



**Montage**  
**GOLD**

**Montage Gold Corp.**

**Annual Information Form**  
**For the Financial Year Ended December 31, 2021**

**April 25, 2022**

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## GLOSSARY OF TERMS

In this AIF, the following capitalized terms have the following meanings, in addition to other terms defined elsewhere in this AIF:

**“2021 Technical Report”** means the technical report entitled “NI 43-101 Technical Report for the Morondo Gold Project, Cote d’Ivoire” dated March 10, 2021, with an effective date of January 27, 2021, prepared by MPR Geological Consultants Pty Ltd. on behalf of Montage.

**“AIF”** or **“Annual Information Form”** means this annual information form prepared for the financial year ended December 31, 2021 and dated April 25, 2022.

**“Avant”** means Avant Minerals Inc.

**“Avant Shareholders”** means the former shareholders of Avant prior to the completion of the dissolution of Avant.

**“Avant Transaction”** means the transactions completed by Montage, Avant, and PMII pursuant to the Share Purchase Agreement.

**“Barrick”** means Barrick Gold Corporation.

**“BCBCA”** means the *Business Corporations Act* (British Columbia), as amended.

**“BF Properties”** means the Company’s former indirect 51% interest in the Tantiabongou, Tambifwanou, Tambiri, Bongou, Kalinga, Tamfoagou, Bira, Bassieri, Tangagari, Houra, and Mansila permits previously held indirectly through Progress Minerals, located in Burkina Faso.

**“Block 14 Gold Project”** has the meaning ascribed thereto under the heading “*Business of the Company*” in this AIF.

**“Bobosso Gold Project”** means the Bobosso gold project comprised of the Wendéné permit and the Dabakala permit application, located in Côte d’Ivoire.

**“CFA”** means the CFA Franc, the lawful currency used in certain West African countries, including Cote d’Ivoire.

**“Common Shares”** means the common shares in the capital of Montage.

**“DD drilling”** means diamond drilling.

**“Endeavour”** means Endeavour Mining Corporation.

**“Exploration Licences”** means those certain exploration licences acquired by Orca from Kinross, including the Koné Exploration Permit, pursuant to the Kinross Purchase Agreement dated January 30, 2017, as amended on June 26, 2018, between Red Back Mining No 2 (Ghana) Limited, Tasiast Mauritanie Limited, Ghazal Resources Inc. and Orca.

**“Fortuna”** mean Fortuna Silver Mines Inc.

**“Indicated Mineral Resource”** has the meaning ascribed thereto under NI 43-101.

**“Inferred Mineral Resource”** has the meaning ascribed thereto under NI 43-101.

**“Kinross”** means Kinross Gold Corporation.

**“Kinross ROFO”** has the meaning ascribed thereto under the heading “*Formation of Montage*” in this AIF.

**“Kinross Purchase Agreement”** has the meaning ascribed thereto under the heading “*Formation of Montage*” in this AIF.

**“Koné Exploration Permit”** means exploration permit number PR 262, as more fully described in the Koné Gold Project Technical Report.

**“Koné Gold Project”** or the **“Project”** means the collection of permits and applications including the Koné Exploration Permit, the Farandougou Exploration Permit, the Sisséplé Exploration Permit and the Djelisso and Gbatosso permit applications, all located in Côte d’Ivoire, as more fully described in the Koné Gold Project Technical Report, and formerly named the “Morondo Gold Project”.

**“Koné Gold Project Technical Report”** means the technical report entitled “Koné Gold Project, Côte d’Ivoire – Definitive Feasibility Study NI 43-101 Technical Report” dated March 14, 2022, with an effective date of February 14, 2022, prepared by Lycopodium Minerals Pty Ltd. on behalf of Montage.

**“Koné Royalty”** has the meaning ascribed thereto under the heading *“Formation of Montage”* in this AIF.

**“Korokaha Gold Project”** means the Korokaha gold project comprised of the Korokaha North and South permits and the Diawala permit application, located in Côte d’Ivoire;

**“Measured Mineral Resource”** has the meaning ascribed thereto under NI 43-101.

**“Mineral Reserve”** has the meaning ascribed thereto under NI 43-101.

**“Mineral Resource”** has the meaning ascribed thereto under NI 43-101.

**“Montage”** or the **“Company”** means Montage Gold Corp.

**“Montage Board”** means the board of directors of Montage.

**“Montage 2019 Financing”** means the private placement financing completed by Montage on August 27, 2019, pursuant to which Montage issued 18,226,374 Common Shares at a price of \$0.45 per Common Share, for gross proceeds of approximately \$8.2 million.

**“Montage IPO”** mean the initial public offering of an aggregate of 31,363,637 commons shares at a price of \$1.10 per share for total gross proceeds of approximately \$34.5 million, which commenced trading on the TSXV on October 23, 2020.

**“Montage Properties”** means the mineral interests held, directly and indirectly, by Montage, comprised of the Koné Gold Project, the Korokaha Gold Project, the Bobosso Gold Project, and the Zuenoula Est and Zuenoula Ouest permit applications, all of which are located in Côte d’Ivoire.

**“Montage Shareholder”** means a holder of Common Shares.

**“Montage Shareholders Agreement”** means the shareholders agreement that was entered into on August 27, 2019, among Montage, Orca, and PMII and terminated in connection with the entering into of the Orca Investor Rights Agreement.

**“MRE”** has the meaning ascribed thereto under the heading *“General Development of the Business”* in this AIF.

**“NI 43-101”** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

**“NI 52-110”** means National Instrument 52-110 - *Audit Committees*.

**“NI 58-101”** means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

**“Orca”** means Orca Gold Inc.

**“Orca Investor Rights Agreement”** means the investor rights agreement entered between Montage and Orca on September 22, 2020.

**“Orca Spin-Out”** means the transfer of Ghazal Resources Inc., an indirect wholly-owned subsidiary of Orca existing under the laws of the British Virgin Islands, to Montage.

**“PEA”** means the Preliminary Economic Assessment for the Koné Gold Project, Côte d’Ivoire, NI 43-101 Technical Report, dated June 7, 2021, with an effective date of May 25, 2021.

**“Perseus”** means Perseus Mining Limited.

**“PMII”** means Progress Minerals International Inc.

**“Probable Mineral Reserve”** has the meaning ascribed thereto under NI 43-101.

**“Progress Minerals”** means Progress Minerals Inc.

**“Prospectus”** means the final long form prospectus of the Company dated October 19, 2020, filed in connection with the Offering.

**“RC drilling”** means reverse circulation drilling.

**“Red Back”** means Red Back Mining (Côte d’Ivoire) SARL.

**“Red Back Mining”** means Red Back Mining Inc.

**“Share Purchase Agreement”** means the share purchase agreement entered into among Montage, Avant, and PMII dated July 17, 2019.

**“TSXV”** means the TSX Venture Exchange.

**“Underwriting Agreement”** means the underwriting agreement entered into among the Company and Raymond James Ltd. and Stifel Nicolaus Canada Inc., as co-lead underwriters, and BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Beacon Securities Limited, Cormark Securities Inc., and Sprott Capital Partners LP dated October 19, 2020.

## GLOSSARY OF TECHNICAL ABBREVIATIONS

In this AIF, the following capitalized technical terms have the following meanings, in addition to other terms defined elsewhere in this AIF:

<b>°C</b>	degree Celsius	<b>koz</b>	thousand ounces
<b>Au</b>	gold	<b>kwh/t</b>	kilowatt hour per tonne
<b>cm</b>	centimetre	<b>m</b>	metre
<b>g</b>	gram	<b>m<sup>3</sup>/h</b>	cubic metres per hour
<b>g/CN</b>	gram per centinewton	<b>Ma</b>	milliampere
<b>g/l</b>	gram per litre	<b>mm</b>	millimetre
<b>g/t</b>	gram per tonne	<b>Moz</b>	million ounces
<b>Ga</b>	gigaampere	<b>oz</b>	Troy ounce (31.1035g)
<b>ha</b>	hectare	<b>ppb</b>	part per billion
<b>kg</b>	kilogram	<b>ppm</b>	part per million
<b>km</b>	kilometre	<b>t/m<sup>3</sup> or</b>	tonne per cubic metre
<b>km<sup>2</sup></b>	square kilometre	<b>t/bcm</b>	Tonne per bank cubic metre
		<b>µm</b>	micron

## INTRODUCTION

### General

This AIF provides important information about Montage Gold Corp. and its business. This AIF has been prepared in accordance with Canadian securities laws and is dated April 25, 2022. All information contained in this AIF is prepared as of December 31, 2021, unless otherwise indicated.

### Currency

All dollar amounts in this AIF are stated in Canadian dollars, unless otherwise specified.

### Cautionary Statement Regarding Forward-Looking Information

Except for statements of historical fact relating to the Company, certain statements in this AIF may constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "will", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to commodity prices, capital and operating expenditures, the timing of receipt of permits, rights and authorizations, and any and all other timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this AIF contains forward-looking statements pertaining to the following:

- the principal business carried on and intended to be carried on by the Company;
- the use of knowledge of management of the Company to leverage the attributes of the Koné Gold Project;
- proposed expenditures for exploration and development work on the Koné Gold Project in accordance with the recommendations of the Koné Gold Project Technical Report, and general and administrative expenses relating to the business of the Company;
- the potential for open pit mine development at the Koné Gold Project;
- the market price of gold; and
- the ability and intention of the Company to raise further capital to achieve its business objectives.

Statements concerning Mineral Resource and Mineral Reserve estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered if the Koné Gold Project is developed.

Forward-looking information contained in this AIF is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available, and on other material factors, including but not limited to those relating to:

- the estimation of Mineral Resources and Mineral Reserves;
- the availability and final receipt of required approvals, licenses and permits;
- sufficient working capital to explore, develop and operate any proposed mineral projects;
- access to additional capital, including equity and debt, and associated costs of funds;
- access to adequate services and supplies;
- economic and political conditions in the local jurisdictions where any proposed mineral projects are located, and globally;
- civil stability and the political environment throughout Côte d'Ivoire and in neighbouring countries in West Africa, and globally;
- the ability to execute exploration and development programs while maintaining a safe work environment;
- commodity prices;
- foreign currency exchange rates;
- interest rates;

- availability of a qualified work force;
- the ultimate ability to mine, process and sell mineral products on economically favourable terms;
- the receipt of governmental, regulatory and third-party approvals, licenses and permits on favourable terms; and
- the effects of COVID-19 on the global economy and the ability of the Company to secure adequate staff and equipment for the operations of the Company as well as a safe environment that follows recommended COVID-19 safety protocols.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation known and unknown risks, uncertainties and other factors as disclosed under the heading “*Risk Factors*” below and in the Company’s disclosure documents filed from time to time with the securities regulators in certain provinces of Canada. In addition, a number of other factors could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, and there is no assurance that the actual results, performance or achievements of the Company will be consistent with them.

To the extent any forward-looking statement in this AIF constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated market penetration and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements generally, are, without limitation, based on the assumptions and subject to the risks set out herein. The Company’s actual financial position and results of operations may differ materially from management’s current expectations and, as a result, the Company’s revenue and expenses. The Company’s financial projections were not prepared with a view toward compliance with published guidelines of International Financial Reporting Standards and have not been examined, reviewed or compiled by the Company’s accountants or auditors. The Company’s financial projections represent management’s estimates as of the dates indicated thereon.

Readers are cautioned that any such forward-looking information should not be used for purposes other than for which it is disclosed. Such forward-looking statements and information are made or given as at the date given and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities law. Readers are cautioned not to place undue reliance on forward-looking statements or forward-looking information.

### **Cautionary Note Regarding Mineral Resources and Mineral Reserves**

The Company’s Mineral Resource and Mineral Reserve estimates are estimates only. No assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified Mineral Resources or Mineral Reserves will ever be mined or processed profitably. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. By their nature, Mineral Resource and Mineral Reserve estimates are imprecise and depend, to a certain extent, on analyses of drilling results and statistical inferences that may ultimately prove to be inaccurate. These estimated Mineral Resources and Mineral Reserves should not be interpreted as assurances of certain commercial viability or of the profitability of any future operations. Investors are cautioned not to place undue reliance on these estimates.

Mineral Resources are not Mineral Reserves and have a greater degree of uncertainty as to their feasibility and prospects for economic extraction. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resources that are in the Inferred category are even more risky. An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to any other category of Mineral Resource. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. However, the estimate of Inferred Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

An investment in the Common Shares is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. Prospective investors should consider the risk factors in connection with an investment in the Company as set out under the heading “*Risk Factors*”.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

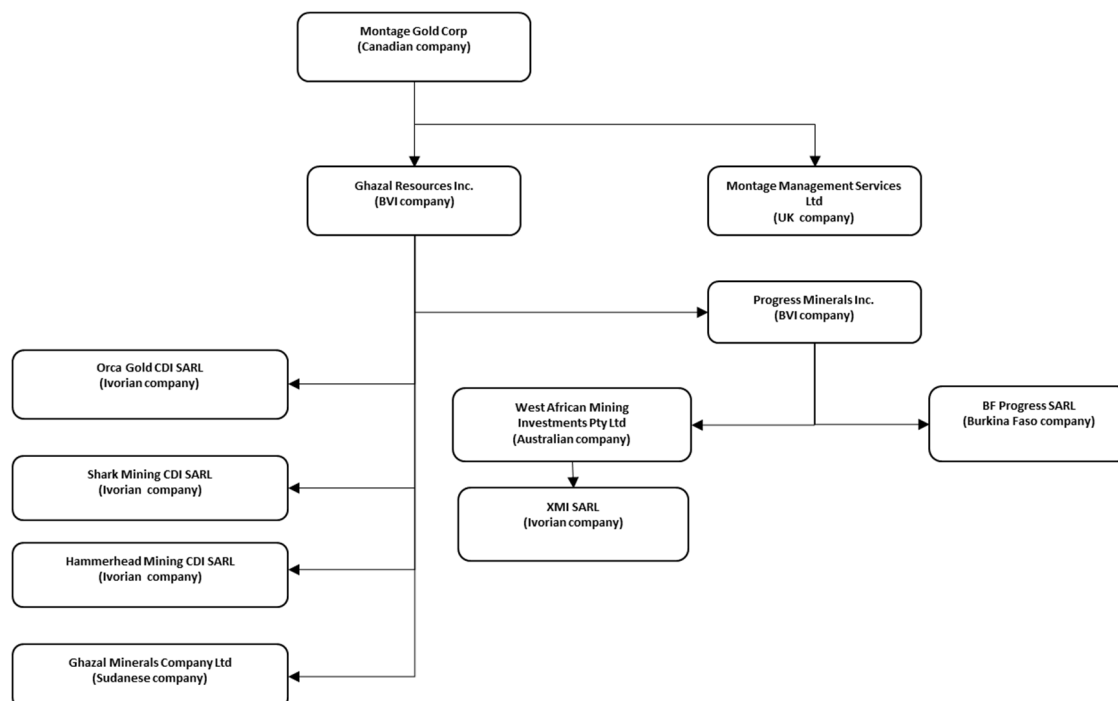
Montage Gold Corp. was incorporated under the *Business Corporations Act* (British Columbia) on July 4, 2019. Montage was formed to hold all of the shares of: (i) Ghazal Resources Inc., a former indirect wholly-owned subsidiary of Orca that was transferred to Montage pursuant to the Orca Spin-Out; and (ii) Progress Minerals, a former indirect wholly-owned subsidiary of Avant that was acquired by Montage following completion of the Avant Transaction and pursuant to the Share Purchase Agreement.

Montage is a reporting issuer in the following jurisdictions: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The Common Shares are listed on the TSXV under the stock symbol ‘MAU’. The transfer agent and registrar for the Common Shares is Endeavor Trust Corporation (“**Endeavor**”) at its principal office located at Suite 702 - 777 Hornby Street, Vancouver, BC V6Z 1S4.

The Company’s head office is located at 2000 - 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and the registered and records office is located at Suite 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

### Intercorporate Relationships

A significant portion of the Company’s business is carried on through its various subsidiaries. The following chart illustrates the Company’s material subsidiaries, including their respective jurisdiction of incorporation as at December 31, 2021:



Notes:

<sup>(1)</sup> Montage’s subsidiaries are 100% owned.



## GENERAL DEVELOPMENT OF THE BUSINESS

### Formation of Montage

#### *Rationale for Formation of Montage*

Orca's primary mineral project is the Block 14 gold project (the "**Block 14 Gold Project**") in Sudan (North Africa). In 2017, Orca acquired mineral interests in Côte d'Ivoire (West Africa) in order to diversify its asset base in light of the political instability plaguing many North African countries at the time. On January 30, 2017, Orca entered into a share purchase agreement (the "**Kinross Purchase Agreement**") with two wholly-owned subsidiaries of Kinross, whereby Orca acquired from Kinross all of the issued and outstanding common shares of both subsidiaries located and operating in Côte d'Ivoire, which collectively owned and had the right to the Exploration Licences, including the Koné Exploration Permit. Pursuant to the Kinross Purchase Agreement, which was amended on June 26, 2018, Orca granted to Kinross a right of first offer (the "**Kinross ROFO**"), among other things. The Kinross ROFO requires that, if the Company wishes to transfer the Exploration Licences, whether in whole or in part, either through a transfer of the Exploration Licences or through the sale, directly or indirectly, of one or more subsidiaries (the "**Offered Interest**"), the Company must make an offer to Kinross stating its intent to offer to transfer to Kinross the Offered Interest upon the price and terms and conditions specified in such offer. Kinross then has the ability to exercise the Kinross ROFO for a period of 30 days. If Kinross declines to purchase, the Company may sell the Offered Interest to a third party on terms that are no more favourable than those offered to Kinross. In connection with the Kinross Purchase Agreement, Orca also granted to Kinross a 2% net smelter return royalty (the "**Koné Royalty**") on any product mined and sold from the Exploration License. In December 2019, Maverix Metals Inc. purchased the Koné Royalty from Kinross as part of a royalty portfolio acquisition.

Despite the Block 14 Gold Project being a promising mineral project with a completed feasibility study, management of Orca believed that Orca's share price was being depressed by the political instability in the Sudan. Forming a separate vehicle, Montage, to hold the mineral interests of Orca located in Côte d'Ivoire, offered a solution that enabled such assets to be valued independently and funded separately from the Block 14 Gold Project. Additionally, Avant held attractive mineral interests in Côte d'Ivoire and substantial cash and brought with it a strong and supportive shareholder base, including Canadian gold royalty and streaming company Sandstorm Gold Limited. The consolidation of the mineral interests of Orca located in Côte d'Ivoire and Avant located in Côte d'Ivoire and Burkina Faso was achieved concurrently by way of the Orca Spin-Out and the Avant Transaction.

#### *Formation of Montage and Related Developments*

In order to facilitate the Orca Spin-Out and the Avant Transaction, on July 4, 2019, Montage was incorporated under the BCBCA and Orca was issued the sole outstanding Common Share.

On July 17, 2019, Montage, Avant, and PMII entered into the Share Purchase Agreement that contemplated the consolidation of: (i) the mineral interests of Orca located in Côte d'Ivoire; (ii) the mineral interests of Avant located in Côte d'Ivoire and Burkina Faso; and (iii) cash held by Avant.

On July 23, 2019, pursuant to the Orca Spin-Out: (i) all of the shares of Ghazal Resources Inc., a former indirect wholly-owned subsidiary of Orca, were transferred to Montage; and (ii) Montage issued 33,000,000 Common Shares to a subsidiary of Orca, which were subsequently transferred to and are now held by Orca.

On August 27, 2019, Montage, Avant, and PMII completed the Avant Transaction pursuant to the Share Purchase Agreement. Under the Avant Transaction, Montage acquired all of the issued and outstanding shares of Progress Minerals, being a wholly-owned subsidiary of PMII and an indirect subsidiary of Avant, existing under the laws of the British Virgin Islands, in exchange for 22,000,000 Common Shares. Progress Minerals is the indirect holder of certain mineral interests in Côte d'Ivoire that now comprise a portion of the Montage Properties that were previously held indirectly by Avant.

On August 27, 2019, the Montage Shareholders Agreement was entered into among Montage, Orca, and PMII.

On August 27, 2019, Montage completed the Montage 2019 Financing, pursuant to which Montage issued 18,226,374 Common Shares on a private placement basis at a price of \$0.45 per Common Share, for gross proceeds of \$8,201,868. Additionally, 250,000 Common Shares were issued as an advisory fee in respect of the Avant Transaction at a deemed price of \$0.40 per Common Share. In connection with the Montage 2019 Financing, the subscribers concurrently entered into accession agreements with Montage, Orca, and PMII to become parties to the Montage Shareholders Agreement. As a result of the Orca Spin-Out, Montage assumed the obligations under the Kinross ROFO pursuant to an assignment agreement.

On August 28, 2019, Richard P. Clark, Hugh Stuart, Kevin Ross, and David Field (all of whom are Directors and/or Officers of Orca), as well as Adam Spencer (who is a Director and Officer of Avant) were appointed to the Montage Board. Concurrently, Hugh Stuart (Chief Executive Officer), Adam Spencer (Executive Vice President, Corporate Development) and Glenn Kondo (Chief Financial Officer) were appointed as Executive Officers of Montage and Richard P. Clark resigned as President of Montage and was appointed Non-Executive Chairman of the Montage Board.

## **Developments Subsequent to Formation of Montage**

### ***Fiscal Year Ended December 31, 2019***

On September 6, 2019, Peter Mitchell was appointed to the Montage Board.

On December 19, 2019, Maverix Metals Inc. acquired the Koné Royalty on the Koné Exploration Permit from Kinross.

### ***Fiscal Year Ended December 31, 2020***

On March 27, 2020, in response to the COVID-19 pandemic (“COVID-19”), the Company implemented temporary safety and security closures of the Company’s project sites and offices and the suspension of Montage’s exploration program in Côte d’Ivoire.

On May 20, 2020, Montage recommenced its exploration program at the Koné Gold Project based on the Government of Côte d’Ivoire’s guidelines and health authorities lifting restrictions in the country.

On July 6, 2020, Mr. Adam Spencer submitted his resignation as President and accepted an appointment as Executive Vice President, Corporate Development of Montage.

On September 17, 2020, Avant distributed all the Common Shares held by it to the Avant Shareholders.

On September 22, 2020, the Company and Orca entered into the Orca Investor Rights Agreement. The Orca Investor Rights Agreement provides Orca with, among other things: (i) the right to maintain its percentage interest in the Company upon certain equity issuances undertaken by the Company so long as its ownership interest of the outstanding Common Shares is at least 20%; (ii) demand and piggy-back prospectus registration rights; and (iii) the right to nominate three Company Directors so long as its ownership interest of the outstanding Common Shares is at least 20% and the right to nominate one Company Director so long as its ownership interest of the outstanding Common Shares is at least 15%. In connection with the execution of the Orca Investor Rights Agreement, the Montage Shareholders Agreement (including the accession agreements entered into therewith) was terminated.

On October 16, 2020, Mr. David DeWitt joined the Montage Board.

On October 23, 2020, Montage completed its initial public offering of an aggregate of 27,272,728 Common Shares (the “**Offering**”) at a price of \$1.10 per share (the “**Offering Price**”) for total gross proceeds of \$30,000,001. Raymond James Ltd. and Stifel GMP acted as co-lead underwriters for the Offering with respect to a syndicate that included BMO Nesbitt Burns Inc., Canaccord Genuity Corp., Beacon Securities Limited, Cormark Securities Inc., and Sprott Capital Partners LP (collective, the “**Underwriters**”) pursuant to the Underwriting Agreement. Montage also granted the Underwriters an over-allotment option (the “**Over-Allotment Option**”), exercisable in whole or in part, at the sole discretion of the Underwriters, at any time and from time to time, for a period of 30 days following the closing of the Offering, to purchase up to an additional 15% of the Common Shares issued pursuant to the Offering from Montage at the Offering Price.

On October 23, 2020, the Common Shares commenced trading on the TSX Venture Exchange under the symbol “MAU”.

On October 30, 2020, the Underwriters fully-exercised the Over-Allotment Option to acquire an additional 4,090,909 Common Shares at the Offering Price resulting in additional aggregate gross proceeds of approximately \$4,500,000.

Following the Montage IPO, Orca’s percentage ownership in Montage decreased from 45% to 31.3%. With Orca’s reduced board representation and ownership percentage, Orca has significant influence, rather than control over the Company and Orca has reported the results of Montage as an associate using the equity method effective October 23, 2020.

On November 3, 2020, the Company sold the BF Properties located in Burkina Faso for nominal consideration as a result of deteriorating conditions in Burkina Faso and the operating conditions in the Company’s permit areas. The BF Properties were not considered material to the business of Montage.

In December 2020, the Company’s Phase 1 resource expansion drill program was completed.

### ***Fiscal Year Ended December 31, 2021***

In January 2021, the Company commenced a 35,000m drill program intended to upgrade the Inferred Mineral Resource to the Indicated Mineral Resource category at the Koné Gold Project.

On March 11, 2021, the Company released the 2021 Technical Report which included an updated and expanded Inferred Mineral Resource estimate on the Koné Gold Project (then named the Morondo Gold Project) with an effective date of January 27, 2021. The Inferred Mineral Resource estimate contains an estimated 123Mt grading 0.80 g/t for 3.16 Moz (at a cut-off grade of 0.40 g/t).

On May 25, 2021, the Company announced the results of the PEA on the Koné Gold Project and reported that the financial analysis performed from the results of the PEA demonstrated the economic viability of the Koné Gold Project using the base case gold price assumption of \$1,600 per ounce. This results in an after-tax net present value cashflow at a 5% discount rate (NPV<sub>5%</sub>) of \$652 million and an after-tax IRR of 31% (both on a 100% basis). The PEA was filed on SEDAR on June 7, 2021.

During July 2021, the Company completed its infill drilling program on the Kone Gold Project. This program commenced in January 2021 and included a total of 61,172m of drilling (41,682m of core and 19,490m of reverse circulation drilling). An Updated Mineral Resource Estimate (“MRE”) was released on August 19, 2021, and included a maiden Indicated Mineral Resource of 225Mt grading 0.59g/t for 4.27Moz and an Inferred Mineral Resource of 22 Mt grading 0.45g/t for 0.32 Moz (both calculated using a 0.20g/t cut-off grade).

At the Company’s Annual General Meeting (“AGM”) held on June 8, 2021, Mr. Alessandro Bitelli was elected to the Montage Board. Messrs. David DeWitt and Adam Spencer did not stand for re-election at the AGM and the number of directors of the Company was reduced to six (6).

On September 7, 2021, Mr. Kevin Ross resigned from the Montage Board and was appointed as Chief Operating Officer of the Company. Concurrent with Mr. Ross’ resignation, Ms. Aleksandra (Sasha) Bukacheva was appointed to the Montage Board.

On September 8, 2021, the Company also released drill results on its Petit Yao Central target sitting 8km east of the Koné deposit. Results included 6m grading 10.82g/t from 37m, 3m grading 15.51g/t from 28m and 4m grading 8.31g/t from 35m.

During Q3 2021, the Company was awarded a new exploration license (PR748), referred to as the Farandougou Exploration License. This license forms part of the Koné Gold Project and will be explored to identify mineralization that could form satellite pits to be mined and hauled to a central mill located at the Kone deposit.

### ***Subsequent to Fiscal Year Ended December 31, 2021***

On February 14, 2022, the Company announced the results of a definitive feasibility study on the Koné Gold Project, being the Koné Gold Project Technical Report, and reported that the financial analysis performed from the results of the Koné Gold Project Technical Report demonstrated the economic viability of the Koné Gold Project using the base case gold price assumption of \$1,600 per ounce. This results in an after-tax net present value cashflow at a 5% discount rate (NPV<sub>5%</sub>) of \$746 million and an after-tax IRR of 35% (both on a 100% basis). The Koné Gold Project Technical Report was filed on SEDAR on March 14, 2022.

On February 27, 2022, the Company's largest shareholder, Orca, announced that it has entered into a definitive agreement with Perseus under which Perseus will acquire all of the outstanding common shares of Orca not already held by Perseus (the "**Perseus Transaction**"). The Perseus Transaction is expected to close in late May 2022, at which time Perseus will indirectly become the largest shareholder of Montage.

On March 9, 2022, the Company announced the appointment of HCF International Advisers to act as financial advisor to the Company to assist in the raising of project finance for the development of the Koné Gold Project.

### ***COVID-19 Related Developments***

As noted above, on March 27, 2020, in response to the COVID-19 pandemic, the Company implemented temporary safety and security closures of the Company's project sites and offices and the suspension of Montage's exploration program in Côte d'Ivoire. Operations were subsequently restarted on May 20, 2020, following a relaxation of certain restrictions by the government and the implementation of health and safety policies by the Company to reduce the risk of COVID-19 spread at its operating sites. The COVID-19 pandemic has negatively impacted global financial markets and may continue to do so. Accordingly, COVID-19 could affect the economic viability of the Company's business plan if the pandemic continues to disrupt global markets. The Company will continue to monitor developments with respect to COVID-19, both globally and within its jurisdictions, and will implement any changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and its stakeholders.

## **DESCRIPTION OF THE BUSINESS**

### **Business of the Company**

Montage is a Canadian-based precious metals exploration and development company focused on the exploration and development of the Montage Properties located in Côte d'Ivoire. Montage's mineral interests that collectively form the Montage Properties include: (i) the Koné Gold Project (comprised of the Koné Exploration Permit, the Farandougou Exploration Permit, the Sisséplé Exploration Permit and the Djelisso and Gbatosso, permit applications); (ii) the Korokaha Gold Project (comprised of the Korokaha South Exploration Permit and the Diawala permit application); (iii) the Bobosso Gold Project (comprised of the Wendéné Exploration Permit and the Dabakala permit application); and (iv) the Zuenoula Est and Zuenoula Ouest permit applications, all of which are located in Côte d'Ivoire. The Montage Properties total five permits (1,634 km<sup>2</sup>) and six permit applications (1,817 km<sup>2</sup>) across approximately 3,451 km<sup>2</sup>, all of which are 100% owned, directly or indirectly, by Montage. Montage has a management team and Board with significant experience in discovering and developing gold deposits in Africa.

Montage's flagship property is the Koné Gold Project, which hosts an estimated 3.42Moz Probable Mineral Reserve (calculated as at February 14, 2022) within a 4.27Moz Indicated Mineral Resource (calculated as at August 19, 2022) and is strategically centered between Fortuna's Séguéla project 80 km to the south and Barrick/Endeavour's Mankono joint venture, which lies adjacent to the north. In February 2022, the Company completed the Koné Gold Project Technical Report for the Koné Gold Project. See "*Koné Gold Project*".

The other mineral interests comprising the Montage Properties are early stage, exploration projects and permit applications and are not considered material to the business of Montage.

## **Specialized Skill and Knowledge**

Certain aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, implementation of exploration programs, operations, treasury and accounting. To date, the Company has been successful in locating and retaining employees and consultants with such skills and knowledge and believes it will continue to be able to do so. The management team and Montage Board has significant experience in discovering and developing gold deposits in Africa.

## **Competitive Conditions**

As a mineral resource company, the Company may compete with other entities in the mineral resource business in various aspects of the business including: (a) seeking out and acquiring mineral exploration properties; (b) obtaining the resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; and (c) raising the capital necessary to fund its operations.

The mining industry is intensely competitive in all its phases, and the Company may compete with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future or to raise the capital necessary to continue with operations.

## **Cycles**

The mining business is subject to mineral price cycles. The marketability of minerals is also affected by worldwide economic cycles.

## **Intangible Properties**

Details relating to mine, permitting, and surface rights for the Koné Gold Project are described below under the heading "*Koné Gold Project*". The Company also has certain permits and permit applications in respect of the Korokaha Gold Project, the Bobosso Gold Project, and Zuenoula Est and Zuenoula Ouest.

## **Environmental Protection**

The Company currently conducts exploration activities. Such activities are subject to various laws, rules and regulations governing the protection of the environment. Corporate obligations to protect the environment under the various regulatory regimes in which the Company operates may affect the financial position, operational performance and potential earnings of the Company. Management believes all of the Company's activities are materially in compliance with applicable environmental legislation.

## **Employees**

As of December 31, 2021, Montage had four (4) employees at its head office and approximately 31 employees in Côte d'Ivoire.

The Company also relies on consultants to carry on many of its activities and, in particular, to supervise work programs on its mineral properties and to provide certain administrative services to the Company.

## **Foreign Operations and Business Environment in Côte d'Ivoire**

The Montage Properties are all located in the Republic of Côte d'Ivoire. Côte d'Ivoire is located in the inter-tropical coastal zone of West Africa. Yamoussoukro is the political capital, while Abidjan is the economic hub of the country. The country is a member of the West African Economic Monetary Union ("WAEMU"), an eight country customs and currency union in which all members use the CFA franc ("CFAF"). Côte d'Ivoire is the largest economy in French-speaking West Africa and the third largest in West Africa after Nigeria and Ghana.

Agriculture is crucial for the country in terms of revenues and employment, with the country being the world's largest producer and exporter of cocoa beans. Natural resources play a key role in the country's economy, especially fossil energy and gold bearing ores. Côte d'Ivoire offers relatively well-developed road infrastructure, the second largest port in West Africa, and a modern airport with a national airline that serves all of the major capital cities in the region and Europe.

The mining and tax codes in Côte d'Ivoire also provide certain incentives in regard to investments in the mining industry.

While the Government of Côte d'Ivoire is generally supportive of the development of their natural resources by foreign companies, it is possible that future political and economic conditions will result in governments adopting different policies respecting foreign ownership of mineral resources, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital, restrictions on production, price controls, export controls, local beneficiation of gold production, expropriation of property, foreign investment, maintenance of claims and mine safety. The possibility that a future government may adopt substantially different policies, which might include the expropriation of assets, cannot be ruled out.

With its principal operation in Côte d'Ivoire, mine development at the Montage Properties may be affected in varying degrees by government regulations, whether domestic or foreign, with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of property, new or amended legislation, land use, land claims of local people, water use and property safety.

### **Social Assistance Programmes**

Exploration at the Montage Properties in Côte d'Ivoire is at an early stage and the Company is working closely with the local communities and has engaged in social assistance programmes

## **EMERGING MARKET ISSUER DISCLOSURE**

### **Corporate Governance and Internal Controls**

Montage conducts exploration and other activities through subsidiaries in Côte d'Ivoire, which is a country that is considered to be an emerging market. The Montage Board and management of Montage has a track record of successfully exploring and developing mines in emerging markets and has the organizational and governance structures and protocols in place to manage the regulatory, legal, linguistic and cultural challenges and risks associated with having operations in these jurisdictions.

Montage holds its mineral properties indirectly through subsidiaries which are locally incorporated. These operating subsidiaries are in turn held through holding companies incorporated in jurisdictions with well-developed and reliable legal and tax systems. Montage has designed a system of corporate governance, internal controls over financial reporting and disclosure controls and procedures that apply to it and its consolidated subsidiaries. These systems, which are coordinated by Montage's senior management and overseen by the Montage Board, are designed to monitor the activities, performance and risks at Montage's subsidiaries.

To ensure that Montage has appropriate control and direction over its subsidiaries, there are common Directors and management between Montage and each of its subsidiaries, including its subsidiaries in Côte d'Ivoire. The Montage Board and management team regularly receive financial and technical updates on the operational matters of the group and its subsidiaries. Montage is either a direct or indirect majority shareholder in each of its subsidiaries. As a result, the operations and business objectives of Montage and its subsidiaries are effectively aligned and controlled.

All of the minute books and corporate records of Montage's subsidiaries are, to the extent required under local regulations, kept at the offices of Montage or Montage's local counsel, or with a local corporate advisory services firm.

### **Board and Management Experience in Emerging Markets and Business Oversight**

The Montage Board and management team are comprised of international business leaders and mining industry professionals with expertise and experience working in the jurisdictions in which Montage currently operates. Each of Montage's executives has experience in conducting business in Africa.

Each of Messrs. Clark, Stuart, Ross, and Kondo are Officers of Orca, which operated in Côte d'Ivoire for 3 years prior to the sale of its assets in Côte d'Ivoire to the Company. Messrs. Stuart, Clark and Ross were Officers of Orca for at least 3 years and Mr. Kondo for 2 years while Orca operated in Côte d'Ivoire. While Mr. Spencer was President of Avant, Avant operated in Côte d'Ivoire for 18 months prior to the sale of its assets to the Company.

Each of Messrs. Stuart, Kondo and Spencer make visits at regular intervals to Montage's operations in Côte d'Ivoire, subject to recent travel restrictions. During these visits they interact with local employees, government officials,

contractors and community leaders and provide oversight for local and expatriate staff on technical, financial and government relations matters.

Messrs. Stuart, Clark and Ross have extensive experience of managing mineral exploration and mining in West Africa and Africa as a whole, having previously formed part of the management of Red Back Mining, which operated in Ghana and Mauritania between 2004 and 2010 and as part of the management of Orca which has been operating in Sudan since 2011 and Côte d'Ivoire since 2016.

Mr. Kondo has experience of providing financial oversight and control in project construction and operations in his position as Chief Financial Officer of Lucara Diamond Corporation between 2011 and 2018 and in his role as Chief Financial Officer of Orca since 2018.

The Montage Board receives in-depth technical briefings, risk assessments, financial performance, and progress reports in connection with the operations in each of the emerging markets in which Montage operates, and in so doing, maintains effective oversight of its business and operations. Through these updates, assessments and reports, the Montage Board gains familiarity with the operations, laws and risks associated with operations in such jurisdictions. Head office and local management personnel are familiar with the local laws, business culture and standard practices, have local language proficiency where required, are experienced in working in the applicable emerging jurisdiction and in dealing with the respective government authorities and have experience and knowledge of the local banking systems and treasury requirements.

### **Internal Controls and Cash Management**

Montage maintains internal controls over financial reporting with respect to its operations in emerging markets by taking various measures and consistently applying them across its operations. It maintains and uses a financial authorities matrix which is regularly reviewed to ensure that a process and mechanism of approvals is maintained and followed for the disbursement of corporate funds. In accordance with the requirements of NI 52-109 for venture issuers, Montage has designed key internal controls and has developed and implemented internal procedures to provide assurances that it has timely access to material information about its subsidiaries.

Differences in banking systems and controls in the emerging market in which Montage operates are addressed by having stringent controls over cash kept in the jurisdiction, especially with respect to access to cash, cash disbursements, appropriate authorization levels, performing and reviewing bank reconciliations on at least a monthly basis and the segregation of duties. Montage maintains banking relationships only with banks that follow international standards.

Montage has established practices, protocols and routines for the management and eventual distribution of its cash. The distribution mechanisms depend upon local circumstances and financing arrangements in place and are compliant with applicable law. All material practices, protocols and routines are controlled and overseen by Montage's Chief Financial Officer and are subject to customary internal reviews.

Montage maintains a system of policies that all Directors, employees, consultants and contractors must follow, including: (i) the Code of Conduct; (ii) an Anti-Bribery & Anti-Corruption Policy, (iii) a Black-Out Period Policy; and (iv) an Internal Employee Alert Policy. Montage's policies are reviewed and approved by the Montage Board annually.

### **Health and Security**

Differences in the health and security risk in the emerging market in which Montage operates are managed by dedicated teams of health and security professionals. The Montage Board and management team regularly receive risk assessments, public affairs updates and progress reports on the health and security risks affecting Montage's operations and personnel in West Africa, and in so doing, maintain effective oversight of such risks.

The security of its people and exploration sites in West Africa is ensured by local security teams who monitor and respond to regional security risks. Montage's security team utilizes a combination of established practices, protocols and routines to detect, deter and protect against such risks and comply with internationally recognized standards. All of Montage's security personnel have substantial experience working in the jurisdictions in which Montage currently operates and are based either on mine sites or in offices in the region.

## **Communication and Cultural Differences**

While the reporting language of management is English, the primary operating language is French. Differences in cultures and practices in the emerging market in which Montage operates are addressed by employing competent staff who are familiar with the local laws, business culture and standard practices, have local language proficiency, are experienced in working in that jurisdiction and in dealing with the relevant government authorities and have experience and knowledge of the local banking systems and treasury requirements.

Montage Board meetings are conducted in English, and English is the primary language used in meetings with head office management. Material documents relating to Montage's operations that are provided to the Montage Board are in English. Material documents relating to Montage's material operations in West Africa are either in English or, where they are in French, are translated into or summarized in English.

## **RISK FACTORS**

The Company has identified the following risks relevant to its business and operations, which could materially affect the Company's operating results, financial performance and the value of the Common Shares. Prospective investors should carefully consider their personal circumstances and consult their broker, lawyer, accountant or other professional adviser before making an investment decision. The information below does not purport to be an exhaustive summary of the risks affecting the Company, and additional risks and uncertainties not currently known to the Officers or Directors of the Company or not currently perceived as being material may have an adverse effect on the business of the Company.

### **Political risks and associated security risks**

Presidential elections were held in Côte d'Ivoire on October 31, 2020. The election, boycotted by the opposition, saw the re-election of incumbent Alassane Ouattara for a third term. President Ouattara has been President since March 2010 and was nominated again by his party after its previous nominee, Prime Minister Amadou Coulibaly, died from a heart attack in July 2020. The opposition party opposed the validity of his candidacy for a third term as President due to Côte d'Ivoire's 2016 Constitution explicit limit of two terms for a President to hold office.

Côte d'Ivoire experienced a period of moderate civil unrest around the October 2020 Presidential election but this did not affect the completion of the Company's exploration programs. Since the October 2020 elections the various political groups are engaging in dialogue with the Government with a view to the 2025 elections. Whilst the Company believes the outlook is positive as a result of that dialogue, future political instability could potentially impact investor confidence, which may result in deterioration of the Company's valuation and Common Share price.

### **There is ongoing risk of political and/or economic instability in Côte d'Ivoire**

In addition to the near-term risks associated with elections in Côte d'Ivoire, any future political and/or economic instability in the country may trigger civil unrest that may result in the suspension of the Company's activities at the Montage Properties for an extended period of time. Even if the Company is able to maintain its operations, market perception of country risk may persist and lead to a deterioration in the valuation of the Common Shares.

### **There is a potential for terrorist activity in Côte d'Ivoire**

Côte d'Ivoire shares borders with several West African countries, including Mali and Burkina Faso, both of which are experiencing elevated levels of terrorist activity in recent years. At the present time, the threat of terrorist activities in Côte d'Ivoire appears low, however that may change in the future and may force the Company to suspend operations and remove its employees from the country for an extended period of time during period of heightened risk.

### **Exploring mineral properties is high risk, and an investment in the Company is speculative with a potential loss of entire investment**

The Company is in the business of exploring mineral properties, which is a highly speculative endeavor. A purchase of the Common Shares of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate



liquidity in their investment. An investment in the Common Shares should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their entire investment. Prospective purchasers should evaluate carefully the risk factors associated with an investment in the Common Shares prior to making any purchase.

### **The success of the Company is significantly dependent on its management**

The success of the Company is currently largely dependent on the performance of its Directors and Officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its Directors, Officers or other qualified personnel required to operate its business. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that these efforts will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increase. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's operations and financial condition.

### **The Company has a limited business history, and there is no assurance of revenues**

The Company has only recently commenced exploration operations, does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its Common Shares since incorporation and does not anticipate doing so in the foreseeable future. The likelihood of success of the Company must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

There is no timeline established as to when revenue may be generated for operations of the Company, if ever. There can be no assurance that any revenue can be generated or that other financing can be obtained. If the Company is unable to generate such revenue in the future or obtain such additional financing, any investment in the Company may be lost. In such an event, the probability of resale of Common Shares purchased would be significantly diminished.

### **Exploration, development, construction and operation of mining properties requires substantial capital which exposes the Company and the Montage Shareholders to significant financing risks and shareholder dilution**

The exploration and development of mineral properties and any operation of mines and facilities requires a substantial amount of capital and the ability of the Company to proceed with any of its plans with respect thereto depends on its ability to obtain financing through joint ventures, equity financing, debt financing or other means. To fund activities, including certain exploration, evaluation and development activities, the Company anticipates that it will require additional financing. General market conditions, volatile gold markets, a claim against the Company, a significant disruption to the Company's business or operations or other factors may make it difficult to secure financing necessary to fund the substantial capital that is typically required in order to continue to advance a mineral project, such as the Koné Gold Project, through the testing, permitting and feasibility processes to a production decision or to place a property into commercial production. Similarly, there is uncertainty regarding the Company's ability to fund additional exploration or the acquisition of new projects. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the Koné Gold Project or any other mineral properties in which the Company may hold an interest. While the Company may generate additional working capital through equity or debt offerings or through the sale or possible joint-venture of its one or more of its mineral properties, there is no assurance that any such funds will be available. The ability of the Company to arrange such financing in the future will depend in part upon prevailing capital market conditions, as well as the business success of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development or forfeiture of some rights in the Company's mineral properties.

The only present source of funds available to the Company is through the sale of its securities. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms, and failure to obtain such additional financing could result in the delay or indefinite postponement of any or all of the Company's exploration, development or other growth initiatives. If additional financing is raised by the issuance of Common Shares or other securities from treasury, control of the Company may change, and such additional financing may result in substantial dilution to Montage Shareholders. At present it is impossible to determine what amounts of additional funds, if any, may be required.

#### **Global financial conditions may impact the Company's ability to raise additional funds**

Global financial conditions continue to be subject to volatility arising from international geopolitical developments and global economic phenomenon, as well as general financial market turbulence, including but not limited to a significant recent market reaction to the novel coronavirus (COVID-19) pandemic and the military conflict in Ukraine, resulting in a significant reduction in many major market indices. Access to public financing and credit can be negatively impacted by the effect of these events on Canadian and global credit markets. The health of the global financing and credit markets may impact the ability of the Company to obtain equity or debt financing in the future and the terms at which financing, or credit is available to the Company. These instances of volatility and market turmoil could adversely impact the Company's operations and the trading price of the Common Shares. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

#### **The COVID-19 pandemic is impacting mining operations and the global economy and has already impacted the Koné Gold Project**

The current global uncertainty with respect to the spread of COVID-19, the evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Company and the advancement of the Koné Gold Project. While the precise impact of the COVID-19 outbreak on the Company remains unknown, rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct impacts on businesses in Canada, the United States and around the world and could result in travel bans, closure of assay labs, work delays, difficulties for contractors and employees getting to site, and diversion of management attention all of which in turn could have a negative impact on development of the Koné Gold Project and the Company generally. Travel restrictions and protocols put in place by the government of Cote d'Ivoire led to the Company suspending operations at the Koné Gold Project on March 27, 2020. Operations were subsequently restarted on May 20, 2020, following a relaxation of certain restrictions by the government and the implementation of health and safety policies by the Company to reduce the risk of COVID-19 spread at its operating sites. The spread of COVID-19 may also have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains and the financial and capital markets, which could affect the business, financial condition, results of operations and other factors relevant to the Company, including its ability to raise additional financing.

#### **Estimating Mineral Reserves and Mineral Resources is risky, and the results of future exploration and development programs may not be consistent with the results and estimates included in the Koné Gold Project Technical Report on the Company's mineral properties**

The Company's Mineral Resources and Mineral Reserves are estimates only, and no assurance can be given that the anticipated tonnages and grades reported in the Koné Gold Project Technical Report will be achieved, or that estimated Mineral Resources and Mineral Reserves can or will be mined or processed profitably. The results of future exploration and development programs may not be consistent with the results and estimates included in the Company's NI 43-101 technical reports on the Company's mineral properties. The Company's Mineral Resource and Mineral Reserve estimates may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing and other factors that are currently unknown. There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves, including many factors beyond the Company's control. Estimation is a subjective process, and the accuracy of the Company's Mineral Resource and Mineral Reserve estimates is a function

of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation of that data and the level of congruence with the actual size and characteristics of the Company's deposits. These estimates may require adjustments or downward revisions based upon further exploration or development work, drilling or actual production experience.

Fluctuations in gold prices, results of drilling, metallurgical testing and production, the evaluation of mine plans after the date of any estimate, permitting requirements or unforeseen technical or operational difficulties may require revision of the Company's Mineral Resource and Mineral Reserve estimates. Prolonged declines in the market price of gold may render relatively lower grades of mineralization uneconomical to recover. Mineral Resource and Mineral Reserve estimates are based on drill hole information, which is not necessarily indicative of conditions between and around the drill holes. Accordingly, such estimates may require revision as more geologic and drilling information becomes available. Should reductions in Mineral Resources and Mineral Reserves occur, the Company may be required to take a material write-down of its assets or delay the development of deposits, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows and prospects. There is a high degree of uncertainty in estimating Mineral Resources and Mineral Reserves and of the grades and tonnage that are forecast to be in a deposit and, as a result, the grade and volume of gold that the Company mines, processes and recovers, will likely not be the same as suggested by the estimate. Any material reductions in estimates of Mineral Resources and Mineral Reserves could have a material adverse effect on the Koné Gold Project and the Company's business, financial condition, results of operations, cash flows or prospects.

Mineral Resources are not Mineral Reserves and have a greater degree of uncertainty as to their existence and feasibility. Mineral Resources that are in the Inferred category are even more risky. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to the uncertainty and speculative nature of Inferred Mineral Resources, economic considerations cannot be applied to this category. The extent that Inferred Mineral Resources will be converted to the Indicated Mineral Resource categories through further drilling cannot be guaranteed, nor can any assurances be given that Inferred Mineral Resources will be converted into Mineral Reserves once economic considerations are applied.

### **Exploration and development is speculative and may not result in profitable mining operations**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and other factors such as political instability in the local jurisdictions, government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company's mineral exploration and development activities will result in commercial production of gold or other metals. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish Mineral Resources and Mineral Reserves through drilling and subsequent economic evaluation activities and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered or developed in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

### **The future price of gold is uncertain and may be lower than expected**

The price of gold realized by the Company will affect future production levels, earnings, cash flows and the financial condition of the Company. The price of gold is affected by numerous factors beyond the Company's control, including: (i) the strength of the Canadian and U.S. economies and the economies of other industrialized and developing nations; (ii) global or regional political or economic conditions; (iii) the relative strength of the Canadian and U.S. dollars and other currencies; (iv) expectations with respect to the rate of inflation; (v) current and expected interest rates and

exchange rates; (vi) actual and anticipated purchases and sales of gold by central banks, financial institutions and other large holders, including speculators; (vii) demand for jewelry containing gold; (viii) investment activity, including speculation, in gold as a commodity or as a hedge against currency devaluation; and (ix) supply and demand dynamics, including the cost of substitutes, inventory levels and carrying charges.

The gold price has fluctuated widely in recent years, and future material price declines could cause any development of the Koné Gold Project to be delayed and could render it uneconomic. Depending on the current and expected price of gold, projected cash flows from any planned mining operations may not be sufficient to warrant commencing mining, and the Company could be forced to discontinue development or, if commenced, to discontinue commercial production. The Company may be forced to sell one or more portions of the Koné Gold Project to generate cash. Future production from the Koné Gold Project will be dependent on a price of gold that is adequate to make a deposit economically viable. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

A declining or sustained low price of gold could negatively impact the Company by requiring a reassessment of the feasibility of the Koné Gold Project. If such a reassessment determines that the Koné Gold Project is not economically viable in whole or in part, then operations may cease or be curtailed and the Koné Gold Project may never be fully developed or developed at all. Even if the Koné Gold Project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed. The occurrence of any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Operations will be subject to fluctuating mineral prices and currency risk**

The ability of the Company to raise funds to continue exploration of the mineral properties in which it has an interest will be significantly affected by changes in the market price for raw materials. Prices for precious and other metals fluctuate on a daily basis, have historically been subject to wide fluctuations and are affected by numerous factors beyond the control of the Company such as global demand growth, world mine supply dynamics, currency fluctuations, interest rate changes, capital availability, speculative activities, and political developments. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not being able to continue its planned exploration programs. Declining market prices for these metals could materially adversely affect the Company's operations and financial condition. Factors beyond the control of the Company may affect the marketability of metals discovered, if any.

In addition, currency fluctuations may impact the Company's financial performance. The Company's costs and expenses are incurred in CFA Franc, Canadian and U.S. dollars, Great Britain Sterling, and other foreign currencies. As a consequence, fluctuations in exchange rates may have a significant effect on the Company's cash balance in either a positive or negative direction. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations.

### **Commercial viability may not be achieved even with an acceptable gold price**

The Company's ability to complete any future development work and commence a profitable commercial mining operation at the Koné Gold Project will depend upon numerous factors in addition to a favourable gold price and a positive economic forecast, many of which are beyond its control, including the adequacy of infrastructure, geological characteristics, prolonged periods of severe weather or political instability, metallurgical characteristics of Mineral Reserves, the availability of processing capacity, the availability of storage capacity, the availability of equipment and facilities necessary to complete development, the cost of consumables and mining and processing equipment, technological and engineering problems, accidents or acts of sabotage or terrorism, currency fluctuations, the availability and productivity of skilled labour, the regulation of the mining industry by various levels of government and quasi-governmental organizations and political factors. Furthermore, significant cost overruns could make the Koné Gold Project uneconomical. Accordingly, notwithstanding any Mineral Reserve estimates, there is a risk that the Company will be unable to complete development work and commence a commercial mining operation at the Koné Gold Project, which would have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Mining operations are very risky**

The Company's current business, and any future development or mining operations, involve various types of risks and hazards typical of companies engaged in the mining industry. These risks affect the current exploration and development activities of the Company and will affect the Company's business to an even larger extent if commercial mining operations commence. Such risks include, but are not limited to: (i) industrial accidents; (ii) unusual or unexpected rock formations; (iii) structural cave-ins or slides and pitfall, ground or slope failures and accidental release of water from surface storage facilities; (iv) fire, flooding and earthquakes; (v) rock bursts; (vi) metals losses; (vii) periodic interruptions due to inclement or hazardous weather conditions; (viii) environmental hazards; (ix) discharge of pollutants or hazardous materials; (x) failure of processing and mechanical equipment and other performance problems; (xi) geotechnical risks, and unusual and unexpected geological conditions; (xii) unanticipated variations in grade and other geological problems; (xiii) disruption of power and water supply; (xiv) labour disputes or slowdowns; (xv) workforce health issues as a result of working conditions; (xvi) metallurgy; (xvii) supply chain/logistics disruption; (xviii) civil strife; (xix) pandemics; (xx) weather conditions; and (xxi) force majeure events, or other unfavourable operating conditions.

These risks, conditions and events could result in: (i) damage to, or destruction of the value of, the Company's facilities; (ii) personal injury or death; (iii) environmental damage to the Koné Gold Project, surrounding lands and waters, or the properties of others; (iv) delays or prohibitions on mining or the transportation of minerals; (v) monetary losses; and (vi) potential legal liability. Any of the foregoing could have a material adverse effect on the Company's business, financial condition, results of operation or prospects. In particular, development and exploration activities present inherent risks of injury to people and damage to equipment. Significant mine accidents could occur, potentially resulting in a complete shutdown of the Company's operations at the Koné Gold Project which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

There are also risks related to the reliance on the reliability of current and new or developing technology; the reliance on the work performance of outside consultants, contractors, and manufacturers; changes to project parameters over which the Company does not have complete control such as the gold price or labour or material costs; unknown or unanticipated or underestimated costs or expenses; unknown or unanticipated or underestimated additions to the scope of work due to changing or adverse conditions encountered as a mine is developed; unexpected variances in the geometry or quality of ore zones; unexpected reclamation requirements or expenses; permitting timelines; unexpected or unknown ground conditions; unexpected changes to estimated parameters utilized to estimate past timelines, projections, or costs; and liquidity risks. An adverse change in any one of such factors, hazards and risks may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Operations during mining cycle peaks are more expensive**

During times of increased demand for metals and minerals, price increases may encourage expanded mining exploration, development and construction activities. These increased activities may result in escalating demand for and cost of contract exploration, development and construction services and equipment. Increased demand for and cost of services and equipment could cause exploration and project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment, any of which could materially increase project development or construction costs, result in project delays, or increase operating costs.

### **The Company's insurance coverage may be inadequate and result in losses**

The Company's business is subject to a number of risks and hazards (as further described in this AIF). In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. Although the Company maintains insurance and intends to obtain certain additional insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its activities, including any future mining operations. The Company may also be unable to obtain or maintain insurance to cover its risks at economically feasible premiums, or at all. Insurance coverage may not continue to be

available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration or production may not be available to the Company on acceptable terms. The Company might also become subject to liability for pollution or other hazards which it is not currently insured against and/or in future may not insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

#### **The Company may fail to comply with the law or may fail to obtain or renew necessary permits and licences**

The Company's exploration operations are subject to extensive laws and regulations governing, among other things, such matters as environmental protection, management and use of toxic substances and explosives, health, exploration and development of mines, production and post-closure reclamation, safety and labour, taxation and royalties, maintenance of leases and claims, and expropriation of property. The activities of the Company require permits and licenses from various governmental authorities. The costs associated with compliance with these laws and regulations and of obtaining permits and licenses are substantial, and possible future laws and regulations, changes to existing laws and regulations and more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expenses, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of its properties. There is no assurance that future changes in such laws and regulations, if any, will not adversely affect the Company's operations. Moreover, these laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety practices of the Company's past and current operations, or possibly even the actions of former property owners, and could lead to the imposition of substantial fines, penalties or other civil or criminal sanctions. The Company may fail to comply with current or future laws and regulations. Such non-compliance can lead to financial restatements, civil or criminal fines, penalties, and other material negative impacts on the Company.

As exploration activities proceed, the Company may be required to obtain or renew further government permits for its current and contemplated operations. Obtaining or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on the Company's part. The duration and success of the Company's efforts to obtain and renew permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting authority. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can ultimately recover from a given property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine. To the extent necessary permits, licenses or authorizations are not obtained or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with planned development, commercialization, operation and exploration activities. Such curtailment or prohibition may result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

#### **Climate change may make mining operations more expensive**

Due to changes in local and global climatic conditions, many analysts and scientists predict an increase in the frequency of extreme weather events such as floods, droughts, forest and brush fires and extreme storms. Such events could materially disrupt the Company's operations, particularly if they affect the Company's sites, impact local infrastructure or threaten the health and safety of the Company's employees and contractors. Any such event could result in material economic harm to the Company. The Company is focused on operating in a manner designed to minimize the environmental impacts of its activities; however, environmental impacts from mineral exploration and mining activities are inevitable. Increased environmental regulation and/or the use of fiscal policy by regulators in response to concerns over climate change and other environmental impacts, such as additional taxes levied on activities deemed harmful to the environment, could have a material adverse effect on the Company's financial condition or results of operations.

### **Compliance with environmental regulations can be costly**

Any development of, and any mining operations at, the Koné Gold Project, and the exploration of the surrounding area are all subject to environmental regulation. Regulations cover, among other things, water quality standards, land reclamation, the generation, transportation, storage and disposal of hazardous waste, and general health and safety matters. There is no assurance that the Company has been or will at all times be in full compliance with all environmental laws and regulations or hold, and be in full compliance with, all required environmental and health and safety permits. The potential costs and delays associated with compliance with such laws, regulations and permits could prevent the Company from economically operating or proceeding with the further development of the Koné Gold Project, and any non-compliance with such laws, regulations and permits result in a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

Environmental approvals and permits are currently, and may in the future be, required in connection with the Company's current and planned operations. To the extent such environmental approvals are required and not obtained, the Company's plans and the operation of mines may be curtailed, or it may be prohibited from proceeding with planned exploration or development of additional mineral properties. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

There is no assurance that any future changes in environmental regulation will not adversely affect the Company's operations. Changes in government regulations have the potential to significantly increase compliance costs and thus reduce the profitability of current or future operations.

Environmental hazards may also exist on the properties on which the Company holds interests that are unknown to the Company at present and that have been caused by previous or existing owners or operators of the properties and for which the Company may be liable for remediation. Parties engaged in mining operations, including the Company, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable environmental laws or regulations, regardless of whether the Company actually caused the loss or damage. The costs of such compensation, fines or penalties could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Social and environmental activism can negatively impact exploration, development and mining activities**

The Company's relationships with the communities close to its mining operations and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There are no dwellings in the immediately vicinity around Koné and little or no resettlement is expected. Nevertheless, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Public adversity to the Company's operations, or the mining industry generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk.

Certain non-governmental organizations, public interest groups and reporting organizations ("NGOs") who oppose resource development can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed resource extraction activities, which have resulted in disruption and delays to the relevant operation. While the Company seeks to operate in a socially responsible manner and believes it has good relationships with local communities established by management over more than 10 years, NGOs or local community organizations could direct adverse publicity and/or disrupt the operations of the Company in respect of one or more of its properties, regardless of its successful compliance with social and environmental best practices, due to political factors, activities of unrelated third parties on lands in which the Company has an interest or the Company's operations specifically. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

### **Orca exercises significant influence over the Company**

As at the date hereof, Orca holds approximately 31.3% of issued and outstanding Common Shares on a non-diluted basis.

The Orca Investor Rights Agreement provides Orca with, among other things: (i) the right to maintain its percentage interest in the Company upon certain equity issuances undertaken by the Company so long as its ownership interest of the outstanding Common Shares is at least 20%; (ii) demand and piggy-back prospectus registration rights; and (iii) the right to nominate three Company Directors so long as its ownership interest of the outstanding Common Shares is at least 20% and the right to nominate one Company Director so long as its ownership interest of the outstanding Common Shares is at least 15%.

As a result of its shareholdings and the Orca Investor Rights Agreement, Orca has the ability, among other things, to approve significant corporate transactions and delay or prevent a change of control of the Company that could otherwise be beneficial to minority shareholders. Orca generally will have the ability to control the outcome of any matter submitted for the vote or consent of the Montage Shareholders. In some cases, the interests of Orca may not be the same as those of the other Montage Shareholders, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to the Company or minority Montage Shareholders.

Orca has entered a definitive agreement with Perseus under which Perseus will acquire all of the outstanding common shares of Orca that it does not already own. Upon completion of the Perseus Transaction, Perseus will then indirectly become a 31.3% shareholder of Montage. The Company will remain subject to the above related risks following completion of the Perseus Transaction. The interests of Perseus (through Orca) may not be the same as other Montage Shareholders.

### **Conflicts of interest may result in the interests of other issuers or shareholders being preferred to the Montage Shareholders**

A majority of the Directors and all of the senior Officers of the Company are also Directors of other companies that are similarly engaged in the business of acquiring, exploring and developing natural resource properties. Mr. Clark (Non-Executive Chairman and Director) is an Executive Officer and Director of Orca and a Director of other issuers. Mr. Stuart (Chief Executive Officer and Director) is an Executive Officer and Director of Orca. Mr. Ross (Chief Operating Officer) is an Officer of Orca, and Mr. Field, while considered independent, is a Director of Orca. Mr. Kondo (Chief Financial Officer and Corporate Secretary) is an Executive Officer of Orca. In addition to the considerations under the risk factor above titled “*Orca exercises significant control over the Company*” such associations may give rise to conflicts of interest from time to time. In particular, one of the consequences would be that corporate opportunities presented to a Director or Officer of the Company may be offered to another company or companies with which the Director or Officer is associated and may not be presented or made available to the Company. The Directors and Officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any interest which they may have in any project or opportunity of the Company, and, where applicable for Directors, to abstain from voting on such matters. Conflicts of interest that arise will be subject to and governed by the procedures prescribed in the Company’s Code of Conduct and by the BCBCA.

### **The price of publicly traded securities can be volatile**

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many corporations have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such corporations. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company from exploration, demonstrating an economically feasible development project, creating revenues, cash flows or earnings.



### **Sales of Common Shares by Orca or other existing Montage Shareholders can reduce share prices**

Common Shares held by existing Montage Shareholders will generally be freely tradable under applicable securities legislation. Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that Orca or the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of the Common Shares. If this occurs and continues, it could impair the Company's ability to raise additional capital through the sale of securities.

### **The Company's rights in its mineral properties could be lost**

The mineral properties of the Company are located in Côte d'Ivoire. The mining regulatory regime in Côte d'Ivoire is defined by The Mining Code, 2014, which grants rights to explore, develop and operate a mine. The Company holds its mining interests through exploration permits with the government. No assurance can be given that the terms and conditions of the Company's exploration and mining authorizations will not be amended or that such exploration and mining authorizations will not be challenged or impugned by third parties.

Additionally, there is no guarantee the Company will be able to raise sufficient funding in the future to maintain, explore and develop the Koné Gold Project or any other mineral properties in which the Company may hold an interest. If the Company loses or abandons its interest in the Koné Gold Project or any other mineral properties in which the Company may hold an interest, there is no assurance that it will be able to acquire other mineral properties of merit or that any such acquisition would be approved by the TSXV. There is also no guarantee that the TSXV will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to acquire any additional properties.

Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The discovery of mineral deposits is dependent upon a number of factors. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, and some of which are more general factors such as metal prices, political stability in the local jurisdiction, and government regulations, including environmental protection. Most of these factors are beyond the control of the Company. In addition, because of these risks, there is no certainty that the expenditures to be made by the Company on the exploration of the Koné Gold Project as described herein will result in the commercial production of gold or other metals.

### **The Company's rights in its mineral properties could be subject to challenges and claims**

The Koné Gold Project or any other mineral properties in which the Company may hold an interest may be subject to prior agreements, transfers, claims, including claims by artisanal miners currently working on the properties, and title may be affected by such undetected defects. Other parties may dispute the validity of a concession agreement or the Company's right to enter into such agreement. Although the Company believes it has taken reasonable measures to ensure proper title to the properties in which it will have an interest, there is no guarantee that such title will not be challenged or impaired. If title to the Company's properties is disputed it may result in the Company paying substantial costs to settle the dispute or clear title and could result in the loss of the property, which events may affect the economic viability of the Company.

### **The Company is subject to the risks inherent in foreign investments and operations**

The Company's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on the Company's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Risks may include, among others, labour disputes, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign

parties to honour contractual relations, foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on gold exports, instability due to economic under-development, inadequate infrastructure and increased financing costs.

In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by the local government or by its court system. These risks may limit or disrupt the Company's operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation. The economy and political systems of Côte d'Ivoire as with other countries in Africa and many other mining jurisdictions, should be considered by investors to be less predictable than those in countries in which the majority of investors are likely to be resident. The possibility that the current, or a future, government may adopt substantially different policies, take arbitrary action which might halt production, extend to the re-nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, the happening of any of which could result in a material and adverse effect on the Company's results of operations and financial condition.

### **The influence of third-party stakeholders may negatively impact the Company**

The mineral properties in which the Company holds an interest, or the exploration equipment and road or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for the Company.

### **The Company may be subject to costly and unpredictable legal proceedings**

Due to the nature of its business, the Company may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurance that these matters will not have a material adverse effect on the Company's business.

In the event of a dispute involving the foreign operations of the Company, the Company may be subject to the exclusive jurisdiction of foreign courts. The Company's ability to enforce its rights or its potential exposure to the enforcement in Canada or locally of judgments from foreign courts could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

### **Compliance with laws is costly and may result in unexpected liabilities**

The Company is headquartered in Vancouver, Canada and its operations are located in Côte d'Ivoire. The Company's business is subject to various laws and regulations in Canada and Côte d'Ivoire. These laws include compliance with the *Extractive Sector Transparency Measures Act* (Canada), which requires companies to report annually on payments made to all levels of governments both in Canada and abroad. The Company is also required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada).

In addition, as a publicly traded company with a listing on the TSXV, the Company is subject to additional laws and regulations, compliance with which is both time consuming and costly. If the Company and/or its businesses are subject to an enforcement action or are found to be in violation of any such laws, this may result in significant penalties, fines and/or sanctions which could have a material adverse effect on the Company, which could cause a significant decline in the value of the Common Shares.

The legal and regulatory requirements in Côte d'Ivoire are different from those in Canada. The Company relies, to a great extent, on the Company's local advisors in respect of legal, environmental compliance, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations in Côte d'Ivoire. Despite these resources, the Company may fail to

comply with a legal or regulatory requirement in Côte d'Ivoire, which may lead to the revocation of certain rights or to penalties or fees and in enforcement actions thereunder.

### **The Company may incur impairment charges in respect of its mineral properties**

The Company annually undertakes a detailed review of exploration projects and other assets. The recoverability of the Company's carrying values of these operating and development properties may be affected by a number of factors including, but not limited to: metal prices; foreign exchange rates; capital cost estimates; mining, processing and other operating costs; metallurgical characteristics of ore; mine design; and timing of production. If carrying values of an asset or group of assets exceeds estimated recoverable values, an impairment charge may be required to be recorded, which may have a material adverse effect on the market price of the Company's securities.

### **Financial reporting internal controls may not provide assurances**

Internal controls provide no absolute assurances as to reliability of financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Disclosure controls and procedures are designed to ensure that material information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting.

### **Negative operating cash flows are expected to continue and will need to be funded**

The Company has negative operating cash flow. The failure of the Company to achieve profitability and positive operating cash flows could have a material adverse effect on the Company's financial condition and results of operations. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves to fund such negative cash flow. The Company expects to continue to sustain operating losses in the future until it generates revenue from the commercial production of its mineral properties. There is no guarantee that the Company will ever be profitable.

### **The Company's TSXV listing may be lost**

The Company may fail to meet the continued listing requirements for the Common Shares to be listed on the TSXV. If the TSXV delists the Common Shares from trading on its exchange, the Company could face significant material adverse consequences, including: a limited availability of market quotations for the Common Shares; a determination the Common Shares are a "penny stock" which will require brokers trading in the Common Shares to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary market for the Common Shares; a limited amount of news and analysts coverage for the Company; and a decreased ability to issue additional securities or obtain additional financing in the future.

## **KONÉ GOLD PROJECT**

### **Overview**

The Koné Gold Project includes the Koné Exploration Permit which covers a total of 300 km<sup>2</sup> in northwest Côte d'Ivoire, around 470 km northwest of Abidjan, and was first identified approximately 12 years ago by Red Back Mining, a wholly owned subsidiary of Kinross Gold Corporation. The Koné Gold Project also includes two additional Exploration Permits and two Exploration Permit applications which cover a total of approximately 1,143 km<sup>2</sup> in the area near the Koné Exploration Permit.

As at the date of transfer of the Koné Gold Project to Montage from Orca, a total of 18,172 m of drilling had been completed to delineate an Inferred Mineral Resource estimate calculated in October 2018 on the Koné deposit at the Koné Gold Project.

In 2019 and 2020, the Company undertook deeper diamond core drilling in the Koné deposit area, which demonstrated that the mineralization continued below the October 2018 Inferred Mineral Resource estimate. A total of 22,528m of drilling (7,901 m of RC and 14,627 m of diamond core) was completed during this time and in January 2021 the Company completed a revised Inferred Mineral Resource estimate based on a total of 40,700 m of drilling (25,545 m of RC and 15,155m of core).

The January 2021 Inferred Mineral Resource estimate on the Koné Gold Project is reported within a 460 m deep optimised pit shell generated at a gold price of US\$1,500/oz. The Inferred Mineral Resource estimate comprises 211 Mt grading 0.59g/t for 4.00 Moz of gold based on a 0.2 g/t cutoff grade.

Drilling continued at the Koné Gold Project through July 2021, with a total of 60,155m completed (38,497m of diamond core and 21,658m of RC) for an infill and expansion program in support of an initial Indicated Mineral Resource Estimate that was calculated in August 2021. The MRE on the Koné Gold Project is reported within a pit shell of 2.5km strike to a maximum depth of 550m using a gold price of US\$1,500/oz. The Indicated Mineral Resource estimate comprises 225Mt grading 0.59g/t for 4.27Moz of gold based on a 0.2g/t cutoff grade. The additional Inferred Mineral Resource estimate comprises 22Mt grading 0.45g/t for 0.32Moz of gold based on a 0.2g/t cutoff grade.

The MRE was utilized for the estimation of Probable Mineral Reserves as part of the Koné Gold Project Technical Report that was released by Montage on February 14, 2022 and which is described more fully in the section “*Technical Report*” that follows.

The Koné Gold Project is subject to the Kinross ROFO which requires that, if the Company wishes to transfer the Exploration Licenses, whether in whole or in part, either through a transfer of the Exploration Licenses or through the sale, directly or indirectly, of one or more of its subsidiaries, the Company must make an offer to Kinross stating its intent to offer to transfer to Kinross the Offered Interest upon the price and terms and conditions specified in such offer. Kinross then has the ability to exercise the Kinross ROFO for a period of 30 days. If Kinross declines to purchase, the Company may sell the Offered Interest to a third party on terms that are no more favourable than those offered to Kinross.

Based on the known characteristics of the Koné Gold Project and subject to further drilling and other exploration and technical analysis and results, Montage believes that the Koné Gold Project has the potential for open pit mine development. See “*Koné Gold Project –Potential Open Pit Mine Development*”.

## **Technical Report**

Scientific and technical information relating to the Koné Gold Project contained in this AIF is derived from, and in some instances is a direct extract from, and based on the assumptions, qualifications and procedures set out in, the Koné Gold Project Technical Report. The following information does not purport to be a complete summary of the Koné Gold Project Technical Report. All capitalized terms used in the summary below and not otherwise defined herein shall carry the meanings of such terms as included in the Koné Gold Project Technical Report. Reference should be made to the full text of the Koné Gold Project Technical Report which has been filed with certain Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under Montage’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Property Description and Ownership**

### Property Description

The Koné Gold Project covers 300 km<sup>2</sup> in northwest Côte d’Ivoire 470 km northwest of Abidjan. The Koné Exploration Permit lies within the sous-prefectures of Kani and Fadiadougou within Department of Kani in the Worodougou region. The communities of Fadiadougou and Batogo lie within the permit.

The Toudian and Yarani Forest Reserves lie in part within the Koné Exploration Permit. The Toudian Reserve covers an area of approximately 5 km<sup>2</sup> and includes the northern portions of the planned open pits. The Company makes all efforts not to affect the forest area. The local forestry office (SODEFOR) have been kept informed as to the Company’s activities and replacement planting will be undertaken as part of future programmes.

### Ownership

The Koné Exploration Permit number 262 (PR 262) was granted to Red Back, a wholly owned subsidiary of Kinross Gold Corporation, in 2013. In February 2017, Orca announced that it had executed a share purchase agreement with two wholly-owned subsidiaries of Kinross Gold Corporation to acquire the Koné Exploration Permit as part of a wider package of two permits and five permit applications in Côte d'Ivoire. In July 2019, Orca transferred its assets in Côte d'Ivoire to its subsidiary Montage. Montage listed the Common Shares on the TSXV in October 2020.

In March 2016 and March 2019, the Koné Exploration Permit was renewed for three years. The local operating company's name Red Back Mining (Côte d'Ivoire) SARL was changed to Shark Mining CDI SARL in August 2018.

Under the terms of the Koné Exploration Permit the company has the right to access all areas for the purpose of mineral exploration. The area is largely uninhabited outside main villages and the communities have shown significant support for the exploration activities.

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

The Koné Gold Project is 470 km northwest of the capital Abidjan and is accessible by an established network of asphalt roads from the capital.

The communities of Fadiadougou and Batogo lie within the Koné Exploration Permit with the nearest major centre at Séguéla, 80km to the south.

Three seasons can be distinguished, namely: warm and dry (November to February), hot and dry (March to May) and hot and wet (June to October). The average annual rainfall is 1,273 mm. Average daytime maximum temperatures range from 22 to 32°C.

There is ample space in the Permit area for the open pit, waste dumps, mineral processing plant, water catchment and tailings facilities.

The Project area is characterized by moderate relief, lying between 200 m and 420 m above sea level. The Marahoué and Yarani rivers are the main drainages in the area but the bulk of the project is cut by shallow seasonal drainages that only show significant flow in the wet season.

The Project lies within the Guinean forest-savanna ecoregion of West Africa, a band of interlaced forest, savanna and grassland running from western Senegal to eastern Nigeria and dividing the tropical moist forests near the coast from the West Ivorian savanna of the interior. Parts of the project area are covered by cashew and cotton plantations, while other areas are used for subsistence crops. There are significant areas underlain by iron rich duricrusts and are only suitable for grazing.

### **Geology and Mineralization**

The Koné Exploration Permit lies within the Birimian Baoulé-Mossi domain, which in the Project region comprises metamorphosed sediments, volcanoclastics and volcanics flanked to the west by basement tonalite and diorites.

Much of the Project area is covered by duricrust with only very rare outcrop and deep weathering. Local stratigraphy comprises a moderately westerly dipping sequence of mafic volcanics, which are intruded by an approximately 250 m thick package of quartz diorites.

Gold mineralization generally occurs in the intrusive rocks within a wide zone of variable shearing and foliation in association with thin quartz, quartz-carbonate and sulphide veins, finely disseminated pyrite and biotite alteration. Higher gold grades are associated with greater deformation intensity and increased frequency of quartz-carbonate-sulphide veinlets.

## Exploration and Resource Definition

During 2009, an 800 m by 50 m spaced soil sampling and subsequent local infill to 400 m by 50 m and 200 m by 50 m spacing identified a 2.7 km long gold in soil anomaly at Koné. The results of follow up trenching justified exploratory drilling leading to resource definition drilling.

Between 2009 and August 2021 the Koné mineralization has been tested by 102,249 m of drilling (54,703 m of core and 45,545 m of RC) on which the MRE are based.

The interpreted mineralization had been tested by generally 50 m spaced traverses of generally 50 m and rarely 25 m spaced holes extending to vertical depths of between 100 m and 550 m.

All sampling activities were supervised by field geologists.

All sample preparation and gold assaying of primary samples was undertaken by independent commercial laboratories. Analyses undertaken “in-house” were limited to immersion density measurements by Company personnel.

Information available to demonstrate the reliability of sample preparation and assaying include results for coarse blanks and reference standards along with inter-laboratory repeat and duplicate assaying.

Geological logging and storage of sample material along with documentation of analytical results is consistent with the author’s experience of good industry standard practise.

Information available to demonstrate the representivity of the Koné RC and diamond drilling includes RC sample condition logs, recovered RC sample weights and core recovery measurements.

The author considers that the quality control measures adopted for the exploration and resource definition drilling have established that the sampling is representative and free of any biases or other factors that may materially impact the reliability of the sampling.

The author considers that the sample preparation, security and analytical procedures adopted for the 2010 to 2021 Koné drilling provide an adequate basis for the MRE and exploration activities.

## Metallurgical Testing

A comprehensive comminution testwork programme has been carried out to date consisting of 65 JK Tech SMC, 67 Bond Ball Mill Work Index, 17 Abrasion Work Index and 12 Bond Low Energy Impact tests.

Table 1 shows the comminution testwork results from all studies. The predominant fresh mineralization zone is moderately hard in terms of resistance to SAG milling and crushing, but soft in terms of resistance to ball milling and has medium abrasivity.

**Table 1: Comminution Testwork**

		JK Tech SMC A x b			Ballmill Work Index		Abrasion Index		Crusher Index	Work
Ore Type	Deposit % Tonnes	No Samples	Relative Density	JK SMC A x b	No samples	Bond BWi kwhrs/t	No Samples	Bond AI g	No samples	Bond CWI kwhrs/t
Fresh	87.4	53	2.75	31.3	54	11.4	10	0.419	11	17.0
Trans	5.5	9	2.69	76.5	9	7.8	4	0.152	1	8.5
Oxide	7.0	3	1.57	*	4	3.9	3	0.115		
Total	100.0	65	2.66	34.0	67	10.7	17	0.383	12	15.4
		* Oxide Data – Off JK Tech Scale								

130 leach variability samples have been tested using the optimised design conditions at anticipated site pulp temperature and dissolved oxygen levels. The metallurgical tests included oxide, transition fresh and FW fresh

mineralization with results indicating that all material types are amenable to direct tank carbon in pulp (CIP) cyanide leaching.

Forecast gold recoveries were estimated based on predicted residue grades, a solution loss of 0.005 mg/L and a carbon fines loss of 0.15%. Table 2 estimates the gold recoveries based on the average deposit grades. Cyanide consumptions are all low to very low and lime consumptions are low for the predominant fresh zone (88%), but higher for the less dominant transition (5%) and oxide (7%) zones.

**Table 2: Metallurgical Testwork Summary**

# Samples	Domain	Processed ('000 t)	Processed AU g/t	Average AU Recovery	Kgs/t NaCN	Kgs/t CAO
53	South HW Fresh	124,107	0.69	89.10	0.26	0.55
12	North HW Fresh	469	0.56	78.13	0.37	0.43
13	South FW Fresh	17,337	0.55	87.65	0.23	0.45
17	South Transition	7,894	0.56	91.23	0.18	0.99
5	North Transition	387	0.46	88.06	0.35	0.75
21	South Oxide	9,807	0.57	93.79	0.18	2.50
9	North Oxide	917	0.47	94.17	0.13	2.79
<b>130</b>	<b>LOM</b>	<b>160,918</b>	<b>0.66</b>	<b>89.30</b>	<b>0.25</b>	<b>0.70</b>

The good gold recoveries, low reagent consumptions and medium-low resistance to grinding provide favourable processing economics.

### Mineral Resource Estimate

MPR Geological Consultants estimated Mineral Resources for the Koné Gold Project based on the basis of RC and diamond drilling data supplied by Montage in August 2021.

Estimates with drilling spaced at around 50m by 50m are classified as Indicated, with Inferred estimates based on generally 100m spaced drilling. More broadly sampled mineralization is too poorly defined for estimation of Mineral Resources.

Recoverable resources were estimated for the Koné deposit by Multiple Indicator Kriging (MIK) of two metre down-hole composited gold grades from RC and diamond drilling. Estimated resources include a variance adjustment to give estimates of recoverable resources above gold cut-off grades for selective mining unit dimensions of five by ten by five metres (east, north, vertical) and are reported within an optimal pit shell generated at a gold price of US\$1,500/oz.

The MRE have been classified and reported in accordance with NI 43-101 and classifications adopted by CIM Council in May 2014. They have an effective date of the 12th of August 2021.

Table 3 shows the MRE for a range of cut off grades. The figures in this tables are rounded to reflect the precision of the estimates and include rounding errors. The estimate at 0.2g/t cut-off grade represent the base case or preferred scenario. Mineral Resources that are not Mineral Reserves do not necessarily demonstrate economic viability.

**Table 3: Mineral Resource Estimate (August 2021)**

Cut off Au g/t	Indicated			Inferred		
	Mt	Au g/t	Au Moz	Mt	Au g/t	Au Moz
0.1	278	0.51	4.56	32	0.35	0.36
<b>0.2</b>	<b>225</b>	<b>0.59</b>	<b>4.27</b>	<b>22</b>	<b>0.45</b>	<b>0.32</b>
0.3	168	0.70	3.78	14	0.56	0.25
0.4	128	0.82	3.37	9.0	0.69	0.20
0.5	99.1	0.92	2.93	5.9	0.81	0.16
0.6	76.9	1.03	2.55	3.9	0.95	0.12
0.7	59.9	1.14	2.20	3.2	1.1	0.10

Cut off	Indicated			Inferred		
0.8	46.8	1.25	1.88	1.9	1.2	0.07

## Mineral Reserve Estimate

The Mineral Reserve estimate is shown in Table 4.

**Error! Reference source not found.** This is the first Mineral Reserve estimate for the Koné Gold Project and is based on the August 2021 MRE. The figures in this table are rounded to reflect the precision of the estimates and may include rounding errors.

**Table 4: Mineral Reserve Estimate**

	Classification	Oxide			Transitional			Fresh			Total		
		Mt	Au g/t	Au Moz	Mt	Au g/t	Au Moz	Mt	Au g/t	Au Moz	Mt	Au g/t	Au Moz
South Pit	Probable	9.8	0.57	0.18	7.9	0.56	0.14	141.4	0.67	3.05	159.1	0.66	3.39
North Pit	Probable	0.9	0.47	0.01	0.4	0.46	0.01	0.6	0.57	0.01	1.9	0.5	0.03
Total	Probable	10.7	0.56	0.19	8.3	0.56	0.15	142.1	0.67	3.06	161.1	0.66	3.42

## Mining

Based on the geometry of the deposit and the proximity to surface, the deposit will be mined by open pit mining using a conventional truck and shovel mining fleet.

A review of the available geotechnical information has been undertaken and a set of overall slope angles recommended by SRK Consulting. These slope angles have been used in subsequent pit optimizations and pit designs.

Pit optimizations were run using processing cost and recovery data. Mining costs were broken into base and incremental mining costs. Costs were based on West African mining contractor bids. The operating strategy assumes that mining operations will be carried out by a contractor on a cost per tonne basis, utilising a mining fleet comprised of 145t rigid body haul trucks with suitably sized loading units.

The Koné deposit will be exploited through two pits, a smaller northern pit, which reaches a depth of 130 m and a larger southern pit, which extends to a depth of 470 metres deep. The overall strip ratio for the pits is 0.90:1. Based on the assumed mining equipment, a bench height of 5 metres in the oxide, 10 metres in the transition and 15 metres in the fresh rock was designed, although geotechnical conditions allowed for up to two benches to be excavated between safety berms, within the fresh rock. There may be some opportunity to mine to higher bench heights in areas of bulk waste.

A ramp up period of 12 months was assumed at the start of the schedule the total optimized production tonnage is 35 million tonnes per year. The target for Year 1 was 9.9 Mt and 11.0 Mt of high grade crusher feed respectively, with all subsequent years targeting 11.0 Mtpa inclusive of the lower grade stockpile material after year 9. Mining dilution and recovery were not included in the schedule, as these had been included in the Resource model.



Table 5 **Error! Reference source not found.** shows the annualised mine production schedule with the extraction over nine year period, with a pre-strip year.

**Table 5: Mine Production Schedule**

Description	Unit	LOM Total
<b>Mining</b>		
North Pit Tonnes	Mt	1.9
North Pit Grades	Au g/t	0.50
South Pit Tonnes	Mt	159.1
South Pit Grades	Au / gt	0.66
Total Tonnes	Mt	161.1
Total Grade	Au g/t	0.66
North Pit Waste Tonnes	Mt	2.1
South Pit Waste Tonnes	Mt	143.5
Total Waste Tonnes	Mt	145.7
Strip Ratio	W:O	0.90

Table 6 shows the processing schedule with the highest grade ore processed first and the remaining stockpiled lower grade ore processed after the mining operation has finished.

**Table 6: Mine Processing Schedule**

Description	Unit	LOM Total
<b>Processing</b>		
Stockpile Rehandle	Mt	71.3
Oxide Tonnes	Mt	10.7
Oxide Grade	Au g/t	0.56
Transition Tonnes	Mt	8.3
Transition Grade	Au g/t	0.56
Fresh Tonnes	Mt	124.6
Fresh Grade	Au g/t	0.69
FW Fresh Tonnes	Mt	17.5
FW Fresh Grade	Au g/t	0.56
Total Processed Tonnes	Mt	161.1
Total Processed Grade	Au g/t	0.66
Total Processed Recoveries	%	89.3%
Total Recovered	000 ozs	3,059

## Recovery Method

The plant design is based on a robust metallurgical flowsheet designed for optimal precious metal recovery. The flowsheet chosen is based on unit operations that are well proven in the industry. The metallurgical testwork conducted to date, has confirmed that the gold contained in the Koné mineralization is amenable to recovery via conventional cyanidation techniques and carbon adsorption.

The key criteria for equipment selection are suitability for duty, reliability, power efficiency and ease of maintenance. The plant layout provides ease of access to all equipment for operating and maintenance requirements whilst maintaining a layout that will facilitate construction progress in multiple areas concurrently.

The key project design criteria for the plant are:

- Nominal throughput of 11.0 Mtpa with a grind size of 80% passing (P80) 75 µm
- Overall process plant availability of 91.3% supported by the selection of standby equipment in critical areas, reputable vendor supplied equipment and connection to an onsite LNG fired power station
- Sufficient automated plant control to minimize the need for continuous operator interface but allow manual override and control as and when required.

The treatment plant design incorporates the following unit process operations:

- Primary and closed circuit secondary crushing using a gyratory crusher and two cone crushers to produce a crushed product size P80 of approximately 38mm. Feed size preparation for a secondary crushed product is required for the grinding efficient HPGR-ball mill circuit as compared to a standard SAG mill circuit
- A crushed ore stockpile with a nominal live capacity of 22,000 wet tonnes, providing buffer storage of crushed ore with continuous reclaim feeders for the HPGR-ball mill comminution circuit
- Two parallel HPGRs in closed circuit with wet sizing screens, with undersize slurry reporting to the milling circuit via the cyclone feed hopper. Two parallel trains of ball mills in closed circuit with hydrocyclones will produce a P80 grind size of 75 µm
- Pre-leach thickening to increase the slurry density feeding the leach and carbon in pulp (CIP) circuit to minimize tankage and reduce overall reagent consumption
- Leach circuit incorporating fourteen leach tanks, arranged in two parallel trains of seven each in series, to provide 36 hours leach residence time
- A Kemix Pumpcell CIP circuit consisting of eight CIP tanks for recovery of gold onto carbon, to minimize carbon inventory, gold in circuit and operating costs. The CIP and elution circuit design is based on daily carbon harvesting
- 20 tonne split AARL elution circuit, electrowinning and gold smelting to recover gold from the loaded carbon to produce doré
- Tailings thickening to recover and recycle process water from the CIP tailings
- Tailings pumping to the tailings storage facility (TSF).

## **Project Infrastructure**

### Water Supply

Subject to final approval by government authorities, water will be pumped from the nearby Marahoué river, from pit dewatering and a supplementary borefield. Hydrological assessment of the river catchment indicates that the river will have flow in excess of total water demand for 7 months of the year.

The site is underlain by an overall low yielding aquifer system with an overall average groundwater piezometric level of 20 mbgl. Towards the south of the main pit, the water table is generally shallower and groundwater monitoring data indicated a fairly flat groundwater table within the pit area.

Fifteen hydrogeological exploration boreholes were drilled to determine the aquifer characteristics at the proposed Koné Gold Project mine pits. Aquifer pump tests were conducted and interpreted to derive aquifer parameters for three aquifer systems. The aquifer parameters obtained suggest overall low aquifer transmissivity with higher transmissivity associated with fracturing along geological structures.

The numerical model simulations concluded that pit de-watering will require abstraction in the order of 3,000 to 6,000 m<sup>3</sup>/day (34 l/sec to 70 l/sec). The overall mine pit de-watering will be supplemented by perimeter de-watering boreholes that will increase the overall water-make from the mining activities slightly. It is not expected that mining will supply more than 15 to 25% of the total water balance.

Potable water for the camp and offices will be supplied from dedicated boreholes. Water quality analyses and assessment will be completed to determine any water treatment requirements.

Harvested river water, pit de-watering and supplementary borefield water will be pumped to a water storage facility (WSF) downstream of the process plant. Surface runoff from the mining area, ROM pad and stockpiles will gravity flow to this WSF. The WSF will have a capacity of approximately 7.2 Mm<sup>3</sup> and will enable accumulation of water during the wet season and drawdown in the dry season. In addition, water will be recycled from the tailings storage facility to the process water pond.

The processing, potable and dust suppression water requirements will be in the order of 30,000 m<sup>3</sup>/day. The site water balance indicates that sufficient water will be available for the duration of the life of mine with the proposed WSF, river harvesting, pit de-watering and supplementary borefield.

### Power Supply

A LNG/Solar Hybrid power plant has been assessed as the optimal power supply combination, following proposals received from West African power providers for the development of the Koné Gold power plant.

The Koné Plant is estimated to have a Maximum Demand of 44.8 MW, an average annual demand of 37 MW and an expected annual electricity energy consumption of 303 GWhr/yr. The solar farm will generate 22.7 MW of solar energy which will be coupled with an 8.8 MW of Battery Energy Storage System (BESS).

The annual power station contract payments are \$20 million per annum over 5 years with an estimated transfer payment of \$38M in year 6. The annual operating and maintenance cost for the power supply is estimated at \$0.0998/kWhr for the hybrid gas/solar power station.

The solar PV and Battery Energy Storage Systems integration is expected to offset up to 16% of the plant electricity energy requirements, providing a fuel cost saving of \$4 million per annum. The carbon footprint for the power supply will also be reduced with the solar PV offsetting up to 23,000 tonnes/year of CO<sub>2</sub> compared to a standalone LNG power plant. Dedicated hybrid power station control systems will be utilized to optimize the renewable energy yield whilst ensuring the security and reliability of the power supply is maintained at a high level.

### Tailings Storage Facility

The tailings management arrangement comprises a single tailings storage facility (TSF) confined by a cross valley embankment and in-pit deposition when mining in south pit is completed. Initially the TSF will be constructed to store the tailings and will be raised annually until the mining in south pit is completed (after year 9). Tailings will be deposited in south pit for the final 6.5 years of processing.

The TSF basin will be lined with HDPE within the normal operating pond areas and a compacted soil liner elsewhere to reduce seepage. In addition, a system of underdrainage, embankment drainage and sub-liner drainage will be constructed to reduce seepage and aid consolidation of the tailings. Tailings will be deposited subaerially with the supernatant pond located away from the embankment. Water will be recovered from the supernatant pond by a suction pump with floating intake located in a channel excavated adjacent to an access causeway.

Following the completion of the mining in year nine, tailings will be deposited into the pit via four spigots located around the perimeter of the pit. The pumps will be moved progressively up the ramp as the tailings level increases. Water will be extracted from the decant pond using floating intake lines. The pond volume will be at its highest at the first year as the TSF pond will be pumped to the pit to let the TSF commence the closure process promptly. The in pit pond volume will be gradually pumped back to process plant and the pond will be reduced in the final years of operation.

The TSF will be closed and rehabilitated after deposition transferred to pit. Closure spillways will be formed to prevent water accumulating on the facilities and a waste rock cover will be placed over the tailings prior to topsoiling and revegetation.

### **Market Studies and Contracts**

No formal market studies have been undertaken. The final product of the Koné project will be gold / silver doré bars, which will be shipped to a refinery for processing. The refined gold can either be sold by the refinery or bullion returned to the company. Preliminary quotations have been received from a refinery and transport provider.

## Environmental

Environmental matters during the development phase are administered by the Ministry of Environment, Urban Sanitation and Sustainable Development and by the National Environmental Agency (Agence Nationale de L'Environnement (ANDE)). During exploitation, the Ivorian anti-pollution centre monitors environmental concerns. The Environment Code applies to mining installations and includes the minimum environmental impact study requirements and details the relevant rules and procedures for environmental and social impact assessments for development projects. The Mining Code requires that all mining title applicants (excluding artisanal) submit an Environmental and Social Impact Study (EIES) to the DGMG and ANDE and all other institutions as required by the Mining Decree. The Mining Code also includes provisions regarding mine closure. To ensure environmental protection, mining titleholders must open an escrow account in a leading Ivoirian financial institution at the beginning of mining operations, to be used to cover costs related to the environmental management and mine closure plans. Other environmental legislation that may impact upon mining projects include the Water Code and the Forestry.

Côte d'Ivoire has been a member of the Extractive Industries Transparency Initiative (EITI) since 2008. The Mining Code also requires adhesion to good governance principles, including the Equator Principles and the EITI principles. Mining titleholders must issue ITIE reports.

There are currently no objections to the development of the Project. The Project has completed baseline data collection, to inform environment management plans. There are protected forest reserves affected and adjacent to the Project, which will be assessed during the current environmental and social impact assessment. The Project is located relatively close to the communities of Batogo, Fadiadougou and Manabri, and preliminary investigations indicate that these communities are positive towards the company.

Montage is committed to managing the impacts of its operations, in conformance with recognized international best practice. The company has initiated the impact assessment process, with the development and submission of the terms of reference for the impact assessment. Results may be used to improve the design, as well as maximize the benefits without incurring excessive costs. In accordance with continual improvement processes, there are several strategies that can be used to support the Project, such as:

- Ongoing monitoring of wildlife presence in the Project area, such that management measures can be adapted to reflect changing conditions
- Assessing requirements of each of the classified forest reserves
- Ongoing community engagement, including information sharing as well as support initiatives and infrastructure development
- Optimizing the energy mix between LNG and solar
- Maintaining a grievance procedure to identify and pre-empt potential issues.

## Capital and Operating Costs

### Capital Cost

The capital estimate is summarized in **Error! Reference source not found.** and Table 8 **Error! Reference source not found.**. The initial project capital cost is estimated at US\$543.9M, including a contingency allowance of US\$50.5M.

**Table 7: Capital Estimate Summary (4Q21, +/- 15%)**

Main Area	US\$M
Mine	39.6
Process Plant	320.7
TSF	50.6
Camp	3.3
Resettlement	9.5

Main Area	US\$M
EPCM	39.4
Owners Costs	30.3
<b>Subtotal</b>	<b>493.3</b>
Contingency	50.5
<b>Grand Total</b>	<b>543.9</b>

The duration of the detailed design and construction phase of the Project has been estimated to be 31 months commencing with the Marahoué pump station and the WSF to ensure sufficient water is available for processing. The plant is estimated to take 27 months to construct. The Mining contractor will mobilise 15 months prior to the start of processing.

The total LOM capital cost is estimated at US\$835.6M, including sustaining capital costs of US\$291.7M, as shown in Table 8. **Error! Reference source not found..** The LNG power plant and camp will be financed under a 5 year Build Own Operate Transfer (BOOT) contracts.

**Table 8: Sustaining Capital Estimate Summary (4Q21, +/- 15%)**

Main Area	US\$M
Camp	5.7
TSF	59.4
Power	138.0
Process Plant	31.9
Closure	56.7
<b>Grand Total</b>	<b>291.7</b>

#### Operating Cost Mining

Contract open pit mining costs were derived from a tender process involving several West African mining contractor who were provided with a detailed mining plan. The average open pit operating cost (US\$/t mined) is shown in Table 9.

**Table 9: Mining Costs**

	Mineralized Rock (US\$/t)	Waste Rock (US\$/t)	Owners Costs (US\$M/t)	Total Rock (US\$/t)
Total	2.87	2.39	2.2	2.73

A diesel price of \$0.85/L was used.

#### Operating Cost Process and Infrastructure

The process operating cost estimate has been compiled from a variety of sources, including metallurgical testwork, Montage advice, OMC comminution modelling, first principle calculations, vendor quotations and the Lycopodium database.

The process estimate comprises the following major cost centres:

- Plant and related infrastructure power
- Plant consumables, including mill media and liners, reagents and diesel for fixed plant equipment and plant mobile equipment
- Plant maintenance materials, including mobile equipment parts
- Laboratory
- Plant and administration labour

- General and administration costs.

The process operating cost includes all direct costs to produce gold/silver doré for the Project. The battery limits are the ROM feed into the primary crusher (ROM loader by Mining), production of doré in the gold room and discharge of tailings at the TSF.

Process operating costs are presented in United States Dollars (US\$), to an accuracy of  $\pm 15\%$  and are based on pricing obtained during the fourth quarter of 2021. Process operating costs have been developed for each major domain. Operating costs were developed using the plant parameters specified in the process design criteria. Table 10 presents the operating cost summary. In addition to the processing costs, LOM rehandle costs equate to \$0.93/t processed.

**Table 10: Process Operating Cost (4Q21, +/- 15%)**

Cost Centre	Fixed US\$'000/y	Variable Processing Costs *\$/t			LOM	
		Oxide	Transition	Fresh	Fix & Var US\$/t	
TOTAL	17,448	5.08	5.07	6.16	7.62	

G&A costs have been estimated at \$10.1M/yr.

Table 11 shows the LOM cash cost and unit cost.

**Table 11: Cash Cost and Unit Cost Summary (@\$1,600/oz)**

Description	LOM (AISC \$/oz)	LOM (\$/t processed)
Mining	261	4.95
Processing	424	8.04
G&A	49	0.93
Royalties	104	1.97
Total Cash Cost	838	15.89
Sustaining Capital	77	1.46
Closure	19	0.35
All-in Sustaining Costs	933	17.71

## Economic Analysis

An economic analysis has been carried out for the project using a cash flow model. The model has been constructed using annual cash flows taking into account annual processed tonnages and grades for the CIP feed, process recoveries, metal prices, operating costs, refining charges, royalties and capital expenditures (both initial and sustaining). Unless otherwise stated all currencies refer to US\$. The financial analysis used a base price of US\$1,600/oz. The financial assessment of the project is carried out on a “100% equity” basis and the debt and equity sources of capital funds are ignored. No provision has been made for the effects of inflation. Current Côte d’Ivoire tax regulations are applied to assess the tax liabilities. Discounting has been applied mid-year from the first year of operation. The results of the financial model are summarized in Table 12. A breakdown of the annualised operating and economic details can be found in Tables 22-4 and 22-5 of the Koné Gold Project Technical Report.

**Table 12: Financial Model Summary @ \$1,600/oz**

Description	Units	LOM
Feed Tonnage	Mt	161.1
Waste Rock	Mt	145.7
Total Mined	Mt	306.7
Strip Ratio	W:O	0.90
Feed Grade Processed (average)	g/t	0.66
Gold Recovery (average)	%	89.3%
Gold Production	'000 oz	3,059
Annual Gold Production (average)	'000 oz/y	207
Pre-production Capital Cost	US\$M	(544)
Sustaining Capital Cost	US\$M	(292)
Total Capital Cost	US\$M	(836)
Net Revenue	US\$M	4,890
Selling Costs	US\$M	(14)
Royalties	US\$M	(318)
Total Operating Costs	US\$M	(2,281)
EBITDA*	US\$M	2,315
Tax	US\$M	(365)
Net Cashflow after Tax	US\$M	1,115
NPV <sub>5%</sub> After Tax	US\$M	746
IRR	%	34.8%
Cash Cost	US\$/oz	838
AISC	US\$/oz	933
* EBITDA is a non GAAP financial measure		

Table 13 shows the project sensitivity of the NPV, IRR, Cash Cost and AISC with gold price.

**Table 13: Project Sensitivity**

Gold Price	1,400	1,500	1,600	1,650*	1,700	1,800	2,000
NPV <sub>5%</sub>	417	582	746	799	881	1,043	1,367
IRR	21.8%	28.3%	34.8%	37.0%	40.3%	47.0%	60.9%
Cash Cost	825	831	838	858	861	869	884
AISC	920	927	933	953	957	964	979
Payback	3.8	3.1	2.7	2.5	2.4	2.1	1.8
* Three year trailing average (December 31, 2021)							

## Recommendations

### Geology

Recommendations for future work at Koné comprises additional exploratory and resource drilling which includes infill and extensional/close off drilling at Koné designed to improve confidence in the definition of mineralization extents.

### Environmental

By initiating the impact assessment process early, results have been used to improve the design, increasing the benefits of the study without incurring excessive costs. To support the Environmental and Social Management Plan, the following activities are recommended to continue:

- Ongoing monitoring of wildlife presence in the Project area
- Monitoring of impacts on each of the classified forest reserves
- Recording of community engagement, including information sharing as well as support initiatives and infrastructure development
- Maintaining a grievance procedure to identify and pre-empt potential issues.

### Mining

As part of the geotechnical review, SRK Consulting (UK) Ltd recommended that the development of a 3D deposit-scale structural model to assist with the spatial prediction of local/inter-ramp scale structures significant to geotechnical analysis. Given the competent nature of the rock mass, structures could have influence on overall pit slope stability depending on their orientation relative to the slope. Further investigations should consider geophysics data and field mapping to assist with characterising potential fault zones.

### Metallurgical Testwork

The sizing and performance guarantees associated with the installation of HPGRs will require further laboratory and pilot scale vendor testing.

### Infrastructure

#### *Water*

The numerical groundwater modelling will be advanced.

#### *Tailings Storage Facilities and Water Management*

To advance the design to the next phase of study the following activities are recommended to be included in the scope of the definitive feasibility study:

- Expanding topography to include all areas potentially impacted by a dam break
- Sterilization of infrastructure footprints
- Site inspection visit by KP project manager, COVID-19 permitting
- Update of the design based on the findings of the above investigations.

#### *Electric Power Supply*

Further options for the LNG supply chain, including gas storage are to be explored in the next phase.

## **DESCRIPTION OF CAPITAL STRUCTURE**

Montage is authorized to issue an unlimited number of Common Shares. As of December 31, 2021, Montage had an aggregate of 105,040,004 Common Shares issued and outstanding. As of the date of this AIF, Montage had an aggregate of 105,340,004 Common Shares issued and outstanding.

Holders of Common Shares have the following rights and restrictions:

- Holders of Common Shares are entitled to receive notice of, attend and vote at, all meetings of the shareholders of the Company and are entitled to one vote for each Common Share on all matters to be voted on by holders of Common Shares at meetings of the Montage Shareholders.



- Holders of Common Shares are entitled to receive such dividends, if, as and when declared by the Montage Board, in its sole discretion. All dividends which the Montage Board may declare shall be declared and paid in equal amounts per Common Share on all Common Shares at the time outstanding.
- On liquidation, dissolution or winding up of the Company, the holders of Common Shares will be entitled to receive the property of the Company remaining after payment of all outstanding debts on a *pro rata* basis, but subject to the rights, privileges, restrictions and conditions of any other class of shares issued by the Company.

There are no pre-emptive, redemption, retraction, purchase for cancellation, surrender, sinking or purchase fund provisions or conversion or exchange rights attached to the Common Shares. There are no provisions permitting or restricting the issuance of additional securities and any other material restrictions or requiring a holder of Common Shares to contribute additional capital. All Common Shares, when issued, are and will be issued as fully paid and non-assessable Common Shares without liability for further calls or to assessment.

## DIVIDENDS

The Company has not, since the date of its incorporation, declared or paid any dividends on the Common Shares and does not currently have a policy with respect to the payment of dividends. For the foreseeable future, the Company anticipates that it will retain future earnings and other cash resources for the operation and development of its business. As such, there are no plans to pay dividends. The payment of dividends in the future, if any, will be determined by the Montage Board in its sole discretion based on the earnings and financial requirements of the Company as well as other conditions existing at such time.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares commenced trading on the TSXV under the stock symbol “MAU” on October 23, 2020. The following table sets forth the monthly high and low sales prices and respective aggregate monthly volume of trading of the Common Shares as traded on the TSXV for the year ended December 31, 2021

Month (2021)	High(\$)	Low(\$)	Volume
January	1.06	0.86	2,583,928
February	1.04	0.80	1,552,290
March	0.81	0.65	2,346,790
April	0.88	0.65	3,921,097
May	1.00	0.85	3,399,766
June	1.02	0.75	1,754,200
July	0.86	0.70	708,928
August	0.80	0.63	2,029,983
September	0.71	0.61	1,064,638
October	0.72	0.60	1,175,623
November	0.76	0.62	2,373,455
December	0.68	0.58	1,401,770

The price of the Common Shares of the Company as quoted by the TSXV at the close of business on December 31, 2021, was \$0.64 and on April 22, 2022, the last trading day prior to the date of this AIF, was \$0.82.

## Prior Sales

### *Common Shares*

During the financial year ended December 31, 2021, the Company issued a total of 100,000 Common Shares, as follows:

Date	Number of Common Shares	Issue/Exercise Price Per Security	Reason for Issuance
April 8, 2021	100,000	\$0.45	Exercise of Options

### *Stock Option Plan*

As at the date of this AIF, the Company had outstanding stock options (“**Options**”) to purchase 8,750,000 Common Shares, exercisable at various prices ranging from \$0.45 to \$1.30 per Common Share pursuant to the Company’s 10% rolling stock option plan (the “**Stock Option Plan**”). Options are subject to certain vesting conditions, and each fully vested Option may be exercised for one Common Share of the Company at its respective exercise price. A summary of the key provisions of the Stock Option Plan, which was adopted by the Montage Board on September 17, 2019, as amended on April 22, 2021, is set out in the Company’s Management Information Circular dated May 4, 2021, which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

During the year ended December 31, 2021, the Company issued the following Options pursuant to the Stock Option Plan:

Date of Issuance	Number of Options Issued	Exercise Price
June 9, 2021	300,000	\$0.93
September 7, 2021	400,000	\$0.75

### *Restricted Share Unit Plan*

On April 22, 2021, the Montage Board adopted the Restricted Share Unit Plan (the “**RSU Plan**”) to assist the Company in the recruitment and retention of highly qualified employees, directors and eligible consultants by providing a means to reward performance, to motivate participants achieve important corporate and personal objectives and, through the proposed issuance by the Company of Common Shares under the RSU Plan, to better align the interests of participants with the long-term interests of shareholders. Shareholder approval to the RSU Plan was obtained at the Company’s Annual and Special General Meeting held on June 8, 2021. The number of Common Shares which may be reserved for issuance pursuant to RSUs under the RSU Plan shall not exceed Five Million (5,000,000) Common Shares. No RSUs were issued pursuant to the RSU Plan during fiscal 2021. As at the date of this AIF, there are no RSUs are outstanding.

### *Deferred Share Unit Plan*

On April 22, 2021, the Montage Board adopted the Deferred Share Unit Plan (the “**DSU Plan**”) to promote the interests of the Corporation by attracting and retaining qualified persons to serve on the Montage Board and to promote a greater alignment of long-term interests between such individuals and the shareholders of the Company. Shareholder approval to the RSU Plan was obtained at the Company’s Annual and Special General Meeting held on June 8, 2021. The number of Common Shares which may be reserved for issuance pursuant to DSUs under the DSU Plan shall not exceed One Million (1,000,000) Common Shares. No DSUs were issued pursuant to the DSU Plan during fiscal 2021. As at the date of this AIF, there are no DSUs are outstanding.

A summary of the key provisions of the RSU Plan and DSU Plan is set out in the Company’s Management Information Circular dated May 4, 2021, which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at December 31, 2021, there were no securities of the Company that were subject to a contractual restriction on transfer.

## DIRECTORS AND OFFICERS

### Directors

The Montage Board is comprised of six (6) Directors who are elected annually. Montage's directors hold office until the next annual meeting of Montage Shareholders or until a successor is duly elected or appointed. The following table sets forth the names and residence of each of the Directors, the date they commenced serving on the Montage Board and their principal occupation as at the date of and for the preceding five years.

Name and Province and Country of Residence	Director Since	Principal Occupation for the Past Five Years
<b>CLARK</b> , Richard P. United Arab Emirates <i>Non-Executive Chairman</i>	July 4, 2019	<ul style="list-style-type: none"> <li>Non-Executive Chairman Montage since August 27, 2019</li> <li>Chief Executive Officer, Orca since 2016</li> <li>President Orca since June 8, 2021</li> </ul>
<b>STUART</b> , Hugh United Kingdom <i>Chief Executive Officer</i>	August 27, 2019	<ul style="list-style-type: none"> <li>CEO of Montage since August 27, 2019</li> <li>President of Orca since 2014 – June 8, 2021</li> <li>Chief Executive Officer of Orca - 2014-2016</li> </ul>
<b>FIELD</b> , David United Kingdom	August 27, 2019	<ul style="list-style-type: none"> <li>Corporate Director</li> </ul>
<b>MITCHELL</b> , Peter Florida, U.S.A.	September 6, 2019	<ul style="list-style-type: none"> <li>Senior Vice President and Chief Financial Officer of Coeur Mining, Inc to December 31, 2018. Independent Director since this date.</li> </ul>
<b>BITELLI</b> , Alessandro British Columbia, Canada	June 8, 2021	<ul style="list-style-type: none"> <li>Executive Vice President and Chief Financial Officer, Lundin Gold Inc. since 2016; prior: Chief Financial Officer of Orca Gold Inc. from 2013-2016; Chief Financial Officer of RB Energy Inc. from 2011-2014</li> </ul>
<b>BUCHACHEV</b> , Aleksandra (Sasha) St. Lucy, Barbados	September 7, 2021	<ul style="list-style-type: none"> <li>Corporate Director and capital markets and finance professional focused on the metals and mining industry Ms. Bukacheva was an independent director at Battle North Gold Corporation prior to its acquisition by Evolution Mining Limited in May 2021. Ms. Bukacheva was Executive Vice President, Corporate Development of Element 29 Resources Inc., a junior explorer focused on copper resource development in Peru from September 2018 until November 2020. She was also a director of Gippsland Prospecting Pty. Ltd., a private Australian company, which was sold to Battery Minerals Limited in October 2020. Ms. Bukacheva was previously a top-ranked Equity Research Analyst for BMO Capital Markets and spent seven years in investment research (2010–2016) with coverage of more than 40 mining companies. Ms. Bukacheva received her Master of Science (MSc.) at the London School of Economics and Political Science in 2005. She also achieved a Certificate in Mining Studies at the University of British Columbia in 2016 and holds a Chartered Financial Analyst designation.</li> </ul>

### Executive Officers

Montage currently has four (4) Executive Officers. The following table sets forth the names and residence of each of the Executive Officers of Montage, the offices held by each of the Executive Officers, and their principal occupation as at the date hereof and for the preceding five years. Mr. Hugh Stuart, Chief Executive Officer of the Company, is discussed under the heading “Directors” above.

Name and Province and Country of Residence	Executive Officer Since	Principal Occupation for the Past Five Years
<b>KONDO</b> , Glenn United Kingdom <i>Chief Financial Officer and Corporate Secretary</i>	August 27, 2019	<ul style="list-style-type: none"> <li>Chief Financial Officer, Orca since June 1, 2018</li> <li>Chief Financial Officer, Lucara Diamond Corp. (Oct 2011- April 2018)</li> </ul>

Name and Province and Country of Residence	Executive Officer Since	Principal Occupation for the Past Five Years
<b>ROSS, Kevin</b> British Columbia, Canada <i>Chief Operating Officer</i>	September 6, 2021	<ul style="list-style-type: none"> <li>Chief Operating Officer of Orca since 2016</li> <li>Chief Operating Officer of Montage since September 6, 2021</li> </ul>
<b>SPENCER, Adam</b> Ontario, Canada <i>Executive Vice President, Corporate Development</i>	August 27, 2019	<ul style="list-style-type: none"> <li>Executive Vice President, Corporate Development Montage since July 6, 2020</li> <li>President of Montage (August 27, 2019 – July 6, 2020)</li> <li>Senior Vice President of Corporate Development at Sandstorm Gold Limited to November 30, 2020</li> </ul>

## Committee Memberships

The following table sets out the current standing committees of the Montage Board and their members as at the date of this AIF.

Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee
<b>MITCHELL, Peter</b> (Chair) <b>FIELD, David</b> <b>BITTELLI, Alessandro</b>	<b>STUART, Hugh</b> (Chair) <b>MITCHELL, Peter</b> <b>BUKACHEVA, Aleksandra</b> (Sasha)	<b>FIELD, David</b> (Chair) <b>BITELLI, Alessandro</b> <b>BUKACHEVA, Aleksandra</b> (Sasha)

## Shareholdings – Directors and Officers

As at the date of this AIF, the directors and executive officers of Montage, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 3,143,853 Common Shares, representing approximately 2.98% of the issued and outstanding Common Shares of the Company (excluding securities issuable on exercise of outstanding stock options). This information was obtained from publicly disclosed information and has not been independently verified by Montage.

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

### *Cease Trade Orders*

On October 13, 2014, RB Energy Inc., a company of which Mr. Clark was both a Director and President & Chief Executive Officer, announced that the Board of Directors of RB Energy Inc. approved a filing on October 14, 2014, for an Initial Order to commence proceedings under the *Companies' Creditors Arrangement Act* (the “CCAA”) from the Quebec Superior Court. On October 15, 2014, RB Energy Inc. further announced that the Quebec Superior Court issued an Amended and Restated Initial Order in respect of RB Energy Inc. and certain of its subsidiaries under the CCAA. RB Energy Inc. was under the protection of the Quebec Superior Court and KPMG LLP was the appointed monitor. On May 8, 2015, RB Energy announced that the Quebec Superior Court appointed a receiver, Duff & Phelps Canada Restructuring Inc, under the *Bankruptcy and Insolvency Act*, and terminated the CCAA proceedings. The Toronto Stock Exchange (the “TSX”) de-listed RB Energy Inc.’s common shares effective at the close of business on November 24, 2014, for failure to meet the continued listing requirements of the TSX. Since that time, RB Energy Inc.’s common shares have been suspended from trading. Although Mr. Clark resigned as a Director of RB Energy Inc. and was terminated from his role of President & Chief Executive Officer on May 8, 2015, he is considered to have been a Director and Executive Officer of a company that while he was acting as a Director or Executive Officer filed for CCAA protection.

As noted above, RB Energy Inc. filed for CCAA protection on October 13, 2014. Mr. Stuart, who was Vice President Exploration of RB Energy Inc., resigned his position October 7, 2014. Messrs. Bitelli and Ross, who were Chief Financial Officer and Chief Operating Officer of RB Energy Inc., respectively, resigned their positions on May 8, 2015. Messrs. Stuart, Bitelli and Ross are considered to have been Executive Officers of a company within the period of 12 months preceding it filing for CCAA protection.

On July 3, 2020, Schooner Capital Corp., a company of which Mr. Spencer was a Director, Chief Executive Officer, Chief Financial Officer and Corporate Secretary, was the subject of a cease trade order by the TSXV for having failed to complete a qualifying transaction within 24 months of its initial listing on the TSXV. Market conditions, travel

and safety regulations imposed as a result of the COVID-19 pandemic were the primary factor relating to the failure to complete a qualifying transaction within the mandated 24-month timeframe. On December 22, 2020, Schooner successfully completed its qualifying transaction. In conjunction with the qualifying transaction, Schooner changed in name to Au Gold Corp. and began trading as a Tier 2 mining issuer on the TSXV on December 24, 2020.

To the knowledge of Montage, other than as described above, no Director or Officer of Montage (nor any personal holding corporation of any of such persons) is, as of the date of this AIF, or was within 10 years before the date of this AIF, a Director, Chief Executive Officer or Chief Financial Officer of any corporation (including Montage), that: (i) was subject to an Order that was issued while the Director or Officer was acting in the capacity as a Director, Chief Executive Officer or Chief Financial Officer; or (ii) was subject to an Order that was issued after the Director or Officer ceased to be a Director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as a Director, Chief Executive Officer or Chief Financial Officer.

An “Order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

#### *Bankruptcies*

Other than as described above, no Director or Officer of Montage (nor any personal holding corporation of any of such persons), or shareholder holding a sufficient number of securities of Montage to affect materially the control of Montage, (i) is as of the date of this AIF or has been within 10 years before the date of this AIF, a Director or Officer of a corporation (including Montage) that while that person was acting in such capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has within the 10 years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Director, Officer or shareholder.

#### *Penalties or Sanctions*

To the knowledge of Montage, no Director or Officer of Montage (nor any personal holding corporation of any of such persons), or shareholder holding a sufficient number of securities of Montage to affect materially the control of Montage, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

#### **Conflicts of Interest**

To the knowledge of Montage, there are no known existing or potential conflicts of interest between Montage and its Directors or Officers as a result of their outside business interests, except that:

- certain of Montage’s Directors and Officers currently serve as Directors and Officers of other companies, which means that a conflict may arise between their duties to Montage and their duties as a Director or Officer of such other companies;
- Messrs. Clark, Stuart, Kondo, and Ross all serve as Officers of Orca, the largest shareholder of the Company, which could result in them favouring the interests of Orca over the interests of the Company or of the Montage Shareholders generally; and
- Mr. Field serves as a Director of Orca, which could result in him favouring the interests of Orca over the interests of the Company or of the Montage Shareholders generally.

## AUDIT COMMITTEE

### Audit Committee Charter

The full text of the Audit Committee Charter is attached hereto as Schedule A.

### Composition of the Audit Committee

The Audit Committee is comprised of Messrs. Mitchell (Chair), Field and Bitelli, all of whom are considered to be “independent” within the meaning of NI 52-110. Each of the members of the Audit Committee are considered to be “financially literate” within the meaning of NI 52-110. For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. Set out below is a description of the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member.

Audit Committee Member	Relevant Education and Experience
Peter Mitchell (Chair)	<p>Mr. Mitchell is a Chartered Accountant (CPA, CA) with over 35 years of senior financial management experience in both public and private equity sponsored companies. Most recently, he was Senior Vice President and Chief Financial Officer of Coeur Mining, Inc., a precious metals producer operating mines throughout North America.</p> <p>Previously, he held executive leadership positions in finance and operations with a variety of U.S. and Canadian companies, among them Taseko Mines Limited, Vatterott Education Centers, Von Hoffmann Corporation and Crown Packaging Ltd. He is currently a member of the Board of Directors of Taseko Mines Limited, Stabilis Energy, Inc and Northcliff Resources Ltd. Mr. Mitchell is the Chair of the Audit Committee for Taseko Mines Limited, Stabilis Energy and Northcliff Resources.</p>
Alessandro Bitelli	<p>Mr. Bitelli has over 30 years of experience in the resource industry and in public accounting, having worked both in North America and Europe. Mr. Bitelli currently holds the position of Executive Vice President and Chief Financial Officer of Lundin Gold Inc. Prior to that, he served as Chief Financial Officer for Red Back Mining Inc., a gold mining company with two African operations and more recently, as Chief Financial Officer for Orca Gold Inc. Mr. Bitelli is also a Director of Group Eleven Resources Corp. and Filo Mining Corp.</p>
David Field	<p>Mr. Field has had 25 years’ participation in the capital markets and a wealth of experience in evaluating, investing and financing mining projects globally. Mr. Field spent 10 years at Australia’s largest retail fund manager, Bankers Trust Financial Group, as head of their Global Basic Materials Group before joining Carmignac Gestion, the largest boutique fund manager in continental Europe. Mr. Field is a member of Orca’s Audit Committee.</p>

### Audit Committee Oversight

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

### Pre-Approval Policies and Procedures

Pursuant to the Audit Committee Charter, external auditors must obtain the Audit Committee’s pre-approval before commencing any non-audit service not prohibited by law.

## External Auditor Service Fees

The approximate aggregate fees billed by the Company's external auditors from the date of incorporation to December 31, 2021, are as follows:

Period	Audit Fees <sup>(1)</sup> (\$)	Audit-Related Fees <sup>(2)</sup> (\$)	Tax Fees <sup>(3)</sup> (\$)	All Other Fees <sup>(4)</sup> (\$)	Total Fees (\$)
2020	102,489	131,011	Nil	Nil	223,500
2021	102,500	16,921	Nil	Nil	119,421

Notes:

- (1) "Audit Fees" are fees necessary to perform quarterly review engagements and the annual audit of the Company's financial statements, including review of tax provisions, accounting consultations on matters reflected in the financial statements, and audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" are fees for services that are traditionally performed by the auditor including employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, IPO fees internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" are fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees" including tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

## Exemption for Venture Issuers

Pursuant to Section 6.1 of NI 52-110, the Company is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## CORPORATE GOVERNANCE

Montage discloses its corporate governance practices using the disclosure requirements in NI 58-101 that apply to issuers listed on the TSXV. Montage's statement of corporate governance practices is made with reference to National Policy 58-201 – *Corporate Governance Guidelines* and NI 58-101 (collectively the "**Governance Guidelines**") which are initiatives of the Canadian Securities Administrators. The corporate governance practices of Montage also conform to the TSXV corporate governance guidelines, which have essentially been supplanted by the Governance Guidelines.

### Board Governance

The Montage Board has the responsibility for the overall stewardship of the conduct of the business of Montage and the activities of management. Management is responsible for the day-to-day conduct of the business. The Montage Board's fundamental objectives are to enhance and preserve long-term shareholder value, and to ensure Montage meets its obligations on an ongoing basis and that Montage operates in a reliable and safe manner. In performing its functions, the Montage Board considers the legitimate interests that its other stakeholders, such as employees, customers and communities, may have in Montage. In overseeing the conduct of the business, the Montage Board, through the Chief Executive Officer, sets the standards of conduct for Montage.

The Montage Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Montage Board retains the responsibility for managing its own affairs including selecting its Chair, nominating candidates for election to the Montage Board and constituting committees of the Montage Board. Subject to the constating documents of Montage and the BCBCA, the Montage Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Montage Board.

### Composition of the Montage Board

The Board is currently comprised of six (6) Directors. A Director is "independent" within the meaning of the Governance Guidelines if he or she is independent of management and has no direct or indirect material relationship with Montage which could, in the view of the Montage Board, be reasonably expected to interfere with the exercise of the member's independent judgment.

The Montage Board has considered the relationship of each Director to Montage. Four (4) of Montage's Directors are considered to be independent. Mr. Stuart is not independent because of his role as an Executive Officer of Montage. Mr. Clark is not independent because of his former role as an Executive Officer of Montage and as a result of being an Executive Officer of Orca. Ms. Bukacheva as well as Messrs. Field, Mitchell, and Bitelli are considered independent.

Notwithstanding that a majority of the Montage Board is considered independent, the Montage Board has instituted a practice, whereby at the conclusion of each regularly scheduled meeting of the Montage Board, Montage's independent Directors may request an in-camera session at which non-independent Directors and members of management are not in attendance.

## Directorships

The following Directors of Montage are also Directors of other reporting issuers:

Director	Name of Other Reporting Issuer and Exchange
Richard P. Clark	Orca Gold Inc. (TSX-V)
Hugh Stuart	Orca Gold Inc. (TSX-V)
David Field	Orca Gold Inc. (TSX-V)
Peter Mitchell	Taseko Mines Limited (TSX); Northcliff Resources Ltd. (TSX)
Aleksandra (Sasha) Bukacheva	Probe Metals Inc. (TSX-V)
Alessandro Bitelli	Filo Mining Corp (TSX); Group Eleven Resources Corp. (TSX-V)

## Orientation and Education

Under its mandate, the Corporate Governance and Nominating Committee is responsible for developing and implementing an orientation program for new Directors, where necessary. Currently, new recruits to the board receive a comprehensive board manual which contains specific information on Montage's operations, information on the role of the Montage Board and each of its committees, industry information, corporate governance related materials and other information required to be addressed under an orientation program. In addition, trips to where Montage's operations are located are arranged for Directors from time to time so they have an opportunity to meet operational management and site personnel.

Montage Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and development, and to attend related industry seminars. Montage also organizes corporate governance education through invitations to attend a series of web-based seminars presented by a major law firm. Montage Board members have full access to Montage's corporate records.

## Ethical Business Conduct

The Montage Board has adopted a formal written Code of Business Conduct and Ethics (the "**Code of Conduct**") for its Directors, Officers and employees.

Individuals governed by the Code of Conduct are required to disclose in writing all business, commercial or financial interests or activities which might reasonably be regarded as creating an actual or potential conflict with their duties. Individuals must avoid all situations in which their personal interests conflict or might conflict with their duties to Montage or with the economic interest of Montage. All business transactions with individuals, corporations or other entities that could potentially, directly or indirectly, be considered to be a related party, must be approved by the Montage Board regardless of the amount involved.

Directors, Officers and employees are encouraged to report violations of the Code of Conduct on a confidential and, if preferred, anonymous basis, in accordance with the complaints procedure set out in the Code of Conduct or Montage's Internal Employee Alert Policy. The Audit Committee may request special treatment for any complaint, including the involvement of Montage's external auditors or outside counsel or other advisors. All complaints are required to be documented in writing by the person(s) designated to investigate the complaint, who shall report forthwith to the Chair of the Audit Committee. On an annual basis, or otherwise upon request from the Montage



Board, the Code of Conduct requires the Chair of the Audit Committee to prepare a written report to the Montage Board summarizing all complaints received during the previous year, all outstanding unresolved complaints, how such complaints are being handled, the results of any investigations and any corrective actions taken.

### **Corporate Governance and Nominating Committee**

The purpose of the Corporate Governance and Nominating Committee is to provide a focus on corporate governance that will enhance corporate performance, and to ensure on behalf of the Montage Board and Montage Shareholders that Montage's corporate governance system is effective in the discharge of its obligations to the Montage Shareholders.

The Corporate Governance and Nominating Committee also has the responsibility of proposing nominees for Director. The Corporate Governance and Nominating Committee considers the competencies and skills that the Montage Board, as a whole should possess, the competencies and skills of existing Montage Board members and the competencies and skills of proposed new Montage Board members. The Corporate Governance and Nominating Committee members utilize their extensive knowledge of the industry and personal contacts to identify potential nominees that possess the desired skills and competencies.

The duties and responsibilities of the Corporate Governance and Nominating Committee include, without limitation, the following:

- (a) to develop and monitor Montage's overall approach to corporate governance issues and, subject to approval by the Montage Board, to implement and administer a system of corporate governance which reflects superior standards of corporate governance practices;
- (b) to report annually to the Montage Shareholders, through Montage's annual management proxy circular or annual report to Montage Shareholders, on Montage's system of corporate governance and the operation of its system of governance;
- (c) to analyze and report annually to the Montage Board the relationship of each Director to Montage as to whether such Director is a related Director or an unrelated Director; and
- (d) to advise the Montage Board or any of the committees of the Montage Board of any corporate governance issues which the Corporate Governance and Nominating Committee determines ought to be considered by the Montage Board or any such committee.

Montage has adopted a formal written mandate for the Corporate Governance and Nominating Committee. The mandate provides that the Corporate Governance and Nominating Committee shall consist of at least three members of the Montage Board and should generally be composed entirely of "independent" Directors within the meaning of NI 58-101. During the period January 1, 2021, until the AGM held on June 8, 2021, the Corporate Governance and Nominating Committee members were Messrs. Kevin Ross (Chair), David Field and David De Witt. Messrs. Field and De Witt were considered independent. Following the AGM, Mr. Alessandro Bitelli replaced Mr. DeWitt on the Corporate Governance and Nominating Committee. On September 7, 2021, Ms. Aleksandra (Sasha) Bukacheva replaced Mr. Ross so that the current members of the Corporate Governance and Nominating Committee, all of whom are considered independent, are: David Field (Chair), Alessandro Bitelli and Aleksandra (Sasha) Bukacheva.

The Montage Board appoints the members of the Corporate Governance and Nominating Committee for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the Montage Shareholders. The Montage Board may at any time remove or replace any member of the Corporate Governance and Nominating Committee and may fill any vacancy in the committee.

The Corporate Governance and Nominating Committee meets regularly each year on such dates and at such locations as the Chair of the committee determines. The Corporate Governance and Nominating Committee has access to such Officers and employees of Montage and to such information respecting Montage and may engage independent counsel and advisors at the expense of Montage, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

## Compensation Committee

The principal purpose of the Compensation Committee is to implement and oversee compensation policies approved by the Montage Board. The duties and responsibilities of the Compensation Committee include, without limitation, the following:

- (a) to recommend to the Montage Board compensation policies and guidelines for Montage; and
- (b) to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and, in light of those goals and objectives, to recommend to the Montage Board the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and to approve compensation for all other designated Officers of Montage, after considering the recommendations of the Chief Executive Officer, all within the human resources and compensation policies and guidelines approved by the Montage Board.

Montage has adopted a formal written mandate for the Compensation Committee. The mandate provides that the committee shall consist of at least three members of the Montage Board, a majority of whom shall be “independent” within the meaning of the Governance Guidelines. During the period January 1 to April 22, 2021, the members of the Compensation Committee were Messrs. Richard P. Clark (Chair), Hugh Stuart and Peter Mitchell. At a meeting of the Montage Board held on April 22, 2021, Mr. David DeWitt was appointed to the Compensation Committee in place of Mr. Clark. Following the AGM held on June 8, 2021, the Compensation Committee members were Messrs. Stuart, Mitchell and Bitelli. Messrs. Mitchell and Bitelli were considered to be independent. On September 7, 2021, Ms. Aleksandra (Sasha) Bukacheva replaced Mr. Bitelli. The current members of the Compensation Committee, a majority of whom are considered independent, are: Hugh Stuart (Chair), Peter Mitchell and Aleksandra (Sasha) Bukacheva.

All members of the Compensation Committee have direct experience that is relevant to their responsibilities as Compensation Committee members. All of the members of the Compensation Committee have acted as Directors and/or Officers for a public company, and therefore have a good understanding of how compensation works and how to motivate staff. All of the members have good financial understanding, which allows them to assess the costs versus benefits of compensation plans. The members combined experience in the resource sector provides them with the understanding of Montage’s success factors and risks which is very important when determining the metrics for measuring success. Montage did not retain any compensation consultants or advisors during or since the year ended December 31, 2021.

The Montage Board appoints the members of the Compensation Committee for the ensuing year at its organizational meeting held in conjunction with each annual general meeting of the Montage Shareholders. The Montage Board may at any time remove or replace any member of the Compensation Committee and may fill any vacancy in the committee.

The Compensation Committee meets at least once annually on such dates and at such locations as the Chair of the Compensation Committee determines. The Compensation Committee has access to such Officers and employees of the Company and to such information respecting the Company and may engage independent counsel or advisors at the expense of the Company, all as it considers to be necessary or advisable in order to perform its duties and responsibilities. During the 2021 and 2020 financial years, the Company did not engage independent counsel or advisors to assist the Compensation Committee in performing its duties and responsibilities.

## Assessments

The Corporate Governance and Nominating Committee is responsible for assessing the performance and effectiveness of the Montage Board, committees of the Montage Board, and individual Directors from time to time, with a view to ensuring that they are fulfilling their respective responsibilities and duties. A subjective evaluation is conducted at least annually to assist in assessing the overall performance of the Montage Board and its committees. The Chairman of the Corporate Governance and Nominating Committee reports the findings, including key recommendations, to the full Montage Board for discussion.

## **PROMOTER**

Orca is considered to be a promoter of the Company as it directly took the initiative in founding and organizing the Company. As at the date hereof, Orca holds 33,000,000 Common Shares, representing a 31.3% interest (on a non-diluted basis) in the Company. Montage is considered a subsidiary of Orca for the purposes of the financial reporting.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

There are no legal proceedings material to the Company to which the Company is or was a party, or of which any of its properties is or was the subject matter, since the date of the Company's incorporation and the Company knows of no such proceedings to be currently contemplated.

There have been no penalties or sanctions imposed against the Company by a court or regulatory body, and the Company has not entered into any settlement agreements before any court relating to provincial or territorial securities legislation or with any securities regulatory authority, as of the date of this AIF or since its incorporation.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

No Director, Officer or principal shareholder or any of their respective associates or affiliates has any material interest, direct or indirect, in any material transaction within the three-year period before the date of this AIF, or in any proposed transaction, which has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries, save as described herein.

## **AUDITORS**

The auditor of Montage is PricewaterhouseCoopers LLP, Chartered Professional Accountants, with an office at 250 Howe Street, Suite 1400, Vancouver, British Columbia V6C 3S7. PwC has advised that they are independent of the Company within the meaning of the Chartered Professional Accountants of British Columbia Code of Professional Conduct.

## **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent of the Company is Endeavor Trust Corporation at its principal office in Vancouver, British Columbia.

## **MATERIAL CONTRACTS**

Except for contracts entered into in the ordinary course of business, the only material contract which the Company has entered into since its incorporation before the date of this AIF and that is still material as at the date of this AIF is Orca Investor Rights Agreement. A copy of such material contract is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **INTERESTS OF EXPERTS**

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

Certain information in this AIF relating to the Koné Gold Project is summarized or extracted from the Koné Gold Project Technical Report, which was prepared by Lycopodium Minerals Pty Ltd. The independent qualified person (within the meaning in NI 43-101) for the purposes of the Koné Gold Project Technical Report is Sandra Hunter of Lycopodium. Other discipline specific independent qualified persons are: Jonathon Robert Abbott, BASc Appl. Geol, MAIG, of MPR Geological Consultants Pty Ltd., Mike Hallewell, B.Sc, FIMMM, FSAIMM, FMES, C.Eng., of MPH Minerals Consultancy Ltd., Pieter Labuschagne, M.Sc Hydrogeology (Pr.Sci.Nat 400386/11) of AGE Pty Ltd., Carl Nicholas, M.Sc, B.Sc (Hons), DIC, CEnv, MIMMM, of Mineesia Ltd., Joeline McGrath, B.Eng, M.Fin, MAusIMM(CP) #317704, of Carci Mining, and Tim Rowles, B.Sc, M.Sc, MAusIMM(CP), RPEQ (10166), of Knight Piésold Pty Ltd. Hugh Stuart, BSc, MSc, FGS CGeol, a qualified person and the Chief Executive Officer of the Company, is not "independent" of Montage within the meaning in NI 43-101. Unless otherwise indicated, scientific

or technical information in this AIF is based on information prepared by the experts listed above or under the supervision of and approved by Mr. Stuart.

To the best knowledge of the Company, as at the date hereof, the aforementioned persons beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding shares of the Company. To the best knowledge of the Company, as at the date hereof, other than as stated herein, none of the aforementioned persons is expected to be elected, appointed or employed as a Director, Officer or employee of Company or of any associate or affiliate of the Company.

#### **ADDITIONAL INFORMATION**

Additional financial information is provided in the Prospectus and the Company's audited consolidated financial statements and the MD&A as at and for the year ended December 31, 2021.

Additional information relating to the Company may be found under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.montagegoldcorp.com](http://www.montagegoldcorp.com). A copy of the Company's AIF will be provided to any Montage Shareholder without charge by request to the Company at Suite 2000 – 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, or e-mail [info@montagegoldcorp.com](mailto:info@montagegoldcorp.com).

## **SCHEDULE “A” – AUDIT COMMITTEE CHARTER**

### **MANDATE OF AUDIT COMMITTEE**

**Adopted by the Board of Directors on September 17, 2019; reviewed and ratified on October 27, 2020**

#### **MANDATE**

The Audit Committee (the “Committee”) will assist the Board of Directors (the “Board”) of Montage Gold Corp. (the “Corporation”) in fulfilling its financial oversight responsibilities. The Committee will review and consider, in consultation with the Corporation’s external auditors, the financial reporting process, the system of internal control over financial reporting and the audit process. In performing its duties, the Committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each Committee member must obtain an understanding of the principal responsibilities of Committee membership as well as the Corporation’s business, operations and risks.

#### **COMPOSITION**

The Board will appoint, from among their membership, a Committee after each annual meeting of the shareholders of the Corporation. The Committee will consist of a minimum of three directors.

##### 2.1 Independence

A majority of the members of the Committee must be “independent” (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) (“NI 52-110”).

##### 2.2 Expertise of Committee Members

A majority of the members of the Committee must be “financially literate” (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the Committee. At least one member of the Committee must have accounting or related financial management expertise.

#### **MEETINGS**

The Committee shall meet in accordance with a schedule established each year by the Board, and at other times that the Committee may determine. The Committee shall meet at least annually with the Corporation’s Chief Financial Officer and external auditors in separate executive sessions.

#### **ROLES AND RESPONSIBILITIES**

The Committee shall fulfill the following roles and discharge the following responsibilities:

##### 4.1 External Audit

The Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the Committee shall:

- (a) recommend to the Board that the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attestation services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors’ assertion of their independence in accordance with professional standards; and
- (f) review and approve the Corporation’s hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Corporation.

#### 4.2 Internal Control

The Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the Committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### 4.3 Financial Reporting

The Committee shall review the financial statements and financial information of the Corporation prior to their release to the public. In carrying out this duty, the Committee shall:

##### *General*

- 1. review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- 2. review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

##### *Annual Financial Statements*

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

##### *Interim Financial Statements*

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

##### *Release of Financial Information*

- (a) where reasonably possible, review and approve all public disclosure containing financial information, including news releases, prior to release to the public. The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and must periodically assess the adequacy of those procedures.

#### 4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the Committee.

##### *Delegation of Authority*

- (a) The Committee may delegate to one or more independent members of the Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Committee at its next scheduled meeting.

#### *De-Minimis Non-Audit Services*

- (a) The Committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

#### *Pre-Approval Policies and Procedures*

- (a) The Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the Committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the Committee's responsibilities to management.

#### 4.5 Other Responsibilities

The Committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Mandate and receive approval of changes to this Mandate from the Board.

#### 4.6 Reporting Responsibilities

The Committee shall regularly update the Board about Committee activities and make appropriate recommendations.

#### **RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

#### **GUIDANCE – ROLES & RESPONSIBILITIES**

The Committee should consider undertaking the actions described in the following guidance, which is intended to provide the Committee members with additional guidance on fulfilment of their roles and responsibilities on the Committee:

#### 6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities,

- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown, and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

## 6.2 Financial Reporting

### *General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

### *Annual Financial Statements*

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to Committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the Committee.

### *Interim Financial Statements*

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
  - (v) there are any significant or unusual events or transactions;
  - (vi) the Corporation's financial and operating controls are functioning effectively;
  - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
  - (viii) the interim financial statements contain adequate and appropriate disclosures.



### 6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry “best practices”;
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and
- (d) be satisfied that the Corporation has adequate policies, procedures and practices for the maintenance of the books, records and accounts by the Corporation with respect to third party payments in compliance with applicable laws, including, without limitation, the *Corruption of Foreign Public Officials Act* (Canada).

### 6.4 Other Responsibilities

- (a) review with the Corporation’s counsel, any legal matters that could have a significant impact on the Corporation’s financial statements.