



TERRAX MINERALS INC.

**ANNUAL INFORMATION FORM
For the Financial Year Ended January 31, 2019**

December 10, 2019

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual information form (“AIF”) of TerraX Minerals Inc. (“TerraX” or the “Company”) contains “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian securities legislation (collectively, “**forward-looking statements**”). Forward-looking statements are included to provide information about management’s current expectations and plans that allows investors and others to get a better understanding of the Company’s operating environment, the business operations and financial performance and condition.

Forward-looking statements include, but are not limited to, statements regarding planned exploration and development programs and expenditures, the estimation of Mineral Resources (as defined herein); proposed exploration plans and expected results of exploration from the YCG Project (as defined herein); TerraX’s ability to obtain licenses, permits and regulatory approvals required to implement expected future exploration plans; changes in commodity prices and exchange rates; and currency and interest rate fluctuations. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objections, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved (or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such statements. Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company’s actual financial results, performance or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the future price of gold, anticipated costs and the Company’s ability to fund its programs, the Company’s ability to carry on exploration and development activities, the timing and results of drilling programs, the discovery of additional Mineral Resources on the Company’s mineral properties, the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting, construction and operation of projects, the costs of operating and exploration expenditures, the Company’s ability to operate in a safe, efficient and effective manner and the Company’s ability to obtain financing as and when required and on reasonable terms.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others: (i) access to additional capital; (ii) uncertainty and variations in the estimation of Mineral Resources; (iii) health, safety and environmental risks; (iv) success of exploration, development and operations activities; (v) delays in obtaining or failure to obtain governmental permits, or non-compliance with permits; (vi) delays in getting access from surface rights owners; (vii) the fluctuating price of gold; (viii) assessments by taxation authorities; (ix) uncertainties related to title to mineral properties; (x) the Company’s ability to identify, complete and successfully complete acquisitions; and (xi) volatility in the market price of the Company’s securities.

This list is not exhaustive of the factors that may affect any of the Company’s forward-looking statements. Although the Company believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events

or results not to be as anticipated, estimated or intended. See the section entitled “Risk Factors” below for additional risk factors that could cause results to differ materially from forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date of this AIF and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company's filings with Canadian securities regulatory authorities, which can be viewed online under the Company's profile on SEDAR at www.sedar.com.

INTRODUCTION

Currency

Unless otherwise indicated, all references to “\$” in this AIF are to Canadian dollars.

Scientific and Technical Information

Unless otherwise indicated, scientific and technical information in this AIF relating to the Yellowknife City Gold project (the “**YCG Project**”) has been reviewed and approved by Joseph Campbell, P.Geo., TerraX's Chief Operating Officer, and a “Qualified Person” as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). The information contained in the section entitled “Mineral Project Disclosure – Yellowknife City Gold Project” has also been reviewed and approved by Dr. Allan Armitage, P.Geo. from SGS Geological Services, who is an independent Qualified Person.

In this AIF, the terms Mineral Resources and Inferred Mineral Resources have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council, as amended.

Cautionary Statement Regarding Estimates of Mineral Resources

The Mineral Resource estimates reported in this AIF have been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States' securities laws. The CIM Definition Standards differ from the definitions in the United States Securities and Exchange Commission Guide 7 (the “**SEC Guide 7**”). The terms “Mineral Resource” and “Inferred Mineral Resource” are defined in NI 43-101 and recognized by Canadian securities laws but are not defined terms under SEC Guide 7 or recognized under U.S. securities laws. Mineral Resources are not Mineral Reserves, and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. The estimates of Mineral Resources may be materially affected by geology, environmental, permitting, legal, title, socio-political, marketing or other relevant issues. Inferred Mineral Resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Readers are cautioned not to assume that any part or all of mineral deposits in this category will ever be upgraded to Mineral Reserves. Inferred Mineral Resources have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian securities laws, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Readers are cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable.

CORPORATE STRUCTURE

Name, Address and Incorporation

TerraX was incorporated under the *Business Corporations Act* (British Columbia) on August 1, 2007 under the name TerraX Resource Corp. On March 31, 2008, the Company amended its Notice of Articles to change its name to TerraX Minerals Inc.

The Company's head office is located at 1605 – 777 Dunsmuir Street, Vancouver, BC, V7Y 1K4. The registered address and records office of the Company is located at 2200 – 885 West Georgia Street, Vancouver, BC, V6C 3E8.

Intercorporate Relationships

TerraX has one wholly-owned subsidiary, Gold Matter Corporation, that was incorporated under the *Business Corporations Act* (Ontario). The Company acquired Gold Matter Corporation on October 21, 2019 (subsequent to the financial year ended January 31, 2019).

Unless otherwise noted or inconsistent with the context, references to TerraX or the Company in this AIF are references to TerraX Minerals Inc. and its subsidiary, Gold Matter Corporation, subsequent to its acquisition on October 21, 2019.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

TerraX is a mineral resource company engaged in the acquisition, exploration and development of mineral properties in Canada. Its principal asset is the YCG Project, a mineral exploration project located in the Northwest Territories. The Company originally acquired the core 121 mining leases for the YCG Project in January 2013, totalling 35.6 square kilometres. Since 2013, the Company has conducted extensive exploration on the property and, as a result, acquired additional mining leases and claims around those original leases so that the YCG Project now consists of 137 mining leases and 162 mineral claims covering a total of 787.7 square kilometres. The entire YCG Project is wholly-owned by TerraX, subject to certain net smelter return (“NSR”) royalties.

TerraX also holds mineral exploration properties in the provinces of Newfoundland and New Brunswick which it does not consider to be material at this time.

Three Year History

Financial year ended January 31, 2017

Exploration Activities

During the financial year ended January 31, 2017, TerraX conducted both a winter and summer drill program as well as an extensive field exploration program on the YCG Project, which at the end of such period comprised 418 square kilometres of contiguous land immediately north and south of the City of Yellowknife in the Northwest Territories.

In mid-June 2016, TerraX began a \$500,000 summer fieldwork program on the YCG Project. This field work budget was supplemented by a Northwest Territories Mineral Incentive Program (“MIP”) grant worth more than \$120,000. After the Company's success in 2015 discovering new zones of previously unreported high-grade gold mineralization, with only a modest field exploration budget, it was decided to increase the Company's surface exploration expenditure four-fold for the summer of 2016 in order to fully understand the potential mineral endowment on the YCG Project, which has never been fully explored with modern mineral exploration technology.

Financings

In April and May 2016, TerraX completed a non-brokered private placement of 2,748,000 flow-through Common Shares at a price of \$0.40 per share for gross proceeds of \$1,099,200.

In May 2016, TerraX completed a non-brokered private placement of 3,231,000 units at a price of \$0.35 per unit for gross proceeds of \$1,130,850 with each unit comprising one Common Share and one-half of one common share purchase warrant, and each full warrant entitling the holder to purchase one additional Common Share at an exercise price of \$0.50 until May 2019.

In July and August 2016, TerraX completed a non-brokered private placement of 18,750,000 Common Shares at a price of \$0.40 per share for gross proceeds of \$7,500,000.

During the financial year ended January 31, 2017, the Company also received cash of \$473,200 from the exercise of 1,314,000 stock options with an average exercise price of \$0.36 per share and \$1,301,422 from the exercise of 3,114,518 share purchase warrants with an average exercise price of \$0.42 per share.

Financial year ended January 31, 2018

Exploration Activities

During the financial year ended January 31, 2018, TerraX completed a winter drill program in early 2017, undertook a comprehensive surface exploration program on the YCG Project and acquired additional contiguous ground through staking of claims and the acquisition of contiguous properties.

In February 2017, TerraX commenced winter drilling at the YCG Project. This program incorporated up to four drill rigs testing a number of new drill targets identified during 2016 field exploration and was completed in early April 2017.

TerraX's summer field exploration program at the YCG Project commenced in June 2017 and was completed in late November 2017. Over 5,600 surface samples were collected from outcrops throughout the property and eight new target areas were identified. In addition, comprehensive geophysical, biogeochemical and lake sediment surveys were completed throughout the entire YCG Project. The Company recovered \$170,000 of its exploration costs through an MIP grant from the government of the Northwest Territories.

In addition to field work, a high-resolution airborne LIDAR and ortho-photo survey was completed on the property covering approximately 350 square kilometres. This was followed by electro-magnetic, magnetic and radiometric geophysical surveys totalling approximately 3,200 line kilometres that were flown over all areas of the project that had not previously been surveyed. In addition, ground-based magnetic surveys were conducted in areas of known high grade gold mineralization to identify drill targets that could expand the zones along strike and at depth.

As a result of the field work conducted on the YCG Project during the summer of 2017, TerraX identified a number of new areas with significant exploration potential including Angel and Duck Lake on the Eastbelt and Screamer Island, Homer Lake gold and Ryan Lake gold on the Northbelt.

Acquisitions

In December 2017, TerraX acquired the historic Burwash Mine property, immediately adjacent to its Eastbelt property. The Burwash Mine was the first gold producer in the Yellowknife gold district in 1935 when a pit was excavated and a shallow shaft (40 metres) was sunk on a high grade gold vein. Burwash assays were recorded up to 10,300 g/t Au and 2,540 g/t Ag. The average production grade at Burwash was 13.6 ounces per tonne (466 g/t Au) with approximately 450 ounces of gold produced (Source: The

Operation History of Mines in the Northwest Territories, R. Silke, 2009).

The Burwash property consists of mineral leases totalling 252 hectares. The property has no environmental liabilities, having been fully remediated by the Canadian federal and territorial governments. The option agreement is for a 100% interest in the property with the following terms. This agreement was completed and all terms satisfied in December 2019 with the Company having paid a total of \$50,000 in cash payments and issuing a total of 150,000 Common Shares. The vendors have retained a 2% NSR royalty on the Burwash property, of which 1.5% can be purchased by TerraX for \$1 million.

In January 2018, TerraX entered into an agreement to acquire the Ptarmigan Mine property, located within its Eastbelt property. The Ptarmigan Mine was a gold producer in the Yellowknife gold district from 1941-1942, in 1983, and from 1985-1997. The main Ptarmigan vein was accessed by a shaft extending to 275 metres depth and mined over 400 metres of strike length. Production from Ptarmigan totaled 364,874 tonnes producing 112,213 ounces of gold (average 9.56 g/t Au recovered). The gold is free milling with recoveries in the 1940s reported at 97-98%. Gold recovery in the 1985-1997 period consisted of gravity and flotation concentration with reported recovery of 94%. When the mine closed in 1997, the vein was still open along strike to the west on claims now owned by TerraX, and open down dip below the mine workings (Source: The Operation History of Mines in the Northwest Territories, R. Silke, 2009; and Tremanco Resources Limited, Annual Report 1990).

The Ptarmigan property consists of a mineral lease and a mineral claim totalling 47 hectares. The Ptarmigan Mine can be accessed by paved road from Yellowknife with access to high-tension powerlines on site. TerraX has no liability for any remediation of the previous mine site.

Financing

There were no private placement financings completed during the financial year ended January 31, 2018.

During the financial year ended January 31, 2018, the Company received cash of \$314,700 from the exercise of 1,152,000 stock options with an average exercise price of \$0.29 per share and \$2,563,759 from the exercise of 5,021,518 share purchase warrants with exercise prices ranging between \$0.51 and \$0.57 per share.

Board and Management Changes

On May 8, 2017, Rene Carrier and Russell Starr were appointed to the board of directors of the Company (the “**Board**”). Mr. Tom Setterfield, one of the original founders of TerraX, resigned as a director to facilitate the appointment of Messrs. Carrier and Starr to the Board. Also at such time, Alan Sexton was appointed Vice President, Exploration of the Company.

Financial year ended January 31, 2019

Exploration Activities

During the financial year ended January 31, 2019, TerraX again conducted a winter drill program and summer field exploration program on the YCG Project. The Company also staked an additional 47 claims totalling 337.5 square kilometres immediately to the north of its current properties. These additional claims increased the size of the YCG Project to 780 square kilometres and extended the total strike of the project area by 22 kilometres to the north, for a total strike length of 75 kilometres.

TerraX commenced its 2018 winter drill program on the YCG Project in early February 2018. The program totaled approximately 5,684 metres and incorporated two drill rigs to test dip and strike extensions of the Sam Otto and Crestaurum gold deposits, two of the Company's most advanced high priority gold targets, with a goal of significantly expanding the size of these zones of gold mineralization.

Sam Otto is a disseminated wide zone of gold mineralization with the potential to yield both a large bulk tonnage deposit at the main Sam Otto target and a high-grade deposit at Sam Otto West (formerly the Dave's Pond target). The drilling at Sam Otto confirmed a 2.2 kilometre mineralized zone that remains open along strike and at depth, with the drilling at Crestaurum extending that mineralized zone to 300 metres of vertical depth, doubling the size of the known mineralized structure.

In June 2018, the Company began its summer field program with surface sampling and mapping programs. New gold zones were identified at Gull Lake and Rater Lake on the Northbelt property. These new targets are in the same mafic volcanic geology that also hosted the former Giant and Con mines. On the Eastbelt property, mineralization extending northwest from the Ptarmigan property returned channel samples from surfaces that returned assays up to 24.75 g/t Au over 5.50 metres and followed the mineralized zone over 400 metres.

During the summer of 2018, TerraX also completed a 6,409 line kilometre helicopter-borne high resolution magnetic and radiometric survey over the Quytá-Bell property and other areas of the YCG Project that had not previously been surveyed. A 434 square kilometre airborne LiDAR survey was also flown over the Quytá-Bell property. These surveys received funding support of \$160,000 through the government of the Northwest Territories MIP.

Permits

In January 2019, TerraX was issued a new Land Use Permit ("LUP") by the Mackenzie Valley Land and Water Board approving the Company's exploration plan on the entire YCG Project. The new LUP replaced two smaller LUPs and provides for water usage required in exploration drilling. The new permit is effective until January 2024, extendible to 2026, and covers all of TerraX's claims and leases, providing complete flexibility in planning and carrying out long-term exploration activities on the entire YCG Project.

On March 21, 2019, the Company announced that a Type B Water License had been issued by the Mackenzie Valley Land and Water Board for the YCG Project. The Water License also covers all of TerraX's claims and leases on the YCG Project and is effective for seven years until March 6, 2026.

Acquisition

In November 2018, TerraX completed the purchase of a 100% interest in the Tom Mine (6 square kilometres) and Sickie (2 square kilometres) properties from Altamira Gold Corp. These two properties are contiguous with, and surrounded by, the Company's Eastbelt property to the east of Yellowknife.

The Tom Mine was a gold producer in the Yellowknife gold district from 1985-1997. The Tom and C vein systems were accessed by ramp to 122 vertical metres over 300 metres of strike length. The Tom Mine production was milled at the Ptarmigan Mine so separate production records for the Tom Mine are not available. The Tom Mine gold ore has the same characteristics as the Ptarmigan Mine which is free milling with reported recovery of 94%. When the mine closed in 1997 the veins were still open at depths below the current mine workings (Source: The Operational History of Mines in the Northwest Territories, R. Silke, 2009; and Tremanco Resources Limited, Annual report 1990). The southern portion of the property is contiguous with the Ptarmigan Gold Mine property owned by TerraX.

The Sickie property is underlain by the Walsh Lake sediments, which are host to TerraX's Mispickel Zone. Several historic gold showings occur on the property with gold values up to 4.0 g/t.

Under the terms of the agreement, TerraX paid Altamira a total of \$25,000 cash and issued Altamira 250,000 Common Shares. Altamira retains a 2% NSR royalty.

Financings

On April 12, 2018, TerraX completed a bought deal underwritten equity financing, with the underwriter's option having been exercised in full. The Company issued an aggregate of 4,312,500 units of the

Company, with each such unit comprising of one Common Share and one-half of one non-flow-through common share purchase warrant, at a price of \$0.40 per unit, and 4,107,143 flow-through units of the Company, with each such unit comprising one flow-through Common Share and one-half of one non-flow-through common share purchase warrant, at a price of \$0.56 per unit, for aggregate gross proceeds of \$4,025,000. Each of such whole warrants entitling the holder to purchase one additional non-flow-through Common Share at an exercise price of \$0.60 until April 2021, subject to an exercise acceleration trigger.

On November 16, 2018, TerraX completed a non-brokered private placement of 5,887,500 units at a price of \$0.40 per unit for gross proceeds of \$2,355,000 with each unit comprising one Common Share and one common share purchase warrant, each warrant entitling the holder to purchase one additional Common Share at an exercise price of \$0.60 until November 2021.

During the financial year ended January 31, 2019, the Company also received cash of \$458,200 from the exercise of 2,150,000 stock options with exercise prices ranging between \$0.17 and \$0.38 per share and \$44,172 from the exercise of 110,430 share purchase warrants with an exercise price of \$0.40 per share.

Management Changes

On June 15, 2018, David Suda was appointed President and Chief Executive Officer of the Company. To accommodate Mr. Suda's appointment, Stuart Rogers resigned as President and was appointed Chief Financial Officer of the Company, replacing Mark Gelmon, who left the Company at the end of June 2018.

Subsequent to financial year ended January 31, 2019

Financing

On June 26, 2019, the Company completed a bought deal underwritten financing whereby the Company issued an aggregate of 1,782,500 Common Shares at a price of \$0.36 per share, 2,430,000 flow-through Common Shares at a price of \$0.41 per share and 3,000,000 charity flow-through Common Shares at a price of \$0.50 per share, for aggregate gross proceeds of \$3,138,000.

Acquisition

On October 21, 2019, the Company completed the acquisition (the “**Gold Matter Acquisition**”) of Gold Matter Corporation, a private company. As consideration for the Gold Matter Acquisition, the Company issued 5,000,000 Common Shares to the shareholders of Gold Matter Corporation.

As a result of the Gold Matter Acquisition, the Company now holds a 100% undivided interest in the Mulligan Project located in the Province of New Brunswick, which consists of 12 mining claims comprising 413 units and covering 8,200 hectares, and is subject to a 2% NSR royalty on production. The highlight of this property is an undrilled gold discovery with a trench sample returning 5.67 g/t Au over 16 metres. An IP survey was completed recently and the Company plans to drill test the project next summer.

Concurrently with the completion of the Gold Matter Acquisition, Mr. Panneton subscribed for 1,000,000 Common Shares at a price of \$0.36 per share for proceeds to the Company of \$360,000.

Board and Management Changes

On October 21, 2019, concurrently with the completion of the Gold Matter Acquisition, Gerald Panneton and Louis Dionne were appointed to the Board. Mr. Panneton was also appointed Executive Chairman of the Board and Joseph Campbell was appointed Chief Operating Officer of the Company.

Each of Rene Carrier and Paul Reynolds will not be standing for re-election at the Company's annual general and special meeting of shareholders scheduled to be held on December 17, 2019. It is expected that Laurie Gaborit will be elected as a director of the Company effective as of December 17, 2019. See disclosure under “Directors and Officers” for relevant details for Ms. Gaborit.

DESCRIPTION OF THE BUSINESS

Overview

The primary focus of the Company is the advancement of the YCG Project, adjacent to the City of Yellowknife in the historic Yellowknife City Gold district, Northwest Territories.

TerraX does not own any producing properties and, consequently, has no current operating income or cash flow from the properties it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of TerraX are primarily funded by equity financings.

Specialized Skills

TerraX's business requires specialized skills and knowledge in the areas of geology, drilling, planning, implementation of exploration programs and compliance. To date, TerraX has been able to readily locate and retain such professionals in Canada, and believes it will be able to continue to do so.

Competitive Conditions

TerraX operates in a very competitive industry, and competes with other companies, many of which have greater technical and financial capabilities for the acquisition and development of mineral properties, as well as for the recruitment and retention of qualified employees and consultants.

Business Cycles

The gold sector is very volatile and cyclical. It has suffered significant declines since 2011. The financial markets for mining in general, and mineral exploration and development in particular, continued to be relatively weak through 2019. In addition to commodity price cycles and recessionary periods, exploration activity may also be affected by seasonal and irregular weather conditions in the Northwest Territories.

Environmental Protection Requirements

TerraX's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, and the use of cyanide which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. Certain types of operations may also require the submission and approval of environmental impact assessments.

Environmental legislation is evolving in a manner that means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies including its directors, officers and employees.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

Employees

As at January 31, 2019, TerraX had six employees. Field work and drilling services are provided by contractors on a seasonal and as-needed basis.

RISK FACTORS

An investment in the Common Shares is highly speculative due to the high-risk nature of its business and the present stage of its development. Shareholders of the Company may lose their entire investment. The risks described below are not the only risks facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected. If any of the Company's properties move to a development stage, the Company would be subject to additional risks respecting any development and production activities.

Economics of Developing Mineral Properties

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines. There is no assurance that the Company's gold deposits are commercially mineable.

Should any Mineral Resources and Mineral 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/or 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: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) gold prices, which are historically cyclical; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) 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 the YCG Project 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 the Company and its operations.

Uncertainty of Mineral Resource Estimates

Mineral Resource figures are only estimates. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. While TerraX believes that the Mineral Resource estimates included are established and reflect the Company's best estimates, the estimating of Mineral Resources is a subjective process and the accuracy of Mineral Resource estimates is a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in any Mineral Resource estimate and the actual deposits encountered and the economic viability of a deposit may differ materially from the Company's estimates. Estimated Mineral Resources may have to be re-estimated based on changes in the price of gold, further exploration or advancement activity or actual production experience. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence Mineral Resource estimates. Mineral Resources are not Mineral Reserves and there is no assurance that any Mineral Resource estimate will ultimately be reclassified as Proven or

Probable Mineral Reserves. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Mineral Price Volatility

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral are discovered, a profitable market will exist or develop for the sale of same. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered at the YCG Project. Mineral prices are subject to volatile price changes due to 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, speculative activities and increased production due to improved mining and production methods.

Fluctuation in Market Value of Common Shares

The market price of the Common Shares, as publicly traded shares, can be affected by many variables not directly related to the corporate performance of the Company, including the market in which it is traded, the strength of the economy generally, the availability and attractiveness of alternative investments and the breadth of the public market for the stock. The effect of these and other factors on the market price of the Common Shares in the future cannot be predicted. The lack of an active public market could have a material adverse effect on the price of the Common Shares.

Regulatory Requirements

The current or future operations of the Company, including advancement activities and possible commencement of production on the YCG Project, requires licenses and permits from various federal and provincial 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, advancement 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 licenses and permits which the Company 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 a material adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, licensing 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 effect on the Company and cause increases in costs or require abandonment or delays in the advancement and growth of the YCG Project.

The development of mines and related facilities is contingent upon governmental approvals that are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The duration and success of such approvals are subject to many variables outside the Company's control. Any significant delays in obtaining or renewing such licenses or permits in the future could have a material adverse effect on the Company.

Indigenous People

Various national and provincial laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of First Nations and Metis ("**Indigenous Peoples**"). The Company operates in an area presently or previously inhabited or used by Indigenous Peoples. Many of these materials impose obligations on government to respect the rights of Indigenous People. Some mandate that government consult with Indigenous Peoples regarding government actions which may affect Indigenous People, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various national materials pertaining to Indigenous Peoples continue to evolve and be defined. The Company's current and future operations are subject to a risk that one or more groups of Indigenous Peoples may oppose continued operation, further development, or new development of the Company's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Company's activities. Opposition by Indigenous Peoples to the Company's operations may require modification of, or preclude operation or development of, the Company's projects or may require the Company to enter into agreements with Indigenous Peoples with respect to the Company's projects.

Dependence on Key Individuals

The success of the Company depends to a large extent upon its abilities to retain the services of its senior management and key personnel. The Company is dependent on a relatively small number of key personnel, particularly Gerald Panneton, its Executive Chairman, and Joseph Campbell, its Chief Operating Officer, the loss of either one of which could have a material adverse effect on the Company. At this time, the Company does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and advancement activities at the YCG Project. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation. 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 directors, officers and employees. Environmental hazards which are unknown to the Company at present and which have been caused by previous owners or operators of the properties may exist on the YCG Project. Failure to comply with applicable environmental laws and regulations may result in enforcement actions thereunder and may include corrective measures that require capital expenditures or remedial actions. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect the Company's operations or result in substantial costs and liabilities to the Company in the future.

Costs of Land Reclamation Risk

The laws governing the determination of the scope and cost of the closure and reclamation obligations and the amount and forms of financial assurance are complex. As of January 31, 2019, the Company has provided the appropriate regulatory authorities with \$160,000 in financial assurance in the form of a reclamation deposit for its reclamation obligations at the YCG Project. The amount and nature of the financial assurances are dependent upon a number of factors, including the Company's financial condition and reclamation cost estimates. Changes to these amounts, as well as the nature of the collateral to be provided, could significantly increase the Company's costs. To the extent that the value of the collateral provided to regulatory authorities is or becomes insufficient to cover the amount of financial assurance the Company is required to post, the Company would be required to replace or supplement the

existing security with more expensive forms of security, which might include additional cash deposits, which would reduce its cash available for operations and financing activities. Although the Company has currently made provisions for certain of its reclamation obligations, there is no assurance that these provisions will be adequate in the future. Failure to provide regulatory authorities with the required financial assurances could result in a material adverse effect on its operating results and financial condition.

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 effect on the Company and cause increases in capital expenditures or production costs or require abandonment or delays in the advancement and growth of the YCG Project.

Limited Business History; No Revenue and Negative Cash Flow

The Company has negative cash flow from operating activities, has no history of earnings, has earned no revenue since commencing operations, has no source of operating cash flow, and there is no assurance that additional funding will be available to it for continued exploration and development. In addition, the Company has fixed payment obligations to maintain its properties but no source of revenue. The only sources of future funds presently available to TerraX are the sale of equity capital, or the offering by the Company of an interest in its properties. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be acceptable. Failure to obtain such financing could result in delay or indefinite postponement of further exploration and development of the YCG Project. There is also no assurance that the Company can generate revenues, operate profitably, or provide a return on investment or that it will successfully implement its plans.

Additional Financing and Dilution

The Company is focused on advancing its core asset, the YCG Project, and will use its working capital to carry out such advancement and growth. However, the Company will require additional funds to further such activities. To obtain such funds, the Company 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 the Company's shareholders.

There is no assurance that additional funding will be available to the Company for additional exploration or for the substantial capital that is typically required in order to bring a mineral project, such as the YCG Project, to the production decision or to place a property, such as the YCG Project, into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be acceptable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration, advancement and growth of the YCG Project.

No History of Mineral Production or Mining Operations

The Company has never had a gold producing property. There is no assurance that commercial quantities of gold will be discovered nor is there any assurance that the Company's exploration programs will yield positive results. Even if commercial quantities of gold are discovered, there can be no assurance that the YCG Project will ever be brought to a stage where gold can profitably be produced therefrom. Factors which may limit the ability to produce gold resources include, but are not limited to, the spot price of gold, availability of additional capital and financing and the nature of any mineral deposits. The Company does not have a history of mining operations that would guarantee it will produce revenue, operate profitably or provide a return on investment in the future.

Factors Beyond the Control of the Company

The potential profitability of the YCG Project is dependent upon many factors beyond the Company's control. For instance, world 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 deposits (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 the Company cannot predict and are beyond the Company's 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 advancing mineral projects and other costs have become increasingly difficult, if not impossible, to project. Any of these changes and events could have a material adverse effect on the Company.

The Company's potential future revenues will be directly related to the price of gold as its potential revenues are expected to be derived from gold mining. Demand for gold can be influenced by economic conditions, the attractiveness of gold as an investment vehicle and the strength of the US dollar and local investment currencies. Other factors include the level of interest rates, exchange rates, inflation and political stability. The aggregate effect of these factors is impossible to predict with accuracy. Gold prices are also affected by worldwide production levels. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may adversely affect the Company's financial performance and results of operations. The effect of these factors, individually or in the aggregate, is impossible to predict with accuracy. A decline in gold prices may also require the Company to reduce the Mineral Resources at the YCG Project, which would have a material adverse effect on its potential earnings and potential profitability.

No Assurance of Title to Property

There may be challenges to title to the YCG Project. If there are title defects with respect to the YCG Project, the Company might be required to compensate other persons or perhaps reduce its interest in the YCG Project. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and advancement programs at the YCG Project.

The Company may be subject to the rights or asserted rights of various community stakeholders, including aboriginal and indigenous peoples, through legal challenges relating to ownership rights.

Infrastructure

Mining, processing, development and exploration activities depend 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, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could result in a material adverse effect to the Company's operations, financial condition and results of operations.

Insurance

The Company's 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, the YCG Project or any future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of its exploration or advancement activities, delay in or inability to receive regulatory approvals to transport its gold concentrates, or costs, monetary losses and potential legal

liability and adverse governmental action. The Company may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in a material adverse effect to the Company.

Limited Exploration Prospects

The YCG Project is the Company's most advanced property. Accordingly, the Company does not have a diversified portfolio of advanced exploration prospects either geographically or by mineral targets. The Company's operations could be significantly affected by fluctuations in the market price of gold as the economic viability of the Company's main project is heavily dependent upon the market price for this commodity.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire royalties or properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

Influence of Third Party Stakeholders

The lands in which the Company holds an interest in at the YCG Project, or the exploration equipment and roads or other means of access which the Company 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, the Company's 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 the Company.

Canada's Extractive Sector Transparency Measures Act

The Canadian Extractive Sector Transparency Measures Act ("**ESTMA**"), which became effective June 1, 2015, requires public disclosure of payments to governments by entities engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments, including Indigenous groups. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to \$250,000 (which may be concurrent). The Company has not yet been required to begin ESTMA reporting as it believes that it has not yet exceeded the threshold at which reporting is required. If the Company becomes subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed resulting in a material adverse effect on the Company's reputation.

Conflicts of Interest

Certain of the officers of the Company also serve as directors and/or officers of GeoVector Management Ltd., a company from whom the Company receives technical services. Additionally, some of the directors and officers of the Company are directors and officers of other companies. Some of the Company's 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, some of which are in the same business as the Company, and situations may arise where such companies will

be in direct competition with the Company. The Company's directors and officers are required by law to act honestly and in good faith with a view to the best interests of the Company. 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 the Company may result in a breach of their obligations to the other companies and, in certain circumstances, this could expose the Company 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 the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

Acquisitions and Joint Ventures

The Company will evaluate from time to time opportunities to acquire and joint venture mining assets and businesses. These acquisitions and joint ventures may be significant in size, may change the scale of the Company's business and may expose it to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition and joint venture activities will depend on its ability to identify suitable acquisition and joint venture candidates and partners, acquire or joint venture them on acceptable terms and integrate their operations successfully with those of the Company. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of the Company's ongoing business; the inability of management to maximize the financial and strategic position of the Company through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of the Company's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

Legal and Litigation

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material adverse effect on the Company's business, prospects, financial condition, and operating results. There are no current claims or litigation outstanding against the Company.

Dividends

No dividends on the Common Shares have been paid by the Company to date, and the Company does not expect to pay any cash dividends in the future in favor of utilizing cash to support the development of our business. Any future determination relating to the Company's dividend policy will be made at the discretion of the Board and will depend on a number of factors, including future operating results, capital requirements, financial condition and the terms of any credit facility or other financing arrangements the Company may obtain or enter into, future prospects and other factors the Board may deem relevant at the time such payment is considered. As a result, shareholders will have to rely on capital appreciation, if any, to earn a return on their investment in the Common Shares for the foreseeable future.

Disclosure Controls and Procedures

TSX Venture Exchange-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and

internal control over financial reporting (“**ICFR**”), as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“**NI 52-109**”). In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of: (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer’s IFRS. The Company’s certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost-effective basis, DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

MINERAL PROJECT DISCLOSURE – YELLOWKNIFE CITY GOLD PROJECT

The bulk of the information in this section is derived from the “Technical Report on the Resource Estimates for the Crestaurum-Barney-Sam Otto/Mispickel Deposits, Yellowknife City Gold Project, Yellowknife, Northwest Territories, Canada,” dated December 2, 2019 with an effective date of November 4, 2019 (the “**Technical Report**”) and prepared by Allan Armitage, Ph. D., P. Geo., SGS Canada Inc. (“**SGS**”), which has been filed with Canadian securities regulatory authorities and prepared pursuant to NI 43-101. The Technical Report is available for review under the Company’s issuer profile on SEDAR at www.sedar.com. Mr. Armitage (the “**Author**”) is a Qualified Person under NI 43-101.

Project Description, Location and Access

The YCG Project extends for 10 to 60 kilometres north, south, and east of the city of Yellowknife in the Northwest Territories. It occurs in NTS map sheets 85/J08-09 and J/16 centered at approximately 114°18'W latitude and 62°39'N longitude, or 638333E/6949983N in UTM co-ordinates (NAD83 Zone 11).

The YCG Project consists of 137 mining leases and 162 claims covering a total area of 78,767.29 hectares or 787.67 km². The entire YGC Property is 100% owned by TerraX (subject to certain NSR royalties). Walt Humphries (local prospector) retains a 2% “NSR” on the Walsh Lake Property, 1.5% of which can be purchased by TerraX. Panarc Resources Ltd. (“Panarc”) has a 1% “NSR” on the UBreccia Property, 0.5% of which can be purchased by TerraX. Walt Humphries and Dave Smith jointly hold a 2% NSR on the Burwash leases, 1.5% of which can be purchased by TerraX. Altamira Gold Corp. has a 2% NSR on the Sickie and Tom leases. Osisko Gold Royalties has an option to purchase a 3% NSR on TerraX property that encompasses the Northbelt and Walsh Lake Properties at any time, subject to decreasing NSR interest from ground subject to any of the underlying NSR agreements listed above, so that no part of the property exceeds a 3% NSR in total.

All claims for the YCG Project are in good standing.

The Property extends from the city limits to 60 kilometres north and 10 kilometres south of Yellowknife, capital city of the Northwest Territories, and home to almost 20,000 people.

Portions of the YCG Project can be accessed via a well maintained, all-weather road that trends north from Yellowknife (Highway 4/Ingraham Trail) to the Vee Lake Road, continuing eastward and south to Dettah. From Vee Lake, a secondary gravel road runs north to the Crestaurum shaft. North of Crestaurum, the road becomes an ATV trail which bisects southern portions of the YCG Project. Other portions of the YCG Project are best accessed by lake, using boats in the summer and snowmobiles or trucks (ice road) in the winter. Because of its proximity to Yellowknife and the Yellowknife airport, the YCG Project can also be efficiently accessed by helicopter and float plane.

Yellowknife has a long mining history and contains personnel and businesses with the skills and equipment to support activities ranging from early exploration up to mining. Water is abundant in the region. Suitable locations for constructing mineral processing facilities are abundant on the YCG Project. The 6.5-Megawatt Bluefish hydro dam is located on a small subsurface lease controlled by the NWT Power Corporation and is surrounded by the YCG Project.

Yellowknife's climate is subarctic in nature, with cold winters (-10 to -45°C) and mild to warm summers (+10 to +30°C). Because of the high latitude, there is a large variation in daylight hours, from five hours of daylight in December to twenty in June. The region averages approximately 30 centimetres of precipitation annually, most of which falls between June and October. The YCG Project is typically snow covered from early to mid-November until late April. Seasonal variations affect exploration to some extent (geological mapping cannot be done in the winter, geophysics and drilling are best done at certain times of the year etc.), but the climate would not significantly hamper mining operations.

The YCG Project has gently rolling topography with a maximum relief of approximately 75 metres. Elevation varies from 156 to 293 metres above sea level. Many lakes of variable size occur on the Property. In addition to lakes, the Property is dominated by a mix of sparsely treed forests, lichen covered outcrops and lesser swampy ground. Overburden thickness is typically low (0-1 metre), and outcrop density is high (10-40% apart from lakes and swamps).

Permits and Environmental Liabilities

There are no environmental liabilities accruing to TerraX on the YCG Project. A historical shaft and related structures and equipment exist at the site of the Crestaurum deposit, Ptarmigan Mine, and Tom Mine. Responsibility for remediation of these sites rests jointly with the Federal and Territorial governments and is managed through Aboriginal Affairs and Northern Development Canada (AANDC) within the Contaminants and Remediation Directorate. The Crestaurum site is on a list of sites to be cleaned up (AANDC Inventory Number SM210) and has scored 73.3 (out of 100) in the National Classification System for Contaminated Sites, making it a Site Classification Category Class 1 (>70 means high priority for action). Final share of responsibility for the site between various Federal and Territorial departments is still unclear as is a recommended action plan. The site has been subjected to Phase I (EBA Engineering and Consultants Ltd., 2007) and Phase II (Wells et al., 2013) environmental site assessments.

TerraX has obtained all necessary permits and certifications from government agencies to allow exploration, including diamond drilling, on the YCG Project in 2020.

The Author is unaware of any other significant factors and risks that may affect access, title, or the right, or ability to perform the exploration work recommended for the YCG Project.

History

The YCG Project has historically been the subject of intermittent, mostly localized, exploration by various companies. Sporadic exploration occurred in the 1920s, but concerted exploration commenced in the late 1930s as part of a semi-regional land rush due to the Yellowknife gold discoveries.

The presence of the nearby Giant and to a lesser extent Con deposits in similar rocks to the YCG Project has strongly influenced exploration. In 1935, a mapping party lead by A.W. Jolliffe of the Geological Survey of Canada discovered gold on the west side of Yellowknife Bay in the Yellowknife Greenstone Belt near Yellowknife. This led to a staking rush and staking of the claims that would eventually host the Con and Giant mines. The Con mine produced its first gold bar in 1938 under Cominco ownership. Apart from three years during World War II, the deposit was in continuous production until mine closure in 2003; it was purchased in 1986 by Nerco Minerals Inc. and then again in 1993 by Miramar Mining Corporation. Total production from Con was 6.1 Moz. Production from the Giant deposit commenced in 1948 under the ownership of Giant Yellowknife Mines Limited and continued until 2004. The mine was sold to Jimberlana NL in 1986, which restructured to become Giant Resources Ltd. In 1990 Giant Resources passed into

receivership and the deposit was sold to Royal Oak Mines Inc. In 1999, Royal Oak was placed into receivership and the mining rights to the Giant deposit were acquired by Miramar, who exploited the deposit until 2004. Total production from Giant was just over 8.1 million ounces. The network of structures comprising the Giant deposit continues north as far as Supercrest. The main structure is then offset by the Akaitcho Fault and is manifested by the GKP lens to the north of this fault. Limited mining of the GKP Zone took place between 1986 and 1988 (Mossop, 1988); mining of Giant-type structures thus occurred within 1 kilometre of the Northbelt Property.

Detailed geological mapping was conducted by several companies over the years, notably by Giant and Nebex. Page size compilation maps were produced at various times, but only Royal Oak produced a full-size geological compilation map. Giant commissioned a photogeological structural study of the region encompassing Northbelt to south of the Giant deposit.

A Questor INPUT/VLF-EM/magnetic survey was flown over Northbelt in 1977 on ~200 metre spaced lines trending 295°. This survey was followed up in the field in 1978, but nothing of major interest was noted. A 900-line kilometre, helicopter-borne DIGHEM EM/resistivity/magnetic/VLF survey on 100 metre spaced lines was flown in 1985. Magnetic data from this survey clearly shows the predominant NNE structural grain within Northbelt, as well as ENE trending diabase dikes, local magnetic highs, and the Akaitcho Fault to the south of Northbelt.

In 1985 Giant conducted a property-wide lithogeochemical sampling project (Hall, 1985). 243 samples of mafic volcanic rocks were taken at 800' intervals on 120° trending lines spaced 3200' apart. Unfortunately, TerraX has not been able to find reports documenting the results of this work.

Upon optioning the south half of the Northbelt Property in 1993, Nebex documented the highlights of previous work and compiled a map of known mineralized structures (Kelly, 1993).

Crestaurum

Crestaurum has seen more concentrated drilling than anywhere else on Northbelt and is the only place that hosts a historical resource. Transcontinental Resources Limited excavated four trenches on the Crestaurum No. 1 Shear in 1944 and discovered high grade gold (Lord, 1951). Transcontinental drilled 89 holes into the shear from 1945 to 1947 (Transcontinental, 1947); they also incorporated Crestaurum Mines Limited in late 1945 to develop the property. A 128 metre shaft was sunk and two crosscuts totalling 110 metres were completed, one of which partially exposed the shear zone (Lord, 1951). In addition, several buildings were constructed, including a warehouse, assay office, bunkhouses etc. Underground development ceased in early 1947 and the shaft flooded shortly thereafter.

Most of the buildings had been burnt down by 1964, at which time Giant became involved (Polk, 1964). No buildings presently exist on site, and the shaft is enclosed by a chain link fence. Giant drilled nine holes at Crestaurum in 1965 and four more in 1976, and in 1973 conducted local geochemical and geophysical (magnetics, VLF, EM) surveys (Lewis, 1984). A large drilling program was planned for 1980, but only three holes were drilled because of a strike at the Giant mine. In 1985, Giant drilled 74 holes into the Crestaurum deposit for a total of 7,787 metres (Perrino, 1988). The Crestaurum Shear was intersected in all holes and consists of a chlorite to sericite schist from 2.5 to 15 metres wide containing one or more quartz veins. The shear strikes at approximately 035° and dips at 45° to 55° to the southeast. 52 holes had intersections of at least 3.5 g/t Au, and 20 holes had visible gold.

Walsh Lake Area

The Walsh Lake area was explored by a variety of small junior companies early in its history. Since the mid-1970s the bulk of the Walsh Lake Property has been under the control of local prospector Walt Humphries, who sold the Walsh Lake Property to TerraX. From the mid-1980s to 2001 Humphries optioned the Walsh Lake Property to a succession of companies including Kelmet Resources Ltd. ("Kelmet"), Nebex, Barrick Gold Corporation ("Barrick") and Inmet Mining ("Inmet"). Prospecting and other activities over the years have resulted in the discovery of several mineralized showings.

Nib North is described as a 275 metre long x 50 metre zone of quartz stringers in a shear zone. Pyrite, arsenopyrite and pyrrhotite are present, and one trench returned an intersection of 1.52 metres @ 80.5 g/t Au. 20 shallow holes tested this area; one returned 3.05 metres @ 10.6 g/t Au. The Nib Central zone is exposed in four trenches over a length of 100 metres and is up to 15 metres wide. It was tested by seven x-ray holes that encountered only low values. Five trenches were excavated into the Samex North zone, exposing a 6 metre wide zone with gold values up to 17.8 g/t. 13 x-ray and several deeper holes were drilled on this zone; results are not known. The Samex South zone contains one trench with low gold values. Kelly (1985) states that this drilling was completed in 1944-45 by Nib Yellowknife ML.

Humphries sampled historical trenches in 1977. He obtained 2.43 metres @ 8.98 g/t Au from a trench at Samex and 0.61 metres @ 6.34 g/t Au from a trench at Nib North.

Kelmet conducted reconnaissance work over the Walsh Lake Property in 1985. Grab samples up to 15.1 g/t Au at Nib North, 10.63 g/t Au from Mispickel, 4.59 g/t Au from Samex and 0.87 g/t Au from Sam Otto were obtained. Kelmet optioned the ground in 1986 and conducted a campaign of geological mapping. In 1987 they conducted a ground magnetic and VLF survey over the central part of the property. Kelmet drilled holes W89-1 to W89-7 on the Sam Otto Zone in 1989. Numerous intercepts in excess of 1 g/t Au were encountered, with a best intersection of 15.85 metres @ 2.59 g/t Au in hole W89-1. Detailed sampling of trenches in the Sam Otto Zone was also conducted. Kelmet also completed a VLF survey over the Mos claims in the southeastern part of the Walsh Lake Property in 1989.

The northern part of the Walsh Lake Property was examined in 1989. Sample results included up to 2 g/t Au in sheared felsic volcanics from the Eagle Zone just northeast of Banting Lake.

In 1990/91 Kelmet collected 200 surface samples in the Sam Otto zone, defining a *"package of felsic metavolcanics containing conformable, stratiform gold-enriched horizons. This package appears to be about 1500 meters long and 200-300 meters wide..."*. Unfortunately, the locations and results of these samples are not available. Nebex drilled holes W-93-1 and W-93-2 on the Sam Otto Zone in 1993 (Anonymous, 1993; available documentation incomplete). The best result was 10.08 metres @ 3.09 g/t Au from hole W-93-1.

Nebex optioned the Walsh Lake Property to Lac Minerals ("Lac") in 1994; Lac was taken over by Barrick in 1995. Lac commissioned Quantec Geosciences to conduct a deep penetration IP survey over the northern half of Sam Otto and completed an airborne magnetic survey over the YCG Project in 1994 (Bailey, 1995). Barrick drilled 35 holes totalling 8,886 metres in early 1995. These holes tested the Sam Otto Zone and its northerly strike extension, Dave's Pond area west of Sam Otto, underneath Banting Lake, and the strike extensions of the Mispickel Island zone. Best results include 4.16 metres @ 5.17 g/t Au (W95-2) and 4.75 metres @ 5.61 g/t Au (W95-29).

Nebex drilled seven holes (1,864 metres) in early 1997, mostly testing the Sam Otto/Dave's Pond area, with one hole northwest of Mispickel Island (Baldwin, 1997). The best results were 2.5 metres @ 3.50 g/t Au from Mispickel Northwest and 1.84 metres @ 8.31 g/t Au from north of Sam Otto. They also conducted ground magnetic, VLF and soil surveying later in 1997.

In 1998, Inmet optioned the Walsh Lake Property. In early 1999 they conducted ground magnetic, VLF and IP surveys, and followed this up by drilling six holes totalling 1,097 metres (Morrison, 1999). The holes were targeted on geophysical anomalies, and results were disappointing. In 2000 Inmet drilled two holes to test the down-dip extent of the Sam Otto Zone (Hubel, 2000). One of the holes intersected 11.5 metres @ 2.47 g/t Au.

Geological Setting

The YCG Project occurs on and in proximity to of the Yellowknife Greenstone Belt (YGB) which occupies the southwest corner of the Archean Slave craton. The Slave craton contains several significant mineral deposits including VMS (Izok, Hackett River, and High Lake), iron formation-hosted gold (Lupin, George

Lake, Goose Lake, and Damoti Lake), mesothermal gold (Giant, Con, and Boston), rare earth elements (Nechalacho) and diamonds (Ekati, Diavik).

The YGB is a north-south trending metavolcanic sequence that consists of mafic and felsic volcanic and intrusive bodies, unconformably overlain by a conglomeratic package. The belt is a steeply to near vertically dipping homoclinal sequence that youngs to the southeast. The belt developed over a time span of 200 million years or more, which includes syn- and post-volcanic intrusions and sedimentation. The area has undergone regional metamorphism to greenschist-amphibolite grades and deformation that has resulted in folding and faulting.

The YGB is part of the Yellowknife Domain. This domain consists of (from west to east) the Anton Complex, the YGB, the Burwash Formation, the Cameron River and Beaulieu River greenstone belts, and the Sleepy Dragon Complex. Within the YGB, the basement rocks have been termed the Central Slave Basement Complex (CSBC). The supracrustal rocks are the Central Slave Cover Group (CSCG) and the Yellowknife Supergroup. Within the Yellowknife Supergroup are the Kam, Banting and Duncan Lake Groups, which are unconformably overlain by the Jackson Lake Formation; the contact occurs as an unconformity or locally as a disconformity. The basement and supracrustal rocks were intruded by the Ryan Lake pluton, the Defeat Plutonic Suite, the Duckfish Granite, and the Prosperous Suite in succession.

Mineralization

The Con and Giant deposits are hosted by the same stratigraphy that underlies the Northbelt Property. Some have argued that the two deposits were once linked, and that their present separation is due to movement along the West Bay Fault. The Giant ore system is interpreted to be offset by the Akaitcho Fault and is manifested by the GKP deposit north of this fault. Kelly (1993) believes that this system continues northwards to the Property in the form of the North Giant Extension structure. Thus, the argument can be made that the Con-Giant system persists at least to the southern boundary of the YCG Project.

The gold in the deposits is hosted in shear zones that transect mafic volcanic and metasedimentary rocks and are considered orogenic gold deposits. Metamorphically-driven processes are considered part of ore formation in the YGB, forming as metamorphic fluids passed through the shear zones and deposited gold in dilation zones and chemical traps in the shear zones. However, there is also an observed spatial association between gold mineralization and QFP in the belt, as well as an early intrusion-related metal enrichment. Finally, there is evidence that the ore at the Giant mine was enriched by fluids derived from proximal metasediments. The enrichment includes As, S, and Sb, which correlate with gold ore bodies in the Giant mine. The hydrothermal fluids containing these metals and gold encountered Ti-rich tholeiitic basalts which caused the reduction of fluids and deposition of gold. It appears that there were multiple mineralizing events.

Gold mineralization in the YGB is structurally controlled and exhibits similar geological, structural, and metallogenic characteristics to other Archean Greenstone-hosted quartz-carbonate vein (lode) deposits. These deposits are also known as mesothermal, orogenic, lode gold, shear-zone-related quartz-carbonate or gold-only deposits.

Crestaurum

Crestaurum is a narrow discrete shear hosting multi-stage quartz (ankerite) veining within mafic volcanics and mafic intrusive hosts (i.e. Con Mine style). Strike of shears is generally NNE (020°-030°) to northerly, and dips are vertical to -50° east. Mineralization consists of low to moderate pyrite, arsenopyrite, visible gold, stibnite, (chalcopyrite, sphalerite, galena) and other minerals associated with the quartz veining. Alteration in the shear zone consists of quartz, muscovite (sericite) and chlorite outward from the centre of mineralization with pervasive moderate carbonate. High grade gold (up to multi-ounce) is restricted to quartz veining over <1 metre to 5 metres intervals, typically averaging 1-3 metres. Sericite altered zones can contain up to 5 g/t Au, but typically average 1-3 g/t Au. Chlorite altered zones are generally sub-gram

Au. Unaltered and deformed rocks typically have non-detectable Au. High grade 'lodes' or 'shoots' generally plunge steeply and appear to be controlled by poorly understood crossing features. Narrow (5-20 centimetres) off-angle quartz veins trending NNW may reflect the crossing structures and have returned sporadic gold values up to >800 g/t Au.

Barney

Barney Shear is a wide (up to >200 metres) and long lived strike trend (multi-kilometre) deformation zone containing wide shears (10s of metres) with abundant carbonate-quartz veins containing moderate to high levels of coarse sulphide (arsenopyrite, pyrite, galena, (chalcopyrite, pyrrhotite, sphalerite)). The mineralized zone strikes north-south but appears to be affected by crossing structures trending NE, which have an undetermined dip (possibly sub-vertical). Dip of the Barney structure varies from sub-vertical to 50°. The best mineralization occurs in a flexure in the shear creating bulges that are interpreted to plunge shallowly (<5°). As thickness increases sulphide content and veining also increase.

A felsic intrusion below the Barney Shear is also mineralized, hosting quartz vein stockworks with ubiquitous carbonate alteration and sericitic selvages on veins up to 1 metre wide and grading up to 30 g/t Au that have been intersected proximal to the interpreted intersection of the Barney Shear with the intrusion. Associated sulphides and precious metals include significant molybdenum, chalcopyrite and silver. A limited number of drill intersections have been obtained, but there appears to be a consistent pattern of gold bearing veins within 20 metres of the contact between the Porphyry and the mafic volcanic rocks.

Sam Otto

Sam Otto is a wide (up to 120 metres) shear containing sericitic alteration and finely disseminated sulphides (pyrite, arsenopyrite) with a range of 0.10-5.0 g/t Au, averaging 0.50-1.50 g/t Au over 30-120 metre drill widths. The mineralized zone is hosted in mixed intermediate to felsic fragmental volcanic rocks.

Sam Otto is the largest mineralized system yet discovered on the YCG Project. It is unusual for its consistent low grade gold relative to the other mineralized zones discovered on the YCG Project. Wide zones (10s of metres) grade >1 g/t Au yet assays greater than 3 g/t Au are rare, and no assays to date have been greater than 20 g/t Au.

The zone dips sub-vertically (steeply east) and strikes north-south but appears to have interference structures trending 020°-030° that deflect the dominant north-south deformation. These deflections appear to create slightly higher grade vertical shoots that have indications of increasing in grade with depth.

Sam Otto West consists of narrow discrete shear hosted multi-stage quartz (ankerite) veining with moderate sulphides (arsenopyrite, pyrite, stibnite) with core zone sericite alteration changing outward to chlorite. The host rocks are felsic to intermediate volcanics. Veins grade up to 30 g/t Au.

The zone has a well-defined recessive topography with a pond (Dave's Pond) in its centre. Relatively wide spaced drilling (50-100 metre centers) has taken place over approximately 600 metres of strike (020°). The zone dips steeply to the east (~60°) with several mineralized structures interpreted to be splaying off the main Sam Otto West zone along north-south striking trends.

Mispickel

Mispickel is contained within a wide (up to >200 metres) deformation zone containing shears with abundant narrow (1-50 centimetres) quartz veins containing coarse-grained visible gold and low to moderate sulphides (arsenopyrite, pyrite, pyrrhotite) within subtle chloritic to sericitic alteration. The zone is hosted in turbiditic sediments of the Walsh Lake Formation. On weathered outcrops 2-7 metre wide

oxidized and highly fissile shear zones are evident. Quartz veins have biotite (salt and pepper veins) and can be up to 300 g/t Au.

Exploration and Drilling

Exploration of the YCG Project began in the winter of 2013 with the acquisition of a property historically previously referred as the Northbelt Property. This Northbelt Property was in receivership and covers the recognized extension of the geology (approximately 15 kilometres of strike), deformation zones and mineralized shears that hosts the Giant and Con mines on the west side of the 'main break' in the gold district. This initial property totaled approximately 37 square kilometres and remains part of the core exploration area for TerraX.

Once initial research and compilation was completed on the Northbelt Property it was recognized that there were significant areas of potential outside the initial property, specifically along the eastern side of the main break and to the south of the Con mine where the strike of the host geology and mineralized shears from the Con mine appeared to continue for several kilometres.

The second major acquisition was the Walsh Lake Property in late 2013, covering the eastern side of the main break. In late 2015 TerraX staked the southern strike extension of the Con mine (the Southbelt Property), and TerraX has subsequently expanded this area, including staking under Yellowknife Bay along the strike extension of the Campbell Shear, which was the largest producer for the Con mine (5 million ounces of gold). During the winter of 2016-2017, TerraX staked a large area (Eastbelt) along the eastern side of the main break from south of Yellowknife to the top of the known contiguous greenstone at the point where it becomes disarticulated along the main break. Eastbelt is contiguous with the Northbelt-Walsh Lake Properties. Ground was also expanded out along the western extension of the mafic volcanics in the northwest of the Northbelt Property, and into felsic intrusive terrain adjacent to the mafic volcanics. Subsequently in late 2017 and January 2018, TerraX made several smaller property purchases which included the Burwash and Ptarmigan mine areas, and strike extensions of the Ptarmigan gold bearing structure. In March of 2018, TerraX announced a major claim staking acquisition that was contiguous with the northern extension of the Northbelt Property. This staking followed positive 2017 exploration results up to the previous northern boundary of the YCG Project, and a recognition that the gravity anomaly associated with the deep crustal feature (the main break) extended for several 10s of kilometres north.

In September 2018, TerraX purchased a 100% interest in the Sickle and Tom claims from Altamira Gold Corp. These claims cover the potential extension of the Mispickel deposit in the Walsh Lake sediments, and the former Tom mine north of the Ptarmigan mine. Subsequently in 2019 smaller blocks of ground were purchased or staked over prospective geology, and as of the date of the Technical Report the property stands at 787.67 square kilometre.

Since the initial 2013 acquisition, TerraX has carried out a number of airborne magnetic, electromagnetic and radiometric surveys and ground magnetic and induced polarization surveys, an extensive digital compilation of much of the historic surface geological and geochemical data and surface historic drill data, targeted geological mapping, prospecting and channel sampling, and extensive re-sampling of historic drill core.

To date, TerraX has completed 296 diamond drill holes for a total of 61,841 metres of core. The below table summarizes the drilling completed on the property since acquisition in 2013. Drill holes in 2014 were completed by Northtech Drilling Ltd.; all drill holes since 2015 have been completed by Foraco International SA.

Drill Holes Completed on the YCG Project Since Acquisition

Year	Barney			Crestaurum			Sam Otto			Mispickel			Other		
	Holes	Metres	Assays	Holes	Metres	Assays	Holes	Metres	Assays	Holes	Metres	Assays	Holes	Metres	Assays
2014	11	2,163.04	1,176	13	1,342.80	825							4	1,000.62	950
2015	11	2,694.00	647	73	9,880.20	2,896							6	952.87	804
2016	4	1,593.07	725				23	4,352.35	2,768	29	7,147.71	6,014	38	4,304.21	1,806
2017							19	6,290.81	4,820	17	5,444.59	2,794	10	2,954.58	1,342
2018				4	1,170.28	303	11	4,514.28	3,615	1	433.60	349			
2019				9	2,720.22	1,018	9	1,914.33	1,663				4	967.11	628
Total	26	6,450.11	2,548	99	15,113.50	5,042	62	17,071.77	12,866	47	13,025.90	9,157	62	10,179.39	5,530

Drill Hole Database

In order to complete Mineral Resource estimates for the YCG Project, a database comprising a series of comma delimited spreadsheets containing drill hole information was provided by TerraX. The database included diamond drill hole location information (NAD83 / UTM Zone 11), survey data, assay data, lithology data and specific gravity data. The data was then imported into GEOVIA GEMS version 6.8.2.2 software ("GEMS") for statistical analysis, block modeling and resource estimation. After an initial evaluation of the database, a number of historic drill holes were removed that are considered to have questionable drill hole locations. All recent drill hole locations have been surveyed as well as the majority of the land based historic drill holes (drill collars located). The location of historic drill holes completed on ice could not all be verified. As well, several historic drill holes from the Crestaurum Zone, which have been twinned by TerraX, have been removed.

The database used for the current Mineral Resource estimates comprise data for 463 surface drill holes totalling 90,751 metres completed on the YCG Project area between 1945 and 2019. The database totals 37,582 drill core assay samples representing 48,385 metres of drilling.

The database was checked for typographical errors in drill hole locations, down hole surveys, lithology, assay values and supporting information on source of assay values. Overlaps and gapping in survey, lithology and assay values in intervals were checked. Minor errors have been noted and corrected during the validation process but have no material impact on the 2019 Mineral Resource estimates. The database is of sufficient quality to be used for the current resource estimates.

Sampling, Analysis and Security

TerraX currently uses the software GeoSpark Core to record and store drill logs and information. In 2015, TerraX used AcQuire software, and previous to that logs were created in Microsoft Excel files. With the transition from Excel to dedicated geological database software all of the previously recorded drill logs were transferred into the new database.

TerraX drill logs include several sets of data, on lithology, alteration, veining, mineralization, and structure as well as geotechnical data including recovery, rock quality data ("RQD"), magnetic susceptibility and conductivity, and specific gravity. Details recorded include the colour, texture, and deformation of the rock; the intensity and texture of alterations recorded separately by type; orientation, texture, and mineralization of veins; mineralization and the texture and percentage by volume of sulphide minerals; and the orientation of geological structures. All tables in the logs are designed to be granular and easy to record, read, and especially to be easily displayed by common geological modelling software.

Drill Core Sampling and Security

New Drill Core

Before logging, core is rotated in the box and fit back together. Preference is made to orient the core with

apparent dominant structural fabric perpendicular to the box. A cut line is drawn along the front of the core just above the box, using a straight edge tool. This way, when the core is cut, the cut face should be perpendicular to the major axis of dominant foliation. Core is measured and a mark made every metre with grease pencil. The RQD and recovery of each 3-metre drill run is recorded. The depths of the top and bottom of each core box are measured, recorded, and marked on the boxes.

Some drilling on the property has used orientation tools to identify the initial orientation of the core. A core orientation line is drawn along the core as a marker for the "bottom" of the core. This line orientation is drawn from tool-derived markings placed at the end of core runs by the drillers at the drill. Logs of differences of orientation markings from run to run of the core are made for quality control, identifying the most reliably oriented core and where the marking may not be trustworthy. The core orientation line also serves as the cut line for oriented core.

During core-logging, the logging geologist is responsible for determining appropriate sample intervals and boundaries. Samples are allowed to be 50 centimetres to 150 centimetres in length, with a default of 100 centimetre intervals where possible, respecting changes in lithology, alteration, and mineralization. Samples with strong mineralization, especially in high grade gold targets, are kept as close to 100 centimetres as possible. 150 centimetre samples are only used outside of obvious mineralization. Samples of HQ core can be 50-100 centimetres in length, with a default of 50 centimetres due to the increased core size. All samples are recorded to the nearest 1 centimetre and divisions between samples are marked on the core and under the core in the core box with grease pencil. Sample tags are stapled to the core box under the core, at the top of each sample.

Core is photographed while on the logging tables. Magnetic susceptibility readings are taken for every 50 centimetres length of core.

Core is cut in half along the cut line by a segmented diamond blade. Both halves are placed back in the core tray. Once the whole sample is cut, half of each sample (always the same half) is placed in an appropriately-labelled plastic bag which contains an assay tag.

Sample bags are sealed with zip ties, and placed into standard fibre rice bags, a few samples in each rice bag. The rice bags are then sealed with zip ties. Shipments of 10-20 rice bags are transported by TerraX personnel by pick-up truck directly from the core facility to the sample preparation laboratory, preferably with each shipment containing samples from one single drill hole.

Historical Drill Core

Historical drill core from Giant's 1973/74 G-hole program at Homer Lake, all of Nebex's Northbelt core and the mineralized intersections from Giant's 74-hole 1985 drill program were all stored at the Supercrest shaft in the northern part of the Giant mine site. Core was variably cross stacked in pallets or in core racks of uncertain stability. TerraX moved all of this core, some 35 kilometres in total, to their new core facility adjacent to the Yellowknife airport. All of the Crestaurum mineralized intersections have been relogged and reassayed. A number of Nebex holes were relogged and reassayed, particularly in the Barney Shear and Shear 20 areas. Several G holes were relogged, and some assays have been taken; unfortunately whole core intervals were sampled from the G holes, so previously sampled mineralized intersections cannot be examined or reassayed.

In 2018, in concert with the NWT Geological Survey, TerraX moved more core from the Giant mine site to TerraX's core yard. This included core from both the TerraX property and from nearby areas, including the Giant mine and exploration drilling to the south of the property. TerraX has relogged and re-assayed a few holes drilled between 40 and 50 years ago on the interpreted northern extension of the Giant mine structure on TerraX's property.

Historical core is logged, sampled, cut, and shipped in the same manner as new drill core. Samples are laid out with the same parameters, with extra rules pertaining to previously sampled rock:

- Where core was previously sampled, TerraX will use the sample intervals or breaks to best maintain equivalence of results, unless historical samples are too short or too long in which case TerraX will still maintain as many of the same breaks as possible
- TerraX will not combine previously sampled and unsampled core in the same sample
- Previously halved core will be halved again, sending a quarter core sample to the lab
- Previously unsampled core will be halved as with new drill core

Quality Assurance/Quality Control (QA/QC) Programs

TerraX has maintained a complete QA/QC program since beginning work on the property in 2013. QA/QC samples make up 10% of the drill core sample stream sent for Assay. Blank material and certified standards are alternately added as every 10th sample (i.e. Samples 10, 30, 50, etc. of each series are blanks, while samples 20, 40, 60, etc. are standards).

An extra blank is inserted after any sample in which visible gold is identified. This serves as a measure to determine contamination and carry over at the lab as well as a method to reduce or eliminate carry over by utilizing the blank to effectively clean the preparation equipment and vessels.

Standards have been sourced from CDN Labs in Langley, BC and from Ore Research & Exploration of Bayswater North, Australia. Blank material has been taken from two sources: 1) an outcrop of altered basalt north of Yellowknife which is known to be unmineralized, and 2) bags of crushed white marble bought from Home Hardware in Yellowknife. The basalt was used in 2013 and 2014, had detectable gold more often than the marble, and has not used past since 2014.

Standards are checked against their certified value and standard deviation, as stated by the manufacturer of the standard. A result within two standard deviations of the expected value is considered a pass, between two and three standard deviations is a warning, and a value more than 3 standard deviations from the expected is considered a fail. Warnings and fails are subject to investigation.

In all, TerraX has sent 2,171 standards and 2,236 blanks for analysis with drill core. The overall failure rate is 2.53% for standards and 0.22% for blanks. A number of standards were used over short periods that were found to be more variable than preferred and were replaced in subsequent programs. CDN-GS-20A had 5 failures in 14 samples both too high and too low, but CDN-GS-20B which has a similar gold content, and which was used at the same time, had no failures during that time. A significant number of the failures appear to have been a result of overly variable standard material. Replacing variable standard material with more reliable standards has significantly improved the failure rate on the project. There were zero failures in the 2019 drilling. Five of the seven failures in the 2018 drilling were the CDN-GS-1K material (also 18 of the 21 >2 SD warnings), which was only used in that year and is no longer used. The overall failure rate is judged to be acceptable within industry standards.

The highest result from a blank sample was 0.32 g/t Au, with the other four failed blanks being below 0.15 g/t Au. With the very low rate of contamination, and the low amounts of gold that may have contaminated blank material, it is judged to be unlikely that there is a contamination problem at ALS Minerals.

The results indicate there are no significant issues with the drill core assay data. The data verification programs undertaken on the data collected from the Project support the geological interpretations, and the analytical and database quality, and therefore data can support mineral resource estimation.

Data Verification

Prior to the current Mineral Resource estimation, the Author visited the YCG Project. The Author conducted a site visit to the YCG Project from September 18 to 20, 2019, accompanied by Duncan Studd, Resource Geologist with TerraX.

During the site visit, the Author inspected the offices, core logging and sampling facilities and core storage areas, and reviewed the core sampling, QA/QC and core security procedures. The Author

examined a number of selected mineralized core intervals from diamond drill holes from the Crestaurum, Barney, Sam Otto, Sam Otto South and Mispickel areas. The Author examined accompanying drill logs and assay certificates and assays were examined against the drill core mineralized zones. All core boxes were labelled and properly stored outside. Sample tags were still present in the boxes and it was possible to validate sample numbers and confirm the presence of mineralization in witness half-core samples from the mineralized zones.

Drilling was not underway during the site visit, so there was no opportunity for TerraX personnel to explain the entire path of the drill core, from the drill rig to the logging and sampling facility and finally to the laboratory. However, the Author is of the opinion that the protocols in place, as have been described and documented by TerraX, are adequate.

The Author participated in a field tour, via helicopter, of the YCG Project area including visits to the Crestaurum, Barney, Sam Otto, Sam Otto South and Mispickel Deposit areas. The Author visited a number of outcrops, rock sample and channel sample locations, and recent and historical drill sites. The helicopter was provided by Acasta Heliflight of Yellowknife and piloted by John Buckland.

All geological data has been reviewed and verified by Author as being accurate to the extent possible and to the extent possible all geologic information was reviewed and confirmed. Minor errors were noted and corrected during the validation process but have no material impact on the 2019 mineral resource estimates presented in the Technical Report. The Author is of the opinion that the database is of sufficient quality to be used for the current YCG Project Mineral Resource estimates.

Mineral Processing and Metallurgical Testing

Preliminary metallurgical testing of gold samples from the YCG Project was carried out by Bureau Veritas Commodities Canada Ltd., BV Mineral – Metallurgical Division (“**BV**”) on samples taken from the Crestaurum and Sam Otto deposits. Sample material was collected from coarse (1/4”) assay reject material derived from recent exploration drill holes within each deposit. Selected material was representative of the range of widths and grade of each deposit and of the spatial extent of each deposit. Once collected and confirmed against approved sample lists the complete sample reject was shipped to BV in Vancouver.

TerraX provided BV with a list of the sample reject material and instructions to extract a representative split of coarse reject from each sample based on a sample length weighting, with a ratio of 0.5 kg of material for each meter of sample length. Once the appropriate splits were extracted the samples from each deposit were composited into one metallurgical sample:

- MET1 – Crestaurum sample was based on 15 drill hole intersections totalling 31.7 kg of composite sample. MET1 was derived from three lodes, South, Central, and North and included drill intersections ranging in width from 0.89 metres to 9.50 metres; and ranging in grade from 1.40 g/t Au to 28.24 g/t Au. Composite average grade calculated from drill assays was 7.19 g/t Au.
- MET2 – Sam Otto was based on 5 drill holes with 6 intersections totalling 35.3 kg of composite sample. MET2 was derived from intersections ranging in width from 4.36 metres to 24.04 metres; and ranging in grade from 0.93 g/t Au to 2.22 g/t Au. Composite average grade calculated from drill assays was 1.81 g/t Au.

The preliminary testing program on samples taken from the Crestaurum and Sam Otto deposits showed that among the process options tested, the combination of gravity separation at a coarser grind (80% passing 75 micron) and then cyanidation of gravity tailings at an ultrafine regrind (80% passing 10 micron) resulted in the best overall gold recovery of 88.1% on a blended sample of both composites.

A systematic metallurgical study is required to optimize the process conditions and to determine the corresponding design parameters for optimal recovery.

Mineral Resource Estimates

Completion of the current Mineral Resource estimates for the YCG Project involved the assessment of a drill hole database, which included all data for surface drilling completed through the fall of 2019, as well as three-dimensional (3D) mineral resource models, and available written reports. The Author conducted a site visit to the YCG Project from September 18 to 20, 2019. The effective date of the Mineral Resource estimates is November 4, 2019.

Inverse Distance Squared (“ID²”) restricted to mineralized domains was used to Interpolate gold grades (g/t Au) into block models. The current Mineral Resource estimates take into consideration that the YCG Project deposits may be mined by open pit and underground mining methods.

In order to complete Mineral Resource estimates for the YCG Project, a database comprising a series of comma delimited spreadsheets containing drill hole information was provided by TerraX. The database included diamond drill hole location information (NAD83 / UTM Zone 11), survey data, assay data, lithology data and specific gravity data. The data was then imported into GEOVIA GEMS version 6.8.2.2 software for statistical analysis, block modeling and resource estimation. After an initial evaluation of the database, a number of historic drill holes were removed that are considered to have questionable drill hole locations. All recent drill hole locations have been surveyed as well as the majority of the land based historic drill holes (drill collars located). The location of historic drill holes completed on ice could not all be verified. As well, several historic drill holes from the Crestaurum Zone, which have been twinned by TerraX, have been removed.

The database used for the current Mineral Resource estimates comprise data for 463 surface drill holes totalling 90,751 metres completed on the YCG Project area between 1945 and 2019. The database totals 37,582 drill core assay samples representing 48,385 metres of drilling.

The database was checked for typographical errors in drill hole locations, down hole surveys, lithology, assay values and supporting information on source of assay values. Overlaps and gapping in survey, lithology and assay values in intervals were checked. Minor errors have been noted and corrected during the validation process but have no material impact on the 2019 Mineral Resource estimates. The database is of sufficient quality to be used for the current Mineral Resource estimates.

For the 2019 Mineral Resource estimates for the YCG Project, 3D grade controlled wireframe models, representing separate mineralized structures and vein clusters for the Crestaurum, Barney, Sam Otto, Dave's Pond, and Mispickel deposits were constructed by TerraX, and reviewed by SGS. Minor edits were made by SGS where required. The 3D grade controlled models were built in GEMS by visually interpreting mineralized intercepts from cross sections or plan sections using gold values. Polygons of mineral intersections (snapped to drill holes) were made on each section and these were wireframed together to create continuous resource wireframe models in GEMS. Polygons of mineral intersections were constructed on 25 metre spaced cross sections (Crestaurum) with a 12.5 metre sectional influence, or 50 metre spaced sections (Sam Otto and Dave's Pond) with a 25 metre influence. The sections were created perpendicular to the general strike of the mineralization. For the Mispickel Zone, polygons of mineral intersections were constructed on 40 m spaced plan sections with a 20 metre sectional influence.

The grade controlled model for Crestaurum was drawn using an approximate 1.0 g/t cut-off grade based on assay samples. The grade control models for Dave's Pond, Sam Otto and Mispickel were drawn using an approximate 0.1 to 0.3 g/t cut-off grade based on assay samples. The modeling exercise provided broad controls of the dominant mineralizing direction for each deposit.

The Crestaurum Zone model defines a relatively continuous moderate southeast dipping (~40°) planar structure (Main Zone), and a series of parallel to sub-parallel narrow vein structures in the hanging wall and footwall to the Main Vein structure. The Main Zone extends for approximately 1.37 kilometres along strike and reaches a maximum depth of approximately 300 metres.

The Sam Otto - Dave's Pond models define a series of parallel to sub-parallel, north to north northeast trending/vertical to steep east-dipping (80°) shear structures which extend for more than 2.7 kilometres along strike and to depths of up to 420 metres. The Mispickel Zone models define four vertical, closely spaced boudin-like structures which extent for ~ 525 metres in a north northwest direction and to depths of up to 420 metres. The Barney Zone model defines two sub-parallel, continuous moderate west dipping (~45°) shear structures that extend for approximately 550 metres along strike and reach a maximum depth of 620 metres.

The general requirement that all Mineral Resources have “reasonable prospects for economic extraction” implies that the quantity and grade estimates meet certain economic thresholds and that the Mineral Resources are reported at an appropriate cut-off grade considering extraction scenarios and processing recoveries. In order to meet this requirement, the gold mineralization of the YCG Project is considered amenable to open pit and underground extraction.

In order to determine the quantities of material offering “reasonable prospects for economic extraction” by an open pit, Whittle™ pit optimization software and reasonable mining assumptions to evaluate the proportions of the block model (Inferred blocks) that could be “reasonably expected” to be mined from an open pit are used. The pit optimization for the YCG Project was completed by SGS for the current Mineral Resource estimates. The pit optimization parameters used are summarized in the table below. A conservative and balanced approach was applied when optimizing the open pit and underground scenario. A Whittle pit shell at a revenue factor of 0.2 was selected as the ultimate pit shell for the purposes of the Mineral Resource estimates for the Crestaurum deposit and Whittle pit shells at a revenue factor of 1.0 were selected as the ultimate pit shells for the purposes of the Mineral Resource estimates for the Sam Otto/Dave's Pond and Mispickel deposits.

Whittle™ Pit Optimization Parameters

<u>Parameter</u>	<u>Value</u>	<u>Unit</u>
Gold Price	\$1300	US\$ per ounce
Pit Slope (Sam Otto, Mispickel)	55	Degrees
Pit Slope (Crestaurum)	65	Degrees
Mining Cost	\$2.20	US\$ per tonne mined
Processing Cost (incl. crushing)	\$13.50	US\$ per tonne milled
General and Administrative	\$2.50	US\$ tonne of feed
Gold Recovery	90	Percent (%)
Mining loss / Dilution	5 / 5	Percent (%) / Percent (%)

The reader is cautioned that the results from the pit optimization are used solely for the purpose of testing the “reasonable prospects for economic extraction” by an open pit and do not represent an attempt to estimate Mineral Reserves. There are no Mineral Reserves on the YCG Project. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.

The following table sets out the Mineral Resource estimates for the YCG Project as of November 4, 2019.

YCG Project Mineral Resource Estimates, November 4, 2019 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾

Pit Constrained Inferred Mineral Resources

Deposit	Tonnes	Grade (Au g/t)	Contained Gold Ounces
Crestaurum Pit (Starter)	127,000	9.41	38,000
Mispickel Pit	696,000	2.62	59,000
Sam Otto/Dave's Pond Pit	10,794,000	1.23	426,000
Pit Constrained Total	11,617,000	1.40	523,000

Underground Inferred Mineral Resources

Deposit	Tonnes	Grade (Au g/t)	Contained Gold Ounces
Crestaurum U/G	723,000	6.56	153,000
Barney U/G	214,000	4.67	32,000
Mispickel U/G	30,000	4.99	5,000
Sam Otto/Dave's Pond U/G	185,000	3.65	22,000
U/G Total	1,152,000	5.70	212,000

Total Inferred	12,769,000	1.79	735,000
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- (1) The classification of the current Mineral Resource Estimate into Inferred is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves.
- (2) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to a Measured and Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- (3) All figures are rounded to reflect the relative accuracy of the estimate.
- (4) Resources are presented undiluted and in situ and are considered to have reasonable prospects for economic extraction.
- (5) Open pit Mineral Resources are reported at a cut-off grade of 0.5 g/t Au within a conceptual pit shell and underground Mineral Resources are reported at a cut-off grade of 3.0 g/t Au outside the conceptual pit shell. Cut-off grades are based on a gold price of US\$1,300 per ounce and a gold recovery of 90%.
- (6) High grade capping was done on 1 m composite data. Capping values of 55 g/t Au were applied to Crestaurum and 60 g/t Au for all other deposits.
- (7) Specific gravity values were determined based on physical specific gravity test work from each deposit: Crestaurum at 2.85; Barney at 3.00; Sam Otto and Mispickel at 2.80.
- (8) The Authors are not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issue not reported in the technical report, that could materially affect the mineral resource estimate.

DIVIDENDS

TerraX has not paid any dividends on the Common Shares since incorporation and currently intends to retain future earnings, if any, to finance further business development. The declaration of dividends on Common Shares will be dependent on a number of factors, including earnings, capital requirements, operating and financial condition and a number of other factors that the Board considers to be appropriate. There are no restrictions in the Company's Articles on the ability of TerraX to pay dividends in the future.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized share capital consists of an unlimited number of Common Shares without par value, of which 138,173,235 Common Shares are issued and outstanding as of the date of this AIF.

All of the issued Common Shares rank equally as to voting rights, participation and a distribution of TerraX's assets on liquidation, dissolution or winding-up and the entitlement to dividends. Holders of Common Shares are entitled to receive notice of, attend and vote at all meetings of shareholders of TerraX. Each Common Share carries one vote at such meetings. Holders of Common Shares are entitled to dividends if and when declared by the Board and, upon liquidation, to receive such portion of the assets of TerraX as may be distributable to such holders. There are currently no other series or class of shares which rank senior, in priority to, or *pari passu* with the Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX Venture Exchange (“TSXV”) under the symbol “TXR”. The following table sets forth trading information for the Common Shares on the TSXV since February 1, 2018, the commencement of the Company’s most recently completed financial year ended January 31, 2019.

Month	Price Range		Monthly Trading Volume
	High (\$)	Low (\$)	
February 2018	0.57	0.465	1,345,912
March 2018	0.50	0.38	1,421,596
April 2018	0.48	0.40	1,629,689
May 2018	0.43	0.36	634,964
June 2018	0.42	0.365	915,950
July 2018	0.43	0.325	1,005,792
August 2018	0.425	0.35	1,207,316
September 2018	0.415	0.35	1,014,053
October 2018	0.42	0.35	1,658,076
November 2018	0.41	0.35	2,230,830
December 2018	0.43	0.35	1,602,020
January 2019	0.50	0.38	1,702,553
February 2019	0.455	0.37	1,483,212
March 2019	0.40	0.35	754,463
April 2019	0.385	0.35	654,938
May 2019	0.375	0.33	866,136
June 2019	0.44	0.36	1,103,815
July 2019	0.44	0.345	1,714,111
August 2019	0.40	0.36	5,107,363
September 2019	0.35	0.29	2,552,200
October 2019	0.31	0.225	2,507,039
November 2019	0.28	0.225	2,382,119
December 2019 ⁽¹⁾	0.32	0.27	425,488

(1) From December 1 to December 9, 2019.

The closing price of the Common Shares on the TSXV on December 9, 2019 was \$0.28.

Prior Sales

The following table summarizes details of stock options granted by the Company since February 1, 2018, the commencement of the Company’s most recently completed financial year ended January 31, 2019.

Month of Issuance	Security	Price per Security	Number of Securities
June 2018	Stock Options ⁽¹⁾	n/a	1,250,000

(1) These stock options are exercisable at a price of \$0.41 per share until June 15, 2021.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the names, province or state and country of residence of each of the directors and executive officers of TerraX, their present position(s) and office(s) within TerraX, their principal occupations during the last five years and, for the directors, their date of appointment.

All directors of TerraX have been elected to serve until the next annual meeting of shareholders of TerraX, subject to earlier resignation.

As at the date of this AIF, TerraX's directors and executive officers beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 10,410,750 Common Shares, representing approximately 7.5% of the issued and outstanding Common Shares.

Name and Place of Residence	Current Office with TerraX	Principal Occupation During the Preceding Five Years	Date of Appointment as Director
Gerald Panneton Ontario, Canada	Executive Chairman and Director	Executive Chairman of TerraX, October 2019 to present; Chairman and Chief Executive Officer of Canadian Metals Inc., July 2019 to November 2019; President of Prophecy Development Corp., October 2018 to February 2019; President and Chief Executive Officer of Newcastle Gold Ltd., September 2016 to October 2017; President and Chief Executive Officer of Detour Gold Corporation, July 2006 to November 2013	October 21, 2019
David Suda British Columbia, Canada	President, Chief Executive Officer and Director	President and Chief Executive Officer of TerraX, June 2018 to present; Managing Director, Sales and Trading at Beacon Securities Ltd., March 2014 to April 2018	December 14, 2018
Stuart Rogers ⁽¹⁾ British Columbia, Canada	Chief Financial Officer and Director	Chief Financial Officer of TerraX, August 2007 to present; President of West Oak Capital Group, Inc., November 1990 to present	August 1, 2007
Louis Dionne Ontario, Canada	Director	Corporate Director, September 2005 to present	October 21, 2019

Name and Place of Residence	Current Office with TerraX	Principal Occupation During the Preceding Five Years	Date of Appointment as Director
Laurie Gaborit Ontario, Canada	Director Nominee	Vice President, Investor Relations of Detour Gold Corporation, January 2007 to June 2019	Expected to be December 17, 2019 ⁽³⁾
Elif Lévesque, CPA, CGA, ICD.D ⁽¹⁾⁽²⁾ Quebec, Canada	Director	Chief Financial Officer and Vice President, Finance of Osisko Gold Royalties Ltd, June 2014 to present	September 2, 2015
Russell Starr ⁽²⁾ Ontario, Canada	Director	Senior Vice President, Corporate Finance of Auryn Resources Inc., April 2014 to present	May 8, 2017
Joseph Campbell Ontario, Canada	Chief Operating Officer	Chief Operating Officer of TerraX, October 2019 to present; Chairman of TerraX, August 2007 to October 2019; Principal in GeoVector Management Inc., February 2002 to present	N/A
Alan Sexton Ontario, Canada	Vice President, Exploration	Vice President, Exploration of TerraX, May 2017 to present; Principal in GeoVector Management Inc., February 2002 to present	N/A

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Ms. Gaborit is standing for election as a director of the Company at its annual general and special meeting of shareholders scheduled to be held on December 17, 2019. Messrs. Carrier and Reynolds will not be standing for re-election at such meeting.

Director and Executive Officer Biographies

The following are brief biographies of the directors and executive officers of TerraX:

Gerald Panneton, Executive Chairman

Gerald Panneton is a Geologist with more than 35 years of experience in exploration and development in the gold mining industry. His main contribution as a founder of Detour Gold Corporation (2006 to 2013) was to bring Detour Lake gold project from 1.5 million ounces in mineral resources, to mineral reserves of over 15.0 million ounces. Mr. Panneton also raised approximately \$2.6 billion of capital to bring the Detour Lake into production in less than six years from acquisition as then the largest gold mine in Canada. Mr. Panneton and his team were the recipients of the PDAC 2011 Discovery of the Year award. Mr. Panneton also spent 12 years (1994-2006) at Barrick Gold Corporation, where he was instrumental in putting two projects towards production, Tulawaka and Buzwagi, in Tanzania.

Mr Panneton is a graduate in Geological Sciences from the University of Montreal, and also obtained a

Masters Degree in Geological Sciences from McGill University.

David Suda, President and Chief Executive Officer

David Suda is a financial services professional with 11 years of experience in capital markets, including sales and trading, investment banking, marketing and corporate strategy. Mr. Suda earned a degree in Environmental Studies from York University in 1999.

Mr. Suda spent just under six years in resource focused equity trading at Paradigm Capital before he moved into a Managing Director role heading up the institutional trading desk at Beacon Securities Limited. Mr. Suda has developed extensive networks that enable him to support companies of differing sizes and across industries to cost efficiently raise capital, build and manage teams and develop communications strategies that create enhanced market awareness.

Stuart Rogers, Chief Financial Officer and Director

Stuart Rogers has been involved in the venture capital community in Vancouver since 1987. He is the President of West Oak Capital Group, Inc., a privately held investment banking firm specializing in the early stage financing of resource projects through the junior capital markets in Canada and the United States, and has served as an officer or director of client companies listed on the TSXV, Toronto Stock Exchange and NASDAQ Small Cap Market. He currently serves as the President and a Director of Elysee Development Corp.

Louis Dionne, Director

Louis Dionne was an instrumental part of the Detour Gold team from 2006 to 2014 that helped build the Detour Lake mine as one of today's largest Canadian gold producers. Prior to his involvement with Detour Gold, he was mine manager at Camflo Mines in Quebec, which eventually became part of Barrick Gold. Mr. Dionne spent over 20 years in the operations and development of gold properties, as Senior Vice President, Underground Operations for Barrick. In this capacity, he had operating responsibility for Barrick's underground operations. He developed the high grade Meikle mine and Rodeo project in Nevada and the Holt-McDermott Mine in Ontario. Mr. Dionne also provided technical input and leadership in the area of corporate mergers and acquisitions for Barrick. Following his tenure at Barrick, Mr. Dionne became President and CEO of Richmond Mines Inc., a junior gold producer with operations in Quebec and Newfoundland. Mr. Dionne is a graduate of Laval University in Quebec where he holds a bachelor's degree in Mining Engineering.

Laurie Gaborit, Director (effective December 17, 2019)

Ms. Gaborit has over 30 years of combined work experience in mineral exploration and investor relations and corporate communications. Most recently, she was Vice President, Investor Relations at Detour Gold Corporation. She was a key member of the management team from the company's initial public offering in 2007 to its successful transformation from an exploration company to intermediate gold producer within a seven-year period, with a commensurate increase in market capitalization from \$120 million to over \$3 billion during that time period.

Ms. Gaborit started her career as a geologist for Aur Resources, Cambior and Romarco Minerals. She holds a Bachelor of Science in Geology (Honours). In 2019, she was the recipient of the CIRI Belle Mulligan Award for leadership in investor relations. She currently serves on the Board of Monarch Gold Corporation and the Canadian Investor Relations Institute (CIRI).

Elif Lévesque, CPA, CGA, ICD.D, Director

Elif Lévesque has over 20 years of experience in the mining industry (exploration, development/construction and operation stage). Since June 2014, she has served as Chief Financial Officer and Vice President, Finance of Osisko Gold Royalties Ltd (TSX and NYSE: OR), her resignation

having been announced on December 4, 2019 to take effect in February 2020. Prior to this, Ms. Lévesque was Vice president and Controller of Osisko Mining Corporation and contributed to the financial reporting and planning functions of Osisko from 2008 onwards. She was also a member of the executive team involved in corporate strategy and financing. From 2002 to 2008, she worked at Cambior Inc. which was acquired by IAMGOLD Corporation in 2006.

Ms. Lévesque is a member of the Ordre des Comptables Professionnels Agréés du Québec and holds an MBA with honors from Clark University, Massachusetts, U.S.A.

Russell Starr, Director

Russell Starr is a successful mining entrepreneur having most recently been a director and senior member of the management team of Cayden Resources, which was acquired by Agnico Eagle Mines in 2014. Mr. Starr has over 16 years of experience with global investment banks and independent boutique investment dealers; working as a salesperson, trader and investment banker. Russell served as President of Pivot Pharmaceuticals Inc. from July 2019 to December 9, 2019 and is currently Senior Vice President, Corporate Finance at Auryn Resources Inc., a position he has held since April 2014. Mr. Starr holds an MBA from the Richard Ivey School of Business and a Master of Economics from the University of Victoria.

Joseph Campbell, P.Geo., Chief Operating Officer

Joseph Campbell is a professional geologist with 37 years of experience in exploration and mining, including roles as Exploration Manager, Mine Manager and Chief Mine Geologist of various gold and base metal mines, and as Project Manager for advanced mine development projects, both open pit and underground. Much of his career has been with major mining companies, specifically Noranda and Western Mining Corporation. In 2002, he co-founded GeoVector Management Inc., a successful geoscientific consulting firm based in Ottawa.

Highlights of Mr. Campbell's career include the definition of a 250 million tonne nickel laterite deposit in Cuba (Pinares) while Chief Geologist, and the discovery of the Meliadine gold project in Nunavut while Project Manager for a seven year period from discovery through to pre-feasibility.

Alan Sexton, P.Geo., Vice President, Exploration

Alan Sexton is a professional geologist with 36 years of experience in mineral exploration, including roles as Senior Geologist and District Geologist of various gold and base metal projects throughout Canada and the USA. This experience is related to exploration for gold (mesothermal and epithermal), base metals (VMS, MVT and SEDEX), uranium (granite and Athabasca Basin types), granite hosted tin-tungsten and porphyry hosted gold-copper-moly.

Much of his career has been with major mining companies, specifically Kidd Creek Mines Ltd. and Western Mining Corporation (WMC) where he was the Site Manager for the Meliadine gold project in Nunavut over a seven year period from discovery through to pre-feasibility. A co-founder of GeoVector Management Inc. in Ottawa, Mr. Sexton has been the technical expert on mine development Environmental Impact Assessment reviews on several projects in the Kivalliq Region of Nunavut for the Kivalliq Inuit Association (KivIA). Additional work for the KivIA has included assisting with water compensation, security bonds, mine lease, road access and surface/mineral rights negotiations. In addition, he has managed several advanced diamond drilling programs on gold projects throughout the Abitibi Greenstone Belt of northeastern Ontario and authored numerous NI 43-101 compliant mineral resource estimates.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of management, no director or executive officer of TerraX is, as at the date of this AIF, or was, within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including TerraX), that was the subject of 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, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or 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.

To the knowledge of management, no director or executive officer of TerraX, or shareholder holding a sufficient number of securities of TerraX to affect materially the control of TerraX, is, as of 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 TerraX) that, while the 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.

To the knowledge of management, no director or executive officer of TerraX, or shareholder holding a sufficient number of securities of TerraX to affect materially the control of TerraX, is, as of the date of this AIF, or has been 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.

Other than as disclosed below, to the knowledge of management, no director or executive officer of TerraX, or shareholder holding a sufficient number of securities to affect materially the control of TerraX, has been subject to 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On March 15, 2017, Mr. Panneton entered into a settlement agreement with Detour Gold Corporation (“**Detour**”) and a representative plaintiff under a class action which alleged the class suffered damages as a result of misrepresentations in Detour’s continuous public disclosure. Under the settlement agreement, Detour agreed to pay or cause to be paid \$6 million for the benefit of the proposed class. Mr. Panneton did not pay any amount personally.

Conflicts of Interest

To the best of TerraX’s knowledge, information and belief, and other than as disclosed herein, there are no known existing or potential conflicts of interest among TerraX and its directors, officers or other members of management as a result of their outside business interests except that certain of TerraX’s directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to TerraX and their duties as a director or officer of such other companies. As required by law, each of the directors of TerraX is required to act honestly, in good faith and in the best interests of TerraX. In the event of a conflict of interest, TerraX will follow the requirements and procedures of applicable corporate and securities legislation and applicable exchange policies, including the relevant provisions of the *Business Corporations Act* (British Columbia).

AUDIT COMMITTEE

The primary function of the audit committee of the Board (the “**Audit Committee**”) is to assist the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of TerraX. In accordance with National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), information with respect to the Audit Committee is contained below. The full text of the Audit Committee Charter, as passed unanimously by the Board, is attached to this AIF as Schedule “A”.

Composition of the Audit Committee

As of the date of this AIF, the Audit Committee is composed of Elif Lévesque (Chair), Paul Reynolds (who will not be standing for re-election at the Company’s annual general and special meeting of shareholders scheduled to be held on December 17, 2019) and Stuart Rogers. Ms. Lévesque and Mr. Reynolds are “independent” directors and all Audit Committee members are financially literate, within the meaning of NI 52-110. It is anticipated that the Audit Committee will be reconstituted following the Company’s annual general and special meeting of shareholders scheduled to be held on December 17, 2019.

Relevant Education and Experience

For details regarding the relevant education and experience of each member of the Audit Committee relevant to the performance of his or her duties as a member of the Audit Committee, see “Directors and Officers – Director and Executive Officer Biographies”.

Audit Committee Oversight

At no time since the commencement of TerraX’s most recently completed financial year did the Board decline to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of TerraX’s most recently completed financial year did TerraX rely on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions). TerraX is relying upon the exemption in Section 6.1 (Venture Issuers) of NI 52-110.

Pre-Approval Policies and Procedures for Non-Audit Services

All other non-audit services shall be approved or disapproved by the Audit Committee as a whole.

The pre-approval requirement is waived with respect to the provision of non-audit services if:

- the aggregate amount of all such non-audit services provided to the Company constitutes not more than ten percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.

The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Audit Committee for each financial year, and shall provide a report to the Audit Committee no less frequently than on a quarterly basis.

External Auditor Service Fees (By Category)

The following table sets out, by category, the fees billed by Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (“DMCL”), the Company’s current external auditor, for the financial years ended January 31, 2019 and 2018.

Financial Year Ended	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
January 31, 2019	\$25,305	n/a	\$1,000	\$1,200
January 31, 2018	\$25,500	n/a	\$2,100	n/a

(1) The aggregate fees billed by the Company’s auditor for audit fees.

(2) The aggregate fees billed for assurance and related services by the Company’s auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not disclosed in the “Audit Fees” column.

(3) The aggregate fees billed for professional services rendered by the Company’s auditor for tax compliance, tax advice and tax planning.

(4) The aggregate fees billed for professional services other than those listed in the other three columns.

Exemption

Pursuant to section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110 because it is a venture issuer.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Since the beginning of the most recently completed financial year ended January 31, 2019, there have been no legal proceedings to which TerraX is or was a party or of which any of its projects is or was the subject of, nor are any such proceedings known by TerraX to be contemplated.

Since the beginning of the most recently completed financial year ended January 31, 2019, TerraX has not had any penalties or sanctions imposed on it by, or entered into any settlement agreements with, a court or a securities regulatory authority relating to securities laws, nor has TerraX been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No (a) director or executive officer, (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares, or (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) has, or has had within the three most recently completed financial years ended January 31, 2019, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. acts as the transfer agent and registrar for the Common Shares at its offices in Vancouver and Toronto, located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9; and 100 University Avenue, 11th Floor, Toronto, Ontario, M5J 2Y1.

MATERIAL CONTRACTS

As at the date of this AIF, the Company does not consider any of its contracts to be material.

INTERESTS OF EXPERTS

Information of a scientific or technical nature regarding the YCG Project in this AIF has been derived from the Technical Report prepared by Allan E. Armitage, Ph.D., P.Geo., and this information has been included in reliance on such person's expertise. Mr. Armitage is a qualified person as such term is defined in NI 43-101 and he has not received a direct or indirect interest in the Company's property or the property of any of the Company's associates or affiliates. Mr. Armitage did not hold an interest in any of the Company's securities or the securities of any associate or affiliate of the Company when he prepared the Technical Report and after the preparation of such report, and he did not receive any direct or indirect interest in any of the Company's securities or the securities of any associate or affiliate of the Company in connection with the preparation of the Technical Report. He is not currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

All scientific and technical information in this AIF has been reviewed and approved by Joseph Campbell, Chief Operating Officer of the Company, who is a qualified person under NI 43-101. As of the date hereof, Mr. Campbell holds, directly or indirectly, 2,007,625 Common Shares, 250,000 stock options and 125,000 common share purchase warrants.

The auditors of TerraX are Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants. DMCL has informed TerraX that it is independent with respect to TerraX within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

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

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the management information circular dated November 8, 2019 prepared in connection with the annual general and special meeting of the Company to be held on December 17, 2019, which is available on SEDAR at www.sedar.com. Additional financial information about TerraX can be found in TerraX's financial statements and management's discussion and analysis for the financial year ended January 31, 2019.

TERRAX MINERALS INC.

Schedule "A" Audit Committee Charter

MANDATE

The primary mandate of the audit committee (the "**Audit Committee**") of the Board of Directors of the Corporation (the "**Board**") is to assist the Board in overseeing the Corporation's financial reporting and disclosure. This oversight includes:

- a) reviewing the financial statements and financial disclosure that is provided to shareholders and disseminated to the public;
- b) reviewing the systems of internal controls to ensure integrity in the financial reporting of the Corporation; and
- c) monitoring the independence and performance of the Corporation's external auditors and reporting directly to the Board on the work of the external auditors.

COMPOSITION AND ORGANIZATION OF THE COMMITTEE

1. The Audit Committee must have at least three directors.
2. The majority of the Audit Committee members must be independent. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with an issuer. A material relationship means a relationship which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgment.¹
3. Every Audit Committee member must be financially literate. Financial literacy is 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 issuer's financial statements.²
4. The Board will appoint from themselves the members of the Audit Committee on an annual basis for one year terms. Members may serve for consecutive terms.
5. The Board will also appoint a chair of the Audit Committee (the "**Chair of the Audit Committee**") for a one year term. The Chair of the Audit Committee may serve as the chair of the committee for any number of consecutive terms.
6. A member of the Audit Committee may be removed or replaced at any time by the Board. The Board will fill any vacancies in the Audit Committee by appointment from among members of the Board.

MEETINGS

1. The Audit Committee will meet at least four (4) times per year. Special meetings may be called by the Chair of the Audit Committee as required.
2. Quorum for a meeting of the Audit Committee will be two (2) members in attendance.
3. Members may attend meetings of the Audit Committee by teleconference, videoconference, or by

¹ National Instrument 52-110 *Audit Committees* section 1.4

² National Instrument 52-110 *Audit Committees* section 1.5

similar communication equipment by means of which all persons participating in the meeting can communicate with each other.

4. The Audit Committee Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to Audit Committee members for members to have a reasonable time to review the materials prior to the meeting.
5. Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee. Minutes of each meeting must be distributed to members of the Board, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

RESPONSIBILITIES OF THE COMMITTEE

The Audit Committee will perform the following duties:

External Auditor

- a) select, evaluate and recommend to the Board, for shareholder approval, the external auditor to examine the Corporation's accounts, controls and financial statements;
- b) evaluate, prior to the annual audit by external auditors, the scope and general extent of their review, including their engagement letter, and the compensation to be paid to the external auditors and recommend such payment to the Board;
- c) obtain written confirmation from the external auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs;
- d) recommend to the Board, if necessary, the replacement of the external auditor;
- e) meet at least annually with the external auditors, independent of management, and report to the Board on such meetings;
- f) pre-approve any non-audit services to be provided to the Corporation by the external auditor and the fees for those services;

Financial Statements and Financial Information

- g) review and discuss with management and the external auditor the annual audited financial statements of the Corporation and recommend their approval by the Board;
- h) review and discuss with management, the quarterly financial statements and recommend their approval by the Board;
- i) review and recommend to the Board for approval the financial content of the annual report;
- j) review the process for the certification of financial statements by the Chief Executive Officer and Chief Financial Officer;
- k) review the Corporation's management discussion and analysis, annual and interim earnings or financial disclosure press releases, and audit committee reports before the Corporation publicly discloses this information;
- l) review annually with external auditors, the Corporation's accounting principles and the

reasonableness of managements judgments and estimates as applied in its financial reporting;

- m) review and consider any significant reports and recommendations issued by the external auditor, together with management's response, and the extent to which recommendations made by the external auditors have been implemented;

Risk Management, Internal Controls and Information Systems

- n) review with the external auditors and with management, the general policies and procedures used by the Corporation with respect to internal accounting and financial controls;
- o) review adequacy of security of information, information systems and recovery plans;
- p) review management plans regarding any changes in accounting practices or policies and the financial impact thereof;
- q) review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation and the manner in which these matters are being disclosed in the financial statements;
- r) discuss with management and the external auditor correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Corporation's financial statements or disclosure;
- s) assisting management to identify the Corporation's principal business risks;
- t) review the Corporation's insurance, including directors' and officers' coverage, and provide recommendations to the Board;

Other

- u) review Corporation loans to employees/consultants; and
- v) conduct special reviews and/or other assignments from time to time as requested by the Board.

PROCESS FOR HANDLING COMPLAINTS REGARDING FINANCIAL MATTERS

The Audit Committee shall establish a procedure for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, financial reporting, or auditing matters.

The Audit Committee shall ensure that any procedure for receiving complaints regarding accounting, internal controls, financial reporting, or auditing matters will allow the confidential and anonymous submission of concerns by employees.

REPORTING

The Audit Committee will report to the Board on:

- a) the external auditor's independence;
- b) the performance of the external auditor and the Audit Committee's recommendations;

- c) regarding the reappointment or termination of the external auditor;
- d) the adequacy of the Corporation's internal controls and disclosure controls;
- e) the Audit Committee's review of the annual and interim financial statements;
- f) the Audit Committee's review of the annual and interim management discussion and analysis;
- g) the Corporation's compliance with legal and regulatory matters to the extent they affect the financial statements of the Corporation; and
- h) all other material matters dealt with by the Audit Committee.

AUTHORITY OF THE COMMITTEE

The Audit Committee will have the resources and authority appropriate to discharge its duties and responsibilities. The Audit Committee may at any time retain outside financial, legal or other advisors at the expense of the Corporation without approval of management.

The external auditor will report directly to the Audit Committee.