TECHNICAL REPORT

Løkken Property, Trøndelag County, Norway
(63.12° N Latitude, 9.67° E Longitude)

~Technical Report for the Løkken Property prepared for~

Capella Minerals Limited

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~prepared by~

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Effective Date: January 25, 2021

Signing Date: March 26, 2021

Frontispiece: *Underground at Løkken ca. 1940. (Source: NGU)*

SIGNATURE PAGE

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Table of Contents

List of Figures

List of Tables

1. EXECUTIVE SUMMARY

1.1. Overview & Ownership

Capella Minerals Limited (Capella) is a public Canadian exploration company with head offices in Mission, British Columbia, Canada (TSXV: CMIL) which has recently entered into an agreement to acquire a number of exploration properties in Scandinavia, including the Løkken Property in Norway. Capella and Eurasian Minerals Sweden AB (EMSAB) entered into the agreement in August 2020; EMSAB is a wholly-owned Swedish subsidiary of EMX Royalty Corporation (EMX). Under the agreement, EMSAB will acquire a 9.9% equity interest in Capella through the issue of equity in Capella, advance royalty payments, a 2.5% net smelter return (NSR) royalty interest in the property and other consideration. Capella will acquire a 100% interest in the Løkken Property, which is the subject of this Technical Report. The same transaction which will transfer ownership of the Løkken permits to Capella also involved two other Scandinavian properties not covered in this report: Southern Goldline in Sweden and Kjøli in Norway.

Since entering into the acquisition agreement in August 2020, the exploration at the Løkken Property has been managed and executed in-country by EMSAB.

The Løkken Property comprises 210km² surrounding and including parts of the former Løkken underground mine (which closed in 1987 in response to low metals prices), orebody, the associated historical mineral processing facilities, plus multiple satellite bodies of mineralization with varying degrees of development. Several zones of drill defined mineralization remain undeveloped in the district, where clear evidence is seen for mineralization developed in multiple stratigraphic horizons and along strike of the known major deposits. The historic Løkken deposit is considered to be one of the largest ophiolite-hosted Cypress-type VMS deposits (by tonnage) to have been developed in the world and produced approximately 24Mt @ 2.1% copper (Cu), 1.9% zinc (Zn), 19g/t silver (Ag) and 0.2g/t gold (Au) (Eilu, P., (ed.), 2012). The author has not performed sufficient work to verify the published historic production data or grades reported above, but the author believes this information is considered reliable and relevant. The mineralization at Løkken may or may not be indicative of the type of mineralization elsewhere at the Løkken Property, and is provided solely to illustrate the type of mineralization that could exist elsewhere at the Løkken Property.

Significant mining-related infrastructure remains in the Løkken area and located within Capella's tenure, including an operating shaft (Astrup), former concentrator and processing facilities, an electrified and operational narrow-gauge railway (which joins the old mine to the deep-water port at Orkanger, located 25km away), low-cost hydroelectric power, and first-class road and telecommunications networks.

1.2. Location & Permit Overview

The Løkken Property comprises twenty-one contiguous granted exploration permits (Løkken 1-21) located in the Orkland, Rindal and Melhus Municipalities of Trøndelag County in the Kingdom of Norway (Norway). The property is centred at 63.12° N Latitude, 9.67° E Longitude (ETRS TM Zone 33N: 70107000N, 231100E), approximately 450km north-northwest of the Norwegian capital city of Oslo and 65km south of the city of Trondheim. The combined total area of the Løkken Property is approximately 21,000ha and as of the effective date of this report, ownership of the exploration permits is held by EMX through their wholly owned subsidiary, EMSAB. Subject to regulatory approval, EMSAB will transfer title of the Løkken permits to Capella.

The former Løkken underground mine infrastructure and orebody is partially covered by four extraction permits (Løkken 1-4) issued in 1980 and owned by the Norwegian State. The extraction permits give the Norwegian State preferential rights over and above the overlapping permits (Løkken 7-8) owned by Capella, although the western and eastern extents of the former Løkken underground mine infrastructure and orebody are legitimately located within Capella's Løkken 7-8 exploration permits (see Figure 3). The Løkken mine history, production, metallurgy, geology and mineralization have been presented and described in this report to provide context for the geology and deposits located immediately along strike from the Løkken underground mine and the parts of the Løkken deposit that are legitimately located within permits owned by Capella.

Orkla Gruve AS owns a single exploration permit (Dragset) that overlaps with Capella's Løkken 4-5 permits. According to the Norwegian Minerals Act, two parties may apply for the same ground but the priority is calculated from the time the application was received by DMF. The party with the oldest application has priority; however, the party with the lower priority may conduct exploration in the area but only if it receives consent from the party with the highest priority; in this case Capella has priority. Today, a portion of the former Løkken underground workings are being used by the Norwegian Ammunition Disposal Company (Nammo NAD AS) for the storage and controlled detonations of old, decommissioned munitions from around the world. The author has not investigated the relationship or agreements in place between the Norwegian State and Nammo NAD AS and as such cannot provide comment on the future ability of re-establishing mining operations within the existing Løkken underground workings.

1.3. Regional Geology

The Løkken Property is located within the central Norwegian Caledonides in the southern Trondheim region and represent a belt of late Precambrian to early Palaeozoic rocks, emplaced as a series of nappes onto the Fennoscandian basement. In Norway, the Caledonide orogenic and metallogenic belt is 2,000km long, up to 200km wide and spans from North Cape in the north to Stavanger in the south. The Caledonian plate-tectonic cycle began in the Mid to Late Neoproterozoic with the rifting and break-up of the supercontinent Rodinia and the subsequent dispersal of continents to form the Iapetus Ocean. The beginning of the Caledonian/Scandian Orogeny is marked by the switch from divergent to convergent-margin tectonics, specifically when the Iapetus Ocean that lay between the old continents Baltica (present day northern Europe) and Laurentia (North America and Greenland) started to contract and finally disappear and eventually resulting in continent-continent collision. During the continent-continent collision, the marginal zone of Baltica was pressed down beneath Laurentia and drastically shortened. Thrusting caused sedimentary and volcanic rocks deposited originally on the Iapetus Ocean sea floor and along the Baltica continental margin, to be pushed up and onto Baltica forming a series of nappe complexes made-up of the Uppermost, Upper, Middle and Lower Allochthons.

The Løkken Property is located within the Trondheim Nappe Complex of the Upper Allochthon (Neoproterozoic-Silurian). The Upper Allochthon is composed of fragmented Late Cambrian to Late Ordovician ophiolite assemblages and metamorphosed sedimentary rocks, particularly in units unconformably overlying the ophiolites. The ophiolites are dominated by basalts and gabbros and their metamorphic equivalents and were formed in oceanic arc and back-arc settings. The Løkken ophiolite belongs to the Støren Nappe which also hosts the Støren, Resfjell, Grefstadfjell, Vassfjellet and Bymarka ophiolites. The Støren Nappe is a several km thick, submarine metabasalt-dominated, sequence with interlayered ribbon cherts, black shales and mixed tuffaceous-cherty metasediments. Volcanic compositions range from mid-ocean ridge basalt (MORB) to within-plate basalt WPB (Gale and Roberts 1974; Nilsen 1974; Grenne and Lagerblad 1985, as cited in Greene, T., et al., 1999).

1.4. Property Geology

The Early Ordovician Løkken ophiolite is one of several ophiolite fragments in the western Trondheim district, belonging to the Upper Allochthon of the Caledonian nappe pile. These ophiolites have generally been considered remnants of an Ordovician marginal basin, deformed and emplaced into the present position during the Caledonian Orogeny. Palaeogeographical reconstructions based on faunal provincialism suggest that the basin was located on the Laurentian side of the proto-Atlantic Iapetus ocean. (Grenne, T., et al., 1990)

The Løkken ophiolite sequence is deformed in an asymmetric east-west-trending synform with nearly vertical dips along the strongly sheared northern limb and more moderate, northerly dips in the little deformed southern parts which host the Høydal and Løkken orebodies. An earlier deformation led to a regional inversion of the sequence and local formation of overturned folds. Although the rocks have undergone a lower greenschist facies regional metamorphism, the mineralization-hosting lithologies show a wide range of well-preserved, often virtually undeformed, primary, volcanic, sedimentary and plutonic structures and textures. (Grenne, T., et al., 1990)

The Løkken ophiolite shows a tripartite subdivision of its 1-2km thick volcanic pile. Situated above a partly preserved sheeted dyke complex, the approximately 1-km-thick Lower Volcanic Member (LVM) comprises a monotonous pile of basaltic pillow lavas and hyaloclastites of N-type MORB compositions, deposited in a deep marine setting. (Grenne, T., et al., 2002)

A variably thick Upper Volcanic Member (UVM) consists of basaltic pillow lavas of back-arc basin basalt (BAB) affinity and subordinate rhyolitic flows. In the UVM, thin interlayers of hematitic slate are locally associated with volcanic-derived conglomerate or debris-flow breccia. A thick polymict conglomerate marks the boundary between the ophiolite and the post-obduction Lower Hovin Group and consists primarily of material from the underlying volcanic sequence, including abundant large blocks and smaller clasts of jasper. (Grenne, T., et al., 2002)

A transitional Middle Volcanic Member (MVM) comprises massive and subordinate pillow basalts that are thought to represent voluminous eruptions at high flow rates (Grenne 1989a), together with local lavas of intermediate to felsic composition and volcaniclastic deposits. Thick (up to 40-50m) coarse sedimentary breccias are very prominent within the MVM, comprising angular to subrounded basaltic fragments and more local jasper blocks, set in a matrix of predominantly fine-grained basaltic debris and interpreted as representing fault-scarp related talus. Jasper beds are abundant and may reach a thickness of more than 10m locally. Some jaspers, such as at Høydal, are intimately associated with massive sulphide deposits, extend laterally along strike directly from the orebodies, and are thought to have at least a partial hydrothermal origin. (Grenne, T., et al., 2002)

Volcanogenic massive sulphide (VMS) mineralization is largely restricted to the MVM and signify a marked increase in seafloor hydrothermal activity at this stage. Jasper beds and sulphide/oxide/silicate iron-formations, 'vasskis', are commonly associated with the mineralization and are generally confined to this part of the lava succession, although the jaspers also occur as thinner and more sporadic layers in the UVM. The broadly contemporaneous increase in hydrothermal, volcanic, and tectonic activity within the MVM has been interpreted as being related to emplacement of a very shallow magma chamber (now represented by gabbros and local plagiogranitic differentiates) that served as an efficient heat source for large-scale hydrothermal convective seawater systems in the oceanic crust and on the seafloor. (Grenne, T., et al., 2002)

1.5. Deposit Type

Historic records and modern observations indicate that all known zones of mineralization at the Løkken Property are VMS deposits. VMS deposits are strata-bound accumulations of sulphide minerals that precipitated at or near the sea floor in spatial, temporal, and genetic association with contemporaneous volcanism. The deposits consist of two parts:

i. a concordant massive sulphide lens (>60% sulphide minerals)
ii. a discordant vein-type sulphide mineralization located mainly in the footwall strata, commonly called the stringer or stockwork zone (Franklin, J.M. et al., 2005). VMS deposits form from metal-enriched fluids associated with seafloor hydrothermal convection.

Their immediate host rocks can be either volcanic or sedimentary, and most current classification schemes for these deposits are based around host rock type. VMS deposits are major sources of Zn, Cu, Pb, Ag, and Au, and significant sources for Co, Sn, Se, Mn, Cd, In, Bi, Te, Ga, and Ge. Some also contain significant amounts of As, Sb, and Hg (Galley, A.G., et al., 2007). VMS deposits occur throughout geologic time, having been discovered in submarine volcanic terranes that range from 3.4Ga to actively forming deposits in modern seafloor environments.

1.6. Property Mineralization

The Løkken deposit, which is partially located within the Løkken Property owned by Capella, is considered one of the largest (by tonnage) Cyprus-type, ophiolite-hosted massive sulphide deposits in the world. It was discovered in 1654 and was mined almost continuously until 1987. Production during the early years was concentrated in what was termed the "breccia ore" which is the uppermost part of the feeder zone adjacent to the massive orebody. The massive sulphide mineralization consists predominantly of pyrite with chalcopyrite and sphalerite, averaging 2.1% Cu, 1.9% Zn, 19g/t Ag and 0.2g/t Au (Eilu, P., (ed.), 2012).

The Højdal stratiform Cu-Zn deposit is located approximately 2km east of the Løkken deposit and was discovered in 1659, less than a decade after Løkken. Mining operations took place at intervals, in underground workings and small open pits, and ceased in 1911 after a total of approximately 100,000t @ 1.15% Cu, 0.45% Zn (NGU, 2019) of had been mined from both the western and eastern orebodies (Old Højdal Mine and New Højdal Mine respectively). (Greene, T., et al., 1990).

The Dragset Cu-Zn deposit is a small greenstone-hosted, pyritic massive sulphide deposit located 8.5km west of the Løkken deposit. The deposit was likely discovered between 1655 and 1700 and up until 1867 only operated as a small near-surface operation. After the purchase of Dragset and other deposits in the area by Orkla Grube AB in 1904, the Dragset mine was operated at a larger-scale until its closure in 1909 where a total of approximately 65,000t @ 3.5% Cu were produced. (NGU Deposit Fact Sheet, 2019)

Comparison of the greenstones in the Dragset area with those further east around Løkken, indicates that the Dragset deposit and the small nearby Åsskjerp deposit occur at a lower stratigraphic level than the Løkken or Højdal deposits. The latter lie on the same horizon within the upper volcanic sequence, close to the lower contact of this subgroup with the lower volcanic group. This interpretation means that the Dragset and Åsskjerp occurrences comprise another mineralised level, and that the lower greenstones are prospective for other massive sulphide deposits. These small, lower deposits may in fact represent precursors to major sulphide deposition at a more favourable hiatus in volcanism, now represented by the large Løkken deposits. (McQueen, K.G., 1990)

The author has not performed sufficient work to verify the published historic production data or grades reported above, but the author believes this information is considered reliable and relevant. The mineralization at Løkken, Højdal and Dragset may or may not be indicative of the type of mineralization elsewhere at the Løkken Property, and is provided solely to illustrate the type of mineralization that could exist elsewhere at the Løkken Property.

The Western, Eastern and Southern prospect areas comprise a number of smaller mineralized prospects including Fjellslett, Åmot, Brannåsen, Kong Karl and Victoria. Very small-scale mining has occurred at the Åmot, Kong Karl and Victoria mineralized prospects during the late 1800's.

1.7. History

During the period 1904-1987, Orkla Grube AB not only successfully operated the Løkken mine but also completed a significant amount of local and regional exploration in the wider Løkken area (Løkkenfeltet) largely dominated by geophysics and diamond drilling and to a lesser extent geochemistry. Over a period of 8 decades, Orkla Grube AB completed a number of geophysical surveys including a wide array of geophysical methods including the earliest forms of electromagnetic (EM) surveying, transient EM, ground magnetics, very-low-frequency radio transmission (VLF), induced polarisation (IP) and reflection seismic surveying. The conductive 'vasskis' and graphitic units proved somewhat problematic for the geophysical surveying in the Løkken area with a substantial amount of 'false anomalies' being identified; this resulted in a low confidence in the measurements and the follow-up of the anomalies was poor. (Grammeltvedt, G., 1986)

In July 2011, Australian exploration company Drake Resources Ltd (Drake) announced a new joint venture agreement with fellow Australian explorer and miner Panoramic Resources Ltd (Panoramic) at their Løkken Project, which Drake acquired in 2010 by applying for vacant ground. In September 2011, Drake/Panoramic commissioned an airborne EM survey (versatile time domain electromagnetics VTEM) over their Løkken project (which covered a very similar area to the currently Løkken Property owned by Capella). Geotech Airborne were contracted to fly the VTEM survey and lines were flown at 150m spacing for a total of 600 line-km, collecting both magnetic and EM data. Gravity and fixed-loop electromagnetic (FLEM) surveying were completed by Finnish company Soumen Malmi OY (SMOY) over five of the highest-ranked VTEM anomalies ahead of diamond drilling that was completed in 2014 (Ebner, N., 2012). The drillholes at Halsetåsen, Kong Karl, Jordhus and Damlia intersected at least one, and in some cases, numerous 'vasskis' horizons within the modelled target EM conductor plates effectively explaining the respective EM anomalies. At Kviknan, the EM conductor was a graphitic unit with minor pyrite and pyrrhotite mineralization. No significant mineralization was intercepted. (Ebner, N., 2012)

Historical geochemical exploration in the Løkken area has been largely focused on trying to geochemically differentiate between the 'vasskis' in close proximity to the mineralized horizons and 'vasskis' away from the mineralized horizons; no discernible difference could be ever be made other than the 'vasskis' in close proximity to the mineralized horizons are elevated in Ba compared to those unrelated to the mineralized horizons. False copper anomalies from historic mining (contamination from ore transport) can be seen in the geochemical data, in particular southeast of Dragset. Regional stream sediment sampling was completed by Orkla Grube AB in 1969 followed by 1km x1km moraine sampling in 1982-1983 and a comprehensive lithogeochemical study of the Løkken area was completed in 1983-1985 and clearly identified the feeder zones of both the Løkken and Høydal deposits (Grammeltvedt, G., 1986). In 2019, the Norwegian Geological Survey (NGU) collected 58 rock-grab (mullock) samples from across known mineralised prospects within the Løkken area as part of efforts to update the NGU Ore Database.

The first recorded diamond drilling was completed at Løkken in 1906, although there is no retained core from this time. Core logs were not routinely kept prior to the 1950's but after this time systematic logs were kept and the core stored in the core archive at Løkken. Within the Løkken mine, more than 70,000m of drilling was completed underground. Outside of the Løkken mine area, 298 diamond drillholes for a total of 45,067m were drilled by Orkla Grube AB, with 95 holes for a total of 20,846m completed at the Høydal deposit area. The NGU Ore Database for area 1636-015 (Løkken) has a total of 152 holes for a total of 25,849.2m of drilling, of this, 14,586.3m of core is in storage at the NGU core archive at Løkken. (Grammeltvedt, G., 1986)

EMSAB applied for exploration permits Løkken 1-21 over vacant ground in 2019 and entered into an acquisition agreement with Capella in 2020.

1.8. Exploration

Since entering into the acquisition agreement in August 2020, the exploration at the Løkken Property has been managed and executed in-country by EMSAB.

EMSAB has completed a limited amount of early-stage exploration at the Løkken Property since acquiring the property in 2019 with exploration work including rock-grab sampling, ground magnetic surveying and Ionic Leach™ sampling with an approximate total expenditure of USD$49,500 to date.

In October 2020, a ground magnetic survey was completed over the Dragset area with the final survey comprising a total of 64.4Line-km over an area of approximately 3km^2. The high resolution of the ground magnetic data captured in the Dragset area identified the stratigraphic horizon that hosts the Dragset mineralization in addition to regional-scale folding and faulting. An extension of the survey area towards the east should enable the Dragset mineralized horizon to be traced eastwards back towards Løkken.

EMSAB has collected a total of 16 rock-grab samples from across the property, 14 of which have been collected from historic mullock dumps in areas of known historic mineralization including the Dragset area, the Højdal area and several of the smaller prospects in the Southern Area and returned economic Cu-Zn grades similar to those reported historically.

EMSAB has collected a total of 286 Ionic Leach™ samples, 137 from the Dragset area and 149 from the Højdal area. The samples were collected on an irregular grid with a sample spacing of 15m and are considered representative; no sample bias has occurred. The raw data is subject to a normalisation process which typically involves determining the first inflection point above the detection limit to obtain the background value of the dataset.

At Dragset, the Ionic Leach™ sampling showed muted zinc results in wet, swampy areas located immediately west of the Dragset mine but in areas with drier conditions a zone of zinc-enrichment can been seen in the data located near the centre of the regional fold hinge. At Høydal, two strong zinc anomalies were identified on each of the two traverses located either side (~500m east and west) of the Højdal mine, giving an anomalous trend over 1000m. The zinc anomaly at Høydal could be very significant given it is located within the same trend that it interpreted to be the Løkken-Højdal mineralized horizon and may represent an outer zinc halo of the Løkken system. Detailed infill sampling has been planned at both the Dragset and Højdal prospects for the 2021 field season.

1.9. Interpretations & Conclusions

Review of historical data and personal examination of three (Løkken, Dragset and Åmot) mineralised prospects within the Løkken Property during the author's field visit confirm the existence of VMS-style massive sulphide mineralization at the property. Samples enriched in both copper and zinc at economically significant levels were taken from one of the three prospects visited on the property; the Dragset mine. All three prospects were the site of mining operations during and prior to the early 20th century, although in the case of Løkken, the mine closed its operations in 1987 after more than 300 years in production. Based on the observations of the author and as a result of the data and literature review, significant and widespread (37 individual prospects) VMS mineralization is present across the Løkken Property.

The cessation of mining operations in the early 20th century within the property should not be considered to be overly negative for the known prospects of economically significant mineralization; modern mining and metallurgical methods are significantly more advanced than those used when these operations were in production, and it is expected that zones of mineralization which were either logistically or economically infeasible to mine in the past could be of economic interest today. Sites of historic mining should therefore be considered especially favourable exploration targets for modern work.

Whilst exploration has been conducted over the property area, over a period of more than 100 years, the Løkken Property is still considered to be at a relatively early stage. The bulk of the historical exploration completed was geophysical in nature and often utilising very early and primitive forms of technology. The close spatial association of the mineralized horizons with a sulphidic and consequently conductive exhalative ('vasskis') horizon has reduced the effectiveness of electrical geophysical methods, both historically and as recently as the 2011 VTEM survey completed by Drake, to discriminate between massive sulphide mineralization, the conductive 'vasskis' horizons and graphite units. Historic diamond drilling was largely focussed on 'near-mine' exploration and on testing geophysical anomalies with arguably little success; no new discoveries of economic massive sulphide mineralization have been made in the Løkken area during the past 50-70 years. Historic geochemical activities across the Løkken Property have been limited with single regional stream sediment, moraine sampling and lithogeochemical surveys having been completed. Partial extraction technologies have been developed since the time of the stream sediment and moraine sampling was completed and are likely to provide new exploration opportunities at the Løkken Property going forward.

Work by previous operators, both industry and academic, suggest that at least two horizons of prospective stratigraphy are present on the property; the Løkken-Højdal horizon and the Dragset horizon both located within the Løkken ophiolite of the Støren Group. A thorough and comprehensive understanding of the local stratigraphic, mineralogical and structural settings across the Løkken Property to aid in the delineations of these two prospective horizons, primarily through solid field geology, secondly by geochemistry and thirdly by geophysics will be the key driver for exploration success at the Løkken Property.

Early exploration work completed by EMSAB has confirmed the location and tenor of the historic mineralization from across the Løkken Property via rock-grab sampling of mullock dumps. Detailed ground magnetics at the Dragset prospect has successfully identified the Dragset mineralized horizon and confirmed the regional fold hinge mapped in the area. Ionic Leach™ sampling has identified zinc anomalies at both the Dragset and Højdal prospects. At Dragset, the zinc anomalism appears to be concentrated at the centre of the regional fold hinge. At Højdal, two strong zinc anomalies over a strike-length of ~1000m are located within the interpreted Løkken-Højdal mineralized trend. Follow-up drone magnetic surveying and infill Ionic Leach™ sampling will occur during the 2021 field season at the Løkken Property.

In summary, it is concluded that the exploration work which has been conducted on the property over the last century suggests that the potential exists for significant mineralised zones to exist at many of the mineralised prospects within the Løkken Property. Whilst work on the property is still quite early stage and potential economic viability cannot yet be commented upon, current results and historical data are sufficiently encouraging to recommend additional exploration work be conducted on the Løkken Property.

1.10. Recommendations

Based on the results of the author's inspection of the Løkken Property and review of available records, a 12-month, two-phase exploration strategy is recommended for the Løkken Property, whereby the second phase of exploration is dependent on the success of the first phase of exploration. The next phase of exploration at the Løkken Property is estimated to cost C$250,250.00 and an additional phase two round of detailed geophysics and diamond drilling is estimated to cost C$1,037,500.00.

2. INTRODUCTION & TERMS OF REFERENCE

2.1. Introduction & Terms of Reference

Scott Geological AB ("SGAB") has been engaged by Capella Minerals Limited (Capella) to provide a Technical Report on Capella's Løkken mineral asset located in Norway in order to satisfy its disclosure requirements under Canadian securities laws and the TSX-V in connection with its agreement with EMX Royalty Corporation (EMX) on the Løkken Property. SGAB has been engaged by Capella to examine the Løkken Property in the field and to review all exploration information available on the property and to make recommendations for further exploration, if warranted. This report has been prepared on the basis of personal observations, on data and reports supplied by Eurasian Minerals Sweden AB (EMSAB) and Capella, publicly available scientific literature and on geological publications from the Norwegian Geological Survey (NGU). A complete list of references is provided in Section 27.

The author and independent Qualified Person for this report is Ms Amanda Scott who is a geological professional with 16 years' experience in mineral exploration in Australia and Scandinavia. Ms Scott is a full-time employee of Scott Geological AB and is a Fellow of the Australian Institute of Mining and Metallurgy (Membership No.990895). The author visited and examined the Løkken Property on the 7th of October, 2020 and has reviewed the information contained in this report and takes responsibility for the content and accuracy as required under the meaning of National Instrument 43-101 ("NI 43-101").

2.2. Units & List of Abbreviations

All units are reported in the Système Internationale d'Unités (SI) as utilised by the international mining industries, including: metric tonnes (tons, t), million metric tonnes (Mt), kilograms (kg) and grams (g) for weight; kilometres (km), metres (m), centimetres (cm), millimetres (mm) or microns (µm) for distance; cubic metres (m^3), litres (l), millilitres (ml) or cubic centimetres (cm^3) for volume; square kilometres (km^2) or hectares (ha) for area; degrees Celsius (°C) for temperature; weight percent (wt %) for metal grades; parts per million (ppm), parts per billion (ppb), percent (%) or grams per tonne (g/t) are used to express metal content and tonnes per cubic metre (t/m^3) for density.

Abbreviation	Explanation
SGAB	Scott Geological AB
Capella	Capella Minerals Limited
EMSAB	Eurasian Minerals Sweden AB
EMX	EMX Royalty Corporation
SMOY	Soumen Malmi OY
NSR	Net Smelter Royalty
NGU	Norwegian Geological Survey
DMF	Norwegian Directorate for Mineral Management
NFD	Nærings- og fiskeridepartementet Norwegian Ministry of Trade & Industry
MD	Norwegian Environmental Agency (Miljødirektoratet)
NBPS	NGU National Drillcore and Sample Centre
EU	European Union
EFTA	European Free Trade Agreement
EEA	European Economic Area
N	North
E	East
S	South
W	West
NE	North-East
SE	South-East
SW	South-West
NW	North-West
WGS84	World Geodetic System 1984
ETRS TM Z33	European Terrestrial Reference System 1989, Zone 33 Northern Hemisphere
UTM	Universal Transverse Mercator Coordinate System
GPS	Global Positioning System
NOK (kr)	Norwegian Kronor (Currency)
C$	Canadian Dollar (Currency)
USD$	United States Dollar (Currency)
IP	Induced Polarisation (Geophysical Method)
EM	Electromagnetic (Geophysical Method)

VTEM	Versatile Time Domain Electromagnetics (Geophysical Method)
FLEM	Fixed-Loop Electromagnetics (Geophysical Method)
MLEM	Moving-Loop Electromagnetics (Geophysical Method)
VLF	Very Low Frequency (Geophysical Method)
UVM	Upper Volcanic Member
MVM	Middle Volcanic Member
LVM	Lower Volcanic Member
MORB	Mid-Ocean Ridge Basalt
WPB	Within-Plate Basalt
BIF	Banded-Iron Formation
IOCG	Iron-Ore Copper Gold
PGE	Platinum Group Elements
QAQC	Quality Assurance/Quality Control
Cfc	Subpolar Oceanic Climate
Ga	Giga-annum (billion years ago)
Ma	Mega-annum (million years ago)
VMS	Volcanogenic Massive Sulphide
SI	Magnetic Susceptibility
hz	Hertz (Unit of Frequency)
TMI	Total Magnetic Intensity (Magnetics)
RTP	Reverse To Pole (Magnetics)
ICP-MS	Inductively Coupled Plasma Mass Spectrometry
TSX-V	TSX Venture Exchange
masl	Metres Above Sea Level
mbsl	Metres Below Sea Level

2.3. Sources of Information

The descriptions of the geology, mineralization and exploration are taken from various academic sources, archived NGU reports and the more recent technical presentations and memos prepared by EMSAB and Capella. The conclusions of this report rely on data available from the project data provided by EMSAB and Capella as well as that publicly available in other published reports as sourced from various companies, which have conducted exploration and or development activities on similar style deposits. Where applicable, the source is noted in the text of this report and a list of references is provided in Section 27 of this report. The information provided to SGAB appears to have been gathered by reputable institutions and having reviewed the information, SGAB has no reason to doubt its authenticity.

SGAB has reviewed and analysed data provided by EMSAB and Capella and has drawn their own conclusions therefrom. Reliance has been primarily placed directly on the historical property data collected by the Norwegian Geological Survey (NGU). SGAB has conducted an independent site visit but has not completed an independent review of historic drillcore. While exercising all reasonable diligence in checking, confirming and testing it, the author has relied primarily upon the historical exploration data, as well as the more recent exploration data acquired by EMSAB, as provided by EMSAB and Capella in order to prepare this report.

Based upon the authors site visit and review of all of the data and information, the Løkken Property is considered to be at an early stage of exploration and the author takes responsibility for all the data and information herein.

3. RELIANCE ON OTHER EXPERTS

SGAB has not researched title to the Løkken Property and SGAB does not express any opinion in connection with title. However, a copy of an independent permit status report for the Løkken Property was prepared by Mr. David Ettner of GeoDE Consult AS and dated 24 of November 2020 and provided to SGAB for review by the author; a copy is provided in the Appendix to this report. In Section 4, the author has relied upon personal communications (Holzäpfel, J., October 9 2020) from EMSAB as to information received from the Norwegian Ministry of Mines regarding the status of potential environmental liability associated with historic mining.

4. PROPERTY DESCRIPTION AND LOCATION

4.1. Property Description & Location

The Løkken Property comprises twenty-one granted exploration permits (Løkken 1-21) located in the Orkland, Rindal and Melhus Municipalities of Trøndelag County in the Kingdom of Norway (Norway). The property is centred at 63.12° N Latitude, 9.67° E Longitude (ETRS TM Zone 33N: 70107000N, 231100E), approximately

450km north-northwest of the Norwegian capital city of Oslo and 65km south of the city of Trondheim. The property location is shown in Figure 1.

Figure 1: *Løkken property location map. (SGAB, Nov 2020)*

4.2. Property Tenure

Capella is a public Canadian exploration company with head offices in Mission, British Columbia, Canada (TSXV: CMIL) which has recently entered into an agreement to acquire a number of exploration properties in Scandinavia, including the Løkken Property in Norway. Capella and EMSAB entered into the agreement in August 2020; EMSAB is a wholly-owned Swedish subsidiary of EMX. Under the agreement, EMSAB will acquire a 9.9% equity interest in Capella through the issue of equity in Capella, advance royalty payments a 2.5%, net smelter return (NSR) royalty interest in the property and other consideration. The same transaction which will transfer ownership of the Løkken permits to Capella also involved two other Scandinavian properties not covered in this report: Southern Goldline in Sweden and Kjøli in Norway.

The combined total area of the Løkken Property is approximately 21,000ha and as of the effective date of this report, ownership of the exploration permits is held by EMX through their wholly owned subsidiary, EMSAB. Subject to regulatory approval, EMSAB will transfer title of the Løkken permits to Capella.

The Løkken (1-20) permits were applied for over vacant ground by EMSAB on the 7th of July 2019 and granted by the Norwegian Directorate of Mining (DMF) on the 24th of July 2019. The Løkken (21) permit was applied for by EMSAB on the 1st of October 2019 and granted by DMF on the 9th of October 2019. The Løkken permits are listed in Table 1 along with their permit ID number, grant date, expiry date and owner name.

Permit Name	Permit ID	Area (ha)	Grant Date	Expiry Date	Owner
Løkken 1	0145/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 2	0156/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 3	0158/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 4	0159/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB

Løkken 5	0160/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 6	0161/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 7	0162/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 8	0163/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 9	0164/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 10	0146/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 11	0147/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 12	0148/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 13	0149/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 14	0150/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 15	0151/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 16	0152/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 17	0153/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 18	0154/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 19	0155/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 20	0157/2019	1000	24/07/2019	24/07/2026	Eurasian Minerals Sweden AB
Løkken 21	0264/2019	1000	9/10/2019	9/10/2026	Eurasian Minerals Sweden AB

Table 1: *Tenure information for the Løkken Property.*

The former Løkken underground mine infrastructure and orebody is partially covered by four extraction permits (Løkken 1-4) owned by the Norwegian State and issued in 1980. The extraction permits give the Norwegian State preferential rights over and above the overlapping permits (Løkken 7-8) owned by Capella, although the western and eastern extents of the former Løkken underground mine infrastructure and orebody are legitimately located within Capella's Løkken 7-8 exploration permits (see Figure 3). The Løkken mine history, production, metallurgy, geology and mineralization have been presented and described in this report to provide context for the geology and deposits located immediately along strike from the Løkken underground mine and the parts of the Løkken deposit that are legitimately located within permits owned by Capella.

Orkla Gruve AS own an exploration permit (Dragset) that overlaps with Capella's Løkken 4-5 permits. According to the Norwegian Act on the Acquisition and Extraction of Mineral Resources (Minerals Act), two parties may apply for the same ground but the priority is calculated from the time the application was received by DMF. The party with the oldest application has priority; however, the party with the lower priority may conduct exploration in the area but only if it receives consent from the party with the highest priority and in this case, Capella has priority.

The NGU National Drill Core and Sample Centre (NBPS) is located next to the Astrup Shaft within Capella's Løkken 7 permit.

Today, a portion of the former Løkken underground workings are being used by the Norwegian Ammunition Disposal Company (Nammo NAD AS) for the storage and controlled detonations of old, decommissioned munitions from around the world. The author has not investigated the relationship or agreements in place between the Norwegian State and Nammo NAD AS and as such cannot provide comment on the future ability of re-establishing mining operations within or nearby the existing Løkken underground workings.

Since entering into the acquisition agreement in August 2020, the exploration at the Løkken Property has been managed and executed in-country by EMSAB.

See Figures 2 & 3 for maps showing the location of the Løkken permits.

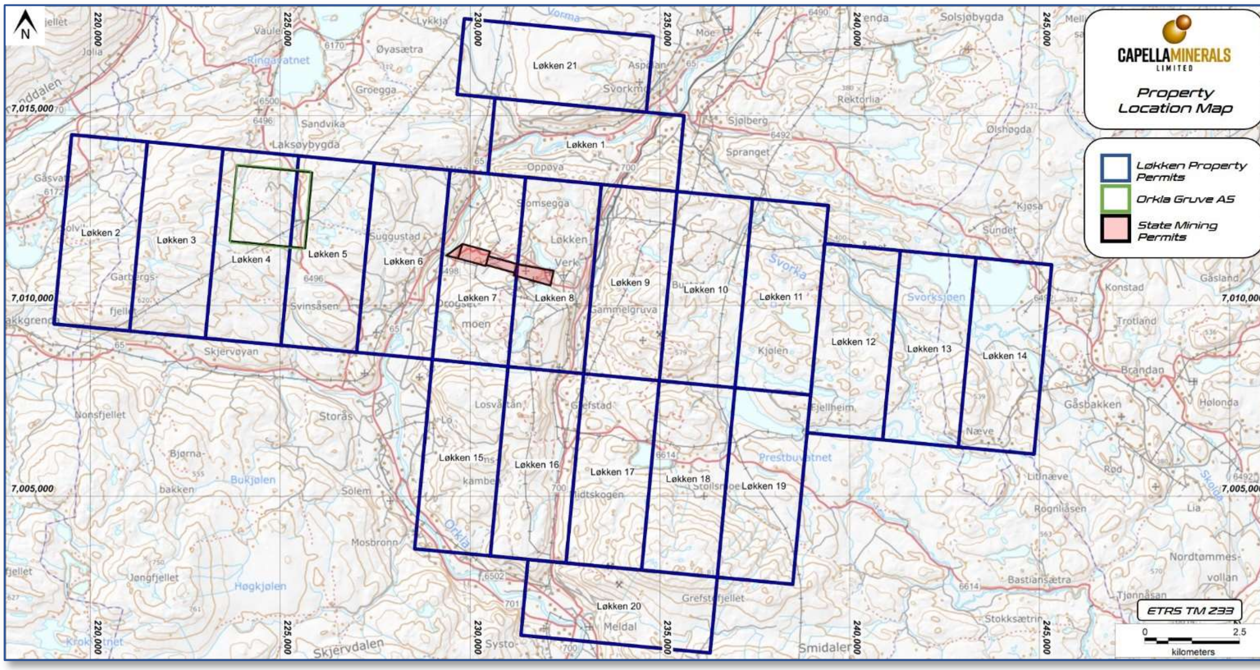

__Figure 2:__ Permit location map for the Løkken Property. (SGAB, Nov 2020, permit data from http://geo.ngu.no/kart/bergrettigheter/)

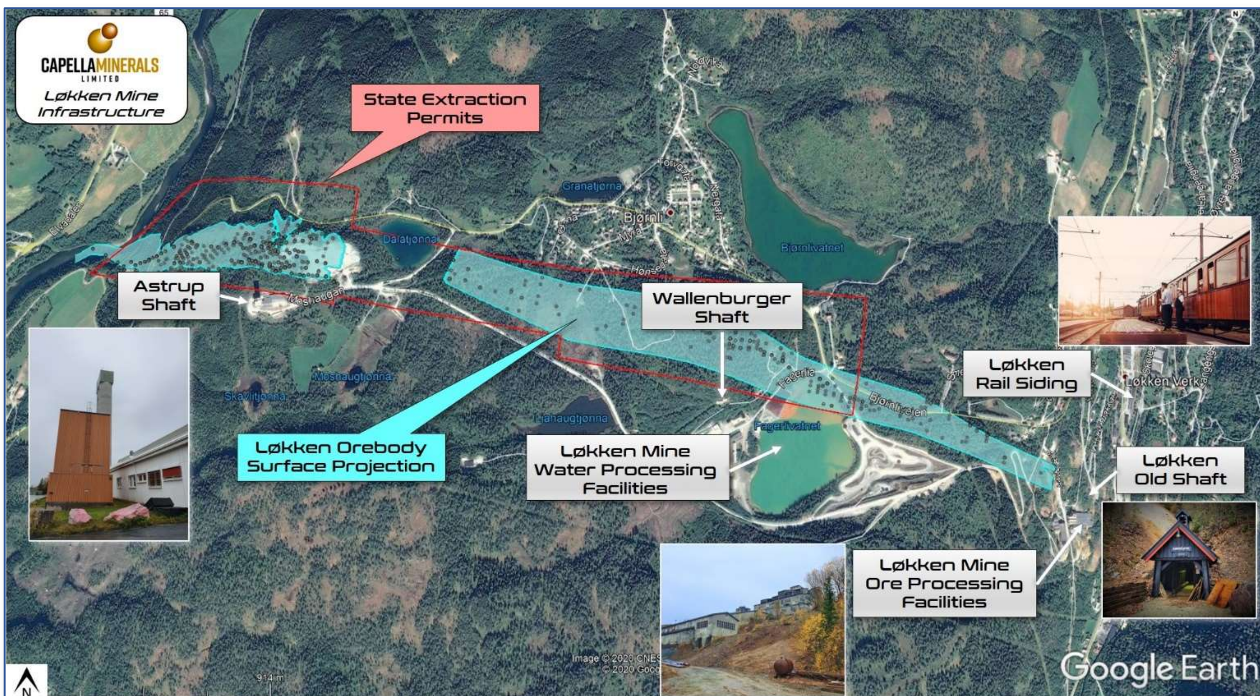

__Figure 3:__ Løkken mine infrastructure and orebody map. Note the outline of the extraction permits owned by the Norwegian State are shown in red, the surrounding ground is owned by Capella. (Google Earth)

4.3. Norwegian Mining Laws and Regulations

4.3.1. Mining Inspectorate & Minerals Act

The Norwegian Direktoratet for Mineralforvaltning (DMF) is a state administrative body under the Nærings- og fiskeridepartementet (NFD) or Ministry of Trade and Industry. DMF administers the Norwegian Act on the Acquisition and Extraction of Mineral Resources (Minerals Act) and the Mining Scheme for Svalbard. Among other things, DMF is also responsible for securing and reducing environmental consequences from old mines that have fallen back to the state, where the Ministry of Trade and Industry has ownership or managerial responsibility.

The Norwegian government has developed a national strategy for the minerals industry, in which the document states that the government's objective is that "[g]rowth in the industry shall be strengthened by means of a continued commitment to mapping of mineral deposits, access to information about mineral resources in Norway, better resource planning, a continued development of the mineral agencies and access to knowledge and a competent workforce" (NFD, 2013). The strategy includes over fifty measures, focused around the following strategic areas: mapping mineral resources; investment and access to capital; education and expertise; research and development; safeguarding environmental concerns; reputation, social responsibility and the local community; a predictable framework for mineral operations in Norway; subsea mineral resources, and; mineral activities in areas where there are Sami interests.

The Minerals Act was adopted in 2009, replacing five earlier laws. The current Minerals Act was evaluated in 2018 and showed that there is a need to assess changes in several areas of the Act. Work on these changes has begun following a two-stage process;

i. The preparation of a consultation note to put in place quickly simplifications and improvements in more limited areas of the Act; the consultation deadline was the 23rd of September 2020.
ii. The establishment of a committee that will study some of the larger, complex and more fundamental issues with the Act; the committee will submit its recommendation on the 1st of December 2021.

Norway is not a member of the European Union (EU), but is closely associated through membership of the European Free Trade Association (EFTA) and thereby the European Economic Area (EEA). Norwegian environmental legislation is however, very much influenced by the EU.

4.3.2. Exploration Permits

An exploration permit is defined by the Norwegian government as a right to explore for state-owned minerals within a defined area for the validity of the permit; state-owned minerals are defined as:

i. metals with a specific gravity of 5 grammes/cm^3 or greater, including chromium, manganese, molybdenum, niobium, vanadium, iron, nickel, copper, zinc, silver, gold, cobalt, lead, platinum, tin, zinc, zirconium, tungsten, uranium, cadmium and thorium, and ores of such metals. Alluvial gold, however, does not fall within the definition;
ii. the metals titanium and arsenic, and ores of these;
iii. pyrrhotite and pyrite.

An exploration permit is subject to an annual renewal fee of 10NOK per hectare (ha) for the second and third calendar years of ownership, 30NOK per ha per year for the fourth and fifth years and 50NOK per ha per year for the sixth and seventh years of ownership. The permit expires at the end of the seventh year of ownership unless a specific exemption is granted by the Norwegian government. An exploration permit also gives priority to an extraction permit. In order to be granted an extraction permit for state-owned minerals, the applicant needs to show that there is a reliable chance that extraction can be done in an economically feasible manner. An extraction permit costs 10,000NOK, cannot be larger than 1km² and can be extended in 10-year intervals. The annual permit fee is 100NOK per ha per year.

Non-disturbing exploration (basic prospecting, fossicking, chip sampling etc.) does not require a specific work permit; exceptions to this rule explicitly mentioned in the Act are the protected nature areas around Oslo, cultivated lands, industrial or military areas, areas close to temporary or permanent residences or to public facilities, and abandoned mining areas. Exploration in these areas may be allowed upon agreement with the landowner, land user or relevant authority.

EMSAB has obtained the relevant permission from the DMF to conduct non-disturbing exploration around the abandoned mining areas, industrial areas and areas close to temporary or permanent residences within the Løkken Property, similarly EMSAB's permit and landowner manager Mr. David Ettner of GeoDE Consult AS contacted the affected landowners and notified them of the proposed non-disturbing activities.

Disturbing exploration does however, require consent from the landowner and land user and a specific work permit to be obtained. The work permit application needs to include details of the applicant, details of the geographic area to be sampled, and reason and methodology of sampling; additional details of the work permit requirements can be found at on the DMF website at: https://dirmin.no/soknad-om-tillatelse-til-proveuttak. Notification to the DMF of specific work plans are required no later than three weeks before work initiates. In addition to the work permit notifications, exploration companies are required to obtain an 'off-road' permit if the proposed exploration work requires equipment, machinery or vehicles to travel 'off-road'. The 'off-road' permits are applied for through the local municipality who subsequently notifies and obtains approval from the affected landowners; this permit process normally take 6-8 weeks. If objections to the 'off-road' permit are made by landowners, the exploration company can seek to have the DMF settle the matter to obtain access to the area to be explored.

EMSAB has not yet submitted a work permit application or 'off-road' permit for the planned disturbing exploration work (drilling) at the Løkken Property. A work permit application will be prepared for the disturbing work (drilling) at the conclusion of the non-disturbing work when detailed drill planning will occur.

4.3.3. Taxes, Duties & Royalties

Mining companies (limited companies) pay corporation tax under the same rules as every other company. Accordingly, there are no special taxation rules for such companies. Corporate tax rates are currently 22% (2020).

Companies conducting mining activities are required to pay an annual fee of 0.5% of the sales value of that which is extracted to the landowner. The fee for each year shall fall due for payment on 31 March of the following year. If there are several landowners in the extraction area, the fee shall be divided among them in proportion to the land owned by each of them in the extraction area.

One notable tax in Norway is the municipal property tax. It is voluntary for municipalities to adopt the tax, and they enjoy a certain degree of freedom in design. It may cover all real estate in the municipality, or be limited to business premises. Annual tax levels may vary between 0.2 and 0.7% of the taxable fiscal value of the property.

4.4. Material Agreements

Capella acquired the properties from EMSAB in August 2020; EMSAB is a wholly-owned Swedish subsidiary of EMX. Under the agreement, EMSAB acquired a 9.9% equity interest in Capella through the issue of equity in Capella, advance royalty payments, a 2.5% NSR royalty interest in the property and other consideration. The same transaction which will transfer ownership of the Løkken permits to Capella also involved two other Scandinavian properties not covered in this report: Southern Goldline in Sweden and Kjøli in Norway. As of the effective date of this report, ownership of the exploration permits is held by EMX through their wholly owned subsidiary, EMSAB. Subject to regulatory approval, EMSAB will transfer title of the Løkken permits to Capella.

4.5. Other Significant Factors or Risks

Historic mining operations across the Løkken Property have left several adits, waste dumps, tailings facilities and buildings on the property (see Figure 5).

The Norwegian State's responsibility for the rehabilitation of historic mines and mining activities has its background in the provisions of the 'right of recourse' legislation (Hjemfallsretten) within the previous Industrial Licensing Act (Industrikonsesjonsloven) whereby the mines and associated plots were transferred to the state at the end of the licence period. NFD is currently responsible for the reclaimed properties with discontinued mining operations that are still owned by the state. (https://dirmin.no/tema/miljotiltak)

After the mining operations at Løkken were terminated in 1987, the mine area became the responsibility of NFD through Norwegian restitution law described above. In 1988, the Norwegian Pollution Control Authority (Statens forurensningstilsyn) presented an action plan to reduce copper runoff from the 10 most polluted mining areas by 60-90%, including the newly closed Løkken mine and in 2008, the Norwegian Environmental Agency (Miljødirektoratet, MD) issued NFD a set of specific requirements related to the rehabilitation of the mining area at Løkken; today this work is managed and implemented by DMF (https://dirmin.no/lokken).

For privately owned properties with discontinued mining operations, the environmental liability is first and foremost borne by the owner and/or operator of the business that operated the mine, in the case where the mines are so old as to be no liable business owner or operator, the environmental liability is borne by the owner of the property, not the mineral rights' holder. In order for the landowner not to be held liable, it must be considered unreasonably burdensome for the landowner to implement measures (Pollution Control Act (Forurensningslove), §7).

As such, Capella does not inherit any legacy environmental liabilities located within the Løkken Property, despite this, it is strongly recommended that Capella initiate discussions with the MD and DMF in the first instance in relation to the ongoing environmental rehabilitation and monitoring at Løkken and occurring within some of Capella's permits. Any environmental damage as a result of Capella's own exploration (or eventual mining activities) are the sole responsibility of Capella as set out in Sections 50, 52 and 55 of the current Minerals Act.

There are three nature reserves located within the Løkken Property (see Figure 4):

i. Urvatnet Litjbumyran
ii. Rønningen
iii. Jakopsmyra

The nature reserves represent areas of older and little affected forest, the Trivja river valley and wetland with a rich birdlife, an isolated deciduous forest stand and a typical and varied forest bog with a specific bird habitat respectively. Generally, the forests in the Løkken area are considered re-growth pine and spruce forests, with the original forests felled for timber use in the Løkken mine.

The nature reserves all have individual restrictions and exemptions including vehicle movement restrictions and may include restriction on exploration and mining activities; it is recommended that a detailed consultation with the Norwegian Environmental Agency be completed prior to commencing exploration activities. Similarly, a large portion of the eastern part of the property is located within a large (320km²) water protection area for the

Svorkmo hydropower station, there are a large number of walking trails also located in the eastern portion of the property in addition to wetlands and forestry and specific species of 'particular management interest' and a large number of cultural and archaeological sites that all need to be thoroughly investigated prior to commencing exploration activities.

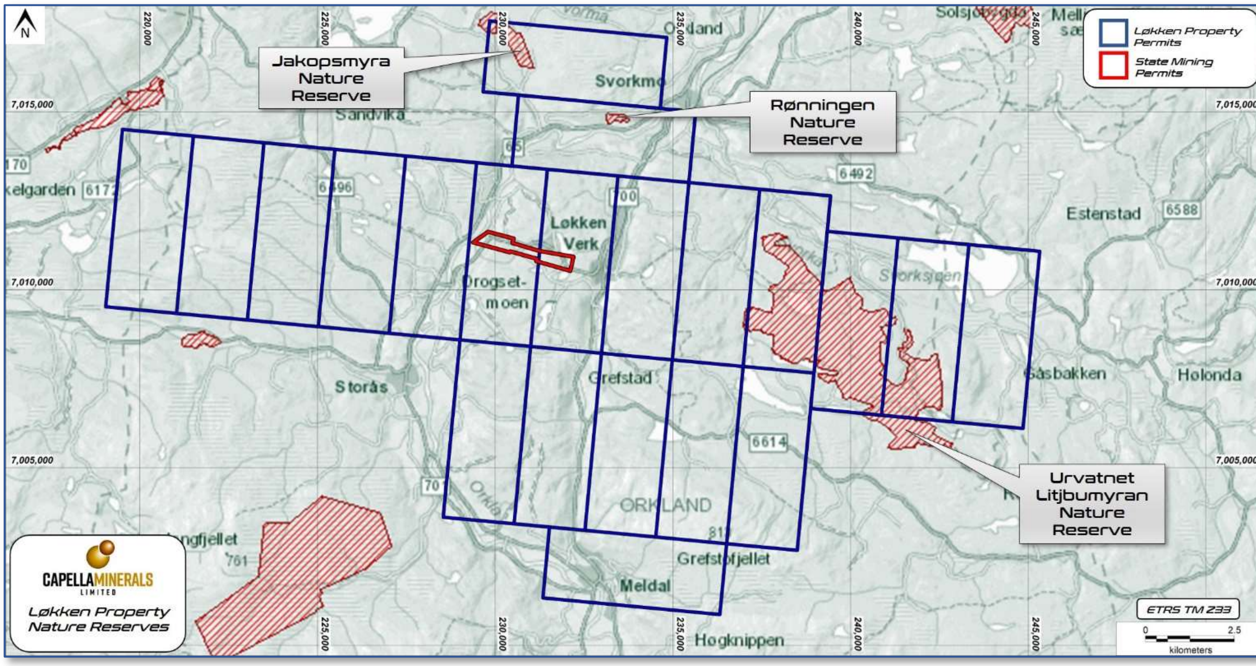

Figure 4: Location of nature reserves within the Løkken Property. (SGAB, Nov 2020, permit data from http://geo.ngu.no/kart/bergrettigheter/)

The author has not investigated the potential risks related to the storage and controlled detonations of old, decommissioned munitions by Nammo NAD AS within a portion of the Løkken underground workings and that are located immediately adjacent to the Løkken Property tenure. It will be the responsibility of Capella to contact Nammo NAS AS if it plans to carryout exploration in the vicinity of Nammo NAD AS's operations.

The author is not aware of any other royalties, back-in rights, payments or other agreements and encumbrances to which the property is subject other than royalty described in Section 4.5 above and the compulsory royalties on possible future mineral production due to the affected landowners/s described in Section 4.4.3 above.

The author is not aware of any other factors which may affect access, title, or the right or ability to perform work on the property.

Figure 5: Historical mining infrastructure from the Løkken Property. 1: Mine house and outbuildings, Dragset Verk. 2: Wastedumps, Dragset Verk. 3: Processing facility, Løkken Verk.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, PHYSIOGRAPHY

5.1. Accessibility

Access to the Løkken property is primarily via the town of Løkken Verk (population 1292, 2018) located central to the property. Løkken Verk can be accessed by highway and sealed roads from Trondheim (population 199,039, 2020), a distance of 65km. The closest airport with daily flights to and from Oslo is located in Trondheim. The Thamshavn Railway, which was Norway's first electric railway, running from 1908 to 1974, operated from Løkken Verk to Thamshavn on the coast covering a distance of 25km. The transportation of passengers ended in 1963, but the transportation of ore continued until 1974. In 1983, parts of the railway were reopened as a heritage railway which still operates today and is the world's oldest railway running on its original alternating current electrification scheme. It is Scandinavia's only railway with a rail gauge of 1,000 mm.

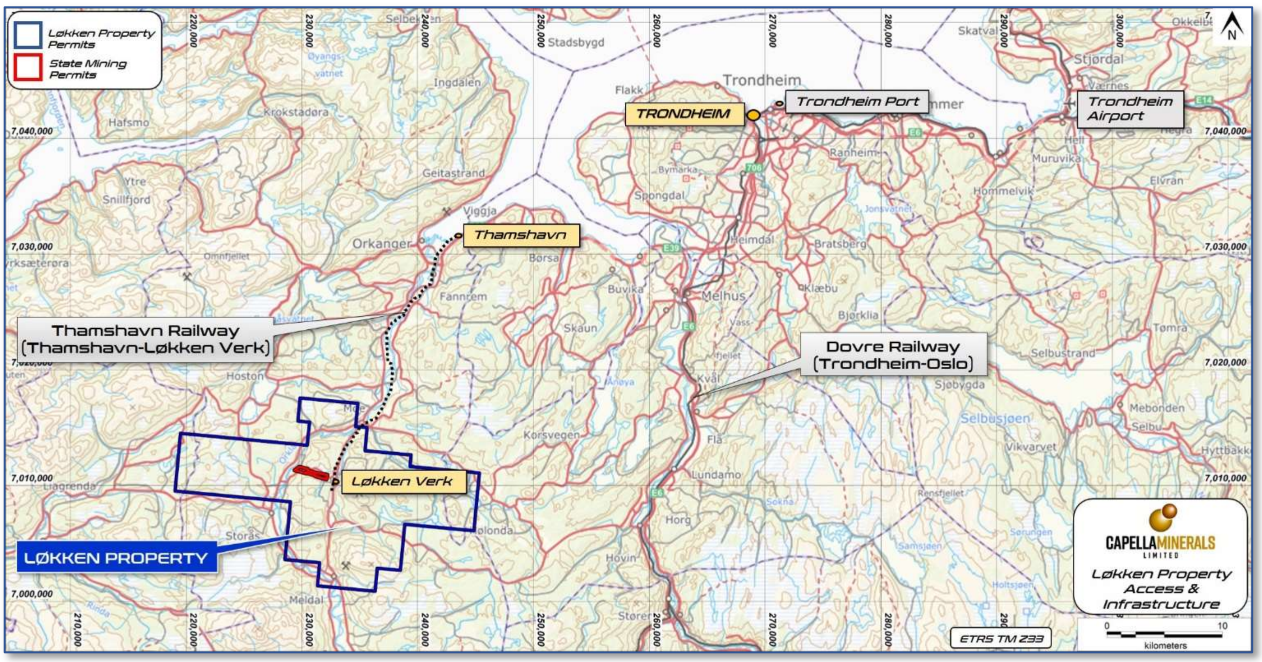

Figure 6: Løkken Property access and local infrastructure. (SGAB, Nov 2020, permit data from http://geo.ngu.no/kart/bergrettigheter/)

Other parts of the property can be accessed via both paved and gravel roads although several of the gravel roads require a toll payment. Overall, the road network is such that no point on the property is more than a few kilometres from road access except for the area west of Dragset which has limited road access to several of the permits in this area (see Figure 6).

5.2. Local Resources & Infrastructure

The city of Trondheim (65km to the north of the property) offers a full range of services including hotels, fuel, freight, a port, groceries, hardware and transport to elsewhere in Norway and Europe. Trondheim airport has multiple domestic and international flights daily, and the city is well integrated into both the rail and highway networks. The NGU is headquartered in Trondheim, and it is expected that a pool of both unskilled and skilled labour relating to the mining industry are to be found there.

The village of Løkken Verk offers a limited range of services, including fuel, groceries, restaurants and accommodation; it is expected that unskilled labour for any work programs can be sourced from there.

Norway enjoys high security of electricity supply, and the continuity of supply is close to 99,99% in years without extreme weather events and has the highest share of electricity produced from renewable sources in Europe, and the lowest emissions from the power sector. The state transmission operator is Statnett, who is responsible for operating the national grid system in Norway. TrønderEnergi AS is responsible for local power production in the Trøndelag region and recently created the second largest grid company in Norway through the establishment of Tensio AS. In the Løkken Verk area, the distribution operator is Tensio TS AS and a large number of grids cross the Løkken Property area including the national Rindal-Orkdal line (300-420kV), three regional lines (66, 72 and 132kV), an array of local distribution lines (24kV), two transformer stations, two small

(<1MW) hydropower stations and several associated dams and intake points. The Svorkmo hydropower station (55MW) is located immediately outside (2km) of the Løkken Property area to the north. It is expected that the power needs of any future mining operations can be supplied by this existing infrastructure (see Figure 7).

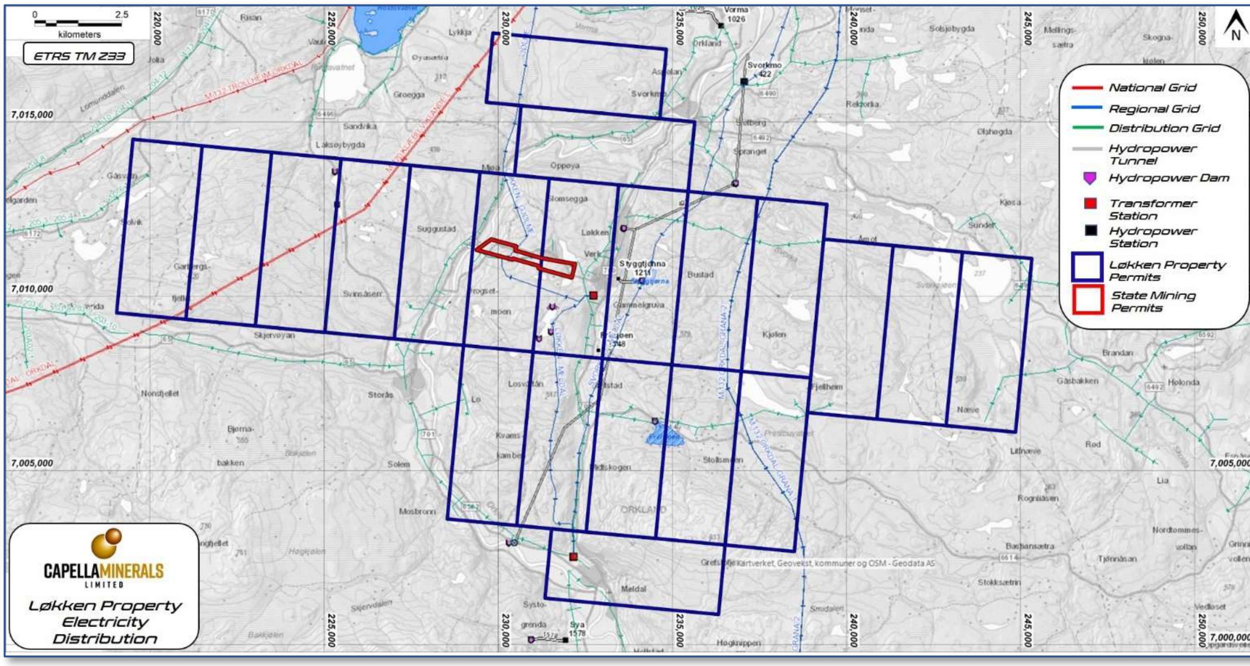

Figure 7: *Electricity distribution within and nearby the Løkken Property. (SGAB, Nov 2020, permit data from http://geo.ngu.no/kart/bergrettigheter/)*

As described in Section 5.1, there is a non-commercial rail service that runs from the town of Løkken Verk to the coast at Thamshavn which would possibly be suitable for the shipping concentrates, alternatively, concentrates could be shipped through the port of Trondheim located hour's drive on paved roads from the property.

There are no commercial mineral assay or preparatory laboratories operating in Norway today, the nearest commercial laboratories are located in Sweden and Finland.

The principal land use in the area is agriculture, where dairy, beef, poultry and grain are produced and Orkland is one of the country's largest agriculture-based municipalities. Forestry is also an important industry in the area.

It is too early to determine potential tailings storage areas, water sources, potential waste disposal areas, and potential processing plant sites; the potential availability of these sites have not been evaluated as part of this report. However, the footprint of the property is large enough that it is expected that it should be possible to locate suitable sites on the property for such infrastructure in the future.

5.3. Physiography & Climate

The Trøndelag geographical region in central Norway is mountainous with only small strips of lowlands along the coast, fjords, and interior river valleys. The coastline is rugged and cut by many fjords, the main one being Trondheim Fjord, which extends about 130km inland. Much of the coast is protected by offshore islands, and many lakes dot the interior mountains. The Orkla River, which at 180km in length, is the longest river in Trøndelag county and runs through the northern and western parts of the Løkken Property forming the prominent Orkdalen Valley. The Orkla is a popular river for salmon fishing and the river is regulated by five power generation reservoirs.

Average yearly precipitation varies from 2,000mm in some areas of Fosen, to 850mm in Trondheim and only 500mm in Oppdal. The interior areas at somewhat higher elevations have cold winters with reliable snow cover, while the coastal areas have a maritime climate with mild and more windy winters.

According to the Köppen climate classification, the municipalities of Orkland, Rindal and Melhus have a subpolar oceanic climate (Cfc). The weather in the region is very much decided by the direction of the wind; southerlies and easterlies bring sunny weather, while westerlies bring precipitation with mild weather in winter and cool rainy weather in summer. Northwesterlies bring the worst weather with snow in winter (often sleet or rain on the coast). Average temperatures range from 19° C in the warmest summer months to -6° C in the coldest winter months. Precipitation is highest during the summer months (Jun-Sep) with an average monthly rainfall ranging from 121mm in July to 84mm in September. The region experiences snowfall through the winter months with snow often covering the ground from November to April.

The Løkken Property has an elevation range of ~115masl within the Orkdal Valley floor and ~815masl at the peak of Grefstofjellet in the southeast of the property. The Løkken property is located within the boreal ecoregion, typified by spruce forests (with some birch, pine, willow and aspen) at lower elevations, transitioning to birch-dominated forest at higher elevations and eventually to an alpine environment. The treeline is located at approximately 400 - 600 masl, depending on the facing direction of the slope.

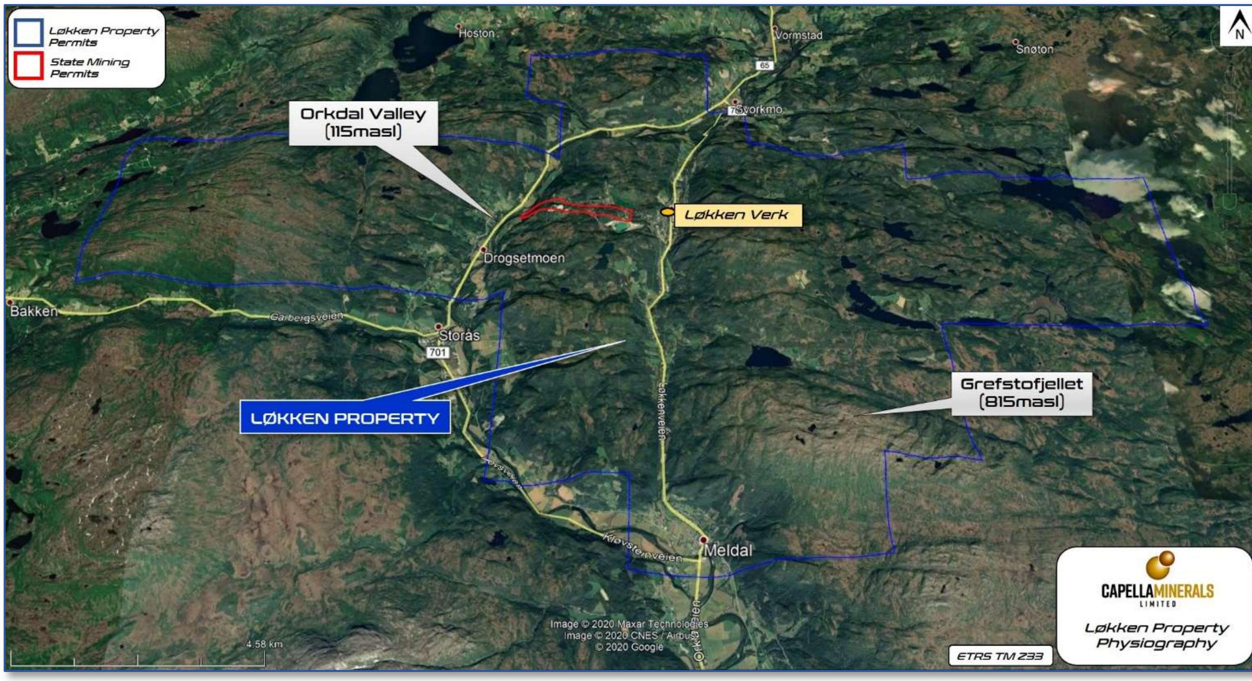

Figure 8: *Physiography of the Løkken Property. (Source: Google Earth)*

Fieldwork within the property is possible from June until late October, while snow may cover parts of higher elevations into late spring or early summer. Drilling operations should be possible year-round, depending on access considerations dictated by snow cover and potentially avalanche risk in areas of steeper topography. See Figure 8 for a map showing the physiography of the Løkken Property.

6. HISTORY

During the period 1904-1987, Orkla Grube AB not only successfully operated the Løkken and surrounding mines (Højdal & Dragset) but also completed a significant amount of local and regional exploration in the wider Løkken area (Løkkenfeltet). There is relatively little information regarding the early work in the area but a brief summary of the exploration activities completed by Orkla Grube AB is located within Table 2.

In July 2011, Australian exploration company Drake Resources Ltd (Drake) announced a new joint venture agreement with fellow Australian explorer and miner Panoramic Resources Ltd (Panoramic) at their Løkken project, which they had applied for from vacant ground in 2010 via DMF.

In 2019, EMSAB applied for exploration permits Løkken 1-21 over vacant ground; the permits were subsequently granted by DMF and EMSAB entered into an acquisition agreement with Capella in 2020.

Year	Prospect	Work Completed
1906-1920	Løkken	Diamond drilling at the Løkken deposit; ~15-20Mt of ore discovered
1910-1915	Høydal	Diamond drilling at the old Høydal mine
1913-1916	Jordhus	Diamond drilling
1914	Kong Karl	Diamond drilling, one drillhole?
1937	Dragset, Halset, Svinsås, Lommunddalen	Diamond drilling
1938	Holum	Diamond drilling
1939	Elvedalen	Diamond drilling of an EM anomaly

Scott GEOLOGICAL

Year	Prospect	Work Completed
1946	Høydal	Diamond drilling at the old and new Høydal mine
1946	Hestdalen	Diamond drilling of an EM anomaly
1947	Urvatn	Diamond drilling of an EM anomaly
1947-1948	Langvatnet	Diamond drilling of an EM anomaly
1948	Trevja, Åmot, Malberget	Diamond drilling of an EM anomaly
1949	Højdal	Diamond drilling at the old Høydal mine
1949	Reberg	Diamond drilling
1950	Rommundstad	Diamond drilling of an EM anomaly
1952	Nordmarka	Diamond drilling of an EM anomaly
1953	Damlia	Diamond drilling of an EM anomaly
1954	Bjørnlivann	Diamond drilling west of the Wallenberg mine area
1954-1956	Jordhus	Grid drilling and inventory of 'vasskis'
1954	Skjøtskift	Diamond drilling
1955-1956	Vedmyrtoppen	Diamond drilling towards the Løkken mine
1955-1956	Højdal	Diamond drilling at Høydal mine
1956	Kattdalen	Diamond drilling
1961	Løkken (Brunvilla)	Diamond drilling of copper mineralization in refuge chamber
1964	Svinsås	Diamond drilling
1971	Højdal	Diamond drilling of IP anomaly
1971	Damlia	Diamond drilling of EM anomaly
1973	Reberg	Diamond drilling of EM anomaly
1973	Dragset	Diamond drilling at Dragset mine
1974	Dragset	Diamond drilling at Dragset mine
1974	Trevja	Diamond drilling
1974-1976	Højdal	Grid drilling within Høydal Field. Geophysics, geology, geochemistry
1976-81	Løkken Vest	Reflection seismic survey
1980	Maliseter	Grid drilling of EM anomalies, geology, ground magnetics, VLF
1980	Høgknippen	Geochemical surveys
1980	Bustad	Follow-up of EM anomalies and geology
1980-82	Sugustad, Segelvann	Follow-up of seismic surveys, geology, geophysics and diamond drilling
1982	Brannåsen	Follow-up of EM anomalies, geology, geophysics and diamond drilling
1982	Fikkefoss	Follow-up of EM anomalies in sediments, geology, VLF, ground mag

Year	Prospect	Work Completed
1982	Lomunda	Follow-up of EM anomalies, geology, EM, ground mag and diamond drilling
1982	Holum	Follow-up of EM anomalies, geology, EM, ground mag and diamond drilling
1982-1983	Åmot	Exploration north of Åmot mine, geology, IP, ground mag and diamond drilling
1982-1983	Svinsås	Follow-up of geological indications, geology, EM, ground mag, IP, geochemistry and diamond drilling
1982-1983	Rinna	Follow-up of EM anomalies in 10 sub-areas, geology, EM, ground mag, geochemistry
1982-1983	Høgåsen	Follow-up of geological indications, geology, IP and diamond drilling
1982-1983	Løkken	Exploration of the feeder zone of Gammelgruva, geology, geochemistry and diamond drilling
1984	Blokkum	Follow-up of geochemical and seismic indications, diamond drilling
1984-1985	Løkken	Lithogeochemical investigations and transient EM
1981-1986	Løkken, Højdal	Detailed lithogeochemical studies of the feeder zones of the Løkken and Højdal mines by Tor Grenne

Table 2: *Summary of exploration carried-out between 1904-1986 by Orkla Grube AB. (After Grammeltvedt, G., 1986)*

6.1. Geophysics

Orkla Grube AB completed a significant amount of exploration over a period of 8 decades including a wide array of geophysical methods including the earliest forms of electromagnetic (EM) surveying, transient EM, ground magnetics, very-low-frequency radio transmission (VLF), induced polarisation (IP) and reflection seismic surveying. The main Løkken orebody gave a clear electrical signature as early as 1926 and in 1938 the method detected an anomaly that was drilled to 240m and ended in gabbro, if this hole had continued to 1000m it would have intercepted the Astrup orebody. The first airborne surveys were completed over the Løkken area in 1953 by Lundberg Ltd, a Canadian company, where an electrical loop was flown over two ground cables identifying two strong anomalies that were not followed-up. It was only after the Astrup orebody was discovered by drilling in 1957 that that earlier identified EM anomalies became reliable. In 1959, NGU flew airborne magnetic and EM over the Løkken area. IP (pole-dipole) was first completed in 1968 over the Høydal mine area and the first reflection seismic surveys during the 1970's. In 1981, the entire Løkken area was flown with the Dighem II-system that produced EM, magnetic and conductivity data. Transient EM was first used in 1982 and ground magnetic surveys were completed from the 1950's through to the mines closure in 1987; Orkla Grube AB owned its own magnetometers. The conductive 'vasskis' and graphitic units proved somewhat problematic for the geophysical surveying in the Løkken area with a substantial amount of 'false anomalies' being identified; this resulted in a low confidence in the measurements and the follow-up of the anomalies was poor. (Grammeltvedt, G., 1986)

In September 2011, Drake/Panoramic commissioned an airborne EM survey (versatile time domain electromagnetics VTEM) over their Løkken project (which covered a very similar area to the currently Løkken Property owned by Capella). Geotech Airborne were contracted to fly the VTEM survey and lines were flown at 150m spacing for a total of 600 line-km, collecting both magnetic and EM data. (Ebner, N., 2012)

The interpretation of the VTEM survey was completed by Perth-based geological consultants Newexco Services Pty Ltd (Newexco) and yielded a great number of anomalous electromagnetic responses which were ranked according to their geophysical, geological and geochemical properties. The 'vasskis' often presents as stronger conductors than the mineralized horizons, potentially hiding mineralization-related anomalies. The 'vasskis' is known to contain a lot of graphite and layered pyrite; sometimes it is rather a black chert with quartz, stilpnomelane +/- magnetite and is always located stratigraphically above the massive sulphide horizons. The distance between the 'vasskis' horizons and the mineralized horizons can be <1m or up to 10-20m. In places, the 'vasskis' and jasper occur together, but usually they are separated. The distinctive jasper unit also occurs close in close proximity to the mineralized horizons. (Ebner, N., 2012)

It was determined that the barren 'vasskis' horizons should not provide a gravity response in contrast to shallow base-metal sulphide mineralization of sufficient thickness. Consequently, a number of gravity profiles were surveyed before commencement of a fixed-loop electromagnetic (FLEM) survey at the project, Finnish company Soumen Malmi OY (SMOY) was contracted to undertake the gravity and FLEM surveying. (Ebner, N., 2012)

Surface FLEM surveys were undertaken to follow up on five anomalous electromagnetic responses identified from the VTEM survey; 19 lines (15.3 km) and 449 stations were completed over the anomalies by SMOY. Raw FLEM data was provided by SMOY in the form of Protem system raw data output. Interpretation of the results was also completed by Newexco and was facilitated by thin-plate modelling, inversion and conductivity-depth imaging utilising the software Maxwell, Grendl and EMax respectively; Newexco recommended five drillholes to test targets at Halsetåsen, Damlia Northwest, Litlevatnet, Jordhus North and Høydal North. (Ebner, N., 2012)

See Figure 9 for magnetic and EM imagery and geophysical survey summary.

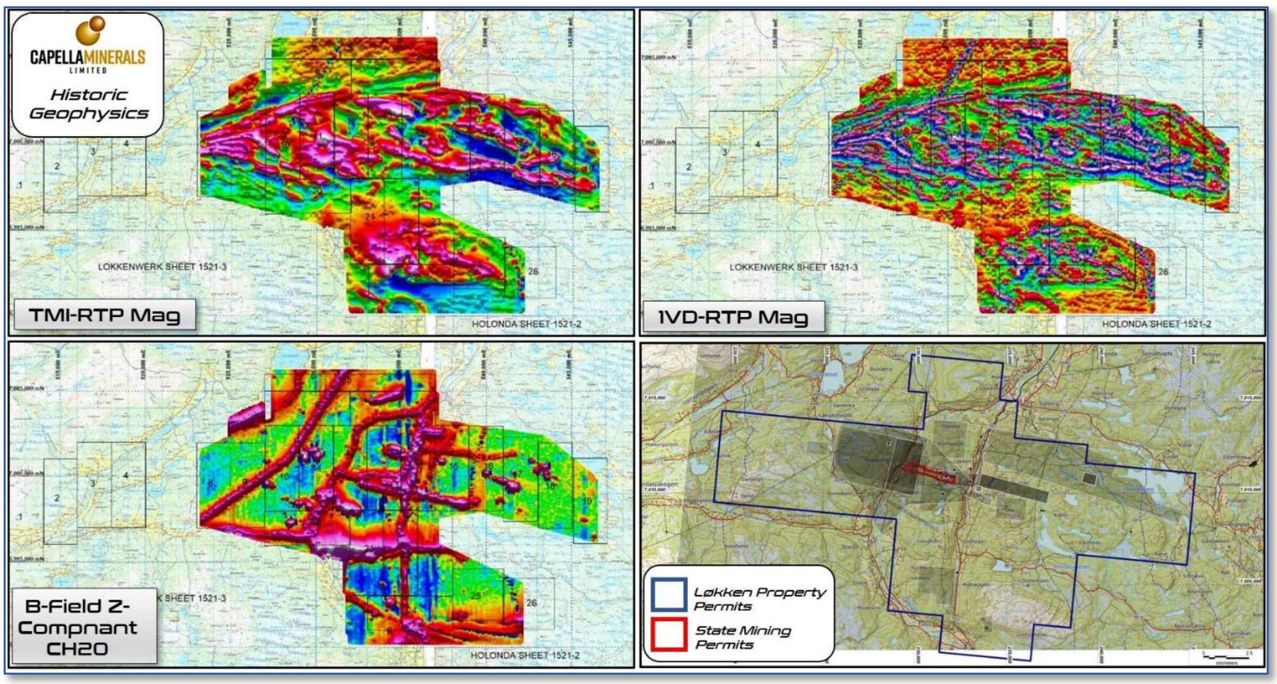

Figure 9: *Historical geophysical survey summary for the Løkken Property. Magnetic and EM imagery from 2011 VTEM survey by Drake Resources and summary of geophysical surveys completed by Orkla Grube AB at lower right. Note the permits shown in the VTEM images are those belonging to Drake Resources in 2011, the dark blue permit outline in the lower right image is the current permit outline owned by Capella. (Source: Borton, D., 2015 and SGAB, Nov 2020, permit data from http://geo.ngu.no/kart/bergrettigheter/)*

6.2. Geochemistry

Historical geochemical exploration in the Løkken area has been largely focused on trying to geochemically differentiate between the 'vasskis' in close proximity to the mineralized horizons and 'vasskis' away from the mineralized horizons; no discernible difference could be ever be made other than the 'vasskis' in close proximity to the mineralized horizons are elevated in Ba compared to those unrelated to the mineralized horizons. False copper anomalies from historic mining (contamination from ore transport) can be seen in the geochemical data, in particular southeast of Dragset. (Grammeltvedt, G., 1986)

In 1969, the first stream sediment sampling was completed in the area between Orkla and Dragset. The stream sediments samples were collected from ca. 30-200m along the stream. At each sample site, 1 sample was taken from the middle if the stream or at least 1m from the stream edge. The samples were wet sieved at the sampling site through two nylon screens with mesh widths of 0.6mm and 0.18mm respectively. Both the intermediate and the fine fraction were collected but only the fine fraction was analysed. After drying to 80°C, a 1g fine fraction sample was treated with 1ml of HNO_3 for ca. 3 hours on a hotplate at a temperature of 110°C. After dilution to 20ml, the solution was decanted through a nylon filter and then analysed via atomic absorption spectrometry (AAS). (Bølviken, B., 1970)

In 1982-1983, detailed (1km-grid) moraine sampling was completed over the entire Løkken area. There are no details of the sampling or analytical methods utilised for the moraine sampling. (Grammeltvedt, G., 1985)

In 1969, a geochemical study of 5 drillholes was completed, the drillholes intercepted the mineralized horizon at Løkken. A total of 140 samples were analysed for Zn, Ni, Co, Cu, Pb, Mn, Cr, Mo, Cd, V and Ag and showed that Ni and Cr were elevated in the rocks stratigraphically above the mineralized horizon. (Grammeltvedt, G., 1985)

A comprehensive lithogeochemical study of the Løkken area was completed in 1983-1985 and clearly identified the feeder zones of both the Løkken and Høydal deposits. The lithogeochemical samples collected in 1984 consisted of 1608 samples taken from an area of ca. 80km² over the Løkken area. Fresh rock chip and core samples were collected on a 500 x 50m grid although this was tighter over the Løkken and Højdal deposit areas. The samples were analysed for multi-element (38) via a combination of AAS and XRF. (Grammeltvedt, G., 1985)

Geochemical data provided by NGU shows Drake collected 13 rock chip samples from across the Kong Karl East, Kviknan, Fagerli, Langeng, Urvatnet, Åmot and Melberget prospects in 2011-2012 and 5 stream sediment samples. There are no details available regarding the sampling or analytical methods utilised as these samples were not reported in the final report submitted to DMF when Drake surrendered the project in 2015.

In 2019, NGU collected 58 rock-grab (mullock) samples from across known mineralised prospects within the Løkken area as part of efforts to update the NGU Ore Database. The samples were analysed for Au-Pt-Pd via fire-assay/ICP and for multi-element via Aqua Regia/ICP; the final reporting for this work is still under completion at the time of writing this report, although preliminary results are summarised below. (Sandstad, J.S., 2020)

- Dragset: 9 rock-grab samples averaging: 2.44% Cu, 1.44% Zn, 234ppm Co, 54 ppm Pb and 16ppm Ag.
- Ås: 3 rock-grab samples averaging: 1.1% Cu, 10% Zn, 60ppm Co, 45ppm Pb and 8ppm Ag.
- Fjellslett: 5 rock-grab samples averaging: 4.4% Cu, 0.6% Zn, 160ppm Co, 27ppm Pb and 31ppm Ag.
- Åmot: 4 rock-grab samples averaging: 3.03% Cu, 0.01% Zn, 250ppm Co, 17ppm Pb and 3ppm Ag.
- Kong Karl: 3 rock-grab samples averaging: 2.17% Cu, 0.06% Zn, 664ppm Co, 39 ppm Pb and 6ppm Ag.
- Victoria: 3 rock-grab samples averaging: 2.33% Cu, 0.02% Zn, 297ppm Co, 6ppm Pb and 7 ppm Ag.
- Blautsætra: 3 rock-grab samples averaging: 1.63% Cu, 0.4% Zn, 182ppm Co. 6ppm Pb and 5ppm Ag.

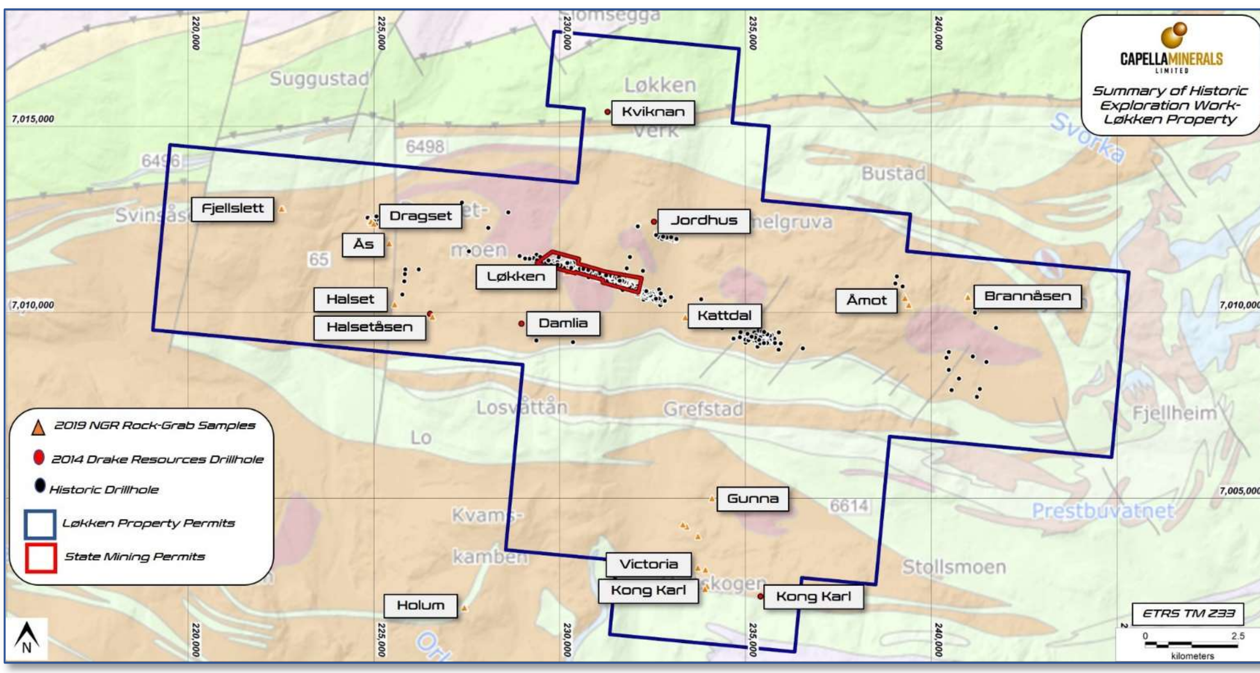

__Figure 10:__ Summary of historic exploration work completed across the Løkken Property. (Excluding geophysics, see Figure 9). (SGAB, Nov 2020, permit data from http://geo.ngu.no/kart/bergrettigheter/)

6.3. Drilling

The first recorded diamond drilling was completed at Løkken in 1906, although there is no retained core from this time. Core logs were not routinely kept prior to the 1950's but after this time systematic logs were kept and the core stored in the core archive at Løkken. Within the Løkken mine, more than 70,000m of drilling was completed underground. Outside of the Løkken mine area, 298 diamond drillholes for a total of 45,067m were drilled by Orkla Grube AB, with 95 holes for a total of 20,846m completed at the Høydal deposit area. The NGU Ore Database for area 1636-015 (Løkken) has a total of 152 holes for a total of 25,849.2m of drilling, of this, 14,586.3m of core is in storage at the NGU core archive facility at Løkken. (Grammeltvedt, G., 1986)

Drake completed 5 diamond drillholes for a total of 995m across five prospect areas in 2014. The drillholes were generated from the VTEM and FLEM geophysical surveys completed in 2011. The drillholes at Halsetåsen, Kong

Karl, Jordhus and Damlia intersected at least one, and in some cases, numerous 'vasskis' horizons within the modelled target EM conductor plates effectively explaining the respective EM anomalies. At Kviknan, the EM conductor was a graphitic unit with minor pyrite and pyrrhotite mineralization. No significant mineralization was intercepted. (Borton, D., 2015)

See Figure 11 for photographs of selected drillcore samples from the Drake diamond drilling in 2014.

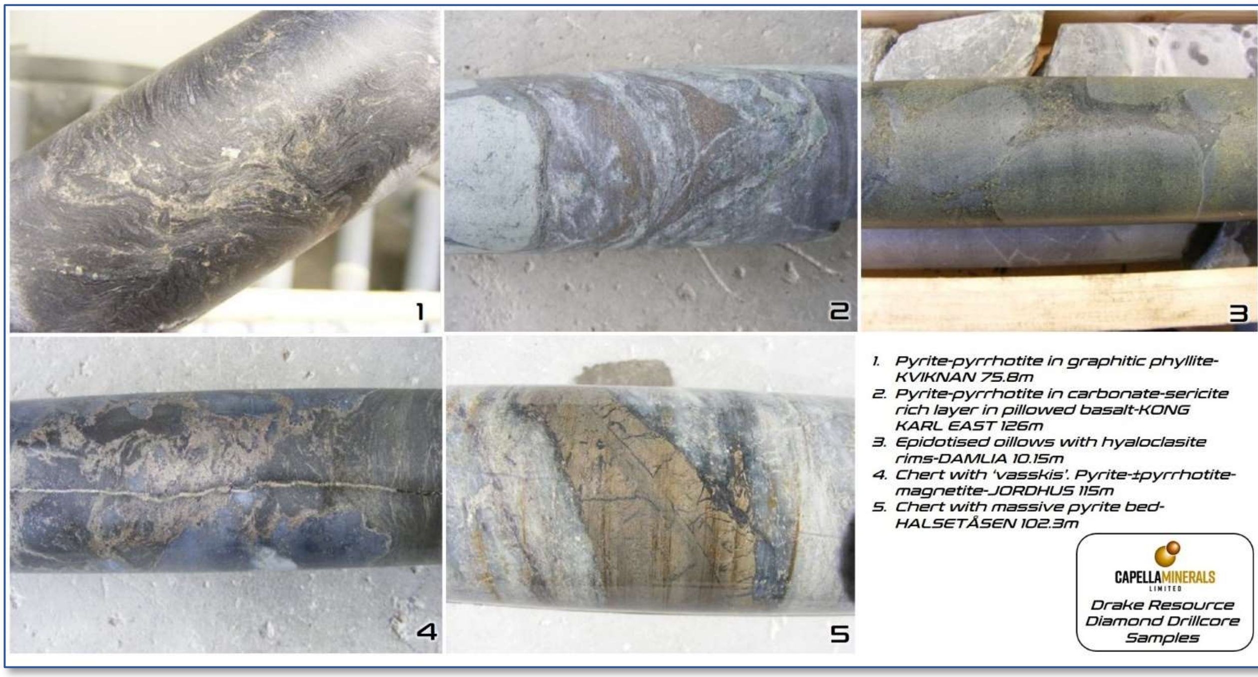

Figure 11: *Selected drillcore samples from the Drake Resources diamond drilling in 2014. (Modified after Borton, D., 2015)*

A digital database and analytical results of the historic drilling from within the Løkken Property, is not available for inspection by the author. The available core has also not been inspected by the author and is not believed to be material as the majority of the drilling relates to the Løkken underground mine which is only partially owned by Capella (see Figure 3).

A summary of the exploration (non-mine) diamond drilling from across the Løkken area is summarised in Table 3.

Year	Prospect	Total Holes	Total Metres	Operator
1910-1915	Højdal	12	1,800	Orkla Grube AB
1913-1916	Jordhus-Skjøtskift	7	849	Orkla Grube AB
1914	Kong Karl	1	98	Orkla Grube AB
1937	Dragset-Halset-Svinsås	4	450	Orkla Grube AB
1937	Lommunddalen	4	654	Orkla Grube AB
1938	Holum Grube	2	134	Orkla Grube AB
1946	Høydal	3	166	Orkla Grube AB
1946	Hestdalen	3	104	Orkla Grube AB
1947	Urvatn	2	145	Orkla Grube AB
1947-1948	Langvatnet	4	188	Orkla Grube AB
1948	Trevja	2	186	Orkla Grube AB
1948	Åmot Grube	4	188	Orkla Grube AB
1948	Malberget	2	167	Orkla Grube AB
1949	Høydal	3	384	Orkla Grube AB
1949	Rebergmarka	1	89	Orkla Grube AB
1950	Rommundstadbygda	6	457	Orkla Grube AB
1952	Nordmarka	18	404	Orkla Grube AB
1953	Damlimarka	3	300	Orkla Grube AB

Year	Prospect	Total Holes	Total Metres	Operator
1954	Bjørnlivann	2	111	Orkla Grube AB
1954-1956	Jordhus	40	2,439	Orkla Grube AB
1954	Skjøtskift	3	76	Orkla Grube AB
1955-1956	Vedmyrtoppen	10	344	Orkla Grube AB
1955-1956	Høydal	10	1,308	Orkla Grube AB
1956	Kattdalen	6	395	Orkla Grube AB
1961	Tilfluktsrum, Brunvilla	1	59	Orkla Grube AB
1964	Svinsås	4	39	Orkla Grube AB
1971	Høydal	9	3,112	Orkla Grube AB
1971	Damlimarka	2	303	Orkla Grube AB
1973	Reberg	4	599	Orkla Grube AB
1973	Dragset	5	764	Orkla Grube AB
1974	Dragset	14	1,280	Orkla Grube AB
1974	Trevja	9	2,154	Orkla Grube AB
1974-1976	Høydal	58	14,076	Orkla Grube AB
1975	Sivilvangen	13	1,157	Orkla Grube AB
1981	Brannåsen	4	730	Orkla Grube AB
	Løkken (Gammelgruva)	2	810	Orkla Grube AB
	Sugustad	2	1,989	Orkla Grube AB
1982	Segelvann	1	488	Orkla Grube AB
	Svinsås	5	1,688	Orkla Grube AB
	Lommunddalen	2	303	Orkla Grube AB
1983	Svinsås	2	1,004	Orkla Grube AB
	Åmot Grube	5	1,764	Orkla Grube AB
	Høgåsen	2	743	Orkla Grube AB
	Holum Grube	1	117	Orkla Grube AB
1984	Blokkum	1	452	Orkla Grube AB
2014	Kviknan	1	99	Drake Resources
	Jordhus	1	180	Drake Resources
	Damlia	1	206	Drake Resources
	Kong Karl East	1	132	Drake Resources
	Halsetåsen	1	378	Drake Resources
TOTAL		303	46,062m	

Table 3: *Summary of exploration drilling across the Løkken area. (Modified after Grammeltvedt, G., 1986)*

6.4. Significant Prospects

6.4.1. Høydal

The Højdal stratiform Cu-Zn deposit is located approximately 2km east of the Løkken deposit and was discovered in 1659, less than a decade after Løkken. Mining operations took place at intervals, in underground workings and small open pits, and ceased in 1911 after a total of approximately 100,000t @ 1.15% Cu, 0.45% Zn (NGU, 2019) of had been mined from both the western and eastern orebodies (Old Højdal Mine and New Højdal Mine respectively) (Greene, T., et al., 1990). The author has not visited the Højdal mine nor reviewed the historic mineral resources or historic production figures at the property. The mineralization at Højdal may or may not be indicative of the type of mineralization elsewhere at the Løkken Property, and is provided solely to illustrate the type of mineralization that could exist elsewhere at the Løkken Property.

6.4.2. Dragset

The Dragset Cu-Zn deposit is a small greenstone-hosted, pyritic massive sulphide deposit located 8.5km west of the Løkken deposit. The deposit was likely discovered between 1655 and 1700 and up until 1867 only operated as a small near-surface operation. After the purchase of Dragset and other deposits in the area by Orkla Grube AB in 1904, the Dragset mine was operated at a larger-scale until its closure in 1909 where a total of approximately 65,000t @ 3.5% Cu were produced (NGU Deposit Fact Sheet, 2019). The author has visited the

Dragset mine but has not performed sufficient work to verify the published historic production data or grades reported above. The author believes however, that this information is considered reliable and relevant. The mineralization at Dragset may or may not be indicative of the type of mineralization elsewhere at the Løkken Property, and is provided solely to illustrate the type of mineralization that could exist elsewhere at the Løkken Property.

6.4.3. Eastern Area

The Åmot mine was discovered in 1849 and went into production in 1853 by British company Pinto Perez & Co and which went bankrupt in 1866 although the mine eventually went back into production under the management of new owners until its closure in 1896. The Åmot mine, in contrast with other mines in the Løkken area, had very poor rock quality which meant the mine often experienced rockfalls and collapses. Historic production figures are estimated to be approximately 12,000t @ 3% Cu (Bollingmo, A., 1983). The author has visited the Åmot mine but has not performed sufficient work to verify the published historic production data or grades reported above. The author believes however, that this information is considered reliable and relevant. The mineralization at Åmot may or may not be indicative of the type of mineralization elsewhere at the Løkken Property, and is provided solely to illustrate the type of mineralization that could exist elsewhere at the Løkken Property.

5 drillholes (Orkla Grube AB) have been drilled from 3 sites northwest of the Åmot mine area and a number of geophysics surveys including airborne EM, magnetics, surface EM, IP and VLF have been completed over the area. The Drake VTEM survey identified an approximately 2km-long coincident EM and magnetic anomaly that runs parallel to the volcanic stratigraphy southwest of the Åmot mine area; this anomaly remains untested.

Diamond drilling (4 drillholes) in 1981 by Orkla Grube AB at the Brannåsen prospect largely returned negative results apart from basaltic alteration and possible feeder zone mineralization in the southeast in drillhole 4 and the extensive chert and 'vasskis' horizons have been interpreted at distal exhalate horizons. (Grenne, T., 1982)

6.4.4. Southern Area

The Southern Area comprises a cluster of smaller prospects and the historic Kong Karl and Victoria trial mines located approximately 7km south-southeast of the Løkken deposit and contained fine-grained, pyrite-pyrrhotite-chalcopyrite ore hosted within greenstones. At Kong Karl there is a 40m-deep shaft and an approximately 50m-long drive located just below the shaft opening. A waste dump remains on the steep slope below the shaft opening and contains good examples of the mineralization types mined. Very little public information is available regarding these occurrences and trial mining occurred in the 1880's. Early EM surveys were completed over the area in 1937-1938 which returned no anomalies over the Victoria mine area and an approximately 250m-long weak-moderate conductor over the Kong Karl mine area. (NGU, 2020)

7. GEOLOGICAL SETTING & MINERALIZATION

7.1. Regional Geology & Mineralization

The Løkken Property is located within the central Norwegian Caledonides in the southern Trondheim region and represent a belt of late Precambrian to early Palaeozoic rocks, emplaced as a series of nappes onto the Fennoscandian basement. The Caledonian Orogeny is interpreted to have extended from the productive VMS districts in northeast Canada (Bathurst Mining Camp, New Brunswick; Buchans District, Newfoundland), the Appalachians in the United States to Norway.

See Figure 12 for a tectonic map of the Scandinavian Caledonides and Figure 12 for a schematic profile through the Central Caledonides (Trondheim-Östersund).

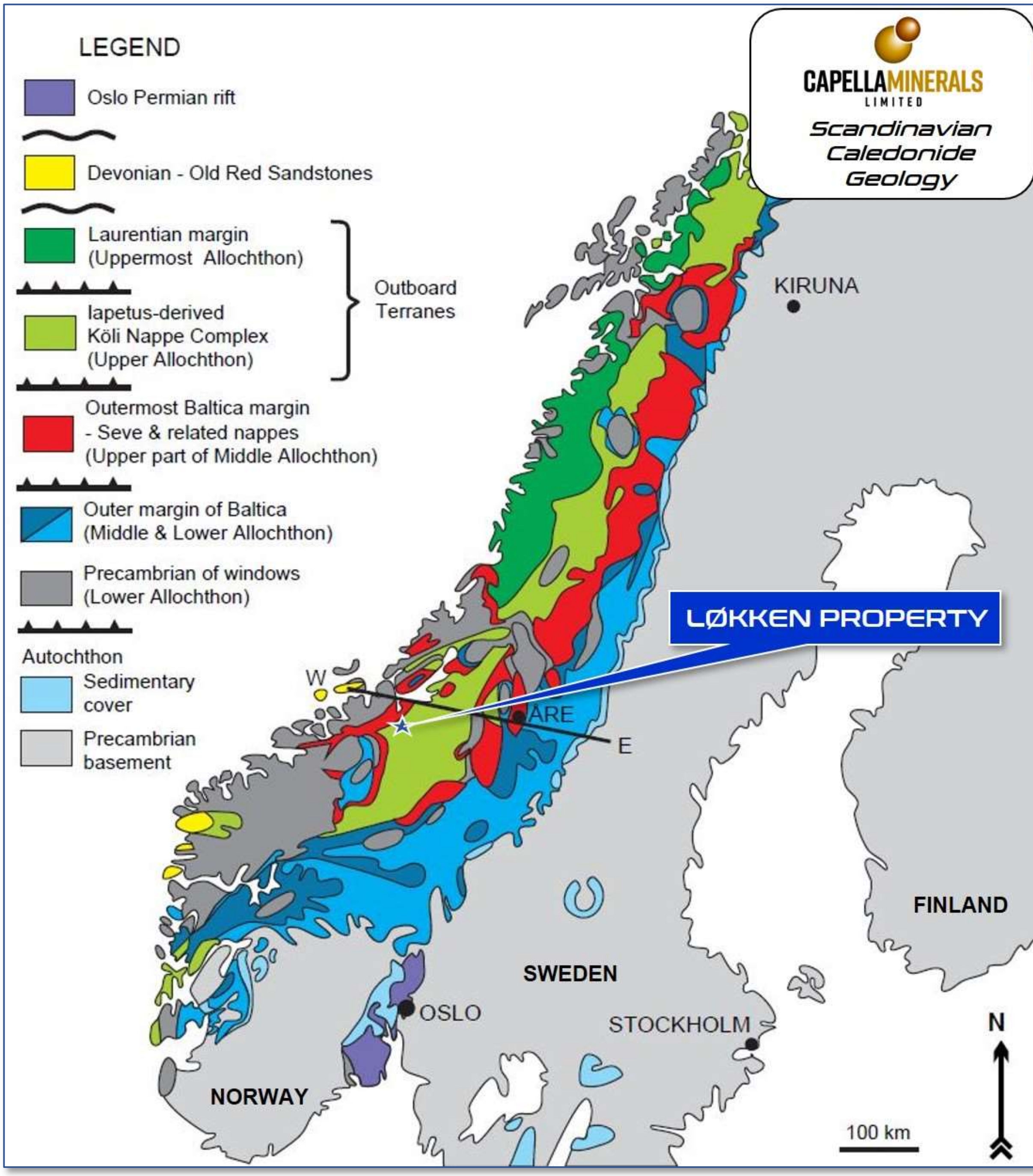

Figure 12: *Tectonic map of the Scandinavian Caledonides. W-E marks the approximate line of the profile in Figure 12. (Source: Gee, D.G., et al., 2010)*

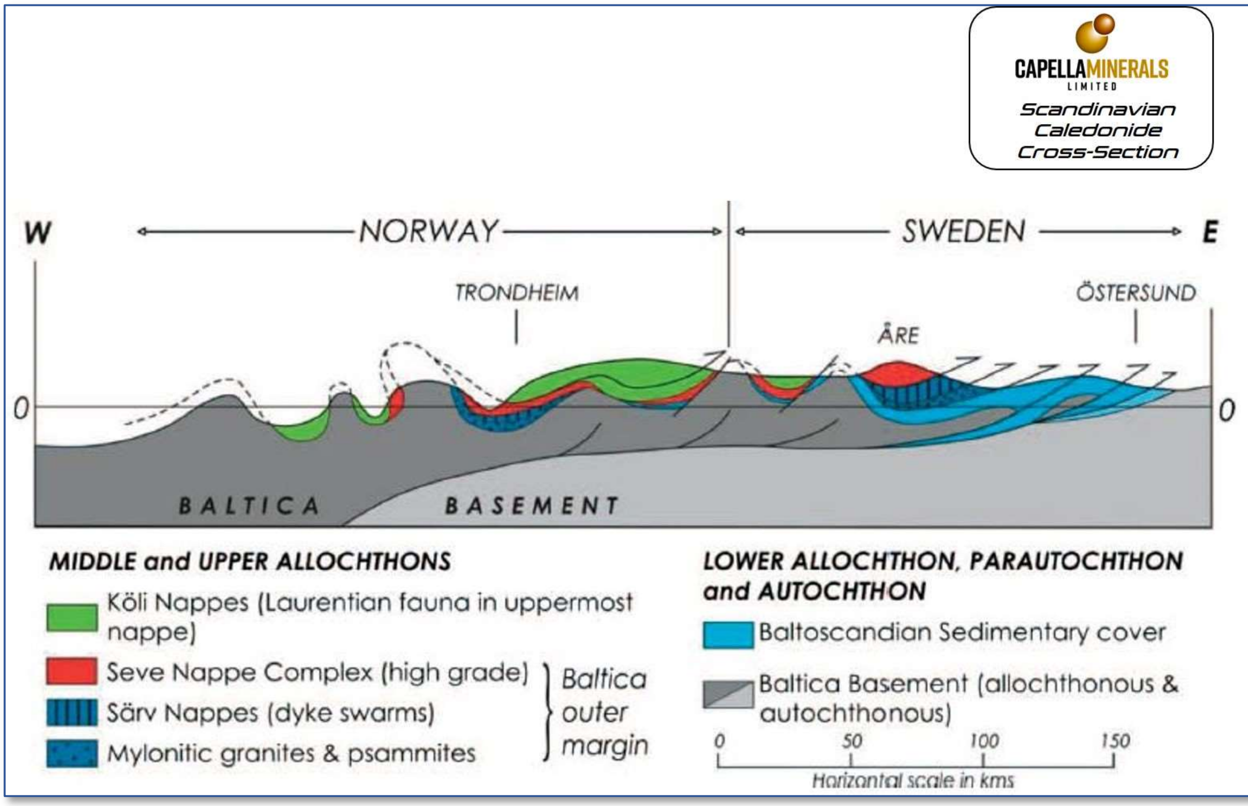

Figure 13 : *Schematic profile through the Central Caledonides (Trondheim-Östersund). Vertical exaggeration x5. (Source: Gee, D.G., et al., 2010)*

In Norway, the Caledonide orogenic and metallogenic belt is 2,000km long, up to 200km wide and spans from North Cape in the north, to Stavanger in the south. The sequence of events leading to the evolution of the Caledonides occurred from the Mid-Late Neoproterozoic through to the Devonian. Three major plate tectonic stages are identified (Ihlen et al., 1997; Grenne et al., 1999; Vokes et al., 2003, as cited in Barrie et al., 2009) with the latter two referred to as the Caledonian/Scandian Orogeny. The orogeny and age of each tectonic stage is summarised in Table 4.

Tectonic Stage	Orogeny	Age
Initial continental rifting and break-up of the supercontinent Rodinia and the formation of the Iapetus Ocean	Pre-Caledonian	Mid-Late Neoproterozoic (~750-633Ma)
Plate convergence and closure of the Iapetus Ocean	Early-Caledonian	Late Cambrian (~490Ma)
Continent-continent collision between Baltica and Laurentia	Caledonian/Scandian	Late Ordovician-Early Silurian to Early Devonian (~435-410Ma)

Table 4: *Tectonic evolution of the Scandinavian Caledonides.*

The Caledonian plate-tectonic cycle began in the Mid to Late Neoproterozoic with the rifting and break-up of the supercontinent Rodinia and the subsequent dispersal of continents to form the Iapetus Ocean. The beginning of the Caledonian/Scandian Orogeny is marked by the switch from divergent to convergent-margin tectonics, specifically when the Iapetus Ocean that lay between the old continents Baltica (present day northern Europe) and Laurentia (North America and Greenland) started to contract and finally disappear and eventually resulting in continent-continent collision. During the continent-continent collision, the marginal zone of Baltica was pressed down beneath Laurentia and drastically shortened. Thrusting caused sedimentary and volcanic rocks deposited originally on the Iapetus Ocean sea floor and along the Baltica continental margin, to be pushed up and onto Baltica forming a series of nappe complexes made-up of the Uppermost, Upper, Middle and Lower Allochthons.

See Figure 14 for a schematic diagram showing the tectonic evolution of the Scandinavian Caledonides, from ~600-420Ma.

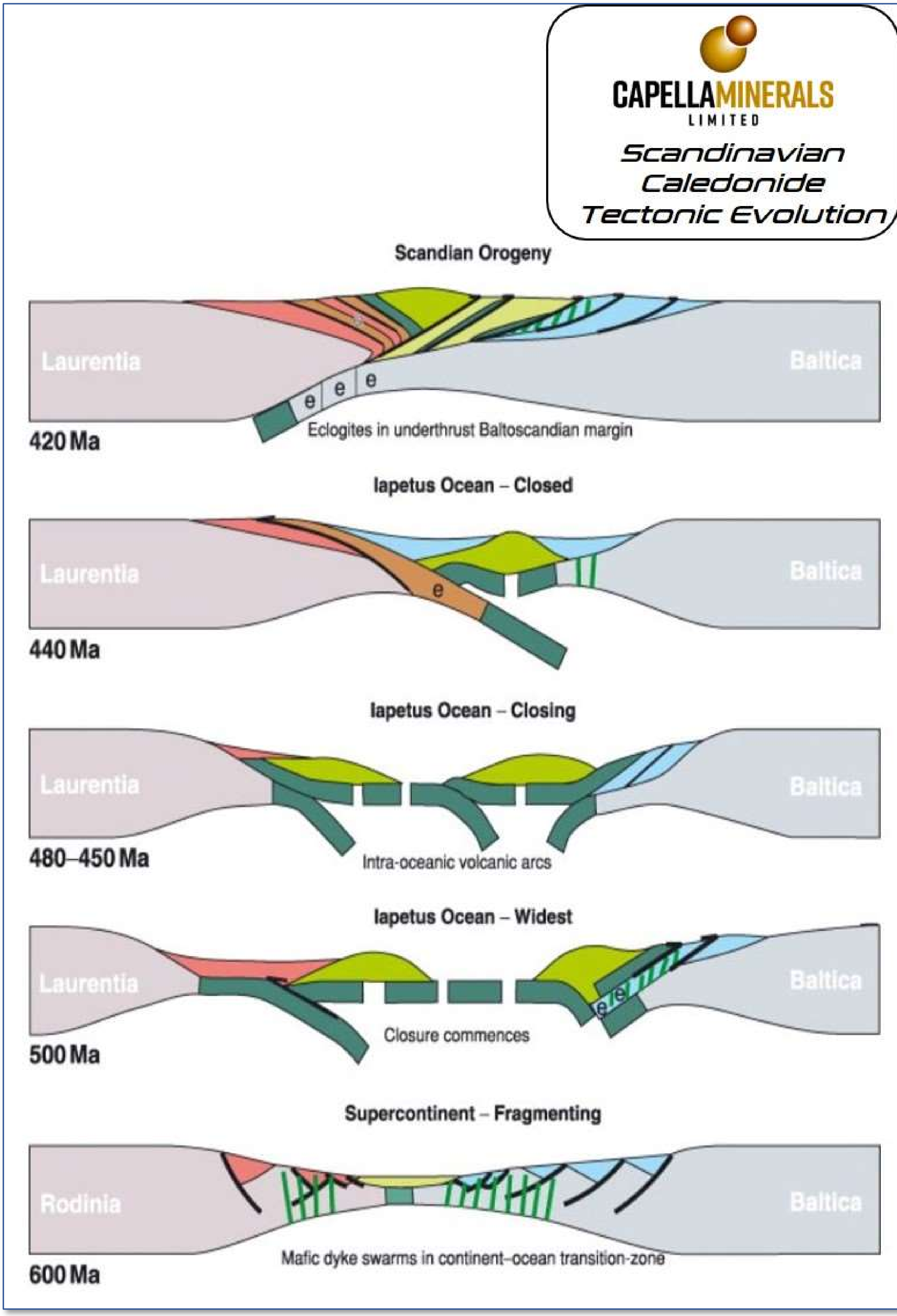

Figure 14: *Tectonic evolution of the Scandinavian Caledonides, from ~600-420Ma. (Source: Gee, D.G., 2005)*

The Løkken Property is located within the Trondheim Nappe Complex of the Upper Allochthon (Neoproterozoic-Silurian) (see Figure 15). The Upper Allochthon is composed of fragmented Late Cambrian to Late Ordovician ophiolite assemblages and metamorphosed sedimentary rocks, particularly in units unconformably overlying the ophiolites. The ophiolites are dominated by basalts and gabbros and their metamorphic equivalents and were formed in oceanic arc and back-arc settings. The Løkken ophiolite belongs to the Støren Nappe which also hosts the Støren, Resfjell, Grefstadfjell, Vassfjellet and Bymarka ophiolites. The Støren Nappe is a several km thick, submarine metabasalt-dominated, sequence with interlayered ribbon cherts, black shales and mixed tuffaceous-cherty metasediments. Volcanic compositions range from mid-ocean ridge basalt (MORB) to within-plate basalt WPB (Gale and Roberts 1974; Nilsen 1974; Grenne and Lagerblad 1985, as cited in Greene, T., et al., 1999). The basaltic volcanics are typically greenish-grey amphibolites with irregularly boudinaged, internally homogeneous, fine-grained layers. Deformed pillow textures are distinguishable in the field (Hollocher, K., et al., 2012). At Løkken, the ophiolite sequence is overlain unconformably by metamorphosed sedimentary rocks that includes the Lower Hovin Group, which contains Dapingian to Middle Darriwilian warm-water fossil assemblages of Laurentian affinity and predominantly felsic volcanic rocks with strong arc affinities (Hollocher, K., et al., 2016).

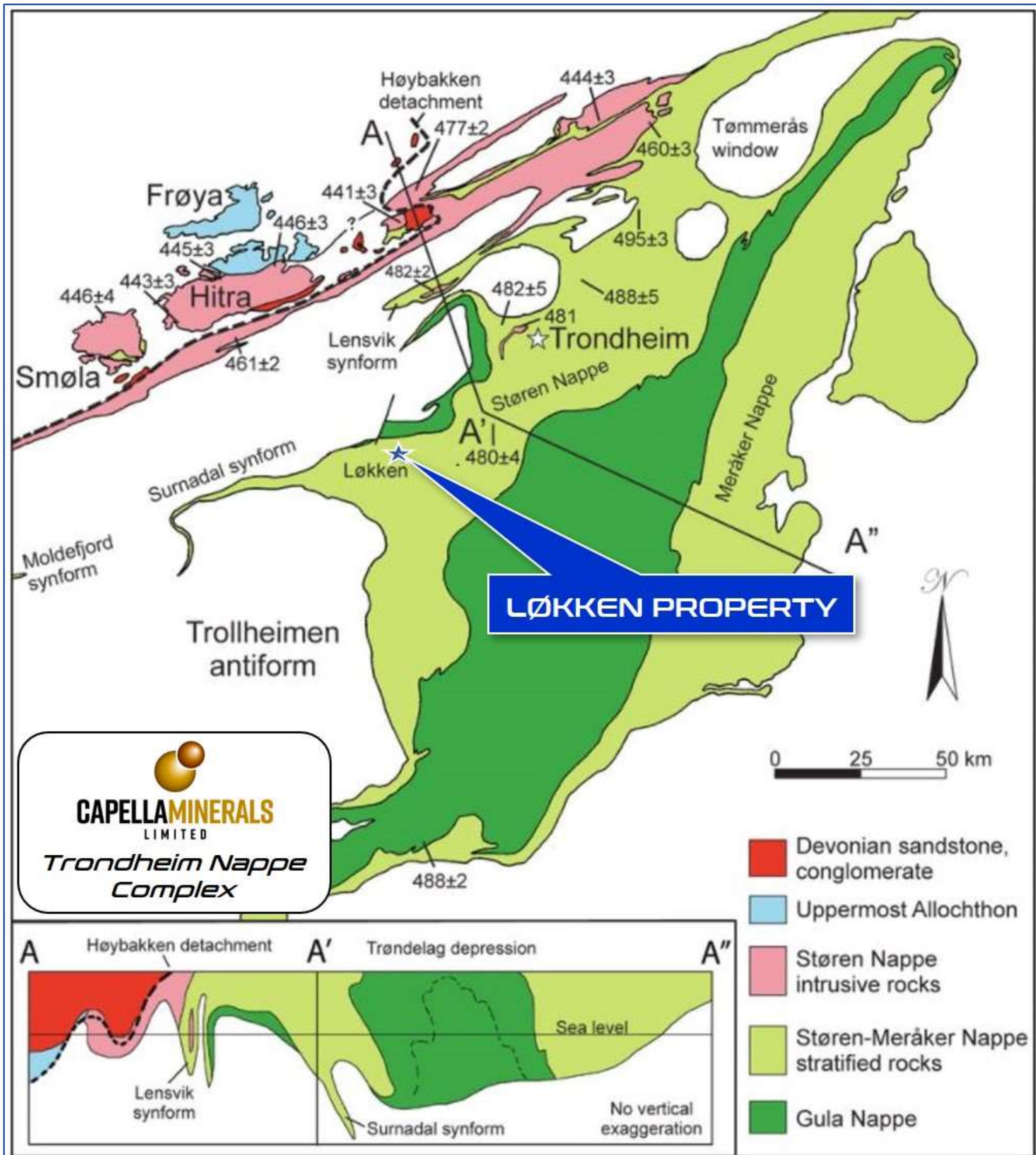

Figure 15: *Simplified geological map and cross-section of the Trondheim Nappe Complex of the Upper Allochthon. (Source: Hollocher, K., et al., 2012)*

Caledonian metallogeny has endowed Scandinavia with abundant metalliferous mineral resources of several genetical and compositional types (see Figure 16), many of which have been exploited at various scales from the seventeenth century onwards and represent one of the major metallogenic features of the Earth's crust. The Caledonian orogenic belt is the result of a plate-tectonic cycle spanning a time-period of some 300Ma, beginning in Neoproterozoic times at around 700Ma with rifting and continental break-up, and ending in the Devonian subsequent to a continent-to-continent collision. During this time a wide range of ore deposit types were generated, many of which it is possible to relate to different stages in the development of the orogenic belt. (Greene, T., et al., 1999)

The Caledonian ores number several hundred individual deposits and represent more than 10 different mineralization styles including:

- Stratabound and stratiform Pb/Zn/Cu/Ag VMS deposits: (Stekenjokk-Levi, Løkken, Sulitjelma, Tverrfjellet, Røros, Meråker, Joma, Bleikvassli)
- Stratabound magnetite-hematite deposits: (Dunderlandsdal/Mo i Rana, Bogen, Håfjell)
- Sandstone Pb deposits: (Laisvall)
- Black shale (Alum Shale) hosted U/V deposits: (Myrviken, Hotagen, Tåsjö, Ranstad)
- Orthomagmatic Ni/Cu/Cr/PGE deposits (Leka, Feøy, Råna/Bruvann, Feragen, Vakkerlien)

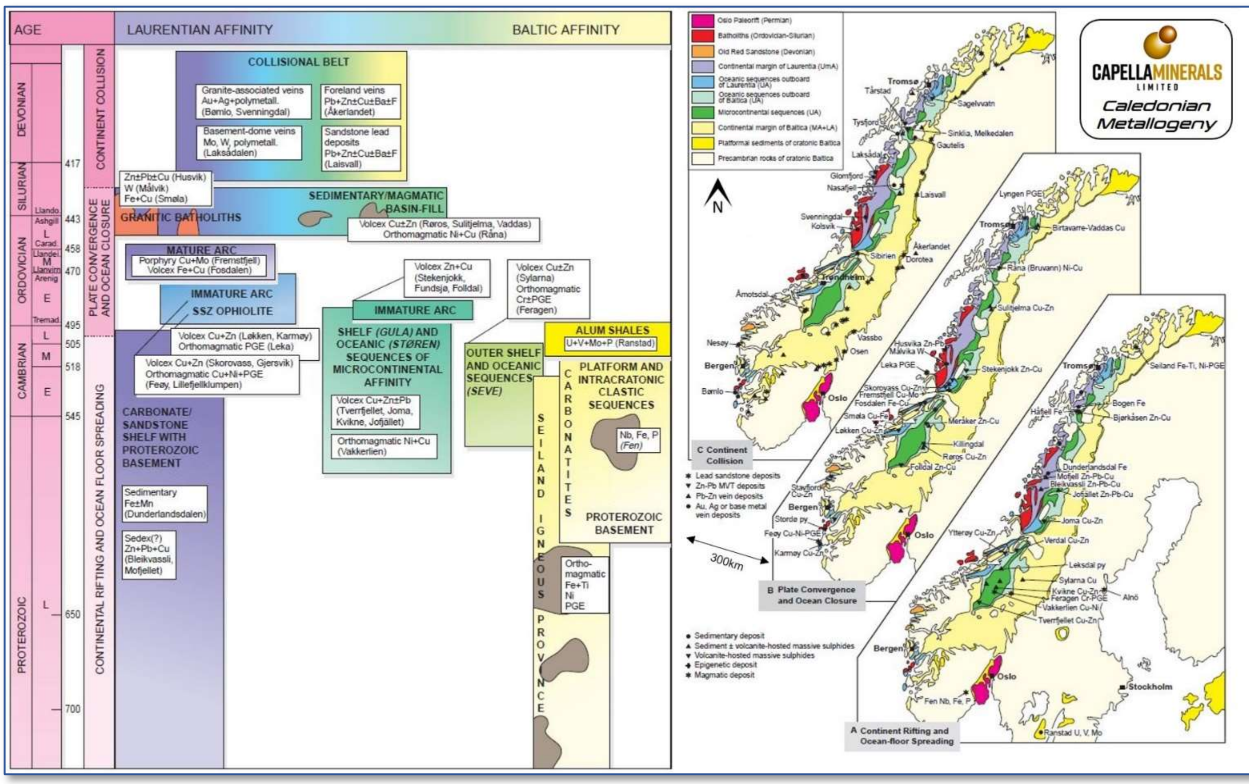

Figure 16: Diagram and map illustrating the relationship between the temporal and the palaeotectonic and palaeogeographic development of metallogenetically significant settings in the Scandinavian Caledonides. (Source: Greene, T., et al., 1999)

7.2. Property Geology & Mineralization

The Early Ordovician Løkken ophiolite is one of several ophiolite fragments in the western Trondheim district, belonging to the Upper Allochthon of the Caledonian nappe pile. These ophiolites have generally been considered remnants of an Ordovician marginal basin, deformed and emplaced into the present position during the Caledonian Orogeny. Palaeogeographical reconstructions based on faunal provincialism suggest that the basin was located on the Laurentian side of the proto-Atlantic Iapetus ocean. (Grenne, T., et al., 1990)

The Løkken ophiolite sequence is deformed in an asymmetric east-west-trending synform with nearly vertical dips along the strongly sheared northern limb and more moderate, northerly dips in the little deformed southern parts which host the Høydal and Løkken orebodies. An earlier deformation led to a regional inversion of the sequence and local formation of overturned folds. Although the rocks have undergone a lower greenschist facies regional metamorphism, the mineralization-hosting lithologies show a wide range of well-preserved,

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often virtually undeformed, primary, volcanic, sedimentary and plutonic structures and textures. (Grenne, T., et al., 1990)

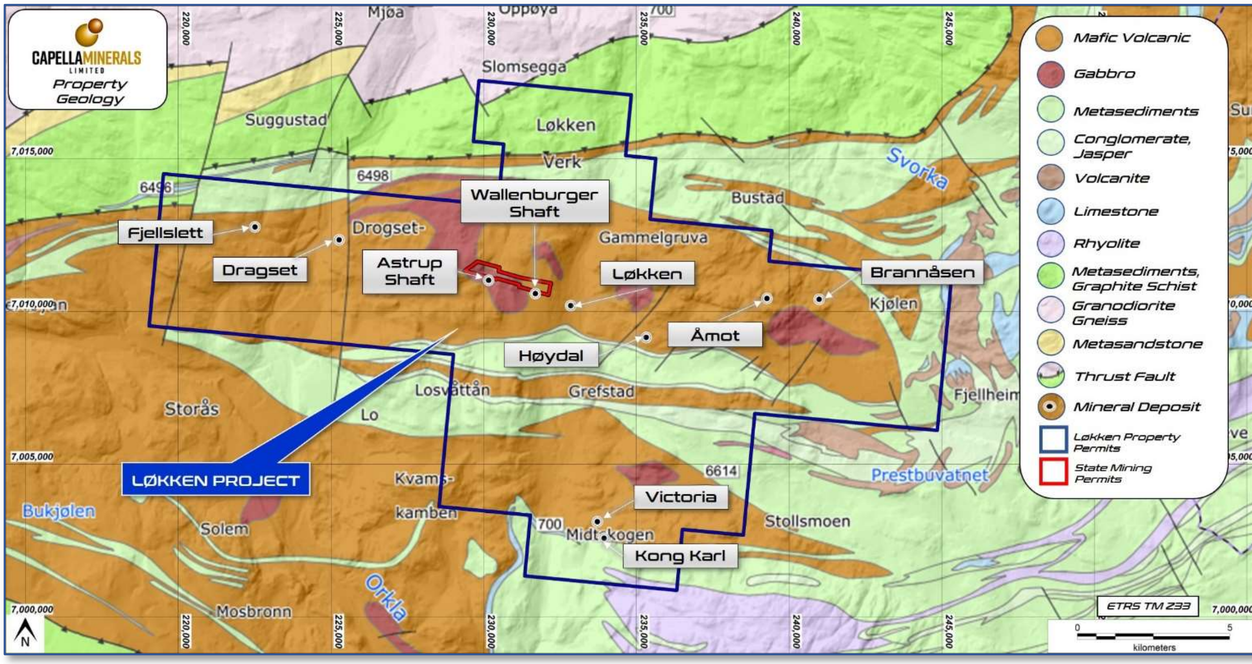

Figure 17: Løkken Property geological map. Permit outline shown in solid blue lines. (SGAB, Nov 2020, permit data from http://geo.ngu.no/kart/bergrettigheter/)

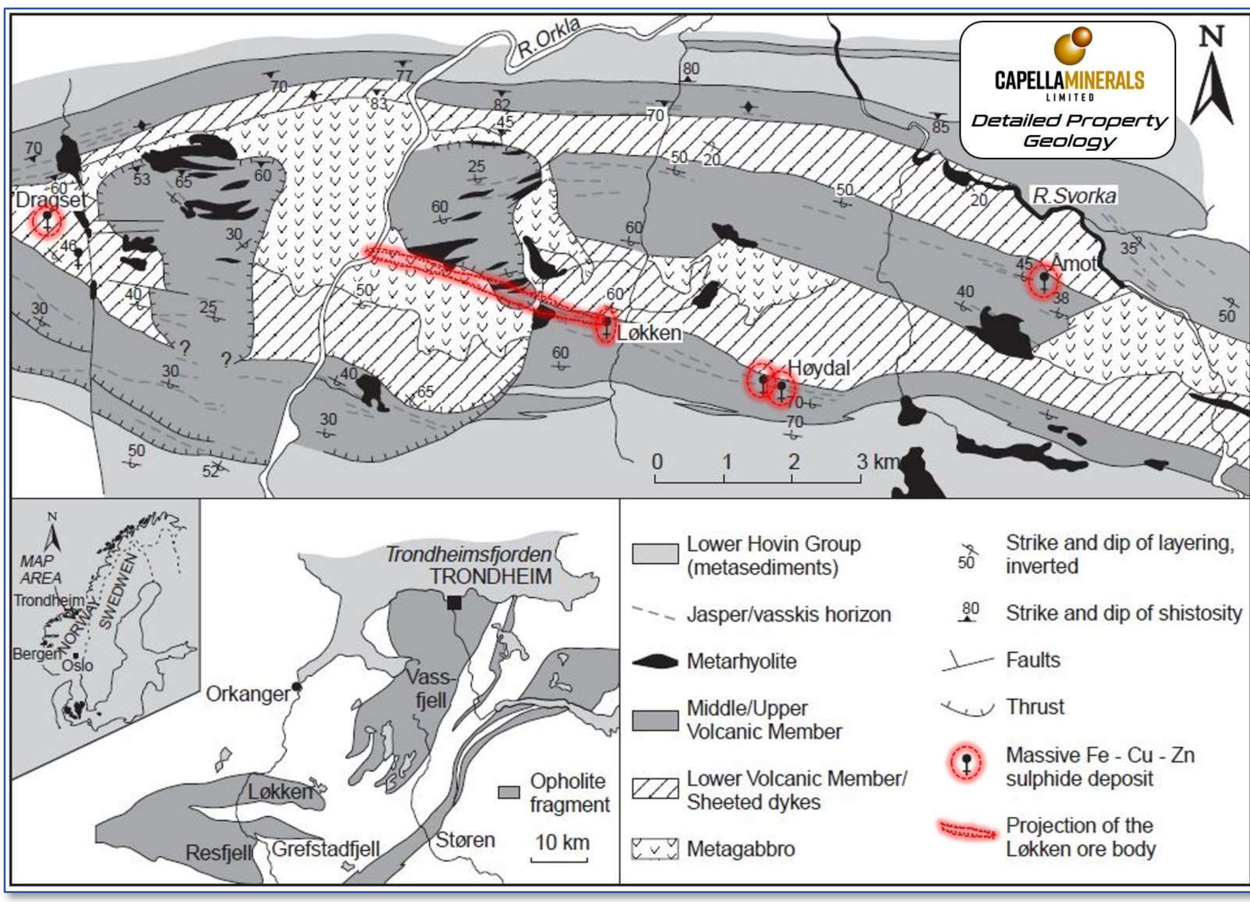

Figure 18: Detailed geological map of the Løkken Property area. (Modified after Greene, T., et al., 1999)

The Løkken ophiolite shows a tripartite subdivision of its 1-2km-thick volcanic pile. Situated above a partly preserved sheeted dyke complex, the approximately 1-km-thick Lower Volcanic Member (LVM) comprises a

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monotonous pile of basaltic pillow lavas and hyaloclastites of N-type MORB compositions, deposited in a deep marine setting. (Grenne, T., et al., 2002)

A variably thick Upper Volcanic Member (UVM) consists of basaltic pillow lavas of back-arc basin basalt (BAB) affinity and subordinate rhyolitic flows. In the UVM, thin interlayers of hematitic slate are locally associated with volcanic-derived conglomerate or debris-flow breccia. A thick polymict conglomerate marks the boundary between the ophiolite and the post-obduction Lower Hovin Group and consists primarily of material from the underlying volcanic sequence, including abundant large blocks and smaller clasts of jasper. (Grenne, T., et al., 2002)

A transitional Middle Volcanic Member (MVM) comprises massive and subordinate pillow basalts that are thought to represent voluminous eruptions at high flow rates (Grenne, T., 1989, as cited in Grenne, T., et al, 2002), together with local lavas of intermediate to felsic composition and volcaniclastic deposits. Thick (up to 40-50m) coarse sedimentary breccias are very prominent within the MVM, comprising angular to subrounded basaltic fragments and more local jasper blocks, set in a matrix of predominantly fine-grained basaltic debris and interpreted as representing fault-scarp-related talus. Jasper beds are abundant and may reach a thickness of more than 10m locally. Some jaspers, such as at Høydal, are intimately associated with massive sulphide deposits, extend laterally along strike directly from the orebodies, and are thought to have at least a partial hydrothermal origin. (Grenne, T., et al., 2002)

VMS mineralization is largely restricted to the MVM and signify a marked increase in seafloor hydrothermal activity at this stage. Jasper beds and sulphide/oxide/silicate iron-formations, 'vasskis', are commonly associated with the mineralization and are generally confined to this part of the lava succession, although the jaspers also occur as thinner and more sporadic layers in the UVM. The broadly contemporaneous increase in hydrothermal, volcanic, and tectonic activity within the MVM has been interpreted as being related to emplacement of a very shallow magma chamber (now represented by gabbros and local plagiogranitic differentiates) that served as an efficient heat source for large-scale hydrothermal convective seawater systems in the oceanic crust and on the seafloor. (Grenne, T., et al., 2002)

See Figure 19 for a schematic stratigraphic section of the Løkken ophiolite.

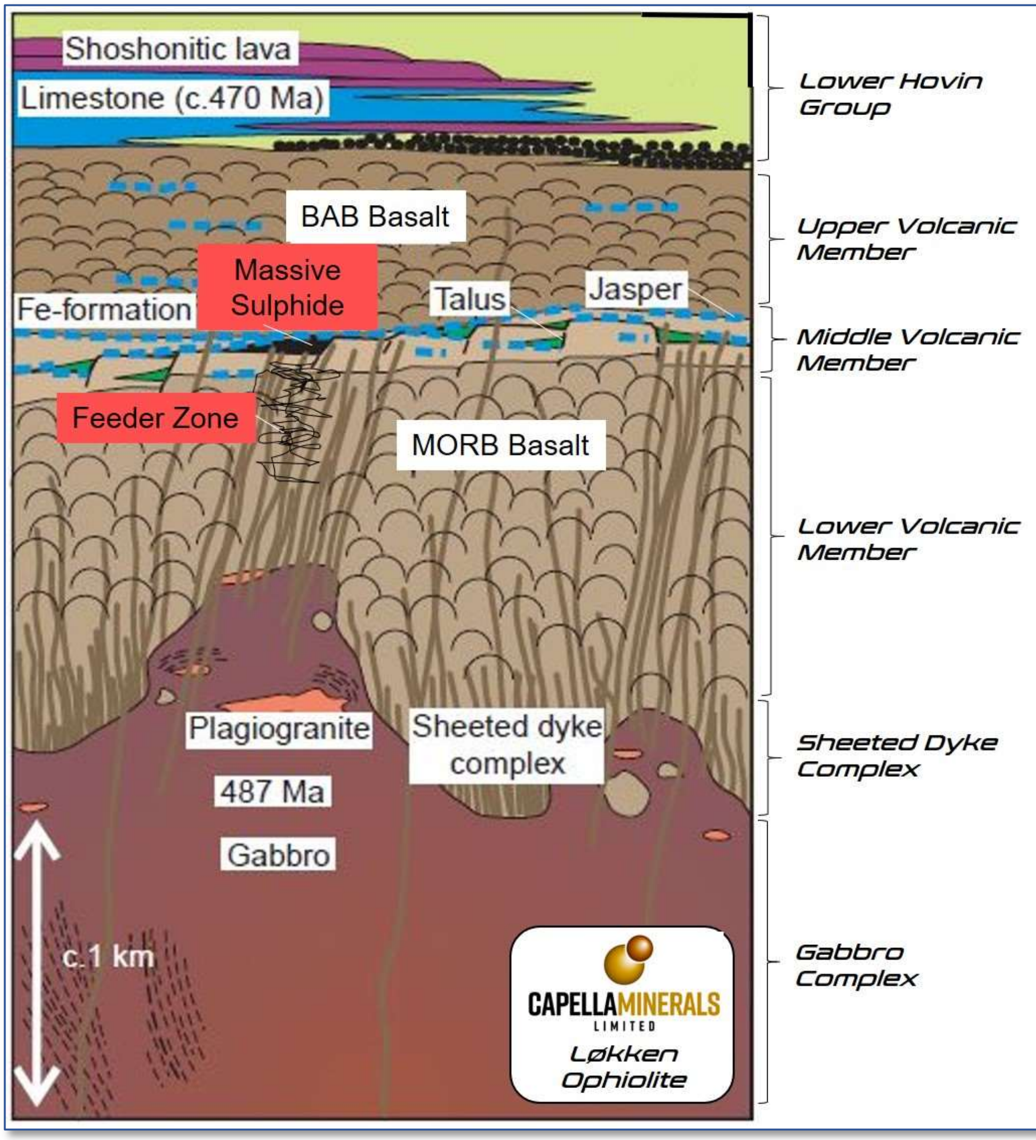

Figure 19: *Schematic stratigraphic section of the Løkken ophiolite. (Modified after Greene, T., et al., 1999)*

7.3. Significant Prospects

7.3.1. Løkken

The Løkken deposit is partially located within the Løkken Property owned by Capella (see Figure 3). The geological and mineralogical description for the Løkken deposit has been described in Section 23.

7.3.2. Højdal

The Højdal stratiform Cu-Zn deposit is located approximately 2km east of the Løkken deposit and was discovered in 1659, less than a decade after Løkken.

In the western orebody (the "Old Høydal Mine"), there appear to be two different stratigraphic levels of stratiform sulphides, separated by a ca. 10m-thick lava flow. The stratigraphically lower of these levels comprises banded to massive pyritic mineralization. This passes laterally along strike in to finely laminated pyritic chert which further west, wedges out above a jasper bed (Grenne, 1986, as cited in Greene, T., et al., 1990). This mineralized horizon is strongly affected by the crosscutting feeder zone to the upper horizon, the hydrothermal activity having altered the primary composition and structure of the stratiform sulphides. (Greene, T., et al., 1990)

The upper mineralized horizon comprises massive, very compact pyritic mineralization, commonly with abundant sphalerite and with variable amounts of chalcopyrite. The mineralization is often conspicuously heterogeneous, with irregular patches or interconnected, diffuse veins or bands enriched in base metal sulphides. Toward the west, the mineralization fingers out into talus breccias composed of basalt and jasper fragments. These also overlie much of the upper mineralized horizon, while parts of the mineralization are overlain by jasper more than 5m thick. In addition, reworked mineralization, comprising sulphide and jasper clasts, occurs locally along this contact. An approximately 20m-thick basaltic sheet flow covers the talus breccia and its subjacent jasper and sulphide beds, and a 1- to 5m-thick ‘vasskis’ horizon resting on top of the basalt marks the boundary of the overlying upper volcanic member. (Greene, T., et al., 1990)

The stratiform sulphides in the Old Høydal mine are underlain by a deep, fairly well-defined feeder zone which is, however, more irregular than the Løkken feeder zone (Grenne, 1989, as cited in Greene, T., et al., 1990). The zone, which can be followed continuously in drillholes and exploration workings more than 300m into the stratigraphically underlying metavolcanites trends northeast-southwest with a gentle dip to the northwest. The feeder zone contains coarse-grained pyrite with variable amounts of chalcopyrite and quartz and generally minor or trace amounts of sphalerite. However, the feeder zone at Høydal is enriched in Zn compared with that at Løkken (Grenne, 1989, as cited in Greene, T., et al., 1990), and locally there are thin veins or larger pods with up to 20% Zn within it (Grammeltvedt, 1976, as cited in Greene, T., et al., 1990). The sulphides occur as disseminations and networks of veins up to a few centimetres across, or as individual, more planar, open-fissure fillings. Some veins follow primary volcanic structures such as pillow rims or pillow cooling joints. The feeder zone clearly cuts through the lower mineralized horizon and the overlying intrasulphide pillow lava.

The stratiform sulphide horizons of the Old Høydal mine cannot be traced east of the open-pit area. Here, a thick jasper rests directly on altered and mineralised feeder zone rocks. About 100m further east-southeast, across a fault zone, stratiform sulphides reappear in the New Høydal mine, reaching a maximum thickness of ca. 10m. Most or all of this orebody, however, is composed of reworked sulphide-jasper debris, and the stratigraphically underlying volcanites show only minor mineralization or alteration. The sulphide breccias are closely associated with basaltic talus breccias; transitional varieties occur, indicating a common origin as fault scarp-related debris (Grenne, 1981,1986, as cited in Greene, T., et al., 1990), probably derived from a proximal, primary deposit close to or corresponding to the Old Høydal mineralization. (Greene, T., et al., 1990)

See Figure 20 for a schematic showing the likely environment of deposition at the Høydal deposit and comparative stratigraphic profiles for the Løkken and Høydal deposits.

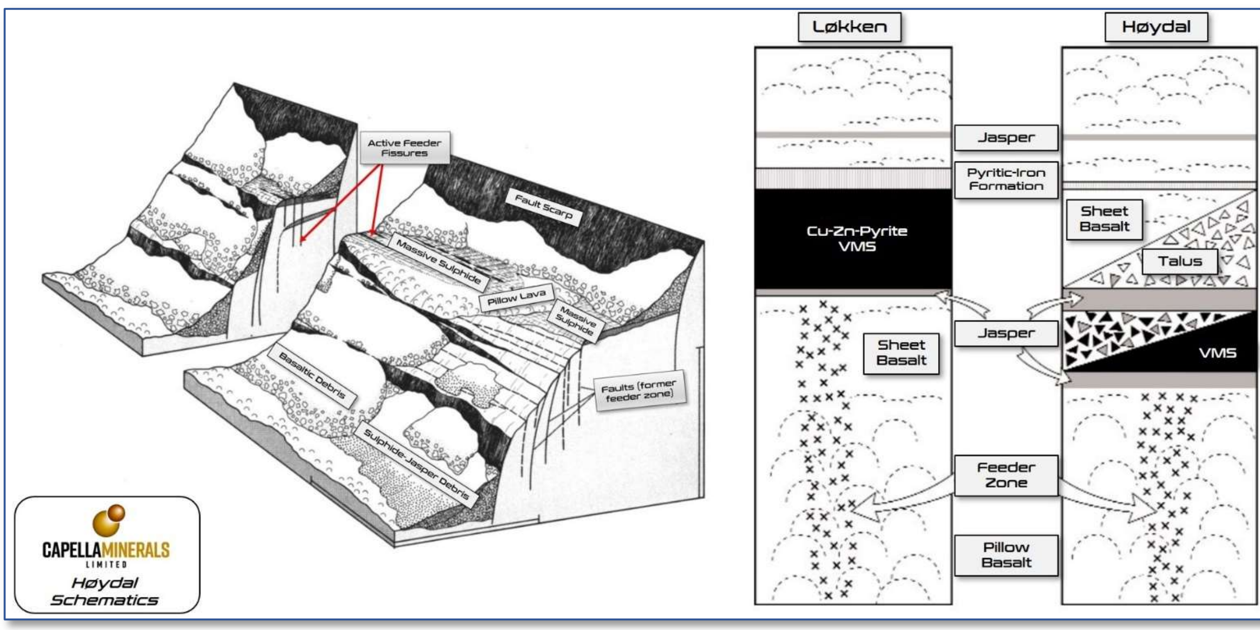

Figure 20: *Schematic showing the likely environment of deposition at the Høydal deposit and comparative stratigraphic profiles for the Løkken and Høydal deposits. (Modified after Greene, T., et al., 1990 and Grenne, T., et al., 2005)*

7.3.3. Dragset

The Dragset Cu-Zn deposit is a small greenstone-hosted, pyritic massive sulphide deposit located 8.5km west of the Løkken deposit and was likely discovered between 1655 and 1700.

In the Dragset area, the greenstone succession can be subdivided into two major sequences. In the mine area and further east, there are pillowed metabasalts, hyaloclastitic and pillow breccias, thin layers of reworked hyaloclastite and small intrusive bodies of altered gabbro, dolerite and plagioclase porphyrite. This sequence is devoid of silicious or pelagic metasediments and ‘vasskis’ layers. Pillow morphologies in the less deformed lavas indicate that the sequence is upside down; stratigraphically above (structurally below) this sequence and outcropping mainly to the west and south of Dragset, is a sequence of pillowed and massive metabasalts with numerous intercalated jasper and ‘vasskis’ layers, some conglomeratic units and minor felsic metavolcanics. Altered dolerite dykes cut the metabasalts but coarser-grained metagabbros have not been observed. Pillowed metabasalts generally show close-packed pillows and much less interpillow hyaloclastite material than in the lower sequence. The two sequences are well defined by aeromagnetic data, with magnetite-bearing 'vasskis' units in the stratigraphically higher sequence giving prominent magnetic anomalies. The two distinct greenstone sequences at Dragset appear to correlate with the two subgroups of upper and lower volcanic members recognised in the Løkken and Høydal areas (see Figure 19 above). (McQueen, K.G., 1990)

The Dragset deposit occurs within the stratigraphically lower greenstone sequence and the immediate host rocks are massive to variably foliated and fractures, fine-grained metabasalts which mainly occur in sheet flows (1-6m thick), with some pillowed layers and interflow hyaloclastitic and pillow breccia zones. Altered dolerite dykes cut the metabasalts and some have also intruded the orebody. The structural hangingwall to the deposit (stratigraphic footwall) contains more abundant pillowed zones and hyaloclastitic breccias. Plagioclase porphyrites have also been observed in drill core. The rocks structurally below the core zone are mainly massive sheet-flow metabasalts showing a blocky, polygonal jointing, but 80m below the mineralization (higher in the stratigraphy) there is a prominent zone of pillowed metabasalts cut by metadolerite dykes. Pillow morphologies in this unit clearly indicate that the mine sequence is inverted and hence that the orebody is upside down. Unlike the nearby Løkken and Høydal deposits, there are no jasper or 'vasskis' layers associated with the mineralization. (McQueen, K.G., 1990)

It its present form, the Dragset deposit consists of a series of thin (<3m) massive sulphide layers which show major fracturing, shearing and folding. These layers are mostly conformable with the S1 surface in the enclosing greenstone (and probably also with the primary layering) and have been folded with this surface during subsequent (F2) folding. Contacts between the layers and enclosing greenstones vary from sharp, possibly tectonised surfaces, to irregular and partly gradational boundaries. To the northeast of the massive sulphide mineralization, in the stratigraphic footwall, there is a clearly defined stringer zone containing pervasive veinlet and disseminated sulphides. The stringer zone contains irregular masses if highly chloritic, veinlet mineralization with abundant chalcopyrite, pyrrhotite and lesser pyrite, as well as surrounding areas of fine disseminated pyrite and pervasive pyrite veining containing only traces of base metal sulphides. The massive sulphide mineralization comprises (see Figure 24):

i. fine-grained pyritic mineralization with minor chalcopyrite and sphalerite;
ii. highly silicious and coarser-grained pyritic mineralization developed near the stringer zone; and
iii. chalcopyrite and sphalerite-rich pyritic mineralization showing some banding.

A feature of the Dragset deposit which sets it apart from the other deposits in the Løkken area, is the abundance of pyrrhotite in the core, particularly in the stringer mineralization. The pyrrhotite appears to be primary in origin as there is no textural evidence to suggest significant breakdown of pyrite to pyrrhotite during metamorphism. Deposition of primary pyrrhotite would indicate highly reduced fluid conditions, particularly in the sub-surface feeder zone. Fabrics in the Zn-rich mineralization suggest that these formed by replacement processes, after introduction of Zn info pre-existing pyritic mineralization, possibly via cooler and more oxidised fluids. The more oxidised mineral assemblage in these mineralized zones and their development in peripheral parts of the deposit might indicate greater interaction of oxidised seawater with hydrothermal fluid as a mechanism for major sphalerite precipitation. (McQueen, K.G., 1990)

Comparison of the greenstones in the Dragset area with those further east around Løkken, indicates that the Dragset deposit and the small nearby Åsskjerp deposit occur at a lower stratigraphic level than the Løkken or Højdal deposits (see Figure 21). The latter lie on the same horizon within the upper volcanic sequence, close to the lower contact of this subgroup with the lower volcanic group. This interpretation means that the Dragset and Åsskjerp occurrences comprise another mineralised level, and that the lower greenstones are prospective for other massive sulphide deposits. These small, lower deposits may in fact represent precursors to major sulphide deposition at a more favourable hiatus in volcanism, now represented by the large Løkken deposits. (McQueen, K.G., 1990)

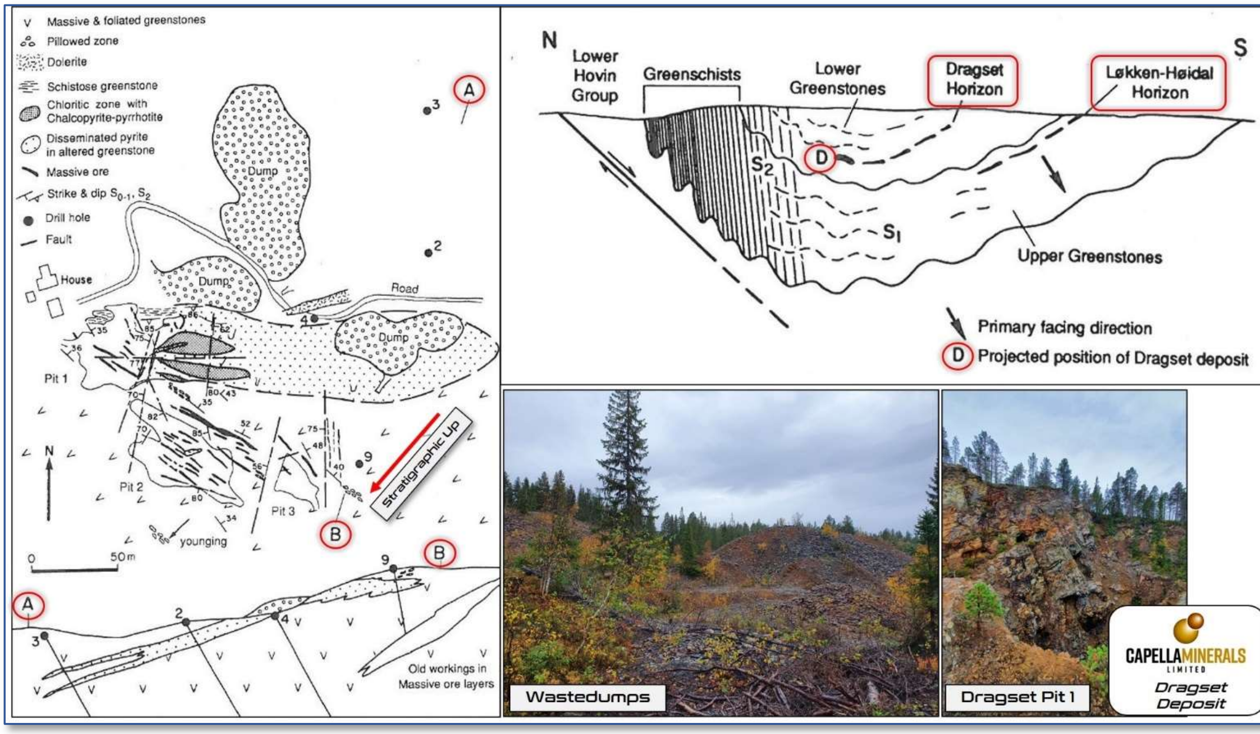

Figure 21: *Geological plan and section of the Dragset deposit and diagrammatic cross-section of the Løkken Synform showing the relative stratigraphic positions of the Løkken-Højdal and Dragset mineralised horizons (upper right). (Modified after McQueen, K.G., 1990)*

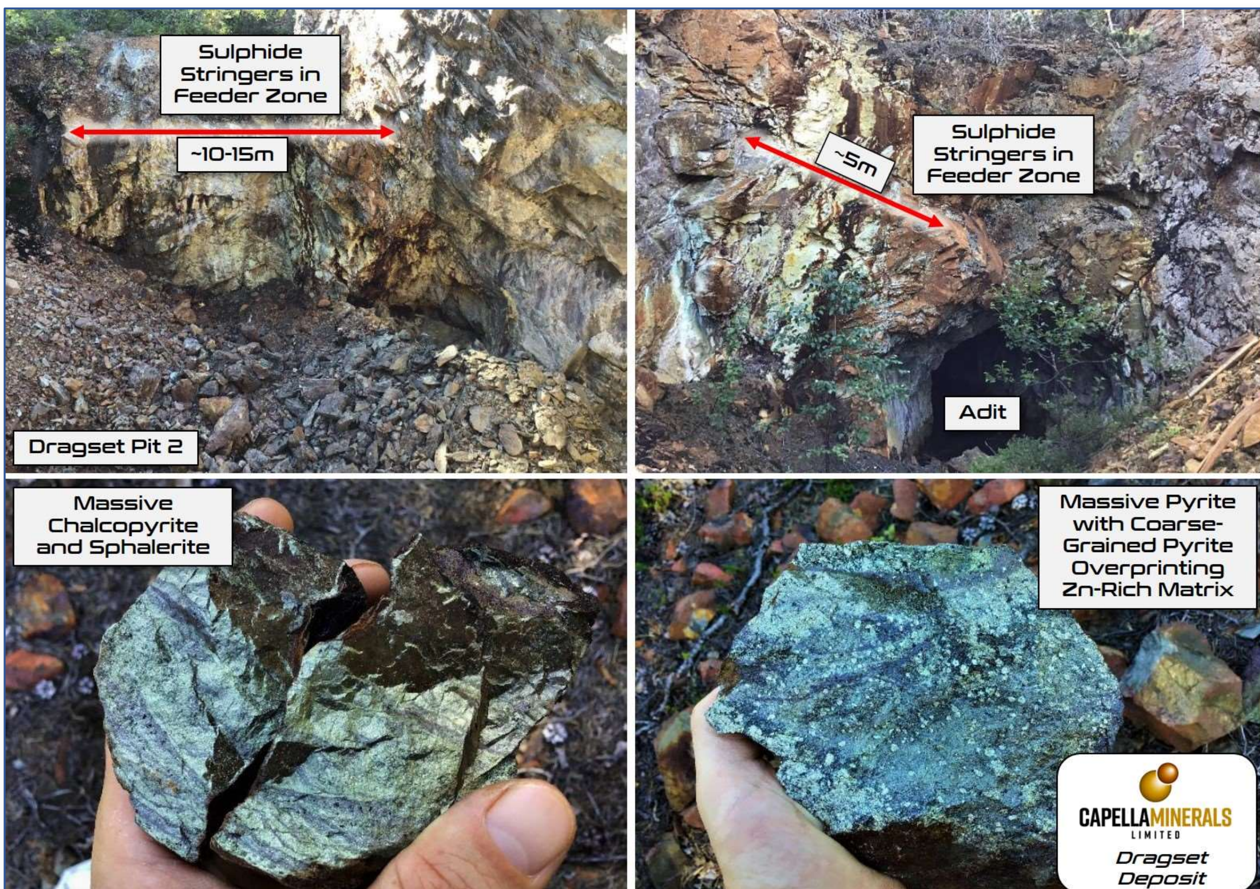

Figure 22: *Dragset pit and adit and examples of Dragset mineralization. (Source: EMSAB)*

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7.3.4. Western Area

The Fjellslett prospect (see Figure 23) is located approximately 2.4km west of the Dragset deposit and 11km west of the Løkken deposit and comprises two water-filled adits.

Fjellslett is located within a strongly deformed part of the upper greenstone sequence, specifically within mafic volcanics and is associated with a blue-grey chert and jasper. Structurally under the chert layer, appears massive sulphides attached to a fold hinge in a tight fold structure. The sulphides are partly remobilised and recrystallised. The pyritic mineralization is locally very enriched in copper ±magnetite and pyrrhotite, whilst the zinc content is low (lower than at Dragset). The most common gangue minerals are actinolite and quartz.

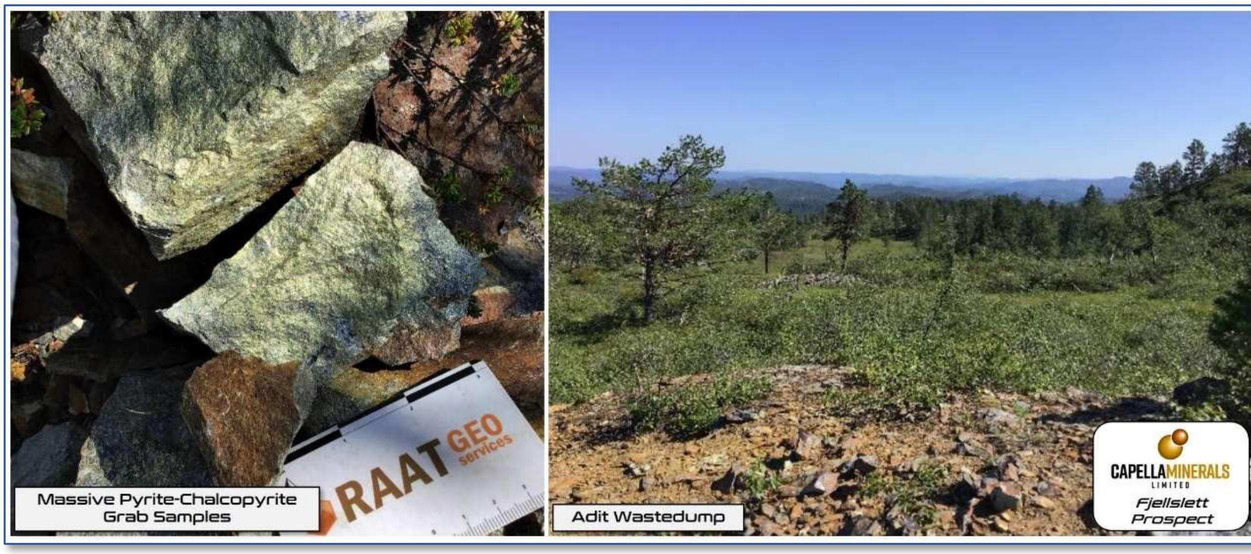


Figure 23: *Examples of pyrite-chalcopyrite mineralization and adit wastedump from the Fjellslett prospect. (Source: EMSAB)*

7.3.5. Eastern Area

The Eastern Area comprises the historic Åmot mine and the Brannåsen prospect located 6.5km and 8.5km east of the Løkken deposit respectively (see Figure 24). The Åmot mine comprises two shafts, multiple adits and several wastedumps and the Åmot mine, in contrast with other mines in the Løkken area, had very poor rock quality which meant the mine often experienced rockfalls and collapses.

There is very little published geological information for the Åmot deposit but the immediate area surrounding the mine is mapped as vesicular basaltic lavas present as both pillows and massive flows. In places, the pillows and pillow breccias contain interpillow hyaloclastite with layering striking approximately E-W and dipping relatively steeply (40-80°) to the north; the pillow sequences appear to be inverted. 'Vasskis' commonly occurs within the lavas with black cherts containing magnetite and often stilpnomelane. The mineralization occurs mainly in dark, chlorite-rich greenstones in the form of both massive pyrite and disseminated pyrite-pyrrhotite-chalcopyrite, the latter interpreted to represent the feeder zone. (Bollingmo, A., 1983)

The Brannåsen prospect comprises small diggings within outcropping massive sulphides (pyrite) and barren 'vasskis' horizons. The massive sulphides are hosted within mafic volcanics similar to elsewhere in the Løkken area.

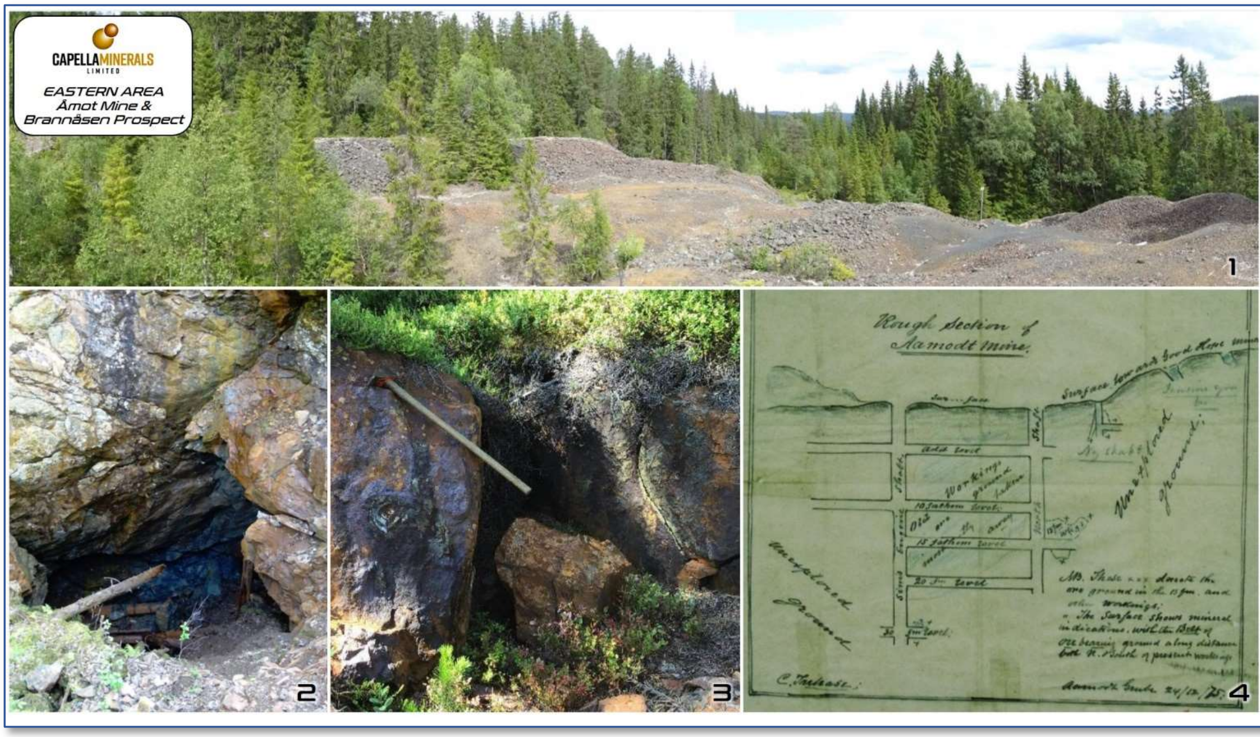


Figure 24: *Eastern Area of the Løkken Property. 1: Wastedumps, Åmot mine. 2: Outcropping pillowed basalts, Åmot mine. 3: Outcropping massive pyrite in basalts, Brannåsen prospect. 4: Cross-section sketch, Åmot mine in 1875. (Source: NGU)*

7.3.6. Southern Area

The Southern Area comprises a cluster of smaller prospects and the historic Kong Karl and Victoria trial mines located approximately 7km south-southeast of the Løkken deposit and contained fine-grained, pyrite-pyrrhotite-chalcopyrite ore hosted within greenstones. Field observations made by EMSAB reported that some of the mineralization in the Southern Area appears to be structurally controlled and also associated with quartz veining (see Figure 25). (EMSAB, 2020)

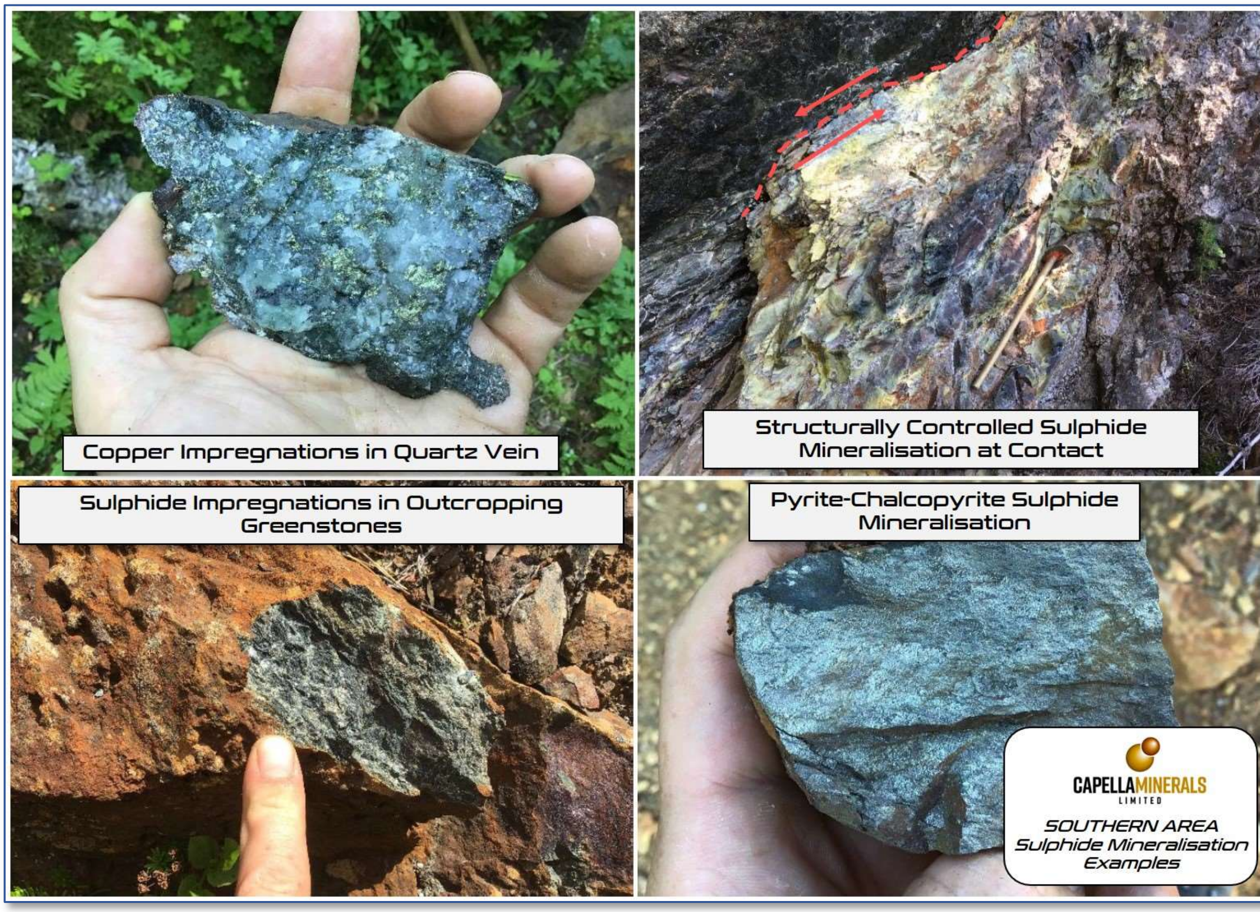


Figure 25: *Examples of sulphide mineralization from the Southern Area. (Source: EMSAB)*

8. DEPOSIT TYPES

Historic records and modern observations indicate that all known zones of mineralization at the Løkken Property are Volcanogenic Massive Sulphide (VMS) deposits. The following is a brief overview of VMS deposits derived from established scientific literature.

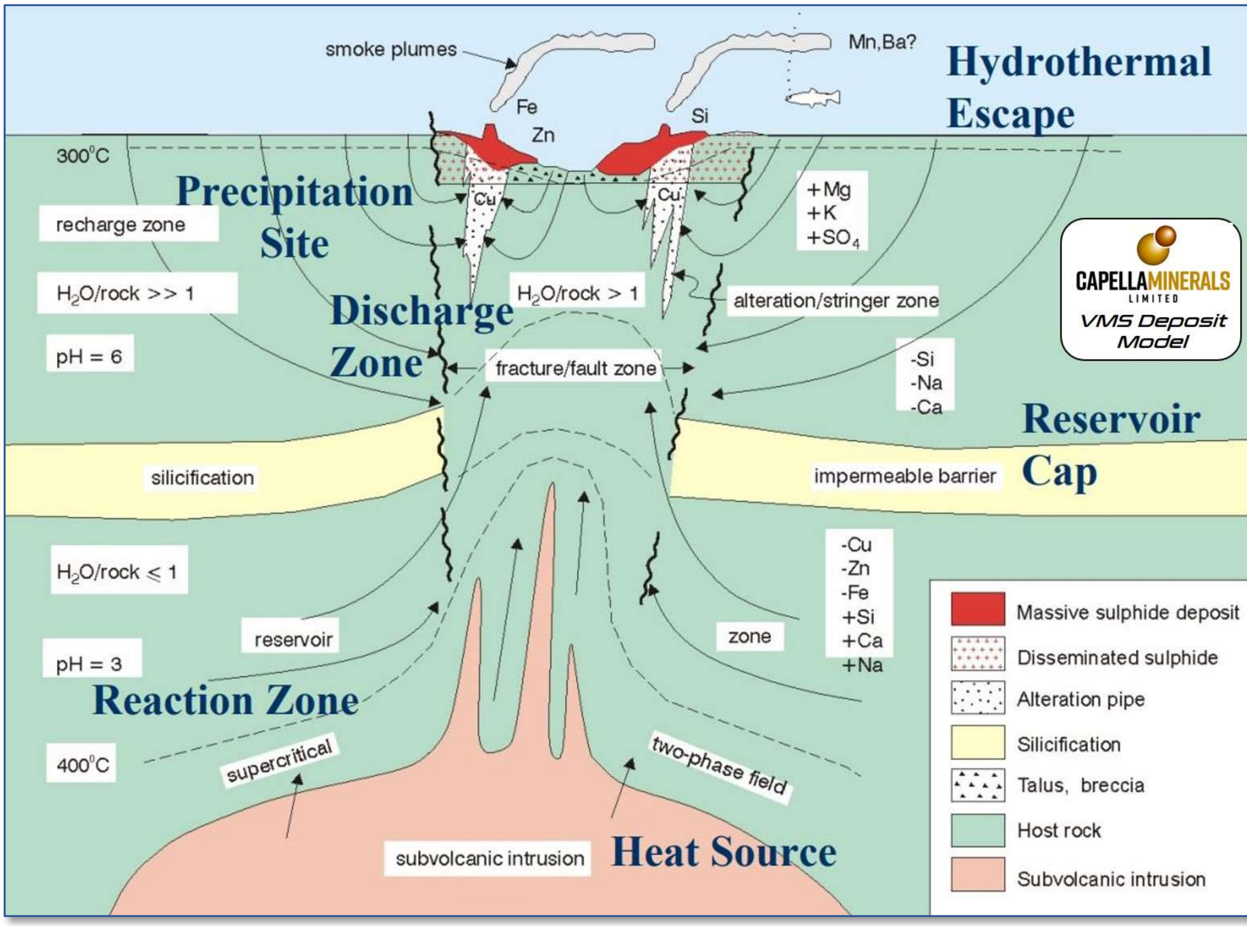


Figure 26: *Schematic diagram showing the VMS deposit model. (Franklin, J.M., 2007)*

VMS deposits are strata-bound accumulations of sulphide minerals that precipitated at or near the sea floor in spatial, temporal, and genetic association with contemporaneous volcanism. The deposits consist of two parts:

i. a concordant massive sulphide lens (>60% sulphide minerals)

ii. a discordant vein-type sulphide mineralization located mainly in the footwall strata, commonly called the stringer or stockwork zone (Franklin, J.M. et al., 2005). VMS deposits form from metal-enriched fluids associated with seafloor hydrothermal convection.

Their immediate host rocks can be either volcanic or sedimentary, and most current classification schemes for these deposits are based around host rock type. VMS deposits are major sources of Zn, Cu, Pb, Ag, and Au, and significant sources for Co, Sn, Se, Mn, Cd, In, Bi, Te, Ga, and Ge. Some also contain significant amounts of As, Sb, and Hg (Galley, A.G., et al., 2007). VMS deposits occur throughout geologic time, having been discovered in submarine volcanic terranes that range from 3.4Ga to actively forming deposits in modern seafloor environments.

The overall architecture of VMS systems (see Figure 26) is described by Franklin, J.M. et al. (2005) as being comprised of six main elements: heat source, high temperature reaction/leaching zone, synvolcanic faults, footwall reaction zone, deposit and distal seafloor precipitates. The heat source which drives the hydrothermal convection system (and potentially contributes to the metal content of the deposit) is generally, though not exclusively, a subvolcanic intrusion. Convection driven by this heat source drives hydrothermal fluids through a reaction zone, from which the majority of the metals destined to form the deposit are leached. The metal-enriched fluids then travel up synvolcanic faults and fissures which focus discharge from the reaction zone to a specific seafloor locale. Proximal to these fluid conduits, but well below the seafloor itself, reactions between ascending seawater and wallrock to the conduits produces an alteration assemblage which varies greatly by deposit type, but generally includes disseminated sulphides, chlorite, silica and sericite. The massive sulphide deposit itself is formed through interaction of the hydrothermal fluid with surface conditions at or near the seafloor. Metal content and aspect ratios of the deposits vary greatly between deposit types. It is common for metal zonation to occur, with the core of the deposit enriched in copper and the margins enriched in zinc ±lead. Distal to the vent complex, the hydrothermal fluids contribute to the background sedimentation, providing a potential footprint substantially larger than the deposit itself.

Deposit size varies greatly both between and within deposit types, ranging from hundreds of thousands to hundreds of millions of tonnes with the average size of an economically significant deposit on the order of several million tonnes. Metal content also varies greatly; average geometric mean across all deposit types is approximately 1.2% Cu, 2.4% Zn, 0.6% Pb, 29 g/t Ag and 0.9 g/t Au (Franklin, J.M. et al., 2005), though it is important to note that these are averages only, and both total content and metal ratios vary greatly between deposit sub-types.

Five VMS sub-types are currently recognised and are listed in Table 5 below:

Type	Dominant Lithology	Tectonic Setting	Examples
1A	Type 1A: Bi-modal mafic-dominated volcanics.	Ocean-ocean suprasubduction arc.	Type 1A: Noranda, Mattagami, Snow Lake, Norwegian Caledonides
1B	Type 1B: Bi-modal mafic-dominated volcaniclastics.	Ocean-ocean suprasubduction arc.	Type 1B: Sturgeon Lake, Abcourt, Chisel Lake, Kidd Creek
2	Mafic volcanic dominated, ophiolite associated.	Oceanic back-arc and mid-ocean rifts. Some plume related (including alkaline) volcanics.	Cyprus, Oman, Løkken
3	Pelitic-Mafic: sediment, mafic flow-sill dominated	Oceanic back-arc rifts, pelagic sediments.	Besshi, Windy Craggy
4	Bi-modal felsic dominated volcanics.	Ocean-continent suprasubduction arc.	Kuroko, Skellefte, Sturgeon Lake, Buchans, Buttle Lake
5	Felsic siliciclastic dominated.	Ocean-continent back-arc, continental derived sediments.	Bathurst, Iberia, Kazakhstan, Bergslagen(?)

Table 5: *Summary of lithotectonic characteristics of the five VMS deposit types. (After Franklin, J.M., 2007)*

9. EXPLORATION

Historical exploration at the Løkken Property has been outlined in Section 6.

Since entering into the acquisition agreement in August 2020, the exploration at the Løkken Property has been managed and executed in-country by EMSAB.

EMSAB has completed a limited amount of early-stage exploration at the Løkken Property since acquiring the property in 2019 with exploration work including rock-grab sampling, ground magnetic surveying and Ionic Leach™ sampling. A summary of the exploration work completed by EMSAB at the Løkken Property is found in Table 6 below and summary images of rock-grab and Ionic Leach™ sampling are shown in Figures 28 and 29.

Activity	Year	Permit	Approximate Expenditure (USD$)	Total
Ground Magnetics (line kilometres)	2020	Løkken 4, 5	$24,000.00	64.4
Rock-Grab Sampling (samples)	2019-2020	Løkken 3,4, 5, 10, 17	$850.00	16
Ionic Leach™ Sampling (samples)	2020	Løkken 4, 9, 10	$25,000.00	286

Table 6: *Table summarising the exploration work completed by EMSAB since acquiring the Løkken property in 2019.*

The approximate total expenditure (excluding permit/licencing costs) completed on the Løkken Property by EMSAB since acquiring the property in 2019 is USD$49,500.00. This total includes labour and assay costs.

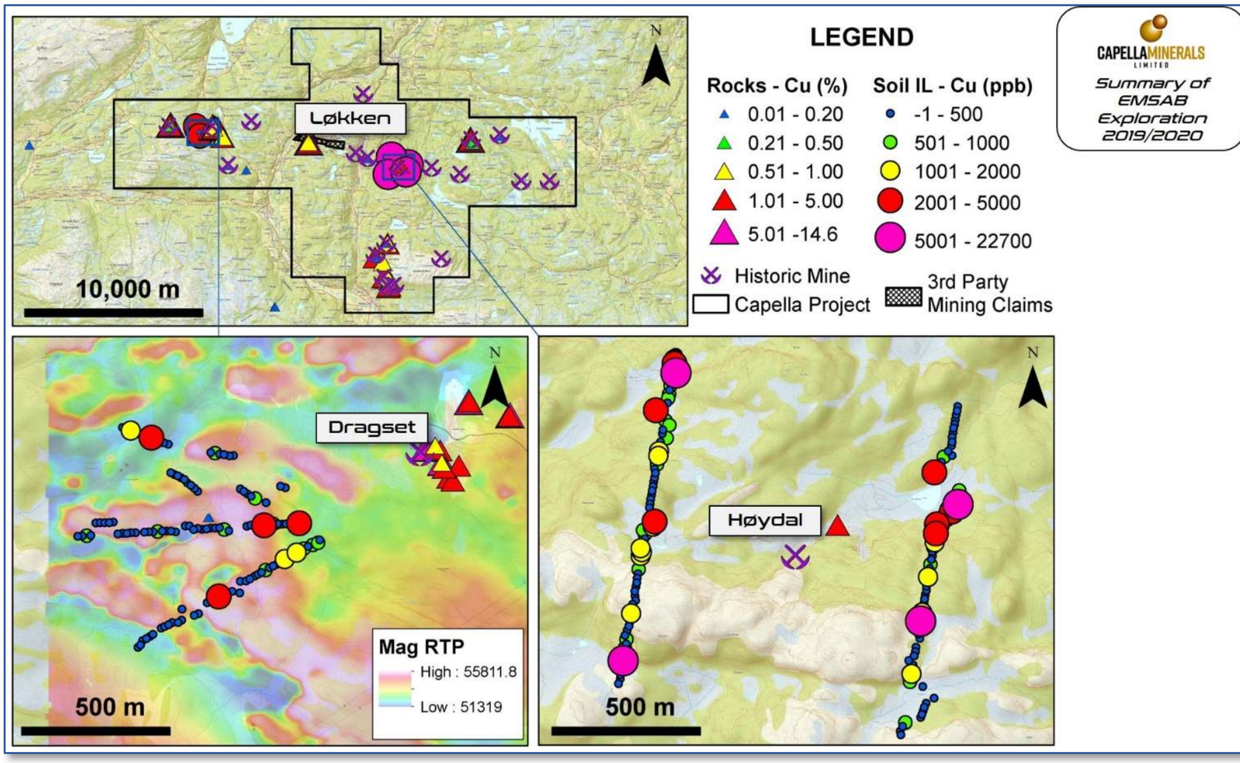


__Figure 27:__ Summary image showing the rock-grab and Ionic Leach™ samples (Cu) collected from the Løkken Property (Dragset and Høydal) to date and the RTP magnetics from the survey completed over the Dragset area. (Source: Modified after EMSAB, 2020)

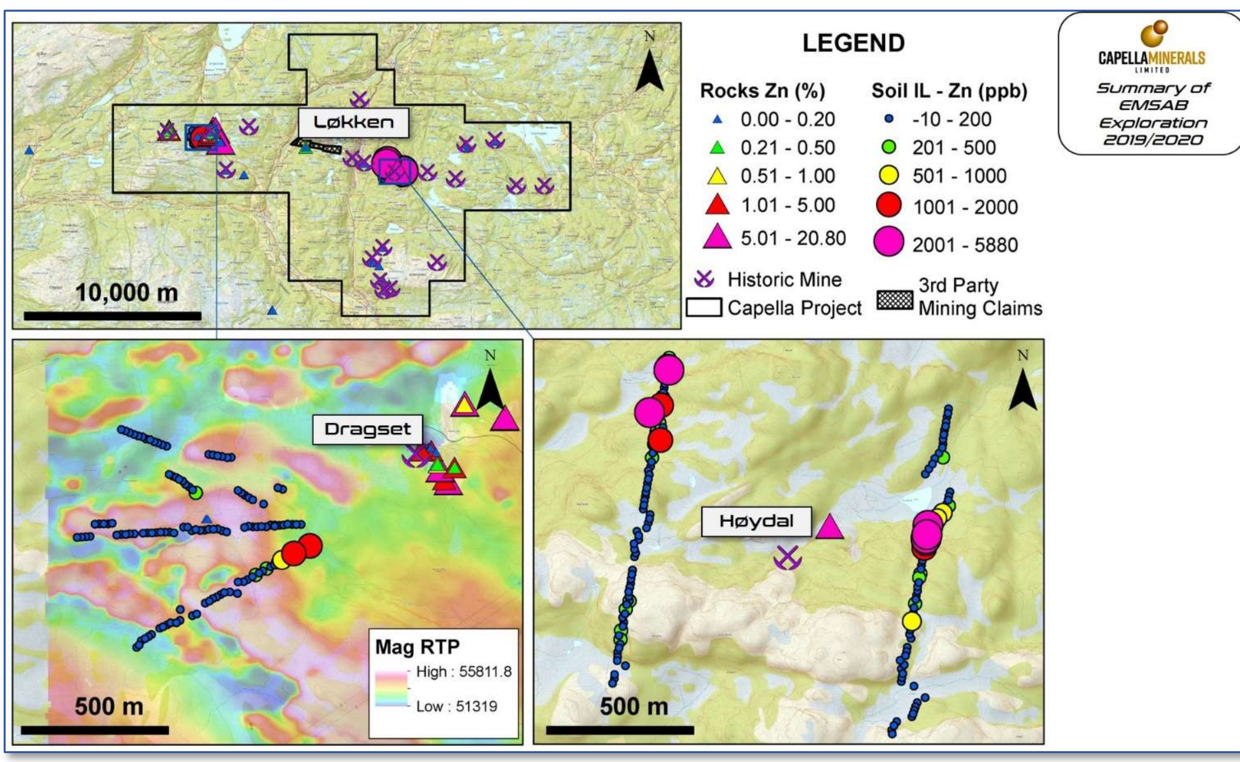


__Figure 28:__ Summary image showing the rock-grab and Ionic Leach™ samples (Zn) collected from the Løkken Property (Dragset and Høydal) to date and the RTP magnetics from the survey completed over the Dragset area. (Source: Modified after EMSAB, 2020)

9.1. Ground Magnetics

In October 2020, a ground magnetic survey was completed by EMSAB staff at the Løkken Property using a Geometrics G859AP (5hz sample rate) as the rover and a GEM SGM-19T V7 (3hz sample rate) as the base station. The survey (see Figures 27 & 28) was completed over the Dragset area using a profile spacing of 50m covering a total area of approximately 3km². The final survey comprised a total of 64.4line-km. Similar sized surveys have been planned for the Høydal and Eastern Area near the historic Åmot deposit and are scheduled for completion with a drone during the 2021 summer field season.

The high resolution of the ground magnetic data captured in the Dragset area identified the stratigraphic horizon that hosts the Dragset mineralization in addition to regional-scale folding and faulting. An extension of the survey area towards the east should enable the Dragset mineralized horizon to be traced eastwards back towards Løkken.

9.2. Rock Grab Sampling

At the Løkken Property, a total of 16 rock-grab samples have been collected from across the property. 14 of the 16 rock grab samples have been collected from historic mullock dumps in areas of known historic mineralization including the Dragset area, the Højdal area and several of the smaller prospects in the Southern Area and returned economic Cu-Zn grades (see Figures 27 & 28) similar to those reported historically.

The rock-grab sampling method involves collecting a sample (~0.5-2kg) from either a boulder, mullock or outcrop using a large field hammer and placing the sample into a calico fabric sample bag. The sample number is written onto the outside of the calico sample bag. Coordinates and lithological descriptions for each sample are recorded digitally in the field. Rock-grab sampling by its nature tends to be biased towards samples that are obviously altered or mineralised and the results reported are likely to have a bias towards mineralised samples and may not be representative. Rock-grab sampling is used in early-stage work to identify areas of anomalous mineralization for follow-up exploration.

9.3. Ionic Leach™ Sampling

Ionic Leach™ is an innovative partial extraction technique developed by ALS Global for surface samples that relies on complexing agents to selectively extract and hold ionic species from soil, stream and plant samples in the leachant solution. A 50g sample is used with no pre-treatment; samples are collected directly from the field bags. The lack of drying and sieving significantly reduces the possibility of contamination and processing occurs in a dedicated ionic preparation laboratory. The sample to reagent ratio is 1:1 thereby eliminating dilution prior to analysis. This allows very low detection limits to be achieved. The leachant solution is directly introduced into advanced ICP-MS instrumentation. The ultra-low detection limits at sub-ppb levels routinely achieve 'natural background' levels thereby enhancing 'signal to noise' ratios helping identify often subtle but significant responses from mineralization, geology and alteration that can be diagnostic of numerous mineral systems.

At the Løkken Property, a total of 286 Ionic Leach™ samples have been collected from across the property: 137 from the Dragset area and 149 from the Højdal area. The samples were collected on an irregular grid with a sample spacing of 15m and are considered representative; no sample bias has occurred.

The raw data is subject to a normalisation process which typically involves determining the first inflection point above the detection limit to obtain the background value of the dataset.

At Dragset, the Ionic Leach™ sampling showed muted zinc results in wet, swampy areas located immediately west of the Dragset mine but in areas with drier conditions a zone of zinc-enrichment can been seen in the data located near the centre of the regional fold hinge. At Høydal, two strong zinc anomalies were identified on each of the two traverses located either side (~500m east and west) of the Højdal mine, giving an anomalous trend over 1000m. The zinc anomaly at Høydal could be very significant given it is located within the same trend that it interpreted to be the Løkken-Højdal mineralized horizon and may represent an outer zinc halo of the Løkken system (see Figure 29). Detailed infill sampling has been planned at both the Dragset and Højdal prospects for the 2021 field season.

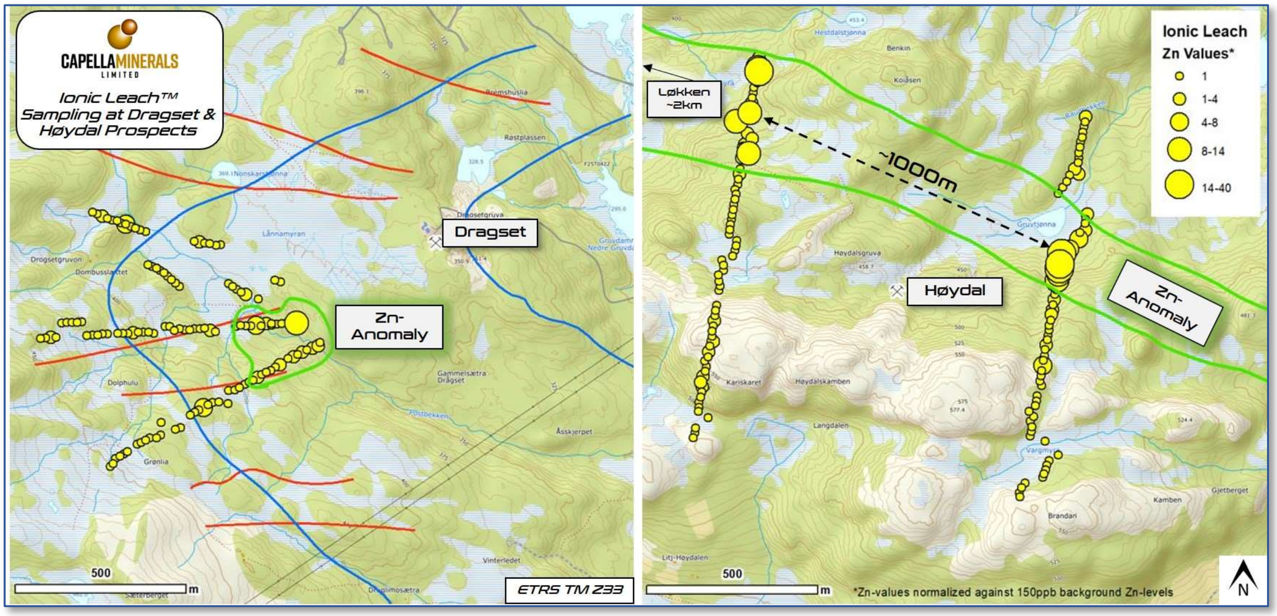


Figure 29: *Images showing the Ionic Leach™ sampling at Dragset (left) and Højdal (right) and the identified zinc-anomalous trends within the data. Note: The Zn-values have been normalized against 150ppb background Zn-levels. (Modified after EMSAB, 2020).*

The EMSAB sampling protocol for Ionic Leach™ is as follows:

i. After the survey is planned in GIS, the points need to be exported in GPX and KMZ format to upload on GPS units and field iPads.

ii. The sample material needs to be collected at a constant depth relative to the organic-soil interface. 15cm below the organic layer is where the sample material needs to be collected and not further down than 25cm.

iii. Once the hole is dug, the sides of the hole need to be scraped with a plastic shovel to avoid any potential contamination from the steel shovels.

iv. 100-200g of material need to be collected with a plastic scoop and stored in an air-tight Ziplock bag. A second bag is used for additional protection against spilling. Between bag one and two, a sample tag with a unique sample ID is inserted.

v. Whilst the sample hole is still open, the sample log/description is filled out on the filed iPad (see Figure 30).

vi. The sample hole is then back-filled.

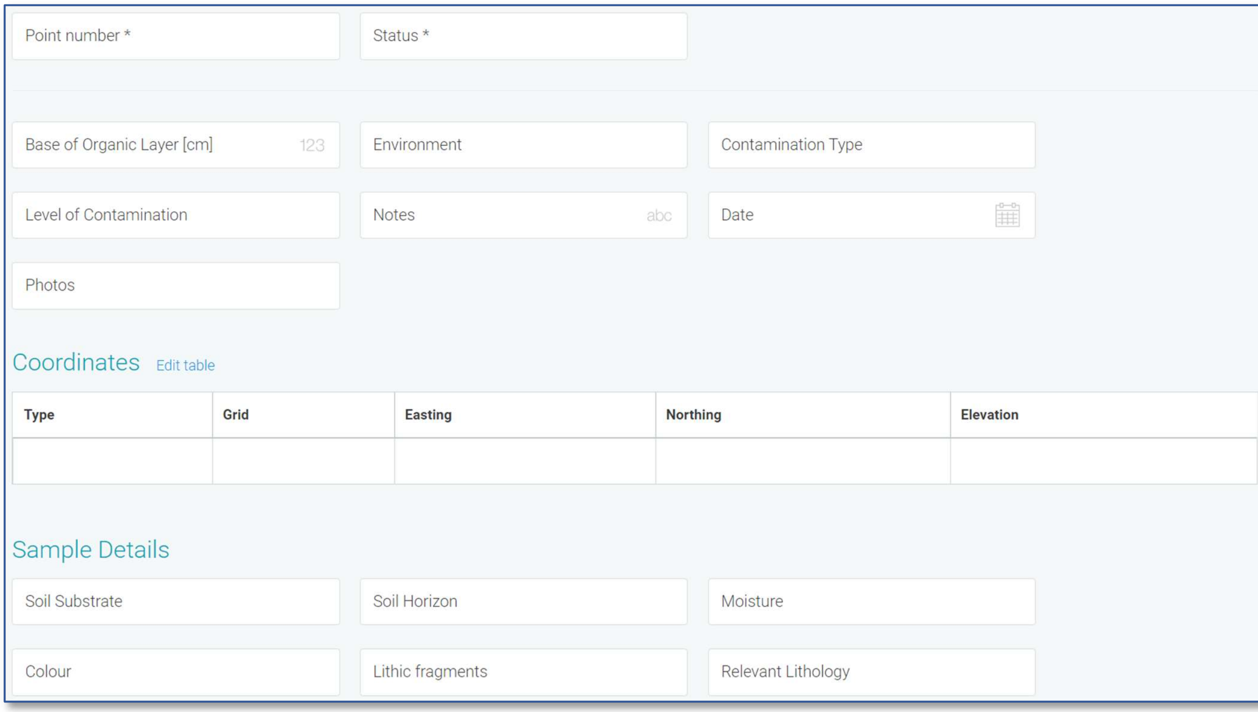
vii. Every 20th sample has to be a field duplicate collected within 1-2m of the first sample site following the same procedures.

viii. At the end of each day all collected samples have to be sorted and accounted for to avoid the loss of samples.

ix. All samples have to be safely stored in a plastic box for transportation out of the field by EMSAB personal.

x. Data from the iPad has to be exported and imported into MX-Deposit.

xi. A sample dispatch form is then created using MX-Deposit and the samples are delivered by EMSAB staff to the ALS prep facility in Malå, Sweden prior to being air freighted to ALS Global in Ireland.


Point number *
Status *

Base of Organic Layer [cm] 123
Environment
Contamination Type
Level of Contamination
Notes abc
Date
Photos

Coordinates Edit table

Type	Grid	Easting	Northing	Elevation

Sample Details

Soil Substrate
Soil Horizon
Moisture
Colour
Lithic fragments
Relevant Lithology

Figure 30: *EMSAB template for Ionic Leach™ field sample log/description. (Source: EMSAB).*

10. DRILLING

Capella has yet to complete any of its own drilling at the Løkken Property. Previous historical drilling at the Løkken Property has been outlined in Section 6.

11. SAMPLE PREPARATION, ANALYSES & SECURITY

All EMSAB rock-grab and Ionic Leach™ samples have been submitted to the ALS Global prep laboratory facility in Malå, Sweden for sample preparation (in the case of rock-grab samples). The samples are subsequently dispatched from ALS Global in Malå to ALS Global in Loughrea, Ireland. ALS Global is an independent geochemical laboratory that meets all requirements of International Standards ISO/IEC 17025:2017 and ISO 9001:2015 and all ALS geochemical hub laboratories are accredited to ISO/IEC 17025:2017 for specific analytical procedures.

EMSAB routinely inserts field duplicates, CRM standards and blanks to all sample batches although there are no suitable CRMs for Ionic Leach™ samples so only duplicate samples are used for that dataset. Reproducibility indicated by the duplicate sample data is considered acceptable for and indicative of a reasonable data set in the opinion of the author.

EMSAB routinely analyses their own QAQC data as it comes to hand, but they have not run any analysis of the ALS Global QAQC data to date. All EMSAB data is stored in a dedicated geological database whereby rigorous data validation occurs automatically upon entry into the database and where QAQC reports can be produced on-the-fly. The historic Løkken data has not yet been captured and entered into the database.

The author has reviewed the results of the rock-grab and Ionic Leach ™ QAQC data (see Figure 31) and concluded that the EMSAB sampling is of a high quality and acceptable for the purposes of this report.

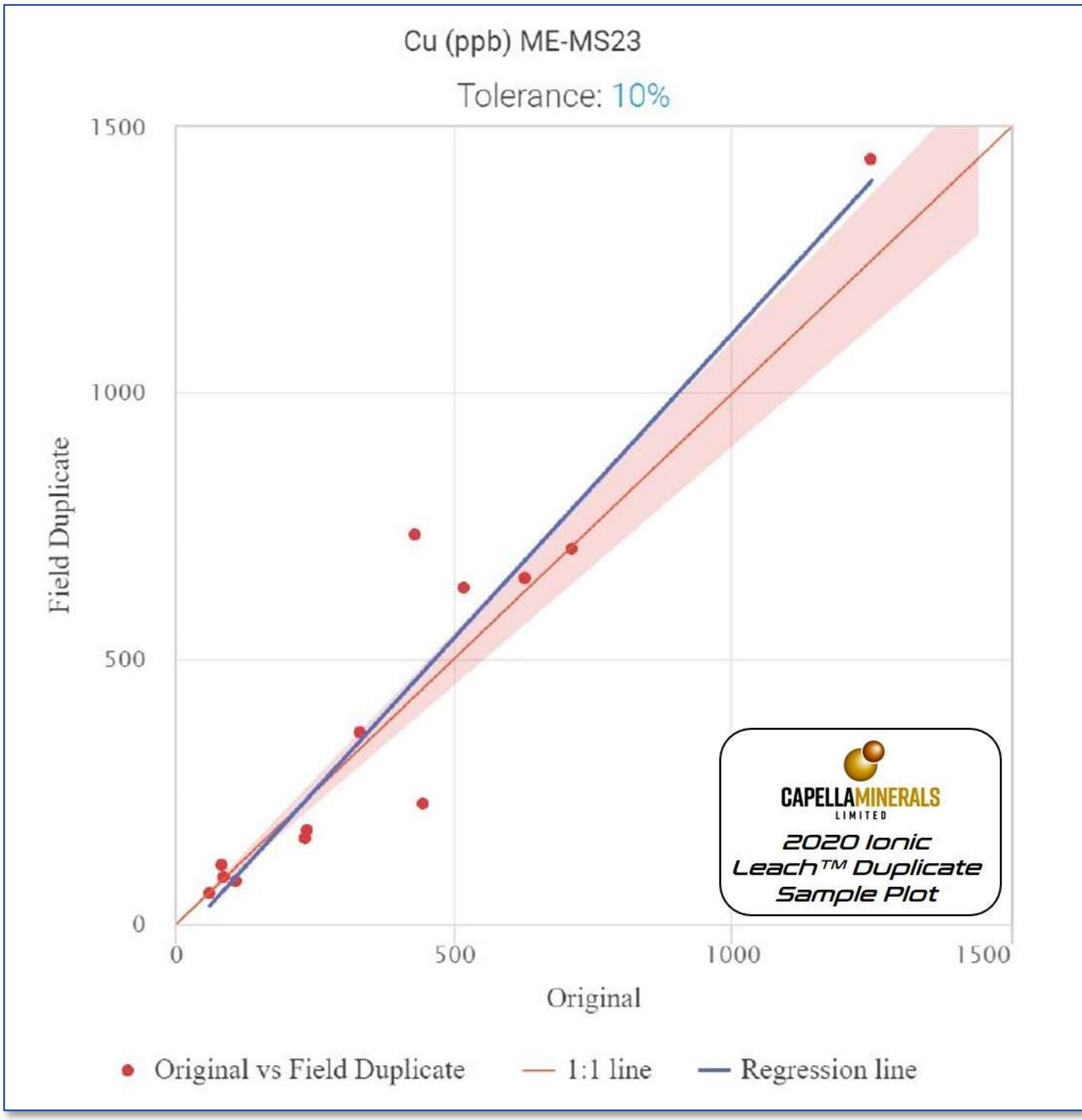


Figure 31: *QAQC plot showing the duplicate Ionic Leach™ samples from the Løkken Property. (Source: EMSAB)*

There is however, a large amount of historical sample (both drilling and surface geochemical) data without QAQC control which limits the ability to complete a future mineral resource estimate without first completing a dedicated check-sampling programme on the drill core at least. As the quality and reliability of the historic drilling and geochemical sampling cannot be adequately assessed by the author of this report beyond the measures described in Section 12, some caution should be applied when using these datasets. The author would however like to reiterate that the historic drilling and geochemical sampling was completed by one of the leading mining and exploration companies (Orkla Grube AB) at the time and more recently by Drake and their work was completed using industry standards of the time and despite the lack of formal QAQC data (in the case of Orkla Grube AB) the author has high confidence in the quality of the historic data for the purposes of this report.

Table 7 summarises the prep and analytical methods used by EMSAB at the Løkken Property.

Sample Type	Laboratory	Prep Method	Sample Size	Analytical Method	Element Suite
Rock Grab Sample	ALS Global	Prep-31	0.5g	ME-MS41 ME-MS61	Ag, Al, As, Au, B, Ba, Be, Bi, Ca, Cd, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, HF, Hg, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn, Zr

Scott GEOLOGICAL

Rock Grab Sample	ALS Global	Prep-31	30g	PGM-ICP23	Au, Pt, Pd
Ionic Leach™ Sample	ALS Global	N/A	50g	ME-MS23	Ag, As, Au, Ba, Be, Bi, Br, Ca, Cd, Ce, Co, Cr, Cs, Cu, Dy, Er, Eu, Fe, Ga, Gd, Ge, Hf, Hg, Ho, I, In, La, Li, Lu, Mg, Mn, Mo, Nb, Nd, Ni, Pb, Pd, Pr, Pt, Rb, Re, Sb, Sc, Se, Sm, Sn, Sr, Ta, Tb, Te, Th, Ti, Tl, Tm, U, V, W, Y, Yb, Zn, Zr

Table 7: *Summary of prep and analytical methods utilised by EMSAB at the Løkken Property.*

12. DATA VERIFICATION

12.1. Data

The majority of the information contained in this report is from publicly available documents and reports regarding the Løkken Property and has been partially verified by the author via a site visit. All information regarding the property's geological setting as well as the scope of historical work falls into this category.

The author has not personally verified the location of any mineral occurrences other than Løkken, Dragset and Åmot deposits. However, at the sites that were personally visited by the author, observations and results of geochemical analysis agree with publicly available information for those sites. All three sites visited by the author show ample evidence for the scope of historic mining indicated by available records; likewise, mineralogy and geochemical analyses of the rock samples collected by the author correlate with what would be expected from historic records. GPS locations for these samples have been checked against local topographic features and satellite imagery and found to be consistent.

3 rock-grab samples were collected by the author of this report during the site visit: a chalcopyrite-sphalerite rich dump sample near the southern pit and a pyrite-chalcopyrite rich outcrop sample from near the northern pit both from the Dragset mine and a 'vasskis' float sample from a jasper quarry located between Løkken and Dragset. All sample locations were recorded with a handheld GPS unit reported in the WGS84 projection, UTM Zone 32N. See Table 8 for a summary of the author's rock-grab sample assay results.

Sample ID	North	East	Sample Type	Au (ppm)	Ag (ppm)	Cu (ppm)	Cu (%)	Zn (ppm)	Zn (%)	Description
LOK-JH-20-003	6998434	529042	Float	0.055	0.83	209		394		Red silicious rock with magnetite veins.
LOK-JH-20-002	7000763	527216	Dump	0.081	13.25	>10000	3.64	>10000	3.04	Massive sulphide with chalcopyrite and sphalerite.
LOK-JH-20-001	7000874	527161	Outcrop	0.013	1.02	47.2		78		Massive sulphide with pyrite.

Table 8: *Summary of rock-grab samples collected by the author from the Løkken Property. Coordinates are WGS84/ UTM 32N. Assays via PGM-ICP23, ME-MS61 and OG62 at ALS Global.*

The analytical data (laboratory files/certificates) acquired by EMSAB has been checked by the author; a cursory spot check comparing the lab certificates to the data stored in the master Excel spreadsheet was completed and, in all cases, (20 spot checks across rock-grab and Ionic Leach ™ samples) the data matched. The author has also reviewed the EMSAB QAQC data and similarly did not identify any obvious issues and the data is considered reliable.

Based upon a review of the historic and current data by the author and the site visit, the newly obtained and historic data is judged to be of sufficient quality for the purposes of this report.

12.2. Site Visit

A site visit of the Løkken Property was completed by the author on the 7th of October 2020, which included visiting the Løkken mine and original discovery outcrop, the Dragset mine and the Åmot mine.

An attempt was made to locate and survey the historic drill collars located at the Dragset mine but no collars could be located in the field. It is recommended that if any historic drill collars are subsequently located in the field that positions are surveyed with an RTK-GPS before commencing any detailed exploration at the property i.e., drilling or resource estimate work.

13. MINERAL PROCESSING & METALLURGICAL TESTING

No mineral processing or metallurgical testwork has been completed on samples collected by EMSAB from the Løkken Property.

14. MINERAL RESOURCE ESTIMATES

No estimates of mineral resources or mineral reserves have been made for the Løkken Property.

23. ADJACENT PROPERTIES

23.1. Løkken

The former Løkken underground mine infrastructure and orebody is partially covered by four extraction permits (Løkken 1-4) owned by the Norwegian State and issued in 1980. The extraction permits give the Norwegian State preferential rights over and above the overlapping permits (Løkken 7-8) owned by Capella, although the western and eastern extents of the former Løkken underground mine infrastructure and orebody are legitimately located within Capella's Løkken 7-8 exploration permits (see Figure 3).

The Løkken Cu-Zn pyrite deposit, which is partially located within the Løkken Property owned by Capella, was worked over a period of 333 years (1654 to 1987) and produced approximately 24Mt @ 2.1% copper (Cu), 1.9% zinc (Zn), 19g/t silver (Ag) and 0.2g/t gold (Au) (Eilu, P., (ed.), 2012). The author has not performed sufficient work to verify the published historic production data or grades reported above, but the author believes this information is considered reliable and relevant. The mineralization at Løkken may or may not be indicative of the type of mineralization elsewhere at the Løkken Property, and is provided solely to illustrate the type of mineralization that could exist elsewhere at the Løkken Property.

Christian Salvesen together with Wilhelm August Thams owned and operated the Løkken mine and several others in the immediate area through their company Ørkedalens Mining Company, which was established in 1867. Orkla Grube-Aktiebolag purchased the mine from Ørkedalens Mining Company in 1904 and they owned and operated the mine until the mine's closure in 1987. After the mine closure, Orkla Grube AB developed into the giant Norwegian conglomerate Orkla ASA.

The Løkken deposit is considered one of the largest (by tonnage) Cyprus-type, ophiolite-hosted massive sulphide deposits in the world. The massive sulphide mineralization consists predominantly of pyrite with chalcopyrite and sphalerite, averaging 2.1% Cu, 1.9% Zn, 0.02% Pb and 19g/t Ag (Eilu, P., (ed), 2012). Galena, magnetite, hematite and bornite are local minor constituents, whereas tetrahedrite-tennantite occur only as accessories. Quartz is the main non-sulphide phase and constitutes 12-14% of the mineralized rock. Fairly massive and compact varieties of mineralized rock predominate along with subordinate banded types. Sulphides are fine grained and contain porous and colloform pyrite aggregates with base metal sulphides or quartz filling the interstices (Grenne, T., 1989).

The Løkken orebody is folded and tectonically disrupted into one major and several smaller orebodies. However, deformation alone cannot account for the extremely elongate shape of the deposit. The original accumulation of sulphides had a skewed lensoid cross-section morphology, with a maximum width and thickness of approximately 400 and 60m respectively and a length exceeding 4km (Grenne, T., 1986 as cited in Grenne, T., 1989). The shape was largely controlled by its sheetlike, fissure-related, hydrothermal feeder zone which underlies the central part of the stratiform sulphide orebody along its entire length. The feeder zone is very well defined down to at least 300m below the contemporaneous palaeo-seafloor. Finely laminated sediments of sand-sized sulphide debris and coarse sulphide-jasper-basalt talus were deposited 200-300m from the main discharge zone as a result of sea-floor faulting. (Grenne, T., 1989)

Due to the regional inversion, the feeder zone to the Løkken deposit is well exposed along the structural hangingwall of the massive sulphide mineralization and the main part of the feeder zone, with a width of approximately 100m, comprises sulphide vein stockwork and disseminations. It increases in density toward the most central 40 to 50m and particularly toward the massive sulphide mineralization level. Host volcanites have suffered pervasive Fe-rich chlorite ±quartz alteration. Close to the stratiform mineralization levels, sericite gradually becomes more prominent at the expense of chlorite. (Grenne, T., 1989)

See Figure 32 showing a Leapfrog model of the Løkken orebody (long section) and Figure 33 showing the Løkken discovery outcrop and photos of examples of the Løkken mineralization.

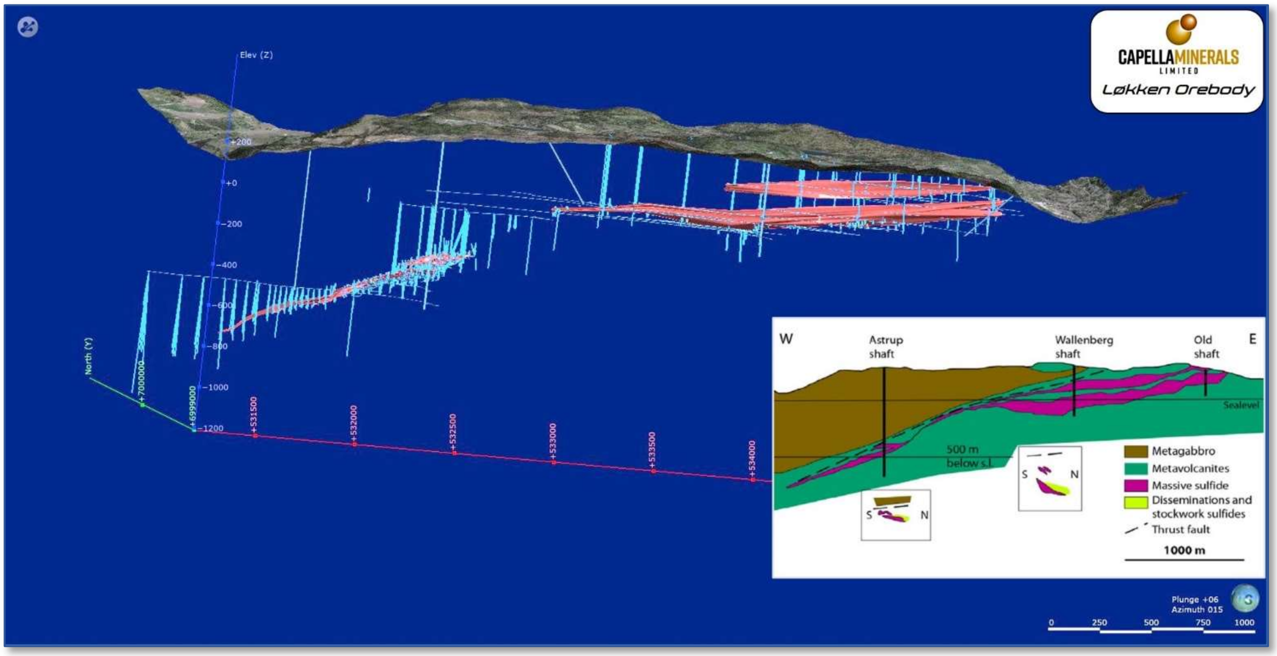


Figure 32: *Leapfrog model showing the Løkken orebody (long section). (SGAB, Nov 2020 and inset from Drake Resources)*

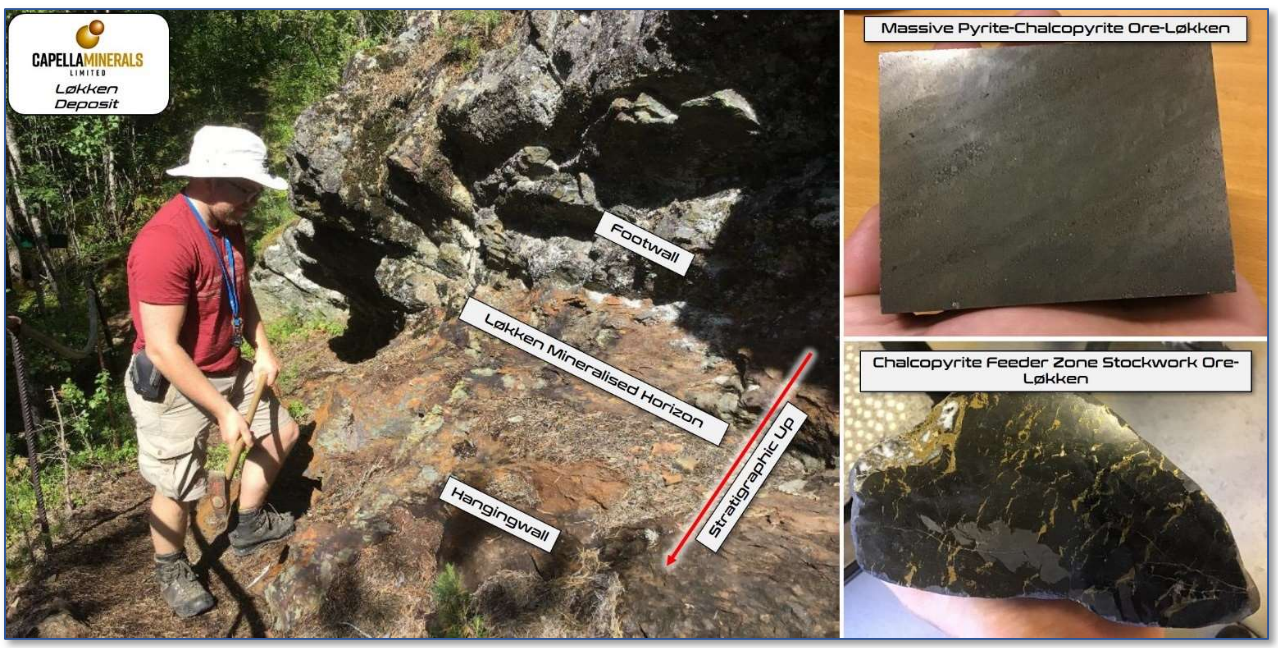


Figure 33: *Løkken discovery outcrop and examples of Løkken massive sulphide and stockwork mineralization. (Source: EMSAB)*

A summary of the processing from Løkken is provided below and is sourced from the Orkla Industrimuseum.

Between 1654 and 1845, a total of 11,300t of copper was produced from the mine with the ore being partly smelted in the smelting works at Svorkmo, Grutseter, and later Dragset Verk, and partly exported to England for smelting. During the period 1855-1931, both copper and sulphur were extracted via smelting at smelting works in Sweden, Germany and England. In modern times, from 1931 to 1962, ca. 60% of the ore was smelted at Thamshavn and 40% was exported to Germany. During the period 1974-1987, selective flotation was utilised for the extraction of copper and zinc concentrates, with the zinc being smelted at Odda, Norway and copper and silver at Outokumpu, Finland.

During the early years (up to 1931) of the mine, the ore was separated by hand prior to crushing and transporting to the smelters, once at the smelter the smelting was performed in five stages:

i. Heap Roasting

The ore was put into large heaps together with coarse wood in such a way that there were air pockets in towards the middle. The ore was heated so as to expel the sulphur and iron.

ii. Coarse Metal Smelting

The ore and charcoal were put into big kilns made out of granite. Air was blown into the kilns by means of big bellows or water-power-driven blasting machines. Quartz was added in order to bind the iron. In this process, the gangue was discarded and the product was coarse metal consisting of copper, sulphur and iron, as well as big quantities of slag.

iii. Dead Roasting

The coarse metal was put with layers of wood into "boxes" made of granite and heated. The process was repeated five to seven times to remove as much sulphur as possible.

iv. Black Copper Smelting

After the dead roasting, what remained of the coarse metal was put into granite kilns lined with clay. Charcoal was used for heating. The result was black copper, a crude metal.

v. Gahring

This process removed the iron from the black copper. Black copper was put into big hardening kilns together with charcoal. Great quantities of air were supplied and finally water, which made the copper harden on top of the kiln. The copper was cast into 15kg sheets.

During the period 1918-1929, experiments by Orkla Grube-Aktiebolag resulted in a pyrite ore smelting process which utilised the Løkken pyrite ore sulphur contents without losing the other components of the pyrite ore. This process, which was developed in Portugal, in Sweden and at Løkken Verk, was named the Orkla method. To employ the method, Orkla Grube AB built a smelting plant at Thamshavn, Orkla Metal-Aktieselskap. Here, 85% of the sulphur contents of the pyrite ore was extracted as elementary sulphur. 84% of the copper content was extracted as black copper containing 35% copper. The gold and the silver remained in the black copper, as it was not viable to extract it. Orkla Metal-Aktieselskap smelted 60% of the production from the Løkken Verk mine whilst in operation from 1931 to 1962. As a result of the discovery of the French natural gas deposits, a new raw material for sulphuric acid was found, thus causing a sharp decline in the price of sulphur and consequently in 1962 the Thamshavn smelter was converted into a ferro-alloy plant and the pyrite ore was exported to Germany to be smelted. In 1986, the Thamshavn smelting plant was sold to Elkem and ferrosilicon is still produced at Thamshavn today.

In the beginning of the 1970's, changed world market conditions made the Løkken Verk sulphur unsalable and production was therefore converted and a new selective flotation production plant was built. Copper and zinc concentrates were now extracted in a highly advanced and complicated process. During this period of flotation, the annual production of the mine was ca. 400,000t of crude ore, producing 25,000t copper concentrate and 7,000t zinc concentrate; the waste constituted more than 90% and was pumped into an artificial lake at Bjønndalen in Bjørnli, where it was stored under water.

There are currently no other adjoining or adjacent properties to the Løkken Property.

24. OTHER RELEVANT DATA & INFORMATION

The Norwegian State owns four extraction permits over part of the former Løkken underground mine infrastructure and orebody, these permits were issued in 1980 and all mining operations at Løkken ceased in 1987. DMF has indicated that the Norwegian State would be amenable to redeveloping the Løkken mine together with the owner of the surrounding claims i.e., Capella. However, neither Capella nor EMX have commenced formal discussions with DMF or the Norwegian State in relation to the re-establishment or development of the former Løkken mine and this process will be largely driven by the exploration success of Capella going forward (pers. comm Holzäpfel, J., October 9 2020).

The author is not aware of any other relevant data or information necessary to make this report understandable and not misleading.

25. INTERPRETATIONS & CONCLUSIONS

Review of historical data and personal examination of three (Løkken, Dragset and Åmot) mineralised prospects within the Løkken Property during the author's field visit confirm the existence of VMS-style massive sulphide mineralization at the property. Samples enriched in both copper and zinc at economically significant levels were taken from one of the three prospects visited on the property: the Dragset mine. All three prospects were the site of mining operations during and prior to the early 20th century, although in the case of Løkken, the mine closed its operations in 1987 after more than 300 years in production. Based on the observations of the author and as a result of the data and literature review, significant and widespread VMS mineralization is present across the Løkken Property.

The locations of the Løkken, Dragset and Åmot prospects, as recorded in the NGU Ore Database, were correct, indicating that this data is of generally good quality and that the locations of the many other prospects on the property can be relied upon to guide early-stage exploration efforts. The abundance of these prospects over the entire property (37 sites in total are recorded by the NGU), along with significant copper and zinc assays from historic and recent (2019, 2020, EMSAB and NGU) rock-grab samples should be considered a favourable indicator for continued exploration on the property.

The cessation of mining operations within the property in the early 20th century should not be considered to be overly negative for the known prospects of economically significant mineralization; modern mining and metallurgical methods are significantly more advanced than those used when these operations were in production, and it is expected that zones of mineralization which were either logistically or economically infeasible to mine in the past could be of economic interest today. Sites of historic mining should therefore be considered especially favourable exploration targets for modern work. Similarly, the Løkken mine ceased production in 1987 due to a number of years with very depressed metal prices (copper prices were +/- USD$60c/lb for the period 1984-1987) and the discovery of oil in Norway in 1969 and full-scale commercial production commencing in the 1970-1980's also significantly reduced interest and investments in the mining industry in Norway.

Whilst exploration has been conducted over the property area, over a period of more than 100 years, the Løkken Property is still considered to be at a relatively early stage. The bulk of the historical exploration completed was geophysical in nature and often utilising very early and primitive forms of technology. The close spatial association of the mineralized horizons with a sulphidic and consequently conductive exhalative ('vasskis') horizon has reduced the effectiveness of electrical geophysical methods, both historically and as recently as the 2011 VTEM survey completed by Drake, to discriminate between massive sulphide mineralization, the conductive 'vasskis' horizons and graphite units. Historic diamond drilling was largely focussed on 'near-mine' exploration and on testing geophysical anomalies with arguably little success; no new discoveries of economic massive sulphide mineralization have been made in the Løkken area during the past 50-70 years. Historic geochemical activities across the Løkken Property have been limited with single regional stream sediment, moraine sampling and lithogeochemical surveys having been completed. Partial extraction technologies have been developed since the time the stream sediment and moraine sampling was completed and are likely to provide new exploration opportunities at the Løkken Property going forward.

Work by previous operators, both industry and academic, suggest that at least two horizons of prospective stratigraphy are present on the property; the Løkken-Højdal horizon and the Dragset horizon both located within the Løkken ophiolite of the Støren Group. A thorough and comprehensive understanding of the local stratigraphic, mineralogical and structural settings across the Løkken Property to aid in the delineations of these two prospective horizons, primarily through solid field geology, secondly by geochemistry and thirdly by geophysics will be the key driver for exploration success at the Løkken Property.

Early exploration work completed by EMSAB has confirmed the location and tenor of the historic mineralization from across the Løkken Property via rock-grab sampling of mullock dumps. Detailed ground magnetics at the Dragset prospect has successfully identified the Dragset mineralized horizon and confirmed the regional fold hinge mapped in the area. Ionic Leach™ sampling has identified zinc anomalies at both the Dragset and Højdal prospects. At Dragset, the zinc anomalism appears to be concentrated at the centre of the regional fold hinge. At Højdal, two strong zinc anomalies over a strike-length of ~1000m are located within the interpreted Løkken-Højdal mineralized trend. Follow-up drone magnetic surveying and infill Ionic Leach™ sampling will occur during the 2021 field season at the Løkken Property.

In summary, it is concluded that the exploration work which has been conducted on the property over the last century suggests that the potential exists for significant mineralised zones to exist at many of the mineralised prospects within the Løkken Property. Whilst work on the property is still quite early stage and potential economic viability cannot yet be commented upon, current results and historical data are sufficiently encouraging to recommend additional exploration work be conducted on the Løkken Property.

26. RECOMMENDATIONS

Based on the results of the author's inspection of the Løkken Property and review of available records, a 12-month, two-phase exploration strategy is recommended for the Løkken Property, whereby the second phase of exploration is dependent on the success of the first phase of exploration.

Phase 1:

i. Historical data compilation, including the establishment of a historical drillhole database is recommended. Priority for the data compilation should focus on integrating geochemical, geophysical and drillhole data from Orkla Grube AB, NGU and Drake into a single GIS database. It is likely that NGU and Drake raw data is available digitally, however the Orkla Grube Ab data will likely have to be manually entered from the PDF reports. The compilation and validation work is expected to take approximately 4-6 weeks to complete.

ii. Review of the available geological, geochemical and geophysical data to complete a preliminary interpretation and target generation for the Løkken Property, with special focus on delineating the two known prospective stratigraphic horizons, namely the Løkken-Højdal horizon and the Dragset horizon.

iii. Continuation of Ionic Leach™ sampling across each of the two prospective stratigraphic horizons as deduced from the above-mentioned interpretation and targeting exercise and over any other targets.

iv. Continuation of detailed magnetics (surface or drone) across prospects and stratigraphic horizons of interest.

Phase 2:

i. Complete detailed gravity and moving-loop and/or fixed-loop EM surveys over any geological or geochemically derived targets generated during Phase 1.

ii. Complete targeting diamond drilling over any targets remaining after scrutinization of results derived from the detailed geophysical surveying. A program of ~2500m of diamond drilling is recommended to test the targets to emerge from the aforementioned ranking exercise.

A proposed budget is outlined below in Table 9; all monies are in Canadian dollars:

Phase 1				
Exploration Activity	**Unit**	**Unit Cost**	**Total Units**	**Cost**
Data Compilation & Validation	each	$15,000.00	1	$15,000.00
Drone Magnetic Survey	km²	$1,350.00	15	$20,250.00
Geophysics Processing & Interpretation	day	$1,500.00	5	$7,500.00
Project Interpretation & Target Generation	day	$1,500.00	5	$7,500.00
Ionic Leach Sampling	sample	$100.00	2000	$200,000.00
SUB-TOTAL				**$250,250.00**
Phase 2				
Exploration Activity	**Unit**	**Unit Cost**	**Total Units**	**Cost**
Geophysics Surveys (EM)	each	$50,000.00	4	$200,000.00
Geophysics Surveys (Gravity)	each	$50,000.00	2	$100,000.00
Diamond Drilling	metres	$295.00	2500	$737,500.00
SUB-TOTAL				**$1,037,500.00**
TOTAL				**$1,287,750.00**

Table 9: *Two-phase exploration budget for the Løkken Property.*

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28. CERTIFICATE OF AUTHOR

I, Amanda Scott, BSc. Geology, FAusIMM., do hereby certify that:

1. I am Principal Consultant of Scott Geological AB, Smultronstigen 9, 93931, Malå, Sweden.
2. I graduated with a B.Sc. Degree in Geology from the University of Victoria, Wellington in 2003.
3. I am and have been registered as a Member of the Australasian Institute of Mining and Metallurgy since 2008. I became a Fellow of the Australasian Institute of Mining and Metallurgy in September 2020 (FAusIMM 990895).
4. I have worked as a geologist for 16 years since my graduation from University and have experience with exploration for, and the evaluation of, gold deposits of various types, including orogenic and sediment-hosted, VMS deposits, magmatic Ni-Cu-PGE deposits, BIF-hosted, skarn and apatite iron ore deposits, magmatic Ti-V deposits, graphite deposits, hard-rock lithium and IOCG Cu-Au-Co deposits throughout Australia and Scandinavia.
5. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my current membership level with an affiliation with a professional association (as defined in NI 43-101), I fulfil the requirements to be a "Qualified Person" for the purposes of NI 43-101.
6. I, as a "Qualified Person" for the purposes of NI 43-101, take responsibility for all sections of the Technical Report titled "Technical Report for the Løkken Property, Norway", with an effective date of January 25, 2021 (the "Technical Report"). I visited the Løkken Property on the 7th of October, 2020 for one day and can verify the Property, mineralization and the infrastructure at the Property.
7. At the effective date of the Technical Report, to the best of my knowledge, information and belief, the Technical Report contains all relevant scientific and technical information that is required to be disclosed, to make the Technical Report not misleading.
8. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
9. I am independent of the issuer, the vendor and the Property applying all of the tests in section 1.5 of both NI 43-101 and Companion Policy 43-101CP.
10. I have not had any prior involvement with the Property that is the subject of the Technical Report.
11. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files or their websites.

Signing Date: March 26, 2021

Malå, Sweden

29. APPENDICES

29.1. Permit Status Report

Report

GeoDE Consult AS
Geologi- og miljørådgivning

Prosjekt:	**Eurasian Minerals Sweden AB – Løkken Project**
Tema:	**Mineral investigation rights**
Skrevet av:	David C. Ettner
Dato:	07.12.2020

Geode Consult AS
Org. nr. 994 551 000

Pb 97
N-1378 NESBRU

Purpose

This report is prepared by Geode Consult AS for Eurasian Minerals Sweden AB, and presents information relevant for the validity of the mineral investigation permits at the Løkken project, Norway.

Geode Consult AS consents that this report may be made public.

Independence

Geode Consult AS is an independent company providing geological, environmental, and CSR services. The company is registered in Norway, and based in Asker, Norway.

Geode Consult AS does not have an interest in Eurasian Minerals Sweden AB, its associated companies or the mineral investigation permits listed in this report.

Geode Consult AS has provided geological, permitting and CSR consulting services to Eurasian Minerals Sweden AB and its associated companies. The preparation of this is supplied to Eurasian Minerals Sweden AB as a paid consulting service.

Responsibility of information contained in this report

Geode Consult AS has independently collected information provided in this report.

Geode Consult AS does not assume any responsibility for the information provided by the Norwegian Directorate of Mining database.

Dates in this report are presented in the Norwegian format “day.month.year”.

Permits, potential conflicts and restrictions

The 21 permits owned by Eurasian Minerals Sweden AB are presented in table 1. The total area of each claim is 10000000 m^2. It should be noted that the database for the Norwegian Directorate of Mining database presents each claim with a slightly larger size. According to the Norwegian Directorate of Mining this is a calculation error because the database calculates the area in UTM 33.

Four older mining claims covering a total area of 852000 m^2 are located within Eurasian Minerals Sweden AB claim blocks Løkken 7 and Løkken 8. The mining claims are owned by the Norwegian government and were issued on the 7th of October, 1980. As these mining claims predate Eurasian Minerals Sweden exploration permits, they restrict exploration rights according to the Norwegian Mineral Act (Mineralloven).

Eurasian Mineral Swedens exploration permits Løkken 4 and Løkken 5 are partially overstaked by a more recent claim, Dragset 0130/202, which is 4000000m^2 in size. This permit is owned by Orkla Gruve AS and was granted on 08.05.2020. Eurasian Minerals Swedens permits predate the Orkla Gruve AS permit, and therefore Eurasian Minerals Swedens permits have priority.

The company Nammo NAD AS owns the Astrup Mine, located with the Løkken 7 permit area, and conducts munitions destruction at a depth of 900 meters in the mine. Nammo NAD is 100% owned by Nammo AS, which is in turn owned by the Norwegian Government and the Finnish company Patria Finance Oyj. Because of this activity it is probable that exploration in close proximity to the mine would be restricted. No agreement between Norwegian Directorate of Mining and Nammo NAD AS is known.

Three nature reserves in the claim area present exploration restrictions in the claim area. These nature reserves include “Rønningen” (Løkken 1), Urvatnet-Litjbumyran (Løkken 10, 11, 12 and 13), and Jakopsmyra (Løkken 21). The individual law for each nature area must be considered with regards to restrictions within, or under, these areas. Laws for the nature reserve laws may give the possibility for receiving dispensation for exploration activities. These laws have not been examined for this reporting.

Other than the above points presented above, no permit conflicts were identified that would restrict exploration if carried out in accordance with Norwegian law, which would include:

- Norwegian Mineral Act (*Mineralloven*)
- The Planning and Building Act (*Plan- og bygningsloven*)
- Act relating to the management of biological, geological and landscape diversity (*Naturmangfoldloven*)
- The Pollution Control act (*Forurensningsloven*)
- The Cultural Heritage Act (*Kulturminneloven*)
- Act Relating to Motor Traffic on Uncultivated Land and in Watercourses (*Motorferdselloven*)
- The Land Act (*Jordlova*)
- The Water Resources Act (*Vannressursloven*)
- The Reindeer Husbandry Act (*Reindriftsloven*)

Litigation

Geode Consult AS is not aware of any litigation related to Eurasian Minerals Sweden´s Løkken permits.

Table 1: Permits owned by Eurasian Minerals Sweden AB

Permit Name	Permit number	Size m^2	Date granted	Known permit conflicts
Løkken 1	0145/2019	10000000	24.07.2019	Nature reserve - Rønningen
Løkken 2	0156/2019	10000000	24.07.2019	
Løkken 3	0158/2019	10000000	24.07.2019	
Løkken 4	0159/2019	10000000	24.07.2019	Partially overclaimed – Dragset 0130/2020 (4000000m^2)
Løkken 5	0160/2019	10000000	24.07.2019	Partially overclaimed – Dragset 0130/2020 (4000000m^2)
Løkken 6	0161/2019	10000000	24.07.2019	
Løkken 7	0162/2019	10000000	24.07.2019	64000m^2 Mining Permit (Løkken 4 0005/1980-TB / 07.10.1980) 301000m^2 Mining Permit (Løkken 3 0004/1980-TB/ 07.10.1980) 187000m^2 Mining Permit (Løkken 2 0003/1980-TB/ 07.10.1980) 300000m^2 Mining Permit (Løkken 1 0002/1980-TB / 07.10.1980) ?Nammo NAD – Astrup Sjakt?
Løkken 8	0163/2019	10000000	24.07.2019	300000m^2 Mining Permit (Løkken 1 0002/1980-TB / 07.10.1980)
Løkken 9	0164/2019	10000000	24.07.2019	
Løkken 10	0146/2019	10000000	24.07.2019	Nature reserve - Urvatnet-Litjbumyran
Løkken 11	0147/2019	10000000	24.07.2019	Nature reserve - Urvatnet-Litjbumyran
Løkken 12	0148/2019	10000000	24.07.2019	Nature reserve - Urvatnet-Litjbumyran
Løkken 13	0149/2019	10000000	24.07.2019	Nature reserve - Urvatnet-Litjbumyran
Løkken 14	0150/2019	10000000	24.07.2019	
Løkken 15	0151/2019	10000000	24.07.2019	
Løkken 16	0152/2019	10000000	24.07.2019	
Løkken 17	0153/2019	10000000	24.07.2019	
Løkken 18	0154/2019	10000000	24.07.2019	
Løkken 19	0155/2019	10000000	24.07.2019	
Løkken 20	0157/2019	10000000	24.07.2019	
Løkken 21	0264/2019	10000000	09.10.2019	Nature reserve - Jakopsmyra