

**To: PUBLIC**  
**From: Peter Bell, CEO of Kermode Resources**  
**Date: December 13, 2023**  
**RE: Report on TONYA Conceptual Estimate**

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Kermode Resources Ltd. (“Kermode”) is pleased to report a Conceptual Estimate (“Estimate”) for the Tonya project (“Tonya”).

This Estimate is compliant with Canadian National Instrument 43-101 S. 2.3 (2)(a) where Kermode discloses the potential quantity and grade, expressed as ranges, of a target for further exploration. Kermode notes that the potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. This document provides further information for the basis on which the disclosed potential quantity and grade has been determined in addition to the news release published by Kermode.

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## LOCATION AND HISTORY

The Tonya Property is situated in the Mill City Hills, a low range of hills at the north end of the West Humboldt Range, adjacent to Interstate 80 in Section 4, Township 32 North, Range 35 East and Section 34, Township 33 North, Range 35 East, MDBM, Pershing County, Nevada. The median elevation on the property is approximately 1,340 meters above mean sea level.

The Tonya property is a “split estate”. The surface is owned by a private third party and the mineral rights are public domain and subject to appropriation by location under the US Mining Law of 1872.

Early prospecting is evidenced by multiple prospect pits, adits, shafts and trenches scattered across the property however there is no documentation or records available as to when these excavations were done. Archeological evidence indicates that with one exception they probably all postdate 1900. The one exception being a small open cut on a large carbonate sinter in the southwestern portion of the property where large rectangular blocks of sinter have been shaped by splitting by “plug and feathers” indicates this material was mined and used for building stone, probably during the mid to late 1800’s.

The property was first located, claimed and prospected by Lightning Star Mining Corp. in 1989. Lightning Star’s work consisted of surface rock chip sampling. Billiton Minerals acquired a lease from Lightning Star and conducted a program of surface mapping, trenching and scattered areas of soil geochemistry together with two phases of exploration drilling on the property in 1990 and 1991, completing 20 Reverse Circulation (RC) holes with a cumulative drilled footage of 5,985 feet. Echo Bay Exploration, a subsidiary of Echo Bay Mines subsequently acquired a lease and conducted exploration drilling in 1992 and 1993 completing 8 RC drill holes with a combined footage of 3,530 feet. In total 9,515 feet of RC style drilling has been completed on the property in 28 drill holes ranging from 165 to 500 feet in depth.

Gold Range Company LLC Located the Tonya property in 2007. Members of Gold Range were also shareholders of Lightning Star, mentioned above. Gold Range conducted additional surface geological mapping, limited rock chip sampling, and re-logged the Billiton drill chips. In 2012, Duke Mountain Resources acquired a lease on the property and conducted surface mapping of geology, limited sampling, re-logged the Billiton RC chips, and submitted plans to conduct drilling but was unable to raise funding. Duke Mountain returned the property to Gold Range in 2014. VIOR Gold through its US subsidiary VIOR Gold USA acquired a leasehold interest in the property in 2017 and conducted ground magnetic and gravity surveys together with widely spaced Mobile Metal Ion (MMI) geochemistry in three separate grids over portions of each of the three main target areas. A change in management at VIOR resulted in the company focusing their efforts on projects in Canada and no further work was done. VIOR returned the Property to Gold Range in early 2023.



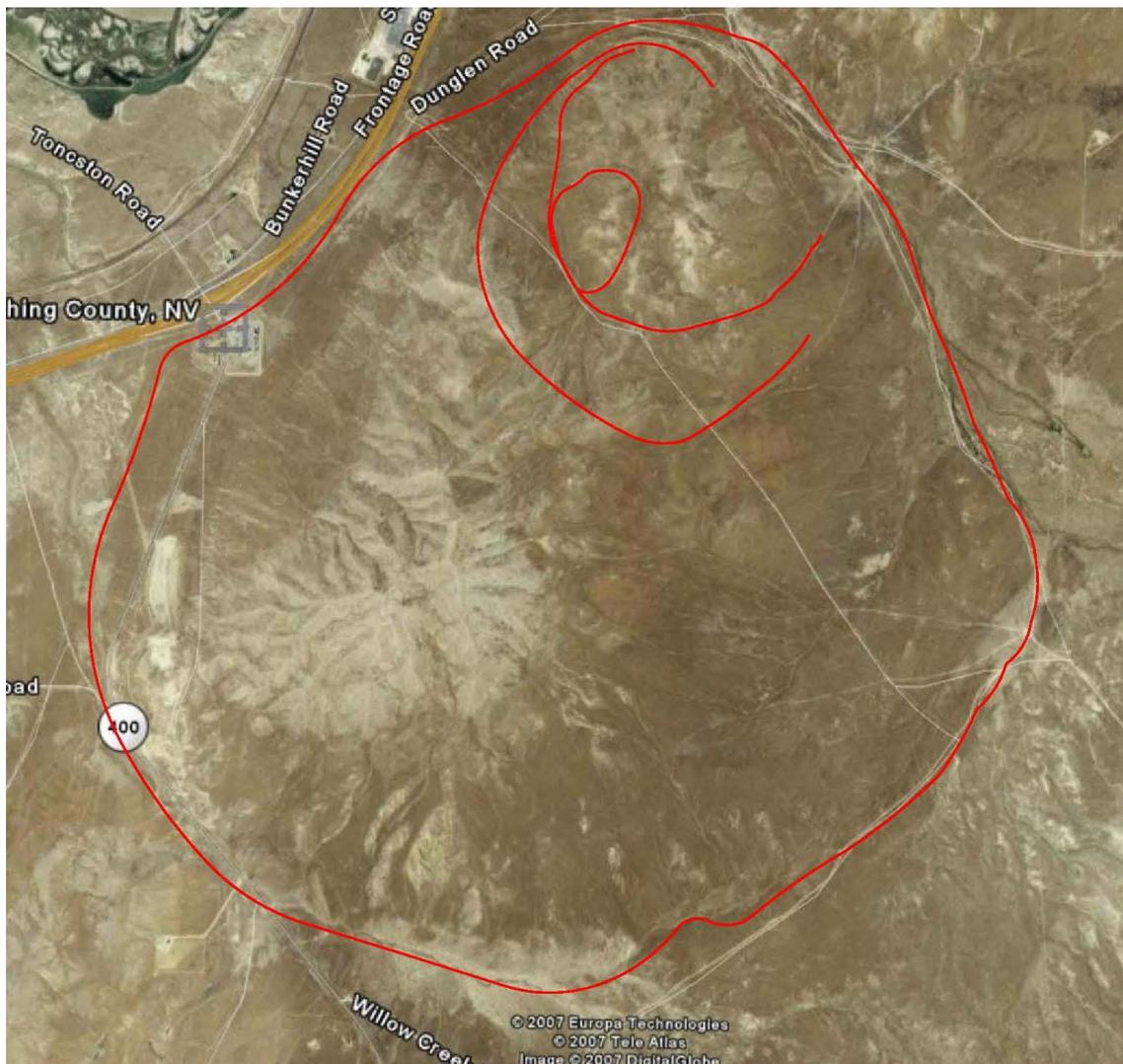
### **Access and Infrastructure**

A series of all-weather gravel roads provide excellent access to and across the property from nearby US Interstate 80 which, in part, forms the western boundary of the property. Proximal to the property, major transportation routes and utilities include US Interstate 80, the Transcontinental railroad, natural gas lines, and heavy duty and local power transmission lines generally run along the western boundary of the property. Transmission capacity of the largest power line adjacent to the property is 345 KVA in addition to the local power grid lines.

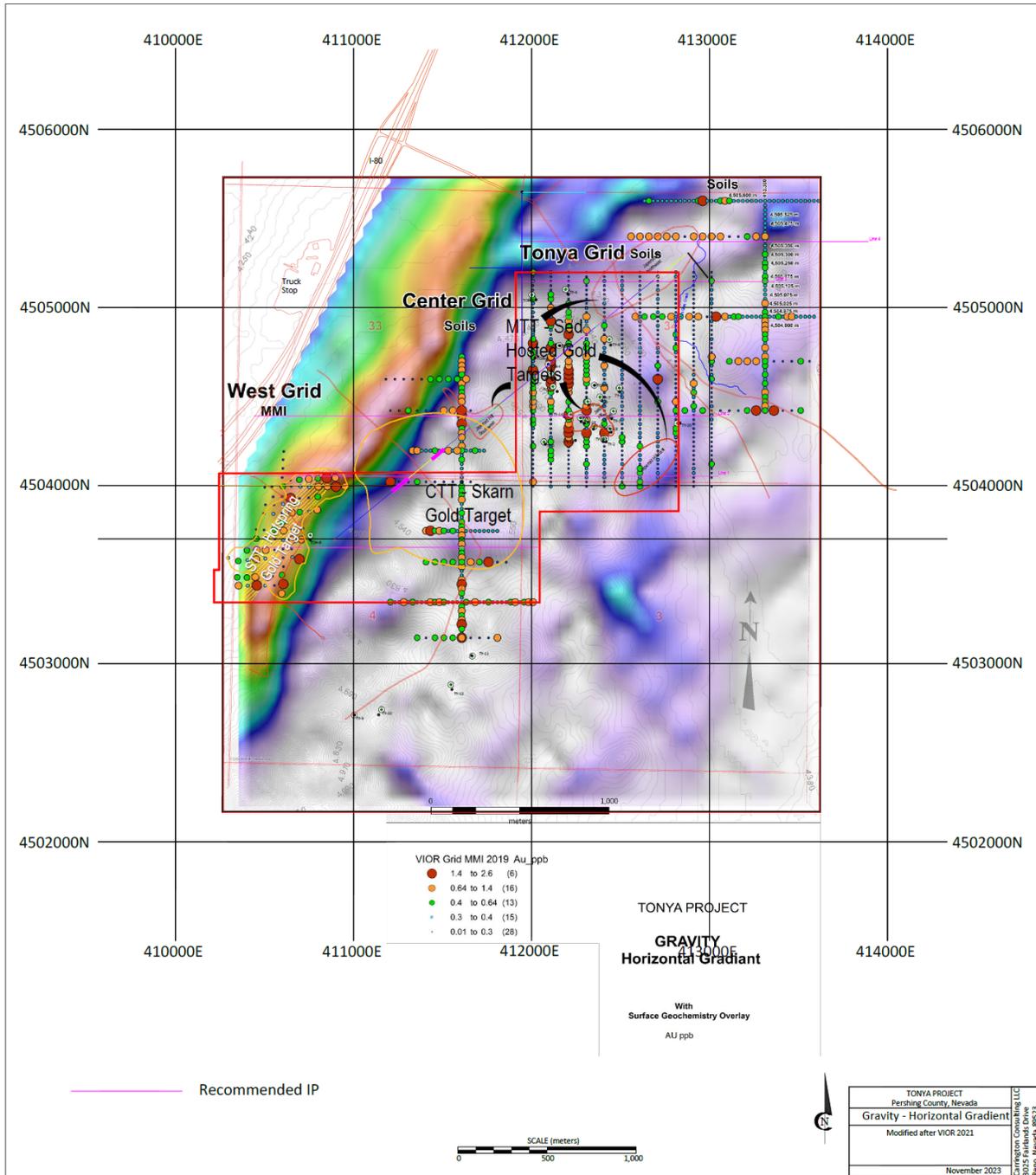
## GEOLOGY AND MINERALIZATION

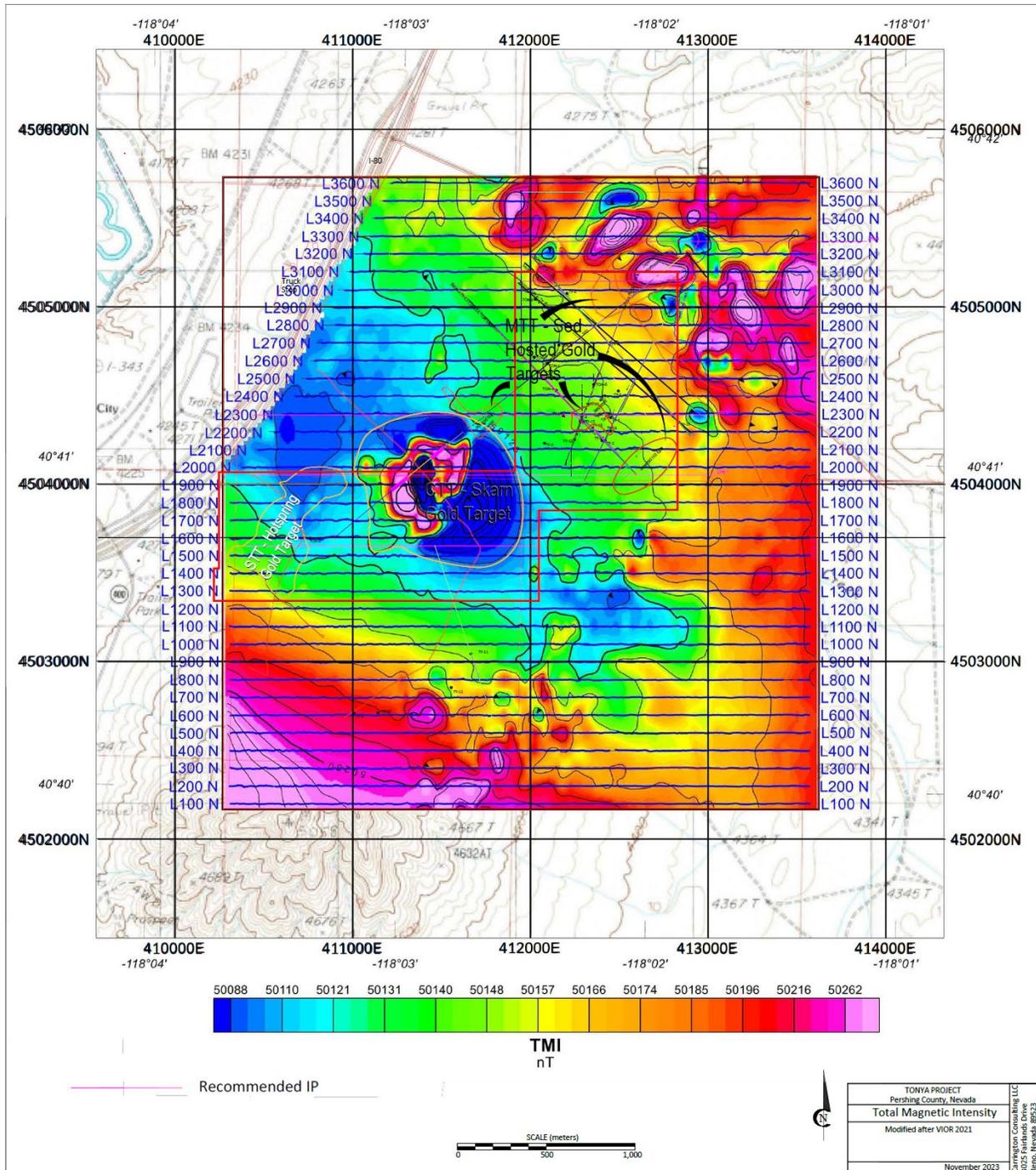
The Tonya property is located in the Mill City Hills, a northeast extension of the Humboldt Mountain Range situated within a large northeast trending regional belt known as the Humboldt Structural Lineament (HSL) or Midas Trough. Numerous major mines, and deposits are found within the HSL including the Comstock District, Olinghouse District, Standard Mine, Coeur-Rochester Mine, Spring Valley deposit, Florida Canyon Mine, Sleeper Mine, Pinson Mine, Granite Creek Mine, Getchell Mine, Twin Creeks Mine, Ken Snyder (Midas) Mine, Hollister Mine, Fire Creek deposit and more.

The Mill City Hills are a low range of hills interpreted to consist of a series of nested caldrons roughly centered on the Tonya property. Caldrons are caused by intrusion of magma which domes the overlying rocks and then receded resulting in subsidence and development of pseudo ring fractures similar to volcanic calderas. An image of the Mill City Hills can be viewed below.



As can be seen on the Magnetometry map below, while situated within the northeast trending HSL, the bulk of the Tonya property lies within an anomalous though only partially defined northwest trending magnetic “trough”. Notably, the Horizontal Array Gravity survey shown below does not exhibit a corresponding anomaly indicating the magnetic anomaly is not due to “down faulting” but rather to destruction of magnetic minerals, potentially in a much larger intrusive body at depth than previously contemplated.





The local geology of the Tonya Property consists of a sequence of variably silicified and clay altered shaley to calcareous Mesozoic sediments situated within a nested series of semi-circular features, the largest of which is more than three miles (5 kilometers) in diameter.

These features develop a structural depression which has preserved Tertiary volcanics in the central portion with older Mesozoic age sediments of the Natchez Pass and

Grass Valley formations ringing the central portions of this feature. Beyond the limits of this semi-circular feature, extensive areas of Quaternary alluvium and Tertiary volcanics outcrop to the north, east and west. To the south, Triassic marine sediments are dominant.

The oldest exposed rocks on the Property and throughout much of the Mill City Hills is the mid Triassic age Natchez Pass Limestone composed of thin to thick bedded, nearly massive, carbonaceous, dirty, reefal limestone. In the southernmost Mill City Hills, lies conformably on the early Triassic Prida Formation. The upper Triassic Grass Valley Formation consisting of 200 to 300 feet of fine grained pelitic and silty rocks including slate, phyllite, argillite, and micaceous siltstone lies conformably above the Natchez Pass. The lower and uppermost members of the Grass Valley are variably calcareous and contain thin bedded to platy, silty limestone interbeds indicating a somewhat transitional contact between the underlying older carbonates of the Natchez Pass and the overlying younger carbonates of the Dun Glen Formation.

At Tonya, gold mineralization is most commonly found in the lowermost members of the Grass Valley Formation and uppermost Natchez Pass in fold domes proximal to sills of diorite / diabase. Rocks of the Triassic age Grass Valley formation stratigraphically overlie the Natchez Pass however this relationship is obscured due to intense structural deformation in the overturned section in the Mill City Hills (Silberling & Wallace, 1969, page 21). The Grass Valley is a regionally extensive formation with highly variable thickness. On and near the Property, this formation has an observed thickness of 200 to 300 feet, while farther south in the Humboldt Range, the Grass Valley attains a thickness of several thousand feet (Silberling & Wallace, 1969, page 31) and in the Stillwater Range the equivalent of the Grass Valley is reported to have a thickness in excess of 18,000 feet with neither the top or bottom exposed. In the Mill City Hills, the Natchez Pass Formation attains an estimated thickness a thickness of about 2,000 feet. (Silberling & Wallace, 1969, page 21).

An extensive erosional period at the end of the Mesozoic Era resulted in deep weathering and development of karst collapse breccias in much of the carbonate terrain in western Nevada. Karst-iform breccias and related "terra rosa" paleosols are evident in the Natchez Pass Limestone on the Tonya property and elsewhere in the Humboldt Range. These highly porous breccias provide excellent conduits and traps for later mineralizing fluids migrating along intersecting structures. At Tonya these structures focus fluids and are often intensely altered, silicified and highly mineralized.

Extrusive rocks in the vicinity of the property appear to be Tertiary aged or younger. These rocks occur in the central and eastern portion of a nested series of semi-circular features which form a structural depression, inferred to represent a collapse caldron above a vacated magma chamber. Tertiary volcanic and volcano-sedimentary rocks are preserved within the central and eastern portion of the inferred caldron. Locally extensive areas of Tertiary welded lithic tuffs, water lain and air fall ash, and minor flows occur in and near the property outboard of the inferred caldron. These volcanic rocks

range from rhyolite to andesite in composition and are commonly strongly-altered and silicified with highly variable pyrite content. Despite this alteration, gold and pathfinder elements are anomalously low within the volcanic package, potentially implying a younger non-precious metal bearing event.

Small areas of vesicular basalt, interpreted as Quaternary in age, have been strongly altered to masses of yellow ochreous clay and or sericite. These are found as subcrop to very subdued outcrops on the northern portion of the Property just below the level of the most prominent paleo beach terraces. This highly altered basalt occurs adjacent to a distinct Black Matrix Breccia (BMB) which forms a small elliptical pipe like body within the Tertiary volcanic units.

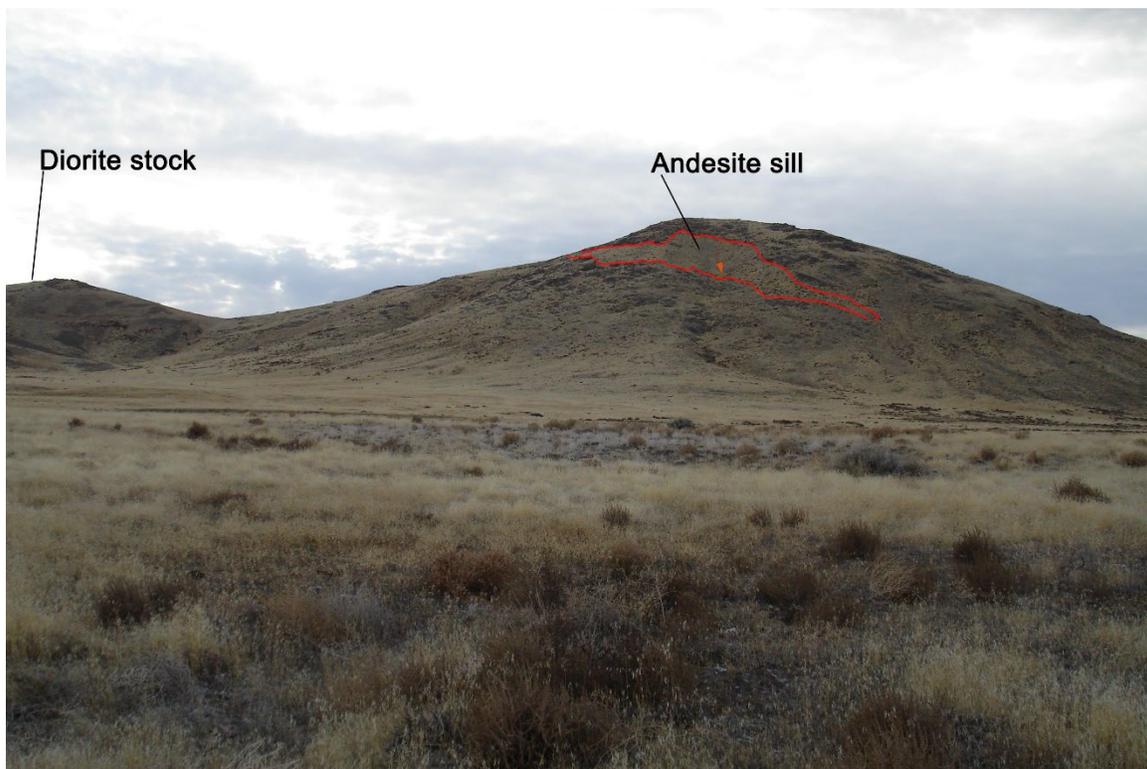
The BMB is a distinctly monolithic breccia of Tertiary volcanic rocks with highly angular breccia fragments free of milling. Breccia fragments are set in a matrix of chalcedonic to finely crystalline quartz with abundant psilomelane and 2% to 15% very finely disseminated pyrite. The BMB is dominantly clast supported. The lack of milling of the breccia fragments and monolithic nature of the breccia suggest it is derived from an event which did not penetrate the sedimentary sequence below.

The most likely mechanism is a phreatic explosion which developed a maar structure hosted entirely within the Tertiary sequence. Maars are known to occur when diatremes associated with magma chambers at depth superheat shallow meteoric waters. The superheated water often vents explosively to the surface developing a crater termed a maar. Maar structures may range from several meters to several kilometers in diameter. Such maar structures are well documented in Nevada, the best-known examples being Lunar Crater near Tonopah, Nevada and Soda Lakes, at Fallon, Nevada roughly 90 miles to the south of the property. The Lunar Crater maar is more than ½ mile in diameter, while at Soda Lakes the larger of two maar structures is nearly 1 mile (1.6 km) in diameter. Smaller but well documented maar structures occur along the west flank of the Humboldt Range near the Florida Canyon and Standard mines.

The physical characteristics of the BMB are all compatible with a phreatic explosion of superheated meteoric water resulting in a maar. This also corresponds well with the model of the Tonya Project occurring in the collapsed caldron of a receded magma chamber. Such a geologic environment could easily generate one or more diatremes. A similar diatreme model has been proposed for Midway Gold's approximately 400,000-ounce Spring Valley discovery in the southern portion of the Humboldt Range.

Intrusive rocks exposed at the Tonya Property are believed to be Cretaceous to Tertiary in age though alteration precludes reliable age dating and there are no clear cross-cutting relationships with post Triassic age rock units. Sills of andesite to diabase composition are common within the Grass Valley and Natchez Pass Formations. These sills uniformly strike northeasterly with moderate to shallow northwesterly dips and are up to several tens of feet thick. These sills consist of moderately to coarsely porphyritic andesite / diorite and diabase.

These intrusive rocks show weak to strong alteration ranging from propylitic to strong argillic in outcrop. Drilling indicates alteration increases with depth, the intrusives invariably becoming more altered and pyritized, with intense clay altered intrusive, becoming indistinguishable masses yellow ochreous to white clay with finely disseminated pyrite or iron oxide pseudomorphs after pyrite. The clay altered dikes and sills weather recessively, the larger ones commonly forming areas devoid of outcrop as seen on the photograph of Jasperoid Hill shown below.



Gold mineralization in the sediments is spatially associated with these intrusive rocks in much the same manner as it is at other mines and deposits in the Humboldt Range. These dikes and sills are only observed to intrude the sedimentary sequence on the property and are thought to predate the Tertiary volcanic units.

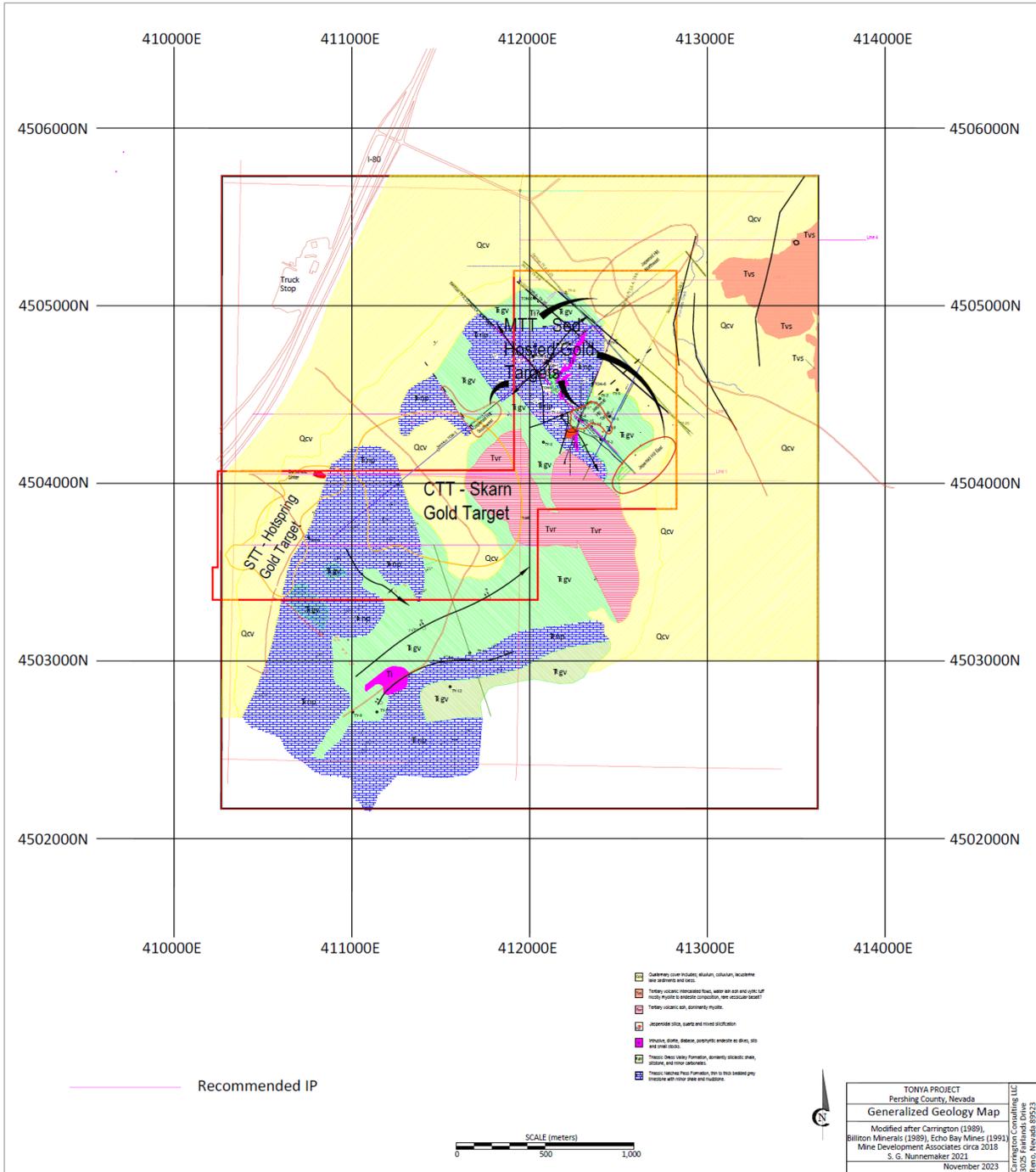
These sills are interpreted to have been caused by a magma chamber at depth, potentially the same one that developed the caldron structures. This intrusive domed overlying sediments as it was emplaced and subsequently receded, allowing the overlying rocks to settle into the vacated chamber resulting in the nested circular features which have preserved Tertiary volcanic and volcano-sedimentary units. During the intrusive event, numerous sills and possibly one or more diatreme breccias developed. As the diatremes penetrated the sediments and overlying volcanics, superheated meteoric ground water resulted in explosive phreatic eruptions that formed one or more maar filled with a monolithic breccia composed of angular fragments of Tertiary volcanic debris. This breccia was subsequently cemented with chalcedonic to

finely crystalline silica presumably remobilized from the hosting Tertiary volcanics by the superheated meteoric water lacking any mineralizing fluids.

The earliest structure indicated on the Tonya property are Pre-Tertiary faults and fractures which permitted percolation and circulation of meteoric waters which promoted and controlled the development of solution collapse breccias (karst-form breccias). Subsequent compressional deformation resulted in the development of multiple intra-formational thrusts and low angle reverse faults on the property. This period of compressional deformation was in turn followed by the extensional faulting of the Basin and Range in the Tertiary.

The Tonya project lies directly on trend with the nearby Florida Canyon and Standard Gold Mines. The Florida Canyon mine is a producing sediment hosted gold deposit approximately 10 miles southwest of Tonya that has produced more than 2 million ounces of gold by open pit mining and heap leaching methods from deposits in the lower Grass Valley Formation. The Standard Mine lies less than one mile southwest of Florida Canyon. Gold mineralization at the Standard Mine occurs in the uppermost Natchez Pass Formation.

The Tonya property hosts at least three and perhaps four distinct, though possibly related, styles of gold mineralization including (1) Sediment Hosted Gold in the Main Tonya Target, (2) Metasomatic (Skarn) / Porphyry Gold Mineralization in the Central Tonya Target, (3) Near surface, Hot Spring Gold mineralization in the South Tonya Target and (4) Diatreme / Breccia Pipe style mineralization associated with a "Black Silica Breccia" found within a Marr structure. A geology map of the property with these target areas is available below.



410000E      411000E      412000E      413000E      414000E

4506000N      4505000N      4504000N      4503000N      4502000N

410000E      411000E      412000E      413000E      414000E

Recommended IP



TONYA PROJECT  
 Pershing County, Nevada  
**Generalized Geology Map**  
 Modified after Carrington (1989),  
 Billton Minerals (1989), Echo Bay Mines (1991)  
 Mine Development Associates circa 2018  
 S. G. Nummerlaker 2021  
 November 2023

- Quaternary (sand dunes, alluvium, colluvium, lacustrine and pedimental deposits)
- Tertiary volcanic (intercalated flows, water ash and cyclic tuff flows, spatters, andesitic cinder cones, flow, volcanic breccia)
- Tertiary volcanic ash, dominantly rhyolite
- Metasediments (silica, quartz and rhyolite distribution)
- Intrusive, dykes, diorite, perthitic andesite or diorite, silt and sandstone
- Tertiary Deep Valley Formation, dominantly siliceous shales, siltstone, and minor sandstone
- Tertiary Hatched Peak Formation, thin to thick bedded grey limestone with minor shales and mudstone

Created by: TONYA PROJECT  
 80200 Eastlands Drive  
 Reno, Nevada 89523

## CALCULATION OF CONCEPTUAL ESTIMATE

Known exploration targets at Tonya encompass four major mineral or deposit types. Only one type, the Main Tonya Target Zone, has been explored to any meaningful extent. A map of the general target areas may be viewed [here](#).

From 1989 through 1991, 28 Reverse Circulation (RC) drill holes 9,515 feet (2,901 meters) together with rock chip and soil geochemistry focused entirely on sediment hosted gold targets mostly around Jasperoid Hill were completed on the property. In 2012, Duke Mountain Resources of California re-logged certain drill holes and conducted additional geological mapping. Duke Mountain felt they had identified copper bearing skarn mineralization in three drill holes in the vicinity of Jasperoid Hill. From 2018 through 2020, Montreal based VIOR conducted high resolution ground based magnetometry and gravity surveys together and completed three small discontinuous grids of Mobile Metal Ion (MMI) geochemical sampling. No other substantive work has been completed on the property.

Exploration Targets and Resource Modeling:

### **(1) Main Tonya Target (MTT) Sediment hosted disseminated gold**

The prospective MTT target comprises at least three irregular zones with a cumulative area covering approximately 140,000 square meters. Assuming a nominal thickness of 30 meters and a specific gravity of 2.7, the MTT area contains potential to develop from 3.4 to roughly 11.3 million metric tonnes grading from 0.5 to 1.4 g/T Au with a cumulative metal endowment ranging from 58,908 to more than 569,000 ounces of gold.

Situated in the north-central portion of the property, the MTT lies directly on trend with and is geologically similar to the nearby Florida Canyon and Standard mines that have produced more than 2.5 million ounces of gold. The MTT is hosted in deformed Triassic age sediments of the Auld Lang Syne Group and the Natchez Pass Formations.

At Tonya, multi-directional folding has developed a series of structural domes in these sedimentary units. Subsequent to folding and much like the Florida Canyon system, irregular sills and dikes of porphyritic diorite (andesite) to diabase and one small stock-like body of diorite intruded these favorable sedimentary units. These dikes and sills together with much of the surrounding sediments have subsequently undergone moderate to intense alteration ranging from moderate propylitic to intense clay alteration. Multi-phased silicification is widespread, ranging from weak to nearly complete replacement of the original rock by amorphous silica (jasperoid) together with multiple later stages of cryptocrystalline and crystalline silica.

Sediment hosted gold mineralization at Tonya, Florida Canyon and the Standard Mine share many geological similarities. All are situated within a large northeast trending zone referred to as the Humboldt Structural Trend or Midas Trough. Known gold mineralization at all three is hosted in Triassic age siliciclastic and carbonate sediments of the Auld Lang Syne (aka Grass Valley) and underlying Natchez Pass Formations. Silberling and Wallace (p. 30, 1969, USGS Professional Paper 592) suggest that the upper Natchez Pass Formation in the Mill City Hills may contain intercalated siliciclastic sediments up to a few hundred feet in total thickness similar to exposures in the East Range to the northeast in a typical onlap – offlap sequence forming a transitional horizon between the Natchez Pass Formation and the overlying Grass Valley formation.

Like Florida Canyon, intrusive rocks at Tonya consist of multiple porphyritic diorite (andesite) to diabase sills that uniformly strike to the northeast with moderate to shallow northwesterly dips. Sediment hosted gold mineralization is spatially associated with these dikes and is generally contained within broad envelopes of dolomitization of the carbonate horizons.

Tertiary volcanic rocks ranging from rhyolitic to andesitic volcanic ash locally overlies the Triassic age sediments outwards from the known target areas. Rare outcrops of intensely clay altered vesicular basalt are exposed north of the property. Multi-stage silicification at both Tonya and Florida Canyon is manifested as jasperoidal silica replacement of carbonate sediments, silica flooding of siliclastic units and multiple younger events of cross cutting crystalline quartz and chalcedonic silica healed breccias.

Like the Florida Canyon and Standard Mines, sediment hosted gold mineralization at Tonya is associated with typical path finder elements including silver, arsenic, antimony, mercury molybdenum and is typical of similar sediment hosted gold systems in western Nevada. Gold appears to be associated with antimonial pyritization, argillization, silicification, quartz stock work, vein and breccia filling which are spatially associated with various intrusive dikes, sills and small stocks.

## **(2) Central Tonya Target (CTT) Porphyry related / skarn gold**

As modeled based on geophysical results and similarities with other intrusive related gold systems in western and northern Nevada, the CTT target area has an aerial extent in excess of 658,000 square meters. Assuming the prospective horizon to have a vertical development ranging from 30 to 100 meters and a specific gravity of 3.0 due to the presumed presence of higher specific gravity calc-silicate minerals such as garnet and diopside along with elevated sulfide content, the CTT hosts potential to develop from 53 to 178 million metric tonnes, which with an assumed grade ranging from 0.20 to 0.75 g/T Au the CTT is estimated to contain from 342,700 to 4,284,000 ounces of gold.

The CTT is situated in a distinctive area of anomalously subdued, recessional topography in the central portion of the property. Within this area of anomalous topography, high resolution ground magnetometry identifies a distinctive, intense, circular doughnut-shaped magnetic high with central intense magnetic low within a broader magnetic low of nearly equal intensity.

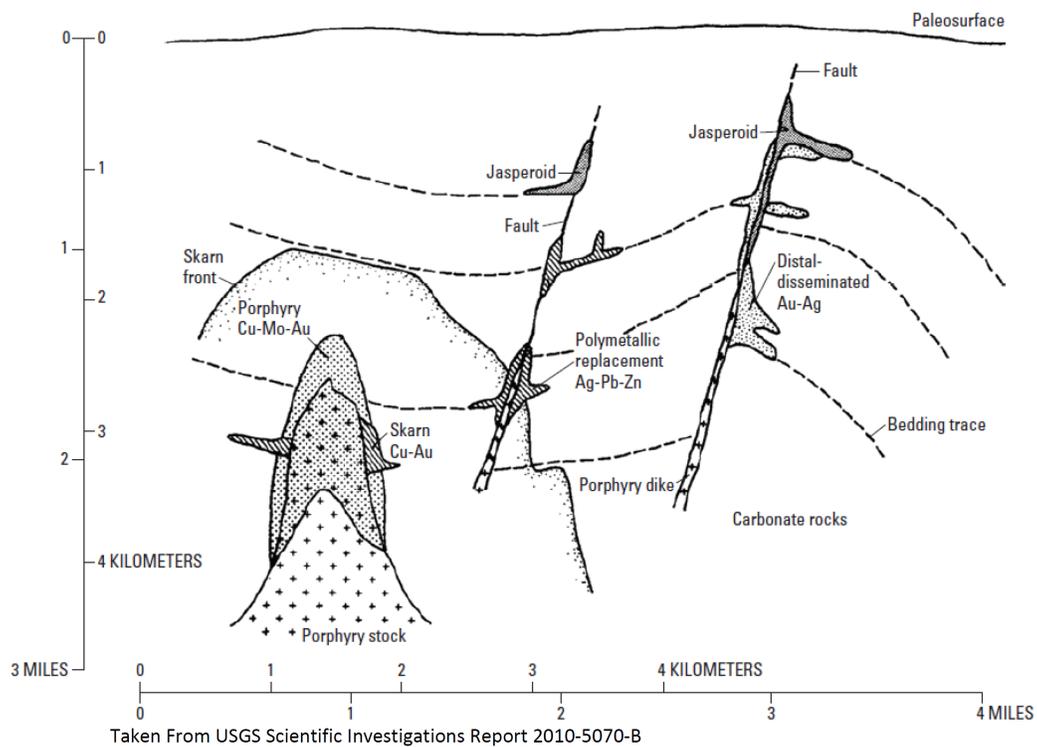
This distinctive pattern of magnetic anomalies is diagnostic of intense hydrothermal alteration and highly reminiscent of anomalies associated with, and indicative of porphyry gold / copper / molybdenum systems and associated metasomatic alteration commonly referred to as “skarn” mineralization. This target lies in an area of recessional topography with extensive alluvial and alluvial cover forming a distinctive basin in the general outline of the Mill City Hills.

Areas of recessional erosion suggest the underlying rocks are more susceptible to erosion, potentially because of more intense alteration. Outcrops surrounding the basin exhibit strong to intense alteration in the form of clay alteration, decalcification, silica veining and locally massive silica replacement of the carbonate sediments. Decalcification also referred to as “sanding” is the removal of calcite from calcareous sediments by circulating potentially mineralizing fluids which results in the concentration of insoluble sand hence the term “sanding”.

Widely spaced Mobile Metal Ion (MMI) sampling that is partially coincident with the ground magnetic survey indicates anomalous Response Ratios (RR) spatially associated with the magnetic anomaly. Limited rock chip geochemistry of the surrounding altered sediments surrounding the CTT basin returned highly anomalous gold and pathfinder elements.

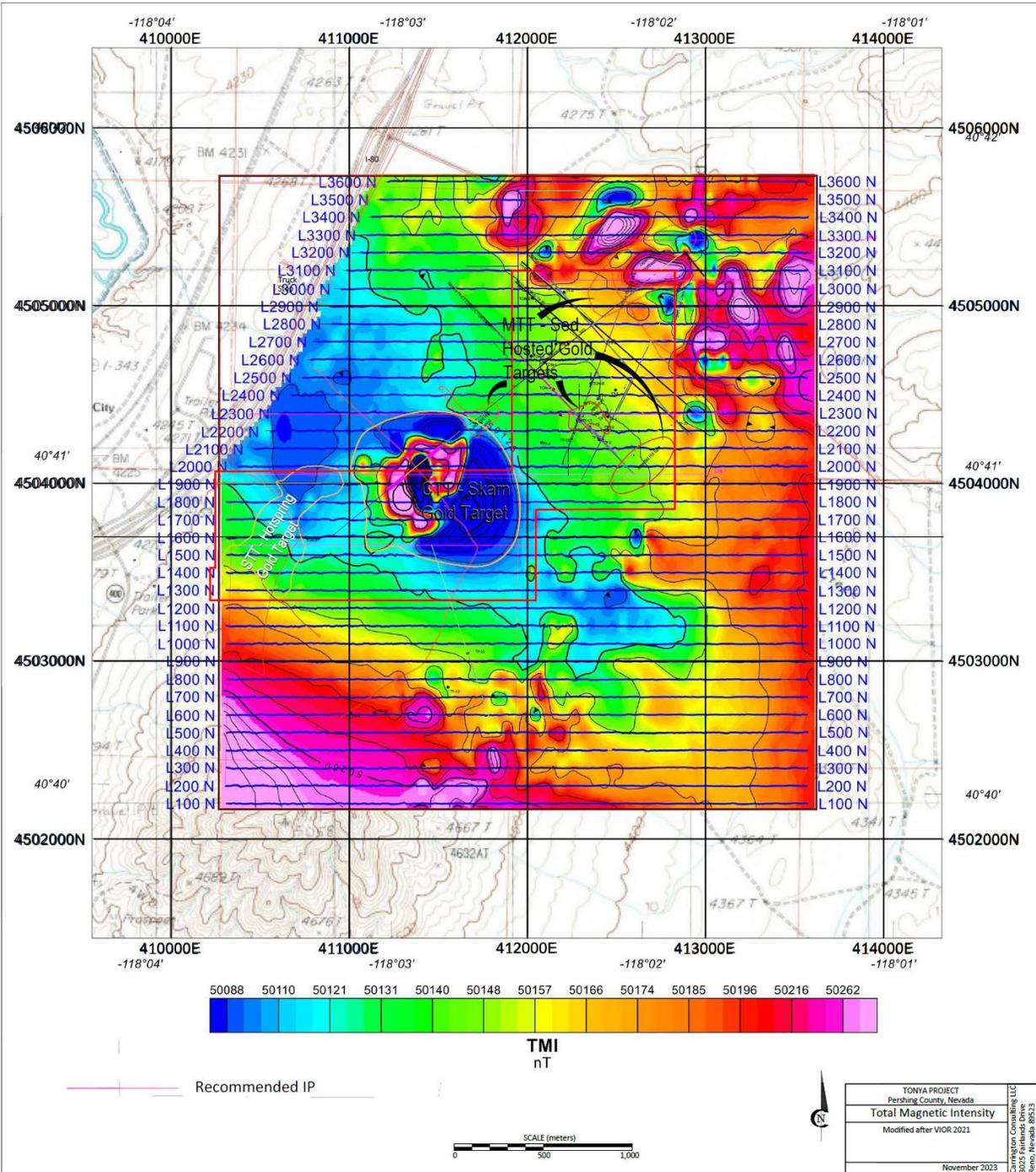
The current target in the CTT is interpreted to be genetically similar to the nearby Spring Valley deposit which hosts 4.12 million ounces of gold in Measured and Indicated resources and an additional 990,000 ounces of gold in Inferred resources (Gustavson & Assoc. 43-101 Technical Report, Sept 2014 for Midway Gold) where Midway Gold announced drill intercepts to 157 meters averaging 1.75 g/T Au.

Duke Mountain, as previously mentioned, felt they had identified copper bearing skarn mineralization in multiple holes near Jasperoid Hill in an area covered by Quaternary alluvium and colluvium. Carrington also noted copper mineralization in his relogging of these holes. If skarn mineralization can be verified here, it will significantly expand the exploration potential for skarn / porphyry style mineralization on the property. A conceptualized section through a porphyry system showing the relationship of the porphyry to related deposits as shown below.



**Figure B1.** General setting of porphyry copper and associated deposit types (modified from Sillitoe and Bonham, 1990).

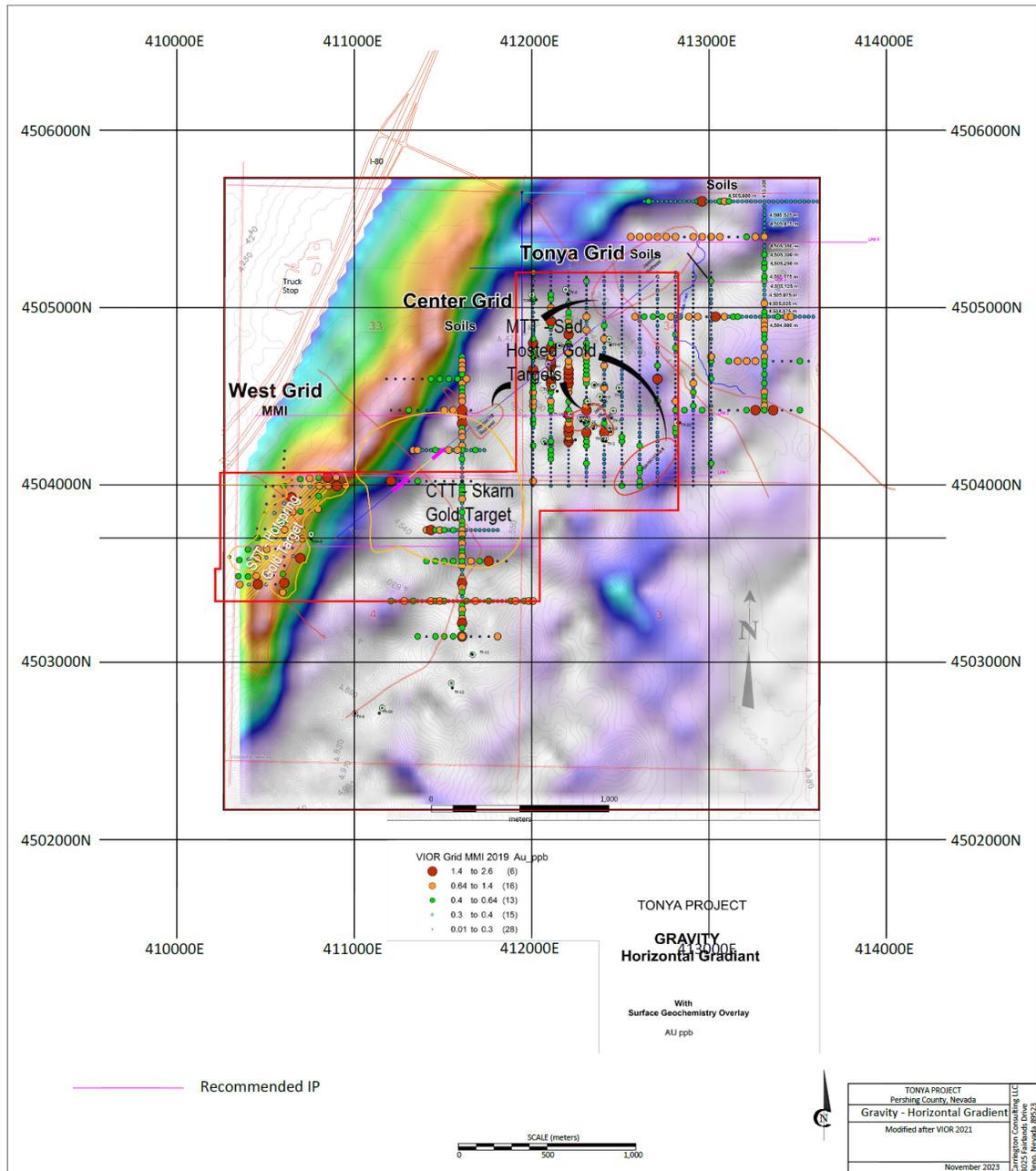
The presence of a nearby black silica matrix breccia discussed below is interpreted to be a marr structure. Such marr structures are known to form from steam explosions caused superheating of groundwater in the vicinity of diatremes and may indicate the presence of an undiscovered diatreme (breccia pipe) and a much larger intrusive source, indicating significantly greater exploration potential for the property. A map of the Tonya property showing the Total Magnetic Intensity (TMI) from the ground magnetic survey is shown below.



### **(3) South Tonya Target (STT) Sub-surface “hot spring” gold**

MMI geochemistry, surface geology and high resolution gravity, together with similarities with other similar nearby systems, indicate the hot spring gold target in the STT conceptually consists of a north-northeast trending zone semi-parallel with the range front of the Mill City Hills ranging from 75 to more than 400 meters in width and 1,000 to 3,150 meters long. Assuming a blanket like zone 20 to 30 meters thick with a specific gravity of 2.7, this modeling indicates conceptual resources in the range of 14.0 to 48.6 million metric tonnes. Assuming grades ranging from 0.75 to 1.5 g/T Au, comparable to other deposits of this class in the region, the target resource is estimated to contain from 338,500 to 2.34 million ounces of gold. There has been no allowance for the silver content in this modeling though on average this deposit type typically exhibits silver to gold ratios ranging from 2:1 to 3:1.

In the STT, a 3.1 kilometer long, northeast trending horizontal gradient gravity “high” indicates a zone of dense, presumably cemented, material within the valley-fill gravels that corresponds with outcropping banded carbonate sinters. This gravity anomaly and presumed zone of dense material is valley-ward from the range front fault and is consistent with horizons of porous gravels that have been cemented by minerals deposited from ascending fluids and brines causing them to have higher density than the surrounding valley fill gravels. A map of the Horizontal Gradient Gravity survey may be viewed below.

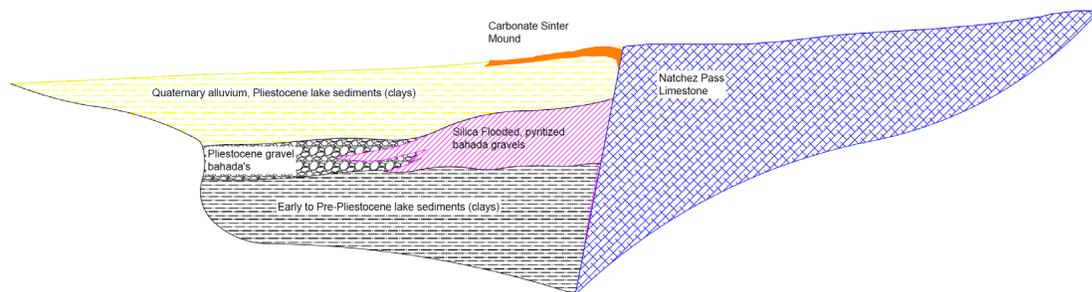


MMI surface geochemistry identifies a coincident gold – silver – antimony – moly anomaly which extends from the carbonate sinter mound to the southwest for more than 1 kilometer. Limited MMI geochemistry north of the carbonate sinters does not indicate anomalous MMI values however this may be due to thicker overlying lacustrine clays “blinding” any underlying mineralization from being detected at the surface.

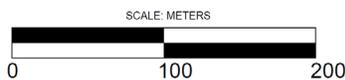
Surface geology and geochemistry in the STT are highly indicative of a “sub-surface” variety of hot spring related gold system. This variant of a typical hot

spring gold system is characterized by mineralization deposited in coarse, highly permeable unconsolidated gravelly units interlayered with fine clay rich lacustrine sediments by hot, ascending, mineral bearing fluids circulating along range front faults and fissures.

Where these fluids intersect porous and permeable gravel horizons, rapid depressurization results in flashing, destabilizing the solutions and causing deposition of minerals from the circulating brines. Such valley fills are common throughout the Basin and Range and other similar geologic provinces characterized by rhombo-chasms throughout geologic history and are commonly very favorable host rocks. In this variant of Hot Springs Gold systems, only minor amounts of comparatively cool fluids if any reach the surface. These fluids typically deposit small, discontinuous, carbonate sinters as that seen in the STT target. A conceptual section through the Hot Spring Gold Target at Tonya may be viewed below.



North looking, Conceptualized Section 4504000 N through Tonya Hot Spring Target.



Surface manifestations at STT are substantially identical to those at the nearby Humboldt House gold prospect where historic drilling managed by Carrington intersected gold grades ranging from .02 to 0.504 ounces of gold per ton (15.75 grams per metric tonne (g/T Au)) roughly 30 meters below similar carbonate sinters. Drilling during the 1980's at Humboldt House identified mineralization extending over an area more than 3,200 meters long and over 1,000 meters wide that was generally aligned parallel to the range front of the Humboldt Mountain Range.

In addition to Humboldt House, other similar systems of this type in western Nevada include the Hycroft – Lewis mine in the Sulfur Mining District west of Tonya which produced slightly more than 1 million ounces of gold and 2.94 million ounces of silver during the period from 1988 through 2002, (USGS MRDS Record Number 10310408) and the Wind Mountain Mine near Gerlach, Nevada which produced 196,000 ounces of gold and 1.13 million ounces of silver, (USGS MRDS Record Number 10310384).

#### **4) Black Matrix Breccia (BMB) - Marr Structure**

The presence of a black silica matrix breccia north of Jasperoid Hill is interpreted to be a marr structure. In the BMB, chalcedonic silica surrounds fragments of altered lithic tuff and water-lain volcanic ash. The silica is colored black due to abundant nearly microscopic inclusions of psilomelane (manganese oxide) with locally abundant disseminations of equally fine sulfides, presumably pyrite.

Such marr structures are known to form by steam explosions caused superheating of groundwater in the vicinity of diatremes. This may indicate the presence of a yet undiscovered diatreme (breccia pipe) at depth and may be indicative of much larger exploration potential for the Tonya property.

Samples of the BMB have thus far failed to contain any anomalous gold or pathfinder elements other than manganese and no estimate of resource estimate is possible unless further work establishes mineral potential for this area. If, in fact, a mineralized diatreme is found to exist proximal to the BMB it may well be emanating from the same magma chamber as the CTT target.

The reader is reminded that the Conceptual Estimate of volume, tonnage, grade and metal endowment have been calculated in compliance with NI 43-101 S. 2.3 (2)(a). These estimates are conceptual in nature and while historic data confirms wide-spread gold mineralization at Tonya, there is insufficient data to define mineral resources compliant with NI 43-101 S. 2.3 1(a) and there can be no assurance that further exploration will delineate one. There are no representations with respect to amenability to, or recoverability of any resources that may be developed with further exploration as there have been no metallurgical studies or investigations on mineralized material from the Tonya project.

## RECOMMENDED WORK PROGRAMS

The following is a conceptual recommended work program to advance the Tonya Property in a cost-effective manner.

### **IP Survey**

It is recommended that at least 4 lines of IP – Resistivity as shown on the here totaling approximately 8.6 line kilometers and designed to penetrate to at least 200 meters be run as shown to help indicate areas of silica flooding and sulfide mineralization. A lower cost, though not as robust, alternative may be to conduct a similar Self Potential (SP) survey. The presence of abundant infrastructure on and west of the property may negatively impact an SP survey.

### **Drilling**

#### **MTT: Jasperoid Hill Area**

Subsequent to the recommended IP, a limited program of six shallow RC holes from 30 to 200 meters deep to test the above targets is recommended. One or more of these should be drilled to 200 meters in the vicinity of TY-4 which was lost in brecciated jasperoid and massive silica at 295 feet (90 meters), especially since the nearest hole TY-15 is the best hole on the property to date with a peak value of 2.95 g/t Au.

#### **MTT: Jasperoid Hill East Area**

In the East Jasperoid Hill Area at least one hole to 200 meters should be drilled near the end of Section TY-2 through TON-7. Detailed mapping and if warranted sampling should be conducted in the area of holes TY9,10, 11 and 12 and to the north and northeast. The apparent intense folding in this area projects into the Jasperoid Hill East area, and information from the mapping and sampling would help guide drilling.

#### **MTT: Jasperoid Hill Northeast Area**

This target area is entirely covered with Quaternary to recent alluvium, so little value is expected of additional surface work in the area with the exception of the recommended IP and possibly MMI geochemistry. The favorable units of the Grass Valley Formation are projected to lie in this area. Two scout holes, along the axis of the target are recommended, the southernmost to about 150 meters and the northern hole to at least 300 meters to test for mineralization and confirm stratigraphy in the large pediment area.

#### **MTT: Jasperoid Hill Southwest**

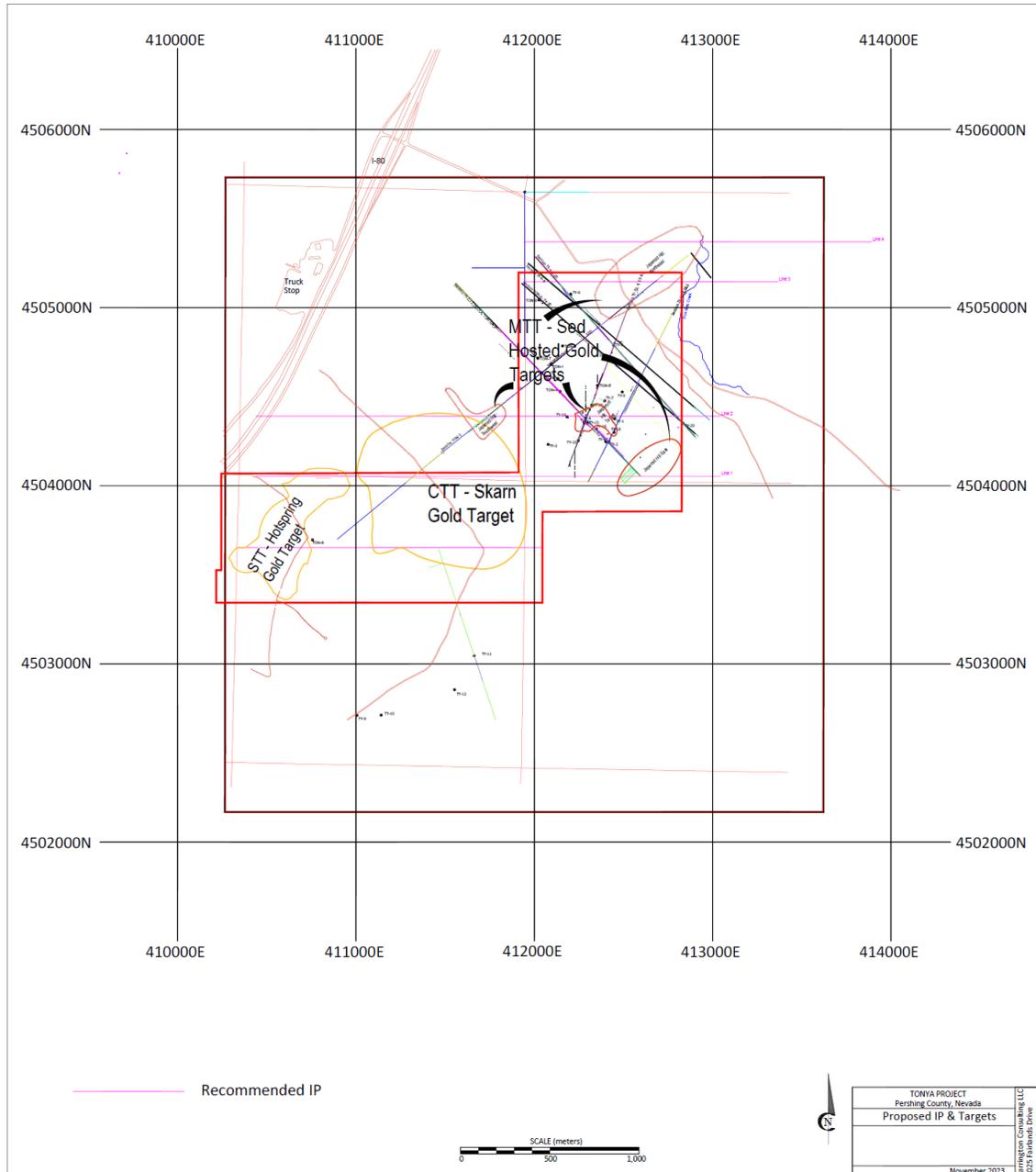
Conventional soil or preferably MMI geochemistry should be conducted over this target area. Two shallow holes, probably at the center of the target and toward the deeper end, are recommended to test this target. The shallower of these two holes should be drilled to at least 75 meters and the deeper to at least 140 meters.

#### **CTT**

Using the added information from the proposed IP survey to guide drilling, at least three drill holes are recommended to be drilled in this area to depths of 250 meters.

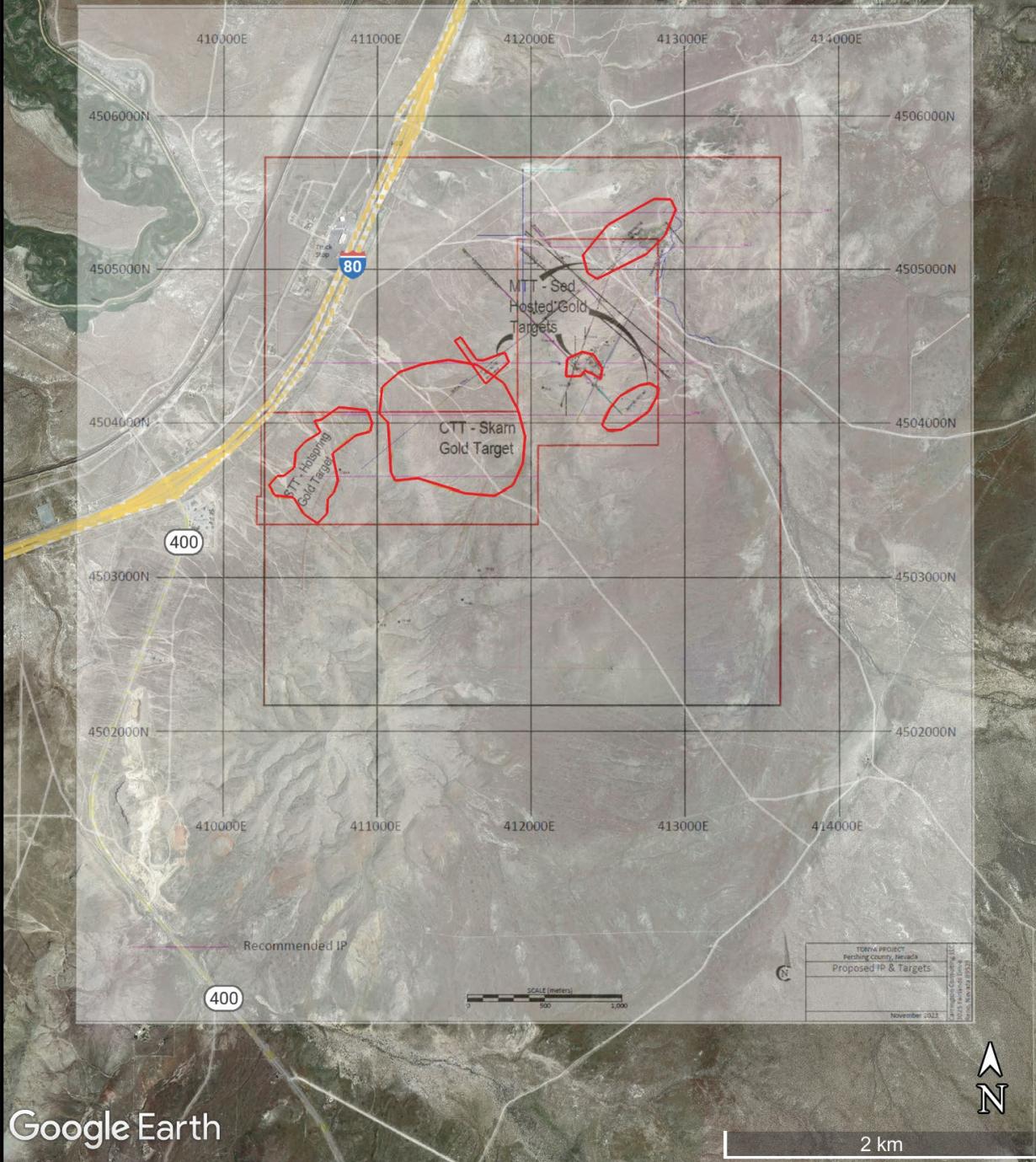
# STT

If resources permit it would be advantageous to run an additional short line of IP – Resistivity across the gravity anomaly at approximately UTM 4503700N. This line should extend from the west side of Section 4 approximately 1,700 meters to the east. Again, using additional data from the recommended IP survey, two fans of two RC holes each are recommended along each IP line. These holes should be angled down to the east such that they will cross the gravity anomaly entirely. These holes are projected to target depths of not less than 200 meters each.



# Target Areas for TONYA

This map shows the targets for the Conceptual Estimate from Kermode Resources (TSXV:KLM)



Google Earth

2 km

## CONCEPTUAL ESTIMATE

The Tonya Property (“Tonya”) contains three target areas, which Kermode refers to as the Main Tonya Target (MTT), Central Tonya Target (CTT), South Tonya Target (STT). The Estimate provides a range across all zones for total tonnage from approximately 78Mt to 237Mt million tonnes and total contained gold as 0.7Moz to 7.1Moz millions of ounces of gold.

Target Area	Contained ounces gold (conceptual)	Tonnes (conceptual)	Grade g/T Au (conceptual)
Main Tonya Target (MTT)	58,908	3,436,364	0.5
	545,455	11,310,364	1.5
Central Tonya Target (CTT)	342,700	53,299,620	0.2
	4,284,000	177,665,400	0.75
South Tonya Target (STT)	338,500	14,040,000	0.75
	2,343,700	48,600,000	1.5
<b>Conceptual Resource (Lower Range) Total</b>	<b>740,180</b>	<b>70,775,984</b>	<b>0.325</b>
<b>Conceptual Resource (Upper Range) Total</b>	<b>7,173,295</b>	<b>237,575,764</b>	<b>0.939</b>

\*Note: Exact amounts may vary due to rounding errors.

Kermode CEO Peter Bell comments, *“I believe this type of Estimate is helpful for the public to understand the potential significance of an exploration project. I am grateful for the opportunity to publish a comprehensive review of the Tonya project that provides details of potential volume, tonnage, grade, and metal endowment.”*

## QUALIFIED PERSON STATEMENT

The technical information in this news release has been reviewed and approved by Mr. Robert Carrington, Professional Geologist and Professional Engineering Geologist and a Qualified Person as defined in Canadian NI 43-101 responsible for the scientific and technical information contained herein under National Instrument 43-101 standards. Mr. Carrington is not an Independent Qualified Person in respect to the Tonya Property or Gold Range Company LLC, the owner of the Tonya Property.

Kermode Resources Ltd., requested that Gold Range Company LLC of Reno, Nevada (Gold Range), USA, assist Kermode in securing a review of historic exploration data for the Tonya Property and an estimate of the mineral resource potential of the Property in compliance with Canadian National Instrument 43-101 (NI-43-101) S.2.3(2). Gold Range subsequently requested that Robert G. Carrington through Carrington Consulting LLC (CC) conduct this review and estimate. Robert G. Carrington, the author of this report is a Qualified Person but is not an “independent person” as those terms are defined in NI 43-101. Neither, Gold Range or Carrington Consulting are “independent persons” in respect of the Tonya property.

In preparation of this report, the author has relied on information obtained through a review of public and private files, documents, reports and data dating from 1989 through 2022 together with Robert Carrington’s personal experience and knowledge of the subject property and other nearby and / or similar properties. Verification of the presence of mineralization was made by Carrington during a site visit on September 2, 2023. Claim title was verified by R. Carrington by examining documents filed with BLM and Pershing County.

## DEAL TERMS FOR TONYA PROPERTY

As reported on August 16, 2023, Kermode Resources Ltd. has an option to lease the Tonya property. Kermode will not issue any shares under the transaction at any time.

The first phase of the deal is the option, where Kermode begins with a one-year term that can be renewed for additional one-year periods by mutual consent of the counterparties so long as Kermode is paying or causing to be paid all annual claim maintenance fees and holding costs. During this phase, Kermode may carry out certain “pre-drilling” mineral exploration activities including but not limited to mapping, rock, soil and geochemical sampling, geophysical surveys and other exploration activities. Kermode will not conduct drilling activities of any kind or nature whatsoever including auger, core, rotary, reverse circulation or other without first entering into the lease agreement contemplated in this Option Agreement.

The second phase of the deal is a lease, where Kermode commits to these cash payments:

-on signing the lease	US\$ 5,000
-On the first anniversary	US\$ 5,000
-On the second anniversary	US\$ 10,000
- On the third anniversary	US\$ 50,000
- On the fourth anniversary	US\$ 100,000
- On the fifth & sixth anniversaries	US\$ 150,000
- On the seventh & eighth anniversaries	US\$ 200,000
- On the eighth anniversary and thereafter	US\$ 250,000

The lease has a 10-year term and is renewable for 10-year increments so long as exploration or mining activity is ongoing.

In addition, there is a total five percent (5%) NSR Production Royalty with certain conditions: two percent royalty (2%) has no buy-down provision; the buy-down for the three percent (3%) is five million US\$5,000,000 prior to the earlier of production or the Fifth Anniversary. There is also a thirty percent (30%) future sales interest.

## ABOUT KERMODE

*Kermode is a junior mining company hunting for exploration opportunities around the world.*

For further information please contact:

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Email: peterbellmining@gmail.com

Website: <https://linktr.ee/kermoderesources>

## CAUTIONARY STATEMENTS

This document contains statements that constitute "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation (collectively herein referred to as "forward-looking information"). Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause Kermode actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements.

Although Kermode believes the forward-looking information contained in this document is reasonable based on information available on the date hereof, by their nature forward-looking statements involve assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The forward-looking information contained in this document represents the expectations of the Company as of the date of this document and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, it does not undertake to update this information at any particular time except as required in accordance with applicable laws.