

# NorthWestcopper

**NorthWest Copper Corp.**

**Annual Information Form**

**For the Financial Year Ended February 28, 2021**

**Dated August 10, 2021**

**CORPORATE OFFICE**

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Vancouver, British Columbia V6E 2E9

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## SCHEDULE "A" AUDIT COMMITTEE CHARTER

## PRELIMINARY NOTES

### Date of Information

All information in this Annual Information Form (“AIF”) of NorthWest Copper Corp. (“NorthWest Copper” or the “Company”) is as of August 10, 2021, unless otherwise indicated.

### Cautionary Notes to U.S. Investors Concerning Resource Estimates

This AIF includes mineral reserves and mineral resources classification terms that comply with reporting standards in Canada and are made in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and the Canadian Institute of Mining and Metallurgy (“CIM”) Definition Standards. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”) applicable to domestic United States reporting companies. Accordingly, information included in this AIF that describes the Company’s mineral reserves and mineral resources estimates may not be comparable with information made public by United States companies subject to the SEC’s reporting and disclosure requirements.

### Currency

Except where otherwise indicated, all references to currency in this AIF are to Canadian Dollars (“\$”) and all references to “US\$” or “USD\$” in this AIF are to U.S. dollars.

The following table reflects the low and high rates of exchange for one United States dollar, expressed in Canadian dollars, during the periods noted, the rates of exchange at the end of such periods and the average rates of exchange during such periods, based on the Bank of Canada daily exchange rates for 2019, 2020 and 2021.

	Years Ended February 28,		
	2021	2020 <sup>(1)</sup>	2019
Low for the period	\$1.2530	\$1.2970	\$1.2552
High for the period	\$1.4496	\$1.3527	\$1.3642
Rate at the end of the period	\$1.2685	\$1.3429	\$1.3169
Average	\$1.3343	\$1.3256	\$1.3081

(1) Year ended February 29, 2020.

On August 10, 2021, the Bank of Canada daily exchange rate was US\$1.00 - \$1.2540.

### Forward-Looking Information

Except for statements of historical fact, this AIF contains certain “forward-looking information” within the meaning of applicable Canadian securities laws. These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements include, but are not limited to, statements with respect to the future price of copper, zinc gold and silver, the potential quality and/or grade of minerals, the interpretation of metallurgical results, the estimation of mineral reserves and resources, the realization of such mineral estimates, the potential extension and expansion of mineral resources, the filing of technical reports, the combination of the Stardust and Kwanika Project deposits, the potential size and expansion of a mineralized zone, the potential to add tonnage, the proposed timing of exploration and drilling programs, the growth potential of the Company's mineral properties, the 2021 exploration program, the timing and amount of estimated future production and output, life of mine, costs of production, capital expenditures, costs and timing of the development of new deposits, planned exploration activities, success of exploration activities, success of permitting activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the potential or anticipated outcome of title disputes or claims and timing, possible outcome of pending litigation and the focus of the Company in the coming months. Often, but not always, forward looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or that state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements are based on the opinions and estimates of management as of the date such statements are made and they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any other future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others: the limited business history of the Company; actual results of current exploration activities; the limited exploration prospects of the Company; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of copper, zinc, gold and silver; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; need for cooperation with local indigenous communities; fluctuations in metal prices; unanticipated title disputes; claims or litigation; unknown environmental risks for past activities on the Stardust Project or Kwanika Project; limitation on insurance coverage; impact of COVID-19; as well as those risk factors discussed in this AIF under "*Risk Factors*" or referred to in NorthWest Copper's continuous disclosure documents filed from time to time with the securities regulatory authorities of the provinces and territories of Canada and available on SEDAR at [www.sedar.com](http://www.sedar.com). These risk factors are not intended to represent a complete list of the risk factors that could affect the Company.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Unless required by securities laws, the Company undertakes no obligation to update forward looking statements if circumstances or management's estimates or opinions should change. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

## **Scientific and Technical Information**

Unless otherwise indicated, scientific and technical information in this AIF relating to the Stardust Project and Kwanika Project has been reviewed and approved by Ian Neill, P.Geol., VP Exploration of the Company, a "qualified person" under NI 43-101.

The disclosure included in this AIF uses mineral reserves and mineral resources classification terms that comply with reporting standards in Canada and the mineral reserves and mineral resources estimations are made in accordance with the CIM Definition Standards on mineral reserves and mineral resources adopted by the CIM Council on May 10, 2014 and NI 43-101. The following definitions are reproduced from the CIM Definition Standards:

A “**mineral resource**” is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories.

An “**inferred mineral resource**” is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.

An “**indicated mineral resource**” is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.

A “**measured mineral resource**” is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A measured mineral resource has a higher level of confidence than that applying to either an indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or a probable mineral reserve.

A “**mineral reserve**” is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. Mineral reserves are sub-divided in order of increasing confidence

into probable mineral reserves and proven mineral reserves. The public disclosure of a mineral reserve must be demonstrated by a pre-feasibility study or feasibility study.

A “**probable mineral reserve**” is the economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve. Probable mineral reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a pre-feasibility study.

A “**proven mineral reserve**” is the economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors. Proven mineral reserve estimates must be demonstrated to be economic, at the time of reporting, by at least a pre-feasibility study.

“**Modifying factors**” are considerations used to convert mineral resources to mineral reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

## **Certain Other Information**

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

## **Consolidation**

On March 5, 2021, the Company consolidated all the issued and outstanding common shares (each, a “**Common Share**”) on a two-for-one basis (the “**Consolidation**”). Unless otherwise noted, all references to number of securities, as well as exercise price and price per Common Share information in this AIF reflect the Consolidation.

## **CORPORATE STRUCTURE**

### **Name, Address and Incorporation**

NorthWest Copper was incorporated under the *Company Act* of the Province of British Columbia, Canada on March 5, 1973 under the name of “Dual Resources Ltd.”, which name was changed to “Serengeti Diamonds Ltd.” on January 20, 1994. The Company went through a restoration on April 26, 1999. On March 22, 2001, NorthWest Copper changed its name to “Serengeti Resources Inc.”. On July 25, 2005, the shareholders approved the alteration of the Company’s authorized share structure to its current structure of an unlimited number of Common Shares and 20,000,000 class A preferred shares (the “**Preferred Shares**”). On August 30, 2005, the Company transitioned to the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). On March 5, 2021, the Company changed its name to “NorthWest Copper Corp.” in connection with the Arrangement.

The Common Shares of the Company are currently listed for trading on the TSX Venture Exchange (the “**TSXV**”) under the symbol “NWST”. The Company is a reporting issuer in British Columbia and Alberta and files its continuous disclosure documents with the Canadian Securities

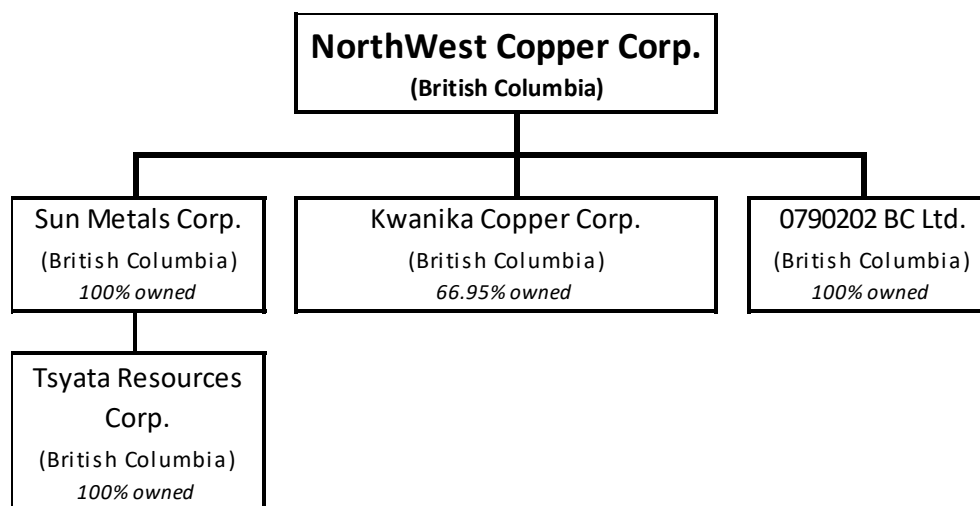
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Authorities in such provinces. Such documents are available on SEDAR at [www.sedar.com](http://www.sedar.com). NorthWest Copper's filings through SEDAR are not incorporated by reference in this AIF.

The Company's corporate office is located at Suite 1900 – 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 and its registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

## Intercorporate Relationships

The following diagram illustrates the intercorporate relationships among the Company and its subsidiaries, as well as the jurisdiction of each entity.



## GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

The Company is a junior resource issuer and has no history of earnings nor has it earned revenue since commencing operations. The Company is concurrently advancing contiguous copper-gold resource projects in north-central British Columbia, Canada: the Stardust Project and the Kwanika Project. The Stardust Project is a polymetallic carbonate replacement deposit (“**CRD**”) with a significant history of exploration. The Kwanika Project is an advanced stage copper-gold project. The Company owns 66.95% of Kwanika Copper Corp. (“**KCC**”), a company incorporated under the laws of the Province of British Columbia that holds the Kwanika Project. The remaining 33.05% is held by Posco International Corporation (“**POSCO**”). The Company also owns the East Niv property in British Columbia, located 40 kilometres southwest of the Kemess Mine, and the Lorraine property, located 40 kilometres north of the Kwanika Project. The Company also has an option to earn a 100% interest in the Top Cat property, located 40 kilometres north of the Kwanika Project. The Company holds a 100% interest in a number of other regional properties, all of which are located in British Columbia.

The Company considers the Stardust Project and the Kwanika Project to be its material properties for the purposes of applicable Canadian securities laws.



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For more information on the Stardust Project, see “*Mineral Property – Stardust Project*” and the Stardust Technical Report (as defined below) for the Stardust Project prepared by Ronald G. Simpson, P. Geo., GeoSim Services Inc. The Stardust Technical Report is available in its entirety on SEDAR at [www.sedar.com](http://www.sedar.com) and readers should review it in its entirety for a full description of the Stardust Project.

For more information on the Kwanika Project, see “*Mineral Property – Kwanika Project*” and the Kwanika Technical Report (as defined below) for the Kwanika Project prepared by Sue Bird, P Eng., Marek Nowak, P Eng and Tracey Meintjes, P. Eng. The Kwanika Technical Report is available in its entirety on SEDAR at [www.sedar.com](http://www.sedar.com) and readers should review it in its entirety for a full description of the Kwanika Project.

## The Arrangement

On November 29, 2020, the Company and Sun Metals Corp. (“**Sun Metals**”) entered into an arrangement agreement (the “**Arrangement Agreement**”) pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Sun Metals on the basis of 0.215 of a Common Share for each common share of Sun Metals held (the “**Exchange Ratio**”), by way of plan of arrangement under the BCBCA (the “**Arrangement**”). In connection with the Arrangement, all outstanding stock options of Sun Metals were exchanged for options to purchase Common Shares on the basis of the Exchange Ratio and all unexercised common share purchase warrants of Sun Metals were adjusted or exchanged, as applicable, for warrants to purchase Common Shares on the basis of the Exchange Ratio and will expire in accordance with their current expiry dates. As a result of the Arrangement, Sun Metals would become a wholly-owned subsidiary of the Company.

On March 5, 2021, the Company and Sun Metals announced that the Arrangement had closed. On closing of the Arrangement, former shareholders, including shareholders on conversion of Subscription Receipts (defined below), held 49.6% of the combined Company. Concurrently with the closing of the Arrangement, the Company changed its name from “Serengeti Resources Inc.” to “NorthWest Copper Corp.” (the “**Name Change**”), commenced trading on the TSXV under the new trading symbol “NWST” and completed the Consolidation. Mark O’Dea assumed the role of Executive Chairman and was joined on the board of directors of the Company (the “**Board**”) by former Sun Metals directors Sean Tetzlaff and Richard Bailes. David W. Moore, Lewis V. Lawrick and Teodora Dechev continued as directors of the Company. David W. Moore continued as Interim President and Chief Executive Officer and Lauren McDougall and Ian Neill of Sun Metals assumed the roles of Chief Financial Officer and Vice President Exploration, respectively.

## Three Year History

The general development of the Company for the last three completed financial years and until the date of this AIF is described below. Unless otherwise provided below, NorthWest Copper’s history prior to the financial year ended February 28, 2019 is available on the Company’s website and the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### 2017 – 2018

On November 24, 2017, the Company completed a transaction whereby the Company, Posco Daewoo Corporation (since renamed Posco International Corporation) and KCC signed a definitive joint venture agreement (the “**JVA**”) for the exploration and development of the Kwanika

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Project. Pursuant to the JVA, the respective interests of the Company and POSCO in the Kwanika Project were transferred to KCC, which serves as the vehicle for the joint venture.

Key terms of the JVA and KCC structure include the following:

- (a) POSCO contributed a total of \$8.3 million in cash, in exchange for 8,200,000 common shares of KCC, representing 35% of the total issued shares of KCC at that time.
- (b) The Company contributed the Kwanika Project, in exchange for 15,228,571 common shares of KCC (representing 65% of the total issued shares of KCC at that time).
- (c) The Company retains operatorship of the Kwanika Project and received a \$700,000 operator's fee as the first disbursement from the project funding.
- (d) The Board of Directors of KCC consists of five individuals, three appointed by the Company and two appointed by POSCO.
- (e) If either POSCO or the Company does not fully fund its proportionate share of a work program, its interest in KCC will be diluted based on the relative contributions of each shareholder.
- (f) All work programs and budgets are subject to approval of KCC shareholders holding at least two-thirds of the issued shares of KCC.

In addition, pursuant to the JVA, the Company may be granted a 1% net smelter return (“**NSR**”) royalty if its interest is diluted below 50% and an additional 0.5% NSR if its interest is diluted below 33⅓%, subject to partial buyback provisions to POSCO. POSCO will have certain concentrate offtake rights from production on the Kwanika Project, subject to the Company's ability to enter into separate streaming arrangements.

A preliminary economic assessment titled “NI 43-101 Technical Report for the Kwanika Project Preliminary Economic Assessment 2017” dated April 28, 2017 (“**PEA**”) and prepared by Chad Yuhasz, P.Geo., SRK Consulting; Marek Nowak, P.Eng., SRK Consulting; James H. Gray P.Eng., Moose Mountain Technical Services and Tracey D. Meintjes, P.Eng., Moose Mountain Technical Services relating to the Kwanika Project was filed by the Company in May 2017. The PEA is available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **2018 – 2019**

In 2018, KCC designed a field program to acquire key data for the preparation of a pre-feasibility study (“**PFS**”) for the Kwanika Project. Elements of the program included 8,000 meters of drilling focused on the Central Zone of the Kwanika Project. The drill program commenced in June 2018 and completion of the PFS was projected for the third quarter of 2019. KCC engaged Merit Consultants International, (“**Merit**”), a division of Cementation Canada Inc., to lead the preparation of the PFS. Merit was supported by a team of geotechnical, environmental, metallurgical, resource, open pit and underground mining, tailings, waste, and water management and hydrology, hydrogeology consultants, which included Moose Mountain Technical Services, Cementation USA Inc., Klohn Crippen Berger, Tetra-Tech Canada, Falkirk Resource Consultants Ltd. and Palmer Environmental Consulting.

## **2019 – 2020**

In April 2019, the Company filed the Kwanika Technical Report which superseded and updated the PEA and includes an updated mineral resource for the Central Zone with a re-statement of the previous mineral resource estimate for South Zone of the Kwanika Project. An additional \$590,000 was contributed to KCC on a pro-rata basis by the Company and POSCO for further engineering studies during the year ended February 29, 2020.

In late October 2019, the Company and POSCO determined that KCC was not in a position to complete the PFS at such time due to lack of funding. The Company and POSCO elected to instead complete the study using the balance of the available funds and to focus on completing an interim study report. The interim study report documented the extensive work achieved by the independent engineering consortium in order to best facilitate future advancement of the Kwanika Project and was completed in the latter part of 2019.

On December 19, 2019 the board of directors and shareholders of KCC approved a budget for exploration and project optimization to be completed in 2020 on the Kwanika Project in the amount of \$1,450,000 plus an up to 10% overage allowance. POSCO elected not to participate in the 2020 program and the Company elected to solely fund the program. As a consequence, POSCO's interests in KCC was diluted in accordance with the terms of the JVA. Following completion of the 2020 work program, the Company owned 66.95% of KCC and POSCO owned 33.05% of KCC.

## **2020 – 2021**

The 2020 work program at the Kwanika Project, solely funded by the Company, included the following:

### *Exploration and Resource Development*

- (a) Approximately 4,350 metres of diamond drilling to test for potential to expand resources near the Central Zone; and test related exploration targets including the Central Zone South and North targets, and the western margin of the South Zone resource.
- (b) Approximately 16 line-kilometres of induced-polarization (“IP”) surveys north and south of the Central Zone resource to develop known targets, as well as at the Rottacker area located 20 kilometres south of the Kwanika Project,

### *Project Optimization*

- (a) Mineral sorting, staged evaluation to better understand the potential benefits of mineral sorting during production from an underground block-cave at Central Zone.
- (b) Initial enterprise optimization studies designed to identify key aspects that impact project economics.

Analytical results from the nine (9) drill holes included the following:

- DDH-K-196 intersected a newly recognized deep Cu-Au system that remains open to the north.

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- DDH-K-197 opened up the Central Zone for expansion below and to the south of the current pit-constrained mineral resource
- DDH-K-198 drilled through the underground mineral resource shape, expanding it incrementally to the west, and includes two significant intervals of Cu-Au enrichment.
- DDH-K-199 deviated from the planned orientation more than anticipated, intersecting propylitically altered barren diorite and granodiorite before being abandoned at 173.2 metre. The drill was then repositioned to drill K-200.
- DDH-K-200 intersected complex intrusive and structural breccias dominated by chlorite-magnetite propylitic and patchy weak potassic alteration with trace chalcopyrite. Locally strong sericite alteration and pyrite overprinting suggest the hole intersected a structural zone that served as a conduit for later Cu-diluting fluids.
- DDH-K-201 was drilled across the west edge of the South Zone mineral resource to test and confirm grade continuity along the West Fault. The hole intersected near-surface disseminated and vein chalcopyrite-molybdenite mineralization within silica altered quartz-syenite east of the West Fault, confirming continuity of grade along the west edge of the South Zone deposit.
- DDH-K-202 was drilled to follow up on encouraging results from K-23, K-190 and K-197 along the Central Fault south of the Central Zone deposit. The hole drilled through the Central Fault intersecting potassically-altered diorite hosting chalcopyrite ± chalcocite ± bornite mineralization immediately west of the Central Fault and below the unconformity with the sedimentary basin. The hole confirmed that the Central Fault is a major controlling structure on mineralization, and that the Central Zone system remains open along the fault, and at depth beneath the sedimentary basin. Drill hole density south of K-202 is sparse and potential exists to expand the Central Zone southward from current mineral resource boundaries.
- DDH-K-203 was an exploration hole drilled to test a Z-Axis Tipper Electromagnetic (ZTEM) and coincident Ah-horizon soil geochemical anomaly southwest of the Central Zone along the Pinchi Fault. The hole intersected interbedded mafic volcanics and calcareous sediments of the Cache Creek terrane which explain the geophysical response. The hole was abandoned at 179.1 metres and no samples were submitted to the laboratory for analysis.
- DDH-K-204 was drilled to follow up on encouraging results from K-196, including two mineralized horizons. K-204 intersected potassically altered diorite and monzodiorite hosting pyrite-chalcopyrite mineralization similar to the upper mineralized horizon in K-196 before entering a barren gabbroic-granitic dyke swarm showing complex cross-cutting relationships. The dyke swarm may represent a high-temperature intrusive system core possibly related to Central Zone mineralization. When coupled with mineralized intercepts from prior drill holes to the west and north, this suggests a mineralized system may continue at depth toward the northwest.

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Sample analysis for the 2020 work program at the Kwanika Project was completed at Bureau Veritas Minerals Laboratory in Vancouver, British Columbia (“BV”, which is ISO 9001:2015 and 17025 accredited). A robust QA/QC program was completed which included inserting field blanks, standards and duplicates into the sample stream before being shipped to the laboratory. QA/QC samples accounted for a minimum of 10% of the analyzed samples in addition to the laboratory’s own quality assurance program. Copper and silver analysis were determined by MA200 in exploration samples, and MA300 for resource and near-resource samples. MA200 is a combined ICP-ES/MS method following 4-acid (MA) digestion with detection ranges of 0.1 – 10,000ppm for Cu, and 0.1 – 200ppm for Ag. MA300 is an ICP-ES method following a 4-acid (MA) digestion with detection ranges of 2 – 10,000ppm for Cu, and 0.5 – 200ppm for Ag. Overlimit analysis for Cu were determined by MA370, an ICP-ES method following 4-acid (MA) digestion with detection ranges of 0.001 – 10%. Gold was determined by FA430, a lead collection, Fire Assay/AAS method using a 30 gram sub-sample with detection ranges of 0.005 – 10ppm. The 2020 drilling program at the Kwanika Project was supervised by Company staff. The technical information with respect to the 2020 work program above has been reviewed, verified and approved by Ian Neill, P.Geo., VP Exploration of the Company, a “qualified person” under NI 43-101.

The Company also completed a preliminary desktop study of sensor-based mineral sorting was carried out for the Kwanika block cave, open pit and pushback. The outcomes represent an early stage assessment of the resource heterogeneity that would contribute to a detailed sortability study. The study was conducted with consideration of shovel and conveyor belt sorting systems using X-ray Fluorescence (XRF)RF, Prompt Gamma Neutron Activation (PGNAA) and Magnetic Resonance (MR).

Following completion of the 2020 work program, the Company ownership interest in KCC increased to 66.95% and POSCO ownership interest decreased to 33.05%.

In September 2020, KCC entered into a renewed its exploration agreement with the Takla Nation, which provides for a continuation of the relationship between the two parties relating to the advancement of the Kwanika Project. The agreement has a five-year term.

On November 30, 2020, the Company announced that it had entered into the Arrangement Agreement with Sun Metals to consolidate the contiguous Kwanika Project and Stardust Project.

Concurrent with the announcement of the Arrangement, the Company and Sun Metals announced that they had entered into an agreement with a syndicate of underwriters co-led by PI Financial Corp. and Haywood Securities Inc. (collectively, the “**Subscription Receipt Underwriters**”) in connection with a bought deal private placement of an aggregate of 64,000,000 subscription receipts of Sun Metals (the “**Subscription Receipts**”) at a price of \$0.125 per Subscription Receipt for gross proceeds of \$8,000,000 (the “**Subscription Receipt Offering**”). In addition, the Company and Sun Metals granted the Subscription Receipt Underwriters an option to purchase up to an additional 9,600,000 Subscription Receipts for additional gross proceeds of up to \$1,200,000, exercisable in whole or in part at any time up to 48 hours prior to the closing date of the Subscription Receipt Offering. Pursuant to an underwriting agreement dated December 17, 2020 as among the Company, Sun Metals and the Subscription Receipt Underwriters (the “**Subscription Receipt Underwriting Agreement**”), Sun Metals will pay a commission of 6.0% of the gross proceeds of the Subscription Receipt Offering to the Subscription Receipt Underwriters (the “**Subscription Receipt Underwriters’ Fee**”) in cash. 50% of the Subscription

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Receipt Underwriters' Fee was paid to the Subscription Receipt Underwriters on closing of the Subscription Receipt Offering, and the remaining 50% of the Subscription Receipt Underwriters' Fee was deposited into escrow, to form part of the Escrowed Funds (as defined below) and shall be paid to the Subscription Receipt Underwriters, together with any interest accrued thereon, subject to and upon satisfaction of the Escrow Release Conditions (as defined below). The Subscription Receipts were to be issued under a subscription receipt agreement (the "**Subscription Receipt Agreement**") as among the Company, Sun Metals, the Subscription Receipt Underwriters and Computershare Trust Company. Pursuant to the Subscription Receipt Agreement, the gross proceeds of the Subscription Receipt Offering (less 50% of the Subscription Receipt Underwriters' Fee and all of the Subscription Receipt Underwriters' expenses) (the "**Escrowed Funds**") will be held in escrow pending satisfaction of certain conditions, including, amongst others, (a) the satisfaction or waiver of each of the conditions precedent to the Arrangement; and (b) the receipt of all required shareholder and regulatory approvals in connection with the Arrangement and the Subscription Receipt Offering, including the condition approval of the TSXV (the "**Escrow Release Conditions**"). Upon the satisfaction of the Escrow Release Conditions, each Subscription Receipt will automatically convert into one unit of Sun Metals (each a "**Unit**") which shall be exchanged or adjusted into securities of the Company at the Exchange Ratio upon completion of the Arrangement, on a post-Consolidation basis. Each Unit will consist of one common share of Sun Metals and one-half of one common share purchase warrant (each a "**Unit Warrant**"). Each Unit Warrant will be exercisable to acquire one common share of Sun Metals for a period of 24 months from the closing of the Subscription Receipt Offering, at an exercise price of \$0.18, as adjusted by the Exchange Ratio, subject to acceleration in the event that the volume weighted average trading price of the common shares of Sun Metals on the TSXV is equal to or greater than \$0.30 (on an exchanged or adjusted basis pursuant to the Arrangement) for 20 consecutive trading days. The Warrants were to be issued under a warrant indenture (the "**Warrant Indenture**") as among the Company, Sun Metals and Computershare Trust Company.

On December 2, 2020, the Company and Sun Metals announced an upside to the Subscription Receipt Financing to an aggregate 72,000,000 Subscription Receipts at a price of \$0.125 per Subscription Receipt for gross proceeds of \$9,000,000. In addition, the Company and Sun Metals granted the Subscription Receipt Underwriters an option to purchase up to an additional 10,800,000 Subscription Receipts for additional gross proceeds of up to \$1,350,000, exercisable in whole or in part at any time prior to the closing date of the Subscription Receipt Offering.

On December 17, 2020, the Company and Sun Metals announced that the Subscription Receipt Offering had closed. In connection with the Subscription Receipt Offering, Sun Metals issued 82,800,000 Subscription Receipts, at a price of \$0.125 per Subscription Receipt for gross proceeds of \$10,350,000.

## **2021 – 2022**

On March 5, 2021, the Company announced the completion of the Arrangement, the Consolidation and Name Change. The Company also announced that Mark O'Dea assumed the role of Executive Chairman and the appointment of former Sun Metals directors Sean Tetzlaff and Richard Bailes. David W. Moore, Lewis V. Lawrick and Teodora Dechev continued as directors of the Company. David W. Moore continued as Interim President and Chief Executive Officer and Lauren McDougall and Ian Neill of Sun Metals assumed the roles of Chief Financial Officer and Vice President Exploration, respectively. The Company also announced that immediately prior to completion of the Arrangement the previously issued 82,800,000 Subscription Receipts

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of Sun Metals automatically converted into one Unit of Sun Metals, which were exchanged, adjusted, or converted into securities of NorthWest Copper at the Exchange Ratio, on a post-Consolidation basis, resulting in the issuance of 17,802,000 Common Shares, and warrants entitling the holders to acquire an additional 8,901,000 Common Shares at an exercise price of \$0.84 per Common Share, on or before December 17, 2022, subject to acceleration in the event that the volume weighted average trading price of Common Shares of NorthWest Copper on the TSXV is equal to or greater than \$1.40 for 20 consecutive trading days.

On March 8, 2021, the Company announced the appointment of Peter Bell as President and CEO of the Company.

On March 8, 2021, the Company announced that it had entered into an agreement a syndicate of underwriters led by PI Financial Corp. (collectively, the “**Underwriters**”) in connection with a bought deal private placement of an aggregate of 3,750,000 Common Shares, 5,000,000 flow-through Common Shares (the “**FT Shares**”) and 4,550,000 charity flow-through Common Shares (the “**Charity FT Shares**”) at a price of \$0.80 per Common Share, \$1.00 per FT Share and \$1.10 per Charity FT Share for aggregate gross proceeds of \$13,005,000 (the “**Offering**”). In addition, the Company granted the Underwriters an option to cover over-allotments, which will allow the Underwriters to offer up to an additional 20% of the Offering (the “**Underwriters’ Option**”). The Underwriters’ Option may be exercised in whole or in part at any time prior to the closing of the Offering, in any combination of Shares, FT Shares, and Charity FT Shares. The FT Shares and the Charity FT Shares will qualify as “flow-through shares” within the meaning of the *Income Tax Act* (Canada). Pursuant to an underwriting agreement dated March 31, 2021 between the Company and the Underwriters (the “**Underwriting Agreement**”), the Underwriters will receive a cash commission equal to 6.0% of the gross proceeds of the Offering, including any proceeds realized from the exercise of the Underwriters’ Option.

On March 22, 2021, the Company announced the appointment of Dr. James Lang as Chief Geoscientist of the Company.

On March 31, 2021, the Company announced that the Offering had closed. In connection with the Offering, the Company issued 3,750,000 Common Shares, 5,000,000 FT Shares and 4,550,000 Charity FT Shares at a price of \$0.80 per Common Share, \$1.00 per FT Share and \$1.10 per Charity FT Share for aggregate gross proceeds of \$13,005,000.

On April 19, 2021, the Company announced positive results from initial metallurgical test work on the Stardust Project. Combined gravity and flotation produced copper recoveries from 94.2% to 98.6% and gold recoveries from 93.0% to 93.9%. Those tests produced copper in concentrate grades from 21.8% to 26.2%.

On May 17, 2021, the Company announced a new mineral resource estimate for the Stardust Project. At a cut-off of US\$65/tonne and 2.5 metre minimum mining width the new Stardust Project mineral resource estimate consists of:

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- Indicated mineral resources<sup>1</sup> 1.96 million tonnes at 2.59% CuEq<sup>2</sup> 1.31% Cu, 1.44 g/t Au and 27.1 g/t Ag
- Inferred mineral resources of 5.84 million tonnes at 1.88% CuEq, 0.86% Cu, 1.17 g/t Au and 20.0 g/t Ag

At a higher cut-off of US \$105/tonne and 2.5 metre minimum mining width:

- Indicated mineral resources of 1.31 million tonnes at 3.25% CuEq, 1.65% Cu, 1.82 g/t Au and 33.2 g/t Ag
- Inferred mineral resources of 3.09 million tonnes at 2.43% CuEq, 1.10 % Cu, 1.54 g/t Au and 24.9 g/t Ag

The higher-grade cut-off material provides additional options for mine plan scheduling. This new mineral resource estimate represents a doubling of the tonnage in both the indicated and inferred categories over the previous estimate. The larger resource captures the high-grade 421 zone, discovered by Sun Metals in 2018. The 421 zone is down plunge and continuous with the shallower, previously estimated Canyon Creek resource. The Stardust Project deposit comprises massive sulfide mineralization that starts at surface and extends to 900 metres depth while remaining open at depth and laterally. See “*Mineral Property – Stardust Project*”.

On May 19, 2021, the Company filed a business acquisition report (“**BAR**”) in connection with the acquisition of Sun Metals.

On June 3, 2021, the Company announced that exploration work at its Stardust Project and Kwanika Project had commenced. The Company also announced that crews would be mobilized at its Lorraine and East Niv properties.

On June 4, 2021, the Company announced financial results for the fiscal year ended February 28, 2021.

On June 10, 2021, the Company changed its year end from February 28 to December 31. The Company’s next financial year end will be the ten months ended December 31, 2021.

On June 14, 2021, the Company announced that drilling had commenced at its Stardust Project and Kwanika Project. The Kwanika Project program, in particular, is expected to include a total of 7,200 metres of drilling for 2021.

On June 15, 2021, the Company announced the appointment of Vesta Filipchuk as Vice President Sustainability.

On July 2, 2021, the Company announced the filing of the Stardust Technical Report. See “*Mineral Property – Stardust Project*”.

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<sup>1</sup> Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves. The estimate of mineral resources may be materially affected by geology, environment, permitting, legal, title, taxation, sociopolitical, marketing or other relevant issues. Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined economically. It cannot be assumed that all or part of the Inferred mineral resources will ever be upgraded to a higher category.

<sup>2</sup> The following equation was used to calculate copper equivalence:  $CuEq = \text{Copper (\%)} + (\text{Gold (g/t)} \times 0.718) + (\text{Silver (g/t)} \times 0.009)$ .



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On July 15, 2021, the Company announced that it had added 16 claims to its East Niv property, expanding its size to 43,297 hectares. On July 15, 2021, the Company also announced a drilling update for the Kwanika Project.

On July 23, 2021, the Company announced that drilling had commenced at its East Niv property. The East Niv program is expected to include a total of 2,750 metres of drilling for 2021.

As of the date of this AIF, management of the Company do not expect any further material changes to the business; however, as is typical of the mineral exploration and development industry, from time to time the Company reviews potential merger, acquisition, investment and joint venture transactions and opportunities that could enhance shareholder value. Furthermore, there can be no assurance that the results of exploration or development programs planned or underway will not result in material changes to the scientific and technical information contained herein. Accordingly, readers of this AIF are urged to read the news releases issued by the Company once they become available on SEDAR for full and up-to-date information concerning the Company's business and its material exploration property interests.

## SIGNIFICANT ACQUISITIONS

The Arrangement constituted a significant acquisition under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations* and the Company filed a BAR on Form 51-102F4 *Business Acquisition Report* under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) May 19, 2021.

## THE BUSINESS

### Background

As described above under "*General Development of the Business*" and below under "*Mineral Property – Stardust Project*" and "*Mineral Property – Kwanika Project*", the Company is a junior resource issuer concurrently advancing the Stardust Project and the Kwanika Project, contiguous copper-gold resource projects in north-central British Columbia, Canada. The Stardust Project is a polymetallic CRD with a significant history of exploration. The Kwanika Project is an advanced stage copper-gold project. The Kwanika Project is being advanced through a joint venture entity called "Kwanika Copper Corp." and the exploration and development of the Kwanika project is governed pursuant to the JVA. The Company owns 66.95% of KCC and its joint venture partner POSCO owns the remaining 33.05%. The Company also owns the East Niv property in British Columbia, located 40 kilometres southwest of the Kemess Mine, and the Lorraine property, located 40 kilometres north of the Kwanika Project. The Company also has an option to earn a 100% interest in the Top Cat property, located 40 kilometres north of the Kwanika Project. The Company holds a 100% interest in a number of other regional properties, all of which are located in British Columbia.

The Company considers the Stardust Project and the Kwanika Project to be its material properties for the purposes of applicable Canadian securities laws.

The Company conducts its business in a single operating segment which is the mineral exploration business in Canada. The Company's exploration and evaluation assets are located in Canada. The Company owns no producing properties and, consequently, has no current operating income or cash flow from the properties it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of the Company are

primarily funded by equity financings.

## **Specialized Skills and Knowledge**

The Company believes that its success is dependent on the performance of its management and key employees, many of whom have specialized knowledge and skills relating to the precious metals exploration business. The Company believes it has adequate personnel with the specialized skills required to successfully carry out its operations.

Various aspects of the Company's business require specialized skills and knowledge. NorthWest Copper's business is dependent on retaining the services of its key management personnel with a variety of skills and experience, including in relation to the exploration and development of mineral projects. The success of the Company is, and will continue to be, dependent to a significant extent on the expertise and experience of its directors and senior management. NorthWest Copper's management team has extensive experience in mineral exploration and development and as such is well positioned to further the development of the Stardust Project and the Kwanika Project. See "*Directors and Officers*".

The Company also has access through an administrative and technical services agreement (the "**Services Agreement**") with Oxygen Capital Corp. ("**Oxygen**"), to a number of highly skilled individuals with many years of experience within the mining industry in areas such as structural geology, finance, and business development. The Company has entered into the Services Agreement with Oxygen, a private entity owned in part by two directors of the Company (Mark O'Dea and Sean Tetzlaff) to provide services to the Company including staffing, office rental and other administrative functions on a cost recovery basis. The Company benefits from expanded access to technical and administrative personnel as a result of the Oxygen relationship. A total of up to six (6) people from Oxygen provide services to the Company.

## **Competitive Conditions**

The Company's business is intensely competitive, and the Company competes with other exploration, development and mining companies, many of which have greater resources and experience. As described in this AIF under "*Risk Factors*" below, competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically and the capital for the purpose of financing development of desired properties. In addition, competition may impact the Company's ability to recruit or retain qualified employees with the technical expertise to find, develop or operate such properties.

## **Business Cycles**

Mining is a cyclical industry and commodity prices fluctuate according to global economic trends and conditions. See "*Risk Factors*" below.

## **Environmental Protection**

The Company's exploration and development activities, as applicable, are subject to various levels of federal and provincial laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties. A breach of which may result in the imposition of fines and penalties. Certain types of operations may also require the submission and approval of environmental assessments. As at the date of this AIF, the

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Company estimates that the cost for future property closure and reclamation for the Stardust Project and the Kwanika Project to be \$0.2 million.

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

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

## **Employees**

As of February 28, 2021, the Company and its subsidiary had three (3) employees. As of August 10, 2021, the Company had twelve (12) employees.

## **Bankruptcy and Similar Procedures**

There have been no bankruptcy, receivership or similar proceedings against the Company or its subsidiary, or any voluntary bankruptcy, receivership or similar proceedings by the Company or its subsidiary, within the three most recently completed financial years or during or proposed for the current financial year.

## **Reorganizations**

There have been no corporate reorganizations within the three most recently completed financial years of the Company and other than the Arrangement, there have been no corporate reorganizations completed during or proposed for the current financial year.

## **Social and Environmental Policies**

The Company places great emphasis on providing a safe and secure working environment for all employees and recognizes the importance of operating in a sustainable manner. The Company had no lost-time accidents during the year ended February 28, 2021.

The Company believes awareness and communication of risks are critical steps in preventing accidents on each of the property interests operated by the Company. There were no significant environmental incidents at any of the exploration properties at which the Company is the operator through the year ended February 28, 2021.

The Company understands that having strong working relationships with Indigenous Peoples (as defined below) and other communities of interest will be imperative to the success of the Stardust Project and the Kwanika Project. Ensuring that local communities have an understanding of and appreciation for, the potential impacts of exploration, development and mining activity in the region will be a focus going forward. As the Stardust Project and Kwanika Project advances, management plans to engage further with community members, to solicit and respond to feedback and concerns raised from concerned citizens. On a regular basis, the Company will provide information and regular updates to community groups, Indigenous Peoples, and the general public regarding exploration activities for the project; undertake exploration in a safe manner, and assess safety, health, environmental and social risks associated with each phase of

the project; and support transparent and fair employment strategies at the local level, and where possible, employ a local workforce at all skill levels.

In September 2020, KCC entered into a renewed exploration agreement with the Takla Nation, which provides for a continuation of the relationship between the two parties relating to the advancement of the Kwanika Project. The agreement has a five-year term.

In August 2020, Sun Metals similarly entered into a renewed exploration agreement with the Takla Nation, which also provides for a continuation of the relationship between the two parties relating to the advancement of the Stardust Project. The agreement is valid through December 31, 2021.

The Board seeks to foster a culture of ethical conduct by striving to ensure the Company carries out its business in line with high business and moral standards and applicable legal and financial requirements. The Board has adopted a formal Code of Business Conduct and Ethics for its Directors, officers, employees and consultants and has established a Whistleblower Policy which details complaint procedures for financial concerns. The Board encourages management to consult with legal and financial advisors to ensure the Company is meeting those requirements and ensures that all material transactions are thoroughly reviewed and authorized by the Board before being undertaken by management.

## **POSCO JVA**

On November 24, 2017, the Company entered into the JVA for the exploration and development of the Kwanika Project. Pursuant to the JVA, the respective interests of the Company and POSCO in the Kwanika Project were transferred to KCC, which serves as the vehicle for the joint venture. The JVA governs the management of KCC and, in turn, the work programs on the Kwanika Project. In addition, pursuant to the JVA, the Company may be granted a 1% NSR royalty if its interest is diluted below 50% and an additional 0.5% NSR if its interest is diluted below 33 $\frac{1}{3}$ %, subject to partial buyback provisions to POSCO. POSCO will have certain concentrate offtake rights from production on the Kwanika Project, subject to the Company's ability to enter into separate streaming arrangements. See "*Risk Factors*" below.

## **RISK FACTORS**

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

All references to "NorthWest Copper" or the "Company" in this section include the Company and its subsidiaries, including KCC.

### **Risks associated with joint ventures**

Pursuant to the JVA, the Company holds an interest in in the Kwanika Project through KCC. Currently, NorthWest Copper owns 66.95% of KCC and POSCO owns 33.05% of KCC. The Company's interests in the Kwanika Project is subject to the risks customarily associated with the

conduct of joint ventures, including (i) disagreement with joint venture partners on how to develop and operate the mine efficiently or, in the case of exploration projects, on the exploration plan and related expenditures; (ii) inability to exert influence over certain strategic decisions; (iii) inability of joint venture partners to meet their obligations; and (iv) litigation regarding joint venture matters. Each of these risks could have a material adverse impact on the viability of its interests held through joint ventures, and if such joint venture properties are developed and enter production, their profitability, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

## **COVID-19 Pandemic**

Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

## **Economics of Developing Mineral Properties**

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

Should any mineral resources and reserves exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) copper, zinc, gold and silver prices, which are historically cyclical; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

The ability to sell, and profit from the sale of any eventual mineral production from the Stardust Project or the Kwanika Project will be subject to the prevailing conditions in the minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic

activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of a mining company and therefore represent a market risk which could impact the long-term viability of the Company and its operations.

## **Uncertainty of Mineral Resource Estimates**

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

## **Mineral Prices are Volatile**

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist or develop for the sale of same. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered at the Stardust Project or the Kwanika Project. Mineral prices are subject to volatile price changes due to a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

## **Fluctuation in Market Value of Common Shares**

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

## **Meeting Legal and International Conventions Respecting Indigenous Peoples**

Various national and provincial laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of First Nations and Metis ("**Indigenous Peoples**"). The Company operates in an area presently or previously inhabited or used by Indigenous Peoples. Many of

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

## **Regulatory Requirements**

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

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

Amendments or changes to current laws, regulations government policies and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse effect on the Company and cause increases in costs or require abandonment or delays in the advancement and growth of the Stardust Project and the Kwanika Project.

The development of mines and related facilities is contingent upon governmental approvals that are complex and time consuming to obtain and which, depending upon the location of the project, involve multiple governmental agencies. The duration and success of such approvals are subject to many variables outside the Company's control. While the Company can foresee no reason why it may not receive all necessary permits, there can be no assurance that all licenses or permits which the Company may require for future exploration or possible future expansion or

development will be obtainable at all or on reasonable terms. Any significant delays in obtaining or renewing such licenses or permits in the future could have a material adverse effect on the Company.

## **Unknown Environmental Risks for Past Activities**

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. The Company is aware that the Stardust Project site hosted a past-producing mercury mine during World War II (i.e. the historic Bralorne Takla Mercury Mine). This historic mine site is under the jurisdiction of the Crown Contaminated Sites Program. The Crown Contaminated Sites Program (“**CCSP**”) in the Ministry of Forests, Lands, Natural Resource Operations and Rural Development manages contaminated sites on Crown land for which there is no existing responsible party. These are typically historic abandoned mine sites and make up a small fraction of the contaminated sites on Crown land. CCSP is not involved with contaminated sites on Crown land where there are specified parties responsible for the contamination. A full remediation and cleanup program was completed on this site through CCSP in 2018. At this point, only ongoing monitoring through CCSP and their contractors is required. The Company is not responsible for reclamation or remediation of this historic site, however any undiscovered issue existing on the property may be the responsibility of the Company. Moreover, no assurance can be given that potential liabilities for such contamination or damages caused by past activities at the Stardust Project do not exist.

## **Environmental Risks and Hazards**

All phases of the Company's operations are subject to environmental regulation. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their directors, officers and employees. Environmental hazards which are unknown to the Company at present and which have been caused by previous or existing owners or operations of the properties may exist on the Stardust Project or the Kwanika Project. Failure to comply with applicable environmental laws and regulations may result in enforcement actions thereunder and may include corrective measures that require capital expenditures or remedial actions. The Company is not aware of any material environmental risk that would preclude exploration or the economic development of the Stardust Project or the Kwanika Project. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect the Company's operations or result in substantial costs and liabilities to the Company in the future.

## **Changes in climate conditions may affect operations**

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the



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current regulatory trend continues, this may result in increased costs for the Company's operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include the following:

- extreme weather events (such as prolonged drought and forest fires) have the potential to disrupt operations at the Company's properties and may require NorthWest Copper to make additional expenditures to mitigate the impact of such events; and
- the Company's facilities depend on regular supplies of consumables (diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, productivity at the Company's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate change will be effective and that the physical risks of climate change will not have an adverse effect on NorthWest Copper's business, financial condition, results of operations, cash flows or prospects.

## **Costs of Land Reclamation Risk**

The laws governing the determination of the scope and cost of the closure and reclamation obligations and the amount and forms of financial assurance are complex. As of February 28, 2021, the Company has provided the appropriate regulatory authorities with \$0.2 million in financial assurance in the form of a letter of credit, bonds, and investment certificates for its reclamation obligations at the Stardust Project and the Kwanika Project. The amount and nature of the financial assurances are dependent upon a number of factors, including the Company's financial condition and reclamation cost estimates. Changes to these amounts, as well as the nature of the collateral to be provided, could significantly increase the Company's costs. To the extent that the value of the collateral provided to regulatory authorities is or becomes insufficient to cover the amount of financial assurance the Company is required to post, the Company would be required to replace or supplement the existing security with more expensive forms of security, which might include additional cash deposits, which would reduce its cash available for operations and financing activities. Although the Company has currently made provisions for certain of its reclamation obligations, there is no assurance that these provisions will be adequate in the future. Failure to provide regulatory authorities with the required financial assurances could result in a material adverse effect on its operating results and financial condition.

## **Risk of Amendments to Laws**

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse effect on the Company and cause increases in capital expenditures or production costs or require abandonment or delays in the advancement and growth of the Stardust Project and the Kwanika Project.

## **Limited Exploration Prospects**

The Stardust Project and the Kwanika Project are the Company's sole material properties. Accordingly, the Company does not have a diversified portfolio of exploration prospects either geographically or by mineral targets. The Company's operations could be significantly affected

by fluctuations in the market price of copper, zinc, gold and silver, as the economic viability of the Company's projects are heavily dependent upon the market price for copper, zinc, gold and silver.

## **No Revenue and Negative Cash Flow**

The Company has negative cash flow from operating activities and does not currently generate any revenue. Lack of cash flow from the Company's operating activities could impede its ability to raise capital through debt or equity financing to the extent required to fund its business operations. In addition, working capital deficiencies could negatively impact the Company's ability to satisfy its obligations promptly as they become due. If the Company does not generate sufficient cash flow from operating activities, it will remain dependent upon external financing sources. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be acceptable.

## **No History of Mineral Production or Mining Operations**

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

## **Additional Financing and Dilution**

The Company is focused on concurrently advancing the Stardust Project and the Kwanika Project, and will use its working capital to carry out such advancement and growth. However, the Company will require additional funds to further such activities. To obtain such funds, the Company may sell additional securities including, but not limited to, its Common Shares or some form of convertible security, the effect of which would result in a substantial dilution of the equity interests of the Company's shareholders.

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

## **Canada's Extractive Sector Transparency Measures Act**

The Canadian *Extractive Sector Transparency Measures Act* (“**ESTMA**”), which became effective June 1, 2015, requires public disclosure of payments to governments by entities engaged in the commercial development of oil, gas and minerals who are either publicly listed in Canada or with business or assets in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including entities established by two or more governments, including Indigenous groups. Reporting on payments to Canadian Indigenous groups commenced in 2018 for payments made in fiscal 2018. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure improvement payments, and any other prescribed payment over \$100,000. Failure to report, false reporting or structuring payments to avoid reporting may result in fines of up to \$250,000 (which may be concurrent). The Company has not yet had any reportable payments under ESTMA. If the Company becomes subject to an enforcement action or in violation of ESTMA, this may result in significant penalties, fines and/or sanctions imposed resulting in a material adverse effect on the Company's reputation.

## **No Assurance of Title to Property**

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

The Company may be subject to the rights or asserted rights of various community stakeholders, including aboriginal and indigenous peoples, through legal challenges relating to ownership rights. The Company is not currently aware of any material risk to title to the Stardust Project or the Kwanika Project.

## **Infrastructure**

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, or community, government or other interference in the maintenance or provision of such infrastructure could result in a material adverse effect to the Company's operations, financial condition and results of operations.

## **Insurance**

The Company's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, the Stardust Project or the Kwanika Project or any future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of its exploration or advancement activities, delay in or inability to receive regulatory approvals to

transport its copper, zinc, gold or silver concentrates, or costs, monetary losses and potential legal liability and adverse governmental action. The Company may be subject to liability or sustain loss for certain risks and hazards against which it does not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material adverse effect to the Company.

## **Cyber Security**

The Company's operations depend on information technology (IT) systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations. Although to date the Company has not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

## **Limited Business History**

The Company has no history of earnings, has earned no revenue since commencing operations and has no source of operating cash flow, and there is no assurance that additional funding will be available to it for exploration and development. Furthermore, financing will be required to continue the development of the Stardust Project and the Kwanika Project. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be acceptable. Failure to obtain such financing could result in delay or indefinite postponement of further exploration and development of the Stardust Project and the Kwanika Project. There is also no assurance that the Company can generate revenues, operate profitably, or provide a return on investment or that it will successfully implement its plans.

## **Competition**

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties. The Company's ability to acquire royalties or properties in the

future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for mineral exploration. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects.

## **Dependence on Key Individuals**

The Company is dependent on a relatively small number of key personnel, particularly Mark O’Dea, its Executive Chairman, Peter Bell, its President and Chief Executive Officer, Vesta Filipchuk, its VP Sustainability, Lauren McDougall, its Chief Financial Officer and Corporate Secretary and Ian Neill, its VP Exploration, the loss of any one of whom could have a material adverse effect on the Company. At this time, the Company does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of the Company’s officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of its exploration and advancement activities at the Stardust Project and the Kwanika Project. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

## **Acquisitions and Joint Ventures**

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

## **Factors Beyond the Control of the Company**

The potential profitability of the Stardust Project and the Kwanika Project is dependent upon many factors beyond the Company’s control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that

such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for advancing mineral projects and other costs have become increasingly difficult, if not impossible, to project. Any of these changes and events could have a material adverse effect on the Company.

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

## **Conflicts of Interest**

Certain of the directors of the Company also serve as directors and/or officers of Oxygen, a company from whom the Company receives technical and administrative services, as well as directors and/or officers of other companies. Some of the Company's directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, some of which are in the same business as the Company, and situations may arise where such companies will be in direct competition with the Company. The Company's directors and officers are required by law to act honestly and in good faith with a view to the best interests of the Company. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to the Company may result in a breach of their obligations to the other companies and, in certain circumstances, this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

## **Influence of Third-Party Stakeholders**

The lands in which the Company holds an interest in at the Stardust Project or the Kwanika Project, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third

parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

## **Legal and Litigation**

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

## **Passive Foreign Investment Corporation ("PFIC")**

The Company may be classified as a PFIC within the meaning of Section 1291 through 1298 of the US Internal Revenue Code of 1986, as amended, for the 2021 tax year and earlier tax years. The Company has not yet completed calculations for the February 28, 2021 tax year or earlier tax years. A US shareholder who holds stock in a foreign corporation during any year in which such corporation qualifies as a PFIC is subject to special US federal income taxation rules, which may have adverse tax consequences to such shareholder. Additionally, a United States shareholder may be eligible to make certain elections under two alternative tax regimes. A US shareholder should consult its own US tax advisor with respect to an investment in the Common Shares and to ascertain which elections, if any, might be beneficial to the United States shareholder's own facts and circumstances.

## **Dividends**

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

## **Force Majeure**

NorthWest Copper's projects now or in the future may be adversely affected by risks outside the control of the Company, including the price of metals on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

If any of the Company's properties move to a development stage, the Company would be subject to additional risks respecting any development and production activities.

## MINERAL PROPERTY – STARDUST PROJECT

Please refer to the technical report titled “Stardust Project, Updated Mineral Resource Estimate, NI 43-101 Technical Report” (the “**Stardust Technical Report**”), prepared by Ronald G. Simpson, P.Geo., GeoSim Services Inc., a “qualified person” as defined under NI 43-101, with an effective date of May 17, 2021 and prepared for the Company, as filed on SEDAR at [www.sedar.com](http://www.sedar.com).

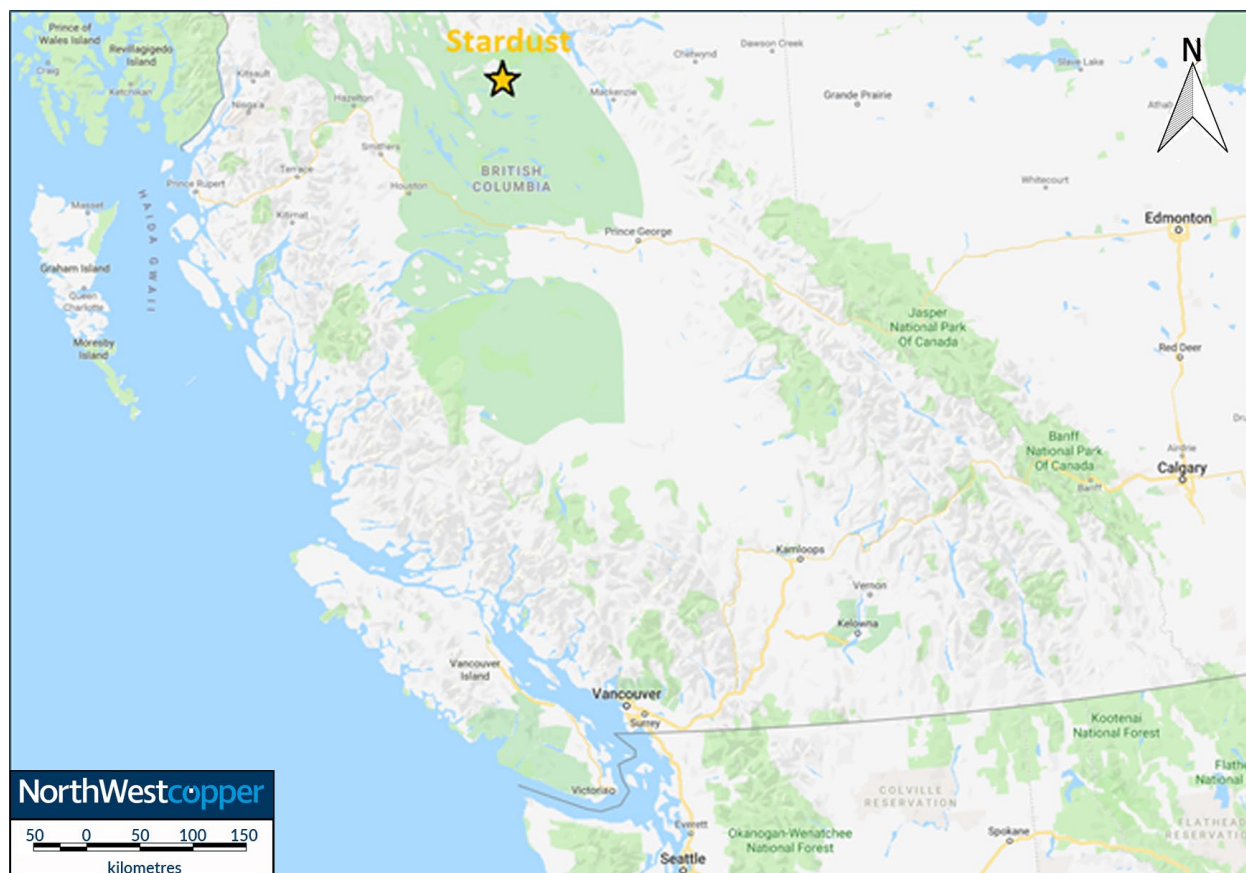
The bulk of the information in this section is derived from the Stardust Technical Report and supplemented by work completed by the Company subsequent to the Stardust Technical Report’s filing. The following summary as it relates to the Stardust Technical Report does not purport to be a complete summary of the Stardust Project and is subject to all the assumptions, qualifications and procedures set out in the Stardust Technical Report and is qualified in its entirety with reference to the full text of the Stardust Technical Report. Readers should read this summary in conjunction with the Stardust Technical Report, which can be reviewed in its entirety on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Project Description, Location and Access**

The Stardust Project is located approximately 150 km north of Fort St. James, 210 km northwest of Prince George and 36 km east of Takla Landing in the Omineca Mining Division of north-central British Columbia on NTS 93N/11W at latitude 55° 34' North (Northing 6160175) and 125° 25' West (Easting 347850), UTM Zone 10, NAD 83 (Figure 1).



Figure 1: General Location Map



The claims comprising the Stardust Project lie immediately west of the old Bralorne-Takla Mercury Mine (Minfile 093N 008) and encompass the historic Takla Silver Mine (Minfile 093N 009).

The Stardust Project is accessible by road from Highway 16 at Fort St. James by traveling 30 km along a paved road towards Tachie Lake, then north for 68 km along the all-weather Leo Creek Forest Service Road (“**FSR**”), 54 km along the Driftwood FSR, 26 km along the Fall-Tsayta logging road, and 3 km along the Silver Creek Road. Total distance by road is approximately 215 km from Fort St. James and driving time is about 3 hours under good road conditions. The Property is also accessible by float plane, about a 1-hour trip to Tsayta Lake from either Prince George or Smithers, followed by a half an hour drive to the site.

NorthWest Copper owns a 100% interest in the Stardust Project. The claims are registered to Tsayta Resources Corporation, a wholly owned subsidiary of NorthWest Copper. The Stardust Project encompasses 24 mineral claims covering 11,156 hectares. Claim details are presented in Table 1 and Figure 2. A single small claim in the centre of the Stardust Project covers the site of a historic mining drift into the Number 1 Vein Zone that is excluded from the Stardust Project claims.

Claim details as of the date of this AIF are presented in Table 1 and Figure 1. In order to keep a claim in good standing, exploration and development work or payment instead of exploration

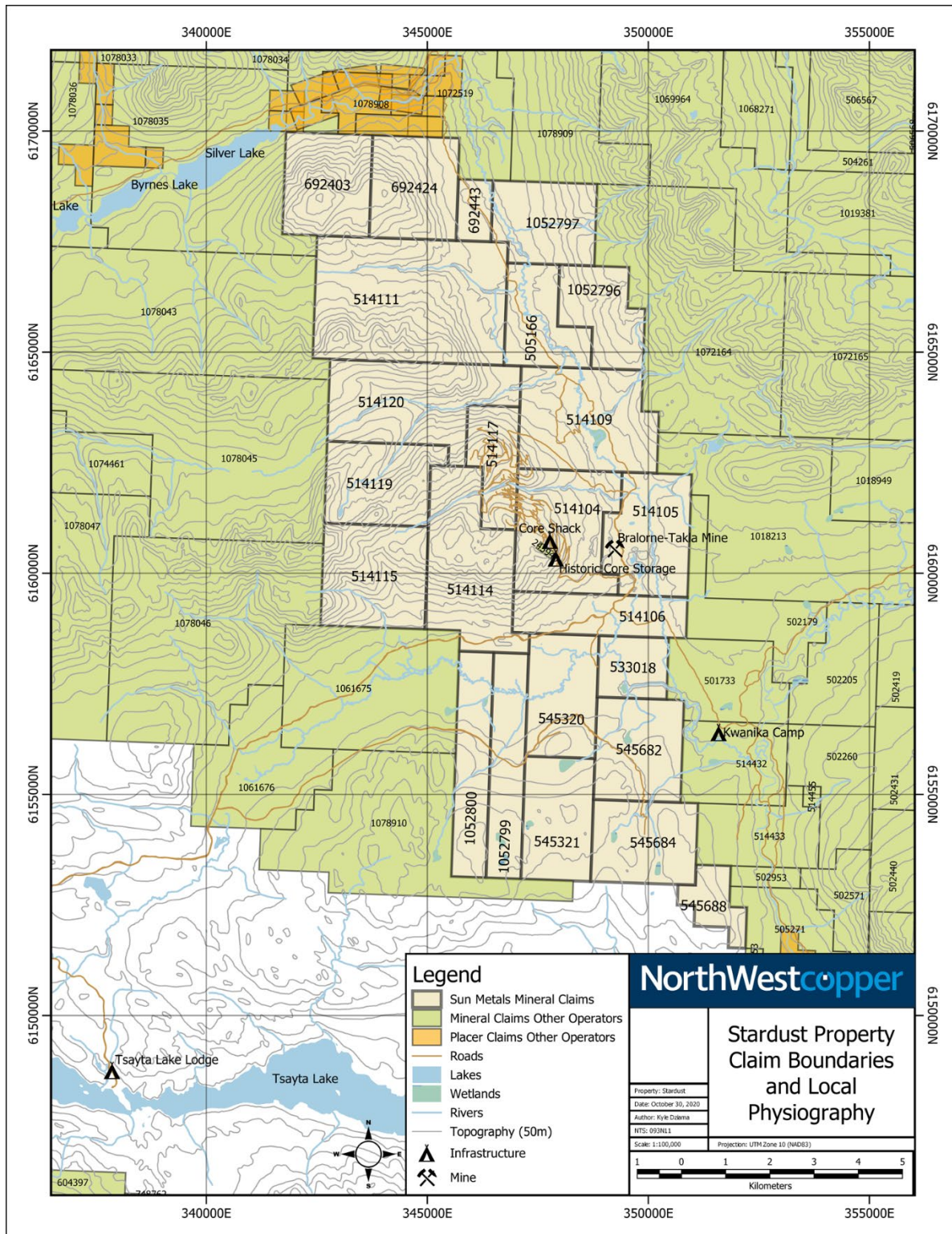
# NorthWestcopper

and development must be registered and payment received by the Mineral Titles Branch of the British Columbia government before midnight of the good-to-date of the claim.

*Table 1: Stardust Project Claim Status*

Title Number	Claim Name	Map Number	Issue Date	Good to Date	Status	Area (ha)
505166	Alpha 1	093N	2005/JAN/29	2026/DEC/15	GOOD	347.16
514104		093N	2005/JUN/07	2026/DEC/15	GOOD	603.62
514105		093N	2005/JUN/07	2026/DEC/15	GOOD	493.88
514106		093N	2005/JUN/07	2026/DEC/15	GOOD	365.99
514109		093N	2005/JUN/07	2026/DEC/15	GOOD	694.67
514111		093N	2005/JUN/07	2026/DEC/15	GOOD	1205.81
514114		093N	2005/JUN/08	2026/DEC/15	GOOD	695.24
514115		093N	2005/JUN/08	2026/DEC/15	GOOD	548.90
514117		093N	2005/JUN/08	2026/DEC/15	GOOD	274.28
514119		093N	2005/JUN/08	2026/DEC/15	GOOD	457.19
514120		093N	2005/JUN/08	2026/DEC/15	GOOD	712.91
533018	ALPHA 2	093N	2006/APR/25	2025/DEC/15	GOOD	219.65
545320	LUSTDUST	093N	2006/NOV/13	2025/DEC/15	GOOD	439.37
545321	LUSTDUST	093N	2006/NOV/13	2025/DEC/15	GOOD	439.65
545682	NAT 1	093N	2006/NOV/22	2025/DEC/15	GOOD	457.80
545684	NAT 2	093N	2006/NOV/22	2025/DEC/15	GOOD	439.70
545688	NAT 3	093N	2006/NOV/22	2025/DEC/15	GOOD	164.92
692403	UTM2	093N	2010/JAN/01	2025/DEC/15	GOOD	456.47
692424	UTM3	093N	2010/JAN/01	2025/DEC/15	GOOD	456.47
692443	UTM4	093N	2010/JAN/01	2025/DEC/15	GOOD	109.57
1052796	KW2	093N	2017/JUN/28	2025/DEC/15	GOOD	347.13
1052797	KWN	093N	2017/JUN/28	2025/DEC/15	GOOD	420.02
1052799	WESTSIDE 1	093N	2017/JUN/28	2025/DEC/15	GOOD	402.92
1052800	WESTSIDE 2	093N	2017/JUN/28	2025/DEC/15	GOOD	402.92
					<b>Total:</b>	<b>11156.26</b>

Figure 2: Stardust Claim Boundaries and Local Physiography



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The Stardust Project is not subject to any royalty terms, back-in rights, payments or any other agreements or encumbrances.

The historic Bralorne Takla Mercury Mine is located within the Stardust Project boundaries. This historic mine site is under the jurisdiction of the Crown Contaminated Sites Program.

The Crown Contaminated Sites Program (“**CCSP**”) in the Ministry of Forests, Lands, Natural Resource Operations and Rural Development manages contaminated sites on Crown land for which there is no existing responsible party. These are typically historic abandoned mine sites and make up a small fraction of the contaminated sites on Crown land. CCSP is not involved with contaminated sites on Crown land where there are specified parties responsible for the contamination.

A full remediation and cleanup program was completed on this site through CCSP in 2018. At this point, only ongoing monitoring through CCSP and their contractors is required. NorthWest Copper is not involved with or responsible for any of the ongoing monitoring programs.

NorthWest Copper has an exploration permit issued by the BC Ministry of Energy and Mines and Low Carbon Innovation authorizing mineral exploration for the Stardust Project. The permit is good until December 31, 2021, with the option to extend for an additional two years at the discretion of the BC Ministry of Energy and Mines and Low Carbon Innovation.

## History

The Stardust Project property has been explored since 1944 when the Takla silver vein (No. 1 Zone) was discovered. Alpha Gold Corporation (“**Alpha Gold**”) carried out exploration on the property between 1991 and 2012. In June 2016, Lorraine Copper Corp. (“**Lorraine Copper**”) entered into an agreement to acquire a 100% interest in the Stardust Project from Alpha Gold. In September 2017, 1124245 B.C. Ltd. (subsequently renamed “Sun Metals Corp.”) was granted an option to acquire a 100% interest in the Stardust project subject to certain royalties and terms. Sun Metals fulfilled the 2017 expenditure requirement by completing an exploration program by year end. The 2017 exploration program conducted by Sun Metals under an option agreement with Lorraine Copper began in early August 2017 and concluded in late October. Work conducted in 2017 included 39-line km of soil sampling, 28 line-km of IP and magnetometer survey, 3 diamond drill holes totalling 344m and the collection of 45 rock and chip samples. In April 2019, Sun Metals acquired all outstanding shares of Lorraine Copper in order to own a 100% interest in the Stardust Project.

The Stardust Project has been subject to two previous NI 43-101 technical reports:

- Simpson, R.G., (2010): Technical Report, Canyon Creek Copper-Gold Deposit, Stardust Property, Omineca Mining Division, British Columbia, Canada
- Simpson, R.G., (2018): Stardust Project NI 43-101 Technical Report, Omineca Mining Division, British Columbia, Canada

## Geological Setting, Mineralization and Deposit Type

The Stardust Project is located within the Cache Creek Terrane of the Intermontane Belt west of the Pinchi Fault. Once a major thrust fault, the Pinchi was later reactivated as a major right-lateral

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strike-slip fault which can now be traced roughly 600 kilometers through north-central British Columbia. At the Stardust Project, the Pinchi delineates the terrain contact between the Pennsylvanian-Permian Cache Creek terrane to its southwest and the Quesnellia Terrane, which includes and Jurassic Hogem Batholith and Triassic-Jurassic Takla rocks to the northeast.

Most of the Stardust Project is underlain by very strongly deformed Pennsylvanian to Permian Cache Creek units. Much of the mapped regions of the Stardust Project contains an assortment of intrusions that cut carbonate rocks interbedded with graphitic, siliceous, and calcareous phyllites, cherts, cherty argillites, and mafic flows. Intrusions are found throughout the Stardust Project, except in the far north of the claims, where they may just be buried under deep overburden.

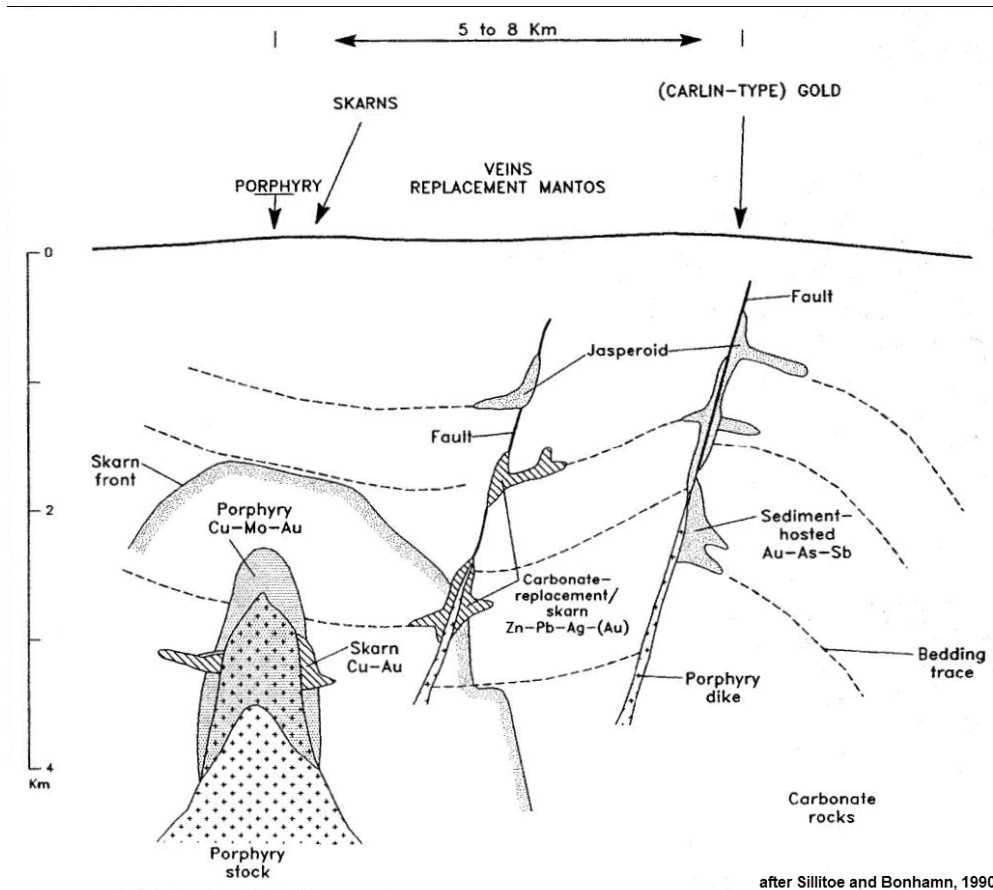
Several styles of mineralization that are zonally related to each other are present at the Stardust Project. From most proximal to most distal from the Glover stock, they are:

- Molybdenum-Copper-Gold Porphyry consisting of quartz-K-spar, pyrite, molybdenite and/or chalcopyrite veinlets associated with potassic, sericitic, and propylitic alteration in intrusive rocks (Glover Stock).
- Multi-stage Garnet-Diopside skarn cut by Cu-Au-Ag-Zn bearing structures with surrounding dispersed Cu-Au mineralization (Canyon Creek Skarn).
- Structurally and stratigraphically controlled massive sulfide Zn, Au, Pb.
- Ag, Cu replacement bodies [CRD] (4b, 3, and 2 Zones) and their oxidized equivalents.
- Sulfosalt-rich veins (Zone 1) which follow faults and are strongly associated with fine-grained, linear, felsic dykes containing high values of Au, Ag, Pb, Zn, Sb and Mn.
- Mercury mineralization in limestone proximal to the Pinchi Fault.
- Sediment-hosted gold mineralization in limestone.

The current exploration concept for the Stardust Project is based on a model proposed by Sillitoe and Bonham in 1990 (Figure 3). The model links porphyry, skarn, carbonate replacement, vein, and sediment hosted types of mineralization. Any one or several of these deposit types can be present in a mineralized system (Hanson, 2007). According to the model, Cu-Au-bearing garnet skarns occur as replacements of the limestone host-rocks adjacent to a mineralized porphyry stock. Outboard of the skarn zones, structurally and stratigraphically controlled carbonate replacement massive sulphides deposits (CRD) occur as mantos and chimneys. Sulphosalt veins can occur outboard of the CRD or overlie them in leakage zones. The distal end member mineralization style in this system is the sediment hosted Au-As-Sb (Carlin-type) deposit (Hanson, 2007).

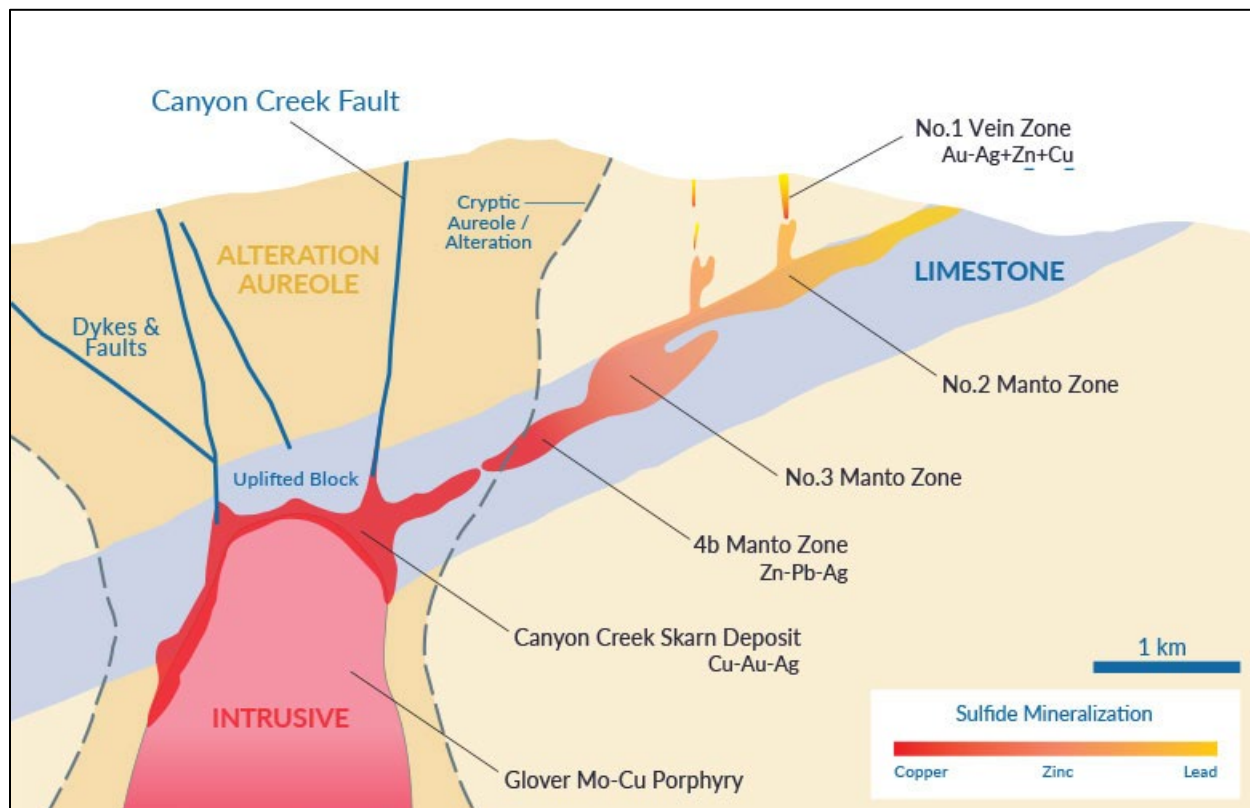
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Figure 3: Schematic model of possible links between porphyry districts and sedimentary deposits



A conceptual model for the Stardust Project showing the relative positions of the various mineralized zones is illustrated in Figure 4.

Figure 4: Stardust Project conceptual model



## Exploration

Exploration programs completed at the Stardust Project have been described in Section 6 of the Stardust Technical Report. Work conducted between 2010 and 2012 was done on behalf of Alpha Gold. No exploration work was carried out between 2012 and June of 2017.

Sun Metals carried out three exploration programs between 2018 and the end of 2020.

2018

### Topographic Survey & Imagery

On June 23rd, 2018, McElhanney Consulting Services Ltd. (“**McElhanney**”) of Vancouver, BC performed a Light Detection and Ranging survey (LiDAR) coupled with an aerial photo acquisition over 88.3 km<sup>2</sup> of the Stardust Project. LiDAR data was collected using the Optech Galaxy scanner mounted in a twin-engine Piper Navaho.

Raw data was processed by McElhanney and included the extraction of 1-meter contours and digital elevation model (DEM) bare earth hill-shade images.

# NorthWestcopper

## *Geological Mapping and Prospecting*

In 2018, a significant effort was made to compile, and field validate historic geology maps and outcrop locations. Because of limited exposure in many locations, relationships between various rock types were often difficult to determine. In these areas, locations of outcrops were noted and lithologies were checked against historic maps to check the validity. Special attention was given to the identification of carbonate strata since it is necessary for CRD mineralization.

In 2018, 2804 soil samples were collected over eight separate grids. The soil sample grids were designed to test potential targets previously identified by Aurora Geoscience in 2012 and Sun Metals in 2017 based historic geochemical and geophysical programs. Grids were orientated to be perpendicular to the strike of local stratigraphy and sampling locations were specified prior to field collection. Sample and line spacing were either 50 or 100 meters apart depending on the specific grid. Alternating lines within a grid were offset by either 50 or 100 meters depending on the specific grid. Sample locations were field located using a handheld GPS. Sampling targeted B and C Horizon soils. Sample depth, soil horizon, and soil colour data were recorded for each sample. Detailed soil sampling procedures are presented in Section 11 of the Stardust Technical Report.

The 2804 soil samples taken in 2018 were integrated into a historic database of 6264 samples, making a total database of 9068 samples.

The 2018 soils sampling and prospecting program demonstrated that much of the historical work is accurate and supports the idea that soil sampling is a good method for direct targeting in this region. This was illustrated by the discovery of a new manto in the GD zone that is seen in drill holes DDH18-SD-415 and DDH18-SD-417. Additionally, the results reaffirm that the zone with most compelling surface geochemistry is south of the Glover intrusive complex where the different manto zones crop-out.

A total of 77 rock samples were collected during the 2018 exploration program. Location, source, source size, and field descriptions including rock type and visible mineralization were noted for each rock sample. Detailed rock sampling procedures are presented in Section 11 of the Stardust Technical Report.

## *Geophysics*

From June 27th to July 17th, 2018, Geotech Ltd. ("**Geotech**") of Aurora, Ontario carried out a helicopter-borne geophysical survey. Principal geophysical sensors included a versatile time domain electromagnetic (VTEM™plus) system and a horizontal magnetic gradiometer with two caesium sensors. Ancillary equipment included a GPS navigation system and a radar altimeter. A total of 1128 line-kilometres of geophysical data were acquired during the survey.

Sun Metals tested 4 different VTEM anomalies with 5 diamond drill holes. All the conductors were identified with the exception of one, Anomaly C.

Anomaly A was tested by DDH18-SD-412 which intersected 7.65m of massive sulphide with pyrite – pyrrhotite ± chalcopyrite. This massive sulphide body is enough to explain the VTEM anomaly observed, however, the Maxwell modelled plate and intersection are approximately 30m off-set with the sulphide intersection being lower than anticipated. No further testing is recommended.



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Anomaly B was tested by two different holes, DDH18-SD-425 and DDH-SD-426. The EM anomaly is not explained by anything seen in DDH18-SD-425. But, in DDH18-SD-426 the drill intersected a short interval of massive to semi-massive sulphide that could explain the EM anomaly observed. No further testing is recommended in this area as the host rock is not prospective, however, it is encouraging to see base metal mineralization in west on the Property. Future work should focus on identifying covered carbonate stratigraphy (likely to the south) for future targeting.

Anomaly C (the strongest conductor identified in the 2018 VTEM survey) has not been adequately explained by DDH18-SD-416 and DDH18-SD-418. This is significant because this anomaly could represent the feeder zone to the 4b mantos zone. Further work is needed to constrain the Maxell modelling and DDH-SD-416 & 418 should be re-logged to try and identify a possible conductor that was missed. One possibility is, the feeder is shaped more like a chimney compared to the modeled plate shape and that is why the drill missed. It was suggested to do a ground EM survey in this area during the 2019 survey to help with further constraining a target.

Anomaly F is coincident with the Hanging Wall Skarn Zone. The modelled Maxell plate fits well with the skarn alteration and sulphides logged. No significant assay results were received, and mineralization has been closed off in the area. No further work was recommended.

SJ Geophysics Ltd. (“**SJ**”) of Delta, BC completed a Volterra bore hole electromagnetic and magnetic (“**BHEM**”) survey on diamond drill hole DDH18-SD-421 during September 27th to September 30th, 2018. in3D Geoscience Inc. (“**in3D**”) of Vancouver, BC completed data post processing of the collected by SJ. Preliminary modelling suggests mineralization intersected in DDH18-SD-421 dips to the west and shows greater coupling to the south.

2019

## *Geophysics*

SJ completed Volterra fixed-loop surface electromagnetic (“**EM**”) surveys during June 13th to September 3rd, 2019. The survey consisted of 31 lines spaced 100 meters apart for a total of 71.85 line-kilometers surveyed. in3D of Vancouver, BC completed post processing of data.

Results from the surface EM survey showed good correlation between anomalous EM response and known zones of near surface mineralization. The survey was not effective at identifying deeper mineralization.

SJ completed a Volterra surface magnetotelluric (“**MT**”) survey from September 5th to September 7th, 2019. The survey consisted of two near orthogonal 3 km lines. in3D of Vancouver, BC completed post processing of data.

The MT survey results did not correlate well with known zones of near surface mineralization or mapped lithologies, nor did it identify significant geophysical anomalies at depth.

SJ completed Volterra BHEM surveys on 17 diamond drill holes during June 21st to December 4th, 2019. in3D of Vancouver, BC completed post processing of data.

Results from the BHEM survey showed particularly good correlation between strongly anomalous EM response and increased logged sulphide abundance in diamond drill core. The surveys were

also proven to be effective at detecting lateral sulphide mineralization, proximal to surveyed drill holes.

2020

## Geophysics

SJ completed Volterra BHEM surveys on 2 diamond drill holes during September 24th to October 1st, 2020.

Results from the BHEM survey showed good correlation between strongly anomalous EM response and increased logged sulphide abundance in diamond drill core. The surveys were also proven to be effective at detecting lateral sulphide mineralization, proximal to surveyed drill holes. The complexity of the mineralized zones and the effect of near borehole mineralization make BHEM a difficult to use as an effective exploration tool for distal mineralization at depth.

## Drilling

Historic drilling at the Stardust Project is described in Section 6 of the Stardust Technical Report. Sun Metals has completed 3 drilling programs between 2018 and the end of 2020. The vast majority of this drilling has been located in the Canyon Creek Skarn zone (Zone 4).

2018

The 2018 diamond drill program began on August 3rd and was completed on September 27th. Drilling was conducted by Matrix Diamond Drilling of Kamloops, BC using two Zinex A5 skid mounted drills. A total of 23 bore holes were drilled from 15 sites, for a sum of 6,877.2 meters. All core drilled was NQ diameter.

Drilling targeted copper-gold-silver-zinc-lead mineralization at the Canyon Creek Skarn, Glover Stock, and GD Zones as well as VTEM geophysical targets identified as Anomalies A, B, and C.

Drilling results from the 2018 season show similar grade and width when compared to historical drilling with the expectation of the DDH18-SD-421 which encountered a much longer massive sulfide intercept than previous drilling. This intercept has been termed the '421 Zone'.

Three different holes were drilled in the western part of the Stardust Project and encountered thick sections of stratigraphy that is interpreted to be above the prospective carbonate package. This suggests that the geology is plunging to the north and potential for covered carbonate stratigraphy closer to surface in this corridor increases to the south.

A list of significant intercepts is shown in Table 2.

*Table 2: Significant Intercepts - 2018 Drill Program*

Hole	From	To	Interval	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)	Lead (%)
DDH18-SD-411	174.70	189.10	14.40	1.32	1.03	22.9	2.12	-
<i>incl</i>	178.20	183.90	5.70	1.57	1.38	33.1	5.20	-
DDH18-SD-411	226.75	228.90	2.15	3.81	0.75	498.4	23.31	3.71

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DDH18-SD-412	42.75	50.40	7.65	0.03	1.31	62.3	0.78	0.45
DDH18-SD-413	232.50	238.00	5.50	1.72	0.93	29.1	0.01	-
DDH18-SD-413	245.00	246.00	1.00	0.02	2.52	11.1	0.09	0.07
DDH18-SD-414	63.30	63.90	0.60	0.05	0.59	382.8	21.22	3.60
DDH18-SD-415	34.60	34.90	0.30	0.01	4.23	3.2	0.04	-
DDH18-SD-415	44.60	46.80	2.20	0.28	5.25	16.4	3.79	0.21
DDH18-SD-415	55.90	60.50	4.60	0.09	4.17	34.5	1.60	0.09
DDH18-SD-416	281.70	282.70	1.00	1.70	1.25	27.2	0.01	-
DDH18-SD-417	35.70	39.00	3.30	0.01	0.21	3.9	1.35	0.04
DDH18-SD-417	50.50	57.80	7.30	0.04	0.48	7.7	7.42	0.06
DDH18-SD-418	218.80	220.20	1.40	0.03	0.88	9.5	4.60	0.02
DDH18-SD-418	224.90	225.60	0.70	0.09	0.08	6.7	25.67	-
DDH18-SD-418	233.10	234.80	1.70	0.05	4.37	15.4	4.39	0.12
DDH18-SD-418	242.80	243.20	0.40	0.03	0.11	7.6	11.79	0.01
DDH18-SD-418	249.10	252.20	3.10	0.10	5.05	55.3	5.23	0.18
DDH18-SD-421	433.80	435.00	1.20	1.07	0.16	17.4	0.01	-
DDH18-SD-421	506.60	507.30	0.70	1.29	1.45	22.3	0.02	-
DDH18-SD-421	517.00	617.00	100.00	2.51	3.03	52.5	0.41	-
<i>incl</i>	539.80	617.00	77.20	3.11	3.74	64.9	0.53	-
<i>incl</i>	539.80	576.30	36.50	3.89	4.47	84.6	1.06	-
<i>incl</i>	587.90	617.00	29.10	3.35	4.30	65.7	0.07	-
DDH18-SD-424	74.50	76.00	1.50	1.67	6.70	27.0	0.01	-
DDH18-SD-424	282.70	283.30	0.60	10.00	5.17	265.3	0.08	-
DDH18-SD-425	50.80	51.35	0.55	0.15	0.58	54.1	6.23	0.43
DDH18-SD-426	143.50	144.90	1.40	0.37	1.90	25.3	3.08	0.05
DDH18-SD-427	81.20	81.80	0.60	1.12	1.96	16.1	0.01	-
DDH18-SD-427	145.50	147.20	1.70	1.01	1.63	11.8	0.01	-

## 2019

The 2019 diamond drill program began on May 23rd and was completed on December 15th. Drilling was conducted by Matrix Diamond Drilling of Kamloops, BC primarily using two Zinex A5 skid mounted drills, with a third A5 drill mobilizing in November. Drilling targeted copper-gold-silver-zinc mineralized skarn at the 421 Zone. A total of 28 bore holes were drilled from 7 sites, for a sum of 14,024.2 meters. TECH Directional Services of Sudbury, Ontario provided directional drilling and bore hole surveying services utilizing the DeviDrill Directional Core Barrel system. Use of the directional drilling system allowed for deep targets to be hit with a high degree of precision. Core drilled was NQ diameter except in sections drilled using the DeviDrill system where AQ diameter core is recovered.

Drilling results from the 2019 season confirmed the presence of a large, mineralized skarn system at depth in the 421 Zone. Seventeen diamond drill holes intersected significant copper-gold-silver-zinc mineralization. These results expanded the zone in all directions from mineralization previously intersecting in DHH18-SD-421.

Mineralization is hosted in skarn alteration within a pre-mineral parasitic anticline fold hinge of a broad anticline along the contact of overlying siliciclastic sedimentary rocks and underlying carbonates. The trend of the fold hinge is interpreted to be plunging down at 20° – 30° to the

north-northwest. Intensity and thickness of skarn replacement appears to be increasing to the north and down plunge, this implies the source of the fluids in the system are to the north and/or below the 421 Zone. Additionally, the decrease in thickness of mineralized intercepts on sections 6162275N and 6162325N suggests an east – west trending fault(s) may down drop to the north offsetting mineralization.

DDH19-SD-453M is the most southerly test of the 421 Zone and intersected strong copper-gold-silver mineralization. This indicates mineralization remains open in the south as well as both up and down dip in this area.

Results from DDH19-SD-452D show that high grade copper-gold-silver mineralization is present and open in this northerly part of the system.

A list of significant intercepts is shown in Table 3.

*Table 3: Significant Intercepts - 2019 Drill Program*

Hole	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)
DDH19-SD-428D	493.45	635.8	142.35	1.22	1.28	21.8	0.41
incl.	562.8	595.0	32.2	2.47	2.37	47.4	1.61
incl.	604.95	619.05	14.1	3.45	4.12	57.9	0.44
DDH19-SD-429M	564.0	654.05	90.05	1.08	1.4	21.6	0.22
incl.	586.5	593.0	6.5	4.61	7.05	60.2	1.68
incl.	649.45	654.05	4.6	2.96	5.31	131.8	1.65
DDH19-SD-430D	490.6	512.6	22.0	1.53	1.02	24.6	0.03
DDH19-SD-430D	546.0	653.0	107.0	1.64	1.77	28.6	0.03
incl.	572.2	630.3	58.1	2.49	2.61	44.3	0.04
DDH19-SD-432D	680.15	691.95	11.8	0.61	0.54	11.1	0.01
DDH19-SD-436D	502.6	548.15	45.55	1.44	1.18	27	0.04
incl.	542.3	548.15	5.85	5.13	3.78	91	0.18
DDH19-SD-436D	598.4	623.25	24.85	3.13	4.85	93.5	0.28
incl.	609.2	618.2	9.0	6.04	9.13	183.7	0.6
DDH19-SD-437M	537.6	624.0	86.4	1.65	1.56	28.8	0.28
incl.	585.7	607.0	21.3	3.13	2.14	51.4	1.08
DDH19-SD-438D	564.4	572.9	8.5	3.09	3.47	72	0.08
DDH19-SD-438D	594.0	597.05	3.05	1.08	1.26	21.8	0.02
DDH19-SD-439D	637.0	657.5	20.5	1.17	0.96	20.4	0.01
DDH19-SD-439D	714.5	724.45	9.95	0.78	0.7	97.1	0.28
DDH19-SD-440M	582.0	591.0	9.0	1.26	1.91	32.8	0.01
DDH19-SD-440M	708.9	724.8	15.9	2.38	2.68	66.6	0.1
DDH19-SD-441M	609.25	650.8	41.55	2.33	2.73	44.3	0.07
incl.	609.25	620.3	11.05	3.35	3.88	60.7	0.14
incl.	639.5	650.8	11.3	3.94	4.58	79.2	0.11

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Hole	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)
DDH19-SD-442D	669.75	720.7	50.95	0.64	0.67	10.6	0.01
incl.	669.75	693.2	23.45	0.92	0.92	14.4	0.01
DDH19-SD-443D	678.3	695.3	17.0	1.17	1.05	19.2	0.01
DDH19-SD-444D	735.0	738.2	3.2	1.65	1.3	29.4	0.01
DDH19-SD-444D	762.0	772.95	10.95	3.19	3.59	58.1	0.07
DDH19-SD-451D	807.0	810.7	3.7	1.64	1.36	25.8	0.01
DDH19-SD-452D	866.0	869.0	3.0	3.25	4.32	70.1	0.05
DDH19-SD-453M	540.7	567.0	26.3	1.45	1.48	22.2	0.01
incl.	553.8	557.4	3.6	3.98	3.45	66.6	0.02
DDH19-SD-453M	594.0	601.2	7.2	2.1	1.41	33.4	0.01

## 2020

The 2020 diamond drill program began on June 26th and was completed on September 21st. Drilling was conducted by Matrix Diamond Drilling of Kamloops, BC using three Zinex A5 skid mounted drills. Drilling targeted copper-gold-silver-zinc mineralized skarn at the Canyon Creek, East, and 421 Zones. A total of 17 bore holes were drilled from 10 sites, for a sum of 11,975.4 meters. TECH Directional Services of Sudbury, Ontario provided directional drilling and bore hole surveying services utilizing the DeviDrill Directional Core Barrel system. Core drilled was NQ diameter except in sections drilled using the DeviDrill system where AQ diameter core is recovered.

A list of significant intercepts is presented in Table 4.

*Table 4: Significant Intercepts - 2020 Drill Program*

Hole ID	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)
DDH19-SD-455D	903.8	905.8	2.0	1.05	1.26	26.5	0.02
DDH20-SD-456M	635.3	654.9	19.6	0.59	0.55	13.3	0.02
incl.	635.3	638.2	2.9	2.15	1.78	49.2	0.04
DDH20-SD-457M	505.7	549.7	44.0	1.57	1.08	28.2	0.01
incl.	535.8	549.7	13.9	3.05	2.12	53.6	0.01
DDH20-SD-459D	675.0	679.8	4.8	0.92	0.81	16.2	0.01
DDH20-SD-460D	588.0	628.4	40.4	1.74	1.41	26.6	0.01
incl.	588.0	604.0	16.0	3.12	2.55	48.2	0.01
DDH20-SD-461M	493.4	498.45	5.05	0.90	0.74	11.3	0.02
DDH20-SD-463	823.8	833.4	9.6	0.58	0.36	11.0	0.01
DDH20-SD-464D	499.0	506.3	7.3	1.18	1.07	14.4	0.02
DDH20-SD-464D	614.25	618.7	4.45	5.58	5.99	190.5	0.12
DDH20-SD-466	373.35	390.8	17.45	1.37	1.70	39.7	0.03
incl.	384.35	389.85	5.5	3.02	3.83	87.2	0.07

Hole ID	From (m)	To (m)	Interval (m)	Copper (%)	Gold (g/t)	Silver (g/t)	Zinc (%)
DDH20-SD-467	775.85	779.2	3.35	0.78	0.85	20.3	0.03
DDH20-SD-468	614.0	635.0	21.0	0.45	0.28	4.9	0.01
DDH20-SD-468	657.1	658.85	1.75	1.28	0.60	13.5	0.01
DDH20-SD-469	236.75	247.2	10.45	0.53	0.44	40.2	0.02
<i>incl.</i>	238.65	244.05	5.4	0.88	0.58	66.0	0.03

The 2020 drilling combined with Sun Metals previous drilling in 2017-2019, as well as historic drilling on the Stardust Project was used to re-interpret the geological model and mineralized domains. The structural framework that controls mineralization is currently interpreted to be a series of parasitic folds and thrust faults formed where faults and associated fault propagation folds create the architecture and plumbing system for the skarn alteration, fluid flow, and base metal mineral deposition. Zone thickening is seen at the intersection lineation between the faults and certain stratigraphic horizons. Dilatational offset within the structures creates northerly plunging ore chutes within the larger mineralized structure. The most prospective stratigraphic horizon for hosting the high-grade zones is the carbonate unit that is deposited stratigraphically below the clastic sediment unit and above the limestone clast tuff unit.

Core recovery for the Sun Metals drill programs was good to excellent with an overall average of 95% and a median value 98%. Areas of poor or no recovery normally occurred in fault zones and small karst cavities.

During the Sun Metals drill programs, downhole surveys were generally taken at intervals between 10 and 30 m, although a number of holes used 3 m intervals. The average spacing was 20 m.

Downhole survey instruments used were a Reflex EZ-GYRO and an Axis C-Gyro. The C-Gyro was used for directional drilling by TECH Directional Services.

Due to the steeply dipping orientation of the mineralized zones and the limitations of surface drilling, none of the drill intercepts approximate the true thickness. True thickness must be calculated for each intercept based on the angle of the drill hole to the specified zone.

## Sample Preparation, Analysis and Security

Sample preparation, analysis and security for historical drill programs for the 2018 to 2020 exploration and drill programs carried out by Sun Metals are described in Section 11 of the Stardust Technical Report.

### *Sampling Methods*

Soil samples were collected with a tree planting shovel or soil auger and placed in a kraft paper bag labelled with a sample number and containing the corresponding pre-numbered analytical tag provided by BV. In instances where field duplicate samples were taken, the sample was divided by hand and placed in a separate kraft bag with unique sample number for analysis. Kraft bags were folded shut and placed in a cardboard box for shipping. Sampling targeted B and C

Horizon soils. Sample locations were recorded using a handheld GPS and field marked with flagging tape labelled with the sample number.

Rock samples were collected by taking selected pieces of rock from outcrop, subcrop, and float using a rock hammer. All samples were placed in a poly bag labelled with the sample number and containing the corresponding pre-numbered analytical tag provided by Bureau Veritas. Poly bags were sealed using a nylon cable tie and placed in rice bags for shipping. Sample locations were recorded using a handheld GPS, and field marked with flagging tape and an aluminum tag labelled with the sample number.

Drill core sample intervals were laid out and recorded by the logging geologist on site based on lithology and mineralization noted. Sample locations and associated sample numbers were marked on the core using a red lumber crayon. Pre-numbered three-part analytical tags provided by BV were stapled into the core boxes at the end of each sample.

Drill core was cut using an electric powered rock saw. Samples were cut in half lengthwise. One half was returned to its original location in the core box. The other half was placed in a poly sample bag pre-labelled with the sample number. Two sections of the analytical tag were placed in the pre-labelled polyethylene (poly) bag with the corresponding sample number. One section of the analytical tag remained stapled to the core box. In instances where field duplicate samples were taken, the sampled half core was re-sawn lengthwise to produce two quarter core samples. Each quarter core sample was placed in a separate poly bag with unique sample number for analysis. Poly sample bags were sealed using a stapler and placed in rice bags for shipping. Rice bags were sealed using numbered locking security ties.

### *Sample Preparation and Analysis*

All core and geochemical samples from 2017-2020 were analyzed at BV, an ISO:9001 Certified lab. BV is independent of the Company and Sun Metals.

Analytical methods used by BV are presented in Table 5.

*Table 5: Analytical Methods - BV*

<b>Procedure</b>	<b>Lab Code</b>	<b>Description</b>
Soil Preparation	SS80	Dry at 60°C Sieve to -180 µm (80 mesh)
Soil Analysis	AQ200	0.5 gram sample Aqua regia digestion ICP-MS analysis
Drill Core/Rock Preparation	PRP70-250	Crush to ≥70% passing 2mm Pulverize 250 g to ≥85% passing 75 µm (200 mesh)
Drill Core/Rock Analysis	MA270	0.5 gram sample 4 Acid digestion ICP-ES/ICP-MS analysis
Gold Fire Assay	FA330	30 gram sample

Procedure	Lab Code	Description
		Fire assay fusion ICP-ES analysis
Overlimit Gold/Silver	FA530	Automatic for any samples >10 ppm Au or >100 ppm Ag 30 gram sample Fire assay fusion Gravimetric finish
Overlimit Copper	GC820	Automatic for any samples >10,000 ppm Cu Copper Assay by Classical Titration
Overlimit Zinc	GC816	Automatic for any samples >10,000 ppm Zn Zinc Assay by Classical Titration
Overlimit Lead	GC817	Automatic for any samples >10,000 ppm Pb Lead Assay by Classical Titration

Soil samples were dried at 60°C and sieved to 180 microns (80 mesh). Each sample was analyzed for 36 elements using modified aqua regia digestion (1:1:1 HNO<sub>3</sub>:HCl:H<sub>2</sub>O) and ICP-MS finish.

Rock and drill core samples were crushed to ≥70% passing 2 millimeters and pulverized to ≥85% passing 75 microns (200 mesh). Each sample was analyzed for 41 elements using multi acid digestion with ICP-ES and ICP-MS finish. Fire assay fusion decomposition with ICP-ES analysis was also completed on each sample to determine gold-platinum-palladium content. Samples containing gold, silver, copper, zinc, or lead above the detection limit of these techniques were automatically reanalyzed. Samples containing >10 ppm gold or >100 ppm silver were reanalyzed by fire assay fusion with a gravimetric finish. Samples containing >10,000 ppm copper, zinc, or lead were reanalyzed by titration.

#### *Quality Assurance/Quality Control (“QA/QC”)*

Diamond drill core samples had standard and blank reference material inserted into the sampling series at regular intervals.

Field duplicates were also taken at regular intervals. In sections of high-grade mineralization, the frequency of insertion of reference material and field duplicates was increased. Additional reference material samples and field duplicates were also added at the discretion of the logging geologist on site. The results indicated no significant problems with the laboratory analysis. A review of BV’s QA/QC data – duplicate analysis, standards, blanks, and prep washes also indicate no significant problem with the laboratory analysis.

Correlation between field duplicate core samples is generally strong. Increased variability is noted in returned gold and silver analytic results <1 ppm. Minor variability is noted in copper results throughout the range of returned results. These inconsistencies are interpreted to be due to the irregular nature of mineralization in skarn and CRD systems and local relative coarseness of commodity bearing minerals in these systems.

Soil samples had blank reference material inserted into the sample sequence approximately every 20 samples. Field duplicates were taken approximately every 35 samples. The results indicated



no problems with the laboratory analysis. A review of BV's QA/QC data – duplicate analysis, standards, blanks, and prep washes also indicate no significant problem with the laboratory analysis.

All rock samples passed BV's internal reference material and duplicate QA/QC protocols. Results from duplicate analysis, standards, blanks, and prep washes indicate no significant problem with the laboratory analysis.

## *Sample Security*

Drill core was brought from the drill to the core logging facility by either the drillers or the project geologist. On site the core was kept in and around the core logging tent, where it was logged by the geologist and sample intervals laid out.

Rock and drill core samples were placed in labelled rice bags and sealed using numbered locking security ties for shipping. Rice bags were labelled with a unique identification number and list of samples contained within. Soil samples were placed in cardboard boxes labelled with a unique identification number and list of samples contained within and sealed with packing tape for shipping. Each batch of samples shipped to BV was given a unique shipment identification.

Samples were delivered by Sun Metals personnel to Bandstra Transportation Systems Ltd. ("**Bandstra**") in Prince George, BC. Bandstra personnel complete a certified bill of landing for each sample shipment and maintain a complete chain of custody of samples until delivered to BV.

At all times samples were under the control of Sun Metals personnel until delivered to BV. BV catalogues all received samples and maintains a complete chain of custody of each sample through the analytical process.

For soil samples, sample depth, soil horizon and soil colour and relevant notes were recorded for each sample. Samples were placed in Kraft bags labelled with the grid location, were dried in the Tsayta Lake Lodge core shack and were put in ~12x11" size cardboard boxes and shipped to BV via courier.

Rock samples were placed in poly-bags and taken back to camp, where hand specimens were separated from the original sample. Sampler, location, field description, source and source size, sample type, rock type, mineralisation and alteration were recorded for each sample. Samples were batched in rice bags and sent via courier to BV for assay.

GeoSim Services Inc. is of the opinion that the adequacy of sample preparation, security and analytical procedures are sufficiently reliable to support the mineral resource estimation and that sample preparation, analysis, and security are generally performed in accordance with exploration best practices at the time of collection.

## **Data Verification**

The author of the Stardust Technical Report conducted site visits on June 14, 2010, September 17, 2017 and September 23, 2020. During the sites visits, the author visually identified copper-bearing sulphide mineralization in drill core and outcrop. A number of drill sites were checked by GPS and found to be accurate.

Drill holes are surveyed by and RKA DGPS system. The author checked several drill sites by hand-held GPS and they were found to be accurate. Drill sites have been reclaimed and the drill hole position marked with stakes.

Based on the site visit observations, the author of the Stardust Technical Report concluded that drilling, logging, and sampling of drill core during the drilling and exploration programs carried out by NorthWest Copper and previous operators have been conducted in a manner appropriate to the style of mineralization present at the Stardust Project.

The author of the Stardust Technical Report is of the opinion that the analytical and database quality are adequate for the purposes of the estimation and classification of mineral resources.

## **Metallurgical Testing**

In 2021, metallurgical testwork was completed by Base Metallurgical Laboratories Ltd. in Kamloops, BC. A scoping level metallurgical study was undertaken to evaluate the flotation response of three composites prepared to represent a gradient of feed grades. Testing optimized conditions using the high-grade composite; a series of three rougher kinetic flotation tests evaluated the sensitivity of primary grind before optimizing the cleaner circuit with a further five tests. A single cleaner test was performed for each of the low grade and medium grade composites applying established conditions used for the high-grade composite.

The final flowsheet used for testing included gravity concentration of gold by Centrifugal Gold Concentration using a laboratory Knelson, followed by cleaning using a Mozley Table at 150 microns. The combined Knelson and Mozley tails were advanced to 10 minutes of rougher flotation, the rougher concentrate was reground to a target of 40 to 50 microns and cleaned, requiring 2 to 3 stages of dilution cleaning.

The test work showed copper recovery had limited sensitivity to grind sizes between 75 and 150 microns. Gold showed much higher recoveries at 75 microns vs. 100 or 150 microns but the inclusion of a gravity circuit appears to remove the need for a finer primary grind. The inclusion of the gravity circuit allows for a relatively coarse primary grind size of 150 microns. Gravity recovered between 24% and 42% of the gold in the three tests.

Combined gravity and flotation produced copper recoveries from 94.2% to 98.6% and gold recoveries from 93.0% to 93.9%. Those tests produced copper in concentrate grades from 21.8% to 26.2%.

Recoveries used in calculation of the base case cut-off were based on these metallurgical test results and were assumed to be 94% for gold and copper and 86% for silver.

The scoping level metallurgical study identified a combination of gravity plus flotation as a likely flowsheet option for treating Stardust Project materials. Copper has little sensitivity to the grind sizes tested of 75 to 150µm, however, gold is impacted with coarser grinds. By including upfront gravity for gold recovery, the primary grind size can be increased with minimal to no impact on net gold recovery and should be considered for future studies. This flowsheet is a relatively standard treatment for recovery in material of this nature and does not indicate any significant effect on potential economic extraction. Likewise, no deleterious elements were identified in the

concentrate in this scoping level study that would have a significant effect on potential economic extraction.

## Mineral Resource Estimate

The mineral resource estimate is an update to that previously prepared for the Stardust Project for Sun Metals in 2017.

The database for the Canyon Creek Skarn Zone contains 206 drill holes representing 74,253 m of drilling. Fifty-eight of these holes (38,329 m) have been completed between 2018 and 2020 by Sun Metals. Grade estimation is based on 186 drill holes and 3,124 composites of nominal 2.0 m lengths.

Mineral resources were estimated for gold, silver, and copper. Significant grades of zinc have been encountered but the distribution is highly irregular and would not likely justify the additional cost of extraction.

The updated Stardust Project mineral resource estimate for the Stardust Project Canyon Creek Skarn Zone is presented in Table 6. It is based on a cut-off of US \$65/tonne and 2.5 metre minimum mining width. The effective date of the mineral resource is May 17, 2021.

*Table 6: Stardust Mineral Resource Estimate – Canyon Creek Skarn Zone*

Class	Tonnes (000)	Grades			
		%Cu	g/t Au	g/t Ag	CuEq
Indicated	1,963	1.31	1.44	27.1	2.59
Inferred	5,843	0.86	1.17	20.0	1.88

Notes:

1. CIM Definition Standards (2014) were used for reporting the mineral resources.
2. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.
3. Mineral resource estimate prepared by Ronald G. Simpson of GeoSim Services Inc. with an effective date of May 17, 2021.
4. Reasonable prospects for economic extraction were determined by applying a minimum mining width of 2.5 m. and excluding isolated blocks and clusters of blocks that would likely not be mineable.
5. The base case cut-off of US\$65/t was determined based on metal prices of \$1,600/oz gold, \$20/oz silver and \$3.25/lb copper, underground mining cost of US\$45/t, processing cost of US\$15/t and G&A cost of US\$5/t. Recoveries based on recent metallurgical test results were assumed to be 94% for gold and copper and 86% for silver.
6. Block tonnes were estimated using a density of 3.4 g/cm<sup>3</sup> for mineralized material.
7. Copper Equivalent was calculated using the metal price assumptions stated above:  $CuEq = Cu + Au * 0.718 + Ag * 0.009$ .
8. Six separate mineral domains models were used to constrain the estimate. Minimum width used for the wireframe models was 1.5 m.
9. For grade estimation, 2.0-meter composites were created within the zone boundaries using the best-fit method.
10. Capping values on composites were used to limit the impact of outliers. For Zone 102, gold was capped at 15 g/t, silver at 140 g/t and copper at 7.5%. For all other zones, gold was capped at 6 g/t, silver at 140 g/t and copper at 5%.
11. Grades were estimated using the inverse distance cubed method. Dynamic anisotropy was applied using trend surfaces from the vein models. A minimum of 3 and maximum of 12 composites were required for block grade estimation.
12. Blocks were classified based on drill spacing. Blocks falling within a drill spacing of 30m within Zones 2, 3, and 6 were initially assigned to the Indicated category. All other estimated blocks within a maximum search distance of 100 m were assigned to the Inferred category. Blocks were reclassified to eliminate isolated Indicated resources within inferred resources.
13. Totals may not sum due to rounding.

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The mineral resource breakdown by zone is presented in Table 7 and Table 8.

*Table 7: Indicated Mineral Resources by Zone*

Zone	Tonnes (000)	Grades			CuEq
		%Cu	g/t Au	g/t Ag	
102	1,441	1.42	1.48	26	2.71
103	344	1.02	1.60	38	2.51
106	135	0.95	0.87	11	1.68
110	43	1.27	0.48	31	1.89
<b>Total</b>	<b>1,963</b>	<b>1.31</b>	<b>1.44</b>	<b>27</b>	<b>2.59</b>

*Table 8: Inferred Mineral Resources by Zone*

Zone	Tonnes (000)	Grades			CuEq
		%Cu	g/t Au	g/t Ag	
102	2,623	0.78	1.23	18	1.82
103	1,305	0.92	1.44	34	2.26
105	346	0.71	1.01	20	1.61
106	1,094	1.15	0.77	12	1.81
110	406	0.52	1.09	13	1.42
111	70	1.05	1.11	17	2.00
<b>Total</b>	<b>5,843</b>	<b>0.86</b>	<b>1.17</b>	<b>20</b>	<b>1.88</b>

The mineral resource sensitivity to increases in cut-off value are presented in Table 9 and Table 10.

The results show that the resource estimate is moderately sensitive to changes in cut-off grade. The reader is cautioned that these figures should not be misconstrued as a mineral resource statement apart from the official base case scenario at \$ 65/tonne. The results shown above the base-case cut-off grade meet reasonable prospects of economic extraction.

*Table 9: Resource Sensitivity - Indicated Class*

COG \$/t	Tonnes > COG	Grades			
		%Cu	g/t Au	g/t Ag	CuEq
65	1,962,888	1.314	1.439	27.1	2.59
85	1,603,223	1.481	1.624	30.2	2.92
105	1,309,183	1.649	1.815	33.2	3.25
125	1,061,374	1.825	2.024	36.2	3.60

Table 10: Resource Sensitivity - Inferred Class

COG \$/t	Tonnes > COG	Grades			
		%Cu	g/t Au	g/t Ag	CuEq
65	5,843,160	0.860	1.166	20.0	1.88
85	4,317,343	0.973	1.349	22.6	2.15
105	3,091,762	1.103	1.536	24.9	2.43
125	2,158,409	1.242	1.727	27.6	2.73

The mineral resource estimate is based on limited information and sampling gathered through appropriate techniques diamond drill core holes. The estimate was prepared using industry standard techniques and has been validated for bias and acceptable grade-tonnage characteristics.

Areas of uncertainty that may materially impact the mineral resource estimate include:

- Commodity price assumptions.
- Assumptions that all required permits will be forthcoming.
- Metallurgical recoveries.
- Mining and process cost assumptions.
- Ability to meet and maintain permitting and environmental license conditions and the ability to maintain the social license to operate.

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

GeoSim Services Inc. has not identified any risks including legal, political or environmental that would materially affect the mineral resource estimate.

## Exploration, Development and Production

The Canyon Creek Skarn Zone is a skarn-hosted mineral occurrence hosted by Permian Cache Creek group sediments in proximity to the Glover stock. Exploration to date has defined the Canyon Creek Skarn mineralized zones to extend approximately 1,200 metres along strike and to extend from surface down to 900 metres in depth. There is significant potential for expanding the current mineral resource and for discovering additional mineral deposits at the Stardust Project and extensions to known mineral showings. In 2021, NorthWest Copper plans to focus exploration efforts on the neighboring Kwanika Project with the goal of improving the mineral resource on that project. Given the proximity of the Kwanika Project to the Stardust Project, such work may ultimately lead to the Company exploring economic studies on the combined potential of the Stardust Project and Kwanika Project deposits.

There are no current plans for development or production at the Stardust Project.

## MINERAL PROPERTY – KWANIKA PROJECT

Please refer to the technical report titled “NI 43-101 Technical Report for the Kwanika Project Resources Estimate Updated 2019” (the “**Kwanika Technical Report**”), prepared by Sue Bird, P Eng., Marek Nowak, P Eng and Tracey Meintjes, P. Eng., each a “qualified person” as defined under NI 43-101, with an effective date of December 14, 2018 and prepared for the Company, as filed on SEDAR at [www.sedar.com](http://www.sedar.com).

The bulk of the information in this section is derived from the Kwanika Technical Report and supplemented by work completed by the Company subsequent to the Kwanika Technical Report’s filing. The following summary as it relates to the Kwanika Technical Report does not purport to be a complete summary of the Kwanika Project and is subject to all the assumptions, qualifications and procedures set out in the Kwanika Technical Report and is qualified in its entirety with reference to the full text of the Kwanika Technical Report. Readers should read this summary in conjunction with the Kwanika Technical Report, which can be reviewed in its entirety on SEDAR at [www.sedar.com](http://www.sedar.com).

### Kwanika Project

The Kwanika Project involves the development of a copper-gold-silver-molybdenum deposit located in north central British Columbia, in the Omineca Mining Division, near Fort St. James, British Columbia, Canada. The property is accessible year-round by four-wheel-drive vehicle, provided there is active snow removal in winter. The Kwanika Project has two primary mineralized deposits, referred to as the Central Zone (Cu-Au-Ag deposit) and the South Zone (Cu-Au-Ag-Mo deposit).

The mineral resource estimate for the Central Zone is summarized in Table 1, with sensitivity to cutoff at select grades provided in Table 2. The mineral resource estimate for the South Zone is provided in Table 3, with the sensitivity of the South Zone Resource to cutoff grade summarized in Table 4. The base case copper equivalent (CuEq) cutoffs are highlighted in the sensitivity tables.

All dollar figures presented in the following tables are stated in Canadian dollars unless otherwise specified.

*Table 1: Mineral Resource Statement - Central Zone - Total Pit and Underground Resource, effective date: December 14, 2018*

Pit-Constrained									
Classification	Cutoff (CuEq%)	Quantity (Mt)	In situ Grade				In situ Contained metal		
			CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (Mlbs)	Au (koz)	Ag (koz)
Measured	0.13%	24.2	0.51	0.34	0.33	1.07	179	254	833
Indicated		80.4	0.30	0.20	0.18	0.69	360	454	1,784
Total M+I		104.6	0.35	0.23	0.21	0.78	540	708	2,617
Inferred		5.7	0.23	0.16	0.13	0.65	20	25	119

Underground									
Classification	Confining Shape Basis (CuEq%)	Quantity (Mt)	In situ Grade				In situ Contained metal		
			CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (Mlbs)	Au (koz)	Ag (koz)
Measured	0.27% confining shape -	18.7	0.58	0.36	0.40	1.15	151	239	692
Indicated		100.2	0.44	0.29	0.27	0.92	634	884	2,964
Total M+I		118.9	0.46	0.30	0.29	0.96	784	1,123	3,656
Inferred		84.7	0.27	0.17	0.18	0.60	319	480	1,634
Combined Pit and Underground									
Classification	Cutoff (CuEq%)	Quantity (Mt)	In situ Grade				In situ Contained metal		
			CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	Cu (Mlbs)	Au (koz)	Ag (koz)
Measured	0.13%-open pit, and 0.27% ug	42.9	0.54	0.35	0.36	1.10	330	493	1,525
Indicated		180.6	0.38	0.25	0.23	0.82	994	1,338	4,748
Total M+I		223.6	0.41	0.27	0.25	0.87	1,324	1,831	6,273
Inferred		90.4	0.26	0.17	0.17	0.60	339	504	1,753

## Central Zone Resource Notes

- The CuEq cutoffs are based on prices of US\$3.25/lb of copper, US\$1,350/oz of gold, US\$17/oz of silver and assumed recoveries of 91% for copper, 75% for gold, 75% for silver.
- Copper equivalents (CuEq) values are calculated using the formula below based on the above metal prices and recoveries. They include smelter terms and a \$US:\$CAD exchange rate of 0.77 which results in the following equation.
- $$\text{CuEq} = \text{Cu}\% + \left( \frac{(\text{Auoz} * \text{CAD}\$1620.77 * 75\%) + (\text{Agoz} * \text{CAD}\$18.79 * 75\%)}{\text{CAD}\$3.71 * 91\% * 22.0462} \right)$$

Table 2: Sensitivity Analysis of the Resource Estimate - Central Zone, effective date: December 14, 2018

Measured + Indicated Pit Resource Sensitivity and Underground Material within PFS Confining shapes									
Pit-Constrained Sensitivity Analysis at Various Cutoff Grades									
Classification	Cutoff (CuEq%)	Quantity (Mt)	In situ Grade				In situ Contained Metal		
			CuEq%	Cu %	Au (g/t)	Ag (g/t)	Cu (Mlbs)	Au (koz)	Ag (koz)
Total M+I	0.13%	104.6	0.35	0.23	0.21	0.78	540	708	2,617
	0.25%	63.2	0.45	0.30	0.27	0.89	424	546	1808
	0.40%	24.4	0.67	0.45	0.41	1.26	244	318	991
Underground Sensitivity Analysis within 0.40% CuEq Confining Shape									
Total M+I	0.27% confining shape	118.9	0.46	0.30	0.29	0.96	784	1,123	3,656
	0.4% confining shape	64.0	0.62	0.39	0.43	1.23	550	884	2,520

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## Central Zone Resource Notes

- The CuEq cutoffs are based on prices of US\$3.25/lb of copper, US\$1,350/oz of gold, US\$17/oz of silver and assumed recoveries of 91% for copper, 75% for gold, 75% for silver.
- Copper equivalents (CuEq) values are calculated using the formula below based on the above metal prices and recoveries. They include smelter terms and a \$US:\$CAD exchange rate of 0.77 which results in the following equation.
- $$\text{CuEq} = \text{Cu}\% + \left( \frac{(\text{Auoz} \times \text{CAD}\$1620.77 \times 75\%) + (\text{Agoz} \times \text{CAD}\$18.79 \times 75\%)}{\text{CAD}\$3.71 \times 91\% \times 22.0462} \right)$$

Table 3: Mineral Resource Statement - South Zone, effective date: October 14, 2016

Category	Cutoff	Quantity	In situ Grade				In situ Contained Metal			
	CuEq (%)	(x1000 Tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (000's lb)	Au (000's oz)	Ag (000's oz)	Mo (000's lb)
Inferred	0.13%	33,300	0.26	0.08	1.64	0.01	191,400	80	1,760	7,470

## South Zone Resource Notes

- The CuEq cutoff is based on prices of US\$3.00/lb of copper, US\$1,300/oz of gold, US\$20/oz of silver and assumed recoveries of 89% for copper, 70% for gold, 75% for silver and 60% for molybdenum.
- Copper equivalents (CuEq) values are calculated using the formula below based on the above metal prices and recoveries.
- $$\text{CuEq} = \text{Cu}\% + \text{Au(g/t)} \times 0.497 + \text{Ag(g/t)} \times 0.00813 + \text{Mo(\%)} \times 2.02247$$

Table 4: Sensitivity Analysis of the Resource Estimate - South Zone, effective date: October 14, 2016

Category	Cutoff	Quantity	IN situ Grade				In situ Contained Metal			
	CuEq (%)	(x1000 Tonnes)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (000's lb)	Au (000's oz)	Ag (000's oz)	Mo (000's lb)
Inferred	0.70	100	0.59	0.18	3.23	0.02	1,400	0	10	50
	0.60	500	0.52	0.14	2.95	0.02	6,200	0	50	230
	0.50	2,400	0.45	0.11	2.70	0.02	23,600	10	200	910
	0.40	7,700	0.38	0.09	2.29	0.02	64,800	20	570	2,710
	0.35	13,100	0.35	0.09	2.09	0.01	99,800	40	880	4,120
	0.27	23,800	0.30	0.08	1.84	0.01	156,600	60	1,410	6,200
	0.20	30,500	0.27	0.08	1.71	0.01	183,600	80	1,670	7,180
	0.13	33,300	0.26	0.08	1.64	0.01	191,400	80	1,760	7,470
	0.10	33,800	0.26	0.08	1.63	0.01	192,400	80	1,770	7,540



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## *South Zone Resource Notes*

- The CuEq cutoff is based on prices of US\$3.00/lb of copper, US\$1,300/oz of gold, US\$20/oz of silver and assumed recoveries of 89% for copper, 70% for gold, 75% for silver and 60% for molybdenum.
- Copper equivalents (CuEq) values are calculated using the formula below based on the above metal prices and recoveries.
- $CuEq = Cu\% + Au(g/t)*0.497 + Ag(g/t)*0.00813 + Mo(\%)*2.02247$

## *Conclusions*

- The Kwanika Project deposit contains a Cu-Au-Ag deposit in the Central Zone and a Cu-Au-Ag-Mo deposit in the South Zone. Both the Central and South Zones have near surface mineralization that is amenable to open pit mining.
- The Central Zone has additional higher grade mineralization at depth that is amenable to underground block caving.
- Both deposits are responsive to conventional milling consisting of flotation concentration.

## *Geology and Resource Modeling*

- The authors of the Kwanika Technical Report consider that the mineral resources for the Kwanika Project are appropriately reported.
- The Central Zone is reported at 0.13% copper equivalent cutoff grade for near surface mineralization and 0.27% copper equivalent confining shape used for potential underground mining by a block caving method. The South Zone is reported at 0.13% copper equivalent for open pit resources.
- The authors of the Kwanika Technical Report are not aware of any potential significant risks and uncertainties that could affect the reliability or confidence on the reported resource other than the usual risks associated with exploration projects, as detailed in the mineral resource section.

## *Metallurgy*

- Limited metallurgical test work carried out on the Central Zone deposit indicates mineralization responds well to a process consisting of conventional multi-stage flotation and a typical process design for copper porphyry in British Columbia is in order.
- A copper recovery of 91%, with gold and silver recovery of 75% has been estimated to a concentrate grading 24% copper. Processing operating costs are bench marked to similar mills in the area.

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- No metallurgical test work has been conducted on the South deposit so typical recoveries have been assumed.
- A mill throughput of 15,000 tonnes per day is proposed for the Kwanika Project.

## *Regulatory, Environment, and Permitting*

- The Kwanika Project lies within an area designated for multiple land uses, including mining.
- Provincial and Federal Environmental Assessments and Certificates will be required due to the nature and scope of the Kwanika Project.
- The Kwanika Project will need to demonstrate the ability to manage for ARD concerns during and following mining. Significant environmental issues such as fish stream diversions; ARD potential and wildlife habitat are expected to be manageable.
- Reclamation of all site disturbances is expected to be completed within industry norms.

## *Opportunities*

The recommendations outlined in the following section address the opportunities for infill and exploration drilling within the Central and South Zone deposits.

In addition, there are opportunities to identify additional mineralized centers on the Kwanika Project property along the northwest-southeast trend of anomalous geophysical surveys and mineralization. The trend extends for a known strike length of approximately 5.5 km from the Central Zone southward to the South Zone. South of the South Zone several chargeability anomalies have been identified over a strike length of approximately 23 km along this trend, and within the Kwanika Project claims.

## *Recommendations*

### *Drilling*

It is recommended to continue drilling of both the Central Zone and the South Zone. This could potentially extend and upgrade the resource for future mining studies. Additional drilling for geotechnical and metallurgical information is also recommended.

### *Exploration Drilling*

A drill program is proposed to upgrade the South Zone mineral resource and to potentially extend the current Central Zone mineral resource. All costs related to the exploration program are included in the exploration cost estimate. This included, drilling, mobilization, camp, crew transport, logging, and assay charges estimated at \$225/m all-in.

It is recommended to drill into the potential high-grade area below the current block cave shape in the Central Zone. Currently, the resource below 425 m elevation is considered Inferred with

grades above those necessary for block cave mining. Therefore, drilling to upgrade and extend this mineralization for potential addition to a block cave mining scenario is highly recommended.

The South Zone material is currently all Inferred due to the 100 m drill spacing. Infill drilling could upgrade the majority of the deposit for inclusion in a pre-feasibility study (“PFS”) or feasibility study (“FS”) to extend mine life and provide mill feed during ramp up and/or ramp down of the block cave.

## *Geotechnical Drilling*

Additional geotechnical drilling will provide information for the open pit resource particularly in the north of the Central Zone, as well as at depth below the current block cave shape. It is therefore recommended that exploration and infill drilling also include a geotechnical component to collect orientation, rock mass strength and major structural data necessary for further geotechnical studies.

## *Resource Estimate Updates*

It is recommended to update the Central and South Zone mineral resource estimates based on additional drilling and geologic studies.

## **Project Description and Location**

The Kwanika Project in north central British Columbia is situated in the Omineca Mining Division, approximately 140 km northwest (approximately 200 km by road) of Fort St. James, located on NTS map sheets 93N06 and 93N11, at latitude 55°31' N and longitude 125°20' W. The property is accessible year-round by four-wheel-drive vehicle, provided there is active snow removal in winter.

## **Property Ownership**

The Kwanika Project consists of 61 contiguous unpatented mineral claims covering an area of 25,928 hectares, and is solely owned by KCC, a private company jointly owned by the Company and POSCO. The claims are all in good standing and have good-to dates between December 2022 and December 2029. In order to keep a claim in good standing, exploration and development work or payment instead of exploration and development must be registered and payment received by the Mineral Titles Branch of the British Columbia government before midnight of the good-to-date of the claim. It is not currently subject to any royalties or other outstanding liabilities.

Pursuant to the JVA, the Company may be granted a 1% NSR royalty if its interest is diluted below 50% and an additional 0.5% NSR if its interest is diluted below 33⅓%, subject to partial buyback provisions to POSCO. POSCO will have certain concentrate offtake rights from production on the Kwanika Project, subject to the Company’s ability to enter into separate streaming arrangements.

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

The Kwanika Project is located approximately 75 km to the southwest of the Kemess power line, and CN Rail maintains an active rail line to Fort St. James. The Kwanika Project is also in close proximity to the well-serviced communities of Prince George, Smithers, Fort St. James, and

Mackenzie. Access to the Kwanika Project from Fort St. James is via the all-weather Leo Creek and Driftwood FSR and the Fall-Tsayta FSR, an aggregate distance of 195 km. Other access infrastructure on the Kwanika Project consists of gravel logging roads and several km of excavated trails. There is sufficient water available in the immediate vicinity of the property to support both exploration and potential mining activities.

KCC has developed a beneficial relationship with the local Takla Nation and there has been community support for the Kwanika Project and the potential employment that it would provide. KCC signed an exploration agreement with Takla Nation dated May 25, 2018. As set out under “General Developments of the Business – Three Year History”, since the date of the Kwanika Technical Report, the exploration agreement has been renewed.

The average temperature for this area is 3.1°C, with a peak average monthly temperature of 21.9°C in July and an average monthly low of 15.8°C in January. The region receives an average of 295 millimeters of rainfall and 192 centimeters of snowfall annually, with 138 days per year where precipitation exceeds 0.2 millimeters. The Kwanika Project is snow-covered from late October to April or May.

## History

Exploration on the Kwanika Project dates back to the 1930’s and 40’s. Copper mineralization was first recognized along Kwanika Creek in 1964 by Hogan Mines. Between 1966 and 1976, exploration was carried out that included geological, geochemical, and geophysical surveys that resulted in an aggregate of 5,700m of percussion and diamond drilling. In 1976, a mineral resource estimate for the main (currently referred to as the South Zone) deposit was published.

Between 1981 and 1989, different operators (Placer Developments Ltd., Aume Resources Ltd. and Daren Resources Ltd., Eastfield Resources Ltd.), conducted geochemical surveys and sampled rock outcrops, as well as IP and drilling. The claims were allowed to lapse and, in 1995, the property was re-staked by Discovery Consultants who conducted additional heavy mineral stream sediment and rock sampling. No more work was done until the Company staked the property starting in 2004.

The Kwanika Project has been subject to six previous NI 43-101 technical reports:

- Yuhasz, C. P.Geo., SRK Consulting; Nowak, M. P.Eng., SRK Consulting; Gray, J.H. P.Eng., Moose Mountain Technical Services; and Meintjes, T.D. P.Eng., Moose Mountain Technical Services (2017): NI 43-101 Technical Report for the Kwanika Project Preliminary Economic Assessment 2017
- Yuhasz, C. P.Geo., SRK Consulting and Nowak, M. P.Eng., SRK Consulting (2016): Independent Technical Report for the Kwanika Copper-Gold Project, British Columbia, Canada, December 19, 2016
- Gray, J.H. P.Eng., Moose Mountain Technical Services; Meintjes, T.D. P.Eng., Moose Mountain Technical Services; and Rennie, D.W. P.Eng., Roscoe Postle Associates Inc. (2013): NI 43-101 Technical Report for the Kwanika Project Preliminary Economic Assessment 2013
- Rennie, D.W. P.Eng., Roscoe Postle Associates Inc. (2011): Technical Report on the Kwanika Project, Fort St. James, British Columbia

- Rennie, D.W. P.Eng., Scott Wilson Roscoe Postle Associates Inc. (2010): Technical Report on the Kwanika Project, Fort St. James, British Columbia
- Rennie, D.W. P.Eng. and Scott, K.C. P.Eng., Scott Wilson Roscoe Postle Associates Inc. (2009): Technical Report on the Kwanika Project, Fort St. James, British Columbia

## **Geological Setting, Mineralization and Deposit Type**

### *Geology*

The Kwanika Project lies in the northern part of the Upper Triassic to Lower Jurassic Quesnellia Terrane (“**Quesnel Trough**”) which comprises a belt of Lower Mesozoic volcanic rocks and intrusions lying between highly deformed Proterozoic and Paleozoic strata to the east and deformed Upper Paleozoic strata to the west. The Quesnel Trough is the host of numerous alkalic and calc-alkalic porphyry copper-gold deposits within British Columbia. In the area around the Kwanika Project, Quesnellia is bounded by the Pinchi fault on the west and by the Manson fault on the east.

The Kwanika Project consists of two mineralized areas: Central Zone and South Zone. In the Central Zone the most economically significant intrusive body is a north-northeast trending monzonite stock that dips shallowly to steeply to the west. The intrusion has a strike length of nearly 1.3 km and a thickness of 50 m to 350 m. The higher-grade copper-gold mineralization in the Central Zone is dominantly hosted within, and immediately adjacent to, the monzonite intrusive. Monzonite has also been intersected at depth in the western and southwestern parts of the Central Zone and is thought to connect to the sill-like body in the central part of the deposit, suggesting the possibility of deep Central Zone mineralization.

The South Zone occurs within a fault bounded sequence of strongly altered intrusive rocks of alkalic to intermediate composition. The host lithologies occur within a north-south trending structural corridor. This structural corridor is bounded by the West Fault to the west and by a similar fault zone termed the East Fault along the eastern boundary of the corridor. Coincident chargeability and resistivity anomalies form a geophysical domain that represents the fault-bounded South Zone corridor. This variably mineralized domain is 2,900 m long and up to 500 m wide.

### *Mineralization*

Copper and gold mineralization in the Central Zone at the Kwanika Project occurs primarily in potassically and sericite-carbonate altered lithologies. Alteration and mineralization grade outwards from a strong to intensely potassically altered, strongly mineralized core zone to a variably propylitically altered, weakly mineralized periphery. Hypogene mineralization is controlled by several generations of quartz + sulphide veining, with the highest copper and gold grades occurring in areas of quartz stockwork. A supergene enrichment blanket has been superimposed on the upper surface of the hypogene mineralization in the Central Zone.

The South Zone is characterized by porphyry style copper + gold + molybdenum + silver mineralization within monzonite, quartz monzonite, and monzodiorite with primary mineralization comprised of fine to coarse grained chalcopyrite disseminations and molybdenite mineralization along fractures and quartz selvages and, less commonly, disseminated blebs associated with pyrite and chalcopyrite. Enrichment is associated with brecciated zones that have undergone secondary K-feldspar flooding and/or intense pyrite + chlorite + silica alteration.

## *Deposit Type*

The Central Zone deposit is similar in characteristics to both the classic alkali porphyries in that the mineralization is associated with an intrusive complex of alkali-feldspar-saturated monzonite and the calc-alkalic porphyry type deposits in that the mineralization is associated with strong quartz stockwork.

The South Zone deposit is a structurally controlled porphyry deposit with quartz monzonitic to quartz monzodioritic host lithologies.

## **Exploration and Drilling**

- 2005: The Company conducted a 530 line-km airborne magnetic/radiometric survey on the Kwanika and Germansen properties.
- 2006: The Company conducted several ground-based IP surveys in the vicinity of the Central and South Zone deposits. The results outlined a significant IP signature over the Kwanika South deposit as well as a continuation of this IP anomaly into a large, covered area to the north-northwest.
- 2007: The Company carried out a regional airborne magnetic and EM survey. The results yielded by the survey identified multiple high magnetic/low resistivity anomalies throughout the property, which outline a general north-northwest trend coincident with South Zone and Central Zone deposit areas.
- Baseline environmental studies were initiated on the Kwanika Project.
- 2008: Pole-dipole IP surveys were conducted from south of the two known deposits to the southern boundary of the Kwanika Project.
- 2009: A drilling program established an exploration model for a structurally controlled porphyry deposit in the South Zone area. Analysis and reinterpretation of geophysical and geological data suggested that potential existed for a structurally bounded domain of mineralization measuring up to 2,900 m x 500 m.
- 2016: A LIDAR survey was flown over the Central and South Zones of the Kwanika Project.

Between July 2006 and September 2018, KCC has drilled 81,942 m in 195 drillholes in the mineral resource areas.

## *Phase I*

In the summer of 2006 five diamond drillholes (K-06-01 to K-06-05, 659.6m) were drilled to follow up on an IP anomaly. These holes confirmed the copper grade of the previously known mineralization and identified a new zone some distance to the north of the South Zone.

## *Phase II*

Between November and December 2006, five diamond drillholes (1,214.7 m) were drilled in the vicinity of hole K-06-04, resulting in the discovery hole for the Central Zone, K-06-09 (0.69% Cu and 0.54g/t Au over 111 m).

## *Phase III*

Subsequent to the discovery of the Central Zone deposit in the Fall 2006/Winter 2007, the Company initiated the third phase of the diamond drill program to define the new deposit. An all-weather, 30-man camp was constructed in March 2007. Coast Mountain Geological Ltd., a Vancouver-based geological consulting firm, was contracted to manage the drill project. Diamond drilling was carried out by Cyr Drilling International Ltd. of Winnipeg, Manitoba. The Phase III drill program on the Kwanika Project was conducted from March 2007 to August 2008. During this period, a total of 113 diamond drillholes, with an aggregate length of 53,646.3 m, were drilled on the property. These drillholes were primarily designed to delineate the mineralization in the Central Zone, explore the South Zone, as well as to test geophysical anomalies and possible extensions to the Central Zone mineralization. Examples of significant drill intersections encountered in this phase of Central Zone drilling include K-07-15 (0.60% Cu and 0.72 g/t Au over 328 m) and K-08-113 (0.76% Cu and 1.39g/t Au over 279 m). The significant grades and widths of copper and gold mineralization encountered confirmed the existence of a previously unknown porphyry copper-gold deposit. The South Zone drilling campaign during 2007 and 2008 comprised 16 diamond drillholes for an aggregate length of 4,935.4 m. Several holes in the South Zone encountered a strongly mineralized copper-gold-molybdenite-silver porphyry system that had not been fully recognized by past exploration. Examples of drill intersections include K-08-110 (0.27% Cu, 0.24g/t Au, and 0.007% Mo over 240 m) and K-08-116 (0.39% Cu, 0.10g/t Au, and 0.013% Mo over 114 m).

## *Phase IV*

This phase of drilling was conducted from June to September 2009. During this period, a total of 17 diamond drillholes were completed on the property with an aggregate length of 6,249.1 m. This phase of exploration was primarily designed to follow up several encouraging intersections obtained during 2008 drilling in the underexplored South Zone area. Significant drill intersections encountered included:

- K-09-124 (0.41% Cu, 0.05g/t Au, and 0.019% Mo over 212 m)
- K-09-126 (0.51% Cu, 0.14g/t Au, and 0.024% Mo over 150 m)

Drilling was successful in delineating and expanding a copper-gold-molybdenite-silver resource in the South Zone.

## *Phase V*

The Phase V drill program on the Kwanika Project was conducted from June to August 2010. During this period, a total of 28 diamond drillholes were completed on the property with an aggregate length of 7,619 m. This phase of exploration consisted of step-out drilling intended to expand the existing South Zone resource reported in March 2010. A series of in-fill drillholes were also completed in order to gain further understanding of the mineralization associated with the West Fault. The Phase V drilling was successful in both expanding the mineralized envelope to

the north of the historical resource area of the South Zone deposit and adding important geological information to the exploration model.

## *Phase VI*

From June to July of 2011 a total of 5 drillholes were completed with an aggregate length of 1,724 m. This phase of exploration was carried out to test IP-chargeability and Ah-horizon soil exploration targets to the east and northeast of the Central Zone.

## *Phase VII*

The Phase VII drilling program was completed in August to September of 2012. During this period, a total of 4 drillholes were completed to an aggregate length of 1,494 m. Holes K-12-174 to K-12-176 tested IP-chargeability targets to the north of the Central Zone deposit. One additional drillhole was drilled at the south end of the property to test a deep IP-chargeability anomaly. Three-line km of IP was also completed in 2012 to test the existence of a chargeability anomaly to the east of the Central Zone resource area.

## *Phase VIII*

This drilling campaign took place from July to August of 2016 during a joint exploration program funded by Daewoo Minerals Canada Corporation. A total of three deep drillholes were completed with an aggregate length of 2,445 m to test the deep roots of the Central Zone as well as an IP-chargeability anomaly to the north of the Central Zone. Hole K-16-177 penetrated the Central Zone producing significant results within the deposit. Highlights included:

- K-16-177 (0.79% Cu, 0.91g/t Au over 385 m)

K-16-179 tested the northern deep extent of the Central Zone and showed significant grade at depth indicating the potential for further deep exploration. K-16-178 tested the northern deep chargeability anomaly and intersected significant lengths of highly altered andesite with moderate mineralization.

## *Phase IX*

This drilling campaign took place from June to September of 2018. A total of 21 drillholes were completed with a total length of 7,411 m to support detailed mine design and resource upgrading at the Central Zone. Drill core was oriented with a Reflex ACT III tool and retrieved with split-tube core barrels to enable comprehensive geotechnical data capture for detailed underground and open-pit mine engineering design. Included in the 2018 drill program were three holes to test foundation characteristics for potential tailings storage facility (“**TSF**”) options (drillholes K-TSF-01, -02, -03). Additionally, down-hole hydraulic testing was completed, and vibrating wire piezometers and monitoring wells were installed in nine of the twenty-one drill holes to gather hydrogeological data. Holes K-18-180 to K-18-183 and K-18-187 penetrated the Central Zone producing significant results within the deposit. Highlights included:

- K-18-180 (0.64% Cu, 0.80g/t Au over 514 m)
- K-18-181 (0.52% Cu, 0.37g/t Au over 439 m)
- K-18-182 (0.66% Cu, 0.80g/t Au over 500 m)



- K-18-183 (0.45% Cu, 0.73g/t Au over 312 m)
- K-18-187 (0.59% Cu, 0.66g/t Au over 226m)

See “*General Developments of the Business – Three Year History*” with respect to the additional work that has occurred since the date of the Kwanika Technical Report.

## **Sample Preparation, Analyses and Security**

KCC has implemented typical industry procedures for all aspects of the drilling, collar and down hole surveying, core description and sampling, sample preparation and assaying. Sample intervals were based on contacts between lithology, alteration, structural features and mineralogy, up to a maximum of two metres, with the majority of samples taken at two metres long. Mineralized core was split on-site using two diamond saws, while select, lower grade core early in the program was split using a hydraulic blade splitter.

Samples were transported via truck by a local third party expediting and freight company. To ensure that samples were not tampered with during transport to the laboratory, the number of each security tag and its associated rice sack number were recorded by the geologist at the Kwanika Project site. A list of each bag and its unique security tag number was forwarded to GDL/ACME/ACT, which then confirmed that each security tag matched its correct rice sack.

From 2006 to 2009 all assays from the Kwanika Project were sent to Global Discovery Labs (“**GDL**”) in Vancouver, British Columbia. GDL did not have ISO accreditation but did participate in the Proficiency Testing Program for Mineral Analysis Laboratories (“**PTP-MAL**”). PTP-MAL is an ISO 9001:2000 accredited program that is operated by the Canadian Certified Reference Materials Project (“**CCRMP**”), and meets recognized international standards for proficiency testing providers. Samples sent to GDL were passed through a two-stage crushing process reducing the material to 90% minus 2mm in size. The crushed material was split in a Jones Riffle to a subsample measuring 250 g to 300 g. The samples were pulverized in a ring-and-puck mill to 95% passing a 150 mesh screen. The shipped samples were divided into two groups: samples with an assumed grade less than 0.2% Cu and samples with an assumed grade of greater than 0.2% Cu, as determined by the Kwanika Project geologist. All samples were subject to aqua regia digestion and then run for 28 elements using Inductively Coupled Plasma (“**ICP**”) spectrometry (Package ICP-OES). Samples with greater than 2,000 ppm Cu or 100 ppb Au were rerun for Au, Cu, Pb, Zn and Fe by Atomic Absorption (“**AA**”). Dissolution of the samples for the base metal determinations was done using aqua regia, while for the gold it was aqua regia followed by 2, 6-Dimethyl-4-heptanone. Samples assaying greater than 0.2g/t Au in the ICP or AA analyses were rerun using fire assay and AA finish. These assays were carried out on a 30 g (one assay-ton) aliquot. GDL is independent of the Company.

From 2010 to 2012, sampling was carried out by Acme Labs which held ISO 9001 accreditation during this time. The assay prep and processing remained the same from 2009-2012 after Acme took over GDL. Acme Labs is independent of the Company.

During the 2016 drilling program, Activation Labs of Kamloops, British Columbia was used to carry out assaying for the Kwanika Project. Activation Labs is ISO 17025 accredited laboratory. During the 2018 drilling program, BV in Vancouver, British Columbia which is ISO 9001:2015 and 17025 accredited was used to carry out assaying for the Kwanika Project. BV is independent of the Company. Once samples were received at the lab they were weighed, and then crushed up to 90% passing 10 mesh, riffle split (250 g) and then pulverized to 95% passing minus 150 mesh

including cleaning of the pulveriser bowl after each sample. Prepared samples were assayed for a suite of 38 elements including Selenium by aqua regia digestions and ICP spectrometry. All Au analysis was carried out by 30 g fire assay and AA. Samples greater than 2500ppm Cu were rerun by assay grade aqua-regia digestion and ICP spectrometry. Au results greater than 3.0g/t were rerun by 30 g fire assay and a gravimetric finish. Activation Labs is independent of the Company.

During the 2018 drilling campaign, BV was used to carry out the assaying of the Kwanika Project. At BV all rock samples were crushed, to 70% passing 2 mm, then split to 250 gm samples and pulverized up to 85% passing 200 mesh. Split samples were assayed for Au using fire assay fusion with AAS finish and using aqua regia with ICP- ES/MS for 34 element analyses.

See “*General Developments of the Business – Three Year History*” with respect to the additional work that has occurred since the date of the Kwanika Technical Report.

## **Data Verification**

KCC has conducted an independent QA/QC sampling program on the Kwanika Project. QA/QC samples were included in the sample stream for both the Central and South zones. The authors of the Kwanika Technical Report have compiled and reviewed the database and the results of the QA/QC sample program, which includes blanks, standard reference material, field duplicates and check assays

The authors of the Kwanika Technical Report have validated the collar, survey, and assay data for the Central and South Zones. The authors of the Kwanika Technical Report have migrated all collars in the mineral resource areas to a more accurate elevation using a high-resolution Lidar scan. The authors of the Kwanika Technical Report have visually reviewed the downhole surveys to confirm that they were reasonable. In addition, Moose Mountain Technical Services have compared assay database to the original assay certificates for approximately 1% of the data. The entire database of assay values has been validated with the electronic lab data and only minor errors were found.

## **Mineral Processing and Metallurgical Testing**

Copper-Gold mineralization in Kwanika Project has been identified as two main zones, Central Zone, and South Zone. The Company has conducted preliminary metallurgical testing on samples from the Central Zone. Metallurgical testing of the South Zone has not been conducted.

Exploratory metallurgical test work conducted in 2008 and 2009 demonstrates that a conventional multistage copper flotation circuit can produce a sellable copper concentrate. A copper recovery of 91% and gold recovery of 75% to a concentrate with 24% copper was assumed for the PEA. These assumptions are preliminary and may vary with future test work.

The flow sheet used was straightforward and simple consisting of conventional primary grinding to 80% passing 75 µm and rougher flotation, followed by regrinding to 80% passing 26 µm and three stages of cleaning. The final copper concentrate was found to very clean and the content of penalty elements such as As, Bi, Sb and Hg are very low. From preliminary studies there is no indication of any processing factors or deleterious elements that could have a significant effect on potential economic extraction.

## Mineral Resource Estimate

The authors of the Kwanika Technical Report have estimated copper, gold and silver resources for the Central Zone and copper, gold, silver and molybdenum resources for the South Zone. The mineral resource estimates are based on drilling since 2006 as summarized in the Table below.

*Table 5: Summary of Diamond Drillholes used in the Resource Estimation*

Zone	Drill Type	Number of Drillholes	Total Metres Drilled	Number of Drill Samples
Central	Core	137	63,983.69	25,375
South	Core	58	17,958.55	7,766
<b>Total</b>	<b>Core</b>	<b>195</b>	<b>81,942.24</b>	<b>33,141</b>

The Central Zone was estimated in five domains limited to a volume defined by a 0.1% CuEq grade shell. The South Zone was estimated in two domains limited to a volume defined by a 0.07% copper equivalent grade shell.

The authors of Kwanika Technical Report are of the opinion that the block model mineral resource estimate and mineral resource classification reported in the Kwanika Technical Report represent a reasonable estimation of the global mineral resources on the Kwanika Project. The mineral resources presented herein have been estimated in conformity with generally accepted CIM guidelines (CIM, 2014) and are reported in accordance with NI 43-101. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The “reasonable prospects for eventual economic extraction” requirement for a mineral resource generally implies that the quantity and grade estimates meet certain economic thresholds, and that the mineral resources are reported at an appropriate cutoff grade taking into account extraction scenarios and processing recoveries. To demonstrate the reasonable prospect of eventual economic extraction, the Authors have constrained the overall mineral resource with pit optimization software using the parameters shown in Table 6 for the Central Zone and in Table 7 for the South Zone.

*Table 6: Open Pit and Underground Parameters for Resource Estimation – Central Zone*

Input Parameters	Cu	Au	Ag	Mo
Metal price (US dollars)	\$3.25/lb	\$1350/oz	\$17/oz	NA
Net Smelter Prices (Canadian dollars)	\$3.714/lb	\$52.109/oz	\$0.604/oz	NA
Metallurgical Recoveries	91%	75%	75%	NA
Exchange Rate \$US:\$CAD	0.77			
Open pit mining cost - Plant feed and Waste (Canadian dollars)	\$2/t mined			
Incremental Mining Cost / bench (Canadian dollars)	\$0.05/t mined			
Underground Mining Cost (Canadian dollars)	\$17/t mined			
G&A costs, Processing, Water treatment and Tailings Placement (Canadian dollars)	\$11.30/t milled			
Overall Slope Angle (degrees)	45			

Table 7: Open Pit Parameters for Resource Estimation Constraint – South Zone

Input for Pit Optimization	Cu	Au	Ag	Mo
Metal price (US dollars)	\$3/lb	\$1300/oz	\$20/oz	\$9/lb
Metallurgical Recoveries	89%	70%	75%	60%
Open pit mining cost - Plant feed and Waste (Canadian dollars)	\$2/t mined			
G&A costs, Processing, Water treatment and Tailings Placement (Canadian dollars)	\$10/t milled			
Mining Loss	5%			
Dilution	2%			
Overall Slope Angle (degrees)	45			

The results of the pit optimizations have been used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate resource reporting cutoff grade. The Kwanika Project Central Zone also has an underground resource that has been constrained by a “reasonable prospects for economic extraction” shape. This shape accounts for a higher underground cutoff grade, a reasonable cave height and reasonable minimal lateral extents, and for the continuity of grade underground.

### *Recovery Methods*

A conventional copper-gold flotation process is assumed for the Kwanika Project including crushing, grinding, and multi-stage froth flotation to produce a copper-gold concentrate.

The authors of the Kwanika Technical Report have not identified any risks including legal, political, or environmental that would materially affect the mineral resource estimate.

## **Environmental Studies, Permitting and Community Impact**

### *Programs Already in Progress*

In support of the exploration programs, KCC has been in consultation with the local Takla Nation, providing jobs as well as starting base line environmental, archeological, weather and water studies including a project specific Valued Ecosystem Component (“**VEC**”) study. An exploration agreement has been signed with the Takla Nation.

## **Adjacent Properties**

### *Regional*

The Quesnel Trough hosts several other porphyry copper ± gold mines and significant deposits including the Mount Polley, Mount Milligan and Copper Mountain open-pit mines, and the New Afton underground block-cave mine.

### *Local District*

The adjacent Stardust Project is located immediately to the north of the Kwanika Project. The Stardust Project has been the subject of exploration for more than fifteen years on various

precious and base metal vein and skarn occurrences and contains an indicated and inferred copper-gold mineral resource known as the Canyon Creek Zone. The other significant prospect in the general vicinity of Kwanika is the Lorraine porphyry copper-gold property owned by the Company, which contains an indicated and inferred mineral resource in two deposits.

## **Infrastructure**

Additional planning and geotechnical studies for the surface facilities and structure on the site are ongoing. This will include site layout optimization, geotechnical investigation for foundations, sources of fill and construction materials, and water management facilities.

The tailing storage facility, geotechnical, and water management investigations need to consider the requirements of the BC regulations, alternatives assessments, ARD/Metal Leaching issues, and a site wide water balance.

## **Exploration, Development and Production**

In 2021, the Company plans to continue exploration at the Kwanika Project with the goal of upgrading, expanding and improving confidence in the mineral resource. A 7,200 metre initial drill program is planned with a focus on targeting higher grade material within the proposed pit and block cave area. Drilling surrounding the deposit area will focus on areas with known geophysical responses, historic intersections of significant mineralization and areas of alteration consistent with porphyry style mineralization. Regional exploration will consist of low level detailed magnetic surveys, soil, silt and indicator mineral sampling and geological mapping. The Company expects to produce an updated mineral resource for the Kwanika Project late in calendar 2021, following conclusion of the 2021 drill program. Given the proximity of the Kwanika Project to the Stardust Project, such work may ultimately lead to the Company exploring economic studies on the combined potential of the Stardust Project and Kwanika Project deposits.

There are no current plans for development or production at the Kwanika Project

## **DIVIDENDS AND DISTRIBUTIONS**

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

## **CAPITAL STRUCTURE**

### **Common Shares and Preferred Shares**

The authorized share capital of the Company consists of an unlimited number of Common Shares and 20,000,000 Preferred Shares. As of the date of this AIF, 126,882,846 Common Shares were issued and outstanding and nil Preferred Shares were issued and outstanding.

# NorthWestcopper

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The Common Shares do not carry any pre-emptive, subscription, redemption, retraction, conversion or exchange rights, nor do they contain any sinking or purchase fund provisions. The Company does not have debt securities. The holders of the Common Shares, subject to the prior rights, if any, of any other class of Common Shares of the Company, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of Shares of the Company, the remaining property and assets of the Company on a *pro rata* basis.

## Warrants

As of the date of this AIF, 15,385,995 warrants to purchase Common Shares (the “**Warrants**”) were outstanding. Of these Warrants, 154,084 Warrants are exercisable into one Common Share at an exercise price of \$0.50 per Common Share, on or before December 17, 2021. 107,500 Warrants are exercisable into one Common Share at an exercise price of \$1.63 per Common Share, on or before December 31, 2021. 824,012 Warrants are exercisable into one Common Share at an exercise price of \$0.52 per Common Share, on or before January 16, 2022. 16,680 Warrants are exercisable into one Common Share at an exercise price of \$0.52 per Common Share, on or before January 17, 2022. 757,338 Warrants are exercisable into one Common Share at an exercise price of \$0.70 per Common Share, on or before May 25, 2022. 8,879,500 Warrants are exercisable into one Common Share at an exercise price of \$0.84 per Common Share, on or before December 17, 2022. 4,646,881 Warrants are exercisable into one Common Share at an exercise price of \$1.63 per Common Share, on or before May 2, 2023.

14,391,219 Warrants of the above-mentioned total of Warrants represent warrants held by former Sun Metals warrant holders either adjusted or exchanged in connection with the Arrangement.

## Options

As of the date of this AIF, 9,648,165 options to purchase Common Shares (the “**Options**”) were outstanding under the Company’s stock option plan. Each Option is exercisable into one Common Share. The outstanding Options have a weighted average exercise price of \$0.81.

## RSUs

As of the date of this AIF, 2,175,000 restricted share units (“**RSUs**”) were outstanding under the Company’s restricted share unit plan. On redemption each RSU entitles the holder to one Common Share.

## DSUs

As of the date of this AIF, 1,000,000 deferred share units (“**DSUs**”) were outstanding under the Company’s deferred share unit plan. On redemption each DSU entitles the holder to one Common Share.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed and traded on the TSXV under the symbol “NWST”. The table below summarizes the high and low prices and volumes of trading of Common Shares on the TSXV for each of the periods indicated. All share prices are shown in Canadian dollars.

Period	High (\$)	Low (\$)	Monthly Volume
March 2020 <sup>(1)</sup>	0.240	0.145	1,945,150
April 2020 <sup>(1)</sup>	0.210	0.145	851,510
May 2020 <sup>(1)</sup>	0.195	0.155	2,577,400
June 2020 <sup>(1)</sup>	0.240	0.165	4,235,732
July 2020 <sup>(1)</sup>	0.290	0.220	4,261,206
August 2020 <sup>(1)</sup>	0.300	0.245	3,584,818
September 2020 <sup>(1)</sup>	0.340	0.260	5,205,785
October 2020 <sup>(1)</sup>	0.380	0.280	5,552,496
November 2020 <sup>(1)</sup>	0.345	0.275	2,417,608
December 2020 <sup>(1)</sup>	0.400	0.265	4,054,224
January 2021 <sup>(1)</sup>	0.450	0.380	1,344,863
February 2021 <sup>(1)</sup>	0.510	0.355	2,219,929
March 2021 <sup>(1)</sup>	0.510	0.465	628,153
March 2021 <sup>(2)</sup>	1.060	0.690	3,975,290
April 2021	0.780	0.660	3,374,523
May 2021	0.830	0.700	3,292,786
June 2021	0.820	0.680	3,040,775
July 2021	0.780	0.650	2,330,256
August 2021 <sup>(3)</sup>	0.780	0.670	459,476

Notes:

- (1) Price and volume has been adjusted for the March 5, 2021 Consolidation.
- (2) Name Change and Consolidation on March 5, 2021.
- (3) August 1 – 9, 2021.

The closing price of the Common Shares on the TSXV on August 9, 2021, being the last trading day before the date of this AIF, was \$0.70.

### Prior Sales

The Company issued the following securities, which are not listed or quoted on a market place, during the most recently completed financial year:

Date	Number of Securities Issued / Granted	Type of Securities Issued / Granted	Issue / Exercise Price (\$)	Reasons for Issuance / Grant
February 12, 2021 <sup>(1)</sup>	25,000	Common Shares	\$0.19	Option exercise
February 3, 2021 <sup>(1)</sup>	25,000	Common Shares	\$0.46	Option exercise
February 3, 2021 <sup>(1)</sup>	50,000	Common Shares	\$0.30	Option exercise
February 3, 2021 <sup>(1)</sup>	225,000	Common Shares	\$0.10	Option exercise
January 5, 2021 <sup>(1)</sup>	50,000	Common Shares	\$0.30	Option exercise
December 31, 2020 <sup>(1)</sup>	26,425	Common Shares	\$0.50	Warrant exercise
December 18, 2020 <sup>(1)</sup>	50,000	Common Shares	\$0.46	Option exercise
December 8, 2020 <sup>(1)</sup>	125,000	Common Shares	\$0.10	Option exercise
November 17, 2020 <sup>(1)</sup>	50,000	Common Shares	\$0.30	Option exercise

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October 21, 2020 <sup>(1)</sup>	50,000	Common Shares	\$0.30	Option exercise
October 8, 2020 <sup>(1)</sup>	4,375	Common Shares	\$0.52	Warrant exercise
October 8, 2020 <sup>(1)</sup>	50,000	Common Shares	\$0.14	Option exercise
September 29, 2020 <sup>(1)</sup>	100,000	Common Shares	\$0.10	Option exercise
September 25, 2020 <sup>(1)</sup>	35,545	Common Shares	\$0.50	Finder warrant exercise
September 15, 2020 <sup>(1)</sup>	187,500	Common Shares	\$0.10	Option exercise
July 14, 2020 <sup>(1)</sup>	50,000	Common Shares	\$0.55	Property option payment
June 24, 2020 <sup>(1)</sup>	136,052	Common Shares	\$0.38	Shares for debt
January 16, 2020 <sup>(1)</sup>	1,931,786	Units <sup>(2)</sup>	\$0.36	Non-brokered private placement
January 16, 2020 <sup>(1)</sup>	16,675	Finder's Warrants	\$0.52	Non-brokered private placement

Notes:

(1) Price and volume has been adjusted for the March 5, 2021 Consolidation.

(2) Each Unit was comprised of one Common Share and one-half of one Warrant.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As of February 28, 2021, there are no Common Shares, to the knowledge of NorthWest Copper, held in escrow or subject to a contractual restriction on transfer.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holding

The following table sets forth the name of each of our directors and executive officers, their province or state and country of residence, their position(s) with the Company, their principal occupation during the preceding five years and the date they first became a director of the Company. Each director's term will expire immediately prior to the following annual meeting of shareholders.

Name, Province and Country of residence, and positions held with the Company	Principal occupation during the past five years	Date serving as a Director
MARK O'DEA <sup>(2)(4)</sup> British Columbia, Canada <i>Executive Chairman and Director</i>	Former director of Sun Metals. Director of Pure Gold Mining Inc., Liberty Gold Corp. and Discovery Silver Corp., each a public mining company.	Since March 5, 2021
DAVID W. MOORE <sup>(4)</sup> British Columbia, Canada <i>Director</i>	Former President and Interim CEO of the Company.	Since July 13, 2004
TEODORA DECHEV <sup>(1)(3)(4)</sup> British Columbia, Canada <i>Director</i>	President and Director of Mundoro Capital Inc., a public mining company, since April 2008 and CEO since July 2009.	Since April 10, 2019



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Name, Province and Country of residence, and positions held with the Company	Principal occupation during the past five years	Date serving as a Director
LEWIS V. LAWRICK <sup>(1)(2)</sup> Ontario, Canada <i>Director</i>	President, CEO and a Director of Magna Terra Minerals Inc., a public mining company since November 2009. Director of Anaconda Mining Inc., a public mining company, since March 2007.	Since January 12, 2006
SEAN TETZLAFF <sup>(1)(2)(3)</sup> British Columbia, Canada <i>Director</i>	Former director of Sun Metals. Chief Financial Officer of Pure Gold Mining Inc., a public mining company, since 2014.	Since March 5, 2021
RICHARD BAILES <sup>(3)(4)</sup> British Columbia, Canada <i>Director</i>	Former director of Sun Metals. Consulting Geologist	Since March 5, 2021
PETER BELL British Columbia, Canada <i>President and Chief Executive Officer</i>	President & CEO, NorthWest Copper since March 2021. Investment Banker with National Bank Financial from 2018 to 2021. Co-CIO, Polygon Global Partners LLP, a global investment firm, from 2012 to 2018.	Not Applicable
IAN NEILL British Columbia, Canada <i>VP, Exploration</i>	Former VP, Exploration of Sun Metals. Exploration Manager Canada for MMG Ltd. 2011 - 2017	Not Applicable
LAUREN MCDOUGALL British Columbia, Canada <i>Chief Financial Officer and Corporate Secretary</i>	Former CFO & Corporate Secretary of Sun Metals. Controller of Pure Gold Mining Inc. 2015-2019.	Not Applicable
VESTA FILIPCHUK British Columbia, Canada <i>VP, Sustainability</i>	VP, Sustainability, NorthWest Copper since June 2021. Director of Social, Environmental, and Regulatory Affairs Galore Creek – Teck Resources, 2019-2021. Manager, Social Responsibility and Sustainability Exploration – Teck Resources 2011-2019.	Not Applicable

**Notes:**

- (1) Member of Audit Committee.
- (2) Member of Compensation Committee.
- (3) Member of Corporate Governance and Nominating Committee.
- (4) Member of Health, Safety and Sustainability Committee.

## Shareholdings of Directors and Executive Officers

As of the date of this AIF, the Company's directors and executive officers beneficially own, control or direct, directly or indirectly 10,096,720 Common Shares, representing approximately 7.96% of the issued and outstanding Common Shares as of such date.

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the director or executive officer was named in the order.

None of our directors or executive officers, including any personal holding company of a director or executive officer:

- (a) is, as at the date of this AIF, or has been, within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company.

None of our directors or executive officers, or a shareholder holding a sufficient number of securities to affect materially the control of the Company, including any personal holding company of the aforementioned:

- (b) is, as at the date of this AIF, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable investor in making an investment decision, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be important to a reasonable investor in making an investment

decision.

## **Conflicts of Interest**

Certain of the Company also serve as directors and/or officers of Oxygen, a company from whom the Company receives technical and administrative services. Certain directors and officers of the Company are also directors, officers, shareholders or promoters of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such association to public companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of the Company may not be available to the Company, but rather may be offered to a company with competing interests. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any personal interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matters. As of the date of this AIF and to the knowledge of the directors and officers of the Company, except as disclosed herein, there are no existing conflicts of interest between the Company and any of the current directors and officers of the Company.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

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

### **Composition of the Audit Committee**

The current members of the Audit Committee are Teodora Dechev (Chair), Lewis V. Lawrick and Sean Tetzlaff, all of whom are independent and all of whom are financially literate as defined by National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

### **Relevant Education and Experience**

All members of the Audit Committee have received relevant education in financial literacy and have been involved in enterprises which public report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

#### *Teodora Dechev*

Ms. Dechev holds a Masters of Business Administration (MBA) from the Schulich School of Business at York University in Canada, a Bachelor of Applied Science and Engineering (B.A.Sc.) in Geological & Mineral Engineering from the University of Toronto, is a licensed Professional Engineer in both British Columbia and Ontario, and holds the ICD.D designation from the Institute of Corporate Directors. She is the President, CEO and a Director of Mundoro Capital Inc., a Vancouver-based company that invests in, acquires and develops mineral resource properties primarily focused in Eastern Europe. Prior to Mundoro, Ms. Dechev worked at Canadian investment banks including at Desjardins Securities Inc., CIBC World Markets; and National Bank Financial, in corporate finance and M&A; as well as Loewen Ondaatje McCutcheon in institutional equity research.

## *Lewis V. Lawrick*

Mr. Lawrick is the President, CEO and Director of Magna Terra Minerals Inc., a TSXV-listed gold exploration company and the Managing Partner of Thorsen-Fordyce Merchant Capital Inc., a private investment and merchant banking company focused principally in the resource and raw materials sectors. Currently, he is also a director of Anaconda Mining Inc., a TSX-listed mining and development company.

## *Sean Tetzlaff*

Mr. Tetzlaff, CPA, CA, is an experienced financial professional with over 25 years of experience in the mining industry. He has been responsible for the successful execution of numerous equity investments, asset divestitures and merger and acquisitions transactions over his career. Mr. Tetzlaff currently serves as Chief Financial Officer and Corporate Secretary of Pure Gold Mining Inc. and is a director of Liberty Gold Corp. He served as Chief Financial Officer and Corporate Secretary of Blue Gold Mining Inc., which merged with Riverstone Resources Inc. in 2012 to become True Gold Mining Inc., which was sold to Endeavour Mining Corporation in 2016. He served as CFO, VP Finance and Corporate Secretary of Fronteer Gold from 2005 to 2011, when it was sold to Newmont for \$2.3 billion. Mr. Tetzlaff also served as CFO of Aurora Energy from 2006 to 2008, helping the company grow from initial public offering through to the advancement of one of the world's largest undeveloped uranium deposits. Mr. Tetzlaff has a tax background, having worked with KPMG LLP from 2000 through 2004.

## **Audit Committee Oversight**

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

## **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be preapproved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

## **Pre-approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chair of the Audit Committee deems is necessary, and the Chair will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Audit Committee's consideration, and if thought fit, approval in writing.

## External Auditor Service Fees (by Category)

The following table sets out the aggregate fees charged to the Company by the Company's auditor in each of the last two completed financial years for the category of fees described.

	FYE 2021	FYE 2020
Audit Fees <sup>(1)</sup>	\$30,500	\$23,000
Audit-Related Fees <sup>(2)</sup>	\$Nil	\$Nil
Tax Fees <sup>(3)</sup>	\$9,800	\$2,600
All Other Fees <sup>(4)</sup>	\$Nil	\$Nil
<b>Total Fees:</b>	<b>\$40,300</b>	<b>\$25,600</b>

Notes:

- (1) "Audit Fees" include fees billed by the Company's external auditor in the provision of audit services in each of the last two fiscal years for audit fees.
- (2) "Audited Related Fees" include the fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees" above.
- (3) "Tax Fees" include the fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" include the fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit Fees", "Audit Related Fees" and "Tax Fees" above.

## Exemption

Since the Company is a 'venture issuer', as defined in NI 52-110, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in "Composition of the Audit Committee" above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in the Company's AIF).

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings or regulatory actions material to us to which we are a party, or to which we have been a party since our incorporation, or of which any property of the Company or its subsidiary is or has been the subject matter of, since the beginning of the financial year ended February 28, 2021, and no such proceedings are known by us to be contemplated. There have been no penalties or sanctions imposed against us by a court relating to provincial or territorial securities legislation or by any securities regulatory authority, there have been no penalties or sanctions imposed by a court or regulatory body against us, and we have not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with any securities regulatory authority since our incorporation.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of the Company or its subsidiary, or as disclosed elsewhere in this AIF, none of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, Common Shares carrying more than 10% of the voting rights attached to the Common Shares, nor an associate or affiliate of any of the foregoing persons has had, within the three most recently completed financial years or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company or its subsidiary.

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Pursuant to the terms of David W. Moore's employment agreement, Mr. Moore, who held the position of President and Chief Executive Officer of the Company prior to the Company's acquisition of Sun Metals, received a lump-sum cash payment of \$513,216 following completion of the Arrangement.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

### **Auditors**

The auditor of the Company is Dale Matheson Carr-Hilton Labonte LLP, Suite 1500 – 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1.

### **Transfer Agents, Registrars or Other Agents**

The registrar and transfer agent of the Common Shares is Odyssey Trust, Suite 323 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

## **MATERIAL CONTRACTS**

As at the date of this AIF, the following agreements and contracts are reasonably regarded as being material to NorthWest Copper:

- The Arrangement Agreement. See "*General Development of the Business – The Arrangement*".
- The Underwriting Agreement. See "*General Development of the Business – Three Year History*".
- The Subscription Receipt Underwriting Agreement. See "*General Development of the Business – Three Year History*".
- The Subscription Receipt Agreement. See "*General Development of the Business – Three Year History*".
- The Warrant Indenture. See "*General Development of the Business – Three Year History*".

A copy of each of the Arrangement Agreement, the Underwriting Agreement, the Subscription Receipt Underwriting Agreement, the Subscription Receipt Agreement and the Warrant Indenture are available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **INTEREST OF EXPERTS**

Experts who have prepared reports for the Company in the financial year ending February 28, 2021 include the following:

Dale Matheson Carr-Hilton Labonte LLP, who prepared the auditors' report accompanying the audited financial statements of the Company for the most recent year end, report that they are

independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

The disclosure with respect to the Stardust Project contained in this AIF is substantively based on the Stardust Technical Report prepared by Ronald G. Simpson, P.Geo., GeoSim Services Inc., a “qualified person” under NI 43-101 and supplemented by work completed by the Company subsequent to the Stardust Technical Report’s filing.

The disclosure with respect to the Kwanika Project contained in this AIF is substantively based on the Kwanika Technical Report prepared by Sue Bird, P Eng., Marek Nowak, P Eng and Tracey Meintjes, P. Eng., each a “qualified person” under NI 43-101 and supplemented by work completed by the Company subsequent to the Kwanika Technical Report’s filing.

Ian Neill, P.Geo., VP Exploration of the Company, a “qualified person” under NI 43-101, has reviewed and approved the scientific and technical disclosure contained in this AIF. Mr. Neill is not independent of the Company by virtue of his current employment with the Company. As of the date hereof, Mr. Neill holds 107,500 Common Shares and 444,300 Options of the Company.

None of the experts who are named in this AIF as having prepared reports or having been responsible for reporting exploration results relating to our mineral properties and whose profession or business gives authority to such reports, or any director, officer, partner, or employee thereof, as applicable, received or has received a direct or indirect interest in our property or of any of our associates or affiliates. As at the date hereof, such persons, and the directors, officers, partners and employees, as applicable, of each of the experts beneficially own, directly or indirectly, in the aggregate, less than one percent of the securities of the Company and they did not receive any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such report.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of our securities, securities authorized for issuance under equity compensation plans and a statement as to the interest of insiders in material transactions, was contained in the management proxy circular for the annual meeting of shareholders to be held on August 26, 2021. Additional financial information is provided in the audited financial statements and management discussion and analysis for the most recent year-end. The foregoing additional information is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company’s profile.

## SCHEDULE "A" Audit Committee Charter

### **Purpose of the Committee**

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Corporation is to provide an open avenue of communication between management, the Corporation's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Corporation's financial reporting and disclosure practices;
- (b) the Corporation's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Corporation's independent auditors.

The Committee shall also perform any other activities consistent with this Charter, the Corporation's Bylaws and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Corporation or of an affiliate of the Corporation.

The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Corporation or of an affiliate of the Corporation. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee's role is one of oversight. Management is responsible for preparing the Corporation's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("IFRS"). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations. The independent auditors' responsibility is to audit the Corporation's financial statements and provide their opinion, based on their audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Corporation in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditors to be nominated for the purpose of auditing the Corporation's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and for reviewing and recommending the compensation of the independent auditors. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditors. The independent auditors shall report directly to the Committee.

### **Authority and Responsibilities**

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Corporation's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditors the adequacy and effectiveness of the Corporation's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.



4. Review with management and the independent auditors the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Corporation's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Corporation, including consideration of the independent auditors' judgment about the quality and appropriateness of the Corporation's accounting policies. This review may include discussions with the independent auditors without the presence of management.
8. Review with management and the independent auditors significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Corporation by the independent auditors.
10. Monitor the independence of the independent auditors by reviewing all relationships between the independent auditors and the Corporation and all non-audit work performed for the Corporation by the independent auditors.
11. Establish and review the Corporation's procedures for the:
  - (a) receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - (b) confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Corporation.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting Corporation in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Corporation Act* (British Columbia) and or the *Business Corporations Act* (British Columbia) and the Articles of the Corporation.