

**Blackwolf Copper and Gold Ltd.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE SIX MONTHS ENDED APRIL 30, 2023**

**Blackwolf Copper and Gold Ltd.**  
**Management's Discussion and Analysis**  
**For the Six Months Ended April 30, 2023**

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**GENERAL**

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements (the "Financial Statements") of Blackwolf Copper and Gold Ltd. (the "Company" or "Blackwolf") for the three and six months ended April 30, 2023 publicly filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company reports in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"s) (together, "IFRS"). The following disclosure and associated consolidated financial statements are presented in accordance with IFRS. This MD&A is prepared as of June 29, 2023.

All dollar amounts in this MD&A are expressed in **Canadian dollars**, unless otherwise noted.

The references to 2023 and 2022 represent the Company's fiscal years ended October 31 respectively unless indicated otherwise and the three-month periods denoted by the letter "Q" are the Company's fiscal quarters.

Andrew Hamilton, P. Geo., Consultant for the Company is the Company's designated Qualified Person for this MD&A within the meaning of National Instrument 43-101 and has reviewed and approved the scientific and technical information contained herein.

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**OVERVIEW**

Blackwolf was incorporated under the laws of the Province of Alberta, Canada on November 6, 2007, and continued under the laws of the Province of British Columbia, Canada on November 16, 2009. On April 20, 2021, the Company changed its name from Heatherdale Resources Ltd to Blackwolf Copper and Gold Ltd. The Company's corporate office is located at Suite 3123 – 595 Burrard Street, Vancouver, British Columbia. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "BWCG".

Blackwolf's vision is to be an industry leader in transparency, inclusion and innovation. Guided by its vision, and through collaboration with local and Indigenous groups and stakeholders, Blackwolf builds shareholder value with its technical expertise in mineral exploration, engineering and permitting.

Blackwolf holds a 100% interest in the advanced exploration-stage Niblack project (the "Niblack Project"), as well as the Cantoo, Texas Creek, Casey, Mineral-Hill and Rooster gold-silver properties (the "Hyder Area Properties"). The Niblack Project is located at tidewater on Prince of Wales Island (Taan), near to the City of Ketchikan in southeast Alaska, USA with volcanogenic massive sulphide ("VMS") mineralization including the Lookout and Trio deposits, with a NI43-101 compliant mineral resource estimate ("MRE") of high-grade copper, gold silver and zinc (Refer to *Mineral Resource*). The Hyder Area Properties are located in the "golden triangle area" in southeast Alaska and northwest BC.

**HIGHLIGHTS**

- In January 2023, the Company announced the results from its 2022 reconnaissance exploration program on its Hyder Area Properties and that high-grade mineralization was identified in multiple areas across the properties, with three priority areas identified. Highlights include:
  - **Cantoo:** individual assays up to **37.6 g/t Au** from chip samples of outcropping veins up to 30 meters wide. A series of stacked, shallow southwesterly-dipping veins and stockwork zones were identified at Cantoo, spanning over 300 meters of exposed elevation and over 500 meters along strike;
  - **Solo:** grab samples including: **20.6 g/t Au, 386 g/t Ag and 6.0 g/t Au, 3,836 g/t Ag** from a zone of structurally-controlled quartz veining, sulfide mineralization, and alteration over 535 meters of strike length. Blackwolf's sampling results, coupled with the historic discovery of ultra-high-grade veins, are geologically similar to those from the Brucejack deposit and;
  - **Doghole:** samples up to **16.6 g/t Au and 583 g/t Ag** from a series of NE trending quartz-sulfide veins traced over 220 meters along strike. A total of 15 samples were collected along the trend and returned an average of **6.02 g/t Au and 171 g/t Ag**.
- In February 2023, the Company announced that it had signed a Memorandum of Understanding ("MOU") with Dolly Varden Silver and New Moly LLC to jointly study the viability of using New Moly's Kitsault Project as a potential site for a centralized, polymetallic processing facility that could accept mineralized material from each of the parties respective deposits, located at or near tidewater in northwestern, B.C. and/or southeastern, Alaska.
- On February 16, 2023, the Company announced an updated Mineral Resource Estimation ("MRE") for its Niblack property as follows (Table 1):
  - Indicated Mineral Resource of 5.85 million tonnes at 0.94% Copper, 1.83 g/t Gold, 1.73% Zinc, and 29 g/t Silver and an Inferred Mineral Resource of 0.21 million tonnes at 0.93% Copper, 1.52 g/t Gold, 1.38% Zinc, and 18 g/t Silver from the Lookout and Trio deposits using a US\$100/tonne cut-off;

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- A higher-grade zone comprised of multiple, subparallel, interconnected lenses of sulfide mineralization on the Lookout deposit comprised of 3.790 million tonnes at 1.06% Copper, 2.19 g/t Gold, 2.07% Zinc, and 35 g/t Silver in the indicated category using a US\$130/tonne cut-off;
  - Both Lookout and Trio deposits are open along strike and up- and down-dip of the new Mineral Resource with significant additional exploration potential across the property and;
  - Other areas of mineralization on the Property such as the historic Niblack Mine area and Dama Zones require additional drilling and data validation prior to an initial Mineral Resource Estimation and are therefore not included in this MRE.
- In March 2023, the Company announced that Coast Copper Corp and Goliath Resources Limited were joining the MOU with Dolly Varden Silver and New Moly LLC.
- In March 2023 the Company announced the resignation of Jodie Gibson as VP Exploration for the Company, effective March 15, 2023.
- In April 2023, the Company closed a private placement (the "Offering") for aggregate gross proceeds of \$8.5 million. Under the Offering, the Company sold 30 million units of the Company (each a "Unit") at price of \$0.20 per Unit for gross proceeds of \$6.0 million and 10,416,667 flow-through common shares (each a "FT Share") of the Company at a price of \$0.24 for gross proceeds of \$2.5 million. Red Cloud Securities acted as sole agent and bookrunner in connection with brokered component of the Offering. Each Unit consisted of one common share of the Company and one-half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitling the holder to purchase one common share of the Company (each, a "Warrant Share") at a price of \$0.35 at any time on or before April 4, 2025. The Company paid agent's and finder's fees of \$524,915 and \$5,600, respectively, issued 2,478,746 agent warrants and 28,000 finder warrants. Each finder and agent warrant is exercisable to acquire one common share in the capital of the Company at an exercise price of \$0.20 per common share until April 4, 2025

***Subsequent to the Quarter End***

- In June 2023, the Company announced the appointment of Rob McLeod as Executive Chairman and Morgan Lekstrom as CEO and Director. Mr. Lekstrom has seventeen years of mining and industry experience in progressively senior roles from executive management, project management and engineering.
- In June 2023, the Company announced it had entered a non-binding letter of intent (the "LOI") for a proposed transaction whereby the Company will acquire all the issued and outstanding shares of Optimum Ventures Ltd. ("Optimum"). The LOI contemplates shareholders of Optimum will receive 0.65 of a Blackwolf common share for each Optimum common share held, each warrant to purchase Optimum common shares will be converted into a warrant to purchase common shares of Blackwolf on the basis of the same exchange ratio and the Optimum stock options will be cancelled. Optimum is a Canadian based mineral exploration company, that has interests in properties and projects located in the "Golden Triangle" area of northern British Columbia into Alaska. *(Refer to Proposed Transactions below)*

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**OUTLOOK**

The Company's has mobilized its geological team to commence early-stage setup and preparation work on the Cantoo Project near Hyder Alaska, where drilling is expected to commence shortly. The Company has identified three priority targets (Cantoo, Solo and Doghole) that will be prioritized for drilling and additional surface sampling. In addition, the Company will be working to close the proposed transaction with Optimum and developing a drill program on Optimum's Harry Project, that is envisioned to start later in the 2023 field season. Further exploration activities on the Niblack Project is of a longer term focus and targets identified include drilling at the Lookout Deposit to extend the down-dip of the high-grade zone and step-out drilling to add to tonnage to the resource, surface drilling down-dip and along strike extension on the Trio, Dama, Lindsay and Mammoth zones.

In addition, to the work on the Company's properties, the Company continues to build towards its vision and longer-term goal to realize a hub and spoke model with multiple mines feeding one mill site in a location to be determined. The Company continues to evaluate base and precious metal projects in proximity to the Niblack Project. The Company continues to engage and explore creative potential strategic partnerships with Indigenous groups.

**PROPERTIES**

**Niblack Project, Southeast Alaska**

The 6,200-acre Niblack Project is situated at tidewater on Prince of Wales Island (Taan), some 27 miles from the City of Ketchikan in southeast Alaska. Ketchikan is a community of 8,000 residents with important services to support project development, including a deep-water port and an international airport.

Key project infrastructure at the Niblack Project includes a road network, over one kilometer of underground workings, a water treatment plant and discharge system, dock, ramp, 60 man land camp and office and a barge that served as the former camp and offices, power generation and ancillary buildings.

*History*

The Niblack Project has a history of mineral exploration, development, as well as some production. According to Alaskan Territorial Records, underground mining operations occurred from 1905-08 at the Niblack zone and produced approximately 30,000 tons grading 3.2% copper, 0.04 oz gold and 0.68 oz silver.

Previous work on the Niblack Project includes:

- Discovery of multiple VMS zones, including Lookout, Trio, Dama, Lindsay, Mammoth and the historical Niblack mine;
- Development of an 850-meter long underground drift and 150 meters of crosscuts: the underground access has facilitated cost-effective underground drilling;
- Initial metallurgical testwork returned recoveries to copper concentrate of 95% copper, 56% gold and 53% silver with payable metal factors of 96.5% for copper, 90.7% for gold and 89.5% for silver; recoveries to zinc concentrate are 93% zinc, 16% gold and 24% silver with payable metal factors of 85% for zinc, 80% for gold and 20% for silver;

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- Completion of 124,000 meters of surface and underground drilling in 424 core holes, drilled by multiple operators and;
- NI 43-101 Mineral Resource Estimates for the Lookout and Trio deposits was completed in 2009, updated in 2011 and was further updated in 2023 (Refer to *Mineral Resources* section below).

Geology

The geology of the Niblack Project consists of three main rock units: a Footwall Succession of primarily dacitic and basaltic volcanic and volcanoclastic rocks; a Felsic Succession of felsic flows and volcanoclastic rocks, and a Hanging Wall Succession, made up of mafic volcano-sedimentary rocks and basaltic flows. Most notable, the 100-200m Felsic Succession hosts all known VMS mineralization on the property. This thick sequence of prospective folded rhyolitic volcanic rocks extends for at least six miles across the property and hosts six known massive sulphide zones: the historic Niblack mine, the Lookout and Trio deposits and the Dama, Lindsay and Mammoth zones.

The Niblack Project stratigraphic package has been subject to multiple phases of deformation and greenschist facies metamorphism that occurred during the Middle Cambrian to Early Ordovician and the Middle Silurian to Early Devonian. Further deformation occurred during the accretion of the Alexander terrane to the Cordillera in the mid-Jurassic to Cretaceous. Folding on the property is north-verging, moderate to tight, and overturned. VMS mineralization deposits and prospects follow a property-scale synformal anticline-antiform syncline pair.

Exploration Potential and Reinterpretation

Previous operators interpreted the regional deformation to be a property-scale anticlinal-synclinal pair. However, in most recent stages of exploration and research, U-Pb age dating and analysis in sedimentary and volcanosedimentary beds led to the discovery that the stratigraphy is overturned. This breakthrough led to a reinterpretation of these folds as an overturned synformal anticline-antiform syncline pair. This reinterpretation was not tested in previous exploration and opens a large new prospective area across the property based on the new projection of the permissive Niblack Felsic Succession. This reinterpreted model is driving current exploration, which is targeting and testing these newly defined prospective zones.

All of the known mineralized zones at Niblack Project remain open for expansion.

In December 2020, a 10-hole 1,774-meter drill program targeting extensions to mineralization at the historic Niblack mine site was completed. One of the primary purposes of this program was to test a revised geological model interpreting that the volcanic stratigraphy is overturned. With two major, regional folding events, the revised interpretation is that the target area was a synform, rather than antiform as previously interpreted. This program was successful, intersecting high-grade polymetallic mineralization, as well as confirming the revised geological model. Assays were received in May 2021 and highlights (Refer to the Company's New Release May 3, 2021, for full results) include the following:

- **L020-213:** 11.08 meters averaging 2.33% Cu, 2.98 g/t Au, 45.0 g/t Ag, 1.78% Zn;
- **L020-213:** 5.50 meters averaging 4.32% Cu, 1.36 g/t Au, 30.8 g/t Ag, 4.43% Zn;
- **L020-215:** 7.59 meters averaging 5.18% Cu, 2.66 g/t Au, 145.1 g/t Ag, 6.53% Zn;
- **L020-215:** 2.80 meters averaging 6.10% Cu, 2.56 g/t Au, 56.4 g/t Ag, 0.84% Zn;
- **L020-219:** 3.10 meters averaging 9.34% Cu, 4.25 g/t Au, 76.3 g/t Ag, 3.23% Zn;
- **L020-222:** 4.74 meters averaging 2.28% Cu, 0.33 g/t Au, 9.5 g/t Ag, 0.06% Zn and;
- **L020-224:** 1.50 meters averaging 1.72% Cu, 8.02 g/t Au, 27.7 g/t Ag, 0.37% Zn.

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During fiscal year 2021, the Company completed rehabilitation of the 850-meter exploration drift and in March and April of 2021 drilled five underground holes, totaling 1,810 meters of NQ2 core at the Lookout Deposit. The primary objectives of this program were: 1) resource expansion drill holes targeting massive sulphide mineralization approximately 300 meters away from the underground ramp; 2) exploration drill holes to test for the down dip extension of the Lookout mineralized horizon and exploration to the west of the Bluebell strike-slip fault, which runs shallowly oblique to the Lookout Zone. Two resource expansion drill holes intersected much wider intervals than expected from previous modelling, with remarkably consistent polymetallic grades within the Lookout Zone. Two exploration drill holes up and down-dip of the deposit encountered encouraging base and precious metal intervals within the prospective massive sulphide horizon. Assays were received in June 2021 and highlights (Refer to the Company's New Release June 16, 2021 for full results) include the following:

- **U21-226:** 27.00 meters averaging 1.06% Cu, 1.87 g/t Au, 32.8 g/t Ag, 1.04% Zn  
*including:* 4:00 meters averaging 2.61% Cu, 4.93 g/t Au, 76.58 g/t Ag, 2.34% Zn and;
- **U21-227:** 32.60 meters averaging 1.03% Cu, 1.49 g/t Au, 26.54 g/t Ag, 0.92% Zn  
*including:* 3.00 meters averaging 2.37% Cu, 3.29 g/t Au, 58.97 g/t Ag, 1.42% Zn.

Mineral Resources

On February 16, 2023, the Company announced an updated Mineral Resource Estimation ("MRE") and it represents the first resource evaluation of the Niblack property since the previous estimate conducted by the Company (formerly under the name of Heatherdale Resources Ltd.) and Niblack Mine Development Inc. in 2011. The updated MRE was completed to incorporate three additional rounds of drilling on the Niblack property, to evaluate the potential of including additional resources from other target areas on the property and to reflect current economic parameters.

The MRE was conducted by Arseneau Consulting Services ("ACS") and is reported within the guidelines of the Canadian Securities Administration National Instrument 43-101 ("NI 43-101"). ACS carried out database verification, grade shell geometry, and variography; utilizing a resource drill hole database with a total of 57,891 meters of sampling from 197 drill holes. Mineral resources were estimated in a single three-dimensional block model using Geovia Gems version 6.8.4 software. Precious and base metal grades within the mineralized domains were estimated in three successive passes by ordinary kriging for the Lookout deposit and by inverse distance squared interpolation for the Trio deposit. Search parameters were generally set to match the correlogram parameters but also designed to capture sufficient data to estimate a grade in the blocks. All assays were composited to 2.0 m and capped at the 97 or 98 percentiles before estimation.

The Indicated and Inferred Mineral Resources were classified according to the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definition Standards for Mineral Resources and Mineral Reserves by Dr. Gilles Arseneau, P.Geo., of ACS, a "qualified person" as defined by NI 43-101 as described in a technical report, with an effective date of February 14, 2023, filed under Blackwolf's profile at [www.sedar.com](http://www.sedar.com).

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All Indicated and Inferred Resources were categorized as meeting “reasonable prospects for potential economic extraction” by underground mining methods utilizing a stope optimizer and 5m x 5m x 5m block model at a US\$100 equivalent value cut-off. The new MRE and assumptions and economic parameters used to calculate the resource are presented in Tables 1 and 2 below:

**Table 1: Updated Niblack Mineral Resource (Effective February 14, 2023\*)**

Area	Classification	Cut-off (US\$)	Tonnes (000)	Cu (%)	Cu Mlb	Zn (%)	Zn Mlb	Au (g/t)	Au oz	Ag (g/t)	Ag oz
Lookout	Indicated	100	5,391	0.92	108.9	1.72	204.9	1.88	326,600	30	5,168,200
	Inferred		159	0.93	3.3	1.31	4.6	1.63	8,300	18	93,300
Trio	Indicated	100	460	1.16	11.8	1.75	17.7	1.30	19,200	20	293,800
	Inferred		55	0.91	1.1	1.61	1.9	1.20	2,100	18	31,700
Total	Indicated	100	5,851	0.94	120.7	1.73	222.6	1.83	345,800	29	5,462,000
	Inferred		214	0.93	4.4	1.38	6.5	1.52	10,400	18	125,000

\*Notes

1. Mineral Resources are not Mineral Reserves and have not demonstrated economic viability.
2. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
3. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
4. The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves. Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
5. Metal prices are derived from the London Energy & Metals Consensus Forecast. Recoveries are derived from preliminary metallurgical testwork on Niblack and operating costs are derived from benchmarking against similar deposits in Alaska and Canada, assuming primarily longhole stope mining methods. See Table 2 for details.
6. Numbers may not add due to rounding.
7. The new MRE and technical report was prepared by Dr. Giles Arseneau, a qualified person as defined by NI43-101.



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**Table 2: Parameters used to derive the “reasonable prospects of potential economic extraction” for Underground Mining Conditions**

<b>Parameter*</b>	<b>Value</b>	<b>Unit</b>
Copper Price	3.50	US\$ per pound
Copper Recovery	94.30	Percent
Zinc Price	1.10	US\$ per pound
Zinc Recovery	90.20	Percent
Gold Price	1,650	US\$ per Oz
Gold Recovery	72.00	Percent
Silver Price	20.00	US\$ per Oz
Silver Recovery	76.00	percent
Mining Costs	48.00	US\$ per tonne mined
Milling Costs	28.00	US\$ per tonne of feed
G & A Costs	24.00	US\$ per tonne of feed
Mining Rate	1,500	Tones per day
Total Costs	100.00	US\$
Cut-off (total value)	100.00	US\$

*\*Note: Metal prices were derived from the London Energy & Metals Consensus Forecast. Recoveries are derived from preliminary metallurgical tests and were assumed to be 100% payable. Operating costs were derived from benchmarking against similar deposits in Alaska and assumed longhole stoping mining methods.*

The “reasonable prospects for economic extraction” requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. To meet this requirement, the qualified person considers that the majority of the Lookout and Trio deposits are amenable for underground mining by longhole stoping with minor cut and fill methods similar to the Greens Creek VMS deposit in Alaska (SLR, 2022).

To determine the quantities of material offering “reasonable prospects for potential economic extraction” by underground methods, the qualified person used a mining stope optimizer and reasonable mining assumptions to evaluate the proportions of the block model (Indicated and Inferred blocks) that could be “reasonably expected” to be mined by underground methods.

The optimization parameters were selected based on experience and benchmarking against similar projects. The reader is cautioned that the results from the stope optimization are used solely for the purpose of testing the “reasonable prospects for eventual economic extraction” by underground methods and do not represent an attempt to estimate, or imply the existence of, mineral reserves. There are no mineral reserves on the Niblack Project. The results are used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate mineral resource reporting cut-off grade.

The qualified person considers that all the blocks above cut-off forming a minimum stope shape of 15 by 10 by 5 meters and easily accessible from the main deposit satisfy the “reasonable prospects for potential economic extraction” and can be reported as a mineral resource.

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#### *Comparison to 2011 Mineral Resource Estimation and Key Factors*

The updated MRE for Niblack contains increased Indicated Mineral Resource Tonnes and fewer Inferred Mineral Resource Tonnes compared with the 2011 Mineral Resource estimate<sup>(1)</sup>. Indicated resources increased from 5.638 million tonnes (2011) to 5.851 million tonnes (2022). Significantly fewer Mineral Resources were estimated in the Inferred Category, 0.214 million tonnes in this MRE versus 3.393 million tonnes in the 2011 Mineral Resource estimate.

Key factors impacting the current resource estimate include:

- Increasing the reporting cutoff to US\$100 per tonne from US\$50 per tonne resulted in a net loss of tonnes in the resource, primarily in the inferred category;
- Consensus forecast metal prices used for the new resource estimate increased the overall tonnes in the model, but these were at lower grades and did not meet the current reporting cutoff to be included in the resource estimate;
- Additional drilling, updated geological modelling, and refined variography and geostatistics resulted in an increase in overall tonnes in the model and the conversion of Inferred to Indicated blocks and;
- The most significant of the factors is the change in cut-off grade which removed lower grade, Inferred blocks from the Mineral Resource, leading to increases in the overall grades and increased Indicated Mineral Resources.

(1) Refer to the NI43-101 compliant Mineral Resource Estimation – Niblack Polymetallic Sulphide Project report dated December 6, 2011. Available on SEDAR.

#### Metallurgy

In 2009, metallurgical testwork was conducted and average results include recoveries to copper concentrate of 95% copper, 56% gold and 53% silver with payable metal factors of 96.5% for copper, 90.7% for gold and 89.5% for silver; recoveries to zinc concentrate are 93% zinc, 16% gold and 24% silver with payable metal factors of 85% for zinc, 80% for gold and 20% for silver.

In early 2021, the Company commissioned Ausenco Canada Ltd (“Ausenco”) to complete a review of previous metallurgical testwork with the objective of improving gold and silver recoveries. The Niblack deposit contains gold content that is noticeably higher than the average for volcanogenic systems, which presents an opportunity to add significant value through improved recovery methods.

The key highlights from this initial review include:

- Most gold and silver losses were associated to the rougher tails. Low penalty element concentration was observed in copper concentrate for both composites with very clean zinc concentrate;
- The primary minerals of interest for the Niblack Project are chalcopyrite, sphalerite, electrum and gold and silver tellurides. The precious metals of interest are gold and silver. Use of alternative collectors may improve the recovery of precious metals from electrum and tellurides. A finer primary grind size should improve the revenues from precious metals;
- A metal correlation analysis completed for the samples available for testing indicates considerable variability of mineral assemblage and;
- A preliminary heterogeneity analysis indicates the Niblack deposit is amenable to ore preconcentration. The results show potential to reject up to 40% of mass with minimal loss of copper and gold with ore preconcentration.

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Ausenco made the following recommendations to further evaluate the metallurgical recoveries at Niblack Project:

- Completion of a more in-depth desktop bulk ore sorting analysis;
- Test dithiophosphate collectors and other collectors to improve precious metal recovery;
- Conduct further primary grind size optimization test work to maximize precious metals recovery to copper concentrate;
- Test finer regrind size after assessing changes in collector and primary grind size;
- Test pyrite flotation to better quantify opportunities to optimize tailings disposal;
- Conduct comminution tests after the flotation grind sizes are confirmed and;
- Test variability of the deposit using discrete samples and geo-metallurgy composites to de-risk the project and allow for more flexibility on project optimization.

Engineering

Preliminary engineering studies of site logistics and infrastructure for potential mine development at the Niblack Project indicate the advantages of direct-shipping mineralized material from an underground mine to an offsite location for milling and metallurgical treatment. Potential locations were identified for the processing plant and tailings storage facility, two being industrial sites in the Ketchikan area and, as such, each has access to a skilled workforce, existing transportation infrastructure, and hydroelectric power.

In 2012, Blackwolf's subsidiary, Niblack Project LLC, signed a Memorandum of Understanding ("MOU") with the Ketchikan Gateway Borough (the "Blackwolf- KGB MOU") to assess the suitability of one of these sites located in the Ketchikan area, called the Gravina Island Industrial Complex ("GIIC"), for a mill and tailings facility for the Niblack Project.

In 2013, Blackwolf's s subsidiary, Niblack Project LLC, signed a MOU (the "Blackwolf-AIDEA MOU") with the Alaska Industrial Development and Export Authority ("AIDEA")<sup>1</sup> to work together to evaluate the potential for processing, port and tailings storage facilities at the GIIC site near Ketchikan and to investigate infrastructure requirements at the Niblack site on Prince of Wales Island regarding the suitability for AIDEA involvement. In June 2014, Senate Bill 99 ("SB 99") was signed into law, which authorizes AIDEA at its discretion once it has completed its due diligence process, to issue bonds up to a maximum of \$125 million to finance infrastructure and construction costs of the Niblack Project. Infrastructure and construction costs include a mineral processing mill, and associated dock, loading and related infrastructure at the GIIC, and infrastructure at the Niblack Project site on Prince of Wales Island. The infrastructure facilities would be either owned or financed by AIDEA.

As additional optionality for processing mineralized material from the Niblack Project, the Company has signed a Memorandum of Understanding with Dolly Varden Silver, New Moly LLC, Coast Copper and Goliath Resources to jointly study the viability of using New Moly's Kitsault Project as the potential site for a centralized polymetallic processing facility that could accept mineralized material from each of the parties respective deposits, located at or near tidewater in northwestern, B.C. and/or southeastern, Alaska. (*Refer to MOU Hub and Spoke Section*)

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<sup>1</sup> AIDEA is a public corporation of the State of Alaska with a mission to promote, develop, and advance economic growth and diversification in the state by providing financing and investment.

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*Environmental*

Environmental and monitoring work continues to commensurate with existing permits for the site.

The Company continues to review and seek amendments to existing permits, including its Plan of Operations, to ensure planned work complies and permits align. Blackwolf's subsidiary Niblack Project LLC has entered into a Memorandum of Understandings ("MOU") with the Alaska Department of Natural Resources ("DNR"), under the authority of Alaska Statute 38.05. The purpose of these MOU is to establish a framework for DNR to coordinate the efforts and services of state agencies for the review and processing of future permitting requirements for exploration and development of the Niblack Project. In addition, the Company is seeking the issuance of renewal for its Waste Management Permit, which has been administratively extended by state agencies. In March 2023, the approved reclamation plan was administratively extended to April 2025 subject to the Company providing an updated financial assurance cost estimate by April 2024.

In June 2022, the Company received its permit for surface exploration work at the Niblack Project from the US Forest Service, USDA. The authorized surface exploration, subject to various terms and conditions and bonding, includes: detailed geological mapping; ground based geophysical using Induced Polarization; soil sampling for geochemical analysis; and diamond core drilling at a maximum of fifteen sites.

**Other Properties: Hyder Area Properties (Texas Creek, Cantoo, Casey, Mineral and Rooster), Southeast Alaska and Northwest British Columbia**

In 2021, the Company acquired 100% interest in three gold-silver claim blocks, being referred to as the Texas Creek, Cantoo Mountain and Casey properties, located in the State of Alaska, north of the mining towns Hyder, AK and Stewart, BC. In May 2022, the Company acquired through staking, its fourth claim group, known as the Mineral Hill property, located in the same area. In July 2022, the Company acquired through staking, its fifth claim group in the golden triangle area known as the Rooster property located northwest of the towns of Stewart, BC and Hyder, AK on the Canadian side of the golden triangle area. The Rooster property is contiguous with the Company's high-grade Texas Creek gold-silver property, located to the south across the Canada/US border.

The Hyder Area Properties cover some of the last unexplored areas of the golden triangle area, with very limited modern exploration. Most historic exploration and limited production occurred during the 1920's to 1950's. Of the multiple known mineral showings on the properties, the Company's priority targets include: 1) Solo Mine on the Texas Creek property, where miners tunneled under glacial ice to explore for the source of electrum stringers identified in glacial transported boulders. Significant glacial melt has occurred in the area. 2) Cantoo Mountain, which is underlain by a synvolcanic intrusive that is potentially the metallogenic feeder to the Premier and Big Missouri epithermal gold-silver deposits. Numerous high-grade gold and silver values were returned by US government geologists collected during the early and mid-1990s.

During the 2021 field season, the Company completed an initial reconnaissance exploration program consisting of three weeks of fly-camp supported reconnaissance mapping and sampling. Experienced geologists completed 1:2,500 scale structural and stratigraphic mapping and collected 243 rock samples across the Texas Creek and Cantoo properties. Two reconnaissance soil lines were also completed at the Blasher prospect at Texas Creek and at the Cantoo property, totaling 100 soil samples. Surface sampling was centered on evaluating historic mines and prospects, including: Cantoo, Solo, Silver King, Double Anchor, Blasher, Doghole and Iron Cap showings, all of which have seen almost no modern-day exploration. Calendar year 2021 was an unusually cool and wet year; winter snowpack did not completely melt during the summer, therefore several targets in the alpine areas of the claims were not properly evaluated, including the Casey gold-zinc VMS prospect and a significant area of the Solo prospect, one of Blackwolf's priority targets.

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Of 243 total rock samples collected by the Company during 2021, assay results ranged from trace to 30.4 g/t Au, trace to 7,910 g/t Ag, trace to 5.8% Cu, trace to 22.4% Zn and trace to >20% Pb. 25 of 243 rock samples returned over 1.0 g/t Au (*Refer to Note 1*).

Highlights of the 2021 work include (*Refer to Note 1*):

- **Cantoo:** individual assays up to **30.4 g/t Au, 2,860 g/t Ag and 5.8% Cu** from grab samples of material eroding from a series of stacked veins to 30 meters wide. The Cantoo veins have been traced for over 500 meters along strike and are considered a high-priority drill target;
- **Solo:** grab samples up to **10.0 g/t Au and 7,910 g/t Ag** from a zone of quartz veining and alteration over 535 meters of strike length, partially exposed under snow and ice cover. The Company believes the veins explored by Blackwolf and historic prospectors at Solo are geologically similar to structures at the Brucejack gold mine that is located in the Golden Triangle and;
- **Doghole:** grab samples up to **11.3 g/t Au and 530 g/t Ag** from multiple areas of intrusive-related disseminated to massive sulphide mineralization, shearing and quartz-sulphide veining proximal to Texas Creek intrusive rocks.

Exploration during the 2022 field season at the Company's five Hyder area properties included the collection of 330 rock grab and chip samples, geologic mapping, aerial photography, LiDAR surveys, and a high-resolution World-View 3 remote sensing survey. Precipitous areas were sampled by experienced climbing technicians. Due to the steep, challenging climbing conditions at Cantoo, only limited surface sampling was completed on the outcropping veins. Assay results for all samples collected during 2022 on the Hyder Properties ranged from trace to 37.6 g/t Au, trace to 3,836 g/t Ag, trace to 1.47% Cu, trace to 21.3% Zn, and trace to 58.4% Pb. Thirty-four of the samples returned over 1.0 g/t Au (*Refer to Note 2*).

Highlights of the 2022 work include (*Refer to Note 2*):

- **Cantoo:** individual assays up to **37.6 g/t Au** from chip samples of outcropping veins up to 30m wide. A series of these stacked, shallow southwesterly-dipping veins and stockwork zones were identified at Cantoo, spanning over 300 meters of exposed elevation and over 500m along strike;
- **Solo:** grab samples including: **20.6 g/t Au, 386 g/t Ag and 6.0 g/t Au, 3,836 g/t Ag** from a zone of structurally-controlled, quartz veining, sulfide mineralization, and alteration over 535 meters of strike length. Blackwolf's sampling results, coupled with the historic discovery of ultra-high-grade veins, are geologically similar to those from the Brucejack deposit and;
- **Doghole:** samples up to **16.6 g/t Au and 583 g/t Ag** from a series of NE trending quartz-sulfide veins traced over 220 meters along strike. A total of 15 samples were collected along the trend and returned an average of **6.02 g/t Au and 171 g/t Ag**.

### ***Cantoo Property***

The Cantoo property consists of 63 US Federal Lode claims covering 513-hectare claim block located 15 kilometers northwest of Hyder, AK.

The Cantoo property is located immediately west of the Alaska-Canadian border, west of Ascot Resources' Premier, Silver Coin and Big Missouri deposits. The property is underlain by the Texas Creek stock, a dioritic synvolcanic intrusive that was the feeder to host rocks and mineralization at the nearby deposits. The geological target and exploration concept is similar to the large, intrusive-related and porphyry copper,

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molybdenum and gold deposits such as Snowfield, Treaty, Kerr and Mitchell that are located adjacent east of the high-grade Brucejack mine.

Cantoo is mostly covered with vegetation, however local exposures of strongly altered intrusive rocks host high-grade gold-silver mineralization, often with significant copper, molybdenum, barium, lead and zinc. Quartz veins hosting gold and silver mineralization over 10 meters wide were reported by US Government Geologists. Limited direct shipping mineralization was recovered on surface without blasting, with 20 tons reportedly shipped in the 1920s. US government geologists collected 19 samples, six of which assayed over 1.0 g/t Au. Individual sample grades include: 18.5 g/t Au and 1,206 g/t Ag, 9.2 g/t Au and 1,173 g/t Ag and 27.7 g/t Au and 13.5 g/t Ag (*Refer to Note 3*).

These veins outcrop on cliff faces that are clearly observed from the air. Historic adits and two, aerial tram line cables dating back to late 1920's helped Blackwolf's geologist to locate the veins, and according to Alaskan territorial records, ore was direct shipped from surface without blasting. Work ceased on ambitious development plans at Cantoo after the stock market crash of 1929. Experienced climbing technicians were able to access the 'upper', 30 meter-wide, gold-rich vein, and a composite chip sample from it returned 37.6 g/t Au (*Refer to Note 1*). The mineralization was associated with silicification, stockwork quartz veining, and up to 25% disseminated pyrite mineralization. Grab samples from altered zones on the edge of the 30 meter zone returned 0.74 and 0.38 g/t Au (*Refer to Note 1*). A series of additional zones of veining and alteration were noted on the cliff below the upper vein but were not sampled for safety reasons. Together, these form a series of stacked zones of veining and alteration over 300 meter in vertical extent. Additional sampling was conducted from scree slopes and limited outcrop exposure below the cliffs assayed up to 2.66 g/t Au (*Refer to Note 2*).

### ***Texas Creek Property***

The Texas Creek property consists of 185 contiguous US Federal Lode claims covering 1,498 hectares located 19 kilometers northwest of Hyder, AK.

Texas Creek hosts multiple historic prospects and small-scale past-producing gold and silver mines, hosted within a similar geological setting to large, high-grade gold silver deposits in the Golden Triangle. In the 1920s and 1930s, Blasher, Double Anchor, Ibex, Homestake, Silver Bell, Silver King, Silver Coin, Silver Star, Lake and Morning Star prospects were discovered.

Country rocks are primarily volcanic and sedimentary rocks of the earliest Jurassic Hazelton group and various phases of synvolcanic intrusive. The Company's current assay data set is from prospect documentation work completed by US Government geologists in the 1990's. Other historical work describes details of miners using steam to 'construct thousands of feet of ice tunnels' at the margins of a glacier, exploring for the source of 'electrum float'. Some veining was discovered in 1937 and mined. There has been significant melting of alpine glaciers over the past century. During the 1990's, US Government geologists' sampling identified multiple veins and shears hosting gold and silver. Of 31 samples collected, gold and silver values range from trace to 37.5 g/t Au and trace to 1,168 g/t Ag. 16 samples returned over 1.0 g/t Au, with individual samples including: 8.1 g/t Au and 742.6 g/t Ag, 6.8 g/t Au and 1,045 g/t Ag, 37.5 g/t Au and 56.9 g/t Ag, 15.4 g/t Au and 339.1 g/t Ag, 32.4 g/t Au and 62.7 g/t Ag; 24.7 g/t Au and 118.6 g/t Ag. At the nearby Silver King showing, four samples were collected: two grab samples returned 12.5 g/t Au and 604.1 g/t Ag as well as 14.6 g/t Au and 867.8 g/t Ag. (*Refer to Note 3*)

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Numerous prospects, adits and small-scale mines span a seven-kilometer-long area north of Texas Creek. Limited US government sampling returned strong gold-silver values, including: a one-meter-long channel sample at the Blasher prospect of 5.0 g/t Au and 550 g/t Ag. 12 samples were collected at the Double Anchor showing; three samples assayed over 1.0 g/t Au, including a grab sample of 36.8 g/t Au and 207 g/t Ag. At the Homestake mine, which direct shipped vein mineralization, nine samples were collected with eight assaying over 1.0 g/t Au. Highlights include: 5.8 g/t Au and 877 g/t Ag and 14.5 g/t Au with trace silver in channel samples. (*Refer to Note 3*)

*Solo prospect*

The Solo prospect is located on the western flank of the Texas Creek property and is dominated by quartz-vein hosted massive galena-pyrite-electrum mineralization in Lower Jurassic Lower Hazelton argillitic sediments. In the 1930's, miners built 1,800 meters of tunnels through an ice sheet chasing source of the electrum, including a glacial transported float that assayed over 20,000 g/t Au (*Refer to Note 3*). Significant glacial recession has occurred since, however large areas of snowpack did not melt during the summer of 2021 or 2022, including the estimated location of one of these high-grade veins in outcrop. Intrusive rocks and very high-grade late tension veins are similar to the Premier and Brucejack deposits in the Golden Triangle and suggest potential for a strong mineralizing system. 2021 samples collected by the Company at the Solo prospect returned up to 10.05 g/t Au, 7,910 g/t Ag, 12.55% Pb and 3.96% Zn in one of these veins (*Refer to Note 1*).

Highlights of the 2021 sampling at Solo include (*Refer to Note 1*):

- **B0007939:** 10.05 g/t Au, 7,910 g/t Ag, 1.4% Cu, 12.55% Pb, 3.96% Zn;
- **B0007953:** 1.38 g/t Au, 1250 g/t Ag, 0.02% Cu, >20% Pb, 0.04% Zn;
- **B0007951:** 6.18 g/t Au, 357 g/t Ag, 0.13% Cu, 1.53% Pb, 2.05% Zn and;
- **B0007906:** 7.07 g/t Au, 32.1 g/t Ag, 0.09% Cu, 2.75% Pb, 0.87% Zn.

Highlights of the 2022 sampling at Solo include (*Refer to Note 2*):

- **C0042635:** 20.6 g/t Au, 386 g/t Ag, 1.47% Cu, 26.5% Pb, 10.9% Zn;
- **B0011001:** 7.23 g/t Au, 175 g/t Ag, 0.15% Cu, 13.6% Pb, 8.62% Zn;
- **B983870:** 8.49 g/t Au, 315 g/t Ag, 0.59% Cu, 18.5% Pb, 0.54% Zn and;
- **B0010866:** 6.04 g/t Au, 3836 g/t Ag, 0.9% Cu, 3.47% Pb, 2.1% Zn.

*Doghole prospect*

Located on the Texas Creek property, Doghole consists of shear-hosted sulphide mineralization along with proximal intrusion-related semi-massive to massive sulphide mineralization set in 5-20 meter wide sills of the Early Jurassic Texas Creek granodiorite. These sills are cross-cut by late continuous quartz-sulphide epithermal-style veins. Samples from the Doghole prospect returned up to 11.3 g/t Au, 530 g/t Ag, 0.44% Cu and 4.63% Zn (*Refer to Note 2*).

Highlights of the 2021 sampling conducted by the Company at Doghole include (*Refer to Note 1*):

- **B0008061:** 11.3 g/t Au, 530 g/t Ag, 0.44% Cu, 10.05% Pb, 4.63% Zn;
- **B0008025:** 9.41 g/t Au, 139 g/t Ag, 0.11% Cu, 2.97% Pb, 4.58% Zn;
- **B0007932:** 6.2 g/t Au, 37.6 g/t Ag, 0.03% Cu, 3.03% Pb, 0.57% Zn and;
- **B0007931:** 3.91 g/t Au, 16.4 g/t Ag, 0.01% Cu, 2.5% Pb, 0.26% Zn.

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Sampling in 2022 followed on the 2021 program and traced a series of NE trending quartz-sulfide veins over 220 meters along strike. A total of 15 samples were taken along the trend and returned 0.92 – 16.6 g/t Au, averaging 6.02 g/t Au (*Refer to Note 2*).

Individual highlights of the 2022 sampling at Doghole include (*Refer to Note 2*):

- **B0010766:** 16.6 g/t Au, 585 g/t Ag, 0.13% Cu, 1.52% Pb, 3.32% Zn;
- **B0010759:** 12 g/t Au, 85.3 g/t Ag, 0.17% Cu, 1.13% Pb, 0.29% Zn;
- **B0010762:** 7.94 g/t Au, 642 g/t Ag, 0.59% Cu, 11.3% Pb, 6.64% Zn and;
- **B0010755:** 8.17 g/t Au, 292 g/t Ag, 0.55% Cu, 4.82% Pb, 0.17% Zn.

*Silver King prospect*

The Silver King prospect consists of an approximately 20 meter wide intermediate Lower Hazelton lapilli tuff bed hosting replacement-style hydrothermal copper-silver-gold mineralization, along with polymetallic gold-silver-zinc-copper vein-hosted mineralization. Samples from the Silver King prospect returned up to 19.85 g/t Au, 1280 g/t Ag, and 2.56% Cu. (*Refer to Note 1*)

Highlights of the 2021 sampling conducted by the Company at Silver King include (*Refer to Note 1*):

- **B0008146:** 19.85 g/t Au, 1,20 g/t Ag, 1.39% Cu, >20% Pb, 22.4% Zn;
- **B0007911:** 0.45 g/t Au, 350 g/t Ag, 2.56% Cu, 6.85% Pb, 0.17% Zn and;
- **B0007909:** 0.31 g/t Au, 235 g/t Ag, 1.81% Cu, 3.89% Pb, 0.09% Zn.

*Iron Cap prospect*

The Iron Cap prospect is located 2.3 kilometers NE of Doghole and consists of a 3.5 meter-wide zone of polymetallic sulfide-bearing quartz-calcite veins and stringers hosted within fine-grained, pelitic metasediments of the Lower Hazelton Group.

Highlights of the 2021 sampling include (*Refer to Note 1*):

- **B0008044:** 25.5 g/t Au, 32 g/t Ag, 0.079% Cu, 4.08% Pb, 12.5% Zn;
- **B0008108:** 0.62 g/t Au, 494 g/t Ag, 1.22% Cu, 1.31% Pb, 1.76% Zn and;
- **B0008112:** 0.03 g/t Au, 70.6 g/t Ag, 1.76% Cu, 6.7% Pb, 1.16% Cu.

**Casey Property**

The Casey property consists of 85 contiguous Federal Lode claims covering 717 hectares. The property is located less than 1 kilometer south of the Texas Creek property, 10 kilometers due west of the past-producing Premier Gold Mine, 13 kilometers south of the past producing Granduc Copper Mine, and 15 kilometers southwest of the past-producing Scottie Copper Mine.

The Casey property hosts several historic precious and base metal prospects, occurring within a similar geological setting to significant mineral deposits in the Golden Triangle. Country rocks are primarily volcanic and sedimentary rocks of the earliest Jurassic Hazelton Group and various phases of primarily dioritic synvolcanic intrusive, that comprise the Texas Creek Stock. The primary target at Casey is to locate the bedrock source of subcropping and glacially transported massive and semi-massive sulphides, primarily sphalerite, galena, chalcopyrite, pyrite and pyrrhotite within volcanic rocks. Boulders were reported to be up to one meter in diameter. Of 35 historic float, subcrop, grab and channel samples taken on the property, 17 Assayed over 1% zinc including eight over 10% zinc, often with high base and precious metals. Individual high-grade samples



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include: 5.0 g/t Au, 62.4 g/t Ag, 0.1% Cu and 29.5% Zn; 195.4 g/t Ag, 2.0% Cu, 2.6% Zn; 300.3 g/t Ag, 0.3% Cu, 6.8% Pb and 19.0% Zn and 680.6 g/t Ag, 15.9% Pb and 2.6% Zn (Refer to Note 3). Since the sampling programs in 1992 and 1995, the three areas of glacial ice where mineralized subcrop or prospects have been identified have seen significant melting and new exposure of outcrop. An ice sheet almost one kilometer long in the center of the claim block has almost completely disappeared over the past 25+ years.

Additionally, the Engineer Mine is located on the eastern side of the Casey property that was actively explored during the 1920s and 30s. Historic sampling by US Department of Mines geologists returned high-grade gold and silver values. Of 35 historic float, subcrop, grab and channel samples taken on the property, 17 samples assayed over 1.0 g/t Zn, including 8 which assayed over 10% Zn, often associated with high base and precious metal counts. Individual high-grade samples include: 5.0 g/t Au, 62.4 g/t Ag; 0.1% Cu and 29.5% Zn, 195.4 g/t Ag, 2.05 Cu, 2.6Zn, 300.3 g/t Ag and 0.3% Cu. (Refer to Note 3)

Initial exploration by the Company in the 2022 field season included prospecting, geologic mapping, LiDAR, and remote sensing surveys. Results include grab samples up to 16.9 g/t Au, 226 g/t Ag, 10.6% Pb, and 0.56% Zn from a series of NE trending quartz-sulfide veins near the historic Engineer Mine. And identification of >1 kilometer NW oriented structurally controlled trend of quartz veining, alteration, and sulfide mineralization associated with the historic Casey Sphalerite occurrence. Samples returned strong base metals values up to 2.9% Pb and 13.7% Zn, and represent the upper portions may of a larger, epithermal vein system with similarities to the Premier deposit approximately 10 km to the east. (Refer to Note 2).

***Mineral Hill Property***

The Mineral Hill Property consists of 60 contiguous U.S. Federal Lode and four State of Alaska Minerals claims, covering a 502 hectares. The property is located 13 kilometers north of Hyder, AK, 2 kilometers west of the past producing Premier Gold Mine and 15 kilometers south of the past-producing Scottie Gold Mine.

The property is underlain by earliest Jurassic Hazelton volcanic rocks and associated intrusives, and hosts multiple gold, silver and polymetallic prospects previously explored by trenches and historic underground drifting. Mineralization includes multiple phases of quartz and sulphide veining associated with strong hydrothermal alteration. At the "Top" Prospect, 18 representative and grab samples were collected in 1995 from historic trenches US Department of Mines geologists. Samples range from trace to 48.03 g/t Au and trace to 100.8 g/t Ag, averaging 5.97 g/t Au and 23.0 g/t Ag. Ten samples assayed over 1.0 g/t Au, averaging 10.53 g/t Au and 39.7 g/t Ag. Individual samples include 48.03 g/t Au and 41.6 g/t Ag, 14.67 g/t Au and 100.8 g/t AG and 19.75 g/t Au and 84.34 g/t AG. (Refer to Note 3)

The Top Prospect is located approximately three kilometers south of the large, outcropping gold-silver veins and breccias on the Cantoo Property. Multiple historic prospects and adits occur between the Top and Cantoo targets and include anomalous copper values (chip samples include 1.1 m chip at 0.17% Cu, 0.2m chip at 0.51% Cu (Refer to Note 3)) and gold-silver assays (1.3m chip at 2.43 g/t Au, 72.0 g/t Ag (Refer to Note 3)).

A limited surficial exploration program was completed in 2022 and consisted of prospecting and geological mapping. Highlights from the program included samples up to 2.53 g/t Au, 56.5 g/t Ag, 0.25% Cu, 0.34% Pb, and 7.165 Zn from strongly salified and quartz veined boulders with up to 10% disseminated-vein controlled sulfides (Refer to Note 2). The mineralized boulders are eroding from a newly discovered iron-oxide stained cliff face over a 200 meter-long trend and may represent a southern extension of the Cantoo vein system 2.5 kilometers to the south.

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**Rooster Property**

The Rooster Property consists of 3 British Columbia mineral claims, covering a 4,690 – hectare claim block and is contiguous with the Company's high-grade Texas Creek gold-silver property, located to the south across the Canada/US border. The property is primarily covered with glacial ice, with increasing new areas of exposure due to annual melting. Due to limited modern exploration, no historic prospects or sampling have been documented on the claims, despite its significant size. Government geologic mapping has interpreted the Rooster Property as underlain by Hazelton Group volcanic and coeval intrusive rocks, older Stuhini Group sediments and younger, Cretaceous- and Tertiary-aged intrusives.

*Notes:*

1. Refer to Company's News Release dated February 23, 2022 for full disclosure.
2. Refer to Company's New Release dated January 17, 2023 for full disclosure.
3. Blackwolf's current assay data set is from prospect documentation work completed by US Federal Government geologists in the 1990's. These assay results are historical in nature, were collected and reported by US Government Geologists prior to 2001 and NI 43-101, have not been verified by Blackwolf and should not be relied upon.

**HUB AND SPOKE**

In November, 2022, Blackwolf signed a Memorandum of Understanding ("MOU") with Dolly Varden Silver, and New Moly LLC (collectively, the "Companies"), to jointly study the viability of using New Moly's Kitsault Project (the "Kitsault Project") as a potential site for a centralized polymetallic processing facility that could accept mineralized material from the Companies' respective deposits ("Kitsault Polymetallic Mill"), located at or near tidewater in northwestern, B.C. and/or southeastern, Alaska. Prior to signing the MOU, Blackwolf undertook initial discussions with Nisga'a Lisims Government regarding potential amendments to the Mines Act Permits for Kitsault to support a polymetallic mill. In March 2023, Coast Copper and Goliath Resources agreed to join the study.

The proposed site at the Kitsault Project previously hosted a molybdenum mine. Within the past decade, Kitsault Project received Canadian Federal and Provincial Permits. The Kitsault Project is located on the BC Hydro grid, has road access to the Nass Valley and tidewater access.

The Companies have engaged Fuse Advisors Inc. ("Fuse") to complete an initial assessment of the technical viability of the Kitsault Polymetallic Mill concept. By reviewing the respective metallurgical test work completed at the various deposits, Fuse will assess the potential for blending or batching mineralized material, potential process flowsheets, potential throughputs from the various deposits and associated mill sizing and timelines.

**COMMUNITY AND INDIGENOUS GROUP ENGAGEMENT**

The Company continues to have meaningful engagement with its project stakeholders and Indigenous groups, where possible, either via teleconference or video conference. The Company is committed to identifying, building on its current and new relationships, establishing effective and open mechanisms for communication in areas where its operations may touch as management develops its current and long-term plans to achieve the Company's vision.

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**SUMMARY AND DISCUSSION OF QUARTERLY RESULTS**

All monetary amounts in the table below are expressed in thousands of Canadian dollars except per share amounts and where otherwise indicated. Minor differences are due to rounding.

Statements of Comprehensive (Income) Loss	Apr 30 2023	Jan 31 2023	Oct 31 2022	Jul 31 2022	Apr 30 2022	Jan 31 2022	Oct 31 2021	Jul 31 2021
	Q2-2023	Q1-2022	Q4-2022	Q3-2022	Q2-2022	Q4-2021	Q4-2021	Q3-2021
<b>Expenses</b>								
Exploration and evaluation	\$ 224	\$ 324	\$ 1,233	\$ 1,157	\$ 736	\$ 680	\$ 1,472	\$ 1,078
General and administration	530	431	303	651	561	667	528	711
Loss from operating activities	754	755	1,536	1,808	1,297	1,347	2,000	1,789
Other (income) expense items <sup>1</sup>	(4)	(6)	(3)	18	(4)	2	(7)	13
Net loss	\$750	\$ 749	\$ 1,533	\$ 1,836	\$ 1,293	\$ 1,349	\$ 1,993	\$ 1,802
Basic and diluted loss per common share	\$0.01	\$ 0.02	\$ 0.04	\$ 0.05	\$ 0.04	\$ 0.04	\$ 0.07	\$ 0.06

Note

1. Include foreign exchange differences, finance income, fair value adjustments on financial instruments carried at fair value, rental income and other income.

Significant variances in the Company's reported loss/(income) from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and project evaluations expenses incurred (ii) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter and (iii) forfeitures of unvested incentive options which results in the reversal of previously accrued share-based compensations expense in prior periods.

**RESULTS OF OPERATIONS**

The following financial data is expressed in Canadian dollars unless otherwise specified. Minor differences are due to rounding.

**For the Three Months Ended April 30, 2023**

For the three months ended April 30, 2023, the Company recorded a net loss of \$750,438 or \$0.01 per share as compared to net loss for the prior comparative period of \$1,292,936 or \$0.04 per share in 2022. The significant variances between the periods include:

- Exploration and evaluation expenditures were \$224,355 (2022 - \$735,675). Expenditures in 2022 were higher, primarily as result of completing repairs on the dock and ramp caused by winter storms and demobilization of equipment at Niblack.
- Management and director fees, wages and benefits were \$151,863 (2022 - \$255,744). The decrease is a result of fewer employees, a reduction in management salaries and the cessation of director fees.

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- Professional services were \$158,612 (2022 - \$32,659). The increase is due to more corporate activities incurred during the current period as compared to the comparative period.
- Marketing and investor services were \$103,171 (2022 - \$23,998) and were higher as result of an increase in the level of activity to expand market awareness through attendance at investor conferences and road shows.
- Share based compensation was \$29,366 (2022 - \$103,955) and was lower due to forfeitures during the period.

***For the Six Months Ended April 30, 2023***

For the six months ended April 30, 2023, the Company recorded a net loss of \$1,499,776 or \$0.03 per share as compared to net loss for the prior comparative period of \$2,642,594 or \$0.08 per share in 2022. The significant variances between the periods include:

- Exploration and evaluation expenditures were \$548,210 (2022 - \$1,415,395). Expenditures in 2022 were higher, primarily as result of completing repairs on the dock and ramp caused by winter storms and demobilization of equipment at Niblack;
- Management and director fees, wages and benefits were \$321,944 (2022 - \$550,677), The decrease is a result of fewer employees, a reduction in management salaries and the cessation of director fees;
- Professional services were \$192,138 (2022 - \$124,849) and were higher as result of the level of corporate activities during the period;
- Marketing and investor services \$205,834 (2022 - \$147,377) and were higher as result of level of activity to increase market awareness through attendance at investor conferences and road shows and;
- Share based compensation was \$83,997 (2022 - \$167,209) and was lower due to forfeitures during the period.

***Investing Activities***

There were no investing activities for the six months ended April 30, 2023.

***Financing Activities***

During the six months ended April 30, 2023, the Company received net proceeds from a private placement financing of \$7,710,499.

***Off-Balance Sheet Arrangements***

The Company does not have any off-balance sheet arrangements.

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**LIQUIDITY AND CAPITAL RESOURCES**

The Company has no operations that generate cash flow. The Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management. To date, the Company's major source of funding has been through the issuance of equity securities, primarily through private placements. In order, for exploration and development companies, to continue funding their activities and corporate costs they are usually reliant on ongoing ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for the commodities that are being explored for, a company's track record, and the experience and caliber of a company's management. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. There is no assurance that equity funding will be accessible to the Company at the times and in the amounts required to fund the Company's activities.

***Cash and Financial Condition***

As of April 30, 2023, the Company had cash and cash equivalents of approximately \$6,791,000 and working capital of approximately \$5,486,000.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares to fund ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

**TRANSACTIONS WITH RELATED PARTIES**

**(a) *Related Party Transactions***

During the six months ended April 30, 2023, the Company paid or accrued \$Nil (2022 - \$46,082) for office space to a private company controlled by a common director.

**(b) *Key Management Compensation***

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President & Chief Executive Officer, Chief Financial Officer, and appointed officers of the Company and Directors. For the six months April 30, 2023, total key management compensation was \$329,767 (2022 - \$531,308) which includes management fees and salaries of \$269,917 (2022 - \$403,000) and share based compensation of \$59,850 (2022- \$128,309).

**PROPOSED TRANSACTION**

In June 2023, the Company announced it had entered a non-binding letter of intent (the "LOI") for a proposed transaction whereby the Company will acquire all the issued and outstanding shares of Optimum Ventures Ltd. ("Optimum"). The LOI contemplates that Blackwolf will acquire all the issued and outstanding securities of Optimum pursuant to a Plan of Arrangement or another structure to be determined following advice from Blackwolf's and Optimum's respective legal and tax advisors. Shareholders of Optimum will receive 0.65 of a

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Blackwolf common share for each Optimum common share held, each warrant to purchase Optimum common shares will be converted into a warrant to purchase common shares of Blackwolf on the basis of the same exchange ratio and the Optimum stock options will be cancelled.

The LOI provides for a binding exclusivity period whereby each party agrees to negotiate exclusively with each other, with a view to completing due diligence and negotiating and settling a definitive agreement.

The LOI does not obligate the parties to enter into a definitive agreement or proceed with the proposed transaction. There can be no assurance that the proposed transaction will be completed on the proposed terms or at all. The completion of the proposed transaction is subject to a number of conditions precedent, including: (i) satisfactory due diligence review, (ii) negotiation and execution of a definitive agreement respecting the proposed transaction; (iii) approval by the boards of directors of each of Blackwolf and Optimum, (iv) approval of the shareholders of Optimum at a special meeting of the shareholders of Optimum; (v) court approval of the Plan of Arrangement, and (vi) obtaining necessary third party approvals, including TSX Venture Exchange acceptance.

Optimum is a Canadian based mineral exploration company, that has interests in properties and projects located in the "Golden Triangle" area of northern British Columbia into Alaska. Optimum has an option agreement with Teuton Resources Corp. pursuant to which Optimum can acquire an up to 80-per-cent interest in the Harry and Outland Silver Bar properties, located near Stewart, B.C.

**CRITICAL ACCOUNTING ESTIMATES, JUDGEMENT AND ASSUMPTIONS**

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are based on historical experience and other factors considered to be reasonable and are reviewed on an ongoing basis. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Measurement uncertainties are described in the Company's audited consolidated financial statements for the year ended October 31, 2022.

**FINANCIAL INSTRUMENTS**

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. Measurement in subsequent periods depends on the classification of the financial instrument. A description of financial instruments and their fair value is included in the audited consolidated financial statements for the year ended October 31, 2022, filed on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.blackwolfcopperandgold.com](http://www.blackwolfcopperandgold.com).

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**DISCLOSURE OF OUTSTANDING SHARE DATA**

The following details the share capital structure as of the date of this MD&A:

Common shares issued and outstanding	80,025,311
Share options	4,585,000
Warrants	23,784,558

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**RISK FACTORS**

See the risk factors disclosed in the Company's annual Management's Discussion & Analysis for the year ended October 31, 2022, and filed on February 27, 2023 for a detailed discussion of the Company's risk factors.

**ADDITIONAL INFORMATION**

Additional information related to the Company is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.blackwolfcopperandgold.com](http://www.blackwolfcopperandgold.com).

### **Cautionary Note Regarding Forward Looking Statements**

The above discussion includes certain statements that may be deemed "forward-looking statements".

All statements in this disclosure, other than statements of historical facts, that address permitting, exploration drilling, exploitation activities and events or developments that the company expects, including statements regarding the Company's plans for 2023 on its properties, hub and spoke, the timing for closing of the Offering and otherwise, the belief that value may be added to the Niblack Project through improved recovery methods and the planned components of the Phase I program and the timing of such components, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. In consideration of forward-looking statements, the Company has made certain assumptions including but not limited to, the expectation that its exploration, development and engineering and financial assessment of the Niblack Project and Hyder Area Properties will be positive and that will be able to obtain all required environmental and other permits and all land use and other licenses and financing to develop a commercial mining operation. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continuity of mineralization, potential environmental issues and liabilities associated with exploration, development and mining activities, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, continued availability of capital and financing, complications arising as a result of the COV-ID pandemic and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review the Company's continuous disclosure filings that are available at [www.sedar.com](http://www.sedar.com).

Forward-looking statements are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "projects", "potential", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved".

The Company reviews its forward-looking statements on an ongoing basis and updates this information when circumstances require it.



**Cautionary Note to U.S. Investors Regarding Mineral Resource Estimates**

Information regarding mineral resource estimates has been prepared in accordance with Canadian securities laws, which differ from the requirements of United States Securities and Exchange Commission ("SEC") Industry Guide 7. In October 2018, the SEC approved final rules requiring comprehensive and detailed disclosure requirements for issuers with material mining operations. The provisions in Industry Guide 7 and Item 102 of the Regulation S-K, have been replaced with a new subpart of 1300 of Regulation S-K under the United States Securities Act and will become mandatory for SEC registrants after January 1, 2021. The changes adopted are intended to align the SEC's disclosure requirements more closely with global standards as embodied by the Committee for Mineral Reserves International Reporting Standards (CRIRSCO), including Canada's NI43-101 and CIM Definition Standards. Under the new SEC rules, SEC registrants will be permitted to disclose "mineral resources" even though they reflect a lower level of certainty than mineral reserves. Additionally, under the New Rules, mineral resources must be classified as "measured", "indicated" or "inferred", terms which are defined in and required to be disclosed by NI 43-101 for Canadian issuers and are not recognized under SEC Industry Guide 7. An "Inferred Mineral Resource" has a lower level of confidence than that applying to an "Indicated Mineral Resource" and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of "Inferred Mineral Resources" could be upgraded to "Indicated Mineral Resources" with continued exploration. Accordingly, the mineral resource estimates and related information may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal laws and the rules and regulations thereunder, including SEC Industry Guide 7. U.S. investors are cautioned not to assume that any part of an inferred mineral resource exists or is economically or legally mineable.