



AMBLER METALS



UPPER KOBUK
MINERAL PROJECTS

PRESIDENT'S MESSAGE

As 2021 unfolds, Ambler Metals begins its second year in existence. I am proud to have taken up the position of President and CEO and feel very encouraged that we have created a mining company that will successfully operate in Alaska for years to come. In 2020 we set solid foundations that we can build on and grow. We have fantastic land holding in the Ambler district, and have the organization, people, and partners to enable us to develop the Upper Kobuk Mineral Projects (UKMP) in a responsible and sustainable manner for generations to come; all the while improving the lives of the communities around us, creating new investment and growth in the state, and adding value to our shareholders.

In November 2020, our Board of Directors approved a \$27M budget for the company to conduct a full summer 2021 field season. This will include an extensive exploration drilling program at the Ambler volcanogenic massive sulfide (VMS) belt and will progress the engineering study work that will enable us to initiate the mine permitting process in the second half of the year.

Snow Removal at Bornite camp will be an initial effort this year, minimizing damage and repairs to the camp. In preparation of early June drilling schedules, we expect camp to be kicking off in mid-May. This year's drilling program is projected to include 25,000 feet of drilling at Arctic and 23,000 feet of drilling in the region around Arctic, mainly focused at Sunshine,

Center of the Universe, and the Cliff-Horse prospects. Included in our field plan, we will be implementing a strict COVID-19 testing and prevention protocol to keep our team and communities safe throughout the season.

My team and I look forward to updating you during our virtual village meetings this year to discuss the UKMP and our plans to develop the Ambler Mining District into a world class operation, while protecting the environment, bringing jobs, and improving lives in the region



Taikuu!

Ramzi Fawaz
President & CEO
Ambler Metals LLC

SUBSISTENCE COMMITTEE

Ambler Metals is committed to protecting the subsistence resources in the Ambler Mining District. These resources and the subsistence lifestyle practiced by the people of the region for thousands of years is vitally important. Formed in 2013, the Subsistence Committee provides a cooperative link between the people of the Kobuk River and Ambler Metals. The committee is made up of a diverse set of individuals, each with ties to the subsistence way of life, with each member being selected by their community to represent them. They meet twice a year to discuss the project, subsistence issues in the region, and it provides members an opportunity to address concerns and collaborate on solutions. Keeping an open dialog between the communities and Ambler Metals is crucial for the project to succeed, and guidance provided by the Subsistence Committee will ensure that subsistence resources are protected today and into the future.

GEOLOGY OF BORNITE AND ARCTIC

The topography of the Bornite area and the southern Brooks Range is varied and stunning. Looking at the hillsides and valleys around the Kobuk area, you may not realize that a long part of Earth's history is recorded in the rocks exposed on those hillsides and creek cuts, and in the drill core that geologists spend long hours studying.

The gray peaks of the Cosmos Hills are made of rocks that were formed about 435 million years ago as part of a vast, shallow sea. The abundant broken angular rock fragments that look like concrete (called dolomitic breccia) was formed by waves collapsing reefs and mounds of marine organisms. The remains of these ancient reefs form the marble at Bornite, which contains fossils of coral, crinoids,

clams, snails and other signs of abundant sea life.

The rocks exposed around the Arctic Deposit are very different from the rocks found in the Cosmos Hills. They are 375 million years old and represent a different geologic setting. Rocks at the Arctic Deposit record active volcanic activity and marine sediments formed in a place where the Earth was splitting apart. The area from Riley Ridge to the Kogoluktuk River valley is largely metamorphosed volcanic and volcanoclastic rocks, mixed with metamorphosed marine sedimentary rocks like mudstone, shale, and minor limestone. This mixture of rocks is called the Ambler sequence, and it is over 6,000 feet thick.

The rocks near Bornite and Arctic went through similar geologic events after they were deposited. The rocks that we see on the surface today were buried deep within the earth and subjected to great pressure and temperature that changed the rocks physically and chemically.

The younger rocks that covered and buried the Ambler area rock package were eroded away during the last 100 million years as tectonic activity created the Brooks Range. The uplift of the Brooks Range brought the Ambler area rock package to the surface. As part of the burial and uplifting processes, these rocks went through multiple stages of folding and stretching that greatly deformed them.



The geology crew in the Bornite coreshack spend long days examining the drill core and recording their observations. This work is critical to understanding the geologic processes that formed these rocks and the associated mineralization.



Button Schist on Riley Ridge near the Arctic Deposit. This rock is evidence of an active volcanic environment during formation of the rocks now known as the Ambler Sequence.



Gnurgle Gneiss outcrop. The folded bands in this calcareous rock are evidence of a complex geologic history.

From 2.5 million years ago to about 12,000 years ago, glaciers with at least 2,000 feet of ice covered all the major river valleys and most of the hills. After the glaciers receded, the familiar pattern of hills, mountains, valleys, and creeks that we see

in the Kobuk area has remained relatively unchanged. The geologic history of the Bornite and Arctic areas is complex, and this barely brushes the surface of the unique history of the land. The formation of major ore deposits at Bornite and

Ambler is tied to the geologic history, but the story of how the copper, zinc, and other metals were deposited is the topic for a later article.

2021 EXPLORATION SEASON

With the approval of this year's 2021 field season budget, we are excited to tackle the numerous planned activities. The largest aspect of the program will take place at the Arctic Deposit where we will use three drill rigs to complete 40 to 50 drill holes totaling 25,000 feet. The geologic data obtained from these drill holes will allow us to upgrade part of our mineral resource at Arctic to the "measured" resource category, which gives us, our partners, and our stakeholders the highest confidence level in the calculated mineral resource. We will also

obtain enough mineralized material from the drilling to complete a pilot plant test to confirm our milling and metal recovery plan.

In 2019 we flew an electromagnetic (EM) geophysical survey over our entire exploration area. Field mapping and soil sampling crews will operate across the Ambler VMS belt in 2021, following-up on many of the identified geophysical anomalies to evaluate their potential to host a mineral deposit like our Arctic Deposit. Later in the field season, we will move two drills from

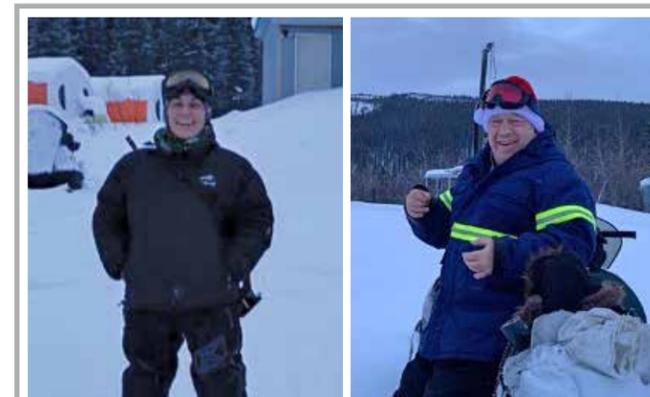
Arctic to drill up to 23,000 feet to test the most promising of those anomalies and other prospects in the region. We are conducting numerous studies to help us better understand and target the higher-grade copper zones at Bornite and within the Cosmos Hills.

The 2021 UKMP exploration program should advance our understanding of the geology and mineral resources across the property. We expect results from this program to lay the groundwork for our exploration efforts for years to come.

AMBLER METALS EMPLOYEES

Thank You!

We'd like to express our gratitude for Billy Bernhardt and Pearl Gomez of Kobuk, who've been making regular trips to the Bornite camp since the winter of 2019. They keep an eye on the Dahl Creek road, camp buildings and facilities and take care of any jobs that come up. Thank you both!



WHERE WE LIVE

We are proud to employ staff from the region surrounding the Ambler Mining District, as well as the state of Alaska. In addition, we partner with contractors such as Tuuq and NANA Management Services to make our field seasons successful. Thank you for your support. We look forward to seeing you again in the summer of 2021!



SAFETY MESSAGE

Spring is approaching and everyone is eager to get out on the land. Every year people get lost or hurt for a variety of reasons. Here are some simple tips to make your trips more safe:

- Let someone know where you are going and when you plan to be back
- Check the weather forecast, snow, and ice conditions
- Know your route
- Make sure your equipment is in good working order
- Be mindful of the time of day you begin your trip
- Stay where you are if you are lost, hurt, or broke down
- Consider bringing a lighter and matches to start a fire, extra clothing, food, water, a small first aid kit, and a survival blanket on each trip
- Remember to wear personal floatation devices when out on the water

We encourage everyone to take a moment before you set out and ask yourself a few basic questions before you set out on your trip. What hazards should I expect? Is my equipment in good working order? What is my plan if I get lost, hurt, or break down?

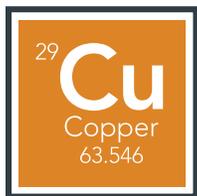
Safe travels!



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Copper and its alloys, such as brass, bronze and copper-nickel, are inherently antimicrobial. When cleaned regularly, frequently touched surfaces manufactured from uncoated copper alloy materials will continuously kill bacteria that cause infections.

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