ANNUAL INFORMATION FORM

FOR

KERR MINES INC.

For the financial year ended June 30, 2019

Dated September 30, 2019

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PRELIMINARY NOTES

Interpretation

In this Annual Information Form ("**AIF**"), "we", "us", "our", "Kerr", the "Corporation", and the "Company" are used to refer to Kerr Mines Inc. All currency references or to "$" or "CAD " are references to Canadian dollars, unless otherwise specified.

All information in this AIF is as at the end of the last financial year ended June 30, 2019, unless otherwise stated.

Cautionary Note Regarding Forward-looking Information

Certain statements in this document may be considered to be "forward-looking statements". We may make such statements as well in other filings with Canadian regulators, in news releases, reports to shareholders, and in other communications. Such statements are made as of the date when they are made. Management believes that any forward-looking statements are based upon reasonable assumptions, but can give no guarantees or assurances that actual results will be consistent with such statements.

Forward-looking statements may include, among others, comments with respect to mineral resource estimates, the Corporation's objectives or targets, goals and strategies to achieve those objectives, targets and goals, as well as statements with respect to Kerr's beliefs, plans, objectives, expectations, anticipations, estimates, and intentions. The words "may", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective", "target", and words and expressions of similar import are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, the following:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade, and continuity of mineral deposits and conclusions of economic evaluations;
- the possibility that future exploration, development or mining results will not be consistent with the Corporation's expectations;
- risks relating to possible variations in resources, grade, planned mining dilution, and ore loss, or recovery rates and changes in project parameters as plans continue to be refined;
- mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development;
- the potential for delays in exploration or development activities or the completion of feasibility studies;
- risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- risks related to commodity price and foreign exchange rate fluctuations;
- risks relating to current global financial conditions;
- the uncertainty of profitability based upon the cyclical nature of the industry in which the Corporation operates;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms;
- risks related to delays in obtaining governmental approvals or in the completion of development or construction activities;
- risks related to environmental regulation and liability;
- inherent risks associated with underground mining operations;
- risks of disruptions at the third-party plants milling and refining the Corporation's ore and concentrate;

- risks relating to the acquisition and maintenance of the necessary licenses and permits;
- risks relating to the availability of and ability to retain skilled labour;
- risks related to title to properties, property interests, and title claims and rights;
- loss of key personnel, conflict of interest, and dependence on management;
- changes in mining legislation adversely affecting operations; and
- political and regulatory risks associated with mining and exploration.

Readers should not place undue reliance on any forward-looking statements contained herein. Kerr assumes no obligation to update any forward-looking statement whether written or oral or to update the reasons why actual results could differ from such statements unless required by law.

Some of these risks, uncertainties, and other factors are described herein under the heading "Risk Factors". When relying on our forward-looking statements to make decisions with respect to the Corporation, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources

The terms "Measured", "Indicated" and "Inferred" Mineral Resources used or referenced in this annual information form are defined in accordance with National Instrument 43-101 ("**NI 43-101**") under the guidelines set out in the CIM Standards on Mineral Resources and Mineral Reserves. The CIM standards differ significantly from standards in the United States. United States investors are advised that while such terms are recognized and required by Canadian regulations, the SEC does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category or that Mineral Resources will ever be upgraded to Mineral Reserves. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies other than a Preliminary Economic Study.

United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable or that an Indicated Mineral Resource is economically or legally mineable.

Technical Information

Scientific and technical information in this AIF not derived from the Copperstone Report (as defined here) has been reviewed and approved by Michael R. Smith, SME Registered Member (Geology), and a "qualified person" under NI 43-101.

Metric Conversion Table

The following table sets forth certain factors for converting metric measurements into imperial equivalents. To convert from metric to imperial units, divide the metric unit by its corresponding value in the middle column. To convert from imperial to metric units, multiply the imperial unit by its corresponding value in the middle column.

METRIC		**IMPERIAL UNITS**
Description and Abbreviation		**Description and Abbreviation**
Length		**Length**
Millimetres - mm	25.400	Inches – in
Metres – m	0.3048	Feet – ft
Metres – m	0.9144	Yards – yd
Kilometres – km	1.609	Miles – mile
Area		**Area**
Square centimetres - cm^2	6.4516	Square inches - in^2

Square metres - m^2	0.0929	Square feet - ft^2
Hectares – ha	0.40469	Acres – acre
Square kilometres - km^2	2.5900	Square miles - sq miles
Weight		**Weight**
Tonne (1,000 kg) - t	0.907185	Short ton (2,000 lbs) – st
Grade		**Grade**
Grams/tonne	34.2857	Oz./t (troy ounces per short ton)

CORPORATE STRUCTURE

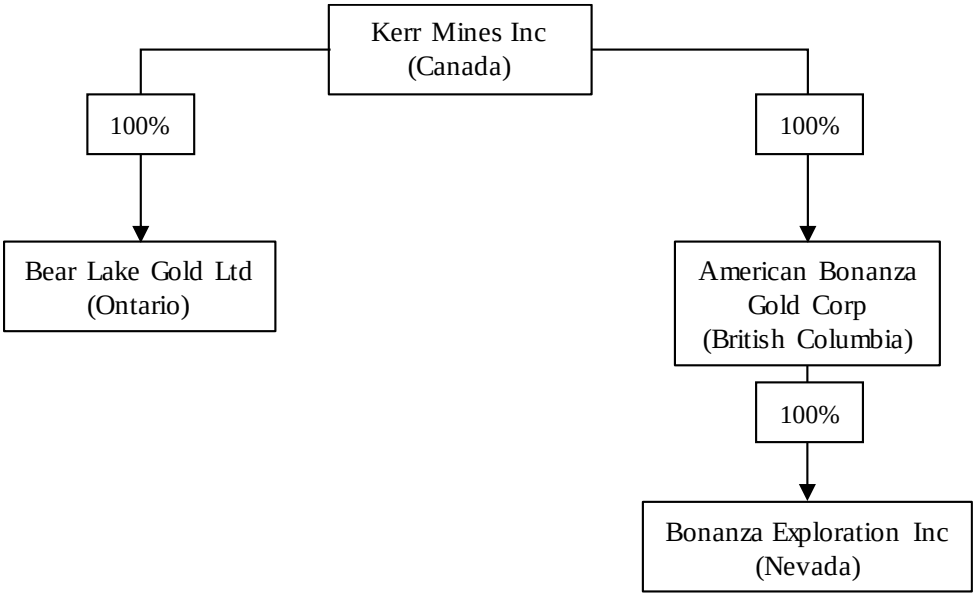
Name and Incorporation

Kerr Mines Inc. (the "**Corporation**") was incorporated under the *Business Corporations Act* (Ontario) on June 29, 1984 under the name Armistice Resources Ltd. The Corporation continued under the *Canada Business Corporations Act* on November 9, 1987, and amalgamated with Armistice Mines Limited on December 1, 1998, as Armistice Resources Ltd. The amalgamated corporation continues to be governed by the *Canada Business Corporations Act*. On April 28, 2006, the Corporation changed its name to Armistice Resources Corp. On January 7, 2014, the Corporation changed its name to Kerr Mines Inc.

The Corporation's registered and head office is located at 18 King Street East, Suite 902 Toronto, Ontario M5C 1C4.

Intercorporate Relationships

The following chart sets out the Corporation`s corporate structure including all principal subsidiaries and their respective jurisdictions of incorporation:



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Kerr is a mineral exploration and development company currently focused on advancing the fully permitted past-producing Copperstone mine ("**Copperstone**" or the "**Copperstone Project**"). The Copperstone Project, which encompasses approximately 47.7 square km (18.4 square miles) of mineral rights, is a high-grade gold project located along a detachment fault mineral belt in La Paz County, Arizona, about 19 miles north of Quartzsite, Arizona. The project is situated within the Arizona portion of the Prolific Walker Lane Belt in the Southwestern United States. The project is the site of a past open pit mine operated by Cyprus Mines Corporation ("**Cyprus**").

Three-Year History

The following is a summary of significant events during the years ended 2017, 2018 and 2019, as well as subsequent to the 2019 year-end.

Financial Year ended June 30, 2017

- On July 11, 2016, the Corporation announced initial results of its debt restructuring efforts. The Corporation indicated that it had initiated negotiations with both secured and unsecured creditors and had reached settlement agreements with trade creditors and certain debt holders representing $8.4 million of the $22.6 million of current liabilities outstanding as at March 31, 2016.

- On August 25, 2016, the Corporation announced that it had reached settlement agreements with trade creditors and certain debt holders representing $9.2 million of $12.2 million outstanding. The total amount of cash, common stock and future consideration paid in settling these debts was $2.5 million which includes the issuance of 6,997,914 Common Shares.

- In September 2016, the Corporation issued (a) 27,000,000 Common Shares to Trans Oceanic Minerals Company Ltd. ("**TOMCL**"), a company controlled by Fahad Al Tamimi, Kerr's Chairman of the Board and a shareholder of Kerr, with respect to the conversion of the December Note; (b) issued 10,000,000 Common Shares to TOMCL in settlement of an aggregate of $1,576,318 of indebtedness owed by the Corporation to TOMCL; (c) issued 18,500,000 Common Shares to Braydon Capital Corporation ("**Braydon**"), a company controlled by Claudio Ciavarella, a director and shareholder of Kerr, with respect to the conversion of a promissory note in the amount of $1,500,000; and (d) the issued 1,000,000 Common Shares to Todd Morgan in settlement of an aggregate of $513,515 of indebtedness owed by the Corporation.

- On December 13, 2016, the Corporation sold 8,000,000 common shares in the capital of Bonterra (at a price of $0.25 per Bonterra Share for gross proceeds to the Corporation of $2,000,000. Of the 8,000,000 shares, 4,000,000 Bonterra Shares were sold to each of Braydon and TOCML.

- On January 4, 2017 the Patch Living Trust ("**PLT"**) and TOMCL entered into an agreement whereby TOMCL purchased, from PLT, a portion of the production gross royalty equivalent to a 4.5 percent production gross royalty. The purchase leaves PLT with a 1.5 percent production gross royalty. Prior to this agreement, PLT owned the sole production gross royalty which was for 6 percent.

- On February 28, 2017 the Corporation announced that consistent with its strategy to strengthen its balance sheet and reduce its debt, the Corporation reached an agreement with Jubilee Gold Exploration Ltd. (TSX-V:JUB) to settle the accrued advance royalty payable. The companies amended their existing royalty agreement to remove all future advance royalty obligations relating to the McGarry property located in northern Ontario.

- On March 2, 2017 the Corporation announced it had successfully completed its de-watering program at its flagship Copperstone Project in Arizona and had started the next phase of its plan to define and expand current resources, and establish a new production plan.

- On April 11, 2017 the Corporation announced the appointment of Claudio Ciavarella as Chief Executive Officer and Director and Martin Kostuik as President and Director.

- On July 10, 2017 the Corporation announced that it had completed a private placement of 44,444,434 units at a price of $0.18 per unit for aggregate gross proceeds of approximately $8 million.$8 million, with each unit comprised of of one common share and one-half of one common share purchase warrant , with each whole warrant entitling the holder thereof to acquire a common share at a price of $0.27 per share for a period of 24 months from the date of issuance, subject to acceleration.

Financial Year ended June 30, 2018

- On August 8, 2017, the Corporation then underwent a tender process and awarded the three key contracts to support the execution of the 2017 Copperstone Project exploration program and pre-feasibility study.

- On August 15, 2017, the Corporation launched the first phase of the 2017 surface exploration drilling campaign for the 2017 Copperstone Project exploration program and pre-feasibility study.

- On August 21, 2017, the Corporation commenced the first phase of the 2017 underground drill access mine development for the 2017 Copperstone Project exploration/development program and pre-feasibility study.

- On August 25, 2017, the Corporation began the first phase of the 2017 underground exploration and development drilling program.

- On September 11, 2017, the Corporation added a second surface drill to the first phase of the 2017 surface exploration drilling campaign for the 2017 Copperstone Project exploration program and pre-feasibility study.

- On October 17, 2017, the Corporation announced the addition of two exploration claims for the Copperstone Project was initiated. 541 hectares (1,338 acres) of land is in the process of being added for the purposes of future exploration of the Blue Pearl targets. The Blue Pearl targets are contiguous to existing claims and were generated by horizontal gradient magnetic survey.

- On October 24, 2017, the Corporation announced the discovery of a new mineralized zone at the Copperstone Project. The Footwall Zone is parallel to and 150 meters (500 feet) to the west of the Copperstone Zone.
- On November 2, 2017 the Corporation announced initial results of its Phase I underground drilling program with 10 of 12 drill holes intersecting significant gold mineralization and increasing the confidence in expanding the resource at the Corporation's Copperstone project in Arizona.
- On December 14, 2017 the Corporation announced that it had closed an oversubscribed non-brokered private placement for $6,000,000.
- On January 15, 2018 the Corporation announced further results of its Phase I surface drilling program. KER-17S-21 further extends the Footwall Zone by returning a 36.6 meter drill hole interval with 7.5 g/t gold (Au) and 0.26% copper (Cu). Phase I of the program continues to confirm significant gold mineralization and increases the confidence in expanding the resource at the Corporation's Copperstone Project.
- On February 21, 2018 the Corporation announced final results of its Phase I underground drilling program. KER-17U-50 further extends the Copperstone Zone by returning a 7.3 meter drill hole interval with 102.7 g/t gold (Au). This conclusion of Phase I of the underground program confirms significant gold mineralization and increases the potential in expanding the resource at the Corporation's Copperstone Property.
- On April 10, 2018 the Corporation announced preliminary feasibility study highlights with 40% IRR, Updated Resource, Proven Reserves and Production in 2019.
    - Copperstone preliminary feasibility study highlights (all values US$ unless otherwise noted):
        - Base case $1,250/oz gold;
        - Initial capital of $22.7 million which includes a mine equipment capital lease;
        - Study life operating margin (EBITDA) of $89M, Internal rate of return of 40%;
        - Payback of initial capital within 2.3 years of 2019 production start;
        - Recovery of gold averaging 95% using crushing, grinding and whole ore leach;
        - Average annual sales of 38,347 ounces gold;
        - Cash Operating Cost of $684 per gold ounce;
        - All-in Sustaining Cost of $875 per gold ounce;
        - Measured and Indicated ("M&I") Mineral Resources of 1,124,800 tonnes averaging 7.63 g/tonne gold;
        - 276,100 ounces contained gold in M&I Resource;
        - Inferred Mineral Resources of 666,000 tonnes averaging 6.81 g/tonne gold;
        - 145,700 ounces contained gold in Inferred;
        - Proven and Probable ("P&P") Mineral Reserves of 802,048 tonnes averaging 6.79 g/tonne gold;
        - 175,093 ounces contained gold in P&P Reserve;
        - M&I gold resources ounces, which are not part of the P&P reserve ounces, are targeted for potential inclusion in the P&P reserves through recommended future drilling;
        - Inferred gold resources are potentially open for further expansion and conversion through recommended future drilling in the Copperstone and Footwall zones.
- On May 30, 2018, the Corporation announced the appointment of Dave Thomas as VP Projects and Mine General Manager. Mr. Thomas is an Engineer with over 30 years' experience in the mining industry, specifically in constructing and moving mines into production. He has held key roles in constructing mines such as the Kupol Mine for Bema Gold (now Kinross Gold), Fort Knox and Kubaka mines for Kinross Gold, Kensington and Palmarejo mines for Coeur Mining, Hope Bay for Newmont and Pogo and Red Dog for Cominco (now Teck Resources).

Financial Year ended June 30, 2019

- On August 20, 2018 the Corporation announced that it had divested all of its interests in their Northern Ontario land package (comprised of the McGarry and Barber-Larder Properties, in return for receiving 8,000,000 common shares of Orefinders Resources Inc. (TSX-V:ORX), approximately 9.0%, of the outstanding share capital of Orefinders Resources Inc. and 440,248 common shares of PowerOre Inc. (TSX-V: PORE), a battery metal focused company.

- On November 6, 2018 the Company announced that it had received approval for and signed a term sheet for a finance facility with Sprott Resource Lending (Collector) LP for up to US$25 Million of senior secured project financing to fund the development and production of gold at the Copperstone Mine (the "**Sprott Project Financing Package**"). The Highlights of the Sprott Project Financing Package include:

    - US$2 million senior redeemable convertible note (the "Sprott **Note**") with a 9% coupon repayable 18 months after closing (received)

    - US$2 million senior gold loan facility repayable 18 months after closing

    - US$21 million senior project loan facility repayable 48 months after closing

- On November 28, 2018, the Company announced it had closed the US$2 million (CDN$2.7 million) Sprott Note financing. The Sprott Note is convertible into Common Shares at any time prior to maturity at a conversion price of CDN$0.16 per share. The Corporation can redeem the Sprott Note at any time by paying the outstanding principal amount in cash, or with the agreement of the holder, in common shares of the Corporation, together with interest payable to maturity. In connection with the Sprott Note, the Corporation issued to Sprott one million common share purchase warrants entitling the holder to purchase one common share at a price of CDN$0.15 until November 27, 2021, subject to acceleration.

- In connection with the Sprott Note, on November 28, 2018 the Company completed a non-brokered private placement of 21,239,409 units at a price of $0.14 per unit for gross proceeds of $2,973,517. The offering, initially announced on November 9, 2018 and targeting proceeds of $2.5 million, was oversubscribed.

- The Company remains in discussion with Sprott regarding the balance of the Sprott Project Financing Package as it continues with its Resource Expansion Program and project optimization studies regarding the Copperstone Project. The results of the continuing programs and studies may affect the financing requirements for the Copperstone Project. The Company continues to look at other potential sources of project financing. Any further financing from Sprott under the Sprott Project Financing Package or otherwise will be subject to the Company meeting prescribed project milestones set forth in the term sheet and additional conditions that may be prescribed if the financing moves forward.

- On January 8, 2019, the Corporation provided an operational update that included: that the Corporation had engaged Major Drilling International to commence a resource expansion program focused on mine life extension within the C & D zones of the Copperstone Zone; that the Corporation was well under way with the minor modifications to its existing permits and that the Corporation was proceeding with additional metallurgical work to validate prior findings and to assess the economic viability of incorporating a SART system to exploit Copper as a by-product revenue source.

- On January 31, 2019 the Corporation announced the appointment of Mr. Giulio T. Bonifacio as a new member to the Board of Directors. Mr. Bonifacio was the founder and CEO of Nevada Copper Corp. since inception in 2005 until 2018. He is a CPA with extensive experience in the capital markets, securities matters, project finance while also leading efforts at every stage of development from exploration, permitting, construction and production. Mr. Bonifacio was also the Co-Founder and Director of American Bonanza Gold Corp. from 2002 – 2012 during the initial development and advancement of the Copperstone Project into a high-grade underground mining opportunity.

- On February 5, 2019 the Corporation announced the commencement of the Phase II resource expansion program at the Copperstone Project and that Kerr had received a key environmental permit modification and was continuing with advanced metallurgical testing. The permit modification received is for the Arizona Department of Environmental Quality permit which regulates air quality.

- On February 26, 2019 the Corporation announced it achieved a 97% Gold Recovery from Metallurgical Test Work.
- On April 4, 2019 the Corporation released its Phase II Resource Expansion Program highlights:
    - Drill hole 18-08A-02 returned an interval of 12.2 meters at 11.7 g/t Au, including 3 meters of 38.3 g/t Au, indicating the zone is higher grade and thicker than initially anticipated with an effective mining width of 17.7 meters;
    - Additional intervals include 6.1 meters @ 5.8 g/t Au (18-05A-01); 4.6 meters @ 9.8 g/t Au (18-05A-06) and 4.6 meters @ 18.3 g/t Au (18-08A-03);
    - Established continuity between previously drilled mineralized intercepts in the existing Inferred category while extending mineralization along strike and dip;
    - Drilling is being accomplished entirely from existing underground access and will affect an area of 500 meters of strike length and 200 meters of elevation, representing approximately 33 per cent of the current resource strike length. The program was designed to increase confidence in the mineral reserve, particularly the portion scheduled for the first three years of production in the recently-completed Pre-Feasibility Study (PFS).
    - The objective of the underground resource expansion program is to increase mine life by adding new Inferred resources and converting new and existing Inferred resources into Measured and Indicated resources. Updating the mine plan with the new resources will be the final step towards extending mine life once all drilling results have been received; and,
    - Resource Expansion underground drilling program of up to 10,000 meters is currently focused on the D and C areas of the Copperstone zone.
- On April 15, 2019 the Corporation announced the appointment of Mr. Giulio T. Bonifacio as Chief Executive Officer and completed a non-brokered private placement of 3,350,000 units of the Corporation at a price of $0.14 per unit for gross proceeds of $469,000. Mr. Bonifacio subscribed for 3,000,000 units and Peter Damouni, a director of the Corporation, subscribed for 350,000 units of the Offering. Claudio Ciavarella, resigned from the Chief Executive Officer position and was appointed Executive Vice Chair.
- On May 1, 2019 the Corporation released further Phase II Resource Expansion Program highlights:
    - Drill hole 18-21-06, an exploration step-out hole returned an interval of 16.8 meters at 40.0 g/t gold, including 3 meters of 98.3 g/t gold further indicating the zone is significantly of higher grade and thickness than initially anticipated with a total effective mining width of 17.9 meters;
    - Drill hole 18-21-04, an exploration step-out hole returned an interval of 10.7 meters at 17.5 g/t gold, including 6.1 meters of 29.5 g/t gold with a total effective mining width of 12 meters;
    - Continued to establish continuity between previously drilled mineralized intercepts in the existing Inferred category while extending mineralization along strike and dip;
    - Drilling is being accomplished entirely from existing underground access and will affect an area of 500 meters of strike length and 200 meters of elevation, representing approximately 33 per cent of the current resource strike length. The program was designed to increase confidence in the mineral reserve, particularly the portion scheduled for the first three years of production in the recently-completed Pre-Feasibility Study;
    - The objective of the underground resource expansion program is to increase mine life by adding new inferred resources and converting new and existing Inferred resources into Measured and Indicated resources. Updating the mine plan with the new resources will be the final step towards extending mine life once all drilling results have been received; and,
    - Resource Expansion underground drilling program of up to 10,000 meters is currently focused on the D and C zones of the Copperstone mine.

- On June 5th, 2019 the Corporation released additional results from its drill program
    - Drill hole 18-21A-05, an exploration step-out hole, returned an interval of 6.1 meters at 15.02 g/t gold, including 3 meters of 22.4 g/t gold further indicating the zone is significantly of higher grade and thickness than initially anticipated with a total effective mining width of 13.1 meters;
    - Drill hole 18-04-01, a conversion hole returned, an interval of 6.1 meters at 15.91 g/t gold, including 4.6 meters of 21.02 g/t gold with a total effective mining width of 3.2 meters; and,
    - Continued to establish continuity between previously drilled mineralized intercepts in the existing Inferred category while extending mineralization along strike and dip.

Current Financial Year

- On July 9, 2019, the Corporation released final results from the underground reverse circulation stage of its Phase II Resource Expansion Program:
    - Drill Hole 18-18-02, a conversion hole, returned a high-grade gold mineralized interval of 3 meters at 27.45 g/t gold, including 1.5 meters of 52.30 g/t gold (See Figure 2), in an area where additional down-dip step-out drilling is planned for the next phase of drilling while further indicating the zone is significantly of higher grade and thickness than initially anticipated.
    - Drill Hole 18-05-06, a conversion hole, intercepted Indicated resource of 6.1 meters at 3.71 g/t gold, which along with an intercept in nearby drill hole 18-05A-06 of 7.6 meters at 3.80 g/t gold, demonstrates the width and strong continuity of mineralization in this area and is expected to allow for the expansion of a designed stope panel, the edge of which is 15.2 meters down-dip.
    - Drilling was accomplished entirely from existing underground access and affects an area of 500 meters of strike length and 200 meters of elevation, representing approximately 33 per cent of the current resource strike length.
    - The objective of the underground resource expansion program of which the initial phase of 5,000 meters of reverse circulation drilling has been completed, was focused on the D and C zones to increase mine life by adding new Inferred resources and converting new and existing Inferred resources into Measured and Indicated resources.
- On September 19, 2019, the Corporation announced the granting of another key environmental permit modification. The permit modification received is the Arizona Department of Environmental Quality Aquifer Protection Permit which regulates water.

Key Developments Calendar Year to Date

- Strengthening of Board and Management team with the appointment of Mr. Giulio T. Bonifacio as Chief Executive Officer
- Board and Management participated in the private placements
- Achieved 97% gold recovery from metallurgical test work
- Commenced the Phase II Resource Expansion Program
- Advanced Project with Detailed Engineering while advancing areas for further optimization
- Received Arizona Department of Environmental Quality Air Quality Permit
- Received Arizona Department of Environmental Quality Aquifer Protection Permit

Foreign Operations

The Corporation's principal operations are located in the State of Arizona, United States of America.

MINERAL PROPERTY – COPPERSTONE PROPERTY

Kerr holds a 100 percent leasehold interest in the Copperstone Project. The landlord is the Trustee of the Angie Patch Survivor's Trust and the Trustee of Daniel L. Patch Credit Trust "The Patch Living Trust" and the lease was for a 10-year term starting June 12, 1995, was renewed on June 12, 2005 for a 10-year term and was renewed on June 12, 2015 for a further 10-year term. The lease is renewable for one or more ten-year terms at the option of Kerr Mines under the same terms and conditions. Kerr is obligated to pay for all permitting and state lease bonding, insurance, taxes,

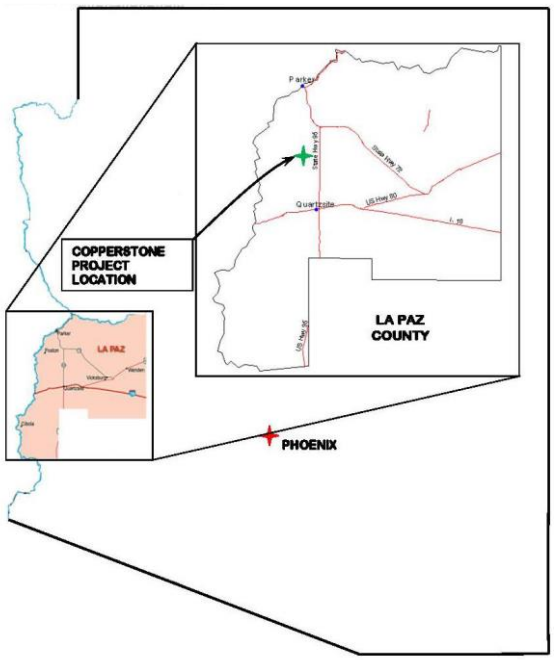
and to pay the leaseholder a 1.5 percent production gross royalty with a minimum advance royalty per year of US$ 40,000.

The following description has been summarized in abbreviated form from a technical report compliant with National Instrument 43-101 entitled "NI 43-101 Technical Report, Preliminary Feasibility Study for the Copperstone Project, La Paz County, Arizona, USA" dated May 18, 2018. prepared by Hard Rock Consulting, LLC and endorsed by Zachary J. Black, SME-RM; J.J. Brown, P.G., SME-RM, Jeff Choquette, P.E., MMSA-QP; Deepak Malhotra, PhD, SME-RM each of whom are independent "Qualified Persons" as defined in NI 43-101 (the "**Copperstone Report**"), and is based on and subject to all the assumptions, qualifications and procedures contained therein, and which are not fully described herein. Readers should consult the Copperstone Report to obtain further particulars regarding the Copperstone Project. The full text of the Copperstone Report is available on SEDAR under Kerr Mines Inc's profile, which can be accessed at www.sedar.com.

Property Description and Location

The Copperstone Project encompasses approximately 12,200 acres (4,960 hectares) of surface area and mineral rights in La Paz County, County, Arizona, roughly 21 km (13 miles) north of the town of Quartzsite.

Figure: Copperstone Project Location



Kerr controls 546 federal unpatented mining claims and two Arizona state mineral leases which together comprise the Copperstone Project area. The federal claims cover approximately 10,920 acres (4,419 hectares) while the state mineral leases total approximately 1,338 acres (542 hectares).

Accessibility, Climate, Local Resources, Infrastructure, and Physiography

General access to the vicinity of the Copperstone Project is provided by Interstate I-10 out of Phoenix, Arizona, approximately 200 km (125 miles) west to the city of Quartzsite. The primary Project access road, Cyprus Mine Road, is located roughly 21 km (13 miles) north of Quartzsite on U.S. Highway 95. Cyprus Mine Road is a well maintained, gravel road which terminates 9 km (5.5 miles) west of the highway at the Project entrance. Access to the Project area is attainable year-round.

The local climate is typical of a hot desert, with mild to warm "winter" weather occurring from November to March, and hot to extreme summer temperatures for the remainder of the year. In the middle of summer, Quartzsite is one of the hottest places in the United States, with recorded temperatures as high as 50 °C (122 °F) (July 1995). Average annual temperatures at Quartzsite range from a low of 15 °C (59.3°F) to a high of 32 °C (89.5°F). Precipitation averages just 89 mm (~3.5 inches) annually, most of which occurs as rainfall during late summer and early winter months.

Existing infrastructure at the Copperstone Project includes office facilities, warehouse, equipment maintenance shop and assay laboratory buildings, a change house, 10 trailer house hook-ups, a septic system, and a variety of shipping containers which provide for secure core storage. Incoming commercial 69 kV overhead electrical power is delivered to an on-site power substation. Water is currently delivered from three water wells to a 375,000-gallon storage tank in the mineral processing area. The right to extract and use groundwater from the aquifer within the La Posa Plain is authorized by the Arizona Department of Water Resources pursuant to A.R.S. Section 45-514. Potable water is delivered by truck. Mine communications are supported by cellular and satellite phone and internet service. Existing surface rights and right of ways are sufficient for all proposed exploration, mining, and processing activities, including the tailings and waste storage and disposal areas.

Existing infrastructure also includes underground development and supporting infrastructure, and a 450 ton per day mineral processing facility- all sufficient for the proposed potential operations at the Copperstone mine.

The Copperstone Project lies at the southern edge of the Basin and Range geo-physiographic province, which is typified by north-northeast trending mountain ranges separated by broad, flat, alluvium filled valleys. The Project is situated on the flat, sandy desert terrain of the La Posa Plain, at the northeastern end of the Dome Rock Mountains, and is surrounded by a natural desert scrub environment. Vegetation is sparse, and consists primarily of ground hugging shrubs, short woody trees, and cactus. The soils are hyperthermic arid soils of the Superstition-Rositas Association, which is characterized by deep, coarse-textured, nearly level and undulating soils on terraces (Hendricks 1985). Surficial soils in the Project vicinity are classified as "gravelly loamy fine sand" and include aeolian (i.e., wind-blown sand) deposits in hummocks surrounding the many small shrubs. Elevations within the Project area range from 650 to 825 feet above mean sea level.

History

The first recorded commercial interest in the Copperstone property was as a copper prospect in 1968. Charles Ellis of the Southwest Silver Company ("**Southwest Silver**") controlled the Continental Silver claim group from 1968-1980. Newmont Gold Company ("**Newmont**") leased the property in 1975. A geophysical survey was conducted and one drillhole completed in an attempt to verify porphyry copper mineralization. The attempt was unsuccessful.

In 1980, Southwest Silver drilled six rotary holes with unknown results and then dropped the claims. In late 1980, Dan Patch staked 63 Copperstone claims and leased the property to Cyprus-Amoco. Cyprus then purchased the Iron Reef Claim group from W. Rhea. Additional claims were subsequently added, and the claim block expanded to 284 claims. Cyprus identified the Copperstone property as a gold target and undertook a drilling campaign from 1980 to 1986. Cyprus began baseline, financial and metallurgical studies that led to mine design, initial construction and a partially completed decline in 1986.

In 1987, Cyprus commissioned construction of a 2,500 ton/day carbon-in-pulp mill and started open-pit mining. The mine was designed, constructed and operated as a zero-discharge facility (Miller et al., 1994). Mining continued until 1993 when the pit neared the groundwater table, which was the limit of the original mining permits. Ackerman (1998) reported production by Cyprus at Copperstone of 514,000 oz of gold from 5,600,000 Mt of ore grading 0.089 oz/t of gold. [1]

Santa Fe Pacific Gold Corporation ("Santa Fe") leased the property in 1993, while reclamation activities were underway. Santa Fe completed 12,500 ft (3,810 m) of RC drilling on seven exploration targets. Gold mineralization was encountered in one hole in the footwall of the Copperstone Fault.

Royal Oak Mines ("Royal Oak") leased the property from the Patch Living Trust in 1995. Royal Oak drilled a total of 25,875' (7,887 m) in 35 holes between 1995 and 1997. Several high-grade gold intercepts to the north and east of the open-pit showed potential for underground mining.

Asia Minerals entered into a joint venture with Arctic Precious Metals Inc., a subsidiary of Royal Oak in August 1998. Asia Minerals drilled 15 holes (A98-1 to 15) in November 1998 for a total of about 10,050' (3,063 m). Each hole was drilled with RC methods from the surface to a predetermined depth and then core drilled through the target interval. The drilling program was designed to explore the C and D Zones (MRDI, 1999).[2] Golder Associates and MRDI Canada completed a scoping level study after the 1998 drilling program was completed.

[1] Ackermann Engineering Services, 1998. Reference Notes, SME Meeting Talk November 19, 1998; unpublished document.
[2] MRDI Canada, 1999. Scoping Study Report; internal report prepared for Asia Minerals Corp.

Asia Minerals drilled 11 more holes in early 2000. Total footage was 7,470' (2,277 m). Holes were designed to test the strike length of the D Zone, with the best intercept in hole A00-10 which assayed 0.943 opt Au over 10.5' (3.2 m). On July 7, 2000, the BLM approved an application from Asia Minerals to construct a 2,000-foot (610 m) decline (Mine Development Associates, 2000).[3] The purpose of the decline was to explore high-grade gold mineralization which had been discovered during surface drilling (AMEC, 2006).[4] On July 26, 2000, the Arizona Department of Environmental Quality approved the proposed underground activity and granted Asia Minerals an exemption from an Aquifer Protection Permit (Mine Development Associates, 2000).

Asia Minerals began a joint venture with Centennial Development Corp. of Salt Lake City in September 2000 (AMEC, 2006). The permitted decline was started from the north end of the pit in a northward direction. It provided a platform for further exploration drilling and allowed for the removal of bulk sample material for metallurgical and milling tests. To that end, a 64-lb high grade sample was sent to McClelland Labs in Sparks, Nevada. It was during this time that Asia Minerals changed its name to American Bonanza Gold Mining Corp. to better reflect the geographic, metal and grade focus of the company.

On March 4, 2002, American Bonanza announced that it had gained control of a 100% equity interest in Copperstone subject only to the royalty schedule payable to the Patch Living Trust. They also announced an agreement with Trilon Securities whereby Trilon would arrange a US$1.1 million secured credit facility for the company. In November 2002, American Bonanza selected Merritt Construction of Kingman, Arizona to expand the underground development. American Bonanza announced on May 5, 2003 that significant high-grade gold mineralization was sampled in the decline in the D Zone. In June 2003, an underground drill station was completed. Drilling began in July, and by May 17, 2004, American Bonanza had drilled 33 underground core holes in the D Zone for a total of 9,234' (2,815 m). American Bonanza continued drilling in 2004, including underground drilling from a drill bay in the exploration decline. The company retained certain specialized firms to assist it with collecting environmental, geotechnical, hydrological and metallurgical baseline data in 2004, and in 2005, submitted a Mine Plan of Operations ("MPO") to the BLM. Additional drilling was completed in 2006 and 2007. A variety of studies and reports were commissioned by American Bonanza between 2007 and 2010, culminating in a feasibility study, including an updated mineral resource estimate, completed in 2010. In 2011 American Bonanza constructed a 450 tonne per day ("tpd") floatation mill on site and in 2012 started underground mining from two declines that were previously developed in the bottom of the open pit. American Bonanza's mining focused on the D zone which is to the north of the open pit. From January 2012 to July 2013 American Bonanza produced approximately 16,900 oz of gold from 163,000 t of ore grading 0.104 oz/t of gold. American Bonanza maintained control of the Copperstone Project until Kerr's acquisition in June of 2014.

The Copperstone Project is wholly owned by Kerr via Kerr's 100% ownership of American Bonanza. On June 27, 2014, Kerr announced the acquisition of all issued and outstanding common shares of American Bonanza by way of plan of arrangement under the *Business Corporations Act* (British Columbia). The arrangement was approved by Kerr shareholders by written consent, by American Bonanza shareholders at its annual general and special meeting of shareholder meeting held on June 20, 2014, and by the Supreme Court of British Columbia on June 25, 2014.

Geology Setting and Mineralization

Regional Geology

The Copperstone Project is situated at the northern tip of the Moon Mountains in west-central Arizona, regionally within the Basin and Range geo-physiographic province, and within the westernmost extent of the Whipple-Buckskin-Rawhide detachment system. The Whipple-Buckskin-Rawhide detachment system is centrally located within the Maria fold and thrust belt (Reynolds et al., 1986)[5], which extends from southeastern California to central Arizona. Mid-Tertiary low-angle normal faults (detachment faults) are recognized as significant regional structures in this portion of the Basin and Range, where major detachment faults are associated with mylonitization of lower-plate rocks and brittle faulting and rotation of upper-plate rocks. In general, mylonitic foliations are low-dipping and contain well-developed northeast-plunging mineral lineations. Upper plate rocks as young as mid-Tertiary dip moderately to the southwest and are cut by northeast-dipping normal faults.

[3] Mine Development Associates, 2000. Geological Report for the Copperstone Gold Property, La Paz County, Arizona U.S.A.; prepared for American Bonanza Gold Corp., October 26, 2000

[4] AMEC, 2006. NI 43-101 Technical Report, Copperstone Property, La Paz, Arizona; NI 43-101 Technical Report prepared for American Bonanza, Inc.

[5] Reynolds, S.J., Spencer, J.E., Richard, S.M., and Laubach, S.E., 1986. Mesozoic structures in west-central Arizona, in Beatty, Barbara, and Wilkinson, P.A.K., eds., Frontiers in geology and ore deposits of Arizona and the Southwest: Arizona Geological Society Digest, v. 16, p. 35-51.

Local and Property Geology

In the vicinity of the Copperstone Project, the Moon Mountain detachment fault carries sedimentary and volcanic rocks of Paleozoic, Mesozoic, and Tertiary age over a ductilely deformed footwall consisting primarily of granitic intrusive rocks. The top of the granitic lower plate rocks are marked by the brecciated Copper Peak granite, which is exposed over an area of roughly 2 km2 surrounding and to the south of Copper Peak, in the northeastern part of the Moon Mountains. The northern margin of this unit is truncated by the Moon Mountain detachment fault. A weakly to strongly developed tectonic fabric is present over much of the exposed extent of the granite and is characterized by flattened and stretched quartz grains and deformed potassium feldspar.

The primary lithologic units within the Copperstone Project area are Precambrian to Tertiary amphibolite metasediments, volcanics, and granitic intrusive rocks, with lesser amounts of sedimentary and volcanic supracrustal lithologies. Brecciated granite along the plane of the low-angle detachment separates the lower plate mid-Tertiary granitic rocks from upper plate rocks, which consist (from bottom to top) of Triassic phyllites and metasediments, Jurassic quartz latite porphyry, and Miocene sediments and olivine basalt. The basal unit encountered is described as a chlorite phyllite to calcareous chlorite phyllite, with a maximum known thickness of up to 230 to 300 ft.

Mineralization

Gold mineralization at Copperstone occurs in the hanging wall of the Moon Mountain detachment fault, which has not been penetrated in drilling to date. Gold mineralization is largely restricted to the immediate vicinity of the Copperstone fault (also referred to as the Copperstone shear or the Copperstone structure), a moderately northeast-dipping, semi-planar zone of shear which is interpreted as a listric splay of the Moon Mountain detachment, and which has hosted the bulk of the gold historically produced from the Copperstone mine.

Mineralization in the A, B, and C zones occurs along the primary Copperstone fault as well secondary structures within the zone of shearing. Underground mapping has shown a number of steeper northwest-trending faults and fractures that localize alteration and mineralization in and around quartz-Fe oxide+/-Cu oxide veins. Observations show that where such high-angle structures intersect the low-angle (Copperstone fault) structures, a favorable site is prepared. Where the Copperstone listric fault is disrupted, a dilatant zone may occur, resulting in higher grade and thickness of the gold mineralization.

The D zone contains large imbricate slices of interbedded limestone and sandstone, of which the limestones have been largely replaced by specularite, earthy hematite and silica. In many drillholes, silica-magnetite-specularite-chlorite replacement bodies occur in two limestone layers of variable thickness, but generally no more than 5-10 ft. In some locations iron oxides form a matrix in silicified limestone but nearby there may be evidence for direct replacement of limestone by iron oxides. It is possible that some of the silicified limestone is actually a pure white quartzite that has been brecciated. This would mean that silicification does not precede iron-oxide introduction.

Elevated gold grades are associated with the limestone replacement bodies over areas of significant size, likely due to the extreme distortion and reactivity of the limestone. The slices of this sedimentary package have dimensions of up to tens to hundreds of feet in strike length and tens of feet of thickness. The imbricate slices are conformable to the Copperstone shear, having been caught up in the shearing with local rotation, tension gashes and associated deformation.

Deposit Type

The Copperstone deposit is presently best described as a mid-Tertiary, detachment-fault-related gold deposit. Detachment faults are low-angle (up to 30°) normal faults of regional extent that have accommodated significant regional extension by upward movement of the foot-wall (lower-plate) producing horizontal displacements on the order of tens of kilometers. Common features of these faults are supracrustal rocks in the upper-plate on top of lower-plate rocks that were once at middle and lower crustal depths, mylonitization in lower-plate rocks that are cut by the brittle detachment fault, and listric and planar normal faults bounding half-graben basins in the upper plate.

Exploration

A summary of historical drilling on the Copperstone Project is below:

Year	Drillhole Count	Total Feet	Total Meters	Company
1984	13	3,406	1,038	Cyprus

1985	560	239,184	72,903	Cyprus
1986	2	1,189	362	Cyprus
1988	3	1,900	579	Cyprus
1993	17	12,500	3,810	Santa Fe
1995	13	10,001	3,048	Royal Oak
1996	6	6,454	1,967	Royal Oak
1997	15	11,958	3,645	Royal Oak
1998	15	10,979	3,346	Asia Minerals
2000	11	8,609	2,624	Asia Minerals
2001	11	893	272	Asia Minerals
2003	28	11,003	3,354	Bonanza
2004	126	92,463	28,183	Bonanza
2005	108	67,403	20,544	Bonanza
2006	27	25,410	7,745	Bonanza
2007	17	17,983	5,481	Bonanza
2008	15	14,147	4,312	Bonanza
2012	8	800	244	DZ Holes
2013	154	13,447	4,099	Bonanza
2015	4	3,045	928	Kerr
2017	51	21,567	6,574	Kerr Phase I
2018	34	5,202	1,586	Kerr Phase I
2019*	98	16600	5,060	Kerr Phase II to date
Totals	1,336	596,143	181,704	

*not included in the 2018 NI 43-101 Technical Report, Preliminary Feasibility Study for the Copperstone Project

Kerr's 2017 Phase I surface drilling program had the primary objective of demonstrating Footwall zone mineralization along strike and down dip on approximately 200-foot fences. The drilling results confirm Footwall mineralization does occur along strike and down dip.

Kerr's 2017 Phase I underground drilling campaign had two goals:

- Confirm historic results, and
- Provide a pathway for increasing resources with future drilling programs.

These goals were achieved using the following approaches:

- Infill and confirmation drilling in D zone;
- D zone up dip continuity and extension; and
- D zone down dip continuity and extension.

Infill and confirmation drilling in the D zone was successful in confirming grades intersected by previous operators. Drillholes testing the up-dip and down-dip extension and continuity of the D zone mineralization were successful by returning favorable results.

KER-17U-04 was designed to explore the down-dip extension of the Copperstone Zone and resulted in an intercept of 15 feet @ 5.1 g/t Au. This complements the historic results shown by DU4-41, CUDH-04-25 and CUDH-04-26 by extending D zone mineralization down-dip by approximately 75 feet, and confirms continuity along strike.

KER-17U-05 was designed to test continuity between two historic holes and resulted in an intercept of 10 feet @ 7.9 g/t Au. This confirms historic intercepts along strike in D zone mineralization previously indicated by CUDH-04-25, and DU4-41, and extends intervals down dip by approximately 35 feet.

KER-17U-06 was designed to both confirm an historic drill hole interval and test an area between two historic holes. This resulted in two separate intervals of 20 feet @ 8.6 g/t Au and 21 feet of 3.1 g/t Au. The first interval confirms continuity of grades and thickness along strike as it intersects an area between intervals reported in DU4-41 and CUDH-04-25. The second interval reported confirms continuity in a lower lens of D zone mineralization defined by intercepts in CUDH-04-26.

KER-17U-08 was designed to test the up-dip extension of this portion of the D zone and resulted in an intercept of 7.1 feet @ 4.8 g/t Au. This result is encouraging as it provides new up-dip potential of this area which has existing access for mining.

KER-17U-11 was a zone confirmation hole and was intended to fill an area between historic holes and resulted two intercepts of 13 feet @ 6.2 g/t Au. and 9 feet @ 5.4 g/t Au. The first interval is 140 feet from the that reported in DU4-51, extending continuity of Copperstone mineralization in the D zone along strike by 30 feet. In addition, the second interval is 60 feet from that reported in DU5-64, and confirms down-dip continuity of D zone mineralization in the Copperstone Zone.

Hole ID	**From**	**To**	**Interval***	**Interval***	**Gold**
	ft	**ft**	**ft**	**m**	**gram/tonne Au**
KER-17U-04	80.0	95.0	15.0	**4.6**	**5.1**
includes	84.5	95.0	10.5	3.2	5.7
KER-17U-05	112.0	122.0	10.0	**3.0**	**7.9**
includes	114.0	122.0	8.0	2.4	9.0
KER-17U-06	83.0	103.5	20.5	**6.2**	**8.6**
includes	83.0	95.5	12.5	3.8	12.9
and	147.5	168.5	21.0	6.4	3.1
includes	154.0	168.5	14.5	4.4	3.2
KER-17U-08	19.0	26.1	7.1	**2.2**	**4.8**
includes	19.0	23.0	4.0	1.2	8.1
KER-17U-11	48.0	61.0	13.0	**4.0**	**6.2**
includes	48.0	58.5	10.5	3.2	7.6
and	197.5	206.5	9.0	2.7	5.4
includes	200.0	206.5	6.5	2.0	7.2

KER-17U-12 was drilled in the northwestern portion of the Copperstone Zone, starting from below and drilling towards the northeast into the Copperstone Zone. This hole was designed to confirm previous results and had total updated results of 71 feet @ 23.1 g/t Au. Important silicic and hematitic alterations including magnetite replacement were encountered. These strong results will potentially increase the size and grade of the historic mineralized zone.

KER-17U-13 was drilled from below and towards the Copperstone Zone. KER-17U-13 is a confirmation hole ending 140 feet to the south of KER-17U-12. The results of this hole confirm historical results and also improve continuity

in a sparsely explored area with the best intercept of 10.5 feet @ 8.8 g/t Au and 0.41% copper (Cu). The beginning of the mineralized portion of this hole is only 45 feet from existing workings.

KER-17U-14 was drilled from below towards the northeast and tests the down dip extension of the Copperstone Zone. KER-17U14 is designed to upgrade resources and demonstrate continuity. It also increases the dimensions of the mineralized lens in this area with high grade intercepts in two locations. This hole is 70 feet from each of KER-17U-12 and KER-17U-13 and displays an over-all interval of 88 feet @ 13.9 g/t Au. Limestone, skarn, sandstone and siltstone were encountered-with limestone becoming important to the understanding of mineral deposition. This interval has intercepts as high as 28.8 feet @ 38.6 g/t Au.

KER-17U-16 was drilled from below the Copperstone Zone but upward towards the northwest to test and confirm the up dip potential of the Copperstone Zone. KER-17U-16 tests the up dip potential of the Copperstone Zone by confirming historic results and extending the mineralized lens along dip. The overall interval of 105 feet @ 4 g/t Au included several high grade intercepts ranging from 7.7 g/t Au to 10.9 g/t Au and as high as 0.99% Cu to help define this zone. Important units of limestone and alteration including silica and hematite were encountered. The overall average grade of Cu for this 105 foot interval is 0.29%.

KER-17S-01 was drilled from the surface and vertically down into the Copperstone A Zone. KER-17S-01 tests the down dip potential of the Copperstone A Zone. An overall interval of 17 feet @ 4.8 g/t Au included a high grade interval of 7.6 feet @ 10.5 g/t Au. Important silicic and hematitic alteration was encountered in the Copperstone breccia. The results in KER-17S-01 are approximately 200 feet down dip and east of historic drill results and extend the known Copperstone A Zone mineralization by approximately 85 feet down dip while also serving to extend mineralization along strike.

Selected Drill Results

Hole ID	**Zone**	**From**	**To**	**Interval***	**Interval***	**Gold**
		ft	**ft**	**ft**	**m**	**gram/tonne**
KER-17U-12	D	153.0	224.0	71.0	**21.6**	**23.1**
includes		153.0	213.5	60.5	18.4	27.0
also		163.0	210.8	47.8	14.6	33.8
also		178.0	191.0	13.0	4.0	89.9
also		185.0	213.5	28.5	8.7	39.1
KER-17U-13	D	46.5	57.0	10.5	**3.2**	8.8
KER-17U-14	D	155.0	243.0	88.0	**26.8**	13.9
includes		178.0	206.8	28.8	8.8	38.6
also		217.0	226.0	9.0	2.7	5.6
KER-17U-16	D	48.0	153.0	105.0	**32.0**	4.0
includes		48.0	58.0	10.0	3.2	7.7
also		104.9	113.0	8.1	2.5	10.6
also		138.5	153.0	14.5	4.4	10.9
KER-17S-01	A	381.0	393.0	12.0	**3.7**	6.7

* not true width

KER-17U-26 was designed to upgrade resources and demonstrate continuity within the northwestern extension of the Copperstone Zone. KER-17U-26 was drilled towards the southeast at an upward inclination of 78 degrees. Gold mineralization is associated with limestone and skarn with silicic alteration and resulted in 1.7 meters @ 5.4 g/t Au and 0.86% Cu for a 6.8 g/t AuEq.

KER-17U-34 was drilled to test the up-dip continuity within western extents of the Copperstone Zone. KER-17U-34 was collared in footwall extending upward through the Copperstone Zone into the hanging wall and at an upward inclination of 58 degrees. The resulting mineralization is associated with limestone containing ferric and silicic alteration and resulted in 2.4 meters @ 4.7 g/t Au and 0.82% Cu for a 6.0 g/t AuEq.

KER-17U-50 tested the down-dip continuity in the Copperstone Zone. This drill hole also tested mineralization continuity near historic drill hole DU4-41. KER-17U-50 was drilled toward the footwall at a downward inclination of 19 degrees and is collared in hanging wall mineralization. Gold mineralization found within KER-17U-50 is associated with limestone containing ferric and silicic alteration and resulted in 7.3 meters @ 102.7 g/t Au and 0.08% Cu for a 102.8 g/t AuEq.

KER-17U-51 tested the down-dip continuity in the Copperstone Zone. KER-17U-51 was drilled from the hanging wall toward the southwest at a downward inclination of 32 degrees. Gold mineralization found within KER-17U-51 is associated with limestone containing ferric and silicic alteration and resulted in 5.0 meters @ 8.1 g/t Au and 0.74% Cu for a 9.3 g/t AuEq.

KER-17U-52 tested the down-dip continuity in the Copperstone Zone. KER-17U-52 was drilled from the hanging wall toward the southwest at a downward inclination of 40 degrees. Gold mineralization found within KER-17U-52 is associated with limestone containing ferric, silicic and chloritic alteration and resulted in 3.2 meters @ 7.8 g/t Au and 0.08% Cu for a 7.9 g/t AuEq.

KER-17U-53 tested the down-dip continuity in the Copperstone Zone. KER-17U-53 was drilled from the hanging wall toward the southwest at a downward inclination of 52 degrees. Gold mineralization found within KER-17U-53 is associated with limestone and skarn with silicic, hematitic and magnetic alteration. The resulting mineralization is 6.1 meters @ 5.3 g/t Au and 2.21% Cu for a 9.0 g/t AuEq. Significant gold and copper mineralization, found within the same interval, contained 3.4 meters @ 9.5 g/t Au and 4.01% Cu for a 16.1 g/t AuEq.

KER-17U-57 tested the down-dip extension of the Copperstone Zone. KER-17U-57 was drilled from the hanging wall toward the west at a downward inclination of 17 degrees. Gold mineralization occurs in limestone and skarn with silicic, hematitic and magnetic alteration and resulted in 2.8 meters @ 7.6 g/t Au and 0.15% Cu for a 7.9 g/t AuEq.

KER-17U-58 tested the down-dip continuity in the Copperstone Zone. KER-17U-58 was drilled from the hanging wall toward the west at a downward inclination of 35 degrees. Gold mineralization was found within units of skarn with magnetitic alteration. The mineralized interval extended into the footwall phyllite material and resulted in two intervals of 3.9 meters @ 7.4 g/t Au and 0.34% Cu for a 8.0 g/t AuEq and 3.0 meters @ 6.0 g/t Au and 0.15% Cu for a 6.2 g/t AuEq.

KER-17U-59 tested the down-dip extension in the Copperstone Zone. KER-17U-59 was drilled from the hanging wall toward the west at a downward inclination of 12 degrees. Gold mineralization was found in limestone and skarn with silicic, hematitic and magnetitic alteration. The mineralized interval extended through the limestone into the footwall phyllite and resulted in 3.4 meters @ 5.6 g/t Au and 0.97% Cu for a 7.2 g/t AuEq.

KER-17U-65 tested the down-dip extension in the Copperstone Zone. KER-17U-65 was drilled from the hanging wall toward the northwest at a downward inclination of 50 degrees. Gold mineralization was found within quartz latite porphyry with sericitic and argillitic alteration. The mineralized interval resulted in 3.6 meters @ 3.8 g/t Au and 2.83% Cu for a 8.5 g/t AuEq.

KER-17U-66 tested the down-dip extension in the Copperstone Zone. KER-17U-66 was drilled from the hanging wall toward the west at a downward inclination of 15 degrees. Gold mineralization was found within quartz latite porphyry containing argillitic alteration. The mineralized interval resulted in 4.6 meters @ 3.9 g/t Au and 0.30% Cu for a 4.4 g/t AuEq.

KER-17U-68 tested the down-dip extension in the Copperstone Zone. KER-17U-68 was drilled from the hanging wall toward the southwest at a downward inclination of 55 degrees. Gold mineralization was found within the footwall phyllite containing argillitic and hematitic alteration. The mineralized interval resulted in 3.5 meters @ 6.2 g/t Au.

KER-17U-74 tested the down-dip extension in the Copperstone Zone. KER-17U-74 was drilled from the hanging wall at a downward inclination of 90 degrees. Gold mineralization was found within shear zone containing hematite altered limestone. The mineralized interval resulted in 3.0 meters @ 5.5 g/t Au and 0.63% Cu for a 6.6 g/t AuEq.

Selected Underground Drill Results

Hole ID	Zone	From	To	Interval*	Interval*	Gold	Copper	GoldEq

		m	m	m	ft	gram/tonne	%	gram/tonne
KER-17U-21B	D	12.8	16.3	**3.5**	11.5	**20.3**	0.38	21.0
KER-17U-26	D	34.4	36.1	**1.7**	5.6	**5.4**	0.86	6.8
KER-17U-34	C	46.0	48.5	**2.4**	8.0	**4.7**	0.82	6.0
KER-17U-50	D	21.0	28.3	**7.3**	24.0	**102.7**	0.08	102.8
includes		25.6	28.3	2.7	9.0	6.6	1.06	8.4
KER-17U-51	D	17.1	24.4	**7.3**	23.9	**5.7**	1.05	7.5
includes		17.1	22.1	5.0	16.5	8.1	0.74	9.3
KER-17U-52	D	16.5	21.3	**4.9**	16.0	**5.2**	0.21	5.5
includes		16.5	19.7	3.2	10.5	7.8	0.08	7.9
KER-17U-53	D	15.8	21.9	**6.1**	20.0	**5.3**	2.21	9.0
and		18.6	21.9	3.4	11.0	9.5	4.01	16.1
includes		20.7	21.3	0.6	2.0	37.1	6.32	47.5
KER-17U-57	D	28.4	39.0	**10.6**	34.7	**4.7**	0.51	5.5
includes		31.1	33.8	2.8	9.1	7.6	0.15	7.9
KER-17U-58	D	15.5	22.1	**6.5**	21.4	**4.5**	0.25	4.9
includes		17.4	21.2	3.9	12.7	7.4	0.34	8.0
and		35.4	38.4	3.0	10.0	6.0	0.15	6.2
KER-17U-59	D	27.6	34.0	**6.4**	21.0	**3.1**	0.59	4.0
includes		27.6	31.0	3.4	11.2	5.6	0.97	7.2
KER-17U-65	D	12.3	16.7	**4.4**	14.3	**3.1**	2.36	7.0
includes		13.1	16.7	3.6	11.8	3.8	2.83	8.5
KER-17U-66	D	18.0	22.6	**4.6**	15.0	**3.9**	0.30	4.4
KER-17U-68	D	21.5	25.0	**3.5**	11.5	**6.2**	0.03	6.2
KER-17U-74	D	34.1	37.2	**3.0**	10.0	**5.5**	0.63	6.6
includes		34.1	36.4	2.3	7.5	7.3	0.70	8.5

* not true width

KER-17S-10 is a vertical core hole drilled in the northwestern portion of the Footwall Zone drilled towards the southwest beneath the Copperstone shear. This hole was designed to extend the Footwall Zone and resulted in a mineralized interval of 7.5 meters @ 3.7 g/t gold and 1.36% copper. Combining gold and gold equivalent copper grades results in a total of 5.9 g/t Au equivalent (g/t AuEq) for the interval. Included in this interval is 3.4 meters @ 7.9 g/t Au and 2.78% Cu for an 12.5 g/t AuEq. Other sub-intervals of this result are in Table below.

KER-17S-11 is an inclined core hole drilled in the northwestern portion of the Footwall Zone drilled towards the southwest. This hole is drilled from the same location as KER-17S-10 and is designed to add up-dip continuity to the KER-17S-10 result. Results are 3 meters @ 3.9 g/t Au and 0.16% Cu for a 4.1 g/t AuEq. This interval is 100 meters up-dip from the interval reported in KER-17S-10.

KER-17S-13 is a vertical reverse circulation (RC) hole collared in the northwestern portion of the Footwall Zone and drilled towards the southwest. KER-17S-13 is designed to upgrade resources, demonstrate continuity and resulted in

a mineralized interval of 15.2 meters @ 4.6 g/t Au and 0.48% Cu for a 5.4 g/t AuEq. Included in this interval is 4.6 meters @ 13.2 g/t Au and 1.28% Cu for a 15.3 g/t AuEq. This result is 82 meters down dip of the historic 06CS-17 which contained a 3.0 meter @ 7.0 g/t Au interval. KER-17S-13 is located 125 meters along strike from KER-17S-10.

KER-17S-17 is an inclined core hole drilled in the northwestern portion of the Footwall Zone drilled towards the southwest. KER-17S-17 tests the down dip continuity of the Footwall Zone and intercepts mineralization 100 meters below the historic 06CS-17 interval of 3.0 meters @ 7.0 g/t Au. Results are 9.3 meters @ 3.6 g/t Au and 0.15% Cu for a 3.8 g/t AuEq. This interval includes 4.3 meters @ 6.8 g/t Au and 0.19% Cu for a 7.2 g/t AuEq. KER-17S-17 is located 64 meters along strike from KER-17S-10.

KER-17S-19 is a vertical reverse circulation (RC) hole collared in the northwestern portion of the Footwall Zone and drilled towards the southwest from the same location as KER-17S-04 (see press release dated October 21, 2017). KER-17S-19 tests the down dip potential of the Footwall Zone and contains two mineralized intervals which show the potential to extend the mineralized intervals down dip of KER-17S-04. The first interval is 10.7 meters @ 2.8 g/t Au and contains 3.0 meters @ 4.0 g/t Au. The second interval is 3.0 meters @ 4.6 g/t Au and is 76 meters down dip of KER-17S-04.

KER-17S-21 is an inclined reverse circulation (RC) hole collared in the southeastern extents of the Copperstone pit and drilled towards the southwest. KER-17S-21 tests the down dip continuity of the Footwall Zone and intercepts a 36.6 meter long interval of mineralization. This interval is located 73 meters down dip below the historic 06CS-18 drill hole interval of 3.0 meters @ 3.9 g/t Au. KER-17S-21 contains two mineralized intervals which extend the mineralized zone. The first interval is 3.0 meters @ 6.6 g/t Au and 0.66% Cu for a 7.7 g/t AuEq. The second interval is 36.6 meters @ 7.5 g/t Au and 0.26% Cu for a 7.9 g/t AuEq. Included in this interval are 7.6 meters @ 31.2 g/t Au and 3.0 meters @ 71.9 g/t Au. KER-17S-21 intercepts are located 85 meters from KER-17S-19 intervals.

Selected Surface Drill Results

Hole ID	**Zone**	**From**	**To**	**Interval***	**Interval***	**Gold**	**Copper**	**GoldEq**
		m	m	m	ft	gram/tonne	%	gram/tonne
KER-17S-10	FW	236.7	244.1	**7.5**	24.5	**3.7**	1.36	5.9
includes		236.7	240.8	4.1	13.5	6.6	2.29	10.4
also		237.4	240.8	3.4	11.0	7.9	2.78	12.5
also		238.4	240.8	2.4	8.0	10.9	3.79	17.1
KER-17S-11	FW	222.5	225.6	**3.0**	10.0	**3.9**	0.16	4.1
includes		224.0	225.6	1.5	5.0	5.1	0.25	5.5
KER-17S-13	FW	132.6	147.8	**15.2**	50.0	**4.6**	0.48	5.4
includes		134.1	138.7	4.6	15.0	13.2	1.28	15.3
KER-17S-17	FW	172.8	182.1	**9.3**	30.5	**3.6**	0.15	3.8
includes		174.7	178.9	4.3	14.0	6.8	0.19	7.2
also		174.7	176.5	1.8	6.0	7.7	0.15	8.0
KER-17S-19	FW	88.4	99.1	**10.7**	35.0	**2.8**	0.02	2.9
includes		88.4	93.0	4.6	15.0	3.4	0.04	3.5
and		97.5	100.6	3.0	10.0	4.6	0.01	4.6
KER-17S-21	FW	18.3	21.3	**3.0**	10.0	**6.6**	0.66	7.7
and		96.0	132.6	36.6	120.0	7.5	0.26	7.9

includes		97.5	100.6	3.0	10.0	5.0	0.85	6.4
also		121.9	129.5	7.6	25.0	31.2	0.15	31.4
also		123.4	126.5	3.0	10.0	74.9	0.13	75.1

* not true width

Sample Preparation, Analysis and Security

The authors of the Copperstone Report, Hard Rock Consulting, LLC ("HRC") conclude that the sample preparation, security and analytical procedures are appropriate and adequate to ensure the integrity of the sample data. The sample methods and density are appropriate, and the samples are of sufficient quality to comprise a representative, unbiased database. See NI 43-101 Technical Report, Preliminary Feasibility Study for the Copperstone Project, La Paz County, Arizona, USA" dated May 18, 2018. prepared by Hard Rock Consulting, LLC, Chapter 11, for further details.

Mineral Resource Estimate

The authors of the Copperstone Report, Hard Rock Consulting, LLC ("HRC") estimated the mineral resource for the Copperstone Project based on drillhole data constrained by geologic boundaries with an Ordinary Krige ("OK") algorithm. Gold is the metal of interest at the Copperstone Project. The mineral resources estimate reported here was prepared in a manner consistent with the Committee of Mineral Reserves International Reporting Standards ("CRIRSCO"), of which both the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") and Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code") are members. The mineral resources are classified as Measured, Indicated and Inferred in accordance with "CIM Definition Standards for Mineral Resources and Mineral Reserves", prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. Classification of the resources reflects the relative confidence of the grade estimates.

In order to support the mineral resource estimate, Kerr completed over 26,50 ft of infill and step-out drilling in the summer and fall of 2017. In total, 960 drillholes totaling 481,348 ft were incorporated into the geologic model and resource estimate. The Copperstone deposit is a mid-Tertiary, detachment fault related gold deposit. Mineralization is predominantly controlled by the northwest trending shallow angle Copperstone fault and shear zone. These structures are not confined to any lithologic unit, although the majority of the mineralization is hosted in quartz latite porphyry. Breccia textures as well as chloritization, silicification, and hematite and specularite flooding are reliable indications of gold mineralization.

Gold grades were constrained within estimation domains modelled with 3D wireframe solids. Estimation domains follow the overall northwest, shallowly dipping structural trends, and were defined by drillhole interval selections of gold grades greater than or equal to 0.100 troy ounces per short ton, "oz/ton". Domains were reviewed in 3D to ensure the models agree with the overall geologic interpretation and maintained continuity along strike and down dip. Samples were composited inside estimation domains to a target length of 5 ft. Composite gold grades within each domain were reviewed for statistically high outliers, which were then constrained and capped. The capping analysis considered each domain separately and a global gold cap was not used. Semi-variograms from composites were used to inform the search ellipse. Densities were determined inside and outside estimation domains by lithology from drill core. The strike length of the deposit is approximately 4,000 ft and mineralization has been encountered by drillholes to a depth of -330 ft (approximately 1,200 ft below surface). The geologic model was created using Leapfrog, and is comprised of four structural domains, six stratigraphic units, and 42 estimation domains.

The undiluted Copperstone project mineral resource statement is presented in the table below. The results reported in the mineral resource have been rounded to reflect the approximation of grade and quantity which can be achieved at this level of resource estimation. Rounding may result in apparent differences when summing tons, grade and contained metal content. Tonnage and grade measurements are in imperial units. Mineral resources are quoted inclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability and may be materially affected by modifying factors including but not restricted to mining, processing, metallurgy, infrastructure, economic, marketing, legal, environmental, social and governmental factors. Due to the uncertainty that may be attached to Inferred mineral resources, it cannot be assumed that all or any part of an Inferred mineral resource will be upgraded to an Indicated or Measured mineral resource as a result of continued exploration.

The mineral resources are confined to material exceeding the cut-off grade of 0.100 ounces per ton ("opt") within coherent wireframe models and meet the test of reasonable prospect for economic extraction. The effective date of the mineral resource estimate is April 1, 2018.

Table: Mineral Resource Statement for the Copperstone Project, La Paz County, Arizona, U.S.A., Hard Rock Consulting, LLC, April 1, 2018

Mineral Resource Classification	Tons ('000's)	oz/ton	Contained Gold ('000 oz)
Measured	527.0	0.243	128.0
Indicated	712.9	0.223	276.1
Measured + Indicated	**1,239.8**	**0.223**	**0.223**
Inferred	734.1	0.198	145.7

Notes:

1. The effective date of the Mineral Resource estimate is April 1st, 2018. The QP for the estimate is Mr. Zachary J. Black, SME-RM of Hard Rock Consulting, LLC. and is independent of Kerr Mines, Inc.
2. Mineral resources are quoted inclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may be attached to Inferred mineral resources, it cannot be assumed that all or any part of an Inferred mineral resource will be upgraded to an Indicated or Measured mineral resource as a result of continued exploration.
3. Mineral resource is reported at an underground mining cutoff of 0.100 oz/ton Au beneath the historic open pit and within coherent wireframe models. The cutoff is based on the following assumptions: a long-term gold price of US$1,375/oz; assumed mining cost of US$74/ton, process costs of US$40/ton, general and administrative and property/severance tax costs of US$14/ton, refining costs of US$4.65/oz and metallurgical recovery for gold of 95%.
4. Rounding may result in apparent differences when summing tons, grade and contained metal content. Tonnage and grade measurements are in imperial units. Grades are reported in troy ounces per short ton.

Mineral Reserve Statement

The mineral reserve estimate was prepared by HRC with reference to the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards (2014 CIM Definition Standards) and the 2003 CIM Best Practice Guidelines. Stope designs for reporting the reserves were created utilizing the mineral resources presented in Section 14 of Copperstone Report. A mechanized cut and fill mining method is planned to extract the Copperstone deposit. Ore is planned to be processed in a whole ore leach process plant capable of processing 850 tpd.

The mining breakeven cut-off grade was used to generate the stope designs in DataMine's MSO (Minable stope optimizer) for defining the reserves. The estimated operating costs and mill recoveries developed for the PFS are used to calculate the reserve breakeven cut-off grade. A gold price of US$1,250/oz was chosen, which is three-year historical as of January 1st, 2018. Mineral reserves are reported within the mine stope designs at an underground mining cutoff of 0.111 oz/ton.

The Proven and Probable mineral reserves for the Copperstone Project as of April 1st, 2018 are summarized in the table below. The reserves are exclusive of the mineral resources reported in Copperstone Report.

Table: Proven and Probable Mineral Reserves, Effective Date April 1st, 2018

Mineral Reserve Classification	Tons ('000's)	oz/ton	Contained Gold ('000 oz)	Dilution
Proven	382.2	0.213	81.4	23.5%
Probable	501.9	0.187	93.7	26.8%
Total Proven + Probable	**884.1**	**0.198**	**175.1**	**25.3%**

Notes:

1. The effective date of the Mineral Reserve estimate is April 1st, 2018. The QP for the estimate is Mr. Jeffery Choquette P.E. of Hard Rock Consulting, LLC. and is independent of Kerr Mines, Inc.
2. The mineral reserve estimate was prepared with reference to the 2014 Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards (2014 CIM Definition Standards) and the 2003 CIM Best Practice Guidelines.
3. Mineral reserves are reported within the mine stope designs at an underground mining cutoff of 0.111 oz/ton. The cutoff is based on the following assumptions: a long-term gold price of US$1,250/oz; assumed mining cost of US$74/ton, process costs of US$40/ton, general and administrative and tax costs of US$14/ton, refining costs of US$4.65/oz and metallurgical recovery for gold of 95%. Reserves are estimated based on delivery to the mill stockpile.

4. Mining recoveries of 95% were applied. Overall dilution factors averaged 25.3%, dilution factors are calculated based on internal stope dilution calculations and external dilution factors of 10% for cut and fill mining.
5. Rounding may result in apparent differences when summing tons, grade and contained metal content. Tonnage and grade measurements are in imperial units. The mineral reserves are exclusive of the mineral resources.

Mining Methods

The Copperstone Mine had historic open pit production from 1987 through 1993 by Cyprus and in 2012 American Bonanza Gold Corp started underground mining from two declines which were developed in the bottom of the open pit. American Bonanza's mining focused on the D zone, which is to the north of the open pit, and mined 163,000 t of ore form January 2012 to July 2013. Due to the historic underground mining that has taken place on the property and the exploration drift developed by Kerr in the summer of 2017 there is a currently 12,800 ft of access development. This existing access includes two declines from the bottom of the pit and extends across 500 ft of strike. Therefore, a reduced amount of development is required to get the mine up to full production. The preliminary feasibility study (the "PFS") mine plan for the Coppertone Project includes approximately 884,100 tons of mineral reserves to be extracted by underground mining in 4.4 years. The mine and mill production schedule calls for the production of 600 tpd of ore seven days per week. Mining recoveries of 95% were applied and overall dilution factors averaged 25.3%. Dilution factors are calculated based on internal stope dilution calculations and external dilution factors of 10%. The ore will be placed on a stockpile at the mill and a loader will be employed to feed the mill at three eight-hour shifts, five days per week.

The mine plan for the reserves is based on the following criteria.

- Cut and Fill mining method using Rock Fill ("RF") and Cemented Rock Fill ("CRF");
- Cut-off grade of 0.111 opt gold for underground mining;
- An ore production rate ramped up to 600 tpd over 350 operating days/year;
- The underground design allowed for 15.3% planned dilution, 10% unplanned, and a mining recovery of 95%;
- Development drifting and raising of approximately 43,619 ft. for the life of the mine ("LoM");
- Four operating crews with an average of 16 workers/crew –crews work 10hr shifts, four days on and four days off.

The mining method proposed for the Copperstone Project is a mechanized cut and fill using RF and CRF. Cut and fill was chosen for its flexibility in handling the low vein dip angles. The method also minimizes the amount of dilution during mining by careful geological and management control of the mining.

Underground mining methods were reviewed that will minimize dilution, capital, and operating costs and maximize recovery of the ore resources while maintaining the design production throughput at the mill. The Copperstone orebody is relatively flat with an average dip of 38º degrees. Although there are some areas where the ore is steeper and will flow by gravity, above a 45-degree dip, the majority of the deposit is too flat to facilitate a long hole mining method. Mining costs comparisons were completed on mechanized overhand cut and fill versus conventional overhand cut and fill utilizing slushers and hydraulic backfill. Conventional cut and fill does reduce the required capital for stope access development by about 14,000 feet and US$8 million dollars but the required operating stoping costs for stoping are estimated to increase by approximately 74% or US$11.5 million dollars. As a result of the total estimated operating costs being higher than the savings in development, mechanized cut and fill was chosen as the preferred option.

The primary ramp development is planned in the footwall of the orebody to access the cut and fill stopes. The main haulage drifts and ramps are planned to be developed at a 14 ft height x 14 ft width which is similar to the size of the existing development. The main ramp is designed to limit curves and turns to promote efficient truck haulage and reduce ventilation constraints. Muck bays 30 ft. deep are planned every 500 ft along the ramp to facilitate the development mucking process. As the development progresses these muck bays will be converted for use as sumps, transformer bays, storage areas and exploration drill bays.

The total length of the new main haulage ramps is 16,369 ft. Two new additional portals in the pit bottom are planned, the first portal will be started during the preproduction period and will provide access to the B zone. The second portal will be developed during the third quarter of year two. Both portals will tie into the same ramp system, so the entire mine will be connected. A vent raise from the C zone to the pit bottom is also planned in the first quarter of year one to provide an escapeway on the C zone and provide flow through ventilation for this area.

The main haulage ramps are developed approximately 160 ft. beyond the ore zone in the footwall. The stope access ramps are developed from the main haulage ramps and are planned at 12-ft height x 10-ft width to allow sufficient access height for highly-productive mining equipment. A nominal level spacing of 60 ft was selected, providing access to five 12 ft high drift and fill cuts from a single access point. The first access ramp is driven at -15% to access the first of five lifts of the stope. The remaining four lifts are developed by backslashing and ramping up at +15% for each successive lift. Every lift provides access to the next drift and fill ore production cut which is immediately above the previous cut. Each stope access point also includes a 30 ft. muck bay. The total length of stope access ramps is planned at 13,813 ft. and the total length of stope access backslash ramps is planned at 13,437 ft.

The mine operations schedule is based on 350 days/year, 7 days/week, with two 10-hour shifts each working day. The development, stope mining and backfill schedules were all created on a monthly basis. There are four crews scheduled working a four-on, four-off schedule. The ore production rate at full production is 600 tons per day with a 3-month ramp up period. Each stope is calculated to be able to produce 168 tpd, based on that assumption 3.5 active faces are required to meet production requirements. Slower activity in developing new stopes, backfill placement and unplanned delays brings the total to six active areas to be scheduled in the mine plan.

The table below presents the annual mining schedule based on these assumptions. The mine schedule starts month one as of January 1, 2019 (Year -1) with development from the current underground ramp to the first mining area beginning August 1st, 2019 (month 8 of Year -1). The new portal and ramp to access the B zone will also begin in month 8 of Year -1 so there will be two main development faces being advanced at the same time. Mining of some development ore is planned for three months, with this material being stockpiled until November 1st, 2019 when the process plant will start up.

Table: Annual Mining Schedule

Production Schedule	Life-of-Mine	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5
MINE PRODUCTION							
Tons Ore Mined	884,106	57,418	228,543	241,901	188,151	158,810	9,283
Au, oz/ton	0.198	0.211	0.195	0.200	0.194	0.199	0.199
Development Feet	43,619	3,287	16,907	11,854	6,364	4,842	364
Development Waste	537,001	44,317	223,457	153,988	63,384	48,226	3,628
Total Tons Mined	**1,421,107**	**101,735**	**452,000**	**395,889**	**251,535**	**207,037**	**12,911**

Mineral Processing

Kerr Mines and HRC contracted Resource Development Inc ("RDi") who provided new metallurgical testing of the Copperstone deposit, confirmed prior metallurgical testwork and economically evaluated processing options. Metallurgical test work focused on the A, B, C, and D zones of the Copperstone Zone. Testing also confirmed bond work indexes, abrasion and density values. The production and sale of a doré bar versus sale of a gold concentrate has much lower offtake costs.

Whole Ore Leach ("**WOL**"): WOL utilizes direct cyanidation leaching of the entire ore feed. This option also includes the production of a doré bar. WOL resulted in gold extraction of 88% to 97%. There exists an opportunity to decrease the Processing Cash Operating cost below the Study results with further cyanide consumption testwork, which is in progress.

WOL of Copperstone gold ore exhibits the highest operating costs of the three options but the increase in recoveries and elimination of concentrate smelter charges make this option economically superior. In addition, the existing processing plant will be simplified by eliminating both the course gold circuit and one of the mills. WOL leach was chosen as the base case processing scenario for the Study.

Economic Analysis

Information contained and certain statements made herein are considered forward-looking within the meaning of applicable Canadian securities laws. These statements address future events and conditions and so involve inherent risks and uncertainties. Actual results could differ from those currently projected.

The Project is planned to be an underground mining operation with milling and WOL of the ore, with an estimated production of 884,000 tons from its reserves, grading 0.198 opt gold. The mine will be owner operated with a capital

lease strategy for mining equipment. The mine and process operations are planned to run at a rate of 600 tons per day, 7 days per week, with all mineralized material being crushed, milled and processed by WOL. Gold recovery is expected to average 95% for gold. There is a potential by-product credit for copper which is understudy by the Corporation.

Economic analysis of the base case scenario for the Project uses a price of **US$1,250/oz** for gold, which is the 60-month trailing average price and US$74/oz less than the closing spot price at the end of March 2018. The economic model shows an After-Tax Net Present Value @ 10% ("**NPV-10**") of US$17.91 million using a 0.111 opt Au mining cut-off grade, as well as an After-Tax Internal Rate of Return ("**IRR**") of 40.1%. the table below summarizes the projected Net Present Value, NPV-10; Internal Rate of Return, IRR; years of positive cash flows to repay the negative cash flow ("**payback period**"); multiple of positive cash flows compared to the maximum negative cash flow ("**payback multiple**") for the Project on both After-Tax and Before-Tax bases.

Table: Summary of Copperstone Economic Results

Project Valuation Overview	After Tax	Before Tax
Net Cashflow (US$ millions)	$36.28	$38.24
NPV @ 5.0%; (US$ millions)	$25.59	$27.12
NPV @ 7.5%; (US$ millions)	$21.44	$22.80
NPV @ 10.0%; (US$ millions)	$17.91	$19.12
Internal Rate of Return	40.1%	41.7%
Payback Period, Years	2.27	2.26
Payback Multiple	2.75	2.84
Total Initial Capital (US$ millions)	-$22.74	-$22.74
Max Neg. Cashflow (US$ millions)	-$20.74	-$20.74

The table below summarizes the projected gold production schedule and cash flows. The economic evaluation and schedule is based on Proven and Probable reserves. Additional mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of additional estimated mineral resources will be converted into mineral reserves.

Table: Cashflow Summary

		Study Totals	Year -2	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5
Gold Ounces in Doré	oz	166,172		7,349	38,790	39,939	38,722	39,619	1,753
Gross Revenue	**$US**	**207,714,250**		**9,186,375**	**48,487,000**	**49,923,625**	**48,402,250**	**49,523,375**	**2,191,625**
Cash Operating Costs	**$US**	**(113,665,069)**		**(4,615,312)**	**(28,769,608)**	**(27,427,293)**	**(26,210,707)**	**(24,553,976)**	**(2,088,173)**
Royalties	$US	(4,154,287)		(183,728)	(969,740)	(998,473)	(968,045)	(990,468)	(43,833)
Production Taxes	$US	(816,507)		(57,138)	(164,391)	(169,687)	(187,617)	(237,674)	
Total Operating Costs	**$US**	**(118,635,863**		**(4,856,178)**	**(29,903,739)**	**(28,595,453)**	**(27,366,369)**	**(25,782,118)**	**(2,132,006)**
Operating Margin (EBITDA)	$US	89,078,387		4,330,197	18,583,261	21,328,172	21,035,881	23,741,257	59,619
Sustaining Capital/Closure	**$US**	**(26,235,313)**	**(500,000)**	**(1,380,499)**	**(13,314,127)**	**(8,890,011)**	**(4,261,740)**	**(269,937)**	**2,381,000**
Site All-In Sustaining Cost*	$US	(144,871,176)	**(500,000)**	(6,236,677)	(43,217,866)	(37,485,464)	(31,628,109)	(26,052,055)	248,994
Investment Capital	$US	(22,737,126)	(603,670)	(22,133,457)					
Site All-In-Cost*	$US	**(167,608,303)**	**(1,103,670)**	**(28,370,134)**	**(43,217,866)**	**(37,485,464)**	**(31,628,109)**	**(26,052,055)**	**248,994**
Cash Flow, pre-Tax	$US	40,105,947	(1,103,670)	(19,183,759)	5,269,134	12,438,161	16,774,141	23,471,320	2,440,619

Interest Expense	$US	(1,865,121)		(450,161)	(853,257)	(474,699)	(87,003)		
State & Federal Income Tax	$US	(1,961,421)					(623,798)	(2,662,724)	1,325,101
Free Cash Flow	$US	36,279,406	(1,103,670)	(19,633,920)	4,415,877	11,963,463	16,063,340	20,808,596	3,765,720
Cumulative Free Cash Flow	$US		(1,103,670)	(20,737,589)	(16,321,713)	(4,358,250)	11,705,090	32,513,686	36,279,406
Study Life of Mine	Yrs	4.4							

Notes:
* corporate costs not included

The projected total lifespan of the Copperstone Project is 5.4 years: one year of pre-production and construction, and 4.4 years of full operations. Approximately 175,100 oz of gold is projected to be mined, with 166,200 oz recovered and produced for sale. An initial capital investment of US$22.7 million, including contingency/working capital/reclamation is projected in addition to US$11.5 million from the mine equipment capital lease. Following the All-In-Sustaining-Cost ("**AISC**") guidelines, life-of-mine average base case Cash Operating Cost is projected to be US$684/oz of gold sold. The AISC life-of-mine average base case Total Operating Cost (including royalties and production taxes), is expected to be US$714/oz. The All-In-Sustaining-Cost is projected to be US$875/oz as presented in the table below.

Table: Copperstone Project Total Operating Cost/ounce Gold & per ton Ore

Operating Costs	US$/oz Au	US$/t ore
Total Mining	-$407.04	-$76.50
Total Processing	-$192.99	-$36.27
Total Site G & A	-$74.61	-$14.02
Transportation and Refining	-$9.39	-$1.76
Cash Operating Costs	**-$684.03**	**-$128.55**
Royalties	-$25.00	-$4.70
Production Taxes	-$4.91	$0.92
Total Operating Costs	**-$713.94**	**-$134.17**
Corporate General/Admin	$0.00	$0.00
Reclamation cost - prorated	-$3.01	-$0.57
Capital costs - sustaining	-$157.88	-$31.80
All-In-Sustaining-Costs	-$874.83	-$166.54

Notes: Corporate costs not included

Conclusions

Results of the PFS indicate that the Project is economically viable, benefitting from significant in-place infrastructure, underground development and permitting. There are numerous targets to increase the resources and reserves, and economic grade ore appears to be readily available for mining and processing. The base case scenario produces approximately 166,200 salable ounces of gold over a 4.5-year period. The Copperstone Project is most sensitive to the gold price and to operating costs, but sensitive to a lesser extent to capital costs. Do we really need to even include this as included above?

Continued Exploration and Development

Development

Part of the strategy for development of the Copperstone Mine is to enhance the value of the fully permitted operation by modifying three key existing permits. Minor modifications allow for an expedited approval process. All other environmental and operational permits are in hand and require no modification.

The regulatory agencies and permits involved are:

- Bureau of Land Management (BLM) – Mine Plan of Operations (MPO),
- Environmental Protection Agency (EPA) – Mine Plan of Operations and

- Arizona Department of Environmental Quality (ADEQ) – Air Quality and Aquifer Protection Permits.

Modifications to the permits are as follows:

- Amend MPO to match PFS for use of CN, increase throughput to 600 tpd, and to allow for a water infiltration basin,
- Amend Air Quality Permit to include use of CN and increase throughput to 600 tpd and
- Amend Aquifer Protection Permit to allow for a water infiltration basin and CN in tailings.

Advantages of Modifications:

- Increased throughput from the current 450 tpd to 600 tpd will most efficiently utilize the mill capacity and brings the benefits of increased revenue,
- Use of CN allows for higher recoveries in either WOL or Flotation to Doré scenarios for mineral processing of gold ore and
- The large infiltration basin allows for the transport of excess water produced from the mine water management system to an infiltration basin located on the property. This minimizes excess water storage in the tailings storage facility and provides an additional source of water for site-wide dust suppression.

Permit modification results:

- Received approval of modification to Arizona Department of Environmental Quality Air Quality Permit on December 18, 2018
- Received approval of Arizona Department of Environmental Quality Aquifer Protection Permit on September 13, 2019
- Based on these successes and the tremendous progress made, expect to receive approval of amended Mine Plan of Operations in Q4-2019.

Continuing on the positive results of the PFS, another important aspect of project value enhancement is the continued efforts to advance engineering and further the optimization of the Copperstone Mine. Activities to enhance the value proposition include the following:

- Advanced metallurgical testing program for both mineral processing scenarios of WOL and Flotation,
- Completed 5,000m of underground exploration drilling with positive results – as per above,
- Advanced permit modifications – as per above.
- Advancing towards detailed engineering of mineral processing options – advanced mineral processing optimization studies for lowering the initial capital requirements of the Copperstone Mine. Options include:
    - Flotation to produce a gold concentrate,
    - Phased approach – begin operations with flotation to produce a gold concentrate then move to flotation to produce a gold doré and
    - Begin operations with flotation to produce a gold doré.
- Creating class II cost basis for mineral processing plant (+/- 5% EPC ready). Basis includes:
    - Refurbishment of existing flotation plant,
    - Upgrade and debottlenecking of existing flotation plant and
    - Doré gold plant.
- Lead identified for plant and mining equipment – advancing towards delivery schedules and firm pricing,
- Tendering contract mining proposals to allow detailed discussion regarding integrated execution of initial mine operations
- Planning and preparation for continuation of Phase II Resource Expansion Program – as per below.

Exploration - Phase-II Resource Expansion Drill Program

The 2017 Phase-I Exploration Program was developed to provide a pathway for increasing resources in both the Copperstone and Footwall zones. The program advanced knowledge of mineralizing controls of ore zones at the Copperstone Mine and provided a pathway for adding resources by confirming mineralization, improving continuity and increasing mineralized extents along continued open trends in both the Copperstone and Footwall Zones. The 2017 program is the foundation of the PFS economics and the production decision.

Building upon the outcomes of 2017 drilling and PFS, the Phase-II drilling program is aimed at increasing mine life beyond the Study mine life through upgrading and increasing resources. The objectives of the program are the extension of known gold zones and addition of Inferred mineralization near existing development.

Copperstone Phase-II Drilling Plan:

- Up to 6,500 meters with the objective of upgrading Inferred tonnes to Indicated or better and to improve continuity and grade of the M&I mineral resource tonnes that were not part of the P&P mineral resource tonnes in the current resource.
- Up to 5,500 meters to test additional zones and add Inferred tonnes.
- Up to 3,000 meters for structural, geotechnical and metallurgical purposes.

Drilling location targets for additions and conversions are associated with structural, alteration and lithologic controls which have demonstrated to have significant support for mineralization. Drilling targets also include areas of altered limestones which often demonstrate significant upside potential in near mine extents. The funding of this Phase-II program is not included in the PFS.

Kerr's Phase II drill Program is designed to add mineral resources to the Project via drilling, primarily in C and D zones. The program will focus on areas demonstrating continuity and are currently drill-accessible for near-term access. The C zone, which has proven continuity from previous mining by Cyprus, is considered a prime target for both conversion and addition of mineral resources along dip and strike. The D zone is also attractive due to the potential for higher grades and the current higher density of drilling in that area. Exploration efforts in the both zones will be carried out with intent to improve gold mineralization continuity and to further understand the interaction of all apparent controls on mineralization. Updating the mine plan with the new resources will be the final step towards extending mine life once all drilling results have been received.

Selected Drill Results

18-05A-01: Azimuth 245, inclination 0, total length 64 meters. This hole demonstrates opportunity to convert Inferred resource in the resource domain to Measured or Indicated resource. The intercepted thickness of the resource domain is wider than had been anticipated by the existing model, having a true thickness of approximately 6 meters. This intercept is 16 meters up-dip from the edge of the nearest engineered mining stope and may allow the stopes to be extended up-dip.

18-05A-06: Azimuth 235, inclination 0, total length 70 meters. This hole demonstrates opportunity to convert Inferred resource in the resource domain to Measured or Indicated resource. The intercept length approximates true thickness and is approximately what had been previously modelled, while the grade of this intercept exceeds what had been predicted in the existing model. Similar to hole 18-05A-01, this intercept is approximately 16 meters up-dip from the upper edge of engineered mining stopes in the resource domain and may allow the stopes to be extended up-dip.

18-08A-02: Azimuth 245, inclination -20, total length 40 meters. This hole demonstrates opportunity to convert Inferred resource in the resource domain to Measured or Indicated resource. The intercept length approximates the true thickness of the domain and shows it to be twice the anticipated thickness at this location and also of higher grade than anticipated. This intercept is 40 meters up-dip from the upper edge of engineered mining stopes of the resource domain and may allow the stopes to be extended up-dip.

18-08A-03: Azimuth 245, inclination -40, total length 43 meters. This hole demonstrates opportunity to convert Inferred resource in the resource domain to Measured or Indicated resource. The intercept approximates the true thickness of the zone and is of approximately the expected thickness and is of higher than anticipated gold grade. This intercept demonstrates opportunity to convert domain resources 30 meters up-dip from the upper edge of engineered mining stopes and may allow the stopes to be extended up-dip.

Hole ID	From	To	Interval Length	Gold*	True Thickness**	Effective Mining Width***
	meter	meter	meter	gram/tonne	meter	meter
18-05A-01	16.8	24.4	**7.6**	**5.15**	4.6	**8.2**
includes	16.8	22.9	6.1	5.77	3.7	6.1
includes	16.8	18.3	1.5	12.85	0.9	1.5
18-05A-06	36.6	44.2	**7.6**	**7.71**	4.9	**8.2**
includes	39.6	44.2	4.6	9.84	2.7	4.9
18-08A-02	12.2	24.4	**12.2**	**11.70**	10.1	**17.7**
includes	18.3	24.4	6.1	20.67	5.2	8.8
includes	21.3	24.4	3.0	38.25	2.4	4.6
18-08A-03	10.7	27.4	**16.8**	**8.25**	**16.2**	**28.3**
includes	22.9	27.4	4.6	18.25	4.6	7.6

* Grades herein are reported as uncapped values.

** Estimated distance between the foot wall and hanging wall of the mineralized zone measured perpendicularly to the edges.

*** Effective Mining Width is defined as the estimated distance between the foot wall and hanging wall of the mineralized zone measured horizontally and matches the planned mining method. The mining method used to calculate reserves will extract ore by drift mining along strike in a defined ore stope. The Effective Mining Width is the width that miners will be working within.

18-05E-01: Azimuth 244, inclination -65, total length 39.6 meters. This intercept is in an existing Measured and Indicated resource zone and intercepted thicker-than-expected mineralization on the edge of an existing designed mining stope. It is expected to lead to an expansion of reserves in the immediate area.

18-05-06: Azimuth 215, inclination -15, total length 65.5 meters. This intercept is in an existing Indicated resource zone and confirmed the expected grade but at greater thickness than is currently modelled. The intercept is approximately 15.2 meters up-dip of designed stopes in the same resource zone and is expected to lead to an expansion of resources in the immediate area.

18-05E-07: Azimuth 244, inclination -45, total length 30.6 meters. This drill hole intercepted mineralization outside of an existing Inferred zone and has the potential to support a new modeled domain. This is supported by a nearby, historic drill hole. Historic hole CS-373 returned 3.0 meters @ 4.21 g/t , 8.0 meters away in the up-dip direction. This potential new domain outlined by these intercepts appears to be open along strike for 30 meters or more and warrants further step-out and definition drilling.

18-08-01: Azimuth 360, inclination -90, total length 30.5 meters. This hole intercepted existing Indicated resource in a currently defined resource zone and in a gap between designed mining stope panels. It is anticipated that this intercept will allow for continuity between the panels.

18-01A-04: Azimuth 247, inclination +72, total length 97.5 meters. This intercept is 30 meters beyond the edge of the existing Inferred resources and is expected to extend an existing resource domain up-dip. This intercept demonstrates the potential to further extend this domain to the west of existing modeled resources.

18-21-04: Azimuth 006, inclination -32, total length 94.5 meters. This hole returned a robust exploration step-out of an Inferred resource zone. Together with drill hole 18-21-06, is expected to extend Inferred mineralization down-dip approximately 76 meters from the edge of the previously-modeled resource zone. This resource zone is potentially open for expansion another 61 meters down-dip. Additional follow-up drilling is currently planned.

18-21-06: Azimuth 350, inclination -27, total length 82.3 meters. Similar to adjacent drill hole 18-21-04 described above (15 meters away) , this hole returned a robust exploration step-out of an Inferred resource zone and may serve to the extend the Inferred mineralized zone 76 meters down-dip from the previously-modeled edge of Inferred resource. This hole intercepted an area of high-grade replacement mineralization in metasedimentary rocks which is

thicker and higher in grade than in adjacent holes, showing potential for the discovery of additional high-grade replacement bodies in this area. Additional follow-up drilling is currently planned.

Hole ID	From	To	Interval Length	Gold*	True Thickness**	Effective Mining Width***
	meter	meter	meter	gram/tonne	meter	meter
18-05E-01	12.2	19.8	**7.6**	**3.27**	7.4	**13.0**
includes	15.2	19.8	4.6	4.15	4.5	7.8
18-05-06	38.1	41.1	**3.0**	**7.20**	2.2	**3.8**
18-05E-07	19.8	24.4	**4.6**	**9.48**	4.5	**7.9**
includes	19.8	22.9	3.0	14.03	3.0	5.3
18-08-01	12.2	15.2	**3.0**	**4.27**	2.4	**4.2**
18-01A-04	38.1	41.1	**3.0**	**8.04**	1.9	**3.4**
includes	39.6	41.1	1.5	15.20	1.0	1.7
18-21-04	64.0	74.7	**10.7**	**17.49**	5.1	**12.0**
includes	67.1	73.2	6.1	29.45	2.9	6.9
18-21-06	57.9	74.7	**16.8**	**40.00**	7.6	**17.9**
includes	64.0	67.1	3.0	98.26	1.4	3.2
and	70.1	73.2	3.0	33.19	1.4	3.3

* Grades herein are reported as uncapped values.

** Estimated distance between the foot wall and hanging wall of the mineralized zone measured perpendicularly to the edges.

*** Effective Mining Width is defined as the estimated distance between the foot wall and hanging wall of the mineralized zone measured horizontally and matches the planned mining method. The mining method used to calculate reserves will extract ore by drift mining along strike in a defined ore stope. The Effective Mining Width is the width that miners will be working within.

18-04-01: Azimuth 230, inclination -6, total length 39.6 meters. This drill hole intercepted inferred mineralization at a better-than-expected gold grade and provided continuity between other intercepts of this domain 13.7 meters down-dip and 21.3 meters up-dip. This intercept is near designed stopes and are expected to allow for the expansion of resources in this area.

18-20-02: Azimuth 218, inclination -32, total length 53.4 meters. This drill hole intercepted grades above deposit average within existing inferred mineralization. This intercept demonstrated continuity of mineralization 10.7 meters along strike and 13.7 meters up-dip within this domain and could allow for conversion from Inferred to a higher classification of resources.

18-21-11: Azimuth 297, inclination -13, total length 80.8 meters. This drill hole should serve to convert existing inferred mineralization into a higher classification and demonstrated continuity of the targeted domain 29.3 meters up-dip and 15 meters on strike from other successful conversion drill holes completed in this program.

18-20-11: Azimuth 208, inclination -32, total length 88.4 meters. This drill hole provided an "in-fill" intercept in Measured mineralization in an existing mineralized domain. This intercept is approximately 7.6 meters away from the conversion intercept provided by drill hole 18-20-02 and is higher grade than was expected for this domain.

18-21A-05: Azimuth 332, inclination -89, total length 51.8 meters. This step-out hole provided an "in-fill" intercept in currently defined mineralization in one domain on the way to testing a deeper exploration target. This intercept is of higher grade than anticipated by the current model (6.1m @ 15.02 g/t gold) and could lead to an increase of contained ounces in future resource modeling. The deeper exploration target was successfully intercepted (1.5m @

3.33 g/t gold) and is significant because of the resulting potential to extend this deeper inferred mineralized zone to the north. Further step-out drilling along strike is warranted.

18-36-03: Azimuth 186, inclination +48, total length 42.7 meters. This intercept is in existing inferred mineralization with gold grades significantly higher than was found in the closest existing drill holes. Further step-out drilling into the area southwest of this intercept is warranted.

Hole ID	From	To	Interval Length	Gold*	True Thickness**	Effective Mining Width***
	meter	meter	meter	gram/tonne	meter	meter
18-04-01	19.8	25.9	**6.1**	**15.91**	1.3	**3.2**
includes	19.8	24.4	4.6	21.02	1.0	2.4
18-20-02	18.3	21.3	**3.0**	**8.51**	0.6	**1.8**
includes	19.8	21.3	1.5	11.60	0.3	0.9
18-21-11	38.1	44.2	**6.1**	**4.26**	0.7	**1.6**
includes	41.1	44.2	3.0	6.15	0.3	0.8
18-20-11	24.4	27.4	**3.0**	**12.82**	0.7	**2.1**
includes	24.4	25.9	1.5	17.10	0.4	1.0
18-21A-05	13.7	19.8	**6.1**	**15.02**	5.5	**13.1**
includes	13.7	16.8	3.0	22.40	2.8	6.6
18-36-03	33.5	41.1	**7.6**	**5.50**	6.5	**15.3**
includes	33.5	36.6	3.0	10.65	2.6	6.1

* Grades herein are reported as uncapped values.

** Estimated distance between the foot wall and hanging wall of the mineralized zone measured perpendicularly to the edges.

*** Effective Mining Width is defined as the estimated distance between the foot wall and hanging wall of the mineralized zone measured horizontally and matches the planned mining method. The mining method used to calculate reserves will extract ore by drift mining along strike in a defined ore stope. The Effective Mining Width is the width that miners will be working within.

18-18A-01: Azimuth 165, inclination -25, total length 47.2 meters. This intercept is in C Zone Inferred mineralization and with adjacent successful intercepts, is anticipated to allow for upgrading of Inferred mineralization to Measured and Indicated classification in this area.

18-18-02: Azimuth 90, inclination -65, total length 18.3 meters. This intercept is in C Zone Inferred mineralization and with adjacent new intercepts, is anticipated to allow for conversion of inferred mineralization to Measured and Indicated classification in this area. This intercept is very high in gold grade and may portend the discovery of additional high-grade mineralization in planned down-dip offset drill holes.

18-04-02: Azimuth 205, inclination -12, total length 42.7 meters and 18-04A-03: Azimuth 170, inclination -35, total length 30.5 meters. These Conversion holes successfully intercepted mineralization above cutoff grade and along with adjacent successful Conversion holes, have yielded confidence in the continuity of this part of the C Zone. These results are anticipated to increase Measured and Indicated resources in this area and allow for the boundaries of the known mineralized domain to be updated.

18-05-06: Azimuth 215, inclination -15, total length 65.5 meters. This intercept is in existing C Zone Indicated resource and confirms the anticipated grade and thickness. The intercept is 15.2 m up-dip of designed stopes and may allow the stopes to be expanded in this direction. The intercept is slightly shallower than the modeled C Zone domain and will allow for the boundaries of the mineralized domain to be more accurately modeled.

18-05-08: Azimuth 80, inclination -75, total length 61 meters. This drill hole intercepted existing C Zone Indicated mineralization near the edge of Inferred mineralization and is anticipated to allow for the conversion of adjacent Inferred blocks to the Indicated classification.

18-05A-06: Azimuth 232, inclination -02, total length 70.1 meters. This drill hole intercepted Indicated mineralization in the C Zone but found the mineralization to be of greater thickness and higher grade than anticipated. Together with the nearby intercept in 18-05-06 reported above, this intercept may allow for designed stope panels to be expanded in this direction.

18-05E-01: Azimuth 244, inclination -65, total length 47.2 meters. This drill hole intercepted what was modeled as low-grade mineralization between designed stopes in the C Zone. The result successfully demonstrated the presence of gold mineralization of higher gold grade than is currently modeled.

Hole ID	**From**	**To**	**Interval Length**	**Gold***	**True Thickness****	**Effective Mining Width*****
	meter	**meter**	**meter**	**gram/tonne**	**meter**	**meter**
18-18A-01	10.7	13.7	**3.0**	**4.77**	1.6	**3.9**
includes	10.7	12.2	1.5	8.87	0.8	1.9
18-18-02	12.2	15.2	**3.0**	**27.45**	2.0	**4.8**
includes	12.2	13.7	1.5	52.30	1.0	2.4
18-04-02	22.9	25.9	**3.0**	**4.32**	1.5	**3.5**
18-04A-03	22.9	25.9	**3.0**	**4.20**	1.7	**4.0**
18-05-06	9.1	15.2	**6.1**	**3.71**	4.3	**7.6**
includes	12.2	15.2	3.0	4.80	2.2	3.8
18-05-08	15.2	19.8	**4.6**	**4.52**	3.2	**5.5**
includes	18.3	19.8	1.5	8.79	1.1	1.8
18-05A-06	13.7	21.3	**7.6**	**3.80**	4.6	**8.0**
includes	13.7	18.3	4.6	5.16	2.8	4.8
and	16.8	18.3	1.5	9.54	0.9	1.6
18-05E-01	15.2	19.8	**4.6**	**4.15**	4.5	**7.8**

* Grades herein are reported as uncapped values.

** Estimated distance between the foot wall and hanging wall of the mineralized zone measured perpendicularly to the edges.

*** Effective Mining Width is defined as the estimated distance between the foot wall and hanging wall of the mineralized zone measured horizontally and matches the planned mining method. The mining method used to calculate reserves will extract ore by drift mining along strike in a defined ore stope. The Effective Mining Width is the width that miners will be working within.

The Phase II Resource Expansion Program initial phase of 5,000 meters of underground reverse circulation drilling in the D and C zones has been completed. The next stage of drilling, which is currently in the planning stage, will continue to focus on resource expansion by way of underground core drilling in the D, C zones and the proximal and parallel Footwall zone. Also included is surface drilling intended to further define and expand gold resources in the B, A and Footwall zones.

The technical information for the Phase II Resource Expansion Program has been prepared in accordance with the Canadian regulatory requirements set out in NI 43-101 and reviewed and approved by Michael R. Smith, SME Registered Member (Geology), who is a "Qualified Person" as defined by NI 43-101 for this project.

Quality Assurance and Quality Control Statement

Procedures have been implemented to assure Quality Assurance Quality Control (QAQC) of drill hole assaying being done at ALS Global, which is ISO Accredited. All intervals of drill holes are being assayed and samples are securely stored for shipment to ALS, with chain of custody documentation through delivery. Mineralized commercial reference standards and coarse blank standards are inserted every 30th sample in sequence and results are graphed to assure acceptable results, resulting in high confidence of the drill hole assay results. When laboratory assays are received, the QAQC results are immediately evaluated and graphed to analyze dependability of the drill hole assays. As the Copperstone Project advances, additional QAQC measures will be implemented including selected duplicate check assaying on pulps and coarse rejects at a second accredited assay laboratory. All results will be analyzed for consistency.

RISK FACTORS

Due to the nature and current stage of development of the Corporation's business, the Corporation is subject to various financial, operational and political risks.

A prospective investor or other person reviewing the Corporation for a prospective investor should not consider an investment in the Corporation unless the investor is capable of sustaining an economic loss of the entire investment.

The risks and uncertainties identified and described below are not necessarily the only ones that could be faced by the Corporation. If any of the following risks, or any other risks and uncertainties that the Corporation has not yet identified, actually occur, the Corporation's business, prospects, financial condition, results of operations, and cash flows could be materially and adversely affected.

Resource Exploration and Development is a Speculative Business

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Corporation will be affected by numerous factors beyond the control of the Corporation. These factors include market fluctuations, the proximity and capacity of natural resource markets, and government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital. The majority of exploration projects do not result in the discovery of commercially mineable deposits of ore.

Uncertainty of Reserve and Resource Estimates

There are numerous uncertainties inherent in estimating quantities of Mineral Reserves and grades of mineralization, including many factors beyond our control. In making determinations about whether to advance any of the Corporation's projects to development, management must rely upon estimated calculations as to the Mineral Reserves and grades of mineralization on our properties. Until ore is actually mined and processed, Mineral Reserves and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. There can be no assurance that Mineral Reserves, Mineral Resources or other mineralization estimates will be accurate, or mineralization can be mined or processed profitably. Any material changes in Mineral Reserves estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. The estimates of Mineral Reserves and Mineral Resources have been determined and valued based on various assumptions including future prices, cut-off grades and operating costs and various geological and lithographical interpretations that may prove to be inaccurate. The Copperstone Report has made a number of recommendations for additional work and studies to be conducted to increase the confidence in the Mineral Reserves and Mineral Resources. Such work and studies, if completed, may not have a positive outcome and could adversely affect the current estimates of Mineral Reserves and Mineral Resources. Extended declines in market prices for gold, copper and other metals may render portions of our mineralization uneconomic and result in reduced reported Mineral Reserves. Any material reductions in estimates of mineralization, or of our ability to extract this mineralization, including estimates made in the Technical Report, could have a material adverse effect on our results of operations or financial condition.

Mine Development Risk

The Corporation's ability to bring the Copperstone Project into production is based on estimates of future operating costs and capital requirements contained in the Copperstone Report. Such estimates are based on a set of assumptions current as at the date of completion of these studies. The realized operating and capital costs achieved by the Corporation may differ substantially owing to factors outside the control of the Corporation, including currency fluctuations, supply and demand factors for the equipment and supplies, global commodity prices, transport and logistics costs and competition for human resources. Though the Corporation incorporates a level of contingency in its assumptions, these may not be adequate depending on market conditions.

Further, the Corporation relies on certain key third-party suppliers and contractors for equipment, raw materials and services used in, and the provision of services necessary for, the development of the Copperstone Project. As a result, the Corporation's ability to complete the development of the Copperstone Project is subject to numerous risks, some of which are outside of the Corporation's control, including negotiating agreements with suppliers and contractors on acceptable terms, the inability to replace a supplier or contractor and its equipment, raw materials or services in the event that either party terminates the agreement, interruption of operations or increased costs in the event that a supplier or contractor ceases its business due to insolvency or other unforeseen events and failure of a supplier or contractor to perform under its agreement with the Corporation. The occurrence of one or more of these risks could materially delay or prevent the development of the Copperstone Project which could have a material adverse effect on the Corporation's business, results of operations and financial position.

Metal Prices

Even if commercial quantities of mineral deposits are discovered, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Corporation may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Corporation, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any minerals contained in a deposit will be such that the Corporation's properties can be mined at a profit. The Corporation is particularly exposed to the risk of movement in the price of gold. Declining market prices for gold and copper could have a material effect on the Corporation's profitability.

Operating Hazards and Other Uncertainties

The Corporation's business operations are subject to risks and hazards inherent in the mining industry. The exploration for and the development of mineral deposits involves significant risks, including:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- labour disputes and shortages;
- supply and shipping problems and delays;
- shortage of equipment and contractor availability;
- unusual or unexpected geological or operating conditions;
- fire;
- changes in the regulatory environment; and
- natural phenomena such as inclement weather conditions, floods and earthquakes.

These or other occurrences could result in damage to, or destruction of, mineral properties, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Corporation could also incur liabilities as a result of pollution and other casualties all of which could be very costly and could have a material adverse effect on the Corporation's financial position and results of operations.

Financing Risks

The Corporation has limited financial resources, and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Corporation's properties will be dependent upon the Corporation's ability to obtain financing through joint ventures,

equity or debt financing or other means, and although the Corporation has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects.

The Corporation has pledged a material portion of its assets as security

The Corporation has pledged substantially all of the assets comprising the Copperstone Project as security to certain lenders. The existence of the security could inhibit the ability of the Corporation to raise debt or other financing in the future on reasonable terms if at all. In the event that a lender realizes on its security, the Corporation could lose its interest in the Copperstone Project, which would have a material adverse effect on the Corporation.

The Corporation is subject to restrictive covenants that limit its ability to operate its business

The Corporation's subsidiaries are subject to certain affirmative and restrictive covenants contained in loan documents and related security documents. The documents contain operating and financial covenants that could restrict the Corporation and its subsidiaries' ability to, among other things: incur additional indebtedness needed to fund its respective operations; pay dividends or make certain other distributions; make investments; create liens; sell or transfer assets; or enter into transactions with affiliates. Compliance with the covenants contained in the documents may impair the Corporation's ability to finance future operations or capital. The restrictions on the Corporation's ability to manage its business in management's sole discretion could adversely affect the Corporation's business by, among other things, limiting its ability to take advantage of business opportunities that management believes would be beneficial to the shareholders and limiting its ability to adjust to changing market conditions.

Credit Risk

Credit risk is the risk that a client or vendor will be unable to pay or receive any amounts owed or owing by the Corporation. Management's assessment of the Corporation's risk is low as it is primarily attributable to money-market funds held in a Canadian bank, Goods and Services Tax due from the Federal Government of Canada which are included in accounts receivable and sundry assets. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its bank.

Interest Rate Risk

The Corporation has cash balances, short-term interest-bearing debt and some long-term interest-bearing debt. The Corporation's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The short-term note and long-term loans bear interest at fixed rates.

Competition

The Corporation competes with many companies that have substantially greater financial and technical resources than the Corporation for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees and the purchase or lease of equipment and third-party servicing companies.

Environment and other Regulatory Requirements

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

Environmental legislation is evolving in a manner which 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 and directors, officers, and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Companies engaged in exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations, and permits. There can be no assurance that all permits which the Corporation may require for exploration and development of its properties will be obtainable on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Corporation may undertake.

The Corporation believes it is in compliance with all material laws and regulations which currently apply to its activities. However, there may be unforeseen environmental liabilities resulting from exploration and/or mining activities and these may be costly to remedy.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, 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 exploration operations may be required to compensate those suffering loss or damage by reason of the exploration activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in expenditures and costs or require abandonment or delays in developing new mining properties.

Decommissioning and Site Rehabilitation Costs

The costs of performing the decommissioning and reclamation must be funded by the Corporation's operations. These costs can be significant and are subject to change. The Corporation cannot predict what level of decommissioning and reclamation may be required in the future by regulators. If the Corporation is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Title Matters

Title to the properties of Kerr and the area of the mining concessions comprising the properties may be disputed. Although the Corporation has taken steps to verify the title to mineral properties in which it has an interest in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects. Further to the Corporation press release of August 20, 2018, the Corporation has divested all of its interests in all properties for which Kerr had title.

The Corporation's insurance coverage may not cover all potential losses, liabilities and damages related to its business.

The Corporation's business is subject to a number of risks and hazards (as further described herein). The Corporation maintains insurance in such amounts as it considers to be reasonable, however such insurance may not cover all the potential risks associated with its activities, including any future mining operations. The Corporation may not be able to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to the Corporation on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which it is does not insure against or in future may not insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs which could have a material adverse effect on Corporation's business, financial condition, results of operations or prospects.

Dependence on Key Personnel

The Corporation's development to date has largely depended, and in the future will continue to depend, on the efforts of key management. Loss of any of these people could have a material adverse effect on the Corporation and its business. The Corporation has not obtained and currently does not intend to obtain key-person insurance in respect of any directors and other employees.

Share Price Fluctuations

In recent years, the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration-stage companies such as the Corporation, as well as junior producers, have experienced wide fluctuations in price which have not necessarily been related to the underlying asset values or prospects of such companies. Price fluctuations likely will continue to occur in the future.

No Dividends

The Corporation anticipates that, for the foreseeable future, it will retain its cash resources for the operation and development of its business. The declaration and payment of any dividends in the future is at the discretion of the Board and will depend on numerous factors, including compliance with applicable laws, financial performance, working capital requirements of the Corporation and such other factors as its directors consider appropriate, and the Corporation may never pay dividends.

There can be no assurance that the Corporation will ever be profitable

The Corporation has not earned profits to date and there is no assurance that it will do so in the future.

Political Risk

The Corporation currently conducts its activities in Arizona and Nevada, USA and is exposed to whatever risks and uncertainties exist or may come into effect in the future. There can, for example, be no assurance that future political and economic conditions that will result in respective governments adopting policies regarding the development of interests in mineral resources which could be adverse to the Corporation's interests or profitability. Any such changes in policy could result in changes in laws affecting such matters as interests in assets, mining policies, monetary policies, taxation, rates of exchange, environmental protection, labour relations, repatriation of income, and return of capital, which may affect both the Corporation's ability to undertake activities in respect of present and future properties in the manner currently contemplated.

Conflicts of Interest

Certain directors and officers are directors and/or officers of other mineral exploration companies and as such may, in certain circumstances, have a conflict of interest, if any, which arise will be subject to and governed by procedures prescribed by the Corporation's governing corporate law statute which requires a director of a corporation who is a party to, or is a director or an officer of, or has some material interest in any person who is a party to, a material contract or proposed material contract with the Corporation to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under such legislation.

DIVIDENDS

The Corporation has not paid any dividends on the Common Shares in the last three financial years ended June 30, 2019. The Corporation has no present intention of paying dividends on the Common Shares, as it anticipates that all available funds will be invested to finance exploration and development programs on its mineral properties as well as the potential acquisition of additional mineral properties. The Corporation is limited in its ability to pay dividends on the Common Shares by generally applicable restrictions under corporate law referred to as "solvency tests".

DESCRIPTION OF CAPITAL STRUCTURE

Authorized and Issued Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares without par value, having the rights, privileges, restrictions and, conditions summarized below. As of the date of this AIF 287,429,067 Common Shares are issued and outstanding. The Corporation's Common Shares are listed for trading on the TSX (Symbol: KER) as well as on the OTCQB (Symbol: KERMF) and Frankfurt (Symbol: 7AZ1).

Common Shares

The holders of Common Shares are entitled to receive notice of, and to exercise one vote per share at, every meeting of shareholders of the Corporation, to receive such dividends as the Board declares, and to share equally in the assets of the Corporation remaining upon the liquidation of the Corporation after the creditors of the Corporation have been satisfied.

On a fully diluted basis, therefore, the Corporation has 323,818,476 Common Shares outstanding.

MARKET FOR SECURITIES

Trading Price and Volume

The Corporation's Common Shares are listed and posted for trading on the TSX under the trading symbol "KER". The table set out below presents the high and low sale prices for the Common Shares and trading volume, on a monthly basis on the TSX during the fiscal period ended June 30, 2019.

Period	Price Range and Trading Volume		
	High	Low	Volume
July 2018	0.22	0.18	1,348,566
August 2018	0.20	0.155	568,635
September 2018	0.185	0.135	1,869,687
October 2018	0.155	0.13	1,360,781
November 2018	0.14	0.115	1,471,496
December 2018	0.135	0.105	1,178,419
January 2018	0.15	0.115	1,556,951
February 2018	0.165	0.13	2,881,918
March 2019	0.165	0.11	2,280,111
April 2019	0.14	0.11	1,511,049
May 2019	0.18	0.135	4,061,794
June 2019	0.20	0.155	1,326,725

Prior Sales

The following table summarizes details of the securities issued by the Corporation during year ended June 30, 2019.

Date of Issuance	Description of Transaction	Price per Security ($)	Number and Type of Securities Issued
Nov 28, 2018	Private placement (units)	$0.21	22,239,409 warrants
Nov 28, 2018	Issuance of options	$0.13	500,000 options
Jan 29, 2019	Issuance of options	$0.14	500,000 options
April 15, 2019	Private placement (units)	$0.21	3,350,000 warrants
April 15, 2019	Issuance of options	$0.125	3,000,000 options

DIRECTORS AND OFFICERS

Name, Occupation, and Securities Holding

The following table sets forth the name, city, and province of residence and position held with the Corporation and principal occupation of each director and executive officer of the Corporation. The term of each existing director will expire immediately prior to the next annual meeting of the shareholders of the Corporation.

Name, Province or State and Country of Residence and Position with the Corporation	Director Since	Principal Occupation
Giulio T. Bonifacio British Columbia, Canada Chief Executive Officer & Director	January 2019	Mr. Bonifacio has over 30 years in senior executive positions in the mining industry. Mr. Bonifacio is the founder and was the CEO of Nevada Copper since its inception in 2005 until 2018. He has also been instrumental in providing over $700 million of capital to projects of merit while having led the efforts at every stage of development from exploration, production, permitting and construction. He is a CPA with extensive experience in the capital markets, securities matters, project finance and M&A. He held senior roles with Getty Resources, TOTAL and Vengold.

Name, Province or State and Country of Residence and Position with the Corporation	Director Since	Principal Occupation
Claudio Ciavarella[3][4] Ontario, Canada Director and Vice Chairman	December 19, 2013	Mr. Ciavarella is a Professional Accountant receiving his designation in 1994. He earned a Bachelor of Business Administration from Wilfrid Laurier University's School of Business and Economics, where he graduated Honours with Distinction. Mr. Ciavarella is a private business owner with over 25 years' experience in Construction, Real Estate and Manufacturing Industry.
Fahad Al Tamimi[3] Saudi Arabia Director and Chairman	June 30, 2016	Mr. Al Tamimi is a Saudi-based businessman with global investment activities. Previously, he was President and CEO of SaudConsult, the largest engineering firm in Saudi Arabia responsible for many large infrastructure and construction projects in the country. He was also a 50% partner of Worley Parsons Arabia, which undertook major infrastructure projects in the oil & gas, energy and a mining project worth over $5 billion in Saudi Arabia.
Peter Damouni[1][2] London, United Kingdom Director	June 30, 2016	Mr. Damouni has over 17 years of experience in investment banking and capital markets, with expertise in mining and oil and gas. Throughout his career, Mr. Damouni has worked on and led equity and debt financings valued over $5 billion. He has comprehensive experience in equity financing, restructuring, corporate valuations and advisory assignments.
Ayman Arekat[1][2][4] Bahrian Director	June 30, 2016	Since 2012, Mr. Arekat has been Managing Director of Tamimi Investments, a family office focussed on natural resources, oil and gas, real estate and special situations Mr. Arekat has over 35 years of strong banking, finance, investment and business management experience gathered while working with global institutions such as Chase Manhattan Bank, Merrill Lynch, Deutsche Bank, Investcorp and Abraaj Capital and as an independent businessman.
James McVicar[1][2] Ontario, Canada	March 29, 2017	Partner at Peterson McVicar LLP since August 2016; previously partner at Dentons Canada LLP from March 2013 to August 2016.
Martin Kostuik [3][4] Tennessee, USA President	April 11, 2017	President of the Corporation since April 11, 2017. Mr. Kostuik is a mining engineer with 25 years of experience. Mr. Kostuik joined Kerr as President and Director in April 2017. Previously, Mr. Kostuik spent over 8 years with Barrick Gold at the Goldstike Mine. He also worked in operations, engineering, exploration and capital projects with Taseko Mines, DMC Mining Services and Luna Gold. Mr. Kostuik was CEO of Rupert Resources where he was responsible for building the company through investment opportunities as well as corporate growth. Mr. Kostuik has a BSc in Applied Science, Mining Engineering from Queen's University and an MBA.

Name, Province or State and Country of Residence and Position with the Corporation	Director Since	Principal Occupation
Carmelo Marrelli Ontario, Canada Chief Financial Officer & Corporate Secreatry	N/A	Mr. Marrelli (CPA, CA, CGA) is the principal of Marrelli Support Services, a firm that delivers accounting and regulatory compliance services to listed companies for over 20 years. In addition, Mr. Marrelli serves as Chief Financial Officer to a number of companies on the TSX and TSX-V. He is a Chartered Professional Accountant and a member of the Institute of Chartered Secretaries and Administrators.

Notes:

(1) Member of the Audit Committee.
(2) Member of the Governance, Compliance and Disclosure Committee.
(3) Member of the Compensation Committee.
(4) Member of the Health, Safety and Environmental Committee.

Based on the disclosure available on the System for Electronic Disclosure by Insiders, the directors and executive officers of the Corporation, as a group beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 93,114,999 Common Shares, representing 32.4% of the Common Shares outstanding as of the date of this AIF.

Corporate Cease Trade Orders and Bankruptcies

Other than as described below, none of the directors or executive officers of the Corporation or, to its knowledge, shareholders holding sufficient Common Shares to materially affect the control of the Corporation are, or within the previous 10 years, have been a director or executive officer of any other issuer that, while acting in such capacity,

(i) was the subject of a cease trade or a similar order or an order that denied the issuer access to any exemptions under securities legislation for a period of more than 30 consecutive days;

(ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(iii) 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 the assets of such issuer.

Personal Bankruptcies

Within the previous 10 years of the date of this AIF none of the directors or executive officers of the Corporation or, to the Corporation's knowledge, shareholders holding sufficient Common Shares to materially affect the control of the Corporation have become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Personal Penalties and Sanctions

None of the directors or executive officers of the Corporation or, to the Corporation's knowledge, shareholders holding sufficient Common Shares to materially affect the control of the Corporation have been subject to:

(i) any penalties or sanctions proposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain officers and directors of the Corporation are officers and directors of, or are associated with, other natural resource companies that acquire interests in mining properties. Such associations may give rise to conflicts of interest

from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interest of the Corporation and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Corporation and to abstain from voting as a director for the approval of any such transaction.

AUDIT COMMITTEE

Audit Committee Charter

The purpose of the Audit Committee is to augment and improve financial disclosure and to ensure the Corporation's compliance with disclosure requirements. The Audit Committee is responsible for overseeing the Corporation's accounting policies, financial reporting procedures, internal controls, and management information systems and for reviewing the scope, terms, findings and results of internal and external audits of the Corporation. The Audit Committee maintains direct communications with the Corporation's external auditors and the Corporation senior officers responsible for accounting and financial matters. A copy of the Corporation's Audit Committee Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee is comprised of the following three directors: Messrs. Damouni (Chairman), McVicar and Arekat two of three of which are "independent" and each of which is "financially literate" within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Messrs. Damouni and Arekat are independent.

Relevant Education and Experience

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an audit committee member is as follows:

Peter Damouni: Mr. Damouni has over 17 years of experience in investment banking and capital markets with expertise in mining and oil and gas. He has held senior positions at investment banks, including Head of Corporate Finance and Capitals. Mr. Damouni also serves on the Audit Committee of other listed companies. Mr. Damouni has a BA in Economics (Honours) from McGill University.

***James McVicar*:** Mr. McVicar is a lawyer with over 20 years of specialized experience in corporate finance and corporate/commercial matters for natural resources companies and sits on the audit committee of another listed natural resource issuer. Earlier in his career, Mr. McVicar worked for a number of years at the Ontario Securities Commission.

Ayman Arekat: Mr. Arekat has over 35 years of strong banking, finance, investment and business management experience and has worked with global institutions such as Chase Manhattan Bank, Merrill Lynch, Deutsche Bank, Investcorp and Abraaj Capital and as an independent businessman.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on any of the exemptions set out in section 2.4 (De Minimis Non-audit Services), section 3.2 (Initial Public Offerings), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Audit Committee Member), in subsection 3.3(2) (Controlled Companies), in section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances), or section 3.8 (Acquisition of Financial Literacy) of Multilateral Instrument 52-110 *Audit Committees* ("**MI 52-110**"), or an exemption from this Instrument, in whole or in part, granted under Part 8 (Exemptions) of MI 52-110.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee reviews and pre-approves all audit-related services, and any non-audit services, to be provided by, and the estimated fees and other compensation related thereto to be paid to (or establishing a limit for such fees and compensation), its auditor.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two financial years.

Financial Year Ending	Audit Fees [(1)]	Audit Related Fees[(2)]	Tax Fees [(3)]	All Other Fees
June 30, 2019	$50,000			
June 30, 2018	$50,000		$25,000	

Notes:

(1) The aggregate audit fees billed in connection with statutory and regulatory filings, principally for the audit of the annual financial statements.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audits or reviewing the Corporation's financial statements and are not included under "Audit Fees".

(3) The aggregate fees billed for services related to tax compliance, tax advice and tax planning, including tax return preparation and other compliance matters.

LEGAL PROCEEDINGS

The Corporation is not a party to, nor is any of its property the subject of, any material legal proceedings or regulatory actions, and no such proceedings or actions are known to the Corporation to be contemplated

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no director or executive officer of the Corporation, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Corporation`s outstanding voting securities and no associate or affiliate of any of such persons or companies has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The Corporation`s current auditor is Kreston GTA LLP, 8953 Woodbine Avenue, Markham, Ontario L3R 0J9.

The Corporation's registrar and transfer agent is TSX Trust, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1.

MATERIAL CONTRACTS

The Corporation is currently party to the following material agreements:

- Promissory notes of $1,000,000 bearing interest at 8% after the first year and having a maturity date three (3) years from the date of issuance issued to each of Braydon Capital Corporation, (a company controlled by Claudio Ciavarella, an Officer, director and shareholder of Kerr)("**Braydon**") and Trans Oceanic Minerals Corporation Ltd. (a company controlled by Fahad Al Tamimi, Kerr's Chairman of the Board, a shareholder and creditor of Kerr)("**TOCML**"). The notes are secured by substantially all of the assets of the Company including the Copperstone Property. During the year ended June 30, 2019, the promissory notes were amended by extending the maturity date to August 2020.
- Convertible promissory note in the amount of US$2,054,570 payable to TOMCL having an interest rate of 8% per annum, a conversion price of $0.90 per common shares, maturing on August 22, 2020 and secured by substantially all of the assets of the Company including the Copperstone Property.
- Convertible promissory note in the amount of US$1,000,000 payable to TOMCL having an interest rate of 8% per annum, a conversion price of $0.065 per common shares, maturing on August 22, 2020 and secured by substantially all of the assets of the Company including the Copperstone Property.
- Promissory note in the amount of $3,609,763 payable to Braydon having an interest rate of 8% per annum, maturing on August 22, 2020 and secured by substantially all of the assets of the Company including the Copperstone Property.
- Sprott Note (see "*General Developments of the Business – Three-year History*")

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A copy of each of which is available under the Corporation's SEDAR profile at www.sedar.com. No other material contracts are currently outstanding.

INTERESTS OF EXPERTS

Names of Experts

The following persons, firms, and companies are named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 *Continuous Disclosure Obligations* by the Corporation during, or relating to, its most recently completed financial year and whose profession or business gives authority to the statement, report or valuation made by the person, firm or company.

Name, Firm & Location	Description
Kreston GTA LLP 8953 Woodbine Avenue, Markham, ON L3R 0J9	Auditors of the Corporation
Zachary J. Black, SME-RM; J.J. Brown, P.G., SME-RM, Jeff Choquette, P.E., MMSA-QP; Deepak Malhotra, PhD, SME-RM	Qualified Persons

Interests of Experts

Kreston GTA, LLP has advised the Corporation that it is independent of the Corporation within the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

As of the date hereof, to the Corporation's knowledge, the other experts named in the foregoing section beneficially own, directly or indirectly, less than one percent of the securities of the Corporation.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the securities of the Corporation, securities authorized for issuance under equity compensation plans, where applicable, is contained in the Information Circular of the Corporation for its most recent annual meeting of shareholders.

Additional financial information is provided in the financial statements and management's discussion and analysis of the Corporation for its most recently completed financial year, all of which are filed on SEDAR.

Other additional information relating to the Corporation may be found on SEDAR at www.sedar.com.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

NAME

There shall be a committee of the board of directors (the "**Board**") of Kerr Mines Inc. (the "**Company**") known as the Audit Committee.

PURPOSE OF AUDIT COMMITTEE

The Audit Committee has been established to assist the Board in fulfilling its oversight responsibilities with respect to the following principal areas:

(a) the Corporation's external audit function; including the qualifications, independence, appointment and oversight of the work of the external auditors;

(b) the Corporation's accounting and financial reporting requirements;

(c) the Corporation's reporting of financial information to the public;

(d) the Corporation's compliance with law and regulatory requirements;

(e) the Corporation's risks and risk management policies;

(f) the Corporation's system of internal controls and management information systems; and

(g) such other functions as are delegated to it by the Board.

Specifically, with respect to the Corporation's external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to: the quality and integrity of the Corporation's financial statements; the independent auditors' qualifications; and the performance of the Corporation's independent auditors.

COMPOSITION

The Audit Committee shall consist of as many members as the Board shall determine but, in any event not fewer than three directors appointed by the Board. Each member of the Audit Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director of the Corporation. The Board, following consideration of the recommendation of the Nominating Committee, may fill a vacancy which occurs in the Audit Committee at any time.

Members of the Audit Committee shall be selected based upon the following and in accordance with applicable laws, rules and regulations:

(a) **Director**. Every audit committee member must be a director of the Corporation.

(b) **Financially Literate.** Each member shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. For these purposes, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

(c) **Independence**. Each audit committee member shall be independent as defined by Section 1.4 of the Canadian Securities Administrators Multilateral Instrument 52-110.

CHAIR AND SECRETARY

The Chair of the Audit Committee shall be designated by the Board. If the Chair is not present at a meeting of the Audit Committee, the members of the Audit Committee may designate an interim Chair for the meeting by majority vote of the members present. The Secretary of the Corporation shall be the Secretary of the Audit Committee, provided that if the Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Audit Committee members who are present. A member of the Audit Committee may be designated as the liaison member to report on the deliberations of the Audit Committees of affiliated companies (if applicable).

MEETINGS

The Chair of the Audit Committee, in consultation with the Audit Committee members, shall determine the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least four times in each fiscal year and at least once in every fiscal quarter. The Audit Committee shall have the authority to convene additional meetings as circumstances require.

Notice of every meeting shall be given to the external and internal auditors of the Corporation, and meetings shall be convened whenever requested by the external auditors or any member of the Audit Committee in accordance with applicable law. The Audit Committee shall meet separately and periodically with management and legal counsel. The Audit Committee shall meet separately with the external auditors at every meeting of the Audit Committee at which external auditors are present.

MEETING AGENDAS

Agendas for meetings of the Audit Committee shall be developed by the Chair of the Audit Committee in consultation with the management and the corporate secretary, and shall be circulated to Audit Committee members as far in advance of each Audit Committee meeting as is reasonable.

RESOURCES AND AUTHORITY

The Audit Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Corporation, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management.

The Audit Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access to and the authority to communicate directly with the external auditors, the counsel of the Corporation and other officers and employees of the Corporation.

The members of the Audit Committee shall have the right for the purpose of performing their duties to inspect all the books and records of the Corporation and its subsidiaries and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Corporation with the officers and external auditors of the Corporation and its subsidiaries. Any member of the Audit Committee may require the external auditors to attend any or every meeting of the Audit Committee.

RESPONSIBILITIES

The Corporation's management is responsible for preparing the Corporation's financial statements and the external auditors are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of those activities by the Corporation's management and external auditors, and overseeing the activities of the internal auditors.

The specific responsibilities of the Audit Committee shall include those listed below. The enumerated responsibilities are not meant to restrict the Audit Committee from examining any matters related to its purpose.

1. Financial Reporting Process and Financial Statements

The Audit Committee shall:

(a) in consultation with the external auditors and Chief Financial Officer, review the integrity of the Corporation's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;

(b) review all material transactions and material contracts entered into between (i) the Corporation or any subsidiary of the Corporation, and (ii) any subsidiary, director, officer, insider or related party of the Corporation, other than transactions in the ordinary course of business;

(c) review and discuss with management and the external auditors: (i) the preparation of Company's annual audited consolidated financial statements and its interim unaudited consolidated financial statements; (ii) whether the financial statements present fairly (in accordance with Canadian generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Corporation as of and for the periods presented; (iii) any matters

required to be discussed with the external auditors according to Canadian generally accepted auditing standards; (iv) an annual report by the external auditors describing: (A) all critical accounting policies and practices used by the Corporation; (B) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management of the Corporation, including the ramifications of the use such alternative treatments and disclosures and the treatment preferred by the external auditors; and (C) other material written communications between the external auditors and management;

(d) following completion of the annual audit, review with each of management and the external auditors, any significant issues, concerns or difficulties encountered during the course of the audit;

(e) resolve disagreements between management and the external auditors regarding financial reporting;

(f) review the interim quarterly and annual financial statements and annual and interim press releases prior to the release of earnings information; and

(g) review and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Corporation extracted or derived from the Corporation's financial statements, other than the disclosure referred to in (f), and periodically assess the adequacy of those procedures.

2. External auditors

The Audit Committee shall:

(a) require the external auditors to report directly to the Audit Committee;

(b) be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the Corporation's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, and in such regard recommend to the Board the external auditors to be nominated for approval by the shareholders;

(c) approve all audit engagements and must pre-approve the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Audit Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Audit Committee will retain the external auditors. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting following such pre-approval;

(d) review and approve the Corporation's policies for the hiring of partners and employees and former partners and employees of the external auditors;

(e) consider, assess and report to the Board with regard to the independence and performance of the external auditors; and

(f) request and review the audit plan of the external auditors as well as a report by the external auditors to be submitted at least annually regarding: (i) the external auditing firm's internal quality-control procedures; (ii) any material issues raised by the external auditor's own most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

3. Accounting Systems and Internal Controls

The Audit Committee shall:

(a) oversee management's design and implementation of and reporting on internal controls. The Audit Committee shall also receive and review reports from management, the internal auditors and the external auditors on an annual basis with regard to the reliability and effective operation of the Corporation's accounting system and internal controls; and

(b) review annually the activities, organization and qualifications of the internal auditors and discuss with the external auditors the responsibilities, budget and staffing of the internal audit function.

4. Legal and Regulatory Requirements

The Audit Committee shall:

(a) receive and review timely analysis by management of significant issues relating to public disclosure and reporting;

(b) review, prior to finalization, periodic public disclosure documents containing financial information, including the Management's Discussion and Analysis and Annual Information Form, if required;

(c) prepare the report of the Audit Committee required to be included in the Corporation's periodic filings;

(d) review with the Corporation's counsel legal compliance matters, significant litigation and other legal matters that could have a significant impact on the Corporation's financial statements; and

(e) assist the Board in the oversight of compliance with legal and regulatory requirements and review with legal counsel the adequacy and effectiveness of the Corporation's procedures to ensure compliance with legal and regulatory responsibilities.

5. Additional Responsibilities

The Audit Committee shall:

(a) discuss policies with the external auditor and management with respect to risk assessment and risk management;

(b) establish procedures and policies for the following:

(i) the receipt, retention, treatment and resolution of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and

(ii) the confidential, anonymous submission by directors or employees of the Corporation of concerns regarding questionable accounting or auditing matters or any potential violations of legal or regulatory provisions;

(c) prepare and review with the Board an annual performance evaluation of the Audit Committee;

(d) report regularly to the Board, including with regard to matters such as the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements and the performance and independence of the external auditors; and

(e) review and reassess the adequacy of the Audit Committee's Charter on an annual basis.

6. Limitation on the Oversight Role of the Audit Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Audit Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives financial and other information, and the accuracy of the information provided to the Corporation by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the external auditors.

Approved by the Board