



Quarterly Progress Report (2022 Q1)

**AFAQ Mining Limited
Western Elbah Concession
Eastern Desert, Arab Republic of Egypt**

April 27th, 2022

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1.0 EXECUTIVE SUMMARY

The writers have been commissioned by AFAQ Mining Limited (“AFAQ” or “the Company”) to prepare a quarterly review (Q1/2022) for the AFAQ Western Elbah Concession Project, located in the Eastern Desert of Egypt approximately 50km west of the Red Sea coast and 90km southwest of the town of Shalateen. The project is at an exploration phase and aims at advancing and developing historic and new gold mineralised occurrences at several localities on the project. AFAQ has established a significant logistical presence and has mobilised a field-crew to systematically map, prospect, sample, trench, and drill prospective terrain on the concession. This is the first comprehensive evaluation within the Concession Area incorporating an integrated approach to mineral exploration and employing modern methods. In the third quarter of 2021, AFAQ started a systematic program of reverse circulation (“RC”) drilling on the main Romeit area. The drilling program marked a significant advancement in mineral exploration on the Western Elbah Concession.

This technical report presents the results of a review of the ongoing project of the AFAQ Western Elbah Concession. The effective date of the report is April 27th, 2022. For this work, AFAQ has to date retained the services of several specialised firms including:

- Michael Baker, Ph.D. for satellite image analysis and interpretation
- J.M. Franklin, Ph.D. for review of geochemical data and QA/QC review of analytical results
- Bassem Zoheir, Ph.D. to provide input on regional geologic framework and metallogeny
- Saudi Company for Mining and Petroleum Services (AGC) regarding reverse circulation drilling proposals
- ALS Laboratories for all sample processing and geochemical analyses to date
- Overburden Drilling Management Limited for analysis of alluvial gold samples and placer gold potential
- SJ Geophysics for proposals relating to ground geophysical surveys
- Arab Nubia Group regarding digital terrain modelling, detailed topographic base, surveying
- Simcoe Geoscience for planning of ground geophysical surveys.

AFAQ Mining Limited began an exploration work program at the AFAQ Western Elbah Concession Area at the beginning of January 2019. Through an exploration contract agreed with Shalateen Mineral Resources Company (SMRC) in December 2018 and extended in December 2020, AFAQ acquired the right to conduct mineral exploration on the Concession Area. If economically viable mineralisation is discovered and confirmed AFAQ has the right to develop and exploit it. AFAQ has and continues to conduct a comprehensive work program adhering to recognised professional standards and best practices. The program is being executed under the direction of Mr. Mostafa El Bahr and Mr. Ahmed Bassiouny, Chairman and CEO of AFAQ respectively while the field program is managed by Dr. Ragab Elbanna with the field crew geological staff consisting of Dr. Hassan Mohy and Messrs. Islam Helal, Abdullah Abdel-Mohsen, Mohamed Darweesh, Mostafa Khaled, Mohamed Abdel Halim, and Kareem Nehad.

The initial stages of the work program conducted at the Western Elbah Concession by AFAQ has focussed on the Romeit and Hamida gold occurrences. The work program commenced at Romeit, primarily because it is the most readily accessible, best understood, and presently the most prospective of the occurrences located within AFAQ's concession area. However, as the work program has progressed mapping and sampling coverage has been expanded to the much more extensive Hamida occurrence. Reconnaissance examination has been conducted elsewhere on the project.

Since 2019, work on the concession has included:

- Initial construction of the field camp
- Data management
- Completion of a satellite interpretation study
- Detailed mapping accompanied by sampling of the entire Romeit occurrence
- Ongoing detailed mapping and sampling of the Hamida occurrence
- Limited reconnaissance bedrock sampling of the Masho Shinai occurrence.
- Sampling of alluvial sediments adjacent to bedrock exposure; a pilot study to determine the potential for gold mineralisation in the sediments.
- Evaluation of proposals for geophysical coverage
- Trenching at the Romeit occurrence resulting in 495m of trenches being opened, mapped, and sampled. The program was curtailed prior to all planned trenching being completed because of technical problems with the excavating equipment
- Preparation for reverse circulation drilling – upgraded road access from the coastal highway to the AFAQ field camp
- Topographic survey to produce a digital surface model (DSM) for use in siting drill holes
- Contract negotiation and execution with the RC drilling contractor
- Drill program planning – target delineation and drill hole selection
- Drill site investigation and preparation
- Detailed trenching, mapping, and sampling on drill cross-sections
- Preparation of drill sites/pads
- Reverse Circulation drilling
- Planning and preparation for geophysical surveys in 2022
- Planning and preparation for diamond drilling in 2022

The aim of the initial mapping program has been to detail the local geology of the Romeit occurrence at large scale (1:500) focussing on vein distribution and geometry, degree of deformation, mineralisation, and alteration associated with veining and structural features. Widespread sampling has been conducted in conjunction with the mapping; the purpose of this is to provide an extensive dataset describing the distribution of surface mineralisation as a basis for future detailed sampling, trenching, drilling and as a vector for geophysical surveying. Using this methodology, the entire exposed outcrop area of the Romeit occurrence (including the “Romeit East” area) has now been mapped and the work has been expanded to the very extensive Hamida and Hamida East occurrences where approximately 4.37km² and 4.65km² respectively of

prospective terrane will have been mapped. Reconnaissance mapping and sampling has also been conducted at the Masho Shinai occurrence.

The sampling program conducted in conjunction with the field mapping has entailed a separate sampling crew traversing mapped areas consistently collecting grab samples from quartz and quartz-carbonate veining, alteration zones and deformation zones.

Since commencement of the work program at the Elbah Concession considerable effort has been spent to produce detailed surface mapping and sampling at both Romeit, where the full extent of the mineralised domain has been covered, and at the Hamida occurrence. A total of 11,707 grab and trench samples have been collected on the AFAQ Concession to date comprising 10,463 analytical samples (assay and whole rock) and 1,223 QAQC samples. Analytical results have been received for 10,457 of the 11,707 samples.

Analytical data compiled to date for the Romeit area show the presence of distinctly anomalous domains of gold mineralisation associated with quartz veining, sulphide mineralisation, chlorite-sericite-carbonate alteration, and strong ductile deformation. The domains are measured in thickness up to several metres and can be persistent along strike for hundreds of metres. They are particularly prevalent in the outcrops at the southern part of the Romeit occurrence, but additional analytical results may result in modified interpretation and expansion of this distribution; unobserved mineralisation may well occur beneath the alluvial sediments occurring to the south of the southern exposure of the Romeit occurrence as strongly anomalous gold mineralisation has been obtained from samples in isolated outcrops occurring several hundred metres to the south of the main outcrop area.

The mapping and sampling at Romeit initially centred on the “original” historic Romeit showing and immediate extension to it (comprising a few km²) where historic workings are evident. The mapping program has now encompassed an area of some 30km², extending well beyond the original showing at Romeit with the recognition of the widespread occurrence of deformation zones, quartz and quartz-carbonate veining, and anomalous gold mineralisation – the mapping program has incorporated all the main Romeit outcrop mass as well as areas separated from it by wadi fill sediments and particularly the “Romeit East” occurrence area.

The very extensive domain of deformation and alteration at the Hamida occurrence has initially been mapped at 1:1000 scale. Mapping of the main Hamida area covered an area of 4.37km². The mapping area was later expanded to include the Hamida East area, an area ~1km to the east of the main Hamida area, which covers an additional 4.65km². The Hamida occurrence comprises a broad zone of variably deformed island-arc metavolcanics and related meta-volcaniclastics – ranging from mafic to felsic in composition. The deformed rock comprises branching and re-joining domains of chlorite schist that strike approximately north to north-northeast (although locally deflect significantly from this orientation). Widespread iron carbonate alteration is evident from the broad buff-coloured areas visible on the hills at Hamida. Quartz and quartz-carbonate veining is quite common – veins vary from <1cm to >2m thickness and can occur individually or more commonly as sub-parallel sets and occasionally as extensive swarms. In places the host rock

is pervasively silicified. Sulphide or its altered/oxidised product (predominantly pyrite observed) is ubiquitous although at low concentration.

The Romeit area has been the subject of some previous study and a portion of it (the “original” Romeit showing with historic workings, and other discrete domains of veining and alteration) is recognised as a gold occurrence with potential as an exploration target. The work program conducted by AFAQ has comprised satellite image studies, geological mapping, identification and measurement of deformed terrane, systematic description of alteration zones, identification and measurement of veining, collection of by far the largest analytical dataset for gold mineralisation to date, reverse circulation drilling on several of the targets identified as prospective from AFAQ’s fieldwork. The purpose of this work has been to determine the extent and intensity of mineralisation and the potential for the presence of domains of economic interest. The result has been to define a larger area of gold-anomalous and prospective terrane than previously recognised – substantially larger than the area encompassing historic production.

The subsurface assessment of mineralisation observed and characterised in detail at surface at Romeit is now, and will continue to be, a priority for the work program. Drilling intersections, either reverse circulation or diamond drilling, will provide a distribution of intersections through the extrapolated subsurface extension of the surface gold mineralisation, alteration, and deformation. The initial drilling, using reverse circulation drilling equipment, commenced during 2021-Q3.

Drilling was conducted on cross-sections approximately normal to the strike of the observed deformation zones and contained gold-bearing quartz veins – at targets 1 and 2 typically three drill holes were collared on each cross-section, collared, or inclined to produce intersections approximately 50m apart. At other Romeit targets the drill-hole spacing and orientation was more irregular, reflecting the varied orientation of the mineralisation at these sites.

A total of 7,357 reverse circulation samples have been collected from the initial RC program on the AFAQ Concession. Samples comprise 6,727 analytical samples and 630 QAQC samples. Analytical results have been received for 6,749 of the 7,357 samples.

The application of other exploration techniques such as ground geophysics and diamond drilling will also be commissioned going forward – both are capable of significantly enhancing the understanding of the subsurface geology. Geophysical surveys will in conjunction with geological mapping, be used to direct future drilling.

2.0 INTRODUCTION

2.1 *Scope of Study*

The following technical report (the Report) summarises the results to date of the ongoing exploration project on the West Elbah Concession in the Eastern desert of southern Egypt. This Report was prepared at the request of AFAQ Mining Limited - a private company registered in Egypt with a head office at:

AFAQ Mining Limited
4 Road, No. 203
Degla, Maadi
Cairo, Egypt

This Report titled “AFAQ Mining, Quarterly Progress Report (2022 Q1), AFAQ Mining Limited, Western Elbah Concession” describes the ongoing work-program progress at the Western Elbah Concession and is considered effective as of April 27th, 2022. This technical report is not intended for use under Canadian National Instrument 43-101 in its current form.

2.2 *Sources of Information*

This Report is based in part on, publicly available technical reports, published government reports, internal company technical reports and files, maps, company letters and memoranda, and personal communication with AFAQ personnel, as listed in Section 14.0 "References" of this Report. Sections from reports authored by other consultants may have been directly quoted or summarized in this Report and are so indicated where appropriate.

Other information used to complete the report includes, but is not limited to, the following reports and documents:

- Historic reports of geology and mining activities
- Results of satellite interpretation conducted by Dr. M. Baker
- Compiled ALS Global laboratory analytical reports
- Review of analytical results and QA/QC procedure by Dr. J.M. Franklin
- Memoranda and proposals regarding geophysical surveying, particularly those with SJ Geophysics, and Simcoe Geoscience.
- Memoranda and laboratory reporting from Overburden Drilling Management Ltd.
- Topographic/Satellite surveying completed by Arab Nubia Group.
- Geological reports prepared by Dr. B. Zoheir
- 2020 Doctoral Thesis by Dr. Ragab El Banna

2.3 Site Visits

The writer Mr. Jones has been on-site at the AFAQ project a total of 5 times during 2018 and 2019 – in October 2018, and January, April, June, and October 2019. In addition, both writers visited the Romeit occurrence in 2015 for the purposes of evaluating the occurrence. The AFAQ project has been in operation throughout 2019 and 2020, and during that time the AFAQ field crew has completed 17 successive 20-day work rotations, apart from a hiatus during the hottest months of July and August of 2019 and a hiatus from late March to early June 2020, the result of inability to work because of the COVID-19 pandemic.

2.4 Terms of Reference and Glossary of Terms

All units of measurement in the Report are in the metric system unless otherwise specified. Coordinates are either provided either in Universal Transverse Mercator (UTM) WGS84 Zone 36 North or latitude and longitude (WGS84).

Table 1. Glossary of Terms

Code	Term
°	Degrees
Alt	Alteration
CRM	Certified Reference Material
dykf	Felsic Dyke
Dykm	Mafic Dyke
g	Gram
g/t	Grams per ton (metric)
kg	Kilogram
km	Kilometre
m	Metre
ppm	Parts per million
qvn	Quartz Vein
shr	Shear
AFAQ	AFAQ Mining Company (J.S.C.)
ALS	ALS Laboratories
A.R.E.	Arab Republic of Egypt
EMRA	Egyptian Mineral Resources Authority
FB	Field Blank
FD	Field Duplicate
HMD	Hamida
ICP	Inductively Coupled Plasma
IEC	International Electrotechnical Commission
ISO	International Organization for Standardization
MSH	Masho Shinai
ODM	Overburden Drilling Management (Ottawa, Canada)

RC	Reverse Circulation
RG	Rock Grab Sample
RMT	Romeit
SD	Standard Sample
SED	Southern Eastern Desert
SMRC	Shalateen Mineral Resources Company
UTM	Universal Transverse Mercator
W.E.B.	West Elbah Concession/AFAQ Concession
WGS	World Geodetic System

3.0 RELIANCE ON OTHER EXPERTS

The writers have not verified the legal title to the property or any underlying agreement(s) that may exist concerning the Concession Area or other agreement(s) concerning the operation of the project with third parties. The writers have placed reliance on the representations of the Company to have conducted the necessary due diligence. All documents and agreements pertaining to AFAQ's rights regarding the Western Elbah Concession are held at the AFAQ head office where they are available should it be necessary to examine them.

Any statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false or misleading at the effective date of this Report.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Property Description

AFAQ Mining Company (J.S.C) ("AFAQ") executed an exploration contract with Shalateen Mineral Resources Company ("SMRC") dated 05/12/2018 on a portion of the Gabal Elbah Concession Area (AFAQ concession) comprising approximately 680 km². The current extents of the AFAQ concession area are shown on Figure 3 below. A budget covering all aspects of a work program for a one-year period was submitted on 13/12/2018. Transfer of the AFAQ concession from SMRC to AFAQ was completed after budget approval. A second budget covering the second year of operations was submitted on 13/02/2020. Continued exploration in 2021 and beyond is covered in a budget submitted to SMRC and approved. AFAQ Mining was granted a two-year extension to the Western Elbah concession exploration license, starting from 5 December 2020.



Figure 1. Location Map of Elbah Concession

4.2 Location

The AFAQ concession comprises an area of approximately 680 km² in the extreme southeast part of the A.R.E. within the Eastern Desert. The southern boundary of the concession coincides with the international border with Sudan at 22°N latitude. The Romeit gold occurrence, where much of the AFAQ effort has been focussed to date, is located at 22.32°N 35.79°E near the northern boundary of the AFAQ concession; it is about 90 linear kilometres from the village of Shalateen on the Red Sea coast.

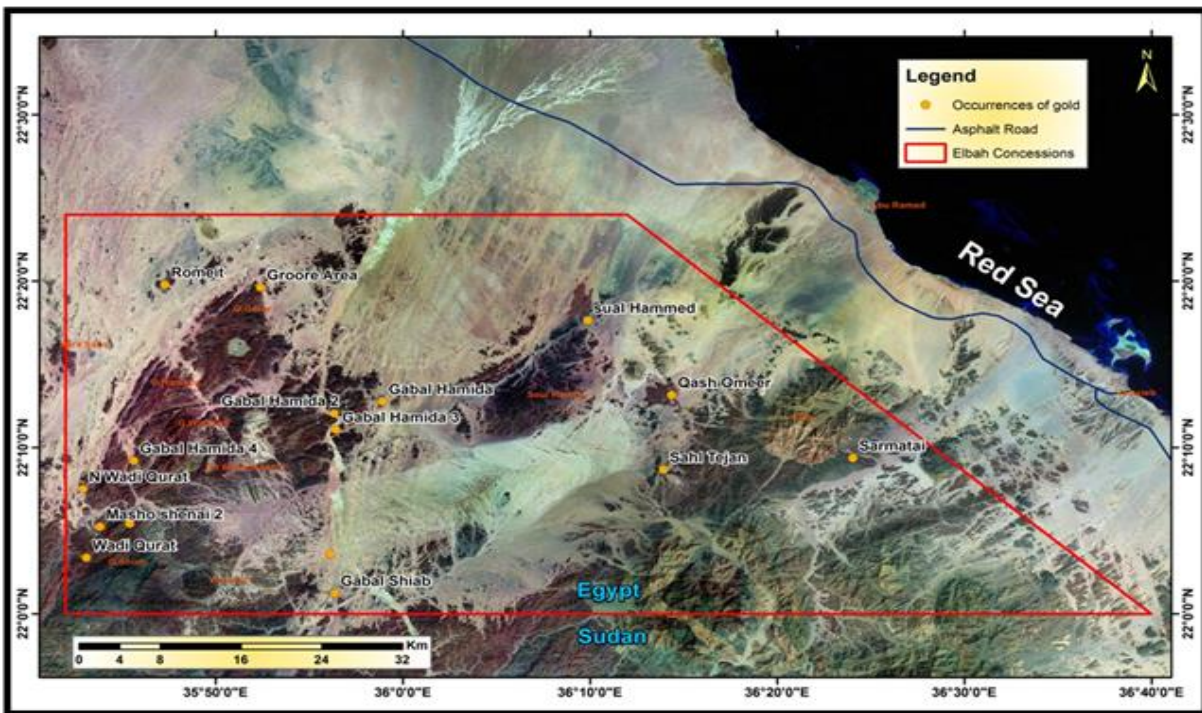


Figure 2. Extent of the SMRC Mining Elbah Concession Area – Red Boundary

4.3 Access and Infrastructure

Ready access to the western Elbah concession is gained by four-wheel drive vehicles along desert tracks leading from the paved coastal road that connects the project area with the larger population centres of Shalateen, Marsa Alam, Quseir and Hurghada to the north. AFAQ Mining is in the process of upgrading access to the project with construction of a new 35-kilometre desert road linking the coastal road to the project camp. Two small villages are located on the coast near the AFAQ concession – Abu Ramad and Halaib.

The closest infrastructure and source for material and supplies is the town of Shalateen approximately 90 km to the northeast of the project area. AFAQ maintains a field office in Shalateen manned by a base manager and support staff.

No infrastructure is present on the concession apart from that established by AFAQ at the field camp near the north boundary of the concession area and the rudimentary facilities established by artisanal mining operators active locally.

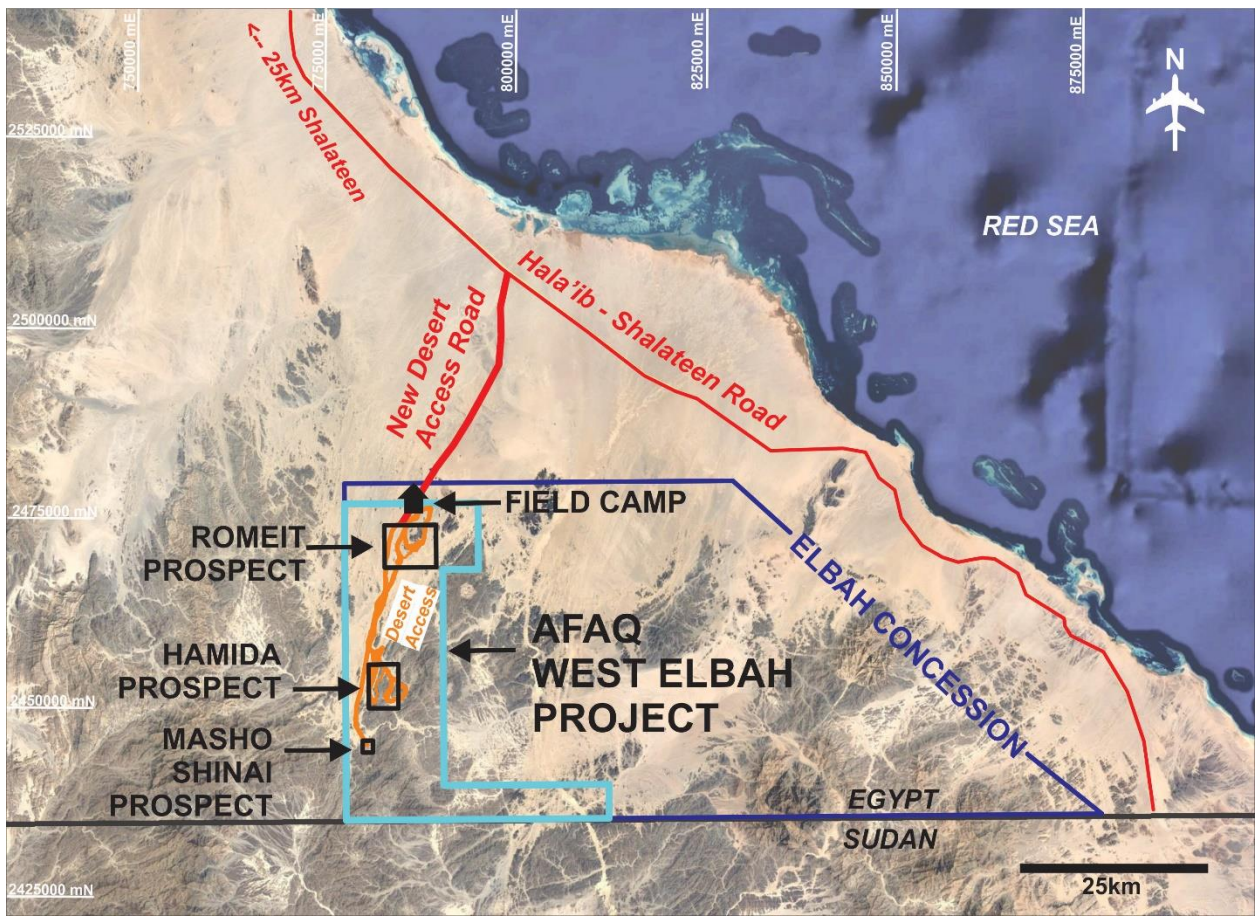


Figure 3. Extent of AFAQ's Western Elbah Concession Area (pale blue), and vehicular access route (red line)



Figure 4. AFAQ Mining Camp Site – West Elbah Concession Area

4.4 *Climate and Physiography*

The climate in the Elbah Concession area is arid, and generally sunny and dry year-round. Climate data specific to the West Elbah Concession area are not available. Average temperature highs for the town of Shalateen on the Red Sea Coast (approximately 100km north from the centre of the West Elbah Concession) range from 25.6°C for January to 37.4°C for August. Average temperature lows range from 14.0°C in January to 25.5°C in August. The average total annual precipitation for Shalateen is 14mm per year.

The Elbah Concession is located within the Hala'ib Triangle, an area of approximately 20,000 km² in southern Egypt which is bounded by the Red Sea to the east and Sudan to the south.

The topography ranges from flat wadi sediments to the mountainous area of the Gebel Elba Natural Park in the southeast corner of the Hala'ib Triangle – where the highest peaks are Gabal Elba (1435m), Gabal Shellal (1409m), Gabal Shendib (1910m) and Gabal Shendodai (1526m).

5.0 HISTORY

5.1 *Ancient Times*

The presence of many and widespread stone huts and gold processing artefacts are observed on the western Elbah concession, particularly at the Romeit and Hamida occurrences. They have been identified as being early Arab in age - dating from the ninth century (Klemm and Klemm, 2013). Oweiss et al (2004) however distinguish between placer production identified as Arab (Islamic) and earlier quartz vein gold production (referred to as Pharaonic). Whatever period the artefacts belong to, they attest to the long history of gold exploration and development in the region. The extent and number of the structures dating from this period provide an indication of the effort expended to exploit the gold mineralisation available at and near surface.

5.2 *Hume 1937*

Hume reported that the area centred at 22°21' N and 35°49'47" E near Gebel Ti-Keferiai was studied (north-west corner of the current Elbah Concession). The group of small isolated dark hills (494m above sea level) acted as a 'good landmark' to the old Romeit mines, which are situated approximately 5 kilometres to the southwest. Numerous veins of smoky quartz with calcite and siderite cut the highly decomposed dioritic country rock. Numerous ancient grinding mills were reportedly scattered around the area (EMRA, 2004; after Hume, 1937).

5.3 *El Shimy 1985*

In the Romeit area (centred at ~22°19'N and 35°37'E), swarms and pockets of milky quartz veins were noted with reddish-brown coloured alteration envelopes. El Shimy et al (1985) stated that the quartz diorite shear zone extended in an NNE-SSW direction and dipped to NW. The mineralised shear zone ranged in width from 3 to 15m and extended for more than 250m along the strike direction. Gold content up to 8g/t in quartz veins with calcite and siderite was recorded (EMRA 2004; after El Shimy et al., 1985).

5.4 *EMRA 2003*

A work program was conducted in 2003 by the Exploration Department of the Egyptian Geological Survey and Mining Authority (EGSMA - Expedition G2/2003). This program was an extensive examination of the geology around the Romeit area covering a reported 35km². The work program included geological mapping, trenching, pitting, grab and channel sampling, evaluation of gold mineralisation in wadi deposits, estimation of size and gold grade of historic dumps. This work provides a useful and well documented basis for further evaluation of the area for economic mineralisation.

5.4.1 Geological and geochemical exploration of the Romeit Area

Initial exploration consisted of smaller scale geological mapping (at 1:10,000 scale) and examination of the old workings. During the program, the team collected: 70 bedrock samples from quartz veins, 2 bedrock samples, 35 samples from altered quartz diorite bedrock, 14 trench samples from trench 1 (TR1), and 7 samples from trench 2 (TR2). The samples were analysed using an atomic absorption and in some cases a fire assay. The assay data are available in Oweiss et al, 2004 but no sample locations are provided.

Subsequently, more detailed mapping at 1:1000 scale was completed over an area of 0.49km². The mapping focused on the gold-bearing zones at Romeit to better delineate the dimensions and gold mineralisation potential of the zones.

Mapping was subdivided into five zones, R1 through R5 in the Romeit area. Seven (7) trenches, TR1 to TR7, were excavated in mineralised zones over a combined length of 228m.

A total of 250 samples were collected analysed by atomic absorption and in some cases by fire assay. As with the previous samples, results are available in Oweiss et al, 2004 and Shalateen, 2014 but no sample locations are provided.

5.4.2 Tailings

Tailings were investigated at three sites around the Romeit gold mine. The roughly delineated deposits are estimated at approximately 6400 tons. Nine (9) samples collected at one site ranged in grade from 0.36 to 22 g/t gold and averaged 7.46 g/t gold.

5.4.3 Wadi/Placer Deposits

Thirteen (13) pits were excavated in the wadi deposits and terraces in the Romeit area. Pits ranged in depth from 1.1 to 2m. Each pit was sampled as a channel along the wall of the pit and the samples were subjected to magnetic and density separations. One dendritic gold grain was observed in one sample (pit 12). Samples were also analysed by an atomic absorption method and ranged in grade from 0.1 to 91g/t. This indicated that gold was present in appreciable amounts despite not being detected by mineralogical investigations. The authors proposed further testing the deposits by cyanidation of larger (50kg or more) samples.

5.5 Zoheir 2012

A study published in Geoscience Frontiers in 2012 (Zoheir, 2012) reported on petrographic and isotopic studies on samples from the Romeit mine area and stated the following:

The new geological and geochemical data indicate that splays off the Hamisana Zone are potential gold exploration targets. Quartz veins along the high order (2nd or 3rd) structures of this crustal-scale shear zone are favorable targets. In the Romite deposit and in surrounding areas, a Au-As-Cu-Sb-Co-Zn geochemical signature characterizes mineralised zones, and particularly rock chips with >1000 ppm As and high contents of Cu, Zn, and Co target the better mineralised areas.

5.6 Other

After the EGSMA program, intermittent site visits were conducted by several companies – some as recently as 2016. This work consisted of reconnaissance scale mapping and ore particularly sampling presumably to evaluate the mineralisation for more extensive work. Except for work conducted by Nuinsco Resources Limited in 2015 and 2016, the results of this work are unavailable.

Artisanal workers are currently active in the area. Extensive mechanical disturbance of wadi fill sediments is evident. Locally excavations and trenching in outcrop has also taken place.

No previous work has been conducted on the site by AFAQ other than a site visit conducted in late October 2018 with the assistance of Shalateen Mineral Resources Company (SMRC). The intent of this work was to review the main gold showings in the area contemplated for inclusion in the AFAQ concession area.

6.0 GEOLOGICAL SETTING AND MINERALISATION

6.1 Regional Geology

In the broad sense Eastern Egypt (and extending east of the Red Sea Rift and south into Sudan, Ethiopia and Eritrea) is underlain by exposure of the north-western part of the Arabian-Nubian Shield (ANS) that lies at the northern part of the East African Orogen (EAO) (Hamimi et al, 2019 and Hamimi et al, 2014). The ANS is considered by some to be the largest tract of juvenile Neoproterozoic crust on Earth (Hamimi et al, 2014). It is dominated by juvenile Neoproterozoic continental crust formed by magmatic arc accretion and post-tectonic magmatism and includes a collage of tectonic terranes composed of oceanic volcanic arcs and sedimentary basins juxtaposed along regional-scale suture zones characterised by the presence of ophiolite (Hamimi et. al., 2019). Depending upon geological relationships and physiographic features the Eastern Desert has been subdivided into the North, Central and South-eastern Desert (NED, CED and SED

respectively) – NED and CED are separated by the Qena-Safaga Shear Zone and the CED and SED by the Idfu-Marsa Alam Shear Zone (Stern and Hedge, 1985, Hamimi et al, 2019). As described in Hamimi et al (2019) the lithological assemblages comprising each province in the Eastern Desert are:

- NED Dominated by voluminous granitoids, weakly deformed-unmetamorphosed volcanic rocks (Dokham Volcanics) and post-amalgamation volcano-sedimentary sequences (Hammamat volcano-sediments).
- CED Comprises gneisses-migmatites-sheared granitoids and remobilised equivalents, volcano-sedimentary successions, and ophiolites.
- SED Similar to those in the CED with greater proportion of gneiss and ophiolites in tectonically transported nappes.

Structural variation prevails across the provinces as well, with the NED dominated by fault/joint systems, the CED dominated by fold-related faults and the SED is dominated by fold-thrust belts and later regional-scale transpression (Hamimi et al, 2019). The SED terrane encompasses three major structural systems, namely the NW–WNW-trending Allaqi-Heiani suture, N–S Hamisana zone, and NW–SE Wadi Hodein–Wadi Kharit shear corridor (Zoheir et al, 2019).

The western Elbah concession is part of the Allaqi-Heiani-Onib-Sol Hamed suture, a curvilinear feature that was deformed by the Hamisana Zone (Zoheir, 2012, El-Bialy, 2020). The Hamisana shear zone (HSZ) is a broad, north-south oriented zone of deformation, approximately 50 km wide and at least 300 km long, making it one of the largest basement structures in NE Africa (Stern, et al, 1989). Secondary deformation zones associated with the Hamisana Zone, characterised by anastomosing domains of shearing, control gold mineralisation in the region and the numerous gold occurrences include Um Ashira, Haimur, Harairi, Um Garayat, Seiga, Filat, Ungat, Betam, Egat, Um el-Tuyor, Madari, Korbai and Romeit.

The AFAQ project is located in the SED where a complex collage of oceanic volcanic arcs and sedimentary basins with suture zones marked by ophiolitic material occur incorporating gneisses, migmatites, sheared granitoids, volcano-sedimentary successions and the aforementioned ophiolites (Fowler and Hamimi, 2020). This collage was created by collisional processes as these terranes accreted to the Nubian craton during the latter part of the Neoproterozoic. An inferred suture zone crosses the Elbah study area from southwest to northeast, passing through the Hamida area. The Romeit area lies in the terrane to the northwest of the suture while Masho Shinai is inferred to be located to the southeast (Baker, 2019).

Island arc volcanics underlie the Elbah concession area comprising lavas and tuffs interbedded with derived volcanoclastics metamorphosed to greenschist facies. The arcs were intruded by early plutons ranging in composition from gabbro to granite and by a late set of smaller, mainly felsic, bodies. The inferred terrane boundary is expressed as a broad fault zone. This originated as a compressive structure and was subsequently modified by later shearing (Baker, 2019).

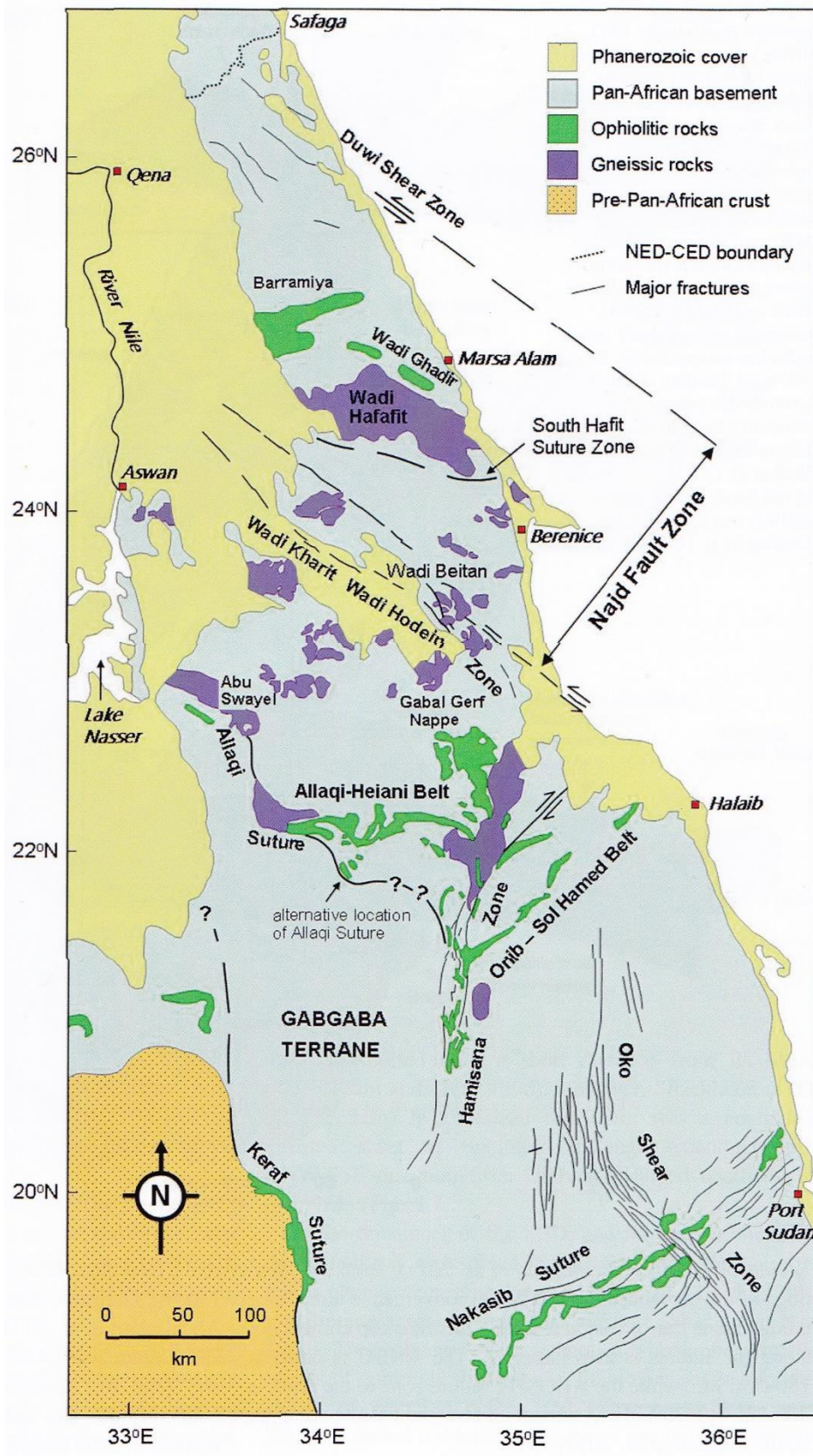


Figure 5. Geology and Structure of the Nubian Shield of Egypt and Northern Sudan (Fowler and Hamimi, 2020)

At Romeit faults parallel to the terrane boundary are considered to have undergone late left-lateral shearing and differential movement between pairs of faults has generated north-south trending extensional fracture zones. On the eastern side of the terrane boundary there is a broad northeast trending fault zone interpreted as transtensional in nature. The southern part of the study area, including the Masho Shinai concession, appears to be a complex nappe cut by steep reverse faults and containing a block of ophiolitic schists.

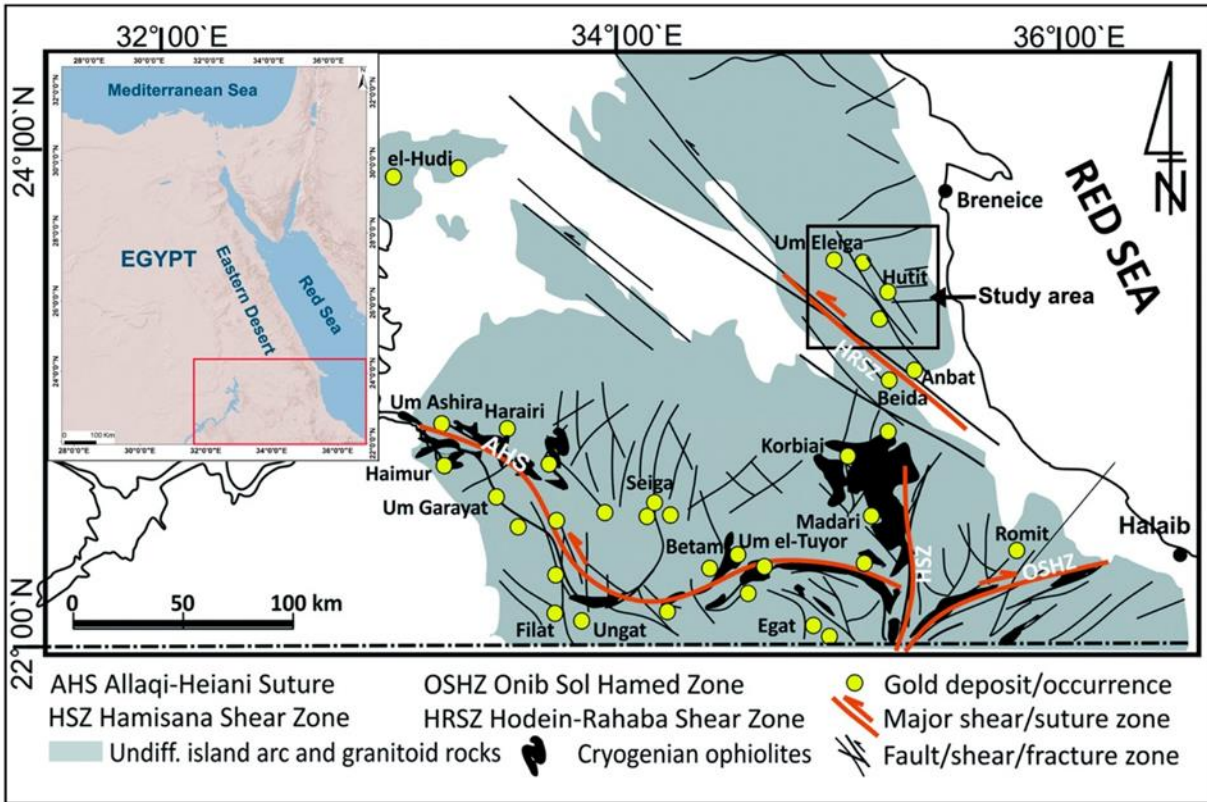


Figure 6. Geology of the South-Eastern Desert of Egypt (Zoheir et al, 2019)

The regional controls on gold prospectivity are associated with the emplacement of late, mainly felsic, intrusions in extensional and transtensional fault zones developed during late strike-slip movements along major faults. Ancient workings at Romeit exploited a vein in a north-south extensional fault zone and there is potential for further veins in that block. At Hamida gold may be present in riedel shear fractures along the terrane boundary and where the main boundary fault is kinked. The Masho Shinai concession lies in an inferred transtensional fault zone with the possibility of veins or stockworks. In the wider Elbah study area to the northeast of Hamida the satellite imagery shows a 10km long zone of clay alteration with muscovite within a broader northeast trending fault zone of inferred transtensional nature.

6.2 Property Geology

The AFAQ West Elbah Project is underlain by Neoproterozoic terrane comprised variably deformed dismembered ultramafic/mafic sequences (ophiolitic metabasalt-metagabbro) and by granitoid gneisses, and island arc metavolcanic-volcaniclastic-plutonic rocks intruded by syn-tectonic granitoids. This metamorphic terrane is intruded by widespread syn- orogenic granitoids and late- to post-orogenic gabbros and granites. Anorogenic syenite forms a small circular massif cutting the island arc metabasalt of Gebel Warabeit in the northern part of the area. Basaltic and aplitic dykes traverse all earlier rocks in several orientations, but commonly NNE-SSW. Feldspar and quartz pegmatitic dykes and veins are common in the western part of the mapped area, cutting metavolcanic and gabbro-diorite rocks in a NE-SW direction. Basaltic lava sheets of Tertiary age are exposed to the north of the Romeit mine area and are likely related to the Red Sea rift (Zoheir, 2020, El Banna, 2020).

The loci for the structurally hosted gold mineralisation at the Romeit occurrence are NNE-trending mylonite/shear zones and associated quartz veins that are concordant with shear cleavage in the host quartz diorite. These zones strike N10-35°E and dip steeply (60-80°) to the west (Zoheir, 2020). The gold mineralisation is hosted by boudinaged/pinch-and-swell milky quartz and quartz-carbonate veins ± inclusions of wallrock. The vein selvages are variably (Fe) carbonatized and silicified.

The western Elbah concession area was investigated in a field study conducted by EMRA in 2004 and focussed around the Romeit occurrence. An edited version of the description of the study area, provided in the EMRA report, follows:

The investigated (Romeit) area is covered by intermediate metavolcanics which are intruded by quartz diorite with sharp intrusive contacts. Felsic and trachyte dykes are emplaced into both metavolcanics rocks and quartz diorite.

Intermediate metavolcanics are well represented mainly as small outcrops in eastern, southern, western, and north-western parts of the studied area. They form ridges and hills of low to moderate relief at the northern and central parts of the area. They are fine grained, greenish-grey to pale-pink and are composed mainly of metamorphosed rhyolite, rhyodacite and andesite. The dominant foliation in the area strikes northwest. Quartz veins are common along foliation/schistosity planes. Intermediate metavolcanics are strongly affected by hydrothermal solutions producing alteration zones.

Bands of variably coloured marble occur at the southwestern and the north-eastern parts of the studied area where it occurs as discontinuous ridges. The marble bands extend for more than 1km with width ranging from 10 to 30m striking NE-SW, NW-SE and N-S and dipping vertically. The marble bands are fine-grained and calcitic with iron oxides impurities. Quartz veinlets are common.

Quartz diorite crops out mainly at the central and north-western parts of the area forming low to moderate relief in the north and high relief in the east. It has variable colours, medium to coarse-grained, massive, and deformed. It is foliated and sheared particularly along fault planes. The foliation strikes NE-SW and dips to NW direction by an angle ranging from 50° to 70°. Quartz diorite is characterized by absence of xenoliths and greatly varies in quartz content. This rock forms the country rock of the Romeit gold-bearing zones.

Romeit gold mine area is also intruded by several types of dykes.

The mineralisation at the Romeit occurrence displays complex structural history; it is controlled by shearing and folding. The shearing is defined in NNE-SSE, NE-SW, NNW-SSE and N-S trends followed by folding anticlines and synclines structures with axial planes take NNE-SSW and NE-SW directions. These fold axial trends may be superimposed on an earlier folding with NW-SE axial plane. Faults intersected the area in three sets arranged as follows: NW-SE, NE-SW and N-S and less pronounced E-W faults.

Romeit

The host rock to gold mineralisation at Romeit consists essentially entirely of a phaneritic, equigranular to weakly porphyritic dioritic intrusion (calc-alkaline quartz-diorite) that has been variably deformed along significant curvilinear corridors of ductile deformation oriented to the N and NNE but displaying considerable departure from these trends (the reader is referred to Zoheir, 2020, for a description of this geology). Gold mineralisation occurs within quartz and quartz carbonate veins and adjacent altered host-rock within the broader deformation zones. Barren, quartz veins commonly occur at Romeit displaying open space textures, striking NW and dipping at shallow angles to the SW. Other bedrock lithologies mapped in the immediate area are occurrences of mafic metavolcanic rock that do not appear to be mineralised and may be in fault contact with the diorite (in the extreme north of the Romeit occurrence metavolcanic rock is substantial) and minor mafic dykes. Dimensions of the diorite outcrop in the immediate vicinity of the Romeit occurrence are circa 2km x 3km but the extent of diorite is regionally more extensive, and deformation and mineralisation occur to some degree over greater than 5km x 5km area around the Romeit occurrence and including the Romeit East occurrence.

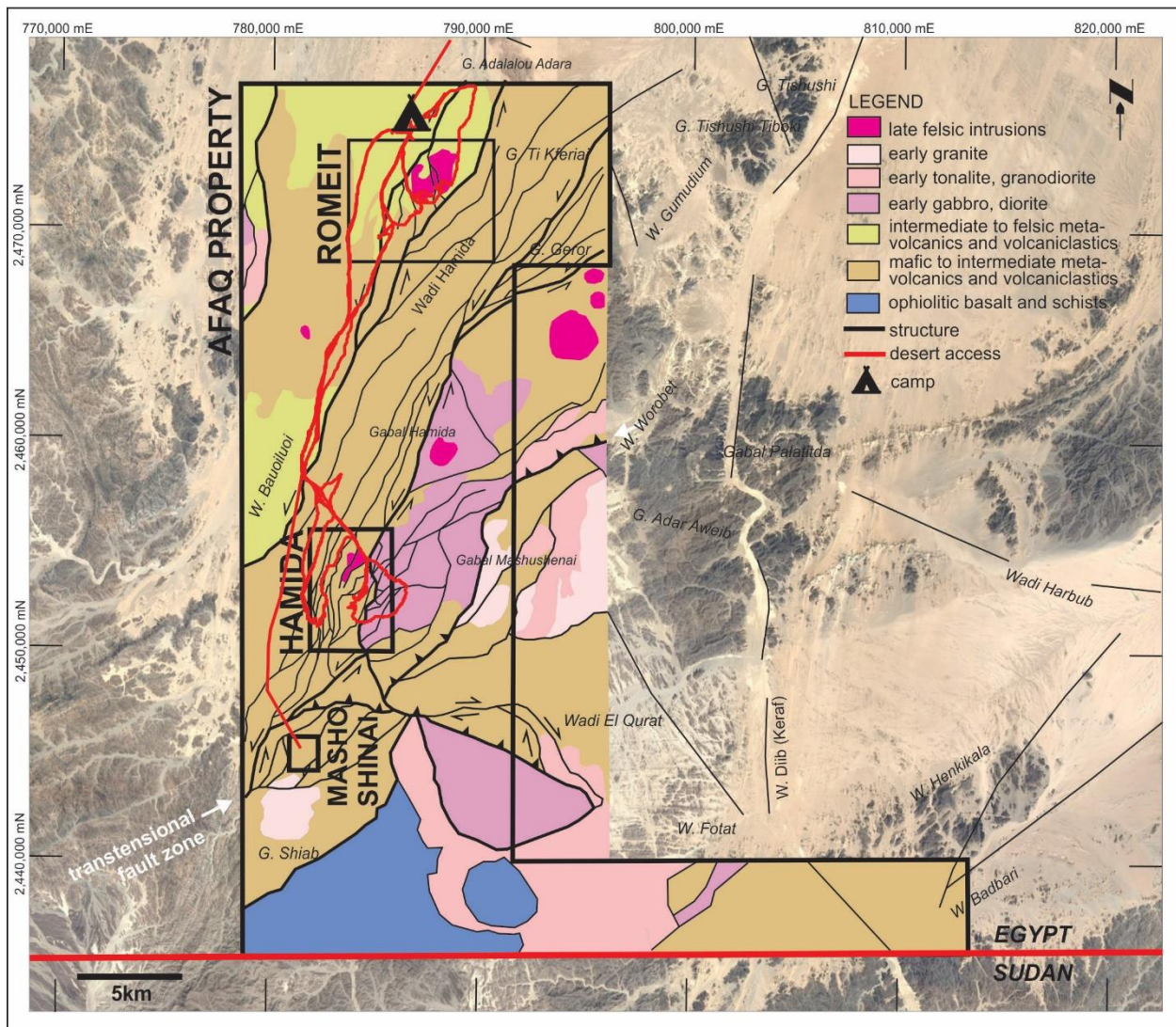


Figure 7. West Elbah Concession Property Geology (modified after Baker, 2019)

The deformation observed at Romeit is interpreted to be a splay from the N-S trending, regionally significant, Hamisana Shear Zone or secondary and subordinate structures related to it. The Hamisana Shear Zone is composed of a mylonitic assemblage that separates distinct geologic terranes to the NW and SE in the AFAQ Concession Area.

A comprehensive description of the geology, deformation, and mineralisation of the Romeit area was completed by Dr. Basem Zoheir (Zoheir, 2020).

Romeit East

The Romeit East area is covered by felsic to intermediate metavolcanic and pyroclastic rocks. The metavolcanics are intruded by both diorite and granite.

Deformation in the area comprises a dextral strike-slip faults-oriented NE and NW. These faults displace pre-existing features such as faults, thrusts, folds, and lithological contacts and are likely subordinate to a regional network of wrench faults that transect the Eastern Desert.

Gold mineralisation at the Romeit East occurrence (as at the Romeit occurrence) is confined to strongly deformed quartz-diorite and localised within NNE trending shear or fault zones that demonstrate a reverse and sinistral sense of motion based on kinematic indicators. Again, as at the main Romeit Occurrence gold occurs in quartz and quartz-carbonate veins and associated alteration zones characterised by Fe-carbonate mineralisation and silicification and common oxidised pyrite. The veins demonstrate pinch and swell texture and vary in thickness from a few centimetres to approximately 3m. The veins trend NNE and dip steeply to the NW. Calcite bearing smoky quartz veins with chalcopyrite have been excavated by artisanal miners. These veins are NNE trending and hosted by highly fractured and carbonatised, silicified, sulphidised, and less abundantly chloritised and sericitised diorite; they are up to 50m wide and 1km along strike.

Hamida

The Hamida occurrence is an extensive domain of deformed and altered metavolcanic rock that was the site of historic gold exploitation. It is composed of mainly island-arc metavolcanics and related meta-volcaniclastics – ranging from mafic to felsic compositions. All of the volcanic stratigraphy has been intruded by diorite dykes – foliated and unfoliated. Small masses of late and post orogenic granite further intruded the metavolcanic rocks and the diorite. Commonly observed fine grained mafic dykes and aplite dykes transect all rock types – most commonly striking NNE.

The most prominent structural feature at the Hamida occurrence is an extensive shear zone, trending ENE (although locally deflecting significantly from this orientation) and composed of branching and re-joining domains of chlorite schist. Observation of the intense schistosity and sigmoidal indicators as well as isoclinal folds and evidence of recrystallisation indicate that ductile deformation prevailed within the zone. The shear zone is transected by NNE and NNW trending shears/faults characterised by mylonitisation and sinistral displacement along the NNE features while dextral motion occurred along NNW trending faults.

Widespread iron-carbonate alteration \pm silicification (in places the host schist is pervasively silicified), kaolinisation and other carbonate (calcite) is evident from the broad buff-coloured areas visible on the hills at Hamida. The alteration occurs in domains that range from 2 to 20 m and can be up to several hundred metres along strike - they typically strike NE dip SE to NW.

Quartz veining is quite common, particularly hosted by metavolcanic rock but also in diorite and granite. They are composed of white-grey quartz as well as a malachite bearing set. They typically strike NE and vary from <1cm to > 2m width (as observed to date), are up to 50m along strike and can occur individually or more commonly as sub-parallel sets and occasionally as extensive swarms. In places (particularly in the southwest part of the currently mapped area) the veins are transected by narrow, iron-oxide bearing veins that locally form stockworks. Observation of waste dumps at archaeological sites (rod stone huts) demonstrates that the malachite bearing quartz veins are the source of much of the gold recovered historically.

Sulphide mineralisation or its altered/oxidised product (predominantly pyrite observed) is ubiquitous in quartz veins although at low concentration (again where observed). Goethite after euhedral/subhedral pyrite) is commonly observed in host rock.

The Hamida occurrence presents an exceptionally large altered and mineralised system – much larger in scope than the Romeit occurrence. The aim of exploration in the area will be to isolate those areas of the system that present the highest potential for mineralisation of economic significance.

Masho Shinai

The Masho Shinai occurrence is located in the south of the AFAQ project. Also, the site of historic work, the area is composed primarily of sheared intermediate to mafic metavolcanics cut by gabbro-diorite and tonalite-granodiorite intrusions.

6.3 Mineralisation and Deposit Type

At the western Elbah concession the observed style of mineralisation and alteration is consistent with emplacement as structurally hosted, mesothermal, vein-type, or orogenic, gold mineralisation. The observed features include:

- host rock comprising highly deformed island arc metavolcanics and granitoid intrusions.
- spatially associated as secondary or tertiary splay from the Hamisana shear zone.
- presence of quartz and quartz-carbonate veining spatially associated with, and controlled by, ductile deformation zones.
- alteration and mineralisation assemblages dominated by quartz-sericite-chlorite-carbonate-sulphide-gold (trace).

The reader is referred to Zoheir (2020) for a review of orogenic gold mineralisation in the Eastern Desert.

7.0 PREVIOUS EXPLORATION BY AFAQ

AFAQ Mining has been conducting an active exploration program since the beginning of 2019. The intent of the work program is to comprehensively evaluate AFAQ's West Elbah Concession Area using modern exploration techniques. Details of the work program will be detailed later in this report.

7.1 *October 2018 Site Visit*

Prior to finalizing the agreement with Shalateen, AFAQ conducted a site visit to evaluate the potential of the property. During the visit 110 samples were collected from quartz veins, alteration zones, tailings, and alluvial/wadi deposits around the Romeit and Hamida occurrences.

7.2 *2019 Work Programs – January to December*

7.2.1 2021 Q1 Program – January to March

The West Elbah Concession Area commenced, and the following was conducted during the quarter (refer to Jones, 2019a for a complete listing of all work conducted):

- 1) Satellite Image Interpretation - an interpretation of Aster imagery was carried out over the AFAQ Elbah concession in the Eastern Desert of Egypt to map lithology and structure, to identify any exposed alteration, and to understand controls on gold mineralisation. The area studied measures 619 km². The 1:30,000 scale study was based entirely on Aster imagery, without the use of field data. Higher resolution Digital Globe imagery was downloaded from Google Earth for the three areas of interest – Romeit, Hamida, Masho Shinai.

Based on the known mineralisation elsewhere in the region, the following deposit models are applicable here:

- quartz stockworks and veins in dilational shear structures cutting intrusives and adjacent mafic metavolcanics
- zones of intense, possibly radial, fracturing in granite plutons, for example over concealed younger stocks
- vein and contact deposits associated with late intrusions, particularly in trans-tensional zones

Based on the results of this remote sensing study, the major regional structures controlling the movement of hydrothermal fluids are:

- north-south extensional zones developed between pairs of north-northeast trending faults because of late left-lateral shearing, particularly where late intrusions were emplaced
- northeast trending trans-tensional zones

- the inferred north-northeast trending terrane boundary, particularly where rigid intrusive rocks are in contact with the main fault zone and the boundary is kinked
- 2) Mapping - the objective of the mapping program was to detail the local geology of the Romeit area at large scale (1:500), focusing on vein geometry and mineralisation, alteration associated with veining and structural features. Extensive sampling was conducted in conjunction with the mapping. The purpose of this work is to provide a basis for future detailed sampling, trenching and diamond drilling.

North-south traverses employing the UTM grid was employed for field control – line spacing of 50m was employed as a basis for the traverses. In this way a total of 0.57 km² was covered over the Romeit occurrence. Standard international codes and nomenclature were used for the mapping.

The field crew was tasked with systematically traversing the environs of the occurrence recording:

- a. Lithologies - mapping rock types with standardised nomenclature, relatively simple here as a limited number of lithologies underlie the subject area
 - b. Structural domains/shear zones (including structural measurements). Mapping and measurement of shear zones and mylonite zones. Measurement of structural features – notably schistosity if present
 - c. Alteration – record presence of alteration mineralisation. Minerals such as hematite, ankerite, chlorite, sericite have been noted to date.
 - d. Detailed observations of veining. Mapping, measurement of orientation of all veining encountered (from cm to m scale veins).
 - e. Metallic mineralisation - record any occurrence of metallic minerals, within veins or host rocks.
 - f. Sampling – collect samples for analysis as appropriate.
- 3) Sampling - a sampling program was conducted in conjunction with the detailed field mapping. As traversing progressed samples were consistently collected from quartz veining, alteration zones and deformation zones. The intent of the sampling was to characterise the distribution of gold mineralisation. In January and February 2019, a total of 1000 samples were collected comprised of 879 grab samples, 42 standard samples, 40 field duplicate samples and 39 field blank samples. In total 458 samples were collected from alteration zones, 439 samples are from quartz veins, 17 samples are from deformation zones and 4 samples were collected from mafic dykes. In March, an additional 650 samples were collected comprised of 572 grab samples, 26 standard samples, 26 field duplicates and 26 field blank samples.

Remote Sensing Interpretation of Elbah concession, Egypt
 Michael Baker - Geological Consultant

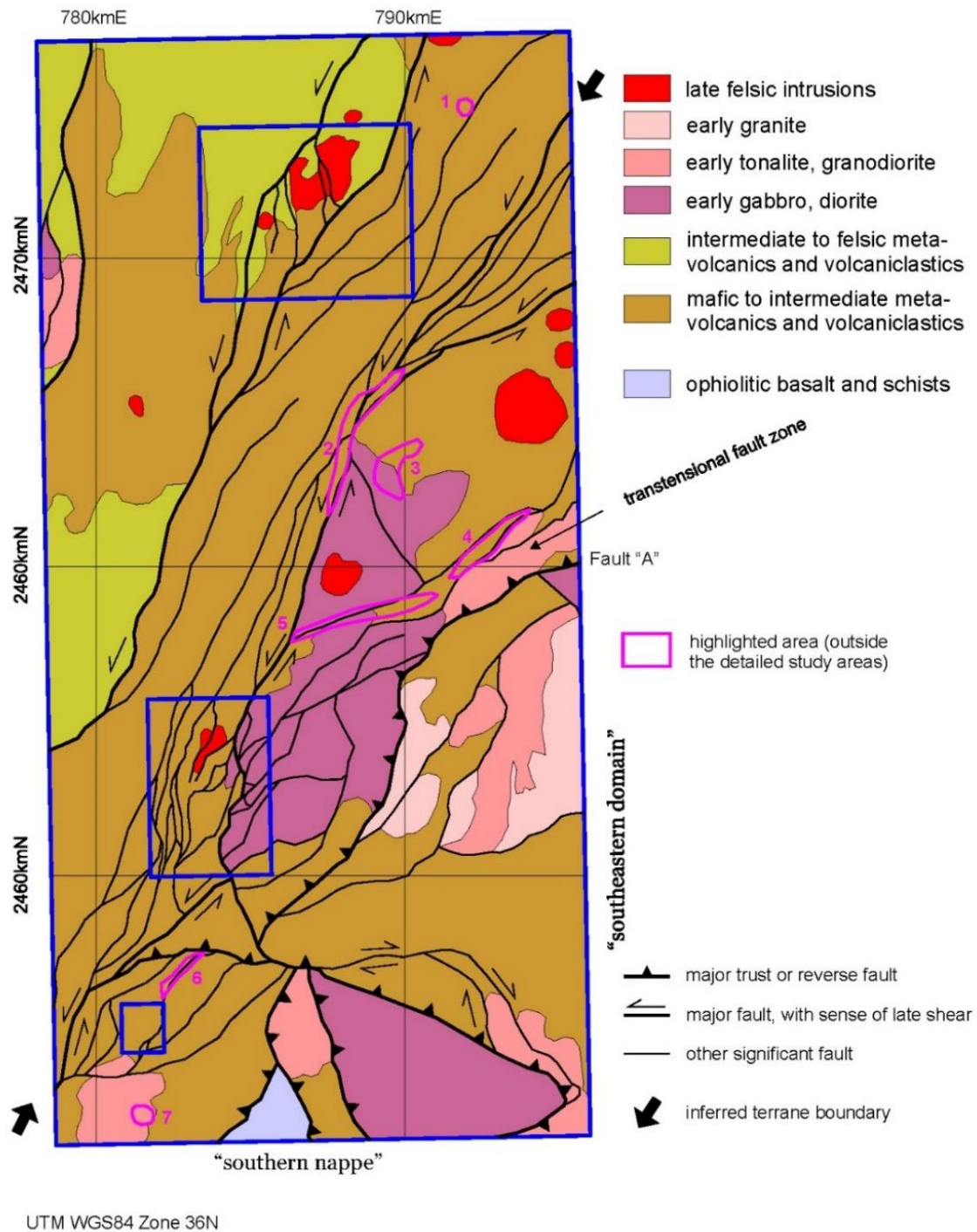


Figure 8. Satellite Interpretation Map Covering the Entire Extent of the AFAQ Elbah Concession Area (Baker, 2019)

7.2.2 2019 Q2 Program – April to June

During Q2/2019, the work program on the West Elbah Concession Area continued with the following work being conducted (see Jones and Giroux, 2019b for a more complete summary of work conducted):

- 1) Continuation and completion of the 1:500 detailed mapping of the Romeit occurrence started in Q1. By the end of the Q2 work period the entire Romeit occurrence area had been mapped in detail and a comprehensive grab-sampling program conducted. A smaller-scale mapping of areas peripheral to Romeit commenced to quickly evaluate the potential for gold mineralisation at some distance from the main Romeit mineralisation prior to moving to other areas of the Western Elbah Concession.
- 2) Limited reconnaissance sampling at Masho Shinai occurrence focussing on the zones of interpreted alteration /mineralisation identified in the satellite image interpretation completed in Q1.
- 3) Ongoing compilation and interpretation of all new geological and geochemical data.
- 4) Determination of the geophysical survey requirements for the Romeit area. Requests for proposals forwarded to several geophysical contractors.
- 5) Quality assurance and quality control (QA/QC) analysis of all samples collected during Q2/2019. The results demonstrated that the sample standards and blanks inserted into the sample stream are returning predictable and reproduceable values in accordance with analytical expectations. This indicates that the analytical results for the grab samples provided by the ALS Romania laboratory are accurate and verifiable.
- 6) During Q2 a pilot study was initiated to evaluate the placer gold potential of alluvial sediments in the Romeit. Ten sites were selected in areas covered by alluvial sediment in an arc south and west of the Romeit occurrence gold mineralisation. Samples were collected during Q3.
- 7) During Q2/2019, 2350 samples were collected from the Romeit Area including 2069 rock grab samples, 94 reference standard samples, 93 field duplicate samples, and 94 field blank samples. 50 other samples were collected for whole rock analysis.
- 8) Additionally, 75 samples were collected during reconnaissance sampling at Masho Shinai including 66 grab samples. 3 standard samples, 3 field duplicates, and 3 field blank samples.

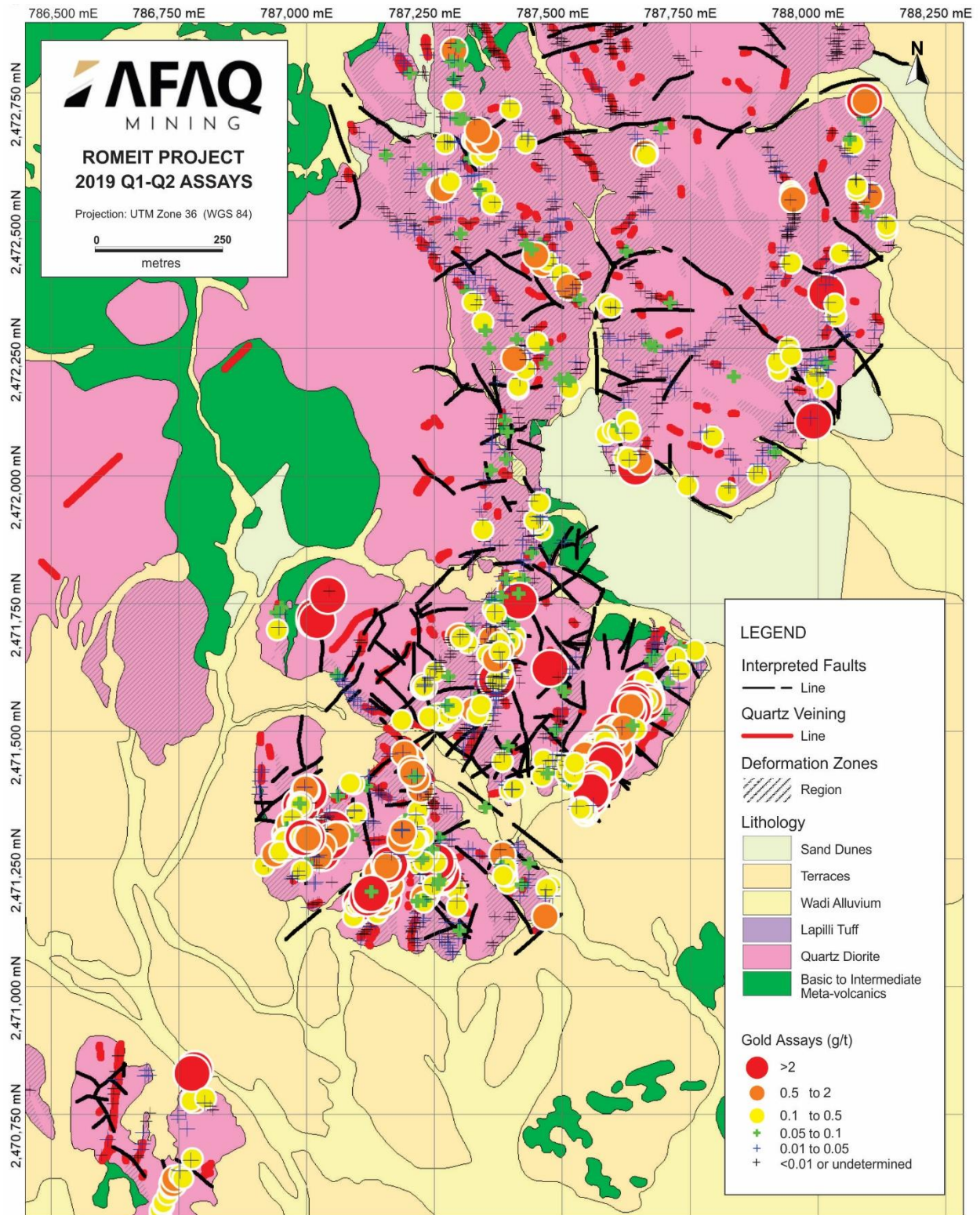


Figure 9. Domains of elevated values from (south) Romeit Au analyses (2019 Q2)

7.2.3 2019 Q3 Program – July to September

In the third quarter commencing in July 2019, field work continued in the Romeit area and started to expand across the Elbah Concession. Work included:

- 1) Digitisation of the entire geologically mapped and sampled Romeit occurrence area. All samples collected from the occurrence were submitted for analysis.
- 2) Expansion of the field mapping and sampling area to the extensive, deformed, Hamida occurrence, commencing in September 2019. Two map sheets comprising a total area of 1.75 km² were completed at a scale of 1:1000 during the work rotation and 400 samples were collected. The mapping of the Hamida area continued into Q4/2019.
- 3) Receipt of proposals for geophysical survey proposals from several contractors followed by discussion regarding surveying requirements and logistics (Q2/Q3). The contractors were then ranked on their suitability to conduct the proposed work-program and proposals provided to Shalateen/EMRA.
- 4) During Q2/2019 a pilot study was initiated to evaluate the placer gold potential of alluvial sediments in the Romeit. Discussions were held with Overburden Drilling Management (ODM) based in Ottawa, Canada regarding processing of alluvial samples for placer potential evaluation. ODM is a laboratory specialising in characterising gold and other mineralisation in sediment covered terrain. A sample processing flow sheet was proposed and agreed for the work and ten sites were selected in areas covered by alluvial sediment in an arc south and west of the Romeit occurrence gold mineralisation. The alluvial samples collected during Q3/2019 and delivered to ODM in Canada in Q4/2019.
- 5) During Q3/2019, analytical results were received for samples collected in Q2/2019. Results were received for 1035 rock samples (RG), 47 field blanks (FB), 46 field duplicates (FD), and 47 standards (SD) from the Romeit Prospect collected during Q2 and submitted in June 2019. Additionally, results were received for 66 rock samples, 3 field blanks, 3 field duplicates, and 3 standards collected during reconnaissance sampling of the Masho Shinai prospect in Q2/2019 (see appendices Jones & Giroux, 2019c).

7.2.4 2019 Q4 Program – October to December

During Q4/2019, the work program on the West Elbah Concession Area continued following a two-month summer hiatus (July-August). For a more complete summary of work conducted, refer to Jones and Giroux, 2020a.

The principal objective of the field program was to continue to expand mapping and sampling coverage across the prospective areas of the western Elbah concession. In addition, continued

evaluation of the proposed geophysical survey was conducted, including meeting with a geophysical contractor to further detail the proposed program with the intention of refining the proposal. Work during the quarter included:

- 1) Analysis and interpretation of the sediment samples collected for alluvial prospecting in Q3/2019.
- 2) At the Hamida occurrence, approximately 18km to the south of the Romeit occurrence, approximately 3.5km of mapping was completed during Q4/2019 along the strike of the deformed corridor. 2442 samples were collected for analysis. In total, the five sheets mapped at Hamida at a scale of 1:1000 cover a total area of 4.375 km² (0.875 km² for each one).
- 3) Additional mapping and sampling to the east of the previously completed Romeit mapping (an area now designated the Romeit East Showing). Romeit East is an outcropping area approximately 1.5 to 2.0 km to the east of the main Romeit Area. At Romeit East, three sheets with a total area of 2.1 km² were mapped. The area is considered prospective because of the presence of quartz veining that has been excavated by a previous artisanal operation(s). Visible gold has been identified highlighting the potential. Mapping was conducted over approximately 2km of strike and 528 samples were collected for analysis.
- 4) During Q3/2019, alluvial samples were collected from ten sites around the southern part of the Romeit occurrence – designated samples RA001 through RA010 inclusive. A description of the sampling procedure is included in the Q2/2019 report (Jones and Giroux 2019b). The results from the alluvial sample processing of the samples, conducted by Overburden Drilling Management Limited (ODM), were received in Q4/2019 and ODM's report was included in the appendices of Jones and Giroux, 2020a.

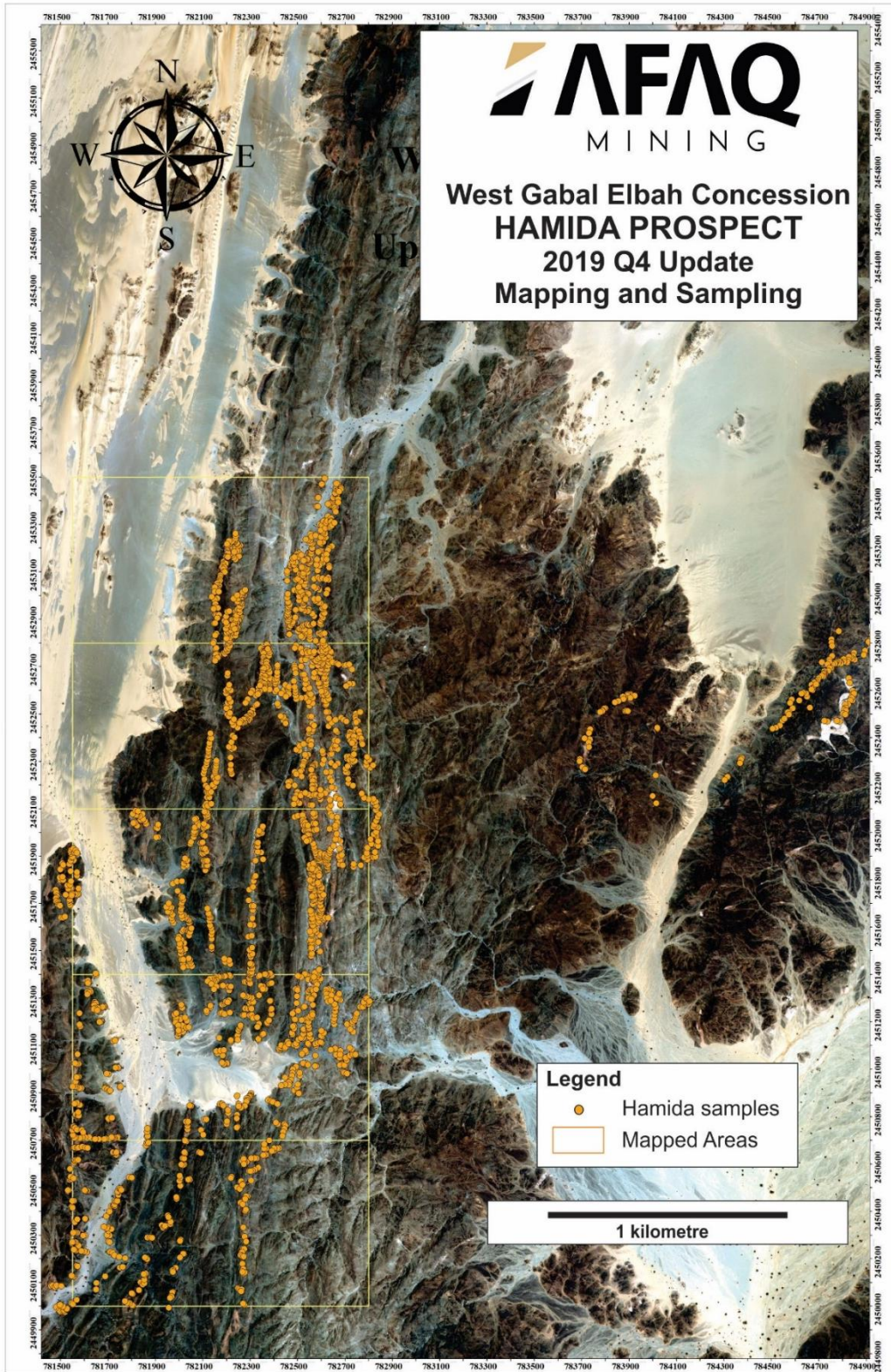


Figure 10. Hamida Sampling September to December 2019 (Q3-Q4)

7.3 2020 Work Programs – January to December

7.3.1 2020 Q1 Program – January to March

During the first quarter (Q1) of 2020, the field program on the West Elbah Concession Area continued with further mapping of the Romeit East and Hamida occurrences and continued accumulation of samples for analytical purposes from prospective areas. The field component of the AFAQ work program was curtailed in March because of the outbreak of the Covid-19 virus and restrictions resulting from health and safety concerns for field personnel. The following was conducted during the quarter (see Jones and Giroux, 2020b for a more complete summary):

- 1) Extension of mapping and sampling coverage at the Romeit East area where work was started in Q4/2019. Two map sheets were completed (for a total of five sheets) – a total of 3.64km² has now been covered by the mapping (see Figure 10). All Romeit East map sheets have been digitised. The area is considered prospective because of the presence of quartz veining that has been excavated by a previous artisanal operation(s) where visible gold has been identified, highlighting the potential. Mapping was conducted over approximately 2km of strike and 528 additional grab samples were collected for analysis.
- 2) Mapping and sampling also continued at the Hamida occurrence to expand coverage of this extensive linear deformation and alteration zone that occupies terrane near the centre of the western Elbah Concession. Five sheets were mapped at a scale of 1:1000 for a total area of 4.375 km² (0.875 km² for each one). The digitisation of one of the sheets into vector layers was completed during Q1/2020. By year end 2020, 2775 samples had been collected for analysis from the Hamida Prospect.

7.3.2 2020 Q2 Program – April to June

Once field crews were able to safely travel and work the field program recommenced in June 2020 on the West Elbah Concession after being curtailed during Q1/2020 because of the outbreak of the Covid-19 pandemic and restrictions resulting from health and safety concerns for field personnel. Work completed included:

- 1) At the Hamida occurrence, to date approximately 4.375 km² of large scale (1:1000) mapping and sampling coverage has been completed. In Q2/2020 the digitisation of two additional map sheets for Hamida was completed (Figure 10).
- 2) Sampling of the Hamida area continued in Q2/2020 with 400 grab samples being collected (sample numbers 33601 through 34000). Samples were collected mainly from alteration zones and quartz veins.
- 3) In June and July 2020, a trenching and channel sampling program was started in the southern part of the Romeit occurrence. The objective of the trenching was to obtain

greater detailed knowledge of the geology, alteration, and mineralisation along known mineralised trends at Romeit. Channel sampling of the trenches was planned to provide an insight into the detailed distribution of gold (and other elements) at surface over well mineralised and altered domains and the adjacent and intervening deformed host rock.

Although up to 7500m of trenching and sampling was planned, technical difficulties with equipment resulted in the excavation of only ten short trenches totalling approximately 495m during the quarter. The descriptions of the trenches including logs, surveying information, sketch sections, sample information, and photos were included in the quarterly progress report for Q2/2020 (Jones and Giroux, 2020c).

A total of 172 samples (plus 15 QAQC samples) were collected from the trenches for analyses. The results were obtained in the fourth quarter of 2020.

7.3.3 2020 Q3 Program – July to September

The principal focus of work conducted during the Q3/2020 was to prepare for an upcoming reverse circulation (RC) drilling program at the Romeit occurrence. As such, work included:

- 1) Work to upgrade road access from the coastal highway to the AFAQ camp was initiated. On July 8, 2020, AFAQ signed a contract with United Mining Services for the preparation of drilling sites for the upcoming RC drilling program and for the design and preparation of an access road. The planned path for the 35-kilometre-long access road is from the Coastal Shalateen – Abu Ramad metalled road to the AFAQ camp. Work started on July 17th, 2020, with several interruptions to construction due to breakdowns and holidays; the road had not been completed as of the end of Q4/2020. Equipment used for the road construction includes: 1 bulldozer, 3 loaders, 9 trucks, 1 water tank, and 1 vibratory soil compactor.
- 2) A topographic survey was completed to produce an accurate digital surface model (DSM) for use in siting drill holes at the Romeit occurrence. An accurate topographic base map is necessary to establish good, custom, topographic control as work on the Romeit area advances. As such, Arab Nubia Group was commissioned in July 2020 to complete a satellite topographic survey and produce a digital surface model (DSM) that encompasses 45km² and covers the extended Romeit area. The survey used panchromatic WorldView-1 archive imagery dated on 15-Jan-2020 to produce the DSM with contours accurate to within ± 1 m. The DSM will provide accurate control for drill site selection, drill-pad, and road construction.



ROMEIT - ROMEIT EAST PROJECT

EXTENT OF DETAILED MAPPING AND SAMPLING Q1 2020

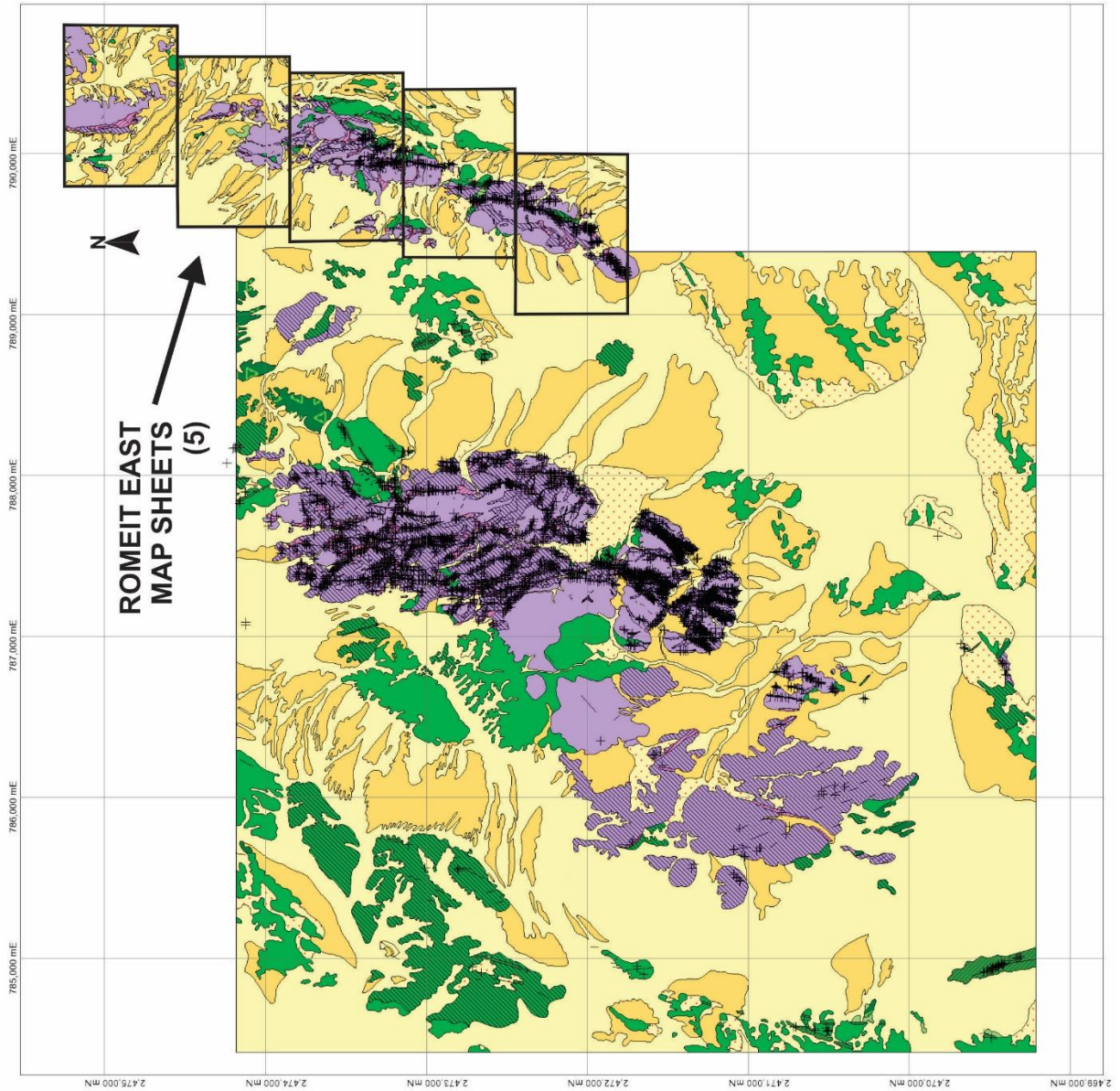


Figure 11. Extent of Detailed Mapping and Sampling at Romeit and Romeit East (Q1/2020)

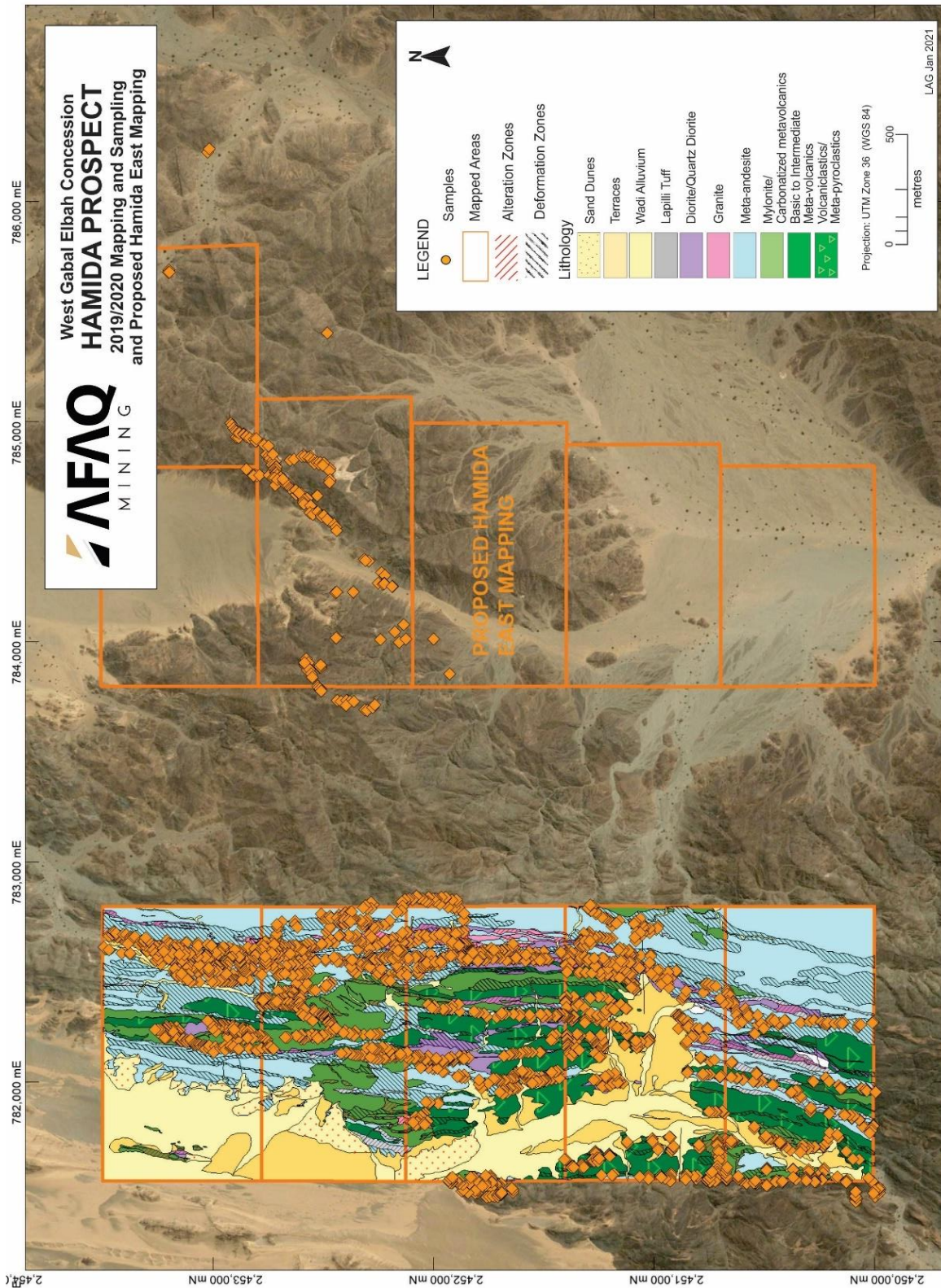


Figure 12. Updated Hamida Map Q2/2020 (Showing Proposed Additional Hamida East Mapping Coverage).

- 3) Logistical upgrades to the camp in preparation for a drilling program.
- 4) Preparation for the planned reverse circulation drilling program started in Q3/2020. Initial drill sites were selected based upon initial program objectives, a pre-determined drill-hole spacing and topographic considerations. Drill cross-sections for Target 1 and Target 2 (Figure 14) will initially be spaced at 100m, and down-dip intersections are planned at approximately 50m intervals to approximately 150m down-dip.

A program of systematic reverse circulation drilling was planned evaluate the subsurface extension to mineralisation observed at surface. The intent of the program being to conduct a “first pass” of drilling at several of the identified targets, focussing initially on Targets 1 and 2 but extending to other targets as the program progresses. The total initial number of holes to be drilled will be dependent on the results obtained but will likely be in the range of 50-60 for a total of at least 5000m of drilling. Initial drill profile spacing at the most prospective targets, targets 1 and 2, will be at or near 100m with multiple drill holes collared on each profile to intersect the down-dip expression of the surface exposures. The program will target to a vertical depth of approximately 100m initially. The distribution of veining at surface is likely similar in the sub-surface – sufficient drilling will be necessary to adequately evaluate such a distribution. As greater understanding of the characteristics of the mineralisation is developed the drill plan may be modified and extended and the drill hole/intersection density will likely need to be increased with additional drill holes in order to produce a resource estimate should continuity and grade prove acceptable to warrant such.
- 5) Reverse circulation drilling contract negotiation and execution. A contract was negotiated and executed with Saudi Company for Mining and Petroleum Services (AGC) to complete a minimum of 5,000m of reverse circulation drilling on the project – specifically at the Romeit occurrence.
- 6) During Q3/2020, ALS Global commenced operation at a preparation laboratory located in Marsa Alam. AFAQ entered a contract with ALS to prepare and ship samples from Marsa Alam to the ALS Romania analytical laboratory. During this quarter, 750 samples previously collected during mapping and sampling from the Romeit East area were processed at Marsa Alam and forwarded to the analytical laboratory. Results were received at the end of Q4/2020.
- 7) In September 2020, a technical report was prepared for AFAQ by Dr. Basem Zoheir titled ‘Controls and specifics of the Romite gold deposit, Southern Eastern Desert, Egypt’. The report summarized observations made by Dr. Zoheir during two site visits in October 2019 and September 2020.

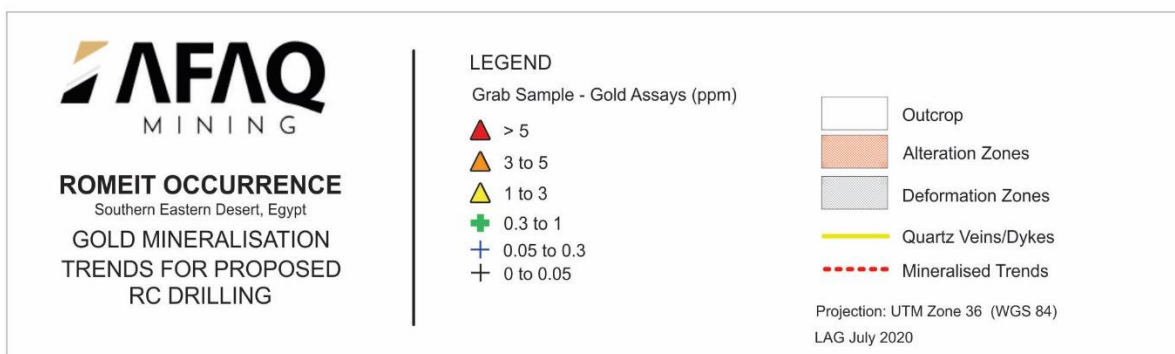
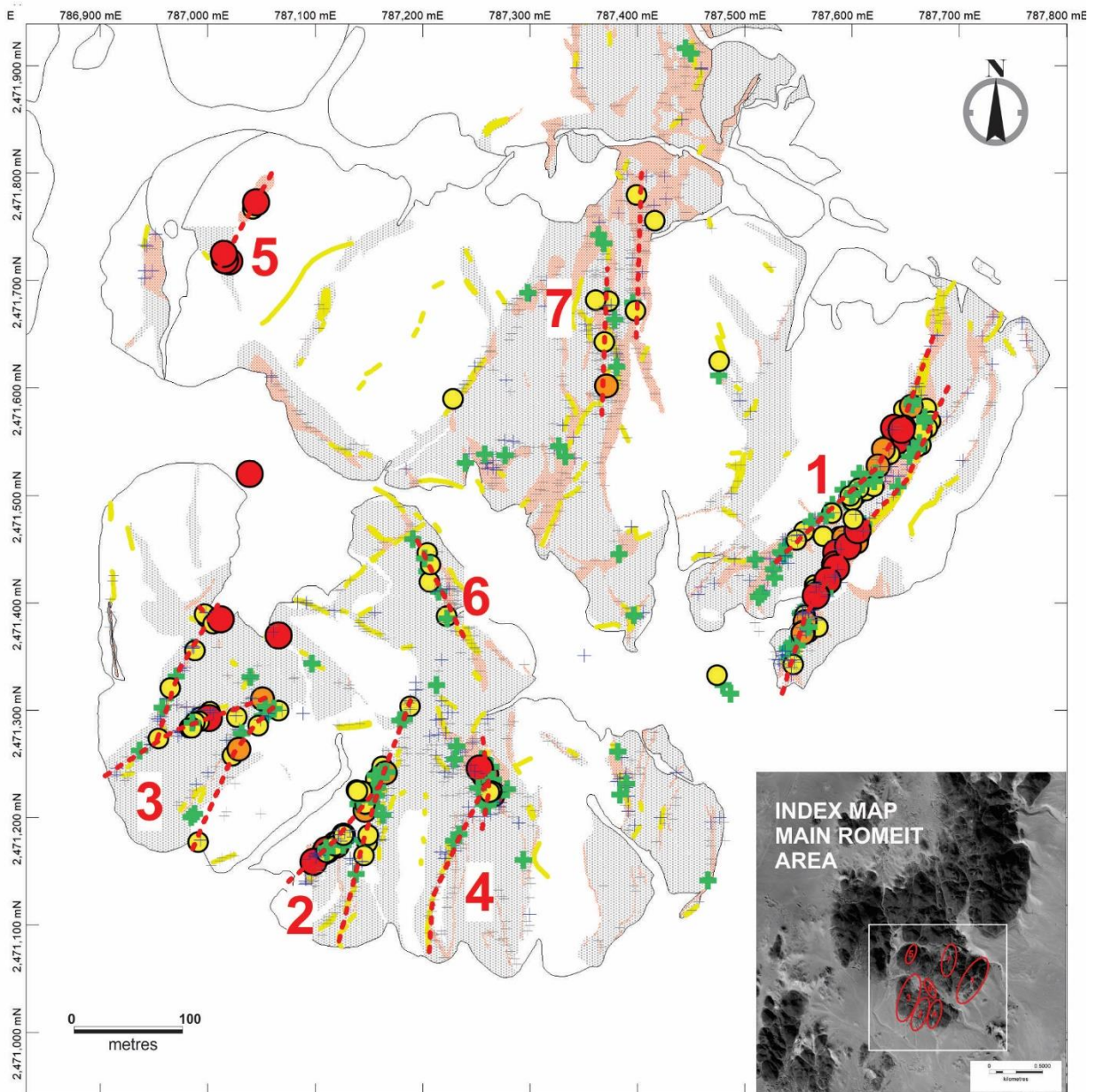


Figure 13. Romeit Gold Mineralisation Trends & Target Areas

7.3.4 2020 Q4 Program – October to December

During Q4/2020 the work program at the West Elbah concession continued to focus on preparation for the planned reverse circulation (RC) drilling program at the Romeit occurrence.

Work included:

- 1) Receival of five batches of analytical results for a total of 1175 samples (1034 grab samples, 141 QAQC samples) from the Romeit East area. The grab samples were collected during Q4/2019 and Q1/2020 and are thematically plotted on Figure 16. The sampling conducted by AFAQ has identified anomalous gold mineralisation discontinuously at surface along three kilometres of strike. Within the total strike length of anomalous results, two (possibly three if the northernmost cluster of samples is included) domains demonstrate greater concentration of higher gold tenor. The samples have an average gold grade of 0.083 ppm Au: ranging from <0.005 ppm Au (below detection) to 20.2 ppm Au. The sample grade distribution is inhomogeneous, and segments of the mineralised domain return a greater density of elevated values. The analytical results are sufficiently encouraging that additional mapping, measurement of structural detail, sampling, and possibly trenching is warranted on the occurrence.
- 2) Continued review, mapping, and field measurements at the Romeit drill targets – particularly pertaining to geometry of mineralised domains. Continued evaluation and planning for the anticipated RC drilling on the drill profiles of Target 1 and Target 2 to characterise the deformed, altered, and gold mineralised domains that form the targets for the planned RC drill holes. The detailed surface data obtained from the trenching and sampling can be correlated with intersections with similar characteristics obtained in drill holes.
- 3) Trenching and channel sampling commenced on drill profiles. 18 trenches completed at Target 1 and Target 2 comprising 403.2m have been excavated using hand-held percussion hammers (jack hammers). The trenches are aligned along the cross-section drill profile and are excavated to sufficient depth to obtain clean bed-rock samples for analysis. Analytical samples, 275 in total, were collected continuously along portions of each trench, and an additional 18 QAQC samples were inserted into the sample sequence.
- 4) Additional work was conducted in defining targets and drilling elsewhere at Romeit during Q4 – see target locations at Romeit in Figure 13. The field crew examined target areas 3 through 6 in detail, obtaining additional structural measurements and determining practical sites and access for drilling equipment. This information is currently being incorporated into more detailed drill hole planning.
- 5) Work continued on the construction of the upgraded road access from the coastal highway to the AFAQ camp. The upgraded desert road is intended to connect the coastal, metalled Shalateen – Abu Ramad Road with the AFAQ camp - a distance of 35 km. The desert road will join the coastal road at about 70km south of the town of Shalateen. Progress has been delayed due to equipment availability issues. To date 10km of the road

is completed with a further 12.4km partially complete. Work on the remaining 12.6km of road closest to the AFAQ camp remains to be started.

- 6) In December 2020, a contract for drill pad and drill road construction was executed with the contractor Reliance Heavy Industries (RHI). The intention being for RHI to mobilise equipment to site in early January 2021 to commence work on drill pads for Target 1 and Target 2.
- 7) Camp facilities expanded in preparation for expanded crew upon commencement of drilling.
- 8) During the quarter 2554 samples were submitted for analysis to ALS Marsa Alam and 1362 analyses were received from ALS Romania.

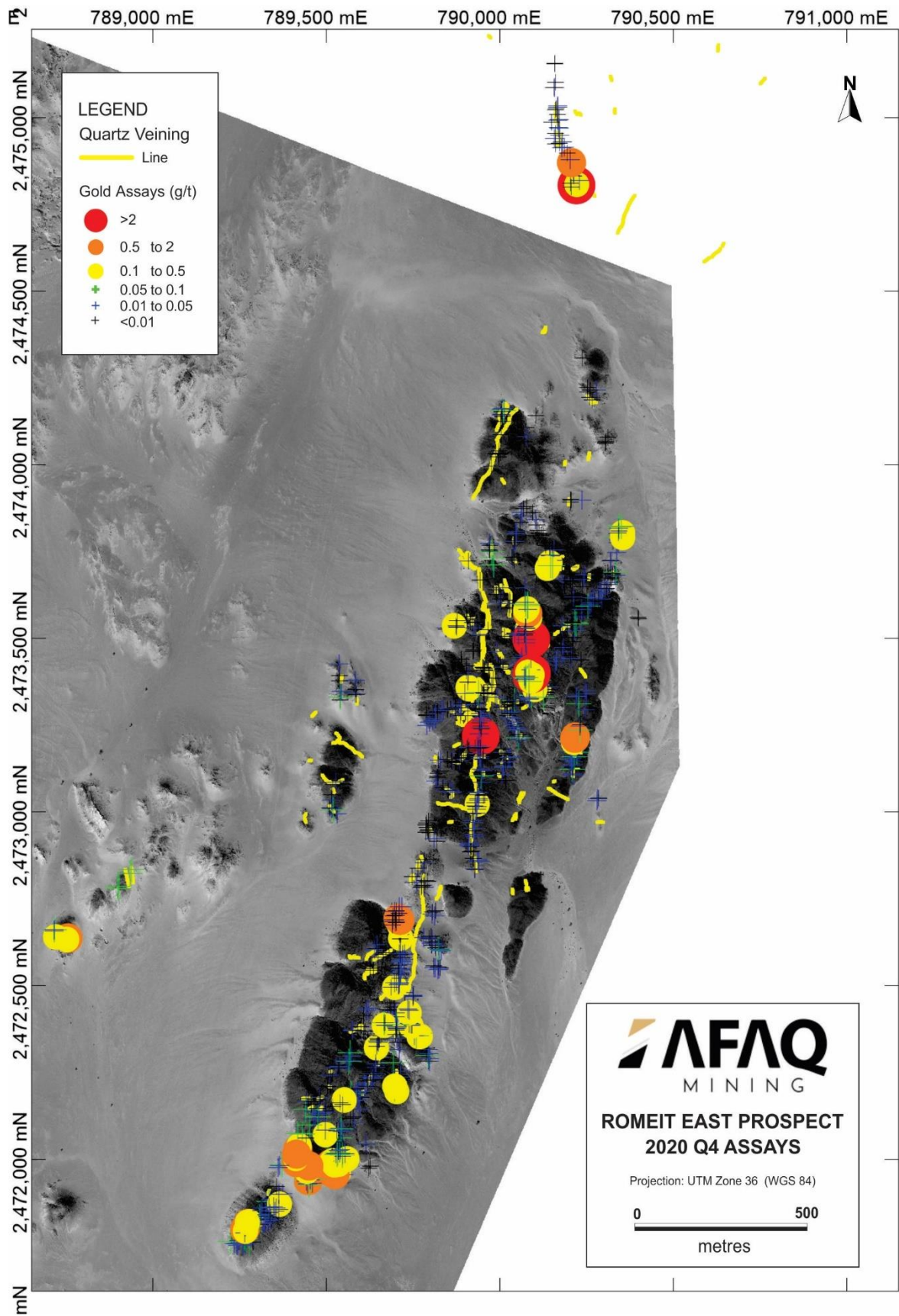


Figure 14. Romeit East Prospect - Assays

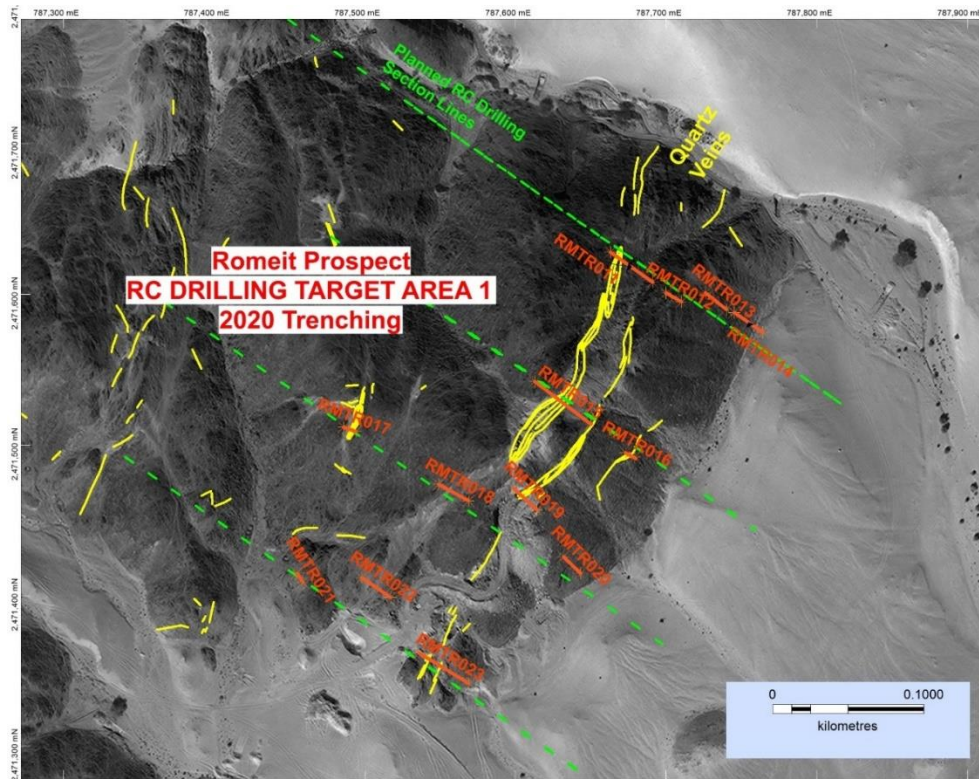


Figure 15. 2020 Trenching Locations (RMTR011→RMTR023) for RC Target Area 1

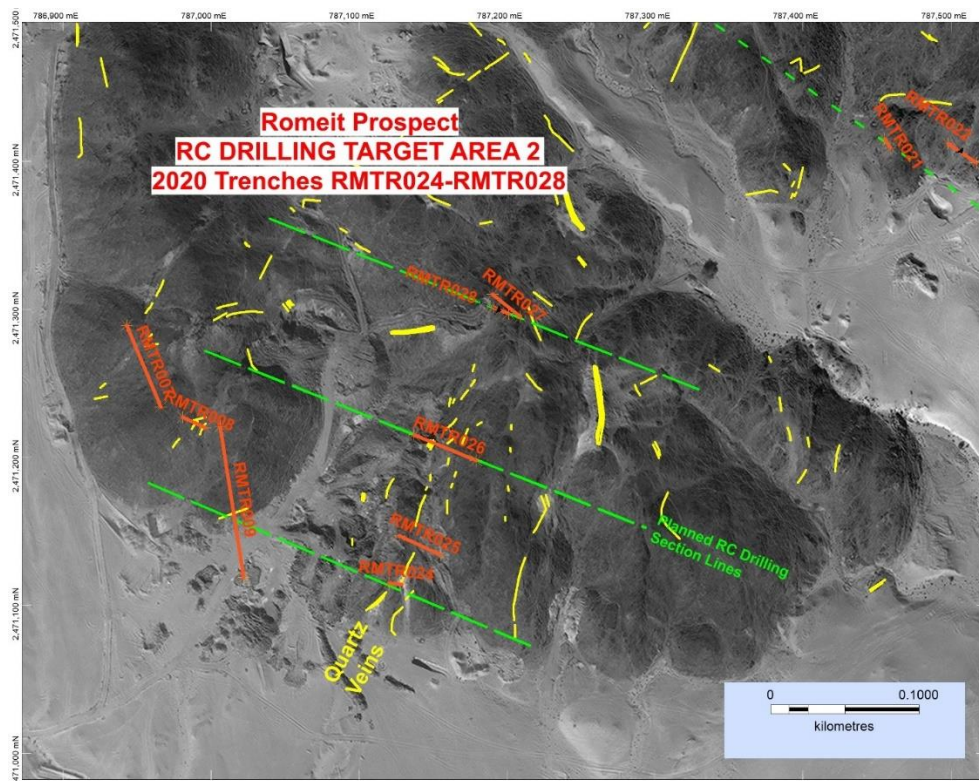


Figure 16. 2020 Trenching Locations (RMTR024→RMTR028) for RC Target Area 2

7.4 2021 Work Programs

7.4.1 2021 Q1 Program – January to March

During the first quarter (Q1) of 2021, preparation continued at the West Elbah concession for the upcoming reverse circulation (RC) drilling program at the Romeit occurrence. Work included:

- 1) Continued review, mapping, and field measurements at the Romeit drill targets – particularly pertaining to geometry of mineralised domains. A program of systematic reverse circulation drilling will be implemented to evaluate the subsurface extension to mineralisation observed at surface. As previously noted, the first phase of the drill program will produce a “first pass” at a number of the identified targets, focussing initially on Targets 1 and 2 but extending to other targets as the program progresses. The intent of this program will be to obtain a distribution of intersections demonstrating that alteration and gold mineralisation in the subsurface reflects the observations and results obtained from the mapping program at surface. Should this occur an initial assessment of continuity, grade and dimension will take place that will likely lead to the need for additional “in-fill” drilling – to provide greater confidence in the initial observations and results.
- 2) Trenching and channel sampling along planned drill profiles. An additional eight (8) trenches were completed in the target 3 and 4 areas (see Figure 14) in the first quarter, RMTR029 - RMTR036.
- 3) Reliance Heavy Industries (RHI) commenced work on drill pad construction – completing pads for targets 1 and 2. In December 2020, a contract for drill pad and drill road construction was executed with the contractor (RHI and equipment was mobilised to the site early in the first quarter. Drill pads for Targets 1 and Target 2 were completed.
- 4) Additional drilling contractors were contacted in case of delay of current contractor or future need.
- 5) No additional progress was made on the upgraded desert road to the AFAQ camp due to ongoing equipment shortages.
- 6) During the first quarter, field maps for the Hamida East area were partially digitized into GIS format. An area of approximately 4.65 square kilometres will have been mapped for the Hamida East area. The digitization of three of those map sheets covering about 2.3 km² was completed. The Hamida East area is approximately 1 kilometre east of the main Hamida area (an area of 4.37km²). No additional sampling was undertaken during Q1. No additional analytical results were received in the quarter.
- 7) AFAQ Mining was granted a two-year extension to the duration of the Western Elbah concession license, starting from 5 December 2020.

7.4.2 2021 Q2 Program – April to June

During the second quarter (Q2) of 2021, preparation continued at the West Elbah concession for the upcoming reverse circulation (RC) drilling program at the Romeit occurrence. Additional work, including sampling and structural mapping, was also undertaken on the Hamida East area during the quarter.

Work at Romeit included:

- 1) Planning for the upcoming reverse circulation drilling program continued in the second quarter of 2021. Continued review, mapping, and field measurements at the Romeit drill targets – particularly pertaining to geometry of mineralised domains. Work included additional field investigations of target areas 1, 2, 3, 4, and 7. Sites were reviewed for topographic accessibility, geological structure, and analytical results. Modifications to the drill plan and hypothetical drill sections were provided.
- 2) Trenching and channel sampling along planned drill profiles – 14 additional trenches (RMT037→RMT050) completed. Analytical results, plan maps and sections for the trenches were not received during the quarter.
- 3) Digitisation into GIS format of a fourth sheet map sheet for Hamida East was completed. This increased the total digitized area to 3.27 km². During the Q1 and Q2 2021, 1250 samples (642001 - 643250) were collected from the East Hamida area. Four (4) batches of the samples (900; 642001 - 642900) were dispatched in June 2021. Results for an additional 3175 samples (17 dispatches) previously collected from the main Hamida area were still pending.
- 4) Reliance Heavy Industries (RHI) continued work on access roads and drill pad construction – completing pads for targets 3 and 4.

No progress was made during Q1 or Q2 2021 on construction of the upgraded desert road intended to connect the coastal, metalled Shalateen – Abu Ramad Road with the AFAQ camp over 35 km. Work remained stalled due to equipment availability issues.

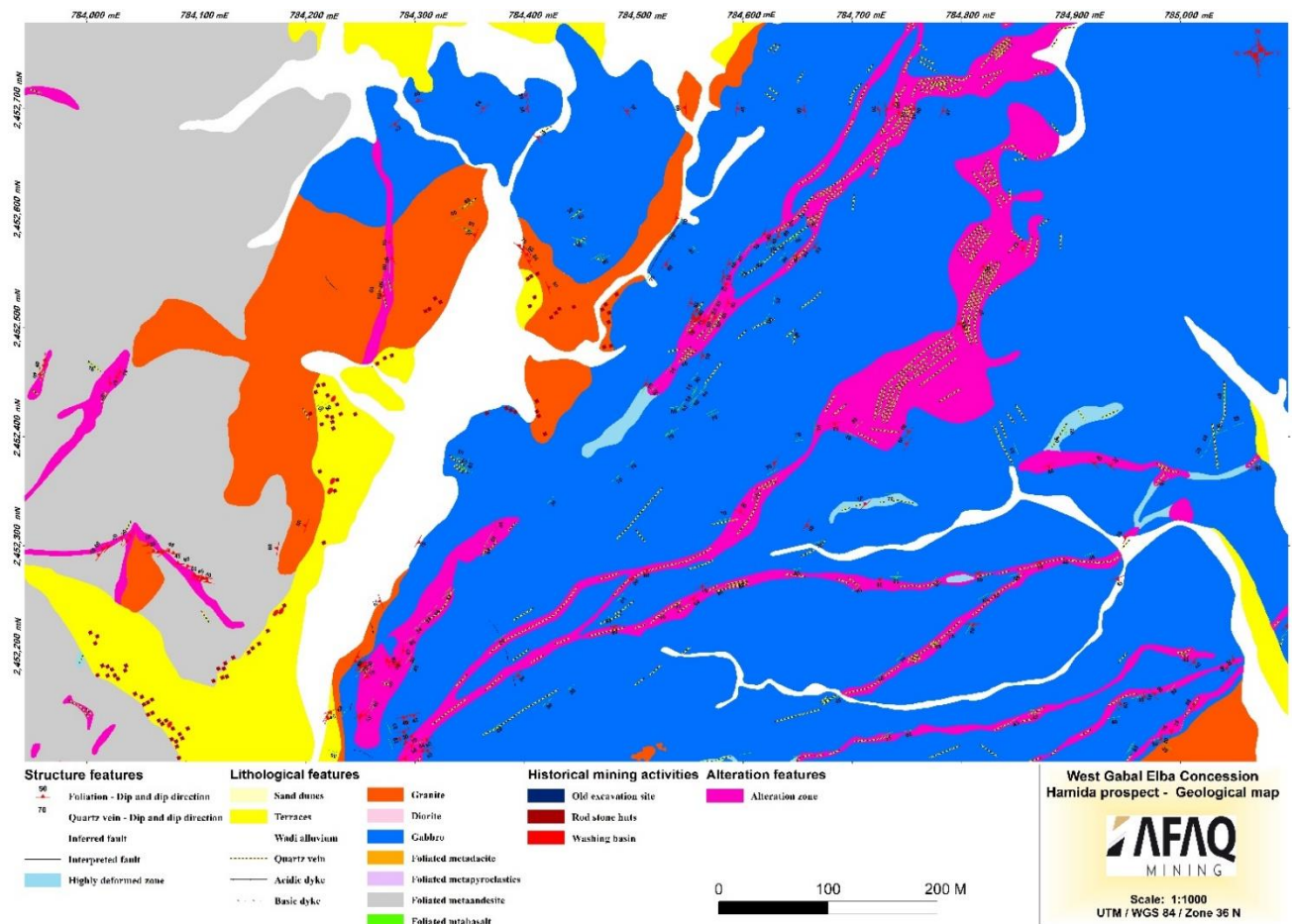


Figure 17. Map Sheet Four - East Hamida.

7.4.3 2021 Q3 Program – July to September

During the third quarter (Q3) of 2021, a comprehensive program of reverse circulation drilling started at the Romeit occurrence. A truck mounted reverse circulation drill rig, capable of drilling to 150m depth, mobilised to the project in early August and commenced drilling on August 11th, 2021. During Q3 a total of 24 drill holes were completed for 3044m of drilling (holes RMRC001 to RMRC021, and RMRC025 to RMRC027). Note that drilling was conducted on predetermined and pre-numbered drill sites, hence drilling did not proceed with sequentially numbered drill holes. To simplify reporting the cut-off for information included in the Q3/2021 report was the completion of hole RMRC021.

Also, during the quarter, a significant number of new analyses were received from ALS Laboratories. The batches relate to the current reverse circulation drilling program at Romeit as well as to work reported in previous quarters at Hamida and Romeit East (refer to Jones and Giroux, 2021d).

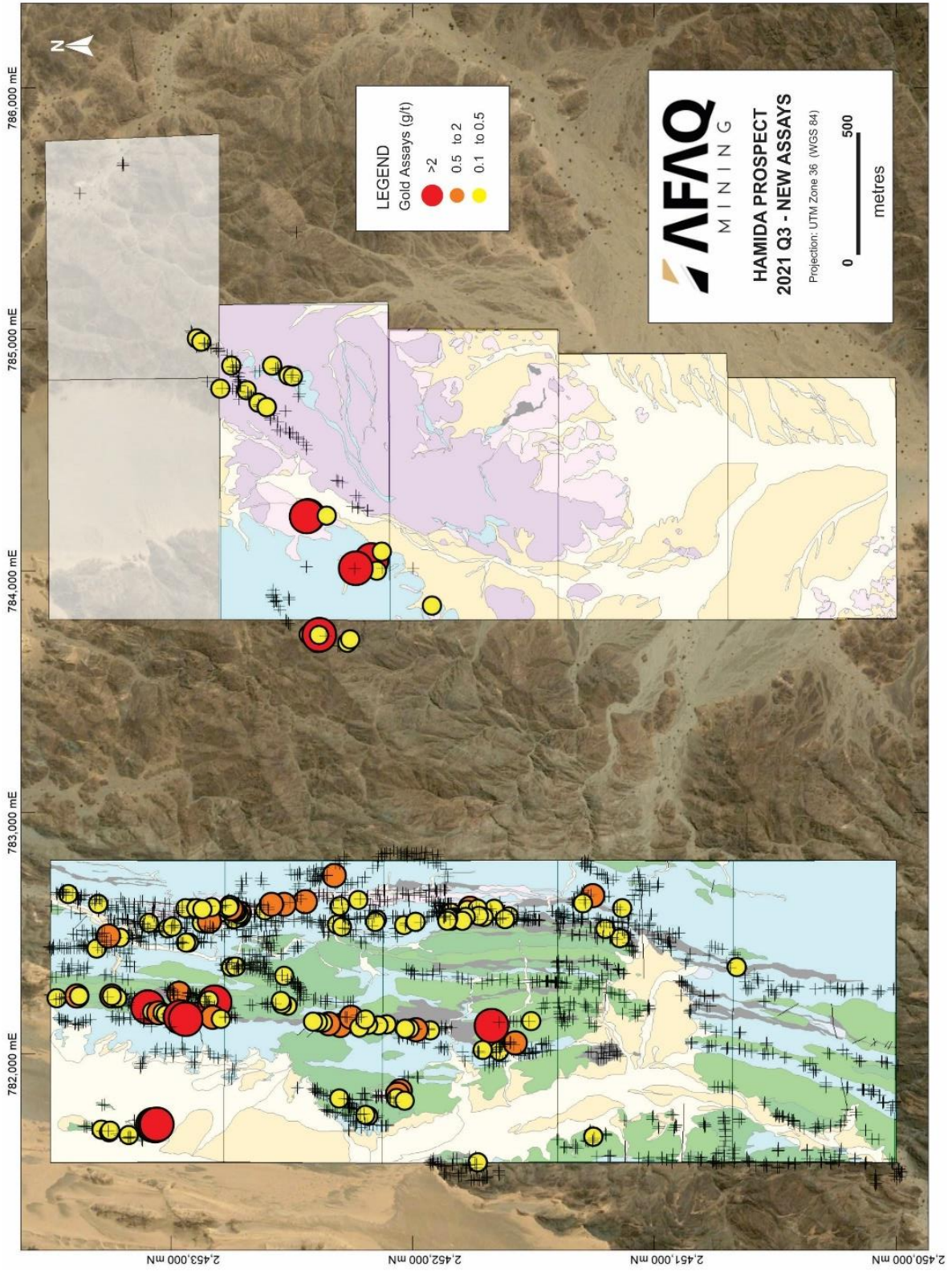


Figure 18. Gold Assays >0.1 g/t at the Hamida Occurrence

Analytical results included a significant number of samples (3175) submitted from the Hamida and Hamida East areas in previous quarters. Figure 18 shows thematically all samples recently received for Hamida which graded >0.1g/t gold. The sampling has identified domains containing clusters of anomalous samples that define extended, predominantly north-south oriented, gold-mineralised trends. A more detailed review of the results will be completed when additional results for the Hamida East area are received.

During Q3 reverse circulation drilling was conducted at Romeit on Target 1 and Target 2 (refer to Table 3 and to Figure 14) and comprised RC drill holes RMRC-001 through 021. The intent of the drilling is to systematically drill the identified gold anomalous targets at Romeit. Initially drilling has been conducted on cross-sections of approximately 100m spacing with up to three drill holes per cross-section inclined to produce intercepts of target lithologies at 50m separation to a depth of approximately 150m down-dip or roughly 100m vertically. The drill sites were prepared in advance of the drill program with the civil works being conducted by Reliance Heavy Industries (RHI). In this way the initial drilling layout provided an evenly spaced network of intercepts that can be used to evaluate gold distribution in the subsurface. The Q3 (Phase 1) drilling is a “first pass” and as geological and analytical results are obtained further drilling will be necessary to evaluate and extend positive results obtained from the initial work.

Table 2. Collar Locations (Unsurveyed) Romeit 2021-Q3

Target Area	Hole ID	Easting WGS84 (36N)	Northing WGS84 (36N)	Elev (m)	Dip (°)	Azimuth (°)	Length (m)	Log Start Date	Log End Date
1	RMRC001	787624	2471661	314	-50	125	105	01-Sep-21	02-Sep-21
	RMRC002	787618	2471666	314	-72	125	150	02-Sep-21	04-Sep-21
	RMRC003	787572	2471701	297	-65	125	150	15-Aug-21	17-Aug-21
	RMRC004	787594	2471557	330	-50	125	103	25-Aug-21	27-Aug-21
	RMRC005	787553	2471587	311	-50	125	150	27-Aug-21	29-Aug-21
	RMRC006	787552	2471588	311	-75	125	150	29-Aug-21	01-Sep-21
	RMRC007	787540	2471476	325	-57	125	105	23-Aug-21	25-Aug-21
	RMRC008	787491	2471509	326	-60	125	150	21-Aug-21	23-Aug-21
	RMRC009	787458	2471535	318	-60	125	150	18-Aug-21	20-Aug-21
	RMRC010	787508	2471384	294	-50	125	84	14-Aug-21	15-Aug-21
	RMRC011	787442	2471421	294	-50	125	125	12-Aug-21	14-Aug-21
	RMRC012	787440	2471424	293	-75	125	150	11-Aug-21	12-Aug-21
2	RMRC013	787148	2471317	310	-50	110	108	06-Sep-21	07-Sep-21
	RMRC014	787114	2471338	310	-65	110	126	07-Sep-21	08-Sep-21
	RMRC015	787139	2471323	310	-65	110	142	09-Sep-21	10-Sep-21
	RMRC016	787106	2471225	289	-50	110	103	20-Sep-21	21-Sep-21
	RMRC017	787108	2471225	289	-70	110	120	21-Sep-21	22-Sep-21
	RMRC018	787078	2471236	298	-70	110	150	18-Sep-21	19-Sep-21
	RMRC019	787094	2471135	291	-50	110	86	11-Sep-21	12-Sep-21
	RMRC020	787091	2471137	291	-75	110	138	13-Sep-21	14-Sep-21
	RMRC021	787025	2471161	293	-65	110	150	15-Sep-21	16-Sep-21

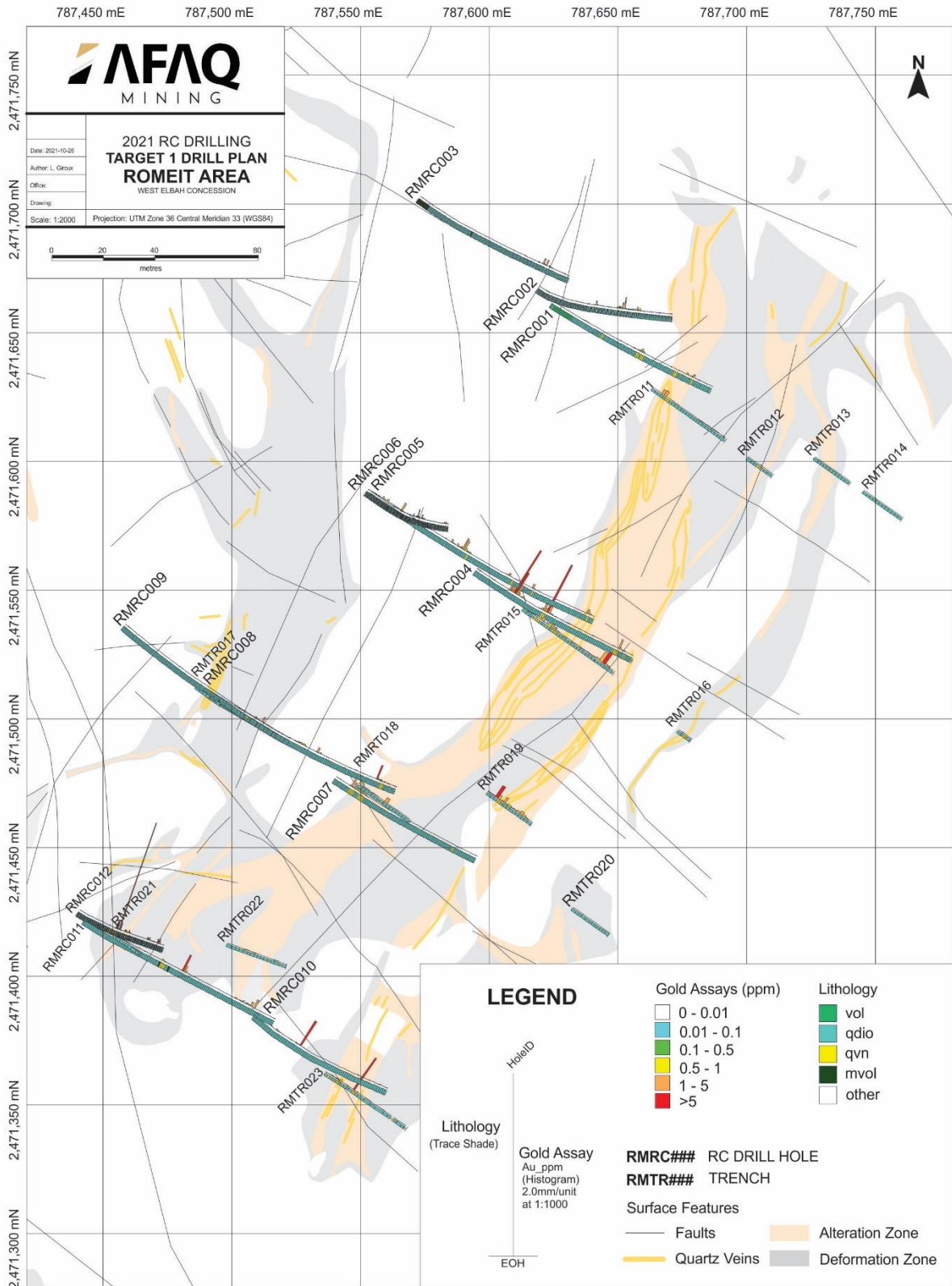


Figure 19. RC Drill Plan – Romeit Target 1

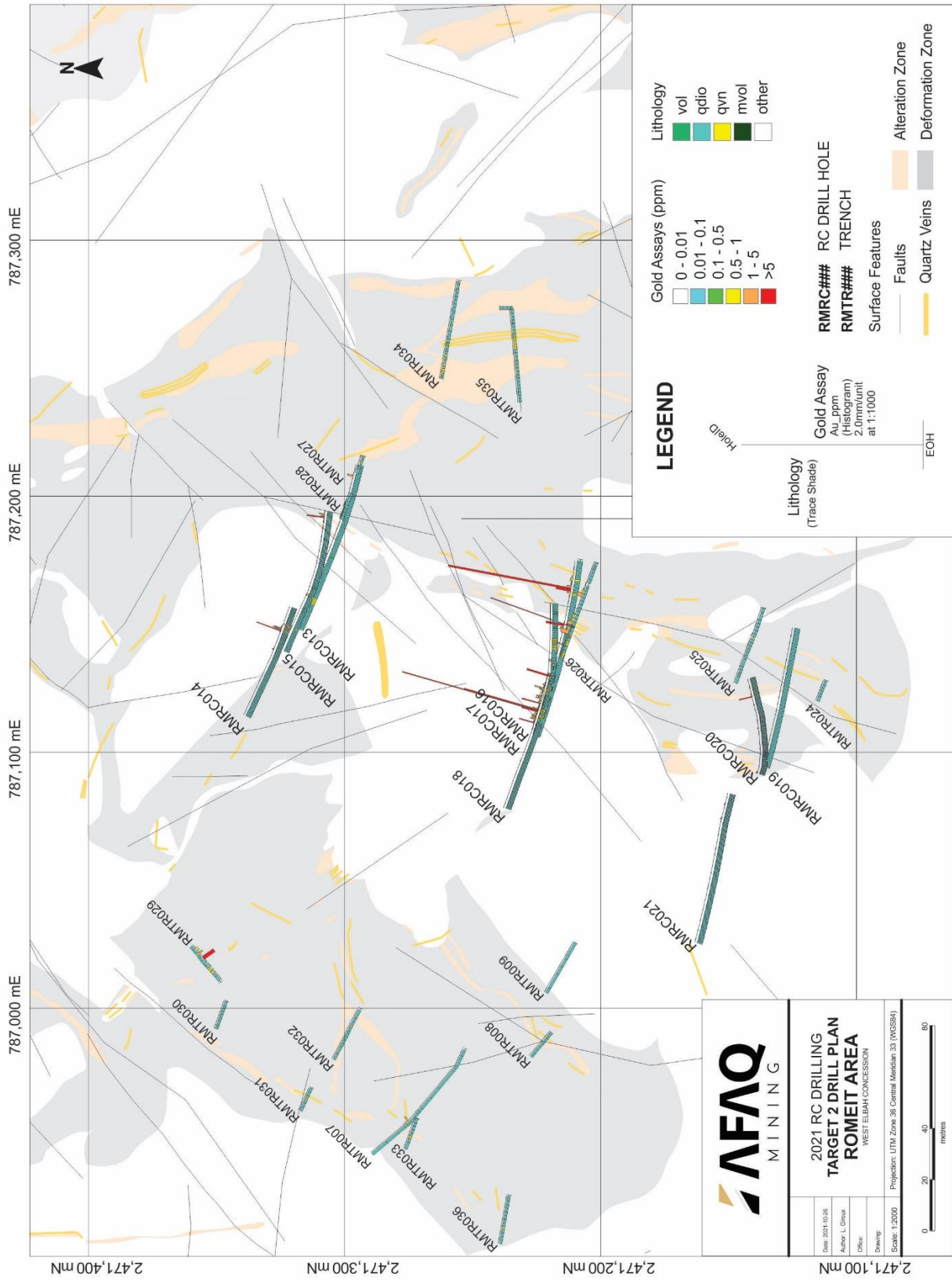


Figure 20. RC Drill Plan – Romeit Target 2



Figure 21. Site Photos from the Reverse Circulation Drilling at Romeit Occurrence



Figure 22. Site Photos from the Reverse Circulation Drilling at Romeit Occurrence

To date the drilling program has intersected altered, deformed, and heterogeneously gold mineralised quartz diorite host rock. The intersections are confirmation that the prospective geological features observed at surface at the Romeit occurrence can be traced in the subsurface. The extent to which continuity can be established will depend upon interpretation of the current intersections and detailed follow-up drilling. Evaluation is currently in progress and follow-up drilling has been identified and is planned for the near future.

The heterogeneous nature of the mineralisation will require considerable interpretation; presently the drilling dataset has been incorporated into GIS software and drilling cross-sections have been produced with further rendering in 3D viewing software (e.g. Discover and ThreeDify).

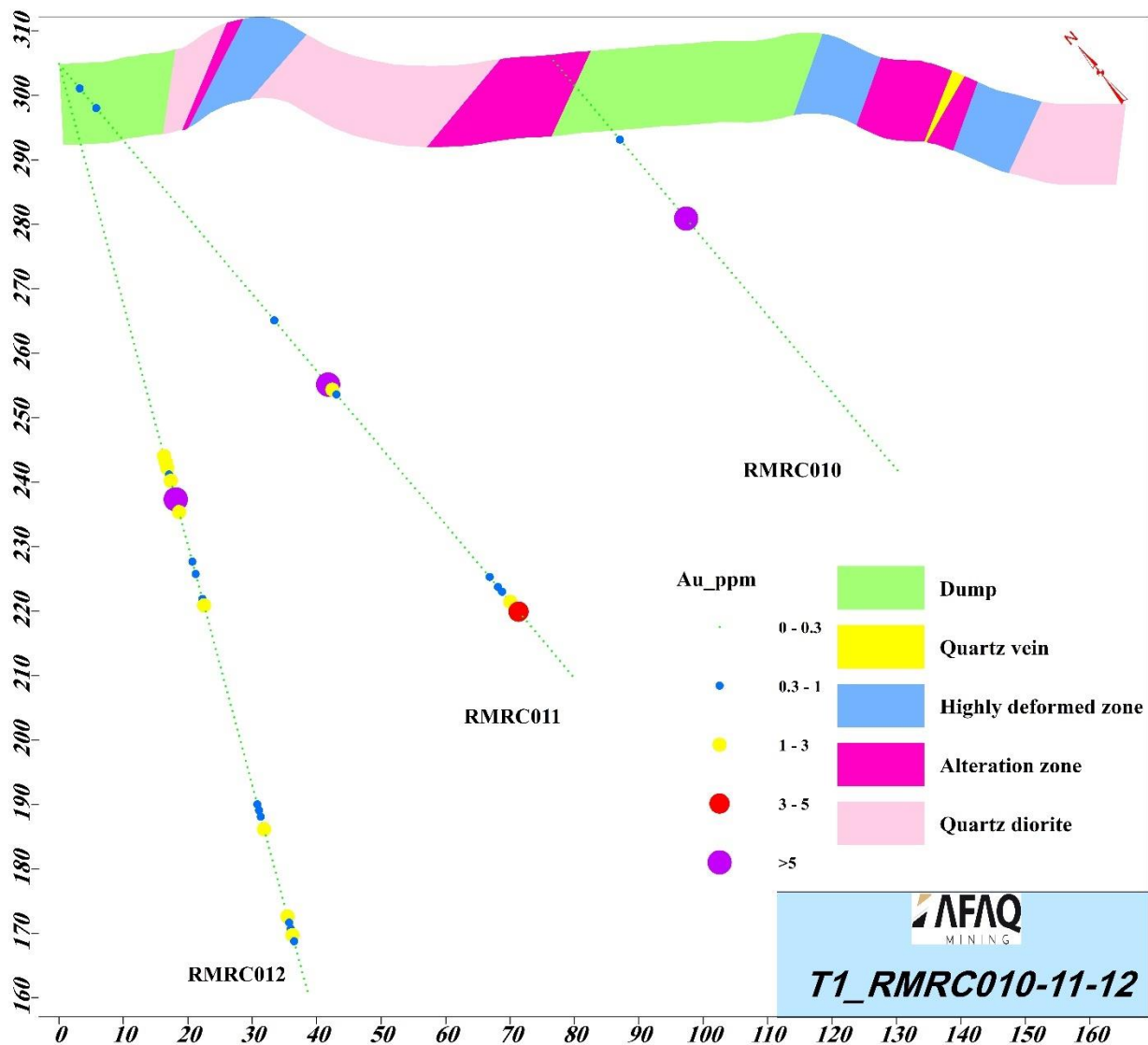


Figure 23. Preliminary cross-section Romeit Target 1 – Holes RMRC010, -011, & -012.

7.4.4 2021 Q4 Program – October to December

Work during Q4 2021 focussed on the main Romeit area of the West Elbah Concession as the reverse circulation drilling program continued. During the previous quarter (Q3/2021), targets 1 and 2 had been drilled. In Q4 the drilling coverage was expanded to targets 3, 4, 6, 7, as well as additional drilling at Target 2. A total of 4710 analyses were received from ALS Romania during Q4/21. These samples were collected entirely from the drilling program.

During Q4 2021 Phase 1 reverse circulation was completed (it started in Q3 2021). Phase 1 consisted of 45 drill holes totalling 5621m of completed drilling (see Table 3 above and Table 5. below). During Phase 1 drilling was completed on targets 1, 2, 3, 4, and 7 (refer to Figure 14 for target locations).

Targets 1 and 2 were drilled in Q3 2021. They are consistently oriented on strike lengths measured in hundreds of metres; this allowed them to be tested on a series of parallel cross-sections at approximately 100m separation with either two or three drill holes per cross-section testing subsurface mineralisation to approximately 150m down dip and/or vertical depth. Target 1 drilling consisted of twelve drill holes (1571m) on four cross-sections oriented at an azimuth of 125° and inclined at between 50° and 75°. Target 2 drilling consisted of nine drill holes (1122m) on three cross-sections oriented at 110° azimuth and inclined between 50° and 75°.

During Q4 2021, Phase 1 drilling at the Romeit occurrence consisted of drilling targets 3, 4, and 7 at appropriate localities to evaluate subsurface extension to prospective results obtained from surface sampling and mapping.

Target 3 was drilled with twelve holes (1442m) from several orientations - 110°, 135°, 230°, 245°, and 290° - reflecting the complexity of the mineralised trend(s). Drill hole inclinations range from 50° to 80°.

At Target 4 eight drill holes (1034m) were collared. The holes were oriented at 70°, 90°, and 270° azimuth and inclined between 50° and 80°.

Target 7 was tested with four RC drill holes (452m) oriented either 80° or 280° azimuth and inclined at 60° or 80°.

During the planning stage, targets 5 and 6 were downgraded and it was decided that no drilling would be necessary in those areas at this time.

Following completion of Phase 1 drilling (upon completion of RMRC-044 on 31 October 2021) the RC drill rig was shut down for routine maintenance for a period of approximately 1 month.

Phase 2 drilling consisted of additional selected RC drilling at targets 2, 3, 4, and 6. All the drilling was conducted during Q4 2021. The targets were selected to expand coverage at Target 2, Target 3, the extension of Target 4, as well as to expand drill coverage of Target 6.

Table 3. Collar Locations (Unsurveyed) Romeit 2021-Q4

Phase	Target	Hole ID	Easting WGS84 (36N)	Northing WGS84 (36N)	Elev (m)	Dip (°)	Azimuth (°)	Length (m)	Log Start Date	Log End Date	
1	3	RMRC022	787068	2471239	302	-65	290	150	28-Sep-21	03-Oct-21	
		RMRC023	787103	2471335	321	-50	245	114	04-Oct-21	07-Oct-21	
		RMRC024	787000	2471251	331	-60	290	85	03-Oct-21	04-Oct-21	
		RMRC025	786948	2471371	331	-50	110	81	23-Sep-21	24-Sep-21	
		RMRC026	786947	2471371	331	-78	110	120	24-Sep-21	26-Sep-21	
		RMRC027	786900	2471391	312	-70	110	150	26-Sep-21	28-Sep-21	
		RMRC028	787102	2471334	321	-75	245	150	07-Oct-21	07-Oct-21	
		RMRC029	787018	2471399	321	-60	230	100	07-Oct-21	09-Oct-21	
		RMRC030	787017	2471158	298	-78	290	150	10-Oct-21	11-Oct-21	
		RMRC031	787016	2471159	298	-50	290	129	09-Oct-21	10-Oct-21	
		RMRC032	786973	2471308	340	-80	290	120	12-Oct-21	13-Oct-21	
	RMRC033	786972	2471305	340	-60	135	93	14-Oct-21	15-Oct-21		
	4	RMRC034	787208	2471283	326	-75	70	150	13-Oct-21	14-Oct-21	
		RMRC035	787210	2471225	334	-55	90	100	16-Oct-21	16-Oct-21	
		RMRC036	787209	2471225	334	-80	90	150	17-Oct-21	18-Oct-21	
		RMRC037	787356	2471230	308	-65	90	132	24-Oct-21	25-Oct-21	
		RMRC038	787200	2471158	321	-75	90	100	20-Oct-21	21-Oct-21	
		RMRC039	787331	2471160	321	-50	90	150	22-Oct-21	23-Oct-21	
		RMRC040	787331	2471160	321	-65	270	102	23-Oct-21	24-Oct-21	
		RMRC041	787342	2471080	302	-65	270	150	25-Oct-21	26-Oct-21	
	7	RMRC042	787321	2471601	311	-60	80	100	29-Oct-21	29-Oct-21	
		RMRC043	787324	2471666	311	-80	80	102	26-Oct-21	27-Oct-21	
		RMRC044	787277	2471658	313	-80	80	100	31-Oct-21	31-Oct-21	
		RMRC045	787457	2471753	293	-60	280	150	28-Oct-21	28-Oct-21	
	2	2	RMRC046	787077	2471235	296	-90	0	150	03-Dec-21	04-Dec-21
			RMRC047	787085	2471278	289	-50	110	129	04-Dec-21	05-Dec-21
			RMRC048	787088	2471281	301	-60	110	150	06-Dec-21	07-Dec-21
		3	RMRC049	787137	2471320	314	-50	245	120	08-Dec-21	09-Dec-21
			RMRC050	787136	2471320	306	-75	245	150	10-Dec-21	10-Dec-21
		6	RMRC051	787180	2471408	316	-75	60	123	10-Dec-21	11-Dec-21
			RMRC052	787147	2471322	306	-50	55	140	11-Dec-21	15-Dec-21
			RMRC053	787205	2471294	315	-50	50	144	15-Dec-21	16-Dec-21

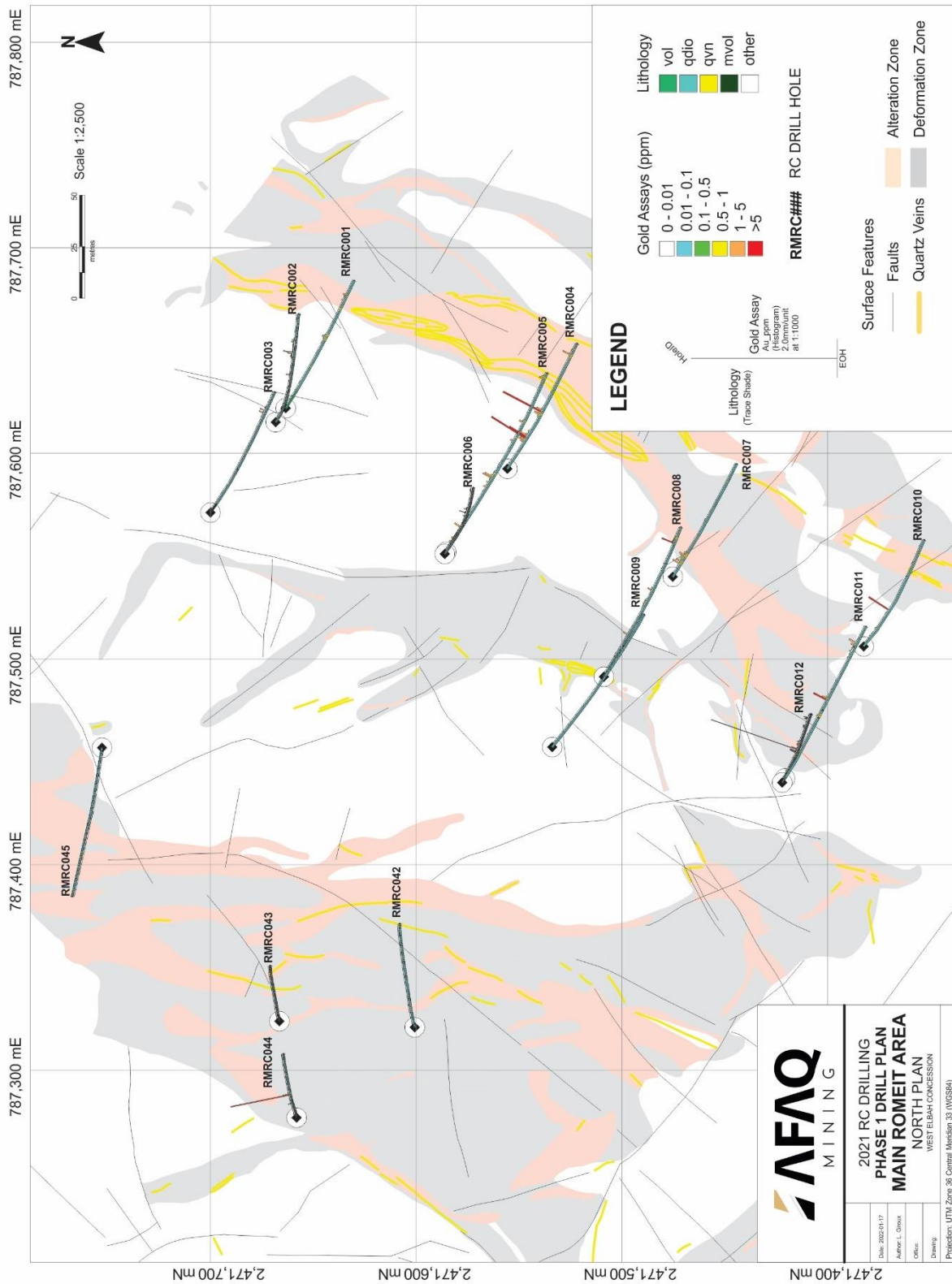


Figure 24. Romeit Phase 1 RC Drilling Plan (North)

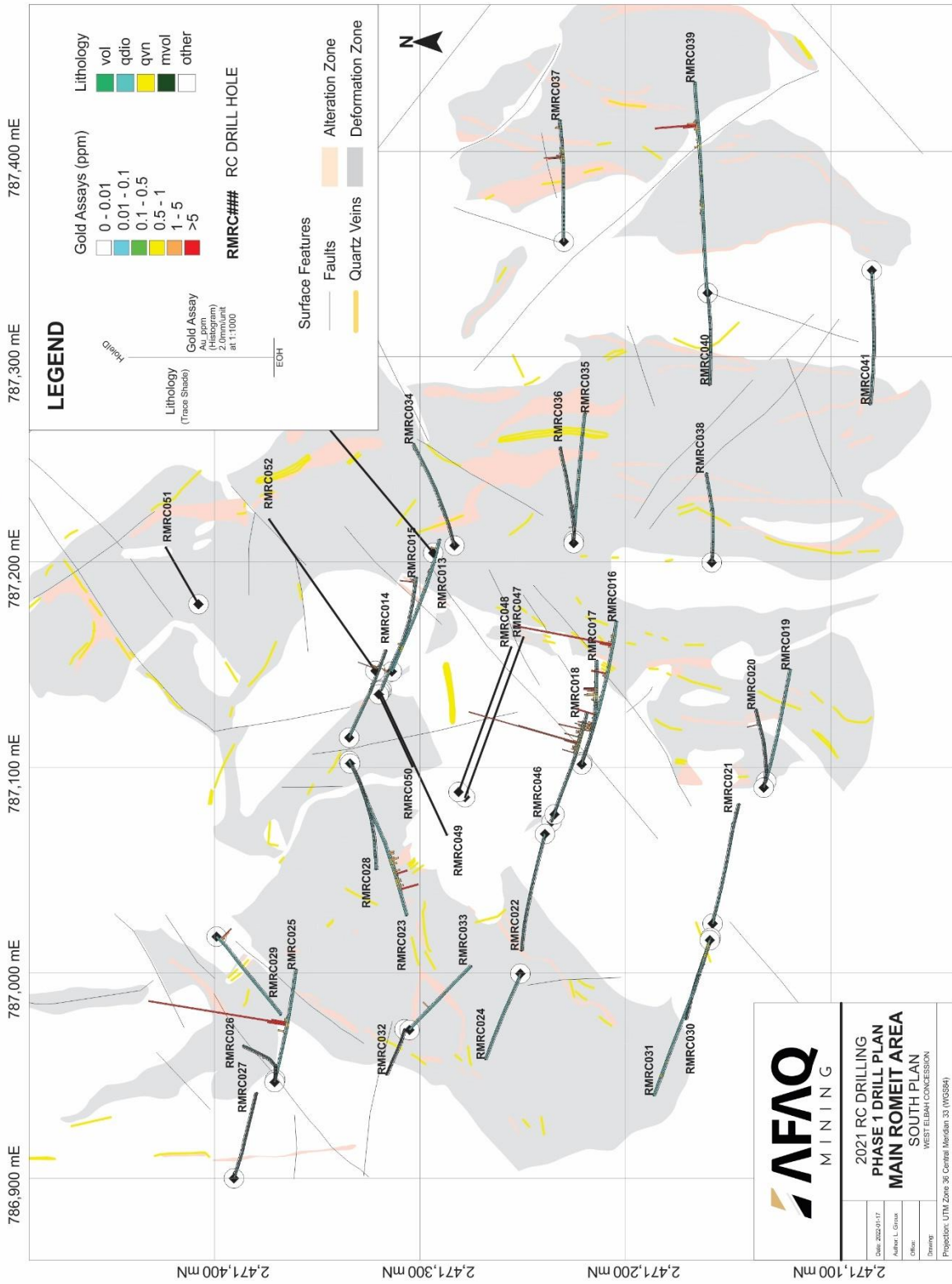


Figure 25. Romeit Phase 1 RC Drilling Plan (South)

At Target 2, three additional drill holes (RMRC-046 through 048) were collared to further evaluate mineralisation obtained in Phase 1 drilling; two were oriented at 110° azimuth and inclined at 50° and 60°, the third drill hole was drilled vertically

At Target 3, two drill holes (RMRC-049 and 050) were collared during Phase 2 drilling oriented at 245° and inclined 50° and 75°.

At Target 6, three drill holes (RMRC-051 through 053) were collared to provide the first drill intercepts at this target. The holes were collared at 123°, 140°, and 144° and inclined at 50° and 75°.

Table 4 (below) provides a listing of significantly anomalous gold mineralisation obtained from the Romeit occurrence drilling to date (conducted during Q3 and Q4 2021). Common occurrence of gold mineralisation at 0.5g/t Au to 2.0g/t Au is noted, with significantly higher-grade intercepts occurring frequently. The widespread nature of anomalous gold mineralisation obtained from sampling at surface and in the subsurface is indicative of a significant mineralising event or events at Romeit.

Table 4. RC Drilling Gold Intersections 2021-Q3 and -Q4

<i>Intersections including assays >0.5g/t Au</i>				Au (gpt)	Au (gpt)
HoleID	From (m)	To (m)	Width (m)	No cut-off	10g/t cut-off
RMRC001	59	62	3	0.70	
	89	94	5	0.44	
RMRC002	75	77	2	0.97	
	98	123	25	0.63	
RMRC003	124	128	4	1.22	
RMRC004	23	33	10	4.12	3.20
	44	51	7	4.06	2.55
	91	93	2	2.12	
RMRC005	21	22	1	3.11	
	57	68	11	1.13	
	95	97	2	0.63	
	111	113	2	0.95	
	145	148	3	0.97	
RMRC006	91	110	19	0.52	
	145	147	2	0.57	
RMRC007	12	23	11	1.27	
RMRC008	46	47	1	2.06	
	78	82	4	0.50	
	90	94	4	0.67	
	135	142	7	1.14	
RMRC009	<i>anomalous values only</i>				

RMRC010	29	33	4	2.90	2.60
RMRC011	65	68	3	3.25	
	104	112	8	0.89	
RMRC012 <i>including</i>	63	142	79	0.92	0.49
	63	88	25	2.47	1.11
RMRC013	17	22	5	0.52	
	81	84	3	0.47	
	100	101	1	2.21	
RMRC014	93	101	8	2.46	
RMRC015*	20	24	4	1.38	
	121	142	21	5.34	1.06
RMRC016 <i>including</i>	35	93	58	1.48	0.82
	84	93	9	6.64	2.34
RMRC017	47	58	11	3.64	3.12
	81	94	13	2.24	
RMRC018* <i>including</i>	96	138	42	5.64	1.95
	96	112	16	13.14	3.46
RMRC019	<i>anomalous values only</i>				
RMRC020	114	115	1	5.2	
RMRC021	<i>anomalous values only</i>				
RMRC022	<i>anomalous values only</i>				
RMRC023	72	98	26	1.36	
RMRC024	<i>anomalous values only</i>				
RMRC025	36	46	10	8.89	3.12
RMRC026	77	78	1	0.71	
RMRC027	<i>anomalous values only</i>				
RMRC028	<i>anomalous values only</i>				
RMRC029	4	7	3	4.32	
RMRC030	<i>anomalous values only</i>				
RMRC031	<i>anomalous values only</i>				
RMRC032	87	88	1	0.53	
RMRC033	29	30	1	3.62	
RMRC034	65	66	1	0.86	
<i>and</i>	122	126	4	0.44	
RMRC035	28	29	1	0.67	
RMRC036	36	39	3	0.89	
RMRC037	92	99	7	2.69	
<i>and</i>	124	126	2	1.67	
RMRC038	<i>anomalous values only</i>				
RMRC039	59	69	10	0.36	
<i>and</i>	106	125	19	2.07	1.53
RMRC040	<i>anomalous values only</i>				
RMRC041	<i>anomalous values only</i>				
RMRC042	<i>anomalous values only</i>				

RMRC043	<i>anomalous values only</i>				
RMRC044	33	34	1	1.23	
<i>and</i>	46	48	2	15.66	6.36
RMRC045	<i>anomalous values only</i>				

*full determination on overlimit samples pending

Continued exploration of the subsurface is warranted given the extensive presence of gold mineralisation at Romeit. Geophysical surveys will be commissioned to inform future drilling – the mineralisation at Romeit occurs on a scale that requires some method of discriminating target areas and focussing future work.

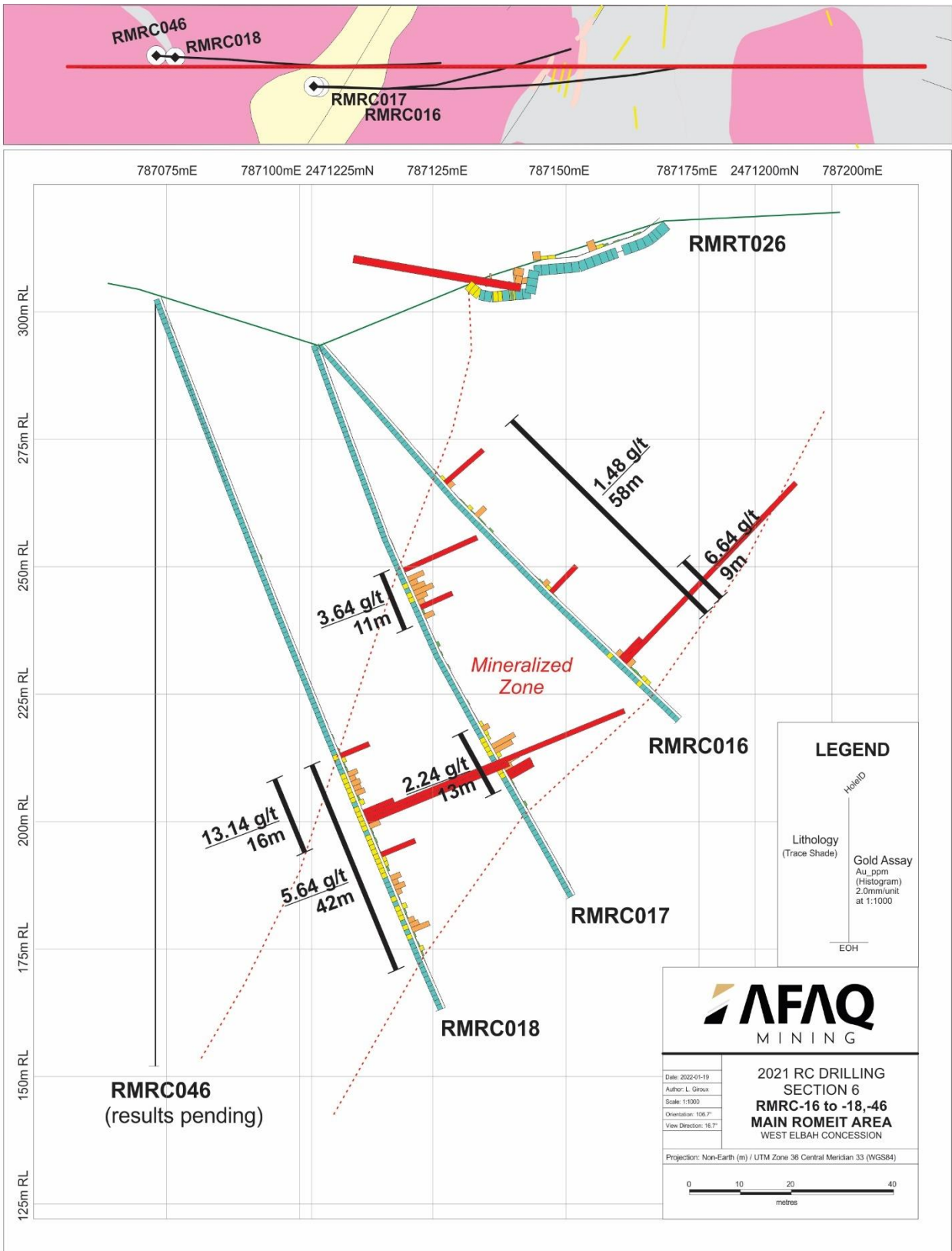


Figure 26. Significant Intersections – RC Drill Section 6

8.0 EXPLORATION BY AFAQ in 2022 Q1 – January to March 2022

8.1 Introduction

Work during Q1 2022 focused on trenching in the main Romeit area and the Hamida area of the West Elbah Concession.

Quotations for future the diamond drilling program including drill contactor, drill core facilities, and renewal of analytical services contract (ALS) were obtained. And a preliminary environmental assessment of current and planned exploration programs was undertaken.

A total of 1452 analyses were received from ALS Romania during Q1/2022. These samples were a combination of RC drilling samples, trenching samples, and grab samples (as shown below in Table 5).

Table 5. Analytical Results Received in Q1/2022

Sample Batch	No. Samples	Sample Range	Date Received at Lab	Date Finalized	Target	Type	RC or Trench No.
EG21308382	130	28871-29000	11-Nov-21	04-Jan-22	RMT	Trench	RMTR051-060
EG21308383	250	636051-636300	11-Nov-21	08-Jan-22	RMT	Trench	RMTR060-067
EG21308384	178	636301-636478	11-Nov-21	08-Jan-22	RMT	Trench	RMTR067-079
EG21308385	108	641001-641108	11-Nov-21	08-Jan-22	HMD	Grab	n/a
EG21324748	114	636551-636664	28-Nov-21	14-Jan-22	RMT	Trench	RMTR083-090
EG21324749	72	636479-636550	28-Nov-21	14-Jan-22	RMT	Trench	RMTR080-083
EG22000825	165	655804-655968	26-Dec-21	26-Feb-22	RMT	RC	RMRC-048
EG22000824	141	655663-665803	26-Dec-21	26-Feb-22	RMT	RC	RMRC-047
EG22000823	162	655501-655662	26-Dec-21	25-Feb-22	RMT	RC	RMRC-046
EG22000826	132	655969-656100	26-Dec-21	25-Feb-22	RMT	RC	RMRC-049
Total =	1452						

8.2 Exploration Areas of Interest

The focus of exploration during Q1/2022 was the main Romeit and the Hamida area of the Western Elbah Concession.

In the Romeit area, the extent of surface exposure displaying strong deformation, alteration and quartz veining with anomalous gold mineralisation defines an extended mineral occurrence –

considerably greater in area at surface than previously reported. Collectively the area defines a large, prospective exploration target. Recent large-scale mapping and sampling at surface has identified target areas of greatest potential to be tested at depth with drilling. Initial testing was conducted with reverse circulation drilling – effectively limited to drill holes of up to 150m length. Diamond drilling is also warranted on the target to test to depths greater than 150m, and for greater detail of structure, alteration, and mineralisation.

Trenching also started in the Hamida area which is approximately 20 kilometers south of Romeit. This prospective area is an extensive domain of deformed and altered metavolcanic rock that was the site of historic gold exploitation.

8.3 Trenching at Romeit & Hamida

During the first quarter of 2022 (Q1), additional trenching was completed at both in the north of Romeit and at Hamida.

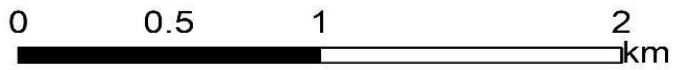
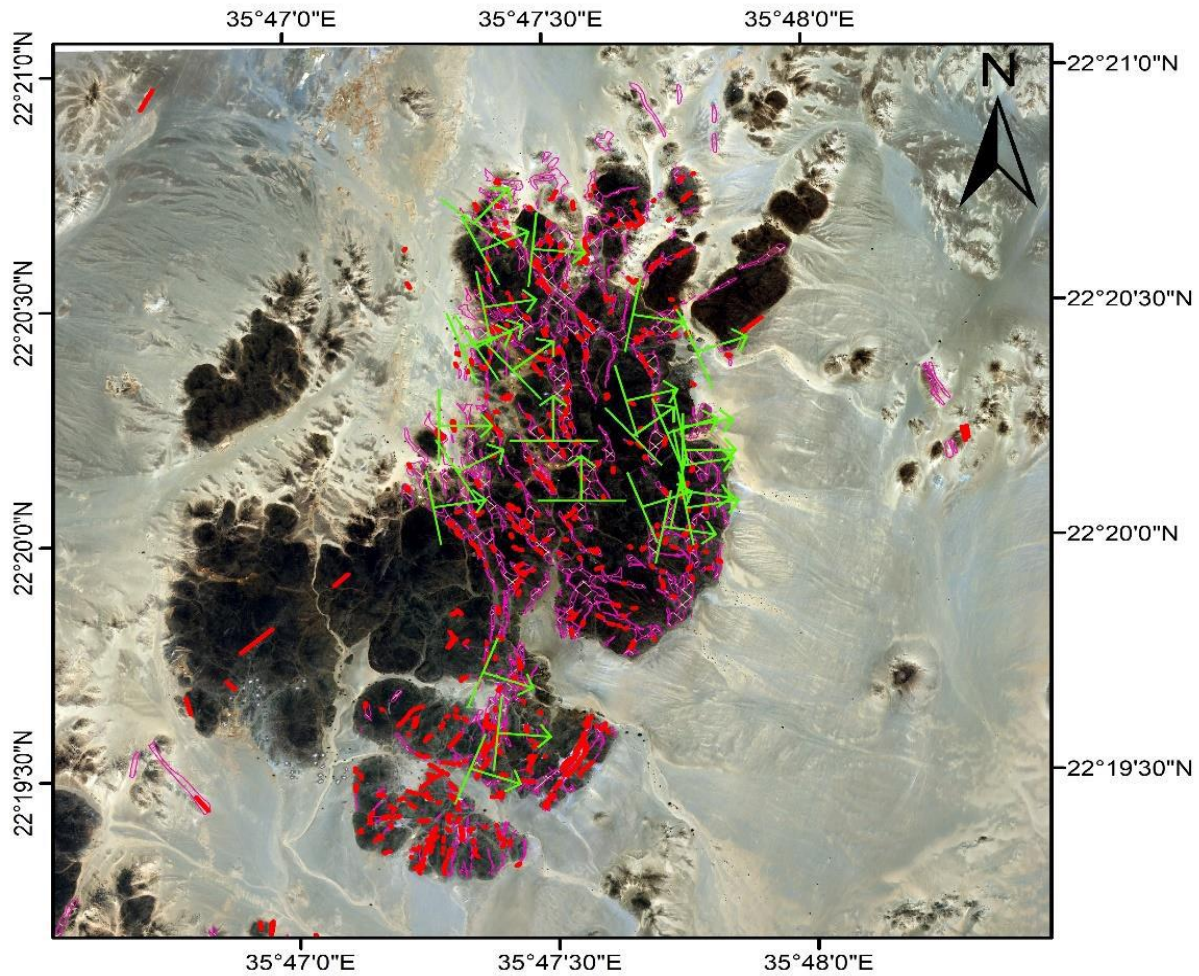
Work included the breaking up and excavation of bedrock using a HILTI TE 1000-AVR concrete breaker and pickaxes. Trenches were typically excavated to a width of 50cm and depth of approximately 60cm.

Trenches were surveyed, logged, sampled and photographed. QAQC samples were inserted into the sample suite prior to dispatching. A summary of the new trenches completed in 2022/Q1 is provided in Table 5. Photos are provided in Appendix C.

Surveying data is provided in the appendices of this quarterly report up to trench RMTR-124. Assays are provided for earlier trenching only up to RMTR090. Data for trenches excavated in 2022/Q1 will be provided in the next quarterly report.


Table 6. 2022-Q1 Romeit & Hamida Trenching Program

<i>Time Period</i>	<i>Number Of Trenches</i>	<i>From</i>	<i>To</i>	<i>Trench Length (m)</i>	<i>Number of Samples (incl QAQC)</i>
ROMEIT TRENCHING PROGRAM					
Jan-2022	9	RMTR113	RMTR121	117	77
Feb-2022	15	RMTR122	RMTR136	360.6	258
Mar-2022	5	RMTR113	RMTR141	117.4	82
HAMIDA TRENCHING PROGRAM					
Mar-2022	6	HMDTR001	HMDTR006	158	111
Total	35			753	528



Legend

 **Actual Trenches for North Romeit**

 **qvn**

 **AI.Zone**

Figure 27. Trenching – North Romeit

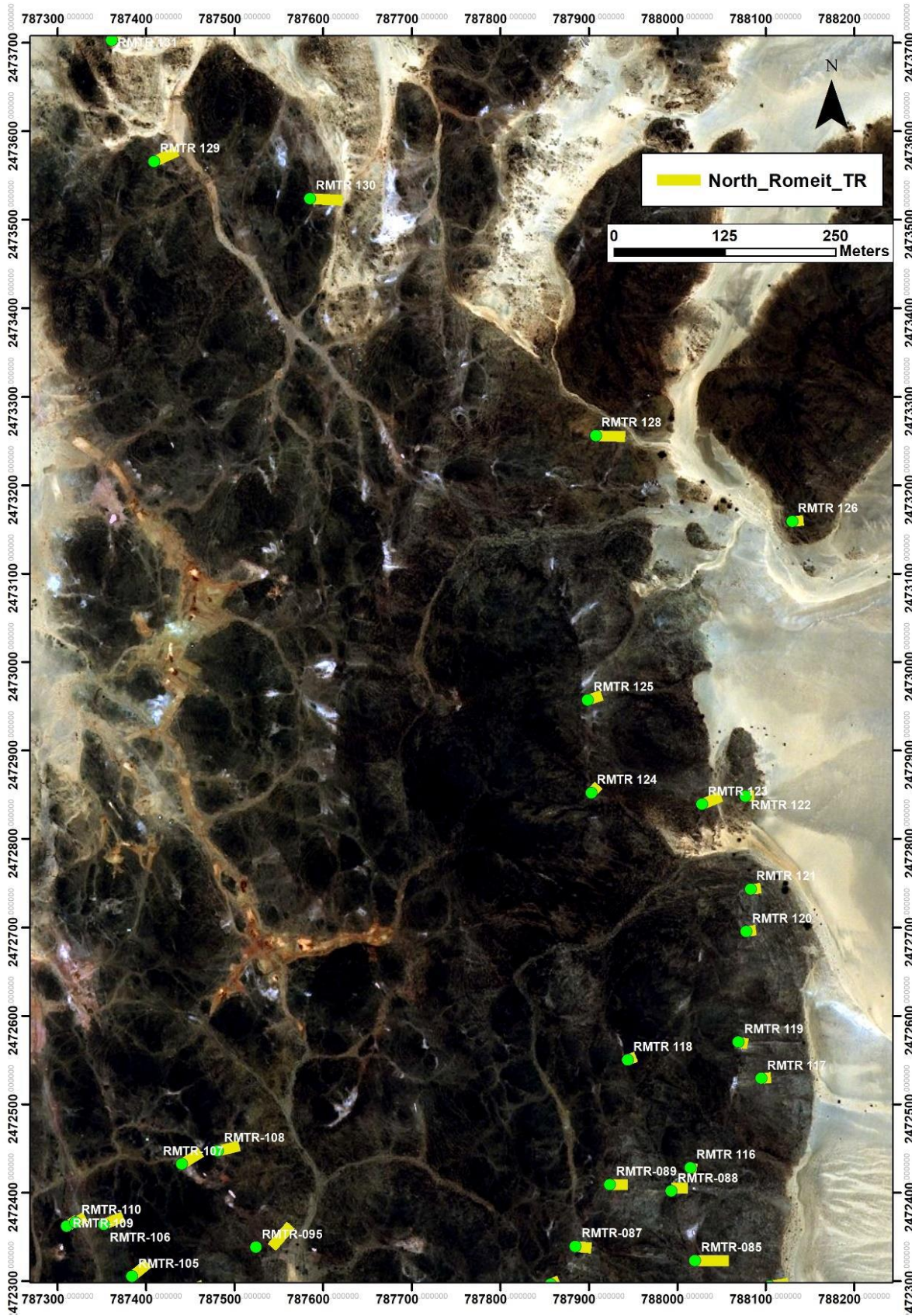
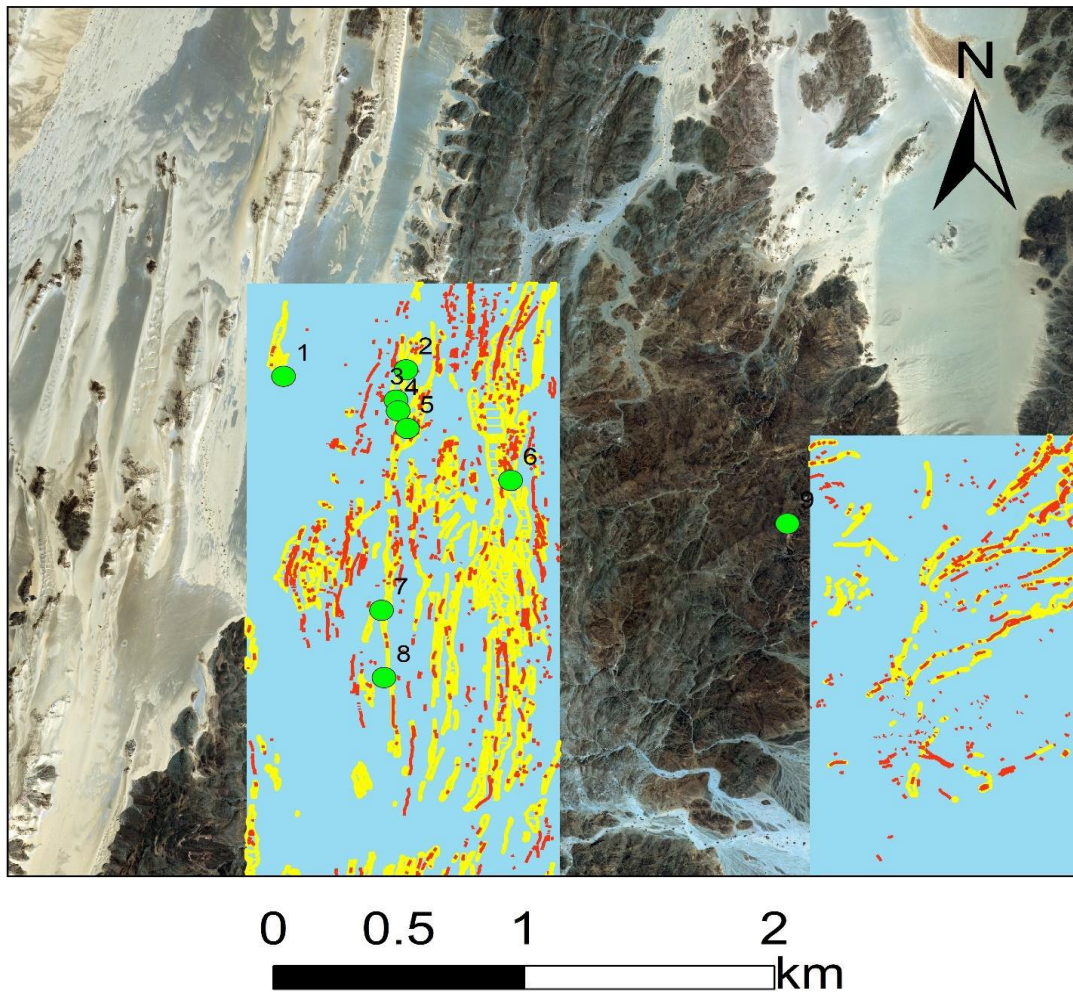


Figure 28. Trenching – North Romeit



Legend

- Hamida_TR_Proposal_TR No. 1&2 Done
- qvn
- ▨ Al.Zone

Figure 29. Trenching – Hamida Area

8.4 Receipt of Additional RC Drill Results

During the quarter, additional analytical results were received for 600 samples from reverse circulation holes RMRC-046 through RMRC-049.

Table 7. RC Drilling Gold Intersections – Results received 2022/Q1

<i>Intersections including assays >0.5g/t Au</i>				Au (gpt)	Au (gpt)
HoleID	From (m)	To (m)	Width (m)	No cut-off	10g/t cut-off
RMRC-046	1	2	1	0.533	-
	6	7	1	0.58	-
	10	11	1	0.868	-
RMRC-047	62	63	1	0.686	-
	103	129	26	10.45	5.12
RMRC-048	119	139	20	2.29	1.77
RMRC-049	<i>anomalous values only</i>				

Hole RMRC-046 was drilled along section of holes RMRC-016 through -018 in the target 2 area. All three of the earlier holes had significant gold intersections (see Figure 30). Unfortunately, the RC drill used was limited to a depth of 150m, so the vertical hole was not sufficiently long enough to reach the possible down dip extension of the mineralisation seen in the other holes.

Holes RMRC-047 & RMRC-048 were drilled along a section approximately 50m north-northeast and parallel to the section in Figure 30. Hole RMRC-047 intersected a significant high grade gold zone of 10.45g/t over 26m (Figure 31).

Hole RMRC-049 was collared approximately 35m east-southeast of and parallel to (at 245°) holes RMRC-023 and RMRC-028 to test a possible extension of gold mineralisation in hole RMRC-023. Hole -049 did not intersect any significant gold mineralisation.

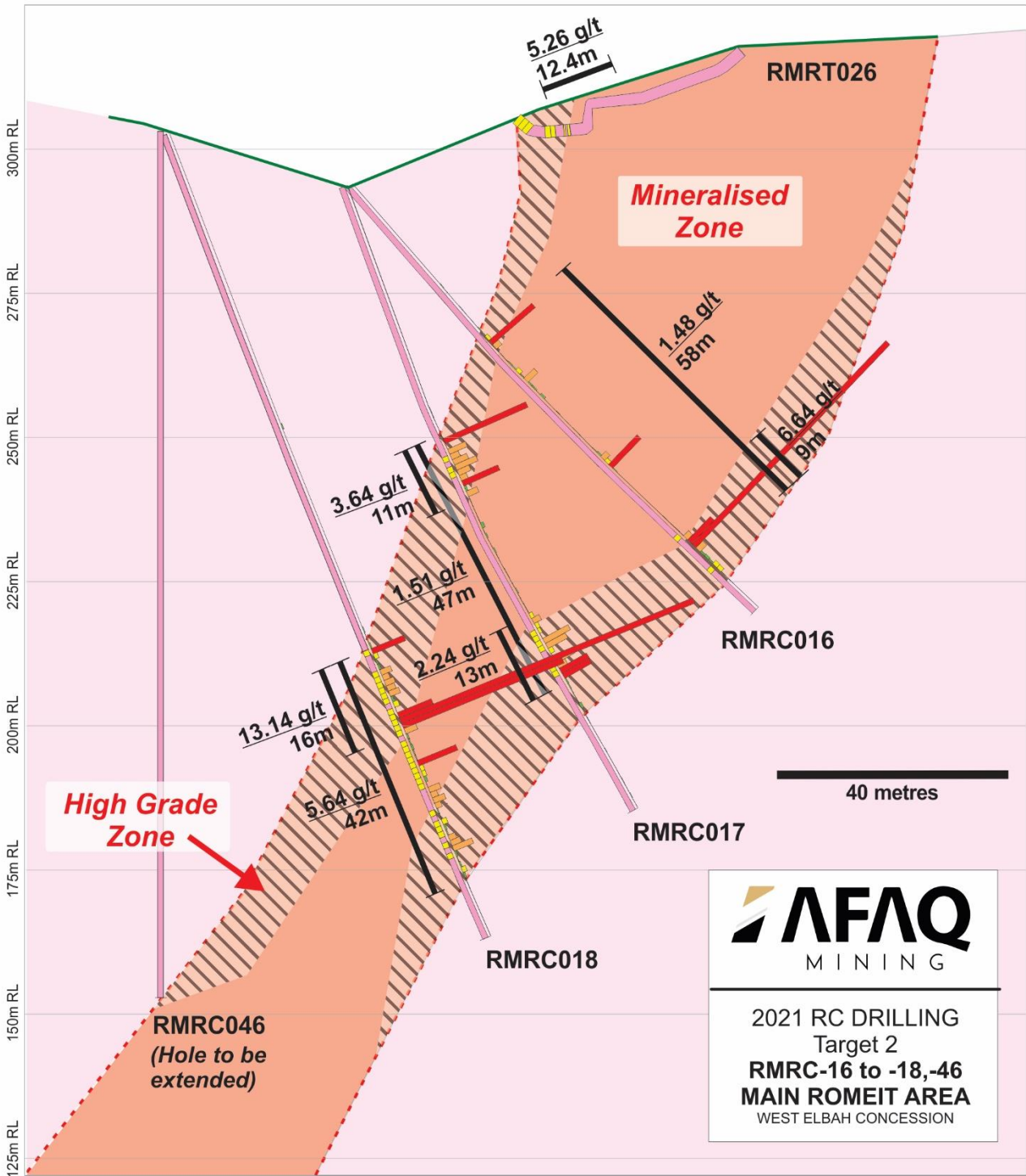


Figure 30. Drill Section Including RMRC-046

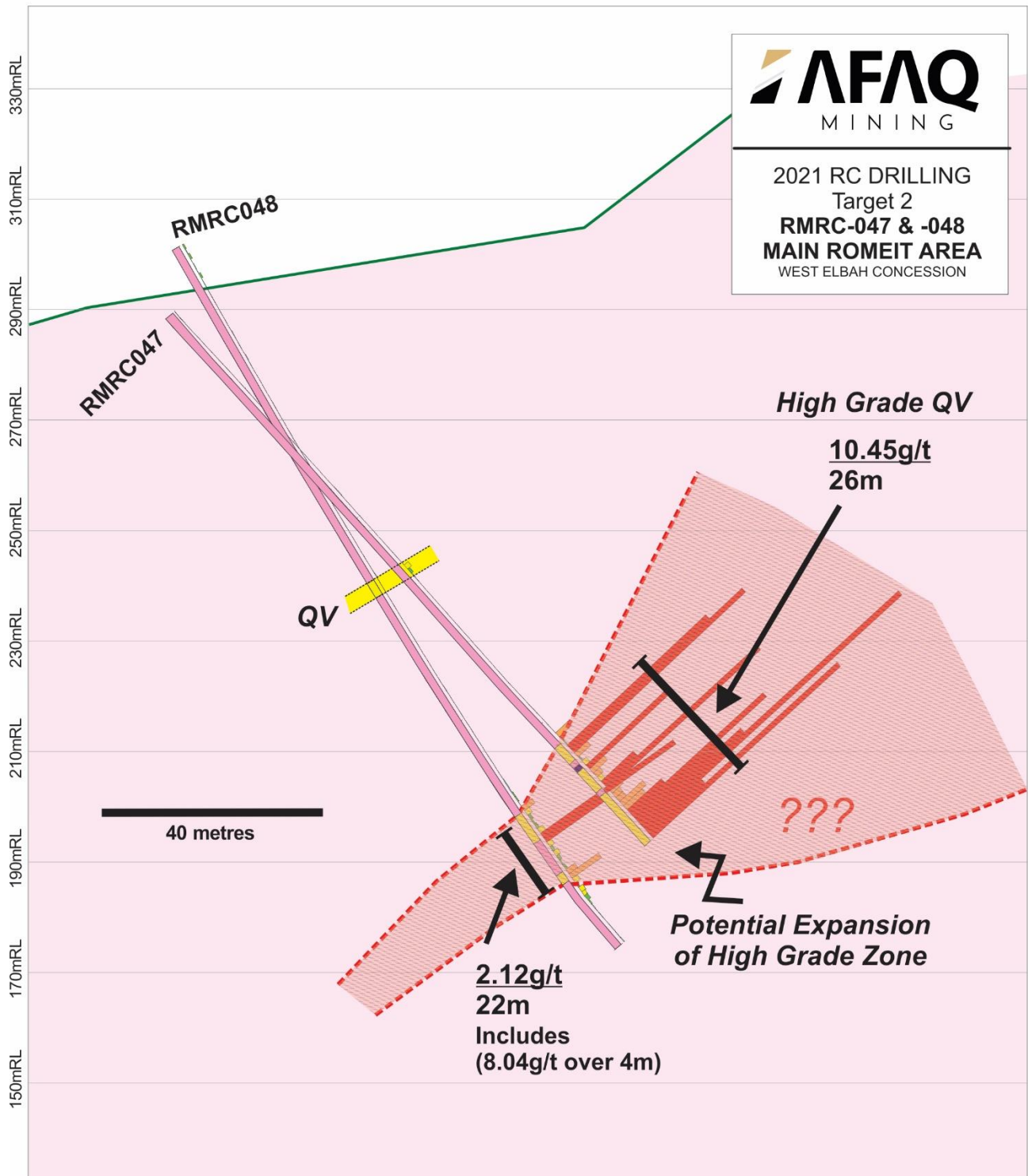


Figure 31. Drill Section Including RMRC-047 & -048

8.5 Planning for Diamond Drilling

Work during the first quarter of 2022 also included planning for a diamond drilling program – primarily in the Romeit Target 2 area. A proposal was received from diamond drilling contractor Saudi Petroleum & Mining Services Company (SMC) – see Appendix D1. A proposal was also received for a core logging and cutting facility from Arab Nubia Group (ANG) – see Appendix D3. The quotation for technical services with analytical services company ALS was also updated in February 2022 – see Appendix D4.

At the request of Egyptian Ministry of State for Environment Affairs and SMRC, AFAQ undertook an environmental impact assessment of the West Elbah Concession exploration program. Egyptian company ENVIGLOBE was contracted for the study. Their report (prepared in Arabic) is attached as Appendix D2.



Figure 32. Visit of Ministry of Environment officials to the site

9.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

9.1 Grab and Trench Sampling

Samples are collected from each sample site (duplicate samples are collected for SMRC at their request) – depending on location and purpose, samples are either grab samples collected in conjunction with mapping and traversing or trench channel samples collected as a semi-continuous series of samples from within an excavated trench. Each sample collected is approximately one kilogram in the weight. The locations of all grab samples collected by the field crew are georeferenced with handheld GPS receivers and all pertinent geological characteristics is recorded for each sample. For trench channel samples the endpoints of each trench are georeferenced, and the interval of each sample recorded relative to the endpoints. Samples are bagged in the field without further processing except for sample duplicates which are broken in the field to homogenise samples for analytical purposes. For the great majority of samples all sample preparation (crushing and pulverising) is conducted at the analytical laboratory (now at the ALS Marsa Alam prep lab).

While awaiting shipment all samples are stored together in the AFAQ camp in purposed sample storage. Beginning in Q3/2020 the sample are shipped to the ALS preparation laboratory in Marsa Alam. Using sample prep code PREP-31Y where the samples are logged, sorted, crushed, and split for onward shipment to the ALS analytical laboratory in Romania. Shipments receive approval from EMRA for exportation to Romania.

All sample analytical procedures have been conducted by ALS Laboratories at their Rosia Montana, Romania facility using the Au-AA23 analytical method with any over-limits (i.e. >10g/t Au) being analysed using the Au-AA25 analytical method. The laboratory in Romania is accredited to ISO/IEC 17025:2005 ensuring that all methods of analysis utilised meet international standards. According to ALS literature their “quality program includes quality control steps through sample preparation and analysis, inter-laboratory test programs, and regular internal audits. It is an integral part of day-to-day activities, involves all levels of ALS staff and is monitored at top management levels.”

Quality assurance and quality control (QA/QC) samples are included in the sample stream and comprise field duplicates (FD), field blanks (FB) and standard samples (SD). Generally, each batch of 100-samples contains on average nine to twelve QA/QC samples inserted at random intervals (i.e., 88-91 Regular samples + 9-12 QA/QC samples).

Analytical standards (Certified Reference Material) were acquired from CDN Resource Laboratories in Vancouver, Canada. The ore material used in the standard is ground and screened through a 270-mesh sieve. The -270 material (<53 micron) is thoroughly blended. A minimum of 150 sub-samples are then sent to Canadian and international commercial laboratories for round-robin analysis. Seven standards have so far been used in the AFAQ sample stream:

- CDN-GS-P4G grading 0.468 ± 0.052 g/t Au
- CDN-GS-P4H grading 0.501 ± 0.30 g/t Au
- CDN-GS-4E grading 4.19 ± 0.19 g/t Au
- CDN-GS-P5G grading 0.562 ± 0.054 g/t Au
- CDN-GS-4L grading 4.01 ± 0.30 g/t Au (also grades 125.9 ± 7.3 g/t Ag)
- CDN -GS-4F grading 3.83 ± 0.24 g/t Au
- CDN-CGS-28 grading 0.727 ± 0.076 g/t Au (also grades $2.089 \pm 0.096\%$ Cu)

Field blanks used to date consist of sandstone collected from outcrops near Marsa Alam.

All samples are analysed for gold using ALS Laboratories Au-AA23 analytical method, any samples with analysis exceeding the upper limit of Au-AA23 (10g/t Au) are reanalysed by the Au-AA25 method.

When analytical results are received additional analyses may be contemplated on select samples to evaluate the presence of other elements of possible economic interest and to characterise lithologies based on whole rock geochemistry.

An additional 50 samples were collected in Q2/2019 specifically for whole rock analyses. The whole rock geochemistry was conducted by ALS Laboratories using a fused disc XRF method (code ME-XRF26). The method includes determinations of the following 14 oxides: Al₂O₃, BaO, CaO, Cr₂O₃, Fe₂O₃, K₂O, MgO, MnO, Na₂O, P₂O₅, SO₃, SrO, TiO₂ plus loss on ignition (LOI).

The pulps of a subset of 15 samples from Q1/2019 were analysed using the ALS multi-element package ME-ICP61. The multi-element method utilised a four-acid digestion with ICP-AES finish and provides data on 33 elements including Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn.

Prior to Q3/2020 (i.e. prior to the commencement of operations at the ALS Marsa Alam preparation laboratory), the process of collecting, storing, and shipping samples adhered to the following chain-of-custody process:

- 1) Samples collected in the field and bagged
- 2) Samples stored securely in the AFAQ camp
- 3) All samples weighed to 1kg for onward delivery for analysis; duplicate sampled stored in camp
- 4) Sample tags inserted under supervision of geologist
- 5) Blanks, standards, and field duplicates inserted into the sample stream
- 6) Rice sacks containing approximately 25 samples each are prepared for shipment
- 7) Sample sacks are transported to the AFAQ field office in Shalateen
- 8) Carrier contracted to AFAQ transports the sample sacks to AFAQ head office, Cairo
- 9) Shipping documents prepared

- 10) Samples forwarded to EMRA for examination and approval for shipping
- 11) Carrier contracted to AFAQ transports the sample sacks from EMRA to Cairo airport cargo shipping
- 12) Samples are sent by airfreight to Romania (usually by Egyptair or Turkish Airlines) to be collected by ALS Romania for delivery to laboratory

Starting in Q3/2020, ALS Global commenced operation at a preparation laboratory located in Marsa Alam. AFAQ entered into a contract with ALS for the preparation and shipment of samples from Marsa Alam to the ALS Romania analytical laboratory. This procedure has replaced steps 8 through 12 in the chain-of-custody process listed above with those listed below.

- 8) Sample sacks are transported to ALS Marsa Alam by AFAQ personnel
- 9) Sample preparation conducted at ALS
- 10) Samples shipped to Cairo by courier
- 11) Samples are collected by ALS Cairo administration officer and delivered to EMRA for inspection and shipping approval
- 12) ALS Cairo administration officer returns samples to the courier for onward shipment
- 13) Courier ships samples by airfreight to Romania where they are delivered to ALS Romania.

9.2 RC Drilling Sampling

The procedure for the sampling of material from reverse circulation drilling is as follows:

For each meter drilled, a large sample with an average weight of 20-25 kilogram per meter is obtained from the large cyclone. Samples are collected in green plastic bags that are 200µm thick, 0.85 x 0.50m in size, and have a capacity of 30kg. The sample is weighed for record keeping and RQD purposes at the drill site and placed in sequence in a line beside the drill rig on the drill pad.

Another smaller sample, weighing 3-4 kg, is collected from the small cyclone with a splitter and put in a smaller calico sample bag with a drawstring (0.04 x 0.025m in size). The sample is later divided at camp into three samples (one kilogram each, into smaller 0.02 x 0.025m calico bags). One sample is stored by AFAQ, one is provided to SMRC for reference, and the third is sent for assay. In some cases, a fourth sample is prepared for use as a duplicate for the QAQC sampling program. QAQC samples are included in the sample stream sent to the laboratory at a frequency of 3 for every 35 samples submitted (1 field duplicate, 1 field blank, and 1 standard sample (Certified Reference Material (CRM))).

The larger sample kept in plastic bags is then processed by splitting the sample in a bucket of water using a 2mm mesh size handheld sieve. Fragments over 2mm are separated and collected as the 'dry' fraction while finer material and dust are collected as the 'wet' fraction.

Description of the 'dry' fragments is carried out using the naked eye and/or field lens at drill site and/or an ore microscope later at camp. Descriptions include:

- Major lithology
- Alteration minerals
- Mineralization
- Color of different fragments
- Ratios of quartz fragments per total volume (eg. 30% means 30cm of the 1m sample is quartz vein)

A description is also taken of the 'wet' fraction and samples are photographed.

For every meter drilled, a small portion of the 'dry' chips are preserved in plastic trays. Each tray is designed to contain 20 samples.

10.0 DATA VERIFICATION

In April 2022, Dr. J.M. Franklin completed a review of the Quality Assurance-Quality Control of analytical results received to date for the reverse circulation drilling. The review covered 3200 samples including 177 field duplicate samples, 175 blank samples, and 176 standard samples. The report is attached as Appendix C1.

Dr. Franklin found that the analytical differences between primary vs. duplicate samples had improved significantly since his last report (Franklin, 2020). For those samples that failed the duplicate test, it is recommended that as large a sample as possible of both the primary and duplicate samples be re-submitted for analysis. Use of the pulps or rejects from those samples should help resolve the problem.

A summary of the report is as follows:

Summary

1. *The analytical quality of the data is excellent, with exceptionally low gold contents for the blank samples, and excellent duplication of the standard samples. A small downward adjustment of the field samples by approximately 2.7% is recommended, but this will have little effect on the resource calculations [about 0.1g/t for the highest samples].*
2. *Some duplicate samples still fail the replication test. Although the duplicate data are much improved from previous work, the sampled that failed the test should be re-submitted using as much reject and/or pulp material as is available, to overcome the nugget effect that is present in the Romeit core.*

Recommendations:

1. *The ALS laboratory is providing good quality data with high reproducibility of the standard samples and is therefore an acceptable lab for continued use.*

2. *Further analysis of those duplicate samples that fail the test, as shown in the Appendix table, should be considered. This hopefully should overcome the nugget effect experienced for these samples.*

11.0 SUMMARY AND INTERPRETATION

The AFAQ field program has continued to aggressively expand the geological coverage at the West Elbah Concession through a work program combining ongoing, extensive geological mapping, and sampling with the commencement of drilling at the Romeit occurrence. By the end of 2021, the Romeit occurrence had been extensively mapped at large scale in combination with a broad surface sampling program that included trenching along drill profiles to tie subsurface intersections obtained from drilling with a surface profile. At Hamida mapping and sampling continues on this very extensive target area with considerable work still to be conducted to produce coverage over the entire occurrence. Other prospective areas encompassed by the project remain to be examined these include domains of historic activity (e.g., Mashi Shinai) and domains identified from recent work, for instance from the satellite image interpretation study.

Observations to date at Romeit indicate the presence of distinctly anomalous domains of gold mineralisation associated with quartz and quartz carbonate veining, sulphide mineralisation, alteration consisting of Fe-carbonate and silicification \pm chlorite and sericite, and strong ductile deformation. These domains are typically up to several metres thick but may be up to 50m in places, trend generally northerly with frequent deviation to the east and west, bifurcate and re-join in a complex pattern, demonstrate flexures, with significance for greater permeability and higher tenor, and can be persistent along strike for hundreds of metres. They are particularly prevalent at the southern part of the Romeit occurrence (see Figures in this report), but additional analytical data may result in modification of this interpretation; unobserved mineralisation may well occur beneath the alluvial, wadi fill, sediments occurring to the south of the southern part of the exposed Romeit occurrence evidenced by the presence of anomalous gold mineralisation in isolated outcrops located up to 300m south of the main Romeit outcrop area and on the same trend as mineralisation there. The “Romeit East” occurrence is another example of prospective gold mineralisation, located approximately 2km east of the Romeit occurrence, it demonstrates similar mode of occurrence of gold mineralisation.

At the Hamida and Hamida East occurrences, eight map sheets have been completed and digitized at a scale of 1:1000 for a combined area of 6.68 km². An additional ~2.34 km² of mapping remains to be digitised. The Hamida occurrence is composed of mainly felsic to mafic island-arc metavolcanics and related meta-volcaniclastics. All the volcanic stratigraphy has been intruded by diorite dykes and late and post orogenic granite further intruded the metavolcanics and diorite. The most prominent structural feature at the Hamida occurrence is an extensive shear zone, trending ENE (although locally deflecting significantly from this orientation) and composed of branching and re-joining domains of chlorite schist. Observation of the intense schistosity and sigmoidal indicators as well as isoclinal folds and evidence of recrystallisation

indicate that ductile deformation prevailed within the zone. The shear zone is transected by NNE and NNW trending shears/faults characterised by mylonitisation and sinistral displacement along the NNE features while dextral motion occurred along NNW trending faults. Quartz veining is quite common, particularly hosted by metavolcanic rock but also in diorite and granite. They are composed of white-grey quartz as well as a malachite bearing set. They typically strike NE and vary from <1cm to > 2m width, are up to 50m along strike and can occur individually or more commonly as sub-parallel sets and occasionally as extensive swarms. Observation of waste dumps at archaeological sites demonstrates that the malachite bearing quartz veins are the source of much of the gold recovered historically. The Hamida occurrence presents an exceptionally large altered and mineralised system – much larger in scope than the Romeit occurrence. The aim of the exploration program will be to isolate those areas of the system that present the highest potential for mineralisation of economic significance.

To date, a total of 11,707 grab and trench samples have been collected on AFAQ's West Elbah Concession, primarily from the Romeit and Hamida areas, comprising a large and valuable dataset of mineralisation and geology to inform future exploration on the project. Samples consist of 8,960 rock grab samples (assay and whole rock), 1503 trench samples, 417 standards, 403 blanks, and 403 field duplicate samples. Results have been received for 10,457 of these samples, while the remaining 1,250 (from the Hamida East area) are awaiting analysis or have yet to be delivered to the laboratory.

Field mapping and analytical results to date demonstrate that significant deformation, alteration, quartz and quartz carbonate veining and anomalous gold mineralisation is widely distributed in structurally hosted, curvilinear domains at the Romeit occurrence area. These domains are part of extensive network of structurally hosted gold mineralisation of recognised regional extent measured in hundreds of kilometres. The Romeit mineralised domains are measured in kilometres of combined strike length and have widths (combined veining and alteration) of up to 50m in places. Significant gold values are widespread. Combined these elements reveal the Romeit occurrence to be a prime exploration target of dimensions and potential not fully recognised in the past.

The distribution of analytical results has clearly demonstrated several areas that exhibit strong anomalous gold mineralisation, with significant continuity, within an area of approximately 1km x 1km. This area is located within a much larger area of discontinuous, linear domains of gold mineralisation measuring 3.5km x 3km (see Figure 13). A predominantly north-south orientation to the mineralisation is evident from the distribution and orientation of the veining and of analytical results; the veining dips predominantly to the west within deformed and altered envelopes that are up to 50m thick.

The interpreted results from the mapping and sampling at the Romeit occurrence have identified seven target areas of prospective grade and continuity for which subsurface exploration is recommended. Two of these targets (Targets 1 & 2) were tested by 2,693m of reverse circulation drilling in 21 drill holes during the third quarter (Q3) of 2021. Continuing in Q4 2021 the drilling program consisted of a further 34 drill holes totalling 4,294m collared to test at targets 3, 4, 6, 7

and additional drilling at Target 2. Q4 drilling consisted of completion of Phase 1 drilling and commencement and completion of a smaller Phase 2 drilling program (ten holes) directed in part to evaluate prospective Phase 1 results

To date the drilling program at the Romeit occurrence has intersected altered, deformed, and heterogeneously gold mineralised quartz-diorite host-rock. The intersections are confirmation that the prospective geological features observed at surface at the Romeit occurrence can be traced in the subsurface. The extent to which continuity can be established will depend upon interpretation of the current intersections, additional follow-up drilling, and interpretation of geophysical responses from surveys to be conducted. Evaluation is ongoing and further drilling has been identified and is planned for the near future. The drilling program will be expanded to diamond drilling as well; diamond drilling will provide more information regarding structure and mineralisation than RC drilling and will allow greater depth to be attained when testing the target structures hosting gold mineralisation.

The recent commencement of subsurface exploration employing reverse circulation drilling has produced results to date that indicate that significantly anomalous gold mineralisation is widespread. Further work is warranted and to continue to characterise this mineralisation.

A total of 7,357 reverse circulation samples have been collected from the initial RC program with samples comprised of 6,727 analytical samples and 630 QAQC samples. Analytical results have been received for 6,749 of the 7,357 samples.

The reverse circulation drilling program at Romeit marks is a significant advance in mineral exploration on the Western Elbah Concession. The continuation of this program is planned, to which will be added diamond drilling in the coming months. Any additional drilling will provide greater confidence in subsurface interpretations and potentially enhance interpretation of continuity in mineralisation. The extent to which drilling may eventually be required to determine the presence, or not, of a resource will obviously depend upon the grade, geometry, and continuity of the mineralisation encountered. If the results of the drilling indicate likelihood of the presence of a resource the data will be modelled to determine such potential.

12.0 PROPOSAL FOR ONGOING WORK PROGRAM

Work planned for Q2/2022 and beyond includes the continuation of the current reverse circulation (RC) drilling program and commencement of diamond drilling when appropriate. This includes additional preparatory work such as road access for drill access as well as drill site preparation, design of drill holes, and of drill cross-sections. Interpretation of the completed drilling will continue as results are received. Commencement of geophysical surveys is also anticipated - a program of induced polarisation – resistivity surveying.

12.1 Reverse Circulation Drilling

Drilling to date has encountered widespread anomalous gold mineralisation and provided several prospective mineralised intersections. Additional drilling is warranted to further investigate the mineralisation and potentially outline more extensive domains. The drilling would be a continuation of the program that commenced in Q3 2021 and remain focussed on the Romeit occurrence but could be expanded into the “greater” Romeit area to test strongly anomalous gold results obtained to the south and east of the “main” Romeit occurrence.

12.2 Drill Profile Trenching and Sampling

Coincidental to the reverse circulation drilling program, continued detailed mapping and sampling in shallow trenches along each drill profile will continue. To date the drill profiles for targets 1, 2, 3, and 4 have been established and trenching, mapping, and sampling has been completed. Additionally, trenching has been undertaken in the northern part of the Romeit area as well as at the Hamida occurrence.

12.3 Mapping

The continued expansion of mapping coverage of the West Elbah Concession Area is important to produce a comprehensive evaluation of the area. Detail may be added to existing mapping where appropriate. Additional detail to mapping structural information and kinematic indicators will be emphasised during Q2 or Q3 2022 at the Romeit occurrence. Such mapping will be completed in areas where drilling has been conducted or is planned and where geophysics is planned to obtain the most precise data available to be correlated with drilling results.

To date, mapping has focussed on the Romeit, Romeit East, Hamida, and Hamida East areas. The mapping of the Masho Shinai occurrence as well as at least seven areas elsewhere in the Concession Area identified from the remote sensing study (Baker, 2019) will aid in evaluating the gold mineralisation potential in those areas.

12.4 Sampling

Rock sampling for analytical purposes will continue as an integral part of the mapping and geological characterisation of the West Elbah Concession Area.

Grab samples will continue to be collected as appropriate when field-crews traverse lithologies and mineralisation considered to be prospective for gold mineralisation.

12.5 Channel Sampling

Additional channel sampling may be contemplated for the Hamida area (where topography is more challenging) as well as for the southern part of the Romeit occurrence. Channel sampling may provide an insight into the detailed distribution of gold (and other elements) at surface over well mineralised and altered domains and the adjacent and intervening deformed host rock.

12.6 Diamond Drilling

Diamond drilling will commence where it is necessary to evaluate deeper subsurface extensions to the mineralisation occurring at surface as well as to more precisely characterise mineralisation and geometry within the mineralised domains to be evaluated. Actual drill hole configuration will depend to some extent on the interpretation of results from previous work conducted – reverse circulation drilling, mapping, geophysics, sampling, channel sampling, and other exploration. However, if deeper intersections of the mineralised domains are necessary diamond drilling will likely prove most effective.

12.7 Alluvial Sampling

The results from the alluvial sampling study demonstrate that gold mineralisation does occur in the sediment covered areas in the immediate vicinity of the Romeit occurrence. Three of the ten samples collected returned strongly anomalous gold grain content. The grains are dominantly silt sized (<63µm) but several grains between 0.5->1mm are documented. Based on grain morphology the gold is interpreted to be in place or to have been transported a short distance from source and grain size distribution suggests a bedrock source.

Because of the anomalous nature of the gold grain content from the selected samples additional sampling and analysis is recommended. The potential for easily exploitable gold is apparent based on the results of the AFAQ study and the nearby presence of artisanal operations. Additional sampling and refining the sampling method to provide greater insight into the distribution of the gold grains is a simple and effective way to further evaluate the occurrence.

12.8 Ground Geophysics

A geophysical survey is planned to start during Q1 2021 as part of the ongoing, comprehensive exploration program. Given the evident structural complexity affecting the rocks hosting gold mineralisation at Elbah the application of appropriate geophysical techniques to evaluate the subsurface extension of the surface exposures of mineralised occurrences will provide invaluable information that could be used subsequently to direct drilling programs.

Specifically, at Romeit the contemplated survey will comprise combined IP/Resistivity coverage employing multiple-line data acquisition and 3D-interpretation to provide coverage to a depth of

200+m. Survey coverage necessary to evaluate the entire Romeit occurrence is approximately 4.5km² – however the initial survey does not have to comprise complete coverage of Romeit to provide useful data to allow definition of drilling targets. The survey should: detect and discriminate targets related to potential mineralisation, alteration, lithology, and structures; discriminate between large, potentially greater tonnage targets and small, non-economic targets; complement near-surface information for integrated diamond drill targeting. A ground magnetic survey would be conducted in conjunction with the IP/Resistivity survey.

13.0 PERSONNEL

AFAQ Mining personnel responsible for the implementation, management, and supervision of the work program at the Elbah are listed below. Work programs are conducted by a rotating field crew consisting of three to four geologists working under the supervision of the Project Manager. Work is conducted to a high standard and is regularly vetted via QA/QC procedures. Additional support staff assist with the work.

Table 8. AFAQ Mining Personnel and Consultants

Person	Position
Mostafa Elbahr	AFAQ Mining Chairman
Ahmed Bassouiny	AFAQ Mining CEO
Dr. Ragab El Banna	AFAQ Vice President Exploration
Eslam Helal	Senior Geologist - SMRC
Abdullah Abdel-Mohsen	Junior Geologist - AFAQ
Mohamed Abdel Halim	Junior Geologist - AFAQ
Kareem Nehad	Junior Geologist - AFAQ
Mohamed Mamdouh abo El Fetouh	Junior Geologist - AFAQ
Mostafa Abdel Razek	Junior Geologist - SMRC
Abdel Halem Mahdy Ahmad	Junior Geologist - SMRC
Waled Ali Mohamed Thant	Junior Geologist - SMRC
Mohamed El Sobky	Senior Geologist - AFAQ
Paul Jones	Geologist/Consultant
Laura Giroux	Geologist/Consultant
Dr. J.M. Franklin	Geochemist/Consultant
Dr. Basem Zoheir	Geologist/Consultant

More than 20 people work in the field camp when all support, service staff and drivers are included. The field crew generally works on a 20-day on-site (including two days travel) and 10-day off-site rotation.

In 2019, there were nine work rotations for the field crew with an average 18 field-work days per worker per rotation for an average total of 162 workdays (and 18 travel days) per field crew member.

In 2020, after completing two work rotations during the first quarter, the third, fourth, and fifth work rotations (March-June 2020) were deferred because of health concerns resulting from the global Covid-19 pandemic. Work resumed in the last month (June) of the second quarter of 2020. In the third quarter of 2020, two additional geologists were hired and overlapping rotations were started to ensure that part of the technical crew was always on site. A total of 8 work rotations were completed in 2020 (including up to January 10th, 2021) and 3 work rotations were deferred due to the pandemic.

In the first quarter of 2021, an additional geologist was added to the team and overlapping rotations were continued as in 2020. During Q4/2021, five team members were added to the rotation (Mohamed Mamdouh abo El Fetouh, Mostafa Abdel Razek, Abdel Halem Mahdy Ahmad, Waled Ali Mohamed Thaby, and Mohamed El Sobky). Project Manager/GIS specialist/geologist Dr. Hasan Mohy and geologist Mohamed Darweesh left the program to pursue other opportunities. A total of 21 crew rotations were completed during the year.

During the first quarter of 2022, six rotations were completed between January 6th and April 3rd.

Table 9. 2022 Field Crew Work Rotations

2022	Rotation	1	2	3	4	5	6	7	8	9	10
		Jan 6 – Jan 23	Jan 20 – Feb 6	Feb 3 – Feb 20	Feb 17 – Mar 6	Mar 3 – Mar 31	Mar 17 – Apr 3				
	Ragab El Banna	0	0	0	0	0	0				
	Eslam Helal	18	0	15	0	18	0				
	Mohamed Abdel Halim	18	0	18	0	29	0				
	Kareem Nehad	18	0	18	0	18	0				
	Mohamed Mamdouh abo El Fetouh	18	0	0	0	18	0				
	Abdel Halem Mahdy Ahmad	18	0	18	0	0	0				
	Mohamed El Sobky	0	18	0	20	0	18				
	Abdullah Abdel-Mohsen	0	18	0	20	0	18				
	Mostafa Abdel Razek	0	18	0	20	0	15				
	Waled Ali Mohamed Thabt	0	18	0	20	0	18				
	Total =	90	72	69	80	83	69				

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15.0 CERTIFICATE OF AUTHORS

Certificate for report titles "AFAQ Mining, Quarterly Progress Report (2022 Q1), AFAQ Mining Limited, Western Elbah Concession, Eastern Desert, Arab Republic of Egypt, April 27, 2022".



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