Annual Water Licence Report

for

MV2018L2-0006

January 1, 2023, to December 31, 2023

Yellowknife City Gold Project

Yellowknife, NT

NTS 085J / 07, 08, 09 and 16

Latitudes 62° 20’ 00” N and 62° 58’ 00” N Longitudes

114° 05’ 00” W and 114° 32’ 00” W

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1.0 Introduction

The Yellowknife City Gold Project (YCGP) is located in the south-central Northwest Territories. The YCGP is located immediately east, south, and north of the City of Yellowknife (Figure 1) and comprises ~800 km^2 of owned mineral rights. In May 2023, Gold Terra signed an option agreement with Midas Minerals Limited to explore the potential for Lithium and Rare Earth minerals in the Quyta-Bell East and Eastbelt region (Figure 2) of the property. This option agreement resulted in the staking of additional claims in the Quyta Bell region covering ~180 km^2.

The portion of the project with 100% Gold Terra Resource Corp. (Gold Terra) owned mineral rights totals approximately 705 km^2 and mineral leases totaling approximately 83 km^2. Gold Terra has also reached an agreement with Newmont on the Newmont Exploration Property adjacent to the Con Mine where Gold Terra can earn increasing ownership by accomplishing several milestones. This portion of the project currently consists of claims totals of approximately 3 km^2 and mineral leases totals of approximately 9.47 km^2. The exploration activities on the YCGP are regulated by a Class A Land Use Permit (MV2018C-0023) and Type B Water Licence (MV2018L2-0006). All support and accommodation for the YCGP originates from within the City of Yellowknife. Access from Yellowknife for exploration activities is by truck, boat, helicopter, snowmobile, UTV/ATV, or by foot.

No temporary or permanent camp facilities were required for the activities completed during the reporting period. This report fulfills Water Licence MV2018L2-0006 Part B, condition 11, which reads: "Beginning March 31, 2020, and no later than every March 31 thereafter, the Licensee shall submit an Annual Water Licence Report to the board. The Report shall be in accordance with Schedule 1, condition 1."

The report is organized according to the sections outlined in Schedule 1 of the Water Licence. All location information in this report is in NAD 83 Zone 11 UTM coordinates.

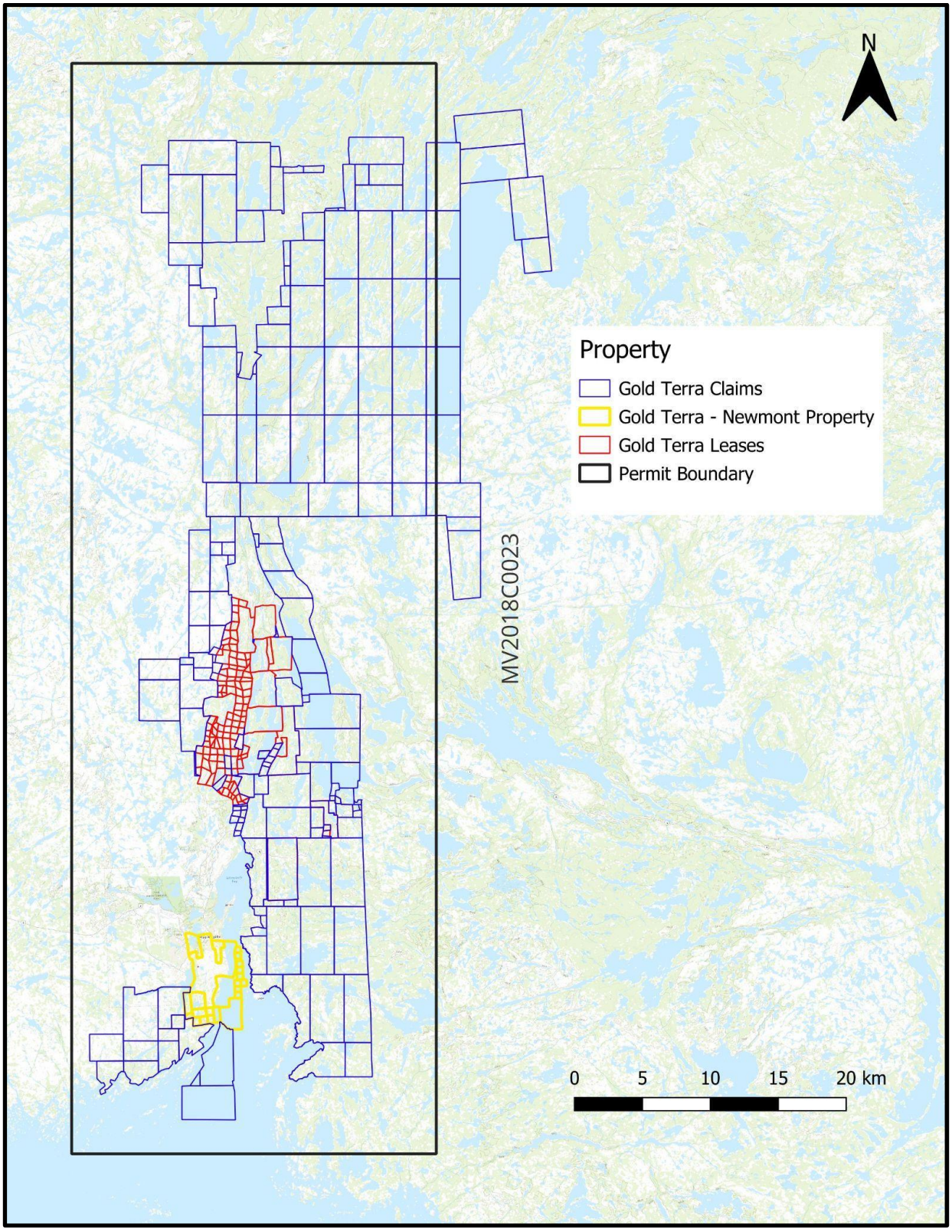

Figure 1: Yellowknife City Gold Project Mineral Tenure and Permit Outline

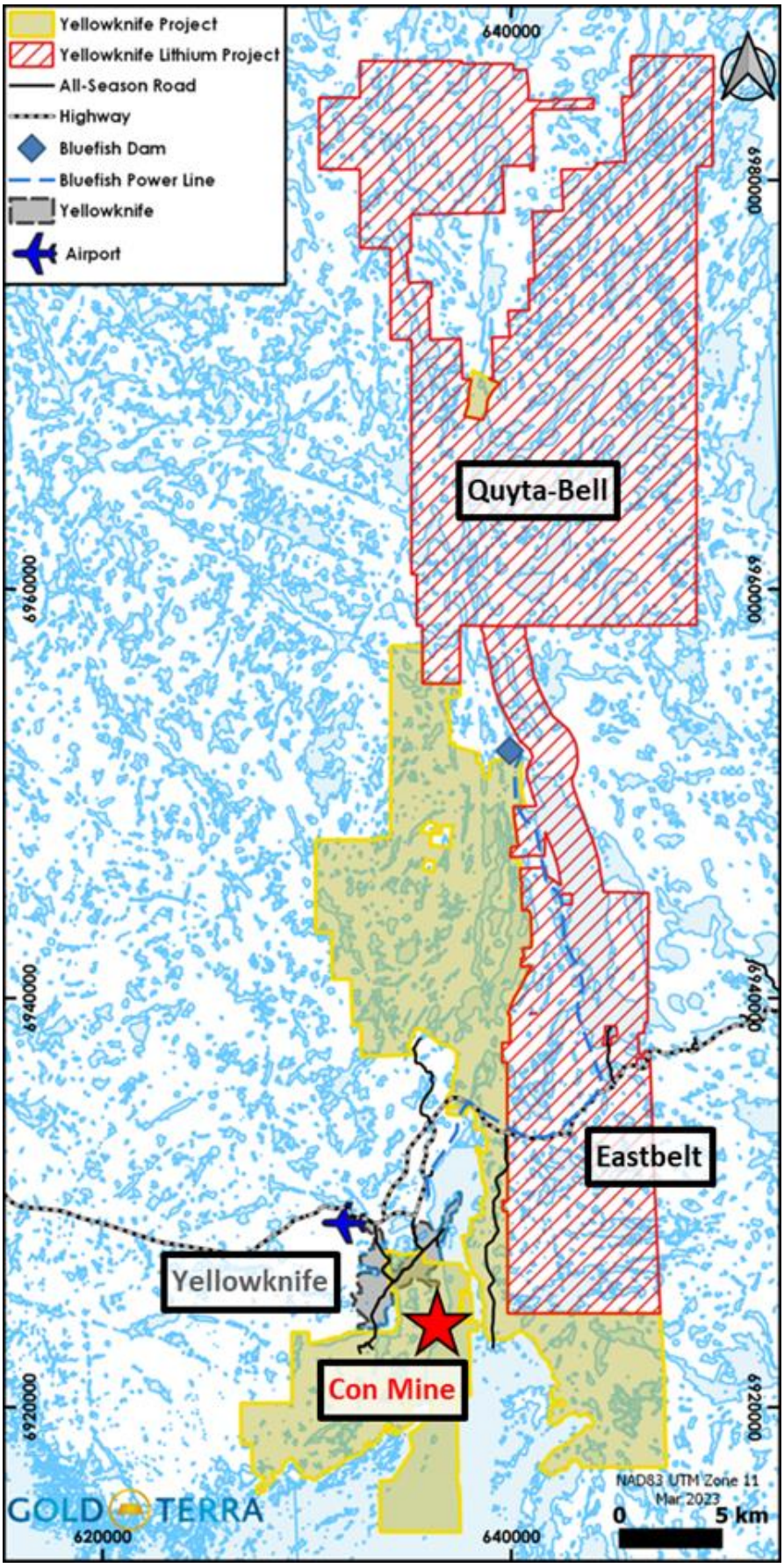

Figure 2: Quyta-Bell and Eastbelt Property

2.0 Summary of Exploration Activities

Exploration activities during the reporting period predominantly consisted of diamond drilling and work related to diamond drilling.

A single drill operation took place starting in January 2023. This program focused on drilling the Campbell Shear south of Con Mine in the Yellorex North Zone (Figure 3), Yellorex and Kam Point Zones (Figure 4). A total of 5771m was drilled in these respective areas. This program concluded in March 2023. A larger drill capable of drilling at depths exceeding 2000m was brought after the program concluded south of Con Mine to drill a deep hole on the Con Mine property (Figure 5) with the plan of wedging off of this parent hole to continue exploration below the lowest known workings of Con Mine. This parent hole (GTCM23-055) concluded in October 2023 to a total depth of 2228m with wedging continuing on the same drill pad to the present day. Total drilling for the calendar year was 8469m. Table 1 details coordinates and hole length for the 2023 drilling programs.

Hole ID	Prospect	UTM X	UTM Y	Length (m)
GTCM23-042	Campbell Shear	636237	6923896	292
GTCM23-043	Campbell Shear	636209	6923983	355
GTCM23-044	Campbell Shear	636174.5	6923895	404
GTCM23-045	Campbell Shear	636251	6923935	326
GTCM23-046	Campbell Shear	636290.5	6924049	338
GTCM23-047	Campbell Shear	636290.5	6924049	364
GTCM23-048	Campbell Shear	636109.8	6924066.7	503
GTCM23-049	Campbell Shear	636184.9	6924066.2	467
GTCM23-050	Campbell Shear	635709.7	6921187.6	371
GTCM23-051	Campbell Shear	635605.1	6921396.4	506
GTCM23-052	Campbell Shear	635539.5	6922587.3	710
GTCM23-053	Campbell Shear	636109.1	6924066.1	545
GTCM23-054	Campbell Shear	636108.8	6924066.4	590
GTCM23-055	Campbell Shear	634959.9	6925837.8	2228
GTCM23-055-W1	Campbell Shear	634959.9	6925837.8	470
			TOTAL	8469

Table 1: 2023 Drill Holes (*GTCM23-055-W1 in Progress)*

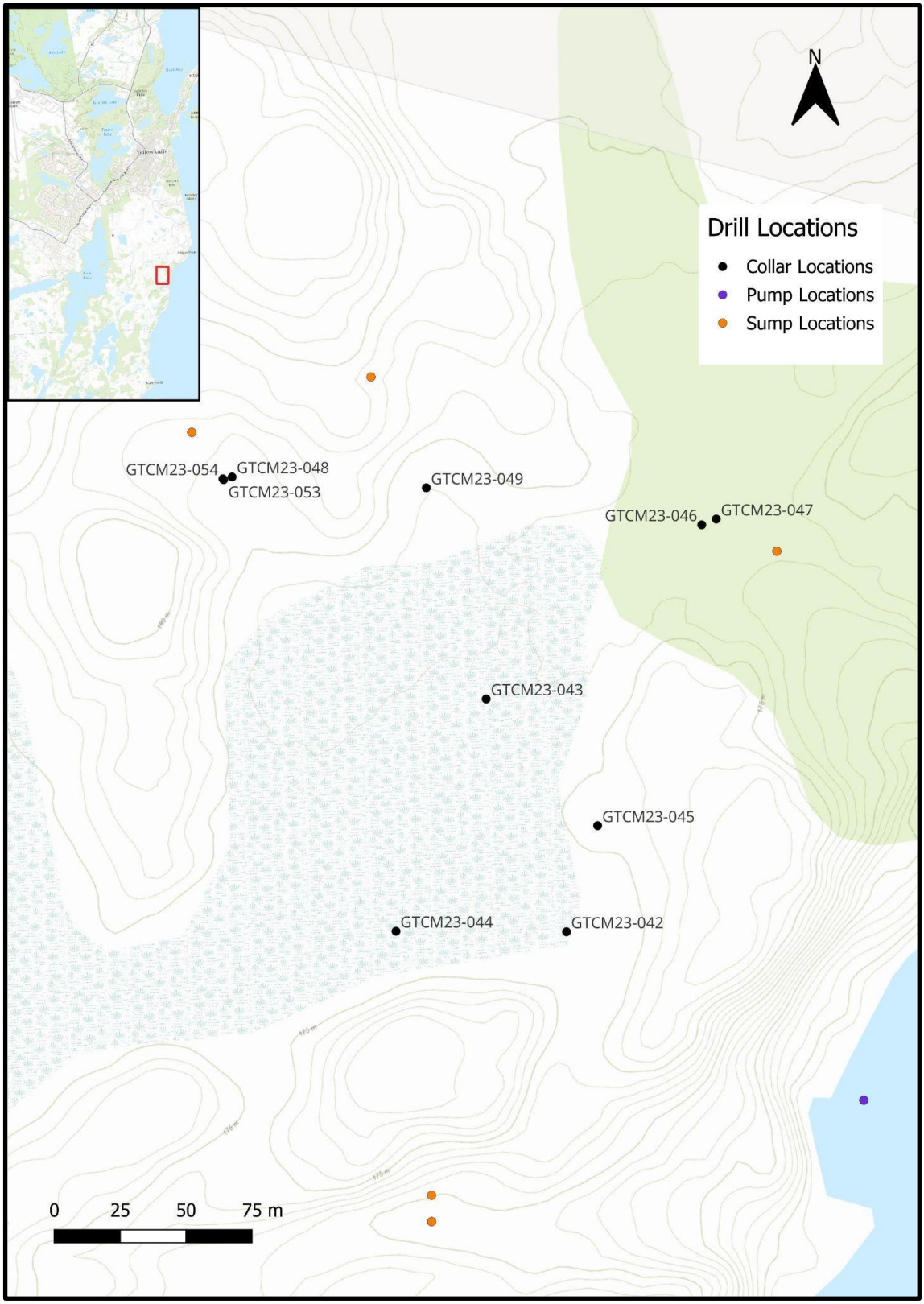

Figure 3: Yellorex North DDH Locations including Pump and Sump Locations

Figure 4: Yellorex and Kam Point DDH Locations including Pump and Sump Locations

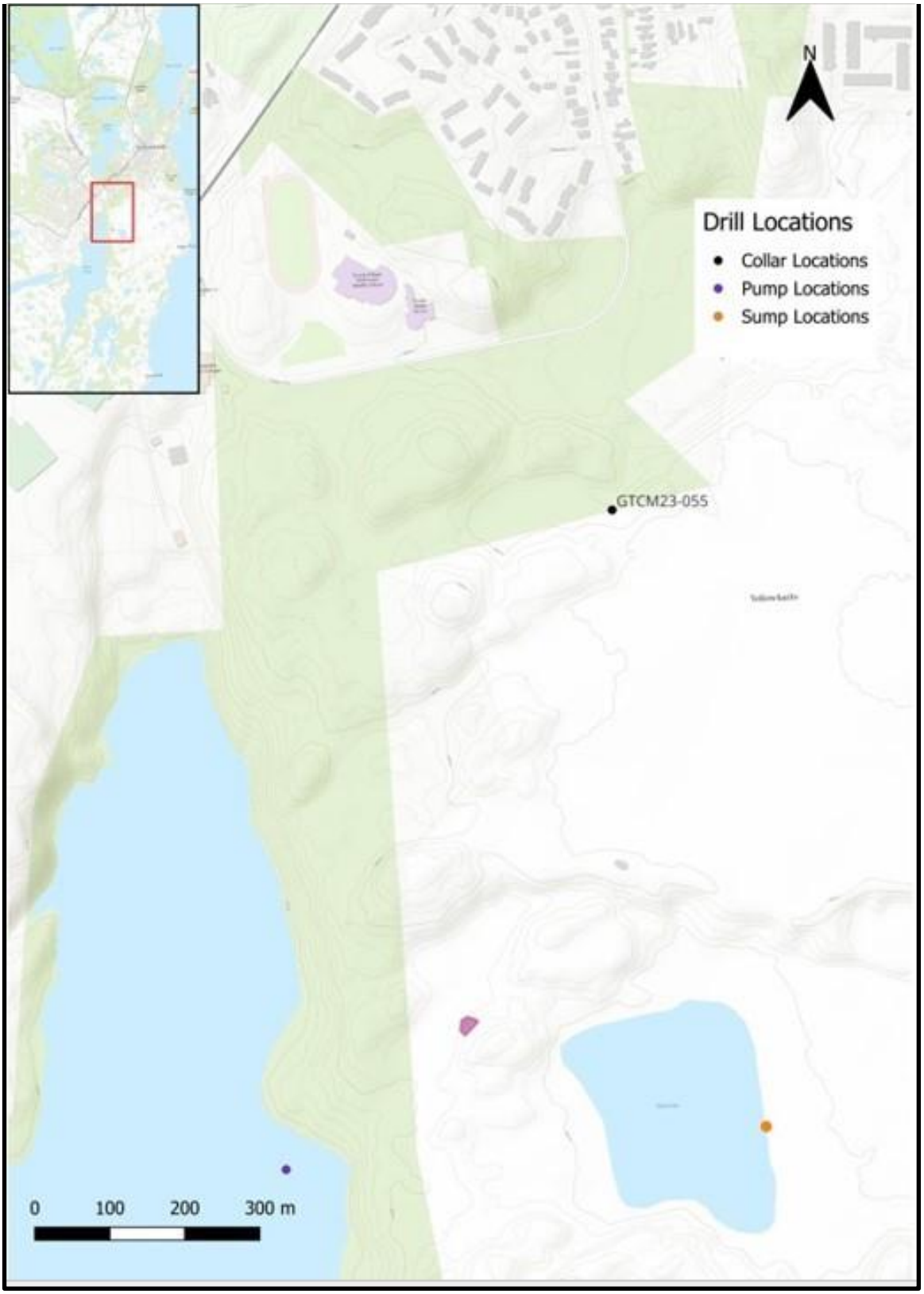

Figure 5: Con Mine DDH Location including Pump and Sump Location

3.0 Engagement Plan

There were no modifications to the Engagement Plan approved by the Board. Engagement Plan V7.1 was approved by The Board in 2020. Gold Terra was granted an extension to LUP MV2018C0023 on December 7th, 2023.

4.0 Construction

There were no construction activities associated with Part E of the Licence.

5.0 Waste Management Plan

5.1 Solid Waste

No solid waste was discarded during the reporting period.

5.1 Liquid Waste

Drill cuttings are deposited in several sumps (Table 2 and Figures 3, 4, 5,). A total of 4567 cubic meters of drill cuttings were produced as a by-product of diamond drilling.

5.3 Hazardous Waste

No hazardous waste was discarded during the reporting period.

Hole ID	UTM X	UTM Y	Sump Volume (m3)
GTCM23-042	636188	6923785	155
GTCM23-043	636188	6923785	180
GTCM23-044	636188	6923785	198
GTCM23-045	636188	6923795	166
GTCM23-046	636319	6924039	169
GTCM23-047	636319	6924039	175
GTCM23-048	636097	6924084	275
GTCM23-049	636165	6924105	230
GTCM23-050	635716	6921147	192
GTCM23-051	635541	6921456	250
GTCM23-052	635513	6922582	100
GTCM23-052	635549	6922599	255
GTCM23-053	636097	6924084	275
GTCM23-054	636097	6924084	300
GTCM23-055	635068	6925033	1350
GTCM23-055-W1	635068	6925033	150

Table 2: 2023 Sump Locations and Volumes

Month	Sump Total (m3)
Jan	**533**
Feb	**1457**
Mar	**930**
Apr	**90**
May	**325**
Jun	**350**
Jul	**282**
Aug	**75**
Sep	**103**
Oct	**125**
Nov	**115**
Dec	**35**

Table 3: Monthly Drill Cuttings Production

Starting in April to end of reporting date, Gold Terra switched to a closed loop system where drill cuttings were collected in a flocculent tank at the collar location and then disposed of on the Con Mine site using a hydro-vac truck. Disposal site shown in figure 5.

6.0 Spill Contingency Plan

6.1 List of Unauthorized Discharges

No unauthorized discharges were noted during the reporting period.

6.2 Training and Communications Exercises

Crew members are made aware of the approved Spill Contingency Plan and are asked to review it. Sub-contractors are oriented, and review of expectations related to permitting are discussed.

6.3 Updates and Revisions

There were no modifications to the Spill Contingency Plan.

7.0 Interim Closure and Reclamation Plan

7.1 Summary of Reclamation

There were no updates or revisions made to the Interim Closure and Reclamation Plan during this reporting period. The following progressive reclamation was completed during the diamond drilling activities:

- The casing for each land-based drill hole was either cut below ground level and capped or removed. This helps restore the site and prevents any metal obtrusions.
- The casing for each lake-based drill hole is removed.
- All drill holes have a Van Ruth plug (or grout plug) inserted at 30 m below the final casing depth. Cement is placed from the plug to the top of bedrock. This prevents the movement of groundwater.
- All brush and trees removed to create land-based drill pads was spread on and around the drill pad location. This will assist with the natural re-vegetation of each pad.
- All land-based drill sumps were left to re-vegetate naturally.
- Upon completion of each land-based drill hole all materials are removed from each drill site.
- Upon completion of each lake-based drill hole the ice in the immediate vicinity of the drill hole site is scrapped and removed to a land-based sump.

7.2 Anticipated Reclamation Work in the Upcoming Reporting Period

Diamond drilling is anticipated to occur during the next reporting period. Reclamation practices will continue as stated in 7.1.

8.0 Water Use

Licenced water volume withdrawal is 299 cubic meters per day. The water pump locations for drilling activities are listed in Table 4 and shown in Figures 3, 4, and 5. Monthly water withdrawals are shown in Table 5.

Hole ID	Pump UTM X	Pump UTM Y	Suction Depth (m)	Water Source
GTCM23-042	636352	6923831	1.2	Great Slave Lake
GTCM23-043	636352	6923831	1.2	Great Slave Lake
GTCM23-044	636352	6923831	1.2	Great Slave Lake
GTCM23-045	636352	6923831	1.2	Great Slave Lake
GTCM23-046	636352	6923831	1.2	Great Slave Lake
GTCM23-047	636352	6923831	1.2	Great Slave Lake
GTCM23-048	636352	6923831	1.2	Great Slave Lake
GTCM23-049	636352	6923831	1.2	Great Slave Lake
GTCM23-050	635821	6921272	0.8	Great Slave Lake
GTCM23-051	635821	6921272	0.8	Great Slave Lake
GTCM23-052	635931	6922433	1.0	Great Slave Lake
GTCM23-053	636352	6923831	1.2	Great Slave Lake
GTCM23-054	636352	6923831	1.2	Great Slave Lake
GTCM23-055	634525	6924956	0.6	Kam Lake/Great Slave Lake (Trucked)
GTCM23-055-W1	N/A	N/A	N/A	Great Slave Lake (Trucked)

Table 4: 2023 Water Pump Locations

For drill holes GTCM23-055 and GTCM23-055-W1 Gold Terra used various subcontractors to truck in water during winter freeze up when it was not safe to have a pump shack on Kam Lake starting in October 2023. This water was mainly taken from city water supply and therefore not tracked as volume taken from lakes in Gold Terra's water license. There was an exception to this when a contractor used the Con Mine boat launch area to access Great Slave Lake water supply which will be documented in table 4 and 5 as trucked water from Great Slave Lake.

Month	Source	Volume Withdrawn (m3)
Jan	Great Slave Lake	748
Feb	Great Slave Lake	1687
March	Great Slave Lake	1391
April	Kam Lake	779
May	Kam Lake	1183
June	Kam Lake	215
July	Kam Lake	39
Aug	Kam Lake	0
Sep	Kam Lake	24
Oct	Great Slave Lake (Trucked)	136

Table 5: 2022 Monthly Water Withdrawal by Source Lake

9.0 Water Meters and Devices

Seametrics, model MUN-075-1G water meters (or equivalent) are used to track the water volumes used. Meter values are recorded every 24 hours. Meters are factory-tested to meet the AWWA C-708 Multi Jet Meter accuracy specification and annual calibration is not required.

The procedure for recording water usage at the drills is as follows:

1) Water is pumped from the lake into a holding tank at the drill.

2) Water is pumped down the drill string when drilling.

3) When pulling rods, the excess water that is displaced is collected in a pot attached to drill rod and directed into the cuttings tank.

4) When drilling, water is collected in a pot and collected in cuttings tank.

5) When not drilling excess water is directed into cuttings tank to facilitate pumping of drill cutting into a sump area.

6) Water use is measured with two meters, one to measure water that is used in the drilling process, the other meter measures water that goes into cuttings tank and pumped onto land for a total volume daily use.

7) In the summer excess water is pumped directly on to the land in an area separate from the cutting's sump.

10.0 Erosion Mitigation and Documentation

10.1 Descriptions of Areas Susceptible to Erosion and Erosion Mitigation

By adhering requirements described in Gold Terra's Class A Land Use Permit (MV2018C-0023), the company has effectively minimized ground disturbance.

In summer, typically a heli-portable drill rig or a buggy-style drill rig are used. A heli-rig provides the least ground disturbance as drill trails are not needed to enter the drill site. Drill trails used to access drill pads are corduroyed in the summer months to prevent soil disturbance.

During winter months, drill trails are packed with snow to ensure a buffer between equipment and the soil below. A particular area of focus for Gold Terra during winter months is on that snow/ice ramps that allow equipment to enter land-based trails from lake ice. These ramps provide a significant buffer between equipment and shorelines which are susceptible to erosion.

10.2 Erosion Mitigation from Previous Years

No areas of concern require ongoing monitoring.

11.0 Inspections

Inspection Date	Site	Result	Mitigation
2023-02-27	Campbell Shear	All Conditions Deemed Acceptable	N/A
2023-05-10	Campbell Shear	All Conditions Deemed Acceptable	N/A
2023-06-08	Con Mine	All Conditions Deemed Acceptable	N/A

Table 6: Diamond Drill Site Inspection Dates and Results

12.0 Updated Project Schedule

Although tentative and subject to change, Gold Terra's current project plan for 2024 is to continue drilling at Con Mine for the foreseeable future with potential for smaller exploration programs to run simultaneously.

13.0 Other Plans and Studies

The following activities were completed during the reporting period:

- Both a Masters and Undergraduate Thesis were continued on the Homer Lake base metal/gold prospect with the NTGS taking thin sections of core samples to aid in this study.

- Midas Minerals Limited conducted large scale sampling programs to identify the potential for Lithium and Rare Earth Minerals in the Quyta-Bell and Eastbelt regions of the property during the summer months.