



ANNUAL INFORMATION FORM

for the Fiscal Year ended June 30, 2020

Dated October 30, 2020

DISTRICT METALS CORP.

Suite 918 – 1030 West Georgia Street
Vancouver, British Columbia, V6E 2Y3

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PRELIMINARY NOTES

Date of Information

All information in this Annual Information Form (“**AIF**”) of District Metals Corp. (formerly MK2 Ventures Ltd.) (“**DMX**” or the “**Company**”) is as of June 30, 2020, unless otherwise indicated.

Currency

Except where otherwise indicated, all references to currency in this AIF are to Canadian Dollars (“\$”).

Financial Statements and Management’s Discussion and Analysis

This AIF should be read in conjunction with the Company’s audited consolidated annual financial statements for the year ended June 30, 2020 (the “**Financial Statements**”), as well as the accompanying Management’s Discussion and Analysis (the “**MD&A**”) for such period. The Financial Statements and MD&A are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com under the Company’s profile.

Scientific and Technical Information

Unless otherwise indicated, the scientific and technical information contained in this AIF relating to the company’s mineral properties has been reviewed and approved by Mustafa Atalay, DAMA Engineering Co., a “qualified person” (“**QP**”) as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”).

Certain Other Information

Certain information in this AIF is obtained from third party sources, including public sources, and there can be no assurance as to the accuracy or completeness of such information. Although believed to be reliable, management of the Company has not independently verified any of the data from third party sources unless otherwise stated.

CAUTIONARY STATEMENT

Cautionary Note Regarding Forward Looking Statements and Forward Looking Information

Except for statements of historical fact, information contained, or incorporated by reference, herein constitutes “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities legislation. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “planned”, “expect”, “project”, “predict”, “potential”, “estimate”, “targeting”, “intends”, “believe”, and similar expressions, or describes a “goal”, or variation of such words and phrases or states that certain actions, events or results “may”, “should”, “could”, “would”, “might” or “will” be taken, occur or be achieved. This AIF contains forward-looking statements such as estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking information and forward-looking statements herein includes, but is not limited to: statements or information concerning the future financial or operating performance of the Company and its business, operations, properties and condition, resource potential, including the potential quantity and/or grade of minerals, or the potential size of a mineralized zone, potential expansion of mineralization, the timing and results of future resource estimates, the amenability of mineralization to produce a saleable concentrate of sufficiently high enough grade and quality to be economic; changes in project parameters as plans continue to be refined; illustrative mine lives of the Company’s mineral project interests, the proposed timing and amount of estimated future production, and the illustrative costs thereof; the Company’s access to the surface lands overlying

its concessions; the Company's ability to comply with permitting and regulatory requirements related to exploration, development and operation of its mineral project interests; the Company's ability to obtain all necessary permits and licenses from governmental and non-governmental authorities; the Company's ability to manage and/or mitigate any environmental and/or social risks associated with the development of its project interests to the mining stage, as well as through mine construction and operation; the Company's ability to continue as a going concern; the Company's going-forward strategy; the adequacy of the Company's working capital; the mining assets acquired by the Company being and remaining attractive investment opportunities; the Company's intention to retain all future earnings and other cash resources for the future development and operation of its business; and the Company's intention not to declare or pay any cash dividends in the foreseeable future.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made. Such factors and assumptions may include, but are not limited to: the future prices of precious metals, the price of other commodities such as coal, fuel and electricity, currency exchange rates and interest rates; favourable operating conditions, political stability, timely receipt of governmental approvals, licences and permits (and renewals thereof); access to necessary financing; stability of labour markets and market conditions in general; availability of equipment; the accuracy of mineral resource estimates and preliminary economic assessments; estimates of costs and expenditures to complete the Company's programs and goals; the speculative nature of mineral exploration and development in general, including the risk of diminishing quantities or grades of mineralization and with respect to the Company's Tomtebo Property (as defined herein); there being no significant disruptions affecting the development and operation of the project, including due to the pandemic of the novel coronavirus ("**COVID-19**"); and the execution of the work expenditures as contemplated by the Amended Bakar Purchase Agreement (as defined herein).

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, and without limitation: the Company has no history of earnings or profitability; the Company does not have a source of operating cash flow and there can be no assurance that the Company will ever generate earnings or achieve profitability; there is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company; the Company's mineral properties are in early exploration stages and are without a known body of commercially exploitable resources; exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines; substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources; the Company currently has only one material project, the Tomtebo Property, and, in the absence of additional mineral projects, it is solely dependent upon its exploration and development for future revenue and profits; estimates of mineralization are inherently imprecise, as they depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable; the Company's assets and activities are subject to extensive Canadian and Swedish federal, provincial, territorial and local laws and regulations governing various matters; failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction, cancellation or expropriation of entitlements; the Company will actively compete for resource acquisitions, exploration leases, licenses, concessions, and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial resources than the Company; in the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success; although the Company has or will receive title opinions for any material properties in which it has an interest, there is no guarantee that title to such properties will not be challenged or impugned; members of the Board may become directors of other reporting companies or have significant shareholdings in other resource companies and may have a conflict of interest; the Company may not

be able to obtain or renew permits that are necessary to its operations; environmental and other regulatory requirements will affect the future operations of the Company, including exploration and development activities and commencement of production on the Company's mining properties; any changes in government policy may result in changes to laws affecting ownership of assets, exploration policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital; the securities markets in Canada and the United States, and the TSX Venture Exchange in particular, have experienced a high level of price and volume volatility; it is unlikely the Company's shareholders will receive a dividend on Common Shares (as defined herein); any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the lack of availability on acceptable terms or the delay in the availability required infrastructure could prevent or delay the exploration or development of the Company's mineral properties; the price of the Common Shares, the Company's financial results, exploration and development activities may in the future be adversely affected by declines in the prices of certain minerals; the Company's operations in Sweden make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results; the Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit; the Company's IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft; the Company's business, operations, and financial condition, and the market price of the Common Shares could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19; and the other factors described herein under "*Risk Factors*", as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

The forward-looking information contained in this AIF is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations, except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Cautionary Note to United States Investors Regarding Classification of Mineral Resource Estimates

The disclosure in this AIF has been prepared in accordance with the requirements of Canadian securities laws. Disclosure, including scientific or technical information, has been made in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards on Mineral Reserves and Mineral Resources (the "**CIM Definition Standards**"), which establish standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101 and the CIM Definition Standards, differ significantly from the requirements of the United States Securities and Exchange Commission.

Accordingly, information contained in this AIF containing descriptions of the Company's mineral properties may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (Alberta) on July 24, 1989 under the name of Consolidated Global Minerals Ltd. and continued in the Province of British Columbia on March 31, 2006. On June 27, 2017, the name of the Company was changed to MK2 Ventures Ltd. and on July 16, 2019, the Company changed its name to District Metals Corp. and transferred from the NEX branch of the TSX Venture Exchange (the “NEX”) to the TSX Venture Exchange as a Tier 2 Mining Issuer under the new symbol “DMX”.

The Company’s corporate office is located at Suite 918, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, and its registered office is located at Suite 1200, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2.

Intercorporate Relationships

The Company has one subsidiary, being District Metals, AB (“**District Metals AB**”), a company entered into under the laws of Sweden, which entered into a Purchase and Sale Agreement with respect to the Tomtebo and Trollberget exploration projects. The Company directly owns 100% of the issued and outstanding shares in District Metals AB.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The Company is a junior mineral exploration stage company in the business of acquiring, exploring and evaluating natural resource properties. The Company is currently focused on further exploration and development of its 100% interest in the advanced exploration stage Tomtebo property (the “**Tomtebo Property**”) located in the Bergslagen Mining District of south-central Sweden comprising three contiguous exploration permits totalling 5,143.86 hectares. The Company also holds a 100% interest in the Trollberget property, located in the Bergslagen Mining District (together with the Tomtebo Property, the “**Properties**”), and the Bakar property located on North Vancouver Island in British Columbia, Canada (the “**Bakar Property**”).

The Company considers the Tomtebo Property to be its material property for the purposes of applicable Canadian securities laws. For more information on the Tomtebo Property, see “*Mineral Property – Tomtebo*” and the Technical Report (as defined herein) for the Tomtebo Property prepared by Mustafa Atalay of DAMA Engineering Co. The Technical Report is available in its entirety on SEDAR at www.sedar.com and readers should review it in its entirety for a full description of the Tomtebo Property.

Tomtebo Property Acquisition

On June 30, 2020, the Company announced the completion of its acquisition of a 100% interest of the Properties from Viad Royalties AB (“**Viad**”), a wholly-owned subsidiary of EMX Royalty Corp. (“**EMX**”). The acquisition of the Properties by the Company is hereinafter referred to as the “**Transaction**”.

As consideration for the Transaction, the Company (a) issued to EMX 5,882,830 common shares in the capital of the Company (each, a “**Common Share**”) ; (b) paid to EMX cash consideration of \$35,000; (c) granted to EMX a 2.5% net smelter royalty on each of the Properties as described in the Company’s news release dated February 28, 2020; (d) entered into a shareholder rights agreement with EMX pursuant to which, among other things, EMX has been granted a top-up right to maintain its proportionate shareholding in the Company at no additional consideration

until the earlier of the five year anniversary of the closing of the Transaction and completion of a financing raising gross proceeds of at least \$600,000, up to a maximum of 3,000,000 Common Shares.

Pursuant to an amended and restated purchase agreement dated June 29, 2020 (the “**Amended Tomtebo Purchase Agreement**”) among the Company, District Metals AB, Viad and EMX, the parties agreed that due to the requests for transfer of the mineral licences to District Metals AB being delayed as a result of the global COVID-19 pandemic, the mineral licenses will be held in trust for the Company pending approval, during which time the Company will have unrestricted access to the Tomtebo Property for exploration.

Also in connection with the closing of the Transaction, pursuant to the previously announced services agreement between the Company, Vector Geological Solutions Inc. (“**Vector**”) and Daniel MacNeil, as principal of Vector, the Company issued 466,390 Common Shares to Vector and agreed to issue up to an additional 33,610 Common Shares on the issuance of at least 448,134 Common Shares pursuant to a top-up right, on or before 12 months following the closing date. Vector is at arm’s length to the Company.

Three Year History of the Company

2018 Developments

The Company was incorporated under the *Business Corporations Act* (Alberta) on July 24, 1989 under the name of Consolidated Global Minerals Ltd. and continued in the Province of British Columbia on March 31, 2006. The Company was previously listed on the NEX under the trading symbol “MK.H” on June 27, 2016. At this time, the Company held no mineral property interests, had no active business, and had no source of revenue.

On June 1, 2018, the Company issued 4,400,000 units to purchasers for a per-unit price of \$0.125 for gross proceeds of \$550,000. Each unit consisted of one Common Share and one share purchase warrant entitling the holder to purchase one Common Share for \$0.15 for a period of 12 months from the issuance date.

2019 Developments

On May 1, 2019, the Company entered into a purchase agreement with Longford Capital Corp. and James Douglas Rogers to acquire a 100% interest in the Bakar Property (subject to a 2% net smelter royalty) for \$50,000 cash and the issuance of 1,250,000 Common Shares.

On May 24, 2019, the Company announced the acquisition of additional mineral claims contiguous to the northwest and southeast of the Bakar Property, increasing the size of the property from 1,349 hectares to 15,687 hectares at a cost of approximately \$25,000. The Company then commissioned Geotech Ltd. to complete an airborne Versatile Time Domain Electromagnetic Plus survey on the Bakar Property, which included a large portion of the newly acquired mineral claims.

On July 12, 2019, the Company completed the acquisition of the Bakar Property and filed a technical report on the property in accordance with NI 43-101. On July 16, 2019, the Company changed its name from M2K Ventures Ltd. and transferred from the NEX to the TSX Venture Exchange as a Tier 2 Mining Issuer under the new symbol “DMX” on July 17, 2019.

On July 31, 2019, the Company announced that Ms. Joanna Cameron and Ms. Anna Ladd-Kruger were appointed to the board of directors of the Company (the “Board”), replacing Mr. Hani Zabaneh and Mrs. Emily Davis, who continued on as Corporate Secretary of the Company. It was also announced that Mr. Galen McNamara moved from Vice President Exploration & Development to Technical Advisor for the Company.

2020 Developments

On February 28, 2020, the Company announced a definitive purchase agreement with Viad, a wholly-owned subsidiary of EMX, pursuant to which the Company agreed to purchase a 100% interest in the Properties located in the Bergslagen Mining District of south-central Sweden. See “*Tomtebo Property Acquisition*” above and “*Mineral Properties – Tomtebo*” below.

On March 11, 2020, the Company announced the appointment of Mr. Doug Ramshaw to its Board replacing Mr. Rob Chang.

On May 8, 2020, the Company received acceptance in principle from the TSX Venture Exchange of the Company's acquisition of 100% interest of the Properties pursuant to the definitive purchase agreement between the Company and Viad, a wholly-owned subsidiary of EMX.

On May 20, 2020, the Company announced a non-brokered private placement offering up to 15,000,000 Common Shares at a price of \$0.12 per share to raise gross proceeds of up to \$1,800,000. On May 22, 2020, the Company exercised its option to increase the size of the private placement offering to up to 20,000,000 Common Shares at a price of \$0.12 per share to raise gross proceeds of up to \$2,400,000.

On June 8, 2020, the Company announced the closing of the non-brokered private placement announced on May 20, 2020 and May 22, 2020 at a price of \$0.12 per share for gross proceeds of \$2,400,000. The Company also announced that effective June 8, 2020, Emily Davis resigned as Corporate Secretary of the Company and Maria Wells was appointed to fill that role.

On June 30, 2020, the Company completed its acquisition of a 100% interest of the Properties from Viad, a wholly-owned subsidiary of EMX. The Company also issued 466,390 Common Shares to Vector and Daniel MacNeil as principal of Vector, pursuant to the previously announced services agreement between the Company and Vector.

On August 18, 2020, the Company announced the execution of a definitive agreement dated August 17, 2020, as amended September 23, 2020 (collectively, the “**Amended Bakar Sale Agreement**”) for the sale of the Company's high grade copper-silver Bakar Property located on northern Vancouver Island in British Columbia with Sherpa II Holdings Corp. Under the Agreement Sherpa II will acquire an 80% interest in the Bakar Property by cash payment, the issuance of shares to the Company, and work expenditures.

Significant Acquisitions

On June 30, 2020, the Company announced the completion of its acquisition of a 100% ownership of the Tomtebo and Trollberget properties from Viad Royalties AB, a wholly-owned subsidiary of EMX Royalty Corp., as described under “*Tomtebo Property Acquisition*” above.

DESCRIPTION OF THE BUSINESS

Summary

As described above under “*General Development of the Business*” and below under “*Mineral property - Tomtebo*”, the Company is a junior resource issuer advancing its flagship Tomtebo Property located in the Bergslagen Mining District of south-central Sweden. The Company also holds a 100% interest in the Trollberget Property, located in the Bergslagen Mining District of south-central Sweden, and the Bakar Property located on North Vancouver Island in British Columbia, Canada. As described above under “*General Development of the Business*”, in August 2020, the Company entered into the Amended Bakar Sale Agreement to sell 80% of its interest in the Bakar Property.

The Company considers the Tomtebo Property to be its material property for the purposes of applicable Canadian securities laws.

The Company owns no producing properties and, consequently, has no current operating income or cash flow from the properties it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of the Company are primarily funded by equity financings.

Production and Services

The Company is a junior resource issuer advancing its flagship exploration stage Tomtebo Property located in the Bergslagen Mining District of south-central Sweden. The Company owns no producing properties.

Specialized Skill and Knowledge

Management is comprised of a team of individuals who have extensive expertise and experience in the mineral exploration industry and exploration finance and are complemented by an experienced board of directors. See the section entitled "Directors and Executive Officers" below.

Competitive Conditions

The Company competes with other mineral exploration and mining companies for mineral properties, joint venture partners, equipment and supplies, qualified personnel and exploration and development capital. See the section entitled "Risk Factors" below.

Environmental Protection

The current and future operations of the Company are subject to laws and regulations governing exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, greenhouse gas emissions, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations increases costs and may cause delays to the exploration and development process.

Employees and Consultants

As of the date of this AIF, the Company has one full time employee, two part time employees and retains six independent contractors on a consultancy basis. No management functions of the Company are performed to any substantial degree by a person other than the directors and officers of the Company.

The Company has also engaged four independent contractors to provide services to the Company as consulting geologists, and one independent contractor to provide services to the Company as its social media coordinator.

Foreign Operations

The Properties are located in the Bergslagen mining district of south-central Sweden, approximately 190 kilometers from Stockholm, Sweden. Sweden is mining-friendly and is considered a politically and socially stable jurisdiction.

Social or Environmental Policies

The Company is committed to providing all employees and contractors (“Staff Members”) a workplace that respects their basic human rights. Each Staff Member at the Company has the right to work in an environment that is free from discrimination and harassment, including sexual harassment. Every Staff Member is responsible for taking all reasonable precautions not to demonstrate behavior that can be reasonably construed as discrimination or harassment.

The Company will take every incident of harassment or discrimination very seriously and any Staff Member that is found to have engaged in conduct constituting discrimination or harassment will be disciplined and, in appropriate circumstances, dismissed or removed from office.

Safety and environmental protection are fundamental values of the Company and every Staff Member has a role in ensuring the Company’s operations comply with safety and environmental legislation and standards.

Each Staff Member is responsible for taking all prudent precautions in every activity to ensure both personal safety and the safety of others.

RISK FACTORS

There are a number of risks that may have a material and adverse impact on the future operating and financial performance of the Company and could cause the Company’s operating and financial performance to differ materially from the estimates described in forward-looking statements relating to the Company. These include widespread risks associated with any form of business and specific risks associated with the Company’s business and its involvement in the mineral exploration and development industry.

This section describes risk factors identified as being potentially significant to the Company and its material properties. Additional risk factors may be included in the MD&A and the Company’s technical reports or other documents previously disclosed by the Company. In addition, other risks and uncertainties not discussed to date or not known to management could have material and adverse effects on the valuation of our securities, existing business activities, financial condition, results of operations, plans and prospects.

Limited Operating History

The Company has no history of earnings or profitability. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complication, and delays frequently encountered in connection with the establishment of any business. The Company will have limited financial resources and there is no assurance that additional funding will be available to it for further operations or to fulfill its obligations under applicable agreements. There is no assurance that the Company will be able to generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Negative Operating Cash Flow and Dependence on Third-Party Financing

The Company does not have a source of operating cash flow and there can be no assurance that the Company will ever generate earnings or achieve profitability. Accordingly, it is dependent on third-party financing to continue exploration activities, maintain capacity, and satisfy contractual obligations. The Company has negative cash flow from operating activities in its most recently completed financial year, and proceeds from any financings will be used to fund anticipated negative cash flow from operating activities in both current and future periods. The amount and timing of expenditures will depend on several factors, including in material part the progress of ongoing exploration,

the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the entering into of any strategic partnerships, and the acquisition of additional property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties or require it to sell one or more of its properties.

Uncertainty of Additional Funding

The Company will be dependent on third-party financing, whether through debt, equity or other means. There is no assurance that it will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company. Volatile resource markets, a claim against the Company, a significant event disrupting the Company's business or other factors may make it difficult or impossible to obtain financing through debt, equity or other means on favourable terms, or at all. In addition, any future financing may also be dilutive to existing shareholders of the Company.

Exploration Risks

The Company's mineral properties are in early exploration stages and are without a known body of commercially exploitable resources. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The risks and uncertainties inherent in exploration activities include but are not limited to: general economic, market and business conditions, the regulatory process and actions, failure to obtain necessary permits and approvals, technical issues, new legislation, competitive and general economic factors and conditions, the uncertainties resulting from potential delays or changes in plans, the occurrence of unexpected events and management's capacity to execute and implement its future plans. The discovery of mineral deposits is dependent upon several factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting exploration programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body will be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon several factors, most of which are beyond the control of the Company and may result in the Company not receiving adequate return on investment capital.

No Known Mineral Reserves or Mineral Resources

There are no known bodies of commercial minerals on the Company's mineral properties. The exploration programs undertaken and proposed constitute an exploratory search for mineral resources and mineral reserves or programs to qualify identified mineralization as mineral reserves. There is no assurance that the Company will be successful in its search for mineral resources and mineral reserves.

Substantial Expenditures Are Required

Substantial expenditures are required to establish mineral reserves through drilling and the estimation of mineral reserves or mineral resources in accordance with the CIM Definition Standards. Although significant benefits may be derived from the discovery of a major mineralized deposit, the Company may not discover minerals in sufficient quantities or grades to justify a commercial mining operation and the funds required for development may not be obtained on a timely basis or may not be obtainable on terms acceptable to the Company. Estimates of mineral reserves and mineral resources can also be affected by environmental factors, unforeseen technical difficulties and unusual or unexpected geological formations. In addition, the grades of minerals ultimately mined may differ from

those indicated by drilling results. Material changes in mineral reserve or mineral resource estimates, grades, stripping ratios or recovery rates may affect the economic viability of any project.

The Company is Dependent on a Single Material Mineral Property

The Company currently has only one material project, the Tomtebo Property, and, in the absence of additional mineral projects, it is solely dependent upon its exploration and development for future revenue and profits. Should additional exploration and development of the Tomtebo Property not be possible or practicable for political, engineering, technical or economic reasons, then the Company's business and financial position will be significantly and adversely affected.

Inaccurate Estimates

Unless otherwise indicated, mineralization figures presented by the Company in filings with securities regulatory authorities, press releases and other public statements that may be made from time to time, are based upon estimates made by Company personnel and independent geologists. These estimates are inherently imprecise, as they depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. As a result, there can be no assurance that mineral resource or other mineralization figures or estimates of costs (including initial capital costs and initial capital intensity) and expenses will be accurate, nor that the resource mineralization could be mined or processed profitably.

Governmental Regulation

The Company's assets and activities are subject to extensive Canadian and Swedish federal, provincial, territorial and local laws and regulations governing various matters, including, but not limited to: land access, use and ownership; water use; environmental protection; social consultation and investment; management and use of toxic substances and explosives; rights over and management of natural resources, including minerals and water; prospection, exploration, development and construction of mines, production and reclamation; exports and imports; taxation; mining royalties; restrictions on the movement of capital into and out of Sweden (which could impact the Company's ability to repatriate funds to Canada); importation of equipment and goods; transportation; hiring practices and labour standards by the Company and contractors, as well as occupational health and safety, including mine safety; reporting requirements related to investment, social and environmental impacts, health and safety, and other matters; processes for preventing, controlling or halting artisanal or illegal mining activities; and historic and cultural preservation.

The costs and efforts associated with compliance with laws and regulations are already substantial and future laws and regulations, changes to existing laws and regulations or more stringent application and enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, delays in the development of the Company's properties, and even restrictions on or suspensions of Company operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring complaints or lawsuits against the Company based upon alleged damage to properties and/or injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, or possibly even actions or inaction by parties from whom the Company acquired its property, and could lead to the imposition of substantial financial judgments, fines, penalties or other civil or criminal sanctions.

It is challenging to comply strictly with all of the norms that apply to the Company. The Company retains competent and trained staff, professionals, attorneys and consultants in jurisdictions in which it does business; however, there is no certainty that both it and its contractors will continuously be compliant with all applicable laws and regulations.

The failure to comply with all applicable norms could lead to financial restatements, fines, penalties and other material negative impacts on the Company.

Laws, Regulations and Local Practices

While the Company seeks to fully comply with applicable laws, regulations and local practices, failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction, cancellation or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Furthermore, increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

Competitive Conditions

The Company will actively compete for resource acquisitions, exploration leases, licenses, concessions, and skilled industry personnel with a substantial number of other mining companies, many of which have significantly greater financial resources than the Company. The Company's competitors will include major integrated mining companies and numerous other independent mining companies and individual producers and operators, some of which may have greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new properties in the future. Competition could also affect the Company's ability to raise financing to fund the exploration and development of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

Reliance Upon Key Personnel

The senior officers of the Company are critical to its success. In the event of the departure of a senior officer, the Company believes that it will be successful in attracting and retaining qualified successors, but there can be no assurance of such success. Recruiting qualified personnel as the Company grows is critical to its success. The number of persons skilled in the acquisition, exploration, and development of mining properties is limited, and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, engineering, geological and other personnel. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on future cash flows, earnings, results of operations and the financial condition of the Company. The Company is particularly at risk at this state of its development as it relies on a small management team, the loss of any member of which could cause severe adverse consequences.

Title to Properties

Although the Company has or will receive title opinions for any material properties in which it has an interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's properties may be subject to prior unregistered agreements or transfers or indigenous land claims and title may be affected by unidentified or unknown defects. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be

constrained. A successful challenge to the Company's title to a property or to the precise area and location of a property could cause delays or stoppages to the Company's exploration activities or loss of the Company's rights to explore, develop and extract any ore on that property without reimbursement to the Company. Any such delays, stoppages or loss of title would likely have a material adverse effect on the Company's business, financial condition and results of operations.

Conflicts of Interest

Members of the Board may become directors of other reporting companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the Board may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The Company and its Board will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia) (the "BCBCA"). The provisions of the BCBCA require a director or officer of a corporation who has a material interest in a contract or transaction of the corporation, or a director or officer of a corporation who is a director or officer of or has a material interest in a person who has a material interest in a contract or transaction with the corporation, to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless permitted under the BCBCA, as the case may be. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Permits and Licences

In the ordinary course of business, the Company is required to obtain new governmental permits as well as renew permits for exploration and development activities and any ultimate development, construction and commencement of new mining operations. Obtaining or renewing necessary permits can be a complex and time-consuming process, which at times may involve several political jurisdictions and different government agencies that may not have the necessary expertise, resources or political disposition needed for efficient and timely processing, and may require public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by permitting authorities and timeframes for agency decisions. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from the Properties once in production. Any unexpected delays or costs associated with the permitting process could slow exploration and/or development or impede the eventual operation of a mine, and could adversely impact the Company's operations and profitability.

Environmental and other Regulatory Requirements

Environmental and other regulatory requirements will affect the future operations of the Company, including exploration and development activities and commencement of production on the Company's mining properties. Such projects will require permits from various federal and local governmental authorities and such operations are and will be governed by laws and regulations governing exploration, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. Companies engaged in the development and operation of mines and related facilities often

experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits.

Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the Company's mining properties and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of ore extraction facilities at the Company's mining properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and environmental laws.

Amendments to current laws, regulations, and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration costs or require abandonment or delays in the exploration or future development of new mining properties.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, exploration policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. This may affect both the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Volatility of Share Price

In recent years, the securities markets in Canada and the United States, and the TSX Venture Exchange in particular, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values, or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows, or earnings.

Dividends

At the present time, it is unlikely the Company's shareholders will receive a dividend on Common Shares. Payment of any future dividends will be at the discretion of Company's Board after taking into account many factors, including operating results, financial condition and anticipated cash needs. It is expected that the Company will retain its earnings, if any, to finance further growth.

Acquisitions and Joint Ventures

The Company will evaluate from time to time opportunities to acquire or enter into joint ventures in respect of mining assets and businesses. These acquisitions and joint ventures may be significant in size, may involve granting rights to third parties, may change the scale of the Company's business and may expose it to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition and joint venture activities will depend on its ability to successfully negotiate arrangements, identify suitable acquisition and joint venture candidates and partners, acquire or enter into a joint venture with them on acceptable terms and integrate their operations successfully with those of the Company.

Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of the Company's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

Infrastructure

Exploration, development and processing activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important elements of infrastructure, which affect access, capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay the exploration or development of the Company's mineral properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of the Company's mineral properties will be commenced or completed on a timely basis, if at all. Furthermore, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of necessary infrastructure could adversely affect our operations. Failure to adequately meet these infrastructure requirements or changes in the cost of such requirements could affect the Company's ability to carry out exploration and future development operations and could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Commodity Price Risk

The price of the Common Shares, the Company's financial results, exploration and development activities may in the future be adversely affected by declines in the prices of certain minerals. Prices for minerals fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of commodities by various central banks and financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's future revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests in properties related thereto. The effect of

these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Fluctuations in Foreign Currency Exchange Rates

The Company reports its financial results and maintains its accounts in Canadian dollars. The Company's operations in Sweden make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. The Company has not hedged its exposure to currency fluctuations.

Claims and Legal Proceedings

The Company and/or its directors and officers may be subject to a variety of civil or other legal proceedings, with or without merit. From time to time in the ordinary course of its business, the Company may become involved in various legal proceedings, including commercial, employment and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results or financial condition.

Going Concern Risk

The Financial Statements have been prepared on a going concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Company's future operations are dependent upon the identification and successful completion of equity or debt financings and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financings or in achieving profitability.

Information Systems and Cyber Security

The Company's operations depend on information technology ("IT") systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

COVID-19 Risks

The Company's business, operations, and financial condition, and the market price of the Common Shares could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines, and a general reduction in consumer activity in a number of countries. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in the supply and demand for minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk, share prices and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations, and financial condition and the market price of the Common Shares.

MINERAL PROPERTY – TOMTEBO

Please refer to the technical report titled *"43-101 Update Technical Report on the Tomtebo Project, Bergslagen Region of Sweden"* (the **"Technical Report"**), prepared by Mustafa Atalay, M.Sc. CPG of DAMA Engineering Co., a QP as defined under NI 43-101, with an effective date of October 15, 2020 and prepared for the Company as filed on SEDAR at www.sedar.com.

Please refer to the Company's news releases available on SEDAR at www.sedar.com for detailed information regarding 2020 exploration and development. Scientific and technical information in the news releases has been reviewed and approved by Garrett Ainsworth, PGeo, President and CEO of the Company, a QP as defined under NI 43-101.

The information in this section is derived from the Technical Report. The following summary as it relates to the Technical Report does not purport to be a complete summary of the Tomtebo Property and is subject to all the assumptions, qualifications and procedures set out in the Technical Report and is qualified in its entirety with reference to the full text of the Technical Report. Readers should read this summary in conjunction with the Technical Report, which can be reviewed in its entirety on SEDAR at www.sedar.com.

Property Description, Location, and Access

The Tomtebo Property consists of three contiguous exploration permits totaling 5,143.86 hectares in the Bergslagen mining district of south-central Sweden, approximately 190 kilometers from Stockholm, Sweden.

The concessions are owned by the Swedish-registered company, Viad, a wholly-owned subsidiary of EMX. Pursuant to a purchase and sale agreement dated as of February 27, 2020, among Viad and the Company, the Company agreed to purchase a 100% interest in the Tomtebo Property from Viad.

The Tomtebo Property is largely accessible via paved and unpaved roads. The climate is mild, and seasonal rains occur from December to March with exploration possible all year round. The Tomtebo Property falls between the

fully serviced town of Säter (population 4,429) to the North East and Smedjebacken (population 5,100) to the South West in Dalarna County.

The Tomtebo Property consists of three contiguous exploration licenses, as listed in Table 1 and shown on Figure 1. The Tomtebo Property covers a total of 5,143.86 ha, where multiple zones of VMS-style mineralization occur.

To retain the Tomtebo Property, the Company must: (i) incur \$1,000,000 of eligible expenditures on the Properties within two years of the closing of the Transaction; and (ii) complete a minimum of 2,000 meters of drilling within three years of completion of the Transaction and an aggregate of 5,000 meters within five years of completion of the Transaction.

In addition, upon announcement of each of a mineral resource estimate and preliminary economic assessment, the Company will pay to EMX a fee of \$275,000 and, in the absence of both a mineral resource estimate and/or preliminary economic assessment, an aggregate of \$550,000 upon a development decision, in each case, in either cash or Common Shares (based on the higher of the 20 day volume weighted average trading price of DMX's common shares and the discounted market price).

The Company will grant EMX a 2.5% net smelter return royalty on each of the Properties subject to an option to repurchase up to 0.5% of the royalty for \$2,000,000 at any time within six years of the closing of the Transaction and in respect of which the Company will make annual advance royalty payments of \$25,000 commencing on the third anniversary of the closing of the Transaction, with each payment increasing by \$10,000 per year subject to maximum of \$75,000 per year.

Also included in Table 2 are the payments to be made under the mining laws to keep the licenses.

Table 1 - Tomtebo Land Tenure Summary

Item	Tomtebo nr 201	Tomtebo nr 203	Nyberget nr 101
Mineral	Au, Ag, Cu, Zn, Pb	Au, Ag, Cu, Zn, Pb	Au, Ag, Cu, Zn, Pb
Licence ID	2018:106	2018:107	2018:85
Area (ha)	268.01	3,715.41	1,160.44
Valid from	2018-09-25	2018-09-25	2018-06-28
Valid to	2021-09-25	2021-09-25	2021-06-28
Diary nr	2018000338	2018000408	2018000316
Municipality	SÄTER	FALUN, SÄTER	SÄTER
County	Dalarnas län	Dalarnas län	Dalarnas län
Last updated	31.01.2020	31.01.2020	31.01.2020

Table 2 - Payments to be made under mining law

Name	Area (ha)	Licence ID	Age (today)	Valid Until	Ext years	Fee/ year/ ha	Application fee (SEK)	Extension fee (SEK)	Owners	Partner
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Nyberget nr 101	1160.44	2018:85	2	2021-06-28	3	21	500	73.143	Viad Royalties AB (100.00%)	DMX
Tomtebo nr 203	3715.41	2018:107	2	2021-09-25	3	21	1000	234.11	Viad Royalties AB (100.00%)	DMX
Tomtebo nr 201	268.01	2018:106	2	2021-09-25	3	21	500	16.947	Viad Royalties AB (100.00%)	DMX

The Nyberget nr 101, Tomtebo nr 203 and 201 mineral licenses are in good standing until June 28, 2021, and September 25, 2021, respectively. Before the license expiry dates the Company will be responsible for paying the fee/year/ha, the application fee, and extension fee to keep the licenses in good standing for an additional 3 years at a cost of approximately 326,887 SEK (\$46,875).

Surface Usage and Land Lease

Neither Viad nor the Company controls any surface rights. Mineral license holders in Sweden are entitled to explore for and develop mineral deposits in accordance with the Minerals Act /Ordinance ("**Minerallagen**" SFS 1991:45, and "**Mineralförordningen**" SFS 1992:285, and SFS 2005:943). Permissions for access to the license areas and to execute work programs are governed by Bergsstaten, the Swedish Mining Inspectorate (www.bergsstaten.se), and legal access to conduct exploration work is a right under the mineral license.

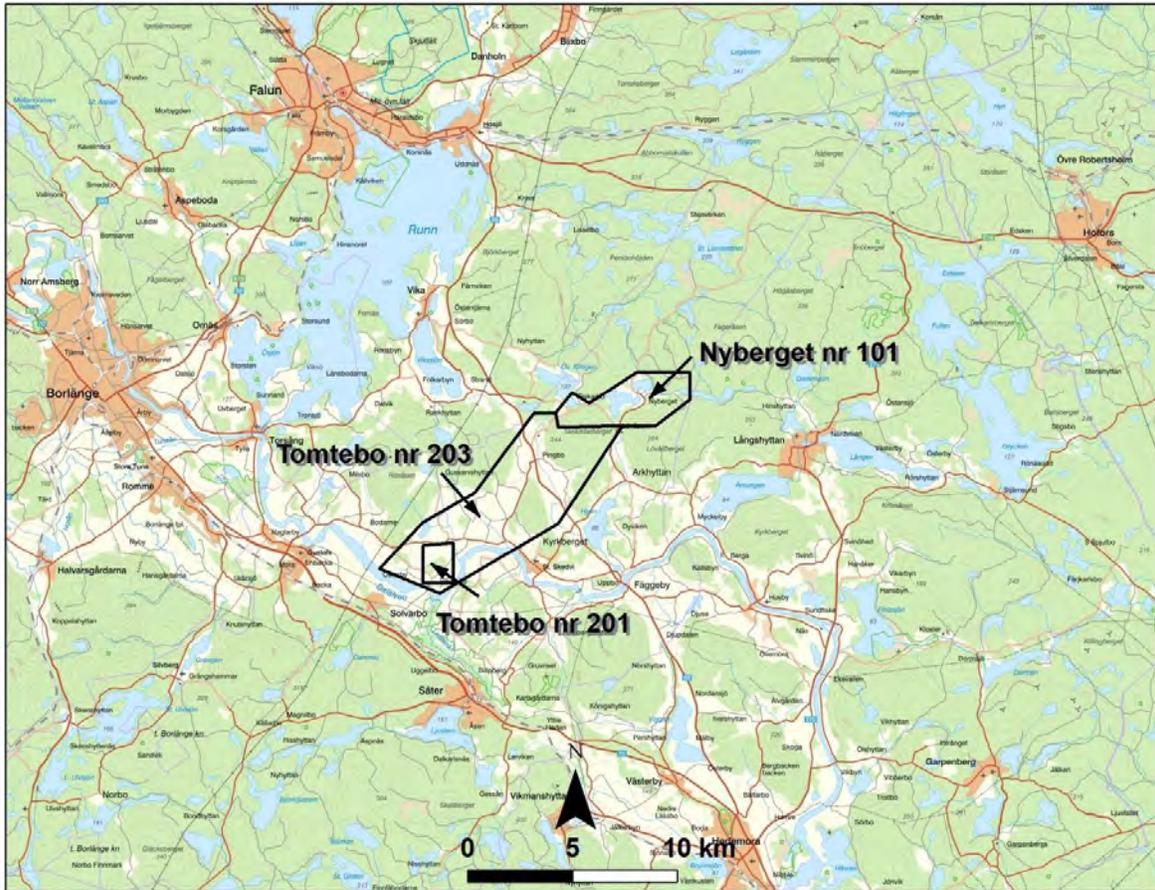


Figure 1: Land Tenure Map of the Tomtebo Property, Bergslagen, Sweden

Royalties, Back-in Rights, Payments, or Other Encumbrances

There are no known royalties, back-in rights, payments or other agreements and encumbrances to which the Tomtebo Property is subject except that pursuant to the Amended Tomtebo Purchase Agreement. EMX will be granted a 2.5% net smelter return royalty on the Tomtebo Property, upon completion of the Transaction, subject to the right of the Company to repurchase up to 0.5% of the royalty for \$2,000,000 at any time within six years of the closing of the Transaction.

Other Significant Factors

The author is not aware of any other significant factors and risks that may affect access, title, or the right or ability to perform the proposed work program on the Tomtebo Property.

Surface Rights

As stated above, legal access to conduct exploration work is a right under the mineral license and surface rights for mining operations would be negotiated with the landowners. The Tomtebo Property area is sufficient for a tailings storage area, waste disposal area, heap leach pad area and a processing site.

History

The oldest known ownership of the Tomtebo Property is Stora Kopparberg AB (“**Stora**”). Table 3 shows the previous ownerships known of any of the licenses comprising the Tomtebo Property from the SGU public database. Viad acquired the Tomtebo Property in 2018.

Table 3: Previous ownership of the license comprising the Tomtebo Property (SGU)

Name	Licence ID	Diary nr	Valid From	Valid To	Mineral	Owners
Lövåsen nr 2	2010:85	2010000188	2010-05-03	2014-05-03	Zinc	Svenska Bergsbruk AB (publ) (100.00%)
Tomtebo nr 2	2006:352	2006000676	2006-10-31	2009-10-31	Silver	Tumi Sweden AB (100.00%)
Flatåsen 1003	1996:16:W:FA	1996000179	1996-10-23	2002-10-23	Silver	Boliden Mineral AB (100.00%)
Flatåsen 1006	2000:3::FA	1999000665	2000-01-27	2003-01-27	Copper	Boliden Mineral AB (100.00%)
Lövåsen nr 1001	2002:94	2002000486	2002-09-02	2004-07-14	Zinc	Boliden Mineral AB (100.00%)
Säter 1006	2000:143	2000000457	2000-10-05	2003-10-05	Copper	Boliden Mineral AB (100.00%)
Fiskarbo nr 1	1991:2:W:FA:I	1990000152	1991-01-22	1994-01-22	Copper	
Tomtebo nr 3	2010:72	2010000182	2010-04-20	2013-04-20	Silver	TM Resources AB (100.00%)
Säter 1008	2001:22	2000000952	2001-01-29	2004-01-29	Copper	Boliden Mineral AB (100.00%)
Flatåsen 1001	1996:15:W:FA	1995000165	1996-10-01	1998-09-26	Copper	Boliden Mineral AB (100.00%)
Tomtebo nr 100	2014:33	2014000069	2014-04-16	2017-04-16	Zinc, Lead, Silver, Copper	Kopparberg Mining Exploration AB (100.00%)
Lövåsen nr 1	2005:288	2005000954	2005-12-28	2010-12-28	Silver	Tumi Resources Ltd (100.00%)
Tomtebo nr 101	2014:46	2014000456	2014-05-28	2017-05-28	Zinc, Lead, Silver, Copper, Gold, Cobalt	Kopparberg Mining Exploration AB (100.00%)

Name	Licence ID	Diary nr	Valid From	Valid To	Mineral	Owners
Flatåsen 1007	2001:30	2000000951	2001-02-01	2004-02-01	Copper	Boliden Mineral AB (100.00%)
Tomtebo nr 1	2006:11	2005000953	2006-01-23	2013-01-23	Silver	Tumi Resources Ltd (0.00%)
Lövåsen nr 3	2011:69	2011000070	2011-04-19	2013-12-01	Silver	TM Resources AB (100.00%)
Dundergruvan nr 1	2013:59	2013000166	2013-05-16	2016-05-16	Lead, Zinc, Silver, Copper, Gold	Solstad Copper Mines AB (100.00%)

Exploration History

Exploration has been carried out at the Tomtebo Property by many companies going back to the middle ages. In the 1970's, Stora, Boliden AB and Luossavaara-Kiirunavaara Aktiebolag (LKAB) carried out relatively detailed prospecting programs however there is a very little information (geological maps, mine level plans, some drill logs etc.) regarding these activities. Most of the documents are in Swedish language and taken from the SGU database.

Previous Production

Mining at the historic Tomtebo mine on the Tomtebo Property started in 1648. In Between 1836 and 1937, 1,841 tons of copper and 1,077 tons of sulphur production were reported. Between the years 1914 and 1919, mining was resumed with a total of 45,654 tons of waste and mineralization recovered. From this mining activity, 9,135 tons of directly usable sulfur with 41% S and 5,218 tons of direct usable copper mineralization with an average of 4.5% Cu were obtained. The copper content of the mineralization varied from 3.0% Cu to 5.3% Cu between the years 1915 and 1919.

During the Second World War, 1942-1945, the Tomtebo mine was active for a few years and mineralization from old dumps was produced.

The most recent mine development work took place between 1965 and 1968 when Stora lowered the New Tomtebosch Shaft from approximately 90 meters to 200 meters in depth at the Tomtebo mine. The average mineralization grade, between 1965 and 1969, was about 1% Cu, 1% Zn and 35 % S (Tumi, 2010).

The mine was dug by a 4.2 meter diameter shaft sunk to 244 meters deep, between 1965 and 1968, and the resources remaining between the surface and the 200 meter level was estimated at 385,000 tons grading 0.67% Cu, 1.84% Pb, 3.72% Zn, 0.66 g/t Au and 55 g/t Ag. This unmined resources of the Tomtebo mine was estimated by traditional method (i.e. section method), but could not be confirmed by the author, since the mine workings are now inaccessible.

Geological Setting, Mineralization, and Deposit Types

There are a number of good geological descriptions of the historic mining district of Bergslagen in the south-central part of Sweden (e.g., Allen et al., 1996 and 2013; Stephens et al., 2009). Much of the information in this section has been summarized from these publications.

The Bergslagen region hosts a diverse range of deposit types, including apatite-bearing iron mineralization, banded iron formations, skarn- and carbonate-hosted iron mineralization, manganiferous skarn- and carbonate- hosted iron mineralization, W skarn, stratiform and strata- bound polymetallic base metal sulphide deposits (Allen and Jansson, 2013). The region contains 5,955 iron and 1,000 sulphide occurrences, in Bergslagen; all are listed in the official database for mineral deposits (MDEP) of the SGU.

The Bergslagen regional geology is dominated by Palaeoproterozoic (approximately 1.9 to 1.8 Ga) metamorphosed volcano-sedimentary succession composed mainly of submarine rhyolitic volcanic, sub-volcanic, and volcanoclastics with subordinate mafic volcanics, chemical, epiclastic, and carbonate sediments (Figure 2). The volcanics are informally known as leptite (a local term) for coarse metamorphosed acid volcanics. In the Bergslagen district, they form a 2,000 meter thick succession, which varies from potash-rich to extreme soda-rich types (quartz-keratophyres) with subordinate intermediate volcanics.

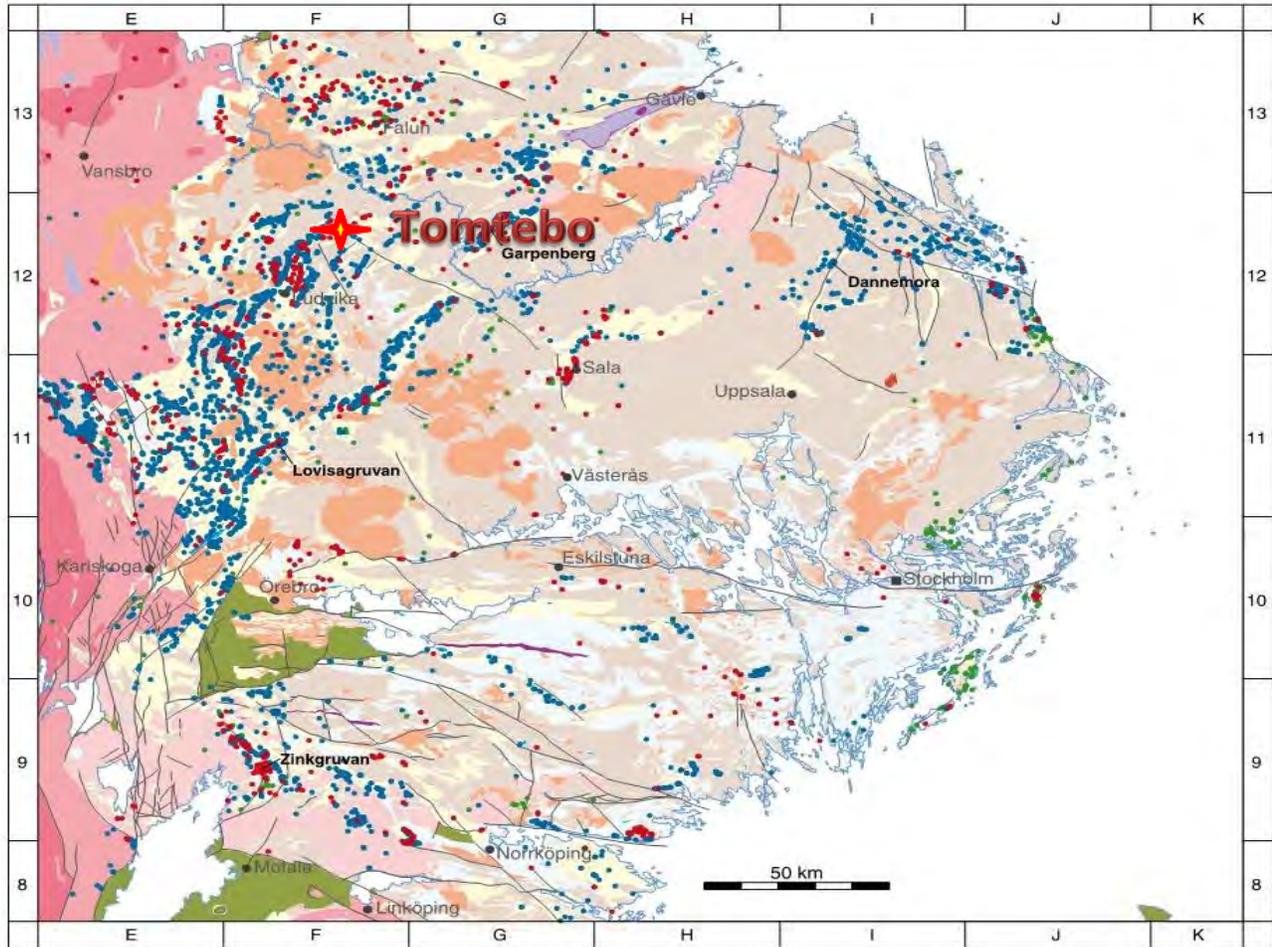
The metamorphosed volcano-sedimentary succession has been intruded by Svecofennian orogenic granitoids generally considered co-magmatic with the volcanic sequence. These intrusions are divided into three types according to their composition: granitoid-dioritoid-gabbroid (“**GDG**”), granitoid- syenitoid-dioritoid-gabbroid (“**GSDG**”), and granite-pegmatite (“**GP**”). The GDG along with some GSDG rocks are the oldest of the intrusions (1.9 to 1.87 Ga) and are pre-tectonic. The syn- and post-tectonic intrusions (1.87 Ga to 1.75 Ga) are dominated by the GSDG and GP type intrusions.

The Bergslagen district is inferred to have formed along an extensional back-arc within an active continental margin region in a convergent plate boundary setting, when a period of retreating subduction and extensional or trans-tensional tectonic regime was followed by advancing subduction and transpression. This interpretation is based upon the chemistry of volcanic rocks (‘immobile elements,’ such as Zr, Ti, Y, REEs chemistry) together with isotope data, but there is no conclusive evidence as to the tectonic setting of the district.

Most of the mineralization deposits are associated with skarn, crystalline carbonate rock and metamorphosed, hydrothermally altered felsic volcanic and volcano-sedimentary succession (leptites). Skarn is extremely common in Bergslagen—the word “skarn” originates from this region— and is used here non-genetically as a reference to calc-silicate or Mg-silicate mineral assemblages. Base metals are found both as volcanic-hosted massive sulphides and as massive or disseminated sulphides that may be closely associated with the iron mineralization. The base metals are believed to be broadly coeval with volcanism and the emplacement of iron mineralization. The majority of the significant base metals are restricted to a 120-kilometer-long and 30-kilometer-wide zone oriented northwest–southeast, normal to the main structural trend of the host leptites, but parallel to a major fracture trend that may have controlled the emplacement of mineralization and possibly volcanics (Allen and Jansson, 2013).

The Tomtebo Property is marked by a red and yellow star shown in Figure 2. The historical world-class Falun Cu-Au-Ag-Zn-Pb mine and polymetallic base metal sulphide deposits currently being mined (Garpenberg Cu-Zn-Pb-Ag-Au, Lovisagruvan Zn-Pb and Zinkgruvan Zn-Pb-Cu mines) are displayed by yellow star symbols (Allen et al., 2013). This information is not necessarily indicative of the mineralization on the Tomtebo Property.

The 1.9–1.8 Ga rocks in the Bergslagen region and their stratigraphic relationships to each other are addressed initially below, with the focus on the supracrustal rocks, because of the broadly synvolcanic character of the mineralization in the region. Due to the intense polyphase deformation and metamorphism in large parts of the Bergslagen region, and the significance of various structures for the subsequent remobilization of metal-bearing minerals, attention is subsequently focused on the Svecofennian structural and metamorphic domains in the region.



- Iron, manganese and tungsten oxide deposits
 - Base metal, iron and other sulphide deposits
 - Non-metallic mineral deposit
 - Fault, ductile shear zone
 - Neoproterozoic and Lower Palaeozoic sedimentary rocks
 - Granite, quartz syenite (Mesoproterozoic), alkaline intrusive rock of uncertain age
 - Dolerite (Mesoproterozoic)
 - Clastic sedimentary rock (Mesoproterozoic)
 - GSDG intrusive or meta-intrusive rock suite and associated supracrustal rock (1.70–1.67 Ga)
 - GP intrusive rock suite (1.85–1.75 Ga)
 - GSDG intrusive or meta-intrusive rock suite and associated supracrustal rock (1.81–1.78 Ga)
 - GSDG and subordinate GDG intrusive or meta-intrusive rock suites (1.87–1.84 Ga)
 - GDG and subordinate GSDG meta-intrusive rock suites (1.90–1.87 Ga), undifferentiated gneiss
 - Svecofennian metavolcanic and subvolcanic meta-intrusive rocks (1.91–1.89 Ga), granofels of uncertain origin
 - Crystalline carbonate rock
 - Svecofennian clastic metasedimentary rock
- GDG = Granitoid–dioritoid–gabbroid
 GSDG = Granite–syenitoid–dioritoid–gabbroid
 GP = Granite–pegmatite

Figure 2: Geology Map of the Bergslagen Region

Tomtebo Property Geology

The information for this subsection is taken from a number of internal reports and documents, including geological maps and sections generated by mainly EMX geologists.

It should be noted that the greater part of the Tomtebo Property is covered by extensive soil, and till and waste dumps. Thus, the description of rock types, alteration, mineralization, and tectonic structures is mainly based on the drill cores and scarce outcrops.

The Tomebo Property exhibits a metamorphosed and highly deformed, but still coherent, stratigraphic succession of Palaeoproterozoic metavolcanic and metasedimentary rocks. Local stratigraphy consists of metamorphosed felsic volcanics (leptite) and volcanoclastic rocks with subordinate mafic volcanics and crystalline carbonates (marble) lens that trend east–northeast to west–southwest (Figure 3). The unit is also known as the “leptitic series.”

The Svecofennian supracrustal volcano-sedimentary sequence is intruded by:

- Synorogenic mafic volcanics, parallel to the regional northeast-southwest trend and possibly sills (1.90–1.86 Ga);
- Relatively small intrusions of porphyritic granite (GD suite, 1.85–1.75 Ga);
- Generally, NNW-SSE trending younger diabase dykes, clearly crosscutting the stratigraphy; and
- Older GDG (1.9–1.86 Ga) metagranitoids form the northern and southern boundary to the supracrustal succession.

Allen et al. (1996) considered that the supracrustal volcano-sedimentary sequence was deposited in a back-arc basin, developed on continental crust. The intrusives are generally considered co-magmatic with the volcanic sequence. During the orogenic build-up, the volcano-sedimentary succession has been folded into a tight synform and has been metamorphosed to amphibolite facies.

The geological structures are often oriented in a southwest-northeast direction and are steeply dipping southeast.

Figure 3 shows the project scale geological map showing prospects: 1) Tomtebo mine 2) Lövås mine.

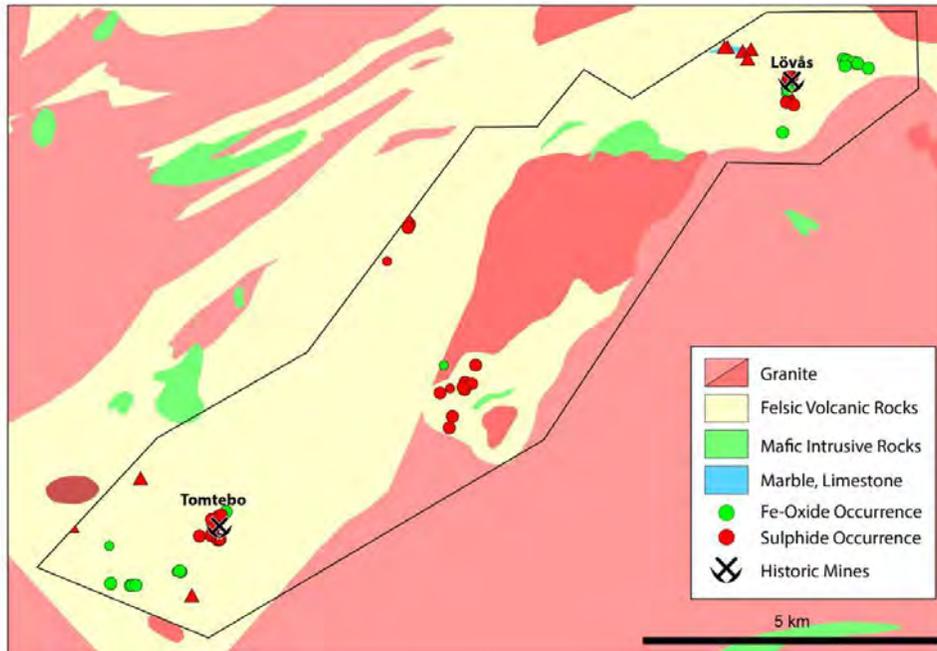


Figure 3: Project Scale Geological Map Showing Prospects

Tomtebo Property Mineralization

The Tomtebo Property contains several mineralized showings and mine areas that can be classified into different zones depending on the host rock and the style of mineralization.

The Tomtebo Property area can be grouped into two zones based on the distribution of historic mines and surface exposures and the style of mineralization observed at the Tomtebo and Lövås Mines.

Data obtained through the geological observations on the surface, historical mine maps with notes, the observation of some mineralization left on the surface and the dumps enables one to get a good idea of the mineralization in the zones. These are summarized below.

Tomtebo Mine

The Tomtebo mine area is situated in the southwest of the Tomtebo Property area. There are various mine openings and several shafts extending from southwest to northeast for a distance of 700 meters at the Tomtebo mine area.

Unverified historical data (ie. underground mine plan and drillings) shows polymetallic mineralization has been drilled along an approximate 1,000 meter trend from the underground exploration drift along the - 200 level, and remains open. Eight holes were drilled beneath the -200 meter level, and intersected mineralization at approximately 300 meter depth from surface that remains open. The width of mineralization at the Tomtebo mine from historical drilling is unknown.

Haksberg (1983) gives a definition of the mineralization bodies. The mineralization bodies lie in the same horizon which is folded into an anticline with its axis dipping about 55° west. He also mentions that the mineralization bodies

form elongated lenses, and adds that on the saddle of the anticline, they are bar shaped. The mineralization bodies are mostly located in small folds in the anticline.

The mineralization is mostly of chalcopyrite and sphalerite, associated with galena, pyrite, and pyrrhotite, occurring in three types i.e. py and ccp in coarse grained milky quartz vein, footwall stringer-type mineralization, semi-massive, massive replacement style, Ag-Zn-Pb mineralization.

Sulphide mineralization at the Tomtebo mine occur in the biotite-sericite-quartz-schist and biotite- andalusite-quartzite as seen in the interpreted geological map (Figure 4). The felsic metavolcanic rocks show phlogopite-biotite-cordierite-sericite-quartz, tremolite, anthophyllite alteration, footwall type alteration.



Photo 1: Semi-massive (left)-massive type pyrite and sphalerite (left) py,sp and ga mineralization in quartz-biotite schist (Drill Hole ID: TOM66002:115,5 meter)



Photo 2: Py and ccp in coarse grained milky quartz vein (Hole ID: TOM67001 155m)



Photo 3: Py-po-ccp veinlets in mica-schist (Hole ID: TOM67001 144,5)

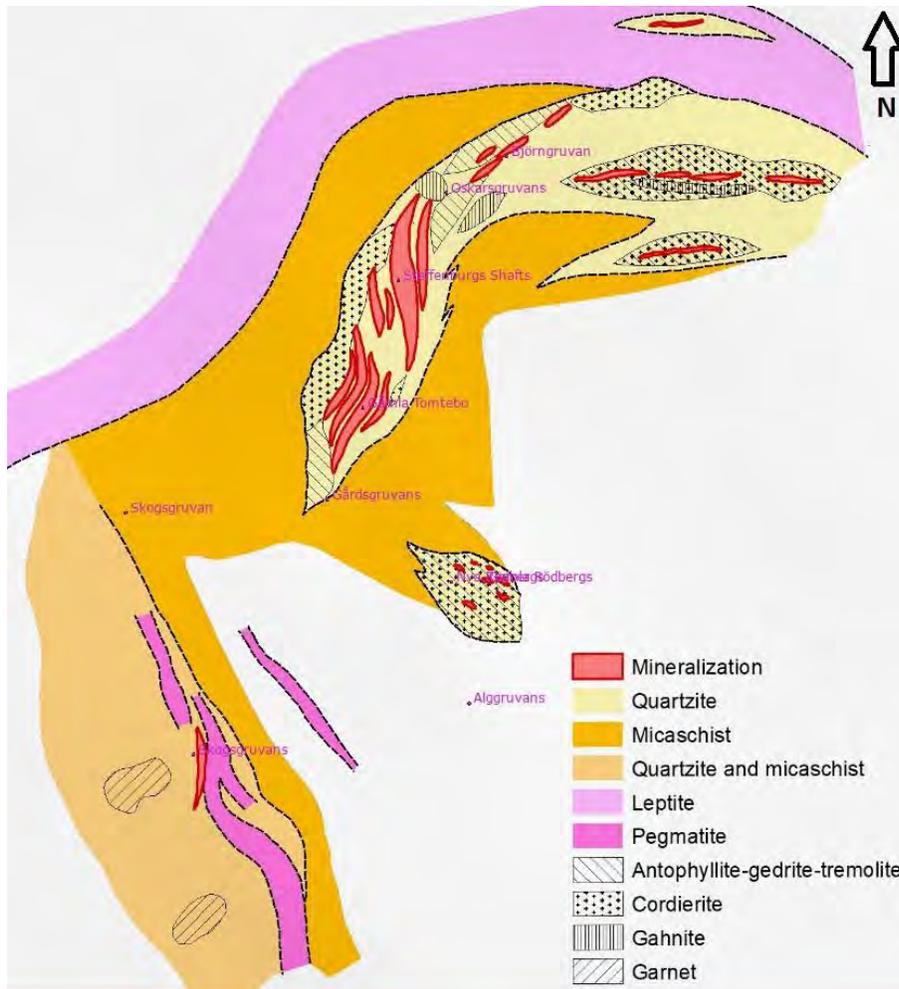


Figure 4: Geological map of the Tomtebo mineralization field
 (modified from Bromley, 1983; provided by EMX)

Gårdsgruvan

The Gårdsgruvan (“**Farm**” in English) pit is about 100 meters x 40 meters on the surface with an unknown depth and is filled with water. The dominant rock lithology is felsic metavolcanics. There is no mineralization observed in the outcrop. However, in the dump materials, mineralization is present and is mainly chalcopyrite associated pyrite, magnetite and pyrrhotite occurring as stringer/feeder- zone mineralization in “footwall-style” altered (dark-green chlorite alteration) rocks. The mineralization consists of a flared lens and plunging to 55 degrees to the west-southwest (SGU, 2015).



Photo 4: Historical Gårdsgruvan pit filled with water.



Photo 5: A sample showing pyrite and minor chalcopyrite mineralization in footwall style altered quartzite?

Nya Rödbergsgruvans and Gamla Rödbergsgruvans shaft

This shaft area is 150 meters southeast of the Gårdsgruvan pit. Entries of the shafts are filled with water, and there is a fence around them. There are two shafts, namely Nya Rödbergsgruvans and Gamla Rödbergsgruvans shaft and both of them are about 10 meters long and 5 meters wide. They are very close to each other. The depths of

the mine shafts are unknown. Pyrite and minor chalcopyrite mineralization can be observed in footwall style altered felsic metavolcanic rocks in the dump material.



Photo 6: Entry of the Nya Rödbergsgruvans shaft filled with water and fence.

Gamla Tomtebo dagbrott and shaft

The Gamla Tomtebo pit is about 50 meters north-northwest of the Gårdsgruvan pit. The pit is about 30 meters in diameter and filled with water. The mineralization consists of chalcopyrite associated with pyrite and pyrrotite in felsic metavolcanic rock. The felsic metavolcanic rocks are biotite rich and sericite altered. On the west of the open pit, a one-meter thickness N-S oriented pyrite rich zone in the felsic metavolcanic rocks was observed. In one location, a dark yellow gahnite, or zinc aluminum oxide, was observed. Most of the area around the pit is covered by dumps and slag.

Gamla Tomtebo shaft advanced through the mineralization body by 80 meters. According to the mine map, the mineralization body is about 100 meters long and 30 meters wide with a dip of about 60° west-southwest.



Photo 7: A view of Gamla Tomtebo dagbrott and shaft

Nya & Steffenburgs shaf

Nya (“**New**” in English) shaft was lowered during the development activities in the 1960s to about 200 meters deep and used for mineralization extraction and exploration. The entry of the shaft is covered with a rectangular concrete cap.



Photo 8: Nya Shaft

Steffenburgs shaft is located 20 meters from the Nya shaft. Entry to the shaft is filled with water. There is no information about the depth of the shaft.



Photo 9: Entry of the Steffenburgs shaft

There is a large dump area close to Nya and Steffenburgs shafts. Most of the dump material is mineralized. Replacement-style sphalerite and galena, banded massive sulphide, stringer style chalcopryrite and Fe-sulphides were observed in the dump material. EMX geologist collected samples from dump material and these returned 1.33 g/t Au, 23 g/t Ag, 0.142% Cu, 0.186% Zn, and 0.165% Pb.

Another dump area is located 100 meters north of the Steffenburgs shaft. The dump material contains mostly massive yellowish-brown sphalerite associated with minor amounts of galena and chalcopryrite.



Photo 10: A sample showing sphalerite and galena (massive) in dump material.

Skogsgruvan

The Skogsgruvan (“**Forest Mine**” in English) is situated 280 meters southwest of the Gårdsgruvan, with a length of about 10 meters and a width of about 5 meters. The mineralization occurs in the contact between strongly sericitic altered mica schist and pegmatite. The mineralization consists of stringer style dark brown colored sphalerite associated with minor galena and pyrite.



Photo 11: A sample showing sphalerite stringers in highly altered rock

Lövås Mine

The Lövås Mine, also called Nybergs mines, is situated in the northeast part of the Tomtebo Property area. There is limited information (level plans and sections of historical production) about the area.

Since the mine areas are mostly covered with shafts and dumps, the following information on mineralization, wall rock, and alteration was essentially compiled from the underground maps, reports, and observations on the dumps. The dump materials have enabled geologists to get a good idea of the mineralization in the zones.

The Lövås mine was active from 1561 with some interruptions until 1954 when the mining operation was closed down. Available records on the historical production reported 330,000 tons at 3.5% Zn, 2.5% Pb, and 30 g/t Ag as stated in the SGU report. According to the mine map provided by EMX, the Lövås mine mineralization body was composed of relatively small lenses intermittently extending for about 300 meters long with a dip of about 60° southeast. The lowest adit is at about 190 meters depth from the surface.

There are fifteen mining openings extending from north to south for a distance of 300 meters. These are: Prestgruvan shaft, Storgubbengruvan shaft, Augustaschaktet shaft, Riddarstolpes shaft, Göran Erssons shaft, Adolf Fredriks Shaft and Storgruvemalmeu shaft. Currently, all the shaft entries are filled with water. Relatively large dump piles cover a large area around the shaft area.

The deposit associated with a carbonate horizon which is surrounded by porphyritic volcanic and metavolcanics. Coarse grained massive to semi-massive sulphide and magnetite, banded dark brown colored sphalerite, galena and magnetite style mineralization associated with pyrite was observed in the dumps. The mineralization is associated with calc-silicate (meta-limestone) and highly altered rocks. These rocks can easily be seen in the dump material. In 2018, EMX collected three rock grab samples from dump piles that returned 1.0-25.2% Zn, 0.65-20.0% Pb, 63.9-370.0 g/t Ag, 0.12-1.24% Cu, 0.13- 0.34 g/t Au and 12-2820 ppm As.

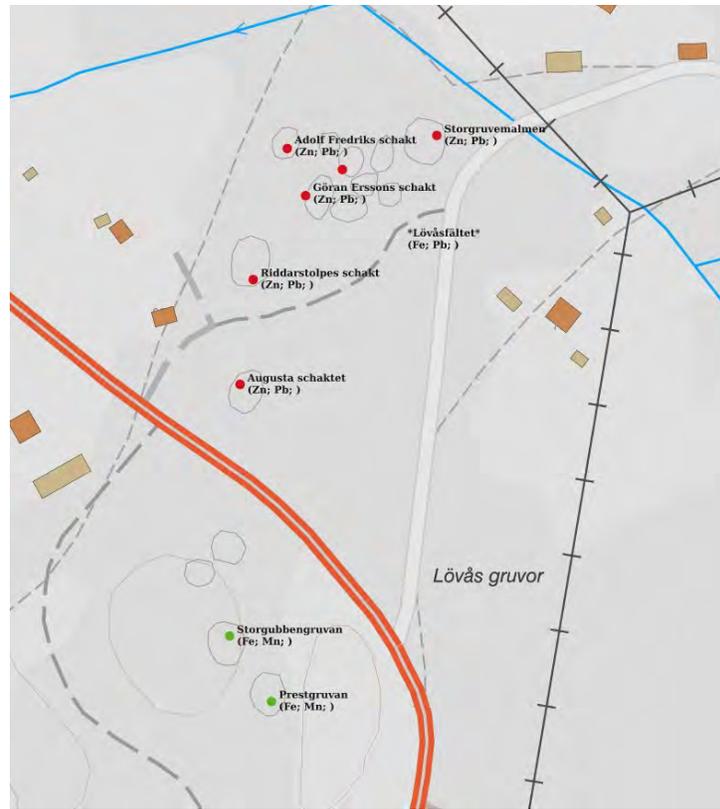


Figure 5: Map showing mining openings

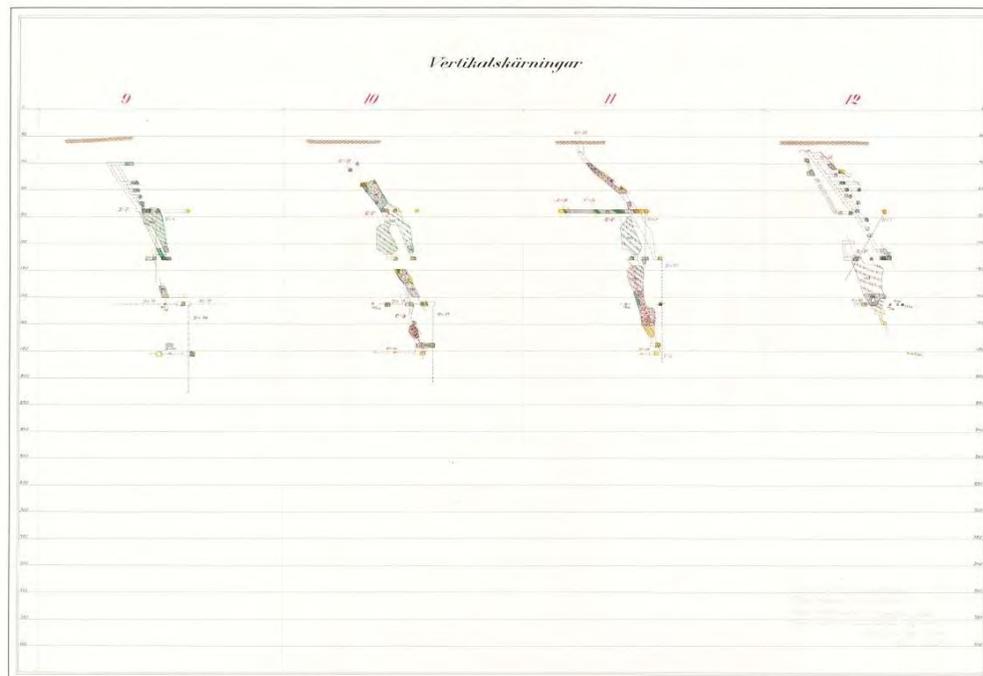


Figure 6: Historical sections of the Lövås Mine



Photo 12: Samples showing mineralization in Lövås Mine. a) Carbonate replacement with sulphide b-c) Coarse grain massive sphalerite d) Banded sulphide

Deposit Type

The geologic setting and styles of mineralization all suggest that the Tomtebo deposit has been formed in a geological environment that hosts classic bimodal volcanic-rock-hosted massive sulphide deposits. Tomtebo mineralization seems to favour a volcanogenic (VMS) model in a rifted continental back-arc environment, an inference based on the following evidence:

- Close spatial association with submarine bimodal volcanic sequences (with felsic > mafic) and associated sedimentary sequences, which have been folded, metamorphosed, and intruded by synorogenic granitoids. Tomtebo mineralization appears to be formed in a rifted continental arc.
- The mineralization is composed of the elements copper, zinc and lead with significant amounts of gold and silver.
- Tomtebo mineralization appears to be emplaced at and clustered within the contact between metasedimentary and metavolcanic rocks (within a restricted stratigraphic interval or favourable horizon).
- Tomtebo deposits contain massive and stringer- or (feeder-) type mineralization. Massive mineralization contains mainly pyrite with (Zn+Pb+Cu) sulphides. Parts of the massive sulphide bodies may contain banded texture due to different sulphide minerals or alternating sulphide-silicate minerals. They consist of stratiform or stratabound lens-shaped bodies.

In addition to the above-mentioned mineralization, the Lövås mine seems to show magmatic related CRD (carbonate replacement deposit) based on the mineralization geometry, mineralization texture (very coarse-grained iron-rich sphalerite + pyrite), alteration and the host rock (meta-limestone).

Mineral Resource and Mineral Reserve Estimates

No mineral resources and no mineral reserves have been estimated for the Tomtebo Property.

Exploration Conducted by the Company

The Company has conducted various exploration activities at the Tomtebo Property including compilation and 3D modeling of historic drill holes, geophysical surveys, geological mapping, prospecting, and sampling. The information for this section is taken from the Company's news releases concerning these activities.

Data Compilation

The Company conducted compilation and 3D modelling of historical drill hole data in the Tomtebo Property. The database compilation works reveal that historic drilling from the Gårdsgruvans zone at the Tomtebo mine shows shallow and high-grade copper mineralization from near surface to a depth of 200 meters that remains open along strike and at depth.

After the database compilation work, a Leapfrog 3D geological model was developed. A total of 33 polymetallic mineralized domains within four zones were modeled based on drill assays and semi-massive to massive sulphides logged from historical drill holes.

It should be noted that the historical data compilation, digitizing, and interpretation are still in progress while this report is being written.

The Tomtebo Property is exploration stage and the Company has no current or contemplated development or production activities at this time.

Geological Mapping

The Company completed initial fieldwork at the Tomtebo Property. This initial work consisted of geological mapping, prospecting and geochemical sampling at the former Tomtebo mine, and regionally across the 17 kilometer mineralized trend within the 5,143.86 hectare Tomtebo Property. Initial work identified important alteration minerals associated with polymetallic mineralization, stockworks, sulphide and replacement mineralizations. Most outcrops around the Tomtebo mine and Lövås mine area were mapped and sampled. Rock samples have been sent to ALS Geochemistry in Malå, Sweden for multi-element analysis. The analysis is in progress.

Geophysical Surveys

The Company retained SkyTEM Surveys ApS based out of Denmark to conduct a detailed heliborne SkyTEM312 HP (transient electromagnetic – high power) and magnetic survey over the Tomtebo Property in July 2020. The survey covered the entire 5,143.86 hectare Tomtebo Property with approximately 600 line-kilometers at a line spacing of 100 meters. The SkyTEM312 HP system is capable of detecting conductive polymetallic sulphide mineralization at depths of 500 meters or more. The conductive and magnetic data acquired from the SkyTEM312 HP survey is still being interpreted by Condor Consulting and Geovista AB.

Exploration activities by previous owners of the Tomtebo Property is described in Exploration History, above.

Drilling

The Company has not completed any drilling on the Tomtebo Property. For a description of drilling by previous owners, please see Exploration History, above.

Sampling, Analysis and Data Verification

There is no documented information detailing the sample preparation and analytical methods in respect of the drilling program by Stora. However, during the data verification process, it has been observed that all the samples were taken by breaking the core into two; not by splitting. Further, there are large intervals among the zones and sampling was not done at some intervals which could include mineralization. Samples were analyzed by Stora's in-house laboratories and written on the geological logs. Nevertheless, there is no information about the method of analysis. Some samples were analyzed for S% and Cu% and others were analyzed for S%, Cu%, Zn%, Pb%. Based on the results of these samples, it would appear that the geologist at the time did further analysis by combining some of the samples to determine for Ag g/t and Au g/t values. There is no information regarding the sample preparation, analysis and security methods used by Stora, Tumi Sweden AB or Boliden AB.

During the Viad exploration program, a Viad geologist collected 11 rock grab samples from the dump material. Grab samples were delivered by the Viad geologist to ALS Geochemistry-Malå for preparation, and subsequently pulps were sent to ALS Global's Laboratory in Ireland, which is an accredited mineral analysis laboratory, for analysis. All samples were prepared using a method whereby the entire sample was crushed to 70% passing - 2mm, a split of 250g is taken and pulverized to better than 85% passing 75 microns.

Rock samples were analyzed at ALS Global's Laboratory in Ireland, using the ME-MS41 analytical protocol; this is an ultra-trace aqua regia digestion followed by inductively coupled plasma mass spectrometry (ICP-MS). Over limit grade assays were conducted using the ME-OG46 analytical protocol, which is aqua regia digestion followed by inductively coupled plasma atomic emission spectroscopy (ICP-AES). To determine gold, the samples were assayed using the PGM-ICP23 analytical protocol, which is a 30 g fire assay (FA) and ICP-AES finish. The ALS Global laboratory is independent of EMX and is ISO 17025:2005 accredited under INAB registration no. 173T.

In terms of quality control procedures employed, Viad inserted certified reference materials (CRM) and blank insertions into the sample stream and did monitoring. There is no information regarding any other the quality control or quality assurance measures employed by EMX or the laboratory.

In the opinion of the author, the sample preparation, security, and analytical procedures meet the standards required to provide adequate confidence in the data collection and processing.

Analysis and data verification of geochemical samples related to the Company's geological fieldwork program will be conducted similarly to Viad's exploration program.

Data Verification

Verification of Historical Core

Between February 18 and 20, 2020, the author visited SGU's core storage facility at Malå, where the cores from historical drills are stored. The core storage facility was found in a good state and the wooden core boxes were in good condition (Photo 13). Cores have been stacked in pallets by drill hole; constructed logging tables were set up to display/log individual holes. Full access was granted to inspect any of the core boxes. However, pulp and reject samples were not available. The author's only verified historical drill cores.

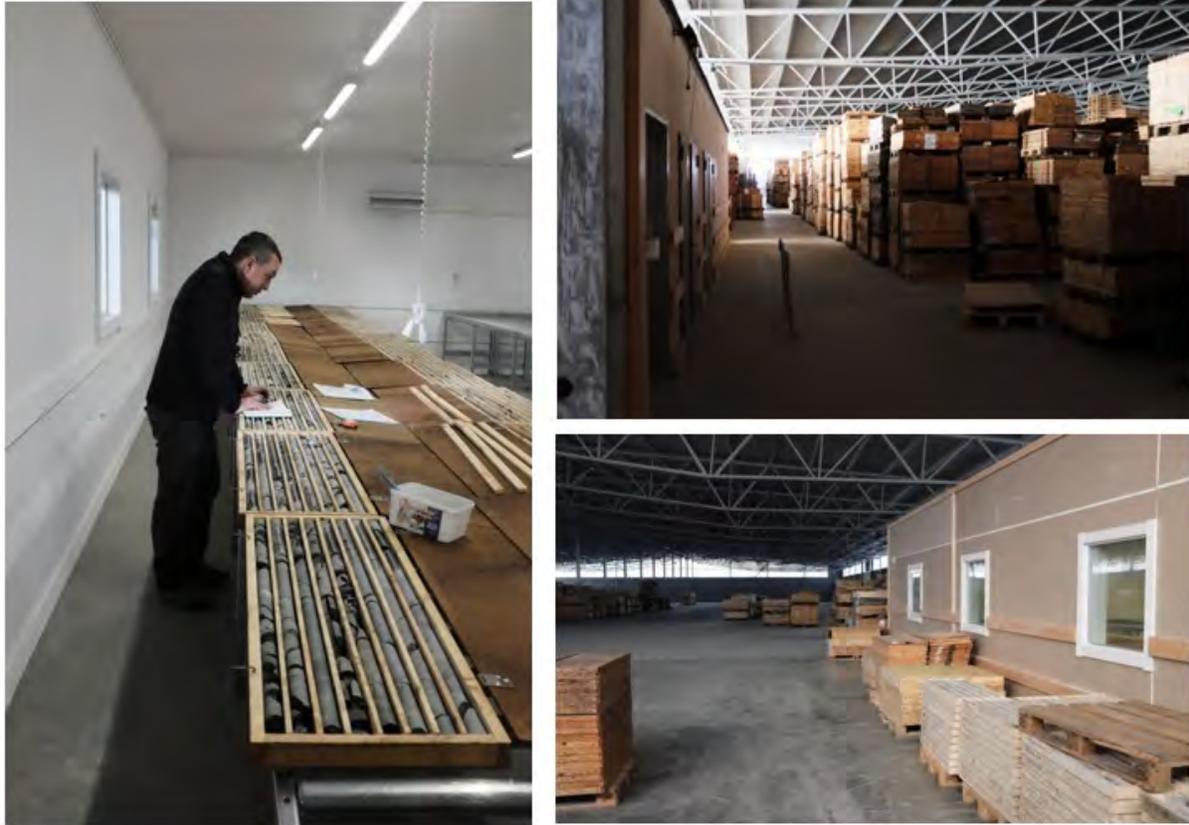


Photo 13: SGU core storage facility at Mala (small photo) and QP's inspection of the historical drill cores

Verification of Drill Hole Collars

The author also inspected historical pit locations of the Tomtebo and Lövås mines. During the site visit, the author found only two drill hole collars (Table 4), the drill hole numbers of which are unknown. It was mentioned that most of the historical drill hole collars had been lost. Consequently, the author could not verify the drill hole collars.

Rock Samples

During the site visit, the author also collected seven rock grab samples from the dump material from Tomtebo and Lövås mines. Rock sample results are provided in Table 5. The samples returned significant lead, zinc and gold and elevated silver values.

Table 4 Drill Collars Measured by DAMA using a Hand GPS

Drill Hole ID	Easting WGS84/UTM	Northing WGS84/UTM	Bearing /Dip
?	540054	6697520	Vertical
?	539952	6697152	338/45

Table 5: Sample coordinates and assay results collected by DAMA

Sample ID	Easting WGS84/UTM	Northing WGS84/UTM	Au ppm	Ag ppm	Cu (ppm)	Pb (%)	Zn (%)	Mine
DMS-01	539983	6697226	0.436	10.75	4770	0.0494	0.0796	Tomtebo
DMS-02	540068	6697541	0.347	88	1445	8.34	17.7	Tomtebo
DMS-03	539815	6697072	0.021	0.37	396	0.00346	3.01	Tomtebo
DMS-04	540005	6697323	0.855	62.3	5990	1.065	0.0998	Tomtebo
DMS-05	549728	6704737	0.064	82.9	2360	5.64	21.1	Lövås
DMS-06	549703	6704748	0.011	23.7	369	1.755	4.85	Lövås
DMS-07	549714	6704925	0.442	92.2	1655	5.73	0.801	Lövås



Photo 14: Drill collar locations marked by an iron pipe



Figure 7: Map showing DAMA Checks on the Tomtebo Mine

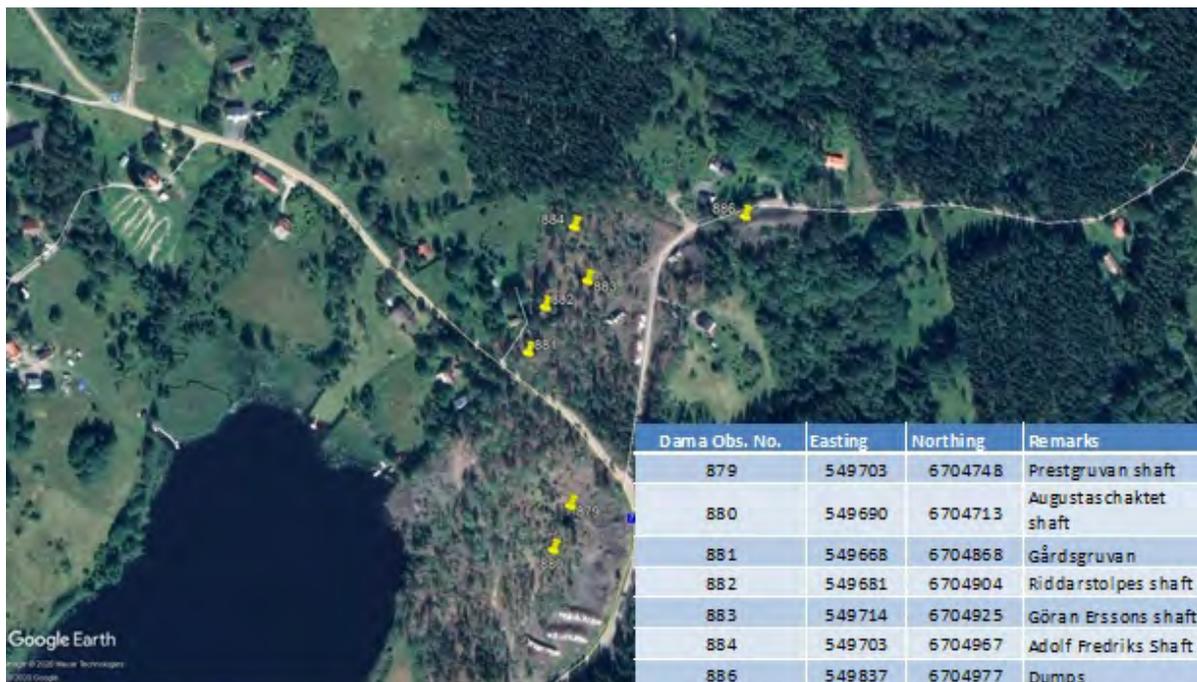


Figure 8: Map showing DAMA Checks on the Lövås Mine

Verification of Historical Drill Hole Data

SGU Archive

EMX provided the list of historical drill holes stored in the SGU archive. 34 drill holes are listed in SGU archive but most of the drill holes have got one or two core boxes. A detailed list of all the drill holes drilled by Stora (as derived from the SGU) archive is given below. No drill core or data is available from Boliden AB or Tumi Sweden AB.

Table 6: Tomtebo drill holes available in SGU archive (provided by EMX)

ID Code	Name	Drill Hole	Drill year	Core Meter	Total Meter	Boxes No	Storage Lo	Archive	Pre Owner
TOMT16003	Tomtebo	003	1916			?	C 33:02	1	Stora
TOMT16004	Tomtebo	004	1916			1-2	C 33:02	1	Stora
TOMT16005	Tomtebo	005	1916			1-2	C 33:02	1	Stora
TOMT16006	Tomtebo	006	1916			1-3	C 33:02	1	Stora
TOMT16008A	Tomtebo	008 A	1916			? (1 låda)	C 33:02	1	Stora
TOMT16008B	Tomtebo	008 B	1916			1-3	C 33:02	1	Stora
TOMT16009	Tomtebo	009	1916			(1 låda)	C 33:02	1	Stora
TOMT16010	Tomtebo	010	1916			1-2	C 33:02	1	Stora
TOMT43002	Tomtebo	002	1943			1-2	C 33:02	1	Stora
TOMT43004	Tomtebo	004	1943			?	C 33:02	1	Stora
TOMT44003A	Tomtebo	003 A	1944			1-3	C 33:02	1	Stora
TOMT44005	Tomtebo	005	1944			1-3	C 33:02	1	Stora
TOMT57002	Tomtebo	002	1957				H 29:08	1	Stora
TOMT57003	Tomtebo	003	1957				H 29:08	1	Stora
TOMT62003	Tomtebo	003	1962			1-5	C 34:08	1	Stora
TOMT62007	Tomtebo	007	1962				H 29:08	1	Stora
TOMT65001	Tomtebo	001	1965				H 29:08	1	Stora
TOMT65002	Tomtebo	002	1966				H 30:08	1	Stora
TOMT66002	Tomtebo	001	1967		181.0500		H 30:08	1	Stora
TOMT67001	Tomtebo	001	1968		179.3500		H 30:09	1	Stora
TOMT68001	Tomtebo	003	1968		165.7000		C 33:01	1	Stora
TOMT68001	Tomtebo	008	1968		36.2000		C 33:01	1	Stora
TOMT68008	Tomtebo	002	1969			1-10	C 33:01	1	Stora
TOMT69002	Tomtebo	002	1969			1-29	C 34:03	1	Stora
TOMT69003	Tomtebo	003	1969	0,00-55,30	55.3000	1-8	C 33:01	1	Stora
TOMT69006	Tomtebo	006	1969		120.0000		C 33:01	1	Stora
TOMT69007	Tomtebo	007	1969		39.4000		C 33:01	1	Stora
TOMT70022	Tomtebo	022	1970	0,00-149,20	149.2000	1-15	C 34:08	1	Stora
TOMT70023	Tomtebo	023	1970		74.5000		H 30:09	1	Stora
TOMT71003	Tomtebo	003	1971		75.2000	1-9	C 34:06	1	Stora
TOMT71005	Tomtebo	005	1971		136.1800	1-17	C 34:08	1	Stora
TOMT71010	Tomtebo	010	1971		168.0400	1-21	C 34:06	1	Stora

ID Code	Name	Drill Hole	Drill year	Core Meter	Total Meter	Boxes No	Storage Lo	Archive	Pre Owner
TOMT71016	Tomtebo	016	1971		124.3000		H 30:09	1	Stora
TOMT71041	Tomtebo	041	1971		75.1000	1-8	C 34:06	1	Stora

Some errors such as the end meters in the logs and the amount of core not matching each other were observed in the SGU database.

During the visit, seven chosen surface and underground drill holes (TOM57002, TOM65001, TOM66002, TOM67001, TOM71003, TOM71016, TOM71041) were checked for marking, sampling, and splitting works. Also, the geological characteristic (lithology, alteration, structure) and the significant intersections were visually field verified. The author did not collect any drill core or check samples.

Swedish language original geological logs including assay data regarding 26 of 34 holes are available. These geological logs and assay data have been digitized by EMX's geologists. Most of the drill logs contain specific information pertaining to; hole no, local x, y coordinates, elevation, orientation, date started, date completed, total depth, core diameter, machine name, lithological description, from-to meters, loss of core and sections of the drill.

EMX Database

In addition to these holes which are listed in SGU archive, EMX holds digitized data regarding Stora's 107 drill holes by using old mining plans and original assay certificates. This data contains lithology, collar coordinates, elevation, orientation and assay results.

As seen in Photo 15, some handwritten numbers were observed on the wooden core boxes. Some numbers show the sampling interval and the rest of them show the total length. However, some meters written on core boxes do not match the "from-to" meters in the core sheet.



Photo 15: Typical core box from Tomtebo Property at the SGU core storage facility

The lithology, alteration, sulphide content, sampling information, core recovery, and total depth of the holes in the database were also verified, and the records were confirmed to correspond with the numbers in the core boxes with exceptions and irregularities given in Table 7. In addition, the drill cores diameter varies between from 22mm to 32mm.

Table 7: Irregularities in the Core Boxes from the Tomtebo Property

Drill Hole ID	Irregularities
TOM65001	Box-1 and Box-2 is missing
TOM71016	11,20-16,83 was sampled in the core but in original log it is not sampled
TOM71016	Sample start from 6,80 in the original log, but in core it is written 6,7
TOM67001	The end meter of the hole is noted as 181.05, but 181.30 in the core box.
TOM57002	The end of the hole is 95.20 but there are only 9 boxes. The core recovery must be low but it is not noted in the original log. Also, in core box 6, the meter of the core changes 1.5 meter in 20 cm (Photo 16).



Photo 16: TOM57002 box 6

Quality Assurance / Quality Control Review

The existing historical assay certificates do not contain any data for internal duplicates or standards.

Verification Sampling

Due to the lack of pulp and reject samples, the author could not collect verification samples from the historical drill holes.

Database Audit

As part of the author's data verification protocol the author made a full audit of the assay databases provided by EMX with the historical original assay certificates. The assays in the database were compared with the historical original assay certificates. No errors were located with the assay information reviewed.

Since drilling programs were run in the 1970s, the standards used in those times do not match today's international standards. Furthermore, the author observed certain inadequacies such as large sample intervals (up to 9 m), marking errors, core splitting errors and some inconsistencies amongst core boxes. Therefore, it is quite possible that historical drilling completed at the Tomtebo Property was not performed in accordance with industry best practice although mineralization has been clearly observed. Consequently, a twin drilling program is highly recommended in order to verify the historical drill data.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing analyses have been carried out by the Company and there are no records available in respect of any prior testing.

Exploration Recommendations

The Tomtebo Property consists of a number of historical polymetallic mines, and it is situated near polymetallic producing VMS deposits. A significant amount of data from various archives in Sweden has been assembled and favorable horizons that have potential for hosting VMS and CRD occurrences: the Tomtebo and Lövås Mines have been identified.

The author completed historical data verification and validation work during the site visit, and concludes that historical drill hole and un-mined resources of the Tomtebo mine do not conform to the presently accepted industry standards. However, past work done to present and facilities on the Tomtebo Property give the impression that

there is small to modest sized (200 to 300 meters in length, 5 to 20 meters in thickness) mineralization in this area. Based on the observations of the waste dumps and examination of the underground mine maps, it is considered that the past exploration and mining has been confined to high grade mineralization, and lower grade mineralization seems to be left out in the area. It is for this reason that historical data should be utilized in order to shed light on prospective exploration studies although this data does not correspond with the industry best practice confirmation/validation.

However, the author believes that improving geological understanding of the favorable zones to define drill targets better is a requisite so that exploration will be successful. This improved understanding would enable better identification of geological structures that display mineralization.

There are no significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information in this report other than those described earlier.

Based on the encouraging historical mining and exploration results, the author recommends additional exploration program to confirm, expand and better define the mineralized zone and to explore for extension of the mineralization.

Phase 1

Twin Drilling

In the first phase, twin drill holes will be needed for confirmation of the mineralization encountered in the Stora drill holes over the Tomtebo and Lövås mines. In the case of Tomtebo mine, the author considers that twinning of the Stora's drill holes may be the best way to identify the Tomtebo targets. Because much of the Tomtebo mine is covered by mining dumps a good geology and alteration maps of the prospect cannot be produced. The author thinks it would be good to plan at least 2,000 meters drilling as a twin drilling campaign.

Phase 2

Drilling

If phase one reveals positive results and mineralization is confirmed, the company may continue to test the target zone by focussing on outlining and expanding the limits (along strike to the both directions and down dip) of the historical mines. Once the reports concerning the works done in 2020 are completed, this data can be used to identify drill targets.

At present there is no drill target defined at the other prospects within the Tomtebo Property. A drilling program may be needed to test if new targets are to be identified by looking at the completed reports. After completion of the reports that are in progress, re-interpretation of all the available data will be needed to identify drill targets. Drill testing of these targets will be the subsequent stage of the program. Depending on size of the target(s) to be identified by geological mapping and geophysical surveys, the number and total length of the subsequent test drilling may vary significantly. However, the author is of the opinion that planning at least 2,000 meters drilling as an initial test drilling campaign is a good idea.

Estimated Cost of the Proposed Works

Table 8: Estimated Costs for the Recommended Exploration Works

Activity		Unit Cost (\$/unit)	Number of the Units	Total Cost (\$)
Phase 1	Twinning Stora's drill holes ⁽¹⁾	300	2,000	600,000
Phase 2	Drilling ⁽¹⁾	300	8,000	2,400,000
	Regional Diamond Drilling for new targets ⁽¹⁾	300	2,000	600,000
Total =				3,600,000

Notes:

- ⁽¹⁾ Drilling cost includes all related works such as permitting, surveying, logging, sampling, and assaying. It is anticipated that such permits would be readily obtainable as described in Section 4.5.

DIVIDENDS AND DISTRIBUTIONS

The Company has not, for any of the three most recently completed financial years or its current financial year, declared or paid any dividends on our Common Shares, and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, the Company anticipates that it will not pay dividends but will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future will depend on the Company's earnings, if any, the Company's financial condition, and such other factors as the Company's directors consider appropriate.

CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of the date of this AIF, the Company has issued and outstanding: 59,432,524 Common Shares and 5,270,000 incentive stock options, each exercisable for one Common Share ("**Stock Options**").

Holders of Common Shares are entitled to receive notice of any meeting of shareholders of the Company, to attend and to cast one vote per share at such meetings. Holders of Common Shares are also entitled to receive on a *pro-rata* basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefor and upon the liquidation, dissolution, or winding up of the Company are entitled to receive on a pro-rata basis, the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions, and conditions attaching to any other series or class of shares ranking senior in priority. Common Shares do not carry any pre-emptive, subscription, redemption, or conversion rights.

None of the Stock Options provide the holders thereof with any voting rights, dividend rights, rights upon dissolution or winding up, or rights for redemption or retraction.

MARKET FOR SECURITIES

The Common Shares are listed for trading on the TSX Venture Exchange under the trading symbol “DMX”. The Common Shares commenced trading on the TSX Venture Exchange on July 17, 2019. The following table sets out the high and low sale prices and the volume of trading of the Common Shares on the TSX Venture Exchange on a monthly basis during the Company’s most recently completed financial year (the year ending June 30, 2020). On October 29, 2020, the last day of trading immediately prior to the date of this AIF, the Common Shares closed at a price of \$0.34 per Common Share.

Month	Price Range		TSX-Venture Exchange
	High \$	Low \$	Monthly Trading Volume
July 2019	0.30	0.16	1,500
August 2019	0.30	0.15	59,500
September 2019	0.15	0.15	0
October 2019	0.15	0.09	50,000
November 2019	0.09	0.09	203,000
December 2019	0.11	0.08	2,042,300
January 2020	0.19	0.11	65,000
February 2020	0.18	0.12	2,137,600
March 2020	0.14	0.14	0
April 2020	0.14	0.14	0
May 2020	0.28	0.13	1,697,000
June 2020	0.24	0.19	700,500

PRIOR SALES

During the Company’s most recently completed financial year (the year ending June 30, 2020), the Company issued the following Common Shares:

Securities Issued	Price at which Securities were Issued	Number of Securities	Date Securities were Sold
Common Shares	\$0.16	1,250,000	July 12, 2019
Common Shares	\$0.12	20,000,001	June 5, 2020
Common Shares	\$0.23	6,349,220	June 30, 2020

During the Company’s most recently completed financial year (the year ending June 30, 2020, and subsequent thereto), the Company issued the following securities convertible into or exercisable for Common Shares:

Securities Issued	Exercise Price per Security	Number of Securities	Date of Issuance
Stock Options	\$0.20	1,065,000	August 12, 2019
Stock Options	\$0.21	1,865,000	June 2, 2020
Stock Options	\$0.33	300,000	October 7, 2020

During the Company's previous financial years, the Company issued the following securities convertible into or exercisable for Common Shares:

Securities Issued	Exercise Price per Security	Number of Securities	Date of Issuance
Stock Options	\$0.30	2,050,000	July 11, 2018

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As at the date of this AIF, no securities of the Company are held in escrow or subject to a contractual restriction on transfer.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation, and Security Holding

The following table provides the names, province and country of residence, position, principal occupations, and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Location of Residence	Position or Office	Principal Occupation During Past 5 Years	Director Since ⁽¹⁾	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽²⁾
Garrett Ainsworth ⁽³⁾ British Columbia, Canada	CEO & Director	Director of Standard Uranium Ltd.; Vice President Exploration & Development at NexGen Energy Ltd.	July 11, 2018	1,724,000 2.90%

Name and Location of Residence	Position or Office	Principal Occupation During Past 5 Years	Director Since ⁽¹⁾	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽²⁾
Gavin Cooper ⁽⁴⁾ British Columbia, Canada	CFO	CFO and Director of Nevaro Capital Corporation; CFO of Gold Bull Resources Corp.; CFO of Kutcho Cooper Corp.; Director of ZTR Acquisition Corp	n/a	150,000 0.25%
Jonathan Challis ^{(5) (8)} London, England	Director	Director of Pasinex Resources Limited	October 7, 2020	Nil
Joanna Cameron ^{(6) (8)} British Columbia, Canada	Director	Associate Counsel at DuMoulin Black LLP	July 31, 2019	200,000 0.34%
Doug Ramshaw ^{(7) (8)} British Columbia, Canada	Director	President and Director of Minera Alamos Inc.; Director of Great Bear Resources	March 11, 2020	312,000 0.52%

Notes:

- (1) Each director will hold office until the next annual general meeting of the Company unless his or her office is earlier vacated in accordance with the provisions of the *BCBCA* or the articles of the Company.
- (2) Percentages shown are based on 59,432,524 Common Shares outstanding as of the date of this AIF.
- (3) Mr. Ainsworth owns a further 1,750,000 Stock Options.
- (4) Mr. Cooper owns a further 300,000 Stock Options.
- (5) Mr. Jonathan Challis owns 300,000 Stock Options.
- (6) Ms. Cameron owns a further 400,000 Stock Options.
- (7) Mr. Ramshaw owns a further 300,000 Stock Options.
- (8) Member of the Company's audit committee. Mr. Ramshaw is the Chair of the audit committee.

Shareholdings of Directors and Officers

As of the date of this AIF, the Company's directors and executive officers beneficially own, control, or direct, directly or indirectly, 2,386,000 Common Shares, which is 4.01% of the number of Common Shares issued and outstanding.

Cease Trade Orders, Bankruptcies, Penalties, or Sanctions

To the Company's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Company is, as at the date of this AIF, or was within 10 years before the date hereof, a director, chief executive officer, or chief financial officer of any person or corporation, including the Company, that:

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

To the Company's knowledge and other than as disclosed herein, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

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

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. There are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not and has not been a party to any legal proceedings or regulatory actions and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No person who is: (a) a director or executive officer of the Company; (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the Company's outstanding voting securities; (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), has any material interest, direct or indirect, in any material transaction since incorporation or in any proposed transaction that has materially affected or will materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company is Computershare Investor Services Inc., located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3A8.

MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the only material contracts entered into by the Company during the most recently completed financial year until the date of this AIF or before the most recently completed financial year of the Company but which are still in effect, are as follows:

- (a) the Amended Tomtebo Purchase Agreement;
- (b) the royalty interest conveyance and agreement among the Company, District Metals AB and Viad dated June 29, 2020 granting Viad a 2.5% net smelter return royalty over the Properties, as consideration pursuant to the Amended Tomtebo Purchase Agreement. The agreement provides District Metals AB with the option to purchase a one-half percent of the royalty from Viad for \$2,000,000 on or before the sixth anniversary of the Royalty Date; and
- (c) the shareholder rights agreement between the Company and EMX dated June 29, 2020 granting certain shareholder rights to EMX, including a top-up right to maintain its 9.9% proportionate shareholding in the Company, which was issued to EMX as consideration pursuant to the Amended Tomtebo Purchase Agreement.

INTERESTS OF EXPERTS

Smythe LLP, Chartered Professional Accountants, have audited the Financial Statements for the financial year ended June 30, 2020. Smythe LLP is independent of District Metals Corp., in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Mustafa Atalay, M.Sc. CPG of DAMA Engineering Co., is the QP under NI 43-101 in connection with the Technical Report.

No person or company whose profession or business gives authority to a report, valuation, statement or opinion and whom is named as having prepared or certified a report or valuation described or included in this AIF holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Company or any associate of the Company.

As at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed

as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company to disclose annually in its AIF certain information concerning the constitution of its audit committee and its relationship with its external auditor, as set forth below.

Audit Committee Charter

The charter of the Company’s Audit Committee is attached to this AIF as Schedule A.

Composition of Audit Committee

The following are the members of the Audit Committee:

Name	Independence⁽¹⁾	Financial Literacy⁽¹⁾
Joanna Cameron	Independent ⁽¹⁾	Financially literate
Jonathan Challis	Independent ⁽¹⁾	Financially literate
Doug Ramshaw, Chair	Independent ⁽¹⁾	Financially literate

Notes:

(1) As defined under NI 52-110.

Relevant Education and Experience

Joanna Cameron is an Associate Counsel at DuMoulin Black LLP and has 21 years’ experience as a lawyer, providing corporate, governance and securities and corporate advice to clients. Prior to joining DuMoulin Black LLP, Ms. Cameron was the Vice President Legal, General Counsel and Corporate Secretary of NexGen Energy Ltd. Prior to that, Ms. Cameron was a partner at Cassels Brock & Blackwell LLP, Lawson Lundell LLP and Norton Rose LLP. Ms. Cameron obtained her Bachelor of Laws from the University of Saskatchewan and a Bachelor of Arts, Honours (Economics and History) from Queen’s University. Ms. Cameron was named in the Canadian Legal Expert Directory (Mining) for 2015 and 2016, achieved the Martindale Hubbell, BV Distinguished rating, named in Best Lawyers in Canada (2013 to 2016 and 2020) for Mining and Securities and was a finalist in the expert “Top 40 Under 40” (2009). In 2017 Ms. Cameron was a finalist in the Western Canadian General Counsel Awards (Deal Making category).

Jonathan Challis is a mining engineer with over 30 years of experience in the operation, management, financing and analysis of mining projects around the world. Mr. Challis started his professional life as a mining engineer with Gold Fields of South Africa in 1974 before returning to Europe where he worked as a mining analyst and project financier for several European institutions. He subsequently joined McLeod Young Weir in London in 1987 as a mining analyst prior to relocating to Toronto in 1990. In 1994, he joined CM Oliver in Toronto as a Director and Senior Mining Analyst, prior to moving back to London where he was instrumental in establishing a European presence for that company. In 1997, he joined Ivanhoe Capital Corporation and was involved in several Canadian resource companies in the roles of CEO, President and director. Mr. Challis earned an honours degree in Mineral Exploitation from University College, Cardiff, and an MBA degree from Cranfield University. He holds both the South

African Metalliferous Mine Captain's and Mine Manager's Certificates of Competency. He is a Fellow of the Institute of Materials, Minerals and Mining (UK) and a Chartered Engineer.

Doug Ramshaw is a senior executive and corporate director with more than 20 years of experience in the mineral resource sector. His work has focused on mineral project evaluation, M&A and business development strategies supporting corporate growth. Mr. Ramshaw previously worked as a mining analyst for an independent brokerage firm in London, UK and has served in various executive capacities for a number of publicly listed junior resource companies. He holds a Bachelor of Science in Mining Geology from the Royal School of Mines. Mr. Ramshaw also sits on the board of Great Bear Resources.

As a result of their respective business experience, each member of the Audit Committee (i) has an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Company's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year ended June 30, 2020, has the Company relied on the exemptions in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), an exemption from subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. As the Company is considered a "venture issuer" for the purpose of Part 6 of NI 52-110, it is exempted from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (by Category)

The following table sets out the audit fees incurred by the Company for each of the last two fiscal years:

Period	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
Year ended June 30, 2019	\$13,159	Nil	Nil	Nil
Year ended June 30, 2020	\$15,183	Nil	\$1,500	Nil

“Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

“Audit-Related Fees” include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

“Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

“All Other Fees” include all other non-audit services.

Auditors

The Company’s auditors are Smythe LLP, having an address at Suite 1700 - 475 Howe Street, Vancouver, British Columbia, V6C 2B3.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and options to purchase Common Shares and securities authorized for issuance under equity compensation plans is contained in the management information circular dated January 2, 2020, for the annual general and special meeting of the Company held on February 6, 2020, which is available on SEDAR at www.sedar.com.

Additional financial information is provided in the Financial Statements and MD&A for its most recently completed financial year.

SCHEDULE A

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

As adopted by the Board of Directors of the Company (the “**Board**”), on October 10, 2020

I. PURPOSE

The Audit Committee (the “*Committee*”) of **District Metals Corp.** (“*District*”) is a committee of the Board of Directors with the responsibility under the governing legislation of District to review the financial statements, accounting policies and reporting procedures of District.

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by District to any governmental body or the public, the systems of internal controls of District regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of District generally. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of District.

The primary duties and responsibilities of the Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of District.
- Monitor the independence and performance of the auditor of District (the “*Auditor*”) and the internal audit function of District.
- Provide an open avenue of communication among the Auditor, financial and senior management and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

II. COMPOSITION

- The Committee shall be comprised of two or more directors as determined by the Board of Directors. The composition of the Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of District are listed. In particular, the composition of the Committee shall be in accordance with Multilateral Instrument 52-110 – Audit Committees, and the required qualifications and experience of the members of the Committee, subject to any exemptions or other relief that may be granted from time to time.
- All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall be a “*financial expert*” in accordance with applicable laws and all requirements of the stock exchanges on which shares of District are listed.
- Members of the Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the

foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.

- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.

III. MEETINGS

- The Committee may appoint one of its members to act as Chairman of the Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "*Secretary*"). The Secretary does not have to be a member of the Committee or a director and can be changed by written notice from the Chairman.
- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present or by a consent resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities, but in no event will the Committee meet less than four times a year. The Committee shall meet at least once annually with the Auditor. As part of its duty to foster open communication, the Committee should meet at least annually with management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these parties believe should be discussed privately. In addition, the Committee shall meet with the Auditor and management at least quarterly to review the financial statements of District.
- The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the Articles of District or otherwise determined by resolution of the Board of Directors.
 - The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of District, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities. They should also be requested or required to attend meetings of the Committee and make presentations to the Committee as appropriate.
- Subject to the provisions of the governing legislation of District and applicable regulations the Chairman of the Committee may exercise the powers of the Committee in between meetings of the Committee. In such event, the Chairman shall immediately report to the members of the Committee and the actions or decisions taken in the name of the Committee shall be recorded in the proceedings of the Committee.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

Documents/Reports Review

- Review and recommend for approval to the Board of Directors of District any revisions or updates to this Charter. This review should be done periodically, but at least annually, as conditions dictate.
- Review the interim unaudited quarterly financial statements and the annual audited financial statements, and the related press releases of District and report on them to the Board of Directors.
- Satisfy itself, on behalf of the Board of Directors, that the unaudited quarterly financial statements and annual audited financial statements of District are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board of Directors whether the quarterly and annual financial statements should be approved.

- Satisfy itself, on behalf of the Board of Directors, that the information contained in the quarterly financial statements of District, annual report to shareholders and similar documentation required pursuant to the laws of Canada does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.
- Review any reports or other financial information of District submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.
- Review, and if deemed advisable, approve all related party transactions as defined in the governing legislation of District.
- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of District and its subsidiaries; (ii) to discuss such accounts and records and any matters relating to the financial position of District with the officers and auditors of District and its subsidiaries and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Committee.
- Permit the Board of Directors to refer to the Committee such matters and questions relating to the financial position of District and its affiliates or the reporting related to it as the Board of Directors may from time to time see fit.

Independent Auditor

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor of District upon shareholder approval of the appointment, with such Auditor being ultimately accountable to the shareholders, the Board and the Committee.
- Act as the Auditor's channel of direct communication to District. In this regard, the Committee shall, among other things, receive all reports from the Auditor of District, including timely reports of:
 1. all critical accounting policies and practices to be used;
 2. all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of District, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor of District; and
 3. other material written communications between the Auditor and the management of District, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board of Directors that the Auditor is "*independent*" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and District, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.

- Review the performance of the Auditor and make recommendations to the Board of Directors as to whether or not to continue to engage the Auditor.
- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Committee.
- Satisfy itself, on behalf of the Board of Directors, that the internal audit function has been effectively carried out and that any matter which the Auditor wishes to bring to the attention of the Board of Directors has been addressed and that there are no "*unresolved differences*" with the Auditor.

Financial Reporting Process and Risk Management

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of District to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of District.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of District and review and approve all significant changes to such policies.
- Satisfy itself, on behalf of the Board of Directors, that District has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of District and other "*risk management*" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of District, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.
- Review and approve the investment and treasury policies of District and monitor compliance with such policies.
- Establish procedures for the receipt and treatment of (i) complaints received by District regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of District as to concerns regarding questionable accounting or auditing.

Legal and Regulatory Compliance

- Satisfy itself, on behalf of the Board of Directors, that all material statutory deductions have been withheld by District and remitted to the appropriate authorities.
- Without limiting its rights to engage counsel generally, review, with the principal legal external counsel of District, any legal matter that could have a significant impact on the financial statements of District.
- Satisfy itself, on behalf of the Board of Directors, that all regulatory compliance issues have been identified and addressed.

Budgets

- Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

General

- Perform any other activities consistent with this Charter, the By-laws of District and governing law, as the Committee or the Board of Directors deem necessary or appropriate.

Effective date

This Charter was implemented by the Board on October 10, 2020.