



## HIGHLIGHTS FOR THE GARNET MINE PROJECT

### OWNED AND TO BE OPERATED BY GARNEX GOLD CORPORATION

<https://garnexgold.com/>

1. Project consists of 4,100 acres of land consisting of 24 patented mining claims and 188 unpatented claims. Total area in excess of 6.6 square miles, located in Western Montana near the city of Missoula.
2. The project was valued by Behre Dolbear in March of 2013 at \$25.0 and purchased by Garnex Gold for \$4,000,000 and a nominal royalty of 3%, 1.5% of which is capped at \$3,000,000. The payments for the property are spread over a four-year period with a balloon payment at the end of four years. A copy of their updated report of November 2019, consisting of a 120 page analysis is available upon request, with adjusted value down to \$11.5 m. <https://www.dolbear.com/>
3. Behre Dolbear was retained to provide an updated valuation, which was completed on November 5, 2019, with an effective date of September 13, 2019. The 2019 report had a value of \$11.5 MM, which was lower value than a similar report prepared in 2013. The 2013 report had a value of \$25.0 mm. The lower value was due to several facts, the most significant being a smaller number of unpatented mining claims and the reduction in the gold price average. This report is available upon request.
4. There is an early National Instrument 43-101 independent report and nine other major geological and engineer reports and a complete library dating back to 1890s. All of these reports are available upon request. An updated Technical Report dated November 12, 2019 has been completed by the Helena, Montana office of CDM Smith and is available for review upon request. <https://www.cdmsmith.com/>
5. Prior to 1941, the property had 7 producing gold mines. The producing mines were shut down pursuant to the War Powers Act entitled L-208, because gold was not a strategic metal for the World War II effort.
6. The prior historic production of the district and primarily from the Garnet property is in excess of 650,000 oz. of gold derived from underground and placer sources. This district is the 4<sup>th</sup> most productive gold producer in the state of Montana. Garnex own the

majority of the district. At today's gold price of approximately \$1,500 per ounce, the total historical production was approximately \$1 billion.

7. As of this date, there has been in excess of \$12,000,000 expended for exploration and mine development by two previous operators going back to 1988, one of which was Pegasus Gold Corp. There has been more than 130,000 feet of drilling conducted to date. Pegasus Gold drilled 49,350 ft. from 1989 to 1992. Grant Hartford drilled an additional 13,200 ft. in 2008, 37,763 ft. in 2009 and 34,858 ft. of reverse circulation holes and 4 core holes totaling 1,699 in 2010.
8. A complete 3-D geological modeling and mine design plan using Vulcan software by Maptek has been finalized consisting of over 7,000 files. This includes a comprehensive production plan. <https://www.maptek.com/products/vulcan/> Estimated cost to replicate this work is over \$250,000.
9. Projected production costs for 6,000 tons a month (200 tons/day) ranges from \$550 to \$650 per troy ounce depending on the mining method utilized. This was determined by using 3-D Vulcan mine modeling software by MapTek. A comprehensive spreadsheet is available to interested parties.
10. A minable inferred reserve consisting of 76,000 tons with an average grade ranging in grade from 0.23 to 0.30 opt is available to initiate production and contains an estimated 34,000 oz. of gold.
11. The next phase of development has been designed to set up for mining and extracting a block 290,000 tons of gold bearing ore from the Nancy Hanks vein is being mined and the proven resource is being expanded with additional confirmation core drilling and underground development work. This phase has been accomplished by Vulcan 3-D mine planning software.
12. Outside consultants have projected an inferred gold resource in excess of 1,000,000 oz. of gold. There has been no exploration or development work undertaken below 300'.
13. Dr. James Sears, a professor of structural geology at the University of Montana, has conducted work in the Garnet district for over 20 years. It is Dr. Sears' professional opinion, as expressed in an independent report in 2010, that less than 5% of the gold in the district has been mined as of this date. This report is available upon request.
14. There has been no drilling or historical mining conducted below 300 ft. As of this date, there are 14 different gold-bearing mineral zones defined by drilling and logged into the Vulcan 3-D mine modeling software.

15. There are four primary gold-bearing structures or vein systems defined on the property; 1) the Nancy Hanks; 2) the Willie vein system; 3) the Lead King; and 4) the Tostman vein system.
16. There is a defined drilling plan in place to continue confirmation drilling on the Nancy Hanks structure. This drilling program consists of 21 additional diamond drill holes (6,000 ft.) that were designed to expand the gold ore proven resource.
17. The Nancy Hanks portal and a 13' x 12' decline has been driven 390 ft. and will be continued to initiate mining of the Nancy Hanks vein and to provide access to the Red Marble ore body.
18. The Nancy Hanks surface support and infrastructure consists of 1) 50' x 60' metal building mine shop; 2) power station; 3) assay office; 4) managers and engineers office; 5) six cabins for staff and visitors; 6) miners tag-in and change area; and 6) 36' X 120' metal building for geologist office, core and sample storage and equipment storage. Additional work will be accomplished to upgrade the infrastructure.
19. A mill design and construction plan has been completed by CDM Smith, a major engineering firm based in Boston, MA and with offices in Helena, Montana.
20. Two metallurgical studies have been completed by: Dawson Metallurgical Laboratories, a division of FL Smidth & Company and Camp Dresser & McKee, Inc.
21. There is an available custom mill located within trucking distance of the mine, in Phillipsburg, MT. The Contact Mill has the capacity to process up to 800 tons per day. The Contact Mill is located 50 miles from the Garnet mine.
22. Subject to capital, the project is shovel ready and can be in production in 9-12 months from the time funding is completed. A detailed, 21-week engineering and operating plan is ready to implement. This plan is also available for review.
23. Garnex has two Small Miner's Exemption Statements ("SMES") in place and approved to place Garnex in position to initiate both underground development work and production. The SMES are granted by the State of Montana and allow for surface disturbances of 5 acres each. One will be utilized at the Nancy Hanks, and the second one will be used in the development of the Willie mine, which is located on the Free Coin claim being purchased by Garnex.
24. The master operating plan to be submitted to the State of Montana Department of Environmental Quality is 90% drafted and will be ready for submission by consultant Robert Flesher PG within 60 days at an estimated cost of \$12,000 to finish the submission.

25. Garnex has a seasoned/proven management team and an outstanding group of professional consultants ready to assist. Biographies available upon request.
26. In addition to a high quality list of professional consultants to be utilized by Garnex, Garnex is a client of Wood Plc. Wood is global Consulting Engineering and Construction Company that employs 55,000 individuals. Wood will be engaged to; 1) assist with dealing with all of the federal and state regulatory agencies; and 2) at the appropriate time and as a possible alternative to CDM Smith, design and construct a concentration facility near the mine.

<https://www.woodplc.com/>

[https://www.woodplc.com/sectors/mining/precious-metals?collection=wood-web-search-landing-pages&query=!showall&start\\_rank=1&sort=relevance&f.Mining|Mining=precious%20metals](https://www.woodplc.com/sectors/mining/precious-metals?collection=wood-web-search-landing-pages&query=!showall&start_rank=1&sort=relevance&f.Mining|Mining=precious%20metals)

27. Garnex presently has 16,000,000 shares of common stock issued and outstanding, not including options. Garnex has completed a comprehensive Private Placement Memorandum and plans to offer 6,000,000 shares of restricted common stock at \$.50 per share beginning in July of 2020.
28. Garnex Gold has entered into a contract with Block Bits Capital LLC to design and assist with financing utilizing the blockchain and cryptocurrency at a future date. <https://www.blockbits.capital/> Details of this plan have been outlined in a draft internal white paper. The proposed cryptocurrency offering will be made by a subsidiary, Garnex Gold Partners Limited, and will initially sell up to \$20,000,000 in cryptocurrency, referred to as GLD, via an Initial Exchange Offering through one or more established and reputable cryptocurrency exchanges, and will be sold to those purchasers determined to be eligible to so purchase in conformity with applicable regulations. Funds from the offering will be made available to the Company to fund its gold mining activities.
29. There has been a complete financial projection done that extracted costs from the Maptex mine plan and then inserted into a three-year spread sheet. This includes a matrix that illustrates projected pre-tax profits in a matrix analysis that is tethered to variable prices of gold and ore grade. The resulting pre-tax profits are then divided by the projected number of shares outstanding, if we fund by the selling of gold-supported cryptocurrency or securing capital via an EB-5 program. Garnex used a conservative Price Earnings Ratio to determine what the various values the share price might be, depending on the spot price of gold and the grade of the ore mined. In that regard, the optimum is a high price of gold in the future and mining high-grade ore. The converse was also plotted to show the financial impact of a low price of gold at about \$1,200 per ounce and a very low grade of ore down to .25 oz. per ton. The results are very favorable, and many experts do not think that gold will ever go down to the \$1,200 per oz. level. Most operating mining

companies trade at a P/E of 15 to 1 and many much higher. Copies of the complete financial analysis are available upon request.

30. We plan to have the company make the transition from private company to a publicly-traded company either in the U.S. or in Canada in 6 – 9 months. This answers the question of most private investors when it comes to liquidity and a simple and convenient exit strategy. We have engaged a private financial consultant based in Toronto, Canada to assist with this transaction.
  
31. Consideration is being given to securing capital pursuant to an EB-5 program. The United States EB-5 visa, employment-based fifth preference category or EB-5 Immigrant Investor Visa Program, was created in 1990 by the Immigration Act of 1990, and provides a method for eligible Immigrant Investors to become lawful permanent residents — informally known as "green card" holders by investing at least \$1,800,000 to finance a business in the United States that will employ at least 10 American workers." Most immigrant investors who use the EB-5 program invest in a targeted employment area (TEA) a rural area or area with high unemployment which lowers the investment threshold to \$900,000. The EB-5 program is intended to encourage both "foreign investments and economic growth". The EB-5 Immigrant Investor Visa Program is one of five employment-based (EB) preference programs in the United States. The proposed funding of the Garnet project utilizing EB-5 qualifies related to a geographic area with high unemployment and then number of jobs created is optimum. Garnex is retaining the legal service of Robert Cornish, Anderson Kill LLP, to facilitate the proposed EB-5 funding program and act as securities attorney for Garnex. Robert Cornish is one of the top 15 Corporate and Securities Attorneys in the EB-5 area of law as selected by his peers. Robert is also an expert on broker-dealer, securities and investment adviser regarding compliance.

<https://www.andersonkill.com/People-Details/PeopleId/167>

32. Corporate Web sites are:

Corporate web site: <https://garnexgold.com/>