



**BIG RIDGE GOLD CORP.**

**ANNUAL INFORMATION FORM**

**FOR THE YEAR ENDED JUNE 30, 2021**

**AUGUST 19, 2021**

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## INTERPRETATION

Reference in this annual information form (“**AIF**”) to “**Big Ridge**” or the “**Company**” means, as the context may require, Big Ridge Gold Corp. (formerly known as Alto Ventures Ltd. prior to September 21, 2020) and its subsidiary.

Certain totals, subtotals and percentages may not agree due to rounding.

Information in this AIF is as at June 30, 2021, unless otherwise indicated.

## CURRENCY PRESENTATION

Unless otherwise indicated, all monetary amounts in this AIF are expressed in Canadian dollars. The Company’s financial statements are reported in Canadian dollars and are prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Unless otherwise indicated, all references to “\$”, “C\$” and “dollars” in this AIF refer to Canadian dollars. References to “US\$” in this AIF refer to United States dollars.

## FORWARD-LOOKING STATEMENTS

Certain information contained in this AIF constitutes forward-looking information within the meaning of Canadian securities laws (collectively referred to as “**forward-looking statements**”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “continues”, “forecasts”, “projects”, “predicts”, “intends”, “anticipates” or “believes”, or variations of, or the negatives of, such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. The forward-looking statements in this AIF speak only as of the date of this AIF or as of the date or dates specified in such statements. In order to make such forward-looking statements, the Company has made certain assumptions about its business, operations, the economy and the mineral exploration and development industry in general, in particular in light of the impact of the novel coronavirus and the COVID-19 disease (“**COVID-19**”) on each of the foregoing.

Specifically, this AIF includes forward-looking statements regarding:

- the future price of metals, especially gold prices;
- the supply and demand for metals;
- the estimate of the quantity and quality of mineral resources;
- the realization of mineral resource estimates;
- costs of exploration expenditures;
- the ability of the Company to obtain all government approvals, permits and third party consents in connection with the Company’s exploration, development and operating activities;
- political and social uncertainties, accidents and labour disputes;
- government regulation of mining operations;

- environmental risks;
- title disputes or claims;
- the potential impact of COVID-19 on the Company; and
- general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and assumptions and accordingly, actual results and future events could differ materially from those expressed or implied in such statements. You are hence cautioned not to place undue reliance on any forward-looking statements included in this AIF.

By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, among others, the following:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations;
- uncertainty as to estimation of mineral resources;
- inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources);
- the potential for delays or changes in plans in exploration or development projects or capital expenditures, or the completion of future feasibility studies due to changes in logistical, technical or other factors;
- the possibility that future exploration, development, construction or mining results will not be consistent with the Company's expectations;
- risks related to the ability of the current exploration program to identify and expand mineral resources;
- risks related to commodity and power prices, foreign exchange rate fluctuations and changes in interest rates;
- the uncertainty of profitability based upon the cyclical nature of the mining industry;
- risks relating to the Company's ability to earn into the Hope Brook Gold Project pursuant to the Hope Brook Earn-In Agreement (as hereinafter defined);
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental or other stakeholder approvals or in the completion of development or construction activities;
- risks related to environmental regulation and liability, government regulation and permitting;
- risks relating to the Company's ability to attract and retain skilled staff;
- risks relating to the timing of the receipt of regulatory and governmental approvals for continued operations and future development activities;
- political and regulatory risks associated with mining and exploration;
- risks relating to the potential impacts of the COVID-19 pandemic on the Company and the mining industry;
- changes in general economic conditions or conditions in the financial markets; and
- other risks and uncertainties related to the Company's prospects, properties and business strategy.

A discussion of these and other factors that may affect the Company's actual results, performance, achievements or financial position is contained in this AIF under "Risk Factors" and elsewhere in this AIF.

This list is not exhaustive of the factors that may impact the forward-looking statements. These and other factors should be considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and other than as specifically required by law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results otherwise. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

## **TECHNICAL INFORMATION**

The disclosure in this AIF of a scientific or technical nature for the Company's Hope Brook Gold Project, including disclosure of mineral resources, is based on the HBGP Technical Report (as hereinafter defined) prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**"), as summarized under "Hope Brook Gold Project" in this AIF, and other information that has been prepared by or under the supervision of "qualified persons" (as such term is defined in NI 43-101) with the consent of such persons. The HBGP Technical Report has been filed on SEDAR and can be reviewed at [www.sedar.com](http://www.sedar.com). Actual recoveries of mineral products may differ from reported mineral reserves and resources due to inherent uncertainties in acceptable estimating techniques. In particular, "indicated" and "inferred" mineral resources have a greater amount of uncertainty as to their existence, economic and legal feasibility. It cannot be assumed that all or any part of an "indicated" or "inferred" mineral resource will ever be upgraded to a higher category of resource or, ultimately, a reserve. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of a mineral deposit with resources in these categories will ever be converted into proven or probable reserves.

Except where specifically indicated otherwise, the scientific and technical information contained in this AIF was reviewed and approved by Nick Tintor, Chair of the Board of Directors of the Company, and Richard Mazur, P.Geo., a Director of the Company. Messrs. Tintor and Mazur are Qualified Persons in accordance with NI 43-101.

This AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ materially from the requirements of United States securities laws applicable to U.S. companies. For U.S. reporting purposes, the United States Securities and Exchange Commission (the "SEC") has adopted amendments to its disclosure rules (the "SEC Modernization Rules") to modernize the mineral property disclosure requirements for issuers, referred to as "mining registrants", whose securities are registered with the SEC. These amendments became effective in February 2019 with compliance required for the first fiscal year beginning on or after January 1, 2021. While not applicable to the Company, the SEC Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in SEC Industry

Guide 7, which will be rescinded from and after the required compliance date of the SEC Modernization Rules. Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of the SEC set forth in Industry Guide 7. In accordance with NI 43-101, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are defined in accordance with Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) standards. While the terms “mineral resource”, “measured mineral resource”, “indicated mineral resource” and “inferred mineral resource” are recognized and required by NI 43-101, and now recognized under the SEC Modernization Rules, SEC Industry Guide 7 does not recognize them. You are cautioned that, except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic viability. Inferred mineral resources have a high degree of uncertainty as to their existence and as to whether they can be economically or legally mined. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, you are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, you are cautioned not to assume that all or any part of measured mineral resources or indicated mineral resources will ever be upgraded into mineral reserves.

## **CORPORATE STRUCTURE**

The Company was incorporated as Laser Resources Ltd. under the *Business Corporations Act* (British Columbia) on July 30, 1987. The Company has gone through six name changes since inception to the date of this AIF, which are described below.

<b>Date</b>	<b>Former corporate name</b>	<b>New corporate name</b>
September 21, 2020	Alto Ventures Ltd.	Big Ridge Gold Corp.
April 19, 2002	Alto Minerals Inc.	Alto Ventures Ltd.
April 7, 1997	Alto Industries Inc.	Alto Minerals Inc.
January 21, 1994	Cajun Oil & Gas Producers Inc.	Alto Industries Inc.
May 16, 1990	Obolus Resources Inc.	Cajun Oil & Gas Producers Inc.
November 24, 1987	Laser Resources Ltd.	Obolus Resources Inc.

The Company became a reporting issuer following the listing of the Company, then known as Obolus Resources Inc., on the Vancouver Stock Exchange on December 31, 1989. The Company is a reporting issuer in the provinces of British Columbia and Alberta.

The registered office of the Company is located at 1500 Royal Centre, 1055 West Georgia Street, PO Box 11117, Vancouver, BC V6E 4N7. The head office of the Company is located at 1801-1 Yonge Street, Toronto, ON M5E 1W7.

The following table sets forth the name of all subsidiaries of the Company and the jurisdiction of incorporation and the percentage ownership by the Company of each such subsidiary.

<b>Name of Subsidiary</b>	<b>Jurisdiction of Incorporation</b>	<b>Percentage Ownership</b>
Empress Resources Corp.	BC	100%

## **GENERAL DEVELOPMENT OF THE BUSINESS**

The Company's principal business is the acquisition, exploration and development of mineral resource projects. At the date of this AIF, its principal and only material mining project is its interest in the Hope Brook Gold Project. The commentary below summarizes significant activities in the general development of Big Ridge's business in the three most recent fiscal years.

### **Year ended June 30, 2019**

#### ***Financing and Related Activities***

The Company did not undertake or complete any financings in the year ended June 30, 2019.

#### ***Exploration and Development Activity***

In the absence of a completed financing, Big Ridge's exploration activities during the year ended June 30, 2019, were focused on maintaining its exploration properties in good standing while managing the Company's treasury. The significant activities carried out with respect to the Company's properties are summarized below.

#### **Oxford Gold Project**

In December 2018, Big Ridge obtained a work permit from the Manitoba government to carry out an exploration program consisting of line cutting, geophysics and 3,000 meters of diamond drilling at the Oxford property. This permit was issued with conditions, including the requirement that Big Ridge complete a Heritage Resource Impact Assessment ("HRIA") in a form satisfactory to the Historic Resource branch of Manitoba Sport, Culture and Heritage prior to commencement of any exploration activity. No work was done with respect to the HRIA, and accordingly no exploration activity was undertaken in the year.

#### **Miner Lake Project**

In October 2018 Big Ridge completed a short program of 5 diamond drill holes covering 1,010 meters at its Miner Lake property in Ontario. This drill program was designed to test the main east-west mineralized corridor on the property, building on the results of drilling in 2011, and other

targets not previously tested. These holes intersected anomalous gold values ranging from 0.23 g/t over 22 meters to 0.941 g/t over 1.5 meters and confirmed the presence of a large gold mineralizing system at Miner Lake, with mineralization improving toward the west end of the property.

### **Year ended June 30, 2020**

During the year ended June 30, 2020, Big Ridge's focus was on establishing the foundation of a new path forward as a public company with a stronger treasury and a more advanced mining project as its principal focus. Toward that end, a number of initiatives were put in motion or completed in the year, including:

- Consolidating Big Ridge's share capital;
- Acquiring Empress Resources Corp., a largely inactive, TSXV-listed junior mining company whose principal asset at the closing of the acquisition was a cash balance of \$1,060,676, under a plan of arrangement;
- Closing a concurrent financing in the form of 22,325,000 subscription receipts, which closed on May 29, 2020 with the gross proceeds from the financing held in escrow until the closing of the Empress Resources acquisition;
- Replacing the incumbent management team shortly after the end of the fiscal year; and the addition immediately following the end of the fiscal year of three board members from the then-incumbent board of directors of Empress Resources, adding capital markets strength to Big Ridge's board and replacing two incumbent members of Big Ridge's board who elected to step down on completion of the acquisition; and
- Commencing the commercial discussions and negotiations which culminated in Big Ridge entering into the Hope Brook Earn-In Agreement to earn an interest in the Hope Brook Gold Project.

### ***Acquisition of Empress Resources Corp.***

On March 5, 2020, the Company entered into a Plan of Arrangement agreement with Empress Resources Corp. ("Empress") and Empress Royalty Corp. ("Royalty") pursuant to which the Company agreed to issue 12,214,211 post-consolidation common shares to Empress shareholders in exchange for all the issued and outstanding common shares of Empress.

This transaction closed on July 7, 2020 following the final approval of the Plan of Arrangement by the courts and the TSX Venture Exchange. The mechanics of this acquisition are set out below in the discussion of Big Ridge's results for the year ended June 30, 2021.

### ***Financing and Related Activities***

As mentioned above, on May 29, 2021, Big Ridge closed a financing consisting of 22,350,000 subscription receipts at a price of \$0.10 per subscription receipt. Each subscription receipt consisted of one common share and one share purchase warrant, exercisable into one common share of Big Ridge at an exercise price of \$0.20 per share and expiring on May 29, 2022.

This financing was undertaken in anticipation of Big Ridge completing its acquisition of Empress,

and the gross proceeds of \$2,235,000 were releasable to Big Ridge only once the acquisition had closed. This took place on July 7, 2020.

### ***Exploration and Development Activity***

During the year ended June 30, 2020, Big Ridge did not complete any financings that resulted in funds becoming available to the Company during the year. Accordingly, exploration outlays were limited and generally focused on keeping each of the Company's properties in good standing.

### ***Destiny Gold Project***

In July 2019, as part of a follow-up to data compilation work undertaken in a prior year, Big Ridge completed a program of 11 sonic drill holes on its Destiny Gold Project to sample glacial tills beneath a thick layer of Quaternary mud and to sample bedrock geology.

Based on the results of this work, management concluded that the source of the gold enriched till sampled by these holes was not located in the immediate vicinity (i.e., within a few hundred meters) of the sonic holes and that it was possible that the tills were sampling a gold enriched source further up-ice than the DAC Deposit.

### **Year ended June 30, 2021**

Continuing on from the changes put in motion during the 2020 fiscal year, Big Ridge executed on a number of initiatives that were commenced in the prior year. These included:

- Closing the acquisition of Empress;
- Replacing Big Ridge's president, chief executive officer and chief financial officer to form a new management team;
- Adding three new directors with extensive operational and capital markets experience, following the departure of the three Empress nominees on the Big Ridge board;
- Entering into an option agreement pursuant to which Clarity Gold Corp. may earn a 100% interest in Big Ridge's 100%-owned Destiny Gold Project in Quebec;
- Entering into the Hope Brook Earn-In Agreement pursuant to which Big Ridge became the operator of, and could earn up to an 80% interest in, the past producing Hope Brook Gold Project, giving Big Ridge a more advanced development project as its principal asset and enhancing the Company's profile;
- Closing a private placement of flow through units, which raised gross proceeds of \$5,000,053 and introduced Big Ridge to a new group of investors.

### ***Acquisition of Empress***

On July 7, 2020, the Company completed a Plan of Arrangement agreement with Empress and Royalty pursuant to which the Company issued 12,214,211 common shares to Empress shareholders in exchange for all the issued and outstanding common shares of Empress. In addition, the Company issued a total of 9,557,800 warrants to holders of Empress unit warrants and 242,544 warrants to holders of Empress broker compensation warrants, as the Empress warrants were cancelled upon closing of the Transaction.

Upon closing, the net assets of Empress were as follows:

	\$
Cash	1,060,676
Amounts receivable	15,884
Prepaid expenses and deposits	981
	<u>1,077,541</u>
Less: Trade accounts payable	(182,176)
Net assets acquired	<u>895,365</u>

The consideration paid by the Company was comprised as follows:

	# of instruments	\$
Fair value of shares	12,214,211	795,272
Replacement warrants	9,800,344	25,093
Finder's fee	-	75,000
		<u>895,365</u>

Pursuant to the Plan of Arrangement, Big Ridge granted Royalty net smelter returns royalties on the claims associated with all of its mineral properties, including the Destiny property in Quebec; the Oxford property in Manitoba; the Fisher property in Saskatchewan; and the Miner Lake, Greenoaks, Mud Lake, Brookbank East, Three Towers, and Dog Lake properties in Ontario, and transferred a retained royalty on the Empress project, which had been acquired by Sanatana Resources in the year ended June 30, 2020. These royalties ranged from 0.5% to 1.0%, and no value was attributed to these royalties. The Company also transferred its portfolio of marketable securities to Royalty in exchange for 4,615,384 Royalty common shares, of which 4,607,950 shares were distributed to the Company's shareholders of record on July 2, 2020 as a dividend amounting to \$230,716, with the remainder of the shares retained by Big Ridge in consideration of non-resident withholding taxes paid in cash on certain dividend payments.

### ***Financing and Related Activities***

On July 2, 2020, Big Ridge completed a 5:1 share consolidation which reduced the number of issued and outstanding common shares from 46,438,868 to 11,274,657.

On July 8, 2020, following the closing of the acquisition of Empress, the subscription receipts issued under the May 2020 private placement were converted into their underlying securities – 22,325,000 common shares and 22,325,000 warrants, with each warrant exercisable into one common share of the Company at an exercise price of \$0.20 per share and expiring on May 29, 2022 – and the gross proceeds from the financing, which amounted to \$2,235,000, were released to Big Ridge.

On June 8, 2021, Big Ridge entered into an agency agreement with Clarus Securities Inc. in connection with a brokered private placement of charity flow-through share units. This financing closed on June 30, 2021, with Big Ridge issuing a total of 24,390,500 units at a price of \$0.205 per unit, for aggregate gross proceeds of \$5,000,053. Each unit consisted of one flow-through

common share and one share purchase warrant exercisable into one common share at an exercise price of \$0.18 and expiring on June 30, 2023.

On June 22, 2021, Big Ridge elected to force the early acceleration of the warrants issued pursuant to the subscription receipts offering noted above, following a period of ten consecutive trading days in the period from June 8, 2021 to June 21, 2021 in which the closing price of Big Ridge's common shares exceeded \$0.25, and provided notice of the accelerated expiry to the warrant holders. At June 22, 2021, 22,075,000 warrants remained outstanding, and in the period ended June 30, 2021 a total of 6,000,000 warrants were exercised for proceeds of \$1,200,000. The remaining 16,075,000 warrants were exercised in the period from July 1 to July 22, 2021, generating additional proceeds of \$3,215,000.

In addition, during the same period a total of 1,128,750 warrants not subject to the accelerated expiry were exercised, generating additional aggregate proceeds of \$163,625.

### ***Exploration and Development Activity***

During the year ended June 30, 2021, Big Ridge focused its efforts with respect to its mineral resource properties on two objectives: to move the Company's focus toward a more advanced exploration project, and to begin the process of reducing the number of pure exploration projects to enable Big Ridge to focus on its most promising projects. As discussed in more detail below, the Company entered into the Hope Brook Earn-In Agreement on April 5, 2021 pursuant to which it became the operator of the Hope Brook Gold Project, which is now the primary focus of the Company going forward. The Company's other properties, including the Oxford Gold Project and the Destiny Gold Project, are now ancillary properties which are not currently material to the Company.

#### **Hope Brook Gold Project**

On April 5, 2021 Big Ridge entered into an earn-in agreement with First Mining Gold Corp. ("First Mining") and Coastal Gold Corp. (the "Hope Brook Earn-In Agreement") pursuant to which the Company could earn up to an 80% interest in First Mining's Hope Brook Gold Project, located in Newfoundland and Labrador. This transaction closed on June 8, 2021 (the "HB Closing Date").

On closing, Big Ridge paid First Mining \$500,000 in cash and 11,500,000 common shares of Big Ridge, at which point Big Ridge became the operator of the project despite not yet having earned any interest in the Hope Brook Gold Project.

The earn-in is comprised of two stages, as described below:

- In order to exercise its first earn-in right to acquire a 51% interest in the Hope Brook Gold Project, Big Ridge must incur and fund expenditures on the Hope Brook Gold Project of no less than \$10 million within the three-year period following the HB Closing Date. Upon achieving this expenditure threshold and issuing an additional 15 million common shares to First Mining, subject to the approval of the TSX Venture Exchange, Big Ridge (51% interest) will become party to a joint venture agreement for the Hope Brook Gold Project with First Mining (49% interest), with Big Ridge continuing as the operator. Concurrently with the creation of the joint

venture, the joint venture entity will grant to First Mining a 1.5% net smelter returns royalty on the Hope Brook Gold Project, subject to a right of Big Ridge to buy back 0.5% for \$2 million.

- To earn an additional 29% interest in the Hope Brook Gold Project, Big Ridge must incur an additional \$10 million in expenditures on the project by the fifth anniversary of the HB Closing Date. Upon achieving this final expenditure threshold and issuing an additional 10 million common shares (“Stage 2 Shares”) to First Mining, subject to the approval of the TSX Venture Exchange, Big Ridge will become the holder of an 80% interest in the Hope Brook Gold Project. Big Ridge will solely fund all expenditures on the project up to and including the date on which Big Ridge announces the results of a feasibility study on the project, at which time First Mining’s free carry period will terminate. If the issuance of the Stage 2 Shares would result in First Mining owning more than 19.9% of the total number of Big Ridge common shares issued and outstanding following such share issuance, the number of Stage 2 Shares shall be reduced such that First Mining will own no more than 19.9% of the total number of Big Ridge common shares issued and outstanding following the issuance of the Stage 2 Shares.

In addition, upon the commencement of commercial production at the project, Big Ridge will pay \$2 million to First Mining.

First Mining was granted several rights pursuant to the Hope Brook Earn-In Agreement so long as it holds at least 10% of the issued and outstanding common shares of Big Ridge, including (i) the right to nominate one director to the Big Ridge board, and (ii) a right to participate in financings by Big Ridge in order for First Mining to maintain its percentage ownership in the Company. The Hope Brook Earn-In Agreement also includes various restrictions on the parties from transferring their respective interests in the Hope Brook Project and on First Mining’s ability to resell its Big Ridge shares.

### Oxford Gold Project

In October 2020, the Company finalized an Exploration Agreement with the Bunibonibee Cree Nation (“BCN”), whose traditional territory includes the claims comprising the Oxford gold project. This agreement set out the Company’s rights and obligations with respect to exploration activities and provided the BCN with cultural and environmental protection measures and financial and socioeconomic benefits, including employment and training.

The issuance of provincial permits that would enable Big Ridge to recommence exploration activities at Oxford, including a drilling program, was and remains contingent on Big Ridge completing a Heritage Resource Impact Assessment (“HRIA”), the results of which will be used to outline the renewed exploration program. The completion of the HRIA required Big Ridge’s consultants responsible for the study to visit the Oxford House area of Manitoba, both to inspect the claims and to meet with BCN elders; this has been impossible because of strict isolation measures taken by the BCN to deal with the COVID-19 outbreaks of the last year. Until the HRIA has been completed, the Manitoba government has provided extensions to expenditure deadlines related to the claims which make up the Oxford gold project.

### Destiny Gold Project

On November 26, 2020, the Company entered into an option agreement (the “Destiny Option Agreement”) with Clarity Gold Corp. (“Clarity”) pursuant to which Clarity may earn up to a 100% interest in the Company’s wholly owned Destiny gold project:

Initially, Clarity may earn a 49% interest in the project by making a series of cash and share-based payments to the Company as described below:

- A deposit of \$50,000, which was received on November 16, 2020;
- A cash payment of \$450,000 and \$1,000,000 in common shares of Clarity, which was received on January 26, 2021;
- A cash payment of \$750,000 and \$1,000,000 in common shares of Clarity on or before November 26, 2021; and
- A cash payment of \$750,000 and \$1,000,000 in common shares of Clarity on or before November 26, 2022.

Clarity may increase its interest in the Destiny project to 100% by making an additional \$1,000,000 in cash payments and issuing \$2,000,000 in common shares on or before November 26, 2023. In the event that Clarity earns a 100% interest in the project, the Company will retain a 1% net smelter returns royalty which Clarity may buy back for a further payment of \$1,000,000.

### **Developments Subsequent to June 30, 2021**

#### Exploration Program

In the period from July 1, 2021 to the date of this AIF, the Company has focused on completing preparatory work at the Hope Brook Gold Project in advance of commencing geophysics, prospecting and drilling programs over the coming year. This work has included making improvements to existing infrastructure and obtaining permits necessary for the nature of the operations planned in the first phase of exploration activity at Hope Brook.

Big Ridge continues its efforts to divest its 100% interest in its mining claims located in the Beardmore area of northern Ontario. At the date of this AIF, the Company has not completed a sale or “farm-out” agreement and there can be no assurance that such an agreement can be reached on commercial terms acceptable to the Company.

#### Financing

Big Ridge did not originate or complete any financings subsequent to June 30, 2021. However, as mentioned above, Big Ridge elected on June 22, 2021 to accelerate the expiry of 22,075,000 warrants with an exercise price of \$0.20 per share, issued in connection with a private placement completed in May 2020. At June 30, 2021 a total of 16,075,000 warrants remained outstanding and in the period from July 1 to July 22, 2021, all remaining warrants were exercised, generating proceeds of \$3,215,000.

## **Employees**

At June 30, 2021 Big Ridge had 3 full-time employees. The Company also contracts out certain activities, such as drilling, to specialized service providers. As a result of the seasonal nature of field activities, the number of people on any project site can vary.

## **Environmental, Social and Governance**

The Company is committed to developing its mining projects in a manner that is sustainable and socially acceptable. In addition, the Company understands the importance of strong governance and that it can lead to enhanced performance for the benefit of stakeholders. As such, the Company is in the process of adopting a variety of policies intended to reflect and strengthen its commitment to governance, the full text of which will be included on the Company's website once finalized.

## **RISK FACTORS**

An investment in securities of the Company is subject to certain risks, which should be carefully considered by prospective investors before purchasing the securities. In addition to the other information set out in this AIF, investors should carefully consider the risk factors referred to below. Any one of such risk factors could materially affect the Company's business, financial condition and/or future operating results and prospects and could cause actual events to differ materially from those described in forward-looking statements and information relating to the Company. Additional risks and uncertainties not currently identified by the Company or that the Company currently believes not to be material also may materially and adversely affect the Company's business, financial condition, operations or prospects. Investors should also carefully consider the risks described in the Company's other public disclosure documents available on SEDAR, including its financial statements and MD&A.

### **Big Ridge Depends on Financing to Fund its Exploration Activities**

Big Ridge has no history of earnings, has earned no revenue since inception and has no source of operating cash flow, and there is no assurance that additional funding will be available to it for exploration and development. Although Big ridge has been successful to date in financing its activities primarily through the sale of equity securities and the execution of "farm-out" transactions on mineral properties, there can be no assurance that it will be able to obtain sufficient financing in the future to earn-in an interest in the Hope Brook Gold Project or to progress its exploration properties through to commercial development, particularly the Hope Brook Gold Project. Furthermore, additional financing will be required to continue the development of the properties even if the Company's exploration programs are successful. There can be no assurance that Big Ridge will be able to obtain adequate financing in the future or that the Big Ridge's commercial terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of Big Ridge's mineral properties with the possible loss of such properties.

## **Risks Under the Hope Brook Earn-In Agreement**

As at the date of this AIF, the Company has not yet earned-in any interest in the Hope Brook Gold Project although it became the operator of the project under the Hope Brook Earn-In Agreement. The Company's entire ability to earn up to an 80% interest in the Hope Brook Gold Project is dependent on it satisfying certain earn-in milestones and making certain payments to First Mining under the Hope Brook Earn-In Agreement. Any breach of the Hope Brook Earn-In Agreement leading to a termination of the agreement or any failure by the Company to achieve the earn-in thresholds under the agreement within the prescribed time, could cause the Company to not achieve an interest in the Hope Brook Gold Project or not to achieve a majority interest in the project.

## **Risk of Infectious Diseases**

Emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, including the COVID-19 outbreak, could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions (including as a result of government regulation and prevention measures), labour shortages and shutdowns, social unrest, breach of material contracts and customer agreements, government or regulatory actions or inactions, changes in tax laws, payment deferrals, increased insurance premiums, declines in the price of precious metals, delays in permitting or approvals, governmental disruptions, capital markets volatility, or other unknown but potentially significant impacts. In addition, governments may impose strict emergencies measures in response to the threat or existence of an infectious disease. The full extent and impact of the COVID-19 pandemic is unknown and, to-date, has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including precious metals) and has raised the prospect of a global recession. The international response to COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in global consumer activity.

At this time, the Company cannot accurately predict what effects these conditions will have on mining exploration or development, permitting or financial results, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of the travel restrictions and business closures that have been or may be imposed by the governments of impacted countries. In addition, a significant outbreak of contagious diseases in the human population, such as COVID-19, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could result in a material adverse effect on commodity prices, demand for metals, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Company's common shares. Accordingly, any outbreak or threat of an outbreak of an epidemic disease or similar public health emergency, including COVID-19, could have a material adverse effect on the Company's business, financial condition, and results of operations. As at the date hereof, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how the Company may be affected if a pandemic, such as the COVID-19 outbreak, persists for an extended period of time.

It is not always possible to fully insure against such risks, and the Company may decide not to insure such risks as a result of high premiums or other reasons. Should such liabilities arise, they

could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the common shares.

### **Calculation of Mineral Resources is Only an Estimate**

There is a degree of uncertainty attributable to the estimation of mineral resources and corresponding grades dedicated to future production. The existence of mineral resources in respect of a project should not be interpreted as an assurance of mine life or of the profitability of current or future operations. Furthermore, no assurances can be given that any mineral resource estimate will ultimately be reclassified as proven or provable mineral reserves. Until a deposit is actually mined and processed, the quantity of mineral resources and grades must be considered as estimates only. Any material change in the quantity of mineral resources or grade may affect the economic viability of the Company's properties. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

### **Gold Prices are Volatile**

The Company depends significantly on global gold prices, which impact the value of the Company's listed common shares and the Company's ability to finance the development of its projects, in particular its Hope Brook Gold Project. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control, including central bank lending, sales and purchases of gold, producer hedging activities, expectations of inflation, the level of demand for gold as an investment, speculative trading, the relative exchange rate of the U.S. dollar with other major currencies, interest rates, global and regional demand, political and economic conditions and uncertainties, industrial and jewelry demand, production costs in major gold producing regions and worldwide production levels.

The aggregate effect of these factors is impossible to predict with accuracy. The favourable gold price increase during 2020 was due in large part to the economic uncertainty caused by the global COVID-19 pandemic. However, future fluctuations in gold prices may materially and adversely affect the Company's financial performance and its ability to advance the Hope Brook Gold Project.

### **Permitting**

The Company's ability to advance the exploration and development of its projects, in particular the Hope Brook Gold Project, is dependent on obtaining licenses and permits from various governmental authorities. The process for obtaining and renewing licenses and permits from governmental authorities often takes an extended period of time and is subject to numerous delays, costs and uncertainties. Any unexpected delays or costs or failure to obtain such licenses or permits associated with the permitting process could delay or prevent the development of the Hope Brook Gold Project.

The Company's licenses and permits are subject to change in various circumstances. Failure to comply with applicable laws and regulations may result in injunctions, fines, suspensions or revocation of permits and licenses, and other penalties. There can be no assurance that the Company has been or will be at all times in compliance with all such laws and regulations and with its licenses and permits or that the Company has all required licenses and permits in connection with its mining projects. The Company may be unable, on a timely basis, to obtain, renew or

maintain in the future all necessary licenses and permits that may be required to explore and develop its properties, maintain the operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

Parties engaged in exploration and mining operations may be required to compensate those suffering loss or damage by reason of these activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on Big Ridge and cause increases in capital expenditures or production costs or reductions in levels of production or require abandonment or delays in development.

### **Exploration and Development**

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Big Ridge may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

The Hope Brook Gold Project is in the exploration and development stage. Development of the Project and/or any other of the Corporation's properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expense and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. There is no assurance that an economically viable mineral deposit will be discovered on the Corporation's exploration properties. There is also no assurance that, even if economically viable mineral deposits are discovered, a mineral property will be brought into commercial production. The discovery of mineral deposits is dependent upon a number of factors not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a deposit, once discovered, is also dependent upon a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, mineral prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, assuming discovery of an economically viable mineral deposit, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the control of the Corporation.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Big Ridge's mineral exploration and development activities will result in any discoveries of economically viable mineral deposits. The long-term profitability of Big Ridge's operations will, in part, be directly related to the cost and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although

substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or that funds required for development can be obtained on a timely basis.

### **Management and Key Personnel**

Recruiting and retaining qualified personnel is critical to Big Ridge's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. The Company believes that it will be successful in recruiting excellent personnel to meet its corporate objectives but, as the Company's business activity grows, it may require additional key financial, administrative, and technical personnel. Although the Company believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success. In the event that the Company is unable to attract additional qualified personnel, its ability to grow its business or develop its existing properties could be materially impaired.

### **Title**

No assurances can be given that title defects to Big Ridge's properties do not exist. The properties may be subject to prior unregistered agreements, interests or native land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate, and interest in and to the properties to which the title defect relates. There is no guarantee that title to the properties will not be challenged or impugned. While, to the best of Big Ridge's knowledge, title to its properties is in good standing, this should not be construed as a guarantee of title. In Canada, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the government. As noted elsewhere in this AIF, the Company does not currently have title to the Hope Brook Gold Project but rather an earn-in right under the Hope Brook Earn-In Agreement.

### **Environment**

Big Ridge's activities are subject to environmental regulations. Environmental legislation is evolving in a manner which may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation will not adversely affect the Company's operations.

Government approvals and permits may be required in connection with Big Ridge's operations. To the extent such approvals are required and not obtained, Big Ridge may be delayed or prohibited from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may require corrective measures be implemented, additional equipment be installed, or other remedial actions be undertaken, any of which could result in material capital expenditures. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil

or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and require increased capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

### **Pre-Existing Environmental Liabilities**

Pre-existing environmental liabilities may exist on the properties in which Big Ridge will hold an interest or on properties that may be subsequently acquired by Big Ridge which are unknown, and which have been caused by previous or existing owners or operators of the properties. In such event, Big Ridge may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, Big Ridge may not be able to claim indemnification or contribution from other parties. In the event Big Ridge were required to undertake and fund significant remediation work, such event could have a material adverse effect upon the Company and the value of its securities.

### **Operating Hazards and Risks**

Mineral exploration, development and production are subject to many conditions that are beyond the control of Big Ridge. These conditions include, but are not limited to, natural disasters, unexpected equipment repairs or replacements, unusual geological formations, unexpected geotechnical conditions, environmental hazards, and industrial accidents. The occurrence of any of these events could result in delays, work-stoppages, damage to or destruction of property, loss of life, monetary losses, and legal liability, any of which could have a material adverse effect upon Big Ridge or the value of its securities.

While Big Ridge maintains insurance against risks which are typical in the mining industry, insurance against certain risks to which the Company may be exposed may not be available on commercially reasonable terms, or at all. Further, in certain circumstances, Big Ridge may elect not to insure itself against such liabilities due to high premium costs or for other reasons. Should Big Ridge suffer a material loss or become subject to a material liability for which it was not insured, such loss or liability could have a material adverse effect upon the Company and the value of its securities.

### **Tax**

No assurance can be given that new taxation rules will not be enacted or existing rules will not be applied in a manner which could result in the Company being subject to additional taxation or which could otherwise have a material adverse effect on the Company's results from operations and financial condition.

## **Competition**

The mining industry is intensely competitive in all of its phases, and Big Ridge competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to attract appropriately skilled labour and to acquire suitable properties or prospects in the future.

## **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has not generated revenue or cash flow from any of its properties. As a result of the Company's negative operating cash flow, the Company continues to rely on the issuance of securities or other non-operational sources of financing to generate the funds required to develop the Project and for corporate expenditures.

## **Equity Security Trading Risks**

The securities of publicly-traded companies, particularly mineral exploration and development companies, can experience a high level of price and volume volatility and the value of the Company's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Company and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this AIF. Factors which may influence the price of the Company's common shares, include, but are not limited to: worldwide economic conditions; changes in government policies; investor perceptions; movements in global interest rates and global stock markets; variations in operating costs; the cost of capital that the Company may require in the future; metals prices, especially global gold prices; the price of commodities necessary for the Company's operations; recommendations by securities research analysts; issuances of common shares or debt securities by the ; operating performance and, if applicable, the share price performance of the Corporation's competitors; the addition or departure of key management and other personnel; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the mining sector; publicity about the Corporation, the Corporation's personnel or others operating in the industry; loss of a major funding source; and all market conditions that are specific to the mining industry.

There can be no assurance that such fluctuations will not affect the price of the Corporation's securities, and consequently purchasers of securities may not be able to sell securities at prices equal to or greater than the price or value at which they purchased the securities or acquired them by way of the secondary market.

## **Dilution and Future Sales of Common Shares**

The exercise of stock options and warrants already issued by the Company or any securities issued by the Company in the future that are convertible into or exchangeable for or carry the right or obligation to acquire equity securities of the Company and the issuance by the Company of additional equity securities in the future could result in dilution in the equity interests of holders of common shares.

## **Community Relations Risks**

Positive and constructive relationships with surrounding communities are critical to ensure the future success of the Company's mining projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities, including the use of cyanide and other hazardous substances in processing activities, increasing dust generation, and the preservation of water and other natural resources, that could generate public unrest and anti-mining sentiment among the inhabitants in areas of mineral development. In addition, there is an increased expectation from communities and local authorities for an increased share of mining revenues for the development of their local economies through the promotion of local purchasing and capacity building of local partners, employment and education.

While the Company plans to be actively engaged with local communities, any inability of the Company to maintain positive relationships with such communities may result in access blockages, equipment or property damage, permitting delays or blockages, increased legal challenges or other disruptive development and operational issues at its projects as a result of community actions, which may have a material adverse impact on the Company's reputation, project development and/or operations, share price and financial condition.

## **Cybersecurity Threats**

Big Ridge relies on secure and adequate operations of information technology systems in the conduct of its operations, and access to and security of the information technology systems are critical to its operations. To Big Ridge's knowledge, it has not experienced any material losses relating to disruptions to its information technology systems. Big Ridge has implemented ongoing policies, controls and practices to manage and safeguard the Company and its stakeholders from internal and external cybersecurity threats and to comply with changing legal requirements and industry practice. Given that cyber risks cannot be fully mitigated and the evolving nature of these threats, the Company may not have the resources or technical sophistication to anticipate, prevent, or recover from cyber-attacks and cannot assure that its information technology systems are fully protected from cybercrime or that the systems will not be inadvertently compromised, or without failures or defects. Disruptions to Big Ridge's information technology systems, including, without limitation, security breaches, power loss, theft, computer viruses, cyber-attacks, natural disasters, and non-compliance by third-party service providers and inadequate levels of cybersecurity expertise and safeguards of third-party information technology service providers, may adversely affect its operations and present significant costs and risks including, without limitation, loss or disclosure of confidential, proprietary, personal or sensitive information and third-party data, material adverse effect on its financial performance, compliance with its contractual obligations, compliance with applicable laws, damaged reputation, remediation costs, potential litigation, regulatory enforcement proceedings and heightened regulatory scrutiny.

## **Climate Change**

Global climate change could exacerbate certain of the threats facing the Company's business, including the frequency and severity of weather-related events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages, rising water levels and changing

temperatures which can disrupt the Company's operations, damage its infrastructure or properties, create financial risk to the business of the Company or otherwise have a material adverse effect on our results of operations, financial position or liquidity. These may result in substantial costs to respond during the event, to recover from the event and possibly to modify existing or future infrastructure requirements to prevent recurrence. Climate changes could also disrupt the operations of Big Ridge by impacting the availability and cost of materials needed for exploration and development activities and could increase insurance and other operating costs.

Global climate change also results in regulatory risks. There continues to be a lack of consistent climate legislation, which creates economic and regulatory uncertainty. Increased public awareness and concern regarding global climate change may result in more legislative and/or regulatory requirements to reduce or mitigate the effects of greenhouse gas emissions.

## **HOPE BROOK GOLD PROJECT**

At the date of this AIF, Big Ridge has one material property - the Hope Brook Gold Project in Newfoundland. The Company, which currently operates but has no ownership interest in the Hope Brook Gold Project, has the right under the Hope Brook Earn-In Agreement to earn up to an 80% interest in the project.

The current technical report for the Hope Brook Gold Project is entitled "NI 43-101 Technical Report for the Hope Brook Gold Project, Newfoundland and Labrador, Canada", issued May 6, 2021 with an effective date of April 6, 2021 (the "HBGP Technical Report"). The principal authors of the HBGP Technical Report are Messrs. Michael Cullen, P.Geo., and Matthew Harrington, P.Geo., each of Mercator Geological Services, and Jeffrey Burke, P.Geo., an independent consultant, each of whom was considered to be "independent" of Big Ridge for the purposes of NI 43-101 as at the date of the report. The HBGP Technical Report is herein incorporated by reference in this AIF.

Except as where stated otherwise, the information below, which is reproduced from the HBGP Technical Report, is stated as of the HBGP Technical Report effective date.

### **1.1 Introduction**

Big Ridge Gold Corp. ("Big Ridge" or "the Company") retained Mercator Geological Services Limited ("Mercator") on March 18<sup>th</sup>, 2021 to prepare an updated independent mineral resource estimate and technical report for the Hope Brook Gold Project ("HBGP") in accordance with requirements of National Instrument 43-101 ("NI 43-101"). Big Ridge is a TSX Venture Exchange listed gold exploration company trading under the symbol BRAU. Extensive reference is made in this report to Coastal Gold Corp. ("Coastal Gold"), which is a wholly owned subsidiary of First Mining that was acquired in July of 2015.

The HBGP is located on the southwest coast of the island of Newfoundland, in the province of Newfoundland and Labrador, Canada and consists of 1,066 mineral exploration claims that cover 26,650 hectares of surface area. No new work pertinent to mineral resource estimation has been completed on the property since Mercator prepared an independent mineral resource estimate for First Mining which had an effective date of January 12<sup>th</sup>, 2015. The current mineral resource estimate directly reflects the results of the estimate reported for First Mining in 2015 and is focused

on assessment of higher-grade mineral resources that could be amenable to exploitation using underground mining methods.

This technical report prepared for Big Ridge reviews and confirms the results of the 2015 First Mining mineral resource estimate prepared by Mercator, which incorporated upgraded modeling parameters and excluded assessment of open pit mining opportunities.

## **1.2 Reliance on Other Experts**

Mercator has relied upon Big Ridge for confirmation of mineral exploration title status, details of the option and royalty agreement, an opinion on site environmental liabilities, and details of required operating and exploration permits. This includes an expert title opinion from law firm Stewart McKelvey that was used in the preparation of section 3.0 of this report. This information was supplied through written communication from Stewart McKelvey and verbal communication with Mr. Michael Bandrowski, President and CEO of Big Ridge.

## **1.3 Property Description**

### **1.3.1 Mineral Exploration Holdings**

The HBGP is located on the southwest coast of the island of Newfoundland, in the province of Newfoundland and Labrador, Canada. At the effective date of this report, it was comprised of a core holding of 1003 contiguous exploration claims plus a satellite holding of 63 claims, all of which were acquired through map staking. This main property covers 25,075 ha of surface area and measures approximately 32 km by 12 km in maximum east-west and north-south dimensions, respectively. Constituent claims of the core holding are held by First Mining's wholly-owned subsidiary, Coastal Gold, under 5 separate Licenses and are approximately centered on the past-producing Hope Brook gold mine, located at Latitude 47.738° north and Longitude 58.095° west. Coastal Gold also held at the effective date a satellite property of 63 claims (1575 ha) in the Ironbound Hill area, approximately 25 km northeast of the Hope Brook deposit. The Ironbound Hill property was referred to as the "Peter Snout" property in the 2015 technical report prepared by Mercator for First Mining.

A May 20, 2021 title opinion prepared by Stewart McKelvey for Big Ridge identifies all of the HBGP mineral exploration titles referred to above as being in good standing as represented in respective Certificate of Compliance documents dated April 8<sup>th</sup>, 2021 and March 24<sup>th</sup>, 2021 and issued by the provincial Minister of Industry, Energy and Technology.

### **1.3.2 Hope Brook Earn-In Agreement with First Mining**

The Company entered into an earn-in agreement (the "Hope Brook Earn-In Agreement") with First Mining and Coastal Gold Corp. ("Coastal") effective April 5, 2021 pursuant to which the Company can earn up to an 80% interest in the HBGP. At the closing of the Hope Brook Earn-In Agreement (the "Closing Date"), the Company agreed to pay CDN \$500,000 in cash and issue 11,500,000 common shares of the Company to First Mining, at which time the Company shall immediately become the operator of the Hope Brook Gold Project.

The earn-in is comprised of two stages. In order to exercise its first earn-in right to acquire a 51%

interest in the HBGP, the Company must incur and fund expenditures on the HBGP of no less than CDN \$10 million within the three-year period following the Closing Date. Upon achieving this expenditure threshold and issuing an additional 15 million common shares to First Mining, subject to the approval of the TSX Venture Exchange, the Company (51% interest) shall become party to a joint venture agreement for the HBGP with First Mining (49% interest), with the Company continuing as the operator. Following receipt of written notice to First Mining confirming the Company's exercise of its first earn-in right, First Mining and Coastal will take all necessary steps to transfer legal ownership of a 51% undivided interest in and to the HBGP to the Company. Concurrently with the creation of the joint venture, the joint venture entity shall grant to First Mining a 1.5% net smelter returns royalty on the HBGP, subject to a right of the Company to buy back 0.5% for CDN \$2,000,000 in cash to First Mining. The joint venture shall also pay to First Mining a royalty of US \$1 per tonne of aggregate material sold from the property.

### **1.3.3 Site Visits by Authors**

Author Burke visited the HBGP property most recently on January 23<sup>rd</sup> and 24<sup>th</sup> of 2021 accompanied by Mr. Laird Tomalty of First Mining and representatives of another exploration firm. Author Cullen most recently visited the HBGP property on August 20<sup>th</sup> of 2020 accompanied by Mr. Tomalty plus representatives of the Wood Group engineering consultancy. Details of assessments carried out during the visits are included below in section 1.11.2.

## **1.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

The HBGP is located approximately 85 km by water east of the community of Port aux Basques (4,170 population - 2011 census) and is not accessible by any form of highway transportation at this time. Port aux Basques is the year-round terminus for the Marine Atlantic ferry service connecting the island of Newfoundland with mainland Canada at North Sydney, Nova Scotia and was used as the marine service center for Hope Brook mine operations. The communities of Corner Brook, Deer Lake, Pasadena, Stephenville and Port aux Basques in western Newfoundland combine to provide a wide range of support services and logistical capabilities.

Direct site access to the HBGP can be gained by chartered boat from either the Burgeo or Port aux Basques areas. The most efficient means of current access to the property is by charter fixed wing aircraft or helicopter from commercial bases in the Deer Lake-Pasadena area, approximately 120 km to the north. Various valuable elements of site infrastructure dating from the Hope Brook production period still exist on the HBGP property and include:

1. provincial electrical and telecommunications grids access
2. roll-on and roll-off docking facility
3. 4000 ft (~1220 m) gravel airstrip
4. intact tailings and polishing pond facilities
5. decline/ramp system at Hope Brook mine with access to ~350 m below surface.

The climate of southwestern coastal Newfoundland is strongly affected by proximity of the Atlantic Ocean, which exerts a moderating effect with respect to temperature extremes. However, dramatic seasonal variations occur, with winter conditions of freezing temperatures and moderate to heavy snowfall expected from late December through late March. Spring and fall seasons are cool, with frequent periods of rain and frequent heavy fog. Summer conditions typically prevail from July

through early September and provide good working conditions for field parties.

Topographic relief across the property ranges from sea level to a maximum of approximately 400 m with a gradual increase in elevation occurring from south to north.

## **1.5 History**

The large land holding comprising the HBGP has been explored in the past to varying degrees, with earliest efforts related to discovery of copper and gold in the Chetwynd Prospect area along Cinq Cerf Brook in 1923. Subsequent exploration in this area was carried out by Burgeo Mines Ltd., Buchans Mining Co. Ltd., O'Brien Gold Mines Limited, Noranda Exploration Ltd., Rio Tinto Exploration Ltd. and Hudson Bay Oil and Gas Limited, with primary interest in assessment of base metal sulphide potential.

The greatest focus of modern gold exploration efforts in this region began in the Cinq Cerf Brook area with discovery of the Hope Brook gold deposit in 1983 by the Selco Division of BP. Adjoining areas of intrusive igneous rocks or younger felsic volcanics were initially held and explored by various other interests such as Dolphin Exploration Ltd., South Coast Ventures Ltd., Long Range Resources Ltd. and Noranda Exploration Ltd. No major new gold discoveries other than the Hope Brook deposit were made during this period but several areas of interesting bedrock alteration were identified and initially assessed for gold potential.

Programs of deposit definition drilling, resource estimation, metallurgical assessment and feasibility assessment were completed for the Hope Brook deposit between 1984 and 1986 and a production decision was announced in 1986 by BP. That company's subsidiary, Hope Brook Gold Inc., subsequently developed and mined the deposit during the period 1987 through 1991. Initial open pit mining was followed by underground operations. The operation was subsequently sold to Royal Oak Mines Ltd. in 1991. as part of a broader corporate re-positioning initiative that saw BP exit the mining industry.

In 1991, Royal Oak Mines Ltd. (Royal Oak) purchased the Hope Brook operation plus associated exploration properties from BP and carried out underground mining at the site until mid-1997, when operations ceased. Provincial government records and Royal Oak annual reports document production of 447,431 ounces of gold by Royal Oak during the 1992-1997 period. In 1996, Royal Oak announced its intention to close mining operations in 1997 due to depletion of reserves, and much of the onsite milling and mining equipment was removed during the following year. In April 1999 the company declared bankruptcy and its mineral title assets were awarded to the government of Newfoundland and Labrador. Royal Oak did not carry out site reclamation work.

During the period 2002 through 2007 the provincial government carried out environmental assessment and reclamation programs at the Hope Brook mine site. No mining activities have been carried out subsequent to those of Royal Oak.

In 2003 mine area exploration holdings were staked by related entities R. Quinlan and Quest Inc. and a subsequent agreement between these interests and Benton Resources Inc. (BRI) resulted in a large land position being assembled in 2008 by BRI. The company completed an airborne magnetometer and electromagnetic survey of the entire property, compiled past drilling results, carried out prospecting and completed an extensive bedrock sampling program. No substantial

new discoveries resulted from any of this work.

In 2010, BRI terminated its option to acquire the Hope Brook project and transferred all of its associated exploration licences to R. Quinlan. Coastal Gold entered into an option to purchase agreement with the Quinlan interests in 2010 and 2012 disclosed that it had exercised its option to purchase a 100% interest in the Hope Brook property under terms of the Quinlan agreement. Coastal Gold carried out programs of drill core physical properties investigation, ground geophysics, environmental screening, data compilation, data validation, core drilling, vibracore tailings drilling, bedrock and tailings mineral resource estimation, metallurgical assessment, and general property evaluation.

In July of 2015, First Mining acquired a 100% interest in of Coastal Gold, which became a wholly owned subsidiary. Between 2015 and 2021 First Mining carried out internal mineral resource assessments of the Hope Brook deposit, evaluated aggregate potential of waste rock in the deposit area and initiated environmental, planning and permitting studies related to construction of a road linking the property with the provincial highway system. It also completed a small core drilling program on the Ironbound Hill mineral holding approximately 25 km east of the Hope Brook deposit.

In April of 2021, First Mining entered into an earn-in agreement with Big Ridge that allows that company to earn up to 80 percent interest in the Hope Brook Gold Project.

## **1.6 Geological Setting and Mineralization**

### **1.6.1 Regional Setting**

The HBGP property occurs within a tectonically complex zone that has been interpreted by some to occur within the Avalon Zone of the Appalachian Orogen (or a related Avalon Composite Terrane), near its generally east-west trending tectonic contact with adjacent rocks of the Dunnage Zone. Sequences of Avalonian affinity occur throughout much of the Appalachian Orogen, and extend from the Avalon Peninsula and southwest coast areas of Newfoundland, through Nova Scotia, New Brunswick and northern New England. From that point southward, more discontinuously distributed outcropping segments occur as far as northern Georgia.

### **1.6.2 Property Geology**

Late Proterozoic bedrock sequences predominate in the HBGP area. Sequences consist of deformed volcano-sedimentary rocks, amphibolite facies gneisses and variably foliated igneous intrusions.

Foliated, greenschist facies sedimentary and volcanic sequences of the Whittle Hill Sandstone and Third Pond Tuff units are the predominant stratified sequences within the HBGP. They trend east and northeast and represent the youngest Pre-Silurian basement sequence rocks defined to date in the area, they pre-date, along with quartzo-feldspathic gneisses of the Cinq Cerf Gneiss complex, emplacement of the Roti Intrusive Suite (578±10 Ma to 563±4 Ma (Dunning and O'Brien, 1989), which is the oldest dated intrusive complex in the immediate area. These sequences were also intruded by the Wild Cove Granite (499±3-2 Ma) and younger Ernie Pond Gabbro (495±2 Ma) prior to accumulation of Silurian La Poile Group rocks and emplacement of later Silurian and Devonian intrusions. The Devonian Chetwynd Granite intrudes the stratified sequences as well as some of

the older intrusions. It locally intruded and thermally metamorphosed rocks of the northeast striking Cinq Cerf Fault as well as the alteration and mineralization zones that comprise the Hope gold deposit.

Bedrock units within the HBGP record a multi-phase deformation history beginning with development of amphibolite facies mineral assemblages in paragneisses and intermediate to felsic orthogneisses of the Cinq Cerf Gneiss complex. These rocks are considered to reflect pre-Late Proterozoic evolution of basement sequences upon which the younger cover sequences, including the host rocks of the Hope Brook deposit, were deposited and subsequently deformed.

Late Silurian tectonism produced northeast trending, locally tight folds within structurally telescoped earlier sequences and also resulted in development of regional scale zones of ductile shear. The northeast trending Cinq Cerf Fault that penetratively deformed host rocks of the Hope Brook deposit is an example and separates Silurian La Poile Group sequences from earlier-deformed late Proterozoic cover sequences.

### **1.6.3 Mineralization**

#### ***1.6.3.1 Hope Brook Deposit***

The Hope Brook gold deposit is a large, disseminated gold-chalcopyrite-pyrite deposit hosted by highly altered sedimentary and volcano-sedimentary rocks of the late Proterozoic Whittle Hill Sandstone and Third Pond Tuff successions, and similarly altered felsic porphyry dikes and sills related to the Roti Intrusive Suite. Zones hosting gold mineralization of economic interest typically bear evidence of intense silicification and occur within a broad envelope of advanced argillic alteration (AAZ) that can be traced for up to 8 km southwest of the deposit. The Devonian Chetwynd Granite appears to truncate the alteration zone and associated gold-copper mineralization at its northeast limit. Intensity of the advanced argillic alteration and impact of superimposed Silurian ductile deformation along the Cinq Cerf Fault have obscured original rock fabrics in many areas of the deposit.

The main gold zone at Hope Brook is comprised of a group of tabular to lensoid silicified zones that show a continuously mineralized, northeast trending strike length of approximately 2 km. They define a mineralized corridor zone measuring about 100 m in width and have been defined by drilling and mine workings to have an aggregate dip extent that exceeds 400 m. The main gold zone is hosted by light grey, massively silicified rocks characterized by 1% to 5% vuggy porosity and <5% to 10% total sulphides occurring as either disseminated phases or as thin veinlets and aggregates that often parallel the dominant deformation fabric present in the rocks. Pyrite is the dominant sulphide present in the first 60 m to 80 m below surface in the main deposit area but below that level increasing amounts of chalcopyrite and bornite are present, often occurring as vug-filling phases. Quartz-chalcopyrite and quartz-pyrite veins and breccias locally cross-cut this silicification stage and in some instances carry strongly elevated gold values. Geochemically anomalous levels of silver, zinc, arsenic, antimony, mercury and tin characterize the subzone along with rutile and low levels of blue quartz eye fragments. Gold grades in this subzone typically exceed 1.5 g/t Au and highest grades tend to show spatial association above 2.5 g/t Au. Grade distribution tends to be spatially consistent and not subject to high spiking “nugget” effects that are commonly associated with other types of gold deposits.

The main gold bearing subzone described above is surrounded by grey silicified sections showing minor amounts of disseminated pyrite (<3%) that occur in large, spatially coherent lenses of silicified material separated by highly strained to mylonitic alteration zone rocks. Gold grades less than 1.0 to 1.5 g/t Au generally characterize this subzone and it typically lacks the vuggy character of the higher-grade subzone. Large bodies of beige to tan, commonly pyritic, silicified material occur in the structural footwall sequence to the main gold zones but typically do not contain significant gold mineralization. This phase of silicification is locally overprinted by later grey, gold-bearing phases.

### **1.6.3.2 Other HBGP Mineralization Styles**

Sericitic alteration zones in variably foliated to sheared rocks associated with the Bay d'Est Fault or with possible northeast trending secondary splays that cross La Poile Group or Bay du Nord Group rocks occur within the HBGP and locally host gold mineralization. The most prominent examples of such occur at the Old Man's Pond, Phillips Brook and Cross Gulch gold occurrences. Gold mineralization in these settings is typically low grade (< 2 g /t Au), associated with quartz vein arrays and/or zones of silicification and accompanied by pyritic sulphide mineralization and carbonate alteration. Infrequent high grade gold values in quartz vein samples have also been returned. Mineralized zones are associated with altered La Poile Group volcanics and porphyries or Bay du Nord Group schists and meta-sedimentary rocks that locally show well developed strike and dip continuity. This stage of gold mineralization post-dates development of the main Hope Brook deposit and appears to be related to regionally significant zones of post-Silurian shear deformation.

## **1.7 Deposit Type**

Based on results of the various deposit studies completed to date, the Hope Brook deposit is considered for report purposes to have developed as a late Proterozoic, high sulphidation mineralizing system characterized by disseminated gold that shows deep epithermal affinity, possible original structural focus and genetic association with the Roti Intrusive Suite.

The younger style of gold mineralization present within the HBGP is associated with the Bay d'Est Fault (shear zone) system. This large shear zone and its various splays are interpreted to have controlled localization of the disseminated and vein hosted styles of gold mineralization identified to date, both of which are associated with generally well-developed carbonate alteration zones. On this basis, these occurrences are classified for report purposes as examples of an orogenic gold setting.

## **1.8 Exploration**

Big Ridge has not yet carried out any HBGP exploration. It plans to initiate such work as soon as possible in the second quarter of 2021.

## **1.9 Drilling**

Core drilling programs carried out by past explorers provide the data upon which the current mineral resource estimate described in this technical report. Three main periods of drilling occurred. The first corresponds with the 1986 through 1991 BP era that began with discovery of the deposit and

progressed through mine production then to the sale of the project in 1991. Programs carried out by Royal Oak between 1992 and 1997 form the second period and those carried out by Coastal Gold and related firms between 2010 and 2015 account for the latest period. First Mining did not carry out any drilling on the main Hope Brook deposit but did complete a small program consisting of 4 holes in 2018 on the Ironbound Hill exploration property that is located approximately 25 m east of the main HBGP holding.

Validated core drilling program results from the BP, Royal Oak and Coastal programs support the mineral resource estimate described in this technical report. Tables 1-1 below summarizes core drilling information for all of these programs and identifies 874 holes drilled along the 8 km strike extent of the alteration zone that hosts the Hope Brook deposit. Of these, 680 validated holes accounting for 142,069 m of drilling define spatial limits of the current mineral resource estimate. Drill holes completed by previous explorers on surrounding prospects such as Old Man’s Pond, Phillips Brook and Cross Gulch are not included in the current HBGP drilling database, nor are the holes completed by First Mining in 2018 on the Ironbound Hill prospect. Drill log records show that holes that recovered BQ (3.1 cm diameter) core were more prone to core loss than NQ (4.76 cm diameter core) holes but core loss in general was not identified as being problematic. Royal Oak drilled 152 short grade control holes within the limits of the open pit but Mercator could not validate associated results. These holes were excluded from use in the current mineral resource estimate. In addition to conventional core drilling, Coastal completed a sonic drilling program in 2013 to support estimation of a tailings mineral resource estimate. Data from these holes has also been validated by Mercator.

Mercator is of the opinion that validated results for historical core drilling programs from the BP, Royal Oak and Coastal periods of exploration and/or mine operation are acceptable for use in the mineral resource estimation program described in this technical report. Validated results from the sonic drilling program by Coastal are also considered acceptable for use in a mineral resource estimation program.

Table 1-1: Summary of Core Drilling Programs by BP, Royal Oak and Coastal Gold

<b>Operator</b>	<b>Period</b>	<b>Hole Type</b>	<b>*Number of Holes</b>	<b>Hole Series</b>
BP	1983-1986	Surface	240	CW, CP, CT
BP	1987-1991	Surface	76	CW, CE,
BP	1987-1991	Underground	138	4960, 5015,5060
Royal Oak	1992-1997	Surface – Open Pit	152	OP
Royal Oak	1992-1997	Surface	9	CE
Royal Oak	1992-1997	Underground	120	4870, 4900, 4930
Coastal Gold	2010-2013	Surface	139	HB
Total			874	

## **1.10 Sample Preparation, Analysis and Security**

Based on detailed review of project documentation, Mercator is of the opinion that drill core analysis methods and associated sample preparation, analysis and security techniques and programs employed by Coastal Gold during the period 2010 through 2015 and by BP and Royal Oak during the 1983 to 1997 period at the Hope Brook site were consistent with industry standards of their respective times and that validated data from associated programs are acceptable and sufficient for use in the current resource estimate. Coastal programs included comprehensive QAQC programs based on systematic insertion of certified reference materials, blank samples, duplicate analyses and third-party check sampling protocols. Earlier programs relied primarily on QAQC procedures incorporated in respective commercial laboratory protocols but locally included check sampling and blank sample insertions.

## **1.11 Data Verification**

### **1.11.1 Review and Validation of Project Data Sets**

Core sample records, lithologic logs, laboratory reports and associated drill hole information for all drill programs completed by BP, Royal Oak and Coastal Gold were digitally compiled by Coastal Gold staff and made available to Mercator for validation and resource estimation use. Information pertaining to the exploration history in the property area had already been compiled by Mercator and was reviewed in conjunction with newly generated records to assess completeness, consistency and validity of compiled results. Cullen (2015a, b) and Desautels et al. (2012a, 2012b and 2014) had previously reported that the progressively compiled and validated drilling database information was acceptable for resource estimation purposes and Mercator has affirmed this assertion for present report purposes.

Based on results of the site visits noted above, Mercator deemed Coastal Gold's field operations and protocols to be acceptable and consistent with current industry standards. This assertion is affirmed by Mercator for current technical report purposes.

### **1.11.2 January 2021 Site Visit**

Author Burke visited the property most recently on January 23 and 24, 2021, at which time the following activities were undertaken:

- Inspection of the historical open pit, local quarry sources and general site conditions,
- Inspection of roads, airstrip and maintenance,
- Inspection of water control structures including tailings ponds, polishing pond, dams and outflows,
- Inspection of camp infrastructure, buildings, loading and containment areas,
- Note observations for any recent environmental liabilities of concern resulting from current operations,
- Inspect and record a minimum of 5 drill holes for ground-truthing,
- Review of 5 drill holes and collection of 3 representative interval samples for subsequent analysis at an accredited laboratory.

In addition to the above, a review of the 2018 Environmental Assessment Registration prepared on behalf of First Mining by Amec Foster Wheeler (Amec, 2018) was reviewed as pertinent to potential future development of the site.

### **1.11.3 Mercator Site Visits**

Author Cullen most recently visited the HBGP property on August 20 of 2019 accompanied by Mr. Tomalty and representatives of the Wood Group engineering consultancy. A core review and geological field assessments were carried out at that time. He also visited the site late in 2019 accompanied by Mr. Tomalty and Mr. Ken Engquist, Chief Operating Officer of First Mining. Mr. Cullen carried out several additional site visits during the 2010 through 2015 Coastal Gold exploration period in support of previous resource estimation programs. Programs of core review, core check sampling, drill collar coordinate checking and site inspections were carried out at those times.

## **1.12 Mineral Processing and Metallurgical Testing**

### **1.12.1 Historical Production and Processing**

Mining and processing by BP and Royal Oak during the 1987-1997 production period resulted in reported recovery of 752,163 troy ounces of gold. Milling records indicate that gold recoveries during the mine life ranged from lows near 80% to highs of approximately 91%. With the exception of a period of heap leaching carried out during BP's production startup period, conventional crushing, grinding and flotation were used by that firm to process ore. Royal Oak subsequently modified the BP flow sheet to recover copper as well as gold and improved overall recoveries.

### **1.12.2 Coastal Gold Programs**

Scoping level metallurgical test work on mineralized samples was first carried out for Coastal by G&T Metallurgical Services Ltd. in Kamloops, BC in 2012. The objectives of that program were to evaluate potential processing routes for maximizing gold recovery and to identify operating parameters for the preliminary circuit design. Flotation test work was successful at generating a concentrate grading 28% Cu from flotation of cyanidation residue in a process similar to the historical flowsheet at Hope Brook. Gravity concentration tests indicated that between 16 and 41% of the contained gold was recoverable to concentrate by this method. Combined gold recoveries of ~86% were achieved using a flowsheet consisting of gravity concentration followed by cyanidation of the gravity tailings. Direct cyanidation of tailings resulted in up to 49% extraction of contained gold.

Additional metallurgical testing was carried out by G&T Metallurgical Services Ltd. in the fall of 2013 to further advance the understanding of the metallurgy of the Hope Brook deposit. This included batch flotation test work focused on the opportunity to recover a saleable grade copper concentrate after the grinding and gravity recovery step. Scoping level test work was also carried out at Tomra Sorting Solutions in Surrey, BC to evaluate the potential of rejecting dilution material before the grinding area using sensor-based sorting. Sorting program results indicate that mafic material is highly amenable to rejection by sorting.

### 1.13 Mineral Resource Estimates

Mineral resources presented in this report have been estimated in conformance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves (2014). As defined under these standards, mineral resources that are not mineral reserves do not have demonstrated economic viability. Validated results for 689 drill holes totaling 141,862 m of drilling, including 138 holes totaling 39,250 m of drilling by Coastal Gold, support the mineral resource estimate that appears below in Table 1-2. The estimate reflects a 3.0 g/t gold cut-off value and includes 5.5 million tonnes of Indicated mineral resources at a gold grade of 4.77 g/t. Inferred resources total 836 thousand tonnes at a gold grade of 4.11 g/t.

Table 1-2: Hope Brook Deposit Mineral Resource Estimate - Effective April 6th, 2021

Gold Grade Cut-off (g/t)	Resource Category	Round Tonnes (Rounded)	Gold Grade (g/t)	Gold Ounces (Rounded)
3.00 g/t	Indicated	5,500,000	4.77	844,000
	Inferred	836,000	4.11	110,000

Notes:

1. Includes only Mine Zone and 240 Zone areas
2. The above mineral resource estimate is based on a partial percentage block model with dike material removed. Dike percent is estimated at 18% for the Mine Zone and 0 % for the 240 Zone
3. Gold grades reflect application of domain-specific raw assay capping factors that range between 55 g/t Au and 3 g/t Au
4. Rounding of tonnes may result in apparent differences between tonnes, grade and contained ounces
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental permitting, legal, title, taxation, sociopolitical, metal pricing, marketing, or other relevant issues
6. The gold cut-off value of 3.00 g/t reflects reasonable prospects for eventual economic extraction based on application of conventional underground mining methods such as long hole stoping, historical gold recovery levels that range between 80% and 91% for past production (86% for Coastal Gold testing) and a long-term gold price of US\$1200 per ounce

Mineral resources tabulated above include both Mine Zone and 240 Zone tonnages. The Mine Zone incorporates the former Hope Brook mine and immediately adjacent areas, while the 240 Zone is located approximately 1.4 km southwest of the former mine. The majority of Indicated resources are in the Mine Zone, whereas the majority of Inferred resources occur in the 240 Zone. Copper is not included in the current resource estimate but was reported in the past by Coastal Gold as an exploration target defined under NI43-101 and the CIM Standards.

### 1.14 Environmental Studies, Permitting, and Social or Community Impact

In June of 2018, First Mining submitted an Environmental Assessment Registration for construction of an access road from the existing Burgeo Highway (Highway 480) to the Hope Brook site. Amec Foster Wheeler Environment & Infrastructure prepared the associated Environmental Registration document pursuant to the Newfoundland and Labrador Environmental Protection Act. Fracflow Consultants Inc. provided route selection and technical design details for the proposed project. The

estimated capital cost of the overall project, based on the 2018 engineering design and planning, is approximately \$11,000,000. First Mining was subsequently notified that an Environmental Impact Statement (EIS) must be prepared for this undertaking and Draft Guidelines for preparation of that study were made available in December of 2018. The EIS had not been filed with regulators at the effective date of this technical report.

### **1.15 Adjacent Properties**

There are no adjacent properties as defined under National Instrument 43-101 that are currently pertinent to the HBGP.

### **1.16 Other Relevant Data and Information**

No other relevant data was identified as being necessary to support the resource estimation program described in this report.

### **1.17 Interpretation and Conclusions**

#### **1.17.1 Mineral Resources and Future Exploration Potential**

The Hope Brook mine produced 752,163 ounces of gold between 1987 and 1997 at yearly calculated gold head grades ranging between a high of 4.3 g/t in 1987 and a low of 3.0 g/t in 1995. During this period, market pricing for gold ranged between a low of US\$331.29 in 1997, the year of mine closure, to a high of US\$446 per ounce in 1987, the first year of reported production statistics. Both open pit and underground mining methods were used, with the majority of production coming from underground operations. Conventional processing was used for beneficiation of most processed ore but much of the initial mined production from an open pit was processed by heap leaching.

Current market pricing for gold is substantially higher than that seen between 1987 and 1997 and the reference gold price of US\$1200 per troy ounce used in this report is nearly three times the maximum price seen during Hope Brook's operational period. It is also lower than the current (April 6th, 2021) three year trailing average gold price of approximately US\$1600 per troy ounce. Resource gold grades of the current estimate are comparable to those originally defined for the deposit prior to initiation of mining. However, the current resource statement gold cut-off grade of 3.0 g/t is higher than the 2.0 g/t gold cut-off used in original estimates generated prior to production.

The current resource estimation program was focused on higher grade mineralization defined by a 3.0 g/t gold cut-off value in the Mine Zone and 240 Zone areas. This reflects Big Ridge's interest in carrying out a future economic assessment of the deposit based entirely upon underground mining potential. This approach recognizes the potential value of existing underground ramp and ventilation infrastructure to any future project development. As a result, the current estimate for the deposit does not include definition of mineral resources having potential for open pit development.

Big Ridge is proposing to move the HBGP forward through upgrading and expanding existing mineral resources, completion of a PEA and, assuming positive PEA results, completion of a Pre-Feasibility study addressing the underground mining option. In addition, systematic evaluation of the large, contiguous exploration holding at Hope Brook, plus the satellite Ironbound Hill holding,

is planned to run concurrently with other programs. A multi-year time frame is required for completion of all programs, with realized timing being subject to terms of the Hope Brook Earn-In agreement with First Mining and available project financing.

Based on project results reviewed to date, Mercator is of the opinion that this approach to project planning and scheduling is reasonable and warranted. On the technical level, the large component of Indicated resource presently defined at Hope Brook may facilitate transitioning the project from a positive PEA stage through to Pre-Feasibility stage assessment.

### **1.17.2 Project Risks**

The HBGP is subject to various project risks. Prominent among these are: (1) metal price fluctuations, (2) potential regulatory challenges with respect to future environmental permitting of the operating site or proposed access road, and (3) identification of geotechnical issues that may significantly affect, or prevent, future underground production from any mineral reserves defined in close proximity to existing underground mine workings, and (4) inconsistency between actual bedrock tonnages and gold grades with respect to the mineral resource estimate and its supporting model. All of these factors must be progressively addressed on an ongoing basis to minimize and manage potential project impact.

### **1.18 Recommendations**

A two-phase exploration program totaling CDN \$3.69 million is recommended, details of which appear below. The program will provide Big Ridge with a PEA for the HBGP based on updated mineral resource estimates for both bedrock and tailings deposits. It will also provide a timely decision point with respect to commitment to a subsequent Pre-Feasibility Study and ensure that existing exploration holdings are maintained in good standing.

The recommended Phase I program includes data compilation and reconnaissance surface exploration for the Ironbound Hill, Phillips Brook, Oldman Pond and Cross Gulch prospects to assess their relative status as significant future exploration targets. In addition, a regional-scale Phase 1 exploration program on the main property consisting of a modern, high resolution airborne geophysical survey selected and designed by a professional geophysicist based on mineralized zone characteristics is recommended to generate additional exploration targets and to maintain the large Big Ridge land position in good standing. Continuation of mafic dike material sorting studies is also recommended, along with continuation of baseline environmental studies. Phase I exploration expenditures are estimated to total CDN \$550,000.

The recommended Phase II work program consists of upgrading certain existing Inferred mineral resources in both bedrock and tailings deposit models to Indicated status, with this being accomplished through completion of additional in-fill core drilling (bedrock) and vibracore drilling (tailings) programs. The areas of bedrock resource upgrade drilling are located in the Mine Zone, 240 Zone and Connector Zone of the main deposit area. Tailings 1 and 2 deposits are the focus of recommended resource upgrade drilling.

The resource upgrade component of recommended Phase II work is followed by completion of updated mineral resource estimates for both the bedrock and tailings deposits. These would form

the basis of the recommended subsequent PEA. A requirement for additional core drilling is anticipated at this stage to support geotechnical, engineering, and metallurgical studies. The Phase II program also includes continued assessment of exploration opportunities defined on the entire exploration holding through Phase I programs, with this being addressed through core drilling plus geophysical, geological and geochemical survey programs appropriate to the targets. Phase II program expenditures are estimated to total CDN \$3,140,000.

## **DIVIDENDS**

As discussed earlier, Big Ridge distributed shares in the capital of Royalty, received as a result of the transfer of royalty interests in its portfolio of mining properties and its portfolio of marketable securities, to its shareholders of record at July 2, 2020 in the form of a dividend, which amounted to \$230,716.

Prior to July 2020, Big Ridge had never paid a dividend, and management does not plan to pay any further dividends for the foreseeable future.

## **CAPITAL STRUCTURE**

Big Ridge is authorized to issue an unlimited number of common shares, of which 106,126,118 common shares are issued and outstanding as fully paid and non-assessable as at August 19, 2021.

The rights, privileges, restrictions, and conditions attaching to the common shares are as follows:

The holders of common shares shall be entitled to receive dividends if, as and when declared by the directors of the Company out of the assets of the Company properly applicable to the payment of dividends in such amounts and payable in such manner as the directors may from time to time determine.

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the common shares will be entitled to all remaining property and assets of the Company after satisfying claims of secured and unsecured creditors.

The holders of the common shares shall be entitled to receive notice of and to attend all annual and extraordinary meetings of the shareholders of the Company and to one vote in respect of each common share held at all such meetings.

## MARKET FOR SECURITIES

### Trading Price and Volume

Big Ridge's shares are listed and posted for trading on the Toronto Stock Venture Exchange ("TSXV").

The table below sets out the high and low trading prices and volumes on the TSXV for the common shares for the period commencing on July 1, 2020, and ending on June 30, 2021.

	High	Low	Volume
	C\$	C\$	#
July 2020	0.24	0.165	277,356
August 2020	0.185	0.145	316,622
September 2020	0.17	0.14	673,778
October 2020	0.15	0.095	2,819,209
November 2020	0.135	0.09	3,589,647
December 2020	0.13	0.095	3,815,849
January 2021	0.125	0.105	2,483,361
February 2021	0.145	0.11	2,627,322
March 2021	0.17	0.11	997,241
April 2021	0.22	0.135	6,128,317
May 2021	0.20	0.135	2,502,947
June 2021	0.415	0.185	15,689,646

### Stock Options

Big Ridge issued the following stock options during the year ended June 30, 2021. Each option is exercisable into one common share under the terms of the Company's stock option plan.

Date	Exercise Price (C\$)	Number of Options
July 1, 2020	\$0.11	395,500
August 31, 2020	\$0.20	2,025,000
October 28, 2020	\$0.20	200,000
January 21, 2021	\$0.20	200,000
June 30, 2021	\$0.305	2,375,000

## DIRECTORS AND OFFICERS

As at August 19, 2021, the directors and officers of Big Ridge, as a group, beneficially own, either directly or indirectly, or exercised control or direction over an aggregate of 3,974,040 common shares, representing approximately 3.74% of the total issued and outstanding common shares at such date. Directors of Big Ridge are elected at the annual meeting of shareholders and hold office until their term expires at the following annual meeting, subject to re-election, retirement, resignation or vacancy caused by death, removal or other cause.

### **Name, Occupation and Security Holding**

The following table sets forth the name, municipality of residence, office held with Big Ridge, date on which each first become a director (if applicable) and principal occupation during the last five years of each of the directors and officers of Big Ridge holding office at the date of this AIF.

Name and Residence	Principal Occupation	Position with Big Ridge	Date of Appointment as a Director of Big Ridge	Number of common shares beneficially owned, directly or indirectly, or over which control or discretion is exercised, as at August 19, 2021
Nick Tintor Oakville, Ontario Canada	Managing Director of RG Mining Investments Inc. from 2007 to present.	Non-Executive Chairman of the Board and director	October 28, 2020	498,000
Michael Bandrowski Collingwood, Ontario Canada	President and Chief Executive Officer of the Corporation since July 2020. President of Escarpment Capital Advisors, a private company providing capital markets consulting to Canadian public companies, from 2018 to 2020. Research Analyst at Beacon Securities from 2016 to 2018.	President, Chief Executive Officer and Director	July 7, 2020	1,962,700
Richard Mazur Delta, British Columbia, Canada	Chief Executive Officer of Alto Ventures Ltd., from 2004 to 2020.  President and Chief Executive Officer of Forum Energy Metals Inc., a Canadian public company, from 2004 to present.	Director	April 19, 2004	662,840
William C. Williams Jamaica Plain, Massachusetts USA	Corporate director. Interim Chief executive Officer of Detour gold Corp., a Canadian public company, from 2018 to 2020. Chief Operating Officer of Zinc One Resources Inc., a Canadian public company, from 2017 to 2019. Chief Executive Officer of Forrester Metals Inc., from 2016 to 2017.	Director	January 21, 2021	250,500
Kenneth Engquist Vancouver, British Columbia, Canada	Chief Operating Officer of First Mining Gold Corp., a Canadian public company, from 2019 to present. Self-employed consultant from 2018 to 2019. Vice President	Director	June 7, 2021	--

Name and Residence	Principal Occupation	Position with Big Ridge	Date of Appointment as a Director of Big Ridge	Number of common shares beneficially owned, directly or indirectly, or over which control or discretion is exercised, as at August 19, 2021
	Project Development of Nevsun Resources Ltd., a Canadian public company, from 2017 to 2018. Vice President Project Development of Pilot Gold Inc., a Canadian public company, from 2014 to 2017.			
James Kirke	Chief Financial Officer of the Company since August 2020. Chief Financial Officer of Marathon Gold Corp., a Canadian public company, from 2010 to 2019.	Chief Financial Officer	n/a	600,000

### Cease Trade Orders

To the best of Big Ridge's knowledge, no director or executive officer of Big Ridge is or was within the 10 years prior to the date of this AIF, a director or executive officer of any company that:

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

### Bankruptcies

To the best of Big Ridge's knowledge, no director or executive officer of Big Ridge has, within the 10 years before the date of this AIF:

- (i) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or
- (ii) been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets

## Other Penalties

To the best of Big Ridge's knowledge, no director, executive officer of Big Ridge has:

- been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

## Conflicts of Interest

Certain directors and officers of Big Ridge are and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of Big Ridge. As required by law, each of the directors of Big Ridge is required to act honestly, in good faith and in the best interests of the issuer. Any conflicts which arise shall be disclosed by the directors and officers in accordance with the *Business Corporations Act* (British Columbia) and they will govern themselves in respect thereof to the best of their ability with the obligations imposed on them by law.

## **AUDIT COMMITTEE INFORMATION**

The Audit Committee (the "**Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of Big Ridge and annual external audits of Big Ridge's financial statements. The Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Company's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in Big Ridge's audit committee mandate.

The Committee consists presently of William Williams (Chairman), Nick Tintor and Richard Mazur. Each member of the audit committee is considered financially literate.

Messrs. Williams and Tintor are considered independent. Mr. Mazur is not considered independent as a result of his having served as the Company's Chief Executive Officer from 2004 to July 7, 2020. The Company intends to increase the size of its board of directors at its next annual meeting of shareholders to be held in December 2021 and to appoint a third independent director at that time to serve on the Company's audit committee.

### Relevant Education and Experience of Audit Committee Members

**William C. Williams, Ph.D., CPG**, is an economic geologist with nearly 40 years' experience related to the exploration and development of mining and oil & gas projects as well as oversight of mining operations. He provides consulting services to the mining industry with a focus on M

& A analyses, risk analysis, project management, and permitting strategies. He is a Director of Western Copper and Gold and recently served as the Interim CEO and Director of Detour Gold Corporation as well as a Director and COO of Zinc One Resources Inc., with whom he led the team that made the discovery of the Mina Chica zinc-oxide deposit in the Bongará district, north-central Peru. He is the former CEO, President, and Director of Orvana Minerals Corp., prior to which he was a Vice President for Phelps Dodge Exploration overseeing activity in the Americas, which included the discovery of the Haquira porphyry copper deposit in Peru. He holds a Ph.D. in Economic Geology from the University of Arizona and is a Certified Professional Geologist.

**Nick Tintor** is a mining executive and geologist who holds a Bachelor of Science in Geology from the University of Toronto and has more than 30 years of experience in the Canadian mining industry. For the past 20 years, he has been involved in all aspects of junior mining company management from project generation, to finance and executive management. He also brings deep global relationships in the mining industry and especially in the Canadian resources investment banking sector.

**Richard Mazur, P. Geo, MBA**, the former CEO of the Company from April 2004 to June 2020, is CEO and Director of Forum Energy Metals Corp., and a director of Impact Silver Corp., and Midnight Sun Mining Corp. Mr. Mazur is a geoscientist who has held positions in the international exploration and mining industry for over 40 years as a project geologist, financial analyst and senior executive on uranium, gold, base metals, coal and industrial minerals projects. Mr. Mazur graduated with a B.Sc. in Geology from the University of Toronto in 1975 and obtained an MBA from Queen's University in 1985. Mr. Mazur worked for seven years (1985 to 1991) as an integral member of the management team of Canamax Resources Inc. which discovered, financed and built three Canadian gold mines, two of which currently remain in production.

#### External Auditor Services and Fees by Category

The following table provides information about the fees billed to or estimated to be payable by Big Ridge for professional services rendered by Davidson & Co., Chartered Professional Accountants, exclusive of disbursements, in respect of the 2019, 2020 and 2021 fiscal years:

Category of Fee	Description	2021	2020	2019
		C\$	C\$	C\$
Audit fees	Fees billed or estimated to be billable in connection with the audit of the Company's financial statements	30,000	25,000	15,000
Audit-related fees	Fees billed in connection with management information circular issued pursuant to the acquisition of Empress Resources Inc.	-	12,500	-
<b>Total Fees</b>		<b>30,000</b>	<b>37,500</b>	<b>15,000</b>

## **LEGAL PROCEEDINGS**

As at June 30, 2021, and subsequently to the date of this AIF, there were no legal proceedings involving Big Ridge.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Since the incorporation of Big Ridge, no director or executive officer of the Company or any person or company owning beneficially, either directly or indirectly, in excess of 10% of the Company's common shares or any associate or affiliate thereof has had a material interest in any transaction involving the Company.

## **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. in Vancouver, British Columbia.

## **MATERIAL CONTRACTS**

Other than the following, there are no contracts considered material to the Company other than in the ordinary course of business:

- Hope Brook Earn-In Agreement
- Destiny Option Agreement

## **INTERESTS OF EXPERTS**

To the knowledge of Big Ridge, none of the experts named in this AIF own beneficially, either directly or indirectly, common shares of Big Ridge equal to or greater than 1% of the issued and outstanding common shares.

The auditors of the Company are Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia. Davidson & Company LLP report that they are independent of the Company in accordance with the Code of Ethical Principles and Rules of Conduct in British Columbia, Canada.

Other than Jeffrey Burke, who was appointed as Project Manager with effect from June 1, 2021, no person named as an expert in this AIF has been appointed as an employee, officer or director of Big Ridge or is proposed or expected to be appointed to such office in the foreseeable future.

## **ADDITIONAL INFORMATION**

Additional information related to Big Ridge may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for the financial year ended June 30, 2021, which will be filed on Sedar upon completion.

For additional copies of this AIF please contact:

Big Ridge Gold Corp.  
1801-1 Yonge Street  
Toronto, Ontario M5E 1W7

# SCHEDULE A

## AUDIT COMMITTEE MANDATE

### 1. PURPOSE

- 1.1 The Audit Committee (the “**Committee**”) of Big Ridge Gold Corp. (the “**Company**”) will assist the Board of Directors of the Company (the “**Board**”) in fulfilling its financial oversight responsibilities. The Audit Committee will review and consider in consultation with the auditors the Company’s financial reporting process, the system of internal control, and the audit process. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each Committee member must obtain an understanding of the principal responsibilities of Committee membership as well and the Company’s business, operations and risks.
- 1.2 The Board will revise this Mandate from time to time based on its assessment of the Company’s needs, legal and regulatory developments, and applicable best practices.

### 2. COMMITTEE COMPOSITION

- 2.1 The Committee will be composed of at least three Directors as designated by the Board and appointed thereafter annually at the first meeting of the Board after a meeting of the shareholders at which directors are elected and shall serve until the next annual meeting of shareholders or until their successors are duly appointed or until such member resigns, retires or is removed from the Committee by the Board. The Board may fill any vacancy in the Committee by appointment from among the Directors of the Company.
- 2.2 The Chair of the Committee shall be designated by the Board from among the Committee members.
- 2.3 Each member of the Committee must be financially literate or must become financially literate within a reasonable period after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.
- 2.4 The composition of the Committee shall satisfy all stock exchange and securities regulatory authority requirements applicable to the Company with respect to the independence of its members.

### **3. MEETINGS AND ORGANIZATION**

- 3.1 The Chair will manage the affairs of the Committee ensuring accomplishment of the responsibilities and obligations detailed herein in an efficient manner.
- 3.2 The Committee shall meet in accordance with a schedule established each year by the Board, and at other times that the Committee may determine. The Committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.
- 3.3 Notice of the time and place of each meeting of the Committee must be given to each Committee member either by personal delivery, electronic mail, facsimile or other electronic means not less than 48 hours before the time of the meeting, but members may waive notice by attending the meeting.
- 3.4 A majority of members in attendance will constitute a quorum.
- 3.5 Each member has one vote and in the case of a tie, the Chair holds the deciding vote.
- 3.6 The CEO will be advised of all meetings, will be provided with all materials distributed to members, and will be entitled to attend all Committee meetings.
- 3.7 Committee members may meet in camera without any members of management present.
- 3.8 Committee members will have full access to management of the Company to discuss any matter which the member may wish to discuss or obtain additional information on.
- 3.9 The Committee may request any officer or other employee of the Company, or any outside advisor, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee in pursuit of exercising its duties and responsibilities listed herein.

### **4. COMMITTEE DUTIES AND RESPONSIBILITIES**

- 4.1 The Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures.
  - 4.1.1 The Committee shall recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company.

- 4.1.2 The Committee shall review the external auditors' proposed audit scope and approach.
- 4.1.3 The Committee shall review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors.
- 4.1.4 The Committee shall review and recommend to the Board the compensation to be paid to the external auditors.
- 4.1.5 The Committee shall review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.
- 4.2 The Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments, and liabilities of the Company.
  - 4.2.1 The Committee shall evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company.
  - 4.2.2 The Committee shall ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts, or deficiencies in internal controls.
- 4.3 The Committee shall review the financial statements and financial information prior to its release to the public.
  - 4.3.1 The Committee will review significant accounting and financial reporting issues, especially complex, unusual, and related-party transactions.
  - 4.3.2 The Committee will review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.
  - 4.3.3 The Committee will review the Company's draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements.
  - 4.3.4 The Committee will meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered.
  - 4.3.5 The Committee will review Management's Discussion & Analysis respecting the annual reporting period prior to its release to the public.
  - 4.3.6 The Committee will review and approve the interim financial statements prior to their release to the public.

- 4.3.7 The Committee will review management's discussion & analysis respecting the interim reporting period prior to its release to the public.
- 4.3.8 The Committee will review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.
- 4.4 All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) that are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the Committee.
  - 4.4.1 The Committee may delegate to one or more independent members of the Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Committee at its next scheduled meeting.
    - 4.4.1.1 The aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided or the services are brought to the attention of the Committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.
  - 4.4.2 The Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services.
  - 4.4.3 The Committee will be informed of each non-audit service.
  - 4.4.4 The Committee will not delegate its responsibilities to management.
- 4.5 The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters.
- 4.6 The Committee shall establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters.
- 4.7 The Committee shall ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis.
- 4.8 The Committee shall review the policies and procedures in effect for considering officers' expenses and perquisites.

- 4.8.1 The Committee shall perform other oversight functions as requested by the Board.
- 4.8.2 The Committee shall review and update this Mandate and receive approval of changes to this Mandate from the Board.
- 4.9 The Committee shall regularly update the Board about committee activities and make appropriate recommendations.

## **5. COMMITTEE RESOURCES AND AUTHORITY**

- 5.1 The Committee shall have the resources and the authority appropriate to discharge its responsibilities.
  - 5.1.1 The Committee can engage independent counsel and other advisors as it determines necessary to carry out its duties.
  - 5.1.2 The Committee can set and pay the compensation for any advisors employed by the audit committee.
  - 5.1.3 The Committee can communicate directly with the internal and external auditors.

## **6. PUBLICATION ON WEBSITE**

- 6.1 This Mandate will be posted on Big Ridge Gold's website: [www.bigridgegold.com](http://www.bigridgegold.com).

**Approved - Corporate Governance, Compensation, and Nominating Committee: May 26, 2021**  
**Approved – Board of Directors June 7, 2021**