# APOLLO SILVER CORP.

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FORM 51-102F1**

**FOR THE YEAR ENDED NOVEMBER 30, 2022**

**AS AT FEBRUARY 28, 2023**

## INTRODUCTION

The following Management Discussion and Analysis ("MD&A") is for Apollo Silver Corp. ("Apollo" or the "Company") and has been prepared based on information known to management as of February 28, 2023.

The purpose of this MD&A is to provide readers with management's overview of the past performance of, and outlook for, Apollo. The report also provides information to enhance readers' understanding of the Company's financial statements and highlights important business trends and risks affecting the Company's financial performance. It is intended to complement and supplement the Company's condensed interim consolidated financial statements, but it does not form part of those condensed interim consolidated financial statements. This MD&A should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended November 30, 2022, and 2021 (the "Financial Statements").

All information contained in this MD&A is current as of February 28, 2023, unless otherwise stated.

All financial information in this document, including the Company's financial position, results of operations and cash flows is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), unless otherwise stated. Unless otherwise stated, all dollar figures included in this MD&A are expressed in Canadian dollars.

## FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" or "forward-looking statements" (collectively, "forward-looking statements"), which reflect the Company's current expectations regarding the future results of operations, performance, and achievements of the Company. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to the potential of the Calico Silver Project and Arizona Silver District Project; the potential for identification of gold and barite resources at Calico; the potential to expand the Calico Silver Project resource estimate and upgrade its confidence level, including prospective mineralization on strike and at depth; discrepancies between actual recoveries and 2022 Metallurgical Test Program recovery results; expected timing and results of future metallurgical testing; future silver recoveries; expected timing and results of future drilling or exploration work on its mineral properties; the potential for identification of gold and barite resources at Calico; the expected timing of completion of the updated mineral resource estimate and further economic studies; the estimation of mineral resources and reserves; the realization of mineral resource estimates; the realization of mineral recovery estimates; as well as statements with respect to the Company's opinions and beliefs, financial position, business strategy, budgets, historic mineral resource estimates, mineral resource estimates, ongoing or future development, exploration and acquisition opportunities and projects, drilling, re-logging, geochemical and geological modeling plans, data from sampling programs, references to potential higher grades, references to additional potential discoveries, targeting efforts in greenfield areas, assay results, expanded mineralized zones, ground surveys, publication of updated mineral resource estimates, classification of historic mineral resources, classification of mineral resources, and plans and objectives of management for properties and operations.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "plan", "anticipate", "believe", "estimate", "expect", "is expected to", "budget", "schedule", "forecast", "intend", or variations of such words and phrases or stating that certain actions, events or results "may", "could", "would", "might", "will be taken", "occur" or "be achieved", or the negative connotation thereof.

Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include, but are not limited to, risks related to mineral property exploration and mining; possible variations in mineral resources, grade or recovery rates; financing and share price fluctuation; general economic conditions, including risks related to macro-economic and global financial conditions; inflation; fluctuations in prices of silver, gold, barite, and other commodities; history of losses; title claims; licensing and permitting; limitations on insurance; competition; limitations on the ability to acquire and integrate new properties or businesses; the ability to obtain governmental permits and/or approvals in a timely manner; regulatory risks; conflicts of interest; the ability to retain key personnel; environmental; foreign operations; community relations; litigation, climate change; fluctuations in in market prices of mining consumables and other goods or services required for the current or future work program; fluctuations in foreign currency exchange rates; information technology; changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in the United States of America; the unknown impact related to potential business disruptions stemming from the COVID-19 outbreak, or other infectious illnesses, the 2022 invasion of Ukraine by Russia and other risks of the mining industry.

This MD&A contains references to estimates of Mineral Resources. The estimation of mineral resources is inherently uncertain and involves subjective judgements about many relevant factors. mineral resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgements used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that ultimately may prove to be inaccurate. Mineral resource estimates may have to be re-estimated based on: (i) fluctuations in mineral prices; (ii) results of drilling; (iii) results of metallurgical testing and other studies; (iv) proposed and completed mining exploration programs; (v) the evaluation of exploration and drilling plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licenses.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. Apollo does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Readers should refer to the "Risks and Uncertainties" section of this MD&A and subsequent continuous disclosure filings with the Canadian Securities Administrators, which are available at www.sedar.com.

The forward-looking statements contained herein are made and based on information available as of February 28, 2023.

## ADDITIONAL INFORMATION

Condensed interim financial statements, annual financial statements, MD&A and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website at www.apollosilver.com.

## OVERVIEW OF THE BUSINESS

The Company is a publicly listed mineral exploration and development company incorporated under the laws of the Province of Alberta, Canada on September 22, 1999. The Company filed for continuance under the Canada Business Corporations Act on December 1, 2003, and then under the laws of British Columbia on November 2, 2010. The Company is listed on the TSX Venture Exchange ("TSX-V") and its shares trade under the symbol APGO. The Company is also listed on the OTCQB and Frankfurt Stock Exchange and its shares trade under the symbol APGOF and 6ZF0, respectively. The Company's head office, principal address and registered and records office is #710-1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

The Company is focused on advancing its portfolio of two silver exploration and development projects in the United States. This portfolio consists of the Calico Silver Project ("Calico" or "Calico Project") comprising the Waterloo property ("Waterloo" or the "Waterloo Property") and the Langtry property ("Langtry" or the "Langtry Property") in San Bernardino County, California and the Arizona Silver District Project ("AZ Silver District" or "AZ Silver District Project") in La Paz County, Arizona (collectively, the "Projects").

The principal business of the Company is the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties. The recoverability of the amounts incurred to acquire the Company's mineral properties and related exploration costs are dependent upon the existence of economically recoverable resources, the ability of the Company to obtain the necessary financing and permits to complete the development of those resources, and future profitable production.

The Company currently has no source of operating cash flow and has no assurance that additional funding will be available for future exploration and development programs at its properties or to enable the Company to fulfill its obligations under any applicable agreements. The Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to explore and evaluate its mineral properties and, ultimately, to achieve profitable operations. While the Company has been successful in obtaining funding in the past, there is no assurance that future financing will be available or be available on favorable terms. The ability to raise future financing may be impaired, or such financing may not be available on favorable terms, due to conditions beyond the Company's control, such as uncertainty in the capital markets, changes in commodity prices, or country-specific risk factors.

The resulting effects of COVID-19 and geopolitical instability around the world have caused and continues to cause considerable disruptions to the world economy, including financial markets, which could adversely impact the Company's ability to obtain additional financing when necessary. Global supply chains also continue to be impacted, which could adversely impact the Company by increasing costs and the lead time to acquire or procure necessary services and products. Finally, the effects of COVID-19 could have a future impact on the free movement of people across the Canada-US border. The duration of any border restrictions, and any change to the level and types of restriction of movement, is unknown. As the Company's projects are located in the United States ("US"), any disruption could impact Apollo's ability to execute planned work programs. Furthermore, the global economy is currently affected by rising inflation, which may continue to impact the Company's costs and could result in modification or termination of planned work programs. Overall, these material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

**CORPORATE ACTIVITIES**

On December 2, 2021, Apollo announced that it had filed an independent technical report for the Langtry Property.

On December 8, 2021, Apollo announced the commencement of its 2022 maiden resource declaration program for the Waterloo and Langtry properties, including the engagement of Stantec Consulting Services Ltd. ("Stantec") to provide independent mineral resource estimation services.

On December 20, 2021, Apollo announced that it had received its Conditional Temporary Use Permit from the County of San Bernardino authorising the 2022 proposed drilling activities at the Waterloo Property.

On January 11, 2022, Apollo announced that it had identified a 25 metre ("m") thick, gold bearing horizon below silver mineralization based on its ongoing technical review of historic data at the Waterloo and Langtry properties. Refer to 'Exploration and Development Activities' for further discussion released by the Company.

On January 24, 2022, Apollo announced that it had finalized its work program for the AZ Silver District Project and paid the scheduled option payment. Furthermore, the Company announced that it had entered into an investor relations and services agreement with Pacific Prime Communications Corp. ("PPC") to provide digital marketing and investor relations services to the Company. PPC, a company based in Vancouver, British Columbia, provides investor communications and marketing strategies for growing and emerging public companies. The agreement was subject to TSX-V approval, which was received in February 2022.

On February 9, 2022, Apollo announced its maiden NI 43-101 Mineral Resource Estimate ("MRE") for the Calico Project. Refer to 'Exploration and Development Activities' for further discussion on the results that were released by the Company.

On February 25, 2022, the Company announced that it had terminated its engagement of Future Money Trends LLC ("FMT"), effective immediately, because the Company was unable to receive approval of the engagement from the TSX-V. As the agreement was terminated prior to the completion of the term of the agreement, the Company demanded that FMT return a pro-rata portion of the US$1,100,000 pre-payment, equal to approximately US$458,000.

On March 24, 2022, the Company provided an update on the Calico Project 2022 drill program, announcing that mobilization was set to commence on March 29, 2022, with drilling expected to commence April 4, 2022.

On March 29, 2022, Apollo announced that it had filed the independent technical report for the Calico Project's maiden MRE. The report titled "*NI 43-101 Technical Report for the Mineral Resource Estimate of the Calico Silver Project, San Bernardino County, California, USA*" has an effective date of January 28, 2022, and was dated March 28, 2022.

On April 26, 2022, the Company provided an update on the Calico Project 2022 drill program, announcing that drilling began on April 5, 2022, nine reverse circulation ("RC") holes had been completed to date on the Waterloo Property, a first assay sample dispatch of 92 samples had been made, and sourcing for a second drill rig was underway.

On May 3, 2022, Apollo reported silver assay results from three diamond core holes which were drilled by a previous operator of the Calico Project. Refer to 'Exploration and Development Activities' for further discussion on the results that were released by the Company.

On May 31, 2022, the Company announced the nomination of Collette Brown-Rodriguez to the Board of Directors of the Company and the engagement of George Kenline as Environment and Permitting Advisor, effective June 1, 2022.

On June 13, 2022, Apollo announced the voting results from its annual general meeting of shareholders held on June 10, 2022.

On June 29, July 26, August 23 and September 14, 2022, the Company announced results from its 2022 technical exploration program, including the first phase of the 2022 drill program, at Calico. Refer to 'Exploration and Development Activities' for further discussion on the results that were released by the Company.

On July 26, 2022, the Company announced that it had entered into an investor relations agreement with Target IR & Communications, to provide digital marketing and investor relations services to the Company.

On August 30, 2022, Apollo announced that it had engaged 121 Group (HK) Ltd. ("121 Group") to help build Company awareness and increase exposure within the global mining investment community. The services include media relations, investor engagement, content dissemination and other investor relations services, via the 121 Group's vetted investor network, which will be provided by a team based primarily in London, England. The agreement was subject to TSX-V approval.

On September 20, 2022, the Company announced that it had commenced the second phase of the Calico Project 2022 drill program ("Phase 2").

On October 17, 2022, the Company provided an update on Phase 2 of its drill program at Calico, as well as announced that it had commenced initial groundwater assessment work, which is designed to assess groundwater quality, depth, and well pumping capacity. Refer to 'Exploration and Development Activities' for further discussion on the initial groundwater assessment work.

On November 16, 2022, the Company announced that it had completed its 2022 drill program at the Calico Project.

On December 1, 2022, January 9, 2023, January 18, 2023, and February 1, 2023, the Company reported assay results from Phase 2 of the 2022 drill program. Refer to 'Exploration and Development Activities' for further discussion on the results that were released by the Company.

On February 14, 2023, the Company reported gold assay results from Phase 2 of the 2022 drill program. Refer to 'Exploration and Development Activities' for further discussion on the results that were released by the Company.

On February 23, 2023, the Company announced preliminary results for metallurgical testing at Calico. Refer to 'Exploration and Development Activities' for further discussion on the results that were released by the Company.

**Changes to Directors and Officers**

On December 2, 2021, the Company announced that effective December 1, 2021, Rona Sellers had assumed the role of Corporate Secretary, in addition to her current role as Vice President, Commercial and Compliance.

On June 10, 2022, Collette Brown-Rodriguez was elected as an independent director to the Board of Directors of the Company. Ms. Brown-Rodriguez replaced outgoing independent director, James Hynes, who served on the Board of Directors since July 2021 and did not stand for re-election.

## EXPLORATION AND DEVELOPMENT ACTIVITIES

### Calico Project, California, USA

The Calico Project, comprised of the Waterloo and Langtry properties, is located in the historic Calico Silver Mining District in the Mojave Desert of San Bernardino County, California. Under Apollo, this is the first time the two properties have been under common ownership. The Calico Project represents a district-scale mineral system endowment with 2,950 acres of mineral title and approximately 6,000 m (19,685 feet ("ft")) in mineralized strike length under Apollo control. The Calico Project hosts low-sulfidation epithermal-vein type and disseminated-style silver-barite mineralization, which is open to depth and along strike. Previous operators completed more than 42,000 m (138,094 ft) of drilling across 438 holes on the Calico Project.

The Calico Project is situated approximately 248 kilometers ("km") (154 miles) northeast of Los Angeles, approximately halfway between Los Angeles, California and Las Vegas, Nevada along the I-15 interstate highway. The Calico Project is 15 km (9 miles) from the city of Barstow, within 5 km (3 miles) of commercial electric power and accessible by paved road with an extensive private gravel road network spanning the properties.

The Calico Project comprises 27 fee simple land parcels (1,350 acres), 20 patented claims (413 acres) and 59 unpatented claims (57 lode mining claims, 2 mill site claims) (1,183 acres), totaling approximately 2,950 gross acres, with the Waterloo property comprising 1,768 acres and the Langtry property 1,178 acres.

Private lands at both the Waterloo and Langtry properties have received a Certificate of Land Use Compliance, vesting surface mining rights, which simplifies certain permitting processes. The unpatented claims on Bureau of Land Management ("BLM") governed public lands are open for mineral entry, and no monuments, preserves or national parks encroach on these lands. The MRE at Waterloo is wholly contained within the boundaries of private lands. The MRE at Langtry is 99% contained within the boundaries of private lands.

Mineral Resource Estimate

On February 9, 2022, the Company announced its maiden NI 43-101 MRE for the Calico Project, effective January 28, 2022, which was prepared by Derek Loveday, P.Geo., of Stantec Consulting Services Ltd., the Company's independent qualified person ("QP"). The MRE comprises 166 million ounces ("Moz") of silver contained in 58.1 million tonnes ("Mt") at an average grade of 89 grams per tonne ("g/t") silver at an Inferred level of confidence. The NI 43-101 technical report "NI 43-101 Technical Report for the Mineral Resource Estimate of the Calico Project, San Bernardino County, California, USA" dated March 28, 2022, was filed on SEDAR and the Company's website as announced in the press release dated March 29, 2022.

The Calico Project Inferred MRE (effective January 28, 2022) at a 50 g/t Ag Cut-Off Grade is as follows:

*Table 1: Calico Project Inferred Mineral Resource Estimate at a 50 g/t Ag Cut-Off Grade. Effective Jan 28, 2022.*

| **Class** | **Deposit** | **Imperial Units** | | | **Metric Units** | | | **Strip Ratio** (t:t) | **Contained Silver** |
|---|---|---|---|---|---|---|---|---|---|
| | | Volume Million ($yd^3$) | Tons Million (st) | Ag Grade (oz/st) | Volume Million ($m^3$) | Tons Million (t) | Ag Grade (g/t) | | Million (oz) |
| **Inferred** | Waterloo | 20.8 | 42.8 | 2.98 | 15.9 | 38.9 | 93 | 2.2 | 116 |
| | Langtry | 10.3 | 21.3 | 2.59 | 7.9 | 19.3 | 81 | 6.0 | 50 |
| | **Calico (Total)** | **31.2** | **64.1** | **2.85** | **23.8** | **58.1** | **89** | **3.4** | **166** |

- Base-case resource estimates reported in the above table. Contained silver ounces are reported as troy ounces.
- Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definitions are followed for classification of the Mineral Resource.
- Prospects for eventual economic extraction determined using surface mining operating costs of US$2.50/short ton ("st"), processing costs of US$29.00/st and silver price of US$23.00/oz.
- Specific gravity for the mineralized zone is fixed at 2.44 kg/$m^3$ (13.13 $ft^3$/st). Silver grade was capped at 400 g/t only for Waterloo estimation.
- Resources are constrained to within an economic pit shell targeting mineralized blocks with a minimum of 50 ppm (50 g/t) silver.
- Totals above may not represent the sum of the parts due to rounding.
- The mineral resource estimate has been prepared by Derek Loveday, P. Geo., of Stantec Consulting Services Ltd., in conformance with CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the Canadian Securities Administrators NI 43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that any mineral resource will be converted into a mineral reserve.

Highlights of the MRE include:

- Optimized pit-constrained resource uses conservative cut-off grade of 50 g/t silver
  - The base-case cut-off grade ("COG") was determined using the following assumptions:
    - Silver price of US$23 per troy oz
    - Processing costs of US$29/st
    - Mining costs of US$2.50/st
    - Silver recovery of 80%
  - Silver price was determined by averaging the price from the last 24 months up to December 31, 2021, based on data from the World Bank. Processing cost was based on published estimates for similar deposit types, cross-checked against historical processing costs determined by ASARCO in their 1980 historical feasibility study for Waterloo, and adjusted for inflation to 2022 prices. Increased silver prices, optimised processing parameters and/or improved silver recoveries will all impact the COG and the resultant MRE.
- Resource estimates comprise oxide mineralization only
  - The MRE is entirely contained within an extensive, near-surface oxidized silver mineralized zone that shows excellent continuity at both Waterloo and Langtry. The near-surface resource is calculated to a maximum depth below surface of ~125 m (415 ft) at Waterloo and 146 m (480 ft) at Langtry.
  - The depth of the oxide/sulphide boundary below the current depth extent of the resource is poorly constrained, presenting opportunities to define additional oxide resource at depth.
- High continuity of shallow mineralization amenable to bulk mining methods
  - Using conservative open pit optimization to determine reasonable prospects for economic extraction, the calculated waste to mineralized zone ratio for Waterloo is 2.2:1.

    - Drilling demonstrates that mineralization is continuous and extensive: it extends along a strike length of 1,860 m (6,100 ft) at Waterloo, and 1,250 m (4,100 ft) at Langtry.
- Significant resource growth opportunities identified:
    - Untested silver host stratigraphy identified below ~125 m (415 ft) within current resource extents and along strike at both Waterloo and Langtry.
    - Expansion of high-grade silver mineralization.
    - Gold and barite both have potential to make meaningful contribution.
- Clear path to resource advancement identified:
    - 2022 drill program was designed to increase resource confidence and expand metal inventory.
    - Metallurgical testing program defined. Results are expected in the first quarter of 2023.

Gold Potential at the Calico Project

The Company announced that based on its ongoing technical review of historic data at the Waterloo and Langtry properties, it has identified an approximately 25 m thick (true thickness), gold bearing horizon below silver mineralization in drilling completed by Pan American in 2012 (see press release dated January 11, 2022). Silver mineralization transitions to gold-dominated mineralization at the variably faulted lithologic contact between Barstow formation sedimentary rocks and Pickhandle formation volcaniclastics. Gold mineralization at the district's only historic gold producer, the Burcham Mine, occurs along this contact on the Waterloo Property. Apollo's analysis of historic data showed that not only does gold mineralization extend beyond the Burcham mine area, evidence suggested that at the Waterloo Property the entire 2.2 km long contact between the Barstow sediments and Pickhandle volcaniclastics is prospective for gold mineralization. Results from phase 1 of the 2022 drill program ("Phase 1") and surface sampling program validated the historic gold mineralization and has shown that gold mineralization extends across an area more than 900 m x 400 m in size and up to 45 m thick, across this this prospective horizon (see press releases dated June 29, 2022; July 26, 2022; August 23, 2022; and September 14, 2022). Phase 2 of the 2022 drill program continued to test the extent of gold mineralization with results showing the gold mineralization horizon extends to more than 1,000 m strike length (see press releases dated December 1, 2022; January 9, 2023; January 18, 2023; February 1, 2023 and February 14, 2023). The gold mineralized horizon remains open along strike. Initial cyanide solubility tests show recoveries ranging from 75% to 95% confirming gold mineralization is oxidized and amendable to simple leaching.

History of the Calico Silver Mining District

The Calico Silver Mining District has a lengthy history of exploration and mining, with silver-rich mineralization discovered in the Calico Mountains in 1881. The region is a prolific historic silver, borax and barite mining district and is responsible for most of the silver production in the Mojave Desert region. Historical extraction focused on high-grade oxidized deposits of vein-related silver with estimates of total extraction ranging from 15-20 million ounces up until 1896. Around this time most mining ceased due to a sharp decline in silver price and economic depression, however limited production from the district continued until approximately 1940. Barite became a mineral of interest in the region in the 1950's as oil and gas exploration ramped up in the U.S. and there was a concurrent reopening of silver mining, but production remained low. Several past-producing mines and historical workings are situated on and in the vicinity of the Calico Project, with most of the historical mining operations situated over a 12 square mile (31.1 km$^2$) area northeast of the Calico Project. Five past-producing mines are located on Calico: the Waterloo, Voca, Union and Burcham mines on the Waterloo Property, and the Langtry mine on the Langtry Property. All mines produced silver as their primary commodity, with the exception of the Burcham mine, which produced gold and lead.

Silver mineralization on the Calico Project is found primarily as disseminations with veinlet stockworks in the Miocene-aged sedimentary Barstow Formation. Mineralization is interpreted to be epithermal or hot-spring precious metal vein-type and stockwork type as a result of hydrothermal fluids being focused along faults and fractures, as well as through receptive horizons in the Barstow Formation at a time when the sediments were unconsolidated. The timing of mineralization is believed to be around 15-20 Ma which corresponds with a period of subduction and extension in the region. Mineralization in the region surrounding the Calico Project occur primarily as discrete veins, striking generally northwest, in the Miocene-aged volcanic and volcaniclastic Pickhandle Formation. Mineralogy of all styles of silver mineralization in the region are similar, composed primarily of barite, jasperoid/chalcedony, oxides, and sulphides with silver occurring commonly as either native silver, silver sulphides (supergene), silver chlorides or silver salts. Both disseminated style and near surface vein exposures are typically oxidized, with the silver grade enriched by supergene processes. Alteration dominantly consists of silicification (chalcedony and jasperoid), clays, patchy propylitic alteration with some potassium feldspar alteration observed in the Barstow Formation associated with silver mineralization. Acid sulphate/steam heated leaching has been mapped across the Calico Project but is focused primarily along the contact between the Barstow and Pickhandle formations and with the Calico fault.

The Waterloo Property

The Waterloo Property comprises 27 fee simple land parcels (1,350 acres) and 21 unpatented claims (19 lode mining claims, two mill site claims) (418 acres), totaling approximately 1,768 gross acres. Apollo acquired a 100% interest in the Waterloo Property on July 12, 2021, through the Waterloo Purchase Agreement between Stronghold Silver USA Corp. ("Stronghold USA") and Pan American Minerals Inc. ("Pan American"). Pan American retains a 2% Net Smelter Royalty on any future production of minerals from the Waterloo Property.

Modern exploration work on the Waterloo Property began in 1964 by the American Smelting and Refining Company ("ASARCO") targeting disseminated silver mineralization in the Barstow Formation. Work comprised geologic mapping, geochemical sampling, trenching, and drilling (201 rotary and three diamond drill holes), with later advanced work comprising metallurgical and process testing. ASARCO completed internal studies, including extensive metallurgical analysis, which determined the feasibility of the project and resulted in the permitting for an open-pit silver mine in the early 1980's. A decline in the silver price around this same time caused ASARCO to put the Calico Project on care and maintenance.

Pan American acquired the Waterloo Property in 1994 and completed surface mapping and sampling, and drilling (55 RC and eight diamond drill holes) between 2008 and 2012. The drill programs were completed to validate historic ASARCO drilling, complete infill drilling, and sample for metallurgical testing. In April 2017, Pan American obtained a Certificate of Land Use Compliance from San Bernardino County recognizing surface mining as a legal use of the fee simple private lands and the existence of a "vested right" to conduct surface mining activities thereon. The vested right does not extend to the BLM-managed federal public lands upon which the unpatented claims are located.

The Langtry Property

The Langtry Property comprises 20 patented claims (413 acres) and 38 unpatented lode mining claims (765 acres), totaling approximately 1,178 acres. Twenty patented claims and two unpatented claims are under option between Stronghold USA and the Bruce and Elizabeth Strachan Revocable Living Trust dated 7-25-2007 ("Strachan"), while the remaining 36 unpatented claims are under option between Stronghold USA and Athena Minerals Inc. ("Athena"). Each agreement is subject to various royalties and encumbrances.

Modern exploration at Langtry began in 1967 by the Superior Oil Company ("Superior"). Between 1967 and 1984 Superior completed geological mapping, geochemical sampling, surface trenching, drilling and metallurgical testing. A total of 200 rotary holes were completed by Superior on the patented claims that are subject to an option agreement that the Company is party to, within a package of Barstow formation sandstones that host similar disseminated silver mineralization as that observed at Waterloo. Superior was subsequently purchased by Exxon Mobil Corp., in 1984, and the Langtry Property sat dormant due to depressed silver prices until the Strachan family acquired the private lands in 2004. In 2007, International Silver Inc., entered into an option to purchase agreement with Strachan for the private lands. In the following months the company acquired additional unpatented lode mining claims adjacent to the patented lands. By 2010, International Silver abandoned exploration on the property. In March 2010, Athena acquired some of International Silver's unpatented claims and entered a 20-year lease option with Strachan for the private lands. Between 2010 and 2012, Athena completed surface sampling, trenching and drilling (13 RC holes) at Langtry. A total of 213 drillholes (26,200 m / 86,000 ft) is reported to have been completed on the Langtry Property by the previous operators. Of these, Apollo has audited data for 183 holes (23,465 m / 76,986 ft) which were used for the maiden Calico Silver Project MRE.

In 2015, Athena obtained a Certificate of Land Use Compliance from San Bernardino County recognizing surface mining as a legal use of the Strachan patented claims and the existence of a "vested right" to conduct surface mining activities thereon. The vested right does not extend to the BLM-managed federal public lands upon which Athena's unpatented claims are located.

*The Langtry Property Option Agreements*

Apollo, through it's wholly-owned subsidiary, Stronghold USA, is a party to two option agreements that grant the Company the right to acquire a 100% interest in the Langtry Property: the Strachan Agreement and the Athena Agreement, as detailed below.

*Strachan Agreement*

Stronghold USA, the optionee, and Strachan, the optionor, entered into an Option to Purchase Agreement (the "Strachan Agreement") dated December 23, 2020, which gives Stronghold USA the right to acquire a 100% interest in 20 patented land claims and two unpatented lode mining claims forming a portion of the Langtry Property ("Strachan Lands") for the aggregate purchase price of the greater of 1) US$5,200,000 or 2) the spot price of 220,000 troy ounces of silver, on or before December 24, 2025.

Under the terms of the Strachan Agreement, Stronghold USA is required to pay US$100,000 on each Strachan Agreement anniversary date to maintain the option in good standing. All payments made during the term of the option shall be applied to the final purchase price. Upon full exercise of the option, Stronghold USA will grant to Strachan the following: 1) 1% Net Smelter Royalty on any future production of silver from the Strachan Lands; 2) 5% gross royalty on all other mineral production from the Strachan Lands and 3) 10% gross royalty on all other non-mineral production income derived from any other commercial use of the Strachan Lands.

In December 2022 and 2021, the Company made non-refundable option payments of $135,000 (US$100,000) and $128,930 (US$100,000), respectively, to Strachan, under the terms of the Strachan Agreement.

As at February 28, 2023, a total of three non-refundable option payments of US$100,000 have been made under the Strachan Agreement and can be credited against the final purchase price at the time of exercise.

*Athena Agreement*

Stronghold USA, the optionee, and Athena, the optionor, entered into an Option to Purchase Agreement (the "Athena Agreement") dated December 21, 2020, which gives Stronghold USA the right to acquire 100% interest in 36 unpatented lode mining claims forming a portion of the Langtry Property ("Athena Lands") for an aggregate purchase price of US$1,000,000 to be made on or before December 21, 2025.

Terms of the option include US$15,000 upon execution of the Athena Agreement (paid in December 2020, prior to the Stronghold Transaction) and US$25,000 on each Athena Agreement anniversary date. All payments made by the optionee to the optionor during the 24-month period prior to the full exercise of the option shall be credited against the purchase price.

Upon vesting of the 100% interest, Stronghold USA will grant to Athena a 1% Net Smelter Royalty on any future production of minerals from the Athena Lands. The royalty shall only apply on those Athena Lands that currently do not have existing royalties of 1% or higher such that at no time will any property have a royalty of greater than 2%.

In December 2022 and 2021, the Company made non-refundable payments of $33,000 (US$25,000) and $32,113 (US$25,000), respectively, to Athena, under the terms of the Athena Agreement.

Exploration Activities at the Calico Project

Work completed by Apollo since acquiring the rights to explore the Waterloo and Langtry properties in July 2021 has resulted in increased confidence in the quality of the historic geological and drilling data acquired by the previous operators. All historic drilling data from both Waterloo and Langtry was audited and compiled into a comprehensive database by an independent consulting group. Additionally, many historic documents were reviewed and drill hole locations were confirmed in the field, both of which provided further validation of the high quality of the historic drill data.

In November 2021, the Company commenced a surface three-dimensional Induced Polarization geophysical survey, which concluded in late January 2022. The survey was completed over both the Waterloo and Langtry properties. Final data was interpreted, and the interpretive results are being used for geological interpretation and drill targeting.

On December 20, 2021, Apollo announced that it had received its Conditional Temporary Use Permit from the County of San Bernardino authorising the proposed 2022 drilling activities at the Waterloo Property. The permit was originally effective February 1, 2022, and was valid for one year with an option to renew annually for up to five years. The permit was successfully renewed on February 3, 2023 and is currently in effect until February 4, 2024. The BLM determined that the Company's use of unpatented claims to access its private land claims is casual in nature and does not require further permits.

In 2021, the Company became aware of approximately 2.7 tonnes of drilling material in storage at McClelland Laboratories Inc., ("McClelland") in Sparks, NV, comprising material from 11 RC holes and three PQ-diameter sized diamond drill holes which were drilled by Pan American. In 2014, McClelland undertook limited initial test work on the RC material and made density measurements on the drill core. Since 2014, the RC material and untested drill core has been securely stored at McClelland and Apollo has confirmed chain of custody as part of its due diligence process. Apollo's 2022 Metallurgical Test Program is utilizing the 1.2 tonnes of diamond drill core that is available. The test program that is currently underway has been designed with input from professional metallurgists at both McClelland and Stantec and is being executed by McClelland. McClelland has prepared the intervals from the drill core for assaying with results presented in Table 2 below.

In February 2022, the Company completed a three-day drone-based hyperspectral survey over the Waterloo Property to acquire high-resolution (2.5 centimetre) short-wave infrared data to characterize mineralogy of surface materials. This data will be used to further understand the type of alteration associated with silver and gold mineralization and is being used to target possible high grade mineralized zones.

In March 2022, the Company completed an eight-day drone-based magnetic survey over the Waterloo and Langtry properties to characterize subsurface tectonic and lithologic structures. Final data was received, and interpretive results are being used for geological interpretation and drill targeting purposes.

Drilling at Langtry has been permitted, as the County Land Use Department approved the Company's submission of a Conditional Temporary Use permit application. The permit is effective May 23, 2022, and valid for one year with an option to renew annually for up to five years. The Company will engage with the BLM regarding use of patented lands to access its Langtry private lands for drilling activities.

Phase 1 of the Calico Project 2022 drill program commenced on April 5, 2022, and was completed in July 2022, comprising a total of 44 holes and 5,021 metres.

The drill program was designed to achieve the following objectives:

- Update the confidence of the MRE through
  - Acquiring high-quality geotechnical, rock properties, geochemical and lithological information; and
  - Completing infill drilling.
- Expand the current MRE through:
  - Confirming and expanding historic bonanza grade silver intercepts (+1,000 g/t); and
  - Targeting shallow silver ounces by drilling untested Barstow Formation along strike and down dip.
- Quantify MRE mineral inventory through:
  - Testing the gold-mineralized Barstow-Pickhandle lithologic contact (see news release dated January 11, 2022); and
  - Quantifying the barite content.

Phase 2 of the Calico Project 2022 drill program commenced on September 19, 2022, and was completed on November 12, 2022, comprising of 4,822 m in 44 RC drill holes.

The Phase 2 program design incorporates learnings from Phase 1 and was designed to continue to:

- Complete infill drilling to further support upgrading the confidence of the MRE;
- Expand the MRE by adding additional high-grade silver ounces and quantifying possible by-products, such as barite and gold; and
- Further increase the confidence in the geological model.

Stantec provided input into the design of the drill program based on the outcome of the work performed to define the Calico MRE. They also provided guidance for the quality control and quality assurance program associated with the drill program.

***Metallurgical Test Program***

On May 3, 2022, the Company reported silver assay results acquired as part of its 2022 Metallurgical Test Program ("2022 Test Program") for the Waterloo Property. The 2022 Test Program, which is one component of the 2022 Calico Technical Program, is an initial investigation in the overall metallurgical program for Calico. Results were reported from three diamond core holes which were drilled in 2012 by the previous operator Pan American, as part their metallurgical test program. Apollo acquired this core, which was never assayed, as part of the purchase of the Waterloo Property. These three holes were analysed as part of the first step of the 2022 Test Program at Calico.

*Table 2: Silver assay results reported May 3, 2022, for the 2022 metallurgical test holes at the Calico Project.*

| Hole | | From (m) | To (m) | Intercept* (m) | Ag (g/t) |
|---|---|---|---|---|---|
| **W-0012** | | **0.0** | **2.0** | **2.0** | **63** |
| | **and** | **6.0** | **34.0** | **28.0** | **234** |
| | *including* | *18.0* | *26.0* | *8.0* | *471* |
| | *also including* | *18.0* | *20.0* | *2.0* | *1,075* |
| | **and** | **40.0** | **56.0** | **16.0** | **106** |
| **W-0013** | | **0.0** | **2.0** | **2.0** | **111** |
| | **and** | **4.0** | **18.0** | **14.0** | **143** |
| | **and** | **20.0** | **72.0** | **52.0** | **196** |
| | *including* | *48.0* | *54.0* | *6.0* | *294* |

| | | | | | |
|---|---|---|---|---|---|
| | *including* | *58.0* | *68.0* | *10.0* | *354* |
| | **and** | **74.0** | **107.9** | **33.9** | **144** |
| **W-0014** | | **0.0** | **53.2** | **53.2** | **121** |

**Intercepts calculated using 50 g/t Ag cut-off with high-grade intercepts reported at 200 g/t cut-off greater than 4.5 m (15 ft) composite length. Intercepts are down hole lengths and may not represent true widths.*

On February 23, 2023, the Company reported preliminary results for silver recovery via bottle roll testing from its 2022 Test Program for the Waterloo Property. Objectives of the test work are to assess and verify silver recovery using various comminution and extraction methods. This is to provide insight into possible processing methods and to compare results to historic work completed by previous operators in the 1960's and 1970's. This test work is one component of the 2022 Calico Technical Program that aims to upgrade and expand the previously announced maiden Inferred MRE at Waterloo which forms part of the Calico maiden Inferred MRE.

The 2022 Test Program was designed with input from professional metallurgists at both McClelland and Samuel Engineering Inc., in cooperation with Stantec. All processing and testing was performed at McClelland, with the exception of processing for the HPGR product which was produced by Kappes Cassidy and Associates in Reno, Nevada using a ThyssenKrupp Polycom (PILOTWAL HPGR) unit. The 2022 Test Program comprises bond work index, abrasion index, barite flotation, bottle roll testing using cyanide and a fluoride-assisted cyanide leach, and column leach testing using cyanide. Bottle roll and column leach testing both utilized conventionally crushed, fine grind and ultra-fine grind ("UFG") crushed material and HPGR product. Results reported today are those for bottle roll testing; the Company will be reporting on remaining components of the 2022 Test Program, including column testing and barite analysis upon receipt of final data and reports.

The drilling material had been securely stored at McClelland in Sparks, Nevada in the form of -1.5 inch (-38.1 mm) and -10 mesh (-2 mm) size fractions. Due to the oxidized nature of mineralization, confirmed with detailed mineralogical studies, it was determined this material remained useful for test work. Five composites were created from the -1.5 inch material based on lithological, mineralogical and multi-element geochemical features of the rocks and spatial representation across the deposit (see Table 3). All mineralized rock comprises Barstow formation sandstones and siltstone of varying quartz, barite, and silver contents. Composites were then split for individual tests. Silver recovery results for bottle roll tests, which simulate an agitated leach system, are shown in Table 4.

A total of seventeen (17) bottle roll tests were completed using cyanide as a leachant across four size fraction feed sizes (see Table 4). Results indicate that a fine-grind conventional ball milling product ($P_{80}$ -45 µm) had silver recoveries ranging from 40-61%, with generally low cyanide and lime requirements. The Company's bottle roll test results are encouraging, and the corresponding column tests will be published after the final reporting is available. For HPGR product feed, bottle roll test results showed an improvement in silver recoveries of approximately 50-100% over recoveries from conventionally crushed material ($P_{80}$ -6.3 mm feed). HPGR silver recovery ranged from 19 to 38% over 336 hours of leaching. Further work is required to assess the potential value HPGR may add to increased silver recoveries, as these results are encouraging. Similar HPGR technology is utilized at Coeur Mining's Rochester silver mine in Nevada where silver recovery via heap leach methods is approximately 60%[1].

*Table 3: Diamond Drill Hole Composites used for the 2022 Metallurgical Test Program, Calico Project.*

| Composite No. | Hole | From (m) | To (m) | Weight (kg) |
|---|---|---|---|---|
| **001** | **W-0012** | 0 | 28 | 100 |
| **002** | **W-0012** | 28 | 56 | 118 |
| **003** | **W-0012** | 56 | 90 | 137 |
| **004** | **W-0013** | 0 | 108 | 436 |
| **005** | **W-0014** | 0 | 53 | 228 |

Additional bottle roll test work was completed using fluoride-assisted leach on composites 001 and 005 to assess if improved silver recoveries would be realized. Fluoride assisted leach uses Ammonium Bifluoride (ABF) ($NH_4HF_2$) and Hydrochloric Acid (HCl) that has produced slightly improved silver recoveries over those of cyanide only, with recoveries ranging from 60.8 to 72% (see Table 5). Further, the pregnant fluoride leach solution was filtered and then run through activated carbon to generate carbon-in-column circuit design data. The silver loaded directly onto the carbon without neutralizing any of the acid in solution,

[1] *Refer to Coeur Mining's Rochester Operations Technical Report Summary, dated December 31, 2021.*

indicating that the leach solution could be recycled and that this method may be a viable way to recover silver from the solution. Results indicate a 97% silver recovery onto carbon.

*Table 4: Results for bottle roll test using cyanide leach solution.*

| Composite No. | Realized $P_{80}$ Grind Size | Ag Recovery (%) | NaCN Consumption (kg/t) | Lime Added (kg/t) |
|---|---|---|---|---|
| **001** | $P_{80}$ -6.3mm | **17.9** | 0.06 | 0.5 |
| | $P_{80}$ -1.7mm (HPGR) | **31.1** | 0.21 | 0.5 |
| | $P_{80}$ -45µm | **54.7** | 0.64 | 0.8 |
| | $P_{100}$ -25µm (UFG) | **63.8** | 0.35 | 1.2 |
| **002** | $P_{80}$ -6.3mm | **15.6** | 0.28 | 0.6 |
| | $P_{80}$ -1.7mm (HPGR) | **26.0** | 0.40 | 0.7 |
| | $P_{80}$ -45µm | **51.6** | 0.34 | 1.0 |
| **003** | $P_{80}$ -6.3mm | **10.0** | 0.16 | 0.5 |
| | $P_{80}$ -1.7mm (HPGR) | **19.0** | 0.29 | 0.5 |
| | $P_{80}$ -45µm | **40.0** | 0.32 | 0.7 |
| **004** | $P_{80}$ -6.3mm | **24.7** | 0.26 | 0.5 |
| | $P_{80}$ -1.7mm (HPGR) | **38.0** | 0.52 | 0.4 |
| | $P_{80}$ -45µm | **61.0** | 0.76 | 0.5 |
| **005** | $P_{80}$ -6.3mm | **18.0** | 0.17 | 0.5 |
| | $P_{80}$ -1.7mm (HPGR) | **36.3** | 0.31 | 0.6 |
| | $P_{80}$ -45µm | **60.0** | 0.33 | 0.5 |
| | $P_{100}$ -25µm (UFG) | **80.0** | 0.76 | 1.5 |

*Table 5: Results for bottle roll test using fluoride-assisted cyanide leach solution.*

| Composite No. | Realized $P_{80}$ Grind Size | Ag Recovery (%) | HCl Conc. % | ABF (kg/t) |
|---|---|---|---|---|
| **001** | -53µm | **60.8** | 5.0 | 4.7 |
| | | **69.0** | 10.0 | 17.0 |
| **005** | -53µm | **67.0** | 5.0 | 4.7 |
| | | **72.0** | 10.0 | 17.1 |

***Sample Preparation and Quality Assurance/Quality Control – Metallurgical Test Program***

Historic diamond drill core collected by Pan American was drilled by Diversified Drilling, of Anaheim, CA in 2012 and logged (lithology, alteration, mineralization and geotechnical) and photographed in detail at that time. The core has been securely stored by McClelland in Sparks, NV since its preliminary test work in 2014. In preparation for the Company's 2022 metallurgical test work the whole PQ-diameter core from these three drill holes was separated into 2 m intervals for pre-metallurgical testing assaying. Each sample was coarsely crushed to ~38 mm before being thoroughly blended and split in half. One half was further crushed to 1.7 mm and a 250 g split was taken using a rotary-type splitter. The 250 g splits were pulverized to better than 90% passing 106 microns. McClelland maintains its own comprehensive guidelines to ensure best practices in sample preparation. Pulp samples were sent by McClelland by secure transport to ALS-Global Geochemical Analytic Laboratory in Reno, NV, ("ALS Reno") for gold analysis and shipping to ALS-Global Geochemical Analytical Laboratory in Vancouver, BC ("ALS Vancouver") for all other analyses. Both ALS Reno and ALS Vancouver are ISO/IEC 17025:2017 accredited laboratories and are independent of the Company.

Samples were analysed for 48 elements via ICP-MS following a four-acid digestion with reportable ranges for silver of 0.5 to 100 ppm (method ME-MS61). Over-range samples were re-submitted for analysis using a four-acid digestion and ICP-AES finish with a silver range of 1-1,500 ppm (method Ag-OG62) and by fire assay with a gravimetric finish using a 30 g nominal sample weight with reportable silver range of 5-10,000 ppm (method Ag-GRA21). Major elements were analysed using fused-disc X-Ray Fluorescence (method ME-XRF26). Gold was analysed by fire assay with atomic absorption finish (method Au-

AA26) with a reportable range of 0.01-100 ppm Au. All analyses were completed at ALS Vancouver with the exception of gold by fire assay, which was completed at ALS Reno.

For bottle roll testing all heads and tails assays were performed by McClelland, an ISO 17025 certified facility, via AAS following a four-acid digestion with reportable ranges for silver of 1 to 200 ppm.

The Company maintains its own comprehensive quality assurance and quality control ("QA/QC") program to ensure best practices in sample preparation and analysis for samples. The QA/QC program includes the insertion and analysis of certified reference materials, commercial pulp blanks, preparation blanks and field duplicates to the laboratories. QA/QC sample analysis for these samples demonstrate results that have acceptable accuracy and precision. The Company's Qualified Person is of the opinion that the sample preparation, analytical, and security procedures followed are sufficient and reliable. The Company is not aware of any drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data reported herein.

***2022 Drill Program and Surface Sampling***

On June 29, 2022, the Company reported its first assay results from the 2022 Drill Program at the Calico Projects Waterloo Property. The results continued to show near-surface, broad, high-grade silver mineralization and have verified and expanded the gold-mineralized horizon at the Barstow-Pickhandle contact, as discussed in the Company's news release dated January 11, 2022. Results were reported for 10 RC drill holes (see Table 6) which were drilled between early April and early May 2022.

Nine of the 10 holes intersected near-surface zones of silver mineralization over and above the mineral resource silver cut-off grade of 50 g/t, and seven holes show intercepts of high-grade silver (greater than 100 g/t Ag) with most intervals being more than 50 m thick (drill hole length). In addition to further validating and infilling the high-grade, thick, and continuous nature of the silver mineralization, the results have added considerably to the Company's understanding of the stratigraphy and controls on silver mineralization. This information is critical to advancing the confidence in the resource classification and was used to optimize the design of Phase 2 of the 2022 Drill Program.

Gold intercepts were reported for eight RC holes that intercepted the gold-mineralized horizon at the Barstow-Pickhandle contact (refer to Table 7 below). Review of historic drilling and recent surface mapping by Apollo concluded that there is evidence to suggest that the entire 2.2 km long contact between the Barstow sediments and Pickhandle volcaniclastics is prospective for gold (see news release dated January 11, 2022). These drill results showed that the gold mineralized horizon is more laterally extensive and thicker than historic drilling indicated. Notably, these new assay results show that:

- The mineralized gold footprint in the central portion of the Waterloo deposit has expanded from ~ 45 m along strike and 240 m down dip (as indicated by historic drilling by Pan American) to approximately 300 x 300 m; and
- The maximum true thickness of the gold-mineralized horizon drilled to date has increased from 25 m (see news release dated January 11, 2022) to more than 45 m (hole W22-RC-008, which terminated in gold mineralization).

Historic drilling and underground mining in the Burcham area to the southeast of the mineral resource footprint at Waterloo shows the areal extent of near-surface gold mineralization covers approximately 180 m by 450 m in that region. Very little of this gold footprint has been tested to depth. Drill holes are proposed to be completed as part of the 2022 Drill Program at Waterloo to infill information gaps in gold and silver mineralization between the central portion of Waterloo and the Burcham area. In addition to this drilling, a total of 18 historic holes intercepted this continuous gold-mineralized horizon (based on currently geologic modeling) but were not analyzed for gold. Apollo is in possession of these pulps and will submit relevant intercepts for gold analysis. As part of the 2022 technical program, Apollo has also completed a modest surface sampling program over the Burcham area to better characterize the nature of the geology and areal extent of mineralization in this region.

*Table 6: Silver assay results reported June 29, 2022, for the 2022 drill program at the Calico Project.*

| Hole | | From (m) | To (m) | Interval (m) | Ag (g/t) | Ag (opt*) |
|---|---|---|---|---|---|---|
| **W22-RC-001** | | **2.0** | **4.0** | **2.0** | **132** | **3.9** |
| **W22-RC-002** | | **0** | **1.5** | **1.5** | **62** | **1.8** |
| | **and** | **4.0** | **7.0** | **3.0** | **57** | **1.7** |
| **W22-RC-003B** | | **26.5** | **28.0** | **1.5** | **67** | **2.0** |
| **W22-RC-004B** | *no significant intercepts* | | | | | |
| **W22-RC-005** | | **2.5** | **77.5** | **75.0** | **131** | **3.8** |
| | *including* | *35.5* | *37.0* | *1.5* | *273* | *8.0* |

| | | | | | | |
|---|---|---|---|---|---|---|
| | *including* | *59.5* | *61.0* | *1.5* | *233* | *6.8* |
| | *including* | *65.5* | *71.5* | *6.0* | *270* | *7.9* |
| | **and** | **98.5** | **101.5** | **3.0** | **55** | **1.6** |
| **W22-RC-006** | | **8.5** | **44.5** | **36.0** | **204** | **6.0** |
| | *including* | *14.5* | *26.5* | *12.0* | *268* | *7.8* |
| | *and including* | *25.0* | *26.5* | *1.5* | *498* | *14.5* |
| | *including* | *29.5* | *37.0* | *7.5* | *283* | *8.3* |
| **W22-RC-007** | | **0.0** | **49.0** | **49.0** | **105** | **3.1** |
| **W22-RC-008** | | **0.0** | **94.0** | **94.0** | **132** | **3.9** |
| | *including* | *19.0* | *20.5* | *1.5* | *375* | *10.9* |
| | *including* | *70.0* | *71.5* | *1.5* | *258* | *7.5* |
| | *including* | *74.5* | *76.0* | *1.5* | *281* | *8.2* |
| | *including* | *82.0* | *83.5* | *1.5* | *256* | *7.5* |
| | *including* | *89.5* | *92.5* | *3.0* | *259* | *7.6* |
| | **and** | **107.5** | **112.0** | **4.5** | **69** | **2.0** |
| | **and** | **119.5** | **128.5** | **9.0** | **65** | **1.9** |
| **W22-RC-009** | | **4.0** | **55.0** | **51.0** | **131** | **3.8** |
| | *including* | *22.0* | *25.0* | *3.0* | *279* | *8.1* |
| **W22-RC-010** | | **0.0** | **55.0** | **55.0** | **169** | **4.9** |
| | *including* | *4.0* | *5.5* | *1.5* | *286* | *8.3* |
| | *including* | *8.5* | *10.0* | *1.5* | *263* | *7.7* |
| | *including* | *28.0* | *35.5* | *7.5* | *257* | *7.5* |

**Intercepts calculated using 50 g/t silver cut-off with significantly higher-grade intercepts reported at 250 g/t cut-off with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not represent true widths. *Troy ounces per US short ton.*

*Table 7: Gold assay results reported June 29, 2022, for the 2022 drill program at the Calico Project.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| **W22-RC-001** | *no significant intercepts* | | | | |
| **W22-RC-002** | *no significant intercepts* | | | | |
| **W22-RC-003B** | | **50.5** | **56.5** | **6.0** | **0.124** |
| | *including* | *55.0* | *56.5* | *1.5* | *0.320* |
| **W22-RC-004B** | | **47.5** | **52.0** | **4.5** | **0.103** |
| | | **70.0** | **73.0** | **3.0** | **0.165** |
| **W22-RC-005** | | **95.5** | **116.5** | **21.0** | **0.260** |
| | *including* | *100.0* | *101.5* | *1.5* | *0.626* |
| **W22-RC-006** | | **89.5** | **91.0** | **1.5** | **0.126** |
| **W22-RC-007** | | **73.0** | **74.5** | **1.5** | **0.108** |
| **W22-RC-008** | | **107.5** | **160.0** | **52.5** | **0.235** |
| | *including* | *128.5* | *131.5* | *3.0* | *0.632* |
| | *and including* | *157.0* | *158.5* | *1.5* | *1.215* |
| **W22-RC-009** | | **145.0** | **154.0** | **9.0** | **0.215** |
| **W22-RC-010** | | **86.5** | **88.0** | **1.5** | **0.138** |
| | **and** | **92.5** | **94.0** | **1.5** | **0.108** |
| | **and** | **98.5** | **100.0** | **1.5** | **0.171** |
| | **and** | **107.5** | **110.5** | **3.0** | **0.199** |
| | **and** | **127.0** | **133.0** | **6.0** | **0.147** |

**Intercepts calculated using 0.1 g/t gold cut-off grade with significantly higher-grade intercepts calculated at 0.5 g/t gold. Intercepts are down hole lengths and may not represent true widths.*

On July 26, 2022, the Company reported assays for 11 RC drill holes from the Phase 1 drill program at Calico. Silver assay results continue to be consistent with the silver grades in the resource block model, illustrating the predictable nature of the silver mineralization. Additionally, gold assay results continue to expand the gold mineralized horizon. Results below are reported for 11 RC drill holes which were drilled between early May to mid-June 2022. Silver assay results (see Table 8) show all 11 holes intersected near-surface zones of silver mineralization over and above the mineral resource silver COG of 50 g/t, and five holes show intercepts of high-grade silver (greater than 100 g/t Ag). Gold assay results (see Table 9) continue to show the thick nature (up to 27.0 m in the latest results) of the gold-mineralized horizon hosted at the contact between the Barstow sediments and Pickhandle volcaniclastics.

*Table 8: Silver assay results reported July 26, 2022, for the 2022 drill program at the Calico Project.*

| Hole | | From (m) | To (m) | Interval (m) | Ag (g/t) | Ag (opt*) |
|---|---|---|---|---|---|---|
| **W22-RC-011** | | **16.0** | **92.5** | **76.5** | **137** | ***4.0*** |
| | *including* | *25.0* | *26.5* | *1.5* | *259* | *7.6* |
| | *including* | *46.0* | *55.0* | *9.0* | *275* | *8.0* |
| | *and including* | *46.0* | *47.5* | *1.5* | *477* | *13.9* |
| **W22-RC-012** | | **25.0** | **26.5** | **1.5** | **92** | **2.7** |
| | **and** | **41.5** | **43.0** | **1.5** | **64** | ***1.9*** |
| | **and** | **53.5** | **55.0** | **1.5** | **63** | ***1.8*** |
| | **and** | **58.0** | **59.5** | **1.5** | **95** | ***2.8*** |
| **W22-RC-013** | | **19.0** | **92.5** | **73.5** | **107** | **3.1** |
| | *including* | *73.0* | *74.5* | *1.5* | *255* | 7.4 |
| | *including* | *85.0* | *86.5* | *1.5* | *252* | 7.4 |
| | **and** | **98.5** | **103.0** | **4.5** | **98** | **2.9** |
| | **and** | **112.0** | **115.0** | **3.0** | **55** | **1.6** |
| | **and** | **134.5** | **148.0** | **13.5** | **126** | **3.7** |
| **W22-RC-015** | | **2.5** | **5.5** | **3.0** | **94** | **2.7** |
| | **and** | **29.5** | **32.5** | **3.0** | **82** | ***2.4*** |
| | **and** | **44.5** | **77.5** | **33.0** | **84** | ***2.5*** |
| **W22-RC-020** | | **0.0** | **107.5** | **107.5** | **86** | **2.5** |
| **W22-RC-021** | | **73.0** | **74.5** | **1.5** | **59** | **1.7** |
| | **and** | **109.0** | **110.5** | **1.5** | **65** | **1.9** |
| **W22-RC-022** | | **1.0** | **4.0** | **3.0** | **52** | **1.5** |
| | **and** | **8.5** | **14.5** | **6.0** | **58** | **1.7** |
| | **and** | **74.5** | **77.5** | **3.0** | **73** | **2.1** |
| **W22-RC-023** | | **5.5** | **14.5** | **9.0** | **103** | **3.0** |
| | **and** | **38.5** | **56.5** | **18.0** | **71** | **2.1** |
| **W22-RC-024** | | **0.0** | **89.0** | **89.0** | **84** | **2.4** |
| | **and** | **91.0** | **97.0** | **6.0** | **58** | **1.7** |
| **W22-RC-028** | | **1.0** | **34.0** | **33.0** | **87** | **2.5** |
| **W22-RC-028B** | | **0.0** | **16.0** | **16.0** | **85** | **2.5** |
| | **and** | **25.0** | **56.5** | **31.5** | **80** | **2.3** |

*Silver intercepts calculated using 50 g/t silver cut-off with significantly higher-grade intercepts reported at 250 g/t cut-off with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not* *represent true widths. W22-RC-024 is a twin of ASARCO rotary hole 77. *Troy ounces per US short ton.*

*Table 9: Gold assay results reported July 26, 2022, for the 2022 drill program at the Calico Project.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| W22-RC-011 | and | 86.5 | 88.0 | 1.5 | 0.122 |
| | and | 122.5 | 127.0 | 4.5 | 0.135 |
| | and | 140.5 | 145.0 | 4.5 | 0.611 |
| | *including* | *142.0* | *143.5* | *1.5* | *0.923* |
| | ***and*** | 152.5 | 160.0 | 7.5 | 0.203 |
| W22-RC-012 | | 94.0 | 121.0 | 27.0 | 0.354 |
| | *including* | *100.0* | *104.5* | *4.5* | *1.301* |
| | *and including* | *101.5* | *103.0* | *1.5* | *1.960* |
| W22-RC-015 | | 71.5 | 73.0 | 1.5 | 0.311 |
| | and | 85.0 | 88.0 | 3.0 | 0.762 |
| | *including* | *86.5* | *88.0* | *1.5* | *1.105* |
| W22-RC-013 | | 124.0 | 125.5 | 1.5 | 0.142 |
| | and | 134.5 | 154.0 | 19.5 | 0.417 |
| | *including* | *139.0* | *146.5* | *7.5* | *0.786* |
| | *and including* | *142.0* | *143.5* | *1.5* | *1.230* |
| W22-RC-020 | | 100.0 | 101.5 | 1.5 | 0.100 |
| | and | 130.0 | 133.0 | 3.0 | 0.131 |
| W22-RC-021 | | 113.5 | 119.5 | 6.0 | 0.214 |
| | and | 131.5 | 134.5 | 3.0 | 0.161 |
| W22-RC-022 | | 79.0 | 106.0 | 27.0 | 0.219 |
| | *including* | *103.0* | *104.5* | *1.5* | *0.512* |
| W22-RC-023 | | 49.0 | 59.5 | 10.5 | 0.313 |
| | *including* | *55.0* | *56.5* | *1.5* | *0.944* |
| | and | 68.5 | 70.0 | 1.5 | 0.136 |
| W22-RC-024 | | 97.0 | 98.5 | 1.5 | 0.287 |
| | and | 107.5 | 109.0 | 1.5 | 0.190 |

*Gold intercepts calculated using 0.1 g/t gold cut-off grade with higher-grade intercepts calculated at 0.5 g/t gold. Intercepts are down hole lengths and may not represent true widths. W22-RC-024 is a twin of ASARCO rotary hole 77.*

On August 23, 2022, the Company reported further assay results from the Phase 1 drill program at Calico. Infill drilling at the Waterloo deposit continued to show silver results consistent with the 2022 MRE block model and expand the gold mineralized horizon. Additionally, notable silver mineralization has been intercepted beneath the MRE, whose maximum depth is 125 m below surface. Drill hole W22-RC-033 reported silver grades above the MRE COG of 50 g/t to at least 180 m depth down hole and indicates possible stacking of silver mineralized horizons in the Barstow sediments. Results were reported from 12 RC drill holes completed between mid-May and the end of June 2022 and show that 11 of 12 holes intersected silver mineralization at or above the mineral resource silver COG of 50 g/t, with two holes intercepting silver over 500 g/t (see Table 10). Gold assay results continued to expand the gold mineralized horizon at the contact between the Barstow sediments and Pickhandle volcaniclastics beneath the MRE (see Table 11).

*Table 10: Silver assay results reported August 23, 2022, for the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Ag (g/t) | Ag (opt*) |
|---|---|---|---|---|---|---|
| **W22-RC-014** | | **1.0** | **104.5** | **103.5** | **139** | ***4.1*** |
| | *including* | *34.0* | *35.5* | *1.5* | *306* | *8.9* |
| | *including* | *43.0* | *46.0* | *3.0* | *402* | *11.7* |
| | *including* | *79.0* | *80.5* | *1.5* | *662* | *19.3* |
| **W22-RC-016** | | **2.5** | **10.0** | **7.5** | **58** | **1.7** |
| | **and** | **16.0** | **38.5** | **22.5** | **69** | **2.0** |
| | *including* | *31.0* | *32.5* | *1.5* | *259* | *7.6* |
| **W22-RC-017** | | **7.0** | **8.5** | **1.5** | **60** | **1.8** |
| | **and** | **17.5** | **20.5** | **3.0** | **53** | **1.5** |
| | **and** | **25.0** | **28.0** | **3.0** | **65** | **1.9** |
| | **and** | **50.5** | **59.5** | **9.0** | **82** | **2.4** |
| **W22-RC-018** | | **4.0** | **70.0** | **66.0** | **133** | **3.9** |
| | *including* | *10.0* | *11.5* | *1.5* | *280* | *8.2* |
| | *including* | *23.5* | *25.0* | *1.5* | *273* | *8.0* |
| | *including* | *37.0* | *38.5* | *1.5* | *273* | *8.0* |
| | **and** | **77.5** | **89.5** | **12.0** | **85** | **2.5** |
| | **and** | **100.0** | **101.5** | **1.5** | **54** | **1.6** |
| | **and** | **104.5** | **106.0** | **1.5** | **51** | **1.5** |
| **W22-RC-019** | | **2.5** | **107.5** | **105.0** | **104** | **3.0** |
| **W22-RC-025** | | **1.0** | **92.5** | **91.5** | **135** | **3.9** |
| | *including* | *37.0* | *58.0* | *21.0* | *309* | *9.0* |
| | *and including* | *40.0* | *41.5* | *1.5* | *470* | *13.7* |
| | *and including* | *55.0* | *56.5* | *1.5* | *908* | *26.5* |
| **W22-RC-026** | | **0.0** | **2.5** | **2.5** | **87** | **2.5** |
| | **and** | **23.5** | **28.0** | **4.5** | **57** | **1.7** |
| | **and** | **32.5** | **34.0** | **1.5** | **75** | **2.2** |
| **W22-RC-027** | | **4.0** | **31.0** | **27.0** | **62** | **1.8** |
| **W22-RC-032** | | **13.0** | **31.0** | **18.0** | **124** | **3.6** |
| **W22-RC-033** | | **0.0** | **11.5** | **11.5** | **97** | **2.8** |
| | **and** | **22.0** | **49.0** | **27.0** | **79** | **2.3** |
| | **and** | **101.5** | **103.0** | **1.5** | **52** | **1.5** |
| | **and** | **134.5** | **146.5** | **12.0** | **66** | **1.9** |
| | **and** | **154.0** | **179.5** | **25.5** | **95** | **2.8** |
| **W22-RC-034** | | **0.0** | **1.0** | **1.0** | **56** | **1.6** |
| **W22-RC-035** | *No significant intercepts* | | | | | |

*Silver intercepts calculated using 50 g/t cut-off grade with significantly higher-grade intercepts reported at 250 g/t cut-off grade with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not represent true widths. W22-RC-019 is a twin of ASARCO rotary hole 44. *Troy ounces per US short ton.*

*Table 11: Gold assay results reported August 23, 2022, for the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| **W22-RC-014** | | **145.0** | **151.0** | **6.0** | **0.492** |
| | *including* | *148.0* | *149.5* | *1.5* | *0.949* |
| **W22-RC-016** | *No significant intercepts* | | | | |
| **W22-RC-017** | *No significant intercepts* | | | | |
| **W22-RC-018** | | **83.5** | **85.0** | **1.5** | **0.114** |
| | **and** | **107.5** | **115.0** | **7.5** | **0.290** |
| | *including* | *113.5* | *115.0* | *1.5* | *0.643* |
| **W22-RC-019** | | **95.5** | **97.0** | **1.5** | **0.162** |
| | **and** | **134.5** | **145.0** | **10.5** | **0.474** |
| | *including* | *137.5* | *140.5* | *3.0* | *0.871* |
| **W22-RC-025** | | **128.5** | **130.0** | **1.5** | **0.634** |
| **W22-RC-026** | *No significant intercepts* | | | | |
| **W22-RC-027** | *No significant intercepts* | | | | |
| **W22-RC-032** | | **104.5** | **107.5** | **3.0** | **0.372** |
| | *including* | *106.0* | *107.5* | *1.5* | *0.533* |
| | **and** | **115.0** | **116.5** | **1.5** | **0.117** |
| **W22-RC-033** | *Not analyzed for gold.* | | | | |
| **W22-RC-034** | *No significant intercepts* | | | | |
| **W22-RC-035** | | **67.0** | **70.0** | **3.0** | **0.272** |
| | **and** | **77.5** | **80.5** | **3.0** | **0.131** |

*Gold intercepts calculated using 0.1 g/t cut-off grade with higher-grade intercepts calculated at 0.5 g/t cut-off grade. Intercepts are down hole lengths and may not represent true widths. W22-RC-019 is a twin of ASARCO rotary hole 44.*

On September 14, 2022, the Company reported assay results from a surficial rock grab sampling program and remaining assays from the Phase 1 drill program at Calico. A surficial rock grab sampling program was completed in the Burcham area, 225 m south of the Waterloo resource area. Of 46 samples collected, 34 returned assays with 0.1 g/t or more gold, showing that this region represents a significant gold-mineralized prospect. The surface program was designed to follow up on historic work completed in this area between approximately 1940 and 1989, showing gold mineralization across a broad area. Notable new surface rock samples reported include 6.280 g/t Au, 2.470 g/t Au, 2.410 g/t Au, and 2.240 g/t Au from subvertical, northwest oriented structures. See Table 12 for surface sample results. The new rock sample results follow up on and confirm that work and show that discrete sub-vertical structures host gold with concentrations varying from 1 to over 6 g/t Au in bleached and brecciated fault gouge in Barstow formation siltstones. The broader rock package across the sampled region (down to ~ 45 m depth) is mineralized with at least 0.1 g/t Au, hosted in variably silicified (cherty), bleached bedding horizons in the Barstow formation siltstones and sandstones. Assay results from this program, combined with drilling results reported to that date confirm that gold mineralization is present over an extensive area at Waterloo (900 m x 400 m) over a variably thick horizon (approximately 5 m to 45 m true thickness). In addition to these surface samples, results from nine RC drill holes show that seven of nine holes intersected gold at the Barstow-Pickhandle contact (see Table 13). These drilling results showed that gold mineralization is spatially continuous between the Waterloo MRE and Burcham areas. Drilling silver assay results are shown in Table 14.

*Table 12: Surface rock grab sample assay results for samples above 0.5 g/t Au reported September 14, 2022, for the Calico Project.*

| Sample ID | Easting (m) | Northing (m) | Elevation (m) | Au (g/t) | Ag (g/t) |
|---|---|---|---|---|---|
| **E569062** | 511279 | 3867390 | 701 | 1.555 | 18 |
| **P715865** | 511316 | 3867460 | 717 | 2.470 | 27 |
| **P715873** | 511296 | 3867501 | 744 | 6.280 | 13 |
| **P715879** | 511290 | 3867536 | 753 | 0.572 | 13 |
| **P715881** | 511260 | 3867499 | 740 | 1.340 | 8 |
| **P715908** | 511436 | 3867429 | 737 | 2.240 | 39 |
| **P715910** | 511419 | 3867435 | 742 | 0.507 | 11 |
| **P715911** | 511422 | 3867437 | 743 | 2.410 | 65 |

*The reader is cautioned that grab samples are selective by nature and do not necessarily represent the true metal content of the mineralized zones. Complete rock sampling results are available on the Company's website.*

*Table 13: Gold assay results reported September 14, 2022, for the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| **W22-RC-029** | *No significant intercepts* | | | | |
| **W22-RC-030** | | **131.5** | **158.5** | **27.0** | **0.225** |
| | *including* | *133.0* | *134.5* | *1.5* | *0.850* |
| **W22-RC-031** | | **85.0** | **88.0** | **3.0** | **0.220** |
| **W22-RC-036** | | **82.0** | **88.0** | **6.0** | **0.315** |
| | *including* | *82.0* | *83.5* | *1.5* | *0.524* |
| **W22-RC-037** | | **71.5** | **88.0** | **16.5** | **0.376** |
| | *including* | *76.0* | *83.5* | *7.5* | *0.672* |
| | *and including* | *82.0* | *83.5* | *1.5* | *1.200* |
| | **and** | **95.5** | **98.5** | **3.0** | **0.201** |
| **W22-RC-038** | | **14.5** | **19.0** | **4.5** | **0.142** |
| | **and** | **25.0** | **28.0** | **3.0** | **0.240** |
| **W22-RC-039** | | **53.5** | **55.0** | **1.5** | **0.142** |
| | **and** | **85.0** | **86.5** | **1.5** | **0.235** |
| | **and** | **100.0** | **101.5** | **1.5** | **0.104** |
| **W22-RC-040** | *No significant intercepts* | | | | |
| **W22-RC-041** | | **74.5** | **76.0** | **1.5** | **0.112** |
| | **and** | **100.0** | **115.0** | **15.0** | **0.157** |

*Gold intercepts calculated using 0.1 g/t cut-off grade with higher-grade intercepts calculated at 0.5 g/t cut-off grade with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not represent true widths.*

*Table 14: Silver assay results reported September 14, 2022, for the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Ag (g/t) | Ag (opt*) |
|---|---|---|---|---|---|---|
| **W22-RC-029** | | **1.0** | **95.5** | **94.5** | **151** | ***4.4*** |
| | *including* | *5.5* | *7.0* | *1.5* | *289* | *8.4* |
| | *including* | *61.0* | *67.0* | *6.0* | *257* | *7.5* |

| | | | | | | |
|---|---|---|---|---|---|---|
| | *including* | *86.5* | *88.0* | *1.5* | *734* | *21.4* |
| **W22-RC-030** | | **0.0** | **40.0** | **40.0** | **92** | ***2.7*** |
| | **and** | **50.5** | **56.5** | **6.0** | **53** | ***1.6*** |
| **W22-RC-031** | | **0.0** | **26.5** | **26.5** | **123** | ***3.6*** |
| | **and** | **85.0** | **86.5** | **1.5** | **59** | ***1.7*** |
| **W22-RC-036** | *No significant intercepts* | | | | | |
| **W22-RC-037** | *No significant intercepts* | | | | | |
| **W22-RC-038** | *No significant intercepts* | | | | | |
| **W22-RC-039** | *No significant intercepts* | | | | | |
| **W22-RC-040** | *No significant intercepts* | | | | | |
| **W22-RC-041** | *No significant intercepts* | | | | | |

*Silver intercepts calculated using 50 g/t cut-off grade with significantly higher-grade intercepts reported at 250 g/t cut-off grade with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not represent true widths. *Troy ounces per US short ton.*

Phase 2 of the 2022 drill program at Calico commenced on September 19, 2022, at the Waterloo Property and was completed on November 12, 2022. Phase 2 comprised a proposed 4,300 m in 39 RC drill holes that were completed by Cooper Drilling LLC, of Monte Vista, Colorado.

On December 1, 2022, the Company reported its first assay results from Phase 2 drilling of the 2022 Calico Drill Program at the Waterloo Property. Assay results continue to confirm the near-surface silver mineralization within the current MRE block model is continuous and predictable. Additionally, silver continues to be identified at depths below the base of the MRE potentially expanding the resource.

Results were reported for six RC drill holes totaling 828.0 metres ("m"), completed between September 21, 2022, and October 23, 2022. All six holes intersected silver mineralization above the MRE COG of 50 g/t silver. These holes were designed to complete further infill drilling in the southern half of the Waterloo deposit to confirm silver grade trends identified in the MRE block model and to test possible extensions of silver mineralization at depth below the base of the MRE in the northern half of the deposit. In addition, hole W22-RC-044 was selected for gold analysis as it specifically targeted the modeled gold mineralized horizon occurring at the Barstow sediments-Pickhandle volcanics contact beneath the current MRE (gold is not included in the current MRE announced February 9, 2022). This hole intercepted 39.0 m of 0.790 g/t Au from 109.0 m downhole, representing a modeled true thickness of 15.0 m (see Figure 2). Drilling continues to better define and expand the gold mineralization at Waterloo and the pending MRE update will seek to add gold to the mineralized resource.

*Table 15: Silver assay results reported December 1, 2022, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Ag (g/t) | Ag (opt*) |
|---|---|---|---|---|---|---|
| **W22-RC-043** | | 0.0 | 1.0 | 1.0 | 117 | 3.4 |
| | **and** | **7.0** | **136.0** | **129.0** | **133** | **3.9** |
| | *including* | *49.0* | *50.5* | *1.5* | *267* | *7.8* |
| | *including* | *67.0* | *73.0* | *6.0* | *288* | *8.4* |
| | *including* | *91.0* | *94.0* | *3.0* | *287* | *8.4* |
| | *including* | *98.5* | *100.0* | *1.5* | *251* | *7.3* |
| | *including* | *103.0* | *109.0* | *6.0* | *280* | *8.2* |
| **W22-RC-044** | | 1.0 | 8.5 | 7.5 | 50 | 1.4 |
| | and | 26.5 | 28.0 | 1.5 | 88 | 2.6 |
| | **and** | **38.5** | **91.0** | **52.5** | **93** | **2.7** |
| | *including* | *62.5* | *64.0* | *1.5* | *257* | *7.5* |
| | and | 110.5 | 113.5 | 3.0 | 64 | 1.9 |
| | and | 125.5 | 127.0 | 1.5 | 69 | 2.0 |
| | and | 137.5 | 139.0 | 1.5 | 73 | 2.1 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **W22-RC-058** | | **0.0** | **143.5** | **143.5** | **72** | **2.1** |
| **W22-RC-059** | | **1.0** | **80.5** | **79.5** | **119** | **3.5** |
| | *including* | *32.5* | *34.0* | *1.5* | *284* | *8.3* |
| | *including* | *43.0* | *44.5* | *1.5* | *252* | *7.4* |
| | and | 88.0 | 124.0 | 36.0 | 73 | 2.1 |
| | and | 191.5 | 194.5 | 3.0 | 321 | 9.4 |
| | *including* | 191.5 | 193.0 | 1.5 | 520 | 15.2 |
| **W22-RC-060** | | 1.0 | 2.5 | 1.5 | 53 | 1.5 |
| | **and** | **13.0** | **25.0** | **12.0** | **71** | **2.1** |
| **W22-RC-061** | | **0.0** | **47.5** | **47.5** | **113** | **3.3** |
| | *including* | 34.0 | 35.5 | 1.5 | 302 | 8.8 |
| | **and** | 55.0 | 56.5 | 1.5 | 54 | 1.6 |

*Silver intercepts calculated using 50 g/t cut-off grade ("COG") with significantly higher-grade intercepts reported at 250 g/t COG with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not represent true widths. *Troy ounces per US short ton.*

*Table 16: Gold assay results reported December 1, 2022, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| **W22-RC-043** | *Not assayed for Au* | | | | |
| **W22-RC-044** | | **109.0** | **148.0** | **39.0** | **0.790** |
| | *including* | *112.0* | *131.5* | *19.5* | *1.080* |
| | ***and including*** | ***115.0*** | ***119.5*** | ***4.5*** | ***2.551*** |
| | *and including* | *125.5* | *127.0* | *1.5* | *1.645* |
| | *and including* | *130.0* | *131.5* | *1.5* | *1.125* |
| | ***including*** | ***137.5*** | ***145.0*** | ***7.5*** | ***0.825*** |
| | *and including* | *143.5* | *145.0* | *1.5* | *1.910* |
| **W22-RC-058** | *Not assayed for Au* | | | | |
| **W22-RC-059** | *Not assayed for Au* | | | | |
| **W22-RC-060** | *Not assayed for Au* | | | | |
| **W22-RC-061** | *Not assayed for Au* | | | | |

*Gold intercepts calculated using 0.1 g/t cut-off grade ("COG") with higher-grade intercepts calculated at 0.5 g/t COG. Intercepts are down hole lengths and may not represent true widths.*

On January 9, 2023, the Company reported further assay results from Phase 2 drilling of the 2022 Calico Drill Program at the Waterloo Property. Silver assay results continue to support the robust nature of the current MRE block model at Waterloo and continue to show continuous and predictable near-surface silver grades. Additionally, silver continues to be identified at depths below the base of the MRE, potentially expanding the resource.

Results were reported for 10 RC drill holes totaling 1,243.0 m completed between September 30, 2022, and October 24, 2022. These are the second set of assays received from Phase 2 of the drill program, in which 44 holes (4,822.0 m) were completed between September 19, 2022, and November 12, 2022. All 10 holes intersected silver mineralization above the MRE COG of 50 g/t silver. These holes were designed to complete further infill drilling in the middle to southern portion of the Waterloo deposit to support upgrading the current MRE to a higher confidence level, and to test for additional mineralization at depth below the MRE. Six holes were selected for gold analysis as they targeted the gold-mineralized horizon at the Barstow-Pickhandle lithologic contact beneath the silver MRE. This horizon is currently modeled as being approximately 900 m x 400 m and from 5 m to 45 m thick. All six holes returned gold mineralized intervals above 0.100 g/t Au within this modeled horizon.

*Table 17: Silver assay results reported January 9, 2023, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Ag (g/t) | Ag (opt*) |
|---|---|---|---|---|---|---|
| **W22-RC-045** | | **0.0** | **109.0** | **109.0** | **109** | **3.2** |
| | *including* | *25.0* | *26.5* | *1.5* | *267* | *7.8* |
| | *including* | *29.5* | *31.0* | *1.5* | *456* | *13.3* |
| | *including* | *55.0* | *56.5* | *1.5* | *307* | *9.0* |
| | **and** | **134.5** | **136.0** | **1.5** | **55** | **1.6** |
| | **and** | **140.5** | **142.0** | **1.5** | **89** | **2.6** |
| **W22-RC-048** | | **0.0** | **1.0** | **1.0** | **53** | **1.6** |
| | **and** | **11.5** | **56.5** | **45.0** | **106** | **3.1** |
| **W22-RC-049** | | **0.0** | **97.0** | **97.0** | **80** | **2.3** |
| **W22-RC-050** | | **0.0** | **10.0** | **10.0** | **92** | **2.7** |
| | **and** | **17.5** | **28.0** | **10.5** | **70** | **2.0** |
| | **and** | **37.0** | **38.5** | **1.5** | **63** | **1.8** |
| | **and** | **88.0** | **92.5** | **4.5** | **123** | **3.6** |
| | **and** | **101.5** | **104.5** | **3.0** | **99** | **2.9** |
| **W22-RC-052** | | **0.0** | **5.5** | **5.5** | **85** | **2.5** |
| | **and** | **31.0** | **43.0** | **12.0** | **87** | **2.5** |
| | **and** | **50.5** | **52.0** | **1.5** | **58** | **1.7** |
| | **and** | **74.5** | **76.0** | **1.5** | **52** | **1.5** |
| **W22-RC-053** | | **0.0** | **26.5** | **26.5** | **79** | **2.3** |
| | **and** | **32.5** | **35.5** | **3.0** | **75** | **2.2** |
| | **and** | **43.0** | **44.5** | **1.5** | **62** | **1.8** |
| | **and** | **61.0** | **65.5** | **4.5** | **64** | **1.9** |
| **W22-RC-054** | | **0.0** | **29.5** | **29.5** | **123** | **3.6** |
| | *including* | *0.0* | *1.0* | *1.0* | *268* | *7.8* |
| **W22-RC-056** | | **1.0** | **65.5** | **64.5** | **169** | **4.9** |
| | *including* | *13.0* | *19.0* | *6.0* | *260* | *7.6* |
| | *including* | *26.5* | *41.5* | *15.0* | *261* | *7.6* |
| **W22-RC-057** | | **10.0** | **14.5** | **4.5** | **66** | **1.9** |
| | **and** | **35.5** | **37.0** | **1.5** | **61** | **1.8** |
| **W22-RC-062** | | **0.0** | **67.0** | **67.0** | **101** | **3.0** |
| | *including* | *0.0* | *4.0* | *4.0* | *268* | *7.8* |
| | **and** | **103.0** | **106.0** | **3.0** | **61** | **1.8** |
| | **and** | **110.5** | **112.0** | **1.5** | **54** | **1.6** |
| | **and** | **118.0** | **140.5** | **22.5** | **57** | **1.7** |
| | **and** | **149.5** | **169.0** | **19.5** | **81** | **2.4** |

*Silver intercepts calculated using 50 g/t cut-off grade ("COG") with significantly higher-grade intercepts reported at 250 g/t COG with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not represent true widths. *Troy ounces per US short ton.*

*Table 18: Gold assay results reported January 9, 2023, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| W22-RC-045 | | **134.5** | **154.0** | **19.5** | **0.262** |
| | *including* | *140.5* | *143.5* | *3.0* | *0.921* |
| | *and including* | *140.5* | *142.0* | *1.5* | *1.220* |
| | **and** | **163.0** | **166.0** | **3.0** | **0.156** |
| W22-RC-048 | | **155.5** | **157.0** | **1.5** | **0.258** |
| W22-RC-049 | | **134.5** | **155.5** | **21.0** | **0.160** |
| | **and** | **172.0** | **175.0** | **3.0** | **0.131** |
| W22-RC-050 | | **86.5** | **104.5** | **18.0** | **0.327** |
| | *including* | *95.5* | *97.0* | *1.5* | *0.806* |
| | *including* | *101.5* | *103.0* | *1.5* | *0.774* |
| W22-RC-052 | | **82.0** | **83.5** | **1.5** | **0.156** |
| W22-RC-053 | Not assayed for gold | | | | |
| W22-RC-054 | Not assayed for gold | | | | |
| W22-RC-056 | | **80.5** | **82.0** | **1.5** | **0.165** |
| W22-RC-057 | Not assayed for gold | | | | |
| W22-RC-062 | Not assayed for gold | | | | |

*Gold intercepts calculated using 0.1 g/t cut-off grade ("COG") with higher-grade intercepts calculated at 0.5 g/t COG.*
*Intercepts are down hole lengths and may not represent true widths.*

On January 18, 2023, the Company reported additional assay results from Phase 2 drilling of the 2022 Calico Drill Program at the Waterloo Property and reported the engagement of Stantec Consulting Services Inc. for further mineral resource estimation services.

Results were reported for 15 RC drill holes totaling 1,693.5 m (5,556 feet) completed between September 22, 2022, and November 1, 2022. These are the third set of assays reported for Phase 2 of the drill program, in which 44 holes totaling 4,822.0 m (15,820 feet) were completed between September 19, 2022, and November 12, 2022. Of the 15 holes reported, 14 intersected silver mineralization above the MRE COG of 50 g/t silver. Eight holes were for the purpose of mineral resource infill drilling, one hole was a twin of a historic drill hole and the remaining six were completed to better define structural boundaries or steeply dipping mineralized structures. Six of the 15 holes reported were selected for gold analysis as they targeted the modeled gold-mineralized horizon at the Barstow-Pickhandle lithologic contact, occurring between 10 m and 30 m beneath the base of the silver MRE. As previously reported, the modeled gold-mineralized horizon is estimated to be approximately 900 m by 400 m in size, and from 5 to 45 m in thickness.

*Table 19: Silver assay results reported January 18, 2023, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Ag (g/t) | Ag (opt*) |
|---|---|---|---|---|---|---|
| W22-RC-042 | | **0.0** | **140.5** | **140.5** | **189** | **5.5** |
| | including | 47.5 | 55.0 | 7.5 | 305 | 8.9 |
| | *and including* | *47.5* | *49.0* | *1.5* | *400* | *11.7* |
| | including | 82.0 | 106.0 | 24.0 | 416 | 12.1 |
| | *and including* | *82.0* | *86.5* | *4.5* | *528* | *15.4* |
| | *and including* | *92.5* | *98.5* | *6.0* | *658* | *19.2* |
| | ***which includes*** | ***92.5*** | ***94.0*** | ***1.5*** | ***1,610*** | ***47.0*** |
| | *and including* | *104.5* | *106.0* | *1.5* | *489* | *14.3* |
| | including | 112.0 | 113.5 | 1.5 | 277 | 8.1 |
| | including | 125.5 | 127.0 | 1.5 | 306 | 8.9 |
| W22-RC-046 | | **1.0** | **59.5** | **58.5** | **129** | **3.7** |
| | including | 19.0 | 25.0 | 6.0 | 367 | 10.7 |
| | *and including* | *20.5* | *22.0* | *1.5* | *421* | *12.3* |
| | *and including* | *23.5* | *25.0* | *1.5* | *597* | *17.4* |

| | | | | | | |
|---|---|---|---|---|---|---|
| | and | 68.5 | 71.5 | 3.0 | 66 | 1.9 |
| W22-RC-047 | | 0.0 | 112.0 | 112.0 | 138 | 4.0 |
| | including | 41.5 | 43.0 | 1.5 | 340 | 9.9 |
| | including | 61.0 | 64.0 | 3.0 | 355 | 10.3 |
| | *and including* | *61.0* | *62.5* | *1.5* | *458* | *13.4* |
| | including | 80.5 | 85.0 | 4.5 | 539 | 15.7 |
| | ***and including*** | ***82.0*** | ***83.5*** | ***1.5*** | ***1,095*** | ***31.9*** |
| | including | 104.5 | 106.0 | 1.5 | 256 | 7.5 |
| | and | 127.0 | 137.5 | 10.5 | 61 | 1.8 |
| W22-RC-051 | | 0.0 | 35.5 | 35.5 | 97 | 2.8 |
| | and | 55.0 | 56.5 | 1.5 | 50 | 1.5 |
| W22-RC-055 | | 1.0 | 2.5 | 1.5 | 51 | 1.5 |
| | and | 8.5 | 52.0 | 43.5 | 113 | 3.3 |
| | including | 46.0 | 47.5 | 1.5 | 382 | 11.1 |
| W22-RC-063 | | 23.5 | 25.0 | 1.5 | 65 | 1.9 |
| W22-RC-064 | | 8.5 | 13.0 | 4.5 | 150 | 4.4 |
| | and | 43.0 | 44.5 | 1.5 | 63 | 1.8 |
| | and | 49.0 | 50.5 | 1.5 | 55 | 1.6 |
| | and | 52.0 | 53.5 | 1.5 | 51 | 1.5 |
| W22-RC-065 | | 32.5 | 34.0 | 1.5 | 51 | 1.5 |
| | and | 49.0 | 52.0 | 3.0 | 96 | 2.8 |
| | and | 76.0 | 83.5 | 7.5 | 118 | 3.4 |
| W22-RC-066 | | 0.0 | 55.0 | 55.0 | 92 | 2.7 |
| | including | 10.0 | 11.5 | 1.5 | 382 | 11.1 |
| | and | 61.0 | 65.5 | 4.5 | 60 | 1.8 |
| | and | 79.0 | 115.0 | 36.0 | 85 | 2.5 |
| W22-RC-067 | *No significant intersection* | | | | | |
| W22-RC-068 | | 5.5 | 62.5 | 57.0 | 138 | 4.0 |
| | including | 37.0 | 38.5 | 1.5 | 270 | 7.9 |
| | and | 68.5 | 82.0 | 13.5 | 80 | 2.3 |
| W22-RC-070 | | 2.5 | 65.5 | 63.0 | 115 | 3.4 |
| | and | 82.0 | 83.5 | 1.5 | 87 | 2.5 |
| W22-RC-071 | | 0.0 | 74.5 | 74.5 | 141 | 4.1 |
| | including | 16.0 | 17.5 | 1.5 | 311 | 9.1 |
| W22-RC-072 | | 0.0 | 43.0 | 43.0 | 76 | 2.2 |
| W22-RC-073 | | 0.0 | 8.5 | 8.5 | 83 | 2.4 |
| | and | 14.5 | 41.5 | 27.0 | 77 | 2.2 |

*Silver intercepts calculated using 50 g/t cut-off grade ("COG") with significantly higher-grade intercepts reported at 250 g/t COG with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not represent true widths. Hole W22-RC-070 is a twin of historic drill hole W-0020. *Troy ounces per US short ton.*

*Table 20: Gold assay results reported January 18, 2023, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| W22-RC-046 | | 113.5 | 116.5 | 3.0 | 0.139 |
| W22-RC-051 | | 52.0 | 53.5 | 1.5 | 0.116 |
| W22-RC-055 | *No significant intersection* | | | | |
| W22-RC-066 | *No significant intersection* | | | | |
| W22-RC-067 | *No significant intersection* | | | | |
| W22-RC-072 | | 112.0 | 119.5 | 7.5 | 0.172 |

*Gold intercepts calculated using 0.100 g/t cut-off grade ("COG") with higher-grade intercepts calculated at 0.500 g/t COG. Intercepts are down hole lengths and may not represent true widths.*

On February 1, 2023, the Company reported final silver intercepts from Phase 2 drilling of the 2022 Calico Drill Program at the Waterloo Property. Additionally, it reported it had received approval from the San Bernardino County Land Use Department for a one-year extension of its Temporary Use Permit for drilling activities. The permit is now valid until February 3, 2024 and will enable future planned drilling at Waterloo.

Apollo is now in possession of all silver assay results for drill holes that targeted the 2022 Waterloo mineral resource block model. Results for eight RC holes were reported, bringing the total number of holes released for Phase 2 silver resource definition drilling to 39 out of 44. The remaining five holes were drilled primarily for oxide gold definition and will be reported separately once received.

The eight drill holes reported total 574.0 m (1,883 feet) and were completed between October 29, 2022, and November 8, 2022. These are the fourth set of assays reported for Phase 2 of the drill program, in which a total of 44 holes totaling 4,822.0 m (15,820 feet) were completed between September 19, 2022, and November 12, 2022. Of the eight holes, one hole (W22-RC-074) was not sampled for assaying as this hole was abandoned after 3 m of drilling due to technical issues. This hole was re-drilled as W22-RC-074B: results for it and six other holes show silver intersections above the 2022 MRE 50 g/t Ag COG. Outstanding results are for five drill holes completed in the Burcham area, 135 m to the southwest of the 2022 Waterloo MRE, which were drilled primarily to define the oxide gold mineralization occurring in this region.

*Table 21: Silver assay results reported February 1, 2023, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Ag (g/t) | Ag (opt*) |
|---|---|---|---|---|---|---|
| **W22-RC-069** | | **5.5** | **29.5** | **24.0** | **90** | **2.6** |
| | **and** | **35.5** | **37.0** | **1.5** | **66** | **1.9** |
| **W22-RC-074B** | | **0.0** | **58.0** | **58.0** | **85** | **2.5** |
| **W22-RC-075** | | **0.0** | **61.0** | **61.0** | **197** | **5.8** |
| | including | *17.5* | *19.0* | *1.5* | *362* | *10.6* |
| | including | *26.5* | *29.5* | *3.0* | *330* | *9.6* |
| | including | *35.5* | *53.5* | *18.0* | *273* | *8.0* |
| | *and including* | *41.5* | *43.0* | *1.5* | *508* | *14.8* |
| **W22-RC-076** | | **1.0** | **85.0** | **84.0** | **79** | **2.3** |
| **W22-RC-077** | | **5.5** | **91.0** | **85.5** | **135** | **3.9** |
| | including | *28.0* | *32.5* | *4.5* | *417* | *12.2* |
| | including | *46.0* | *47.5* | *1.5* | *254* | *7.4* |
| | including | *49.0* | *52.0* | *3.0* | *298* | *8.7* |
| **W22-RC-078** | | **0.0** | **32.5** | **32.5** | **96** | **2.8** |
| | **and** | **44.5** | **76.0** | **31.5** | **84** | **2.5** |
| **W22-RC-079** | | **0.0** | **40.0** | **40.0** | **129** | **3.8** |
| | including | *5.5* | *7.0* | *1.5* | *275* | *8.0* |
| | including | *23.5* | *25.0* | *1.5* | *322* | *9.4* |

*Silver intercepts calculated using 50 g/t cut-off grade ("COG") with significantly higher-grade intercepts reported at a 250 g/t Ag COG with a maximum of 4.5 m internal dilution and are uncapped. Intercepts are down hole lengths and may not represent true widths. Hole W22-RC-078 is a twin of historic drill W-RC-S-12003. *Troy ounces per US short ton.*

*Table 22: Gold assay results reported February 1, 2023, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| **W22-RC-033** | | **101.5** | **103.0** | **1.5** | **0.115** |
| **W22-RC-050** | | **86.5** | **107.5** | **21.0** | **0.304** |
| | *including* | *95.5* | *97.0* | *1.5* | *0.806* |
| | *including* | *101.5* | *103.0* | *1.5* | *0.774* |
| | **and** | **115.0** | **116.5** | **1.5** | **0.235** |
| **W22-RC-073** | No significant intersection | | | | |
| **W22-RC-076** | No significant intersection | | | | |
| **W22-RC-077** | No significant intersection | | | | |

*Gold intercepts calculated using 0.100 g/t cut-off grade ("COG") with higher-grade intercepts calculated at 0.500 g/t COG. Intercepts are down hole lengths and may not represent true widths. Hole W22-RC-078 is a twin of historic drill W-RC-S-12003.*

On February 14, 2023, the Company reported gold assay results from the remaining five drillholes from Phase 2 of the 2022 Drill Program and new surface sampling results. All five holes intercepted gold above 0.100 g/t Au over significant thicknesses including 91.0 metres ("m") of 0.390 g/t Au from surface (estimated 88 m true thickness) (W22-RC-080). These drill holes were completed in the Burcham area of the Waterloo property, approximately 225 m southeast of the southern extent of the current Waterloo silver MRE. The holes specifically targeted shallow oxide gold mineralization hosted in the lower Barstow and Pickhandle formations. Definition of gold mineralization is further supported by 2022 surface rock grab sampling completed in the Burcham area, for which a total of 128 samples have now been reported. Sampling targeted historically and newly identified northwest and north-south oriented high-angle structures, structural intersections, surface mapped silicified rocks and bleached/brecciated fault gouge in the basal Barstow formation siltstones. Notable results reported from the latest samples include 211 g/t Au, 7.14 g/t Au, 6.31 g/t Au, and 4.97 g/t Au. Gold mineralization occurs stratigraphically below silver mineralization at Waterloo and extends continuously across more than 1,000 m strike length and up to 400 m width. The gold mineralized horizon remains open along strike. Drill hole gold assay results are shown in Table 20 and select surface sample results are shown in Table 24. Full results for surface samples are found at [www.apollosilver.com.](http://www.apollosilver.com)

*Table 23: Gold assay results reported February 14, 2023, for Phase 2 of the Calico Project 2022 Drill Program.*

| Hole | | From (m) | To (m) | Interval (m) | Au (g/t) |
|---|---|---|---|---|---|
| **W22-RC-080** | | **0.0** | **91.0** | **91.0** | **0.390** |
| | *including* | *8.5* | *10.0* | *1.5* | *1.715* |
| | *including* | *41.5* | *44.5* | *3.0* | *1.771* |
| | *including* | *79.0* | *82.0* | *3.0* | *1.373* |
| **W22-RC-081** | | **0.0** | **65.5** | **65.5** | **0.613** |
| | *including* | *4.0* | *5.5* | *1.5* | *3.62* |
| | *including* | *32.5* | *34.0* | *1.5* | *1.250* |
| | *including* | *37.0* | *41.5* | *1.5* | *1.094* |
| | *including* | *47.5* | *53.5* | *6.0* | *1.239* |
| | *including* | *58.0* | *59.5* | *1.5* | *1.100* |
| | **and** | **73.0** | **76.0** | **3.0** | **0.139** |
| **W22-RC-082** | | **0.0** | **52.0** | **52.0** | **0.353** |
| | *including* | *4.0* | *8.5* | *4.5* | *1.204* |
| | *including* | *34.0* | *35.5* | *1.5* | *2.05* |
| | **and** | **58.0** | **59.5** | **1.5** | **0.175** |
| | **and** | **79.0** | **85.0** | **6.0** | **0.265** |
| **W22-RC-083** | | **7.0** | **10.0** | **3.0** | **0.126** |
| | **and** | **25.0** | **28.0** | **3.0** | **0.143** |
| | **and** | **35.5** | **86.5** | **51.0** | **0.567** |
| | *including* | *58.0* | *68.5* | *10.5* | *1.637* |
| | **and** | **92.5** | **100.0** | **7.5** | **0.203** |
| **W22-RC-084** | | **0.0** | **1.0** | **1.0** | **0.102** |
| | **and** | **8.5** | **56.5** | **48.0** | **0.532** |
| | *including* | *37.0* | *40.0* | *3.0* | *1.265* |
| | *including* | *49.0* | *55.0* | *6.0* | *1.670* |
| | **and** | **82.0** | **88.0** | **6.0** | **0.122** |
| | **and** | **91.0** | **92.5** | **1.5** | **0.115** |

*Gold intercepts calculated using 0.100 g/t cut-off grade ("COG") with higher-grade intercepts calculated at 1.000 g/t COG. Intercepts are down hole lengths and may not represent true widths.*

*Table 24: Surface rock grab sample location and results for select samples above 1.000 g/t Au or above 100 g/t Ag as reported February 14, 2023 for the Calico Project.*

| Sample ID | Easting (m) | Northing (m) | Elevation (m) | Au (g/t) | Ag (g/t) |
|---|---|---|---|---|---|
| **P715944** | 511,301 | 3,867,484 | 734 | 211 | 49 |
| **P715953** | 511,524 | 3,867,419 | 735 | 7.14 | 26 |
| **P715943** | 511,283 | 3,867,477 | 731 | 6.31 | 39 |
| **P715941** | 511,309 | 3,867,466 | 722 | 4.97 | 92 |

| | | | | | |
|---|---|---|---|---|---|
| **P715929** | 511,325 | 3,867,460 | 716 | 3.94 | 76 |
| **P715928** | 511,338 | 3,867,467 | 719 | 2.67 | 16 |
| **P715932** | 511,318 | 3,867,473 | 723 | 2.60 | 16 |
| **P715937** | 511,312 | 3,867,471 | 724 | 2.41 | 23 |
| **P715948** | 511,272 | 3,867,547 | 741 | 1.885 | 15 |
| **P715938** | 511,311 | 3,867,470 | 723 | 1.535 | 19 |
| **P715962** | 510,123 | 3,868,507 | 815 | 0.007 | 849 |
| **P715897** | 510,691 | 3,867,875 | 771 | 0.006 | 529 |
| **P715961** | 511,120 | 3,867,638 | 773 | 0.418 | 339 |
| **P715960** | 511,120 | 3,867,638 | 773 | 0.221 | 253 |
| **P715916** | 510,879 | 3,867,620 | 748 | 0.009 | 221 |
| **P715917** | 510,879 | 3,867,620 | 748 | 0.012 | 215 |
| **P715900** | 510,927 | 3,867,599 | 753 | 0.012 | 134 |

*The reader is cautioned that grab samples are selective by nature and do not necessarily represent the true metal content of the mineralized zones. [Complete rock sampling results are available on the Company's website]()*

To assess gold recovery in a preliminary fashion, 66 samples from gold mineralized intercepts (0.100 g/t Au cutoff grade) from three 2022 RC drill holes were selected for cyanide solubility testing, all of which had been previously assayed using fire assay (see news releases dated June 29, 2022 and July 26, 2022). Results of this preliminary testing show a range of average recoveries of 75-95% which confirms that gold mineralization is oxide in nature and is amenable to recovery by traditional cyanide leaching methods (Table 25). Additional metallurgical test work to better define gold recoveries is being planned as part of the 2023 Phase 2 Metallurgical program.

*Table 25: Summary of preliminary gold cyanide solubility data for February 14, 2023 for the Calico Project.*

| Hole | From (m) | To (m) | Intercept (m) | Au (g/t) | AuCN* Recovery % (Average) |
|---|---|---|---|---|---|
| **W22-RC-008** | 107.5 | 160.0 | 52.5 | 0.235 | 75 |
| **W22-RC-013** | 134.5 | 154.0 | 19.5 | 0.417 | 81 |
| **W22-RC-022** | 79.0 | 106.0 | 27.0 | 0.219 | 95 |

*Gold recovery based on cyanide shakes ("AuCN") run on all samples within the reported interval with Au assays (via fire assay) at a 0.100 g/t Au. Recovery% is defined as the ratio of gold grade measured by A) a cyanide shake flask test and B) conventional fire assay. A/B*100 = Recovery %. This is an arithmetic average and not weighted. See news releases dated June 29, 2022 and July 26, 2022 for drill hole location and orientation information and gold intercept data.*

### *Sample Preparation and Quality Assurance/Quality Control – 2022 RC Drilling and Surface Sampling*

Drilling was undertaken by Cooper Drilling LLC, of Monte Vista, Colorado. RC chip samples were collected in 1.5 m lifts with 15 lb representative samples sent for analysis. Grab samples were collected in the field and a 2 kg representative sample was sent for analysis. Representative chip samples were also collected for logging purposes (lithology, alteration, mineralization), detailed photography and analysis by portable X-Ray Fluorescence. RC and rock grab samples are catalogued and securely stored in a warehouse facility in Barstow, California until they are ready for secure shipment to ALS Global-Geochemistry in Reno, Nevada ("ALS Reno") for sample preparation and gold analysis. ALS Reno may selectively ship samples to other laboratories, such as ALS Global-Geochemistry in Carson City, Nevada ("ALS Carson City") for preparation. After preparation, splits of prepared pulps are securely shipped to ALS Vancouver, British Columbia for multi-element analysis.

Samples were prepared at either ALS Reno, ALS Carson City or ALS Chemex de México, S.A. de C.V., branch Quaratero, Mexico (Prep-31 package) with each sample crushed to better than 70% passing a 2 mm (Tyler 9 mesh, U.S. Std. No.10) screen. A split of up to 250 g is taken and pulverized to better than 85% passing a 75-micron (Tyler 200 mesh, U.S. Std. No. 200) screen. All RC samples were analyzed for 48 elements via ICP-MS following a four-acid digestion with reportable ranges for silver of 0.01 to 100 ppm (method ME-MS61). Over-range samples analyzed for silver were re-submitted for analysis using a four-acid digestion and ICP-AES finish with a silver range of 1-1,500 ppm (method Ag-OG62). When results were over 400 ppm silver, they were re-submitted for analysis by fire assay with a gravimetric finish using a 30 g nominal sample weight with reportable silver range of 5-10,000 ppm (method Ag-GRA21). Over-range samples analyzed for copper, lead and zinc were re-submitted for analysis using a four-acid digestion and ICP-AES finish (method OG62) with range of 0.001-50% for copper, 0.001-20% for lead, and 0.001-30% for zinc. Gold was analyzed by fire assay with atomic absorption finish (method Au-AA26) with a reportable range of 0.01-100 ppm Au. Of the 46 surface rock grab samples collected, 36 were analyzed by method ME-MS-61 only, with the remaining 10 analyzed using complete characterization via the CCP-PK05 method which includes whole rock analysis (ME-ICP06), ME-MS61, single element trace method using aqua regia digestion and ICP-MS (ME-MS42) and rare earth elements using method ME-ME81 which consist of lithium borate fusion followed by ICP-MS. All surface rock samples were submitted for gold analysis by fire assay (Au-AA26). All analyses were completed at ALS Vancouver except for gold by fire assay, which was completed at ALS Reno. For cyanide solubility testing, pulps representing individual drill samples from within gold intercepts (at a 0.100 g/t Au cut-off grade) for which fire assay gold results were previously reported were analyzed. Pulps were submitted to ALS Reno and analyzed using method Au-AA13 (reported range of 0.03 to 50 ppm) which measures Au by cyanide leach with follow up gold analysis via AAS.

The Company maintains its own comprehensive QA/QC program to ensure best practices in sample preparation and analysis for samples. The QA/QC program includes the insertion and analysis of certified reference materials, commercial pulp blanks, preparation blanks, and field duplicates to the laboratories. Apollo's QA/QC program includes ongoing auditing of all laboratory results from the laboratories. The Company's Qualified Person is of the opinion that the sample preparation, analytical, and security procedures followed are sufficient and reliable. The Company is not aware of any drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data reported herein.

*Groundwater Assessment*

On October 17, 2022, Apollo announced that it had commenced initial groundwater assessment work, which is designed to assess groundwater quality, depth, and well pumping capacity. The program is utilizing existing wells and includes the addition of a new monitoring well on the Waterloo Property, which was permitted by the County of San Bernardino.

In the late 1970s, a previous operator of the Waterloo Property (ASARCO) completed both a groundwater monitoring well and a pumping well on unpatented mill site claims. Apollo has determined that these wells are accessible and has commenced test work. ASARCO also completed a monitoring well on the Waterloo Property near the historic Burcham mine, approximately 800 m to the south of the Waterloo resource area. Apollo has determined that this monitoring well is sealed off and inaccessible and instead completed a new monitoring well in this same area to test groundwater near the Waterloo resource. At the Langtry Property, one groundwater monitoring well exists, and Apollo is working to determine if it is accessible and can be used for testing. The groundwater test work and drilling of the new monitoring well was executed by Desert Empire Drilling of Barstow, California.

**The Arizona Silver District Project, Arizona, USA**

The AZ Silver District Project is a district-scale property position located in the heart of the historic Silver Mining District in La Paz County, southwestern Arizona. The AZ Silver District Project comprises three patented claims, 85 unpatented lode mining claims, 23 unpatented mill and a state exploration lease, totaling over 2,000 acres. The mineral title and lease cover three major epithermal vein structures (West, Central, East), having a collective strike length of 13 kilometres (8 miles). Drilling by previous operators totalled 19,162 metres (465 holes) across the land package, but depths did not extend below approximately 45 metres. The AZ Silver Project represents an under-explored area in a prolific mining district with further discovery potential. Silver mineralization was discovered in the area in 1862 with reported historic mining production of approximately 1.5 million ounces of silver and 2.3 million pounds of lead. Production occurred primarily between 1883 and 1893 from underground operations at the Red Cloud and Clip mines. A resurgence of mining activity in the area from 1915 to 1924 deepened old workings, but a depressed silver price then resulted in termination of mining. Workings in the area reportedly reached the water table where sulfide mineralization dominated (galena and sphalerite).

More modern exploration work was completed on the property by Yuma Metals between 1950-1982, which included further underground development, and by New Jersey Zinc Co. ("NJZC") and Orbex Mineral Ltd. ("Orbex") (and various successor companies) between 1973 and 2000. NJZC and Orbex drilled 465 shallow RC holes for an aggregate length of 19,161 metres (62,866 feet), conducted metallurgical test work and carried out scoping studies. Interest in the AZ Silver District Project was acquired by Columbus Silver Corp. in 2004, and then by Magellan Gold Corp. in 2012, both predecessor companies of Gulf + Western Industries Inc. ("Gulf"). During this period the companies completed surface mapping, soil sampling, one line of a Controlled-source Audio-frequency Magnetotellurics survey, a 20 line-kilometre ground magnetic survey and drilled three diamond core holes (in 2014), one of which was designed to confirm historic drilling.

Mineralization in the AZ Silver District comprises extensive silver-fluorite-barite veins that are controlled by three major northwest trending vein systems extending over a collective strike length of 13 kilometres (West, Central and East Vein Systems).

The epithermal veins occupy faults that cut the major rock units, which are comprised of Precambrian metamorphic rocks (quartz biotite gneiss and granitic rocks) intruded by Cretaceous granite and diorite stocks later overlain by Tertiary (Miocene) volcanic flows, volcaniclastics and tuffs. Silver-bearing veins consist of mostly oxidized silver and lead-zinc mineralization in massive quartz-calcite-fluorspar-barite veins and breccia zones. Pod-like bodies commonly 5-15 metres or more wide and hundreds of ft long occur along the main mineralized veins systems.

*Option Agreement to Acquire a 100% Interest in the AZ Silver District Project*

Stronghold USA, the optionee, and Gulf, the optionor, entered into an Option to Purchase Agreement dated January 22, 2021 (the "AZ Silver District Option Agreement") which gives Stronghold USA the right to acquire a 100% interest in mineral claims, state exploration licence and leased lands forming the AZ Silver District Project for an aggregate purchase price of US$1,970,000 to be made in a series of payments on or before January 22, 2026.

On November 16, 2022, the Company announced that it had re-negotiated the terms of the AZ Silver District Option Agreement, resulting in all future option payment obligations being deferred by 12 months.

The amended terms of the AZ Silver District Option Agreement include:

1) US$70,000 due upon execution of the AZ Silver District Option Agreement (completed in January 2021);
2) US$100,000 and US$100,000 in common shares of Apollo on January 22, 2022 (completed in January 2022);
3) US$125,000 and US$125,000 in common shares of Apollo on January 22, 2024 (originally due in January 2023);
4) US$175,000 and US$175,000 in common shares of Apollo on January 22, 2025 (originally due in January 2024);
5) US$250,000 and US$250,000 in common shares of Apollo on January 22, 2026 (originally due in January 2025);
6) US$300,000 and US$300,000 in common shares of Apollo on January 22, 2027 (originally due in January 2026).

Additional bonus payments, the dates of which were not amended, will be made by Apollo in the following events:

1) US$250,000 plus US$250,000 in common shares of Apollo in the event the property becomes the flagship property of the company on or before January 22, 2024;
2) US$250,000 plus US$250,000 in common shares of Apollo in the event Apollo declares a NI 43-101 compliant resource of at least 30 million ounces of silver on or before January 22, 2024;
3) US$3,000,000 in the event that the price of silver exceeds US$125/ounce for ninety days on or before January 22, 2026.

Upon vesting of the 100% interest, Apollo will grant to Gulf a 2% Net Smelter Royalty on any future production of minerals from the AZ District Project.

In January 2022, the Company made the payment of US$100,000 due on the first anniversary of the effective date of the AZ Silver District Option Agreement and issued an aggregate of 203,322 common shares of the Company at a price of C$0.617 per share representing a value of approximately $125,450 (US$100,000 on the deemed conversion date) to Gulf. The next option payment is not due until January 22, 2024.

<u>Exploration Plans at the AZ Silver District Project</u>

Historical work on the AZ Silver District Project was focused on or immediately around known mineralized segments of veins and breccias and no comprehensive geological mapping or geophysical program has ever been completed over the project area. Apollo's near-term exploration plans are designed to define the broad controls on the mineralized system and to identify new targets. The exploration program is expected to be completed over three phases:

- Phase One: Site visit to confirm size and extent of mineralized vein systems (completed November 2021); validation of the historic drilling data and construction of a detailed database and preliminary 3D geology model;
- Phase Two: Comprehensive surface exploration program involving a ground or drone-based airborne magnetic survey, soil sampling, prospecting and rock grab sampling, and detailed geological mapping covering the entire property; and
- Phase Three: Drill testing prospective targets identified in Phase Two.

Phase Two commenced in March 2022, with a four-week comprehensive surface geological mapping and rock sampling program to further understand structural controls on mineralization and identify possible targets for future testing. Mapping and sampling were completed mid-April 2022, and a comprehensive property scale geologic map was produced. The mapping program expanded the surface footprint of several mineralized breccias and identified new silver mineralized veins up to 300 metres west of the East Vein system. A total of 45 surface grab and chip rock samples were collected during the program, the results of which are currently under review. Results of the work performed in Phase One and Phase Two will provide a better understanding of the mineralization, alteration and structural controls on mineralization that will ideally highlight new drilling targets which will form the basis of Phase Three of the exploration program.

**Technical Information and Qualified Person**

The independent QP responsible for the Calico Silver Project MRE and the associated NI 43-101 technical report is Derek Loveday, P.Geo., of Stantec Consulting Ltd. Mr. Loveday is a registered Professional Geoscientist, registered in Alberta, Canada and is independent of the Company.

The scientific and technical data contained in '*Metallurgical Test Program*' section as related to the news release dated February 23, 2023, was reviewed, and approved by Eric Hill, P.E. of Samuel Engineering, and Derek Loveday, P. Geo., of Stantec, both Qualified Persons as defined by NI 43-101 Standards of Disclosure for Minerals Projects. Mr. Hill is a registered Professional Engineer in the United States and Derek Loveday is a registered Professional Geoscientist in Alberta, Canada. Both Mr. Hill and Mr. Loveday are independent of the Company.

The scientific and technical information in this MD&A pertaining to the Calico Project and AZ Silver District Project has been reviewed, verified and approved by Cathy Fitzgerald, M.Sc., P.Geo., Vice President Exploration and Resource Development of Apollo, a QP as defined by NI 43-101 Standards of Disclosure for Mineral Projects. Ms. Fitzgerald is a registered Professional Geoscientist in British Columbia, Canada.

## SELECTED ANNUAL INFORMATION

The following table provides information for the years ended November 30, 2022, 2021 and 2020:

| | **November 30, 2022** | **November 30, 2021** | **November 30, 2020** |
|---|---|---|---|
| Total revenue | **$ -** | **$ -** | $ - |
| Net loss for the year | **10,608,800** | **2,710,854** | 1,561,826 |
| Total comprehensive loss for the year | **6,316,495** | **1,171,917** | 1,561,826 |
| Loss per share - basic and fully diluted | **0.06** | **0.03** | 0.04 |
| Total assets | **92,898,861** | **95,203,285** | 6,347,818 |
| Total non-current liabilities | **275,561** | **2,435,466** | - |
| Dividends paid | **-** | **-** | - |

As the Company is in the exploration and early development stage with its projects, it does not generate operating revenue.

Net loss has increased significantly in each of the last two years as the strategy and activities undertaken by the Company has changed considerably from period-to-period. In 2020, the Company had not yet acquired the Calico Project, and had entered into an option agreement to earn up to 90% interest in two prospective gold-silver properties in Chile. During that year, it did not incur significant expenditure, other than share-based payments expense due to the grant of options to its employees, directors, and consultants. In 2021, the Company completely changed its strategy and focus as it completed the acquisition of Stronghold, acquiring the rights to the Calico Project and AZ Silver District Project in the United States. As a result, there were several additions to the Company's management team and an overall increase in both administrative and exploration-related expenditure as the team prepared for its 2022 exploration work program. In 2022, the Company completed its 2022 exploration work program, incurring significant expenditure at the Calico Project, which resulted in a large increase in net loss compared to the prior year.

Total assets at November 30, 2022 decreased compared to the prior year, as the Company completed its 2022 exploration work program and incurred significant losses for the year. The decrease in assets resulting from expenditures in the period was partially offset by foreign exchange on the Company's US-based exploration & evaluation assets ("E&E assets"). Total assets at November 30, 2021 was much higher than at November 30, 2020 as the Company completed a significant financing in 2021, having raised net proceeds of approximately $49.4 million. Upon closing the financing, 40 million common shares were issued to acquire Stronghold, enabling the Company to complete the acquisition of the Waterloo Property. As a result, these transactions resulted in a significant increase in both the Company's cash and E&E assets at November 30, 2021.

Total non-current liabilities at November 30, 2021 increased primarily due to the recognition of a derivative liability, which arose as a result of assuming the outstanding Stronghold Warrants in the Stronghold Transaction. Upon recognition, these warrants were classified as a derivative liability, resulting in them being recorded as a financial liability in the statement of financial position. These warrants are revalued at every period-end, and after falling 'out-of-the-money' the fair value had decreased significantly as of November 30, 2022.

## EXPLORATION AND EVALUATION EXPENDITURES

Exploration and evaluation expenditures ("E&E expenditures") are summarized by project as follows:

| | Calico Project | | AZ Silver Project | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Year ended November 30, | | Year ended November 30, | | Year ended November 30, | | Year ended November 30, | |
| | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 | **2022** | 2021 |
| Salaries | **$ 664,919** | $ 115,293 | **$ 28,791** | $ 10,242 | **$ -** | $ - | **$ 693,710** | $ 125,535 |
| Share-based payments | **-** | - | **-** | - | **367,128** | 406,937 | **367,128** | 406,937 |
| Drilling | **4,981,160** | - | **-** | - | **-** | - | **4,981,160** | - |
| Lab & assay | **782,478** | - | **4,097** | - | **-** | - | **786,575** | - |
| Permits, fees and licences | **285,272** | 77,590 | **32,380** | 40,138 | **-** | 38,562 | **317,652** | 156,290 |
| Geophysics | **473,628** | 110,607 | **-** | - | **-** | - | **473,628** | 110,607 |
| Exploration & geology | **254,669** | 122,671 | **65,414** | 31,552 | **-** | - | **320,083** | 154,223 |
| Resource development | **289,654** | 23,754 | **-** | - | **-** | - | **289,654** | 23,754 |
| Community | **90,488** | 25,118 | **-** | - | **-** | - | **90,488** | 25,118 |
| Professional fees | **98,191** | 95,977 | **18,359** | - | **-** | - | **116,550** | 95,977 |
| Operations, health & safety | **182,262** | 84,753 | **-** | - | **-** | - | **182,262** | 84,753 |
| Travel | **67,968** | 19,007 | **-** | 2,514 | **-** | - | **67,968** | 21,521 |
| Other | **133,239** | 20,608 | **6,917** | - | **-** | - | **140,156** | 20,608 |
| E&E expenditures | **$ 8,303,928** | $ 695,378 | **$ 155,958** | $ 84,446 | **$ 367,128** | $ 445,499 | **$ 8,827,014** | $ 1,225,323 |

## SELECTED QUARTERLY FINANCIAL INFORMATION

The following table provides selected financial information for the eight fiscal quarters ended November 30, 2022:

| | November 30, 2022 | August 31, 2022 | May 31, 2022 | February 28, 2022 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| Exploration and evaluation expenditures | $ 2,756,764 | $ 2,475,808 | $ 2,563,508 | $ 1,030,934 |
| Other operating expenses | $ 709,739 | $ 655,539 | $ 791,374 | $ 1,467,315 |
| (Gain) loss on foreign exchange | $ (9,413) | $ (115,637) | $ 10,769 | $ (33,644) |
| Other (income) expense | $ (57,473) | $ (909,269) | $ (850,516) | $ 123,002 |
| Net loss | $ 3,399,617 | $ 2,106,441 | $ 2,515,135 | $ 2,587,607 |
| Loss per share - basic and diluted | $ (0.02) | $ (0.01) | $ (0.01) | $ (0.02) |
| Total assets | $ 92,898,861 | $ 94,079,838 | $ 93,274,758 | $ 92,699,469 |
| Total liabilities | $ 2,471,835 | $ 2,681,877 | $ 2,658,745 | $ 2,475,161 |
| Shareholders' equity | $ 90,427,026 | $ 91,397,961 | $ 90,616,013 | $ 90,224,308 |

| | November 30, 2021 | August 31, 2021 | May 31, 2021 | February 28, 2021 |
|---|---|---|---|---|
| Revenue | $ - | $ - | $ - | $ - |
| Exploration and evaluation expenditures | $ 796,967 | $ 389,794 | $ 38,562 | $ - |
| Other operating expenses | $ 1,428,512 | $ 1,478,569 | $ 273,337 | $ 226,349 |
| (Gain) loss on foreign exchange | $ (5,263) | $ (149,784) | $ - | $ - |
| Other (income) expense | $ (748,109) | $ (1,018,080) | $ - | $ - |
| Net loss | $ 1,472,107 | $ 700,499 | $ 311,899 | $ 226,349 |
| Loss per share - basic and diluted | $ (0.01) | $ (0.01) | $ (0.01) | $ - |
| Total assets | $ 95,203,285 | $ 95,426,012 | $ 5,930,927 | $ 6,182,472 |
| Total liabilities | $ 2,717,707 | $ 3,567,363 | $ 115,684 | $ 92,580 |
| Shareholders' equity | $ 92,485,578 | $ 91,858,649 | $ 5,815,243 | $ 6,089,892 |

The Company is a mineral exploration and development company and does not currently generate operating revenue. The changes in the Company's financial results on a quarter-by-quarter basis are due primarily to changes in the nature and extent of the Company's financing, project acquisition, corporate activities and E&E activities, period-over-period.

E&E expenditures began initially increasing during the quarter ended August 31, 2021, as the Company had completed a financing and acquired its current portfolio of E&E assets. E&E expenditures then began increasing in each of the quarters ended

November 30, 2021, February 28, 2022, and May 31, 2022, until leveling off and remaining relatively consistent through the second half of 2022. This initial increase occurred as Apollo had acquired a 100% interest in the Waterloo Property, as well as exclusive rights to explore and acquire the Langtry Property and AZ Silver District Project. Shortly after acquiring these properties, the Company began conducting E&E activities, which have continued through to the current date. The initial increase in E&E expenditures related primarily to the addition of exploration technical staff and geological consultants, plus payments relating to permitting, licences and land tenure fees. Professional fees, travel and general operational costs also increased to support the increase in exploration activity. Since that time, the scope of work has increased significantly, as the Company commenced and completed a significant exploration work program in 2022. Geophysical surveys initially commenced in the quarter ended November 30, 2021, and were completed in the first quarter of 2022. Preparation for the 2022 drill program then began in the quarter ended February 28, 2022, and costs began to increase significantly when drilling commenced in early April 2022 and continued through until July 2022. The amount of drilling activity was consistent in the second and third quarters of 2022, which resulted in exploration expenditures remaining consistent in the quarter ended August 31, 2022. After a short break during the summer months, Phase 2 of 2022 drill program commenced in September and wrapped up shortly before the end of the Company's year-end, November 30, 2022. As a result, similar rates of drilling activity occurred over the final nine quarters of 2022, which resulted in exploration expenditures remaining relatively consistent. Prior to the acquisition of the Waterloo, Langtry and AZ Silver District properties in July 2021, the Company did not incur significant E&E expenditures as it had not been actively exploring its exploration properties during those periods.

Other operating expenses fluctuate primarily based on changes in the Company's corporate administrative activities. Other operating expenses for the quarter ended November 30, 2022 are relatively consistent with the previous quarter ended August 31, 2022, after having decreased significantly in the quarter ended May 31, 2022. Other operating expenses initially increased significantly in the quarter ended August 31, 2021, and was primarily related to the acquisition of the Waterloo, Langtry and AZ Silver District properties in the United States and the resulting increase in operational activities of the Company, as well as significant share-based payment expenses recognized relating to a grant that occurred in July 2021. Other operating expenses remained consistent over the quarters ended November 30, 2021, and February 28, 2022, as the Company incurred salary and consulting fees, professional fees, and marketing and investor relations costs which were intended to increase investor awareness of the Company. Other operating expenses then decreased in the quarter ended May 31, 2022, as the Company incurred significantly less marketing expenditures due to the termination of the FMT agreement in late February 2022, while all other expenditure then remained relatively consistent through to the end of November 2022.

Other (income) expense is not consistent period-to-period. Other income over the past six quarters primarily relate to the period-end fair valuation of the Company's warrant liability, a derivative liability that is re-measured at fair value each reporting date using the Black-Scholes option pricing model, which was initially recognized in the quarter ended August 31, 2021. In the four quarters ended 2022, this net gain relating to the fair value revaluation of the warrant liability is in addition to interest income earned on the Company's short-term investments. In the quarter ended February 28, 2022, the gain resulting from the period-end revaluation of the warranty liability was offset by a loss recorded from the write-off of the receivable from FMT, resulting in a net expense for that period.

Total assets initially increased in the quarter ended August 31, 2021, as the Company completed the brokered private placement, raising gross proceeds of $52.9 million of which a significant portion was used to fund the acquisition of the Waterloo Property. Total assets in the preceding quarters had been relatively consistent as the Company had been relatively inactive and was preserving its cash. After initially increasing in the quarter ended August 31, 2021, total assets remained consistent in the quarter ended November 30, 2021, because the Company's cash expenditures were offset by a foreign exchange gain on its E&E assets. Total assets then decreased in the quarter ended February 28, 2022, as the Company incurred additional corporate administration and significant exploration expenditures (i.e. reduction of cash) and also recorded a foreign exchange loss on its E&E assets. In the quarter ended May 31, 2022, total assets increased as a significant amount of warrants were exercised, offsetting the cash expenditures, resulting in a net increase of cash in the period. In the quarter ended August 31, 2022, total assets increased due to foreign exchange gains on its E&E assets, which were offset by cash used for operating activities. In the quarter ended November 30, 2022, total assets decreased as significant amounts of working capital was used to support exploration activities at Calico, which was slightly offset by a foreign exchange gain on its E&E assets.

Total liabilities initially increased significantly in the quarter ended August 31, 2021, as the Company closed the acquisition of Stronghold recognizing significant outstanding payables owing by the acquired entity, and a warrant liability. The warrants assumed in the transaction are classified as a derivative liability and recorded as a non-current liability in the statement of financial position. Liabilities decreased in the subsequent quarters ended November 30, 2021, and February 28, 2022, largely due to the fair value of the warrant liability decreasing each quarter, and the Company carrying fewer outstanding payables. In the quarters ended May 31, 2022, August 31, 2022 and November 30, 2022, liabilities have again increased as the decrease in the warrant liability was offset by an increase in payables and accrued liabilities relating primarily to the timing of receiving and settling the invoices for RC drilling activities at Calico. Liabilities in the two quarters prior to August 31, 2021 were much lower because the Company had significantly fewer corporate activities and virtually no E&E activity prior to July 2021 transactions.

Shareholders' equity decreased in the quarter ended November 30, 2022 after increasing in the quarters ended August 31, 2022 and May 31, 2022. The initial significant increase in the quarter ended August 31, 2021, related to the Company issuing shares upon closing of a non-brokered private placement and subsequent acquisition of Stronghold. As the Company is an exploration company and generates no revenues, typical expectations are that shareholders' equity will decrease from quarter-to-quarter, other than times where there are financing activities, such as equity placements and the exercise of share-purchase warrants, or foreign exchange gains on its foreign denominated assets. The increases in the quarters ended August 31, 2022 and May 31, 2022 were due to the Company's losses for the quarters having been offset by a foreign exchange gain on its E&E assets in August 2022, and the exercise of warrants in April 2022.

## RESULTS OF OPERATIONS

| | Three months ended November 30, | | Year ended November 30, | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| Exploration and evaluation expenses | **$ 2,756,764** | $ 796,967 | **$ 8,827,014** | $ 1,225,323 |
| Administrative expenses | **673,525** | 1,421,926 | **3,491,289** | 3,296,787 |
| Write-off of exploration and evaluation assets | **-** | - | **-** | 100,000 |
| Depreciation | **36,214** | 6,586 | **132,678** | 9,980 |
| Fair value adjustment on warrant liabilty | **28,639** | (720,614) | **(2,120,426)** | (1,738,694) |
| Gain on foreign exchange | **(9,413)** | (5,263) | **(147,925)** | (155,047) |
| Interest expense | **8,984** | - | **36,082** | - |
| Other income | **(95,096)** | (34,401) | **(191,904)** | (34,401) |
| Other expense | **-** | - | **581,992** | - |
| Loss on disposal of equipment | **-** | 6,906 | **-** | 6,906 |
| **Net loss** | **$ 3,399,617** | $ 1,472,107 | **$ 10,608,800** | $ 2,710,854 |

**Fourth Quarter Results – Three months ended November 30, 2022 ("Q4 2022") compared to the three months ended November 30, 2021 ("Q4 2021")**

*Exploration and evaluation expenditures*

In Q4 2022, E&E expenditures increased by approximately $1.96 million compared to the comparative period as E&E activities performed by the Company were not consistent in each period. E&E expenses in Q4 2022 primarily related to drilling and assay expenditures incurred while completing Phase 2 of the 2022 Calico drill program, of which approximately 4,800 m of RC drilling was completed across 44 holes, and the associated general operating and other exploration costs to operate at Calico. In the comparative period, Q4 2021, the expenditure was much lower as the Company had only two full-time exploration staff, who's primary focus was to prepare for the upcoming 2022 exploration program, which included setting up operations, such as securing an office and warehouse, sourcing necessary equipment and supplies, and coordinating the commencement of a geophysical survey across its Waterloo and Langtry properties. In Q4 2022, the head count of the Company's exploration staff increased compared to Q4 2021 as the Company hired a Director of Resource Development and Lead Project Geologist prior to commencing its 2022 exploration program in the first quarter of 2022. All other costs were relatively consistent between the two periods.

*Administrative expenditures*

During Q4 2022, administrative expenditures decreased by approximately $748,000. The decrease is primarily due to a $593,000 decrease in share-based payments, a $55,000 decrease in office and administrative costs, a $226,000 decrease in marketing and investor relations, a decrease in transfer agent and filing fees of $15,000, offset by increases of $26,000 and $53,000 in salaries and benefits and directors' fees, respectively, and $47,000 increase in insurance.

Share-based payments are typically not consistent from period-to-period. On the date of the grant, the fair value of the underlying options is estimated and amortized consistent with the vesting patterns of each option. While there were significant grants in the second half of both 2022 and 2021, the estimated fair value of the 2021 grant was significantly higher, due to the Company's share price at the time. Furthermore, the vesting conditions of the 2022 grants were longer than those granted in 2021. Both of these factors resulted in the share-based payments expense recognized in Q4 2022 being significantly lower than in Q4 2021.

The decrease in office and administrative costs primarily relates to having secured leased office space in late November 2021. Prior to signing a lease, the Company had rented office space on a short-term basis, which was not recorded as a lease under IFRS 16, and the rental costs were recorded as administrative expenditures. After signing the lease, the Company recognized the office lease under IFRS 16 and as a result rental costs in Q4 2022 are no longer recognized as administrative expenditures and are instead recognized through depreciation and interest expense.

The decrease of marketing and investor relations fees in Q4 2022 compared to Q4 2021 was primarily related to the termination of the Company's engagement with FMT in the first quarter of 2022. As a result, the Company's ongoing marketing and investor relations activities were significantly less expensive than those paid for in Q4 2021 through FMT.

The increase in salaries and benefits, and directors' fees primarily related to certain additions that were made to the Company's administrative staff and board in late 2021 and early 2022. The addition of certain administrative support staff contributed to the increase in salaries and benefits in Q4 2022 compared to Q4 2021. Furthermore, Q4 2021 director fees were lower than Q4 2022, as certain directors joined the board late in the period, resulting in pro-rated director fees during that period. Additionally, the Company established several board committees in 2022, and special retainers are paid to the chair of each, which also contributed to the increase.

Insurance expense increased in Q4 2022 as the Company's annual D&O insurance premiums, which were paid in December 2021, increased significantly leading into fiscal 2022. The Company's previous D&O insurance policy, which was paid in late 2020 was extended for no additional fee by the insurance provider through to the end of Q4 2021, as the Company worked with them to place a new comprehensive D&O insurance policy that reflected the significant changes that the Company had recently undergone.

*Fair value adjustment on warrant liability*

In Q4 2022, the Company recorded a $29,000 loss relating to the period-end fair valuation of its warrant liability, which is re-measured each reporting period. A gain of $721,000 was recorded in the comparative period.

*Gain on foreign exchange*

The Company continues to incur foreign exchange gains and losses on its foreign cash and payables. As a result, it recorded a gain of approximately $9,000 in Q4 2022 compared to approximately $5,000 in Q4 2021.

*Other income*

Other income in Q4 2022 consists primarily of interest income earned on its short-term, fully redeemable investments, while other income in the comparative period is primarily due to the write-off of forgiven payables.

**Year-To-Date Results – Year ended November 30, 2022 ("YTD 2022") compared to the year ended November 30, 2021 ("YTD 2021")**

*Exploration and evaluation expenditures*

In YTD 2022, E&E expenditures increased to approximately $8.83 million compared to $1.23 million in the comparative period as the E&E activities completed by the Company in each period were not consistent. E&E expenses in YTD 2022 primarily related to costs incurred at Calico to complete the 2022 exploration program, which comprised of geophysical surveys, exploration and geological mapping, approximately 10,000 meters of RC drilling, assaying, and metallurgical testing. Other supporting costs such as salaries and contractor fees, equipment rentals, purchases of supplies and small equipment, and general operating costs in and around Barstow, California were much higher in YTD 2022 due to increased headcounts and activity in the year compared to YTD 2021, as the Company didn't begin working in California until late in the third quarter of 2021. Limited activity at the AZ Silver Project contributed marginally to the Company's increased E&E expenditures, as the Company completed site visits, geological mapping, and incurred permitting, licencing and professional fees. In the comparative period, YTD 2021, expenditure was much lower as the Company acquired the Calico and AZ Silver District projects late in the year and had only just begun preparing for the 2022 exploration program. The Company also held the rights to a South American based project in YTD 2021, which it relinquished in the quarter ended August 31, 2021, and only incurred minimal expenditure during the year.

*Administrative expenditures*

During YTD 2022, administrative expenditures increased by approximately $195,000. The increase is primarily due to a $159,000 increase in salaries, benefits, consulting fees, a $285,000 increase in directors' fees, a $236,000 increase in marketing and investor relations costs, and a $187,000 increase in insurance, offset by a $678,000 decrease in share-based payments.

The increase in salaries, consulting and directors' fees primarily relate to significant changes the Company underwent in Q3 2021, after acquiring Calico and AZ Silver District Project. At the end of YTD 2021, the Company became significantly more active, hiring new employees, including a full-time management team and support staff, resulting in an increase from YTD 2021 to YTD 2022. The Company began paying director fees late in YTD 2021, which has continued through to the end of 2022, resulting in a significant increase in YTD 2022.

Marketing and investor relations fees increased in YTD 2022 as the Company engaged the services of certain marketing firms, to assist with promoting the Company and added to its internal investor relations team.

Insurance expense increased in YTD 2022 as the Company's annual D&O insurance premiums, which were paid in December 2021, increased significantly leading into fiscal 2022. The Company's previous D&O insurance policy, which was paid in late 2020 was extended at no charge by the insurance provider through to the end of Q4 2021, while the Company worked with them to place a new comprehensive D&O insurance policy that provided appropriate coverage for the changes that the Company had recently undergone.

Share-based payments are typically not consistent from period to period. On the date of the grant, the fair value of the underlying options is estimated and amortized consistent with the vesting patterns of each option. While there were significant grants in both 2022 and 2021, the estimated fair value of the 2021 grants were significantly higher due to the Company's share price at the time. Furthermore, the vesting conditions of the 2022 grants were longer than those granted in 2021. Both factors resulted in the share-based payments expense recognized in YTD 2022 being significantly lower than in YTD 2021.

*Fair value adjustment on warrant liability*

In YTD 2022, the Company recorded a $2.12 million gain relating to the period-end fair valuation of its warrant liability, which is re-measured each reporting period. A gain of $1.74 million was recorded in the comparative period.

*Gain on foreign exchange*

The Company was first exposed to foreign exchange during the three months ended August 31, 2021, as it had acquired a US subsidiary and began to incur transactions denominated in US dollars. The Company continues to incur foreign exchange gains and losses and recorded a gain of approximately $148,000 in YTD 2022 compared to approximately $155,000 in YTD 2021.

*Other income*

Other income in YTD 2022 relates primarily to interest income earned on its short-term, fully redeemable investments, while other income in the comparative period is primarily due to the write-off of forgiven payables.

*Other expense*

On February 25, 2022, the Company announced that it had terminated its marketing and investor relations engagement with FMT, effective immediately, because the Company was unable to receive approval of the engagement from the TSX-V. As the agreement was terminated prior to completing the full term of the engagement, the Company demanded that FMT return a pro-rata portion of the US$1,100,000 pre-payment, equal to US$458,000. Accordingly, on the date of terminating the engagement, the Company reclassified $582,000 (US$458,000) in prepaid expenses to receivables. On February 28, 2022, the Company recorded an allowance for doubtful accounts of approximately $582,000 against the receivable from FMT due to uncertainty over collectability of the balance. No similar write-down was recorded in YTD 2021.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

### Liquidity

The Company's approach to managing liquidity risk is to forecast cash flows required for its planned operating, investing and financing activities so that it will have sufficient liquidity to meet liabilities when due. Management expects that cash flows related to operating, general and administrative, and exploration and evaluation activities will be funded by Apollo's cash on hand. While the Company's current cash is sufficient to settle its current liabilities and fund its currently planned general and administrative and exploration program activities, the Company will continue to forecast its cash flows and investigate opportunities to obtain further financing, if necessary, through transactions to maintain liquidity, such as equity placements, debt or joint venture arrangements.

During the year ended November 30, 2022, the Company issued a total 11,645,822 common shares for net proceeds of $2.86 million. A total of 11,442,500 share purchase warrants were exercised, resulting in the issuance of 11,442,500 common shares for gross proceeds of approximately $2.86 million. A further 203,322 common shares (at a deemed value of $0.617/share) were issued to Gulf under the terms of the option agreement for the AZ Silver District Project. A total of 9,446,415 share purchase warrants with a weighted average exercise price of $0.64 expired in April, May and August 2022.

During the comparative period, the year ended November 30, 2021, Apollo issued a total of 71,994,159 common shares for net proceeds of $49.9 million following the exercise of 1,360,825 warrants, exercise of 100,000 stock options, and closing of a private placement.

As at November 30, 2022, the Company believed that it had adequate resources to maintain its minimum near-term obligations, including general corporate activities and planned exploration programs, based on its cash position and ability to pursue additional sources of financing, including further equity placements.

**Cash Flow Summary**

| | Year ended November 30, 2022 | 2021 |
|---|---|---|
| Cash and cash equivalents, beginning of year | **$ 15,746,122** | $ 6,125,876 |
| Cash used in operating activities | **(8,834,549)** | (4,100,056) |
| Cash used in investing activities | **(451,975)** | (36,179,357) |
| Cash from financing activities | **2,753,067** | 49,884,920 |
| Effect of changes in foreign exchange rates on cash and cash equivalents | **149,744** | 14,739 |
| Cash and cash equivalents, end of year | **$ 9,362,409** | $ 15,746,122 |

Cash flows used in operations for the year ended November 30, 2022, totaled approximately $8.83 million, compared to approximately $4.10 million in the comparative period in 2021. This increase in cash used in operations relates primarily to the significant expenditure to complete the Company's 2022 exploration program at the Calico Project, which was not acquired until the third quarter of comparative year.

Cash flows used in investing activities for the year ended November 30, 2022, totaled approximately $452,000, compared to $36.17 million in the comparative period in 2021. During the year-ended November 30, 2022, the Company made three separate options payments under the terms of the existing option agreements for the Langtry Property and the AZ Silver District Project and purchased equipment to support exploration activities at the Calico Project. In the comparative period, the Company's investing activities comprised primarily of the purchase of the Waterloo Property from Pan American.

During the year ended November 30, 2022, Apollo's cash flows from financing activities totaled approximately $2.75 million, which included the exercise of 11,442,500 warrants for gross proceeds of approximately $2.86 million, offset by payments relating to its lease liabilities. In the comparative period, cash flows from financing were $49.88 million, primarily relating to the Company closing a private placement for net proceeds of $49.43 million in July 2021, and the exercise of 1,360,825 warrants and 100,000 stock options for gross proceeds of approximately $430,000 and $33,000, respectively.

The following table represents the net capital of the Company:

| | November 30, 2022 | November 30, 2021 |
|---|---|---|
| Shareholders' equity | **$ 90,414,553** | $ 92,485,578 |

The Company uses net shareholders' equity to monitor leverage. The decrease in capital during the year ended November 30, 2022, is primarily due to the significant expenditure incurred during the period, offset by foreign exchange gains on its US dollar denominated E&E assets, as well as the common shares issued upon the exercise of warrants.

**Working Capital**

The Company has working capital of approximately $7.41 million at November 30, 2022, compared to approximately $16.59 million as at November 30, 2021, representing a decrease of approximately $9.18 million. The decrease in working capital is comprised of a decrease in current assets of approximately $7.25 million and an increase of approximately $1.93 million in current liabilities.

The net decrease to working capital primarily relates to the Company's use of cash to fund its exploration activities during the year ended November 30, 2022, offset by an increase in payables primarily relating to the timing of payments to the drilling contractor after completing Phase 2 of the 2022 Calico drill program. Approximately $8.83 million of cash was used to fund operating activities while a further $452,000 was applied towards property option payments and the purchase of equipment, which was offset by the receipt of approximately $2.86 million in cash from the exercise of warrants and approximately $105,000 in payments relating to the Company's lease liabilities.

## CONTRACTUAL OBLIGATIONS

In the normal course of operations, the Company may assume various contractual obligations and commitments. The Company has entered into employment agreements with certain senior officers, whereby if the Company terminates the employment contract without cause or experiences a change of control, the officers are owed a payment equal to 6-, 12- or 24-months' salary depending on the officer and the reason for termination of employment.

## OFF-BALANCE SHEET ARRANGEMENTS

During the year ended November 30, 2022, the Company was not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the result of operations, financial condition, capital expenditures, liquidity or capital resources of the Company.

## PROPOSED TRANSACTIONS

There are no proposed transactions that have not been disclosed herein.

## OUTSTANDING SHARE DATA

The company is authorized to issue an unlimited number of common shares without par value.

As at February 28, 2023, the Company had the following issued and outstanding:

- 174,460,395 common shares.
- 40,214,805 share purchase warrants, which are exercisable to purchase a total of 40,214,805 common shares of the Company at a weighted average exercise price of $1.13. The exercise prices range from US$0.20 to $1.25.
- 11,600,000 stock options with a weighted average exercise price of $0.48. Each stock option is exercisable to purchase one common share of the Company at prices ranging from $0.125 to $0.86.

## RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. The Company had transactions with related parties consisting of companies controlled by current directors, former directors and former officers of the Company during the year ended November 30, 2022, and 2021, as follows:

*(a)* Accounting fees of $Nil for the year ended November 30, 2022 (November 30, 2021 – 12,900) to a company controlled by the former CFO and former director of the Company. At November 30, 2022, $Nil was recorded in accounts payable and accrued liabilities relating to these fees (November 30, 2021 - $Nil).

*(b)* Consulting fees of $Nil for the year ended November 30, 2022 (November 30, 2021 – $103,000) to a company controlled by the former CEO and current director of the Company. At November 30, 2022, $Nil was recorded in accounts payable and accrued liabilities for these fees (November 30, 2021 - $Nil).

*(c)* Consulting fees of $Nil for the year ended November 30, 2022 (November 30, 2021 – $64,000) to a company controlled by the former VP Exploration of the Company. At November 30, 2022, $Nil was recorded in accounts payable and accrued liabilities relating to these consulting fees (November 30, 2021 - $Nil).

*(d)* Consulting fees of $Nil for the year ended November 30, 2022 (November 30, 2021 - $10,500) to a company controlled by the former Corporate Secretary of the Company. At November 30, 2022, $Nil was recorded in accounts payable and accrued liabilities for these fees (November 30, 2021 - $Nil).

*(e)* At November 30, 2022, $Nil (November 30, 2021 - $Nil) was owed to any director or officer of the Company.

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of the Company's Officers and members of the Company's Board of Directors. The remuneration of directors and key management personnel during the year ended November 30, 2022, and 2021 were as follows:

| | | Year ended November 30, 2022 | | 2021 |
|---|---|---|---|---|
| Salaries, benefits and consulting fees *(i)* | **$** | **943,865** | $ | 765,142 |
| Director fees *(i)* | | **310,508** | | 25,833.00 |
| Accounting fees | | **-** | | 12,900 |
| Share-based payments *(ii)* | | **796,215** | | 1,398,011 |
| **Total key management compensation** | **$** | **2,050,588** | $ | 2,201,886 |

*(i)* During the year ended November 30, 2022, the Company had a total of 4 full-time officers and 6 non-executive directors throughout the entire period, while the comparative period consisted of part-time consultants until the time of acquiring the Calico Project in July 2021, at which time, the Company hired its 4 full-time officers, and began adding to its Board of Directors.

*(ii)* Share-based payments represent the fair value of the stock-options granted to key management personnel that were recognized in the consolidated statements of loss and comprehensive loss for the year ended November 30, 2022.

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Financial Instruments

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value on a recurring basis, whether changes in fair value are recognized at fair value through profit or loss or fair value through other comprehensive income.

The Company's financial assets and financial liabilities are classified as follows:

| | | November 30, 2022 | | November 30, 2021 |
|---|---|---|---|---|
| Financial assets | | | | |
| Cash and cash equivalents | **$** | **9,362,409** | $ | 15,746,122 |
| Receivables | | **13,842** | | 53,736 |
| Deposits | | **99,464** | | 6,396 |
| Total financial assets | **$** | **9,475,715** | $ | 15,806,254 |
| Financial liabilities | | | | |
| Accounts payable and accrued liabilities | **$** | **2,121,026** | $ | 250,809 |
| Warrant liability | | **119,934** | | 2,252,836 |
| Total financial liabilities | **$** | **2,240,960** | $ | 2,503,645 |

*IFRS 7, Financial Instruments: Disclosures* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents is carried at fair value using a level 1 fair value measurement and the receivables, deposits and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The Company's only level 3 financial instrument consisted of a warrant liability that is measured using the Black-Scholes option valuation model and is recorded at fair value. The warrant liability is remeasured at each period-end and changes in fair value are recorded as a gain or loss on revaluation of warrant liability on the statement of loss.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

### Financial risk factors

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk, and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-quality financial institutions as determined by a primary ratings agency. Receivables consist of a receivable from a third party and a GST receivable for input tax credits from the Government of Canada. The Company has been successful in recovering input tax credits and believes credit risk with respect to receivables is insignificant.

*Liquidity risk*

Liquidity risk is the risk that the Company will not have sufficient cash to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to forecast its cash flows required for its planned operating, investing and financing activities so that it will have sufficient liquidity to meet liabilities when due. At November 30, 2022, the Company had a cash balance of approximately $9.36 million (November 30, 2021 - $15.75 million) to settle current liabilities of approximately $2.21 million (November 30, 2021 - $282,000). All the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. Amounts due to related parties are without stated terms of interest or repayment. While the Company's current cash is sufficient to settle its current liabilities and certain planned expenditures for the upcoming year, the Company will continue forecasting its cash flows to maintain liquidity and investigate opportunities to obtain further financing through transactions such as equity placements, debt or joint venture arrangements, when necessary.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

*(i) Interest rate risk*

Interest rate risk is the risk that the fair values and future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its bank deposits, which is insignificant due to their short-term nature. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its highly rated financial institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at November 30, 2022, the Company held approximately $8.9 million in investment-grade short-term deposit certificates.

*(ii) Foreign currency risk*

The Company reports its financial results in Canadian dollars but also undertakes transactions in US dollars. As the exchange rates between the Canadian dollar and US dollar fluctuates, the Company experiences foreign exchange gains and losses. The Company has cash and cash equivalents and accounts payable and accrued liabilities denominated in US dollars, which are subject to currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the respective statement of financial position dates are as follows:

| | **November 30, 2022** | | November 30, 2021 | |
|---|---|---|---|---|
| | **US Dollar** | **British Pound** | US Dollar | British Pound |
| Cash and cash equivalents | **$ 3,028,884** | **$ -** | $ 581,770 | $ - |
| Accounts payable and accrued liabilities | **(1,343,760)** | **-** | (77,271) | (34,010) |
| | **$ 1,685,124** | **$ -** | $ 504,499 | $ (34,010) |

At November 30, 2022, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would result in an approximate $168,500 decrease or increase in the Company's net loss (November 30, 2020 - $47,000).

The Company does not enter into any financial instruments to hedge currency risk, but the Company monitors its foreign exchange exposure and considers its exposure to foreign currency risk to be minimal as at November 30, 2022.

*(iii) Price risk*

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of silver has experienced volatile and significant price movements over short periods of time and is affected by numerous factors beyond the Company's control. The Company's profitability and ability to raise capital to fund exploration, evaluation and production activities is subject to risks associated with fluctuations in mineral prices. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS**

For the disclosure required under Section 5.3 of National Instruments 51-102 – *Continuous Disclosure Obligations*, please see "Exploration and Development Activities", "Selected Quarterly Information" and "Results of Operations".

For the disclosure required under Section 5.4 of National Instrument 51-102 – *Continuous Disclosure Obligations*, please see "Outstanding Share Data".

**OTHER DATA**

Additional information related to the Company is available for viewing under the Company's profile at www.sedar.com.

**ADOPTION OF NEW AND AMENDED IFRS PRONOUNCEMENTS**

The Company has not adopted any new amendments to IFRS in the current period that had a significant impact on the Company's consolidated financial statements.

Several new accounting standards, and amendments to standards and interpretations, have been issued but are not yet effective for the current period ended November 30, 2022. None of these changes have been early adopted nor are they considered by management to be significant or likely to have a material impact on the Company's consolidated financial statements.

**RISKS AND UNCERTAINTIES**

The Company's principal business activities are the acquisition, exploration, and definition of potentially economically viable mineral resource deposits on mineral properties, which, by nature, are speculative. Companies in this industry are subject to many and varied kinds of risks, including but not limited to; environmental, fluctuating commodity prices, social, political, financial and economics. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practicable. Due to the high-risk nature of the Company's business and the present stage of the Company's various mineral properties, an investment in the Company's common shares should be considered a highly speculative investment that involves significant financial risks, and prospective investors should carefully consider all of the information disclosed in this MD&A, the risk factors discussed below, and the Company's other public disclosures, prior to making any investment in the Company's common shares.

The risk factors described below do not necessarily comprise all of the risks and uncertainties that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also adversely affect the Company's business, results of operations, financial results, prospects and price of common shares. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

*Mineral property exploration and mining risk*

Mineral exploration and development are highly speculative and are characterized by a number of significant inherent risks, which may result in the inability to successfully develop a project for commercial, technical, political, regulatory or financial reasons, or if successfully developed, may not remain economically viable for their mine life owing to any of the foregoing reasons.

The Company's ability to identify Mineral Resources in sufficient quantity and quality to justify development activities and/or its ability to commence and complete development work and/or commence and/or sustain commercial mining operations at any of its projects will depend upon numerous factors, many of which are beyond its control, including exploration success, the obtaining of funding for all phases of exploration, development and commercial mining, the adequacy of infrastructure, geological characteristics, metallurgical characteristics of any deposit, the availability of processing and smelting capacity, the availability of storage capacity, the supply of and demand for silver and other metals, the availability of equipment and facilities necessary to commence and complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, civil unrest and protests, currency fluctuations, changes in regulations, the availability of water, the availability and productivity of skilled labour, the receipt of necessary consents, permits and licenses (including mining licenses), and political factors, including unexpected changes in governments or governmental policies towards exploration, development and commercial mining activities.

Furthermore, cost over-runs or unexpected changes in commodity prices in any future development could make the projects uneconomic, even if previously determined to be economic under feasibility studies. Accordingly, notwithstanding the positive results of one or more feasibility studies on the projects, there is a risk that the Company would be unable to complete development and commence commercial mining operations at one or more of the mineral properties which would have a material adverse effect on the Company’s business, financial condition, results of operations and prospects.

*Reliability of mineral resource estimates risk*

There is no certainty that the Inferred Mineral Resources attributable to the Calico Project or to the Company will be realized. There is a degree of uncertainty in the estimation of Mineral Resources. Until Mineral Resources are converted to Mineral Reserves and are actually mined and processed, the quantity of Mineral Resources and related grades must be considered as estimates only.

Estimation of Mineral Resources is a subjective process that relies on the judgement of the persons preparing the estimates. The process relies on, among other things, the quantity and quality of available data and is based on knowledge, mining experience, analysis of drilling results and industry practice. Valid estimates made at a given time may change significantly in the future when new information becomes available. By their nature, Mineral Resource estimates are imprecise and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Inferred Mineral Resources, in particular, have a degree of uncertainty as there is a limited ability to assess geological continuity. There is a risk that any estimate of Inferred Mineral Resources will not be capable of upgrading to Mineral Resources with sufficient continuity to allow them to be used in connection with the estimation of Mineral Reserves. In addition, estimates of Mineral Resources may have to be recalculated based on fluctuations in silver or other metal prices, results of drilling, metallurgical testing and production, including dilution, and the evaluation of mine plans subsequent to the date of any estimates. Any material change in the quantity of Mineral Resources or the related grades may affect the economic viability of the projects at which a Mineral Resource has been identified and could have a material adverse effect on the Company’s business, financial condition, results of operations or prospects.

*Financing and share price fluctuation risk*

The Company has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its mineral properties. Future exploration and development of the Company’s mineral properties may be dependent upon the Company’s ability to obtain financing through equity, debt or other means. There can be no assurance that needed financing will be available in a timely or economically advantageous manner, or at all. Failure to obtain sufficient financing could result in delay or indefinite postponement of further exploration and development on any or all of its mineral properties which could result in the loss of its property, in which case, the Company’s ability to operate would be adversely affected. To obtain substantial additional financing, the Company may have to sell additional securities including, but not limited to, its Common Shares or some form of convertible securities, the effect of which may result in substantial dilution of the present equity interests of the Company’s shareholders.

In recent years, securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not continue to occur in the future, and if they continue to occur, how severe the impact may be on the Company’s ability to raise additional funds through equity issues.

*Macro-Economic risks*

Economic and geopolitical events may create uncertainty in global financial and equity markets. The global debt situation may cause increased global and political financial instability resulting in downward price pressure for many asset classes and increased volatility and risk spreads. Additionally, if a public health crisis, such as an epidemic or pandemic related to COVID-19 or another virus, terrorist activity, armed conflict or political instability, including as a result of the invasion of Ukraine by Russia in February of 2022, or natural disasters occurs in Canada, the United States or other locations, such events could cause macro-economic conditions to deteriorate, cause supply chain shortages or otherwise negatively impact the Company’s operations. Difficult, or worsening general economic conditions, including on account of recessions or increased inflation, could have a material adverse affect on the Company’s business, financial condition, and operating results. Such disruptions could also make it more difficult for the Company to obtain financing for its operations, or increase the cost of such financing, among other things.

If the Company is unable to raise capital when needed or access capital on reasonable terms, it could have a material adverse effect on the Company's business.

*Inflation risks*

Inflation rates in the jurisdictions in which the Company operates have continued to increase. This upward pressure can be largely attributed to the rising cost of labour and energy, as well as continuing global supply-chain disruptions, with global energy costs increasing significantly following the invasion of Ukraine by Russia in February of 2022. These inflationary pressures may affect the Company's input costs and such key pressures may not be transitory. Any continued upward trajectory in the inflation rate for the Company's inputs may have a material adverse affect on the Company's operating and capital expenditures for the development of its projects as well as its financial condition and results of operations.

*Global financial risks*

Global financial conditions have been subject to continued volatility, most recently when considering the numerous interest rate hikes in Canada and the United States and the significant fluctuations in fuel, energy costs and metal prices. Government debt, the risk of sovereign defaults, political instability and wider economic concerns in many countries have been causing significant uncertainties in the markets. Disruptions in the credit and capital markets can have a negative impact on the availability and terms of credit and capital. Uncertainties in these markets could have a material adverse effect on the Company's liquidity, ability to raise capital and cost of capital. High levels of volatility and market turmoil could adversely affect commodity prices, demand for metals, including silver, exchange rates and interest rates and have a detrimental effect on the Company's business, financial condition and financial performance including a possible negative impact on the market price of the Company's securities.

*Commodity prices risk*

The Company, along with all mineral exploration and development companies, is also exposed to a general commodity price risk. A decline in the market price of gold, silver, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations and/or future development. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral properties to a third party.

*History of losses risk*

The Company has no history of generating profits and has incurred losses since its inception. The Company expects to continue to incur losses in the future until such time that it develops its properties, commences mining operations and derives sufficient revenues from its operating activities. The amount and timing of expenditures will depend on a number of factors, some of which are beyond the Company's control, including, but not limited to, the progress of exploration and development activities and the rate at which operating losses accumulate. There can be no assurance that the Company will generate operating revenues or profits in the future.

*Title risk*

Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

*Licencing and permitting risk*

The Company's operations are subject to receiving and maintaining licences, permits and approvals from appropriate government authorities. Although the Company's projects have all required licences, permits and approvals that the Company believes are necessary for operations as currently conducted, no assurance can be provided that the Company will be able to maintain and renew such permits or obtain any other permits that may be required.

*Insured and uninsurable risks*

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and could cause a decline in the value of the securities of the Company.

*Competition risk*

Significant and increasing competition exists in the mining and mineral exploration industry. The Company faces strong competition from other mining and exploration companies in connection with the acquisition of properties producing, or capable of producing, minerals. Many of these companies are larger, more established, and have greater financial resources, operational experience, and technical capabilities than the Company and make it difficult to compete for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. As a result of this competition, the Company may be unable to acquire additional attractive mining or exploration properties on terms it considers acceptable or at all. Consequently, the Company's business, results of operation, financial conditions and prospects could be adversely affected.

*Acquisition and Integration risk*

As part of its business strategy, the Company has sought and will continue to seek new development and exploration opportunities in the mining industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired business and their personnel into the Company. The Company can provide no assurances that it will complete any acquisition or business arrangement that it pursues, or is pursing, on favourable terms, if at all, or that any acquisition or business arrangement completed will ultimately benefit such business. Such acquisitions may be significant in size, relative to the Company, may change the scale of the Company's business and may expose the Company to new geographic, political, operating, financial and geological risks. Further, any acquisition the Company makes will require a significant amount of time and attention of management, as well as resources that otherwise could be spent on the operation and development of the Company's existing business.

*Regulatory risk*

The mining industry in the United States is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record, and the Company will be unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of mining companies, including environmental laws and regulations which are evolving in the United States, or more stringent implementation thereof, could cause delays, and increases in expenditures and costs, and could affect the Company's ability to expand existing operations or require the Company to abandon or delay the development of its properties.

*Conflicts of interest risk*

Certain of the Company's directors and officers do, and may in the future, serve as directors, officers, promoters and members of management of other mineral exploration and development companies and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws establishing the fiduciary duties of directors and officers including the requirement that directors act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict is required under the *Business Corporations Act* (British Columbia) to disclose their interest.

*Retention of key personnel risk*

The Company's business is dependent on retaining the services of a number of key personnel of the appropriate calibre as the business develops. The Company's success is, and will continue to be dependent on, the expertise and experience of the directors and senior management, and the loss of one or more of such persons could have a material adverse effect on the Company.

*Environmental risk*

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

*Foreign operations risk*

The Company currently operates in the United States where there are added risks and uncertainties. Risks of foreign operations include political unrest, labour disputes and unrest, invalidation of governmental orders and permits, corruption, organized crime, theft, war, civil disturbances and terrorist actions, arbitrary changes in law or policies of particular countries (including nationalization of mines), trade disputes, foreign taxation, price controls, delays in obtaining or renewing or the inability to obtain or renew necessary environmental permits, opposition to mining from environmental or other nongovernmental organizations, social perception impacting our social licence to operate, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports and increased financing costs. There can be no assurance that changes in the government or laws, or changes in the regulatory environment for mining companies, or for non-domiciled companies, will not be made, that would adversely affect the Company's business, financial condition, results of operations and prospects.

*Community relations risk*

The Company's relationships with the communities in which it operates, and other stakeholders are critical to ensure the future success of the development of its properties. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company, its operations or extractive industries generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk. Further, damage to the Company's reputation can be the result of the perceived or actual occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. While the Company strives to uphold and maintain a positive image and reputation, the Company does not ultimately have control over how it is perceived by others. Reputation loss may lead to increased challenges in developing, maintaining community relations and advancing its projects and decreased investor confidence, all of which may have a material adverse impact on the financial performance and growth of the Company.

*Litigation risk*

All industries, including the mining industry, may be made subject to legal claims and proceedings, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. The Company may also in the future become the subject of a legal claim or proceeding at any time, and without advance notice of the commencement of the proceeding. To the extent the Company becomes subject to any such claim or proceeding, it may materially impact management's time and the Company's financial resources to defend, even if it is without merit. As well, due to the inherent uncertainty of the litigation process, the resolution of any particular legal claim or proceeding could have a material adverse effect on the Company's business, results of operations, financial condition (including its cash position) and prospects.

*Climate change risk*

The potential physical impacts of climate change on the Company's exploration projects is highly uncertain and are particular to the geographic circumstances. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. The Company's future exploration and work programs in the United States may require water and a lack of necessary water could disrupt exploration programs and adversely impact future development and mining activities. Climate change is an international concern and as a result poses the risk of changes in government policy including introducing climate change legislation and treaties at all levels of government that could result in increased costs. The trend towards more stringent regulations and carbon-pricing mechanisms aimed at reducing the effects of climate change could impact the Company's decision to pursue future opportunities, or maintain our existing exploration programs, which could have an adverse effect on our business.

*Fluctuations in the price of consumables risk*

Fluctuations in the prices and availability of consumables used in connection with exploration, development and mining, such as natural gas, diesel, oil, electricity and reagents can significantly impact the operating cost of exploration and mining activities. These fluctuations can be unpredictable, can occur over short periods of time and may have a materially adverse impact on operating costs, the costs of exploration, and the timing and future costs of undeveloped properties.

*Foreign currency risk*

The Company's reporting currency is the Canadian dollar. Exploration activities in the USA are expected to be primarily incurred in US dollars, and exploration and administrative activities in Canada are mainly incurred in Canadian dollars. Exchange rate fluctuations in these currencies are beyond the Company's control and such fluctuations could have an adverse effect on the Company's exploration and development activities, financial condition, results of operations, business and prospects.

*Information technology risk*

The Company is reliant on the continuous and uninterrupted operations of its information technology ("IT") systems. User access and security of all IT systems are critical elements to the operations of the Company. The Company's operations depend, in part, on how well the Company and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any IT failure pertaining to availability, access or system security could result in disruption for personnel and could adversely affect the reputation, operations or financial performance of the Company.

The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, corrupting information or disrupting business processes or by inadvertent or intentional actions by the Company's employees or vendors. A cyber security incident resulting in a security breach or failure to identify a security threat, could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy and security laws and regulations and remediation costs.

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

*Impact of pandemics risk*

All of the Company's operations are subject to the risk of emerging infectious diseases or the threat of viruses or other contagions or pandemic diseases, including COVID-19. Any outbreak or threat of an outbreak of a virus or other contagions or pandemic disease could have a material adverse effect on the Company's business, results of operations and financial condition as well as the operations of the Company's suppliers, contractors, service providers and host communities. The significant ongoing global uncertainty surrounding the long-term effects of COVID-19 could also have an adverse impact on the Company's ability to complete its current and future exploration and development activities, impact the Company's ability to enter and operate in the United States, and impact its ability to raise financing. A material spread of COVID-19 or other infectious disease could impact the timing and ability of the Company to proceed with planned exploration programs. An outbreak could cause governmental agencies to close for prolonged periods of time causing delays in regulatory permitting processes. Governments may introduce new or modify existing laws, regulations, orders or other measures that could impede the Company's ability to manage the Company's operations. The extent to which COVID-19 continues to affect our business will depend on future events which are highly uncertain and cannot be predicted, including the geographic spread, duration of the pandemic, actions taken by government authorities in response to the pandemic, and the impacts on global and regional markets and the Company's suppliers and service providers.

*Impact of the Russia-Ukraine Conflict risk*

On February 24, 2022, Russian military forces launched a full-scale military invasion of Ukraine. In response, the Ukrainian military and civilians are actively resisting the invasion. The outcome of the conflict is uncertain and is likely to have wide ranging consequences on the peace and stability of the region and the world economy. Certain countries including Canada and the United States, have imposed strict financial and trade sanctions against Russia and such sanctions may have far reaching effects on the global economy. As Russia is a major exporter of oil and natural gas, the disruption of supplies of oil and natural gas from Russia could cause a significant worldwide supply shortage of oil and natural gas and significantly impact pricing of oil and gas worldwide. A lack of supply and high prices of oil and natural gas could have a significant adverse impact on the world economy. The long-term impacts of the conflict and the sanctions imposed on Russia remain uncertain.