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**ANNUAL INFORMATION FORM**

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**For the year ended December 31, 2019**

**Dated: November 30, 2020**

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## **1 PRELIMINARY NOTES**

In this Annual Information Form (“AIF”), “Artemis” or the “Company” refers to Artemis Gold Inc. and “Velocity” refers to Velocity Minerals Inc., an “equity investee” of Artemis (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”).

All information contained herein is as at December 31, 2019 unless otherwise stated.

### **1.1 Documents Incorporated by Reference**

The information contained in the Blackwater Gold Project British Columbia NI 43-101 Technical Report dated September 18, 2020 (with an effective date of August 26, 2020) prepared by Sue Bird, P.Eng., Tracey Meintjes, P. Eng and Marc Schulte, P. Eng of Moose Mountain Technical Services, Daniel Fontaine, P. Eng of Knight Piésold Ltd., and John Thomas, P. Eng. of JAT Met Consult Ltd. (the “Blackwater Technical Report”) is incorporated by reference as part of this AIF. The Blackwater Technical Report is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) under Artemis’ profile.

### **1.2 Financial Statements**

Artemis’ financial statements for the fiscal period ended December 31, 2019 were prepared in accordance with International Financial Reporting Standards (“IFRS”).

This AIF should be read in conjunction with Artemis’ audited annual financial statements and notes thereto, as well as with the management’s discussion and analysis for the period ended December 31, 2019. The financial statements and management’s discussion and analysis are available at Artemis’ website at [www.artemisgoldinc.com](http://www.artemisgoldinc.com) and under Artemis’ profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### **1.3 Currency**

All sums of money which are referred to in this AIF are expressed in lawful money of Canada, unless otherwise specified. References to “US\$” are to United States Dollars.

### **1.4 Cautionary Statement Regarding Forward-Looking Information**

This AIF contains “forward-looking information” and “forward-looking statements” (referred to together herein as “forward-looking information”). Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “continue”, “plans” or similar terminology. Forward-looking statements and information are not historical facts, are made as of the date of AIF, and include, but are not limited to, statements regarding discussions of future plans, guidance, projections, objectives, estimates and forecasts and statements as to management’s expectations with respect to, among other things, the activities contemplated in this AIF. Forward-looking statements included or incorporated by reference in this AIF include, without limitation, statements related to proposed exploration, development and production programs, grade and tonnage of material, resource estimates, production estimates, cost estimates, permitting and approval processes, next steps with respect to Artemis’ properties, use of proceeds from financings, and statements related to Artemis’ investment in Velocity, the properties of Velocity and the



business of Velocity. These forward-looking statements involve numerous risks and uncertainties and other factors which may cause the actual results, performance or achievements of Artemis and Velocity to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Important factors that may cause actual results to vary include without limitation, the timing and receipt of certain approvals, changes in commodity and power prices, changes in interest and currency exchange rates, risks inherent in exploration estimates and results, risks inherent in mining exploration, development and operations, timing and success, inaccurate geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral reserves and resources), changes in development or mining plans due to changes in logistical, technical or other factors, unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications, cost escalation, unavailability of materials, equipment and third party contractors, delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety and environmental matters), political risk, social unrest, social and environmental activities, First Nations land claims, changes in general economic conditions or conditions in the financial markets and risks relating to the securities of Artemis and Velocity. In making the forward-looking statements in this AIF, Artemis has applied several material assumptions, including without limitation, the assumptions that: (1) market fundamentals will result in sustained gold demand and prices; (2) the receipt of any necessary approvals and consents in connection with the development and operation of any properties; (3) the availability of financing on suitable terms for the development, construction and continued operation of any mineral properties; and (4) sustained commodity prices such that any properties that may be put into operation remain economically viable. Information concerning mineral reserve and mineral resource estimates also may be considered forward-looking statements, as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. Certain of the risks and assumptions are described in more detail under the heading “Risk Factors” herein and in Artemis’ consolidated audited financial statements and MD&A for the year ended December 31, 2019 under Artemis’ profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). The actual results or performance by Artemis and Velocity could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company. Except as required by law, we are under no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## 2 CORPORATE STRUCTURE

### 2.1 Name, address and incorporation

Artemis was incorporated under the *Business Corporation Act* (British Columbia) under the name 1193490 B.C. Ltd. on January 10, 2019.

Artemis’ head offices are located at Suite 3083, Three Bentall Centre, 595 Burrard Street, P.O. Box 49298, Vancouver, BC, V7X 1L3, Canada.



The registered and records office of Artemis is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, BC, V7X 1L3, Canada.

Artemis is a reporting issuer in British Columbia, Alberta, Ontario and Quebec. The common shares of Artemis (the “Common Shares”) are listed on the TSX Venture Exchange (the “TSXV”).

## **2.2 Intercorporate Relationships**

Artemis has one wholly-owned subsidiary, BW Gold Inc. (“BW Gold”). BW Gold was incorporated under the *Business Corporations Act* (British Columbia) on May 29, 2020.

## **3 GENERAL DEVELOPMENT OF THE BUSINESS**

Artemis Gold Inc. is a well-financed gold development company with a technically driven approach to shareholder value creation through identifying, acquiring and developing gold projects in mining friendly jurisdictions using a disciplined staged approach to development, managing risks while minimizing cost of capital to optimize economics and returns for shareholders.

Artemis respects the rights and interests of Indigenous nations. The company is committed to building relationships based on trust, respect and integrity, and to unlocking the value of its assets in a way that benefits the Indigenous nations and communities where we operate.

The primary focus for Artemis today is on advancing to construction the Blackwater Gold Project in central BC, Canada, a project with 10+ million ounces of gold in resources, Environmental Assessment approval and the potential to develop into one of the largest gold mines in Canada with cash costs in the lower quartile of global producers.

Artemis also has a significant ownership interest in Velocity Minerals Ltd. (“Velocity”), an exploration and development company focused on an emerging gold district in southeast Bulgaria. The information in this AIF related to Velocity has been obtained from Velocity’s public disclosure. Artemis can provide no assurances with respect to the accuracy or completeness of any information related to Velocity, Velocity’s projects or any plans or assumptions of Velocity.

### **3.1 Incorporation on January 10, 2019 to December 31, 2019**

#### **3.1.1 Incorporation through to TSXV listing**

Artemis was incorporated on January 10, 2019 pursuant to the *Business Corporations Act* (British Columbia) under the name 1193490 B.C. Ltd. At that time, Artemis was a wholly-owned subsidiary of Atlantic Gold Corporation (“Atlantic”), a Canadian based gold producer with its common shares listed on the TSXV at that time.

On May 14, 2019, Atlantic announced that it had entered into an arrangement agreement with St Barbara Limited (“St Barbara”) pursuant to which St Barbara would acquire all of the issued and outstanding shares of Atlantic (the “Arrangement”). As part of the Arrangement, Atlantic distributed all of the common shares of Artemis to the shareholders of Atlantic. The Arrangement closed on July 19, 2019.



On October 2, 2019, the Common Shares commenced trading on Tier 2 of the TSXV. Effective November 4, 2020, Artemis graduated to Tier 1 Issuer status on the TSXV.

### 3.1.2 Velocity Investment

On March 14, 2019, Atlantic, through Artemis, its wholly owned subsidiary at that time, completed a \$9,000,000 strategic investment (the “Velocity Investment”) in Velocity pursuant to an investment agreement dated January 16, 2019 (“Investment Agreement”). A copy of the Investment Agreement is available on Velocity’s SEDAR profile at [www.SEDAR.com](http://www.SEDAR.com). The Velocity Investment was comprised of (i) 18,600,000 units of Velocity (the “Velocity Units”) issued at a price of \$0.21 per Velocity Unit, for \$3,906,000, and (ii) \$5,094,000 principal amount of secured convertible debentures of Velocity (the “Convertible Debentures”). For more information see *Velocity Investment* below.

### 3.1.3 Financing

On August 27, 2019, Artemis completed a non-brokered private placement financing for gross proceeds of \$32,641,566 (the “2019 Private Placement”). The 2019 Private Placement resulted in Artemis issuing 36,268,407 units at a price of \$0.90 per unit. Each unit consisted of one Common Share and one Common Share purchase warrant, with each whole warrant entitling the holder to purchase one additional Common Share at a price of \$1.08 per Common Share for a period of 60 months following closing of the 2019 Private Placement.

## **3.2 January 1, 2020 to Present**

### 3.2.1 Acquisition of the Blackwater Gold Project

On August 21, 2020, Artemis completed the acquisition of the Blackwater Project from New Gold Inc. (“New Gold”) (the “Acquisition”). The Blackwater Project is Artemis’ material property for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”).

Pursuant to the Acquisition, Artemis acquired all of New Gold’s property, assets and rights related to the Blackwater Project. Consideration for the Acquisition was comprised of (i) an initial payment of \$140 million at closing of the Acquisition (the “Initial Payment”), (ii) 7,407,407 Common Shares issued at closing of the Acquisition, (iii) a cash payment one year following closing of the Acquisition of \$50 million (the “Second Payment”) and (iv) a secured gold stream participation (the “Stream Agreement”) in favour of New Gold as described below. New Gold also has a first ranking security interest over the Blackwater Project until the Second Payment is made.

At closing of the Acquisition, Artemis entered into a Stream Agreement with New Gold whereby New Gold will purchase 8.0% of the refined gold produced from the Blackwater Project. Once 279,908 ounces of refined gold have been delivered to New Gold, the gold stream will reduce to 4.0%. New Gold will make payments for the gold purchased equal to 35% of the US dollar gold price quoted by the London Bullion Market Association two days prior to delivery.



In the event that commercial production at the Blackwater Project is not achieved by the 7th, 8th, or 9th anniversary of closing of the Acquisition, New Gold will be entitled to receive additional cash payments of \$28 million on each of those dates.

### 3.2.2 Financings

To fund the Acquisition, on August 24, 2020 Artemis completed brokered and non-brokered private placements of an aggregate of 64,825,925 subscription receipts (the "Subscription Receipts") at a price of \$2.70 per Subscription Receipt for aggregate gross proceeds of approximately \$175,030,000. Each Subscription Receipt entitled the holder to receive one Common Share for no additional consideration upon satisfaction of certain escrow conditions. On August 21, 2020, pursuant to the closing of the Acquisition, all escrow conditions were satisfied and the Subscription Receipts were exchanged for 64,825,925 Common Shares.

On Sept 2, 2020, Artemis completed a non-brokered private placement of 250,000 Common Shares for gross proceeds of \$1,362,500.

### 3.2.3 Velocity Investment

On February 12, 2020, Artemis acquired 5,166,887 units of Velocity. Each unit consisted of one Velocity Share and one-half of one Velocity purchase warrant.

In April 2020, Velocity settled \$216,495 of interest owed on the Convertible Debenture by issuing 742,184 Velocity Shares to the Company. Additionally, in October 2020, Velocity issued 484,415 Velocity Shares to settle interest owed to Artemis of \$216,495.

## **3.3 Three Year History of Velocity**

### 3.3.1 Acquisitions and Material Contracts

In July 2017, Velocity completed a Share Purchase and Sale Agreement (the "SPA") with 1077076 B.C. Ltd., ("1077076"), and the shareholders of 1077076 (the "Sellers"), whereby Velocity acquired all of the outstanding shares of 1077076 in exchange for common shares of Velocity (the "Transaction"). Upon the completion of the Transaction, Velocity acquired an option to acquire an interest in the Tintyava Property and the Ekuzya Property located in south-eastern Bulgaria.

On February 22, 2018, Velocity entered into a binding letter agreement with Gorubso Kardzhali A.D. ("Gorubso") to substantially expand the scope of Velocity's relationship with Gorubso. The Agreement set out the terms by which Velocity and Gorubso will form an exploration and mining alliance (the "Alliance") covering all existing and future Gorubso and Velocity projects covering the prospective Eastern Rhodope Gold Mining District in southeastern Bulgaria.

On September 17, 2018, Velocity announced the results of an independent Preliminary Economic Assessment for the Rozino Gold Project and on November 5, 2018, Velocity announced that it has delivered notice of option exercise Gorubso for the Tintyava Property. The notice was delivered together with the Rozino Project technical report. Upon delivery, Velocity earned a 70% interest in the Tintyava Property and formed a joint-venture with Gorubso.



On May 28, 2019, Velocity announced that it has entered into an option agreement with Gorubso to acquire a 70% interest in the Nadezhda property, which includes the Makedontsi gold project. Under the terms of the option agreement, Velocity can earn a 70% interest by delivering a mineral resource estimate prepared under NI 43-101.

On June 10, 2019, Velocity announced that it has entered into an option agreement with Gorubso to acquire a 70% interest in the Momchil property, which includes the Obichnik gold project. Under the terms of the option agreement, Velocity can earn a 70% interest by delivering a mineral resource estimate prepared under NI 43-101.

On September 25, 2019, Velocity entered into an option agreement for the Sedefche project (“Sedefche”) with Gorubso. On September 25, 2020, the Velocity and Gorubso amended the terms of the option agreement to extend the term of the option period to October 25, 2020 for the purpose of providing additional time for the parties to negotiate and enter into a relinquishment agreement, whereby the Gorubso - shall reimburse the Company for the exploration and evaluation work carried out in the Sedefche property. On October 25, 2020, Velocity executed a relinquishment agreement and received the reimbursement amount of \$1.5 million.

On June 26, 2020, Velocity entered into a Letter Agreement with Balkan Minerals Development OOD (“BMD”), a Bulgarian private company, and its shareholders, for an exclusive option to acquire a 100% interest in Iglia gold-copper property (“Iglia”) through acquiring all of the issued and outstanding shares of BMD. Under the terms of the Letter agreement to acquire 51% of BMD shares, the Company must (i) pay EUR 31,956 (BGN 62,500) to BMD on signing of the Letter Agreement and (ii) incur exploration expenditures in the amount of EUR 300,000 by December 31, 2020. The company can earn the remaining 49% of BMD shares by incurring additional exploration expenditures in the amount of EUR 500,000 by December 31, 2021.

### 3.3.2 Financings and Issuances

On March 14, 2019, Velocity completed a \$9.0 million strategic investment with Atlantic Gold Corporation and its wholly-owned subsidiary, 1193490 B.C. Ltd. (now Artemis). The investment was comprised of a private placement of 18,600,000 units for total gross proceeds of approximately \$3.9 million and a convertible debenture in the aggregate principal amount of approximately C\$5.1 million.

On February 12, 2020, Velocity completed a non-brokered private placement by raising aggregate gross proceeds of \$5,787,075 through the issuance of 14,467,687 units at a price of \$0.40 per unit. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder thereof to purchase one Common Share at a price of \$0.55 per Common Share for a period of 18 months from the issue date.

On November 24, 2020, Velocity closed a 9.99% strategic investment with Dundee Precious Metals Inc. (“DPM”) whereby Velocity issued and sold 13,394,000 common shares to DPM for an aggregate purchase price of \$6,697,000 (on a private placement basis. In connection with the strategic investment, Velocity issued to Artemis 4,000,000 common shares at a price of \$0.50 per share for gross proceeds of \$2,000,000, in connection with the exercise by Artemis of its participation right to maintain its shareholdings of Velocity



at approximately 22% on an issued and outstanding basis. In addition, Gorubso subscribed for 500,000 common shares at a price of \$0.50 per share for gross proceeds of \$250,000.

## 4 DESCRIPTION OF BUSINESS

### 4.1 General

#### Mission Statement

Create and grow sustainable value by applying leading, technically excellent and differentiated approaches to managing mining assets and unlocking their unrealized potential, while being firmly committed to protecting the health, safety and wellbeing of our employees, the environment and the communities in which we work.

#### About Artemis

Artemis Gold Inc. is a well-financed gold development company with a technically driven approach to shareholder value creation through identifying, acquiring and developing gold projects in mining friendly jurisdictions using a disciplined staged approach to development, managing risks while minimizing cost of capital to optimize economics and returns for shareholders.

Artemis respects the rights and interests of Indigenous nations. The company is committed to building relationships based on trust, respect and integrity, and to unlocking the value of its assets in a way that benefits the Indigenous nations and communities where we operate.

The primary focus for Artemis today is on advancing to construction the Blackwater Gold Project in central BC, Canada, a project with 10+ million ounces of gold in resources, Environmental Assessment approval and the potential to develop into one of the largest gold mines in Canada with cash costs in the lower quartile of global producers.

### 4.2 Employees

At December 31, 2019, Artemis had four full time employees employed in respect of executive management and administrative support. As at the date of this AIF, Artemis had eight full time employees employed in respect of executive management and administrative support.

At December 31, 2019, Velocity had 22 employees.

### 4.3 Social or Environmental Policies

Artemis maintains a written Code of Conduct (the "Code"), compliance with which is mandatory for all directors, officers and employees, and consultants of the Company, and the full text of which may be viewed on Artemis' website. Included within the Code are, among others, requirements that all such Company personnel conduct Artemis' business and affairs honestly and with integrity, using high ethical standards; comply with the laws of each jurisdiction in which Artemis does business; not tolerate discrimination, intimidation or harassment on the basis of race, colour, age, gender, sexual orientation, marital status,



physical or mental disability, national or ethnic origin or religious beliefs; ensuring a work environment which is respectful of their dignity, rights, needs and individual differences; as well as conduct Artemis' operations using environmental best practices with a goal to protecting human health, minimizing impact on the ecosystem and returning exploration and mining sites to a high environmental standard.

#### **4.4 Cycles**

Artemis' mineral exploration activities may be subject to seasonality due to adverse weather conditions including, without limitation, incremental weather, frozen ground and restricted access due to snow, ice or other weather-related factors. In addition, the mining and mineral exploration business is subject to global economic cycles effecting, among other things, the marketability and price of gold products in the global marketplace.

#### **4.5 Specialized Skill and Knowledge**

Various aspects of Artemis' business require specialized skills and knowledge. Such skills and knowledge include, but are not limited to, the areas of exploration and development, geology, drilling, permitting metallurgy, logistical planning, and accommodation and implementation of exploration programs, as well as legal compliance, finance and accounting. The Company expects to rely upon various legal and financial advisors, consultants and others in the operation and management of its business, including consultants holding exploration and development expertise. See "*Risk Factors – Dependence on Key Individuals*".

### **5 RISK FACTORS**

The business and operations of Artemis are speculative due to the high-risk nature of its business, which is the exploration of mineral properties. The risks listed below are not the only risks and uncertainties that Artemis faces. Additional risks and uncertainties not presently known to Artemis or that Artemis currently considers immaterial may also materially impair its business. These risk factors could materially affect Artemis' business, financial condition and future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

If any of the following risks occur, Artemis' business, financial condition and operating results could be materially adversely affected.

#### **5.1 Risks Related to the Business of Artemis**

##### **5.1.1 Economics of Developing Mineral Properties**

Mineral exploration and development is speculative and involves a high degree of risk. Few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that Artemis' mineral deposits are commercially mineable.

Should any mineral resources and reserves exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of



exploration programs and feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) mineral prices; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

The ability to sell, and profit from the sale of any eventual mineral production from any property will be subject to the prevailing conditions in the minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of a mining company and therefore represent a market risk which could impact the long term viability of Artemis and its operations.

#### 5.1.2 Investment in Velocity

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that such fluctuations will not affect the price of Velocity's securities.

Artemis is subject to the risk that Velocity may fail to perform its obligations pursuant to the terms and conditions under the Convertible Debentures. If Velocity fails to perform such obligations, there can be no assurance that Artemis may be able to fully recover upon realization of such security or to mitigate any losses that result from such failure to perform and/or prevent any collateral losses, which could have a material effect on Artemis.

Artemis is subject to Velocity's own risk factors. Velocity's access to financing is always uncertain. There can be no assurance of continued access to funding. Velocity is also exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in United States dollars and Bulgarian Lev. Velocity is also exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on Velocity's profit or loss, the ability to obtain financing, or the ability to obtain a public listing due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. Fluctuations in value may be significant which will affect the value of Artemis' equity interest in Velocity.

#### 5.1.3 Limited Business History

Artemis has a short history of operations and has no history of earnings. The likelihood of success of Artemis must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Artemis has limited financial resources and there is no assurance that funding will be available to it when needed. There is also no assurance that



Artemis can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

#### 5.1.4 Unknown Environmental Risks for Past Activities

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at Artemis' mineral properties do not exist.

#### 5.1.5 Artemis Indemnity Risk

Pursuant to the Arrangement with St Barbara, Artemis has indemnified St Barbara and Atlantic, and their respective directors, officers, employees and agents, from certain claims and losses, including claims and losses relating to taxes.

Any liability related to taxes cannot be determined for certain at this time because Atlantic's tax liability will depend on factors including, but not limited to, deductions or credits available to Atlantic such as loss carry forwards in the taxation year of Atlantic that includes the distribution of Common Shares. A successful indemnification claim against Artemis could have a material adverse effect on Artemis.

#### 5.1.6 Acquisitions and Joint Ventures

Artemis will evaluate from time to time opportunities to acquire or enter into a joint venture in respect of mining assets and businesses, including the exercise of its option to acquire the GK Project pursuant to the option agreement between Artemis and Strategic Metals Ltd. dated May 31, 2019. These acquisitions and joint ventures may be significant in size, such as the Acquisition of the Blackwater Project, may change the scale of Artemis' business and may expose it to new geographic, political, operating, financial and geological risks. Artemis' success in its acquisition and joint venture activities will depend on its ability to 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 Artemis. 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 Artemis' ongoing business; the inability of management to maximize the financial and strategic position of Artemis 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 Artemis' 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 Artemis 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.

#### 5.1.7 COVID-19 and Other Health Crises

Artemis' business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the current COVID-19 pandemic. To date, there have been a large number of restrictions, business closures, quarantines and a reduction in various activities in a number of countries including Canada, the United States, Europe and China. The pandemic has resulted in 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 and other impacts cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in the supply and demand for gold and other 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 Artemis of such public health crises also include risks to employee health and safety, additional slowdowns or temporary suspensions of operations in geographic locations impacted by an outbreak, increased labor, transportation 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 Artemis is uncertain and these factors are beyond Artemis' control. Any increase in the severity of the pandemic or future outbreaks of COVID-19, particularly if the number of COVID-19 cases in British Columbia continues to rise, could have a material adverse effect on Artemis' business, results of operations and financial condition.

#### 5.1.8 Social and Environmental Activism

There is an increasing level of public concern relating to the effects of mining on the natural landscape, in communities and on the environment. Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While Artemis seeks to operate in a socially responsible manner and believes it has good relationships with local communities in the regions in which it operates, NGOs or local community organizations could direct adverse publicity against and/or disrupt the operations of Artemis in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which Artemis has an interest or Artemis' operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of Artemis or its relationships with the communities in which it operates, which could have a material adverse effect on Artemis' business, financial condition, results of operations, cash flows or prospects.

#### 5.1.9 First Nations Land Claims

Certain of Artemis' mineral properties may now or in the future be the subject of First Nations land claims. The legal nature of First Nations land claims is a matter of considerable complexity. The impact of any such



claim on Artemis' interest in its mineral properties cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of First Nations rights in the areas in which Artemis' mineral properties are located, by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on Artemis' activities. In addition, there is no assurance that Artemis will be able to maintain practical working relationships with First Nations which would allow it to ultimately develop Artemis' mineral properties.

#### 5.1.10 Factors Beyond the Control of Artemis

The potential profitability of mineral properties is dependent upon many factors beyond Artemis' control. For instance, prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways Artemis cannot predict and are beyond Artemis' control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Artemis.

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that Artemis' properties can be mined at a profit. Factors beyond the control of Artemis may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, international investment patterns, national fiscal policies, monetary systems, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, Artemis' principal products and exploration targets, gold, is affected by various factors, including political events, economic conditions and production costs. The price of gold, silver and other metals has fluctuated widely in recent years. Future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Artemis' business, financial condition and result of operations. Moreover, the ability of Artemis to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious and other metals. The effect of these factors, individually or in the aggregate, is impossible to predict with accuracy.

#### 5.1.11 Artemis' Proposed Operations Will Require Access to Adequate Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Artemis' operations, financial condition and results of operations.



#### 5.1.12 Regulatory Requirements

The current or future operations of Artemis, including development activities and possible commencement of production on its properties, requires permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which Artemis may require for the development and construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which Artemis might undertake.

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 activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

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

#### 5.1.13 Insurance

Artemis' business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, Artemis' mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive necessary regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. Artemis may be subject to liability or sustain loss for certain risks and hazards against which are not or cannot be insured or which Artemis may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to Artemis.

#### 5.1.14 Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.



#### 5.1.15 Current Global Financial Condition

Artemis will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Current financial and economic conditions globally have been subject to increased uncertainties. While access to financing has been negatively affected in some instances by these economic uncertainties, within the mining industry, access to financing has been somewhat increased in certain instances. Notwithstanding such trends, these factors, as volatile as they are, may affect the ability of Artemis to obtain equity and/or debt financing in the future and, if obtained, influence the terms available to Artemis. If these increased levels of volatility and market turmoil continue, Artemis may not be able to secure appropriate debt or equity financing. If additional capital is raised by the issuance of shares from the treasury of Artemis, shareholders may suffer dilution. Future borrowings by Artemis may increase the level of financial and interest rate risk to Artemis as Artemis will be required to service future indebtedness.

#### 5.1.16 Environmental Risks and Hazards

All phases of Artemis' operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Artemis' operations. Environmental hazards may exist on the properties which are unknown to Artemis at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Artemis is not insured against most potential environmental liabilities. However, Artemis believes it has adequate insurance coverage for its size and stage of development for certain potential environmental exposures. Artemis will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance as Artemis continues to develop. However, there is a risk that insurance against certain environmental risks (including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from exploration and production) may not be available to companies within the industry due to market conditions or other reasons, at that time.

Without such insurance, and if Artemis becomes subject to environmental liabilities, the payment of such liabilities could reduce or eliminate its available funds or could exceed the funds Artemis has to pay such liabilities and result in bankruptcy. Should Artemis be unable to fund fully the remedial cost of an environmental problem, Artemis might be required to enter into interim compliance measures pending completion of the required remedy.



#### 5.1.17 Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit.

#### 5.1.18 Costs of Land Reclamation Risk

It is difficult to determine the exact amounts which may be required to complete any land reclamation activities in connection with the properties in which Artemis holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of Artemis.

#### 5.1.19 No Assurance of Title to Property

There may be challenges to title to the mineral properties in which Artemis holds an interest. If there are title defects with respect to any properties, Artemis might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs.

#### 5.1.20 Dependence on Key Individuals

Artemis is dependent on a relatively small number of key personnel, particularly Steven Dean, its CEO, and Chris Batalha, its CFO, the loss of any one of whom could have an adverse effect on Artemis. At this time, Artemis does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of Artemis' officers and directors have experience in the exploration of mineral producing properties, Artemis will remain highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of Artemis or be available upon commercially acceptable terms.

#### 5.1.21 Risk of Amendments to 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 Artemis and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

#### 5.1.22 Conflicts of Interest

Some of the directors and officers of Artemis are directors and officers of other companies, some of which are in the same business as Artemis. Some of Artemis' directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct competition with Artemis. Artemis' directors and officers are required by law to act in the best interests of Artemis. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to Artemis may result in a breach of their obligations to the other companies



and, in certain circumstances, this could expose Artemis to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of Artemis. Such conflicting legal obligations may expose Artemis to liability to others and impair its ability to achieve its business objectives.

#### 5.1.23 Influence of Third Party Stakeholders

The lands in which Artemis holds an interest, or the exploration equipment and roads or other means of access which Artemis intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Artemis' work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for Artemis.

#### 5.1.24 Cyber Security

Information systems and other technologies, including those related to Artemis' financial and operational management, and its technical and environmental data, are an integral part of Artemis' business activities. Network and information systems related events, such as computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, or other malicious activities or any combination of the foregoing or power outages, natural disasters, terrorist attacks, or other similar events could result in damages to Artemis' property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future. Furthermore, any security breaches such as misappropriation, misuse, leakage, falsification, accidental release or loss of information contained in Artemis' information technology systems including personnel and other data that could damage its reputation and require Artemis to expend significant capital and other resources to remedy any such security breach. Insurance held by Artemis may mitigate losses however in any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate Artemis for any disruptions to its business that may result and the occurrence of any such events or security breaches could have a material adverse effect on the business of Artemis. There can be no assurance that these events and/or security breaches will not occur in the future or not have an adverse effect on the business of Artemis.

## **5.2 Risks Related to Artemis' Securities**

### 5.2.1 Price Volatility of Publicly Traded Securities

The Common Shares are listed on the TSXV. Securities of mineral exploration and development companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. The price of the Common Shares is also likely to be significantly affected by short-term changes in gold or other mineral prices or in Artemis' financial condition or results of operations. Other factors unrelated to Company performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning Artemis' business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may



affect an investor's ability to trade significant numbers of Common Shares; the size of Artemis' public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from the TSXV, or any exchange the Common Shares are trading on, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect Artemis' long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Artemis may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

#### 5.2.2 Substantial Number of Authorized but Unissued Common Shares

Artemis has an unlimited number of common shares which may be issued by the board of directors of Artemis without further action or approval of Artemis' shareholders. While the board of directors is required to fulfill its fiduciary obligations in connection with the issuance of such shares, Common Shares may be issued in transactions with which not all shareholders agree.

#### 5.2.3 Additional Financing and Dilution

Artemis plans to focus on exploring for minerals and will use its working capital to carry out such exploration. However, Artemis will require additional funds to further such activities. To obtain such funds, Artemis may sell additional securities including, but not limited to, its Common Shares or some form of convertible security, the effect of which would result in a substantial dilution of the equity interests of Artemis' shareholders.

There is no assurance that additional funding will be available to Artemis for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that Artemis will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

#### 5.2.4 Securities or Industry Analysis

The trading market for the Common Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Company, its business, the market or its competitors. Artemis does not have any control over these analysts and cannot assure that such analysts will cover Artemis or provide favourable coverage. If any of the analysts who may cover Artemis' business change their recommendation regarding Artemis' securities adversely, or provide more favourable relative recommendations about its competitors, the Common Share price would likely decline. If any analysts who may cover Artemis' business were to cease coverage or fail to regularly publish reports on the Company, it could lose visibility in the financial markets, which in turn could cause the Common Share price or trading volume to decline.



### 5.3 Risks Related to the Investment in Velocity

Velocity is subject to a number of significant risks and uncertainties due to the nature of its business and the present stage of its business development.

Velocity's failure to successfully address such risks and uncertainties could have a material adverse effect on its business, financial condition and/or results of operations, and the future trading price of its common shares may decline and investors, including the Company, may lose all or part of their investment. Neither Velocity or Artemis can give any assurance that Velocity will successfully address these risks or other unknown risks that may affect Velocity's business.

Below is a summary of some of the risks and uncertainties that Velocity is subject to, which has been taken from Velocity's public disclosure. Artemis can provide no assurances with respect to the accuracy or completeness of the risk factors below, any information related to Velocity, Velocity's projects or any plans or assumptions of Velocity. The information in this AIF related to Velocity has been obtained from Velocity's public disclosure. The risk factors below are not a definitive list of all risk factors associated with an investment in the Velocity Shares or in connection with Velocity's business and operations.

#### 5.3.1 Mineral Exploration and Development

The exploration and development of minerals is highly speculative in nature and involves a high degree of financial and other risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate.

While discovery of a mineral deposit may result in significant rewards, few properties which are explored are ultimately developed into producing mines. Whether a mineral deposit will be commercially viable depends on a number of factors, including the particular attributes of the deposit, financing costs, the cyclical nature of commodity prices, and government regulations (including those related to prices, taxes, currency controls, royalties, land tenure, land use, importing and exporting of mineral products, and environmental protection). The effect of these factors or a combination thereof, cannot be accurately predicted but could have an adverse impact on Velocity. Velocity's operations are also subject to all of the hazards and risks normally encountered in mineral exploration and development. These risks include unusual and unexpected geological formations, seismic activity, rock bursts, cave-ins, water inflows and other conditions involved in the drilling and removal of material, environmental hazards, industrial accidents, periodic interruptions due to adverse weather conditions, labour disputes, political unrest and theft. The occurrence of any of the foregoing could result in damage to, or destruction of, mineral properties or interests, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action.

#### 5.3.2 Financing Risks

Velocity has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill Velocity's existing obligations or for further exploration and development on acceptable terms or at all. Velocity does not generate revenue or cash flow and there can be no assurance that Velocity will be able to obtain sufficient financing in the future on terms acceptable to it. The ability of Velocity to arrange additional financing in the future will depend, in part, on prevailing capital market



conditions as well as the business performance of Velocity. The most likely source of future financing presently available to Velocity is through the sale of additional common shares, which would mean that each existing shareholder would own a smaller percentage of the common shares then outstanding. Also, Velocity may issue or grant warrants or options in the future pursuant to which additional common shares may be issued. Exercise of such warrants or options will result in dilution of equity ownership to Velocity's existing shareholders. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause Velocity to forfeit its interests in its mineral resource properties or to reduce or terminate its operations.

#### 5.3.3 Uncertainty in the Estimation of Mineral Resources

Mineral resources are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved or that assumptions on recovery will be realized. Investors are cautioned not to assume that any part or all of those mineral deposits classified as a mineral resource will ever be converted into mineral reserves or that the anticipated tonnages and grades will be achieved. Estimation is a subjective process, and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Further, these resource estimates are classified as "inferred mineral resources." Inferred mineral resources have a great amount of uncertainty as to their existence, and economic and legal feasibility. There can be no assurance that Velocity will be able to increase the confidence level of all or any of the inferred resources. If Velocity's actual mineral resources are less than current estimates or if Velocity fails to develop its resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected.

#### 5.3.4 Price of Gold

The ability of Velocity to develop its mineral resource properties will be significantly affected by changes in the market price of gold. The price of gold is affected by numerous factors beyond Velocity's control. The level of interest rates, the rate of inflation, the world supply of and demand for gold, as well as the stability of currency exchange rates can all cause fluctuations in price. Such external economic factors are influenced by changes in international investment patterns and monetary systems as well as various political developments. A drop in the price of gold would adversely impact Velocity's future prospects. The price of gold has historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) Velocity's properties to be impracticable. In addition, sustained low gold prices could result in a halt or delay the exploration and development of Velocity's properties; and reduce the potential for financings required for further exploration and development activities. These developments could have a material adverse impact on Velocity's financial performance and results of operations.

#### 5.3.5 Potential Profitability and Factors Beyond the Control of Velocity

The potential profitability of mineral properties is dependent upon many factors beyond Velocity's control. For instance, world prices of and markets for gold are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs may



fluctuate in ways Velocity cannot predict and are beyond Velocity's control, and such fluctuations will impact profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Velocity.

#### 5.3.6 Environmental Risks and Hazards

All phases of Velocity's operations are subject to extensive environmental regulations. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of these regulations may result in the imposition of fines and penalties. In addition, certain types of mining operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which Velocity holds its interests or on properties that will be acquired which are unknown to Velocity at present and which have been caused by previous or existing owners or operators of those properties.

#### 5.3.7 Title Risks

While Velocity has investigated title to its current mineral resource properties under joint-venture and option agreements, there is a risk that title to the property will be challenged or impugned. The property may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. If title defects do exist, it is possible that Velocity may lose all or a portion of its rights, title, estate and interest in and to the properties, when and if earned, to which the title defects relate.

#### 5.3.8 Competition

The mineral exploration business is competitive in all of its phases. Velocity competes with numerous other companies and individuals, including competitors with greater financial, technical, and other resources, in the search for and the acquisition of attractive mineral properties. Velocity's ability to acquire properties in the future will depend not only on Velocity's ability to develop its properties, but also on Velocity's ability to select and acquire suitable prospects for mineral exploration or development. In addition, the mining industry periodically faces a shortage of equipment and skilled personnel and there can be intense competition for experienced geologists, engineers, field personnel and other contractors. There is no assurance that Velocity will be able to compete successfully with others in acquiring prospective properties, equipment or personnel.

#### 5.3.9 Foreign Operations

Velocity's operations consist of the acquisition, exploration, development and investment in mineral resource properties. The majority of Velocity's operations and business are outside of Canada, and as such,



Velocity's operations are exposed to various political and other risks and uncertainties. Velocity conducts its operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between or among such entities could restrict or impact the ability to fund its operations. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Velocity's business, financial condition and results of operations.

#### 5.3.10 Foreign Country Political Environment

Velocity operates in Bulgaria and Velocity's operations may be subject to geopolitical, economic and other risks that may affect Velocity's future operations and financial position. There is sovereign risk in investing in foreign countries, including the risk that the resource concessions may be susceptible to revision or cancellation by new laws or changes in direction by the government in question. It is possible that changes in applicable laws, regulations, or changes in their enforcement or regulatory interpretation could result in adverse changes to mineral operations. These are matters over which Velocity has no control. There is no assurance that future political and economic conditions in such countries will not result in the adoption of different policies or attitudes respecting the development and ownership of resources. Any such changes in policy or attitudes may result in changes in laws affecting ownership of assets, land tenure and resource concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both the ability to undertake exploration and development on the properties on which Velocity holds or will be entitled to royalty or other interests. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability are beyond the control of Velocity and such changes may result in a material and adverse effect on Velocity's results of operation and financial condition. Investors should assess the political risks of investing in a foreign country. Any variation from the current regulatory, economic and political climate could have an adverse effect on the affairs of Velocity. In addition, the enforcement by Velocity of its legal rights to exploit its properties may not be recognized by the government of the foreign country or by its court system.

#### 5.3.11 Infrastructure

Development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, and water supply are important determinants for 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 exploration or development of Velocity's mineral resource properties. If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploration or development of Velocity's projects will be commenced or completed on a timely manner, if at all. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Velocity's exploration and development activities.

#### 5.3.12 Price Volatility and Lack of Active Market

The market price of a publicly traded stock, especially a junior resource issuer such as Velocity, is affected by many variables in addition to those directly related to exploration successes or failures. Such factors include the general condition of markets for resource stocks, the strength of the economy generally, the availability and attractiveness of alternative investments, and the breadth of the public markets for the stock. As a result,



the market price of the common shares is highly volatile and there can be limited liquidity in the market. Therefore, holding common shares involves a high degree of risk and investors could suffer significant losses if Velocity's common shares are depressed or illiquid when an investor seeks liquidity.

#### 5.3.13 Key Executives

Velocity is dependent on the services and technical expertise of several key executives, including the directors of Velocity and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of Velocity, the loss of any of these individuals may adversely affect Velocity's ability to attract and retain additional highly skilled employees and may impact its business and future operations.

#### 5.3.14 Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. Velocity is undertaking to put into place a system of internal controls appropriate for its size, and reflective of its level of operations, however, given the size of Velocity and its limited resources, these controls may be inadequate to identify all errors.

#### 5.3.15 Conflicts of Interest

Certain of Velocity's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of Velocity's management team and their duties as a director, officer, promoter or member of management of such other companies. Velocity's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors disclose conflicts of interest and abstain from voting on any matter where there is a conflict of interest. Velocity will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

#### 5.3.16 Surface Rights

Velocity does not own all of the surface rights at its properties and there is no assurance that surface rights owned by the government will be granted, nor that they will be on reasonable terms if granted. Failure to acquire surface rights may impact Velocity's ability to access its properties, as well as its ability to commence and/or complete construction or production, any of which would have a material adverse effect on the profitability of Velocity's future operations.

#### 5.3.17 Uninsured Risks

Velocity's business is subject to a number of risks and hazards including adverse environmental effects and technical difficulties due to unusual or unexpected geologic formations. Such risks could result in personal injury, environmental damage, damage to and destruction of the facilities, delays in exploration and development and liability. For some of these risks, Velocity maintains insurance to protect against these



losses at levels consistent with industry practice. However, Velocity may not be able to maintain current levels of insurance, particularly if there is a significant increase in the cost of premiums. Insurance against environmental risks is generally expensive and may not continue to be available for Velocity and other companies in the industry. Velocity's current policies may not cover all losses. Velocity's existing policies may not be sufficient to cover all liabilities arising under environmental law or relating to hazardous substances. Moreover, in the event that Velocity is unable to fully pay for the cost of remedying an environmental problem, Velocity might be required to suspend or significantly curtail its activities or enter into other interim compliance measures.

#### 5.3.18 COVID-19 Pandemic

Velocity has not fully assessed the potential impacts, if any, that COVID-19 may have on its business and operations, which could include Velocity's ability to purchase products and/or services at reasonable costs in the operation of its business and to stay on schedule due to the reliance on external parties in the permitting process. In order to minimize potential impacts on Velocity's personnel and operations, it introduced a 'work from home' policy at its offices in Canada, has reduced travel and transitioned to virtual meetings where feasible. Velocity has and will continue to take other measures recommended by Health Canada and the World Health Organisation, as appropriate.

#### 5.3.19 Cyber Security

Information systems and other technologies, including those related to Velocity's financial and operational management, and its technical and environmental data, are an integral part of Velocity's business activities. Network and information systems related events, such as computer hacking, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, or other malicious activities or any combination of the foregoing or power outages, natural disasters, terrorist attacks, or other similar events could result in damages to Velocity's property, equipment and data. These events also could result in significant expenditures to repair or replace damaged property or information systems and/or to protect them from similar events in the future. Furthermore, any security breaches such as misappropriation, misuse, leakage, falsification, accidental release or loss of information contained in Velocity's information technology systems including personnel and other data that could damage its reputation and require Velocity to expend significant capital and other resources to remedy any such security breach. Insurance held by Velocity may mitigate losses however in any such events or security breaches may not be sufficient to cover any consequent losses or otherwise adequately compensate Velocity for any disruptions to its business that may result and the occurrence of any such events or security breaches could have a material adverse effect on the business of Velocity. There can be no assurance that these events and/or security breaches will not occur in the future or not have an adverse effect on the business of Velocity.

#### 5.3.20 Joint Venture Partners

Velocity's primary asset is held through a joint venture, which exposes Velocity to risks inherent to joint ventures, including disagreements with joint venture partners and similar risks.



### 5.3.21 Exploration and Mine Permitting Process

The regulatory processes related to permitting of exploration programs and major mining projects are subject to uncertainty and risks as to the information required, the timeframes to analyze information provided and the outcomes of such analysis.

## 6 ABOUT THE BLACKWATER PROJECT

The following information is a direct excerpt from Artemis' NI 43-101 technical report on the Blackwater Project titled "Blackwater Gold Project British Columbia NI 43-101 Technical Report on Pre-Feasibility Study" with an effective date of August 26, 2020, available on Artemis' website and under Artemis' profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The following information does not purport to be a complete summary of the Blackwater Technical Report, is subject to all the assumptions, qualifications and procedures set out in the Blackwater Technical Report and is qualified in its entirety with reference to the full text of the Blackwater Technical Report. Each of the authors of the Blackwater Technical Report is independent of Artemis within the meaning of NI-43-101 and is a "Qualified Person", as such term is defined in NI 43-101.

### 6.1 Summary

#### 6.1.1 Introduction

Moose Mountain Technical Services ("MMTS"), Knight Piésold Ltd. ("KP"), and JAT Met Consult Ltd. ("JAT Metco") have prepared a technical report (the "Report") for Artemis on a pre-feasibility study ("PFS") evaluation ("2020 PFS") of the Blackwater Gold Project (the "Project"), located in British Columbia, Canada.

BW Gold is the holding entity for the mineral claims, and party to the purchase agreement with New Gold. BW Gold is a wholly-owned subsidiary of Artemis. For the purposes of this Report, Artemis is used interchangeably for the subsidiary and parent companies.

For the purpose of this report the property (the "Property") comprises six contiguous claim blocks held by BW Gold Ltd. (Blackwater, Capoose, Auro, Key, Parlane and RJK).

The Blackwater Project refers to exploration and development activity related to the Blackwater deposit which is contained within the Blackwater claim block.

#### 6.1.2 Key Findings

The key findings of the 2020 PFS are:

- At a 0.20 g/t gold equivalent (AuEq) cut-off, the total Measured and Indicated Mineral Resource is estimated at 597 Mt at 0.65 g/t AuEq, 0.61 g/t Au, and 6.4 g/t Ag for a total of 12.4 million AuEq ounces.
- Of the total Measured and Indicated Mineral Resources, 75% are in the Measured category.
- Proven and Probable Mineral Reserves total 334.0 Mt at 0.75 g/t Au and 5.78 g/t Ag.



- Ore processing commences with a nominal milling rate of 15,000 t/d (5.5 Mtpa, Phase 1). The ore processing facilities will be expanded to achieve 33,000 tpd (12 Mtpa, Phase 2) starting in Year 6 with a final expansion to achieve 55,000 t/d (20 Mtpa, Phase 3) starting in Year 11 of operation.
- A combined gravity circuit and whole ore leaching (WOL) will be used for recovering gold and silver.
- The average gold feed grade will be 1.57 g/t Au over the first five years.
- The initial capital cost estimate is \$592 million, including a 15% contingency.
- Expansion capital is \$426 million for the Phase 2 expansion to 12.0 Mtpa and \$398 million for the Phase 3 expansion to 20.0 Mtpa.
- The life of mine operating costs are estimated at \$17.65/t of ore milled. Total LOM all-in sustaining cash costs are estimated at \$811/oz.
- After-tax net present value at a 5% discount rate is estimated at \$2,247 million.
- After-tax internal rate of return is 34.8%.
- After-tax initial capital payback is estimated at 2.0 years
- Expansion capital is paid for from operating cashflow.

#### 6.1.3 Terms of Reference

The Report supports disclosures in Artemis' press release entitled "Artemis Announces Revised PFS for Blackwater Project" dated 26 August 2020.

All currencies are expressed in Canadian dollars (\$CDN) unless otherwise stated. Years expressed in this summary are for illustrative purposes only, as the decision to implement production is at the discretion of Artemis, and permits to support operation still have to be obtained. Mineral Resources and Mineral Reserves are estimated using the 2019 edition of the Canadian Institute of Mining, Metallurgy and Exploration ("CIM") Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019 CIM Best Practice Guidelines), and are reported using the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves (2014 CIM Definition Standards).

For the purposes of the Report, two terms are used for the mine production: life-of-mine ("LOM") refers to the life of mine including the pre-production period; the operational period refers to the mine life excluding the pre-production duration.

#### 6.1.4 Project Description and Location

##### 6.1.4.1 *Location*

The Blackwater Project is located in central British Columbia (BC), approximately 112 km, southwest of Vanderhoof and 446 km northeast of Vancouver (Figure 1-1). The Project site is readily accessible by forest service and mine roads. Driving time from Vanderhoof to the property is about 2.5 hours. Helicopter access is available from bases in Vanderhoof, Quesnel, or Prince George.





**Figure 1-1 Blackwater Project Location Map (Artemis, 2020)**

*6.1.4.2 Mineral Tenure*

BW Gold holds a 100% recorded interest in 328 mineral claims covering an area of 148,688 ha distributed among the Blackwater, Capoose, Auro, Key, Parlane and RJK claim blocks. The Blackwater claim block comprises 75 mineral cell claims totaling 30,578 ha. All claims are 100% held in the name of BW Gold and expire in 2022. There are no other parties with beneficial interests in these mineral rights. None of the Blackwater cell claims are known to overlap any legacy or Crown granted mineral claims, or no-staking reserves.

*6.1.4.3 Surface Rights*

A review of surface rights in the vicinity of the Property was undertaken in September 2020. The majority of the Blackwater mineral claims are located on Crown lands. The review identified an overlapping private parcel, land reserves/notations, a transfer of administration/control area, grazing tenures, forest recreation sites, forest tenures, trap lines, guide outfitters, and an ungulate winter range. Sixteen (16) of the Capoose claims have minor portions overlapping onto Entiako Provincial Park.

A review of surface rights in the vicinity of proposed electrical transmission lines, water pipeline, and access roads (“Linear Infrastructure”) was undertaken in December 2013 and in September 2020. This review identified private parcels; a Land Act license, rights of way, reserves/notations and a transfer of administration/control area; grazing tenures; forest tenures; forest recreation sites; traplines; guide outfitter areas; a wildlife management area; an agriculture land reserve; and third-party mineral tenures overlapping or in close proximity to the proposed Linear Infrastructure route.



#### 6.1.4.4 *Royalties and Encumbrances*

BW Gold's 100% interest in the Blackwater claim block is subject to four net smelter return (NSR) agreements:

#### 6.1.4.5 *Dave Option*

A 1.5% NSR royalty is payable on mineral claim 515809 (Dave Claim). The claim covers a portion of the Blackwater deposit.

#### 6.1.4.6 *Jarrit Option*

A 1% NSR royalty is payable on mineral claim 515810 (Jarrit Claim). The claim covers a portion of the Blackwater deposit.

#### 6.1.4.7 *JR Option*

The current agreement would allow BW Gold. to purchase two-thirds of three Blackwater claims (637203, 637205, and 637206) NSR royalty for \$1,000,000 at any time, such that a 1% NSR royalty would remain.

#### 6.1.4.8 *PS Claim*

A 2% NSR royalty is payable on mineral claim 835014. The existing agreement would allow BW Gold to purchase half for \$1,000,000.

Only the royalties with respect to the Dave and Jarrit Options exist within the current Mineral Reserves.

BW Gold's 100% interest in the property, assets and rights related to the Blackwater Project and six contiguous claim blocks (Blackwater, Capoose, Auro, Key, Parlane and RJK) is subject to the following consideration, payable to New Gold:

- A cash payment of \$50 million to be paid on or before August 21, 2021 (Second Payment); and
- The Stream Agreement, whereby New Gold will purchase 8.0% of the refined gold produced from the Project. Once 279,908 ounces of refined gold have been delivered to New Gold, the gold stream will reduce to 4.0%. New Gold will make payments for the gold purchased equal to 35% of the US dollar gold price quoted by the London Bullion Market Association two days prior to delivery. In the event that commercial production at Blackwater is not achieved by the 7th, 8th, or 9th anniversary of Closing, being August 21, 2020, New Gold will be entitled to receive additional cash payments of \$28 million on each of those dates.

New Gold has a first ranking security interest over the Project until the Second Payment is made, and will thereafter maintain a security interest over the Project in connection with the gold stream agreement (subject to any security to be granted over the Project in respect of future project financing.)

All other material encumbrances within the Blackwater claim blocks are listed in Section 4.6.



## 6.1.5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

### 6.1.5.1 *Accessibility*

The Blackwater site will be accessed via the Kluskus Forest Service Road (“FSR”). BW Gold will undertake road improvements over a small section of the FSR. BW Gold will likely become the primary operator and user of the FSR by the time the Project is constructed, considering that reduced logging operations are anticipated in the area at that time, and will be responsible for primary maintenance. BW Gold will upgrade part of the FSR to meet the future year-round operational Project needs.

A new 16 km long mine access road will replace the existing exploration access road to the site. Some sections of the planned water supply pipeline, the fibre-optic cable and the power transmission line will parallel this road. The road will be used for heavy traffic during mine operation and has been designed for year-round, all-weather access.

### 6.1.5.2 *Local Resources*

The Project area is very sparsely inhabited; the closest Indian Reserve to the mine site is Tatelkus Lake 28, approximately 15 km away and three ranches are found within a 20 km radius of the Project site. Some services are available in Vanderhoof, but Prince George is the regional hub with air service from major centres.

There is no grid-connected power in the direct vicinity of the Project. The main BC Hydro 500 kV transmission lines supplying western BC are approximately 100 km to the north. Several interconnection points from the 500 kV lines to existing 230 kV substations and transmission lines are possible in an area between Fraser Lake and Vanderhoof. Power for the current Blackwater exploration camp is provided by generators. The deposit is located on the north slope of Mt. Davidson, and the proposed Project infrastructure including the mill facilities, waste stockpiles and tailings storage will be sited predominantly in the Davidson Creek watershed. Precipitation run-off and groundwater from pit dewatering will be the primary water sources for mineral processing. A groundwater well field will supply potable water for the camp.

### 6.1.5.3 *Physiography*

The elevation of the Blackwater Project ranges from just over 1,000 m (above sea level) in low-lying areas northeast of the proposed mine site to 1,800 m on the southwest side of the Project area at the summit of Mt. Davidson, which is the highest peak in the Fawnie Range. Bedrock outcrops are limited and most of the area is covered with thick glacial deposits of 2 m or more, except at high elevations near the summit of Mt. Davidson and several localized areas lower in elevation.

The Nazko Upland sub-region is the primary biogeoclimatic region. Low-elevation valley bottoms are dominated by stands of lodgepole pine. Hybrid white spruce tends to dominate on moist to wet sites below 1,500 m, while subalpine fir and Engelmann spruce are dominant above 1,500 m. The pine beetle epidemic infested almost all of the lodgepole pine forests within this sub-region. The Nazko Upland sub-region also contains an extensive network of lakes, rivers, and wetland complexes. Atmospheric heating of these water bodies can result in convective activity and sporadic summer showers.



#### 6.1.5.4 Regional Tectonics and Seismicity

The Project is situated within central British Columbia, where the level of recorded historical seismic activity has been low. A seismicity assessment was carried out for the Project in 2013, including a review of the regional seismicity and a probabilistic hazard analysis. A design earthquake magnitude 8.5 was selected for earthquake return periods of 500, 5,000, and 10,000 years, based on the review of regional tectonics and historical seismicity, and the findings of deaggregation of the probabilistic seismic hazard. This represents large magnitude earthquakes along the Queen Charlotte fault system and Cascadia subduction zone. The potential for shallow crustal earthquakes closer to the Project site was also considered for longer return period events of 5,000 and 10,000 years, representing earthquakes of up to about magnitude 7.5 along coastal British Columbia.

#### 6.1.6 History

Limited exploration activity, on what is now the Project site was first recorded in 1973. Granges Inc. completed geophysical and geochemical surveys and limited drilling between 1973 and 1994. Following some further drilling from 2005 to 2007, the Project was acquired by Richfield Ventures Corp. (“Richfield”) in early 2009. During the second half of 2009, throughout 2010 and the first five months of 2011, Richfield continued its exploration drilling program at Blackwater.

New Gold purchased Richfield in May 2011 and thereby acquired a 75% interest in the Davidson claims and 100% interests in each of the Dave and Jarrit claims and subsequently acquired Geo Minerals Ltd. and Silver Quest Resources Ltd.

New Gold undertook a major exploration drilling, metallurgical testwork, and feasibility-level engineering program, including completion of a feasibility study in 2014 (“2014 FS”). Artemis completed the Project acquisition on 21 August 2020. Artemis has acquired all of New Gold’s mineral tenures; assets and rights related to the Project and now hold a 100% interest in the Project.

No production has occurred from the Project area.

#### 6.1.7 Geological Setting

The Blackwater deposit is an example of an intermediate sulphidation epithermal-style gold–silver deposit.

Mineralization is hosted within felsic to intermediate composition volcanic rocks that have undergone extensive silicification and hydrofracturing in association with pervasive stockwork veined and disseminated sulphide mineralization.

Mineralization is strongly controlled by northwest–southeast-trending structures characterized by zones of tectonic brecciation and chloritic gouge. A major north-south-trending fault dissects the orebody and east–northeast-trending faults along UTM easting 375,600E. This fault represents a well-defined disruption in lithology, alteration, and mineralization patterns and was used to subdivide the resource block model into two structural domains, one to the east of it and one to the west.

The alteration minerals most commonly identified included muscovite, high- and low temperature illite, ammonium-bearing illite, smectite, silica, biotite, and chlorite.



Gold–silver mineralization is associated with a variable assemblage of pyrite– sphalerite–marcasite–pyrrhotite ± chalcopyrite ± galena ± arsenopyrite (± stibnite ± tetrahedrite ± bismuthite).

#### 6.1.8 Exploration

Given the lack of bedrock exposures in the immediate Blackwater deposit area, geologic information has been obtained primarily by exploration drilling. New Gold mapping of pits and road-cut exposures over the deposit supported the geological interpretation of the deposit in the subsurface.

Soil and stream geochemical surveys over parts of the Project area were done in 2012. A total of 4,517 samples were collected. The results of the soil survey indicated numerous areas displaying multi-element anomalies including gold, zinc, silver, copper, bismuth, and molybdenum, many of which merit follow-up investigation. Results of a restricted stream silt sampling program of 43 samples indicated anomalous copper and zinc values from streams to the northwest and southeast of the Blackwater deposit.

During 2010, Richfield contracted Quantec Geoscience Ltd. of Toronto to conduct a Titan 24 DC resistivity and IP chargeability geophysical survey. The results of the survey indicate good correspondence between known mineralization and the Titan IP- resistivity results. In general, zones of significant gold mineralization correlate positively to zones of moderate resistivity and moderate IP chargeability.

Polished section petrographic analysis, X-ray diffraction analysis and whole-rock lithochemical analyses have been conducted on selected drill samples. A two-phase alteration study was also completed to develop the alteration model for the deposit.

#### 6.1.9 Mineralization

Disseminated gold-silver mineralization is defined by an east–west-trending tabular–conical-shaped deposit with a lateral extent of up to 1,300 m east–west x 950 m north–south. Mineralization remains open at depth in the southwestern part of the deposit as well as to the north and northwest. The centre of the deposit has an average thickness of 350 m and, where open, a vertical extension of up to 600 m. The mineralized zone plunges shallowly to the north and northwest with inferred steep, north-plunging higher-grade mineralized shoots, measuring tens of metres thick, likely influenced by near-vertical structural intersections.

#### 6.1.10 Drilling

A total of 1,041 core drillholes totalling 317,718 m have been drilled in the block model area between 2009 and January 2013 by Richfield and New Gold. Drilling completed between 1981 and the end of 2006 consists of 81 holes totaling 7,633 m. This legacy drilling is not used in resource estimation.

The exploration drilling carried out since 2009 has been predominantly a 63.5 mm diameter (“HQ”) diamond drill core except where a reduction to NQ diameter (47.6 mm) was required to attain target depths. Drilling for metallurgical has used s 85 mm diameter (“PQ”) core. Some of the condemnation drilling was undertaken using reverse circulation (“RC”) methods.

Geological logging includes geotechnical, magnetic susceptibility, and specific gravity measurements taken at regular intervals. Lithology is logged and the core prepared for systematic sampling at regular 1 m intervals. Magnetic susceptibility and conductivity data were measured at 10 cm increments along the core



with a hand-held conductivity and magnetic susceptibility metre. Recovery and rock quality designation (RQD) data were also measured and recorded.

Core recovery for the 2009, 2010, 2011, and 2012 drilling programs averaged 92%, and the median core recovery was 96%.

Planned drillhole collar locations were measured in the field using hand-held global positioning system (GPS) instruments. Locations were subsequently confirmed by Trimble differential GPS. Of the 1,041 holes, 1,025 were then professionally surveyed by All North Consulting using a Real Time Kinematic (RTK) technique to enhance the precision of the location data. Elevations for the drill collars were determined by draping collar coordinates over the topography measured by an aerial light detection and ranging (LiDAR) survey.

Down-hole surveys are performed using Reflex survey equipment, and dip angle and azimuth are recorded. A +18.8° magnetic declination correction factor is applied to the magnetic azimuth record.

Thirteen specific geotechnical HQ holes were drilled; in addition, 10 hydrological pilot holes (also at HQ size) were drilled to serve as monitoring stations, where a piezometer is installed to measure the level of the aquifer in the deposit area. Twenty-seven specific metallurgical holes were drilled, four of which were HQ in size; the remaining 23 holes were drilled at PQ. Fourteen waste rock characterization holes (HQ) were drilled, and 91 RC holes and 18 core holes comprised the condemnation drill program.

#### 6.1.11 Sampling and Analysis

Previous owners Richfield and New Gold personnel conducted the drill core handling and sampling.

Certified reference standards (CRMs), blanks, and duplicates are inserted into the sample stream. The drillhole database is supported by over 40,000 QA/QC check assays.

Eco Tech Stewart Group Laboratories (“Eco Tech”) in Kamloops and ALS Mineral Laboratories (“ALS”) in Vancouver, Vanderhoof, Terrace, Reno, and Elko were used for sample preparation. Eco Tech in Kamloops and ALS in North Vancouver were used as the primary assay laboratories. Both laboratories were accredited and are independent of New Gold and Artemis.

Drill core samples were prepared using standard crush, split, and pulverise sample preparation procedures. Pulverized samples were analysed for gold by fire assay (“FA”) atomic absorption spectrometry (“AAS”). Preparation and FA AAS procedures varied between the laboratories but were generally similar.

Metallurgical samples were selected from the designated metallurgical holes and samples from numerous resource holes across the deposit. The samples were collected and dispatched from site to laboratories under the supervision of the New Gold Exploration Manager. Sample security protocols used were the same as the exploration sample protocols.

Specific gravity measurements were made in the field for more than 32,000 samples using a water immersion method without a wax coating. ALS verified the field measurements by analyzing 154 samples using a water immersion method without a wax coating and 55 samples using a wax-coat water immersion method. The results showed no bias between the field and laboratory methods for all but overburden samples.



#### 6.1.12 Data Verification

Data verification programs have been completed by Sue Bird, Principal of MMTS. This QP has reviewed the sample database for interval errors and missing sample intervals.

A site visit was undertaken by the QP on 14 July 2020 to review the site location core storage, core, geology and protocols. The QP concluded that the QA/QC with respect to the results received for the drill programs between 2009 and 2012 are acceptable. The protocols were reviewed and have been well documented. The drillhole database is adequate to support the geological interpretations and Mineral Resource estimate in this report.

#### 6.1.13 Mineral Resource Estimates

The Mineral Resource estimate is based upon a block model that incorporates 288,738 individual assays from 309,293 m of core from 1,002 drillholes. The drillhole database is supported by analysis of over 43,000 quality assurance/quality control (QA/QC) samples.

The block model is created using block dimensions of 10 x 10 x 10 m.

Gold interpolation has been done using multiple indicator kriging (“MIK”) with silver grades interpolated by ordinary kriging (“OK”). MIK has been used for Au estimation due to the significant value and non-linear distribution of the Au mineralization at higher grades. This is evident by the cumulative probability plots (“CPPs”) and coefficients of variation (“C.V.s”) of the Au grades by domain, as discussed in Section 14. Ordinary kriging has been used for Ag because the C.V.s are generally lower, the Ag is generally lognormally distributed at higher grades, and the Ag mineralization has much lower value to the Project. The interpolated grades were validated through comparison of the de-clustered composite data by global bias checks, grade-tonnage curves for smoothing checks, and visual validation in section and plan.

The interpolations were limited by the domain boundaries and were clipped to the overburden surface. Blocks were assigned a preliminary classification based on the variography and drillhole spacing by domain, with Measured and Indicated classifications then adjusted for continuity of blocks.

To assess reasonable prospects for eventual economic extraction, a Lerchs–Grossmann (LG) pit was used to constrain the Mineral Resource. The economic assumptions used in the LG shell are almost identical to the economic assumptions used for the Mineral Reserve pit optimization with the notable exception of metal prices, which are higher for the Mineral Resource estimate, and pit slopes which are constant at 40 degrees.

#### 6.1.14 Mineral Resource Statement

The Qualified Person for the resource estimate is Sue Bird, P. Eng. of MMTS. The Mineral Resource is classified in accordance with the 2014 CIM Definition Standards and was estimated using the 2019 CIM Best Practice Guidelines Mineral Resources in Table 1-1 are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Table 1-1 includes a range of AuEq cut-off grades to show the sensitivity of the resource estimate to variations in cut-off grade. The base case cut-off grade within the “reasonable prospects of eventual economic extraction” pit is 0.20 g/t AuEq, as highlighted in Table 1-1.



As part of the model validation process, a comparison of the Au content in the 2020 model (which used MIK for the Au estimate) to that in the 2014 resource model (which used OK) was done. The comparison has been done using the 2014 resource pit, the AuEq calculation from 2014 and a cut-off of 0.3 g/t AuEq (as used for the 2014 resource statement) in order to compare a similar volume and grade distribution. The comparison shows that the respective resource tonnage and Au grade are within 5%, and the total contained Au content is within 2% for the measured and indicated classes.

**Table 1-1 Mineral Resource Estimate (effective date of May 5, 2020)**

Classification			In-situ Grades			In-situ Contained Metal		
	Cut-off	Tonnage	AuEq	Au	Ag	AuEq	Au	Ag
	(g/t AuEq)	(kt)	(g/t)	(g/t)	(g/t)	(koz)	(koz)	(koz)
Measured	0.20	427,123	0.68	0.65	5.5	9,360	8,905	75,802
	0.30	313,739	0.84	0.80	5.9	8,463	8,109	59,009
	0.40	238,649	0.99	0.96	6.1	7,627	7,347	46,727
	0.50	186,687	1.15	1.11	6.2	6,881	6,656	37,333
	0.60	149,261	1.30	1.26	6.4	6,223	6,039	30,521
	0.70	120,916	1.45	1.41	6.6	5,633	5,479	25,619
Indicated	0.20	169,642	0.56	0.51	8.5	3,046	2,766	46,578
	0.30	123,309	0.68	0.61	10.4	2,677	2,431	41,112
	0.40	86,473	0.81	0.74	12.4	2,264	2,057	34,419
	0.50	64,305	0.94	0.85	14.8	1,947	1,763	30,681
	0.60	50,527	1.05	0.95	17.2	1,705	1,537	27,957
	0.70	40,317	1.15	1.03	19.6	1,493	1,340	25,458
Measured + Indicated	0.20	596,765	0.65	0.61	6.4	12,406	11,672	122,381
	0.30	437,048	0.79	0.75	7.1	11,140	10,540	100,120
	0.40	325,122	0.95	0.90	7.8	9,890	9,404	81,146
	0.50	250,992	1.09	1.04	8.4	8,828	8,419	68,014
	0.60	199,788	1.23	1.18	9.1	7,928	7,577	58,478
	0.70	161,233	1.37	1.32	9.9	7,125	6,819	51,077
Inferred	0.20	16,935	0.53	0.45	12.8	288	246	6,953
	0.30	11,485	0.66	0.57	16.2	245	210	5,971
	0.40	8,690	0.77	0.65	19.2	214	182	5,373
	0.50	5,552	0.95	0.79	26.0	169	142	4,648
	0.60	4,065	1.10	0.90	32.7	143	118	4,279
	0.70	3,328	1.20	0.97	36.9	128	104	3,951

**Notes:**

1. The Mineral Resource estimate has been prepared by Sue Bird, P.Eng., an independent Qualified Person.
2. Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines.
3. Mineral Resources are reported inclusive of Mineral Reserves.
4. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
5. The Mineral Resource has been confined by a "reasonable prospects of eventual economic extraction" pit using the following assumptions: US \$2,000/oz. Au and US \$21.43/oz Ag at a currency exchange rate of 0.75 US\$ per \$CDN; 99.9% payable Au; 95.0% payable Ag; \$8.50/oz Au and \$0.25/oz Ag offsite costs (refining, transport and insurance); a 1.5% NSR royalty; and uses a 93% metallurgical recovery for gold and 55% recovery for silver. Pit slope angles are assumed at 40°.



6. The AuEq values were calculated using US \$1,400/oz Au, US \$15/oz Ag, a gold metallurgical recovery of 93%, silver metallurgical recovery of 55%, and mining smelter terms for the following equation:  $AuEq = Au \text{ g/t} + (Ag \text{ g/t} \times 0.006)$ .
7. The specific gravity of the deposit has been determined by lithology as being between 2.6 and 2.74.
8. Numbers may not add due to rounding.

The following factors, among others, could affect the Mineral Resource estimate: commodity price and exchange rate assumptions; pit slope angles and other geotechnical factors; assumptions used in generating the LG pit shell, including metal recoveries, and mining and process cost assumptions.

There are no known factors or issues that materially affect the Mineral Resource estimate other than normal risks faced by mining projects in BC in terms of environmental, permitting, taxation, socio-economic, and marketing.

#### 6.1.15 Mineral Reserve Estimates

Proven and Probable Mineral Reserves are modified from Measured and Indicated Mineral Resources and are summarized in Table 1-2. Inferred Mineral Resources are set to waste. Mineral Reserves are supported by the 2020 PFS mine plan.

Open pits are based on the results of Pseudoflow sensitivity analysis, and then designed into detailed pit phases to develop reserves for production scheduling.

Factors that may affect the Mineral Reserves estimates include metal prices, changes in interpretations of mineralization geometry and continuity of mineralization zones, geotechnical and hydrogeological assumptions, ability of the mining operation to meet the annual production rate, process plant and mining recoveries, the ability to meet and maintain permitting and environmental license conditions, and the ability to maintain the social license to operate.

**Table 1-2 Mineral Reserve Estimate**

Reserve Class	Tonnage (Mt)	Gold Grade (Au, g/t)	Contained Metal (Au, Moz.)	Silver Grade (Ag, g/t)	Contained Metal (Ag, Moz.)	AuEq Grade (g/t)
Proven	325.0	0.74	7.8	5.8	60.5	0.78
Probable	9.1	0.80	0.2	5.5	1.6	0.84
<b>Total Reserve</b>	<b>334.0</b>	<b>0.75</b>	<b>8.0</b>	<b>5.8</b>	<b>62.1</b>	<b>0.78</b>

**Notes:**

1. The Mineral Reserve estimates were prepared by Marc Schulte, P.Eng. (who is also the independent Qualified Person for these Mineral Reserve estimates), reported using the 2014 CIM Definition Standards, and have an effective date of August 18, 2020.
2. Mineral Reserves are based on the 2020 Pre-Feasibility Study life of mine plan.
3. Mineral Reserves are mined tonnes and grade, the reference point is the mill feed at the primary crusher and includes consideration for operational modifying factors.
4. Mineral Reserves are reported at an NSR cut-off of \$13.00/t.
5. NSR cut-off assumes US\$1,400/oz Au and US\$15/oz Ag at a currency exchange rate of 0.75 US\$ per C\$; 99.9% payable gold; 95.0% payable silver; \$8.50/o. Au and \$0.25/oz Ag offsite costs (refining, transport and insurance); a 1.5% NSR royalty; and uses a 93% metallurgical recovery for gold and 55% recovery for silver.
6. The NSR cut-off covers processing costs of \$10.00/t and administrative (G&A) costs of \$3.00/t.
7. The AuEq values were calculated using the same parameters as NSR listed above, resulting in the following equation:  $AuEq = Au \text{ g/t} + (Ag \text{ g/t} \times 0.006)$ .
8. Numbers have been rounded as required by reporting guidelines.



#### 6.1.16 Metallurgy and Processing

The process flowsheet was chosen based on historical test work and designed using the results of more recent test work carried out in 2019 for the previous owner of the Project, New Gold. The most recent metallurgical program, completed in 2019, was carried out with the primary objective of confirming and optimizing the flowsheet and design criteria using a combination of new test work, results from the historical and previous test work programs, and trade-off studies completed since the 2014 FS. Drill core from site was sent to Base Metallurgical Laboratories Ltd. (BaseMet) in Kamloops, BC for test work that included core splitting, sample preparation, interval assaying, mineralogy, gravity concentration, cyanide leach and cyanide destruction.

The test program included three larger composites for optimization test work and 48 samples covering the deposit to establish the variability of the ore to the chosen flow sheet.

The mineralogy indicated that the sulphur content is mainly associated with pyrite, pyrrhotite and sphalerite. The comminution test work included semi-autogenous grind (SAG) mill comminution (SMC) on the new drill core, Bond rod mill work index (RWi), Bond ball mill work index (BWi) and abrasion index (Ai) tests. The results indicate the material is hard with results ranging from 11.8 to 24.6 kWh/t and the 75th percentile of the samples tested was 21.1 kWh/t for the variability samples. A correlation between gold extraction and head grade was not observed. The results obtained from three composites representing the first 10 years of mining averaged 93.7% total gold extraction with gravity gold recovery of 34.2%

Based on the test results, a gold doré can be produced with a primary grind size of 80% passing ( $P_{80}$ ) 150  $\mu\text{m}$  followed by gravity concentration, two hour pre-oxidation, a 48 hour cyanide leach at an initial cyanide concentration of 500 ppm and a pH of 10.5, carbon-in-pulp (CIP) adsorption, desorption and refining process. The weighted average of the year composites, based on the mine plan, is estimated to achieve an overall average gold recovery in the range of 93% to 94%.

The initial design daily throughput is 15,000 t/d, with an availability of 75% used in designing the crushing circuit and 93% for the design of the rest of the plant.

The process will consist of:

- Three stage crushing, consisting of a primary jaw crusher with grizzly feeder, a secondary cone crusher and two tertiary cone crushers. The primary jaw crusher, the three cone crushers and the three vibrating screens will each be housed in steel-framed buildings, with covered conveyors transporting material between each stage. The crushed ore stockpile will be covered to prevent freezing;
- Crushed ore will be conveyed from the stockpile to a single, 7.3 x 12.5 m, 14 MW ball mill for grinding, with the circuit being closed by cyclones. Gravity concentration will be incorporated into the grinding circuit using centrifugal concentrators with an intensive cyanide leach unit for recovering gold from the gravity concentrate;
- The leach circuit will consist of eight tanks fitted with mechanical agitators, an initial pre-oxidation tank with cyanide being added to the second and subsequent tanks. The leach residence time will be 48 hours;



- Carbon in pulp adsorption of gold and silver will be carried out in a “carousel” unit, with “pump cells” moving leached slurry between the six tank units while the carbon remains in the same tank until fully loaded;
- The loaded carbon will be treated in a Zadra elution and electrowinning circuit consisting of an acid wash column and two elution columns operating at 140 degrees Celsius. A propane heater will provide the necessary temperature and two additional heat exchangers will control the temperature around the circuit. A rotary kiln operating at 700 degrees Celsius will be used to maintain carbon activity. Electrowinning will be carried out to recover gold and silver from the elution solution and the resulting metallic precipitate will be dried and smelted to doré bullion;
- Cyanide destruction using an SO<sub>2</sub> air system will be carried out in the final tailings slurry, with the sulphur dioxide being produced by the combustion of elemental sulphur.

#### 6.1.17 Mining Methods

Mining is based on conventional open pit methods suited for the Project location and local site requirements. Open pit operations will commence 18 months prior to mill start-up and are anticipated to run for 18 years. Following mining operations, stockpiled low-grade material will be processed for an additional five years, resulting in a total life-of-mine (LOM) of 23 years.

Ultimate pit limits are split into phases or pushbacks to target higher economic margin material earlier in the mine life. The pit is split into eight phases, with initial phases containing higher gold grade, lower strip ratio, and mineralization. The first phase will target suitable waste rock for construction whilst exposing near-surface, high-grade material. The second phase will target higher-grade, lower-strip-ratio ore providing mill feed over the initial years of the Project. The remaining phases will expand the pit to the north targeting progressively deeper ore.

The production is planned on 10 m bench heights in both ore and waste.

Mill feed targets are 5.5 Mtpa over the first five years of operation, increasing to 12 Mtpa for the next five years of operation, and finally to 20 Mtpa until the end of the planned mine life.

During the pre-stripping phase of mine operations, all ore mined in the pit will be stockpiled. Throughout the life of operations, all ore grading between \$13/t and \$16.50/t NSR will be stockpiled. Cut-off grade optimization on the mine production schedule also sends ore above \$16.50/t NSR to a high-grade ore stockpile in certain planned periods. The stockpiled Mineral Reserves are planned to be re-handled back to the crusher once the pits are exhausted.

Owner-managed mining and fleet maintenance operations are planned for 365 days/year, with two 12-hour shifts planned per day. An allowance of 10 days of no mine production has been built into the mine schedule to allow for adverse weather conditions.

Initially, mining will be undertaken using 400 t class hydraulic shovels and 190 t payload class haul trucks. As production requirements increase, the load and haul fleet will be expanded with 550 t class hydraulic shovels and 220 t payload class haul trucks. The initial drill and loading fleets are planned to be diesel drive, with



expansion fleet requirements being electric drive. The mine equipment fleet is planned to be purchased via lease arrangements.

In-pit and perimeter pumping dewatering systems will be established. All surface water and precipitation in the pits will be handled by submersible pumps.

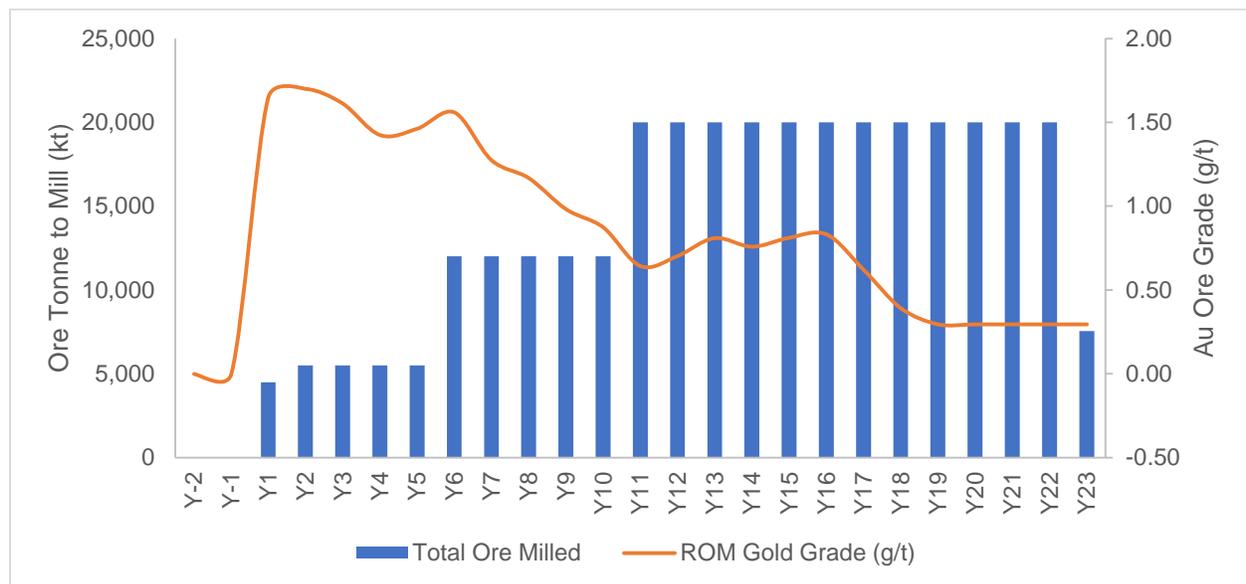
Ore will be hauled to a crusher 1 km north of the open pit limit, which feeds the process plant; and waste rock is generally used as fill for construction of the tailings storage facility (“TSF”) located 2.5 to 5 km north of the open pit limits, or in the case of potentially acid generating (“PAG”) waste rock placed within the TSF itself for subaqueous storage. Additional storage facilities, within 2 km west of the pit, will be used to store excess overburden and non-acid generating (“NAG”) waste rock. Ore stockpiles, within 1 km west of the open pit, are used as temporary storage for re-handle back to the crusher over the planned mine life.

Maintenance on mine equipment will be performed in the field with major repairs to mobile equipment conducted in the workshops that will be located west of the plant facilities.

Annual mine operating costs per tonne mined will range from \$1.89–\$2.99/t with a LOM average of \$2.37/t mined. Mine operations will include ore control and production drilling, blasting, loading, hauling, and pit, haul road and stockpile maintenance functions. The largest component of the estimated mine operating costs is for the hauling function, and a significant portion of the planned hauls for Blackwater are downhill loaded hauls. Mobile equipment maintenance operations will also be managed by the Owner and are included in the mine planning and costs.

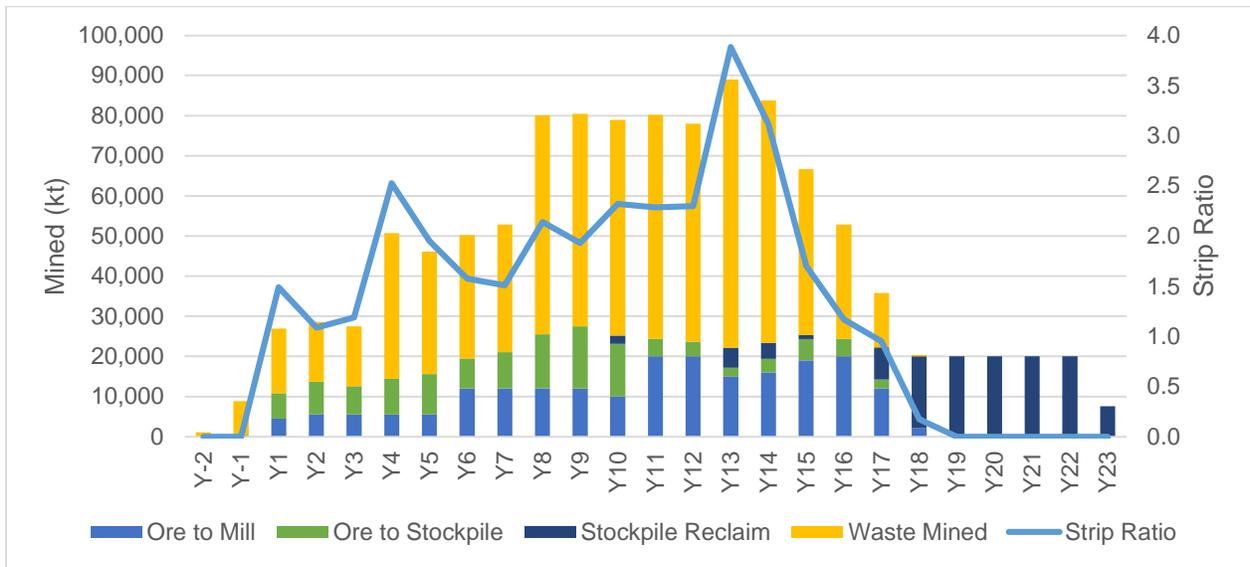
After mining is completed, the mining equipment will be removed, and the pits will be allowed to fill with water-producing ponds. Contouring and re-vegetation of the fill areas will be completed.

Figure 1-2 and Figure 1-3 summarize the proposed ore and waste schedule for the 2020 PFS mine plan.



**Figure 1-2 Mill Feed Tonnes and Grade (source: Moose Mountain, 2020)**





**Figure 1-3 Material Mined and Strip Ratio (source: Moose Mountain 2020)**

#### 6.1.18 Onsite Infrastructure

A 250 bed camp already exists on site and a further 240 bed camp will be added. This will accommodate the construction personnel and the new camp will be used for operating personnel. Additions will be made as required for development and operation of Stages 2 and 3.

Onsite infrastructure to support mining and milling activities will include a primary crusher, reclaim conveyors, mill building, elution and refinery building, whole ore leach tanks, main truck shop, administration and emergency services buildings, explosives storage facility and fuel farm.

Power will be supplied to the Blackwater site by connection to the BC Hydro grid and construction of a 135 km long 230 kV transmission line from the BC Hydro Glenannan Substation to the Blackwater site.

The incoming transmission line will terminate at the site main substation adjacent to the main process facilities. The power line has been designed to provide for a maximum load of 110 MW, sufficient for the fully expanded project.

Emergency power will be available from a standby power station that will consist of a minimum of two modular gensets rated at a nominal 3.0 MW.

A fibre optic cable will be installed along with the main transmission line to provide high bandwidth telecommunications access to the site.

Onsite power will be distributed from the mine site substation and will service all mine loads with the exception of mine pit equipment until Year 6 when electric drills and shovels will be deployed. Power to equipment, buildings, etc. will be supplied from the 25 kV line through pole mounted 25 kV to 600 V transformers or pad mounted 25 kV to 4.16 kV transformers.



Wells will be developed near the new camp area to supply water for the temporary and operations camps. The water will be treated and distributed around the camp site for domestic use.

Fresh water for the Project will be sourced from Tatelkuz Lake, approximately 20 km northeast of the mine site, to offset flow reductions in Davidson Creek downstream of the TSF.

#### 6.1.19 Waste Characterization

Mine waste was classified based on its predicted acid generation potential into PAG or NAG as shown by the calculated neutralization potential ratio (“NPR”). NAG waste rock will be further classified as to its metal leaching (“ML”) potential based on zinc content. Classification criteria will be as follows:

- Overburden (NAG)
- Waste rock
  - PAG1 –  $\text{NPR} \leq 1.0$  (PAG)
  - PAG2 -  $1.0 < \text{NPR} \leq 2.0$  (PAG)
  - NAG3 –  $\text{NPR} > 2.0$  and  $\text{Zn} \geq 1,000$  ppm (NAG-ML)
  - NAG4 –  $\text{NPR} > 2.0$  and  $600 \leq \text{Zn} < 1,000$  ppm (NAG)
  - NAG5 –  $\text{NPR} > 2.0$  and  $\text{Zn} < 600$  ppm (NAG)
- Ore and tailings (PAG)
- Low-grade ore (PAG)

PAG1 and PAG2 waste rock will be stored in the TSF or selectively used in construction of the TSF dams (e.g. in the upstream zone) and submerged in the TSF within one year of mining to prevent the formation of acid rock drainage (“ARD”). NAG3 waste rock will be used in construction of the TSF dams or otherwise stored in the TSF and submerged in the TSF within three to five years of mining to reduce metal leaching. NAG4 and NAG5 waste rock will be used for construction on site and in the downstream shells of the TSF dams. Overburden is classified as NAG and will be used for construction or stockpiled in waste dumps adjacent to the open pit.

Sulphide and transition ore tailings are classified as PAG and previously deposited tailings will be covered routinely as tailings accrete in the TSF or otherwise kept saturated or submerged within the TSF during operations to prevent ARD. Oxide tailings exhibit lower ARD and ML potential.

#### 6.1.20 Tailings Storage Facility

The TSF was designed to permanently store all tailings solids, PAG1 and PAG2 waste rock, and NAG3 waste rock generated during the operation of the mine. The TSF will comprise two adjacent sites, TSF Site C and TSF Site D. TSF Site C will be constructed first to provide storage capacity for start-up of the process plant. The Site C facility was designed to contain up to approximately 16 years of tailings and the first six years of PAG/NAG3 waste rock, and includes a storage allowance for the supernatant pond to provide a continuous source of process water to the mill operations. TSF Site D will be constructed adjacent to and downstream



of TSF Site C beginning in Year 5 to provide additional storage capacity for PAG/NAG3 waste rock and tailings. The facility was designed to contain PAG/NAG3 waste rock generated during mining between Years 7 and 18 and up to approximately six years of tailings beginning in Year 17 when TSF Site C reaches design capacity.

The TSF was designed to contain 462 Mm<sup>3</sup> of tailings and waste rock material and will require approximately 83 Mm<sup>3</sup> of construction material with approximately 95% being supplied by waste rock and overburden from development of the open pit. A total of three embankments will be constructed across the two sites to form the ultimate facility. The TSF embankments will be engineered, water-retaining, zoned earthfill/rockfill dams with a compacted low-permeability core zone and appropriate filter/transition zones. The TSF Site C and Site D dams will be expanded using centreline construction methods. The dam construction materials balance is integrated with the mine plan to minimize the need for additional external borrow material sources following initial site establishment and early TSF construction. Several borrow sources should be available in the vicinity of the TSF basin, if needed, including pit-run granular fill materials for the dam shell, fine-grained glacial till for the core zone, and aggregate materials that could be crushed and/or screened to produce desirable quantities and grain size distributions for engineered fill materials.

#### 6.1.21 Water Management

All drainage from the mine will flow by gravity into the TSF to simplify water management, spill control, and mine closure. The following strategies are used in the tailings and mine water management plan:

- Manage sediment mobilization and erosion by installing sediment controls prior to land disturbance, limiting land disturbance to the minimum practicable extent. Install appropriate temporary erosion and sediment control measures or Best Management Practices (BMPs) prior to, and during, initiation of land disturbance
- Use the water within the proposed Project area to the maximum practicable extent by collecting and managing site runoff from disturbed areas, maximizing the recycle of process water, and storing water within the TSF
- Reduce potential flow reductions in lower Davidson Creek using staged TSF designs with the revised development approach and mine plan
- Inclusion of staged engineered diversions (Southern, Central, and Northern Diversions) to allow diversion of upstream flows from significant undisturbed catchment areas around the TSF to Davidson Creek. Flow diversions will be operated in a manner that allows for diversion, when not required to support ore processing, or collection of water from these areas in order to manage the mine site water balance within the target operating range and maintain flows in Davidson Creek at or above the defined instream flow needs.
- Planned installation of a water treatment plant at the start of operations to enhance water management flexibility and allow for treatment of mine site contact water to meet discharge criteria, if required
- Pump water as required from Tatelkuz Lake through a water supply pipeline to a water reservoir downstream of the TSF to provide fresh water to supplement flows in lower Davidson Creek to meet instream flow needs for fish



- Collect all recoverable TSF seepage downstream of the main dam during operations and post closure until the pit lake overflows or the water is acceptable for direct discharge to Davidson Creek
- Monitor surface water and groundwater quality, maintain fish habitat, develop compensatory fish habitat, and reclaim disturbed areas.

During operations, drainage from the low-grade and coarse ore stockpiles may become acidic with elevated metals content; the drainage will be collected and neutralized with lime to increase the pH and precipitate metals before disposal in the TSF. Pit water is predicted to be of neutral pH with relatively low metals content during operations; it will be pumped to a small holding/monitoring pond, which will overflow to the TSF or be treated/released to the downstream receiving environment depending on needs of the mine.

#### 6.1.22 Closure Plan

The primary objective of the closure and reclamation initiatives will be to eventually return the Project site to a self-sustaining facility that satisfies end land use objectives. The facilities will be reclaimed according to accepted practices at the time of closure and in a manner that maintains long-term geochemical and physical stability. All buildings not needed beyond closure will be removed, disturbed lands rehabilitated, and the property will be returned to otherwise functional use according to approved reclamation plans. Site infrastructure required for water management following closure will be maintained and operated according to approved closure water management plans developed in consultation with First Nations, government, and other stakeholders to the Project.

#### 6.1.23 Environmental Studies, Assessment, and Social or Community Impact

The Project has successfully completed the provincial and federal environmental assessment processes and has been awarded an Environmental Assessment Certificate (provincial) and positive Decision Statement (federal). Extensive environmental baseline and social studies were conducted in support of the provincial and federal environmental assessment processes. Many of the key environment baseline studies continued throughout and subsequent to the environmental assessment process, which provides a robust environmental baseline dataset supporting Project design and development.

As a result of the commitments made during the environmental assessment and in support of provincial and federal permitting, several monitoring and management plans will be developed to ensure appropriate mitigation of potential project effects during construction, operation, closure, and post-closure phases.

The proposed Blackwater mine site is primarily located within the asserted traditional territories of the Lhoosk'uz Dené Nation and Ulkatcho First Nation. New Gold entered into a trilateral Participation Agreement with these two Indigenous nations on April 18, 2019, who, following completion of the environmental assessment process, confirmed their support for the Project and consented to issuance of the BC EA Certificate, and any other permits or authorizations to be issued by or on behalf of the Environmental Assessments Office pertaining to the Project. On closing of the acquisition of the Blackwater Project, the Participation Agreement was assigned to BW Gold.

The Project could also interact with the Carrier Sekani First Nations and their Aboriginal title, rights, and interests as a result of the transmission line, use of road to access the site, and potential downstream water quality and other effects. During the environmental assessment, New Gold committed to continuing



negotiations with the Carrier Sekani First Nations with the goal of reaching a mutually acceptable participation agreement that will include accommodative measures and other benefits. Artemis remains committed to this goal.

Consultation with all First Nations, government, and other stakeholders to the Project is on-going. The intent of the consultation is to increase the mutual awareness and understanding of the Project and its potential effects, and to explore potential strategies to mitigate negative effects and enhance positive ones.

#### 6.1.24 Permitting

The primary provincial permits required for the Project to proceed to the construction and operations phases are issued under the Mines Act (Mine and Reclamation Permit) and the Environmental Management Act (Effluent Discharge Permit and Air Discharge Permit). Several permits of a more routine nature will also be required, including a lease or license of occupation under the Land Act, a Mining Lease under the Mineral Tenure Act, a Water License under the Water Sustainability Act, and several lesser permits.

Federal authorizations are required under the Fisheries Act and Explosives Act for the Project to proceed to construction and operations. Notably, a Schedule 2 Listing will be required for the TSF under the Metal and Diamond Mining Effluent Regulations of the Fisheries Act. This is a process administered by Environment Canada and adjudicated by an Order in Council. A detailed fish and fish habitat offsetting plan is required to support the Schedule 2 amendment application.

#### 6.1.25 Capital Cost Estimate

The capital cost estimate for the Blackwater Project has been developed to provide an estimate suitable for the 2020 PFS. The cost estimate is based on a combination of material take-off (MTO) data, design drawings, vendor quotes, manufacturers' information, and industry standards and rates. All costs are expressed in Q3 2020 Canadian dollars with a +25%/-10% accuracy.

The initial capital cost is estimated to be \$592 million for Phase 1 (5.5 Mtpa), with expansion capital of \$426 million for the Phase 2 expansion to 12.0 Mtpa, and expansion capital of \$398 million for the Phase 3 expansion to 20.0 Mtpa. Sustaining capital over the life of mine is estimated at \$637 million. Closure costs are estimated at \$117 million, partially offset by proceeds from equipment salvage values, estimated at \$42 million. Capital costs summarized in Table 1-3 include a 15% contingency.



**Table 1-3 Capital Cost Summary**

	Phase 1 Initial Capital	Phase 2 Expansion Capital	Phase 3 Expansion Capital	Sustaining Capital	Total Capital
	\$M	\$M	\$M	\$M	\$M
<b>Directs</b>					
Mining	68	89	68	337	562
Process Plant	109	130	143	-	382
Onsite Infrastructures	68	38	19	2	127
Offsite Infrastructure	81	9	12	6	108
Tailings and Water Management	37	29	33	190	290
Total Directs	364	294	274	536	1,469
Indirects and EPC	120	73	69	18	279
Owners Costs	31	3	3	-	37
Contingency	77	56	52	83	268
<b>Total</b>	<b>592</b>	<b>426</b>	<b>398</b>	<b>637</b>	<b>2,052</b>

#### 6.1.26 Operating Cost Estimate

For operating cost estimation purposes, the Project has been divided in three areas: mining, processing, and general and administrative (G&A). The costs for each department include labour, operating and maintenance supplies, freight, and utilities as appropriate. The expected accuracy range of the operating cost estimate is +25%/-10%.

Average operating costs for the various phases of operation are summarized in Table 1-4.

**Table 1-4 Operating Cost Summary**

	Units	Pre-strip	Phase 1	Phase 2	Phase 3	LOM
Mining*	\$/t mined	3.31	2.15	2.14	2.62	2.37
	\$/t milled	-	14.61	12.12	4.98	7.03
Process	\$/t milled	-	9.17	8.31	8.24	8.33
G&A	\$/t milled	-	4.64	2.87	1.91	2.30
Total	\$/t milled	-	28.42	23.30	15.13	17.65

\*Mining costs includes stockpile re-handle, LOM mining costs exclude pre-stripping

The LOM operating cost estimates for Blackwater peak in Phase 1 at \$28.42/t, with economies of scale and driving down costs to \$23.30/t in Phase 2 and \$15.13/t in Phase 3. Over the LOM, the Project has estimated average operating costs of \$17.65/t.

#### 6.1.27 Economic Analysis

The results of the economic analysis discussed in this section represent forward-looking information as defined under Canadian securities law. Actual results may differ materially from those expressed or implied by forward-looking information.



#### 6.1.27.1 *Cautionary Statement*

The results of the economic analyses discussed in this section represent forward- looking information as defined under Canadian securities law. The results depend on inputs that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those presented here. Information that is forward-looking includes:

- Mineral Resource and Mineral Reserve estimates;
- Assumed commodity prices and exchange rates;
- Mine production plans;
- Projected recovery rates;
- Sustaining and operating cost estimates;
- Assumptions as to closure costs and closure requirements;
- Assumptions as to environmental, permitting and social risks.

Additional risks to the forward-looking information include:

- Changes to costs of production from what is assumed;
- Unrecognized environmental risks;
- Unanticipated reclamation expenses;
- Unexpected variations in quantity of mineralized material, grade, or recovery rates;
- Geotechnical and hydrogeological considerations during mining being different from what was assumed;
- Failure of plant, equipment, or processes to operate as anticipated;
- Accidents, labour disputes and other risks of the mining industry.

#### 6.1.27.2 *Cashflow Basis*

The economic analysis was carried out using a discounted cash flow (“DCF”) model with base case metal price assumptions of:

- Gold – US\$1,541/oz;
- Silver – US\$19.60/oz;
- Exchange rate – 0.76 (US\$/\$CDN).

The economic analysis is presented as a Base Case, which assumes no leverage, and a Leverage Case, which assumes debt financing. Financing of the Project is not a measure of the economic viability and technical feasibility of the Project, but a measure of the ability of Artemis to secure debt financing for the Project.



#### 6.1.27.3 Base-Case

For the 23-year mine life and 334 Mt mill feed, the following after-tax Base Case financial parameters were calculated as follows:

- \$2,247 million NPV at 5.0% discount rate;
- 34.8% IRR;
- 2.0 year initial capital payback.

#### 6.1.27.4 Leveraged-Case

For a leveraged case assuming initial capital is 60% debt financed at an annual interest rate of 5.5%, an upfront financing fee of 3%, and a seven-year term post commencement of commercial production with a balloon payment of 30% of the principal at maturity, the following after-tax Leveraged Case financial parameters were calculated:

- \$2,249 million NPV at 5.0% discount rate;
- 49.7% IRR;
- 2.2 year initial capital payback.

#### 6.1.27.5 Sensitivity Analysis

Sensitivity analysis was performed on the Project base case using metal price (grade), exchange rate, operating costs and initial capital costs. The Project is more sensitive to changes in the gold price (grade) and the USD:CAD exchange rate than to changes in capital or operating costs.

#### 6.1.28 Risks and Opportunities

The major risks to the Project are identified as:

- Changes to metal prices and exchange rate assumptions;
- Capital cost growth;
- Increases in operating costs;
- Productivity assumptions;
- Dilution control;
- Presence of high-grade silver in the mill feed;
- Geotechnical and hydrogeological uncertainty;
- Climate uncertainty and associated water management needs;
- Integration of mining operations and the TSF construction;
- Permitting delays;
- Lack of social license affecting permit grant.



Project opportunities include:

- Delineation of additional mineralization that could support higher-confidence resource categories through additional drilling;
- Use of a trolley assist system later in the mine life;
- Assessment of methods to reduce waste mining costs;
- Use of oxygen rather than compressed air for cyanide leaching and cyanide detoxification;
- Value engineering initiatives.

#### 6.1.29 Recommendations

It is recommended that a feasibility study be completed for the Blackwater Project in two phases. The first phase of work will collect information that will be used to refine the feasibility study outcomes in Phase 2.

Phase 1 field work to support a feasibility study would include supplemental geotechnical and hydrogeological site investigation, a grade control drill program, and metallurgical test work. The estimated cost for this work is \$8,320,000. The Phase 2 Feasibility Study will require an estimated \$2,100,000 to complete.

## 7 VELOCITY INVESTMENT

On March 14, 2019, Atlantic, through Artemis, its wholly owned subsidiary at that time, completed the Velocity Investment pursuant to the Investment Agreement. A copy of the Investment Agreement is available on Velocity's SEDAR profile at [www.SEDAR.com](http://www.SEDAR.com). The Velocity Investment was comprised of (i) 18,600,000 Velocity Units issued at a price of \$0.21 per Velocity Unit, for \$3,906,000, and (ii) \$5,094,000 Convertible Debentures.

Each Velocity Unit consisted of one Velocity Share and one common share purchase warrant of Velocity (each, a "Velocity Warrant"). Each Velocity Warrant is exercisable for an additional Velocity Share until March 14, 2022 at an exercise price of \$0.25 per Velocity Share. The Convertible Debentures earns interest at a rate of 8.5% per annum over the Debenture Term payable semi-annually in cash or Velocity Shares at the discretion of Velocity. The principal amount of the Convertible Debentures is convertible into Velocity Shares during the Debenture Term at the election of Artemis at a conversion price of \$0.25 per Velocity Share. The Convertible Debentures are secured with a first ranking charge by way of a general security agreement and guarantee from the material subsidiary of Velocity.

Velocity advised Artemis that the proceeds from the Velocity Investment were used to fund the advancement of Velocity's flagship deposit, the Rozino Project located in southeast Bulgaria towards feasibility and permitting, including resource expansion and definition drilling, engineering studies, environmental monitoring and assessment and for general working capital purposes. In addition, Velocity has used some of the proceeds to fund option agreements on additional satellite deposits in the region.

In October 2019, Velocity settled \$236,068 of interest owed on the Convertible Debentures by issuing 495,516 Velocity Shares to Artemis.



On February 12, 2020, Artemis acquired 5,166,887 units of Velocity. Each unit consisted of one Velocity Share and one-half of one Velocity Share purchase warrant.

In April 2020, Velocity settled \$216,495 of interest owed on the Convertible Debentures by issuing 742,184 Velocity Shares to Artemis. Additionally, in October 2020, Velocity issued 484,415 Velocity Shares to Artemis to settle interest owed of \$216,495. As at the date of this AIF, Artemis holds 29,490,002 Velocity Shares or 22% of the issued and outstanding Velocity Shares.

Artemis has the right to designate one individual to be nominated and, if elected, to serve as a director of Velocity provided Artemis holds at least 15% of the issued and outstanding Velocity Shares, with the number of nominees increasing to two directors if Artemis holds 30% or more of the issued and outstanding Velocity Shares. If the size of the board of directors of Velocity is increased or decreased from the current four directors, Artemis' nomination rights will be adjusted in accordance with the provisions of the Investment Agreement. Currently, Steven Dean, Chairman and CEO of the Company, has been nominated and is a director of Velocity.

The monthly price ranges and volume traded for the Velocity Shares on the TSXV for the 12-month period before the date of this AIF are set forth in the following table:

TSX-V			
Month	Volume	High (Cdn\$)	Low (Cdn\$)
December 2019	628,125	\$ 0.48	\$ 0.41
January 2020	1,218,408	\$ 0.47	\$ 0.40
February 2020	1,582,193	\$ 0.45	\$ 0.38
March 2020	2,844,001	\$ 0.44	\$ 0.20
April 2020	1,127,902	\$ 0.42	\$ 0.28
May 2020	1,690,177	\$ 0.47	\$ 0.34
June 2020	1,437,783	\$ 0.57	\$ 0.43
July 2020	2,658,654	\$ 0.54	\$ 0.46
August 2020	1,739,242	\$ 0.52	\$ 0.44
September 2020	3,123,521	\$ 0.50	\$ 0.41
October 2020	761,610	\$ 0.48	\$ 0.43
November 2020	1,566,096	\$ 0.54	\$ 0.45

Source: Bloomberg



OTCQB			
Month	Volume	High (Cdn\$)	Low (Cdn\$)
December 2019	36,034	\$ 0.37	\$ 0.32
January 2020	70,428	\$ 0.36	\$ 0.31
February 2020	24,012	\$ 0.32	\$ 0.28
March 2020	45,312	\$ 0.32	\$ 0.15
April 2020	80,893	\$ 0.26	\$ 0.26
May 2020	108,124	\$ 0.33	\$ 0.26
June 2020	55,452	\$ 0.36	\$ 0.32
July 2020	288,160	\$ 0.41	\$ 0.34
August 2020	279,447	\$ 0.41	\$ 0.34
September 2020	198,595	\$ 0.37	\$ 0.31
October 2020	61,981	\$ 0.35	\$ 0.31
November 2020	92,392	\$ 0.40	\$ 0.34

Source: Bloomberg

## 7.1 About Velocity

All information related to Velocity contained in this AIF has been taken from Velocity's public disclosure found under Velocity's SEDAR profile at [www.SEDAR.com](http://www.SEDAR.com). Artemis can provide no assurances with respect to the accuracy or completeness of any information related to Velocity, Velocity's projects or any plans or assumptions of Velocity. For additional information related to Velocity, reference should be made to Velocity's public disclosure found under Velocity's SEDAR profile at [www.SEDAR.com](http://www.SEDAR.com).

Velocity is a gold exploration and development company focused on eastern Europe, with mineral interests in Bulgaria. All of Velocity's material projects are located in southeastern Bulgaria. Velocity's flagship deposit is the Rozino Project.

In January 2018, Velocity formed an Alliance with Gorubso, an established Bulgarian operating partner. The Alliance covers all existing and future Gorubso and Velocity projects within an area of 10,400km<sup>2</sup> covering the prospective Eastern Rhodope Gold Mining District in southeastern Bulgaria. Pursuant to the Alliance and the Tintyava Option Agreement Velocity earned a 70% interest in the Tintyava Property (including the Rozino deposit) through delivery of a Preliminary Economic Assessment. Velocity also completed a Pre-Feasibility Study on the Rozino Project in Q3 of 2020.

Velocity has entered into option agreements with Gorubso to earn a 70% interest in two other gold projects being Makedontsi and Obichnik,. Velocity is currently conducting an exploration and drill program at Rozino, Makedontsi, and Obichnik, and has completed a Pre-Feasibility Study on Rozino (the "Rozino PFS") in Q3, 2020.



Velocity has entered into an option agreement with Balkan Mineral Development OOD (BMD) to earn a 100% interest in the Igljika property by incurring staged expenditures of \$460,000 and \$765,000 by the end of 2020 and 2021, respectively. The property is located in southeast Bulgaria outside of the Alliance area in a prospective precious and base metal mineral belt.

## **8 DIVIDENDS AND DISTRIBUTIONS**

### **8.1 Artemis Dividends and Distributions**

To date, Artemis has neither declared nor paid any dividends or distributions on its outstanding shares. Artemis intends to retain any future earnings to finance the exploration and development of its properties, and accordingly, does not anticipate paying any dividends in the foreseeable future. Any decision to pay dividends on any outstanding shares in the future will be made by the Board of Directors on the basis of the earnings, financial requirements and other conditions existing at such time.

### **8.2 Velocity Dividends and Distributions**

To the knowledge of the Company, to date Velocity has neither declared nor paid any dividends or distributions on its outstanding shares.

## **9 DESCRIPTION OF CAPITAL STRUCTURE**

The authorized share capital of Artemis consists of an unlimited number of Common Shares, of which 124,204,936 Common Shares were issued and outstanding as fully paid and non-assessable shares as at the date of this AIF.

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company, and each Common Share confers the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of the holders of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board of Directors of Artemis may by resolution determine. In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company.

To Artemis' knowledge, none of Artemis' securities, other than those subject to escrow are subject to a contractual restriction on transfer.

### **9.1 Options**

Artemis has a stock option plan (the "Plan") pursuant to which the Board of Directors may grant stock options (the "Options") to directors, officers, employees and consultants of Artemis and its subsidiaries exercisable for of up to a maximum of 10% of the issued and outstanding Common Shares at the time of grant. Every Option granted has a term not exceeding 10 years after the date of grant.

As of the date of this AIF, Artemis had the following Options outstanding:



Grant date	Expiry date	Exercise price	Number of stock options outstanding
		\$	#
October 24, 2019	October 24, 2029	1.16	1,507,000
January 6, 2020	January 6, 2030	1.30	200,000
August 27, 2020	August 27, 2025	5.19	2,900,000
September 9, 2020	September 9, 2025	6.06	175,000
			4,782,000

## 9.2 Warrants

As of the date of this AIF, there were 32,739,908 warrants to purchase Common Shares (the “Warrants”) outstanding. Each Warrant entitles the holder to purchase one Common Share at a price of \$1.08 per Common Share until August 27, 2024.

## 10 MARKET FOR SECURITIES

### 10.1 Trading Price and Volume

Artemis’ Common Shares are currently listed for trading through the facilities of the TSXV under the symbol “ARTG” and on the OTCQX under the symbol “ARGTF”. No other securities of Artemis are traded or quoted on any marketplace.

During the period from October 2, 2019 to December 31, 2019, the Common Shares traded on the TSXV as follows based on information available from Bloomberg:

TSX-V			
Month	Volume	High (Cdn\$)	Low (Cdn\$)
October 2019	2,259,332	\$ 1.60	\$ 0.95
November 2019	1,128,209	\$ 1.25	\$ 1.06
December 2019	964,664	\$ 1.48	\$ 1.18
January 2020	678,287	\$ 1.49	\$ 1.25
February 2020	989,350	\$ 1.44	\$ 1.14
March 2020	1,075,867	\$ 1.30	\$ 0.95
April 2020	1,029,356	\$ 1.24	\$ 1.05
May 2020	3,082,760	\$ 2.00	\$ 1.09
June 2020	11,638,539	\$ 4.29	\$ 1.63
July 2020	5,774,162	\$ 5.70	\$ 3.68
August 2020	3,305,839	\$ 6.24	\$ 4.21
September 2020	4,555,427	\$ 7.64	\$ 5.70
October 2020	3,101,082	\$ 6.40	\$ 4.90



TSX-V			
Month	Volume	High (Cdn\$)	Low (Cdn\$)
November 2020	5,307,620	\$ 5.89	\$ 4.90

Source: Bloomberg

OTCQX			
Month	Volume	High (Cdn\$)	Low (Cdn\$)
October 2019	36,141	\$ 1.00	\$ 0.86
November 2019	124,802	\$ 0.91	\$ 0.81
December 2019	66,077	\$ 1.20	\$ 0.85
January 2020	118,490	\$ 1.09	\$ 0.96
February 2020	180,853	\$ 1.09	\$ 0.85
March 2020	348,461	\$ 1.00	\$ 0.60
April 2020	359,662	\$ 0.88	\$ 0.75
May 2020	351,325	\$ 1.44	\$ 0.79
June 2020	1,003,144	\$ 3.15	\$ 1.20
July 2020	828,872	\$ 4.16	\$ 2.70
August 2020	438,488	\$ 4.74	\$ 3.20
September 2020	652,683	\$ 5.63	\$ 4.40
October 2020	786,127	\$ 5.05	\$ 3.68
November 2020	759,489	\$ 4.51	\$ 3.66

Source: Bloomberg

## 10.2 Prior Sales

On October 24, 2019, Artemis granted 1,520,000 stock options to directors, officers and employees of Artemis with an exercise price of \$1.16, expiring on October 24, 2029.

On January 6, 2020, Artemis granted 200,000 stock options to employees of Artemis with an exercise price of \$1.30, expiring on January 6, 2030.

On August 27, 2020, Artemis granted 2,900,000 stock options to directors, officers and employees of Artemis with an exercise price of \$5.19, expiring on August 27, 2025

On September 9, 2020, Artemis granted 175,000 stock options to an employee of Artemis with an exercise price of \$6.06, expiring on September 9, 2025.



From January 10, 2019 to the date of filing this AIF, Artemis issued an aggregate of 124,204,936 Common Shares, the particulars of which are set out in the following table:

<b>Date</b>	<b>Number of Common Shares*</b>	<b>Issue price per Common Share</b>
January 10, 2019	1	\$1
March 14, 2019	5,085,710	\$0.77
June 12, 2019	1	\$125,000
July 18, 2019	6,825,986	\$0.77
August 27, 2019	36,268,407	\$0.90
August 4, 2020**	13,000	\$1.16
August 21,2020	7,407,407	\$2.70
August 21,2020	64,825,925	\$2.70
September 2, 2020	250,000	\$5.45
January 31, 2020 – November 10, 2020***	3,528,499	\$1.08
<b>Total:</b>	<b>124,204,936*</b>	

\*On July 18, 2019, Artemis' common shares were split on the basis of approximately 1.302 post subdivided share for every pre subdivided share. All common share, and per share amounts in these financial statements have been retrospectively restated to present post subdivision amounts.

\*\*Common Shares issued pursuant to the exercise of stock options

\*\*\*Common Shares issued pursuant to the exercise of share purchase warrants.



## 11 ESCROWED SECURITIES

The following table sets forth the securities of Artemis subject to escrow or to a contractual restriction on transfer and the percentage that number represents of the outstanding securities of that class (“Escrowed Securities”) as of December 31, 2019.

Designation of Class	Number of Securities Held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares	16,100,240 <sup>(1)</sup>	33.4% <sup>(2)</sup>

**Notes:**

- (1) The Common Shares are subject to the terms of an escrow agreement (the “Escrow Agreement”) dated October 2, 2019 between Artemis and Computershare Investor Services Inc., as escrow agent.
- (2) As of December 31, 2019, there were 48,180,105 Common Shares outstanding.

The Escrowed Securities were to be released from escrow as follows:

Date	Number of Common Shares Released
March 31, 2020	2,683,373
September 30, 2020	2,683,373
March 31, 2021	2,683,373
September 30, 2021	2,683,373
March 31, 2022	2,683,373
September 30, 2022	2,683,375
<b>Total</b>	<b>16,100,240</b>

On October 30, 2020, Artemis graduated to the “Tier 1 Issuer” status on the TSXV which resulted in the acceleration of the release of the Escrowed Securities. At the date of this AIF, Artemis had 4,472,289 remaining Escrowed Securities, all of which will be released on March 31, 2021.

Pursuant to the terms of the Escrow Agreement, the Escrowed Securities will not be able to be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings within escrow are:

- transfers to continuing or, upon their appointment, incoming directors and senior officers of Artemis or of a material operating subsidiary, with the approval of the Board;
- transfers to a person or company that before the proposed transfer holds more than 20% of Artemis’ outstanding Common Shares, or to a person or company that after the proposed transfer will hold more than 10% of Artemis’ outstanding Common Shares and has the right to elect or appoint one or more directors or senior officers of Artemis or any material operating subsidiary;



- transfers to an RRSP, RRIF or similar trustee plan provided that the only beneficiaries are the transferor or the transferor’s spouse, children or parents;
- transfers upon bankruptcy to the trustee in bankruptcy or another person or company entitled to escrow securities on bankruptcy; and
- pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow.

Tenders of Escrowed Securities to a take-over bid or business combination are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid or business combination, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation’s escrow classification.

Additionally, securities of Artemis may be subject to additional escrow restrictions and restrictions on transfer pursuant to NP 46-201, or if required by the TSXV (in accordance with TSXV Policy 5.4) or other applicable regulations of any other stock exchange on which the securities of Artemis may be listed for trading in the future. There can be no guarantee that the Securities will be listed for trading on the TSXV or any other stock exchange.

## 12 DIRECTORS AND OFFICERS

### 12.1 Name, Occupation and Security Holding

The name, municipality of residence, positions held with the Company, and principal occupation within the five preceding years as at the date of this AIF of each director and executive officer of Artemis are as follows:

Name, Province and Country of Residence, and Position with the Company	Principal Occupation within the five preceding years	Period of Service as a Director or Officer	Number of Common Shares and % of Class <sup>(1)</sup>
<b>Steven G. Dean</b> British Columbia, Canada Chairman & CEO	Chairman and CEO of the Company; President of Sirocco Advisory Services Ltd.; former Chairman, CEO and Director of Atlantic Gold Corporation.	January 2019 to Present	6,078,014 Common Shares <sup>(2)</sup> (4.9%)
<b>Chris Batalha</b> British Columbia, Canada CFO and Corporate Secretary	CFO and Corporate Secretary of the Company; former CFO and Corporate Secretary of Atlantic Gold Corporation.	January 2019 to Present	604,500 Common Shares (0.5%)
<b>David Black</b> British Columbia, Canada Lead Director	Director of the Company; Retired Partner DuMoulin Black LLP, Barristers and Solicitors	January 2019 to Present	858,640 Common Shares (0.7%)
<b>Robert G. Atkinson</b> British Columbia, Canada Vice Chairman & Director	Director and Vice Chairman of the Company; Director of Hansa Resources Ltd. and Cassius Ventures Ltd.	January 2019 to Present	2,190,050 Common Shares <sup>(2)</sup> (1.8%)



Name, Province and Country of Residence, and Position with the Company	Principal Occupation within the five preceding years	Period of Service as a Director or Officer	Number of Common Shares and % of Class <sup>(1)</sup>
<b>Ryan Beedie</b> British Columbia, Canada Director	Director of the Company; President of Beedie Development Group.	January 2019 to Present	34,748,773 <sup>(3)</sup> Common Shares (28.0%)
<b>William P. Armstrong</b> British Columbia, Canada Independent Director	Director of the Company; Mining Consultant; President of Metallica Consulting Co.; Director of Taseko Mines Ltd.	January 2019 to Present	306,311 Common Shares (0.2%)

1. As a group, all current directors and executive officers beneficially own, directly or indirectly, or exercise control or discretion over, a total of 44,786,288 Common Shares, representing 36.1% of the issued and outstanding Common Shares of Artemis as at the date of this AIF. Unless otherwise indicated, all securities are held directly.
2. Steven Dean indirectly owns 814,550 Common Shares through a management company controlled by him, Sirocco Advisory Services Ltd. and 5,186,083 Common Shares through a trust through which Mr. Dean is a beneficiary.
3. Mr. Beedie indirectly owns 34,748,773 Common Shares through Beedie Investments Ltd., which is owned by Beedie Industrial Projects Ltd., a company which is wholly owned by Mr. Beedie.

A more fulsome list of security holdings by director and executive officer of Artemis as at the date of this AIF, is presented below:

Current Holdings							
Name & Position with the Company	Shares	% of Class (Undiluted)	Warrants <sup>(1)</sup>	Options	Diluted	% of Class (Partially Diluted)	% of Class (Fully Diluted)
<b>Steven G. Dean</b> <sup>(2)</sup> Chairman & CEO	6,078,014	4.9%	3,888,933	1,750,000	<b>11,716,947</b>	9.0%	7.2%
<b>Chris Batalha</b> CFO & Corporate Secretary	604,500	0.5%	555,500	875,000	<b>2,035,000</b>	1.6%	1.3%
<b>David Black</b> Lead Director	858,640	0.7%	555,500	250,000	<b>1,664,140</b>	1.3%	1.0%
<b>Robert G. Atkinson</b> Director	2,190,050	1.8%	1,667,000	250,000	<b>4,107,050</b>	3.3%	2.5%
<b>Ryan Beedie</b> Director	34,748,773	28.0%	11,111,111	250,000	<b>46,109,884</b>	34.0%	28.5%
<b>William P. Armstrong</b> Director	306,311	0.2%	111,111	250,000	<b>667,422</b>	0.5%	0.4%



<b>Total – Directors and Executive Officers</b>	<b>44,786,288</b>	<b>36.1%</b>	<b>17,889,155</b>	<b>3,625,000</b>	<b>66,300,443</b>	<b>45.5%</b>	<b>41.0%</b>
<b>Total Issued &amp; Outstanding</b>	<b>124,204,936</b>		<b>32,739,908</b>	<b>4,782,000</b>	<b>161,726,844</b>		

1. All Warrants are exercisable at a price of \$1.08 per share until August 27, 2024.
2. Steven Dean indirectly owns 814,550 Common Shares and 555,600 Warrants through a management company controlled by him, Sirocco Advisory Services Ltd. as well as 5,186,083 Common Shares and 3,333,333 Warrants through a trust through which Mr. Dean is a beneficiary.
3. Mr. Beedie indirectly owns 34,748,773 Common Shares and 11,111,111 Warrants through Beedie Investments Ltd., which is owned by Beedie Industrial Projects Ltd., a company which is wholly owned by Mr. Beedie.

## 12.2 Directors' Terms of Office

The term of office for each director of Artemis expires at the next annual general meeting of shareholders of the Company.

The members of board committees are appointed by the Board of Directors as soon as possible following each annual general meeting of shareholders of the Company.

The officers of Artemis are appointed by the Board of Directors and hold office for such period and on such terms as the Board of Directors may determine.

## 12.3 Committees of the Board of Directors

The committees of the Board of Directors of Artemis and the directors serving on each of the committees are described below:

### 12.4 Audit Committee

#### 12.4.1 Audit Committee Mandate

The Audit Committee must consist of not less than three directors as determined by the Board, at least two of whom qualify as independent in accordance with applicable securities laws and who are free from any relationship that would interfere with the exercise of their independent judgment as members of the Audit Committee.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by Artemis to regulatory authorities and shareholders, Artemis' systems of internal controls regarding finance and accounting and Artemis' auditing, accounting and financial reporting processes. The Audit Committee is also responsible for monitoring compliance with applicable laws and regulations and the systems of internal controls. The Audit Committee has the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any director, officer or employee of the Company, or Artemis' outside counsel or independent auditor, to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Board has adopted an Audit



Committee Charter (the “Audit Committee Charter”). The Audit Committee reports to the Board after each Audit Committee meeting.

The Audit Committee Charter is attached to this AIF as Schedule “A”.

#### 12.4.2 Composition of the Audit Committee

The following are the members of Artemis’ Audit Committee:

Robert G. Atkinson (Chairman)	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
William P. Armstrong	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
David Black	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

1. As defined by National Instrument 52-110 Audit Committees.

#### 12.4.3 Relevant Education and Experience

A description of the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member is as follows:

##### **Robert G. Atkinson** – Director since June 2019

Mr. Atkinson has been in the investment industry for over 30 years. He is former President and CEO of Loewen Ondaatje McCutcheon & Co Ltd., a Canadian investment dealer. Mr. Atkinson also serves as a director of Cassius Ventures Ltd. and Hansa Resources Ltd. Mr. Atkinson received a B.Comm. degree from the University of British Columbia in 1963.

##### **William P. Armstrong** - Director since June 2019

Mr. Armstrong earned his Bachelors and Masters degrees in Geological Engineering from the University of British Columbia and has more than 45 years experience in the mining industry. He recently retired from Teck Cominco Ltd., where he was General Manager, Resource Evaluations, and responsible for evaluation of potential acquisitions and divestitures. He was also responsible for Artemis’ mineral reserves and resources. During his career with Cominco Ltd., and Teck Cominco Ltd., Mr. Armstrong has been involved in feasibility studies, construction and operation of a large number of mines, including coal deposits, underground and open pit base metal mines and precious metal mines. In addition, Mr. Armstrong served on the audit committee of Taseko Mines Ltd. Mr. Armstrong is fluent in English and Spanish.

##### **David Black** – Director since June 2019

Mr. Black is a retired corporate and securities lawyer and former partner and associate counsel with DuMoulin Black, a law firm established in 1966 specializing in the provision of corporate, securities and finance legal services to natural resource and commercial/industrial companies. Mr. Black was a director of a number of public companies primarily engaged in the exploration and mining industry.



#### 12.4.4 Audit Committee Oversight

At no time since the commencement of Artemis' most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

#### 12.4.5 Reliance on Certain Exemptions

At no time since the commencement of Artemis' most recently completed financial year has Artemis relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), Section 3.2 of NI 52-110 (Initial Public Offerings), Section 3.3(2) of NI 52-110 (Controlled Companies), Section 3.4 of NI 52-110 (Events Outside Control of Member), Section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member), Section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances) or Section 3.8 of NI 52-110 (Acquisition of Financial Literacy), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

#### 12.4.6 Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. The Audit Committee provides pre-approval for a limit on non-audit services on an annual basis. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

#### 12.4.7 External Auditor Services Fees (By Category)

The aggregate fees billed by Artemis' external auditors in the last fiscal period in Canadian dollars are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees*</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
2019	\$50,985	\$Nil	\$8,925

\*Audit Fees includes amounts incurred in respect of review or read and comment engagements on Artemis' quarterly interim financial statements

### **12.5 Nominating and Corporate Governance Committee**

The members of the Nominating and Corporate Governance Committee are Messrs. Black (Chairman), Atkinson and Armstrong, all of whom are independent of management. This committee is responsible for Artemis' overall corporate governance and oversees the orientation program for new directors. In its report to the Board of Directors, the committee recommends names for election to the Board of Directors and from time to time recommends candidates to fill Board vacancies and newly created director positions.

### **12.6 Compensation Committee**

The Compensation Committee is comprised of Messrs. Armstrong (Chairman), Black and Atkinson. This Committee has the responsibility for determining compensation for the directors and senior management. To determine compensation payable, the Compensation Committee reviews compensation paid for directors and senior management of companies of similar size and stage of development in the mineral exploration



and mining industries, and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting compensation, the Committee annually reviews the performance of the CEO in light of Artemis' objectives and considers other factors that may have impacted the success of Artemis in achieving its objectives.

## **12.7 Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Company, none of Artemis' directors or executive officers is, as at the date of this AIF, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the disclosure above, an "Order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Company, none of Artemis' directors or executive officers or, to Artemis' knowledge, any shareholder holding a sufficient number of securities of Artemis 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 of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 10 years before the date 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; or
- c) has been subject to:
  - i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
  - ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.



## 12.8 Conflicts of Interest

The directors of Artemis are required by law to act honestly and in good faith with a view to the best interests of Artemis and to disclose any interests which they may have in any project or opportunity of the Company. The directors and officers of Artemis are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and Artemis will rely upon such laws in respect of any Directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. In accordance with the *Business Corporations Act* (British Columbia), 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. In determining whether or not Artemis will participate in any project or opportunity, that Director will primarily consider the degree of risk to which Artemis may be exposed and its financial position at that time.

To the best of Artemis' knowledge, there are no known existing or potential conflicts of interest among the Company, its directors or officers as a result of their outside business interests, except that certain of the directors and officers serve as directors and/or officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise.

The directors and officers of Artemis are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and Artemis will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. In accordance with the *Business Corporations Act* (British Columbia), such directors or officers will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

## 13 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

### 13.1.1 Artemis Legal Proceedings and Regulatory Actions

Artemis is not a party to any material legal proceedings and is not aware of any such proceedings pending or contemplated. There have been no penalties or sanctions imposed against Artemis by a court relating to securities legislation or by a securities regulatory authority during the last financial year or by a court or regulatory authority that would likely be considered important to a reasonable investor in making an investment decision. Artemis did not enter into any settlement agreement with a court relating to securities legislation or with a securities regulatory authority during the last financial year.

### 13.1.2 Velocity Legal Proceedings and Regulatory Actions

To the knowledge of the Company, Velocity is not a party to any material legal proceedings and is not aware of any such proceedings pending or contemplated. To the knowledge of the Company, there have been no penalties or sanctions imposed against Velocity by a court relating to securities legislation or by a securities regulatory authority during the last financial year or by a court or regulatory authority that would likely be considered important to a reasonable investor in making an investment decision. To the knowledge of the Company, Velocity did not enter into any settlement agreement with a court relating to securities legislation or with a securities regulatory authority during the last financial year.



## 14 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

### 14.1.1 Interest of Management and Others in Material Transactions of Artemis

Except as disclosed in this AIF, to the knowledge of the Company, no director or executive officer, or person or company that beneficially owns, or controls and directs, directly or indirectly, more than 10 percent of the any class or series of the voting securities of the Company, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or is reasonably expected to materially affect the Company.

Certain directors and/or executive officers have been granted stock options of the Company, have received consulting fees for services provided to Artemis and/or have participated in private placements of Artemis referred to under “History since inception on January 10, 2019 to December 31, 2019 – Fund Raising” on the same basis as all other subscribers for the same class of securities under such private placements.

### 14.1.2 Interest of Management and Others in Material Transactions of Velocity

To the knowledge of the Company, other than the Company’s initial investment in Velocity and other than as disclosed in Velocity’s most recent Management’s Discussion and Analysis filed on SEDAR at [www.sedar.com](http://www.sedar.com), no director or executive officer, or person or company that beneficially owns, or controls and directs, directly or indirectly, more than 10 percent of the any class or series of the voting securities of Velocity, or any associate or affiliate of the foregoing, have had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or is reasonably expected to materially affect Velocity.

## 15 TRANSFER AGENT AND REGISTRAR

Artemis’ transfer agent and registrar is Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9, and Computershare Investor Services Inc., 4 King Street West, Suite 1101, Toronto, Ontario, M5H 1B6, is Artemis’ co-transfer agent and registrar.

## 16 MATERIAL CONTRACTS

### 16.1.1 Material Contracts of Artemis

On August 24, 2020, Artemis completed the Acquisition of the Blackwater Project pursuant to an asset purchase agreement dated June 9, 2020 among New Gold Inc., BW Gold Ltd. and Artemis.

On March 14, 2019, Atlantic, through Artemis, its wholly owned subsidiary at that time, completed the Velocity Investment pursuant to an investment agreement with Velocity dated January 16, 2019.

Outside of the above, there were no material contracts of Artemis that were entered into (a) within the last financial year and up to the date of this AIF, or (b) before the last financial year but is still in effect, and that is required to be filed under Part 12 of NI 51-102 or that would be required to be filed under 51-102 but for the fact that it was previously filed.



### 16.1.2 Material Contracts of Velocity

On March 14, 2019, Velocity completed an investment by the Company into Velocity, pursuant to an investment agreement with Atlantic, through Artemis, its wholly owned subsidiary at that time, dated January 16, 2019.

On November 13, 2020, Velocity entered into an Investment Agreement with Dundee Previous Metals Inc. whereby Dundee will invest up to \$7,000,000 to acquire a 9.99% ownership interest in Velocity on a non-diluted basis. Under and subject to the terms and conditions of the Investment Agreement, Dundee has agreed to purchase up to 14,000,000 Velocity Shares at the price of \$0.50 per Velocity Share, on a private placement basis. These shares were issued on November 24, 2020.

Outside of the above, Artemis is not aware of any material contracts of Velocity that were entered into (a) within the last financial year and up to the date of this AIF, or (b) before the last financial year but still in effect, and that is required to be filed under Part 12 of NI 51-102 or that would be required to be filed under 51-102 but for the fact that it was previously filed.

## 17 INTERESTS OF EXPERTS

Artemis relies on experts to audit its annual consolidated financial statements, and to prepare mineral resource estimates on certain of Artemis' mineral properties, and related technical reports.

### 17.1 Names of Experts

The disclosure with respect to the Blackwater Project contained in this AIF is based on Artemis' Blackwater Technical Report prepared by Moose Mountain Technical Services, Knight Piésold Ltd., and JAT Met Consult Ltd. The disclosure with respect to the GK Project contained in this AIF is based on Artemis' Technical Report on the GK Project, Telegraph Creek area, British Columbia prepared by Jean Pautler, P.Geo.

To the best of Artemis' knowledge, neither the qualified persons referenced above, nor any director, officer, employee or partner of such qualified persons, Moose Mountain Technical Services, Knight Piésold Ltd., JAT Met Consult Ltd., or JP Exploration Services Inc., as applicable, has received or will receive a direct or indirect interest in the property of Artemis or of any associate or affiliate of the Company. As at the date hereof, the aforementioned persons, and the directors, officers, employees and partners, as applicable, of the aforementioned company beneficially own, directly or indirectly, in the aggregate, less than 1% of the securities of the Company.

The auditor for Artemis is PricewaterhouseCoopers LLP, Chartered Professional Accountants of Vancouver, British Columbia. PricewaterhouseCoopers LLP report that they are independent of the Company in accordance with the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

No other person has prepared or certified a report, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by Artemis during, or relating to, Artemis' most recently completed financial year, and whose profession or business gives authority to such report, statement or opinion.



## 18 ADDITIONAL INFORMATION

Additional information relating to Artemis may be found on Artemis' website [www.atlanticgoldcorporation.com](http://www.atlanticgoldcorporation.com) or under Artemis' profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Artemis' securities and securities authorized for issuance under equity compensation plans, is contained in Artemis' information circular for its most recent annual general meeting of securityholders. Additional financial information in relation to Artemis is provided in Artemis' consolidated financial statements and management's discussion and analysis for the period from January 10, 2019 to December 31, 2019.



## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

*Approved in June 2019*

#### **Purpose**

The overall purpose of the Audit Committee (the "**Committee**") of 1193490 B.C. LTD. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

#### **Composition, Procedures and Organization**

1. The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.



5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### **Roles and Responsibilities**

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
  - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;



- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Company's financial and auditing personnel;
    - (iv) co-operation received from the Company's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Company;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and



- (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4. The Committee is also charged with the responsibility to:

- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- (b) review and approve the financial sections of:
  - (i) the annual report to shareholders;
  - (ii) the annual information form, if required;
  - (iii) annual and interim MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Company's financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies, if any;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the Company's financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and



- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- 5. The Committee shall specifically supervise and administer the Company's Whistle Blower Policy, if and when such policy is enacted.
- 6. The Committee shall have the authority:
  - (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Committee; and
  - (c) to communicate directly with the internal and external auditors.

