unit	$50.00 per claim unit/year
26 and over	$800.00 per claim unit	$50.00 per claim unit/year

4.3 Environmental Liability and Other Potential Risks

The Minerals and Resource Development Division of the Department of Energy and Resource Development advised D. Copeland of ExploreCo in August 2018 that there are currently no known environmental liabilities or contamination issues attached to the former producing mine site at the Cape Spencer Project. The historic Cape Spencer bulk sample site and pilot plant site were closed and reclaimed by the Government of New Brunswick in the 1990's. ExploreCo has not independently verified this assertion but is relying upon it at the effective date of this Report. There remains a footprint of the previous heap leach pad and a small dry stack tailings pile of silica sand on the site.

The entire Cape Spencer Project overlies lands held by private surface rights holders. Permission from relevant surface rights holders is required to carry out exploration and other evaluative work beyond basic prospecting and geological studies. There is currently one landowner that has indicated that a land use agreement will be required before any such work may be completed by ExploreCo. This private land parcel covers a large portion of the surface projection of the Northeast Zone and the historic mill site and heap leach pad, but not the Pit Zone, inclusive of the historic Open Pit Mine. Access and, by extension, the ability to conduct exploration and mining activities on this parcel of land is dependent on concluding an agreement with the

landowner. Uncertainty with respect to gaining access this large land parcel constitutes an identified risk for the Cape Spencer Project. At the Report date, Exploreco did not have an access agreement with this landowner

4.4 Availability of Land For Recommended Exploration Program and Future Development

The majority of the Cape Spencer Property is comprised of forested land that has not been developed for other purposes to date. Most of this is privately held, as noted above. On this basis, it is reasonable to conclude that sufficient undeveloped land is present in the Property area to accommodate the work programs recommended in this report and also for future develop activities, if warranted. It will be necessary for Magna Terra to arrange access agreements with landowners to carry out such programs. Such agreements were not in place at the Report date.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

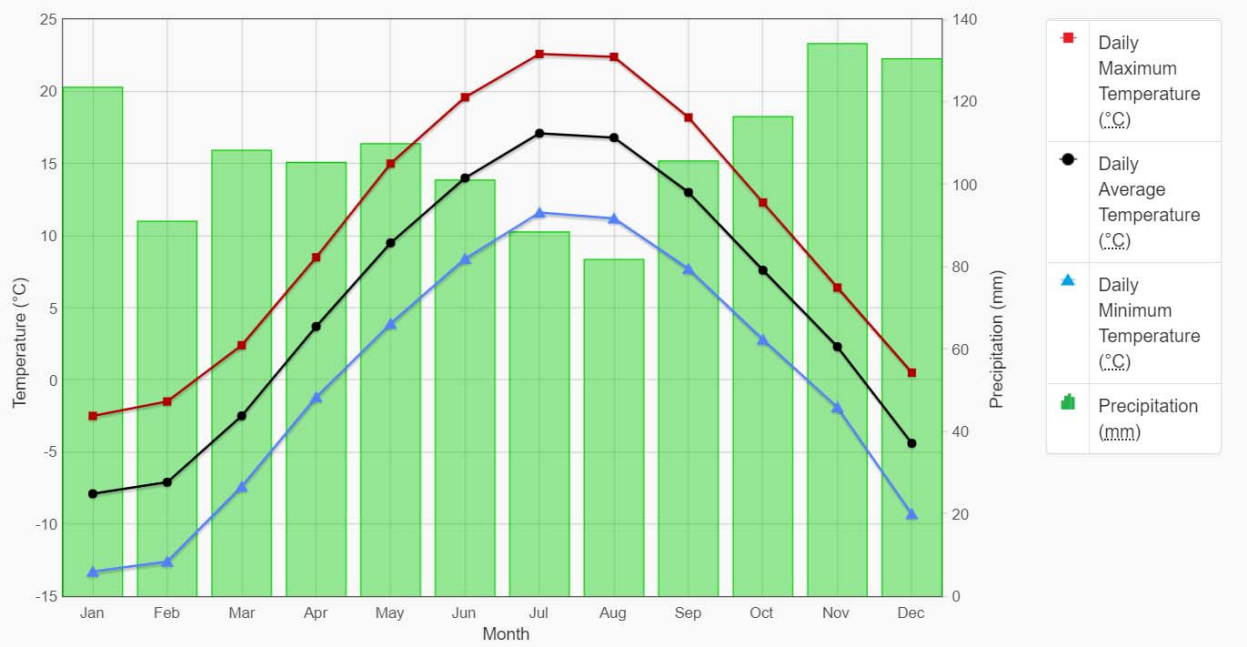
5.1 Accessibility

The Cape Spencer Project is located 15 km to the southeast of the City of Saint John in Saint John County, southern New Brunswick. The Property is accessed by travelling east of Saint John along Red Head Road through the communities of Mispec and Cape Spencer. Red Head Road cuts through the western end of the property. Access to the former Cape Spencer mine area in the western part of the property is by overgrown gravel road originating on Red Head Road. A series of woods roads and ATV trails provide access to the eastern part of the property.

5.2 Climate

The climate of the Saint John area is temperate to cool with moderately hot summers and cold winters with average daytime highs below freezing. The climate is typical of coastal Atlantic Canada with frequent precipitation, fog and offshore winds. Temperatures are somewhat moderated by the nearby Bay of Fundy waters. For the period 1981 to 2010 the monthly mean daytime high temperature for July is 22.6^{o}C and the mean daytime high temperature for January is -2.5^{o}C. The monthly mean daytime low temperature for July is 11.6^{o}C and the mean daytime high temperature for January is -13.3^{o}C Monthly precipitation varies from a high of 134.1 mm in November to a low of 81.7 mm in August for the same period (Figure 5-1).

Figure 5-1: **Temperature and Precipitation for 1981 to 2010 for Saint John, New Brunswick (Environment and Climate Change Canada).**



5.3 Physiography

Topographic relief is dominated by steep cliffs that rise from the Bay of Fundy shoreline level to about 30 m and in places to 80 m above sea level (asl). Away from the shoreline, the property is of relatively low relief, rising to a maximum of 150 m asl in the northeast. The vegetation consists of mixed spruce, fir, birch and some cedar, with alders fringing bog areas.

5.4 Local Resources and Infrastructure

The city of Saint John is a modern, industrial city with several major industries including forestry, pulp and paper, oil refining, power generation (Nuclear, Natural gas and Bunker C), shipbuilding and a liquified natural gas (LNG) terminal. The port of Saint John is the major shipping port for the Province of New Brunswick. The port is serviced by a railway system that runs east-west through southern New Brunswick. The City of Saint John also boasts a number of colleges and a university campus and provides access to an abundant supply of skilled labour and other resources necessary for the mining industry.

Within the western area of the property, there are about half a dozen private homes and electricity and telecommunication services are currently available to within approximately 500

m of the former Cape Spencer mine site. Cellular telephone service is available reliably across the property.

The Saint John Airport is located 14 km to the north of the Property, with daily commercial airline flights to and from the eastern Canadian cities of Halifax, Ottawa, Montreal and Toronto.

As a result of previous open pit mining operations, there are some small stockpiled ore and waste dumps and the remains of a heap leach pad. The mine area was re-habilitated by the New Brunswick government after operations ceased and it is assumed that obvious physical site hazards originating from that period have thereby been addressed.

6.0 HISTORY

6.1 Government and Academia

The first recorded geological mapping in the Saint John area was completed during 1839 by physician, geologist and inventor, Abraham Gesner, who completed a series of surveys of the Province of New Brunswick during his tenure as government geologist (Gesner, 1840). Geological mapping programs by Hayes and Howell (1937) and Alcock (1938) were subsequently completed for the Saint John area but include little detail of the Cape Spencer area.

Regional geological work was completed in southern New Brunswick by Ruitenberg et al. (1974, 1975, 1979), Currie and Nance (1983), and Parker (1984), with a focus on the Precambrian terranes, including the Cape Spencer area. Additional geological mapping, geochemistry and age dating by Barr and White (1989, 1991, 2004), Bevier and Barr (1990) and Dallmeyer and Nance (1994) focussed on the Caledonia Terrane.

Detailed geological studies in the Cape Spencer area were also completed by Ruitenberg (1982, 1983, 1984 and 1985), Ruitenberg and McCutcheon (1985), Warner (1985), Nance and Warner (1986), Caudill and Nance (1986), Nance (1986b, 1987) and Bradley (1984).

A Ph.D. thesis by Watters (1994) stands as the most comprehensive geological study of the property to date. A B.Sc. thesis by Richard (2005) describes elements of the alteration and mineralization at the Cape Spencer Deposit.

6.2 Property Exploration

Early exploration in the Cape Spencer area was focussed on copper in Proterozoic volcanics, where chalcopyrite with low gold content was found in quartz veins cutting basalts. During the period from the mid 1950's to 1980, a few minor copper/gold showings were investigated. Morton Gordon staked the area of the Cape Spencer Open Pit Mine in 1974 after obtaining high gold values from rock samples in the area that later became the site of the Gordex Open Pit Mine. The Cape Spencer Property has been subject to systematic gold exploration since 1981, and the Cape Spencer Open Pit Mine operated from 1985 to 1988. Details of exploration completed on the Cape Spencer property are described below and summarized in Table 6-1.

6.2.1 1965 to 1980 – Early Exploration

Early exploration work completed in the Cape Spencer area started in 1965 with Morton Gordon's assessment of the quartz vein located at West Beach for potential as a silica deposit (Sweet, 1965).

During 1973 and 1975, J.D. Irving Ltd and H.C. McNamara conducted grassroots exploration for base metals in the Mispec area west of the current property. H.C. McNamara completed three diamond drill holes totaling 168.55 m at this time (Peck, 1973 and McNamara, 1975).

During 1976 and 1977, M. Gordon completed assessment of the Cape Spencer and West Beach Silica Deposits by completing six diamond drill holes (CS-1 to CS-6) totaling 121.92 m at Cape Spencer and 4 diamond drill holes (WB-1 to WB-4) totaling 59.13 m at West Beach (Gordon, 1976a; 1976b; Boyle, 1977a; 1977b).

6.2.2 1981 to 1988 – Discovery and Development of the Cape Spencer Pit Zone and Northeast Zone

Discovery of gold in 1981 at Cape Spencer led to more systematic exploration over the property, including establishment of a grid (10 line miles) in the Cape Spencer area and initial trenching of areas of gold bearing rock samples. Work completed at this time resulted in discovery of the gold mineralization that was later exploited in the Cape Spencer Open Pit Mine (Gordon, 1981a; 1981b).

In 1982, Gordex Minerals Ltd. (Gordex) carried out an extensive program of trenching, geological mapping, geophysical surveys (ground magnetometer and VLF-EM surveys), and 32 diamond drilling holes (GX-1, 1a to GX-31) totalling 901.73 m (Jowsey, 1982; Archibald, 1982a; 1982b; 1982c). This was followed in 1983, under an option agreement with Noranda Exploration Company Limited (Noranda), by a further 38 diamond holes (GX-51 to GX-88) totalling 1,933.05 m and 57 percussion (air- track) holes of 6 to 9 m depth (Williams, 1984). The 1982-1983 Gordex exploration programs supported preparation of a now historic Mineral Resource Estimate for mineralization considered to be amenable to development using open pit mining methods. The work defined 527,000 tonnes grading 2.57 g/t gold (Tilsley et al., 1984). A cut-off grade was not disclosed. This Mineral Resource Estimate is now historical in nature and was not prepared in accordance with NI 43-101 and the CIM Standards. A Qualified Person has not carried out sufficient work to classify it as a current Mineral Resource Estimate and it should not be relied upon. Magna Terra is not considering it to be a current Mineral Resource Estimate.

In 1986, Gordex completed ground magnetometer, VLF-EM and Induced Polarization (IP) surveys as well as a structural interpretation of the open pit area (Gingerich and Jones, 1986; Hattie, 1986). Gordex also carried out a bulk sampling test at the Cape Spencer Open Pit Zone under the direction of Witteck Development Inc. A bulk sample of 30,000 tonnes of material was stockpiled in the spring of 1986 and was estimated on the basis of conveyor belt sampling results to have a head grade of 1.99 g/t gold.

A second bulk sample of 32,374 tonnes was taken and assigned an estimated gold grade of 1.39 g/t. Of this material, 15,000 tonnes were combined with the earlier 30,000 tonnes and treated by heap leaching. From the 45,000 tonnes treated by heap leaching, a total of 1,800 troy ounces of gold was reported to be recovered. This would be equivalent to a gold grade of 1.37 g/t (0.04 oz/ton) with an estimated recovery of 70%. (Tyler, 1988).

The Cape Spencer Open Pit Mine was in production from 1985 to 1988 and, although there are conflicting production statistics, it is generally considered that an estimated total of 226,000 tonnes of ore at an overall head grade of 1.6 g/t gold were mined by open pit methods and processed using heap leach recovery methods. A total of 5,900 ounces of gold are reported to have been produced during this period and this supports an estimated recovery factor of 50.6%. The Cape Spencer Open Pit Mine operated as a conventional sodium cyanide (NaCN) heap leach operation with gold recovered from pregnant solution by Merrill Crowe processing, carbon column treatment and electrowinning.

In 1987, Gordex engaged MPH Consulting Limited to carry out exploration on the Open Pit Mine area and adjacent properties. A total of 87 diamond drill holes (GX-86-01 to GX-87-83, plus abandoned holes) were drilled totaling 5,025.62 m, including 65 drill holes completed on the Cape Spencer Open Pit Mine area. Additional exploration, including soil and rock sampling, geological mapping, geophysics and petrography was completed as well (Buggie, 1987; Brown, 1987a; 1987b; 1987c; 1987d; 1987e; 1987e; 1987f; Tremblay, 1987; Lewczuk, 1987a; Mitton, 1987a; 1987b; and Donovan, 1987a; 1987b). An updated Mineral Resource Estimate was prepared that defined 937,200 tonnes grading 1.85 g/t gold including 306,210 tonnes grading 2.1 g/t gold considered to be amenable to open pit mining methods. A cut-off grade was not disclosed. This Mineral Resource Estimate is also now historical in nature and was not prepared in accordance with National Instrument 43-101 and the CIM Standards. A Qualified Person has not carried out sufficient work to classify it as a current Mineral Resource Estimate and it should not be relied upon. Magna Terra is not considering it to be a current Mineral Resource Estimate.

Consultants Derry, Michener, Booth and Wahl (DMBW) were engaged in 1987 to evaluate Mineral Resources of the Open Pit Mine area. They reported an Inferred Mineral Resource for the open pit of 582,200 tonnes grading 2.09 g/t. A cut-off grade was not disclosed. As in the earlier cases, this Mineral Resource Estimate is now historical in nature and was not prepared in accordance with National Instrument 43-101 and the CIM Standards. A Qualified Person has not carried out sufficient work to classify it as a current Mineral Resource Estimate and it should not be relied upon. Magna Terra is not considering it to be a current Mineral Resource Estimate. Diamond drilling of 19 holes (CS-87-01 to 19) totaling of 3,519.34 m was also carried out, including 15 drill holes located on the Northeast Zone approximately 600 m northeast of the Open Pit Mine near the eastern property boundary (Tyler and Ash, 1988).

Cambior Inc. (Cambior) optioned the property from Gordex in August 1988 and completed 13 diamond drill holes totaling 4,484.48 m on the Northeast Zone. This program was carried out under the supervision of DMBW. A Mineral Resource Estimate completed by Cambior for the Northeast Zone reported an Indicated Mineral Resource of 300,000 tonnes grading 5.5 g/t gold (Spiegle, 1989). A cut-off grade was not disclosed. As in the earlier cases, this Mineral Resource Estimate is now historical in nature and was not prepared in accordance with National Instrument 43-101 and the CIM Standards. A Qualified Person has not carried out sufficient work to classify it as a current Mineral Resource Estimate and it should not be relied upon. Magna Terra is not considering it to be a current Mineral Resource Estimate.

A report in 1998 from the New Brunswick Research and Productivity Council ("RPC") outlined historic metallurgical testing that was completed on the Cape Spencer mineralization and presented results of a revised feasibility study and indoor vat leaching metallurgical test (RPC, 1998).

A total of 15 tonnes of mineralized material from the Cape Spencer Open Pit were collected with an average grade of 2.36 g/t gold. RPC looked at number of process options for pre-concentration of this material prior to cyanide leaching. Recoveries of +90% were obtained via flotation of a pyrite concentrate after crushing to a -45 mesh. The pyrite concentrate had a grade of ~40 g/t gold (RPC, 1998).

6.2.3 1981 to 1991 – Road Zone, Birches Zone and Millican Lake Area

In addition to the exploration and development in the Cape Spencer Mine area, several other areas within the nine km belt of favourable Property geology were explored through geological,

geophysical and geochemical surveys by various companies prior to the acquisition of the property by Geodex Minerals Limited (Geodex) in April of 2003. This work included the definition of the Northeast Zone plus an eastern extension of the Northeast Zone known as the Road Zone.

In 1982, H.C. McNamara completed six diamond drill holes (CS-81-1 to CS-81-6) totaling 490.12 m, soil sampling, ground magnetometer and VLF-EM and IP geophysical surveys 2.5 kms to the east of the Cape Spencer Pit Zone in an area currently known as the Mitchells Bog Zone (Lockhart, 1982).

Work was completed in the Millican Lake area from 1983 to 1987, being largely undertaken by Glenvet Resources Ltd. (Glenvet), M. Gordon and H.C. McNamara. From 1983 to 1984, Gordex completed linecutting, soil sampling and geological mapping southeast of Millican Lake (Mersereau, 1984; Sproule, 1984). From 1985 to 1987 Glenvet completed linecutting, rock, soil and stream sediment sampling, ground magnetometer and VLF-EM and IP surveying, and geological mapping (Gordon, 1985; Godwin, 1985; Warner, 1986a, b). Glenvet completed a total of 13 drill holes (ML1 to ML13) totalling 1,272.85 m (Tremblay et al., 1987a; 1987b).

Mispec Resources Ltd. (Mispec) explored the Road, Birches and Pond Zones between 1986 to 1988 by following up on earlier prospecting, geochemical, geophysical and geological work completed by H.C. McNamara in the area to the west of the Cape Spencer Open Pit Mine (McNamara, 1985a, b. Godwin, 1985; McNamara, 1986). Mispec completed a total of 123 holes (MR-1 to MR-122; BH-1) totalling 6,092.69 m in 1986 and 1987 as well as IP geophysical surveying (Mann, 1987). Mispec completed more extensive work over the eastern two thirds of the current Cape Spencer Property in 1988 by completing geological mapping, IP surveys and rock and soil sampling. Mispec also completed 30 diamond drill holes (MR-123 to MR-152) totalling 3,105.6 m testing IP survey and rock and soil geochemical targets (Tyler et al., 1989).

In the Balls Lake area, M. McNamara completed linecutting, prospecting and rock and soil sampling in 1985 (McNamara, 1985; 1986). Mispec also completed an exploration program during 1988 in the Balls Lake area that included eight diamond drill holes (BL-1 to BL-8) totalling 394.4 m, as well as linecutting and IP surveying (Lockhart, 1988; Tyler and Ash, 1989).

During 1990 and 1991, under a joint venture with Hecla Canada and Acadia Mineral Ventures Limited, Mispec completed additional ground geophysical surveys (magnetometer and VLF-EM plus IP), airborne gamma ray surveying, till and soil sampling, trenching and geological mapping.

Mispec and their partners completed 13 diamond drill holes (MR-153 to MR-165) totalling 1,363.42 m testing priority targets (Watters, 1990; 1991).

In the West Beach area, M. Gordon completed geological mapping, rock, soil and till sampling and ground geophysical surveys during 1984 and 1985 (Geosleuths, 1984; Warner, 1985a; 1985b). Brunex Gold Resources Ltd. completed rock and soil geochemistry plus ground magnetometer, VLF-EM and IP surveys in the West Beach area in 1987 (Brown, 1987).

In the Black River area at the eastern end of the current property, Cuvier Mines Inc. (Cuvier) completed linecutting, soil and rock sampling, geological mapping and ground magnetometer and VLF-EM surveys as well as the completion of nine diamond drill holes (DDH-1 to DDH-9) totalling 788.8 m in 1983 and 1984 (Rankin, 1983; Warner, 1984).

6.2.4 1995 to Present – Armstrong Brook Property

Interest in the Cape Spencer project and work on the property was limited between 1991 and 2004 with only limited work being completed during this period.

In 1995, Rex Resources Ltd. acquired claims in the area and completed rock and soil sampling and geological mapping (Watters, 1995). Pro-Max Resources Inc. (Pro-Max) explored the property in 1998 completing rock sampling and data compilation (Gardiner, 1998). The collapse of commodity prices in late 1998 resulted in a lack of additional exploration work at Cape Spencer. From 2000 to 2003, Pro-Max completed prospecting, rock and soil sampling and data compilation on the property (Gardiner, 2000; Gardiner 2002, 2002b; O'Sullivan, 2003). Revival of the gold exploration industry in 2002-2003 led to a more advanced exploration program by Pro-Max and Geodex in 2004 with completion of IP geophysical surveys, rock sampling, trenching and completion of 25 diamond drill holes (AB-04-01 to AB-01-25) totalling 1,838 m. During this work, several significant zones of mineralization were defined, these being Zones A through F and the Emilio Zone (Humphreys and O'Sullivan, 2004).

The Cape Spencer property has been dormant since 2004 due to difficult market conditions and local land access issues that have deterred junior exploration companies.

Table 6-1: Summary of Historical Exploration Work – Cape Spencer Project and Environs

Year	Company	Area	Work Completed	Reference	NB Gov. Report File
1965	M. Gordon	West Beach	Collection of 6 rocks samples analysed for Au and Cu and reporting of previous assay results from property owner	Sweet, I., 1965	470501
1973	J.D. Irving Ltd.	Mispec	EM-16 geophysical and soil sampling	Peck, K., 1973	470503
1975	H.C. McNamara	Mispec	Diamond Drilling - 3 holes; 168.55 m	McNamara, H.C., 1975	470504
1976	M. Gordon	Cape Spencer Silica	Rock sampling and analysis	Gordon, M., 1976a	470500
1976	M. Gordon	West Beach Silica	Rock sampling and analysis	Gordon, M., 1976b	470502
1977	M. Gordon	Cape Spencer Silica	Diamond Drilling - 6 holes (CS-1 to CS-6; 121.92 m)	Boyle, R.S., 1977a	472110
1977	M. Gordon	West Beach Silica	Diamond Drilling - 4 holes (WB-1 to WB-4; 59.13 m)	Boyle, R.S., 1977b	472111
1977	M. Gordon	West Beach Silica	Geological Mapping	Boyle, R.S., 1977c	471914
1981	Gordex Minerals Ltd.	Cape Spencer	Linecutting - 10 line miles	Gordon, M., 1981a	472705
1981	Gordex Minerals Ltd.	Cape Spencer	Trenching	Gordon, M., 1981b	472767
1982	Gordex Minerals Ltd.	Cape Spencer	Diamond Drilling - 31 holes (GX-1 to GX-31; 901.73 m)	Jowsey, J.L., 1982	473030
1982	Gordex Minerals Ltd.	Cape Spencer	Geological Mapping	Archibald, F.T., 1982	473030C
1982	Gordex Minerals Ltd.	Cape Spencer	Ground Magnetics and VLF	Archibald, C.W., 1982a, b	473030D, E
1982	Gordex Minerals Ltd.	Cape Spencer	Trenching	Gordex Minerals Ltd., 1982	472793
1982	Gordex Minerals Ltd.	Cape Spencer	Trenching	Archibald, C.W., 1982c	472832

Year	Company	Area	Work Completed	Reference	NB Gov. Report File
1982	H.C. McNamara	Cape Spencer	Diamond Drilling - 6 holes (CS-81-1 to CS-81-6; 490.12 m); soil sampling; ground Magnetics, VLF, IP	Lockhart, A.W., 1982	472830
1983	Cuvier Mines Inc.	Black River	Geological Mapping; Soil Geochemistry	Rankin, L.D., 1983	472969
1984	Cuvier Mines Inc.	Black River	Diamond Drilling - 9 holes (DDH-1 to DDH-9; 788.85 m); soil sampling; ground Magnetics and VLF	Warner, T.L., 1984	473078
1984	Gordex Minerals Ltd.	Cape Spencer	Resource Estimation and Geology	Tilsley, J.E., Hattie, D., Connell, M., 1984	473038
1983	Noranda Exploration Company, Limited and Gordex Minerals Ltd.	Cape Spencer	Diamond Drilling 38 holes (GX-51 to GX-88; 1,933.05 m)	Williams, J.D., 1984; logs and maps only	473165
1984	Wayne Hunter	Cape Spencer	Linecutting - 16.54 line miles	Hunter, W., 1984	473056
1983	Peter Fenety	McKenzie Brook	Rock Sampling (16 samples) and Heavy Mineral Concentrates (5 samples)	Fenety, P., 1984	473055
1983	Gordex Minerals Ltd.	Millican Lake	Linecutting (8.12 line miles) and Soil Sampling (201 samples)	Mersereau, T.G., 1984	473049
1984	H.C. McNamara and Noranda Exploration Company, Limited	Millican Lake	Geological and Glaciological Compilation and Interpretation	Milner, M.W., 1984	473004
1984	M. Gordon	Millican Lake	Geological Mapping	Sproule, R.M., 1984	473045
1984	M. Gordon	West Beach	Rock, soil and till sampling	Geosleuths, 1984	473069
1985	M. McNamara	Balls Lake	Rock and soil sampling	McNamara, M., 1985	473108
1985	Wayne Hunter	Cape Spencer	Ground VLF	Hunter, W., 1985	473170
1984	H.C. McNamara	Cape Spencer	Trenching	McNamara, H.C., 1985a	473112

Year	Company	Area	Work Completed	Reference	NB Gov. Report File
1984	H.C. McNamara	Cape Spencer	Diamond Drilling 3 holes (M-1 to M-3; 57.61 m); trenching, prospecting	McNamara, H.C., 1985b	473111
1985	Peter Fenety	McKenzie Brook	Rock and Silt sampling	Fenety, P. and Burke, P., 1985	473169
1986	Glenvet Resources Ltd. and Morton Gordon	Millican Lake	Rock, soil and stream geochemistry	Warner, T.L., 1986	473223
1985	M. Gordon	Millican Lake	Linecutting	Gordon, M., 1985	473172
1985	Glenvet Resources Ltd. and Morton Gordon	Millican Lake	Qualifying Report	Godwin, C.I., 1985	473162
1985	M. Gordon	West Beach	Geology, Geophysics (ground VLF), soil and rock geochemistry	Warner, T.L., 1985a	473190
1985	M. Gordon	West Beach	Geology	Warner, T.L., 1985b	473214
1985	M. McNamara	Balls Lake	Linecutting and prospecting	McNamara, M., 1986	473237
1986	Gordex Minerals Ltd.	Cape Spencer	Ground Magnetics, VLF and IP; Structural Interpretation	Gingerich, J., and Jones, D., and Hattie, D.W., 1986	473382
1986	Wayne Hunter	Cape Spencer	Trenching	Hunter, W., 1986	473290
1985	H.C. McNamara	Cape Spencer	Soil and Stream Geochemistry	McNamara, H.C., 1986	473235
1985	H.C. McNamara	Cape Spencer	Trenching, rock and soil sampling, geology	Godwin, C.I., 1985	473234
1986-1987	Mispec Resources Ltd.	Cape Spencer	Diamond Drilling 123 holes (MR-1 to MR-122; BH-1; 6,092.69 m)	Mann. R.F., 1987	473454
1986	Gordex Minerals Ltd.	Cape Spencer	Diamond Drilling 87 holes (86-01 to 87-83; 5,025.62 m), soil and rock sampling, geological mapping, geophysics and petrography	Buggie, A., Brown, R., Tremblay, J.H., Lewczuk, L., Mitton, B., and Donovan, M., 1987	473382

Year	Company	Area	Work Completed	Reference	NB Gov. Report File
1987	Glenvet Resources Ltd. and Morton Gordon	Millican Lake	Rock and Soil Geochemistry, Geological mapping and Ground Magnetics, VLF and IP Geophysics; Drilling 13 holes (ML1-ML13; 1,272.85m)	Tremblay, J.H., Brown, R., Donovan, M., and Warner, T.L., 1987	473375
1986	Glenvet Resources Ltd. and Morton Gordon	Millican Lake	Soil Geochemistry	Warner, T.L., 1986a	473287
1987	Brunex Gold Resources Ltd.	West Beach	Rocks and Soil Geochemistry, Ground Magnetics, VLF and IP Geophysics	Brown, R., 1987f	473439
1988	Mispec Resources Ltd.	Balls Lake	Linecutting and IP Geophysics	Lockhart, A.W., 1988	473498
1987	Gordex Minerals Ltd.	Cape Spencer	Diamond Drilling 19 holes (CS-87-01 to CS-87-19; 3,519.34 m)	Tyler, P.A., Ash, J.S., 1988	OF 2011-3
1985	Gordex Minerals Ltd.	Cape Spencer	Heap Leach Metallurgical testing and collection of 30,000 T bulk sample	n/a	n/a
1988	Mispec Resources Ltd.	Balls Lake	Diamond Drilling 8 holes (BL-1 to BL-8; 394.4 m)	Tyler, P.A., Ash, J.S., 1989	473651
1988	Gordex Minerals Ltd. and Cambior Inc.	Cape Spencer	Diamond Drilling 13 holes (CS-88-20 to CS-88-32; 4,484.48 m)	Spiegle, T., 1989	474085
1988	Mispec Resources Ltd.	Cape Spencer	Diamond Drilling 30 holes (MR-123 to MR-152; 3105.8 m); IP Geophysics, Geological Mapping, Rock and Soil Sampling	Tyler, P.A., Woolham, R.W., Ezzat, A.M.A., McKay, B.J., 1989	473752
1990	Mispec Resources Ltd., Hecla Canada and Acadia Mineral Ventures Limited	Cape Spencer	Ground Geophysics: Magnetics, VLF, IP, Gamma Ray; Airborne Gamma Ray; Soil and Till Sampling, Trenching, Geology	Watters, S., 1990	474015

Year	Company	Area	Work Completed	Reference	NB Gov. Report File
1991	Mispec Resources Ltd., Hecla Canada and Acadia Mineral Ventures Limited	Cape Spencer	Diamond Drilling 13 holes (MR-153 to 165; 1,363.70 m)	Watters, S., 1991	474143
1994	Sheila Watters	Cape Spencer	Ph.D. Thesis	Watters, S., 1994	
1995	Rex Resources Ltd.	Armstrong Brook	Rock and Soil Sampling, Geological Mapping	Watters, S., 1995	474552
1998	Pro-Max Resources Inc.	Armstrong Brook	Compilation and Rock Sampling	Gardiner, W.W., 1998	475072
1998	RPC	Cape Spencer	Vat Leaching Metallurgical and Feasibility Study	New Brunswick Research and Productivity Council, 1998	OF 98-1
2000	Pro-Max Resources Inc.	Armstrong Brook	Prospecting and Rock Sampling	Gardiner, W.W., 2000	475323
2002	Pro-Max Resources Inc.	Armstrong Brook	Soil Sampling	Gardiner, W.W., 2002a	475552
2002	Raymond Thorn	Cape Spencer	Prospecting and Rock Sampling	Gardiner, W.W., 2002b	475524
2003	Pro-Max Resources Inc.	Armstrong Brook	Data Compilation	O'Sullivan, J., 2003	475682
2003	M. McNamara	Millican Lake	Soil Sampling	Gardiner, W.W., 2003	475638
2004	Pro-Max Resources Inc.	Armstrong Brook	Diamond Drilling 25 holes (AB-04-01 to 25; 1,838 m); IP Geophysics, Trenching, Rock Sampling	Humphreys, M., O'Sullivan, J., 2004	475802, 475961, 475962
2005	Robert Richard	Cape Spencer	B.Sc. Thesis - University of New Brunswick	Richard, R., 2005	n/a
2006	Global Sortweb.com Inc.	Armstrong Brook	NI43-101 Qualifying Report - not filed	O'Sullivan, J., 2006	n/a

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The Cape Spencer Property is underlain by rocks of the Proterozoic to Cambrian-aged Avalon Zone. The Avalon Zone forms part of the Appalachian Orogenic Belt that is a vestige of continent-continent collision between ancient continents Laurentia (North America) and Gondwana (Africa) during deformation events during the Taconic (Silurian), Acadian (Devonian) and Hercynian (late Carboniferous) orogenies (Figure 7-1). Avalon Zone basement rocks occur at Cape Spencer and much of the Maritime Provinces are overlain by sedimentary rocks of the Carboniferous Maritimes Basin. Carboniferous rocks at Cape Spencer include Balls Lake and Lancaster Formations (Figure 7-2).

The Avalon Zone has been subdivided by Barr and White (1989) into two distinct tectonostratigraphic terranes in southwest New Brunswick, the Brookville Terrane and the Caledonia Terrane (Figure 7-2). They have proposed that these two Neo-Proterozoic terranes were not juxtaposed until at least middle Cambrian time. Rocks of the Cape Spencer area form part of the Caledonia Terrane.

The Caledonia Terrane is subdivided into two major groups; the Broad River Group and the Coldbrook Group (Barr and White, 1999) (Figure 7-2). The Broad River Group is comprised mainly of ca. 620 Ma plutonic rocks (e.g. Millican Lake Granodiorite) and associated volcanic and sedimentary rocks that are interpreted to have formed within a continental-margin magmatic arc setting. U-Pb age dating by Bevier and Barr (1990) indicates that volcanism in the Broad River Group could have continued locally until to 600 Ma.

The Coldbrook Group is interpreted to be a regionally extensive rift-related volcanic arc complex comprising subaerial, bi-modal (mafic and felsic) volcanic and sedimentary rocks with an approximate age of ca. 560 Ma. The Coldbrook Group may have formed during juxtaposition against the Broad River Group by collision and/or transcurrent faulting. Rifting was accompanied by bimodal volcanism and plutonism, as well as continental-type (fluvial) sedimentation. Continued rifting and subsidence resulted in marine deposition in the Cambrian (Tanoli and Pickerill, 1988).

Subsequent igneous activity in the Caledonia Terrane was apparently minor and formed only small regions of dacitic tuff during the Ordovician, rhyolite during the Devonian, and basalt during the Carboniferous (Barr et al., 1994). Deformation was mainly related to transcurrent faulting and produced pronounced mylonite and proto-mylonite zones through the central Caledonia highlands. Towards the Bay of Fundy coast, the rocks show mylonitization and shearing associated with Carboniferous contact with the Meguma Terrane to the southeast and presumed deformation associated with the Cobequid-Chedabucto Fault (Barr and White 1999).

Figure 7-1: Major Tectonostratigraphic Domains and Gold Deposits of the North American Appalachians (modified after Pollock et al., 2012)

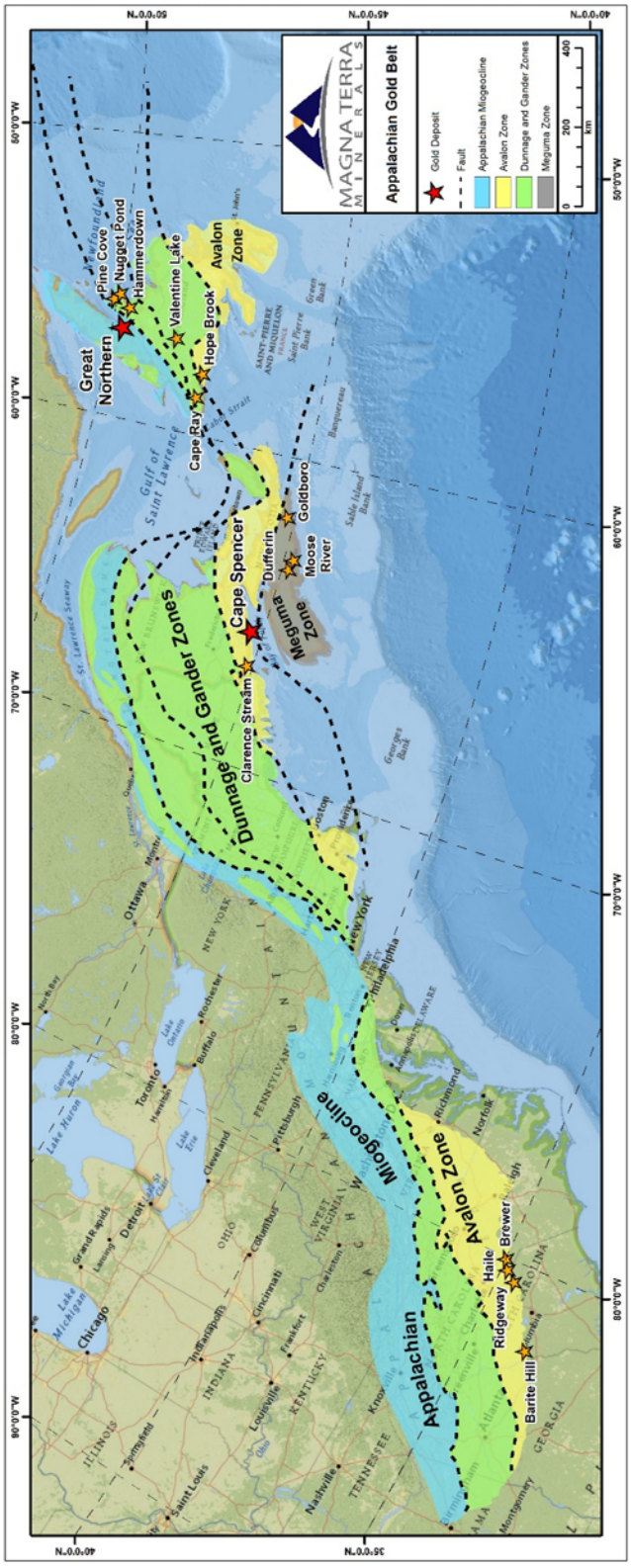
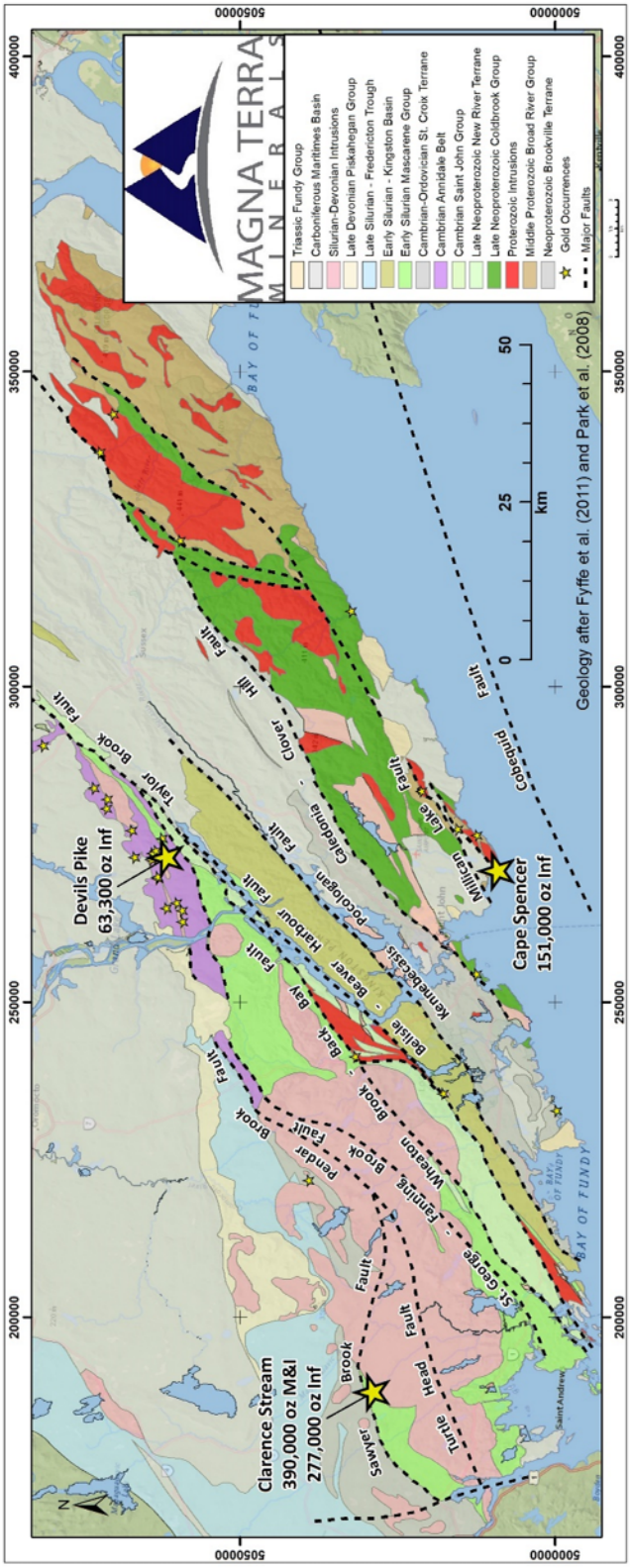


Figure 7-2: Tectono-Stratigraphic Map of Southern New Brunswick (modified after after Fyffe et al., 2011)



7.2 Property Geology

7.2.1 Stratigraphy and Rock Types

The Cape Spencer Project is centered along the Millican Lake Fault, a regional splay of the Caledonia and/or Cobequid-Chedabucto Fault zones. The Property is underlain by Precambrian Millican Lake Intrusives, and Cambrian Coldbrook Group volcanic and Cape Spencer Formation sedimentary rocks. The Precambrian-Cambrian basement rocks are unconformably overlain by and in fault contact with younger Carboniferous sedimentary rocks of the Balls Lake and Lancaster Formations (Figure 7-3 and 7-4).

The Millican Lake Intrusives comprises variably altered and foliated, grayish-pink to green, medium-grained granitoids. A U/Pb zircon age of 623+/-2 Ma has been established for the Millican Lake Granite at Cape Spencer (Watters, 1994). The granite is commonly intruded by a series of variably deformed and altered mafic (diabase to gabbro) dykes. Dykes vary between <1 m to >20 m in thickness and are generally fine grained with chilled margins. The main mineralogy of least-altered granite is quartz, plagioclase, orthoclase and chlorite. Alteration of the host granite is typically weak to intense illite, Fe-carbonate, chlorite +/- pyrite and specular hematite.

The Cambrian Coldbrook Group mafic volcanic rocks are mainly green amygdaloidal basalts but are rarely exposed around the Cape Spencer area. These basalts are characterized by plagioclase phenocrysts within a matrix of epidote, quartz and chlorite. Historic drill holes that have intersected the Coldbrook Group on the Cape Spencer Property indicate this is a bi-modal volcanics sequence with intercalated mafic and felsic sequences.

The Cape Spencer Formation metasedimentary rocks comprise purple to green, well-foliated, fine-grained shale and siltstones, medium-grained sandstones and minor conglomerates. The specific age of the Cape Spencer Formation is unknown and has been assumed to be either Cambrian or Carboniferous in age. Along with the Millican Lake Intrusives, the Cape Spencer Formation is the most common host rock for gold mineralization on the property.

The Balls Lake and Lancaster Formation sedimentary rocks are generally grey-coloured, medium-grained sandstones consisting of quartz and feldspars in a matrix of sericite. The age of the Lancaster Formation in the study area is lower Westphalian (Carboniferous) and is interpreted to be in conformable contact with the Balls Lake Formation (Watters, 1994).

Figure 7-3: Geology and Gold Occurrences of the Cape Spencer Area (modified after Watters, 1993; Barr and White, 2004; Park et al., 2013)

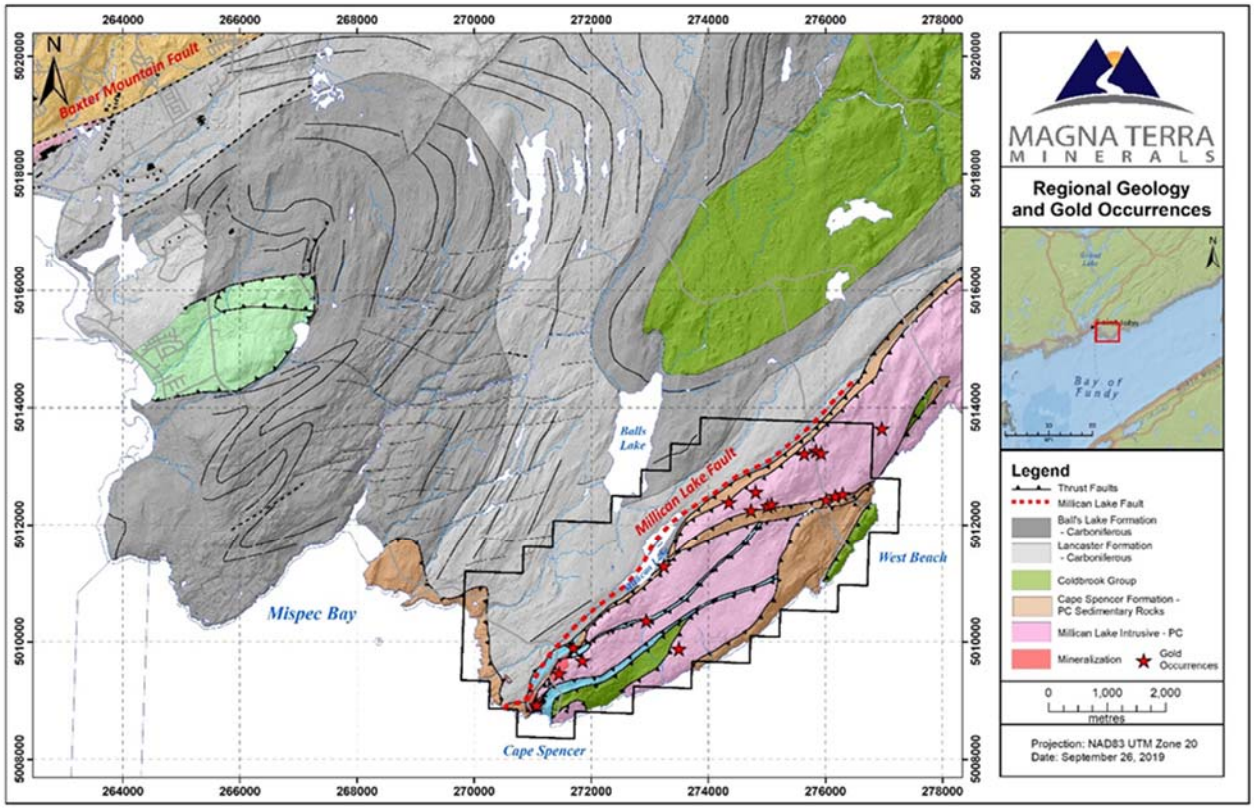
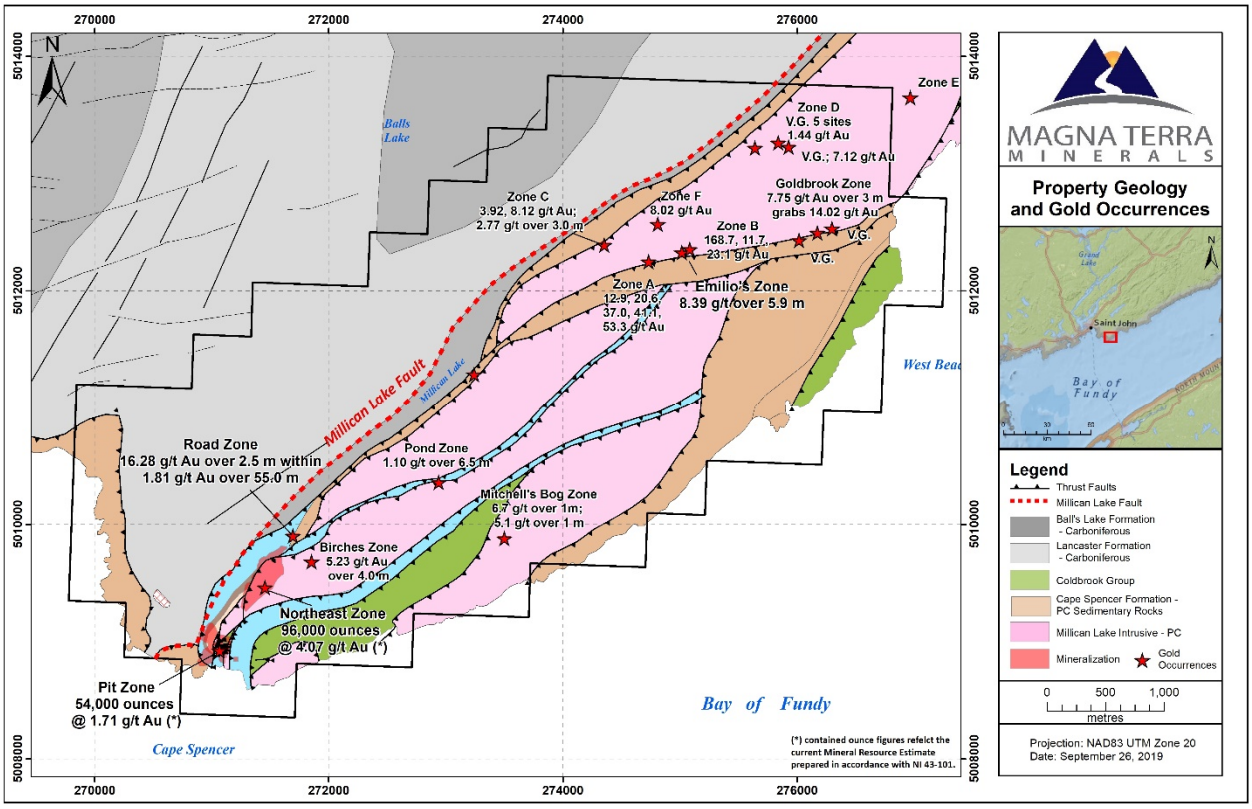


Figure 7-4: Geology and Gold Occurrences of the Cape Spencer Area (modified after Watters, 1994)



7.2.2 Structural Geology and Metamorphism

Major lithologies, penetrative deformation fabrics and thrust faults at Cape Spencer strike ENE and dip gently towards to the ESE. The Millican Lake Intrusives are currently thought to be imbricated into at least nine thrust slices that are generally interleaved with Coldbrook Group and Cape Spencer Formation rocks. Locally unconformable contacts are preserved between the Millican Lake Intrusives and the younger Cape Spencer Formation (Watters, 1994).

The Carboniferous Balls Lake and Lancaster Formations are separated from the older rocks along the ENE striking and steeply (~70^{o}) SSE dipping Millican Lake Fault. It is possible that along strike of the Millican Lake fault the Balls Lake or Lancaster Formations occur in unconformable contact with the older rocks of the Cape Spencer Formation (assumed older) and the Millican Lake Intrusives.

The history of deformation in the Cape Spencer-Mispec Bay area has been discussed in reports by Nance and Warner (1986) and Watters (1994). Although some disparity exists between the various structural interpretations, there is general agreement between the various interpretations as outlined below. Overall, the rocks of the Cape Spencer area have been deformed by at least five distinct deformation events.

Pre-D_1 (Middle Paleozoic?) deformation comprises early fabric development and mylonitization of the Cambrian and Precambrian lithological units (Cape Spencer Formation, Millican Lake Intrusive). The nature of pre-Hercynian deformation is obscured by intense, younger, polyphase Variscan deformation that has affected all rocks within the area (Watters, 1994). Clasts of mylonitized Millican Lake type granite have been observed within younger Westphalian (Lancaster Formation) conglomerates where the matrix of the conglomerate is deformed by younger D_1 deformation (Watters, 1993). This earlier deformation may have been related to the late Middle Paleozoic mylonitization in the Broad River and Coldbrook groups (Barr and White, 1999).

The first generation of deformation (D_1) affects all rock types within the area including the youngest Lancaster Formation and is characterized by northwest directed thrusting and folding that is largely responsible for emplacing older rock units of the Millican Lake Intrusives/Cape Spencer Formation on top of younger Balls Lake and Lancaster Formations. D_1 fabrics consist of a shallow to moderate southeast dipping foliation, local mylonitized, and cleavage (S_1), a strong L_1 mineral and extension lineation and related isoclinal folds (F_1) and northwest-vergent overturned structures (Nance and Warner, 1986). Fold axes plunge gently northeast and southwest. D_1 structures have been affected by subsequent second (D_2) and third (D_3) generation deformation.

At the Emilio Zone, detailed trench mapping by Henrichsen and Humphreys (2005) defines local geometric inflections or perturbations of the D_1 thrust surfaces that may play an important role in localizing gold-bearing fluids.

The second generation of deformation (D_2) overprints earlier pre-D_1 and D_1 fabrics and comprises asymmetric fold trains that verge both northwest (F_{2a}) and southeast (F_{2b}) and plunge both northeast and southwest. Folding is accompanied by an axial planar crenulation cleavage (S_2) that is variably developed depending on local intensity of deformation. Associated D_2 thrusts are marked by more intense S_2 cleavage development and strong F_2 folding. Modest displacement is associated with D_2 thrust faults (Nance and Warner, 1986). The D_2 of Henrichsen and Humphreys (2005) is described locally at the Emilio Zone as being characterized by dextral transpression and a degree of strike slip reactivation of D_1 thrusts and these structures are locally associated with gold mineralization. In the Cape Spencer Open Pit, northwest-vergent D_2 structures are seen to overprint older D_1 foliation and Cape Spencer and Millican Lake thrust panels.

The third generation of deformation (D_3; possibly D_3 of Watters, 1993) comprises upright open folds (F_3), asymmetric kinks and conjugate kink sets. F_3 folds plunge gently northwest and southeast and have locally developed axial surfaces (S_3). The S_3 fabric and axial surface dips steeply northeast and southwest. F_3 folds produce local F_2-F_3 fold interference patterns that produce local dome and basin features (Nance and Warner, 1986).

The fourth generation of deformation (D_4; D_3 of Watters, 1994; absent in Nance and Warner, 1986) comprises late normal faulting that offsets all previous structures and is likely related to opening of the Atlantic Ocean in the Mesozoic (Watters, 1994).

Peak metamorphic conditions in the Cape Spencer area are greenschist facies as shown by the occurrences of chlorite and illite. Textural relationships (illite and chlorite forming the early foliation) indicate that the peak of metamorphism was likely related to early deformation (D_1) during the late Carboniferous (Watters, 1994).

^{40}Ar-^{39}Ar geochronology on Illite from the Cape Spencer Open Pit and the Millican Lake area provide ages of ca. 276 to 283 Ma (Permian) which provides a minimum age for alteration at Cape Spencer (Watters, 1994).

7.2.3 Mineralization

Gold mineralization at Cape Spencer is generally hosted within Precambrian Millican Lake granite or bounding Cape Spencer Formation sedimentary rocks, with mineralization and alteration focused along strongly faulted and sheared contacts between the two lithologies. This orogenic gold mineralization is currently interpreted to have formed during Carboniferous multi-stage (D_1 and D_2) deformation along the Cobequid-Chedabucto Fault Zone.

Alteration consists of mesothermal style, pervasive and patchy illite + pyrite + quartz ± iron carbonate ± sulfide veins and stockworks with 2-5% total sulfides consisting of pyrite, galena, chalcopyrite or sphalerite, and locally show trace amounts of visible gold (Watters, 1994; Richard, 2005).

There are several gold prospects that warrant additional exploration over a nine km strike length. Drill, channel and grab sample highlights from previous exploration work on the Property from 1982 to 2004 define these and include:

Pit Zone – Past Producing (1985-1986) Open Pit Mine. Highlight assays include (Brown, 1987a; Humphreys and O'Sullivan, 2004):

- 13.89 g/t gold over 2.46 m within a zone grading 4.76 g/t gold over 9.45 m (Drill Hole GX-86-09);
- 6.22 g/t gold over 1.52 m within a zone grading 2.13 g/t gold over 21.0 m (Drill HoleGX-82-18);
- 27.08 g/t gold over 1.08 m within a zone grading 5.10 g/t gold over 9.15 m (Drill Hole GX-86-29); and
- 18.00 g/t gold over 1.50 m within a zone grading 5.18 g/t gold over 8.25 m (Drill Hole AB-04-10).

Northeast Zone **-** Located 400 m northeast of the Cape Spencer Open Pit Mine. Interpreted to be continuous with the Road Zone. Highlight assays include (Tyler and Ash, 1988):

- 41.96 g/t gold over 2.45 m within a zone grading 7.72 g/t gold over 16.2 m (Drill Hole CS-87-06);
- 16.20 g/t gold over 1.5 m within a zone grading 4.45 g/t gold over 19.0 m (Drill Hole CS-87-08);
- 11.52 g/t gold over 3.0 m within a zone grading 4.85 g/t gold over 10.5 m (Drill Hole CS-87-13); and
- 12.54 g/t gold over 4.0 m within a zone grading 4.26 g/t gold over 18.5 m (Drill Hole CS-87-17).

Road Zone – 400 m-long gold-bearing alteration zone with an average width of 20 m. This zone is interpreted to be the along strike continuation of the Northeast Zone. Highlight assays include (Mann, 1987; Tyler et al., 1989):

- 16.28 g/t gold over 2.5 m within a zone grading 1.81 g/t gold over 55.0 m (Drill Hole MR-087);
- 10.35 g/t gold over 1.0 m within a zone grading 1.49 g/t gold over 20.7 m (Drill Hole MR-147); and
- 13.06 g/t gold over 2.0 m within a zone grading 1.28 g/t gold over 18.0 m (Drill Hole MR-105).

Birches Zone – 300 m-long gold-bearing alteration zone south of the Road Zone. Highlight assays include (Mann, 1987; Tyler et al., 1989; Humphreys and O'Sullivan, 2004):

- 17.85 g/t gold over 1.0 m within a zone grading 5.23 g/t gold over 4.0 m (Drill Hole MR-150);
- 9.48 g/t gold over 1.0 m within a zone grading 4.01 g/t gold over 4.0 m (Drill Hole MR-149);
- 3.60 g/t gold over 5.0 m (Drill Hole AB-04-08).

Emilio Zone – Exploration Target at Eastern end of property. Highlight assays include (Humphreys and O'Sullivan, 2004)

- 7.86 g/t gold over 7.4 m (near surface);
- 12.00 g/t gold over 1.4 m (chip) and 2.77 g/t gold over 3.0 m (chip)
- Surface grab samples up to 168.00 g/t gold.

Zone A – Grab samples up to 53.50, 41.10, 37.70, 20.60 and 12.90 g/t gold (Humphreys and O'Sullivan, 2004) .

Zone C – Grab samples up to 8.92, 8.12 g/t gold and chip sample of 2.77 g/t gold over 3.0 m (Humphreys and O'Sullivan, 2004).

Zone D – Five occurrences of visible gold with grab samples up to 7.12 g/t gold (Humphreys and O'Sullivan, 2004).

8.0 DEPOSIT TYPES

The Cape Spencer Project is host to orogenic-style gold mineralization. Mineralization comprises both vein-hosted and altered-wall rock or replacement styles of mineralization and both exhibit features common to orogenic gold deposits as described by Groves et al. (1998). The mineralization is typically structurally controlled and developed within subsidiary deformation zones to the Millican Lake Fault, or, more regionally, to the Cobequid-Chedabucto Fault (Minas Geofracture) and/or Caledonia – Clover Hill Fault System. Gold mineralization is intimately associated with disseminated and stringer pyrite and/or specular hematite within the host rock, indicating that iron-rich rocks are an important precursor to mineralization. Hydrothermal alteration at Cape Spencer occurs as illite, quartz, ankerite and pyrite altered zones within both sediments and granitoid rocks of Precambrian to Carboniferous age.

Gold mineralization at Cape Spencer has been compared to other orogenic gold deposits that are hosted at tectonized contact zones between older granites, particularly of Proterozoic-age, and younger, originally unconformably overlying clastic sediments (e.g. Valentine Lake, Thor and Rattling Brook in central and western Newfoundland).

The Caledonia Terrane in southern New Brunswick is also geologically similar and age equivalent to other older Avalon Zone sequences of the Appalachian Orogen that host older high- and low-sulphidation gold deposits and, in some instances, associated Au-Cu-Mo porphyry deposits. Examples of these older deposits include the Hope Brook and Hickeys Pond Deposits in Newfoundland and the Haile, Brewer and Ridgeway Deposits in South Carolina, USA. Orogenic gold mineralization and alteration at the Cape Spencer Property is obviously much younger than these late Proterozoic deposits, since they are in part hosted by Carboniferous rocks.

9.0 EXPLORATION

9.1 Digital Data Compilation

Since acquiring the Cape Spencer Project in 2018, ExploreCo has completed digital compilation of historic exploration that includes diamond drill data (379 drill holes, totalling 28,211 m), rock samples (962 samples), and B-horizon soil samples (6,373 samples). Compilation work has shown that rock and soil samples from the project area were routinely assayed for gold and summarized results are presented below in Figures 9-1 and 9-2. In total, 193 compiled rock samples returned assay values greater than 1,000 ppb gold and 151 rock samples returned assay values between 100 and 1,000 ppb. All of these results are considered by Magna Terra to be anomalous. Anomalous results greater than 50 ppb gold were returned form 48 soil samples and 145 samples returned gold values between 20 and 50 ppb.

Subsequent to the current Mineral Resource Estimate effective date, ExploreCo has complied historic ground magnetometer and VLF-EM geophysical data sets.

Figure 9-1: Compiled Historic Rock Grab Samples with Gold Assay

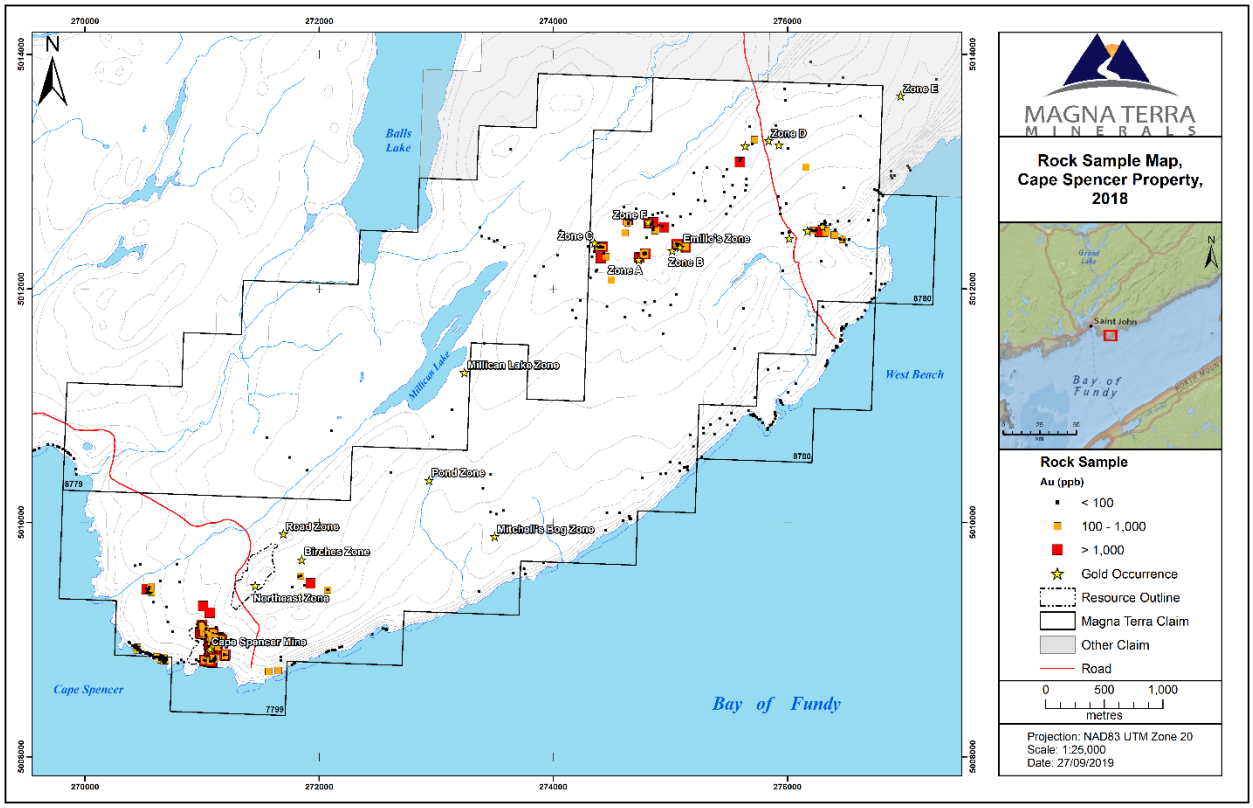
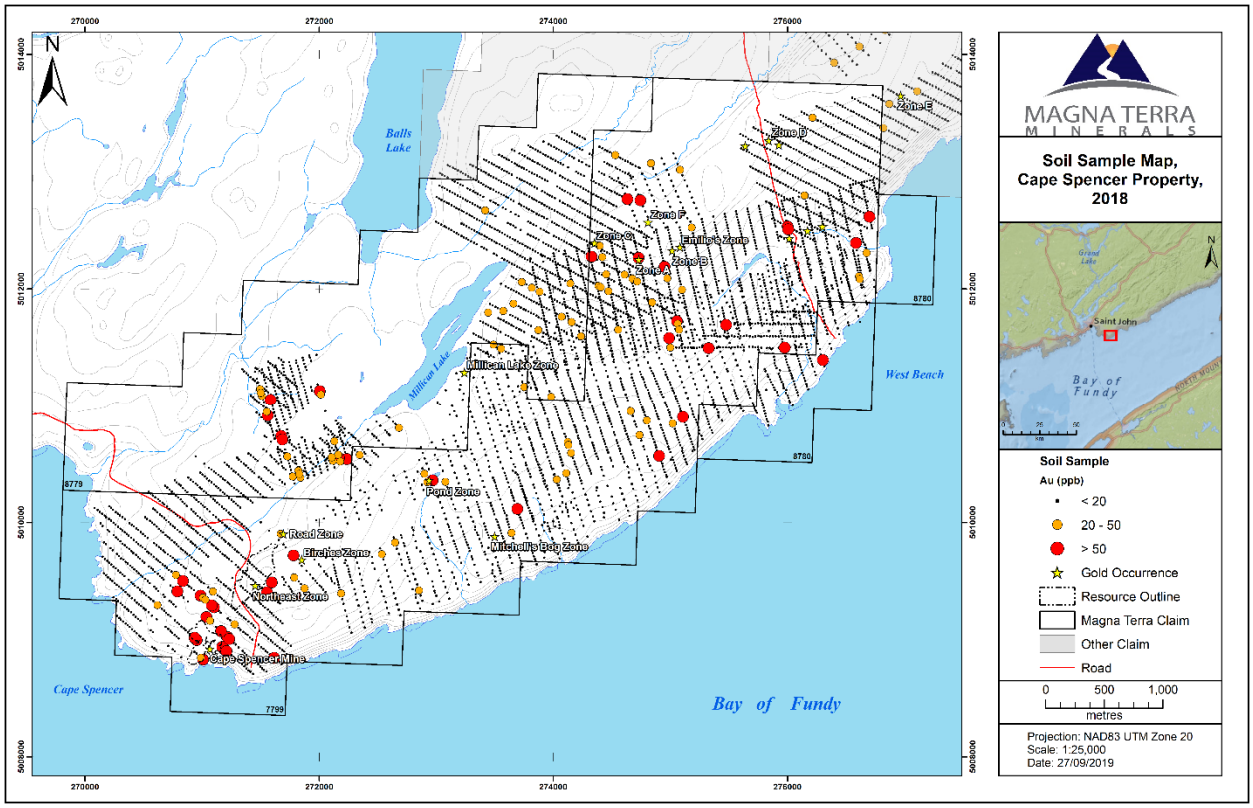


Figure 9-2: Compiled Historic B-horizon Soil Samples with Gold Assay



9.2 May 2018 Site Visit by ExploreCo Staff

An initial visit was made to the Cape Spencer Project on May 10th, 2018 as part of a due diligence assessment by ExploreCo Chief Geologist, David Copeland, P.Geo., prior to optioning the property. The site visit comprised core review plus visiting the Cape Spencer Open Pit, heap leach tailings dump, the Emilio Zone Prospect and the West Beach areas.

A total of four rock grab samples (Sample numbers 223472 to 223475) were collected from the property as check samples against previously reported gold grades. Three of the samples were collected from zones of strong to intense sericite-pyrite-Fe-carbonate altered granite and quartz veining from the former Cape Spencer Open Pit and these returned gold values of 0.39 g/t, 3.67 g/t and 4.98 g/t (Copeland et al., 2019)

Mineralization in the Cape Spencer Open Pit was noted as being hosted by sericite (illite)-pyrite-Fe-carbonate altered Neoproterozoic-aged Millican Lake Granite and associated quartz veins that are bounded by adjacent, similarly altered Cape Spencer Formation shales and argillites. Alteration, early veining and both disseminations and stringer style pyrite occur within an intense, shallow south-dipping penetrative foliation (S_1) that represents early compressional deformation (D_1) that affects both major lithologies (Figure 9-3).

Alteration was observed to locally cross-cut granite-shale structural contacts and to be generally localized around such contacts, being hosted predominantly within the granite. Gold is reported to predominantly occur on surfaces and fractures of pyrite and specular hematite grains and aggregates within related alteration zones. Visible gold is reported as being rare in the Cape Spencer Open Pit but to be more common in the Northeast Zone and Road Zone areas. Locally, specular hematite is present within wallrock and veins and is thought to be an important indicator of gold presence.

A second phase of deformation overprints the early S_1 foliation and mineralization and is in the form of moderately south dipping D_2 thrust faults that show associated asymmetric folds and cleavage (Figure 9-3 and 9-4). A second phase of alteration and quartz veining, more Fe-carbonate rich, appears to be associated with this phase of deformation. Work by Richard (2005) shows that this alteration phase and associated vein zone are gold bearing.

At the Emilio Zone, gold is hosted within Fe-carbonate rich quartz veins and altered granite that are similar to the D_2 associated alteration and vein systems at the Cape Spencer Open Pit. Visible gold is more prominent in gold prospects at the east end of the property. Historic work has

Figure 9-3: Pyrite-Sericite-Fe-Carbonate Altered Millican Lake Granite at the Cape Spencer Open Pit

Figure 9-4: Altered and Mineralized Granite Within the Cape Spencer Open Pit. (Note Multiple Rusty Weathering Mineralized Zones on the Far Eastern Wall of the Open Pit)

indicated that the mineralization at the Emilio Zone is associated with D_3 re-activation of composite D_1/D_2 faults. One sample (Number 223475) was collected by ExploreCo from quartz vein float from the backfilled Emilio's Zone trench and returned a gold value of 2.98 g/t gold (Figure 9-5).

Figure 9-5: Quartz Vein Float from the Emilio Zone Trench. Trench was Rehabilitated in 2005 with No Outcrop Exposure Remaining

9.3 May 2018 Review of Historic Drill Core

A total of six drill holes from the Cape Spencer Project were reviewed in detail by ExploreCo Chief Geologist David Copeland, P. Geo., at the Government of New Brunswick core storage facility in Picadilly, NB on May 11, 2018. The majority of the historical core from the Cape Spencer project has been preserved and is stored at the Picadilly, NB core library near Sussex (Figure 9-6). Each of the holes reviewed contained significant intervals of previously reported gold mineralization and drill holes were from the Pit Zone (AB-04-10 and AB-04-19), the Northeast Zone (CS-87-06), the Road Zone (MR-87) and the Emilio Zone (AB-04-04 and AB-04-06). Previous Figure 7-4 presents the location of each of zone.

Figure 9-6: Government of New Brunswick Drill Core Storage Facility at Picadilly, Near Sussex, NB

9.3.1 Cape Spencer Area Core Review

Drill holes AB-04-10 and 19 from the Pit Zone were reviewed. These holes were originally drilled by Geodex in 2004. Both holes contain broad zones of alteration with associated elevated gold grades. For example, zones of quartz veining and altered wall rock grade 4.76 g/t gold over 9.0 m (from 28.1 to 37.1 m), including 18.0 g/t gold over 1.5 m (30.45 to 31.95 m) in hole AB-04-10 and 1.83 g/t gold over 12.0 m (from 1.5 to 13.5 m), including 5.45 g/t gold over 3.0 m (from 6.2 to 9.2 m) in hole AB-04-19 (Figures 9-7 and 9-8) (Humphreys and O'Sullivan, 2004).

Both holes intersected intensely foliated and sericite-pyrite altered Millican Lake Granite. There are generally two sets of quartz veins in the core that may represent D_1 and D_2 quartz vein events. Early quartz veins and pyrite stringers are associated with the earlier fabric and later quartz-carbonate veins are also present.

Deeper in hole AB-04-19, the Cape Spencer Formation sedimentary units are intensely altered. One sample (Number 223476) of quartered drill core was taken by ExploreCo from hole AB-04-19 for the downhole interval between 7 m and 8 m. This sample returned 3.45 g/t gold.

Figure 9-7: Gold Mineralized and Altered Zone in Drill Hole AB-04-10 from Northwest of the Pit Zone

Figure 9-8: Gold Mineralized and Altered Zone in Hole AB-04-19 from the Pit Zone

9.3.2 Northeast Zone

A section of drill hole CS-87-06 from 93.45 to 116 m was reviewed. These holes were originally drilled by Gordex in 1987. This section of drill core represents the furthest northeast intersection to date of Northeast Zone. Mineralization in the hole is localized along the lower contact of the Millican Lake Granite near its contact with underlying Cape Spencer Formation sedimentary units (Figure 9-9). Alteration gradually increases with depth towards the base of the granite and then merges with a quartz veined zone showing abundant disseminated pyrite and associated intense sericite and Fe-carbonate alteration. Alteration is strongly developed in wall rock sedimentary

Figure 9-9: Gold Mineralized and Altered Zone in Hole CS-87-06 from the Northeast Zone

units in this area and the margins of the mineralized zone intersected in the hole are oriented at 60 to 70 degrees to the core axis. This mineralized zone has a gold grade of 7.72 g/t gold over 16.2 m (from 98.3 to 114.5 downhole) that was previously reported by Tyler and Ash (1988).

9.3.3 Road Zone

A section of drill hole MR-87 from 0 to 90 m was reviewed. The hole was drilled by Mispec in 1986 and is located at the southwest end of the Road Zone. It was selected for review to assess potential for continuation of mineralized zone material between the Northeast Zone and Road Zone. This section of drill core shows continuous alteration and mineralization from ~25 to 80 m downhole. Alteration consists of disseminated pyrite, sericite and Fe-carbonate that are developed within Cape Spencer Formation sedimentary units (Figure 9-10). Much of the core, including zones

Figure 9-10: Extensive mineralized zone and alteration in hole MR-87 – Road Zone

of higher grade gold mineralization, were removed from this hole for metallurgical work by previous operators. Analytical results reported by Mann (1987) for the mineralized zone include 1.81 g/t gold over 55 m (from 25 to 80 m), including 16.28 g/t gold over 2.5 m (from 34.5 to 37.0 m).

Based on review of core from holes MR-87 and CS-87-06, ExploreCo concluded that the Road Zone and Northeast Zone are connected at depth and represent a single, continuous zone of gold mineralization and associated alteration.

9.3.4 AB-04-04 and 06 – Emilio Zone

Drill holes AB-04-04 and AB-04-06, drilled by Geodex in 2004, were. Both holes were drilled on the same section beneath a large trenched exposure of the Emilio Zone. Drill hole AB-04-06 intersected two quartz vein/alteration zones with returned gold values up to 7.9 g/t gold over 7.4 m (Figure 9-11). The hole intersected an upper quartz veined and altered granite zone from 2.0 to 10.8 m downhole and a lower quartz veined zone from 28.7 to 32.5 m downhole. The veined zones are hosted within variably sericite and Fe-carbonate altered granite. Mineralization observed by ExploreCo staff within the quartz veined zones includes one site of visible gold with associated chalcopyrite, specular hematite and lesser malachite and hematite at a downhole depth of 3.7 m.

Drill hole AB-04-04 crossed hole AB-04-06 on the same section at opposite azimuth and similarly intersected two quartz veined zones. Both holes were short, each being approximately 50 m deep.

Figure 9-11: Mineralized and Altered Zone from Emilio Zone – East End of the Property

10.0 DRILLING

10.1 Drilling Programs and Results

The Cape Spencer Project has been the focus of systematic gold exploration since 1981 that has led to the delineation through core drilling of two main gold bearing zones, these being the Pit Zone and the Northeast Zone. Several additional gold prospects have also been discovered. A total of 379 diamond drill holes totaling 28,211 m, completed during gold exploration and infill diamond drill programs, have been compiled for the project by ExploreCo in a digital drill hole database. Drill collar locations were digitized from historic scanned maps and georeferenced into NAD83 UTM Zone 20 coordinates. All associated information, including; lithologic and sampling logs, assay results, and down hole survey data was assembled from assessment reports filed with the New Brunswick Government. ExploreCo provided Mercator with the drill hole database and associated source documents to support preparation of the current Mineral Resource Estimate presented in Section 14.0.

Much of the historical drill core from the Property is preserved and available for review and re-sampling at the Government of New Brunswick drill core storage facility in Picadilly, near Sussex, NB. Drill programs testing other commodities (eg. silica) have been completed on the property and have not been compiled in the project digital drill hole database. Summaries of the relevant drill programs completed on the Cape Spencer property are provided below. Selected gold mineralized drilling intercepts for the Cape Spencer property are presented in Table 10-1 below. Drill hole collar locations for the Cape Spencer Pit Zone, Road Zone - Birches Zone - Northeast Zone, and the Pond Zone - Mitchell's Bog Zone are presented at the end of this report section in Figures 10-1 through 10-4, respectively.

10.2 Gordex Minerals Ltd. (1982-1983)

In 1982, Gordex completed diamond drilling of 70 holes (GX1, 1a to GX31 and GX51 to 88) totaling 2834.78 m and 57 percussion (air-track) holes of 6 to 9 m depth (Jowsey, 1982; Williams, 1984). Herbert Funk Diamond Drilling Ltd. Of Wawa, ON was contracted to complete the diamond drill program. The first 12 holes (GX-1, 1a to GX-11) of the program were completed with a Winkie drill recovering standard B-sized (34.9 mm diam.) core. Due to poor recoveries, the remaining drill holes from the 1982 program (GX-12 to GX-31) were cored with a wireline drill and BQ (36.4 mm diam.) core was recovered. Drill holes GX-51 to GX-55 were drilled with NQ (47.6 mm diam.) core before switching back to BQ core diameter for the remainder of the program (GX-56 to GX-88). Assay certificates were not available for these drill holes in the historic records but samples for

the first 32 holes were submitted to Assayers Limited of Rouyn, QC for gold analysis. Samples from holes GX-51 to GX-58 were assayed at Atlantic Analytical Services Limited in Saint John, NB.

10.3 Gordex Minerals Ltd. (1986-1987)

In 1987, Gordex engaged MPH Consulting Limited to carry out exploration on the Open Pit Mine area and adjacent properties. A total of 87 diamond drill holes (GX-86-01 to GX-87-83, plus some abandoned holes) were drilled totaling 5,025.62 m, including 65 drill holes completed on the Open Pit Mine area (Brown, 1987a). Drilling was completed by Ideal Drilling Ltd. of Bathurst, NB and both HQ (63.5 mmm diam) and NQ core were recovered during the program. Drill core was hand split or cut with a diamond bladed saw and samples were sent to Advanced Research Concepts Inc. of Saint John, NB for fire assay analysis. Assays were completed on a 30 g subsample with gold analysis by Atomic Absorption (AA) methods.

Diamond drilling of 19 holes (CS-87-01 to CS-87-19) totaling of 3,519.34 m was carried out, including 15 drill holes located on the Northeast Zone, approximately 600 m northeast of the Open Pit Mine near the eastern property boundary (Tyler and Ash, 1988). Two diamond drills were employed during this program, one from Ideal Drilling Ltd. of Bathurst, NB and a second from Longyear Canada Ltd. of Stewiacke, NS. Drill core samples were submitted to Chemlab Inc. of Saint John, NB and Bondar-Clegg of Ottawa, ON for gold analysis.

10.4 Cambior Inc. (1988)

Cambior optioned the property from Gordex in August 1988 and completed 13 diamond drill holes totaling 4,484.48 m on the Northeast Zone, 400 m northeast of the open pit (CS-88-20 to CS-88-32; Spiegle, 1989). This program was carried out under the supervision of the consulting firm Derry Michener Booth and Wahl (DMBW). Logan Drilling Ltd. of Stewiacke, NS was the contractor to complete the diamond drilling and BQ drill core was recovered for all drill holes. Drill core samples were sent to Chemlab Inc. of Saint John, NB for fire assay analysis with atomic absorption (AA) finish, with coarse rejects for samples assaying greater than 1.0 g/t gold sent to the laboratory at the Yvan Vezina Mine in Destor, QC for check assay analysis. Four drill holes were sampled in their entirety and the respective samples were sent to Chimitec Ltd. of St. Foy, QC for fire assay analysis and AA finish (Spiegle, 1989).

10.5 Mispec Resources Ltd. (1986-1988)

Mispec completed 122 diamond drill holes (MR-1 to MR-122, BH-1) totaling 6,092.69 m in 1986 and 1987. These tested mineralization and exploration targets in the Road and Pond Zones (Mann, 1987). In 1988, Mispec also completed 30 diamond drill holes (MR-123 to 152) totaling 3,105.8 metres testing IP geophysical and rock and soil geochemical targets throughout the eastern two-thirds of the current Cape Spencer Property (Tyler et al., 1989).

Mispec also completed an exploration program during 1988 in the Balls Lake area that included eight diamond drill holes (BL-1 to BL-8) totalling 394.4 metres (Lockhart, 1988; Tyler and Ash, 1989).

Drilling of drill holes MR-1 to MR-104 was carried out by CJM Drilling Ltd. of Wallace, NS. Drilling of drill holes MR-105 to MR-152, BH-1, and BL-1 to BL-8 was carried out by Longyear Canada Ltd. of Moncton, NB. NQ core was recovered for all drill programs. Drill core samples were sent to three labs over the Mispec 1986 to 1988 drilling period including Custom Laboratories Ltd. (Custom) of Bathurst, NB; Assayers Ltd. (Assayers) of Rouyn, QC and Loring Labs of Calgary, AB. Standard fire assay analysis was performed for all samples received by Custom and Assayers and metallic screen fire assay analysis with AA finish was performed for all samples received by Loring Labs.

10.6 Acadia Mineral Ventures Limited (1990-1991)

During 1990 and 1991, under a joint venture with Hecla Canada and Acadia Mineral Ventures Limited, Mispec completed 13 diamond drill holes (MR-153 to MR-165) totaling 1,363.7 m throughout the eastern two-thirds of the current Cape Spencer Property (Watters, 1990, 1991). Drilling was carried out by Logan Drilling Ltd. of Stewiacke, NS and BQ sized core was recovered for all drill holes. Drill core samples were sent to Custom Laboratories Ltd. of Bathurst, NB for gold fire assay analysis with AA finish.

10.7 Geodex Minerals Ltd. (2004)

In 2004 Geodex completed 25 diamond drill holes (AB-04-01 to AB-04-25) for a total of 1,838 m. During this work program several significant zones of mineralization, Zones A through F and the Emilio Zone were discovered (Humphreys and O'Sullivan, 2004). Drilling was carried out by Logan Drilling Ltd., of Stewiacke, NS and NQ sized core was recovered for all drill holes. Drill core samples

were submitted to SGS Laboratories in Toronto, ON for fire assay - AA and 32-element ICP analysis. Select samples were additionally analysed via metallic screen fire assay methods with AA finish.

The drill program tested multiple targets at the east end of the current property, including the Gold Brook (AB-04-01 and AB-04-02), Emilio Zone (AB-04-04, AB-04-05 and AB-04-06), and Birches Zone prospects. Drilling at the Gold Brook prospect returned low-grade gold mineralization of 0.67 g/t gold over 1.50 m within illite alteration zones. Drilling at the Emilio Zone prospect returned 6.00 g/t gold over 1.50 m and 2.53 g/t gold over 4.09 m in hole AB-04-04 and 8.39 g/t gold over 5.90 m in hole AB-04-06, including a visible gold bearing quartz vein zone assaying 85.20 g/t gold over 0.30 m. Drill hole AB-04-08 intersected 3.60 g/t gold over 5.00 m at the Birches Zone prospect. Geodex also completed diamond drilling within and around the Cape Spencer Open Pit. Of note, drill holes AB-04-10 intersected 5.18 g/t gold over 8.25 m and AB-04-19 intersected a zone of 1.54 g/t gold over 12.00 m (Table 10-1) (Humphreys and O'Sullivan, 2004).

Table 10-1: Selected Composited Assay Results from the Cape Spencer Property

Hole ID	From (m)	To (m)	*Interval (m)	Au g/t
AB-04-04	10.65	12.15	1.50	6.00
and	26.31	30.40	4.09	2.53
AB-04-06	2.00	7.90	5.90	8.39
including	3.70	4.00	0.30	85.20
AB-04-07	24.93	25.58	0.65	7.30
AB-04-08	36.00	41.00	5.00	3.60
AB-04-10	28.05	36.30	8.25	5.18
including	30.45	31.95	1.50	18.00
AB-04-11	57.55	63.60	6.05	1.05
AB-04-19	1.50	13.50	12.00	1.54
and	6.20	9.20	3.00	4.28
AB-04-20	3.33	13.40	10.07	1.80
including	12.75	13.40	0.65	15.80
AB-04-21	1.00	16.00	15.00	1.21
CS-87-05	95.35	118.00	22.65	1.45
and	109.00	111.00	2.00	3.53
and	186.00	188.40	2.40	2.34
CS-87-06	98.30	114.50	16.20	7.72
including	99.80	102.25	2.45	41.96
and	100.40	101.00	0.60	134.00
CS-87-08	102.40	109.00	6.60	1.08
and	114.00	133.00	19.00	4.45
including	115.50	117.00	1.50	16.20

Hole ID	From (m)	To (m)	*Interval (m)	Au g/t
and	128.00	131.00	3.00	9.77
and	186.00	193.00	7.00	2.20
CS-87-11	50.61	56.71	6.10	1.55
and	68.91	78.05	9.14	1.32
CS-87-12	129.20	140.20	11.00	3.16
including	137.20	140.20	3.00	5.27
and	143.20	154.20	11.00	2.04
including	148.70	150.20	1.50	6.53
and	223.50	227.50	4.00	1.58
CS-87-13	135.00	145.50	10.50	4.85
including	138.00	141.00	3.00	11.52
CS-87-14	141.00	141.50	0.50	11.31
and	147.00	168.50	21.50	2.02
including	166.50	168.00	1.50	8.50
CS-87-15	149.40	154.40	5.00	1.81
and	161.90	194.40	32.50	2.19
including	175.90	176.40	0.50	11.55
and	185.90	186.40	0.50	13.65
and	189.90	190.40	0.50	16.08
CS-87-16	152.30	156.30	4.00	1.84
CS-87-17	148.50	167.00	18.50	4.26
including	162.50	166.50	4.00	12.54
and	215.30	229.30	14.00	1.51
CS-87-18	190.00	209.50	19.50	1.82
including	190.00	191.00	1.00	11.66
and	216.50	229.00	12.50	2.31
including	218.50	219.50	1.00	10.46
CS-87-19	164.20	165.70	1.50	3.82
and	183.70	190.20	6.50	1.30
and	183.70	188.20	4.50	1.67
and	238.70	246.70	8.00	1.85
CS-88-21	242.19	255.19	13.00	1.28
CS-88-22	241.80	263.65	21.85	1.15
CS-88-23	149.27	153.32	4.05	2.82
including	151.32	152.32	1.00	6.30
CS-88-25	210.23	214.23	4.00	1.68
CS-88-26	250.00	255.00	5.00	1.01
GX-82-01	0.00	6.34	6.34	2.54
including	0.82	1.52	0.70	10.11
GX-82-02	0.24	10.06	9.82	3.49
including	1.52	4.42	2.90	8.78

Hole ID	From (m)	To (m)	*Interval (m)	Au g/t
GX-82-03	0.00	11.13	11.13	1.92
including	0.55	1.52	0.97	6.07
GX-82-04A	0.00	7.92	7.92	2.76
including	4.88	6.40	1.52	12.44
GX-82-05	0.00	17.98	17.98	2.24
GX-82-08	13.44	18.01	4.57	1.46
GX-82-09	7.96	15.58	7.62	1.43
and	18.87	23.77	4.90	4.09
including	21.12	22.10	0.98	7.78
GX-82-10	11.00	25.66	14.66	2.34
including	15.91	18.35	2.44	5.82
GX-82-13	29.96	35.51	5.55	5.45
GX-82-16	2.59	4.88	2.29	4.28
including	3.81	4.88	1.07	8.09
and	33.07	34.59	1.52	3.27
GX-82-17	1.22	5.18	3.96	3.59
and	11.43	23.99	12.56	2.32
including	13.26	14.94	1.68	5.29
GX-82-18	1.22	22.25	21.03	2.13
including	7.47	8.99	1.52	6.22
GX-82-20	0.76	16.00	15.24	1.64
GX-82-26	0.76	9.27	8.51	1.22
and	24.38	32.00	7.62	1.98
GX-82-27	30.60	32.06	1.46	4.35
GX-82-28	0.00	3.81	3.81	1.62
and	31.21	35.66	4.45	1.42
including	31.21	31.67	0.46	8.40
GX-82-30	7.83	10.58	2.75	4.98
GX-82-31	24.99	31.70	6.71	2.71
GX-83-53	7.60	9.15	1.55	6.01
GX-83-54	0.00	2.45	2.45	2.14
GX-83-61	1.50	12.20	10.70	2.09
including	3.05	4.55	1.50	6.62
GX-83-62	3.05	4.55	1.50	4.06
GX-83-66	20.40	26.50	6.10	0.99
GX-83-70	13.10	14.35	1.25	1.63
and	21.65	32.60	10.95	1.07
GX-83-71	6.40	18.90	12.50	2.76
including	6.40	7.30	0.90	9.22
GX-83-75	60.05	63.10	3.05	3.06

Hole ID	From (m)	To (m)	*Interval (m)	Au g/t
GX-83-76	47.85	53.95	6.10	1.48
GX-83-78	1.20	23.15	21.95	1.67
including	1.20	3.75	2.55	9.31
GX-83-79	29.55	35.65	6.10	1.10
GX-83-86	26.50	29.55	3.05	1.60
GX86001A	3.66	9.75	6.09	1.27
GX86006	8.53	11.50	2.97	2.40
GX86007	20.73	26.90	6.17	1.05
GX86009	2.74	12.19	9.45	4.76
including	9.73	12.19	2.46	13.89
GX86009	35.05	39.55	4.50	1.24
GX86012	10.06	19.20	9.14	1.31
and	26.50	37.61	11.11	1.61
GX86013	1.82	7.62	5.80	1.82
and	9.75	20.42	10.67	1.32
GX86016	4.80	18.20	13.40	2.63
GX86020	9.75	11.28	1.53	7.12
GX86023	1.22	3.35	2.13	8.22
GX86024	12.95	18.03	5.08	3.07
including	12.95	14.63	1.68	6.58
GX86028	16.44	22.86	6.42	1.76
including	18.00	19.50	1.50	4.32
GX86029	26.82	35.97	9.15	5.10
including	26.82	27.90	1.08	27.08
GX86034	14.33	18.10	3.77	2.89
and	31.11	34.45	3.34	1.51
GX86038	17.76	29.87	12.11	1.33
including	18.76	19.81	1.05	5.77
GX86039	3.05	6.24	3.19	1.73
and	29.00	31.10	2.10	2.31
GX86040	21.80	29.89	8.09	1.82
including	25.90	27.30	1.40	4.25
GX86041	28.98	34.44	5.46	3.26
including	29.98	30.98	1.00	8.43
GX86042	18.90	21.80	2.90	3.84
and	26.83	32.96	6.13	3.34
including	27.95	28.96	1.01	7.17
GX86043	2.74	7.30	4.56	2.95
and	10.86	19.71	8.85	1.95
including	12.94	14.03	1.09	7.06

Hole ID	From (m)	To (m)	*Interval (m)	Au g/t
GX86044	5.06	13.60	8.54	1.14
GX86045	2.76	17.29	14.53	2.01
GX86046	1.22	16.77	15.55	2.03
including	11.28	15.27	3.99	5.04
GX86047	8.83	16.76	7.93	1.25
GX86048	22.85	27.00	4.15	6.26
including	25.60	27.00	1.40	15.73
and	30.37	33.80	3.43	1.50
GX86049	32.00	36.60	4.60	3.54
GX86050	11.66	22.86	11.20	3.82
including	12.80	13.80	1.00	10.37
and	26.90	37.05	10.15	2.68
including	30.95	32.00	1.05	10.37
GX86052	32.48	38.57	6.09	2.09
GX86060	33.04	35.55	2.51	2.16
GX86061	72.84	83.23	10.39	1.66
GX86062	34.00	37.05	3.05	8.35
including	35.05	36.05	1.00	22.28
and	45.20	49.13	3.93	2.76
including	45.96	46.93	0.97	8.19
GX86063	52.29	61.25	8.96	1.68
and	65.53	66.53	1.00	7.14
GX86068	20.35	24.35	4.00	1.92
and	44.43	48.99	4.56	1.19
MR-003	22.30	24.00	1.70	2.95
MR-008	14.00	16.30	2.30	2.55
MR-019	21.00	27.50	6.50	1.00
MR-037	21.00	28.00	7.00	3.10
including	21.00	22.00	1.00	11.94
MR-069	71.00	74.00	3.00	2.27
including	71.00	71.50	0.50	11.32
MR-070	29.00	29.50	0.50	19.28
MR-086	53.00	59.00	6.00	26.38
including	58.00	59.00	1.00	155.52
MR-087	25.00	80.00	55.00	1.81
including	34.50	37.00	2.50	16.28
MR-092	5.00	6.00	1.00	9.33
MR-097	24.00	27.00	3.00	1.79
MR-105	26.00	44.00	18.00	1.28
and	74.00	76.00	2.00	13.06

Hole ID	From (m)	To (m)	*Interval (m)	Au g/t
MR-106	24.30	25.10	0.80	7.34
MR-107	36.30	50.00	13.70	1.33
MR-109	39.80	58.00	18.20	1.00
MR-110	10.40	16.00	5.60	1.03
MR-118	70.00	84.00	14.00	0.99
MR-121	20.30	36.00	15.70	1.26
including	32.00	33.00	1.00	5.04
MR-144	125.50	141.50	16.00	1.21
MR-145	77.50	83.50	6.00	1.01
and	90.00	98.00	8.00	1.51
MR-146	120.00	124.00	4.00	1.63
MR-147	69.50	90.20	20.70	1.49
including	74.50	75.50	1.00	10.35
MR-149	45.20	49.20	4.00	4.01
including	47.20	48.20	1.00	9.48
MR-150	35.60	39.60	4.00	5.23
including	35.60	36.60	1.00	17.85
and	43.50	44.00	0.50	13.45

Note: *Down hole lengths indicated; true widths have not been compiled

Figure 10-1: Drill Plan for Cape Spencer Property – Cape Spencer Mine Area

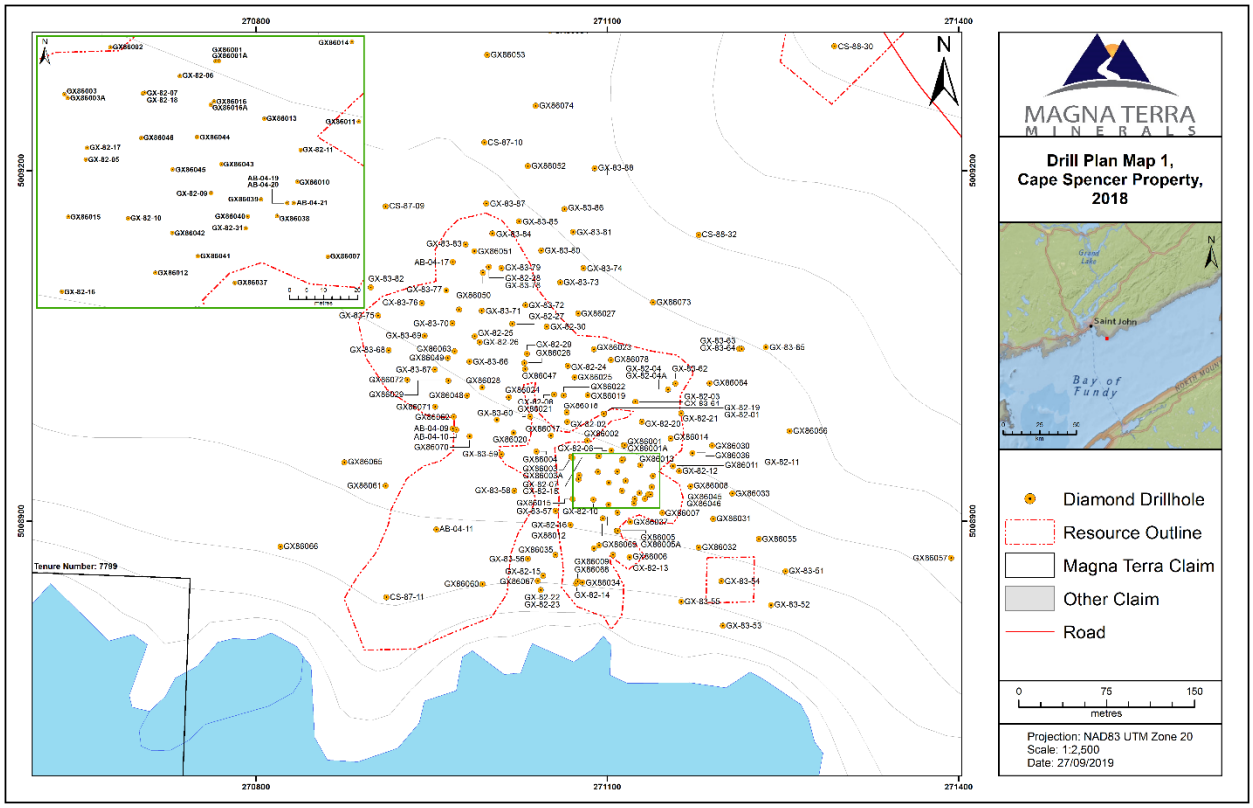


Figure 10-2: Drill Plan for Cape Spencer Property – Road Zone, Birches Zone and Northeast Zone

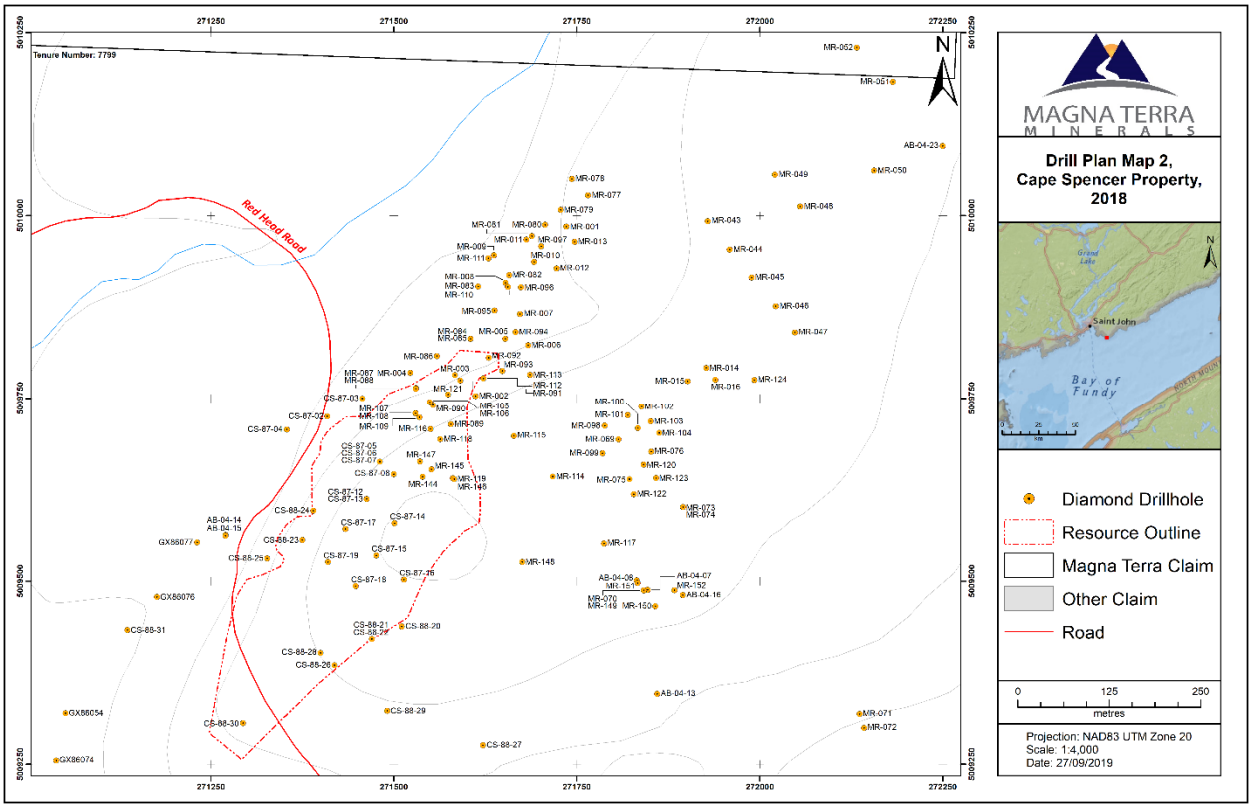


Figure 10-3: Drill Plan for Cape Spencer Property – Pond Zone and Mitchell's Bog Zone

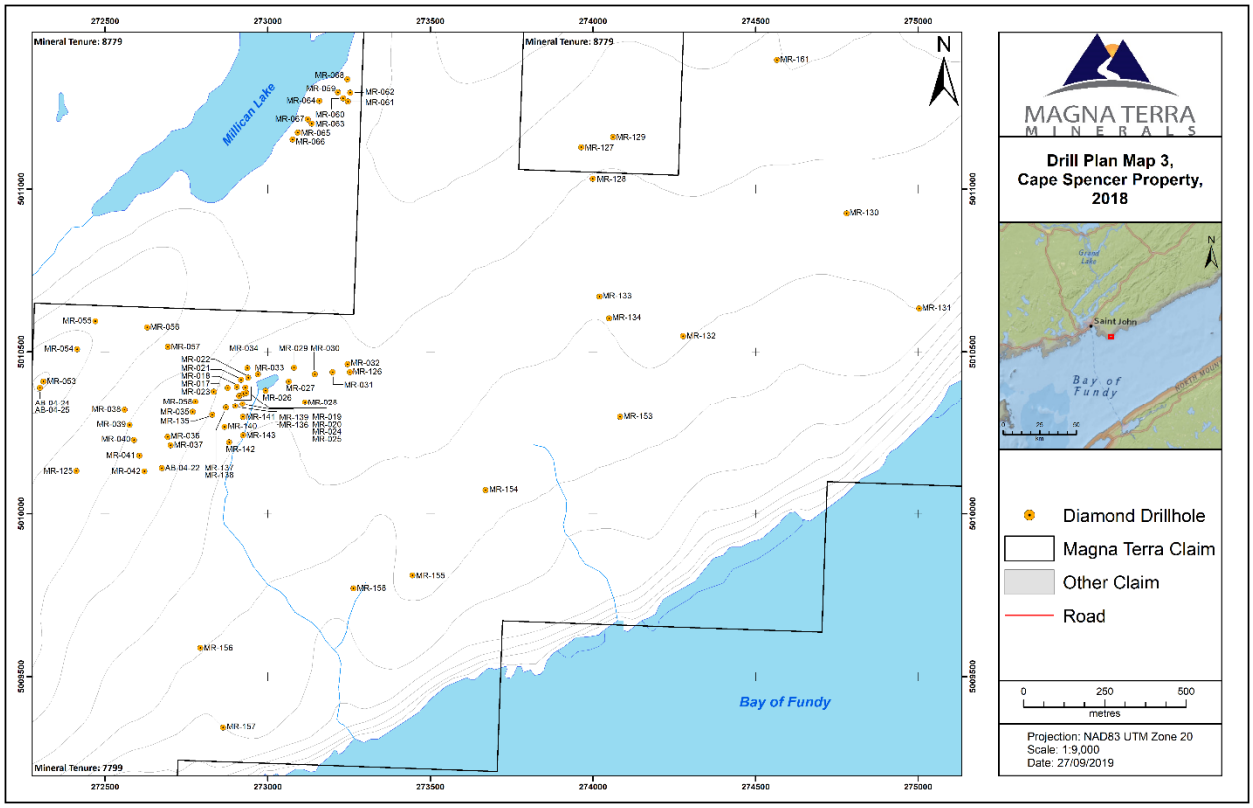
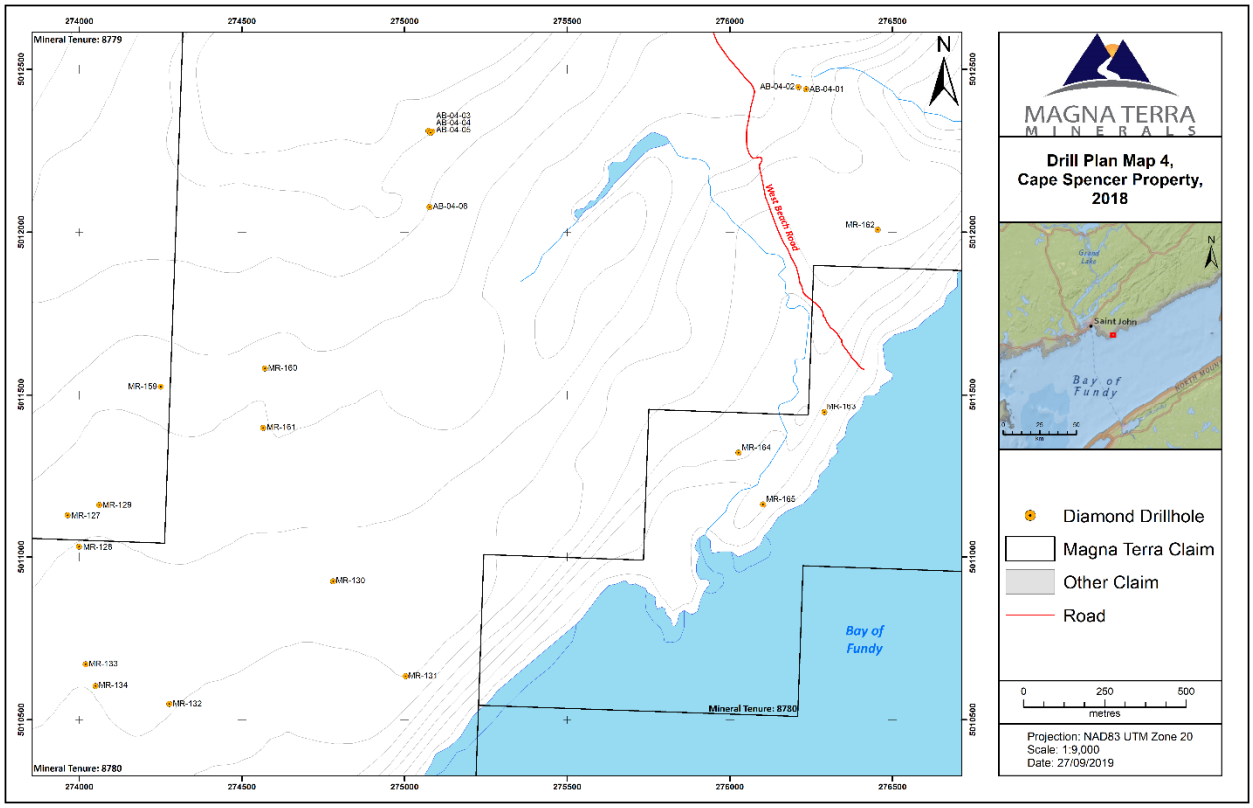


Figure 10-4: Drill Plan Map of Cape Spencer Property – Emilio Zone



11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Sampling Method and Approach

11.1.1 Gordex Minerals Ltd. (1982-1987)

Gordex completed 176 diamond drill holes from 1982 to 1987, with all drill core logging and half-core sampling completed on site under the supervision of staff geologists and half core samples were then bagged and shipped to the lab for fire assay analysis. Half core samples from first 32 holes (GX-1, 1a to GX-31) were submitted to Assayers Limited of Rouyn, QC for gold analysis. Drill core samples from holes GX-51 to GX-58 were assayed at Atlantic Analytical Services Limited in Saint John, NB. Half core samples from GX-86-01 to GX-87-83 were sent to Advanced Research Concepts Inc. of Saint John, NB for fire assay analysis. Drill core sampling was continuous and intervals were recorded in lithological logs, on sample record sheets and in sample tag books, with one tag placed in the archived core box to mark the corresponding interval. Sample lengths ranged from 0.1 m to 7.5 m.

11.1.2 Cambior Inc. (1988)

The 13 diamond drill holes completed by Cambior in 1988, CS-88-20 to CS-88-32, were logged by, sampled and split under the supervision of staff geologists. Half core samples were submitted to Chemlab Inc. of Saint John, NB for fire assay analysis and coarse rejects for samples returning gold values greater than 1 g/t were submitted to the Cambior's laboratory at the Yvan Vezina Mine in Destor, QC for check assay analysis. Core sampling was nearly continuous and intervals were recorded in lithological logs, on sample record sheets and in sample tag books, with one tag placed in the archived core box to mark the corresponding interval. Sample lengths ranged from 0.05 m to 5.54 m. Four holes (CS-88-20, CS-88-26, CS-88-27 and CS-88-30) were continuously sampled, resulting in 97 full core samples, and submitted to Chimitec Ltd. of St. Foy, QC for fire assay gold analysis (Spiegle, 1989).

Cambior completed a check sample program on three 1986 Gordex drill holes, GX-86-08, GX-86-15, and GX-86-17. Quartered cored resamples were submitted to the Yvan Vezina Mine Laboratory, Destor, QC and Laboratoire Mineralurgique, Val D'Or, QC for fire assay analysis.

11.1.3 Mispec Resources Ltd. (1986-1988)

Mispec completed 160 diamond drill holes from 1986 to 1988. Drill core was split with a mechanical splitter and half core was retained in core boxes with the respective sample tags. Drill cores samples were generally completed at 1 m intervals, with core sample lengths ranging from 0.10 m to 4.2 m. Core samples were submitted to three separate labs for assay analysis, including Custom Laboratories Ltd. of Bathurst, NB; Assayers Ltd. of Rouyn, QC and Loring Labs of Calgary, AB. Standard fire assay - AA analysis was performed for all samples received by Custom and Assayers and metallic screen fire assay - AA analysis was performed for all samples received by Loring Labs.

11.1.4 Acadia Mineral Ventures Limited (1990-1991)

Core samples were sent to Custom Laboratories Ltd. Of Bathurst, NB for gold analysis presumably by fire assay – AA methods after standard rock preparation b crushing and pulverising. Specifics of analytic methods are not available in the Custom Laboratories Ltd. lab certificate.

11.1.5 Geodex Minerals Ltd. (2004)

Geodex completed 25 diamond drill holes (AB-04-01 to AB-04-25) in 2004, with logging and half-core sampling carried out on site under the supervision of staff geologists and samples were bagged and shipped SGS Laboratories in Toronto for gold analysis. Drill core sampling was continuous in zones of recognizable alteration and sampled intervals were recorded in lithological drill logs, on sample record sheets and in sample tag books, with one tag placed in the archived core box to mark the corresponding interval.

11.1.6 ExploreCo Check Sample Program (2018)

ExploreCo geologists selected representative intervals, 0.4 m to 1.0 m in length, from six drill holes from the drilling projects of Gordex and Mispec with a range of gold grades. The holes sampled are GX-86-16, GX-86-50, GX-87-06, GX-87-15, MR-105 and MR-145.

11.1.7 Mercator Check Sample Program (2018)

After a careful review of the drill hole database, six drill holes were selected for re-sampling by Mercator geologists in order to obtain representative samples of the various lithologies and grades found within the deposit areas (MR-090, MR-144, GX86013, GX86044, CS-87-05, CS-87-08). Samples were collected from the New Brunswick Government core library located at Picadilly,

near Sussex, NB in September of 2018. Eleven quarter core samples of previously half-core sampled core were collected from these holes, ensuring a quarter of the core remained for archival purposes. Drill core cutting was carried out under supervision of Mercator geologists. Samples were identified using tags from a three tag sample book system and placed in plastic bags and sealed.

11.2 Sample Security

11.2.1 Historic Programs

Sample security protocols are not specifically addressed in any of the reports that document historic drilling programs at the Cape Spencer Project. Therefore, no definitive comment can be provided on details of any such programs that may have been implemented. It is reasonable to assume that security practices were applied that were considered standard to the exploration industry in Canada at the time of the respective historic exploration programs. No evidence in reporting reviewed by Mercator indicates to the contrary.

11.2.2 ExploreCo Check Sample Program

Preparation of sample shipment documentation, checking and packing shipping box for shipment by commercial courier to Eastern Analytical, in Springdale, NL were completed by ExploreCo staff. Samples remained in the secure possession of D. Copeland, P. Geo., of ExploreCo until being prepared for shipment to the laboratory.

11.2.3 Mercator Check Sample Program (2018)

Core samples collected during the site visit were transported by Mercator staff to the company's Dartmouth office where a single blind standard and blank were inserted before shipment to ALS for analysis. Preparation of sample shipment documentation, checking, and packing of samples for were carried out by Mercator staff prior to shipment by commercial courier to ALS Canada in Sudbury, ON. Samples remained in the secure possession of M. Harrington, P. Geo., of Mercator prior to shipment to the laboratory.

11.3 Sample Preparation & Analyses

11.3.1 Gordex Minerals Ltd. (1982-1983)

Samples from drill holes GX-1, 1a to GX-31 were submitted to Assayers Limited in Rouyn, QC for gold analysis by fire assay – AA methods after standard rock preparation by crushing and pulverizing. Samples from holes GX-51 to GX-58 were assayed at Atlantic Analytical Services Limited in Saint John, NB and the same analytical approach is believed to have been applied. The laboratory certificates for these analyses were not located by ExploreCo and the analytical method used could not be verified.

11.3.2 Gordex Minerals Ltd. (1986-1987)

Drill core samples for Gordex drill holes GX-86-01 to GX-87-83 were submitted to Advanced Research Concepts Inc. of Saint John, NB for fire assay gold analysis. Assays were completed on a 30 g subsample and digested with aqua regia with analysis via Atomic Absorption (AA) methods.

11.3.3 Cambior Inc. (1988)

All samples were analyzed for gold by standard fire assay (AA) methods by Chemlab Inc. of Saint John, NB. The analytical method is not detailed in the Chemlab certificate. Duplicate analyses were conducted by Chemlab Inc., but standards and blanks were not included in the sampling protocol. For samples returning a gold value greater than 1 g/t from fire assay - AA analysis, the coarse rejects were sent to the laboratory at the Yvan Vezina Mine in Destor, QC for a duplicate fire assay-AA analysis.

The four drill holes that were sampled continuously (CS-88-20, CS-88-26, CS-88-27 and CS-88-30) were analyzed for gold by fire assay – AA methods by Chimitec Ltd. of St. Foy, QC (Spiegle, 1989). An additional 16 samples representative of the various rock types at Cape Spencer were analyzed for major element geochemistry and 14 select samples from CS-88-26 were assayed for Cu, Pb, Zn and Ag at Chimitec. The instrumental methods for the major-element, Cu, Pb, Zn and Ag analyses are not specified in the Lab Certificate.

Resampled quartered-cored samples were analyzed for gold by fire assay and gravimetry by the Yvan Vezina Laboratory and Laboratoire Mineralurgique 110750 Canada Inc, Chemin Ancienne Aerogare, Val D'Or, QC.

11.3.4 Mispec Resources Ltd. (1986-1988)

Core samples were sent to three labs for the drill program including Custom Laboratories Ltd. of Bathurst, NB; Assayers Ltd. of Rouyn, QC and Loring Labs of Calgary, AB. Standard fire assays were performed at Custom and Assayers while Loring Labs performed gold determinations using metallic screen fire assay and AA finish on samples they received.

Drill holes completed in the Balls Lake area were submitted to Bondar-Clegg & Company Ltd., Ottawa Ontario for gold (ppb), copper (ppm), silver (ppm), and lead (ppm) analysis. Gold assays were completed on a 30 g subsample and digested with aqua regia with AA analysis.

Mispec completed a limited cross-checking analysis programs of rejects and pulps between the three labs in the drill program and assessed that all three labs provided comparable results. Regular insertion of qualified standards, blanks, and duplicate samples was not completed during the Mispec sampling program.

11.3.5 Acadia Mineral Ventures Limited (1990-1991)

Core samples were sent to Custom Laboratories Ltd. of Bathurst, NB for rock crushing, pulverization and gold analysis by standard fire assay methods, presumably with AA finish. Specifics of analytic methods are not available in the Custom Laboratories Ltd. lab certificate.

11.3.6 Geodex Minerals Ltd. (2004)

All samples were analyzed for gold by fire assay methods followed by AA finish (code FA313) and 32-element ICP analysis with atomic emission spectroscopy finish (ICP-ES, code ICP12B). Higher gold grade samples were confirmed by an ore grade fire assay method with a gravimetric finish (Code FAG303). Select samples were analysed for gold via screen metallic fire assay methods with AA finish (FAS30K). Duplicate samples and standards were inserted in the laboratory sample stream.

11.3.7 ExploreCo Check Sample Program (2018)

The 34 quarter core samples collected by ExploreCo in 2018 at the New Brunswick Government Core Library at Picadilly, NB were sent to Eastern Analytical Ltd. in Springdale, NL for gold analysis. Three certified reference material samples and three blank samples were inserted with the quarter cored samples prior to shipment to Eastern Analytical Ltd.

Quarter core samples were crushed and pulverized and a 30 g split was prepared for fire assay. Standard fire assay methods were used. The samples were fused with a mixture of fluxes and cupelled to yield a precious metal bead that was then digested in aqua-regia prior to analysis by AA methods.

Specific gravity determinations were undertaken on all of the 34 quarter core samples by David Copeland, P. Geo., at Anaconda's core storage facility in Goldboro, NS prior to shipping the samples to Eastern Analytical. Specific gravity determinations were carried out using the mass in air – mass in water method and calculated by the following formula: S.G. = [Weight of sample (g) in air] / [Weight of sample in air (g) – Weight of sample in water (g)]. Specific Gravity determinations for the mineralized samples range from 2.58 to 2.86 with an average of 2.73.

11.3.8 Mercator Check Sample Program (2018)

The 11 quarter core samples were collected by M. Harrington during the September, 2018 Mercator check sample program carried out at the New Brunswick Government Core Library at Picadilly, NB. These were submitted to ALS Canada for gold analysis and determination of specific gravity. One blank sample and one certified reference material sample were inserted with the 11 quarter core samples prior to shipment to ALS Geochemistry in Sudbury, ON.

Core samples received by ALS Geochemistry were barcoded and logged into the firm's tracking system, weighed, and then placed in drying ovens until completely dry. Specific gravity was measured using water immersion methods on quarter core samples prior to crushing and pulverization. Dried samples were then crushed to better than 70% passing a 2 mm screen. The crushed sample was riffle split until 250 g of material was separated and the remainder of the sample was bagged and stored as coarse reject. The 250 g split was pulverized using a ring mill to better than 85% passing a 75-micron screen. Pulverized splits were transferred to the ALS Vancouver facility for gold analysis.

ALS Canada procedures outlined below pertain to all Mercator quarter core samples. Specific gravity determinations were carried out as described below in the OA-GRA08 note. Gold analysis was carried out using standard fire assay methods with AA finish as described below in the Au-AA25 note. All laboratory equipment was thoroughly cleaned between samples in accordance with standard laboratory practice.

- OA-GRA08: The cored section is weighed dry and suspended in water prior to crushing and pulverizing of sample. The specific gravity (S.G.) is calculated from the formula: S.G. = [Weight

of sample in air (g)] / [Weight of sample in air (g) – Weight of sample in water (g)]. Specific Gravity determinations for the samples ranges from 2.65 to 2.99 with an average of 2.78.

- Au-AA25 Analysis: A 30 g sample is fused with a mixture of fluxes (lead oxide, sodium carbonate, borax, silica and other reagents as required), in quartz with gold-free silver and cupelled to yield a precious metal bead. The bead is digested in 0.5 mL dilute nitric acid and 0.5 mL concentrated hydrochloric acid in a microwave oven. The digested solution is cooled, diluted with de-mineralized water and analyzed by AA spectroscopy.

11.4 Mercator Comment on Sample Preparation, Analysis and Security

Based on combined results of various programs described above, Mercator is of the opinion that majority of core sampling, handling, preparation and analytical procedures associated with the exploration programs to date at the Cape Spencer Project were generally carried out to industry standards prevalent at the time of respective programs. The majority of laboratory analytical work that pertains to historic core drilling programs referred to in the Report was carried out prior to the advent of NI 43-101 and specific details of associated laboratory accreditations are not provided in associated reporting. In most cases, large commercial laboratories providing industry standard of the day internal levels of quality assurance and quality control were used. All analytical work completed for Exploreco and Mercator was carried out at commercial laboratories accredited by the Canadian Association of Laboratory Accreditation (CALA) and registered to the ISO17025 standard.

Analytical datasets from validated historic drilling programs are considered sufficiently reliable to support a Mineral Resource Estimate program carried out in accordance with NI 43-101 and the CIM Standards (as amended in 2014).

12.0 DATA VERIFICATION

12.1 Quality Control Data

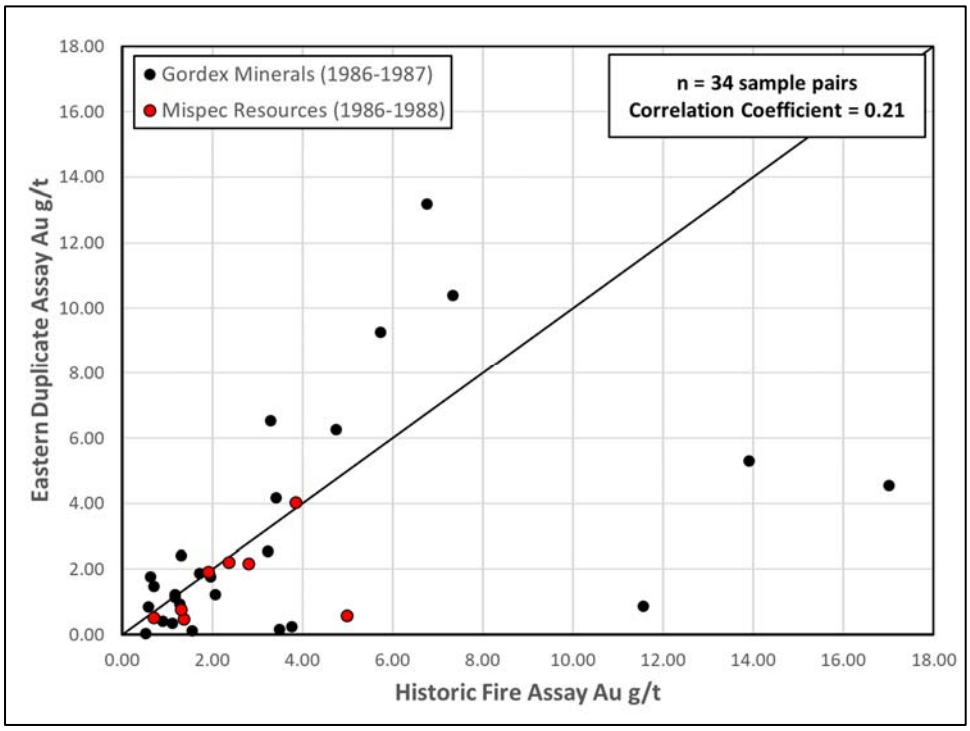
12.1.1 ExploreCo Check Sampling Program (2018)

In the fall of 2018, ExploreCo geologists carried out a check sample program on historical drill holes from the Gordex, Mispec and Acadia drilling programs. ExploreCo staff selected 34 sample intervals for check samples, with these having original gold assay values that ranged from 0.52 to 11.55 g/t. As described in the previous section of this report, archived half-cores were split using a diamond saw. Quarter core archive splits were returned to the source core box and the quarter split was placed in a labelled sample bag with a numbered sample tag for submission to Eastern Analytical Ltd. in Springdale, NL for analysis. Gold was analyzed by standard fire assay methods with AA finish. Three certified reference material samples (CDN-GS-1M) were inserted regularly within the sample submission. Results for the three reference material samples fall within the two standard deviation range for CDN-GS-1M (0.98-1.16 g/t).

The ExploreCo check sample results for the 34 quarter-core splits are plotted against the original assay values recorded by Mispec and Gordex in Figure 12-1. These data support a correlation coefficient for gold of 0.21. This indicates poor reproducibility of results for the re-sample dataset. Review of the plotted data shows that reasonable correlation exists between the datasets below a gold grade level of approximately 4 g/t, with substantial deterioration above that level. Mispec data show closest grouping along the 1:1 correlation trend. In the 4 g/t to 8 g/t range. ALS Canada results tend to exceed the original values and the opposite is true for samples with original gold grades greater than about 8 g/t.

The results discussed above are interpreted as indicating that gold grade reproducibility at and below the average gold grade levels for the associated mineral deposits is reasonable, with a bias toward lower values in original data. Greater variability above this level is interpreted to be a combined effect of core-scale sample inhomogeneity with respect to gold distribution plus presence of coarse gold particles in some samples that produce a “nugget” effect in the analytical data distributions. Most gold grade data supporting the current Mineral Resource Estimate fall within the lower grade portion of the Figure 12-1 range, where best correlation is apparent. On this basis, historic data set values were considered by Exploreco to be acceptable for use in a Mineral Resource Estimate, recognizing also that results indicate that nugget effect may be present in the drilling database gold grade population, particularly at gold grade levels above 8 g/t.

Figure 12-1: ExploreCo Check Sample Results for Gold



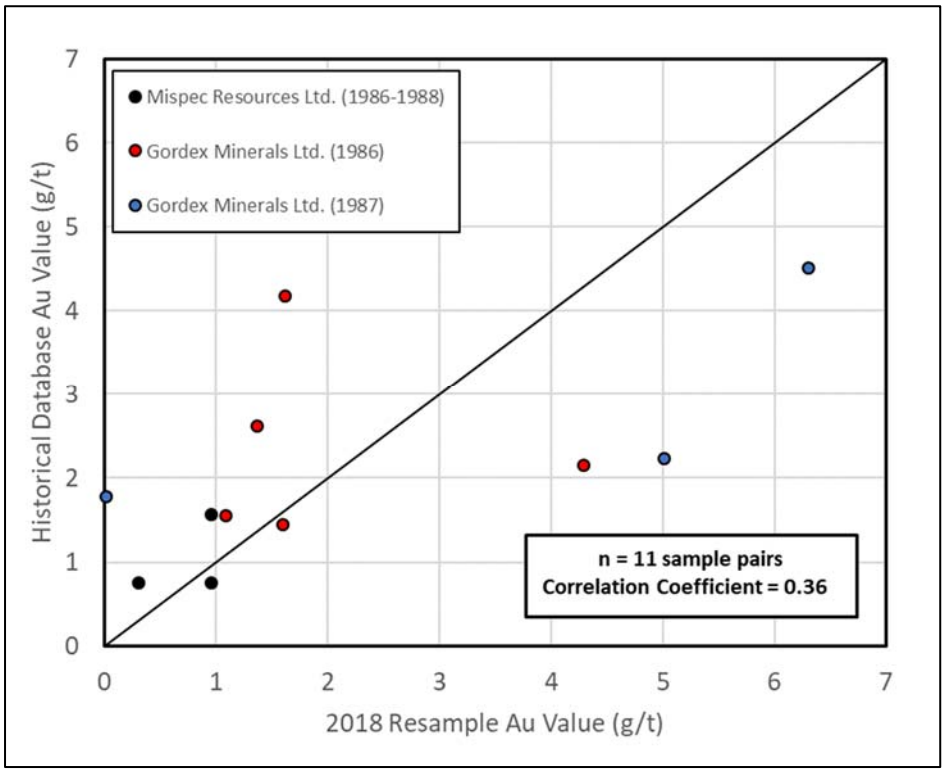
12.1.2 Mercator Check Sampling Program (2018)

During the site visit and core review by Mercator, 11 quarter core samples were obtained for purposes of check sample analysis against Gordex and Mispec analytical results present in the ExploreCo drilling database. As noted earlier in section 11, selected sample intervals were re-sampled by Mercator staff during the core reviews that were carried out on September 24th, 2018 to September 26th, 2018 at the Government of New Brunswick Core Library in Picadilly, NB.

Quarter core samples for selected core intervals were produced under Mercator supervision using a diamond saw. The remaining quarter core split for each interval was returned to its source box and the sample split retained for analysis was then placed in a labelled plastic bag and sealed. Mercator maintained secure procession of the check samples until preparation of an analytical shipment that included insertion of one blank sample and one certified reference material sample prior to delivery by commercial courier to ALS Canada in Sudbury, ON for determination of specific gravity, crushing and pulverization and analysis of gold by fire assay methods. Efforts were made during the core sampling program to obtain representative samples across the deposit gold grade range.

Mercator check sample results for the 11 quarter-core splits are plotted against the original assay values recorded by Mispec and Gordex in Figure 12-2. These data support a correlation coefficient for gold of 0.36 which indicates poor reproducibility of results for the re-sample dataset. Evidence of the general trend described above for ExploreCo check sample data is present in the Mercator plot. Gold grades below approximately 2 g/t show better correlation than those above that level. As in the previous case, this is interpreted to be a combined effect of core-scale sample inhomogeneity with respect to gold distribution plus presence of coarse gold particles in some samples that produce a "nugget" effect in the analytical data distributions. Mercator is of the opinion that a more extensive re-sample program using screen metallics gold analysis methods may provide better assessment of the quality of historic sampling and analysis as well as better quantification of the nugget effect present in the deposit.

Figure 12-2: Mercator check sample results for gold



As in the case of ExploreCo data described above, most gold grade data supporting the current Mineral Resource Estimate fall within the lower grade portion of the Figure 12-2 range where best correlation is apparent. With this distribution in mind, the historic data set values are considered by Mercator to be acceptable for Mineral Resource Estimate use, recognizing also that results indicate that nugget effect is present in the drilling database gold grade population.

12.1.3 Mercator Independent Data Verification and Site Visit

From September 24th to September 26th, 2018 author Matthew Harrington, P. Geo., visited the Cape Spencer Deposit accompanied by David Copeland, P. Geo., ExploreCo's Chief Geologist, and Luke Marshall, Ph.D. candidate and geological staff member of ExploreCo. At that time, various bedrock exposures in the local area and faces in the Open Pit of altered granite and metasedimentary units were inspected (Figure 12-3).

Figure 12-3: **Pyrite-Sericite-Iron-Carbonate Altered Granite in the Cape Spencer Open Pit**

Sample locations of rock and grab samples collected by ExploreCo were inspected and confirmed to support the alteration, quartz veining, and sulfide mineralization characteristics described by ExploreCo staff. A survey plan of drill collars was available during the site visit and field checks were undertaken where possible to validate hole numbers, locations and casing orientations with respect to digital database records. Only three casings were located during the site visit, but evidence of drill activity such as overgrown drill pads, drill trails and waste material was located for all drilling areas inspected. NAD83 UTM Zone 20 coordinates for located collars and drill site areas were obtained by Mercator using a Garmin E-trek handheld GPS instrument and these were recorded for later checking of database drill collar location coordinates. Results showed acceptable correlation between datasets, with variance of a few meters recorded. Observations regarding character of forest cover, site elevations, surface drainage, road and drill pad features,

exploration conditions and coordination, and general access road conditions were also noted during the site visit (Figure 12-4 and Figure 12-5).

Figure 12-4: **Coastal Trail Access and Property Landscape for the Cape Spencer Open Pit Area**

Figure 12-5: Current Vegetation and Face Exposures in the Cape Spencer Open Pit Uppermost Excavation

As described earlier, archived drill core from historic drilling programs was reviewed at the Government of New Brunswick drill core storage facility in Picadilly, NB. Mr. David Copeland, P. Geo., ExploreCo's Chief Geologist, was present during the core review and sampling program. Previously described quarter core check samples were also collected from drill core at this time.

Review of core from both drilling programs provided characterization of alteration and gold mineralization styles intersected by historic drill holes. These were generally found to be consistent with descriptions presented in source reporting and drill logs. Drill core from 10 drills holes were reviewed from Gordex, Mispec and Geodex drill programs. Difficulties in identifying primary clastic and crystalline textures in the intensely altered sedimentary and granite units appears to have resulted in local inconsistencies in the logging and interpretation of some units over the history of the project. However, drill core review during the site visit confirmed that altered granite and metasedimentary units can be properly identified and that future drill core re-logging could provide better consistency in lithological assignment and interpretation.

Drill core from hole MR-144 showed poor correlation between lithocode database records and source logs and the lithology observed during the site visit core review. For example, altered granite was variably logged as mafic porphyry, shale, siltstone, and conglomerate in the source

log. Mercator and ExploreCo staff re-logged this hole and replaced the erroneous lithology entries in the project drill hole database. The extent of such mis-logging within the source documentation for the project is not apparent at present but should be detectable in areas of closely spaced drilling through inconsistency of lithocodes in adjacent drill holes.

Mercator is of the opinion that results of the site visit acceptably confirmed, where possible, details of prior exploration program reporting and associated technical data. However, core review during the visit showed that close attention must be paid in future to assessment of historic core logging quality. It is recommended that re-logging of archived drill core should be promptly undertaken for any areas in which problems of geological correlation are identified by Magna Terra.

12.2 Mercator Comment on Data Verification

Based on combined results of the data verification programs described above, Mercator is of the opinion that the drilling database and associated analytical dataset are sufficiently reliable to support a Mineral Resource Estimate program carried out in accordance with NI 43-101 and the CIM Standards (as amended in 2014).

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

No mineral processing and metallurgical testing studies have been completed fort the Cape Spencer Deposit by Exploreco. Information pertaining to historic work completed in this regard is presented in Report Section 6.0.

14.0 MINERAL RESOURCE ESTIMATE

14.1 Introduction

The definition of Mineral Resource and associated Mineral Resource categories used in this report are those recognized under National Instrument 43-101 and set out in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines* (CIM Standards as amended in 2014). Assumptions, gold threshold parameters, and deposit modeling methodology associated with this Mineral Resource Estimate are discussed below in report sub-sections 14.2 through 14.10.

14.2 Geological Interpretation Used in Resource Estimation

Gold mineralization at Cape Spencer is generally hosted within altered Precambrian Millican Lake Granite or bounding Cape Spencer sedimentary rocks, with mineralization and alteration focused along strongly faulted and sheared contacts between the two lithologies. This style of "Orogenic Gold" mineralization is currently interpreted to have formed during Carboniferous to Permian multi-stage (D_1 and D_2) deformation along the Millican Lake Fault splay of the major Cobequid-Chedabucto Fault Zone.

Mineralization comprises both vein-hosted and altered-wall rock or replacement styles of mineralization and all exhibit features common to orogenic gold deposits. Gold mineralization is intimately associated with disseminated and stringer pyrite and/or specular hematite within the host rock indicating that iron-rich rocks were an important precursor to mineralization. Alteration at Cape Spencer consists of illite with quartz, pyrite, and sulfide stockworks and veins. Local accessory sulfides include galena, chalcopyrite, and sphalerite. Visible gold occurs rarely within veins and stockworks.

Pit Zone alteration and veining occur in stacked, tabular lenses associated with multiple anastomosing faults zones. The Northeast Zone occurs as lenses of higher-grade material within a plunging body of alteration in fault-imbricated granite and sedimentary rocks. The local faults at both the Pit Zone and Northeast Zone represent subsidiary structures linking splays in the hanging wall of the Milllican Lake Fault.

14.3 Overview of Resource Estimation Procedure

The Cape Spencer Mineral Resource Estimate is based on a three-dimensional block model developed using Geovia Surpac® Version 6.9 (Surpac®) modelling software and includes two zones of vein-hosted and altered-wall rock or replacement styles of gold mineralization associated with the strongly faulted and sheared contact of the Millican Lake Granite and bounding Cape Spencer Formation sedimentary units. The two zones, the Pit Zone and the Northeast Zone, are defined by validated results of 169 diamond drill holes and 2,689 core samples.

Geological solid models were developed using both Surpac® and Seequent Leapfrog Geo Version® 4.4 (Leapfrog®) modelling software. Pit Zone mineralized intercepts with a minimum width of three downhole metres supporting a minimum average gold grade of 1.00 g/t were identified and interpreted on a sectional basis. Northeast Zone mineralized intercepts were developed with a minimum width of three downhole metres supporting a minimum average gold grade of 2.00 g/t for definition of high grade domains and were developed with a minimum width of three downhole metres supporting a minimum average gold grade of 0.50 g/t for definition of low grade domains. The resulting intervals were used to generate mineralization solids that were projected along strike and down dip by half the distance to the nearest drill hole or by 25 m where constraining drill hole data was not present. Modelled solids reflect sheet-like, tabular, stacked zones that follow the predominant trend of interpreted faults and fault splays. The Northeast Zone high grade domains are enveloped by a peripheral low grade solid model domain. A total of 17 solid models define the Mineral Resource Estimate, including ten for the Pit Zone and seven for the Northeast Zone.

Ordinary kriging grade interpolation (OK) methodology was used to assign grades for gold (g/t) constrained within the mineralized solid models using 1.5 m downhole assay composites and a block discretization of 3 (X) by 3 (Y) by 3 (Z). Three passes were used during interpolation, with progressively increasing range and decreasing number of included composites for each pass. Variography assessment was performed independently for Pit Zone and Northeast Zone composite populations. A range of 70 m for the major axis, 46.67 m for the semi-major axis, and 17.5 m for the minor axis was developed for the Pit Zone and a range of 70 m for the major axis, 46.67 m for the semi-major axis, and 8.75 me for the minor axis was developed for the Northeast Zone. Pit Zone ellipsoid ranges reflect half, equal to, and one and a half times the ranges determined from the variography for the first, second, and third interpolation passes, respectively. Northeast Zone ellipsoid ranges reflect one, one and a half, and two times the ranges determined from the variography for the first, second, and third interpolation passes, respectively. Ellipsoids predominantly strike southeast with moderate dips to the southwest for the Northeast Zone,

strike east with shallow to moderate dips to the south for the east/southeast area of the Pit Zone, and strike south with shallow to moderate dips to the west/northwest for the west area of the Pit Zone. Interpolation passes one, two, and three require a minimum of seven, three, and one contributing composites respectively. The maximum number of contributing composites was constrained to twelve for the first interpolation pass, with no more than three contributing composites from a single drill hole, eight for the second interpolation pass, with no more than two contributing composites from a single drill hole, and four for the third interpolation pass, with no drill hole restriction. A block size of 3 m (x) by 3 m (y) by 3 m (z) was used and an average density value of 2.74 g/cm^3 was applied to all interpolated blocks in the model.

The Mineral Resource Estimate was entirely classified as Inferred category material. The Pit Zone Mineral Resource extends to a depth of 100 m below surface and is considered to have reasonable prospects of economic extraction in the foreseeable future by conventional open pit mining methods at a long term gold price of $1,550 (Can.) per ounce. The Northeast Zone Mineral Resource extends to a depth of 250 m below surface and is considered to have reasonable prospects of economic extraction in the foreseeable future by conventional underground mining methods at a long term gold price of $1,550 (Can) per ounce.

Mercator is of the opinion that, based on disclosure provided by Magna Terra and ExploreCo, no material changes to the property's exploration status and associated technical information that would affect any aspect of the Mineral Resource Estimate methodology, as summarized above, have occurred since the January 23, 2019 effective date of the current Mineral Resource Estimate.

14.4 Data Validation

ExploreCo provided Mercator with a compiled drill hole database for the Cape Spencer Property as a collection of Microsoft Excel® spreadsheets. The Cape Spencer Property database is coordinated in the NAD83 UTM Zone 20 system and consists of 379 drill holes for a total length of 28,211 metres and 9,259 associated core samples. Mercator imported the complete property database into Surpac® and implemented validation routines that detect specific data entry logical errors associated with sample records, drill hole lithocode intervals, collar tables and down hole survey tables.

Drill hole collars in the Mineral Resource area were corrected to a pre-mining topographic surface created by Mercator, with the exception of drill holes completed by Geodex that post date mining on the property. A detailed validation procedure against original assay records, including digital

certificates and assay samples sheets, was performed for all drill core assay records for all drill holes included in the current Mineral Resource Estimate. This provided validated results of 2,689 core samples from 169 drill holes. Included un-sampled intervals in the drill hole assay database were diluted to “0 g/t” (zero g/t) grade for gold and assigned a sample identification of MGS_NS (Mercator Geological Services No Sample).

Drill log lithocode nomenclature was converted by ExploreCo to the template used for all Anaconda operated projects. Checking of digital lithological records included manual inspection of individual database lithocode entries against source drill logs. Manual inspection of assigned lithocode entries in the source drill logs against drill core stored in the New Brunswick Government Core Library at Picadilly, NB during the project site visit showed inconsistences between the assignment of altered granite and altered sedimentary units in some cases. ExploreCo and Mercator collectively resolved this issue by reviewing geological descriptions from source drill logs and reassigning lithocodes based on the geological and stratigraphic interpretation.

Implementation of the database validation procedures described above resulted in minor lithocode and assay entry corrections. These were incorporated to create the validated and functional drilling database used in the current Mineral Resource Estimate.

14.5 Surface, Lithological, and Domain Modelling

14.5.1 Topography

A topographic surface was derived using Leapfrog® modelling software by generating a mesh at 2 m resolution from 2 m LiDAR survey data obtained from the New Brunswick Government. The LiDAR survey was completed after open pit mining was undertaken on the property and therefore supports a modern Digital Terrain Model (DTM) of the property topography. Mercator subsequently developed a DTM of topography prior to open pit excavation by developing a 2 m resolution mesh from LiDAR survey vertices constrained between the edge of the open pit and a 50 m boundary around the edge of the pit. The resultant DTM of topography therefore ignores the LiDAR survey vertices within the open pit excavation while respecting the vertices of the surrounding area. Drill hole collar elevations were projected to the either the modern topographic surface or the pre-mining open-pit topographic surface depending on the year of drilling. Figure 14-1 and Figure 14-2 illustrate the modern topographic surface and the pre-mining topographic surface for the Pit Zone.

Figure 14-1: Isometric View to the Northeast of Pit Zone Modern Topographic Surface

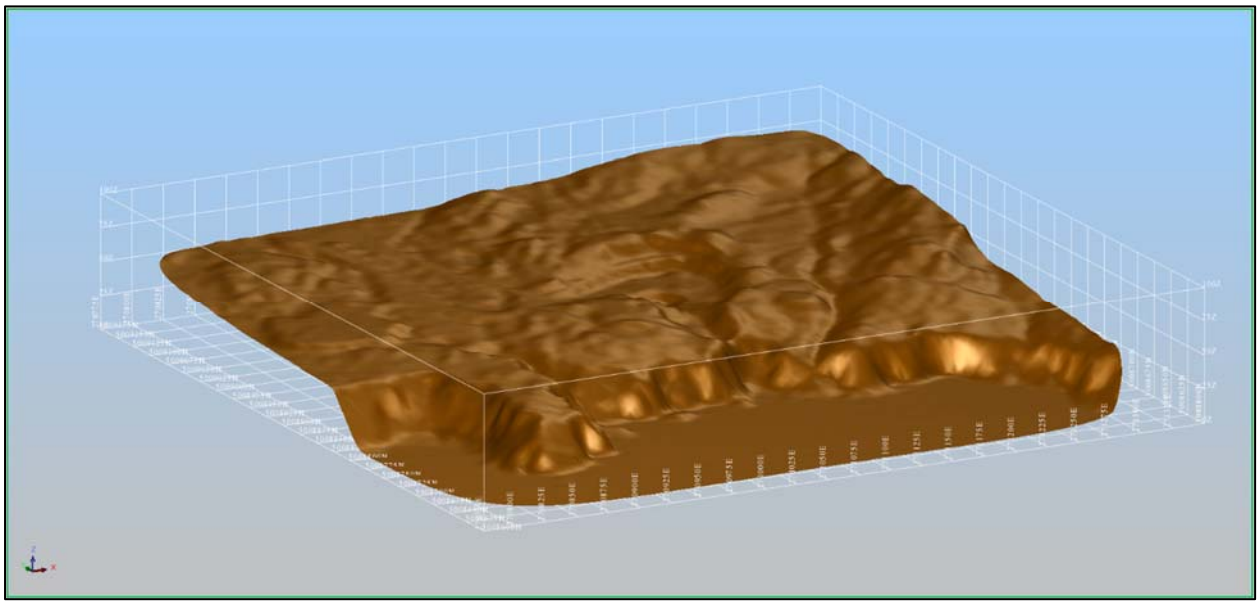
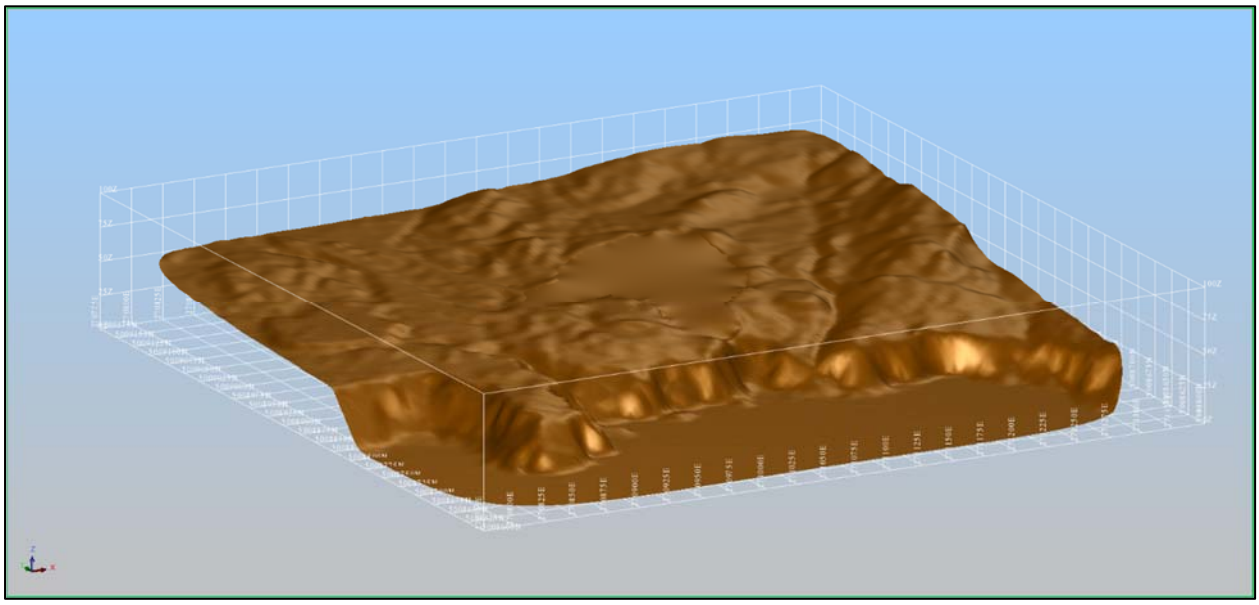


Figure 14-2: Isometric View to the Northeast of Pit Zone Pre-Mining Topographic Surface



14.5.2 Lithological and Grade Domain Solid Models

To support the geological, structural, and gold mineralization interpretation for the Pit Zone, Mercator relied on the studies and mapping reported by Watters (1994) that show the Pit Zone to be controlled by a series of thrust faults subsidiary to and paralleling the mylonitized Millican Lake Group - Cape Spencer Formation contact. Mineralization was documented as occurring in tabular, F_2 fault-parallel illitic alteration zones as well as in more prolate "cigar-shaped" zones parallel to F_2 fold noses.

Detailed cross-sections and surface geological maps from Watters (1994) were geo-referenced in Leapfrog® for the Pit Zone area. Faults were shown with shallow northwesterly dips on the west/northwest side of the pit and steeper southeasterly dips on the east/southeast side of the pit. Mineralization was shown as occurring along two primary fault zones with opposite dips that intersected at approximately the core of the open pit area. The interpreted faults were digitized and generated into 5 m resolution fault meshes. The result was a series of subparallel structures with northwest and southeast dips, together defining a gently southwest plunging intersection trend. A steeply northeast dipping normal fault interpreted on the Watters (1994) cross-sections was also generated into a 5 m resolution fault mesh.

Lithological drill hole data was used to create a geological model for each zone using Leapfrog®. Drill holes displaying lithocoded lithology were evaluated sectionally with the structural interpretation derived from Watters (1994) and major lithology units were identified. Downhole intervals were created according to the lithological unit assignment and drill hole pierce points were generated for the contact of each unit. The contact points were used to generate a series of 5 m resolution surface meshes, which were subsequently used to create individual lithological bedrock solid models. Lithology models reflect fault bound slices of volcanic, metasedimentary, and variably mylonitized granitic units dipping northwesterly on the west/northwest side of the pit and more steeply to the southeast on the east/southeast side of the pit. The Northeast Zone was interpreted as an internally faulted body of metasedimentary units in thrust contact with mylonitized granite. The geological model was used to guide interpretation of mineralized intercepts for the development of gold grade domain solid models.

Drill holes were displayed sectionally with the geological model assignment and drill hole assay data. Drill hole intercepts supporting a minimum gold grade of 1.0 g/t over three metres downhole were developed for the Pit Zone and drill hole intercepts supporting minimum gold grades of 0.50 g/t and 2.0 g/t over three metres downhole were developed for the Northeast Zone. The outer contact points of each intercept were used to generate hanging wall and footwall surface meshes,

and the meshes were subsequently used to develop 3D solid models for each unit with a 5 m mesh resolution in the Pit Zone, with the exception of a 3 m mesh resolution for one Pit Zone domain, and a 10 m mesh resolution in the Northeast Zone. Solid models were projected along strike and down dip by half the distance to the nearest drill hole or by 25 m where constraining drill hole data was not present. Solid models represent sheet-like to cigar-like tabular zones. The Northeast high grade domains defined by the 2.0 g/t gold over three metres downhole intercepts are enveloped peripherally by a low grade domain defined by the 0.5 g/t gold over three metres downhole intercepts.

A total of 17 solid models define the Mineral Resource Estimate, including ten for the Pit Zone and seven for the Northeast Zone. The solid models were reviewed and validated in Surpac® to ensure that they respected contacts defined by drill hole lithology, drill hole assay data, and extensionl constraints. Two sets of solid models were developed, the first constrained to the pre-mining surface of topography for proper drill hole assay and downhole assay composite selection, and the second constrained to the modern surface of topography to allow for proper block model volume assignment.

The Pit Zone is defined by ten stacked tabular solid models, including six on the east/southeast side and four on the west/northwest side. Solids on the east/southeast side strike east-southeast and moderately dip to the south-southwest. Solids on the west/northwest side strike south-southwest and moderately dip to the west-northwest. The Northeast Zone is defined by seven stacked tabular solid models elongate in the down dip direction, including two high grade domains and five low grade domains. The Northeast Zone strikes southeast with moderate dips to southwest. Solid models for the Pit Zone are shown in Figure 14-3 to Figure 14-5 and solid models for the Northeast Zone are shown in Figure 14-6 to Figure 14-8.

Figure 14-3: Isometric View to the Northwest of the East/Southeast Pit Zone Mineral Resource Grade Domain Solid Models (6)

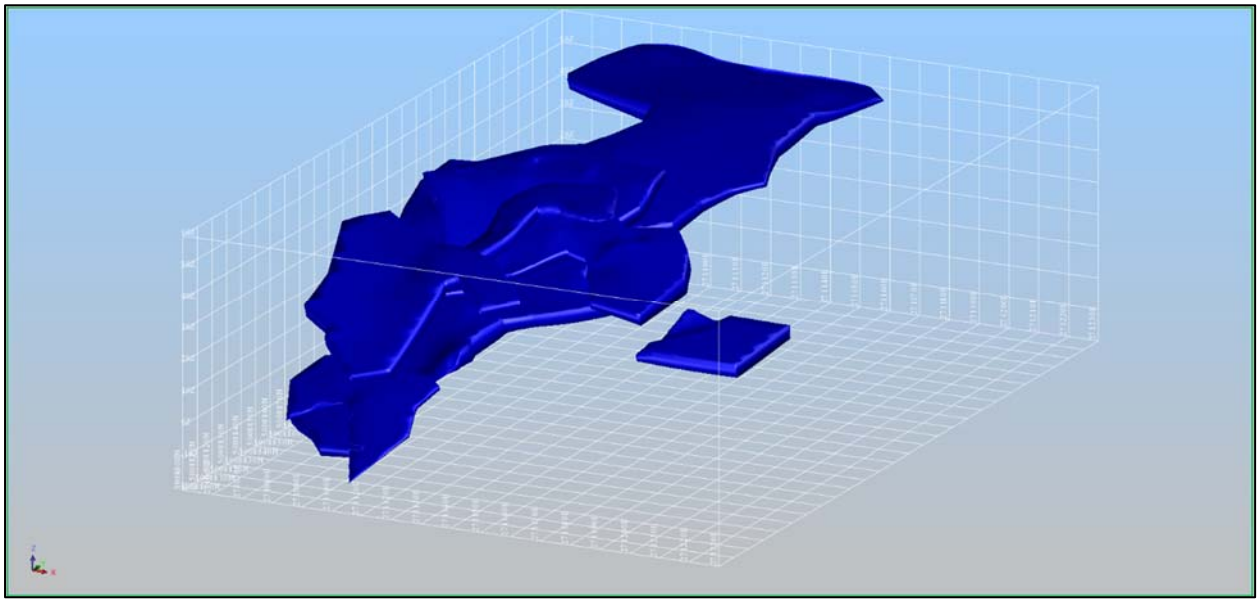


Figure 14-4: Isometric View to the Northwest of the West/Northwest Pit Zone Mineral Resource Grade Domain Solid Models (4)

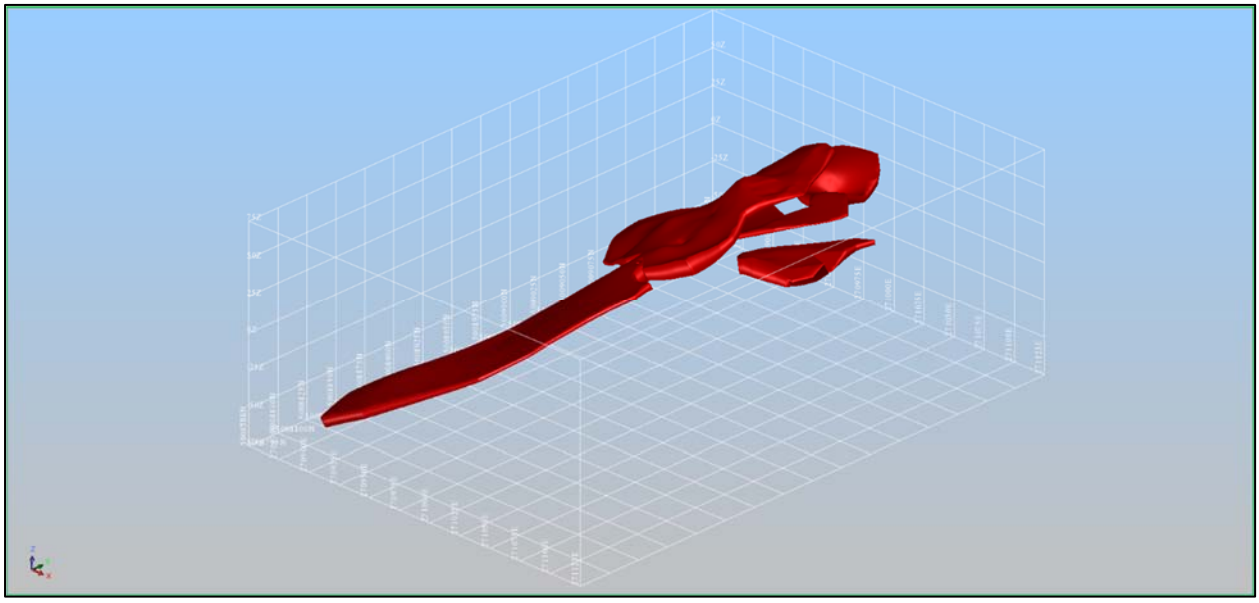


Figure 14-5: Isometric View to the Northeast of the Pit Zone Mineral Resource Grade Domain Solid Models (10) (Red = West/Northwest Solids, Blue = East/Southeast Solids)

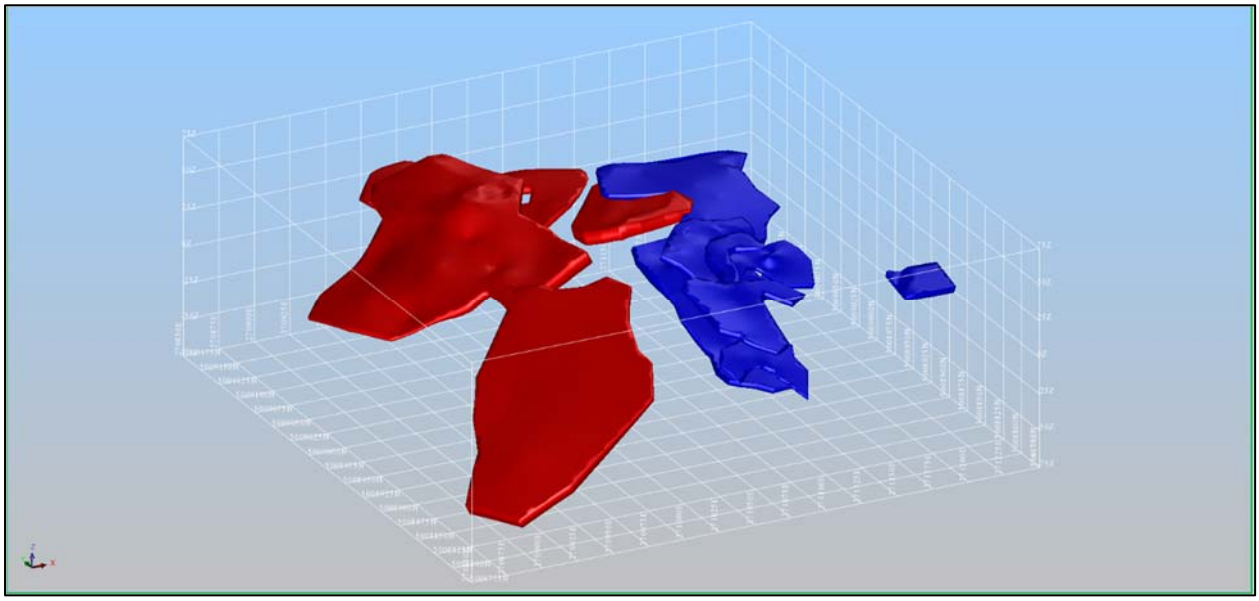


Figure 14-6: Isometric View to the Northwest of the Northeast Zone Mineral Resource High Grade Domain Solid Models (2)

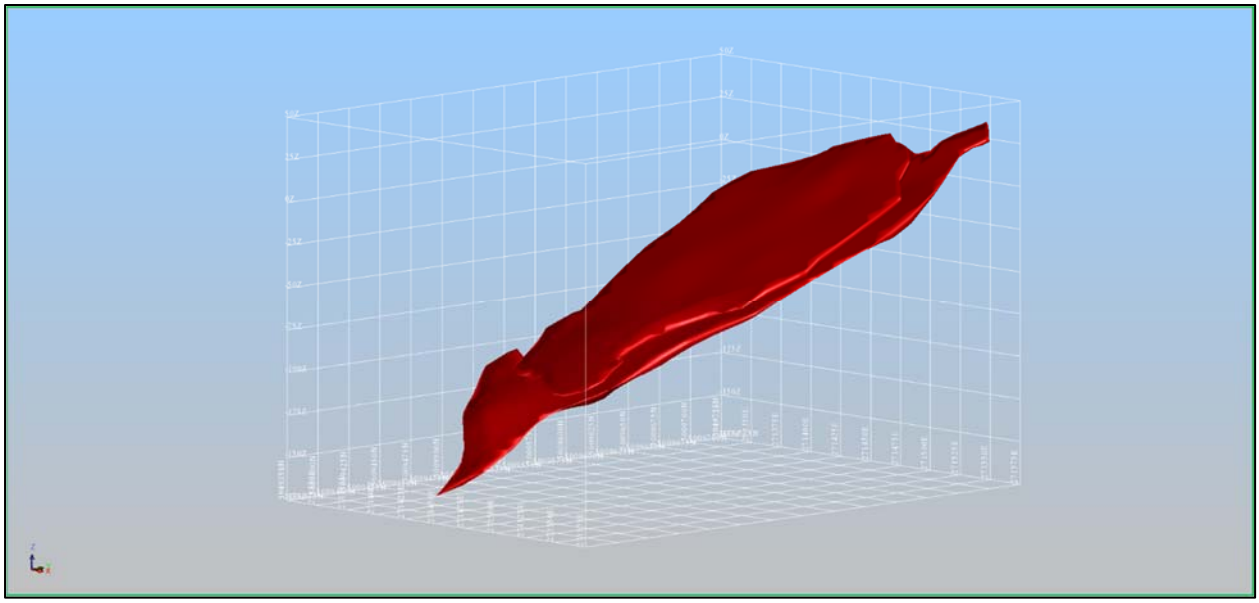


Figure 14-7: Isometric View to the Northwest of the Northeast Zone Mineral Resource High Grade Domain Solid Models and the Peripheral Low Grade Domain Solid Model (3) (Red = High Grade, Brown = Low Grade)

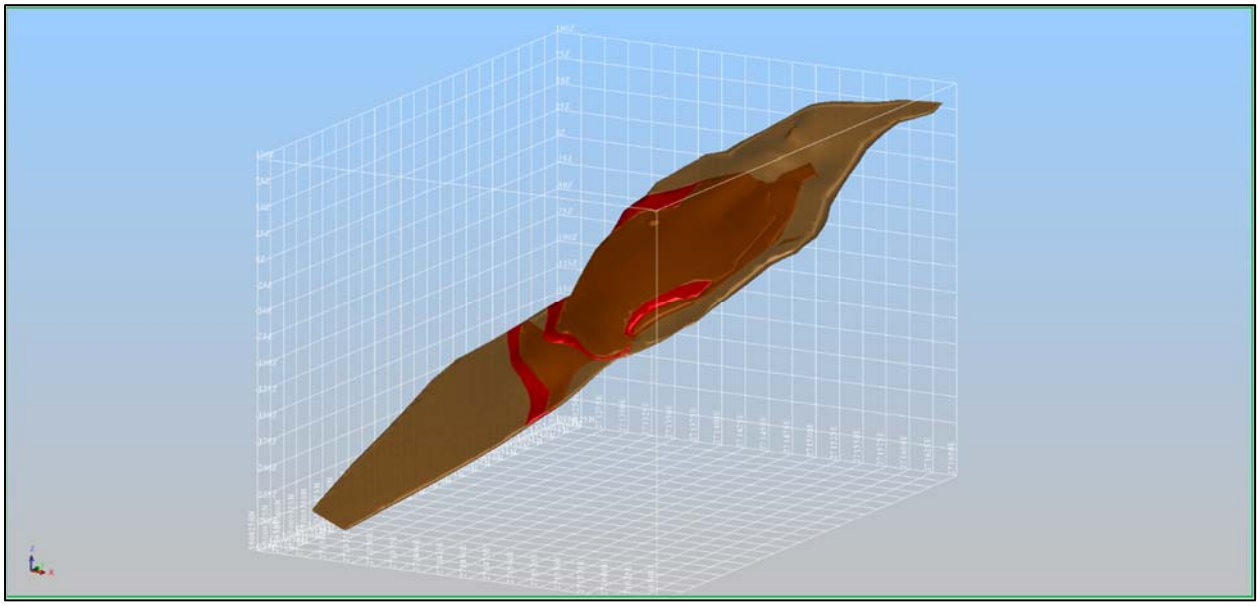
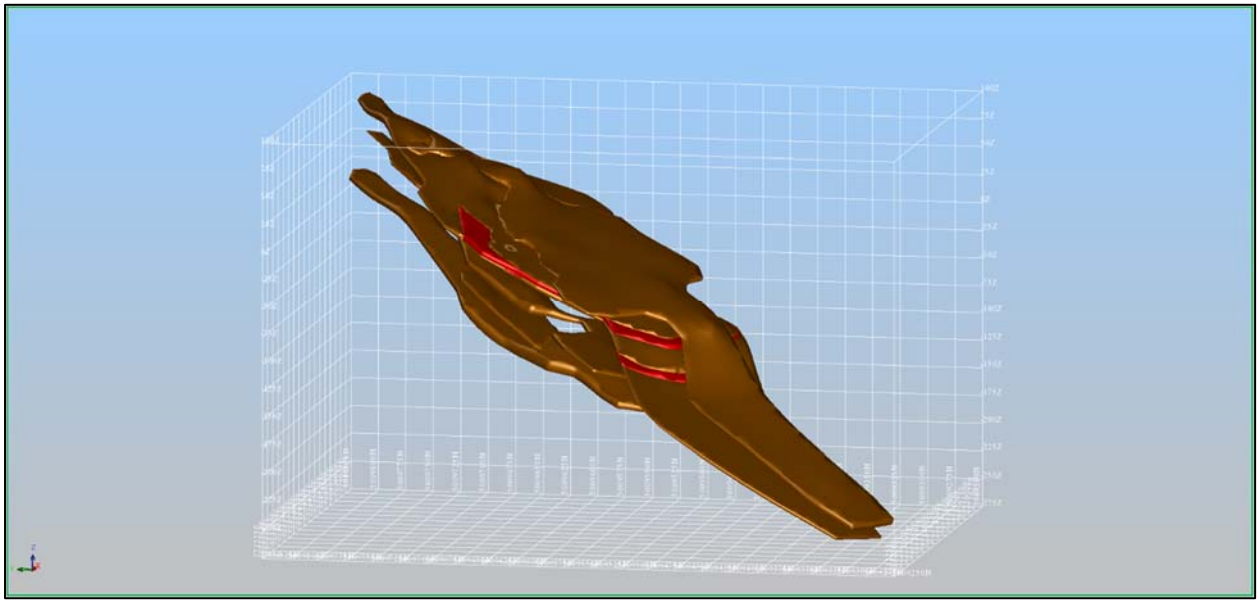


Figure 14-8: Isometric View to the Northeast of the Northeast Zone Mineral Resource Grade Domain Solid Models (7) (Red = High Grade, Brown = Low Grade)



14.6 Drill Hole Assays and Downhole Composites

To facilitate compositing of downhole assay data, a drill hole intercept table consisting of drill hole intervals to be composited for each area was created using solid model drill hole intersections. Assay sample length statistics showed a mean length of 0.92 m with a minimum length of 0.15 m and maximum length of 5.49 m. Downhole assay composites measuring 1.5 m in length, constrained to the drill hole intercepts for each area, were created for gold using Surpac®'s "best-fit" method (Table 14-1). Minimum and maximum acceptable composite lengths were selected at 1.125 m and 1.875 m, respectively, and composites created outside the minimum and maximum support thresholds were manually modified to meet the selected criteria.

A total of 575 assay composites were created for the Pit Zone, with lengths ranging from 1.125 m to 1.87 m and a mean length of 1.50 m, and a total of 546 assay composites were created for the Northeast Zone, with lengths ranging from 1.125 m to 1.865 m and a mean length of 1.52 m. Included un-sampled intervals were diluted to "0 %" (zero %) grade for gold. Assay composite descriptive statistics were reviewed independently for the Pit Zone, Northeast Zone, and for both zones combined. Figure 14-9 shows the cumulative frequency plot and Figure 14-10 shows the probability plot for the combined zones. A gold assay composite cap of 15 g/t, corresponding to approximately the 99.5 percentile, was selected for all composites in the Pit Zone and the Northeast Zone and Table 14-1 presents descriptive statistics for the capped gold assay composites.

Figure 14-9: Cumulative Frequency of Gold Grade Cape Spencer 1.5m Assay Composites

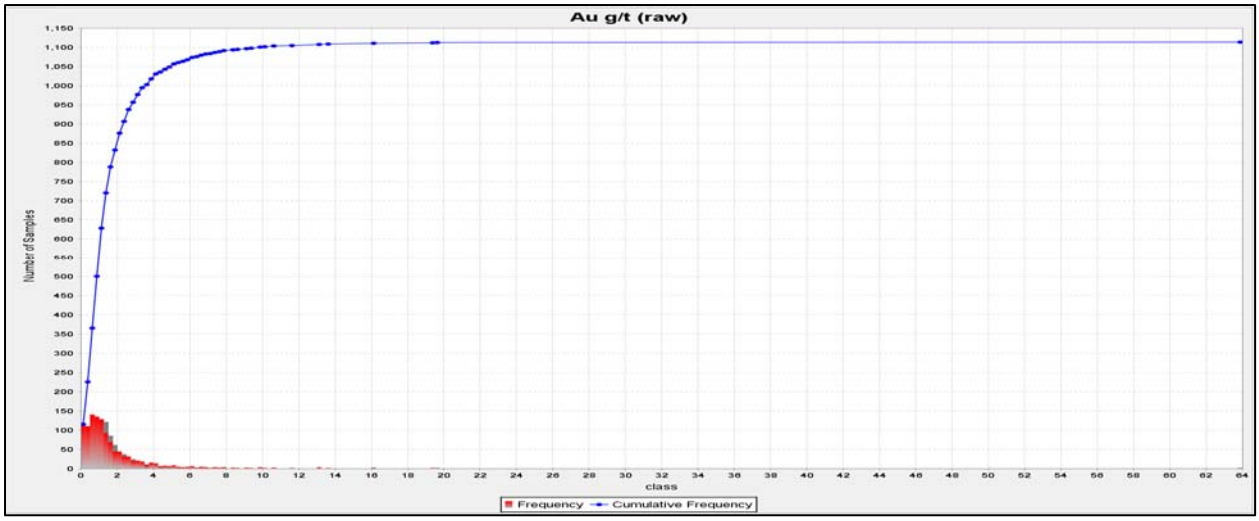


Figure 14-10: Probability Plot of Gold Grade Cape Spencer 1.5m Assay Composites

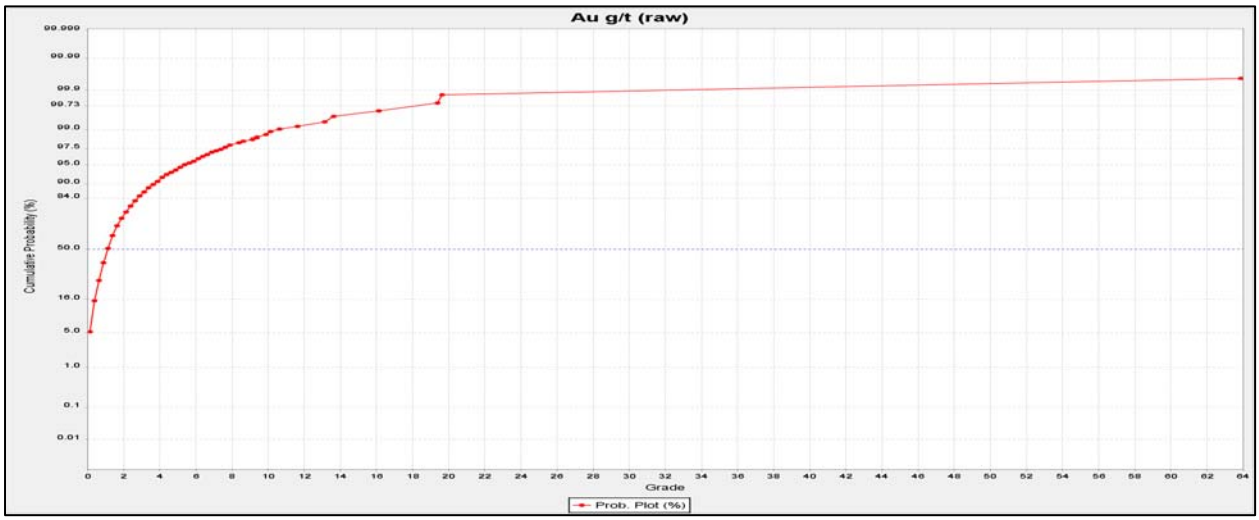


Table 14-1: Descriptive Statistics for the Pit and Northeast Zone Capped Assay Composites

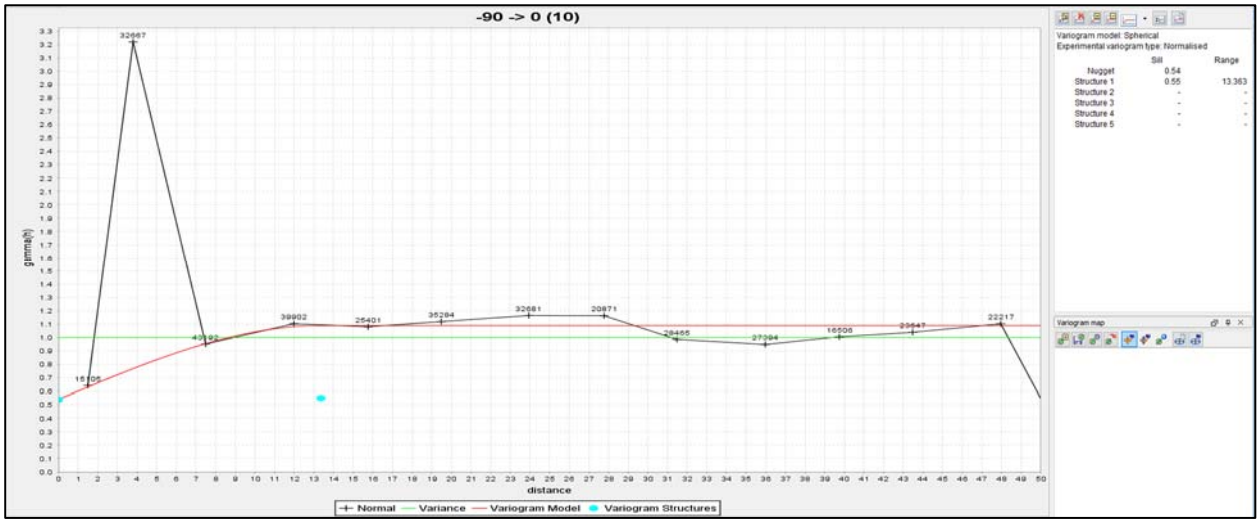
	Pit Zone	Northeast Zone
Parameter	**Au g/t**	**Au g/t**
Mean Grade	1.92	1.48
Maximum Grade	15	15
Minimum Grade	0	0
Variance	4.18	3.93
Standard Deviation	2.04	1.98
Coefficient of Variation	1.06	1.33
Number of Samples	546	575

14.7 Variography

Mercator prepared experimental downhole variograms from the global 1.5 m capped assay composite dataset and completed experimental directional variograms independently for the Pit Zone and the Northeast Zone.

Good spherical model results were obtained for experimental downhole variograms, thereby providing assessment of global nugget values and providing a basis of consideration for interpolation ellipsoid minor axis ranges (Figure 14-11). The best experimental variogram results for the major axis and semi-major axis of continuity are presented in Table 14-2 for each composite

Figure 14-11: Downhole Experimental Variogram of Cape Spencer Capped Gold Assay Composites



population evaluated. Ranges of both domains assessed reflect 70 m for the major axis continuity and 46.67 m for the semi-major axis of continuity, showing trends with moderate plunges along strike and/or in the dip direction (Figure 14-12 through 14-15).

Interpolation ellipsoid ranges were developed through consideration of the variogram assessment, geological interpretation, project history, and Mineral Resource categorization requirements. A multi-pass interpolation approach consisting of three separate stages was implemented using progressively increasing ellipsoid ranges for each pass. Ellipsoid ranges summarized in Table 14-12 below reflect half, equal to, and one and half the ranges determined through variography for the first, second, and third interpolation pass for the Pit Zone and equal to, one and half, and twice the ranges determined through the variography for the first, second, and third interpolation pass for the Northeast Zone.

Figure 14-12: Directional Experimental Variogram (Lag 28) of Gold Assay Composites for the Northeast Zone

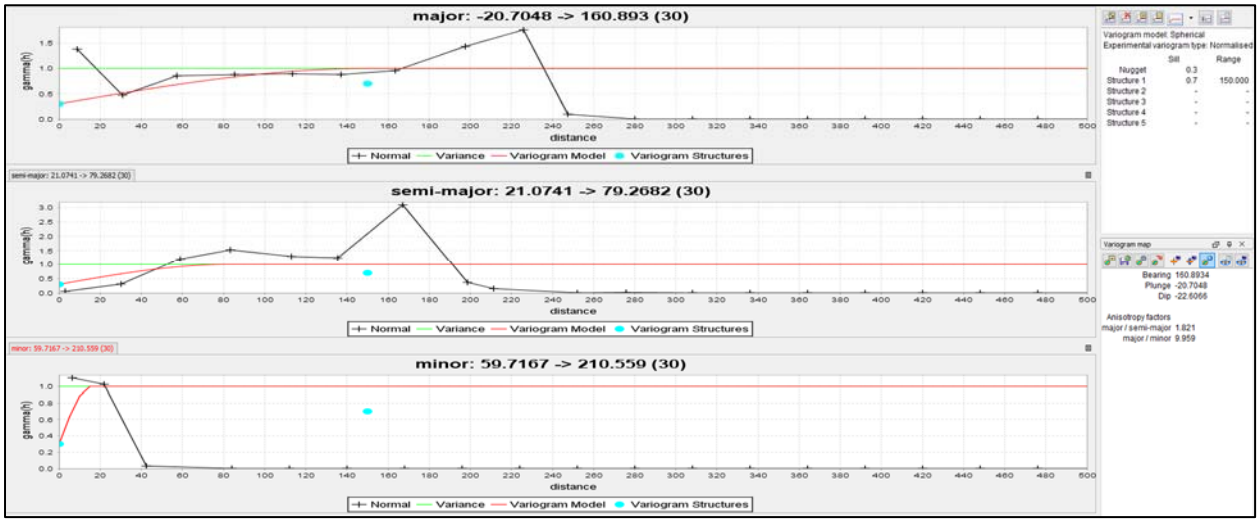


Figure 14-13: Directional Experimental Variogram (Lag 45) of Gold Assay Composites for the Northeast Zone

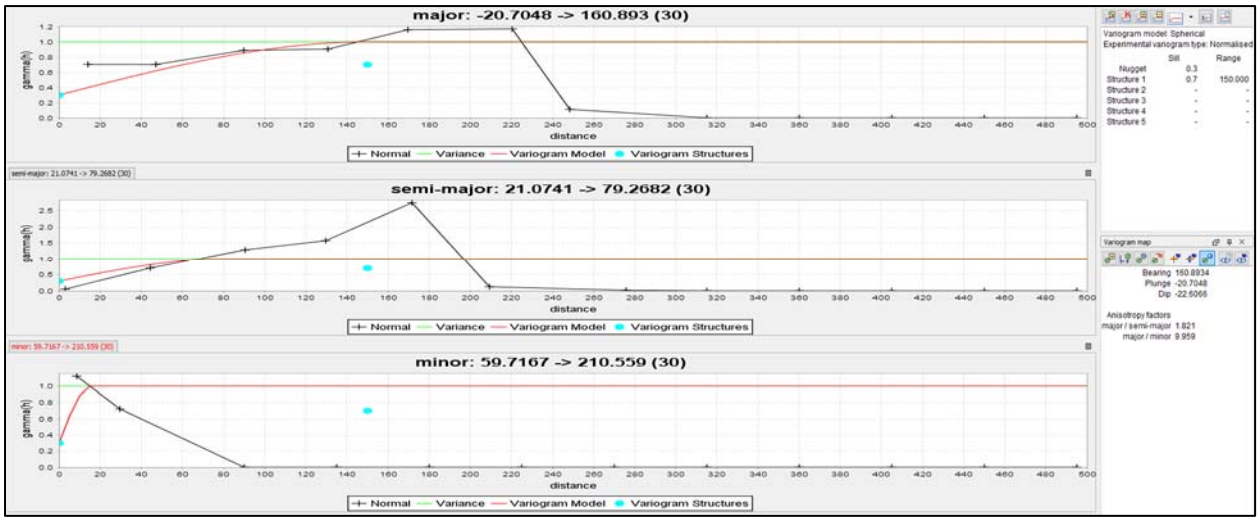


Figure 14-14: Directional Experimental Variogram (Lag 5) of Gold Assay Composites for the Pit Zone

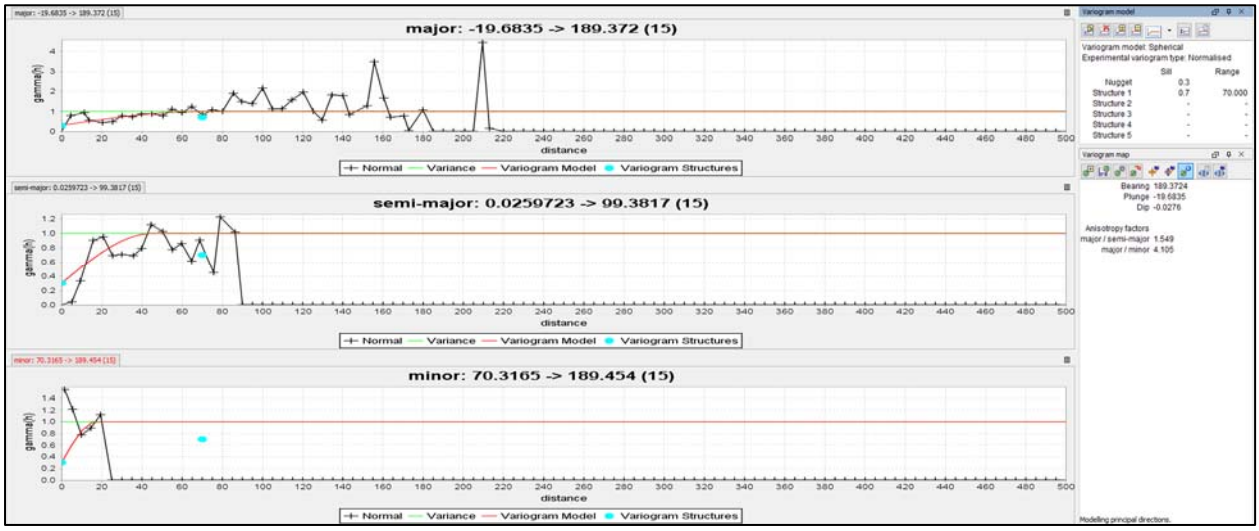


Figure 14-15: Directional Experimental Variogram (Lag 11) of Gold Assay Composites for the Pit Zone

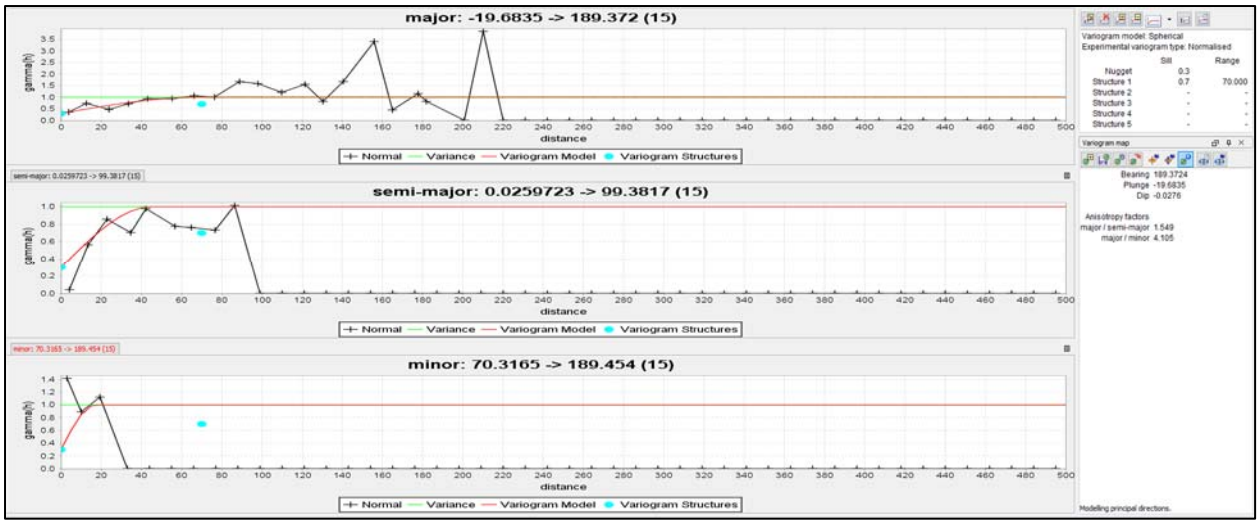


Table 14-2: Interpolation Ellipsoid Ranges (m) and Experimental Variogram Parameters

				Range (m)		
Interpolation Pass	**Zone**	**Nugget**	**Sill**	**Major**	**Semi-Major**	**Minor**
1	Pit	0.3	0.7	35	25	10
	Northeast	0.3	0.7	70	50	10
2	Pit	0.3	0.7	70	50	10
	Northeast	0.3	0.7	105	75	15
3	Pit	0.3	0.7	105	75	15
	Northeast	0.3	0.7	140	100	20

Interpolation ellipsoids were oriented along the general geological trends identified for each deposit area solid and locally modified for changes in solid geometry. As such, the Pit Zone supports 33 interpolation sub-domains and the Northeast Zone supports 36 interpolation sub-domains, for a total of 69 interpolation sub-domains. Ellipsoids for the east/southeast Pit Zone strike east-southeast and support moderate dips towards south-southwest, with the primary direction of continuity oriented in the dip direction. Ellipsoids for the west/northwest Pit Zone strike southwest-west and support moderate dips to the west-northwest, with the primary direction of continuity oriented in the strike direction. Ellipsoids for the Northwest Zone strike southeast and support moderate dips to the southwest, with the primary direction of continuity oriented in the dip direction.

14.8 Setup of Three-Dimensional Block Model

The Cape Spencer Deposit Mineral Resource Estimate is coordinated in the NAD83 UTM Zone 20 coordinate system. The Pit Zone and Northeast Zone were interpolated in the same block model and the minimum and maximum extents are presented in Table 14-3. The block model is based on a standard block size of 3m (x) by 3m (y) by 3m (z) with no sub-blocking and no rotation applied.

Table 14-3: Cape Spencer Deposit Block Model Extents

***Minimum Coordinates**			***Maximum Coordinates**		
Y (m)	**X (m)**	**Z (m)**	**Y (m)**	**X (m)**	**Z (m)**
5008760	270860	-270	5010050	271775	111

**NAD83 UTM Zone 20 coordinate system.*

14.9 Mineral Resource Estimation

Ordinary Kriging (OK) grade interpolation methodology was used to assign block grades for gold within the Cape Spencer deposit block model based on the 1.5 m capped assay composites. As reviewed earlier, interpolation ellipsoid orientation values and ranges used in the estimation reflect trends determined from variography as well as sectional interpretations of geology and grade distributions for the deposit. Block volumes were estimated from solid models using partial percentage volume calculation with a precision of 4.

Grade interpolation for Mineral Resources was constrained to the block volumes defined by solid models using the 3 interpolation pass approach previously discussed. Interpolation passes, implemented sequentially from pass one to pass three, progress from being more restrictive to more inclusive in the composites available and number of composites required to assign block grades. Table 14-4 summarizes the included composite parameters. Block discretization was set at 3 (Y) x 3 (X) x 3 (Z).

Table 14-4: Included Composite Parameters for Each Interpolation Pass

Interpolation Pass	Included Composite Parameters		
	Minimum	Maximum	Maximum/Hole
1	7	12	3
2	3	8	2
3	1	4	4

Grade domain boundaries were assigned hard boundaries for grade estimation purposes and grade interpolation is restricted to the 1.5 m capped assay composites associated with the drill hole intercepts assigned to that deposit area solid. Adjacent and connecting interpolation domain areas within a grade domain unit were assigned soft domain boundaries for grade estimation purposes. As such, the 1.5 m capped assay composites in adjacent and connecting domains contribute to the grade interpolation.

14.10 Density

The density value of 2.74 g/cm^3 was applied to all interpolated blocks. 2.74 g/cm^3 is the average value of 45 total specific gravity determinations, 34 completed by ExploreCo on quartered BQ, NQ, and HQ core samples, and 11 completed for the Mercator check sample program. For all samples

the the specific gravity (S.G.) is calculated from the formula: S.G. = [Weight in air (g)] / [Weight in air (g) – Weight in water (g)].

14.11 Resource Category Parameters Used in Current Estimate

Definitions of Mineral Resources and associated Mineral Resource categories used in this report are those recognized under NI 43-101 and set out in the CIM Standards (as amended in 2014). All current Mineral Resources have been assigned to Inferred Mineral Resource category.

Measured Resources: No interpolated resource blocks were assigned to this category.

Indicated Resources: No interpolated resource blocks were assigned to this category.

Inferred Resources: Inferred Mineral Resources are defined as all blocks with interpolated gold grade from the first, second, or third Ordinary Kriging interpolation passes with at least one contributing assay composite.

14.12 Mineral Resource Estimate

Block grade, block density and block volume parameters for the Cape Spencer Deposit were estimated using methods described in preceding sections of this report. Subsequent application of Mineral Resource category parameters resulted in the Cape Spencer Deposit Mineral Resource Estimate presented below in Table 14-5, which has an effective date of January 23, 2019.

The Mineral Resource Estimate is reported at a cut-off grade of 0.50 g/t gold for the Pit Zone and a cut-off grade of 2.5 g/t gold for the Northeast Zone. Figures 14-16 through 14-21 present isometric views of block gold grade distributions represented in the Mineral Resource Estimate. Pit Zone Mineral Resources extend to a maximum depth below surface of 100 m and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods at a gold price of CAD $1,550. Northeast Zone Mineral Resources extend to a maximum depth below surface of 225 m and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional underground mining methods at a gold price of CAD $1,550 per ounce. Global deposit tonnages at various gold cut-off values are highlighted in Figures 14-22 and 14-23 and reflect sensitivity to cut-off grades.

Table 14-5: Cape Spencer Mineral Resource Estimate – Effective Date: January 23, 2019

Zone	Cut-Off (Au g/t)	Category	Rounded Tonnes	Au (g/t)	Rounded Ounces
Northeast	2.5	Inferred	740,000	4.07	96,000
Pit	0.5	Inferred	990,000	1.71	54,000
Total	**0.5 and 2.5**	**Inferred**	**1,720,000**	**2.72**	**151,000**

1. *This Mineral Resources Estimate was prepared in accordance with NI 43-101 and the CIM Standards (2014)*
2. *Mineral Resource tonnages have been rounded to the nearest 10,000 and ounces have been rounded to the nearest 1,000. Total may not sum due to rounding.*
3. *A cut-off of 2.50 g/t gold was used to estimate Mineral Resources for the Northeast Zone.*
4. *A cut-off of 0.50 g/t gold was used to estimate Mineral Resources for the Pit Zone.*
5. *Mineral Resources were interpolated using Ordinary Kriging from 1.5 m assay composites capped at 15 g/t gold.*
6. *An average bulk density of 2.74 g/cm^3 has been applied.*
7. *Northeast Zone Mineral Resources extend to a maximum depth of 225m below surface and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional underground mining methods at a gold price of CAD $1,550 per ounce.*
8. *The term "Pit Zone" reflects previously established deposit nomenclature that has been retained by Magna Terra. It does not denote application of an optimized pit shell or envelop for definition of Mineral Resources. Pit Zone Mineral Resources extend to a maximum depth of 100m below surface and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods at a gold price of CAD $1,550 per ounce.*
9. *Mineral Resources do not have demonstrated economic viability.*
10. *This estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, sociopolitical, marketing, or other relevant issues.*

Figure 14-16: Isometric View to the Northwest of the Cape Spencer Block Model Gold Grade Distribution at 0.50 g/t Cut-off

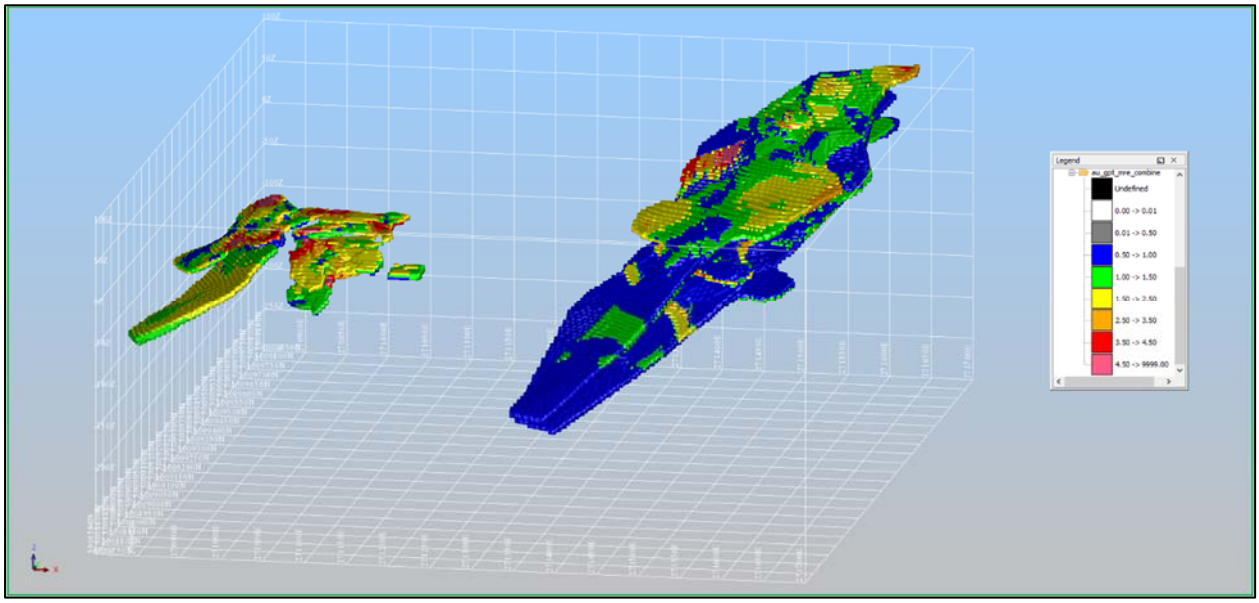


Figure 14-17: Isometric View to the Northwest of the Cape Spencer Block Model Gold Grade Distribution at 1.00 g/t Cut-off

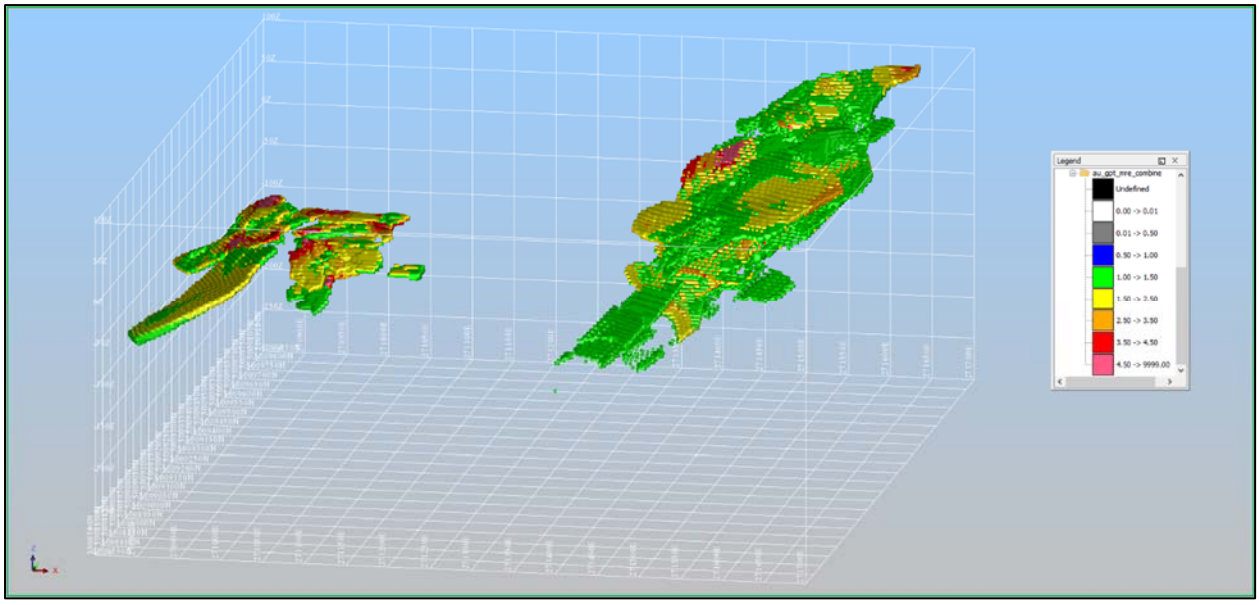


Figure 14-18: Isometric View to the Northwest of the Cape Spencer Block Model Gold Grade Distribution at 2.50 g/t Cut-off

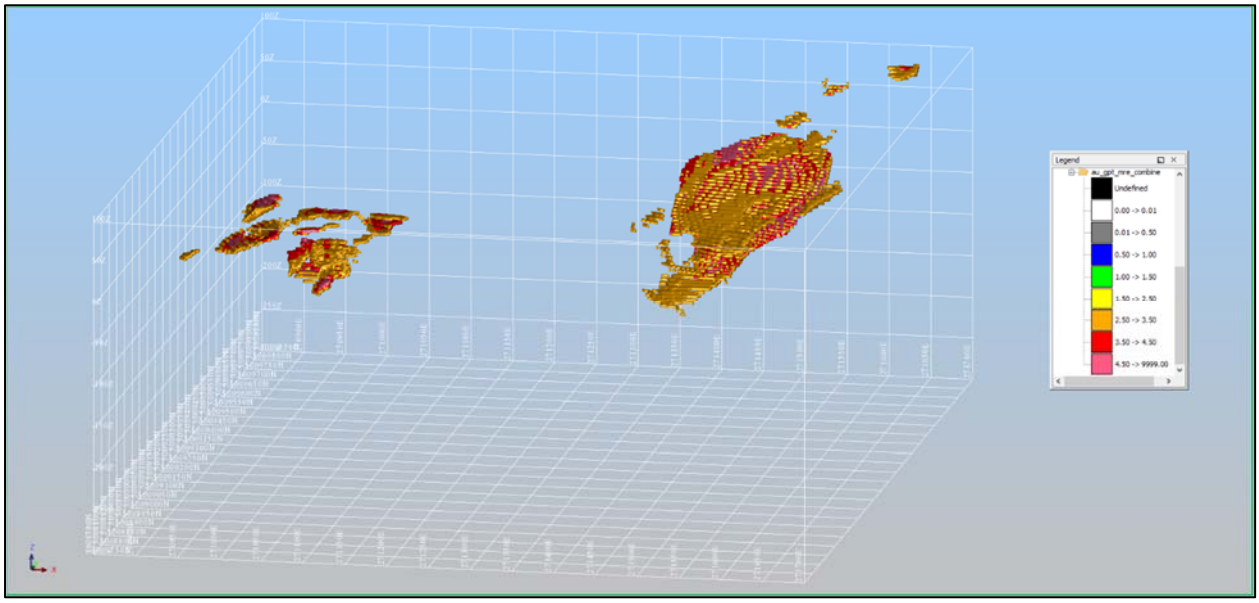


Figure 14-19: Isometric Vew to the Northeast of the Cape Spencer Pit Zone Block Model Gold Grade Distribution at 0.50 g/t Cut-off

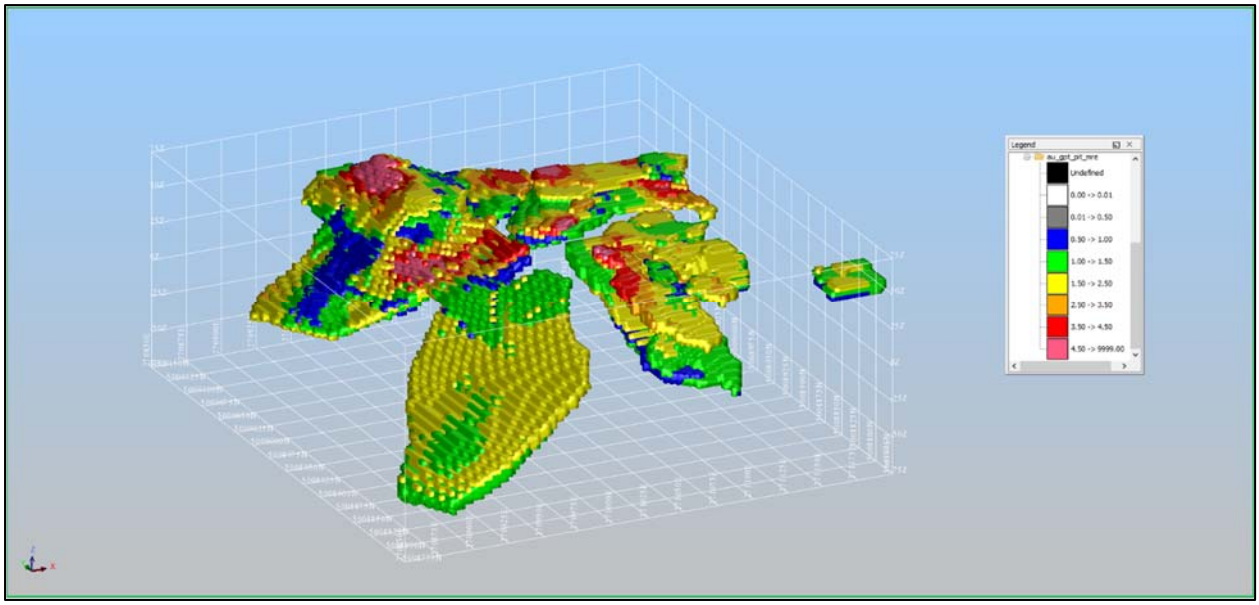


Figure 14-20: Isometric View to the Northeast of the Cape Spencer Northeast Zone Block Model Gold Grade Distribution at 0.00 g/t Cut-off

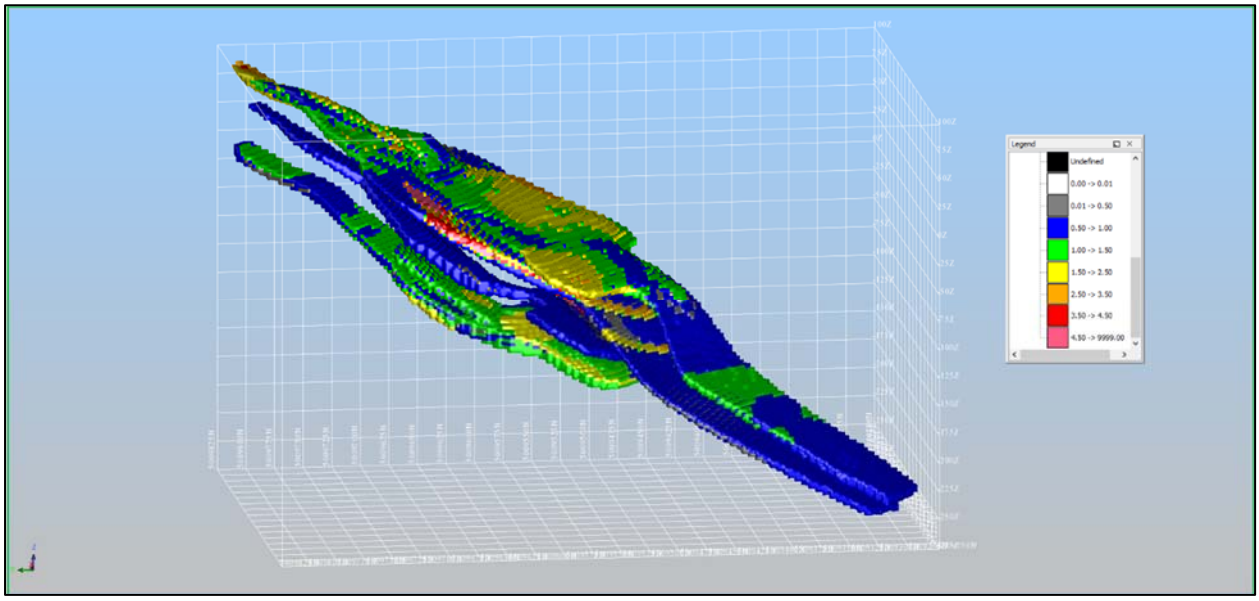


Figure 14-21: Isometric View to the Northwest of the Cape Spencer Northeast Zone Block Model Gold Grade Distribution at 2.50 g/t Cut-off

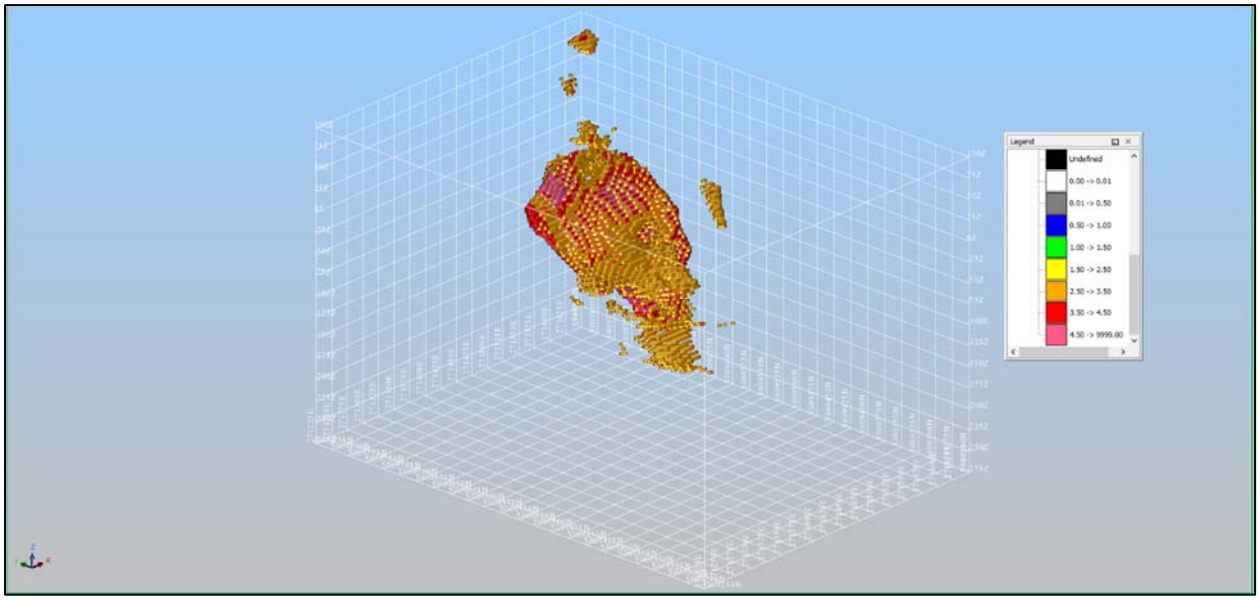


Figure 14-22: Northeast Zone Gold Grade - Tonnage Chart

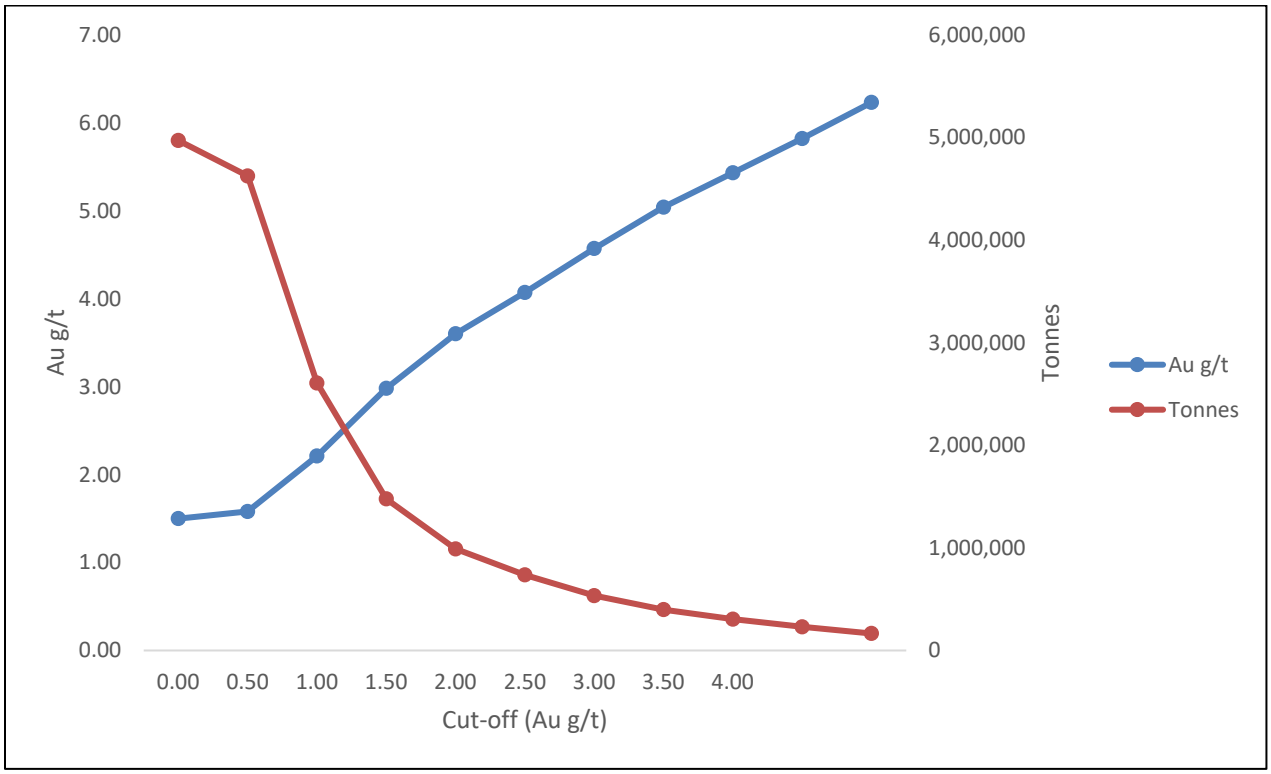
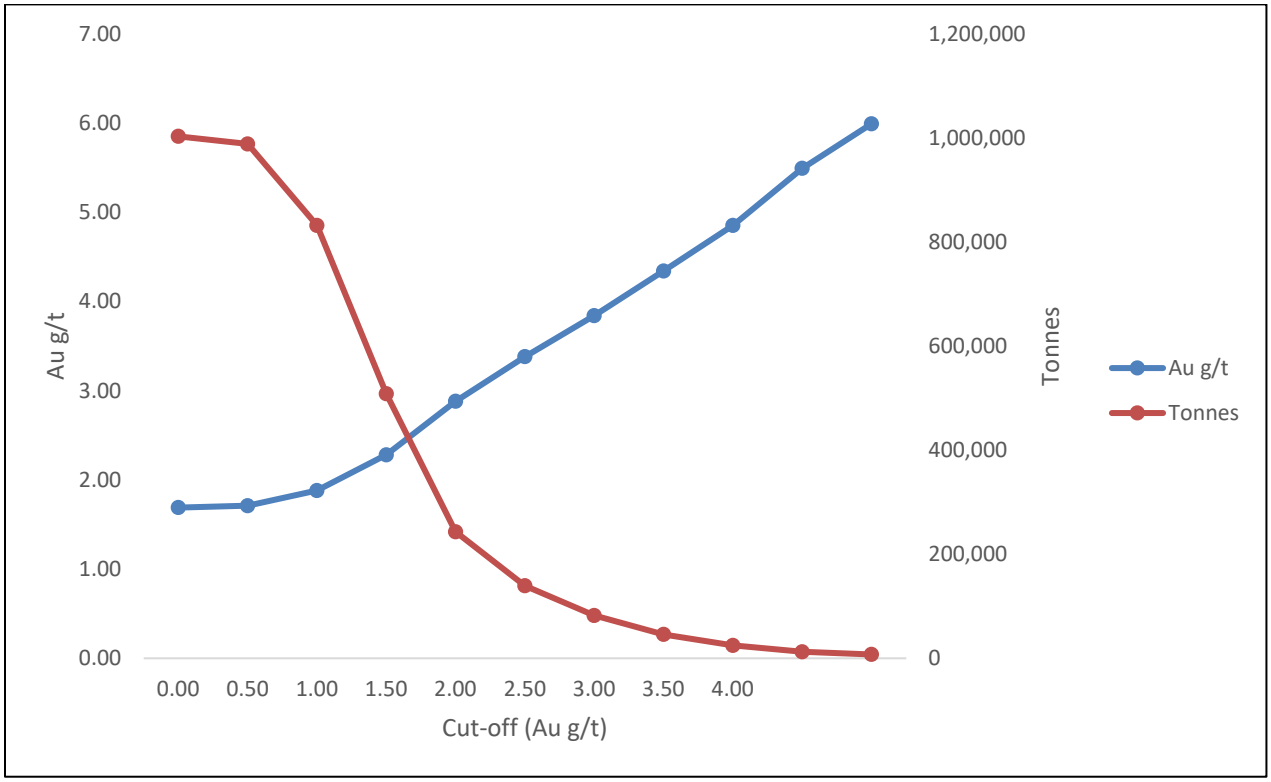


Figure 14-23: Pit Zone Gold Grade - Tonnage Chart



14.13 Validation of Mineral Resource Models

Results of block modelling were reviewed in three dimensions and compared on a section by section basis with associated drill hole data. Block grade distributions were deemed to show acceptable correlation with the drill hole data. Visual inspection of gold distribution trends also showed consistency between the block model and the independently derived geological interpretations of the deposit. In addition, block model statistics for the combined Mineral Resource solids were reported and tabulated at a zero cut-off value to facilitate inspection of basic statistical parameters. Results appear below in Table 14-6 and 14-7 and include favorably low coefficient of variation values for all metals.

Block volume estimates for each Mineral Resource solid were compared with corresponding solid model volume reports generated in Surpac® and results show good correlation, indicating consistency in volume capture and block model volume reporting. For each geological unit, average block grade values were compared with the underlying assay composite dataset averages and in all cases the results were deemed acceptable. Mercator also created horizontal swath plots in both northing and easting directions for block values of tonnage and average assay composite values. The resulting spatial distribution trends of the average assay grades and the average block grade values compared favorably in all cases considered (Figure 14-24 to Figure 14-25).

An inverse distance squared (ID^2) check model for the Cape Spencer Deposit was performed to check the ordinary kriging (OK) interpolation methodology and results appear in Table 14-8. Interpolation parameters were the same as those used in the OK model. Results of the ID^2 modelling showed that average grades and tonnage closely match those of the OK model. Results of the two methods are considered sufficiently consistent to provide an acceptable check.

Table 14-6: Descriptive Statistics for the Pit and Northeast Zone Capped Assay Composites

	Pit Zone	Northeast Zone
Parameter	**Au g/t**	**Au g/t**
Mean Grade	1.92	1.48
Maximum Grade	15	15
Minimum Grade	0	0
Variance	4.18	3.93
Standard Deviation	2.04	1.98
Coefficient of Variation	1.06	1.33
Number of Samples	546	575

Table 14-7: Descriptive Statistics for the Pit and Northeast Zone block gold values

	Pit Zone	Northeast Zone
Parameter	**Au g/t**	**Au g/t**
Mean Grade	1.74	1.36
Maximum Grade	10.74	11.25
Minimum Grade	0.29	0.04
Variance	1.83	1.29
Standard Deviation	0.91	1.13
Coefficient of Variation	0.52	0.83
Number of Samples	27,894	103,359

Table 14-8: Comparison Between OK and ID^2 Methodologies

Method	Zone	Cut-Off (Au g/t)	Rounded Tonnes	Au (g/t)
OK	Northeast	2.5	740,000	4.07
ID2	Northeast	2.5	730,000	4.15
OK	Pit	0.5	990,000	1.71
ID2	Pit	0.5	110,000	1.73

Figure 14-24: Northeast Zone Northing Swath Plot

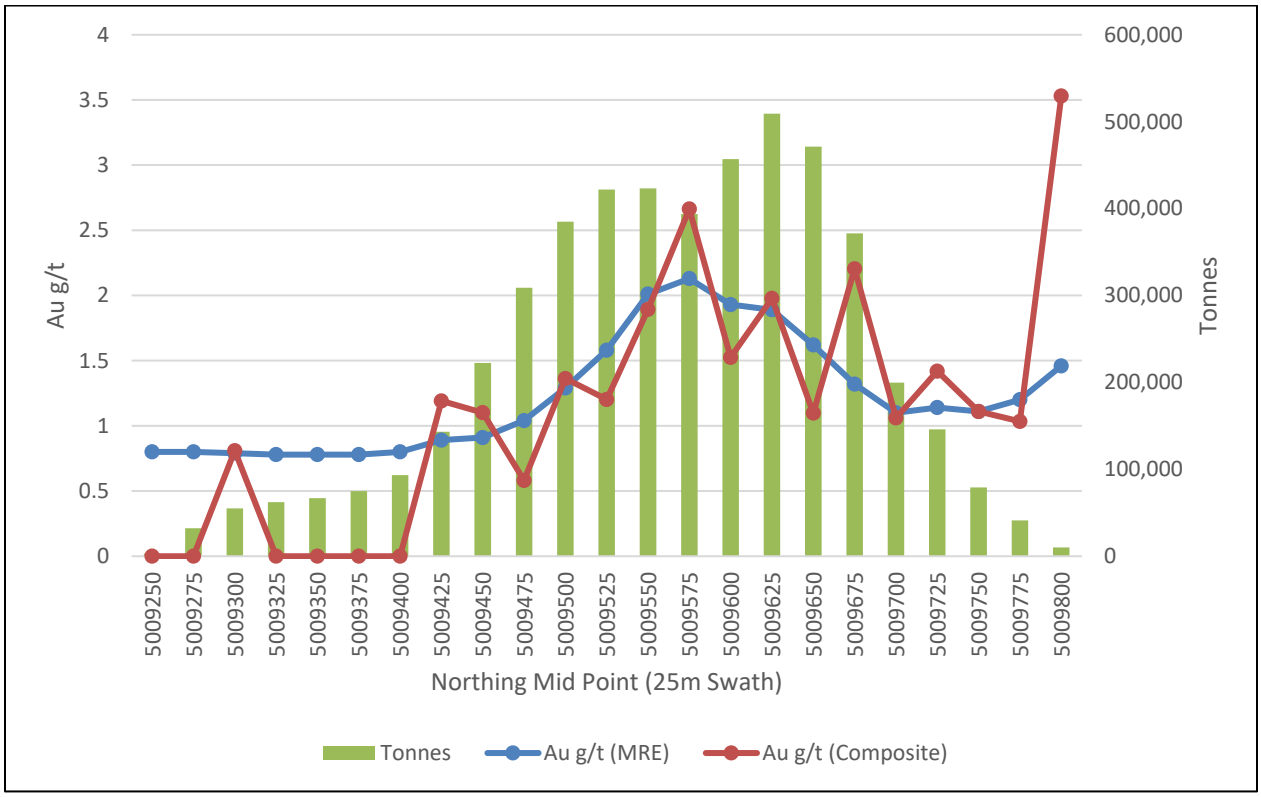
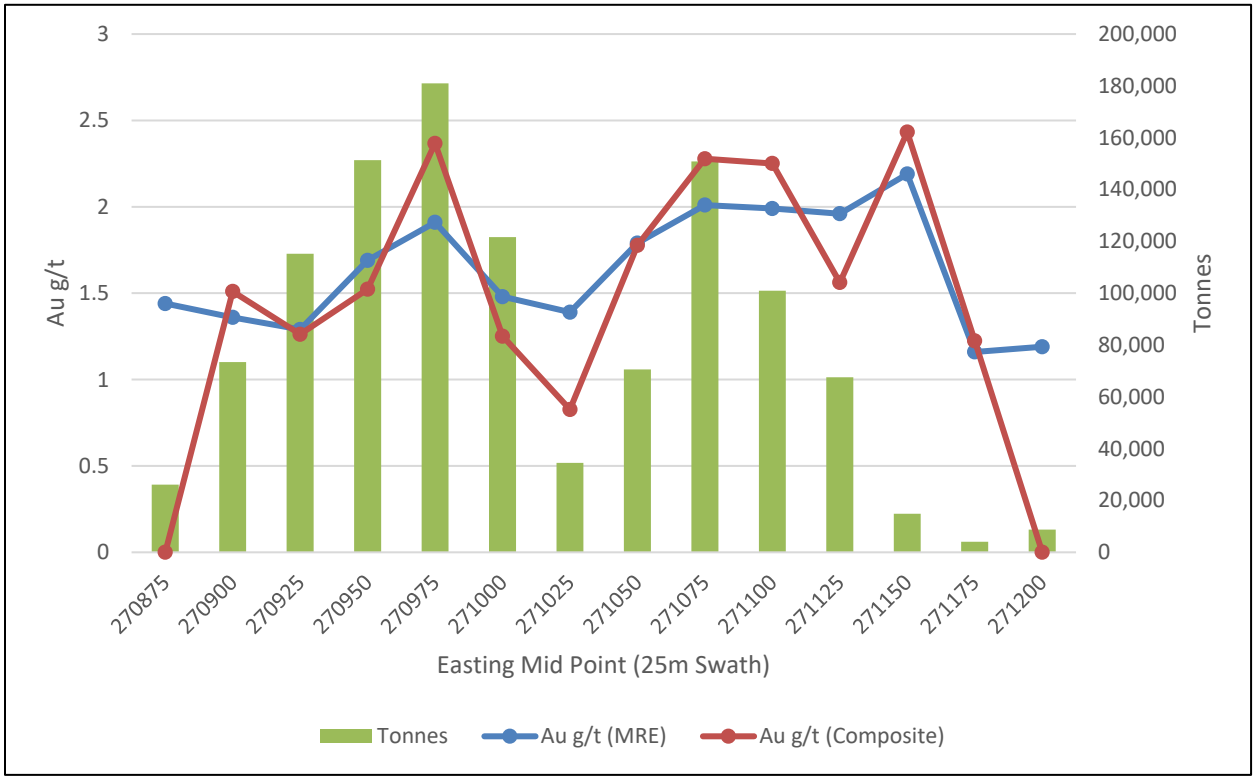


Figure 14-25: Pit Zone Northing Swath Plot



15.0 MINERAL RESERVE ESTIMATES

There are no current Mineral Reserves at the Cape Spencer Deposit.

16.0 MINING METHODS

This section is not applicable.

17.0 RECOVERY METHODS

This section is not applicable.

18.0 PROJECT INFRASTRUCTURE

This section is not applicable.

19.0 MARKET STUDIES AND CONTRACTS

This section is not applicable.

20.0 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

To date, Magna Terra has not carried out any studies evaluating the environmental, permitting, social, or community impacts relative to the Cape Spencer Property.

21.0 CAPITAL AND OPERATING COSTS

This section is not applicable.

22.0 ECONOMIC ANALYSIS

This section is not applicable.

23.0 ADJACENT PROPERTIES

No adjacent properties as defined under NI 43-101 are pertinent to this report.

24.0 OTHER RELEVANT DATA AND INFORMATION

Mercator is not aware of any other relevant data or information that would materially affect the Mineral Resource Estimate and conclusions supported by this Report.

25.0 INTERPRETATION AND CONCLUSIONS

The Cape Spencer Project is an exploration stage gold project that has a history of past-production as well as potential for near-term Mineral Resource Estimate growth and new discovery. It occurs at the west end of an eight km section of the Millican Lake Fault that is a regional splay of the Caledonia and/or Cobequid-Chedabucto Fault zones.. The Property is underlain by Precambrian Millican Lake Granite, Cambrian Coldbrook Group and Cape Spencer Formation volcanic and sedimentary rocks. The Cambrian and Precambrian stratigraphy is unconformably overlain by and in fault contact with younger Carboniferous sedimentary rocks of the Balls Lake and Lancaster formations.

Gold mineralization at Cape Spencer is generally hosted within altered Precambrian Millican Lake Granite or bounding Cambrian Cape Spencer and Coldbrook Group sedimentary and volcanic rocks, with mineralization and alteration focussed along strongly faulted and sheared contacts between the two lithologies. This Orogenic Style gold mineralization is currently interpreted to have formed during Carboniferous to Permian deformation along the Cobequid-Chedabucto Fault Zone.

Alteration consists of mesothermal style pervasive and patchy illite + pyrite + quartz ± iron carbonate ± sulfide veins and stockworks with 2-5% total sulfides consisting of pyrite, galena, chalcopyrite or sphalerite, and locally show trace amounts of visible gold.

The Cape Spencer Project has been the focus of systematic gold exploration since 1982 that has led to the successful identification of two main gold-bearing zones; the Pit Zone and the Northeast Zone, in addition to several smaller satellite prospects. A total of 379 diamond drill holes totaling 28,211 m have been compiled in the current digital drill hole database, all of which were completed during the gold exploration and infill diamond drill programs carried out since 1982. Review and resampling of historic diamond drill core support the current NI 43-101 Mineral Resource Estimate for the Project. Drill programs testing other commodities (silica) have been completed on the property and have not been compiled in the digital drill hole database.

The Cape Spencer Open Pit Mine was in production from 1985 to 1988 and, although there are conflicting production statistics, it is generally considered that an estimated total of 226,000 tonnes of ore at an overall head grade of 1.6 g/t gold were mined by open pit methods and processed using heap leach recovery methods. A total of 5,900 ounces of gold are reported to have been produced during this period and this supports a calculated recovery factor of 50.6%.

The current Inferred Mineral Resource Estimate for the Cape Spencer Deposit is 1,720,000 tonnes at an average grade of 2.72 g/t gold for 151,000 contained ounces of gold defined at cut-off grades of 0.5 g/t gold (Pit Zone) and 2.5 g/t gold (Northeast Zone). The Northeast Zone contains an Inferred Mineral Resource estimate of 740,000 tonnes at an average grade of 4.07 g/t gold for 96,000 contained ounces at a cut-off grade of 2.5 g/t gold. It is considered to have potential for economic extraction in the foreseeable future using conventional underground mining methods at a long term gold price of CAD $1,550 per ounce. The Pit Zone contains an Inferred Mineral Resource Estimate of 990,000 tonnes at an average grade of 1.71 g/t gold for 54,000 contained ounces at a cut-off grade of 0.5 g/t gold. It is considered to have potential for economic extraction in the foreseeable future using conventional open pit mining methods at a long term gold price of CAD $1,550 per ounce. The Cape Spencer Deposit Mineral Resource Estimate is presented below in Table 25-1.

Mercator is of the opinion that, based on disclosure provided by Magna Terra and ExploreCo, no material changes to the property's exploration status and associated technical information have occurred since the January 23, 2019 effective date of the current Mineral Resource Estimate.

Table 25-1: Cape Spencer Mineral Resource Estimate – Effective Date: January 23, 2019

Zone	Cut-Off (Au g/t)	Category	Rounded Tonnes	Au (g/t)	Rounded Ounces
Northeast	2.5	Inferred	740,000	4.07	96,000
Pit	0.5	Inferred	990,000	1.71	54,000
Total	**0.5 and 2.5**	**Inferred**	**1,720,000**	**2.72**	**151,000**

1. *This Mineral Resources Estimate was prepared in accordance with NI 43-101 and the CIM Standards (2014)*
2. *Mineral Resource tonnages have been rounded to the nearest 10,000 and ounces have been rounded to the nearest 1,000. Total may not sum due to rounding.*
3. *A cut-off of 2.50 g/t gold was used to estimate Mineral Resources for the Northeast Zone.*
4. *A cut-off of 0.50 g/t gold was used to estimate Mineral Resources for the Pit Zone.*
5. *Mineral Resources were interpolated using Ordinary Kriging from 1.5 m assay composites capped at 15 g/t gold.*
6. *An average bulk density of 2.74 g/cm3 has been applied.*
7. *Northeast Zone Mineral Resources extend to a maximum depth of 225m below surface and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional underground mining methods at a gold price of CAD $1,550 per ounce.*
8. *The term "Pit Zone" reflects previously established deposit nomenclature that has been retained by Magna Terra. It does not denote application of an optimized pit shell or envelop for definition of Mineral Resources. Pit Zone Mineral Resources extend to a maximum depth of 100m below*

surface and are considered to reflect reasonable prospects for economic extraction in the foreseeable future using conventional open-pit mining methods at a gold price of CAD $1,550 per ounce.

9. *Mineral Resources do not have demonstrated economic viability.*
10. *This estimate of Mineral Resources may be materially affected by environmental, permitting, legal title, taxation, sociopolitical, marketing, or other relevant issues.*

Current drill hole density in the Pit Zone is sufficient to define Indicated and/or Measured Mineral Resources, however, uncertainty in drill hole collar locations, quality of historic analytical data, drill core lithological assignment and the absence of a comprehensive density dataset has resulted in the current Mineral Resource Estimate being entirely assigned to the Inferred category. The Northeast Zone is not defined at a drill hole spacing sufficient to support Mineral Resources in the Indicated and Measured categories and is also subject to the same uncertainty factors related to historic data as referenced above for the Pit Zone.

The two Mineral Resource areas remain open for expansion along strike and down-dip/plunge. In addition to the Mineral Resource areas, several incompletely tested prospects, Zones A through E and the Emilio Zone at the eastern end of the property require follow-up testing for potential strike and depth expansion. The host environment for gold mineralization, faulted and sheared contact between Millican Lake granite and Cape Spencer Formation sediments, remains largely untested for most of its strike length or at depth within the Property area. Based on information presented in this Report, exploration and new discovery potential is considered to be very good along this strike length. Very good potential also exists for expansion of the existing Mineral Resource Estimate.

26.0 RECOMMENDATIONS

26.1 Summary

Based on the results of exploration conducted to date on the Cape Spencer Project, as reviewed in this report, follow up exploration is warranted with the goals of (1) upgrading and expanding the current Mineral Resource Estimate and (2) discovery of additional mineralization on the property. A two phase approach is proposed, with the main focus of Phase 1 being further testing of other known gold prospects on the Property, including the Emilio Zone and Zones A, B, C and F, and discovery of new zones of gold mineralization. The main goal of Phase 2 is to provide infill drilling definition in all deposit areas with the potential to define additional Mineral Resources . This should include infill and expansion drilling at the Pit Zone and Northeast Zone. Combined results of Phase 2 drilling should be used to support an updated Mineral Resource Estimate for the Property.

26.2 Phase 1 Program

All remaining geophysical data should be compiled digitally and evaluated with the project data to develop priority exploration targets. A drill core re-logging program of Cape Spencer drill core available at the Picadilly, NB core facility should be completed to resolve potential lithocoding issues. Improvement in this regard will support better local and regional geological models and thereby strengthen future exploration efforts. Additional effort should be made to complete a re-sampling program of the stored drill core to better understand the quality and precision of historic analytical results and to better understand the gold mineralization nugget effect. In this regard, a geostatistical study should be completed to better understand the geospatial and grade distribution relationships of gold mineralization. Field programs to locate historic drill hole collars and to map and sample historic trenches and outcrops should be completed.

A Phase 1 core drilling program totaling 2,000 m is proposed to further assess the Emilio Zone and Zones A, B, C and F at the east end of the Property. Specifically, the Emilio Zone limits around hole AB-04-06 should be tested for lateral and depth continuity of high-grade mineralization defined to date. Initial drill testing of known gold mineralization at Zones A, B, C and F should also be carried out.

26.3 Phase 2 Program

The Phase 2 recommended work program consists of completion of a 4,000 m of infill and hole twinning core drilling program to support an updated Mineral Resource Estimate for the Property

and should be focused in the current resource areas at the Northeast and Pit Zones as well as at any new zones, such as the Emilio, A, B, C and F zones where Phase 1 drilling indicates deposit level potential. Commitment to Phase 2 work programs and expenditures is contingent on positive results being returned from Phase 1.

26.4 Additional Recommendations

Quality control and assurance programs consistent with current exploration best practices should be instituted for all future drilling programs carried out on the Cape Spencer Deposit. These should include systematic insertion of blank sample materials and certified reference materials within the core sample laboratory stream, as well as incorporation of duplicate split analyses in the analytical protocol. Additionally, check sample splits should be systematically prepared from core sample materials and submitted for analysis at a second independent commercial laboratory. Systematic collection of core sample specific gravity data should also be included in any future drilling program and results of all quality control and assurance program components should be monitored on a continuous basis. In addition, it is recommended that a program of core photography be instituted to provide digital image records of all drill core at a useful resolution level.

26.5 Estimated Budget for Recommended Work Programs

Completion of the recommended Phase 1 and Phase 2 work programs set out above is estimated to require expenditure of $1.2 million (CDN) if completed under contract service conditions existing at the effective date of this report. Table 26-1 below presents a summary of anticipated costs. Commitment to Phase 2 work programs and expenditures is contingent on positive results being returned from Phase 1.

Table 26-1: Estimated Budget for Recommended Work Programs

Item	Cost ($CAD)
Phase 1	
Data Compilation	$ 25,000
Resampling, Relogging historic drill core	$ 50,000
Surveying, Geology	$ 50,000
Core Drilling (2,000m) – all-inclusive	$ 300,000
Geostatistical Study	$ 10,000
Trenching	$ 50,000
Reporting, Management	$ 50,000
Subtotal	**$ 535,000**
Phase 2	
Core Drilling (4,000m)	$ 600,000
Updated Mineral Resource Estimate	$ 65,000
Subtotal	**$ 665,000**
Total	**$ 1,200,000**

27.0 REFERENCES

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28.0 AUTHOR CERTIFICATES

Certificate of Qualified Person
Matthew D. Harrington, P. Geo.

I, Matthew D. Harington, P. Geo., do hereby certify that:

1. I reside at 10 Commodore Road in Lewis Lake, Nova Scotia, Canada

2. I am currently employed as a Senior Resource Geologist with Mercator Geological Services Limited of 65 Queen St Dartmouth, Nova Scotia, Canada B2Y 1G4

3. I received a Bachelor of Science degree (Honours, Geology) in 2004 from Dalhousie University.

4. I am a registered member in good standing of the following professional associations: (1) Association of Professional Geoscientists of Nova Scotia, registration number 0254, and (2) Professional Engineers and Geologists of Newfoundland and Labrador, registration number 09541.

5. I have worked as a geologist in Canada since graduation.

6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.

7. I am one of the Qualified Person responsible for preparation of the Technical Report titled "NI 43-101 TECHNICAL REPORT AND MINERAL RESOURCE ESTIMATE ON THE CAPE SPENCER GOLD DEPOSIT, SAINT JOHN COUNTY, NEW BRUNSWICK, CANADA, Effective Date: January 23, 2019" and dated November 14, 2019.

   I am responsible for Technical Report Item (Section) 2, 12, and 14 and parts of Items 1, 25, and 26; I have reviewed all Items of the Technical Report

8. My relevant experience with respect to this project includes extensive professional experience with respect to geology, mineral deposits and exploration activities in the Atlantic provinces and elsewhere.

9. My past involvement with the property is as co-author of the Technical Report titled "NI 43-101 TECHNICAL REPORT AND MINERAL RESOURCE ESTIMATE ON THE CAPE SPENCER GOLD

DEPOSIT, SAINT JOHN COUNTY, NEW BRUNSWICK, CANADA, Effective Date: January 23, 2019" and dated March 15th, 2019. .

10. I last visited the Cape Spencer Project between September 24th and September 26th, 2019 to carry out the site visit described in this Technical report. I was accompanied at that time by Mr. David Copeland, P. Geo., Chief Geologist with Anaconda Mining Inc.

11. I am independent of Anaconda Mining Inc., ExploreCo, and Magna Terra Mineral Corp., applying all of the tests in section 1.5 of National Instrument 43-101 and National Instrument 43-101 Companion Policy Section 5.3

12. I have read National Instrument 43-101, Form 43-101F1 and the Companion Policy and believe that this Technical Report has been prepared in compliance with that Instrument and Form.

13. As of the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make this report not misleading.

Dated this 14thday of November 2019

"Original signed and stamped by"

_____

Matthew D. Harrington, P. Geo.
Senior Resource Geologist
Mercator Geological Services Limited

Certificate of Qualified Person
Michael P. Cullen, P. Geo.

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

1. I reside at 2071 Poplar St. in Halifax, Nova Scotia, Canada

2. I am currently employed as a Chief Geologist with Mercator Geological Services Limited, 65 Queen St., Dartmouth, Nova Scotia, Canada B2Y 1G4

3. I received a Master of Science Degree (Geology) from Dalhousie University in 1984 and a Bachelor of Science Degree (Honours, Geology) in 1980 from Mount Allison University.

4. I am a registered member in good standing of the Association of Professional Geoscientists of Nova Scotia (Registration Number 064), Newfoundland and Labrador Professional Engineers and Geoscientists (Member Number 05058) and Association of Professional Engineers and Geoscientists of New Brunswick, (Registration Number L4333).

5. I have worked as a geologist in Canada and internationally since graduation.

6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.

7. I am one of the Qualified Person responsible for preparation of the Technical Report titled "NI 43-101 TECHNICAL REPORT AND MINERAL RESOURCE ESTIMATE ON THE CAPE SPENCER GOLD DEPOSIT, SAINT JOHN COUNTY, NEW BRUNSWICK, CANADA, Effective Date: January 23, 2019" and dated November 14, 2019.

   I am responsible for Technical Report Items (Sections) 3 – 11, 13, 15-24 and parts of 1 , 25 and 26; I have reviewed all Items of the Technical Report

8. My relevant experience with respect to this project includes extensive professional experience with respect to geology, mineral deposits and exploration activities in the Atlantic provinces and elsewhere.

9. My past involvement with the property is as co-author of the Technical Report titled "NI 43-101 TECHNICAL REPORT AND MINERAL RESOURCE ESTIMATE ON THE CAPE SPENCER GOLD DEPOSIT, SAINT JOHN COUNTY, NEW BRUNSWICK, CANADA, Effective Date: January 23, 2019" and dated March 15th, 2019.

10. I have visited the Cape Spencer exploration property in the past, at which time I reviewed outcrops, drill core and bedrock excavation exposures. I did not visit the property in support of the current Technical Report.

11. I am independent of Anaconda Mining Inc., ExploreCo, and Magna Terra Mineral Corp., applying all of the tests in section 1.5 of National Instrument 43-101 and National Instrument 43-101 Companion Policy Section 5.3.

12. I have read National Instrument 43-101, Form 43-101F1 and the Companion Policy and believe that this Technical Report has been prepared in compliance with that Instrument and Form.

13. As of the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make this report not misleading.

Dated this14th day of Novembeer2019

"Original signed and stamped by"

_____

Michael P. Cullen, P. Geo.
Chief Geologist
Mercator Geological Services Limited