NI 43-101
TECHNICAL REPORT

LH PROPERTY

Silverton, B.C.

Slocan Mining Division

Latitude: 49° 53’ 36”, Longitude 117° 20’ 23”
NTS Mapsheet 084F/14
TRIM 082F083, 084 and 094

for:

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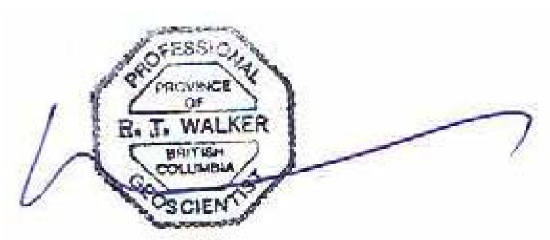
Dated: March 9, 2016

DATE AND SIGNATURE PAGE

This report titled "**NI 43-101 TECHNICAL REPORT - LH PROPERTY**" and dated March 9, 2016, was prepared and signed by:



Richard T. Walker

President

Dynamic Exploration Ltd.

Dated at Cranbrook, BC

March 9, 2016

1.0 EXECUTIVE SUMMARY

The LH Property is located approximately 7.0 km south of the village of Silverton, east of Slocan Lake (Fig. 1 and 2). The Property lies on NTS map 82F/14W (BC TRIM maps 082F083, 084 and 094) in the Slocan Mining Division of southeastern British Columbia. The LH Property (Fig. 3) consists of six contiguous Mineral Title On-Line tenures and one non-contiguous, Legacy Claim, totaling 2,627.19 ha (or 6,491.92 acres), collectively known as the "Willa Claims". These tenures partially overlap nineteen crown granted mineral claims, totaling 335.69 hectares (or 829.51 acres), collectively known as the "LH Claims".

In 2010, International Bethlehem Mining Corp. ("**IBC**") acquired a 100% undivided interest in 19 crown granted mineral claims known as the "LH Property", located in the Kootenay Land District, Slocan Mining Division, British Columbia. The LH Property is subject to a 1% net smelter return royalty in favour of Andaurex Industries Inc. IBC also holds a 100% undivided interest in 4 mineral claims known as the "Willa Property" located in the Slocan Mining Division, British Columbia. The Willa Property is subject to a 1% net smelter return royalty in favour of Michael Hudock, Peter Leontowicz and William Wingert. IBC has acquired 3 additional mineral claims located near the Willa Property.

By option agreement dated September 6, 2012 (the "**Magnum Option Agreement**"), IBC granted to Magnum GoldCorp Inc. ("Magnum") an option to acquire a 51% undivided interest in the LH Claims and the Willa Claims. Magnum subsequently entered into a purchase agreement dated February 24, 2015 (the "**Cobra Option Agreement**"), with IBC and Cobra Venture Corporation ("**Cobra**"), pursuant to which Magnum agreed to sell, and Cobra agreed to purchase, one half of Magnum's 51% option interest in the LH Property. Cobra has exercised its option under the Cobra Option Agreement and now holds a 25.5% interest in the LH Property and Magnum operates the property under the terms of a joint venture arrangement amongst Cobra, Magnum and IBC. The LH Property is currently jointly owned by IBC as to 49% and Magnum and Cobra as to 25.5% each.

The LH property is located east of the Slocan Fault, a north-south, gently east dipping normal fault that separates high grade metamorphic strata characterizing the Valhalla Complex to the west from low grade metamorphic sedimentary and volcanic strata to the east (Carr and Parrish 1987). The stratigraphy on the east side of the Slocan Fault in the area of the property consists of sedimentary strata correlated to the Upper Triassic Slocan Group and volcanic and volcaniclastic strata correlated to the Middle Jurassic Rossland Group. This stratigraphic sequence was then intruded by the Middle Jurassic Nelson Batholith

The LH MINFILE occurrence is located in the northeast portion of a roof pendant hosted within the Nelson Batholith. As such, the extensive work completed on, and immediately surrounding, the Willa deposit (Ash 2014, Ash and Makepeace 2012, Heather 1985, Wong and Spence 1995) provides a good working model to guide exploration in, and immediately surrounding, the roof pendant, including the area underlain by the LH Crown Grants.

LH Underground Workings

Three levels, comprising 518 m of underground workings, are developed on mineralization identified east of Fingland Creek within the LH Underground workings, with minor production documented from Levels 1 and 2. Gold mineralization is associated with structurally controlled quartz veins to silica altered zones hosting pyrrhotite ± arsenopyrite with highly subordinate pyrite. Two major structural orientations have been identified, the first oriented between 075° to 080°, having a vertical to moderately steep (50°) dip to the north. The second strikes approximately 025°, dipping 65° southeast and both truncates and offsets mineralization associated with the first set. Locally, it also hosts mineralization, possibly associated with enhanced “damage” zones. Historical production is reported to consist of 196 tonnes of ore mined in 1939, with 1928 grams silver and 3452 grams gold were recovered. These reported results correspond to a grade of 17.61 g/t Au and 9.84 g/t Ag.

Ridge Zone

The “Ridge Zone” is an area of variable, strong to extensive alteration of host strata along the ridge comprising the west margin of the upper Fingland Creek basin. Mapping of the Ridge Zone (Mitchell 1988) identified a series of alteration zones developed within pyroclastic host rocks correlated to the Rossland Group volcanics. Alteration intensity gradually increases from relatively unaltered tuffs and agglomerates present on the east side of the ridge westward up and beyond the ridge crest to the west. Alteration is distinguished by an increase in biotite, chlorite and hornblende alteration, with local potassic alteration and sericitization. On the west side of the ridge, strongly to extensively altered volcanics are characterized by zones of well developed biotite hornfels and pyroxene and epidote calc-silicates (chlorite schists). In addition, the steep, resistant, approximately north-south trending ridge is cored by pervasively silicified volcanics over a wide central zone. Accompanying the zone of pervasive silicification is elevated sulphide content associated with anomalous gold values documented in rock and soil samples . Smaller discrete silicified zones occur locally.

Subsequent drilling of the Ridge Zone in 1987 and 2012, together with drilling west of Fingland Creek in 1986-1987 and 2014, confirmed a second style of gold mineralization occurring as a stockwork zone of silicified, calc-silicate altered and hornfelsed volcanics. This mineralization is characterized predominantly by pyrrhotite with highly subordinate arsenopyrite ± pyrite ± minor chalcopyrite.

Ice Tunnel

The Tunnel Zone consists of a small set of underground workings immediately west of Fingland Creek and slightly above the road, occurring at the same elevation as the Level 3 workings of the LH Underground Workings. Limited information is available for this relatively small set of workings, however, elevated gold ± arsenic values have been reported.

“... Mineralization consists of structurally controlled, mesothermal quartz veins traced over 70 metres along the length of the veins, varying vary from 0.6 to 7 metres in width. Native gold mineralization appears to be associated with arsenopyrite, pyrite, pyrrhotite and chalcopyrite. This vein mineralization grades approximately 7.0 to 10.0 g/t gold” (Kowalchuk 2013).

Key summary developments and/or results from the 2012 to 2015 programs include the following:

2012

- Magnum Goldcorp Inc., with IBC as operator, completed a 246 metre drill hole in the Ridge Zone, approximately twinning hole LH88-23. Hole LH 12-25 was drilled an azimuth of 212°, and an inclination of -50°.
- The hole was interpreted to have cored Rossland Group host rocks, comprised predominantly of Mafic Agglomerate and subordinate Lapilli Tuff / Agglomerate, with several short intervals of Crystal Tuff – Agglomerate and Meta-greywacke also identified. Alteration identified in the hole includes strong to extensive silicification and calc-silicate alteration over intervals up to 18 m thick.
- Best mineralized intercepts were as follows:

Hole Number	From (metres)	To (metres)	Width (metres)	Gold (Au) (g/tonne)
LH-12-25				
	37.00	38.00	1.00	14.70
	53.00	92.00	39.00	0.44
including	59.00	65.00	6.00	0.62
including	63.58	64.00	0.42	2.50
and	81.86	90.00	8.14	0.90
including	83.37	86.50	3.13	1.43
and	99.00	124.00	25.00	0.15
	145.04	163.00	17.96	0.47
including	149.00	154.00	5.00	1.28
including	153.23	154.00	0.77	2.56

2014

- Data compilation resulted in a geochemical database consisting of 350 soil and 114 rock samples analyzed primarily for gold (Au), silver (Ag), arsenic (As) and copper (Cu). The resulting database document an anomalous area transected by the uppermost portions of the available road network, extending southwest from the underground workings of the LH MINFILE occurrence to the western margin of the headwaters of Fingland Creek. The resulting trend is a minimum of 960 m long by 260 m wide, extending from the underground workings of the LH mine to the southern limits of sampling.
- Geochemical results for 24 drill holes completed between 1985 and 1988, from southwest to northeast, include:

  - the "**Ridge Zone**"

  - immediately west of Fingland Creek, and

  - the area in the vicinity of the LH Underground workings

  Compilation of intercepts having gold grades greater than 1 g/t documents widespread, low grade gold values with generally narrow, but very high grade gold-bearing intervals (i.e. LH 86-03 - 6.63 g/t over 25.55 m).

- Limited road rehabilitation to make the mine access road available for quad access.
- A small survey grid, totaling approximately 5 line km, was flagged and cut.
- An initial Self Potential survey (282 stations) completed on the available road network, extending from approximately 1560 m to the end of the available road system in the Fingland Creek basin.
- A ground geophysical survey was completed on the prepared grid and included both a Pulse Type Induced Potential (IP) and magnetometer survey. The survey area consisted of 9 approximately east-west survey lines spaced at approximately 100 m for a total of approximately 5 line km.

- Sampling for a Water Quality Survey was undertaken after the spring freshet to establish an initial baseline for dissolved metal content, temperature, pH, dissolved oxygen, conductivity, and turbidity prior to any mechanical disturbance associated with the 2014 drill program and for future reference. A total of four locations were sampled.
- The Company completed 4 helicopter supported drill holes at 2 separate locations on the west side of Fingland Creek for a total of 707 metres, that successfully tested magnetic anomalies identified from the preceding ground geophysical survey. Coincident Self-Potential and Induced Potential anomalies are spatially associated with the magnetic trend and interpreted to document potentially gold-bearing, pyrrhotite hosted mineralization.
- Best mineralized intercepts were as follows:

Hole Number	From (metres)	To (metres)	Width (metres)	Gold (Au) (g/tonne)
LH-14-26				
	3.50	94.03	90.53	0.30
including	13.50	14.50	1.00	1.11
including	18.50	19.53	1.03	1.75
including	25.50	26.50	1.00	1.47
including	27.03	27.31	0.92	5.26
and	53.52	65.61	12.09	0.55
including	61.98	63.00	1.02	2.77
and	133.00	139.96	6.96	1.81
including	133.00	134.00	1.00	11.40
and	145.03	146.03	1.00	1.27
and	167.02	167.15	0.13	3.53
LH-14-27				
	4.00	117.00	113.00	0.28
including	9.31	18.50	9.19	0.98
including	9.31	10.00	0.69	1.19
including	12.50	13.53	1.03	1.31
including	13.53	14.53	1.00	3.94
and	29.56	30.54	0.98	1.98
and	67.92	71.00	3.08	1.91
including	67.92	69.00	1.08	1.23
including	69.00	70.00	1.00	3.79
LH-14-28				
	70	71	1.00	1.04
and	75.00	76	1.00	2.39
and	107.00	108.01	1.01	1.05

All holes were cross-cut by several generations of intrusive lithologies, including Andesite, Gabbro, Felsic (Quartz-Feldspar to Feldspar-Quartz), Pyroxene-bearing, and Lamprophyre dykes, ranging from very thin dykelets (up to several cm thick) to thicker dykes (<2.5 m).

Host rocks are characterized by pervasive chlorite alteration, consistent with propylitic alteration and regional sub-greenschist grade metamorphism. Variable, moderate to extensive, overprinting silica and/or calc-silicate alteration of host meta-volcanics is evident in the drill core. Potassic alteration is evident in many of the tuff intervals as development of biotite / phlogopite. Alteration varies from patchy to development of alteration intervals.

2015

A single pad was utilized for the 2015 drill program, located at the base of a small cliff immediately above, and south of, the portal for the Level 1 (uppermost) workings. A total of 11 drill holes were completed for total recovery of 672.50 metres of BTW drill core.

All holes (except LH15-33) intersected moderate to high grade mineralized intervals. Even holes intersecting workings documented moderate to high grade mineralization immediately above the workings, which had removed the bulk of the gold-bearing mineralization.

- Best mineralized intercepts were as follows:

Drill Hole	Interval*		Length (metres)	Gold (Au)	
	From (metres)	To (metres)		ICP (g/t)	Gravimetric (g/t)
LH15-30	**4.00**	**25.00**	**21.00**	**1.29**	**1.50**
Including	6.00	7.00	1.00	5.15	7.44
Including	9.00	25.00	16.00	1.29	1.43
Including	9.00	10.00	1.00	2.01	2.09
Including	14.00	15.00	1.00	3.36	3.34
Including	15.00	16.00	1.00	1.60	2.25
Including	16.00	17.00	1.00	2.50	3.33
	29.00	**48.00**	**19.00**	**0.71**	**0.75**
Including	40.00	41.00	1.00	3.93	3.78
	63.00	64.00	1.00	2.12	2.15
LH15-31	**21.00**	**37.90**	**16.90**	**13.58**	**14.31**
Including	21.00	22.00	1.00	2.61	2.57
Including	**27.00**	**37.90**	**10.90**	**20.61**	**21.75**
Including	32.00	33.00	1.00	5.82	5.54
Including	33.00	34.00	1.00	2.75	3.79
Including	**34.00**	**35.00**	**1.00**	**175.00**	**187.00**
Including	**35.00**	**36.00**	**1.00**	**33.10**	**31.60**
LH15-32	15.63	73.00	57.37	3.81	3.73
Including	15.63	28.00	13.37	6.49	5.44
Including	33.00	55.00	22.00	5.52	5.89
Including	18.00	19.00	1.00	4.06	5.66

Drill Hole	From (metres)	To (metres)	Length (metres)	ICP (g/t)	Gravimetric (g/t)
Including	**19.00**	**20.00**	**1.00**	**14.70**	**20.00**
Including	**20.00**	**21.00**	**1.00**	**27.50**	**29.70**
Including	25.00	26.00	1.00	2.84	2.75
Including	26.00	27.00	1.00	30.20	6.85
Including	27.00	28.00	1.00	1.95	2.01
Including	28.00	29.00	1.00	1.93	2.08
Including	34.00	35.00	1.00	2.49	2.32
Including	41.00	42.00	1.00	4.51	6.00
Including	**42.00**	**43.00**	**1.00**	**15.60**	**11.50**
Including	43.00	44.00	1.00	2.06	2.05
Including	44.00	45.00	1.00	1.95	2.27
Including	45.00	46.09	1.09	7.91	9.20
Including	**50.00**	**51.00**	**1.00**	**11.90**	**14.70**
Including	**51.00**	**52.00**	**1.00**	**11.60**	**13.20**
Including	**52.00**	**53.00**	**1.00**	**52.90**	**56.00**
Including	71.00	72.05	1.05	3.60	4.52
	110.00	114.00	4.00	1.12	1.15
Including	112.00	113.00	1.00	3.65	3.74
LH15-34	15.95	20.23	4.28	5.64	6.16
Including	15.95	17.00	1.05	4.46	5.46
Including	17.00	18.00	1.00	5.14	5.90
Including	18.00	19.00	1.00	2.88	2.92
Including	19.00	20.00	1.00	8.15	9.75
Including	20.00	20.23	0.23	14.30	8.93
LH15-35	9.00	21.01	12.01	1.01	1.17
Including	12.00	20.00	8.00	1.37	1.60
Including	14.00	15.00	1.00	3.39	4.24
Including	19.00	20.00	1.00	2.15	2.40
LH15-36	**18.00**	**23.47**	**5.47**	**10.20**	**12.59**
Including	**20.00**	**23.47**	**3.47**	**15.89**	**19.59**
Including	20.00	21.00	1.00	5.00	3.91
Including	**21.00**	**22.00**	**1.00**	**49.70**	**63.60**
LH15-37	6.00	15.34	9.34	7.08	6.45
Including	**6.30**	**11.00**	**5.00**	**12.86**	**11.66**
Including	**6.00**	**7.00**	**1.00**	**14.30**	**11.3**
Including	7.00	8.00	1.00	8.17	7.03
Including	**9.00**	**10.00**	**1.00**	**31.40**	**30.10**
Including	10.00	11.00	1.00	9.82	9.33

Drill Hole	From (metres)	To (metres)	Length (metres)	ICP (g/t)	Gravimetric (g/t)
Including	15.00	15.34	0.34	2.94	3.22
LH15-38	**28.00**	**39.00**	**11.00**	**20.66**	**20.76**
Including	36.00	39.00	3.00	3.13	3.32
Including	**28.00**	**29.00**	**1.00**	**14.30**	**17.50**
Including	29.00	30.00	1.00	5.77	5.83
Including	30.00	31.00	1.00	10.90	9.57
Including	**31.00**	**32.00**	**1.00**	**53.00**	**69.50**
Including	**32.00**	**33.00**	**1.00**	**132.00**	**114.00**
Including	36.00	37.00	1.00	4.98	5.12
Including	38.00	39.00	1.00	3.85	4.27
	39.00	41.10	2.10	3.45	3.88
	66.00	81.00	15.00	3.00	2.78
Including	69.00	79.00	10.00	4.36	4.04
Including	71.00	72.00	1.00	2.21	1.74
Including	**78.00**	**79.00**	**1.00**	**35.60**	**32.10**
LH15-39	**8.00**	**9.00**	**1.00**	**22.60**	**22.10**
LH15-40	**10.10**	**10.36**	**0.26**	**10.00**	**11.00**
	11.00	**14.00**	**3.00**	**13.53**	**14.28**
Including	11.00	12.00	1.00	25.00	33.60
Including	12.00	13.00	1.00	14.20	7.76
	26.00	**62.00**	**36.00**	**5.92**	**5.97**
Including	**26.00**	**27.00**	**1.00**	**13.40**	**12.90**
Including	28.00	29.00	1.00	2.25	2.24
Including	29.00	30.00	1.00	6.30	6.79
Including	**30.00**	**31.00**	**1.00**	**16.40**	**18.40**
Including	31.00	32.00	1.00	2.42	3.39
Including	**32.00**	**33.00**	**1.00**	**48.50**	**46.10**
Including	**33.00**	**34.00**	**1.00**	**63.90**	**47.60**
Including	34.00	35.00	1.00	4.77	6.60
Including	**35.00**	**36.00**	**1.00**	**8.87**	**17.10**
Including	36.00	37.00	1.00	3.05	3.55
Including	37.00	38.00	1.00	1.56	2.24
Including	38.00	39.00	1.00	7.35	7.98
Including	44.00	45.00	1.00	1.08	3.32
Including	45.00	46.00	1.00	2.93	2.70
Including	48.00	49.00	1.00	2.24	2.05
Including	50.00	51.00	1.00	3.52	3.95
Including	55.00	56.00	1.00	5.16	5.62

Including	58.00	59.00	1.00	3.74	4.86
Including	59.00	60.00	1.00	1.67	2.37

- In general, the holes cored predominantly variably altered (silicified), pervasively chloritized host lithologies. Coarse Megacrystic felsic dykes (<30 cm thick) were intersected in several holes, cross-cutting the host strata. In addition, felsic dykes having up to 30% black amphibole (hornblende?) were also documented in the drill core.
- Silicified zones are spatially restricted within the drill holes over short intervals and as relatively thin quartz veins, with intensity of silicification generally increasing down-hole. Calc-silicate alteration is highly subordinate to silicification, evident as localized patches and zones.
- Mineralization varies from disseminations to clots to intervals of semi-massive to massive sulphides. Sulphides are present, predominantly as pyrrhotite, with subordinate pyrite and, locally, arsenopyrite. Locally, mineralization is clearly associated with silicification and veining.

Ridge Zone

On the Ridge Zone, comprising the west boundary of the Fingland Creek basin, variably developed, weak to extensive, pervasive silicification, often accompanied by calc-silicate alteration, overprints pervasive chloritic alteration. In some intervals within the core, silicification is extensive, resulting in: 1) quartz veins, 2) bone-white, glassy replacement of lapilli, 3) alteration halos between lapilli and matrix and 4) alteration halos developed within host rocks adjacent to veins.

Calc-silicate alteration is subordinate to silicification, and is similarly expressed as: 1) alteration halos around veins, 2) selective alteration between lapilli and matrix, 3) selective alteration of tuffaceous bands, and 4) as diffuse, patches developed within host rocks.

In general, there are two styles of mineralization: 1) thin sulphide veinlets, and 2) as clots, ranging from individual disseminations to massive sulphides. Veins are ≤1.5 cm thick, often mm-scale, hosted by black chlorite veins and/or having black chloritic halos against host rocks. Sulphides, usually pyrrhotite ± pyrite cores the veins, but may comprise the entire width as a thin, massive sulphide vein. The veins have been noted cross-cutting alteration and, therefore, at least some of the mineralized veins post-date alteration.

LH Underground Workings

Previous mapping indicates the LH Underground workings, and immediate area, document pyroclastic volcanic lithologies, predominantly Lapilli Tuff. Alteration is characterized by localized strong to extensive silica alteration within a pervasively chlorite altered host. Calc-silicate alteration, though present, is highly subordinate and very restricted. Locally, over intervals up to tens of metres, silicification can become very strong to extensive, expressed as both quartz veins and/or zones of silicification in which ghost textures of the host lithology are still evident.

Mineralized zone(s) described from the underground workings vary from south dipping to moderately north dipping, with considerable change in orientation across numerous, generally north-trending "slips" (ranging from northwest to north-northeast trending, dipping shallowly west-southwest to steeply northeast). The dip of mineralized zones will change dramatically depending upon location relative to the generally north-trending faults which subsequently offset mineralization.

At least two moderately north dipping mineralized intervals are interpreted on the basis of the 2015 drill results. These results, taken together with results of the 1985 underground chip sampling and drill program, are interpreted to suggest multiple gold-bearing mineralized zones characterized by silicification ± calc-silicate alteration and elevated sulphide content. Offset of mineralized zones is apparent in the results the 2015 drill program (i.e. lack of mineralization in LH 15-33), interpreted to demonstrate the fault control of mineralization, as reported previously from the underground workings.

Previous exploration programs on the LH Property have resulted in the interpretation that the Property is host to two styles of gold mineralization, as follows:

1) Mesothermal, gold-bearing quartz vein mineralization - as evidenced by minor production on two historical underground levels in the former LH Mine, and
2) Ridge Zone mineralization - interpreted to represent gold-bearing, skarn-style gold-bearing mineralization associated with pyrrhotite, arsenopyrite and/or minor copper and hosted within silicified calc-silicate altered host rocks. This style of mineralization is interpreted to have greater potential for identification of a larger volume of mineralized rock, although with significantly lower grades than epithermal vein mineralization.

The Rossland Group meta-volcanics comprising the roof pendant have been documented to be susceptible to chlorite, potassic, silicification and calc-silicate skarn-style alteration. Many of the same geological features identified in the Willa deposit have been identified within the LH Claims, both in the Ridge Zone and at the LH Underground workings.

Pervasive chlorite alteration is interpreted to have developed under regional Barrovian metamorphic conditions. Prograde calc-silicate alteration is interpreted to accompany incorporation of a high level pendant within the Nelson Batholith in the Middle Jurassic. Calc-silicate alteration is strongly associated with silicification. West of Fingland Creek (Ridge Zone area), strong to extensive silicification is accompanied by, and intimately associated with, calc-silicate alteration.

In the LH Underground area, however, local zones of strong to extensive silicification (quartz veins to diffuse siliceous zones) may or may not be accompanied by highly subordinate calc-silicate alteration. Therefore, silicification may be independent of calc-silicate alteration.

Megacrystic to pegmatitic dykes, as well as most of the Felsic and/or Quartz-Feldspar to Feldspar-Quartz dykes are interpreted to correlate to the Nelson Plutonic Suite. Several instances were noted in which these dykes contain clots of pristine (stable) pyrrhotite and, therefore, the Nelson Batholith is interpreted to be a possible source of pyrrhotite.

Retrograde alteration is interpreted to be evidenced by black chloritic veins (associated with the mineralizing event) cross-cutting calc-silicate alteration (prograde alteration event). Subsequent examples of retrograde alteration are represented by ubiquitous calcite ± quartz veinlets, often sheeted, ranging from hairline to several cm, but averaging less than 0.5 mm thick.

Finally, Lamprophyre Dykes are very late stage intrusives unrelated to mineralization and/or alteration.

The presence of calc-silicate alteration documented over successive programs is interpreted to be consistent with proximity to the intrusive contact. Very limited calc-silicate alteration has been described from the LH Underground and, more generally, the area east of Fingland Creek. As the Rossland Group volcanics are, demonstrably, highly reactive, with locally extensive calc-silicate alteration described from both the Willa property and the west side of the LH Claims, the weak development of calc-silicate alteration east of Fingland Creek is interpreted to suggest a distance at the outer limits of such alteration (i.e. approximately 500 – 800 m).

In contrast, the widespread, moderate to strong calc-silicate alteration described from the west side of Fingland Creek and, in particular, the Ridge Zone, is interpreted to indicate a location more proximal to the intrusive contact, potentially within 200-300 m. The relative abundance of dykes and widespread calc-silicate alteration is interpreted to indicate the presence of a high level apophyse or cupola above the Nelson Batholith, underlying the Ridge Zone.

The widespread presence of pyrrhotite is interpreted to indicate a reduced, rather than oxidized, environment, during mineralization. As the mineralization event has been interpreted to have been contemporaneous with emplacement of the Nelson Batholith, a reduced intrusive environment may be consistent with a Reduced Cu-Au Porphyry at depth.

Based on previous work completed over a larger area of the property, a metal zonation has been proposed.

> "When results for elements are integrated ..., a distinct pattern of metal zonation across the property emerges. From west to east, the zonation is:
>
> Mo → Mo-Cu-Au-(Ag) → Cu-Mo-(Au), Cu-Au-As → As-Au (Ag)

The 2014 IP survey documented a number of anomalies, one of which is spatially associated with a prominent magnetic anomaly along the Ridge Zone. The spatial association of the IP and magnetic anomaly, as well as a corresponding SP anomaly, is interpreted to define a pyrrhotite-rich zone and/or horizon(s) within Rossland Group volcanics, extending from the west side of the survey grid through the west-central portion of the grid to the Ice Tunnel.

Furthermore, the above is interpreted to define the eastern portion of the anomaly. The survey grid did not extend far enough west to provide closure to the anomaly. Two Chargeability anomalies, defined on the western portion of the grid, appear to be developed on the margin of the magnetic anomaly and may be responding to different features of ta larger anomaly. There is also very good agreement between the geophysical anomalies and alteration mapping of the Ridge Zone .

The results of the IP ground geophysical survey are interpreted to suggest all drilling in the Ridge Zone may have been collared too far east. As a result, the drill holes may have been collared at an elevation below the Chargeability anomaly defined and, therefore, drilled below the potential zone of interest. Alternatively, the holes may have been drilled too high and potentially passed above more strongly altered, and potentially mineralized, host rocks above the contact with the Nelson Batholith.

The results of the 2014 and 2015 programs are interpreted to confirm previous interpretation of a strong qualitative correlation between gold grade and pyrrhotite mineralization. On the basis of this hypothesis, several strongly magnetic anomalies identified by the ground magnetic survey are tentatively proposed to reflect host rocks having elevated levels of pyrrhotite. This relationship is supported by coincident surface geochemistry and geophysics (SP, Magnetics and IP (particularly Apparent Chargeability)).

In addition, the close spatial association between magnetic anomalies and SP anomalies is interpreted to confirm potential for elevated pyrrhotite content and potential for elevated to anomalous gold content and, therefore, represent high priority targets for sub-surface drilling.

The highest priority target identified to date through geophysics is the southern portion of the Ridge Zone, where alteration mapping and ground geophysics, particularly magnetic and Apparent Chargeability, have delineated the strongest anomalies.

In the LH Underground Workings, an historical grade and tonnage estimate was determined (Williams 1985), as follows:

	Tonnage (tonnes)	Grade (gram / tonne)
Proven	9,325	10.63
Probable	21,405	8.06
Possible	31,035	3.72
Total Reserve	61,765	6.27

(Note: This is an historical resource estimate (Williams 1985) prepared prior to implementation of NI43-101 or CIMM reporting standards. The estimate has been provided to indicate the mineral potential interpreted by a previous operator as a guide to their exploration program. The work underlying the estimate is unavailable to the author, who has not been able to verify the work and, as such, this resource cannot be relied upon. A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource of mineral reserve. The Issuer is not treating the historical estimate as a current mineral resource or mineral reserve; it is provided solely for historical interest. The Phase I drill program proposed herein is expected to provide sufficient information for preparation of an initial NI 43-101 compliant resource estimate).

The above historical grade and tonnage estimate is interpreted to represent the speculative mineral potential previously identified within the LH Underground workings on the basis of underground chip samples and compilation of historical underground drill results. Multiple drill holes (LH 06-06 and LH 15-30 to 41), as well as the results of underground chip sampling, are interpreted to indicate the presence of multiple high-grade, gold-bearing mineralized zones in Levels 1 and 2 and farther north.

Mineralization is associated with moderate to extensive silicification, ranging from pervasive silica alteration of host rocks to quartz veins. Calc-silicate alteration identified in drill core was only weakly developed, in contrast to the west side of Fingland Creek Fault. Pyrrhotite is, again, the dominant sulphide present, although predominantly as thin veins to bands (thicker veins?) of massive sulphides. Arsenopyrite was more prevalent in the LH Underground than west of the the Fingland Creek Fault, although highly subordinate to pyrrhotite.

The results of the Company's programs to date are considered very significant with respect to future and further evaluation of high grade gold mineralization previously identified in two locations on the LH Property, more specifically, the Ridge Zone and the LH Underground workings. Exploration programs have documented attractive gold values (to 187 g/t; refer to Table 3), interpreted to reflect two styles of mineralization on the LH Claims, 1) gold-bearing, skarn style mineralization (i.e. Ridge Zone), and 2) mesothermal, gold-bearing quartz vein mineralization (i.e. LH Underground workings). Results confirm previous interpretation of a strong association between gold and pyrrhotite mineralization. Furthermore, the Company's drill programs are interpreted to confirm a strong correlation between pyrrhotite content and gold grade.

Further work is strongly recommended to further advance the Ridge Zone and LH Underground workings.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF APPENDICES

2.0 INTRODUCTION, TERMS OF REFERENCE and UNITS

2.1 Introduction

This report summarizes results from exploration programs completed by Magnum Goldcorp Inc. (hereafter referred to as “Magnum” or the “Company”) from 2012 to 2015 to earn a 25.5% interest in the LH Property (hereafter referred to as “the Property”).

The LH Property is located approximately 7.0 km south of the village of Silverton, east of Slocan Lake (Fig. 1 and 2). The Property lies on NTS map 82F/14W (BC TRIM maps 082F083, 084 and 094) in the Slocan Mining Division of southeastern British Columbia. The LH Property (Fig. 3) consists of six contiguous Mineral Titles On-Line tenures and one non-contiguous, Legacy Claim, totaling 2,627.19 ha (or 6,491.92 acres), collectively known as the “Willa Claims”. These tenures partially overlap nineteen crown granted mineral claims, totaling 335.69 hectares (or 829.51 acres), collectively known as the “LH Claims”.

IBC acquired a 100% undivided interest in the 19 crown granted mineral claims known as the ‘LH Property’, located in the Kootenay Land District, Slocan Mining Division, British Columbia in 2005. The LH Property is subject to a 1% net smelter return royalty in favour of Andaurex Industries Inc. IBC also holds a 100% undivided interest in 4 mineral claims known as the ‘Willa Property’ located in the Slocan Mining Division, British Columbia. The Willa Property is subject to a 1% net smelter return royalty in favour of Michael Hudock, Peter Leontowicz and William Wingert. IBC has staked 3 additional mineral claims located near the Willa Property.

Under the terms of the Magnum Option Agreement IBC granted to Magnum an option to acquire a 51% undivided interest in the LH Claims and the Willa Claims. Magnum subsequently entered into the Cobra Option Agreement, pursuant to which Magnum agreed to sell, and Cobra agreed to purchase, one half of Magnum’s 51% option interest in the LH Property. Cobra has exercised its option under the Cobra Option Agreement and now holds a 25.5% interest in the LH Property and Magnum operates the property under the terms of a joint venture arrangement amongst Cobra, Magnum and IBC. The LH Property is currently jointly owned by IBC as to 49% and Magnum and Cobra as to 25.5% each.

On December 21, 2015, Magnum, Cobra and IBC announced that they had entered into the Asset Purchase Agreement pursuant to which Magnum will acquire all of the interest of each of IBC and Cobra in the LH Property. Completion of the acquisition is subject to applicable regulatory, shareholder and corporate approvals and is expected to occur in early April 2016.

The property can be accessed by traveling south for 1.8 km from the village of Silverton via paved Highway 6 to the Red Mountain Road on the east side of the highway. Follow Red Mountain Road southeast for 1.6 km to the Hewitt Mine Road, then turn south on the Branch 200 Road for an additional 3.5 km east-southeast to rehabilitated LH Mine Road along Fingland Creek. Follow the rehabilitated, quad accessible 4-wheel drive mine road approximately 2.8 km to the current area of active interest on the LH Claims.

The LH property is situated the Slocan Range of the Selkirk Mountains, in the Omineca Crystalline Belt of southeastern British Columbia (Fig. 4). The stratigraphy consists of Upper Triassic sedimentary to Lower Jurassic volcanic to volcaniclastic strata comprising an interpreted roof pendant within the Middle Jurassic Nelson Batholith (Fig. 5).

The Property hosts the historic LH Mine (MINFILE 082FNW212). Three levels, comprising 518 m of underground workings, are developed on mineralization identified east of Fingland Creek within the LH Mine (hereafter referred to as the "LH Underground workings"), with minor production documented from Levels 1 and 2. Gold mineralization is associated with structurally controlled quartz veins to silica altered zones hosting pyrrhotite ± arsenopyrite with highly subordinate pyrite. Two major structural orientations have been identified, the first oriented between 075° to 080°, having a vertical to moderately steep (50°) dip to the north. The second strikes approximately 025°, dipping 65° southeast and both truncates and offsets mineralization associated with the first set. Locally, it also hosts mineralization, possibly associated with enhanced "damage" zones.

Detailed mapping by Noranda (1985 – 1988) documented a series of alteration zones developed within the large package of pyroclastics forming the ridge along the west side of the Fingland Creek drainage (Fig. 6). On the east side, exposures of tuff and agglomerate are relatively unaltered, however, alteration progressively increases to the west, distinguished by an increase in biotite hornfels alteration and chlorite - hornblende alteration with local potassic and sericite alteration. On the west side, the intensity of alteration increases, comprising zones of well-developed biotite hornfels and pyroxene and epidote calc-silicates in the southwest portion of the ridge. In addition, pervasive silicification throughout a wide central zone cores the steep ridge running approximately north-south. This pervasively silicified zone is important as it is the primary host to sulphides associated with anomalous gold mineralization.

Previous work has resulted in the interpretation that the LH Property is host to two styles of gold mineralization (Ash 2014). The first style of mineralization is mesothermal, gold-bearing quartz vein mineralization as evidenced by minor production on two historical underground levels in the former LH Mine. The second style is evidenced by the Ridge Zone mineralization, interpreted to represent gold-bearing, skarn style mineralization in which gold occurs with pyrrhotite, arsenopyrite and minor copper within silicified calc-silicate altered host rocks. This style of mineralization is interpreted to have greater potential for identification of a larger volume of mineralized rock, although with significantly lower grades than epithermal vein mineralization. Skarn-style mineralization is interpreted to be related narrow felsic dykes originating from the underlying Nelson Batholith.

Exploration programs completed by the Company between 2012 and 2015 have included data compilation, limited road rehabilitation, ground geophysics (Induced Potential, Magnetics and Self Potential) and diamond drilling in both the Ridge Zone and at the LH Underground workings.

The author of the report undertook limited property evaluation of the LH Property in preparation for the 2015 field season, including evaluating / rehabilitating access, completion of the Self Potential Survey, supervision of line cutting, over 10 days between June 30 and July 3, subsequently followed by acting as Mine Manager for, and providing supervision of, the diamond drill program, including describing drill core, between October 5 and 19, 2015.

The author acted as Mine Manager for, and providing supervision of, the diamond drill program, including describing drill core, between June 23 and July 10, 2016.

The information, conclusions and recommendations contained herein are based on review of digital and hard copy data and information supplied by Magnum, as well as various published geological reports, and discussions with representatives from, or on behalf of, Magnum who are familiar with the Property and the area in general.

The author has assumed the publications listed in the "References" section of this report are substantially accurate and complete. The author has relied on information provided by Magnum with respect to underlying agreements and technical information not in the public domain, and all of these sources appear to be of sound quality. The author is not aware of any technical data other than that presented by Magnum or its agents or as disclosed within this report.

Information on mineral title, ownership and status of tenures as outlined in this Report were obtained from the BC Government's Mineral Tenure Online web-site, an on-line digital resource provided and maintained by the British Columbia Ministry of Energy, Mines and Petroleum Resources. Information regarding the title of the Crown Grants was provided by Magnum in the form of a Land Titles search dated April 30, 2012.

Some relevant information on the Property presented in this Report is based on data derived from reports written by professionals whose status may or may not be known in relation to the NI43-101 definition of a Qualified Person. The author has made every attempt to accurately convey the content of those files, but cannot guarantee either the accuracy or validity of the work contained within those files. However, the author believes these reports were written with the objective of presenting the results of the work performed without any promotional or misleading intent. In this sense, the information presented should be considered reliable, unless otherwise stated, and may be used without any prejudice by the Company.

Compilation of the available data and the conclusions and recommendations arising from it represent the authors interpretation of the work performed and this report summarizes those interpretations and conclusions.

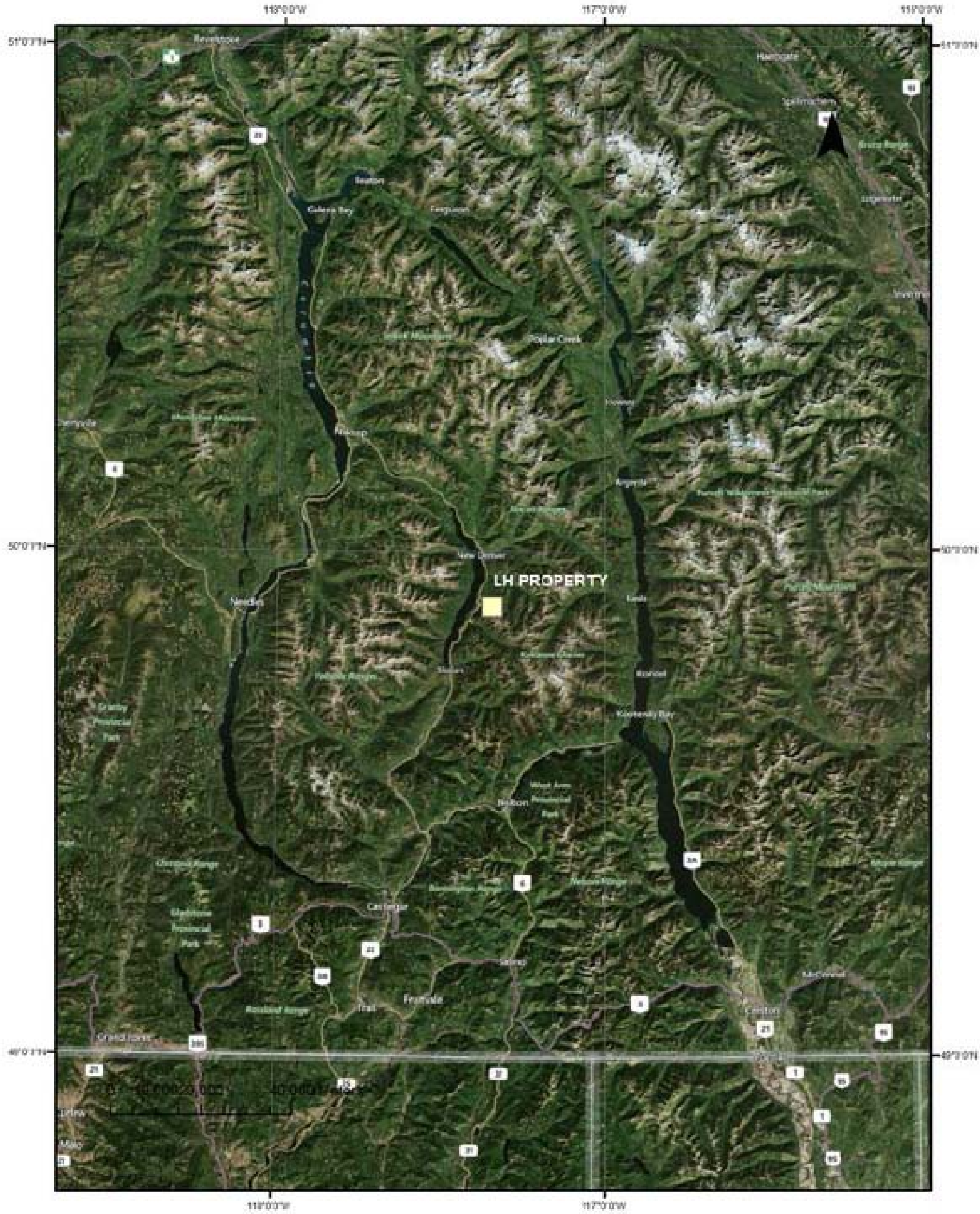


Figure 1 – Regional Location Map

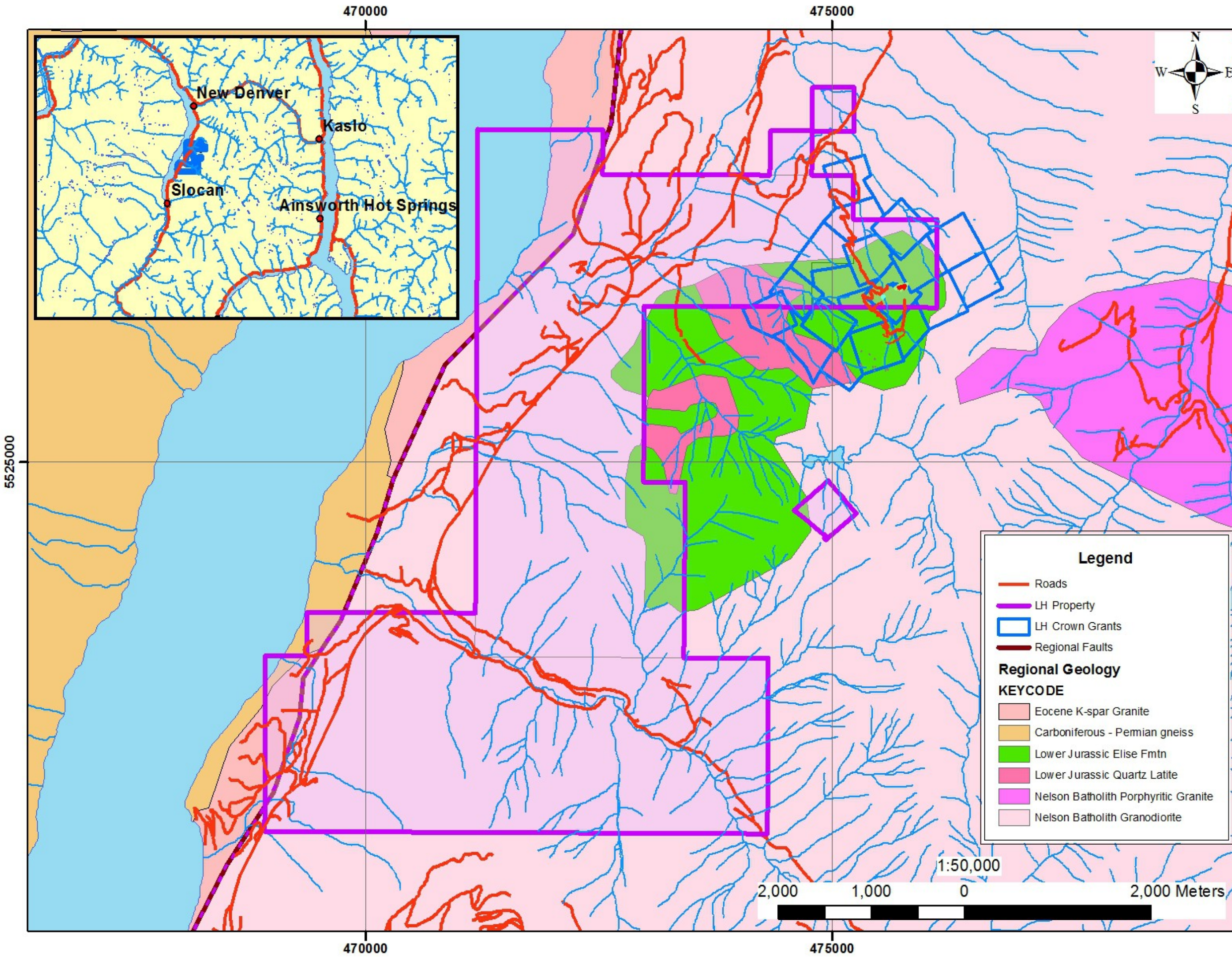


Figure 2 – Property Location Map

2.2 Terms of Reference

This Technical Report has been requested by Daniel Evans, President of the Company, to update the initial NI 43-101 Technical Report (Kowalchuk, 2013) on the LH Property (the "Property"). The previous technical report was prepared on the basis of a property visit during the 2012 drill program and a review of the historical data. The primary purpose was to produce "... a technical report on the property and on work performed on the property towards qualifying Magnum Capital Corp. to proceed from a Capital Pool Company to full listing" (op.cit.).

Since the initial Technical Report was filed, the Company has undertaken a compilation of available historical data, completed a limited Self Potential on the existing road network, completed an initial ground geophysical survey (Induced Potential (IP) / magnetometer) and 15 diamond drill holes in the upper Fingland Creek basin. The results and interpretation of this work has furthered the Company's understanding, and advanced the technical aspects, of the economic potential of the property. Therefore, this report was been prepared to more accurately reflect the current status and understanding of the Property.

The report is based upon a review of all historical information held by, and available to, the Company, together with the data and interpretations resulting from work undertaken by, or on behalf of, the Company. The author has acted as the Mine Manager for the 2014 and 2015 field programs, responsible for designing and implementing both programs. The author was responsible for acquisition and interpretation of the 2014 Self Potential (SP) data, supervising the drill programs and describing / sampling the resulting core.

2.3 Units

The Metric System is the primary system of measurement used to discuss area, length and distance in this Report; with area generally expressed in hectares (ha); length as kilometres (km), metres (m) and centimetres (cm); volume is expressed as cubic metres (m^3), mass as metric tonnes (t), and gold and silver concentrations as grams per tonne (g/t). Conversions from the Metric System to the Imperial System are provided below and quoted where practical. Many technical publications and more recent documents use the Metric System but older documents almost exclusively refer to the Imperial System.

Metals and mineral abbreviations used in this report conform to standard mineral industry practice. The reader is directed to www.maden.hacettepe.edu.tr/dmmrt/index.html for a glossary. Conversion factors utilized in this report include:

- 1 troy ounce/ton = 34.285714 grams/tonne
- 1 gram/tonne = 0.029167 troy ounces/ton
- 1 troy ounce = 31.103477 grams
- 1 gram = 0.032151 troy ounces

The term gram/tonne or g/t is expressed as “gram per tonne” , where 1 gram/tonne = 1 ppm (part per million) = 1,000 ppb (part per billion). Base metals (including, but not limited to, Cu, Pb and Zn) are generally expressed as “%”, where 1% = 10,000 ppm.

The mineral industry accepted terms Au g/t and g/t Au are substituted for “grams gold per metric tonne” or “g Au/t”. Other abbreviations include ppb = parts per billion; ppm = parts per million; oz/t = troy ounce per short ton; Moz = million ounces; Mt = million tonne; t = tonne (1000 kilograms).

Where quoted, Universal Transverse Mercator (UTM) coordinates are provided in the datum of Canada, NAD83, Zone 11U North.

3.0 RELIANCE ON OTHER EXPERTS

A copy of a Land Titles search document dated April 30, 2012, confirmed the Crown Grants listed above were transferred into the name of International Bethlehem Mining Corporation on September 24, 2010.

Payment of 2015 taxes on the Crown Grants was confirmed by the Company and are currently in Good Standing until July 2, 2016. The mineral tenures are held 100% by International Bethlehem Mining Corporation on behalf of the joint venture partnership.

4.0 PROPERTY DESCRIPTION and LOCATION

4.1 Location

The LH Property is located approximately 7.0 km south of the village of Silverton, east of Slocan Lake (Fig. 1 and 2), within the Slocan Range of the Selkirk Mountains. The Property lies on NTS map 82F/14W (BC TRIM maps 082F083, 084 and 094) in the Slocan Mining Division of southeastern British Columbia. The Property location is shown on Figure 1.

The approximate centre of the current area of active interest is located within the upper Fingland Creek basin, at Latitude 49º 53' 14" N, Longitude 117º 20" 25" W or, alternatively, UTM coordinates 475,650 E, 5,526,160 N, Zone 11.

4.2 Property Description

The LH Property (Fig. 3) consists of six contiguous Mineral Titles On-Line (MTO) tenures (2,607.06 ha, or 6,442.18 acres) and one non-contiguous, Legacy Claim (257280; 20.13 ha, or 49.74 acres), totaling 2,627.19 ha (or 6,491.92 acres) (Table 1), collectively known as the "Willa Claims". These tenures partially overlap nineteen crown granted mineral claims, totaling 335.69 hectares (or 829.51 acres) (Table 1), collectively known as the "LH Claims". The mineral tenures are held 100% by International Bethlehem Mining Corporation on behalf of the joint venture partnership.

Although the Crown Grants are partially overlain by competitors MTO tenures, they have precedence for the rights granted by each individual Crown Grant.

Table 1: Mineral Tenures

Tenure Number	Claim Name	Issue Date	Good To Date	Area (ha)
257280		1970/jul/06	2016/jul/06	20.13
393214	MARGIE #1	2002/may/03	2018/aug/20	25.00
514022		2005/jun/06	2022/dec/30*	1353.12
514023		2005/jun/06	2022/dec/30*	1083.27
1022800	LH	2013/oct/03	2022/dec/30*	104.06
1022814	LH ACCESS	2013/oct/04	2018/aug/20	20.81
1031038	ROAD1	2014/sep/18	2016/sep/18	20.81
*** Upon Acceptance of 2015 Assessment credits**				**2627.19**

Note: the above tenure information was confirmed as correct on the Mineral Tenure Online (MTO) web-site on October 7, 2015.

Table 2: Crown Granted Lots and Land Titles

Crown Grant	Lot #	Date Granted	Tax Date	Size (ha)
Douglas	14923	March 26, 1942	July 2, 2016	18.75
Grief Fraction	14924	March 26, 1942	July 2, 2016	18.75
Pest Fraction	14925	March 26, 1942	July 2, 2016	18.75
Baby Ruth	2229	August 1, 1916	July 2, 2016	17.4
Harlem	6911	Nov. 27, 1905	July 2, 2016	17.4
CB	5740	Nov. 17, 1902	July 2, 2016	17.4
Arkoa	14516	c. 1931	July 2, 2016	18.75
Colfax	14515	c. 1935	July 2, 2016	18.75
Summit	6909	Nov. 27, 1905	July 2, 2016	17.4
LH	5738	Nov. 27, 1905	July 2, 2016	17.4
Camden	5739	Nov. 17, 1902	July 2, 2016	17.4
Harlem Fraction	8976	Sept. 9, 1936	July 2, 2016	16.31
Commander	5736	June 12, 1935	July 2, 2016	16.31
Congo No. 2	5734	Dec. 23, 1907	July 2, 2016	16.31
Bristol	5735	Dec. 23, 1907	July 2, 2016	16.31
Junior Fraction	14926	March 26, 1942	July 2, 2016	18.75
Fred Fraction	14927	March 26, 1942	July 2, 2016	18.75
St. Joe	6908	Nov. 27, 1905	July 2, 2016	17.4
Basin Fraction	6910	Nov. 27, 1905	July 2, 2016	17.4
			Total	**335.69**

Note: A copy of a Land Titles search document dated April 30, 2012, confirm the Crown Grants listed above were transferred into the name of International Bethlehem Mining Corporation on September 24, 2010.

4.3 Magnum Option Agreement with International Bethlehem Mining Corp

The 19 crown granted mineral claims known as the 'LH Property' located in the Kootenay Land District, Slocan Mining Division, British Columbia are currently jointly owned by IBC, Magnum and Cobra. The LH Property is subject to a 1% net smelter return royalty in favour of Andaurex Industries Inc. ("**Andaurex**") (which royalty reduces to a 0.5% net smelter return once royalties of $350,000 have been paid to Andaurex).

IBC also holds a 100% undivided interest in 4 mineral claims known as the 'Willa Property' located in the Slocan Mining Division, British Columbia. The Willa Property is subject to a 1% net smelter return royalty (together with the 1% LH Property net smelter return royalty, the "**NSR Royalty**") in favour of Michael Hudock, Peter Leontowicz and William Wingert (the "**Vendors**") (which royalty reduces to a 0.5% net smelter return once royalties of $500,000 have been paid to the Vendors) and such royalty can be purchased from the Vendors for $3 million at any time up until July 15, 2015. IBC has staked 3 additional mineral claims located near the Willa Property (such claims, together with the Willa Property and the LH Property, the "**Properties**").

On September 6, 2012, Magnum entered the Option Agreement pursuant to which IBC Magnum was granted an option to acquire a 51% undivided interest in the LH Claims and the Willa Claims. As a condition to Magnum performing its obligations under the Option Agreement, IBC agreed to incur between $100,000 and $150,000 in expenditures relating to exploration activities directed towards ascertaining the existence, location, quality, quantity or commercial value of deposits of mineral resources on the Properties, all exploration activities towards development and exploitation of the Properties and any applicable mining duties, taxes or assessments in respect of the Properties and all other costs and expenses to keep the Properties and all rights related thereto in good standing.

In order for Magnum to earn its 51% interest in and to Properties (subject to the NSR Royalty), Magnum was required to

(i) make a $100,000 payment to IBC following Exchange acceptance of the Option Agreement (the date such approval obtained being the "**Effective Date**"); (ii) incur a total of $250,000 in expenditures on the first and second anniversary of the Effective Date and (iii)issue to IBC 3,000,000 common shares in the capital of Magnum as follows: 1,000,000 shares by the first anniversary of the Effective Date, an additional 1,000,000 shares by the second anniversary of the Effective Date, and an additional 1,000,000 shares upon the Properties receiving a bankable feasibility report, subject to a limitation period of ten (10) years.

Magnum completed each of the above listed payment and share issuances, following which a joint venture was formed between Magnum and IBC.

4.4 Magnum Option Agreement with Cobra Venture Corporation

Magnum entered into a purchase agreement dated for reference February 24, 2015 (the "Cobra Option Agreement") with IBC and Cobra pursuant to which Magnum agreed to sell, and Cobra agreed to purchase, one half of Magnum's 51% option interest in the LH Property owned by IBC.

Pursuant to the terms of the Cobra Option Agreement, Cobra purchased one half (25.5%) of Magnum's 51% interest in the LH Property in exchange for a $300,000 payment. Magnum fulfilled its requirements with Cobra to use $200,000 of this payment to complete certain expenditures on the LH Property and to use reasonable commercial efforts to fulfill its obligations under the Magnum Option Agreement with

IBC. As well, Magnum exercised the option under the Magnum Option Agreement on November 9, 2015, and accordingly, a joint venture was deemed to have been formed between Magnum, IBC and Cobra (IBC as to 49% and Magnum and Cobra, as to 25.5% each).

4.5 Magnum Option Agreement with Cobra Venture Corporation and International Bethlehem Mining Corp

On March 1, 2016, Magnum entered into an asset purchase agreement with Cobra and IBC pursuant to which Magnum has agreed to purchase Cobra's 25.5% interest and IBC's 49% interest in the LH Property. In consideration for their respective interests, Magnum will issue 32,897,255 common shares in its share capital to IBC and 17,120,000 common shares in its share capital to Cobra at closing. This transaction is considered to be a reviewable transaction with respect to each of Magnum and IBC for the purposes of the policies of the TSX Venture Exchange and accordingly is subject to approval by the shareholders of each of Magnum and IBC.

To the author's knowledge there are no other significant risks to the project that may affect land title or the ability to perform the required exploration work on the property.

4.6 Water Contingency Plan

Subsequent to the 2012 drill program, the Ministry of Energy, Mines and Petroleum Resources required IBC develop procedures and protocols for continued exploration within the Fingland Creek domestic watershed "... to mitigate environmental impacts and/or water quality concerns" to accompany the Emergency Response Plan.

Therefore, White Tiger Mining Corp., a sister company to IBC retained Caracle Creek International Consulting Inc. ("Caracle Creek" or "CCI") "... to review proposed exploration activities and to ensure that these activities are being conducted to industry environmental standards ..." and to assist IBC in preparing "... its plan for environmental management strategies ... to prevent, mitigate and remediate impacts to the environment that may arise during exploration".

IBC developed a formal Water Contingency Plan, subsequently adopted by the Company, to guide its continued exploration activities within Fingland Creek. The Water Contingency Plan comprises an integral and required component of the Company's British Columbia Mines Act permit authorization.

There are a number of licensed water users along the lower reaches of Fingland Creek. Exploration activities during the spring and fall, when the water level is higher, does not generally represent a concern. In contrast, activities proposed during the summer, when water levels are lower, has resulted in concern expressed by several of the water users with regard to such activity resulting in a reduction in the water available for their hydroelectric plants.

4.7 Slocan Integral Forest Company – Branch 200 Road

The Slocan Integral Forest Company ("SIFCo") is responsible for maintaining the Hewitt Mine Road and the Branch 200 Road which provide access to the mine road providing access to the Fingland Creek drainage. In an engineering report commissioned by, and submitted to, SIFCo by SNT Engineering Ltd (Thiessen 2013), all seven bridges along the Branch 200 Road were inspected and found to be in need of repair or replacement. As replacement is not planned in the context of SIFCo's five year plan, and the current condition of the bridges precludes movement of heavy equipment over the existing bridges, SIFCo's position has been they will authorize use of 4WD trucks at the users risk and liability. If the

Company wishes to use the Branch 200 Road to mobilize heavy equipment, SIFCo would expect the Company to replace the bridges. Therefore, the drill programs undertaken by, or on behalf of, the Company have utilized helicopter mobilization of the drill, equipment and core. Crew changes for the drill have utilized quad access along the rehabilitated mine road and/or helicopter support.

4.8 BC Mines Act Permit

The Company currently has a two year permit, with the 2015 drill program representing year 1, having a September 30, 2016 expiry. The permit was approved for 14 drill pads and a total of 4,000 m of drilling, of which 692 m was completed in 2015. The author discussed moving two of the approved pad locations in the LH Underground area with Gerald Crawford, Mines Inspector, BC Ministry of Energy, Mines and Petroleum Resources (Cranbrook Office) in September, 2015. The author proposed moving two of the approved pad locations farther north so as to provide a better orientation between the drill core and the gold-bearing mineralized zones documented in the 2015 drill program. The proposal was verbally approved. Therefore, the Company has a BC Mines Act permit in good standing sufficient for 3,308 m of additional drilling in the LH Underground area and/or the Ridge Zone.

The Company has a liability bond of $15,000 filed on the property as a condition of the Mines Act permit.

by 1 week due to lack of available helicopters which had been commandeered by the Ministry of Forests for fire fighting. Furthermore, there have been forest fires in the area in previous years (i.e. Enterprise Creek in 2006 and the Mount Aylwin fire in 2015). The 2015 drill program was completed between June 23 and July 10, 2016, with the forest fire hazard rating for the area progressively increasing through early July to the end of the program. A number of forest fires in the Castlegar Fire District severely limited helicopter availability for a helicopter-supported program. Therefore, future programs, to the extent possible should be completed in the spring, before the fire season, or in the fall, after the fire season.

The author does not foresee any factors that might affect the reliability or confidence in the exploration information obtained to date, nor arising from the proposed 2016 exploration program.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY

5.1 Physiography

The property is located in rugged, mountainous terrain, with elevations ranging from 560 m along the east shore of Slocan Lake to 2,120 m amsl at the ridge top separating the headwaters of Fingland Creek to the north from the Enterprise Creek drainage to the south. Slopes are frequently greater than 35°, with a series of cliff bands along either side of Fingland Creek.

Within a predominantly coniferous forest cover, undergrowth is comprised of a mix of Devil’s Club, Stinging Nettles and Slide Alder. Coniferous tree species are comprised mainly of Western Hemlock, Western Red Cedar, Douglas Fir and Larch. Poplar and Birch can be found in clearings and wetter locations. Engelmann Spruce and Alpine Fir are found at higher elevations.

5.2 Accessibility

The property can be accessed by traveling south for 1.8 km from the village of Silverton via paved Highway 6 to the Red Mountain Road on the east side of the highway. Follow Red Mountain Road southeast for 1.6 km to the Hewitt Mine Road (east side of road, across from Lower Galena Farm Road). Follow Hewitt Mine Road approximately 3 km (note: take right fork at each junction), then turn south on the Branch 200 Road for an additional 3.5 km east-southeast to rehabilitated LH Mine Road along Fingland Creek. Follow the rehabilitated, quad accessible, 4-wheel drive mine road approximately 2.8 km to the current area of active interest on the LH Claims.

5.3 Climate

The climate of the area is typical of the Central Kootenay Region, characterized by cool winters and warm summers. The Government of Canada maintains a weather station at New Denver (ID 1145460; Latitude 49°59'45.006", Longitude N 117°22'13.026" W, Elevation 568 m), approximately 14 km to the north (Government of Canada 2015).

Between 1981 and 2010, the average temperature in January is -1.7°C, ranging between -4.0°C and 0.5°C. The record low of -28.9°C occurred on December 30, 1968. Average precipitation is 100.8 mm, with 43.1 mm falling as rain and 57.6 mm as snow. The average snow depth is 23 cm.

The average temperature in July is 19.1°C, ranging between a high of 26.1°C and a low of 12.0°C. The record high of 38.5°C occurred on July 23, 2006. Average precipitation is 60.8 mm of rain.

Average annual precipitation for the same period is 711.5 mm of rain and 161.1 mm of snow, for a total of 872.6 mm. Snow can be expected on the ground between November (average of 1 cm) and March (5 cm).

Considerably more snow should be expected at the higher elevations characterizing the area of current interest in the uppermost Fingland Creek drainage. Snowfall can be expected to occur earlier, and persist later, in the season, with the property expected to be available for exploration between mid-June to mid-October.

5.4 Infrastructure

The villages of Silverton (population 195 - 2011 Census) and New Denver (population 504) are located along Highway 6 on the east shore of Slocan Lake and on the west margin of the Slocan Mining Camp, an area rich in historical exploration and mining activity. As a result, the region (from Castlegar (population 7/816) and Nelson (population 10,230) to the south; Kaslo to the east and Revelstoke (population 7/139) to the north) has a relatively abundant local workforce available with experience in exploration and mining (i.e. geologists, engineers, underground miners, blasters, diamond drillers, etc.).

The Crown retains the surface rights in the area over the majority of the Property, with private land located immediately adjacent to Highway 6 and Red Mountain Road. The Company does not currently own any surface tenures or rights (other than those which may be granted by the Crown Grants). Water is available for exploration drilling from Fingland Creek and its tributaries within Fingland Basin. Several Licensed Water Users along the lower reaches of Fingland Creek own and operate small hydroelectric plants for personal use.

The closest rail is the end of a spur at a former lumber mill in the village of Slocan (population 296), approximately 20 minutes south of Silverton. The spur extends north from Crescent Valley and connects to the main line between Nelson and Castlegar.

In addition, the local infrastructure is well developed, with Highway 6 and power transmission lines immediately west of the Property and a well developed, proximal existing network of Forestry roads and trails. The closest single phase power line runs along the Red Mountain Road. Buried telephone lines extend along Red Mountain Road, with fibre-optic cable extending up the Slocan Valley. Cellular phones have limited coverage in this area, with a variable poor to moderate reception at lower levels (i.e. along Highway 6) to very good reception in the upper Fingland Creek basin. Hardware stores are available in both New Denver (Home Hardware) and Silverton (Silverton Building Supplies), as well as limited hotels, motels, campgrounds and restaurants.

Currently, Forestry is probably the largest local employer, with the associated heavy equipment (bulldozers, excavators, etc.) potentially available locally. The local cities of Nelson (also having a rich mining history) and Castlegar (major logging centre) are relatively proximal, each within an hour of Silverton, each offering access to more abundant and diverse resources (i.e. workforce, equipment and supplies).

The nearest regularly scheduled flight access to the area is out of the Castlegar Airport, with daily flights from Vancouver and Calgary, and the Trail Airport with daily flights from Vancouver. Due to frequent cloudy winter/spring days, flight cancellations are to be expected at the Castlegar Airport. The closest major centres are Cranbrook (approximately 115 km to the east-southeast), Kelowna (156 km to the west) and Vernon (approximately 150 km to the west-northwest). Both Kelowna and Cranbrook have international airports, and all three centres have abundant hotels, restaurants and service and supply companies to support exploration and mining operations.

Glacial benches east of Red Mountain Road, extending north to the northern boundary of the Property are believed to provide sufficient available area for development of infrastructure to support possible future mining operations, including potential tailings storage, potential waste storage areas, heap leach pads and potential processing sites. The author believes there is sufficient room to support underground mining operations within the Fingland Creek basin.

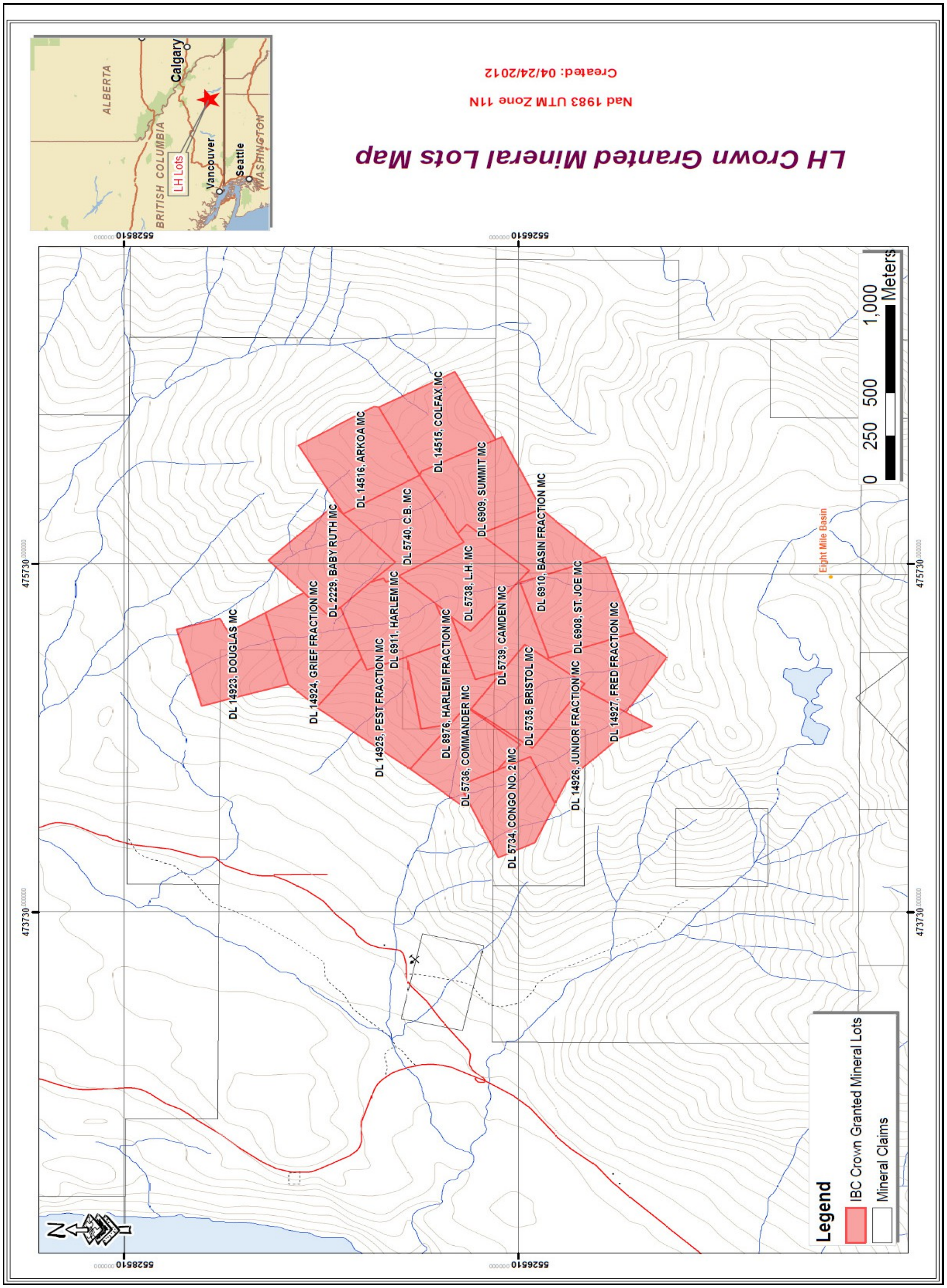


Figure 3 – Crown Granted Claims associated with LH Property.

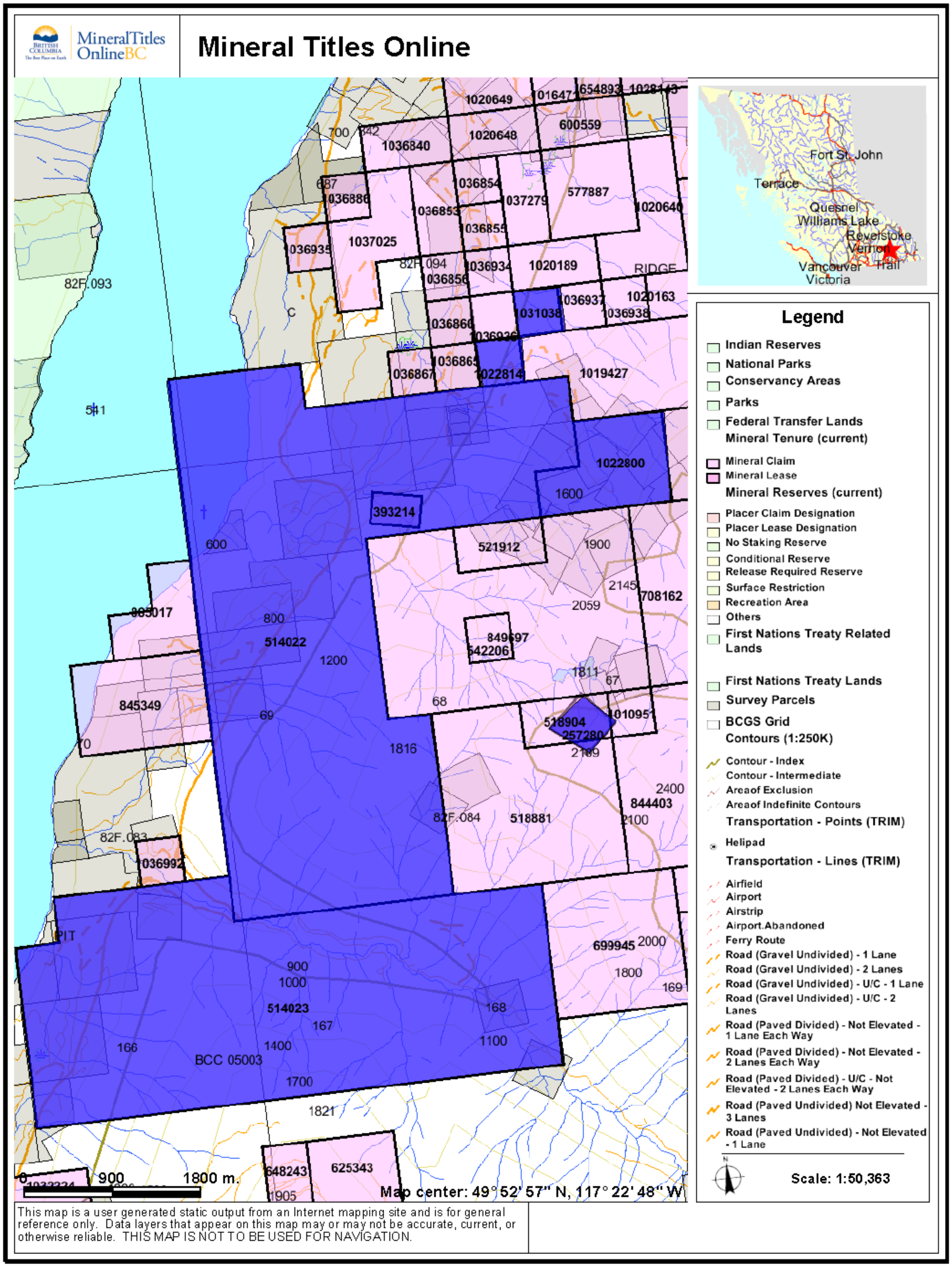


Figure 4 – Mineral tenures comprising the LH Property.

6.0 HISTORY

The following summary of historical work has been modified from Annual Reports of the Minster of Mines, Keating et al. 1987a, Kowalchuk 2013 and MINFILE.

Year	Activity
1895	Original discovery of gold; location of first claim by R.G. McConnell
1896	L.H. claim owned by J.M. Brenedum and Associates; Baby Ruth claim was Crown granted to E.J. Kendall and A.R. Fingland Four hundred feet up the steep face of the bluff a tunnel had been driven in 22 feet into this zone, but very little mineralization was apparent there.
1899	An additional 155 feet of tunneling completed, resulting in a total of 230 feet. Mineralization comprised of gold and silver.
1902	The Camden and C.B. claims were Crown granted to Fingland and Associates.
1904	On the top of the bluff is an exposure of quartz some 15 feet wide, running about $8 in gold, and associated with arsenical iron pyrites. At this point there were found a number of nodules of native arsenic, carrying 1,000 oz. of silver to the ton. Those occurred in a calcite veinlet. About 30 feet (9.14 m) vertically below this exposure, a tunnel had been started in the face of the bluff, and was in about 300 feet (91.44 m), with a short cross-cut to the right, while at 60 feet (18.29 m) from the face of the tunnel a cross-cut had been driven to the left for 110 feet (33.53 m), from which cross-cut a drift had been run for 70 feet (21.33 m) nearly parallel to the tunnel, and was being pushed ahead.
1911-1914	British Columbia Copper Ltd., under a bond on the LH Group, completed additional work on the underground workings. The ore-body was further developed by two tunnels, together with crosscuts and raises. No. 1 tunnel (upper one) was 250 feet (76.20 m) long and was 80 feet (24.38 m) vertically above No. 2, to which it is connected by a raise coming through near the portal of No. 1. This tunnel has several crosscuts ... The first 200 feet (60.96 m) is all in ore, but beyond that the ore gradually fades away. A crosscut to the south picks up a little ore, however. The maximum width of ore is 40 feet (12.19 m) and the most pronounced ore-shoot is 200 feet (60.96 m) long in the No. 1. The ore consists of arsenopyrite, pyrite, and pyrrhotite, and occasionally some native arsenic is found. The values are in gold, and, considered as a whole, the ore-body is admittedly low grade. The British Columbia Copper Company's engineers estimated that the development had proved some 30,000 tons of ore with an average gold value of $6 per a ton. ... No. 2 tunnel is 400 feet (121.91 m) long and gives a depth at the face of nearly as much. This tunnel has been driven in on a porphyry dike for some distance, and at 80 feet (24.38 m) cuts a crush zone or fault-plane. A crosscut from a point 210 feet (64.00 m) in picks

	up a band of quartz, which is been drifted on and show some ore. There are several drifts in crosscuts and a raise that goes up to within 12 feet (3.66 m) of No. 1 tunnel. Development in tunnel 1 and 2 established a historical estimate for the LH property of: 33,040 tons (29,974 T) at 0.29 oz/t (10.08 g/t) gold (positive) 18,350 tons (16,647 T) at 0.16 oz/t (5.45 g/t) gold (probable) 51,390 tons (46,621 T) at 0.25 oz/t (8.43 g/t) gold (total) Working on No. 3 tunnel, which starts at a point 252 feet (76.81 m) vertically below No. 2, and which will take 360 feet (109.72 m) to be under the portal of No. 2.
1934	Completion of tunnel 3
1936	Pacific Mines Development and Petroleum Company diamond drilled 6 holes totaling 250 metres from tunnels 2 and 3.
1939	Worked under lease for several months by A.H.W. Crossly, R. Rowe, Dr. Borden, and Associates ... during the summer months. A short 2-bucket tram was built to connect the portal of No. 2 adit with the road and a compressed-air unit installed. Not much development-work was done. Shipment of 216 tons of ore from tunnel 2 yielded 111 oz gold and 61 oz silver.
1945	Kenville Gold Mines, a subsidiary of Quebec Gold Mining Corporation, completed a 2,000 foot (610 metre) diamond drill program, comprising 18 holes from tunnel 3.
1946	Annual Report by Consolidated Quebec reports a resource of 54,430 tonnes of 8.57 grams per tonne gold.
1973	Granby Mining carried out geological mapping and rock geochemical sampling surveys centered on the underground workings.
1980	Andaurex Minerals upgraded the road to the underground workings and carried out 2 kilometers of soil sampling west of the showings.
1981	Hudson Bay Oil and Gas Company Ltd. optioned the property from Andaurex Resources Inc. The program included: systematic collection of 669 soil samples at 50 metre stations on 60 metre contour traverses, Geological mapping and collection of the rocks, stream sediments and water samples and road improvement and construction.
1985	Noranda Exploration Company Ltd. optioned the LH property from Andaurex Resources Inc. Their program included underground mapping, chip sampling and diamond drilling. A total of 24 drill holes were completed on Levels 2 and 3, with the best intercepts in 201 (15.4 g/t over 11.0 m) and 202 (7.2 g/t over 5.2 m). The work culminated in a total proven and probable reserve estimate of 61,765 tonnes grading 6.27 g/t gold. Mineralization was interpreted to remain open at depth (Williams 1985). **(Note: This is an historical resource estimate (Williams 1985) prepared prior to implementation of NI43-101 or CIMM reporting standards. The estimate has been provided to indicate the mineral potential interpreted by a previous operator as a guide to their exploration program. The work underlying the estimate is unavailable to the author, who has not been able to verify the work and, as such,**

this resource cannot be relied upon. A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource of mineral reserve. The Issuer is not treating the historical estimate as a current mineral resource or mineral reserve; it is provided solely for historical interest. The Phase I drill program proposed herein is expected to provide sufficient information for preparation of an initial NI 43-101 compliant resource estimate).

Surficial examination by Ferreira (1985) produced a property geology map (scale 1:2,500), three grid soil geochemical surveys and one grid IP/magnetometer survey, as well as two diamond drill holes which produced a number of disjointed but interesting gold intersections the best of which was 25.2 g/t gold over 1.0 metre. Surficial rock sampling discovered an intensely altered zone hosted by gabbro which contains 2.5 g/t gold over 6.3 metres true width.

1986 Encouraging gold analyses from 1985 rock sampling on the southwest portion of the property led to Fingland Creek grid's southwestern extension over the upper ridge, and subsequent soil survey. Three new grid lines were also added and sampled on the south end of the Fingland Creek grid in order to extend and delineate gold soil anomalies discovered in 1985.

Limited geological prospecting using the 1985 geology base (Ferreira 1985) was conducted in the Congo Creek and Fingland Creek areas while investigating rock and soil anomalies. No significant mineralization was encountered, with minor changes being made to the 1985 geology base map. The majority of surficial geological work was curtailed in favour of an extended drilling program. Eight NQ diamond drill holes totaling 1194.9 metres were drilled, from which the best intersection produced a weighted average of 11.36 g/t gold over 14.07 metres. This intersection prompted an expansion in the drilling program which was unsuccessful in delineating a distinct zone.

1987 Noranda completed a program of detailed soil geochemical and geological/prospecting surveys over previously established anomalies on the ridge portion of the Fingland Creek grid. This was followed by trenching and two diamond drill holes. In addition a new grid was established in the Congo Creek area and covered by detailed soil geochemical and geological/prospecting surveys.

1988 Noranda continued drilling the ridge zone with a further 12 drill holes.

Some interesting mineralized zones were intersected in this drill program; in particular drill hole LH88-23 which intersected 10.78 m averaging 4.457 g/t gold.

2003 In January, Orphan Boy Resources (International Bethlehem Mining Corp) optioned the LH Crown grants and surrounding claims. In 2003, Orphan Boy completed a limited soil sampling program around the old mine entrances to the LH. Results generally agreed with previous soil surveys over the area.

At the time, the optioned claims also included the adjacent Willa Property, which Orphan Boy Resources relinquished in 2005. The adjacent Willa Property is now controlled by Discovery Ventures Ltd and is discussed in adjacent properties

* **NOTE:** All of the work mentioned in this section of the report was on the LH crown granted claims. All historical information and historical references to resources are taken from the history sections of

Assessment Reports filed by Noranda Mines from 1982 to 1987. To the author's knowledge, these were all internal estimates and no documentation is available to confirm or deny them. No research has been done to confirm or deny the historical resources and they are merely mentioned for historical purposes and not to be relied upon as being significant.

7.0 GEOLOGICAL SETTINGAND MINERALIZATION

7.1 Regional Geology

The LH property is situated in Slocan Range of the southern Selkirk Mountains, within the Omineca Crystalline Belt of southeastern British Columbia (Fig. 5). The stratigraphy is interpreted to consist of Upper Triassic sedimentary to Lower Jurassic volcanic to volcaniclastic strata, subsequently intruded by Middle Jurassic felsic intrusions correlated to the Nelson Batholith.

The area of current interest within the LH Property is on the north to northeast portion of the property, in an area underlain by the Crown Grants comprising the "LH Claims", interpreted to consist of a roof pendant comprised of Lower Jurassic Rossland Group volcanics and volcaniclastics suspended within the northern portion of the Middle Jurassic Nelson Batholith (Fig. 6).

Regionally, the LH Property is located within the Kootenay Arc, a 400 kilometre long arcuate succession of Cambrian to Mesozoic sedimentary, volcanic and metamorphic rocks extending from Washington State north to the Revelstoke area. The Kootenay Arc juxtaposes North American stratigraphy within the Purcell Anticlinorium to the east against suspect to allochthonous, metamorphic to volcanic arc lithologies. These strata comprise the Quesnel Terrane, located within the Omineca Crystalline Belt.

Late Triassic Slocan Group metasedimentary strata, comprised of undifferentiated quartzitic siltstone, argillite and greywacke, characterize the area north of Silverton Creek, north of the contact with the Middle Jurassic Nelson Plutonic Suite. In addition, small domains of metasedimentary strata correlated to the Slocan Group have been mapped within the Nelson Plutonic Suite, interpreted as possible roof pendants.

The following description of the Elise Formation of the Lower Jurassic Rossland Group has been modified from Höy and Dunne 2001, and references therein:

> "The Elise Formation comprises up to 5000 metres of dominantly mafic volcanic rocks, including mafic flows, thick sequences of pyroclastic rocks, some epiclastic rocks and locally interlayered fine to medium-grained sedimentary rocks …
>
> The Elise Formation changes in both character and thickness from the Nelson area in the north to the Rossland area in the southwest. In the Nelson area, it includes a prominent basal succession of mafic flows, overlain by dominantly mafic to intermediate pyroclastic rocks.
>
> (In general), mafic flows include coarse-grained augite porphyry flow breccias, less commonly, non-brecciated flow units up to a metre thick and, rarely, pillow basalts. Lahars, mafic tuffs and argillite interbeds also occur locally in the basal Elise. The upper Elise in the Nelson area comprises a sequence of mafic to intermediate flows, tuffs and minor epiclastic deposits up to 2500 metres thick. A number of cyclical sequences of pyroclastic rocks that typically grade upward from lapilli tuff to crystal tuff or fine ash tuff are common. Augite porphyry flows and flow breccias are a minor component of the upper Elise.

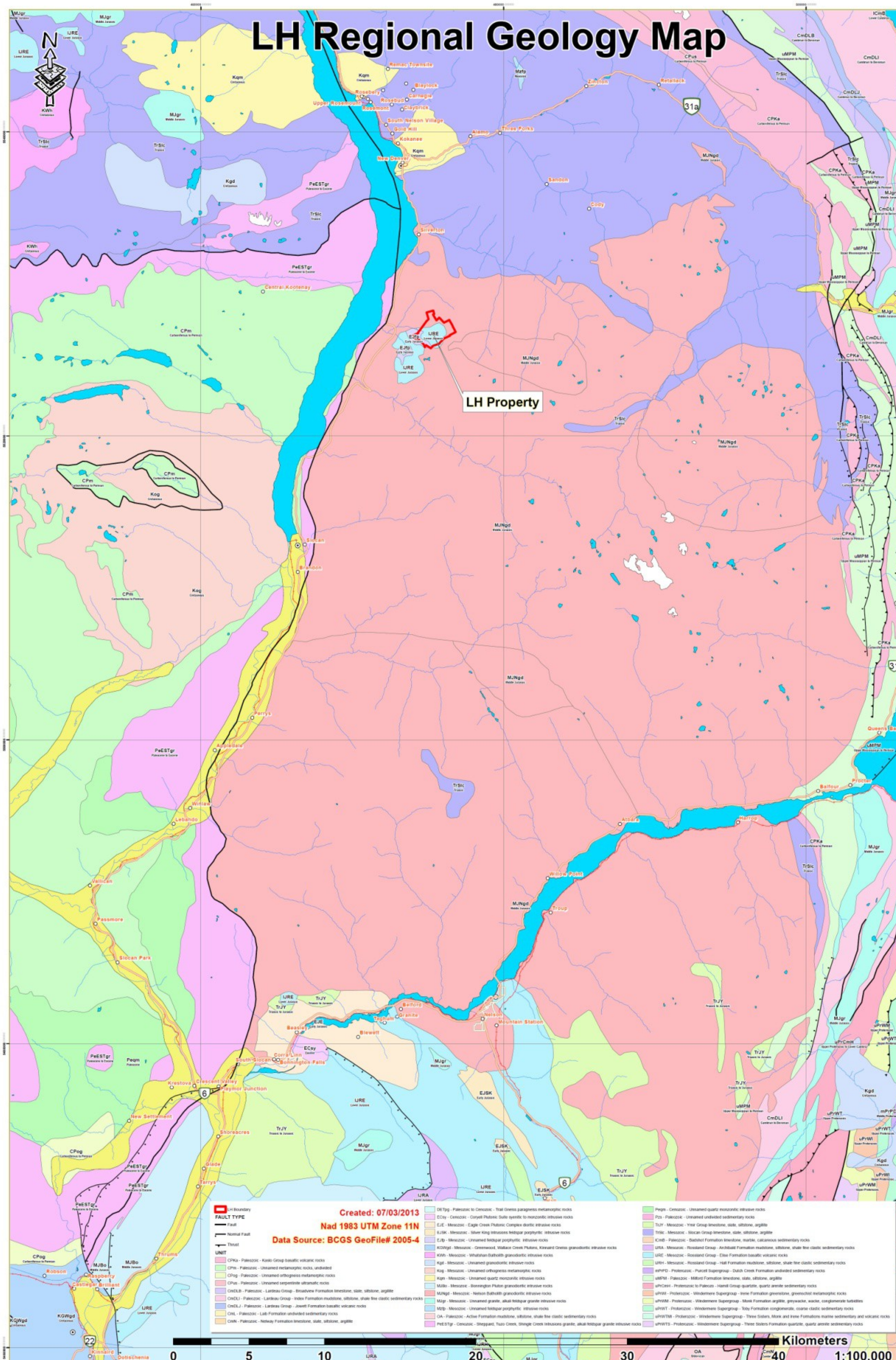


Figure 5 – Regional Geology Map

> Tuffaceous siltstones within the upper Elise contain well-defined graded beds, basal scours, crossbeds and channels. A tuffaceous conglomerate near the base of the upper Elise consists of an interbedded sequence of conglomerate, grit, sandstone and siltstone. It forms the basal part of a thick, fining-upward succession that contains a series of fining-upward clastic cycles, generally a few to several tens of metres thick, that are coarser near the base of the succession and finer near the top. …
>
> It is difficult to correlate individual units, suggesting that there are a number of discrete volcanic centers. However, in all areas subaqueous lava flows, debris flows or turbidites are overlain by dominantly subaerial pyroclastic and associated coarse epiclastic deposits. …
>
> Uppermost Elise volcanic rocks throughout the entire area are dominated by mafic to intermediate pyroclastic rocks, coarse debris flows, minor lava flows and, only locally, marine fine turbidites and waterlain sandstone and siltstone. Marked facies changes, both vertical and lateral, major thickness changes, the abundance of subaerial pyroclastic flow deposits associated with surge deposits, coarse debris facies indicative of high relief, air-fall deposits and minor lava flows are typical of deposits associated with stratovolcanoes".

Three intrusive episodes have been recognized**:** (1) Early Jurassic intermediate porphyries, coeval with Rossland Group volcanics, **(2)** Middle Jurassic Nelson Plutonic Suite; and **(3)** Tertiary dykes.

Epizonal, sub-volcanic intrusive rocks, interpreted to be comagmatic and coeval with Rossland Group volcanics, intrude Rossland Group andesitic volcanic rocks. Three varieties of feldspar porphyry and a Quartz Latite Porphyry have been identified at the Willa deposit (Heather, 1985).

Granitic plutons to several small batholiths correlated to the late to post-tectonic I-type Middle Jurassic Nelson Plutonic Suite (or Nelson Batholith) intrude, and disrupt the continuity of, host metasedimentary to volcanic strata throughout the Kootenay Arc. Just north of the LH Property, the northern contact of the Nelson Plutonic Suite corresponds broadly with the Silverton Creek drainage, extending east of the village of Silverton and juxtaposing Late Triassic Slocan Group strata against intrusive Potassium Feldspar Porphyritic Granite (Brown et al. 1988).

The roof pendant of Lower Jurassic Rossland Group volcanics is suspended within Potassium Feldspar Porphyritic Granite (Unit 2 - "Main Phase") (Brown and Logan 1988), described as follows:

> "The potassium-feldspar megacrystic, medium- to coarse-grained hypidiomorphic granite is the dominant Nelson phase. Massive in outcrop, it covers a 550-square-kilometre area. This phase contains up to 50 per cent white to faintly pink, euhedral, equant to prismatic potassium-feldspar megacrysts. These megacrysts are up to 10 cm long and are locally flow aligned. They are microperthitic to perthitic. Megacrysts contain inclusions of biotite, hornblende, plagioclase and quartz. The inclusions are all smaller than corresponding groundmass minerals, suggesting primary potassium-feldspar crystallization, rather than a metasomatic origin. Size and amount of potassium feldspar are extremely variable at outcrop and map scales. Hornblende and biotite phenocrysts are unaltered, black, subhedral and interstitial to potassium feldspar. Plagioclase is unaltered with albitic twins. Hornblende and lesser biotite comprise 15 per cent or less of the granite. Visible honey-coloured euhedral titanite, and apatite, magnetite and opaques are accessories. Mymekitic blebs occur at some plagioclase-potassium-feldspar grain boundaries".

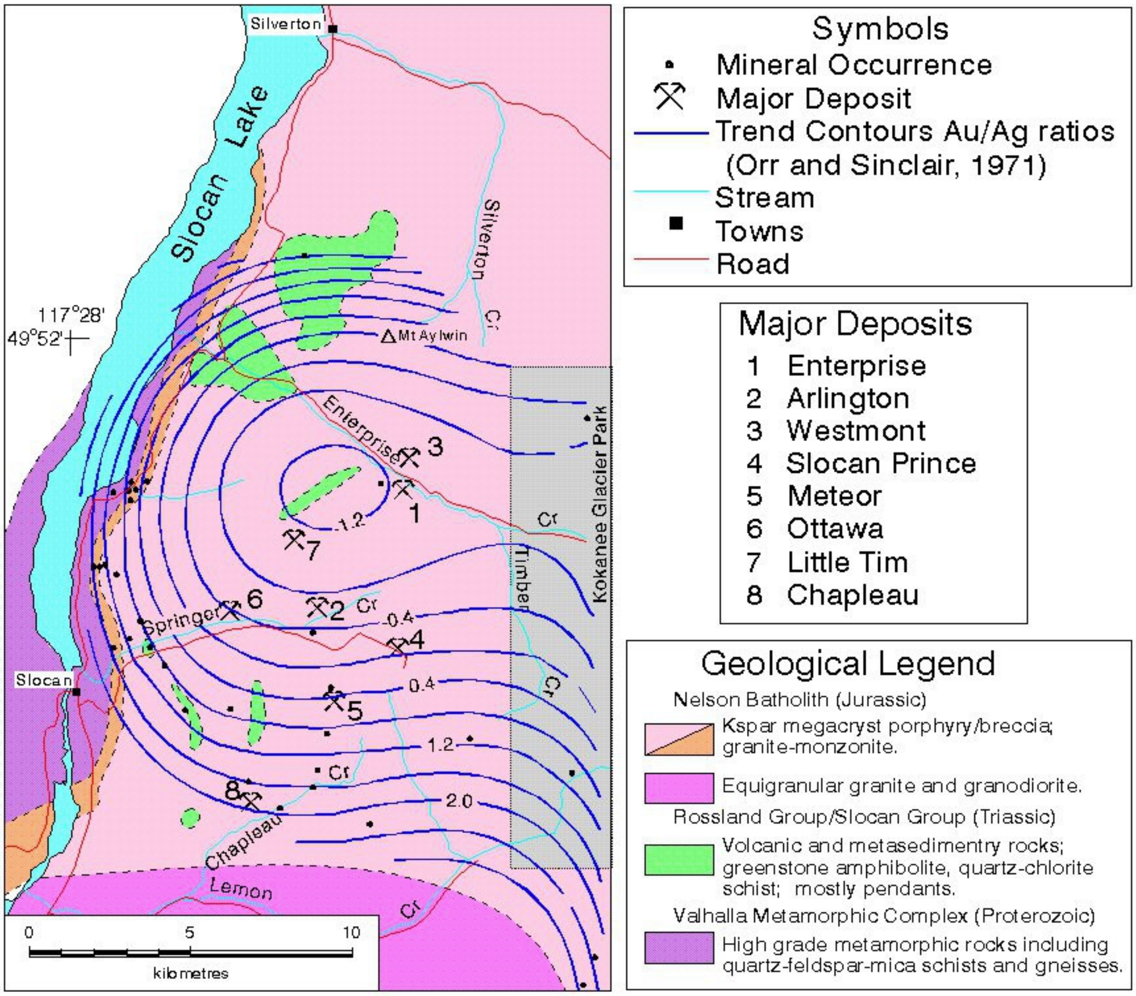


Figure 6 – Simplified geology of the Slocan area, dominated by the Nelson Batholith. Contours represent Au/Ag ratios for the Slocan camp.

The Slocan Lake Fault is a 100-kilometre long, gently east-dipping fault zone exposed along the east shore of Slocan Lake, separating pericratonic and intrusive strata (described above) from high grade metamorphic strata of the Valhalla Metamorphic Complex to the west. The hanging wall consists of brecciated, fractured and hydrothermally altered granitic lithologies of the Nelson Plutonic Suite. Prolonged movement in the crushed contact zone of the batholith likely sustained a channelway for hydrothermal solutions.

The following has been modified from a MINFILE summary for the Slocan area.

> **Mineralization and Deposits**
>
> "In the Slocan map area (Fig. 6), silver-lead-zinc ores predominate and can be characterized as gold-silver or silver-gold with minor lead-zinc mineralization. Precious metal dominated deposits are simply white quartz veins with few sulphide minerals. The ore minerals are mainly galena and sphalerite with small amounts of pyrite, chalcopyrite, and pyrrhotite. Silver is the most important commodity, occurring in argentiferous tetrahedrite and less

commonly as native silver and sporadically in argentite, polybasite, ruby silver, stephanite and electrum. Gold is present in small quantities and rarely seen as native gold or electrum. Quartz is the dominant gangue mineral, but carbonates such as siderite, calcite and/or dolomite are significant gangue components in some deposits. Fluorite and barite are less common. The deposits are characterized by open-space filling, with minor evidence of replacement. In a few deposits, where replacement of wall rock has been extensive, carbonate gangue is relatively abundant.

The Nelson Batholith and related plutons in the southern part of the Kootenay Arc appear to be incidental in many cases to the mineralization process. Early workers regarded these granitic rocks as the singular magmatic - hydrothermal source of lead-zinc mineralization, however, recent studies suggest a more complicated genesis. Indeed, detailed lead isotope investigations indicate that the lead of the Kootenay Arc ores went through several stages of redistribution, beginning with the introduction of uranium and thorium in the upper crust 1700 million years ago.

The mineralizing process began at time of the intrusion of the Nelson Batholith and continued during cooling of the intrusion, resulting in the development of veins within the batholith. Cairnes (1934) recognized several types of veins, the most common of which are the so-called "wet ore" composed of massive galena-sphalerite with some siderite, quartz or calcite gangue, such as found at the Enterprise mine, and "dry ore" comprising veins of quartz with galena, sphalerite and tetrahedrite, characterized by high silver values.... The "dry ores" are mostly confined to the Nelson intrusion.

The Ag-Pb-Zn vein and replacement deposits of the Slocan area are thought to be genetically related to the Nelson Batholith. According to Orr and Sinclair (1971) Au/Ag ratio data shows high silver values in ores of the Nelson granite at the centre of the camp (Figure 6) and relatively high gold values in ores from the distal parts of the porphyry and outer boundaries of the camp between Mount Aylwin and Slocan City. The veins also appear to be related to the Slocan Lake Fault that occurs at the west boundary of the batholith."

7.2 Local Geology

The LH property is located east of the Slocan Fault, a north-south, gently east dipping normal fault that separates high grade metamorphic strata characterizing the Valhalla Complex to the west from low grade metamorphic sedimentary and volcanic strata to the east (Carr and Parrish 1987). The stratigraphy on the east side of the Slocan Fault in the area of the property consists of sedimentary strata correlated to the Upper Triassic Slocan Group and volcanic and volcaniclastic strata correlated to the Middle Jurassic Rossland Group. This stratigraphic sequence was then intruded by the Middle Jurassic Nelson Batholith

The LH MINFILE occurrence is located in the northeast portion of a roof pendant hosted within the Nelson Batholith. As such, the extensive work completed on, and immediately surrounding, the Willa deposit (Ash 2014, Ash and Makepeace 2012, Heather 1985, Wong and Spence 1995) provides a good working model to guide exploration in, and immediately surrounding, the roof pendant, including the area underlain by the LH Crown Grants.

7.2.1 Stratigraphy

The roof pendant hosting both the Willa deposit and the LH MINFILE occurrence is comprised of volcanic and volcaniclastic lithologies correlated to the Elise Formation of the Lower Jurassic Rossland Group (Fig. 7). These strata are the oldest in the area, having been subsequently intruded by co-magmatic and coeval intrusives and suspended within younger Potassium Feldspar Porphyritic Granite correlated to the Nelson Plutonic Suite.

Lithologies identified include interpreted pyroclastics, including volcanic siltstones, ash, crystal and lapilli tuffs, coarse breccias and possible flows. These lithologies were subsequently intruded by a Quartz Latite Porphyry, resulting in a ring-dyke with two radial dykes, extending outward from a central core of feldspar. This complex was subsequently cross-cut by two sub-parallel igneous bodies; a White Feldspar Porphyry and Hornblende Feldspar Porphyry. A Heterolithic Breccia intrudes, and cross-cuts, earlier intrusions and host Rossland Group lithologies. Finally, Tertiary Lamprophyre dykes cross-cut all earlier lithologies.

Late stage, post kinematic faults cross-cut the resulting complex with variable displacement.

The following description has been modified from Ash (2014; summarized from Heather 1985).

Age	Description	
	Lamprophyre	
Middle Jurassic	Nelson Granite	
Lower Jurassic	Heterolithic Breccia	
	Feldspar Porphyry	White Feldspar Porphyry
		Feldspar Porphyry
		Hornblende Feldspar Porphyry
	Quartz Latite Porphyry	
	Rossland Group Volcanics	Pyroclastics
		Augite Porphyry
		Volcanic Siltstone
		Biotite Schists

Source: Heather (1985)

Rossland Group

Fragmental pyroclastic rocks make up roughly 70% of the Rossland Group, ranging from volcanic agglomerates and conglomerates to fine-grained crystal and lithic tuffs (Heather 1985). Augite porphyry sills or flows have been identified around the adjacent Willa deposit. The unit varies from dark green to black-green and yellow-green and is usually altered (iron-stained or bleached). Augite and plagioclase phenocrysts are euhedral to subhedral and range in size from 0.5 to 4.0 mm. The matrix is composed of augite, feldspar and biotite.

Volcanic siltstone or hornfels is usually interbedded with the augite porphyry and makes up only a small portion of the Rossland Group. Siltstone varies from green (actinolite-quartz-plagioclase-orthoclase) to grey to pink (biotite-plagioclase-orthoclase).

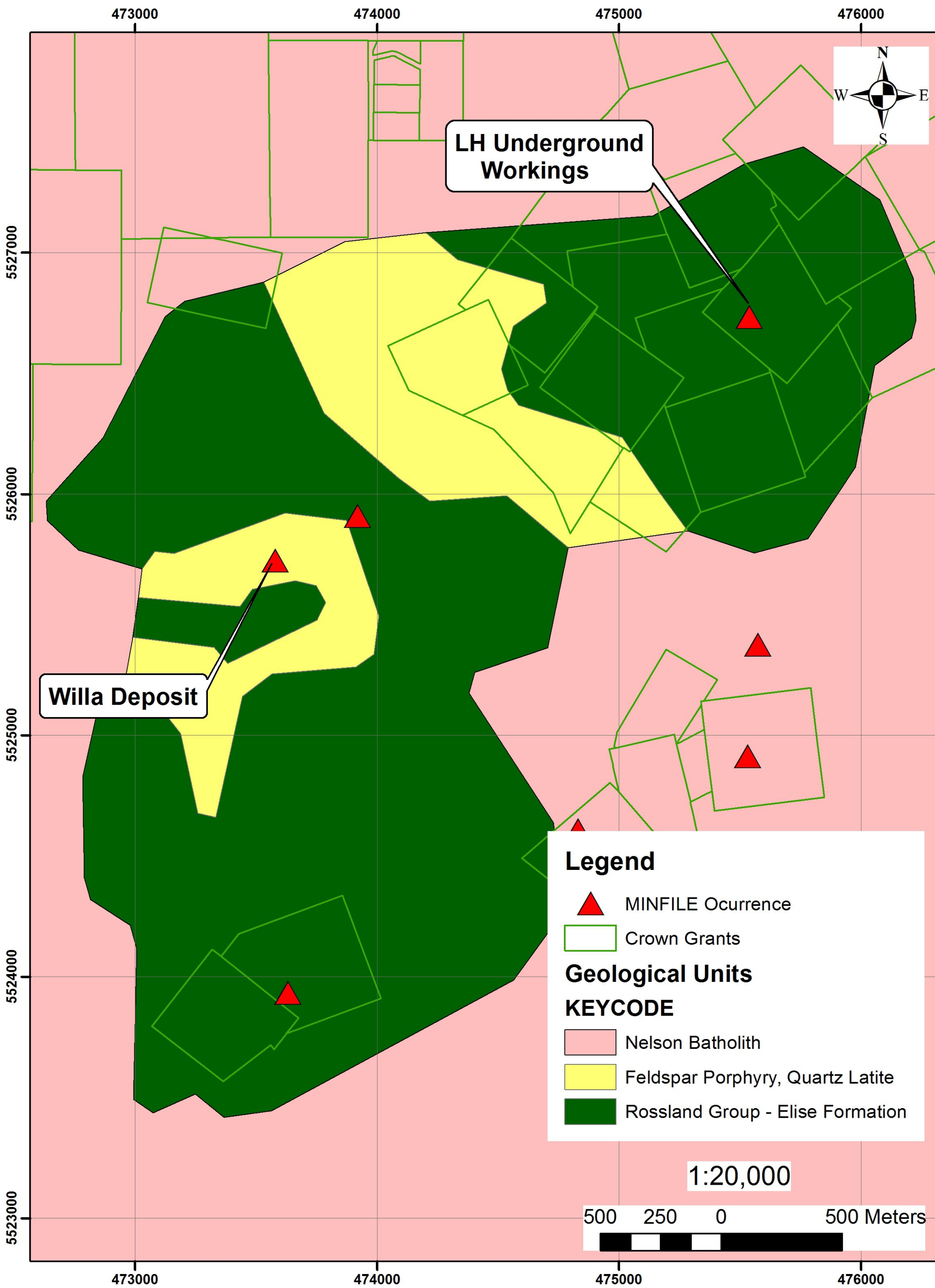


Figure 7 – Local Geology in the area of the LH Property. The interpreted roof pendant hosting the LH and Willa occurrences is comprised of Lower Jurassic Elise Formation volcanics, subsequently intruded by Feldspar Porphyry / Quartz Latite. Crown grants comprising the “Willa Claims”, including the LH Underground Workings, located at upper right of figure. Note: mineral tenures have not been displayed for simplicity.

Biotite schist occurs predominantly to the south and southeast of the Heterolithic Breccia. This black biotite schist has been identified in both core and outcrop and is believed to be related to the Augite Porphyry unit.

Quartz Latite Porphyry

The Quartz Latite Porphyry unit forms a ring and radial dyke complex intruding the Rossland Group. Its composition ranges from quartz monzonite to granodiorite, with large phenocrysts of plagioclase. The ring dyke structure is elliptical in shape trending 050° Az with a 5-km by 1-km size. The radial dyke radiates both inward and outward from the ring structure. There is up to 7% pyrite in the quartz latite porphyry and when it is exposed on surface, the blocky fractured outcrop has a limonitic stain.

Feldspar Porphyry

The Feldspar Porphyry intrusive stock is centred within the Quartz Latite Porphyry. It has an elliptical shape that trends 000° Az. This unit has phenocrysts of plagioclase and quartz with minor pyrite, apatite, titanite and magnetite. Outcrops are oxidized with skins of limonite and manganese oxide.

The White Feldspar Porphyry intrusive has been mapped as 2 elongated bodies 1 km north of the Quartz Latite Porphyry ring dyke. This highly altered unit has large plagioclase and small quartz phenocrysts with minor pyrite and hornblende.

The Hornblende Feldspar Porphyry forms small intrusive bodies and dykes within the Quartz Latite Porphyry and the Feldspar Porphyry. The large plagioclase and small hornblende phenocrysts are within a groundmass of orthoclase and quartz.

Heterolithic Breccia

The Heterolithic Breccia lies within the core of the Quartz Latite Porphyry ring dyke and is roughly cylindrical in shape. The pipe has approximate dimensions of 350 m (north-south) by 200 m (east-west). The outer portions of the breccia pipe have a crackle breccia texture. All the above lithologies, other than the White Feldspar Porphyry, have been identified as angular to rounded fragments within the pipe. Fragments normally show propylitic or potassic alteration. The matrix of the pipe is altered, iron-rich rock flour composed of plagioclase, quartz and orthoclase with minor actinolite and biotite.

Nelson Batholith

The Nelson Batholith is composed of a variety of granitic rocks ranging from Porphyritic Granite, Quartz Monzonite, Syenite to Granodiorite. The batholith encloses the volcanic roof pendant and does not outcrop near the Willa deposit. Granitic pegmatite dykes have been intersected in some of the deep core drill holes but the main Nelson Batholith has not been intersected to date.

Lamprophyre Dykes

Mafic dykes have been intersected in many drill holes within the intrusive complex and are usually less than 1.0 m thick. They normally trend north-south and are steeply dipping. These dark green to black dykes are composed predominantly of plagioclase and/or pyroxene and biotite. They contain varying amounts of orthoclase, quartz, amphibole, chlorite and olivine, with minor apatite, titanite, zircon and magnetite.

7.2.2 Structures

There are several types of faults interpreted to localize gold-copper-silver mineralization in the Willa deposit.

'Paleo-Faults' are north-striking, vertically-dipping faults that have been active throughout the mineral emplacement. They are thought to control the lamprophyre dykes.

The 'Flat Faults' strike easterly and dip 15° to the north and may have reacted with the 'Paleo-Faults' to create vertical conduits for metal-bearing fluids resulting in mineralization.

The 'Dislocation Faults' strike northeast and dip 45° SE to vertical. They offset the 'Paleo-Faults'. An example of this type of fault is the 'Willa Fault'. It has a strike of 040° Az, dips vertically with no apparent offset.

Contact faults follow the contact of the Heterolithic Breccia and probably serve as conduits for gold-copper-silver mineralization, but are narrow.

7.2.3 Mineralization

The following has been modified slightly from Wong and Spence (1995) for the adjacent Willa deposit.

"Three distinct ages of mineralization are recognized in the Willa area. Molybdenum-mineralization and gold-copper-silver mineralization is genetically related to the Lower Jurassic intrusion of the quartz latite porphyry and of the heterolithic breccia, respectively. Argentiferous, lead-zinc, vein-type mineralization, representative of the Slocan Silver Camp, post-dates emplacement of the Nelson Batholith.

Molybdenum

Quartz-molybdenum mineralization occurs scattered throughout the quartz latite porphyry but is perhaps best developed within the north-south radial quartz latite porphyry dike and within hornfelsed volcanic rocks adjacent to the dike. Quartz-molybdenum veins, comprising stock work or sheeted zones, generally contain minor pyrite and range from 1 mm to 20 mm in width. They are characterized by fine-grained, white to grey quartz with thin selvages and disseminations of fine-grained molybdenite. Sericite, pyrite and clay commonly occurs as narrow alteration envelopes to the veins. Two ages of of quartz-molybdenite veining are evident. Massive silica flooded zones occur where stockwork veining is locally intense. An extensive pyritic halo, with pyrite present in amounts up to 10%, partially overlaps quartz-molybdenite zones

The highest grade of molybdenum intersected during initial deep drilling was 0.008% Mo. The low grades of molybdenum reflect the weakly developed nature of the molybdenum system. Consequent to the two initial deep drill holes to test for deep molybdenum deposit, the focus of exploration was shifted to the gold-copper-silver mineralization found within the heterolithic breccia. As a result, detailed information on the molybdenum mineralization is lacking.

Gold-Copper-Silver

The Aylwin Creek pendant hosts two significant gold occurrences. In the northeast portion of the pendant, 2.5 km from the Willa, the LH prospect consists of northeast-striking shears containing gold-arsenopyrite mineralization within volcanic rocks. The Willa gold-copper-silver deposit is notably lacking in arsenic. Between the two is a widespread coincident gold-copper and arsenic in-soils anomaly. The overall distribution of metals suggested zonation from gold-copper to gold-arsenic within the pendant.

At the Willa, gold-copper-silver mineralization occurs in three distinct zones; the West Zone which is a deep, arcuate zone on the western margin of the breccia pipe, the Main Zone which is a shallow lens-like zone centred on the breccia axis, and the East Zone which is a deep, sheeted-fracture zone within volcanics immediately outside the eastern contact of the breccia.

West Zone

The West Zone contains the highest grade of gold-copper-silver mineralization ... and is hosted by a steeply inward-dipping, ring-like fracture zone in the breccia and adjacent volcanic rocks, which roughly parallels the Western contact of the feldspar porphyry plug. The top of the zone occurs at approximately 1100 m elevation, some 130 m to 200 m below surface.

The West zone averages 150 m in height and has been delineated over a strike length of 250 m. It varies in width at the 1025 m elevation from a maximum of 40 m at its southern end to a minimum of 8 m at its northern end. At its southern end, the zone is truncated by a north-northeast striking fault; while in the North, the zone pinches out on strike but extends upward to form a keel to the overlying Main zone. Due to the higher Au:Cu ratios in this northern part, it has been interpreted to be a feeder to the lower grade Main Zone mineralization. Overall, the West Zone is effectively outlined by gold grade cut-off of 1 g/t. Lateral contacts are generally sharp with mineralization falling off rapidly within two meters of the zone. Several drill intersections of high-grade gold were encountered at depth near the centre of this arcuate structure suggesting the presence of a feeder conduit for the West Zone mineralization.

Within the mineralized zone, sulphides, occurring mainly as matrix replacement, comprise 10% of the rock on average. Locally, however, sulphides may constitute 50% of the rock over lengths of 1 m to 2 m. Pyrite and chalcopyrite are the principal sulphides present and occur in varying proportions. Pyrrhotite and minor sphalerite generally comprise less than 1%. Traces of a Pb-Bi-bearing Sb-sulphosalt had been identified during examination of polished sections. Magnetite is ubiquitous throughout the heterolithic breccia, averaging 1% to 3%. Intergrowths of magnetite with sulphides indicate that they were deposited contemporaneously.

Gold occurs in native form as inclusions and microveinlets in pyrite, and as grains along contacts between pyrite and either chalcopyrite or silicates. Average gold grain size is 10 microns. Silver values are associated with sphalerite, which commonly occurs as inclusions in chalcopyrite and pyrite. ...

Main Zone

The Main Zone consists of a low-grade ... north-trending lens of mineralization aligned along the axis of the breccia pipe. It is exposed at surface in the canyon of Aylwin Creek and in the nearby Willa adits. The zone is 250 m long and ranges from 20 meters to 50 m in width. Mineralization occurs within heterolithic breccia except at its southern end where crackle-fractured feldspar porphyry is the host.

The style of mineralization in the Main Zone differs from that in the West Zone in a number of ways. Pyrrhotite is much more significant, generally occurring in equal proportion to both pyrite and chalcopyrite, and overall sulphide content of the zone is lower, averaging a relatively uniform 5%. Heterolithic breccia in this area is commonly vuggy. The sulphides ± magnetite occur predominantly as inter-clast fillings. Sphalerite is less abundant but tungsten is geochemically significant, suggesting the presence of a tungsten-bearing mineral. Lateral limits to the zone are less well-defined and are gradational over 3 m to 6 m. Gold and silver occur mineralogically in the same manner as in the West Zone.

In general, the Main Zone appears to represent a uniformly dispersed, disseminated type of mineralization hosted within a vuggy, porous breccia. Though calculated as twice the tonnage of the West Zone, with half the grade, it contains about the same amount of metals.

East Zone

The East Zone was discovered during underground drilling late in the delineation program and only limited data are available. It represents structurally controlled mineralization hosted by propylitically-altered volcanic rocks adjacent to the eastern margin of the breccia pipe. Morphologically, the zone appears to comprise at least six east-west striking, moderately north-dipping, parallel fracture zones each ranging from 2 m to 6 m in true width and separated by 10 m to 12 m of unmineralized rock. ....

Silver-Lead-Zinc (Gold)

Argentiferous, lead-zinc vein-type mineralization is prolific on the east side of Slocan Lake and is referred to collectively as the “Slocan Silver Camp”. Most of these veins strike northeasterly and dip southeasterly and are hosted by argillaceous sediments of the Slocan Group, by Nelson batholithic rocks, and by volcanic rocks in the Willa pendant. Significant values in gold occur in some veins hosted by Nelson granitic rocks.”

More recent work on the Willa deposit has been modified from Ash (2014) for the adjacent Willa deposit.

“**West Zone**

The West Zone has had the most drilling and is, therefore, the most well-defined portion of the Willa deposit. It has been exposed in the 1025 Level (1000 X-Cut, 950 South Drift, 950 North Drift, 950 X-Cut and the 1025 Raise). The majority of the known mineralization is centered around 1025 m elevation and is the reason for the Main 1025 Level Adit location. The West Zone is continuous and has a strike length of approximately 300 m, a width of 400 m and a depth of 175 m. It has a crude north-south strike and vertical dip and extends approximately 200 m in depth. The West Zone is predominantly within the heterolithic breccia. It has been documented that the mineralization is cut off to the north by the Willa Fault and has been displaced to the south by cross-cutting faults. Drill hole data seem to indicate that mineralization continues beyond these faults into other lithologies.

North Zone (formerly the "Main Zone")

The North Zone lies overtop and to the north of the other zones. It appears to have been offset at several locations along its crude north-south strike. The zone is exposed on surface by Aylwin Creek. The Willa No. 1 and Willa No.2 Adits were collared in the North Zone on either side of the creek. The exposed portion of the North Zone is stained with limonite and chlorite. The North Zone is continuous and has a strike length of approximately 175 m, a width of 50 m and a depth of 125 m. The North Zone is partially composed of heterolithic breccia as well as feldspar porphyry, quartz latite porphyry and Rossland Volcanics. The offsets of the North Zone can be subdivided into the North Zone and the Upper North Zone.

East Zone

The East Zone is presently the smallest of the three zones. This may be due only to the lack of drilling in this area. The majority of the zone is underneath the 1013 Decline, 1013 Level and 993 Decline. The zone is continuous and has a strike length of approximately 150 m, a width of 50 m and a depth of 125 m. The zone is situated partially in heterolithic breccia and partially in Rossland Volcanics. Further exploration is required to better define the zone. …

The current Mineral Resource estimate for the adjacent Willa deposit, within the Measured, Indicated and Inferred categories based on a 3.0 g Au/t cut-off (Discovery Ventures 2016) is:

Category	Metric Tons	Au (g/mt)	Cu (%)	Ag (g/mt)
Measured	198000	5.36	0.83	8.3
Indicated	627000	4.97	0.86	9.5
Inferred	151000	4.21	0.71	9.8

Note: the Qualified Person has been unable to verify the information. The information is not necessarily indicative of the mineralization on the property that is the subject of this technical report.

7.2.4 Alteration

The following has been modified slightly from Wong and Spence (1995) for the adjacent Willa deposit.

"Hydrothermal alteration evident in the area of the Willa deposit is a consequence of three discrete, but successive intrusive events and two major episodes of mineralization. Overlap and over-printing of the various alteration assemblages has resulted in a complex zonation. The two earliest alteration assemblages, associated with molybdenum mineralization, consist of biotite-pyrite and quartz-pyrite-molybdenite. These are spatially-associated with quartz latite porphyry. Following this, and associated with intrusion of feldspar porphyry, is a potassic assemblage of K-feldspar-biotite accompanied by up to 5% disseminated pyrite. Emplacement of heterolithic breccia was followed by pervasive calcium metasomatism resulting in a prograde calc-silicate alteration assemblage. It is believed that most, if not all, of the gold-copper-silver mineralization accompanied this alteration. Retrograde alteration of this calc-silicate assemblage resulted in the formation of, and over-printing by, minerals such as epidote, actinolite, gypsum, quartz, calcite, and zeolites. Emplacement of the Nelson Batholith produced only minor propylitic effects in the Willa area.

Biotite-Pyrite Assemblage

Fine- to medium-grained black biotite accompanied by 2% to 5% disseminated and fracture-filling pyrite is locally preserved within mafic volcanic rocks adjacent to quartz latite porphyry. While more probably a product of contact metasomatism related to intrusion rather than a true hydrothermal alteration, it remains a recognizable assemblage where it is not overprinted by later hydrothermal events. The biotite also occurs as felted masses predominantly pseudomorphic after augite and may comprise up to 5% of the rock. Ubiquitous pyrite associated with this assemblage contributes to the large pyritic halo which encloses the overall intrusive complex.

Quartz-Pyrite-Molybdenite Assemblage

Quartz-pyrite-molybdenite stockwork veins, sheeted veins, and pervasive flooded zones occur mainly in quartz latite porphyry but are also found within volcanic rocks adjacent to the quartz latite porphyry contact. Alteration around individual veins is best developed in the quartz latite porphyry where quartz-sericite-pyrite envelopes pass outward into zones of albitized plagioclase. Where the veins cut biotite-pyrite altered volcanic rocks, wallrock alteration is minimal, probably due to the dense, impermeable nature of these rocks.

K-feldspar-Biotite Assemblage

A K-feldspar-biotite assemblage is spatially associated with the feldspar porphyry plug and locally is superimposed upon the first two alteration assemblages. Heather (1985) recognized a horizontal zonation within this assemblage with K-feldspar dominant in the centre of the plug and biotite more prominent on the periphery. K-feldspar-dominant alteration is marked by partial to total replacement of groundmass and plagioclase phenocrysts to yield a hard, whitish-coloured rock with original textures obscured.

Biotite-dominant alteration is marked by the development of disseminated, fine-grained, purple biotite laths which impart a distinct pinkish coloration to the rock. Biotite development is most intense near the margins of the feldspar porphyry in zones of monolithic breccia. In these zones, fine-grained biotite, albitized plagioclase, and pyrite form the matrix of the brecciated rock.

Prograde Calc-silicate Assemblage

Following development of the heterolithic breccia pipe, prograde calc-silicate alteration resulting from calcium metasomatism associated with the gold-copper-silver mineralizing event resulted in replacement of the breccia matrix, and formation of veins and fracture-fillings in crackle-fractured clasts and peripheral crackle zones. The alteration assemblage consists of various combinations of the following minerals listed in order of decreasing abundance: pyroxene, amphibole, epidote, garnet, plagioclase, K-feldspar, quartz, anhydrite, sphene, and calcite.

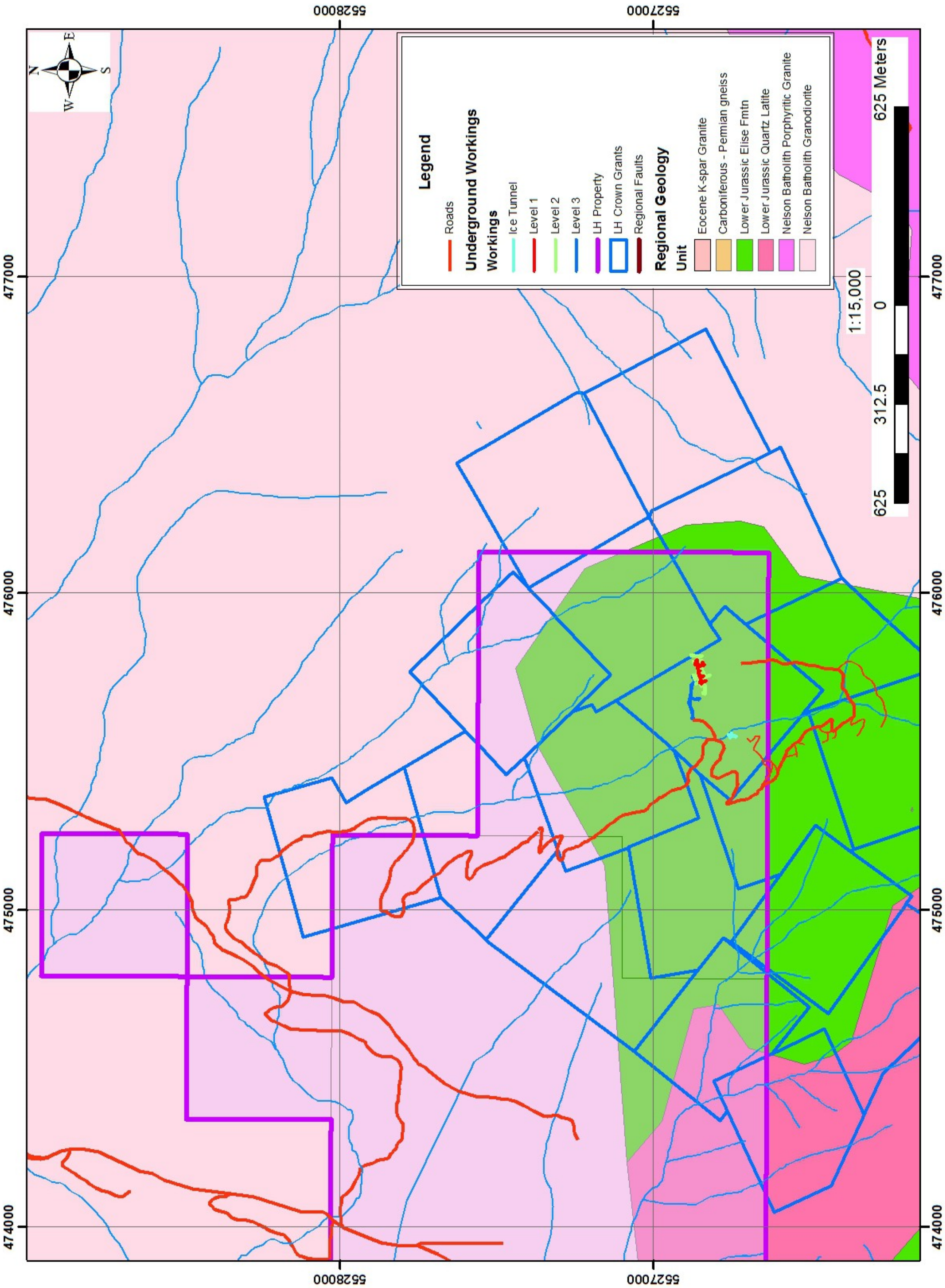
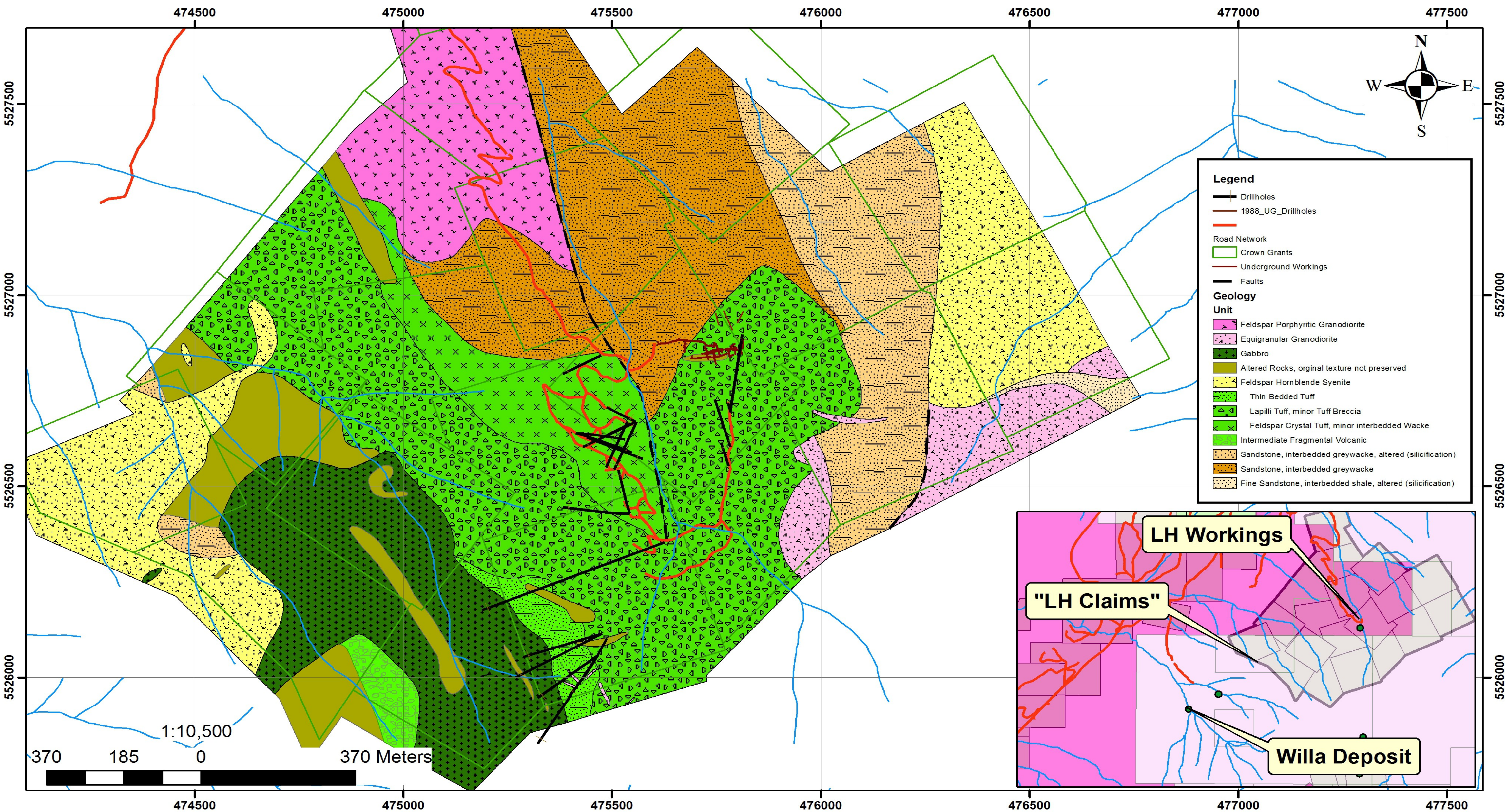


Figure 8 – Location and geology of the Company's "LH Claims". Crown grants (blue borders), mineral tenures (purple boundaries) and the road network (red) are indicated. The LH underground workings (located east of the road network - red, light green and light blue) and the Ice Tunnel (immediately west of Fingland Creek, light blue) shown for reference.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Crown Grants
Underground Workings
Faults
Geology
Unit
Feldspar Porphyritic Granodiorite
Equigranular Granodiorite
Gabbro
Altered Rocks, orginal texture not preserved
Feldspar Hornblende Syenite
Thin Bedded Tuff
Lapilli Tuff, minor Tuff Breccia
Feldspar Crystal Tuff, minor interbedded Wacke
Intermediate Fragmental Volcanic
Sandstone, interbedded greywacke, altered (silicification)
Sandstone, interbedded greywacke
Fine Sandstone, interbedded shale, altered (silicification)
LH Workings
"LH Claims"
Willa Deposit
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Figure 9 (Preceding page) – Property Geology for the Fingland Creek basin ("LH Claims"), from Keating et al (1987). Inset – Location of LH MINFILE occurrence within the "LH Claims" relative to the Willa deposit

Retrograde Alteration Assemblage

Retrograde alteration of earlier calc-silicate alteration minerals is widespread as crosscutting veinlets and replacements. Epidote is particularly prominent as an alteration product within the garnet-anhydrite and pyroxene zones. Veinlets of amphibole, pyroxene, calcite, and quartz are seen to cut all of the prograde assemblages. Fibrous clusters of zeolite locally replacing garnet and sparry gypsum replacing anhydrite are also considered to represent retrograde alteration as the hydrothermal system collapsed.

Late-stage Veinlets

Veinlets consisting of varying proportions of calcite, chlorite, quartz, and gypsum are seen to cross-cut all rock types, including Nelson Plutonic rocks. They are especially common adjacent to late shear zones and may contain minor pyrite, hematite, or magnetite."

7.3 Property Geology

Exploration to date on the LH Property has emphasized the uppermost Fingland Creek drainage, where the historical LH Underground Workings (MINFILE 082FNW212) and the Tunnel Zone are located. Furthermore, this area was the locus of a series of exploration programs completed between 1985 and 1988, with Noranda Exploration as operator (refer to "6.0 History"). The result of this work has been to identify and document widespread gold values, associated predominantly with pyrrhotite and arsenopyrite, hosted within Lower Jurassic Rossland Group – Elise Formation volcanic lithologies. Therefore, discussion of "Property Geology" will be limited to the area underlying the "LH Claims" in the northeast portion of the LH Property.

7.3.1 Stratigraphy

The LH property is underlain predominantly by strata correlated to the Nelson Plutonic Suite, more specifically, Potassium Feldspar Porphyritic Granite (or "Unit 2 - "Main Phase") (Brown and Logan 1988) (Fig. 7). The roof pendant described under "Local Geology" extends farther northeast from the adjacent Willa Property to underlie the Company's "LH Claims" in the northeast portion of the LH Property (Fig. 8). Therefore, description of many of the lithologies comprising the Willa deposit pertain to the "LH Claims". The following has been modified slightly from Ferreira and Ferreira (1985):

" **Slocan Group**

The Slocan Group consists of a sedimentary formation that contains two members: fine-grained sandstone interbedded with shale (1a) which is at least 325 m thick, and overlying sandstone interbedded with greywacke (1b) which is at least 540 m thick. Criteria used for topping directions are load structures, in which heavier sand beds have deformed underlying fine-grained greywacke beds, and graded bedding.

The fine-grained sandstone interbedded shale is laminated to thin bedded. The sandstone is immature, primarily consisting of quartz, feldspar and mica. The sandstone interbedded with greywacke is medium-grained with thicker beds than the fine sandstone. The medium-grained sandstone appears to be compositionally similar to the underlying fine-grained sandstone, and is immature with angular to rounded grains. The greywacke is fine- to medium-grained, lacks lithic clasts, and is principally composed of biotite and feldspar. Silicification and sulphide mineralization with accompanying partial textural destruction occurs in both members in parts of the property (1c).

Rossland Group

The Rossland Group consists of an Intermediate Volcanic Fragmental Formation (2), and subvolcanic Hornblende Syenite (3) and Gabbro (5). Pervasive silicification, pyrrhotite-pyrite-arsenopyrite mineralization, and potassic alteration have intensely altered rocks near the Hornblende Syenite and irregular areas within volcanic fragmental rocks (4). The original rock type is no longer identifiable in areas of intense alteration.

Intermediate Volcanic Fragmental Formation

The Intermediate Volcanic Fragmental Formation consists of 3 members: a crystal tuff member approximately 80-120 m thick, a lapilli-tuff member up to 650 m thick, and a thin-bedded tuff member up to 100 m thick. The crystal tuff member generally appears massive, although bedding can be observed on some outcrops. The rock contains up to 50% matrix and 30-50% free feldspar crystals and minor biotite. Criteria to distinguish the crystal tuff member (2a) and the upper member of the sandstone formation (1b) are: the greater abundance of free quartz and well-defined bedding in the sandstone, and the greater abundance of music minerals and angular broken crystals in the tuff.

The overlying lapilli-tuff member (2b) is characterized by very thick massive beds which range from lapilli-tuff to tuff-breccia. The stratigraphic thickness of the member ranges from 220-650 m within the property. This range is due to disruption by intrusive bodies. In general, the lapilli-tuff contains 40% matrix, 45% clasts and 15% feldspar crystals. Clasts are heterolithic and average 5-10 cm long.

The thin-bedded tuff (2c), the uppermost member of the Intermediate Volcanic Fragmental Formation, consists of interbedded medium grey to buff coloured beds. It is distinguished from the lower two members by its very fine grain size and thin to laminated bedding.

Silicification, the introduction of sulphide mineralization, and partial destruction of original textures have affected the fragmental rocks in many areas of the property (2d).

Subvolcanic Intrusive Rocks

The Hornblende Syenite (3) occurs in the western and eastern parts of the property. In the western part, the intrusion consists of a suite of smaller altered intrusions which range in composition from 20% to 50% hornblende, and range in texture from a Hornblende Feldspar Porphyry to a medium-grained syenite. Alteration is ubiquitous, consisting of silicification, an orange coloration imparted to feldspar, and disseminated pyrrhotite-pyrite. In the eastern part of the property, the intrusion maintains a constant composition in texture, i.e., medium-grain Hornblende Syenite, with no significant alteration.

The Gabbro (5) occurs in the southwestern part of the property. It has a wide textural and compositional range, suggesting that it is a subvolcanic intrusion. The Gabbro is peculiar because pyroxene is replaced by biotite, and the unit contains 2-20 m wide bands of intensely altered rocks. These altered layers form about 20% of the area mapped as Gabbro.

Intensely Altered Rocks

Intensely altered rocks (4) occur in irregularly shaped areas in the central and western part of the property. Pervasive silicification, chloritization, pyrite-pyrrhotite mineralization, and local potassic alteration have intensely altered the rocks so completely that the original rock type is no longer identifiable. The rock is fine-grained, massive and contains >1-20% disseminated sulphides. This rock is mainly derived from Hornblende Syenite, volcanic fragmental rocks and sedimentary rocks. Less intense alteration has affected parts of both the Sandstone Formation (1c) and Intermediate Volcanic Fragmental Formation (2d), but the latter still retain enough original textures to identify them.

Nelson Intrusive Rocks

The Nelson intrusive rocks consist of two types of Granodiorite: Equigranular (6) and Feldspar Porphyritic (7). These rocks enclose the roof pendant which includes the LH property and Aylwin Creek (Willa) deposit

Both types of Granodiorite lack alteration and maintain a fairly uniform composition of up to 20% hornblende, 20% quartz, and 55% feldspar (mostly plagioclase). The Porphyritic Granodiorite is distinctive with 15-20% K-feldspar and plagioclase phenocrysts up to 8 cm long, averaging 2.5 cm. The Equigranular Granodiorite is easily distinguished from the Porphyritic variety by the absence of phenocrysts, and from the Hornblende Syenite (3) but the presence of 20% quartz and dominance of plagioclase over K-feldspar.

METAMORPHISM

Metamorphic grade of rocks in the LH property is sub-greenschist facies. Contact metamorphism imparts a hornfelsic texture to Slocan and Rossland Group rocks near the margins of the intrusive bodies. Effects of metamorphism are minimal: where textural destruction and compositional change have affected the rocks, it is a result of alteration, not metamorphism.

STRUCTURE

Two significant faults occur on the LH property: one along Fingland Creek, and the other in the southeastern part of the property. Along Fingland Creek, a west-dipping, left lateral, strike slip fault trending roughly N-S brings Nelson intrusive rocks in contact with the Slocan Group sedimentary rocks. Evidence for this fault is the displacement between the Rossland Group and Slocan Group contact, rust and fault breccia along Fingland Creek, and the discontinuity between the Feldspar Porphyritic Granodiorite and Slocan Group sedimentary rocks. The fault was observed in DDH 85-LH-1 and DDH 85-LH-2. Slocan sedimentary rocks are brecciated into angular cm-sized fragments in a silicified matrix. Virtually no mineralization was associated with the fault and drill core; however, nearby adits along Fingland Creek are mineralized with Au-bearing arsenopyrite, pyrrhotite, and pyrite.

A second fault occurs in the southeastern part of the property where Slocan sedimentary rocks are in fault contact with the Equigranular Granodiorite. The fault is well marked by a rusty carbonatized zone of smeared shale with slickensides.

Bedding attitudes from the Slocan sedimentary rocks and Rossland volcanic rocks ... are from definite, well exposed bedding planes; suspect beddings are not shown. Bedding attitudes are inconsistent and exhibit wide variation over the map area.

Rocks of the Rossland and Slocan Group's exhibit well-developed joint sets with joint spacing measurable in decimetres. Three orientations of jointing are dominant: 020°/60° E, 080°/65° S and 160°/50° W. These joints may show local brecciation, the presence of sulphide minerals (arsenopyrite, pyrrhotite, pyrite), and silicification which commonly extend into the adjacent rock. These areas of brecciation and alteration are usually <50 cm wide and have an unpredictable pinch and swell texture. Where mineralization is present, it is concentrated along a single brecciated joint set or at the intersection of two joint planes. ..."

7.3.2 Mineralization

The following has been modified slightly from Ferreira and Ferreira (1985):

"Gold occurs in two types of geologic settings on the property: 1) associated with disseminated arsenopyrite and arsenopyrite veins and pods, and 2) with pyrrhotite in intensely altered rocks hosted by Gabbro and adjacent to Hornblende Syenite ...

<u>Gold with Arsenopyrite</u>

Arsenopyrite mineralization is accompanied by pervasive chlorite-pyrrhotite-pyrite-quartz-carbonate alteration and locally, potassic alteration around quartz-carbonate veinlets. The intensity ranges from intensely altered rock, in which original textures are totally destroyed, to rusty weathering rock which contains <1% pyrrhotite. This alteration is hosted by medium-grained sandstone, crystal tuff and lapilli-tuff. With the exception of the showings on Lines 9300 N and 9400 N, the gold showings are not spatially related to any porphyry rocks or related intrusive rocks. The showings occur within the sandstone or within 200 m of the volcanic-sandstone contact, which suggests that these showings were located in a relatively deep section of the volcano.

Concentrations of arsenopyrite-(pyrrhotite) mineralization occur in pyrrhotite-quartz-carbonate veins and in decimetre-sized sulphide pods. The pods tend to occur along lineations of joint intersections, perhaps concentrated along the dominant joint plane. In the area 9700-10000 N, the percentage of sulphide mineralization corresponds generally to the frequency of jointing: the closer the joint spacing, the more intense alteration and greater percentage of sulphide minerals. However, mineralization is unpredictable because not all of the lineations created by joint intersections are mineralized on a given outcrop, and veins and pods are subject to significant pinch and swell variations. …

<u>Gold with Pyrrhotite</u>

The second style of mineralization is gold associated with pyrrhotite in intensely altered rocks near the Hornblende Syenite and Gabbro in the southwestern part of the property. Here, entire cliff faces and outcrops decametres in area consist entirely of intensely altered rock. …".

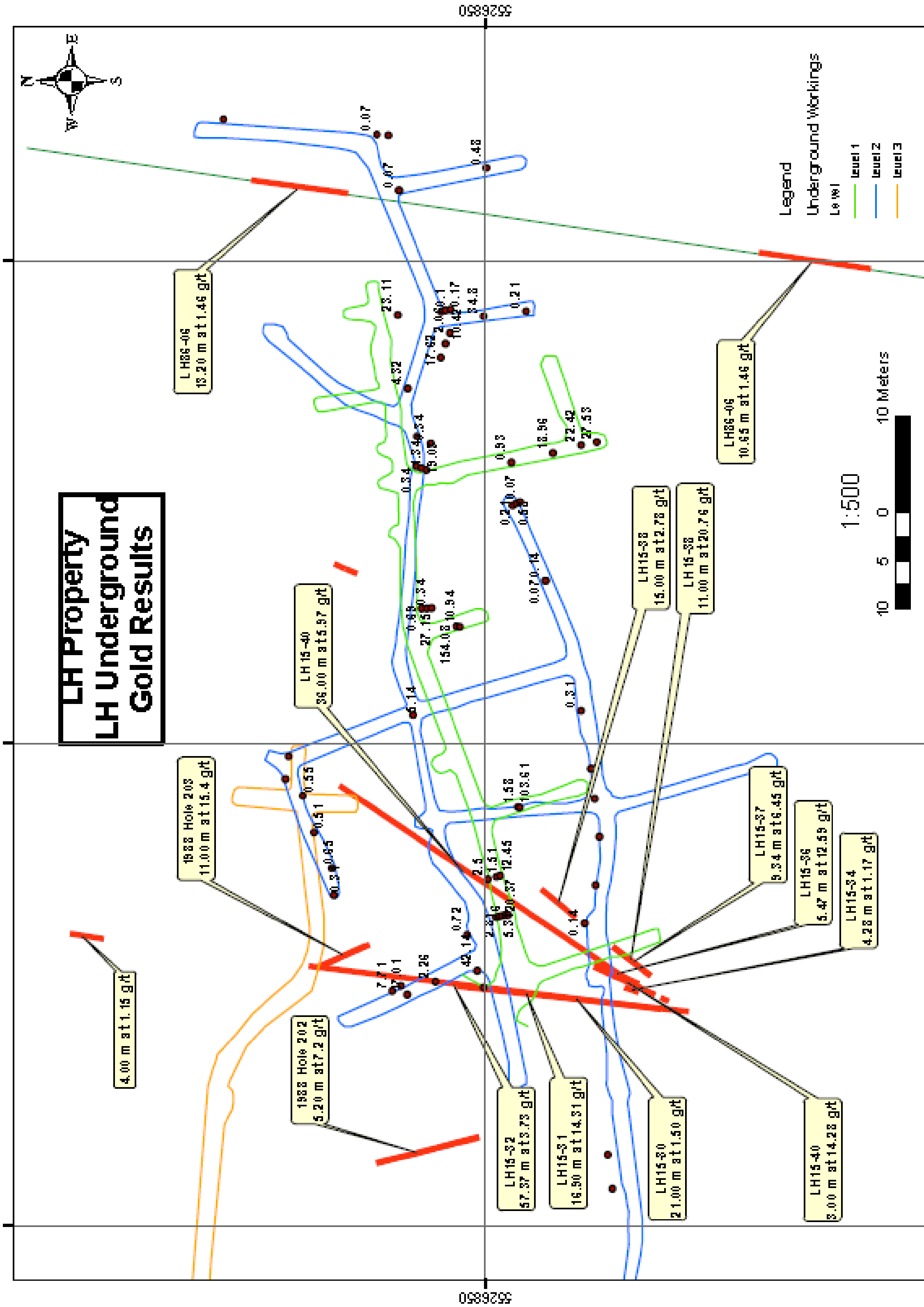


Figure 10 – Compilation of Au results (g/t) from underground drilling and chip sampling (Williams 1985) and 2015 surface drilling

7.3.2.1 LH Underground Workings

Three levels, comprising 518 m of underground workings, are developed on mineralization identified east of Fingland Creek within the LH Underground workings (Fig. 10), with minor production documented from Levels 1 and 2. Gold mineralization is associated with structurally controlled quartz veins to silica altered zones hosting pyrrhotite ± arsenopyrite with highly subordinate pyrite. Two major structural orientations have been reported, the first oriented between 075° to 080°, having a vertical to moderately steep (50°) dip to the north. The second strikes approximately 025°, dipping 65° southeast and both truncates and offsets mineralization associated with the first set. Locally, it also hosts mineralization, possibly associated with enhanced “damage” zones.

> “Mineralization follows a zone of fracturing and faulting. The zone width is 6.1 to 13.7 metres, striking nearly west and dipping north at about 55 degrees. Ore consists of native gold, arsenopyrite, pyrite and pyrrhotite with minor chalcopyrite and native arsenic. A maximum width of 13.7 metres mineralization was intersected on the No. 2 level, with the best grades on the centre and western-half of the drift over 91 metres length. A narrow sericite-altered dike occupies the fissure for most of its length on the No. 2 level. The No. 1 level parallels the hangingwall of the ore zone.
>
> Hostrocks are silicified and the limits of mineralization within this zone are poorly defined. Disseminated mineralization is hosted in quartz lens-filling fractures 30 to 60 centimetres wide. Quartz also forms many small stringers or more commonly impregnates the wallrocks and varying proportions of ore mineralization. Higher grades are generally associated with more intense silicification and arsenopyrite. Minor calcite has also been reported.
>
> From the 196 tonnes of ore mined in 1939, 1928 grams silver and 3452 grams gold were recovered” (MINFILE Occurrence 082FNW212).

These reported results correspond to a grade of 17.61 g/t Au and 9.84 g/t Ag.

The following description of mineralization and the workings has been taken from Keffer (1918).

> **“**... The ground was traversed by numerous slips along some of which there has been considerable movement, and also by a number of narrow granite dykes, the latter paralleling the general direction of fracturing. The slips which cross the lines of fracturing at various angles and dips, do not on the whole appear to have had much influence in the mineralization of the country rocks. In a few cases mineralization abruptly increases or diminishes along a slip, but more frequently there is no evidence that the movement has affected mineralization on either side of the slip. The gold of the ore accompanies arsenopyrite as a rule. Also more intensely silicified rocks usually carry higher gold content on either side of the slip.
>
> The upper, or No. 1 adit tunnel parallels the greater part of its length the hangingwall of the ore, there being driven four crosscuts towards the footwall, and one (near the end) toward the hanging wall. … Between Nos. 2 and 3 crosscuts a raise was driven, some 20 feet vertically, then 20 feet at an angle of 45 deg. towards the foot wall. From the top of this raise a crosscut was driven thirty feet towards the south, but this crosscut seems to have encountered a poor section of the ore body, as the assays were low. ...

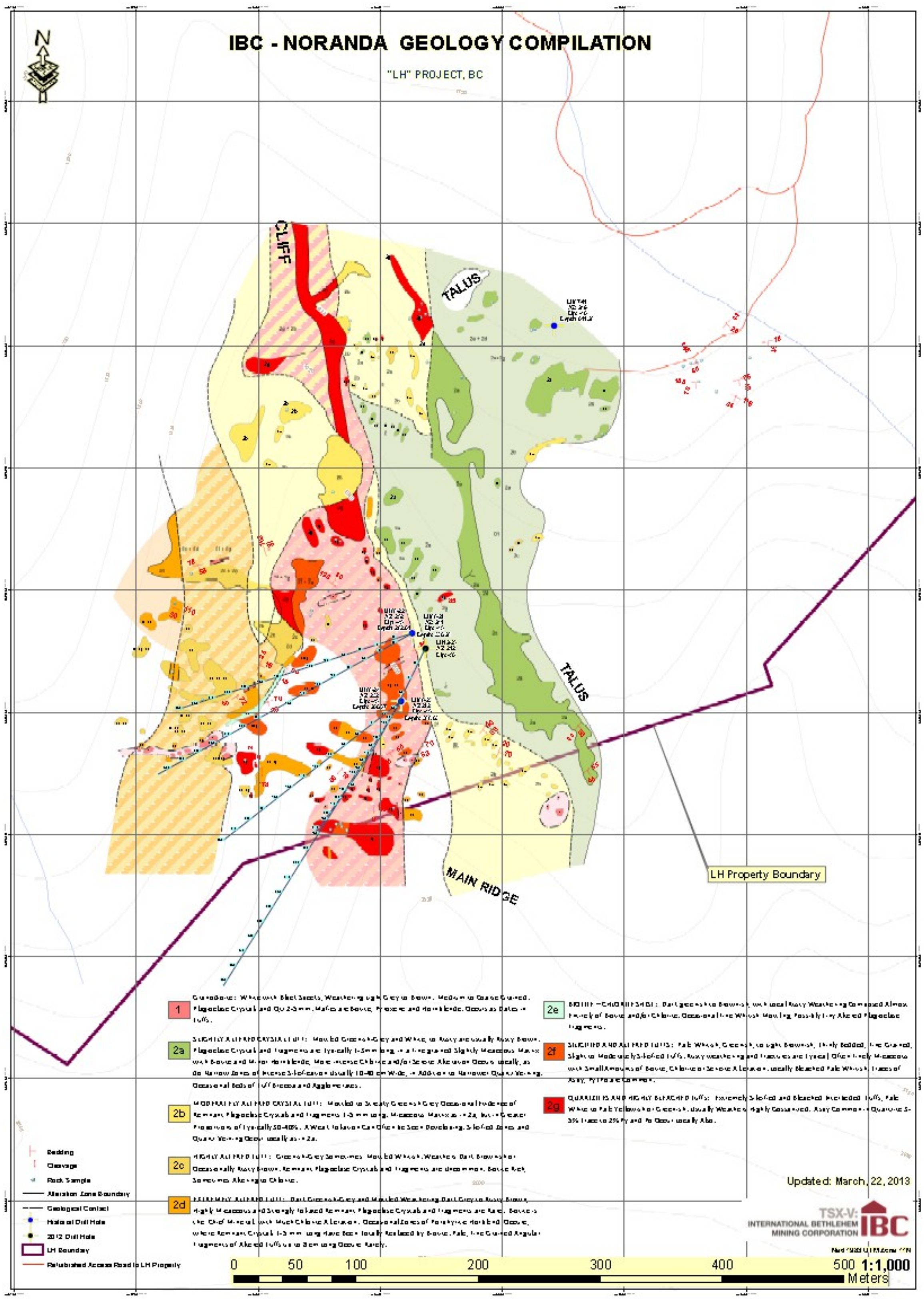


Figure 11 – Geological map showing mapped units and alteration along the Ridge Zone (Noranda 1985).

Adit tunnel No. 2 was driven 90 feet below No. 1 tunnel. It was in low grade foot wall rocks. Main crosscut No. 2 was driven N.W. and intersected a quartz vein…, which vein was drifted on almost due east. For the first 60 ft. this vein assayed .24 oz. gold and for the last 25 feet 1.37 oz. gold. Crosscuts of this drift show the ore here to be narrower than in No. 1 tunnel above. From the intersection of the Main crosscut and the quartz vein W. drift No. 1 was driven 128 feet, all in ore save the last 15 feet. No. 2 crosscut W. showed the ore at this point to be at least 45 feet wide. Tunnels 1 and 2 are connected by a raise driven near the entrance of No. 1 tunnel, near the middle of which raise a crosscut was run N. & S. … The ore in this crosscut was of lower grade than that in either of the two tunnels directly above and beneath, and probably represents merely a lean section in the ore body. Between Nos. 2 and 3 crosscuts a raise was driven 50 feet along the quartz vein, the whole of the work being in excellent ore."

7.3.2.2 Ridge Zone

The "Ridge Zone" is an area of variable, strong to extensive alteration of host strata along the ridge comprising the west margin of the upper Fingland Creek basin. Mapping of the Ridge Zone at 1:2,500 by Noranda Exploration Company, Limited between 1985 and 1987 (Mitchell 1988) identified a series of alteration zones developed within pyroclastic host rocks correlated to the Rossland Group volcanics coring the ridge. Alteration intensity gradually increases from relatively unaltered, tuffs and agglomerates present on the east side of the ridge (west side of the Fingland Creek drainage) westward up and beyond the ridge crest to the west. Alteration is distinguished by an increase in biotite, chlorite and hornblende alteration, with local potassic alteration and sericitization. On the west side of the ridge, strongly to extensively altered volcanics are characterized by zones of well developed biotite hornfels and pyroxene and epidote calc-silicates (chlorite schists) in the southwest portion of the Ridge Grid. In addition, the steep, resistant, approximately north-south trending ridge is cored by pervasively silicified volcanics over a wide central zone through the centre of the grid. Accompanying the zone of pervasive silicification is elevated sulphide content associated with anomalous gold values documented in rock and soil samples over the grid. Smaller discrete silicified zones occur locally, particularly on the west half of the grid.

Subsequent drilling of the Ridge Zone in 1987 and 2012, together with drilling west of Fingland Creek in 1986-1987 and 2014, confirmed the presence of a second style of gold mineralization occurring as a stockwork zone of silicified, calc-silicate altered and hornfelsed volcanics. This mineralization is characterized predominantly by pyrrhotite with highly subordinate arsenopyrite ± pyrite ± minor chalcopyrite.

Alteration, with accompanying mineralization, is interpreted to result from a combination of contact metamorphism (hornfelsing) and silicification / calc-silicate (i.e. skarn-style) alteration within the thermal aureole of the Nelson Batholith. Alteration minerals include chlorite, amphibole and minor epidote replacement and pseudomorphs after original mafic minerals, and pyrrhotite replacement / pseudomorphs after pyrite.

Variations in the composition of the host rocks, as well as local structural control, is interpreted to control both alteration and mineralization arising from introduction of metal-enriched magmatic – hydrothermal fluids into the host stratigraphy.

7.3.2.3 Ice Tunnel

The Tunnel Zone consists of a small set of underground workings immediately west of Fingland Creek and slightly above the road, occurring at the same elevation as the Level 3 workings of the LH

Underground Workings. Limited information is available for this relatively small set of workings, however, interesting gold ± arsenic values have been reported.

Sampling in 1981 by Hudson Bay Oil and Gas Company (P. Bresee, Property File 1982) reported results from probable grab samples, as follows:

Sample	Sample Description
A	Two quartz veins 1.0-1.5 m wide, 080/75S, + 5% pyrrhotite and disseminated arsenopyrite. 11.14 and 7.27 g/t Au at two locations 50 m apart
B	1.0 m shear (20.74 g/t)
C	Patchy arsenopyrite 10-20 cm in diameter (450 ppb)
D	30 cm shear (0.99 g/t Au)
E	Rusty shear (1.41 g/t Au)
F	Rusty silicified shear with oxidized arsenopyrite, probably 10 cm in diameter; probably up-plunge extension of zone from Tunnel 1 (11.52 g/t Au)
G	1.0 m sheared quartz arsenopyrite vein
H	Massive patch arsenopyrite-pyrrhotite 10 cm across cut by Feldspar Porphyry dyke (390 ppb Au)
I	Patchy arsenopyrite (3.67 g/t Au)
J	Boulder with massive pyrrhotite and 10% arsenopyrite blades. Source unknown but within talus pile (.58 g/t Au)

(Note: no analytical certificates are available to support the gold values reported above; therefore, the results are considered anecdotal).

The following is summarized from a sample plan map (Property File 1982). Samples are 1 m continuous chip samples.

Location	# Samples	Gold (ppb)	Description
Ice Tunnel	5	60 - 140	Silicified quartzite with approximately 2-5% disseminated sulphides
	3	30 - 580	Quartzite, minor iron oxides, numerous calcite veinlets 2-5 mm width, quartz-calcite gouge
	3	60 - 150	Silicified quartzite approximately 2-5% disseminated sulphides
	1	100	20 cm hematitic gouge
	4	200 - 2970	Extremely rusty, silicified quartzite, 5-10% disseminated pyrrhotite – (pyrite?)
Adit 1	4	80 - 10200	Sheared and silicified quartzite
Adit 2	5	200 - >8000	Silicified quartzite with abundant quartz stringers, 2 cm wide, disseminated arsenopyrite-pyrrhotite

(Note: no analytical certificates are available to support the gold values reported above; therefore, the results are considered anecdotal).

> "... Mineralization consists of structurally controlled, mesothermal quartz veins traced over 70 metres along the length of the veins, varying vary from 0.6 to 7 metres in width. Native gold mineralization appears to be associated with arsenopyrite, pyrite, pyrrhotite and chalcopyrite. This vein mineralization grades approximately 7.0 to 10.0 g/t gold" (Kowalchuk 2013).

Subsequent sampling of the Ice Tunnel in 1985 (Ferreira and Ferreira 1985) returned gold grades <530 ppb, confirming the elevated values reported previously, however, the adits were not sampled. It is unclear if the adits have been subsequently covered or were not recognized during the 1985 sampling program.

7.3.2.4 Summary

Gold mineralization reported from the LH Property to date has a strong association with sulphide content, particularly pyrrhotite and, to a lesser extent, arsenopyrite. Mineralization in the the LH Underground workings is hosted within propylitically altered (i.e. chloritic) pyroclastic strata associated with the Rossland Group. Brief descriptions of mineralization from within the Ice Tunnel suggests it may be similar.

In contrast, mineralization west of Fingland Creek, from the Ridge Zone and in the area of the 2014 drill program, is hosted within weak to extensive, pervasively silica altered pyroclastic lithologies with subordinate calc-silicate alteration. High grade, pyrrhotite ± arsenopyrite mineralization in both locations is strongly associated with silicification and/or calc-silicate alteration.

8.0 DEPOSIT TYPES

The following has been modified from Ash (2014).

> "There are two main types of mineralization at the Willa deposit. The first is a calc-alkalic quartz-molybdenite stockwork and the second is gold-copper-silver emplacement. The quartz-molybdenite stockwork is weak but extensive in the Quartz Latite Porphyry and Rossland Group volcanics north and west of the Heterolithic Breccia. Molybdenite (MoS_2) occurs within the quartz and along quartz vein boundaries. Due to its low grade, it is not considered to be of economic interest at this time.
>
> Gold-copper-silver mineralization is predominantly chalcopyrite ($CuFeS_2$), with varying amounts of pyrite (FeS_2) and pyrrhotite ($Fe_{1-x}S$). Sulfides tend to be encapsulated within sheets of silica. Propylitic alteration occurred during mineralization, as did zones of intense silicification and minor pyritization.
>
> Au-Cu-Ag mineralization is predominantly hosted within the Heterolithic Breccia unit, although mineralization has been identified in the Feldspar Porphyry, Quartz Latite Porphyry and Rossland Group volcanics (East Zone). Mineralization is controlled by extensive silica-rich micro-fractures, faults, shears and breccias predominantly within the Heterolithic Breccia unit which formed a zone of weakness for the emplacement of the mineralization".

The Willa deposit is interpreted as a Subvolcanic Cu-Au-Ag (As-Sb)-type deposit (L01 – Panteleyev 1995, see Appendix B), representing mineralization in the transitional environment between a porphyry copper and epithermal setting, blending porphyry and epithermal mineralization characteristics. Rossland Group volcanics are the host rocks, with the subsequently intruded, co-magmatic and co-eval porphyry units representing the sub-volcanic intrusives. The pyritic, silica-rich mineralized stockwork Heterolithic Breccia and closely-spaced sheeted veins with local massive to disseminated replacement zones subsequently overprinted on the complex. Mineralization associated with these types of deposits is usually polymetallic and, in the specific case of the Willa deposit, contains significant gold, copper and silver mineralization.

8.1 Ridge Zone

Drill holes completed to date intersected moderate to extensive alteration analogous to that described in the Ridge Zone surface mapping and drill holes, comprising pervasive chloritic alteration, consistent with sub-greenschist grade regional metamorphism and/or propylitic alteration. Overprinting the pervasive chloritic alteration is variably developed, weak to extensive, pervasive silicification, often accompanied by calc-silicate alteration, which is subordinate to silicification.

Observations from drill core are interpreted to indicate metasomatic alteration on a very local scale, often at least cm scale (i.e. lapilli alteration within the host matrix). In several instances, domains of extensive silicification and/or calc-silicate alteration were noted having a sieve-like texture, with pyrrhotite mineralization associated with relict mafic minerals. In additon, interpreted alteration fronts were noted between massive pyrite and massive pyrrhotite, with resulting textures believed to represent alteration of initial pyrite to later (replacement) pyrrhotite. In addition, pseudomorphs of arsenopyrite after pyrite are interpreted to suggest arsenopyrite as a subordinate by-product of pyrite alteration as well.

In general, there are two styles of mineralization: 1) thin sulphide veinlets, and 2) clots, ranging from individual disseminations to massive sulphides. Veins are ≤1.5 cm thick, often mm-scale, hosted by black chlorite veins and/or having black chloritic halos against host rocks. Sulphides, usually pyrrhotite ± pyrite, cores the veins, but may comprise the entire width as a thin, massive sulphide vein. The veins have been noted cross-cutting alteration and, therefore, at least some of the mineralized veins post-date alteration

Clots represent aggregate masses of sulphide minerals of variable scale. Many of the clots may represent in situ alteration of mafic minerals, which may result in the sieve-like texture noted in semi-massive sulphide intervals described in the core.

Thicker massive sulphide intervals may represent either thicker veins and/or extensive sulphide replacement. Massive sulphide occurrences representative of both veining and replacement are believed to have been documented, however, most massive sulphide occurrences are interpreted to have resulted from both veining and replacement.

The Ridge Zone is interpreted to represent gold-bearing, skarn-style gold-bearing mineralization associated with pyrrhotite, arsenopyrite and/or minor copper and hosted within silicified calc-silicate altered host rocks. This style of mineralization is interpreted to have greater potential for identification of a larger volume of mineralized rock, although with significantly lower grades than epithermal vein mineralization.

8.2 LH Underground Workings

At least one, and probably multiple, mineralized zone(s) described from, and mapped within, the underground workings vary from south dipping to moderately north dipping, with considerable change in orientation across numerous, generally north-trending “slips” (ranging from northwest to north-northeast trending, dipping shallowly west-southwest to steeply northeast). In addition, the dip of the mineralized zones changes dramatically dependent upon location relative to the generally north-trending faults which are interpreted to offset mineralization. Underground mapping is interpreted to indicate the mineralized zones identified at the west end of Level 2 are dipping 65°-70° to the south.

The 2015 holes drilled at the west end of Level 2 returned intersections between: 1) structures (interpreted to control mineralization), and 2) contacts for mineralized intervals and the core axis between 05° and 40°, angles much shallower than expected. These results are interpreted to indicate a change in the local dip for the mineralized zone(s) to moderately north dipping.

At least two moderately north dipping mineralized intervals are interpreted to suggest multiple gold-bearing mineralized zones characterized by silicification ± calc-silicate alteration and elevated sulphide content. Offset of mineralized zones is interpreted to demonstrate fault control on mineralization, as reported previously from the underground workings.

Results to date are interpreted to indicate mineralization extends from locations sampled in, and immediately adjacent to, the underground workings eastward to **at least** hole LH06-06 (approximately 100 m along interpreted strike). Results from historical underground sampling, together with drill results to date, are interpreted to suggest multiple mineral zones. Therefore, there exists strong potential for identification of numerous high-grade, gold-bearing mineralized zones within, and immediately adjacent to, the LH underground workings.

Additional potential for mineralization in the area includes the following deposit types:

- molybdenum porphyry (L05),
- gold skarn (K04),
- polymetallic (Ag-Pb-Zn ± Au) veins (I05).

Mineralized occurrences identified to date consistent with these deposits types are either low grade, of comparatively small size and/or have been superimposed on known mineralization. To date, the emphasis of exploration and development work on the Willa deposit has been the sub-volcanic breccia hosted mineralization.

A more recent model of potential interest with respect to mineralization associated with the roof pendant hosting both the Willa and LH MINFILE occurrences is the “Reduced Cu-Au porphyry” (or “RPCG”) model (Rowins 2000). The essential aspects of the model are summarized as follows:

> “Porphyry Cu (Mo-Au) deposits are probably the most well understood class of magmatic-hydrothermal ore deposit. One of the fundamental tenets of the modern porphyry Cu (Mo-Au) model is that ore fluids are relatively oxidized, with abundant primary magnetite, hematite, and anhydrite in equilibrium with hypogene Cu-Fe sulfide minerals (chalcopyrite, bornite) and the association of porphyry Cu deposits with oxidized I-type or magnetite-series granitoids.
>
> In contrast to these highly oxidized fluid systems are several porphyry Cu-Au deposits which have formed from relatively reduced hydrothermal fluids. These “reduced” porphyry Cu-Au deposits lack primary hematite, magnetite, and sulfate minerals, but contain abundant hypogene pyrrhotite, commonly have carbonic-rich ore fluids with substantial CH_4, and are associated with ilmenite-bearing, reduced I-type granitoids.
>
> Based on a synthesis of theoretical, experimental, and field data, the Reduced Porphyry Cu model is advanced to explain the formation of deposits which are relatively Cu-poor, but Au-rich, in nature. It is proposed that during fluid boiling or immiscible phase separation, Cu, and especially Au, are transported largely via the vapor phase to distal sites up to several kilometres away from the causative porphyry. This enhanced metal mobility in the vapor phase yields a low-grade Cu-Au core and the impression of a sub-economic or "failed" porphyry Cu system in many cases. In fact, the low-grade Cu-Au core is an expected consequence of both fluid evolution in, and the initial metal budget of, the hydrothermal ore system. The recognition of a RPCG system should prompt the mineral explorationist to search at distal sites deemed favorable for focusing and precipitating Au- and Cu-rich vapors.
>
> …
>
> There are other Au deposits, both with and without clearly related Cu mineralization, whose origins are contentious, that may fit the RPCG subclass. These include Alaskan deposits in the “Tintina Gold Belt” such as Liberty Bell and Shotgun. In British Columbia, auriferous massive pyrrhotite-chalcopyrite veins in the historic Rossland Au camp bear all the hallmarks of distal Au (Cu) veins associated with a large RPCG system” (Rowins 2000).

The two phase program proposed for the 2016 exploration program is intended to further evaluate the interpreted mineral potential of: 1) multiple, gold-bearing zones oriented east-west and dipping variably steeply to the north, and 2) distal skarn-style silicified calc-silicate altered host rocks. Proposed drilling at the LH Underground Workings is intended to produce sufficient drill intercepts for a preliminary resource estimate. Proposed drilling at the Ridge Zone is intended to further evaluate the mineral potential interpreted from previous surface mapping and diamond drilling, particularly given similarities proposed to the nearby Willa deposit. The proposed 2016 exploration program is intended to produce sufficiently favourable results to support the Company's efforts to address the other Recommendations (Section 28.0).

9.0 EXPLORATION

9.1 2014 Exploration Program

The 2014 program consisted of an initial compilation of work available from previous exploration programs, followed by physical work to facilitate quad access to the Crown Granted Mineral Claims. Subsequent work included further physical work (i.e. line-cutting to prepare the survey grid) and ground geophysical surveying comprised of Self-Potential (SP) and an Induced Potential (IP) / Magnetics survey.

Data available for the project include both hard copy and digital formats, some of which are now obsolete. Mapping, station location and collar locations all pre-date availability of Global Positining Systems (GPS) technology and are based on reference to a property grid on the “LH Claims”. The road network was surveyed but was plotted with reference to the grid.

As a result, compilation of data to this point is based upon the grid (for rocks, soils, etc.) and the road network. Many drill collars were located in the field during the 2014 field program, with locations determined using hand-held GPS. The road network was mapped on several occasions using a Magellan Mobile Mapper to produce a series of ESRI Shape (.SHP) Files. Use of GPS within the Fingland Creek basin, however, is limited by the satellite constellation at any given time, with signal strength moderately to greatly reduced by the steep topography and topographic relief. Furthermore, GPS accuracy decreases markedly in areas along the steep valley walls.

Finally, much, if not all, Noranda data was plotted with reference to the North American Datum (NAD) 27 datum. Locations ascertained during 2104 and 2015 were collected with reference to the NAD83 / WGS84 datum. All data has been compiled and plotted with reference to the NAD83 / WGS 84 datum, using Universal Transverse Mercator (UTM) coordinates for Zone 11N.

As a result, all historical maps utilized for the compilation have been georeferenced on a “Best Efforts” basis, utilizing features for which UTM (Zone 11, NAD 83 / WGS84) coordinates could be determined. In some cases, precedence was given to ground features (i.e. creek forks, road junctions, etc) as opposed to map features (i.e. Crown Grant borders), resulting in maps that have associated uncertainties (for example, units plotted in the Noranda Geological Map (Figure 9) having an offset with respect to the current accepted map location of the Crown Grants acquired from LandData BC).

9.1.1 Data Compilation

9.1.1.1 Rocks and Soils

Data compilation was initiated in May, 2014 and has continued throughout the duration of the project. The majority of the useful information was compiled from a series of exploration programs completed by Noranda Exploration Company between 1985 and 1988.

The resulting geochemical database consists of a total of 350 soil and 114 rock samples analyzed primarily, albeit variably, for gold (Au), silver (Ag), arsenic (As) and copper (Cu) (Fig. 10). Subsets of the database were analyzed for additional elements including lead (Pb), molybdenum (Mo) and/or zinc (Zn). Finally, approximately half the rock samples have accompanying multi-element Inductively Coupled Plasma (ICP) analysis.

The resulting database of soil and rock data (Fig. 10) document an anomalous area transected by the uppermost portions of the available road network, extending southwest from the underground workings of the LH MINFILE occurrence to the western margin of the headwaters of Fingland Creek. The resulting

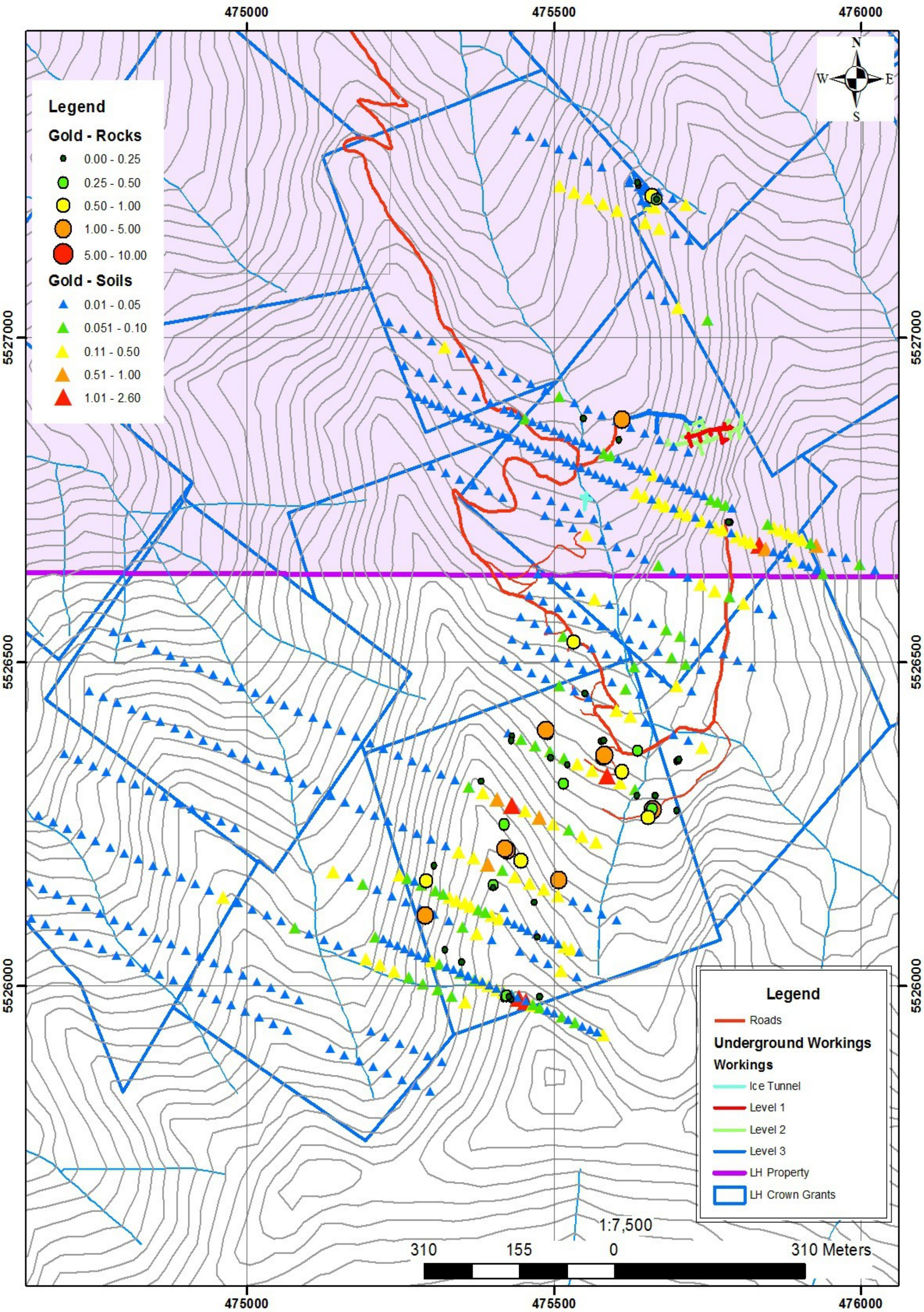


Figure 12 – Compilation map of soil and rock sample results, predominantly from Noranda programs between 1985 – 1988.

trend is a minimum of 960 m long by 260 m wide, extending from the underground workings of the LH mine to the southern limits of sampling.

9.1.2 Physical Work

An initial reconnaissance was made to locate and assess access to the property, more specifically, the Hewitt Mine and Branch 200 road and, subsequently, Noranda's exploration road along Fingland Creek. Limited road rehabilitation to make the mine access road available for quad access was completed in June (Fig. 13).

A small survey grid, totaling approximately 5 line km, was flagged and cut in preparation for a ground IP / Magnetometer survey.

9.1.3 Self-Potential (SP) Survey

An initial SP survey was completed on the available road network. The survey area extends from an elevation of approximately 1560 m along the main access road below the LH Underground workings to the end of the available road system at approximate UTM coordinates 475,780 East, 5,526,720 North. The survey grid was being prepared during the SP survey and was, therefore, unavailable to be surveyed.

Stations were paced out, with an average station spacing of approximately 15 m along the available road network, comprised of the main access road and drill roads / pads (Fig. 13 and 14). Station location was determined using a hand-held GPS and subsequently corrected using the mapped trace of the road network and average paced distance between stations. A total of four base stations were established, with readings leveled between stations. The survey was completed using two copper pots, each filled with a saturated copper sulphate solution, with one used as a fixed Base Station and the second as a Rover Station. The two copper pots were connected using a copper wire on a spool. Readings were taken at each station using a voltmeter, with readings in mV.

SP survey measurements were taken from a total of 282 stations along the existing road and trail network on the LH Property. These data measurements were intended to identify anomalies, thereby ensuring that the prepared grid was well situated to ensure successful identification of IP and/or magnetic anomalies from the subsequent geophysical survey.

The initial Self-Potential (SP) survey along the road network was very successful in identifying potential anomalies of interest. Survey results are plotted in Figure 10, with the survey grid for reference.

Data from the SP survey identified two reasonably sized anomalies, both in terms of areal extent and amplitude of the response, along, and slightly west of, the survey baseline (Fig. 14). The first anomaly is located on the Baseline immediately south of Line 8N (having minimum dimensions of 30 metres east-west by 50 metres north-south), while the second anomaly is located slightly west of the Baseline and north of Line 6N (approximately 70 metres east-west by 40 metres north-south). Both anomalies remain open and may, therefore, be larger. Initial modelling of the second anomaly suggests that the source lies at a depth of approximately 52 metres.

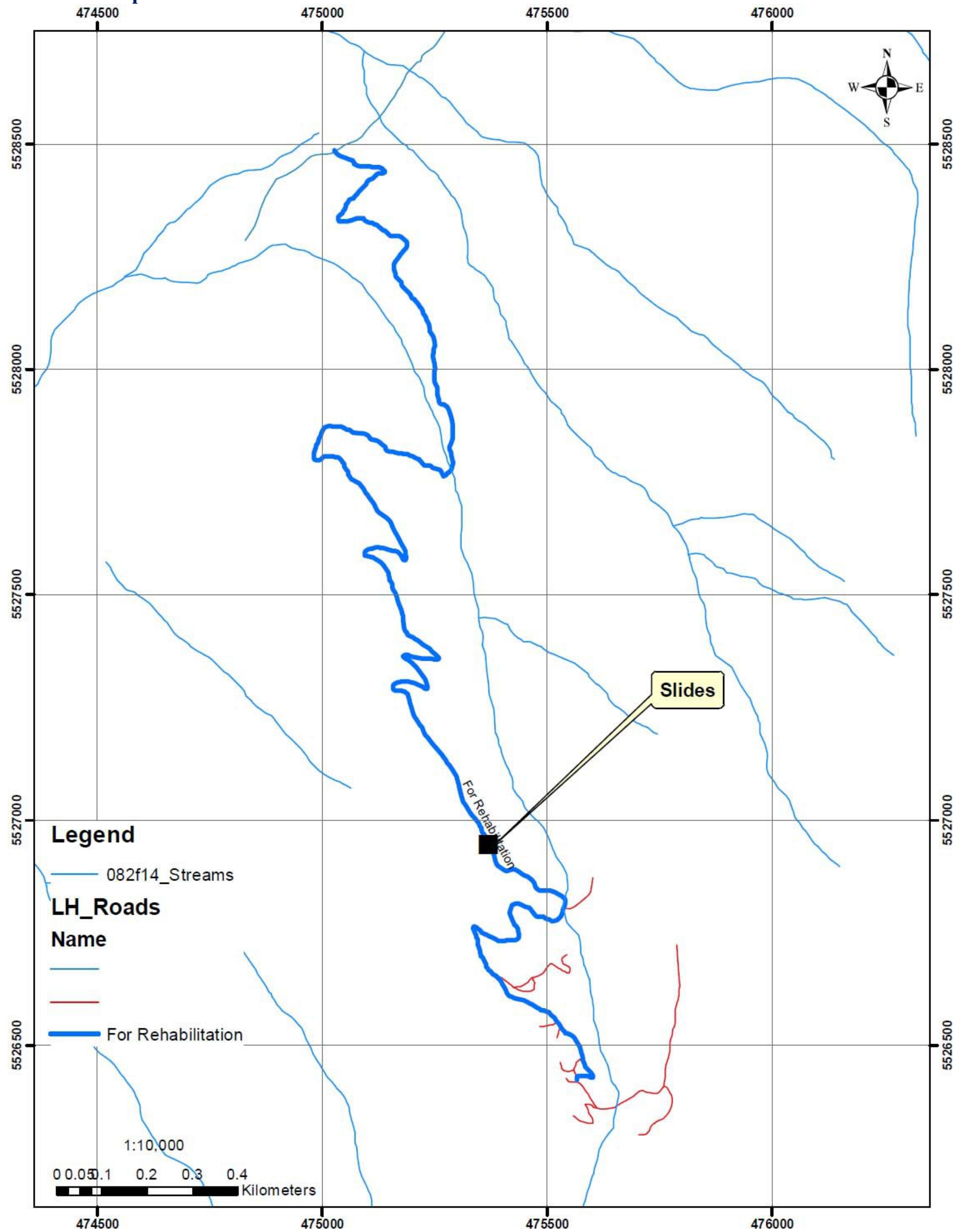


Figure 13 – Road rehabilitated to provide quad access for geophysical survey.

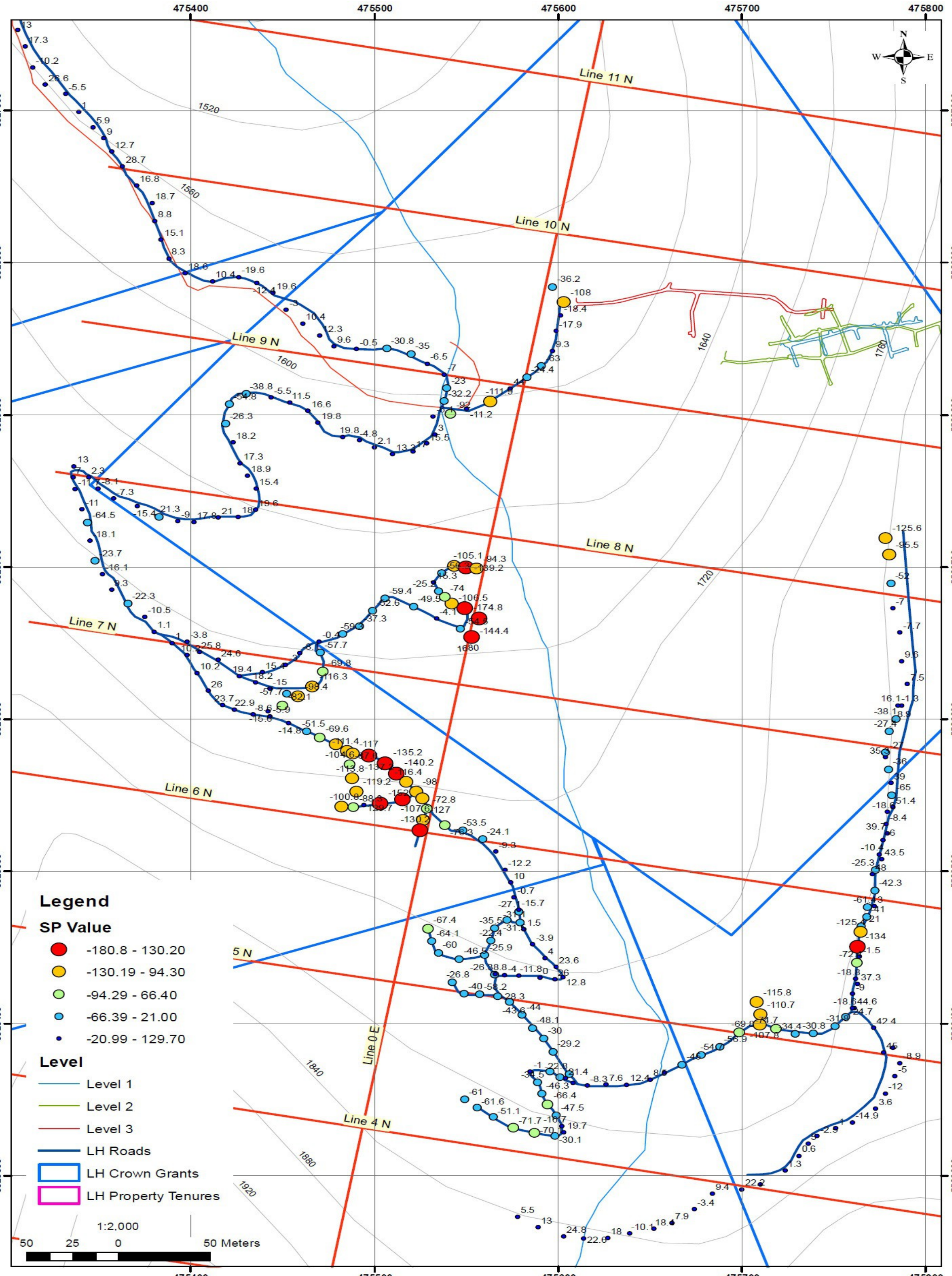


Figure 14 – Station results from Self-Potential survey, values in mV.

9.1.4 Ground Geophysical Survey

A ground geophysical survey was completed on the prepared grid by Peter E. Walcott and Associates Limited. The survey included both a Pulse Type Induced Potential (IP) and magnetometer survey. The survey area consisted of a total of 9 approximately east-west survey lines spaced at approximately 100 m for a total of approximately 5 line km. Results from the survey, as represented by pseudo-sections and maps, are included in Appendix C.

9.1.4.1 Induced Potential Survey

The following has been taken from Walcott (2014).

> "The induced polarization (IP) survey was conducted using a pulse type system, the principal components of which were manufactured by Instrumentation GDD of Quebec, Canada.
>
> The system consists basically of three units, a receiver (GDD), transmitter (GDD) and a motor generator (Honda). The transmitter, which provides a maximum of 5.0 kw d.c. to the ground, obtains its power from a 7.5 kw 60 c.p.s. alternator driven by a Honda 14 h.p. gasoline engine. The cycling rate of the transmitter is 2 seconds "current-on" and 2 seconds "current-off" with the pulses reversing continuously in polarity. The data recorded in the field consists of careful measurements of the current (I) in amperes flowing through the current electrodes C1 and C2, the primary voltages (V) appearing between any two potential electrodes, P1 through P5, during the "current-on" part of the cycle, and the apparent chargeability, (Ma) presented as a direct readout in milli-volts per volt using a 200 millisecond delay and a 1000 millisecond sample window by the receiver, a digital receiver controlled by a micro-processor – the sample window is actually the total of twenty individual windows of 50 millisecond widths.
>
> The apparent resistivity (⌠a) in ohm metres is proportional to the ratio of the primary voltage and the measured current, the proportionality factor depending on the geometry of the array used. The chargeability and resistivity are called apparent as they are values which that portion of the earth sampled would have if it were homogeneous. As the earth sampled is usually inhomogeneous the calculated apparent chargeability and resistivity are functions of the actual chargeability and resistivity of the rocks.
>
> The majority of the surveying was carried out using the "pole-dipole" method of surveying. In this method the current electrode, C1, and the potential electrodes, P1 through P5, are moved in unison along the survey lines at a spacing of "a" (the dipole) apart, while the second current electrode, C2, is kept constant at "infinity". The distance, "na" between C1 and the nearest potential electrode generally controls the depth to be explored by the particular separation, "n", traverse. On this survey a 50 metre dipole separation was utilized.

The IP method requires approximately 150 to 200 m along each survey line to reach maximum depth penetration, resulting in the tapered appearance at either end of each section. In addition, the "west-dipping" anomalies evident on the pseudo-sections (see Appendix C) are, apparently, artifacts of processing.

The data document a very strong response for both Chargeability and Conductivity (Note: Conductivity is the inverse of Resistivity such that a low resistivity response corresponds to a high conductivity response). Lines 0N to 2N document a very strong, large anomaly extending from approximately 0+60 E on Line 0N to 1+00 E on Line 3 N. The anomalies extend from, essentially, surface to the maximum depth of the survey, interpreted to suggest considerable potential for identification of anomalous mineralization.

There are a number of anomalies apparent on both Calculated Resistivity and Calculated IP sections for the remaining sections to the north, however, they do not appear to develop into larger coherent anomalies on the basis of this survey.

The Apparent Chargeability Map is interpreted to suggest the 2014 survey area is located along the eastern fringe of a significant conductivity anomaly, particularly along the southwest margin of the survey.

9.1.4.2 Magnetometer Survey

The following has been taken from Walcott (2014).

> "The magnetic survey was carried out using a GSM 19 proton precession magnetometer manufactured by GEM Instruments of Richmond Hill, Ontario. This instrument measures variations in the total intensity of the earth's magnetic field to an accuracy of plus or minus one nanotesla. Corrections for daily variations in the earth's field – the diurnal – were made by comparison with a similar instrument set up at a fixed location – the base – where recordings were made at 10 second intervals. Measurements were made along the traverse at 12.5 meter intervals."

Results from the magnetometer survey are interpreted to confirm the presence of the two anomalies identified by the preceding SP survey. The magnetic anomaly is part of a trend of at least 5 similar anomalies, ranging from 35 m in diameter to an elongate anomaly 82 m wide by a minimum of 170 m length, extending approximately 600 m south-southwest x 85 m wide. The northern SP anomaly (described above) represents the northernmost portion of this well developed, strongly magnetic string of anomalies, potentially representing a much larger anomaly transected by two separate survey lines resulting in localized geophysical expressions along each line.

The main portion of this magnetic anomaly lies to the south of Line 6N, extending southwest of the existing road network. A review of previous results are interpreted to suggest that moderately to strongly anomalous gold values are associated with intervals having strong pyrrhotite mineralization. Pyrrhotite is both magnetic and strongly conductive, therefore, a coincident SP (i.e. conductive) / magnetic anomaly may indicate the presence of elevated pyrrhotite content, potentially with elevated gold values. The magnetic anomaly (above) is part of a trend of at least 5 similar anomalies, ranging from 35 m in diameter to an elongate anomaly 82 m wide by a minimum of 170 m length. The first SP anomaly (west of Line 8N) represents the northernmost portion of this well developed, strongly magnetic string of anomalies.

9.1.5 Interpretation of Results

The data from the 2014 geophysical program agree very well with data documented from previous programs in that surface geochemical results and alteration mapping from previous programs coincide with anomalies identified from the geophysical programs (Fig. 15 and 16).

The results of the Self-Potential survey, responding to the inherent conductivity of the underlying rocks and/or mineralization, agree very well with a magnetic anomaly delineated on the west side of the Fingland Creek basin and the previously identified "Ridge Zone" (defined on the basis of alteration identified at surface). The SP data is interpreted to suggest a north-northeast trend culminating slightly

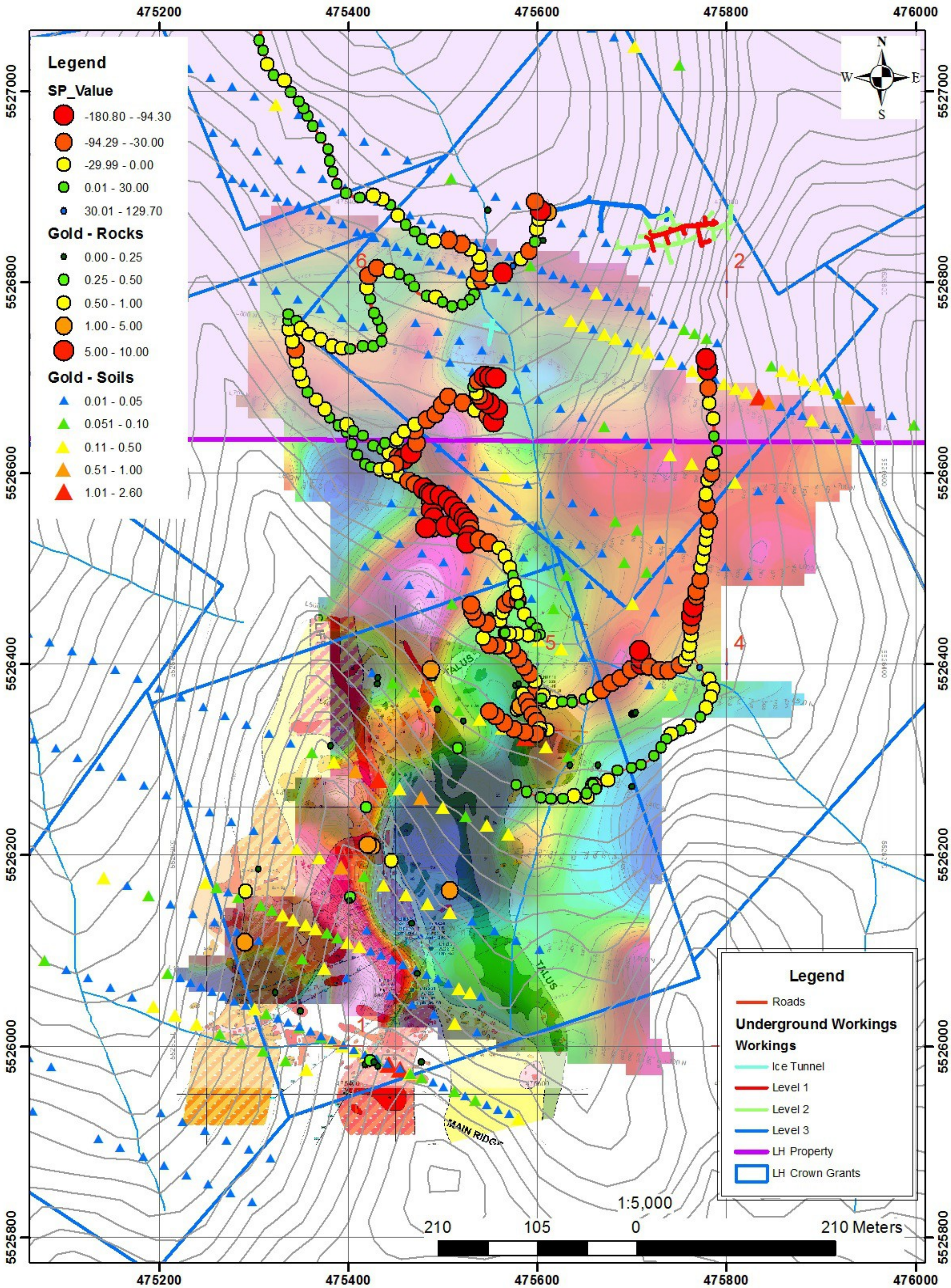


Figure 15 – Map showing compilation of 2014 program results relative to Magnetic map from geophysical survey. (Note: different scale used in plotting the SP data relative to Figure 12).

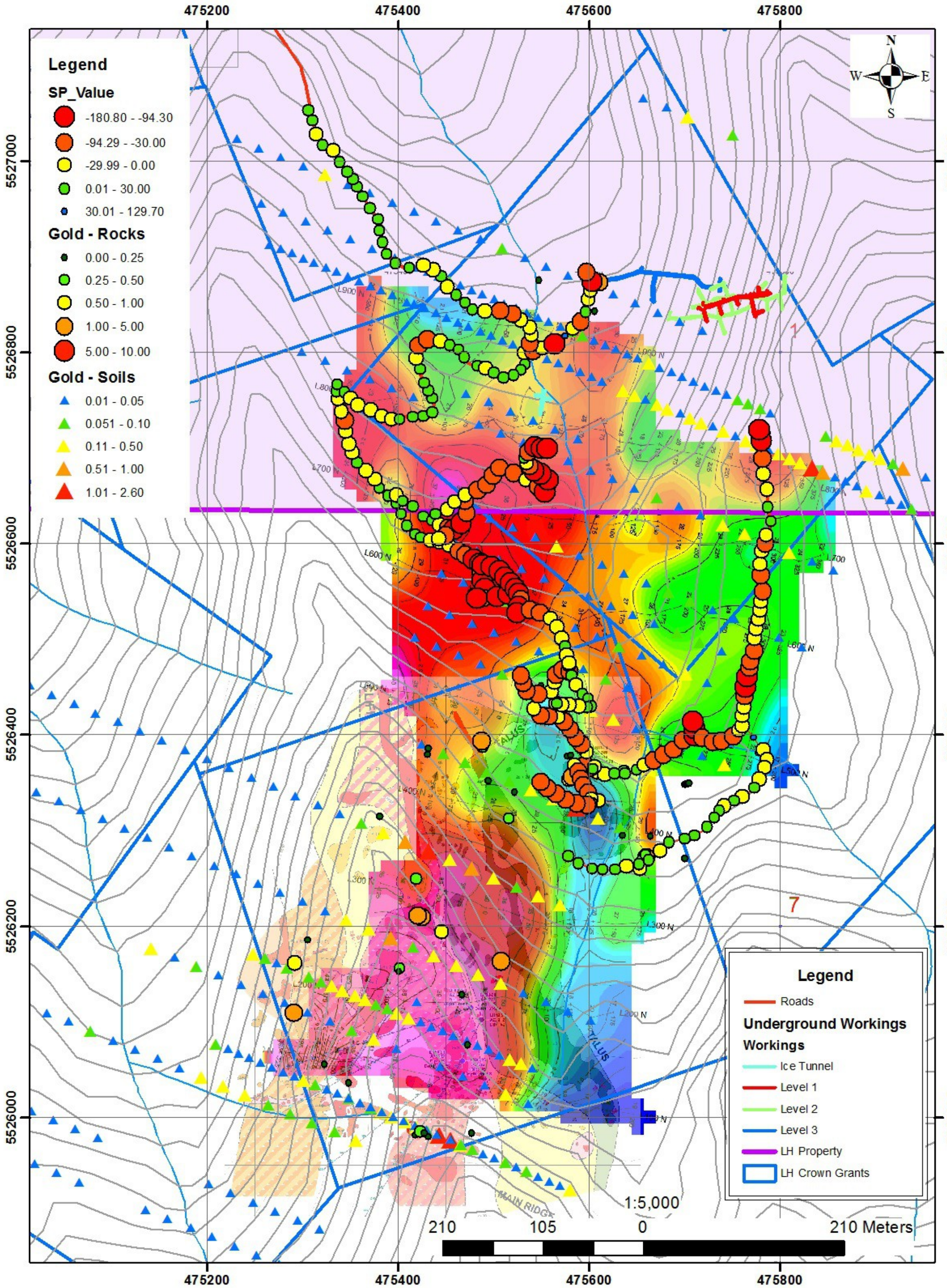


Figure 16 – Map showing compilation of 2014 program results relative to Apparent Chargeability map from geophysical survey. (Note: different scale used in plotting the SP data relative to Figure 12).

west of the underground workings of the LH Mine. This same trend appears to be evident in the magnetic data and underlies a similar trend in the surface geochemical data. The same trend is, again, evident in the Apparent Chargeability data.

In addition, the SP data document another, moderate anomaly associated with a low (blue coloured anomaly) in the Apparent Chargeability data at 1+15 E on Line 4N. In addition, there is a spatial association between moderate SP and moderate to strong magnetic anomalies on the east side of the survey / east side of Fingland Creek basin.

The strong correlation between surface alteration, as mapped by Noranda (Mitchell 1988), Apparent Chargeability, surface geochemistry and the prominent Magnetic anomaly suggest multiple means of identifying additional anomalies for subsequent evaluation in future programs. Furthermore, the results of the IP / Magnetometer survey suggest future evaluation should include the west side of the "Ridge Zone", where deeper development of mineralization may not be expressed at surface and, therefore, the identified through surface geochemistry.

9.6 Water Quality Survey

Sampling for a Water Quality Survey was undertaken by Dillon Consulting Limited. Sampling was scheduled after the spring freshet so as to establish an initial baseline for dissolved metal content, temperature, pH, dissolved oxygen, conductivity, and turbidity prior to any mechanical disturbance associated with the 2014 drill program and for future reference. A total of four locations were sampled, as follows:

Site ID	Watercourse	Location Description	UTM Coordinates Zone, Easting, Northing
F1	Fingland Creek	At crossing with Red Mountain Road;downstream of proposed drilling activities	11 U 0474049 E; 5528047 N
F2	Fingland Creek	Immediately upstream of temporary crossing	11 U 0475288 E; 5527779 N
F3	Fingland Creek	Upstream of bridge crossing; downstream of proposed drilling activities	11 U 0475529 E; 5526782 N
F4	Fingland Creek	Past boulder field; upstream of proposed drilling activities	11 U 0475672 E; 5526365 N
B1	Babe Ruth Creek	Upstream of confluence with Vevey Creek; 100 m up LH access road	11 U 0474625 E; 5529332 N

The survey was intended to meet two objectives:

1. Determine baseline surface water quality conditions as part of on-going exploration activities, and

2. Generate water quality data that can be easily integrated into other project permitting activities if, and as, required (e.g., *Mines Act*, Project Environmental Assessment).

The following has been modified from Reinert (2014).

Samples were collected and submitted to Maxxam Analytics (Maxxam) for analysis of the following parameters:

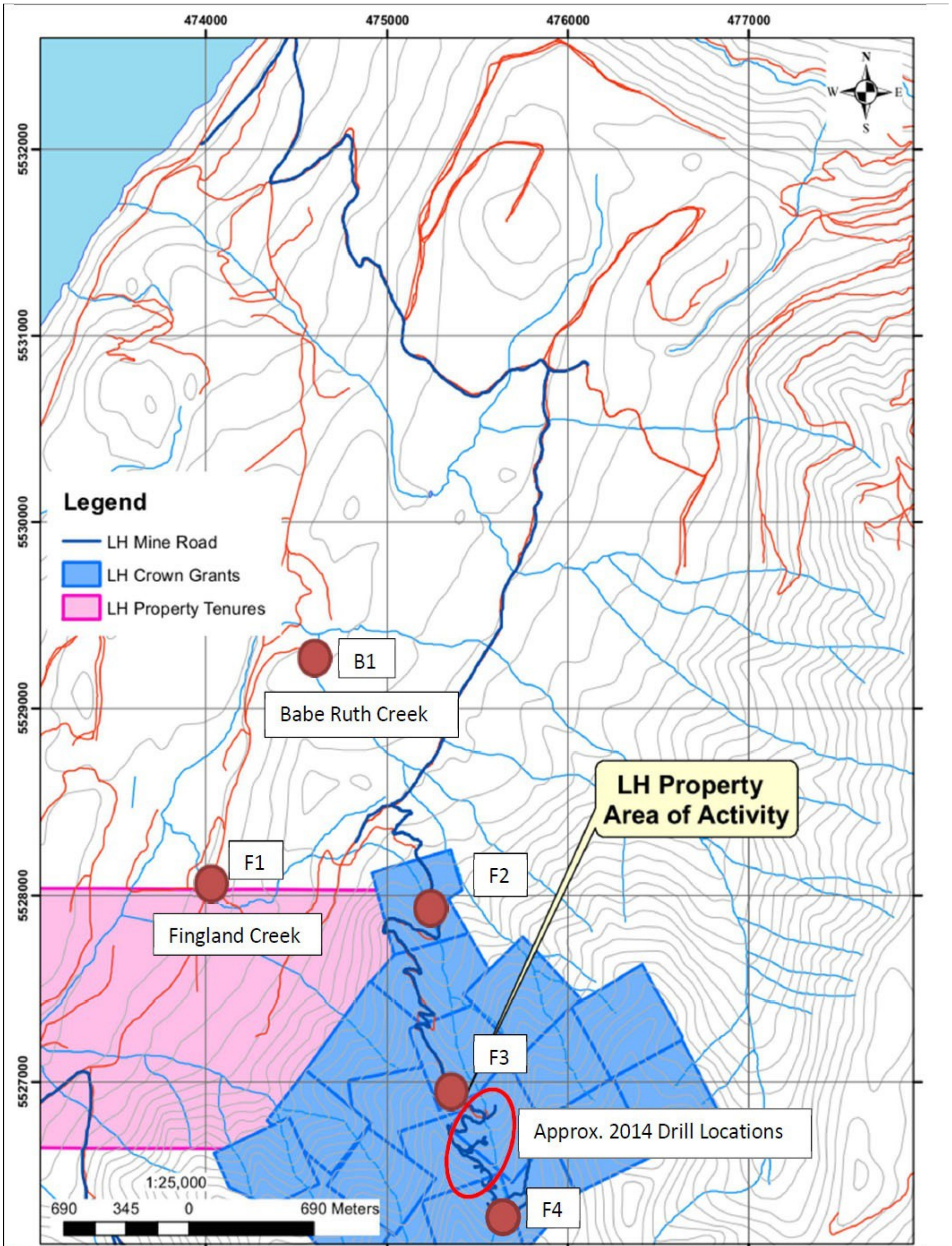


Figure 1 –Sampling Locations.

Figure 17 – Sample locations for Water Quality Survey with respect to tenures and Crown Grants.

- Metals (total and dissolved);
- Nutrients (nitrate, nitrite, ortho-phosphate, total phosphorus, and ammonia);
- Total organic carbon;
- Anions (bromide, chloride, fluoride, sulphate); and
- General water chemistry (alkalinity, hardness, conductivity, total suspended solids, total dissolved solids, and turbidity).

Surface Water Quality Testing

Parameters measured in the field (*i.e.*, *in situ* data) were within both the CCME and BCWQ guidelines at all sites.

In situ **water quality results.**

Site ID	Dissolved Oxygen (mg/L)	Temperature (°C)	Turbidity (NTU)	pH	Conductivity (µs/cm°)
F1	10.38	10.9	0.18	8.05	116.9
F2	11.45	7.6	1.07	7.80	99.8
F3	10.41	9.1	0.55	7.78	73.2
F4	10.31	8.4	0.21	7.71	68.2
B1	9.35	14.0	0.24	7.94	131.3

The results of the chemical analyses were for the most part within recommended guidelines for freshwater aquatic life, ***with the exception of total and dissolved arsenic***, which was over the recommended limit of 0.005 mg/L at all sites (range of 0.008 – 0.014 mg/L) except F4. … The remaining results of both the *in situ* and chemical analyses either met or exceeded both the CCME and BCWQ recommended guidelines for freshwater aquatic life. As noted above the slightly elevated arsenic levels likely reflect the influence the local geological conditions

10.0 DRILLING

10.1 Historical Diamond Drilling

Collar locations have been ascertained using GPS in the field (where identified) or have been determined from georeferenced historical Noranda maps (Fig. 18). The following table is a tabulation of the collar locations and information for the historical holes on the "LH Claims".

Hole	Easting	Northing	Elev	Az	Dip	Length
LH85-01	475436	5526629	1664	115	-44	193.07
LH85-02	475486	5526705	1631	121	-43	105.52
LH86-03	475487	5526550	1701	25	-45	173.17
LH86-04	475779	5526701	1786	2	-47	24.68
LH86-05	475779	5526554	1779	345	-50	92.07
LH86-06	475781	5526693	1786	10	-47	284.45
LH86-07	475543	5526662	1649	245	-45	170.73
LH86-08	475555	5526668	1649	245	-60	140.55
LH86-09	475556	5526667	1649	205	-45	167.68
LH86-10	475475	5526843	1563	245	-45	140.51
LH87-11	475641	5526362	1840	249	-40	611.28
LH87-12	475784	5526600	1779	165	-45	183.54
LH88-13	475519	5526769	1620	153	-45	180.6
LH88-14	475498	5526791	1619	160	-45	182.62
LH88-15	475461	5526782	1624	159	-45	184.14
LH88-16	475427	5526795	1623	160	-45	198
LH88-17	475575	5526641	1708	205	-45	137.19
LH88-18	475684	5527038	1615	165	-45	177.74
LH88-19	475684	5527038	1615	125	-45	159.49
LH88-20	475569	5526768	1612	0	-90	36.58
LH88-21	475527	5526219	1980	241	-45	336.28
LH88-22	475527	5526219	1980	252	-45	282.01
LH88-23	475487	5526102	2008	212	-45	300.03
LH88-24	475487	5526102	2009	232	-45	260.67

There are three general areas that were drilled as part of the historical Noranda program between 1985 and 1988, from southwest to northeast:

1) the "**Ridge Zone**" (refer to Section 9.2 for more detail),

   - LH 87-11, LH 88-21, LH 88-22, LH 88-23 and LH 88-24

2) immediately west of Fingland Creek

   - LH 85-01, LH 85-02, LH 86-03, LH 86-07, LH 86-08, LH 86-09, LH 86-10, LH 88-13, LH 88-14, LH 88-15, LH 88-16 and LH 88-17

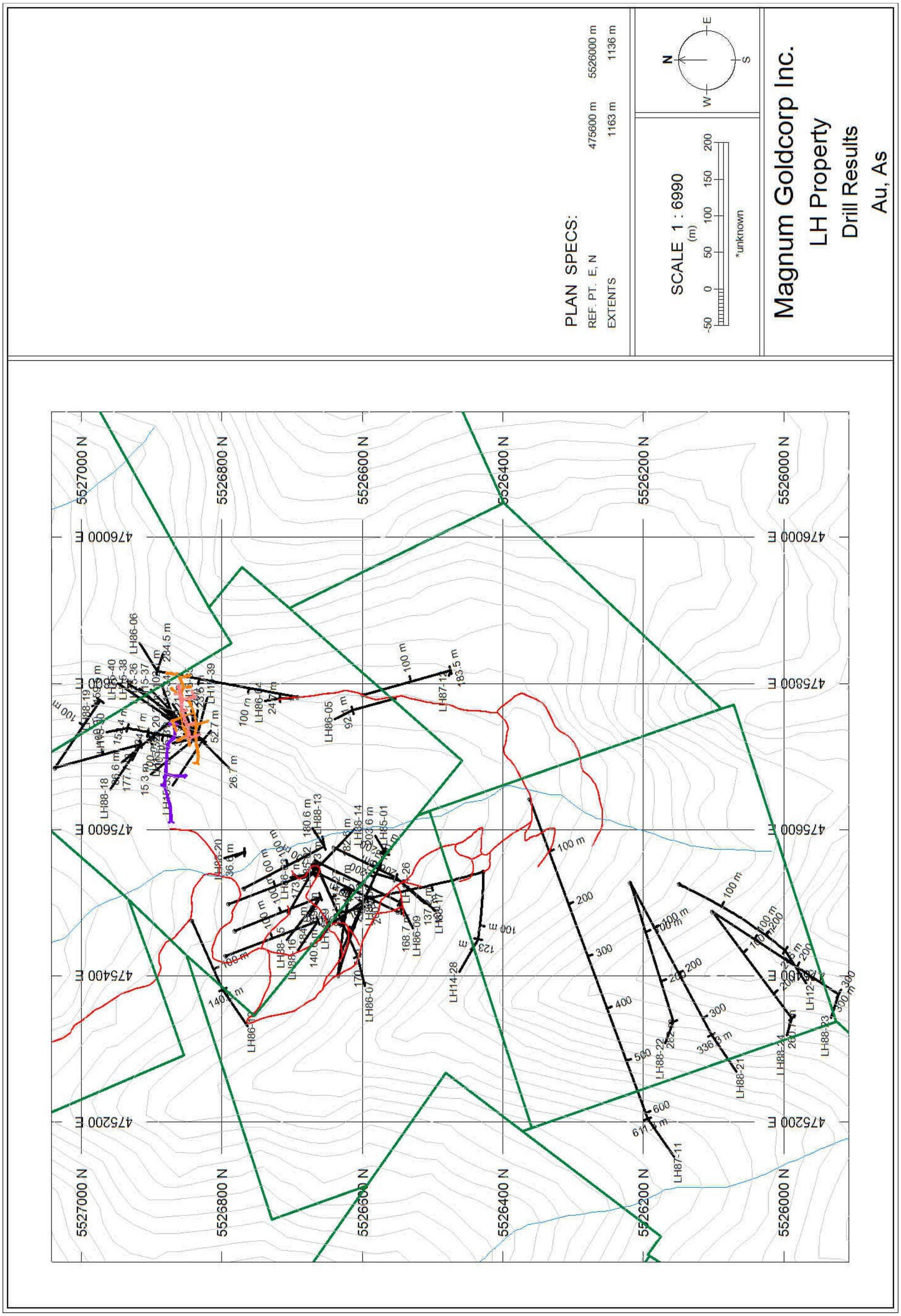

Magnum Goldcorp Inc.
LH Property
Drill Results
Au, As
SCALE 1 : 6990
(m)
*unknown
PLAN SPECS:
REF. PT. E, N
EXTENTS
475600 m
1163 m
5526000 m
1136 m
N
E
S
W
5527000 N
5526800 N
5526600 N
5526400 N
5526200 N
5526000 N
476000 E
475800 E
475600 E
475400 E
475200 E
LH86-06
LH86-05
LH87-12
LH88-13
LH88-14
LH85-01
LH86-07
LH86-09
LH14-28
LH87-11
LH88-21
LH88-22
LH88-23
LH88-18
LH86-20

Figure 18 (Preceding page) – All historical surface diamond drill holes (black) on the "LH Claims" for the Noranda programs between 1985 and 1988. Crown Grants (green borders), Road Network (red), Streams (blue), contours (light grey), LH Underground workings Level 1 - pink, Level 2 – orange and Level 3 – purple).

3) the area in the vicinity of the LH Underground workings (refer to Section 9.2 for more detail) (Fig. 18)

- LH 86-04, LH 86-05, LH 86-06, LH 87-12, LH 88-18 and LH 88-19

Area 1 – Ridge Zone

The following excerpt for hole LH 87-11 provides a brief description of mineralization encountered at depth below the "Ridge Zone.

> "The mineralization was hosted in highly silicified and chloritized tuff and lapilli tuff, with minor sulphide enriched quartz / chlorite veining and calc-silicate veining 35° to 65° angles to core axis. The low sulphide content in this horizon (1-4% Po and 1% Py) prompted the analysis of a new cut for this sample to check if the high Au value was due to a nugget effect. The new cut assayed at 14.81 gm/tonne Au, suggesting the mineralization is evenly distributed in this horizon" (Mitchell 1988).

Area 2 – Immediately west of Fingland Creek

In general terms, the holes completed in the area immediately west of Fingland Creek (Fig. 18) can be summarized by the descriptions for holes LH 85-01 and 02, as follows:

> "Lithologies encountered in the drill holes include intermediate lapilli-tuff, intermediate tuff and sandstone interbedded with greywacke. Alteration is ubiquitous and locally reaches the intensity to which all original textures are destroyed: these rocks were termed intensely altered rocks. Alteration consists of veinlets and pervasive chlorite, pyrrhotite, pyrite, silica, arsenopyrite, carbonate alteration and potassic envelopes and quartz-carbonate veinlets. The fault, reached in both holes, consisted of a fault breccia and a quartz-carbonate-chlorite matrix. Unfortunately no significant gold values were encountered in the fault. ...
>
> Unfortunately, these intersections greater than 2 grams per tonne Au do not occur over consecutive core lengths and do not appear to be part of a readily distinguishable zone. The intersection in 85 LH-01 between 35.88 m and 36.88 m and the intersection in 85 – LH – 02 between 54.56 meters and 55.56 m both occur in intensely altered rocks at about 10025 E, however, due to the style of arsenopyrite mineralization found on surface and the lithology differences it would be tenuous to correlate the intersections" (Ferreira and Ferreira 1985).

Subsequent drilling by Noranda in 1986 was summarized as follows:

> "Re-evaluation of the 1985 drill core during July of 1986, indicated small angles to core axis for calc-silicate veining and brecciation. These low angles were thought to possibly represent a missed structure sub-paralleling the 1985 drill holes. This missed structure would also be parallel to the strike of the L.H. workings, and it was for this reason that LH-86-3 was drilled perpendicular to LH-85-1 and 2.

Gold mineralization intersected by LH-86-3 was found to be associated with silicification and sulphide enriched calc-silicate veining which were also at low angles to the core axis (10° - 30°) **.** This helps explain for the broad intersection of 14.07 m containing 11.36 gm Au/tonne (weighted average).

Re-evaluation at this point indicated a possible structure sub-paralleling Fingland Creek, striking approximately 165° and dipping to the east .

Holes LH-86-7, 8 **,** 9 and 10 were then drilled to test this theory. Holes 7, 8 and 10 all intersected veining at better angles, 40° - 75° to core axis.

Hole LH-86-8 was the only hole other than LH-86-3 to intersect significant but minor gold mineralization" (Keating et al. 1987a).

Area 3 – LH Underground area

Surface drilling in the LH Underground area was summarized as follows:

"Steepness and terrain dictated the one and only accessible drill site for testing the L.H. workings to depth. Holes would have to be drilled at sub-parallel angles to the topographical slope. Deep surficial weathering played havoc with both holes LH-86-6 and LH-86-4, which was abandoned after 24.68 metres due to severe binding of the rods.

... Hole LH-86-6 reached it's target depth and intersected a 1.5 metre wide quartz vein containing up to 15% combined Aspy and minor Py/Po. Weighted average for a 1.1 metre interval (243.90 – 245.00 m) is 5.25 gm Au/tonne.

Another area of interest in this hole may be a highly silicified zone from 155.42 - 177.98 m which had two disjointed assays running 20.43 gm Au/tonne over 0.43 m and 7.85 gm Au/tonne over 1.29 m ...

(Farther to the south) Hole LH-86-5 was the least significant in gold mineralization as well as silicification. As there is still no explanation for the Au soil geochemistry, it is recommended that a trenching programme be conducted" (Keating et al 1987a).

With specific reference to LH86-06, which passed to the east of the underground workings at a depth below Levels 1 and 2:

"Alteration consists largely of minor to intense silicification with localized calcification and/or chloritization. Silicification can occur over broad intervals and sporadically demonstrates a progressive increase in intensity until all original textures are obliterated. The core at this point appears bleached white and may contain variable quantities of Py, Po, Aspy, along with sporadic brecciated zones and/or calc-silicate/chalcedonic veins." (Keating et al 1987b)

Copies of analytical certificates and core descriptions are available for the first 12 diamond drill holes completed by Noranda between 1985 and 1987 (LH85-01 to LH87–12; LH86-04 only went to 24.68 m, therefore, no assays or drill logs are available).

The following table is a compilation of gold intercepts greater than 1 g/t for holes LH 85-01 to LH87-12.

Hole Number		From (metres)	To (metres)	Width (metres)	Au (g/t)
LH-85-01		34.84	45.97	11.13	2.87
	including	35.88	36.88	1.00	25.20
	including	36.88	37.97	1.09	1.23
		63.70	64.80	1.10	1.10
		78.98	86.25	7.27	1.96
		78.98	80.54	1.56	5.52
		81.68	82.34	0.66	3.63
		85.05	86.25	1.20	2.23
		174.34	175.34	1.00	7.95
LH-85-02		54.56	55.56	1.00	16.53
		82.52	83.42	0.90	3.57
LH-86-03		16.46	17.99	1.53	0.98
	including	16.46	16.90	0.44	1.99
		30.90	40.09	6.17	0.81
	including	30.90	31.56	0.66	1.99
		70.42	71.80	1.38	3.09
		109.90	126.35	13.59	1.53
	including	118.85	120.12	1.27	1.44
	including	121.65	122.50	0.85	1.68
	including	123.78	124.90	1.12	1.27
	including	124.90	126.35	1.45	9.57
		143.53	166.70	25.55	6.63
	including	143.53	144.07	0.54	80.85
	including	144.07	145.33	1.26	14.64
	including	146.23	146.40	0.17	19.85
	including	146.90	148.07	1.17	1.10
	including	149.32	149.75	0.43	92.98
	including	149.75	150.75	1.00	4.25
	including	154.57	156.20	1.63	2.88
	including	156.20	157.60	1.40	32.02
	including	164.60	165.90	1.30	1.20
	including	165.90	166.70	0.80	1.44
LH-86-05		30.49	30.64	0.15	7.51
		77.93	78.66	0.73	2.61
LH-86-06		154.50	170.76	16.26	1.69
	including	155.42	155.85	0.43	20.43
	including	161.00	161.91	0.91	1.78
	including	162.60	163.17	0.57	4.08
	including	166.48	167.77	1.29	7.85
	including	170.70	170.76	0.06	5.52

Hole Number	From (metres)	To (metres)	Width (metres)	Au (g/t)
including	226.10	226.25	0.15	2.50
including	231.80	245.00	13.20	1.46
including	231.80	232.90	1.10	3.67
including	233.05	234.18	1.13	1.23
including	238.72	240.19	1.47	3.33
including	243.90	244.10	0.20	8.33
including	244.10	244.68	0.58	4.56
including	244.68	244.81	0.13	6.51
including	244.81	245.00	0.19	2.16
LH-86-07	8.00	8.55	0.55	6.24
	13.57	14.15	0.58	1.54
	52.88	53.31	0.43	1.95
LH-86-08	14.40	15.55	1.15	2.02
	17.31	18.29	0.98	3.91
including	31.40	60.21	28.81	1.41
including	31.40	32.22	0.82	2.06
including	32.22	32.37	0.15	30.55
including	39.33	40.05	0.72	4.46
including	42.10	42.23	0.13	1.78
including	42.50	43.26	0.76	17.76
including	43.26	44.13	0.87	2.40
including	44.83	45.43	0.60	3.05
including	55.18	55.55	0.37	2.33
including	58.34	59.32	0.98	3.94
including	59.32	60.21	0.89	1.65
	111.54	112.23	0.69	1.58
LH-86-09	40.62	46.00	5.38	1.94
including	40.62	41.16	0.54	6.79
including	42.68	46.00	3.32	1.61
	59.15	61.00	1.85	3.60
	137.90	138.72	0.82	1.13
LH-86-10	52.01	53.66	1.65	1.78
LH-87-11	9.48	11.11	1.63	1.68
	349.38	350.8	1.42	15.02
	558.2	559.21	1.01	1.47
LH-87-12	54.76	55.79	1.03	1.51
	84.01	84.07	0.06	4.05
	117.56	117.88	0.32	1.75
	119.02	119.41	0.39	1.44
	167.12	168.14	1.02	2.57

An additional 12 drill holes were subsequently completed by, or on behalf of, Andaurex Resources Incorporated and/or Goldpac Investments Ltd, however, the only information available is from copies of News Releases, comprising very limited summaries of the programs and high grade results. To date, no core descriptions and/or reports accompanying this program have been located. Partial analytical results, as field notes, are available for the holes (tabulated below), however, they are not supported by accompanying analytical certificates and are, therefore, considered anecdotal.

Hole Number	From (metres)	To (metres)	Width (metres)	Au (g/t)
LH-88-13	34.9	35.52	0.62	1.92
	97.9	98.12	0.22	1.61
	106.69	106.94	0.25	1.17
	108.94	109.15	0.21	198.86
	120.92	121.46	0.54	1.17
LH-88-14	79.38	79.9	0.52	1.54
	84.09	85.02	0.93	2.09
	85.02	85.64	0.62	2.43
	90.85	91.38	0.53	1.27
	100.27	101.33	1.06	6.10
LH-88-15	112.38	112.82	0.44	13.92
	158.72	158.86	0.14	1.95
LH-88-16	14.52	16.04	1.52	9.84
	43.06	43.82	0.76	2.37
	48.84	49.41	0.57	13.89
	113.46	114.35	0.89	1.92
	172.46	173.4	0.94	1.23
LH-88-17	10.78	11	0.22	1.03
	21.73	23.23	1.5	1.89
	68.08	68.18	0.1	14.33
	83.48	84.68	1.2	1.44
	131.58	132.64	1.06	1.54
	132.98	133.79	0.81	4.59
LH-88-18	37.1	38.1	1	1.37
	46.5	47.5	1	5.79
LH-88-19	61.88	62.39	0.51	2.78
	70.19	71.19	1	1.06
	111.15	111.95	0.8	1.51
	154.23	154.9	0.67	2.09
LH-88-21	282.63	283.3	0.67	2.74
	283.3	284.18	0.88	1.68
	286.7	293.11	6.41	1.23
	293.11	294.09	0.98	1.20
	294.09	294.32	0.23	1.20
LH-88-22	45	46	1	2.33
	46.55	47.27	0.72	1.03
	65.9	66.61	0.71	3.84
	67.67	68.31	0.64	1.99
	69.8	70.8	1	1.03
	70.8	71.8	1	1.82
	71.8	72.8	1	2.02
	74.96	75.96	1	28.39
	96.5	97.45	0.95	3.50

Hole Number	From (metres)	To (metres)	Width (metres)	Au (g/t)
	97.45	98.45	1	13.99
	98.45	99.45	1	3.39
	100.45	101.45	1	1.03
	102.45	103.45	1	1.37
	119.99	120.99	1	2.30
	122.99	123.5	0.51	1.71
	126.18	127.18	1	1.75
	131.55	132.55	1	1.27
	132.55	133.38	0.83	7.34
	148.1	149.1	1	1.23
	152.1	153.1	1	3.02
	155.28	156.28	1	1.68
	158.28	159.28	1	1.20
	159.28	159.76	0.48	6.96
	159.76	160.96	1.2	2.09
	160.96	161.29	0.33	2.26
	161.29	162.55	1.26	1.95
	163.55	164.55	1	1.65
	167.55	168.82	1.27	1.58
	176.51	177.41	0.9	14.43
	177.41	178.68	1.27	1.30
	179.68	180.68	1	2.02
	180.68	181.68	1	1.23
	182.2	183.2	1	2.74
	183.2	184.2	1	1.23
	184.2	185.2	1	5.52
	185.2	186.2	1	1.54
	185.41	185.8	0.39	1.54
	185.8	186.8	1	1.85
	186.8	187.2	0.4	1.06
	187.2	188.2	1	1.89
	191.2	191.88	0.68	5.79
	192.88	193.88	1	1.41
	197.73	197.87	0.14	4.32
LH-88-24	25.3	25.75	0.45	7.65
	29.75	30.75	1	1.61
	33.75	34.75	1	1.06
	34.75	35.75	1	2.13
	48.59	49.25	0.66	3.53
	49.25	50.25	1	1.41
	58.1	58.37	0.27	2.09
	85.13	86.13	1	2.78
	86.13	86.43	0.3	9.39
	213.09	213.32	0.23	5.07

The following table is an excerpt from the Andaurex Resources Inc Nov. 25, 1988 News Release. The values in the table differ from those tabulated above, which may be consistent with field notes in which selected samples were identified for re-analysis (i.e. Gravimetric vs. Initial ICP analysis). Although the results differ quantitatively, they are of similar magnitude (similar to the results of the Company's 2014 and 2015 analytical protocol), interpreted to suggest limited expression of a "Nugget Effect" and generally reliable ICP analysis.

Hole Number	From (metres)	To (metres)	Width (metres)	True Width (metres)	Gold (Au) (g/tonne)
LH-88-21	167.42	168.11	0.69	0.50	0.45
LH-88-22	96.50	103.45	6.95	6.00	3.43
including			1.00		34.29
LH-88-23	65.18	75.96	10.78	9.50	4.46
	148.10	199.06	50.96	45.00	1.20
including			0.48		6.86
including			0.90		14.40
including			0.68		5.83
and			0.14		4.46
LH-88-24	25.30	36.75	11.45	10.50	1.03
including			0.22		15.43

10.1 2012 Drill Program

The Company's initial hole, LH12-25, was drilled in the Ridge Zone, as a helicopter supported drill program with IBC as operator, as partial fulfillment of the terms of their mutual Option Agreement. The NQ size hole was drilled by Critchlow Enterprises Ltd was intended to evaluate the Ridge Zone at greater depth, ideally duplicating the results of the previous Andaurex / Goldpac hole LH 88-23.

Hole LH 12-25 was drilled an azimuth of 212°, an inclination of -50°, with the collar located at UTM coordinates 475,525 E, 5,526,149 N (NAD 83, Zone 11) and an elevation of 1978 m. The hole was drilled to a depth of 246 m (Fig. 19 and 20). Previous mapping indicated that the strong to extensive alteration characterizing the Ridge Zone extends for at least 450 metres north of the collar.

The hole was interpreted to have cored Rossland Group host rocks, comprised predominantly of Mafic Agglomerate and subordinate Lapilli Tuff / Agglomerate, with several short intervals of Crystal Tuff – Agglomerate and Meta-greywacke also identified. A short interval of "Massive pale grey leuco granite with black speckling (<10%) due to mafic minerals " (biotite and subordinate hornblende) cross-cuts the Lapilli Tuff – Agglomerate unit. Additional short intervals of Leucocratic granodiorite were identified cross-cutting the host rock down-hole.

Alteration identified in the hole includes strong to extensive silicification and calc-silicate alteration over intervals up to 18 m thick (i.e. 228.37 – 245.97 – described as Siliceous Banded Tuff (Calc-silicate gneiss)).

> "Except for the sample that ran 14.7 g/t gold, all of the high gold analyses are associated with pyrrhotite mineralization with or without pyrite and chalcopyrite. The gold content appears to be related to the amount of pyrrhotite mineralization. The gold mineralization is also related to calc silicate alteration and minor skarn mineralization" (Kowalchuk 2013).

Mineralized intercepts documented from the hole are as follows:

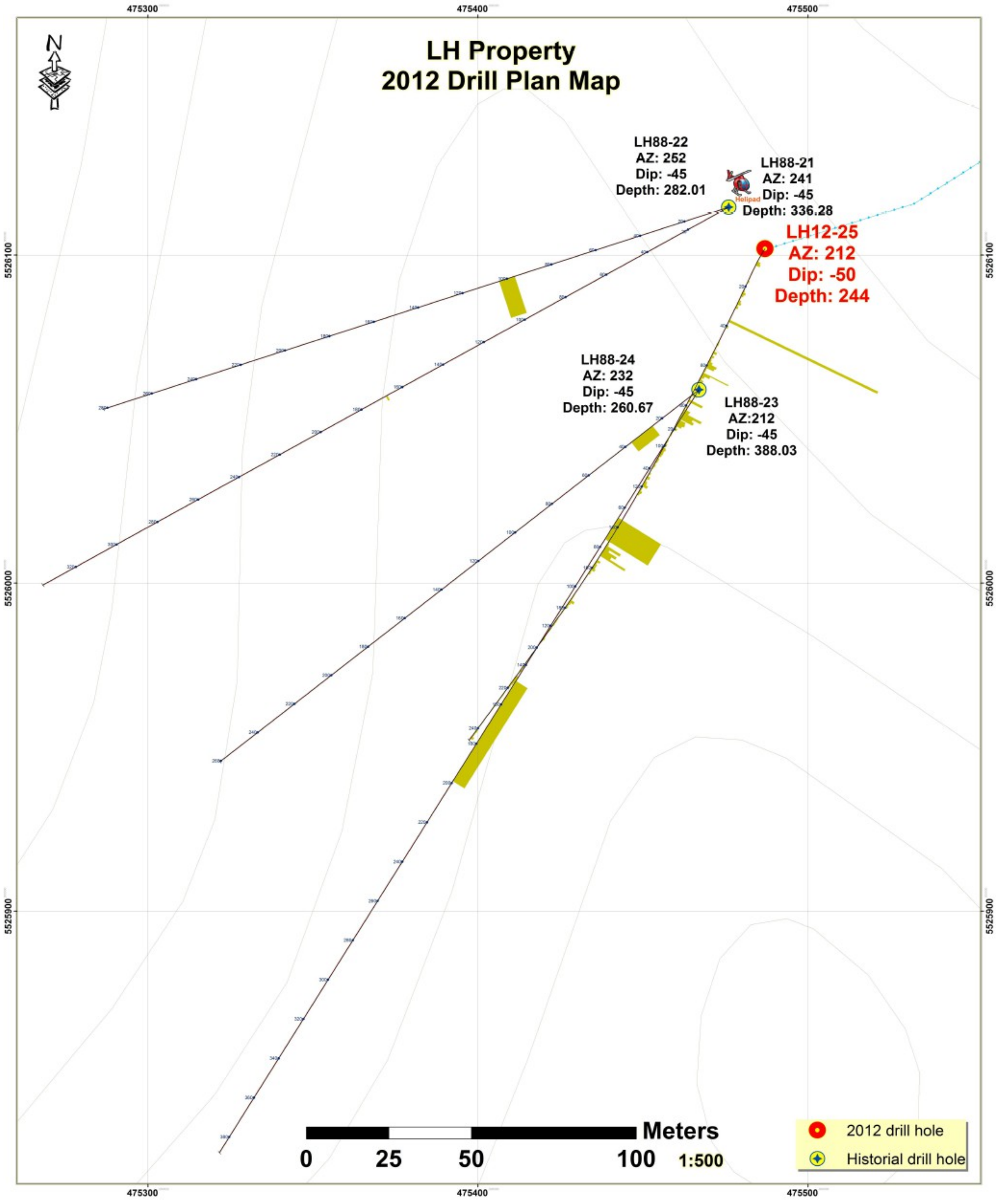


Figure 19 – Plan map showing surface traces and collar information for drill holes LH88-20 – 24, and LH12-25 along the Ridge Zone. Gold coloured bars qualitatively indicate gold grade (note: scale bars at end of hole).

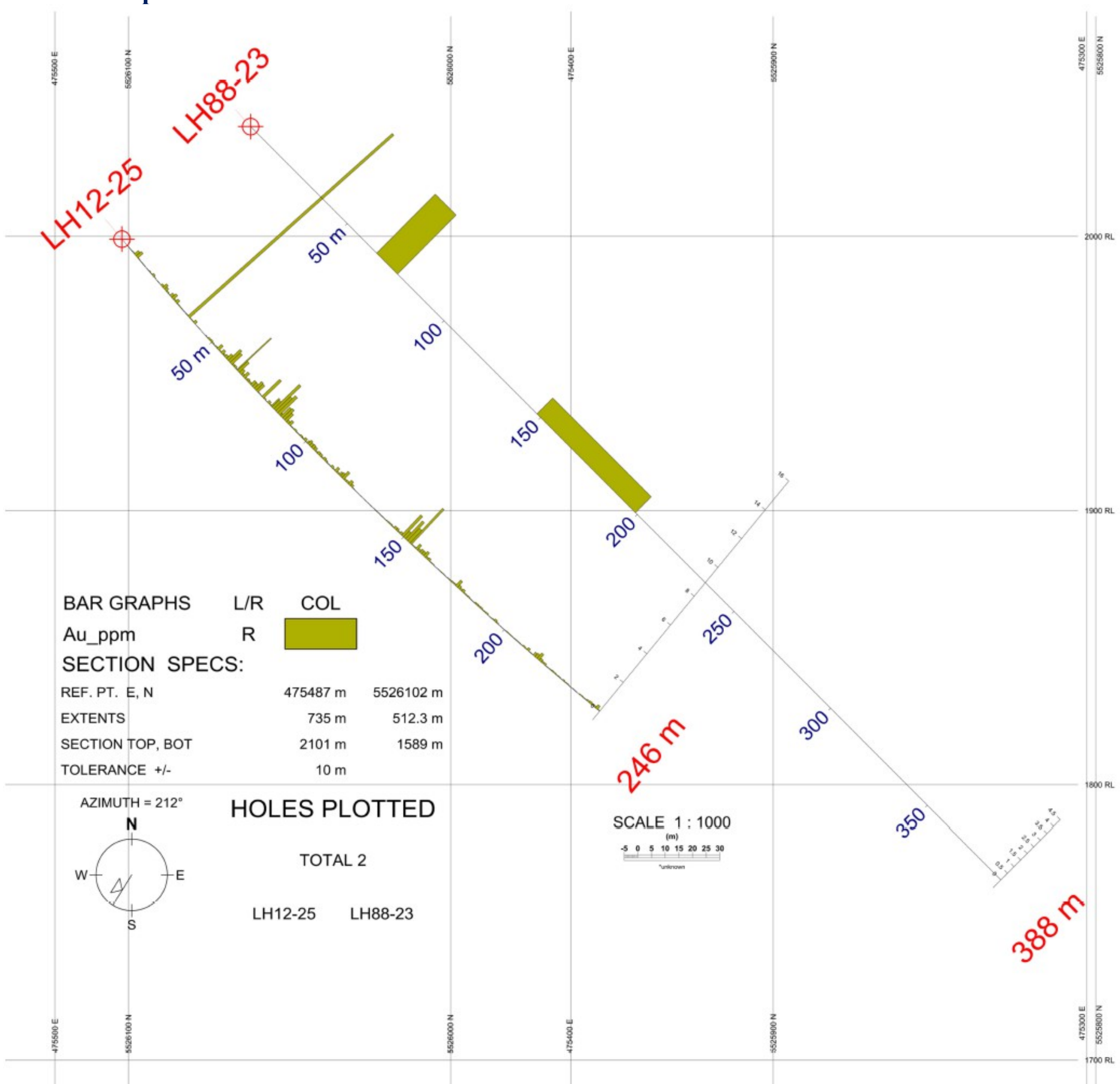


Figure 20 – Section looking southeast at holes LH88-23 and LH12-25. Gold coloured bars qualitatively indicate gold grade (note: scale bars at end of hole)

Hole Number	From (metres)	To (metres)	Width (metres)	Gold (Au) (g/tonne)
LH-12-25				
	37.00	38.00	1.00	14.70
	53.00	92.00	39.00	0.44
including	59.00	65.00	6.00	0.62
including	63.58	64.00	0.42	2.50
and	81.86	90.00	8.14	0.90
including	83.37	86.50	3.13	1.43
and	99.00	124.00	25.00	0.15
	145.04	163.00	17.96	0.47
including	149.00	154.00	5.00	1.28
including	153.23	154.00	0.77	2.56

Note: True Width not determined / reported

10.2 2014 Drill Program

As part of its 2014 exploration program, the Company completed 4 helicopter supported drill holes at 2 separate locations (Fig. 21 and 22) on the west side of Fingland Creek for a total of 707 metres. The program was completed by Critchlow Enterprises Ltd using BTW sized core and successfully tested magnetic anomalies identified from the preceding ground geophysical survey (see Section 10.4.2 Magnetometer Survey). Coincident Self-Potential (“SP”) and Induced Potential (“IP”) anomalies (Fig. 17 and 18) are spatially associated with the magnetic trend and interpreted to document potentially gold-bearing, pyrrhotite hosted mineralization.

A review of previous exploration results, particularly those from the 2012 drill program completed by IBC, is interpreted to suggest that moderately to strongly anomalous gold values are associated with intervals having strong pyrrhotite mineralization. Pyrrhotite, being both magnetic and strongly conductive, is interpreted to be a probable causative source for many of the coincident SP / IP / magnetic anomalies. Therefore, these anomalies may indicate elevated pyrrhotite content, potentially associated with elevated gold values. The 2014 drill program was intended to test for anomalous to elevated gold associated with a prominent magnetic trend, at locations spatially associated with anomalous SP and IP anomalies.

The first pad, from which holes LH14-26 and 27 were drilled (UTM coordinates 475,400 E, 5,526,635 N, elevation 1693 m), is located at the southern end of a linear trend of magnetic anomalies, coincident with both SP and IP anomalies identified previously. The pad is located on the western margin of the prominent magnetic trend, with the two holes drilled to the east-southeast and east, respectively. The second pad (UTM coordinates 475,542 E, 5,526,428 N, elevation 1776 m) is located approximately 280 m southeast and 80 m higher than pad 1, on the southeast margin of the magnetic trend. Drill holes LH14-28 and 29 were drilled to the west and northwest, respectively. Drill collar information is tabulated below.

Hole Number	Azimuth	Inclination	Depth (metres)
LH14-26	106.5°	-50°	207
LH14-27	95.5°	-50°	167
LH14-28	271.5°	-45°	124
LH14-29	344.5°	-44°	209

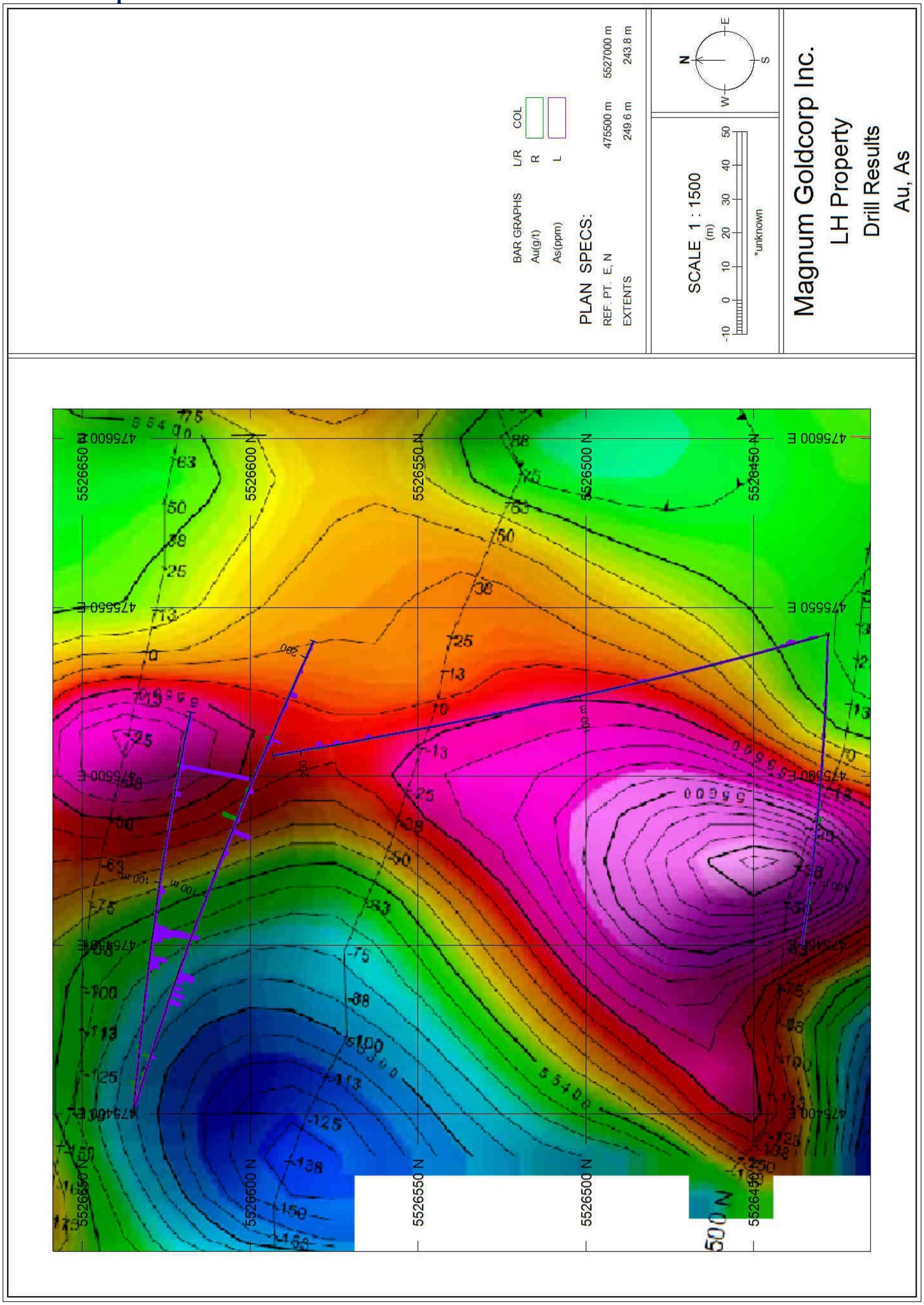


Figure 21 – Locations of 2014 drill holes relative to prominent magnetic anomaly identified by the Company's 2014 ground geophysical program. From north to south – LH14-26, LH14-25, LH14-29 and LH14-28.

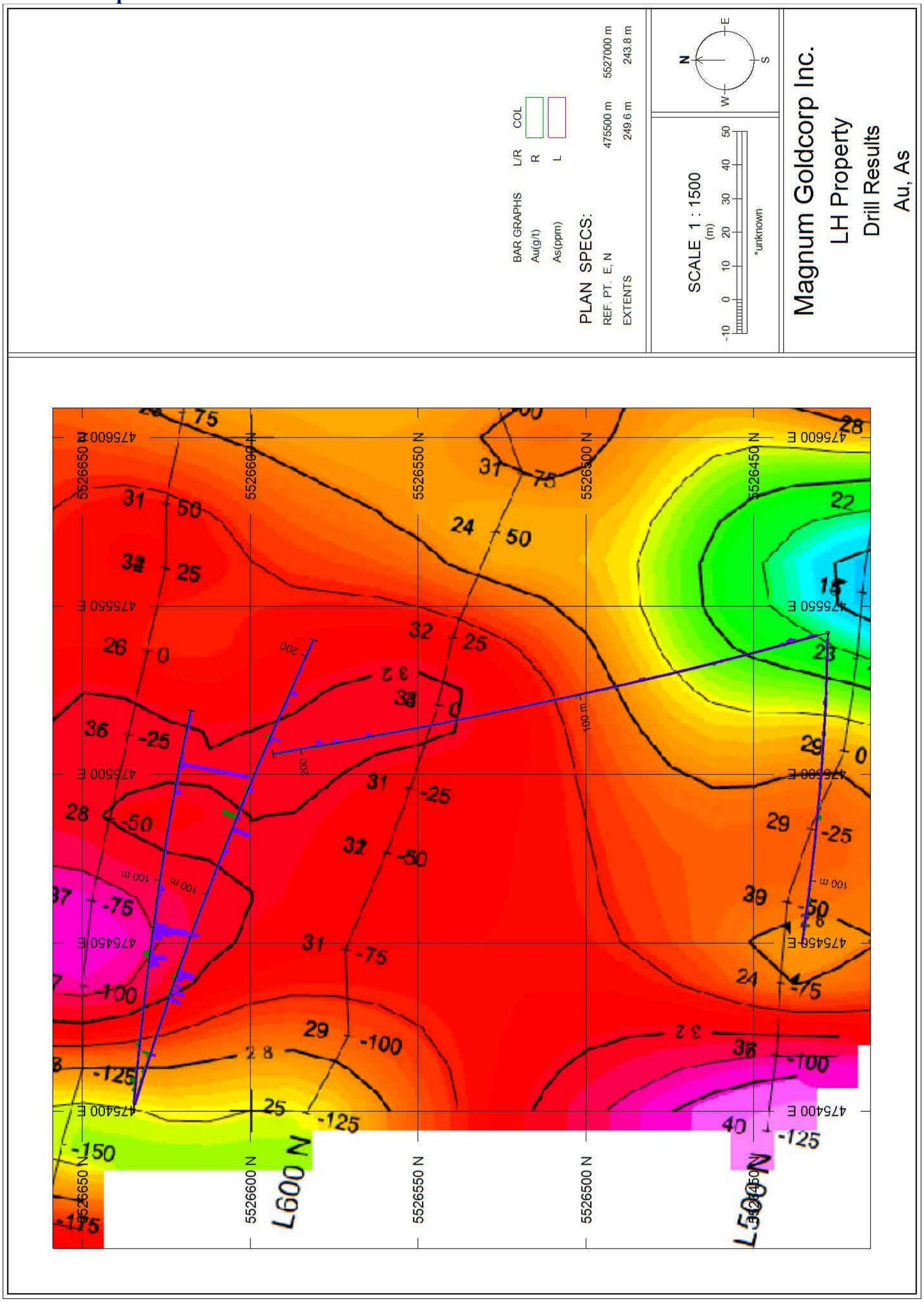


Figure 22 – Locations of 2014 drill holes relative to Chargeability anomalies identified by the Company's 2014 ground geophysical program. From north to south – LH14-26, LH14-25, LH14-29 and LH14-28.

Analytical results for the 2014 drill holes are presented in the following table:

Hole Number	From (metres)	To (metres)	Width (metres)	Gold (Au) (g/tonne)
LH-14-26				
	3.50	94.03	90.53	0.30
including	5.49	27.65	22.16	0.57
including	13.50	14.50	1.00	1.11
including	18.50	19.53	1.03	1.75
including	25.50	26.50	1.00	1.47
including	27.03	27.31	0.92	5.26
and	53.52	65.61	12.09	0.55
including	61.98	63.00	1.02	2.77
and	133.00	139.96	6.96	1.81
including	133.00	134.00	1.00	11.40
and	145.03	146.03	1.00	1.27
and	167.02	167.15	0.13	3.53
LH-14-27				
	4.00	117.00	113.00	0.28
including	9.31	18.50	9.19	0.98
including	9.31	10.00	0.69	1.19
including	12.50	13.53	1.03	1.31
including	13.53	14.53	1.00	3.94
and	29.56	30.54	0.98	1.98
and	67.92	71.00	3.08	1.91
including	67.92	69.00	1.08	1.23
including	69.00	70.00	1.00	3.79
LH-14-28				
	70	71	1.00	1.04
and	75.00	76	1.00	2.39
and	107.00	108.01	1.01	1.05
LH-14-29				
	43.00	66.00	23.00	0.19
and	161.00	209.36	48.36	0.18
including	186.00	189.00	3.00	0.41
and	192.00	195.13	3.13	0.36
and	204.00	208.00	4.00	0.39

LH15-26 intersected mixed Crystal to Lapilli Tuff intervals over the upper 58 m, with another short interval of mixed Lapilli and Crystal Tuff between 130 and 137 m. The remainder of the hole is predominantly mixed tuffs. LH14-27 intersected mixed tuff intervals over the upper portion of the hole (to approximately 98 m), followed by mixed Crystal to Lapilli Tuff. LH14-28 was dominated by Crystal

Tuff, with subordinate Lapilli Tuff. LH 14-29 was dominated by Crystal Tuff over the upper 95 m, with Lapilli Tuff dominating the remainder of the hole. Minor mixed tuff intervals were also noted.

All holes were cross-cut by several generations of intrusive lithologies, including Andesite, Gabbro, Felsic (Quartz-Feldspar to Feldspar-Quartz), Pyroxene-bearing, and Lamprophyre dykes, ranging from very thin dykelets (up to several cm thick) to thicker dykes (<2.5 m). Some dykes had distinct chilled margins and, therefore, were injected into cooler host rocks. Other dykes cross-cut alteration and post date the alteration event(s). Thicker dykes occur higher up in the holes (in the first 50 m), with thinner dykelets present throughout the holes.

Host rocks are characterized by pervasive chlorite alteration, consistent with propylitic alteration and regional sub-greenschist grade metamorphism. Variable, moderate to extensive silica and/or cal-silicate alteration characterizes alteration of host meta-volcanics documented in the 2014 drill holes. Potassic alteration is evident in many of the tuff intervals, likely a result of favourable bulk composition, as development of biotite / phlogopite. Alteration varies from patchy to development of alteration of intervals.

10.3 2015 Drill Program

In 2015, the Company initiated a helicopter supported drill program to target high grade gold mineralization previously identified in the LH Underground workings. A total of 11 drill holes were completed from a pad (UTM coordinates 475,722 E, 5,526,828 N, elevation 1689 m) for total recovery of 672.50 metres of BTW drill core.

A single pad was utilized for the 2015 drill program, located at the base of a small cliff immediately above, and south of, the portal for the Level 1 (uppermost) workings. The objective of the 2015 drill program was to confirm high grade gold mineralization reported from both previous drilling and underground chip sampling by previous operators (Williams 1985). Previous work documented high grade gold from numerous chip samples to a maximum of 154.08 g/t Au from the Level 1 workings and 42.14 g/t Au from the Level 2 workings. Two holes from the Level 2 workings returned 11.0 m grading 15.4 g/t Au (hole 203 - horizontal hole) and 5.2 m grading 7.2 g/t Au (hole 202 - inclined hole at -30°). Finally, Noranda hole LH86-06 intersected two gold-bearing intervals 9.76 m grading 1.77 g/t Au (161.00 - 170.76 m) and 13.20 grading 1.46 g/t Au (231.80 – 245.00 m).

Given the steep topography, an accurate GPS location, particularly for elevation, was very difficult to ascertain. As a result, the location of the underground workings with respect to surface was uncertain, as was the location of the pad with respect to the underground workings. Furthermore, the steep topography limited the size of the pad that could be safely constructed to support the weight of the drill (more specifically, support on the down-slope side of the pad), which limited the range of azimuths available within which to move the drill on the pad.

Despite the limitations of the pad, four separate azimuths were successfully drilled, using a range of inclinations in an attempt to avoid the underground workings yet provide meaningful mineralized intercepts. As is evident from the table below, all holes (except LH15-33) intersected moderate to high grade mineralized intervals. Even holes intersecting workings documented moderate to high grade mineralization immediately above the workings. These mineralized intervals were, obviously, abbreviated due to historical mining activity which removed the bulk of the gold-bearing mineralization.

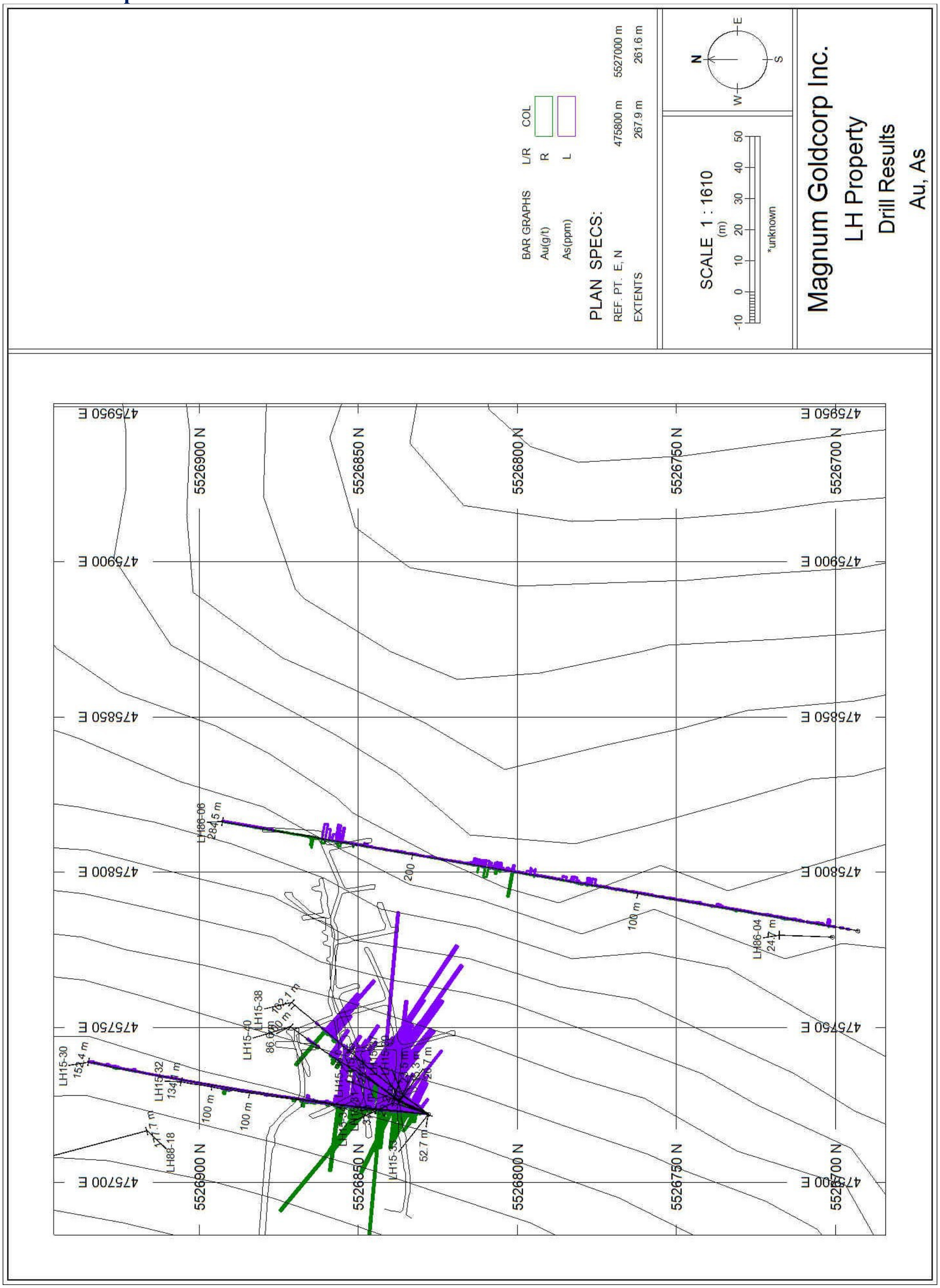


Figure 23 – Plan map showing 2015 drill holes (to west) and previous hole (LH86-06; to east) relative to the LH Underground workings. Drill hole density prevents distinguishing individual holes at this scale. Gold values represented in green; arsenic values represented by purple.

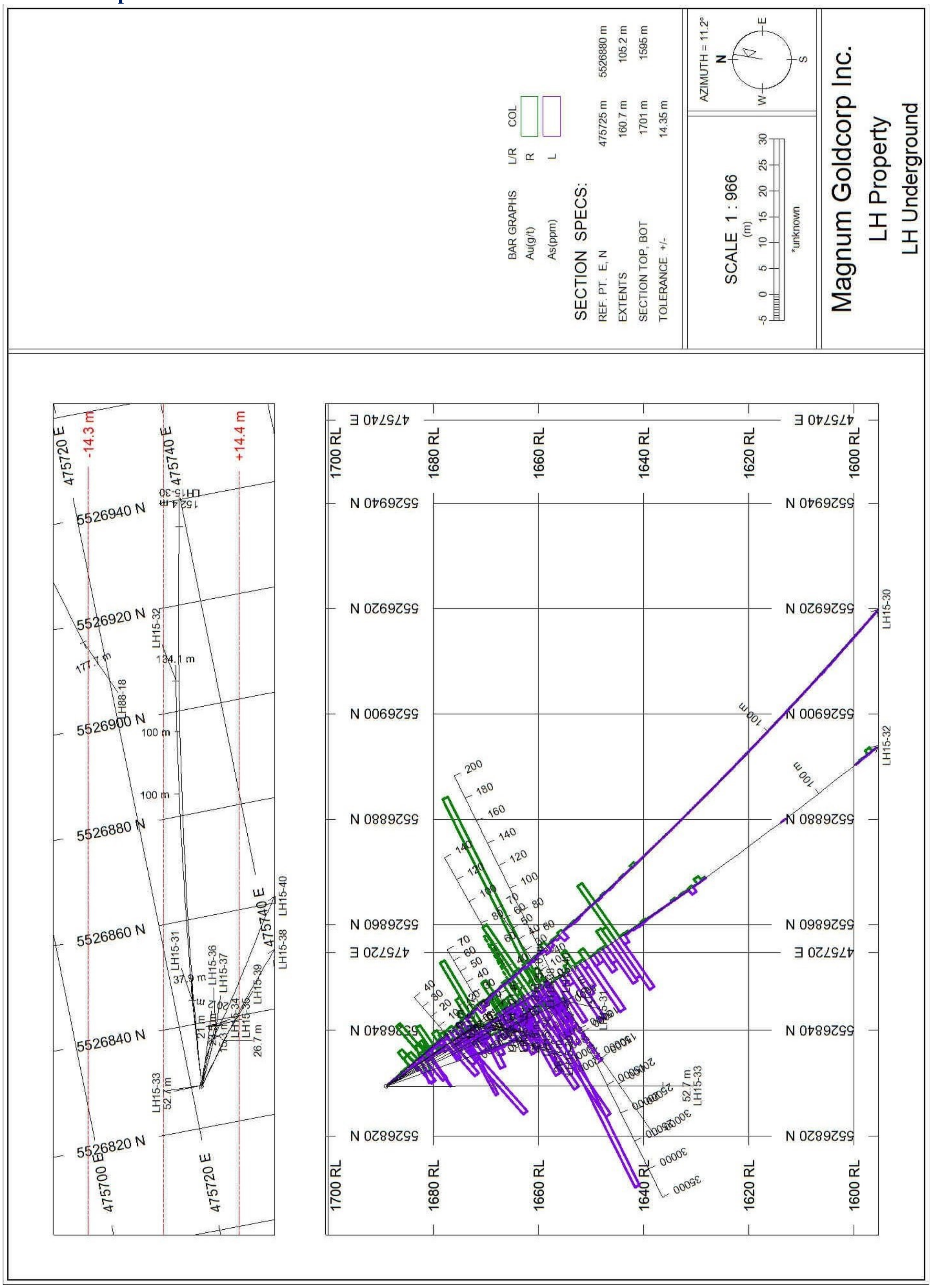


Figure 24 – Section view of 2015 drill holes. Drill hole density prevents distinguishing individual holes at this scale. Gold values represented in green; arsenic values represented by purple. Multiple gold-bearing zones evident.

Table 2 – 2015 Collar information

Hole Number	Azimuth	Inclination	Depth (m)	Comment
LH15-30	005.5	-49	152.39	
LH15-31	005	-64	37.9	Intersected underground workings
LH15-32	005.5	-58	134.11	
LH15-33	000	-90	52.73	
LH15-34	018.5	-55	20.23	Intersected underground workings
LH15-35	025.5	-55	21.01	Intersected underground workings
LH15-36	022.5	-59	23.47	Intersected underground workings
LH15-37	025.5	-49	15.34	Intersected underground workings
LH15-38	037	-60	102.1	
LH15-39	037	-69	26.66	Intersected underground workings
LH15-40	037	-55	86.56	

The following table documents gold-bearing intervals that returned greater than 1 g/t. Intervals reporting greater than 1 g/t Au on the initial Inductively Coupled Plasma (ICP) analysis were re-submitted for Gravimetric analysis. Both results are tabulated below.

Table 3 - Analytical results for the 2015 drill holes

	Interval*			Gold (Au)	
Drill Hole	**From (metres)**	**To (metres)**	**Length (metres)**	**ICP (g/t)**	**Gravimetric (g/t)**
LH15-30	**4.00**	**25.00**	**21.00**	**1.29**	**1.50**
Including	6.00	7.00	1.00	5.15	7.44
Including	9.00	25.00	16.00	1.29	1.43
Including	9.00	10.00	1.00	2.01	2.09
Including	14.00	15.00	1.00	3.36	3.34
Including	15.00	16.00	1.00	1.60	2.25
Including	16.00	17.00	1.00	2.50	3.33
	29.00	**48.00**	**19.00**	**0.71**	**0.75**
Including	40.00	41.00	1.00	3.93	3.78
	63.00	64.00	1.00	2.12	2.15
LH15-31	**21.00**	**37.90**	**16.90**	**13.58**	**14.31**
Including	21.00	22.00	1.00	2.61	2.57
Including	**27.00**	**37.90**	**10.90**	**20.61**	**21.75**
Including	32.00	33.00	1.00	5.82	5.54
Including	33.00	34.00	1.00	2.75	3.79
Including	**34.00**	**35.00**	**1.00**	**175.00**	**187.00**
Including	**35.00**	**36.00**	**1.00**	**33.10**	**31.60**

Drill Hole	From (metres)	To (metres)	Length (metres)	ICP (g/t)	Gravimetric (g/t)
LH15-32	15.63	73.00	57.37	3.81	3.73
Including	15.63	28.00	13.37	6.49	5.44
Including	33.00	55.00	22.00	5.52	5.89
Including	18.00	19.00	1.00	4.06	5.66
Including	**19.00**	**20.00**	**1.00**	**14.70**	**20.00**
Including	**20.00**	**21.00**	**1.00**	**27.50**	**29.70**
Including	25.00	26.00	1.00	2.84	2.75
Including	26.00	27.00	1.00	30.20	6.85
Including	27.00	28.00	1.00	1.95	2.01
Including	28.00	29.00	1.00	1.93	2.08
Including	34.00	35.00	1.00	2.49	2.32
Including	41.00	42.00	1.00	4.51	6.00
Including	**42.00**	**43.00**	**1.00**	**15.60**	**11.50**
Including	43.00	44.00	1.00	2.06	2.05
Including	44.00	45.00	1.00	1.95	2.27
Including	45.00	46.09	1.09	7.91	9.20
Including	**50.00**	**51.00**	**1.00**	**11.90**	**14.70**
Including	**51.00**	**52.00**	**1.00**	**11.60**	**13.20**
Including	**52.00**	**53.00**	**1.00**	**52.90**	**56.00**
Including	71.00	72.05	1.05	3.60	4.52
	110.00	114.00	4.00	1.12	1.15
Including	112.00	113.00	1.00	3.65	3.74
LH15-34	15.95	20.23	4.28	5.64	6.16
Including	15.95	17.00	1.05	4.46	5.46
Including	17.00	18.00	1.00	5.14	5.90
Including	18.00	19.00	1.00	2.88	2.92
Including	19.00	20.00	1.00	8.15	9.75
Including	20.00	20.23	0.23	14.30	8.93
LH15-35	9.00	21.01	12.01	1.01	1.17
Including	12.00	20.00	8.00	1.37	1.60
Including	14.00	15.00	1.00	3.39	4.24
Including	19.00	20.00	1.00	2.15	2.40
LH15-36	**18.00**	**23.47**	**5.47**	**10.20**	**12.59**
Including	**20.00**	**23.47**	**3.47**	**15.89**	**19.59**
Including	20.00	21.00	1.00	5.00	3.91
Including	**21.00**	**22.00**	**1.00**	**49.70**	**63.60**
LH15-37	6.00	15.34	9.34	7.08	6.45
Including	**6.30**	**11.00**	**5.00**	**12.86**	**11.66**
Including	**6.00**	**7.00**	**1.00**	**14.30**	**11.3**

Drill Hole	From (metres)	To (metres)	Length (metres)	ICP (g/t)	Gravimetric (g/t)
Including	7.00	8.00	1.00	8.17	7.03
Including	**9.00**	**10.00**	**1.00**	**31.40**	**30.10**
Including	10.00	11.00	1.00	9.82	9.33
Including	15.00	15.34	0.34	2.94	3.22
LH15-38	**28.00**	**39.00**	**11.00**	**20.66**	**20.76**
Including	36.00	39.00	3.00	3.13	3.32
Including	**28.00**	**29.00**	**1.00**	**14.30**	**17.50**
Including	29.00	30.00	1.00	5.77	5.83
Including	30.00	31.00	1.00	10.90	9.57
Including	**31.00**	**32.00**	**1.00**	**53.00**	**69.50**
Including	**32.00**	**33.00**	**1.00**	**132.00**	**114.00**
Including	36.00	37.00	1.00	4.98	5.12
Including	38.00	39.00	1.00	3.85	4.27
	39.00	41.10	2.10	3.45	3.88
	66.00	81.00	15.00	3.00	2.78
Including	69.00	79.00	10.00	4.36	4.04
Including	71.00	72.00	1.00	2.21	1.74
Including	**78.00**	**79.00**	**1.00**	**35.60**	**32.10**
LH15-39	**8.00**	**9.00**	**1.00**	**22.60**	**22.10**
LH15-40	**10.10**	**10.36**	**0.26**	**10.00**	**11.00**
	11.00	**14.00**	**3.00**	**13.53**	**14.28**
Including	11.00	12.00	1.00	25.00	33.60
Including	12.00	13.00	1.00	14.20	7.76
	26.00	**62.00**	**36.00**	**5.92**	**5.97**
Including	**26.00**	**27.00**	**1.00**	**13.40**	**12.90**
Including	28.00	29.00	1.00	2.25	2.24
Including	29.00	30.00	1.00	6.30	6.79
Including	**30.00**	**31.00**	**1.00**	**16.40**	**18.40**
Including	31.00	32.00	1.00	2.42	3.39
Including	**32.00**	**33.00**	**1.00**	**48.50**	**46.10**
Including	**33.00**	**34.00**	**1.00**	**63.90**	**47.60**
Including	34.00	35.00	1.00	4.77	6.60
Including	**35.00**	**36.00**	**1.00**	**8.87**	**17.10**
Including	36.00	37.00	1.00	3.05	3.55
Including	37.00	38.00	1.00	1.56	2.24
Including	38.00	39.00	1.00	7.35	7.98
Including	44.00	45.00	1.00	1.08	3.32
Including	45.00	46.00	1.00	2.93	2.70
Including	48.00	49.00	1.00	2.24	2.05

Drill Hole	From (metres)	To (metres)	Length (metres)	ICP (g/t)	Gravimetric (g/t)
Including	50.00	51.00	1.00	3.52	3.95
Including	55.00	56.00	1.00	5.16	5.62
Including	58.00	59.00	1.00	3.74	4.86
Including	59.00	60.00	1.00	1.67	2.37

*True width not known at this time.

In general, the holes cored predominantly variably altered (silicified) Sparse Lapilli to Lapilli Tuff. Subordinate lithologies include Ash Tuff to Crystal Tuff, Banded and Brown Tuff intervals. Several of the holes drilled to the northeast intersected a Breccia to Pseudo Lapilli Tuff interval, comprised of a variably silicified, in situ, shattered (jigsaw) breccia.

Felsic dykes (<30 cm thick), comprised of hypidiomorphic Quartz + Alkali Feldspar crystals ranging between 0.3 to < 3 cm (Coarse Megacrystic) in long dimension, were intersected in several holes, cross-cutting the host strata. In addition, felsic dykes having up to 30% black amphibole (hornblende?) were also documented in the drill core. The dykes may or may not have thin (approximately 1.0 – 1.5 cm thick) chilled margins against the host rock.

The holes also documented a number of brittle faults zones, ranging from gouge-bearing intervals to broken intervals. Furthermore, abundant micro-faulting was noted, with minor offsets identified in resistant lithologies. More recessive lithologies (i.e. Biotite-bearing, foliated tuffs) are probably the locus of cryptic, inter-folial slip.

All lithologies encountered, with the exception of the felsic dykes, are pervasively chloritized, interpreted to represent regional propylitic alteration at sub-greenschist grade metamorphism. Local, subsequent, over-printing alteration includes moderate to intense (i.e. Pseudo Lapilli Tuff) silicification and calc-silicate alteration, generally associated with elevated sulphide content. Silicified zones are spatially restricted within the drill holes over short intervals and as relatively thin quartz veins, with intensity of silicification generally increasing downhole. Calc-silicate alteration is highly subordinate to silicification, evident as localized patches and zones.

Mineralization varies from disseminations to clots to intervals of semi-massive to massive sulphides. Sulphides are present, predominantly as pyrrhotite, with subordinate pyrite and locally, arsenopyrite. Locally, mineralization is clearly associated with silicification (i.e. silicified Pseudo Lapilli) and veining.

Generally, mineralized zones are characterized by numerous, relatively short but well mineralized intervals. Mineralization is dominated by pyrrhotite, varying from discontinuous massive pyrrhotite veinlets and lenses hosted within quartz veins to sieve-like, semi-massive to massive sulphides. Highly subordinate arsenopyrite is associated with the pyrrhotite, ranging from probable replacement after pyrite (i.e. pseudomorphs) to concentrations of fine-grained disseminations. Many sulphide-bearing veins were hosted by and/or cored thin black chlorite veinlets. The presence of multiple (possibly sheeted?) veinlets contributed to several high grade, gold-bearing intervals.

Several holes had dark brown to black oxidized sulphides with relict massive pyrite, possibly representing strongly weathered massive sulphide bands, occurring in the oxidized zone near surface and/or adjacent to faults.

The 2015 program clearly documented multiple mineralized zones in several of the holes, consistent with previous underground sampling and drill results (i.e. LH86-06).

10.4 Discussion

Note: Metal and/or gold grades from drill core showing evidence of near surface weathering (oxidization), evident in many holes may result in values that differ from unoxidized host rocks in correlative units elsewhere in the hole. In addition, drill core recovery in fault zones is generally less than, possibly very much less than, 100%, therefore, metal and/or gold grades from faulted mineralization and/or mineralization within fault zones may differ markedly from unfaulted, correlative intervals.

10.4.1 Ridge Zone

Holes LH14-25 and LH15-26 – 29, were all drilled west of Fingland Creek. LH14-25 was drilled in the Ridge Zone, as defined by Noranda's surface mapping (see Fig. 11). The collar of the hole is located below, and east of, LH88-23, with the hole drilled underneath LH88-23. Holes LH14-26-29 were drilled east of the Ridge Zone, as defined by Noranda, yet are interpreted to have similarities to the Ridge Zone and are discussed as such.

The stratigraphy identified within the drill holes appears to agree well with the surface geology as mapped by Noranda (Fig. 9; Keating et al. 1987). LH14-26-29 documented predominantly Crystal Tuff, with subordinate Lapilli Tuff in the upper (shallow) portions of the hole, passing into predominantly Lapilli Tuff with depth. Tuffaceous intervals (Ash, Brown and Banded) were not identified and/or broken out in the surface mapping, except, possibly, as “Minor Interbedded Wacke”.

The drill holes also intersected moderate to extensive alteration analogous to that described in the Ridge Zone surface mapping and drill holes. Alteration in LH12-25 and LH14-26 to 29 comprises pervasive chloritic alteration, consistent with sub-greenschist grade regional metamorphism and/or propylitic alteration.

Overprinting the pervasive chloritic alteration is variably developed, weak to extensive, pervasive silicification, often accompanied by calc-silicate alteration. In some intervals within the core, silicification is extensive, resulting in bleached to siliceous zones. Moderate silicification results in lighter coloured intervals (i.e. light to medium grey rather than dark grey), accompanied by a “glassy” appearance to the core surface. Extensive silicification is expressed in various ways: 1) quartz veins, 2) bone-white, glassy replacement of lapilli, 3) alteration halos between lapilli and matrix and 4) alteration halos developed within host rocks adjacent to veins.

Calc-silicate alteration is subordinate to silicification, and is similarly expressed as: 1) alteration halos around veins, 2) selective alteration between lapilli and matrix, 3) selective alteration of tuffaceous bands, and 4) as diffuse, patches developed within host rocks.

There is a complex relationship between the various styles of alteration and variability due to changes in bulk composition of the host rocks.

Lapilli intervals often display variable chlorite alteration between lapilli and the surrounding matrix, with mafic minerals in lapilli being altered to black chlorite while the matrix is altered to medium to dark green chlorite. In other intervals, lapilli intervals display calc-silicate alteration as diffuse patches of light green (actinolitic) alteration within a fine-grained, dark green to black chloritic host or strongly to extensively silica altered lapilli have a pale green calc-silicate halo against the host fine-grained, chloritic matrix. Select tuffaceous intervals take on a pale yellow to sickly green colour due to calc-silicate alteration, immediately adjacent to, and in contact with, weakly to unaltered tuffaceous intervals. Many tuffaceous intervals have a purple to brownish colouration due to development of biotite / phlogopite (potassic alteration?).

Despite the limitations necessarily imposed by drill core (i.e. exposure available) interpreted alteration fronts have been identified. These observations are interpreted to indicate metasomatic alteration that was active on a very local scale, often at least cm scale (i.e. lapilli alteration within the host matrix).

Furthermore, in several instances, domains of extensive silicification and/or calc-silicate alteration were noted having a sieve-like texture, with pyrrhotite mineralization associated with relict mafic minerals. It is interpreted that as the mafic minerals were consumed during alteration reactions, iron (Fe) liberated was bound by sulphur-rich fluids to form the sulphides noted (pyrrhotite and/or arsenopyrite ± pyrite). Furthermore, interpreted alteration fronts were noted between massive pyrite and massive pyrrhotite, with resulting textures believed to represent alteration of initial pyrite to later (replacement) pyrrhotite. In addition, pseudomorphs of arsenopyrite after pyrite are interpreted to suggest arsenopyrite as a subordinate by-product of pyrite alteration as well.

In general, there are two styles of mineralization: 1) thin sulphide veinlets, and 2) clots, ranging from individual disseminations to massive sulphides. Veins are ≤1.5 cm thick, often mm-scale, hosted by black chlorite veins and/or having black chloritic halos against host rocks. Sulphides, usually pyrrhotite ± pyrite, cores the veins, but may comprise the entire width as a thin, massive sulphide vein. The veins have been noted cross-cutting alteration and, therefore, at least some of the mineralized veins post-date alteration

Clots represent aggregate masses of sulphide minerals of variable scale. Many of the clots may represent in situ alteration of mafic minerals, which may result in the sieve-like texture noted in semi-massive sulphide intervals described in the core.

Thicker massive sulphide intervals may represent either thicker veins and/or extensive sulphide replacement. Massive sulphide occurrences representative of both veining and replacement are believed to have been documented, however, most massive sulphide occurrences are interpreted to have resulted from both veining and replacement.

Of the various types of intrusive dykes described in the core, most are interpreted to have cross-cut both the altered host strata and mineralization. Definitive cross-cutting relationships have been noted between dykes and altered host lithologies which, together with chilled margins, are interpreted to indicate most dykes post-date the alteration events described.

Several Quartz-Feldspar dykes were noted with mineralization localized along the margins (i.e. LH14-26 – 128.07 – 128.23 m), along the core of the dyke (LH14-26 – 131.26 – 131.78 m) and partially replacing the dyke (LH14-27 – 29.56 – 30.50 m). The single Pyroxene-bearing Dyke described hosted between 1-2% molybdenum (LH 4-29 – 81.96 – 83.30 m). It was cross-cut by a Quartz-Feldspar Dyke which, therefore, post-dates the Pyroxene-bearing Dyke. The Pyroxene-bearing Dyke and/or Quartz-Feldspar dykes may be coeval with the mineralization event (causative heat source driving both alteration and mineralization) and/or a source of sulphides and/or metals.

Intrusion of the Lamprophyre dykes is a much later event, interpreted to post-date both alteration and mineralization.

Thin (≤3 cm thick, average <<1mm thick), sheeted calcite ± quartz veins, to a maximum of approximately 10% by volume over a given interval, present the latest stage of veining. Several occurrences of banded calcite ± quartz veins were noted, interpreted to indicate multiple, recurrent phases of veining.

10.4.2 LH Underground Workings

The stratigraphy described from core from the LH Underground workings document pyroclastic volcanic lithologies similar to those described west of Fingland Creek in the Ridge Zone area (see above). Mapping by Noranda (Keating et al. 1987) indicates the area of the LH Underground workings, and immediate area, to be characterized by Lapilli Tuff, consistent with the dominant lithology identified in the drill core.

Alteration, however, is markedly different from the Ridge Zone area, characterized by localized strong to extensive silica alteration within a pervasively chlorite altered host. Calc-silicate alteration, though present, is highly subordinate and very restricted.

Silicification is generally expressed as a lighter colour to the core within a given interval (i.e. from dark grey to a light or medium grey) accompanied by a glassy appearance to the core surface. Locally, over intervals up to tens of metres (of Apparent Width, perhaps only 5-10 m True Width), silicification can become very strong to extensive, expressed as both quartz veins and/or zones of silicification in which ghost textures of the host lithology are still evident.

Previous work undertaken on the LH Underground workings (BC MINFILE 082FNW212) returned very compelling gold results from both underground drilling and, subsequently, chip sampling. In 1936, hole 202, drilled at an inclination of -30°from the No. 1 Cross-cut South (No. 1 XCS) of Level 2, reportedly intersected 5.2 m grading 7.2 g/t Au. Hole 203, drilled horizontally from the South Drift of Level 2, reportedly intersected 11.0 m grading 15.4 g/t Au. Underground chip sampling documented high grade gold values to a maximum of 154.08 g/t Au from the Level 1 workings and 42.14 g/t Au from the Level 2 workings.

These data were interpreted as follows (sic.)"

> "Mineralization is exposed in two adits, separated by vertical distance of 24 metres. The upper level contains a wide band of alteration and mineralization 110 m long and about 7 metres wide. The same structure extends into the north drift on the second level as a nearly continuous mineralized zone 150 m long ranging from 30 cm to 2.0 m wide. Each zone strikes 065 to 080 degrees azimuth and demonstrates a north dip although they more frequently dip steeply south or vertically. Typical gold grades range from 8.0 to 15.0 gram/tonne.
>
> Gold grade is roughly proportional to sulphide fraction. Sulphides consist predominantly of pyrrhotite, lesser arsenopyrite and minor pyrite usually occurring with quartz but sometimes displacing it. Sulfides contained in altered rocks as disseminations or filaments tend to grade less than 2.0 g per ton.
>
> Underground mapping and diamond drill data support an eastward rake of the mineralization to present a 60 metre wide target, open at depth. The total geological reserve of the underground is 61,765 tonnes conservatively estimated 6.27 gram/tonne" (Williams 1985).

These results led Noranda to drill hole LH06-06 from surface so as to pass east of the underground workings at depth. The resulting hole returned two gold-bearing intervals; 9.76 m grading 1.77 g/t Au (161.00 - 170.76 m) and 13.20 grading 1.46 g/t Au (231.80 – 245.00 m).

The pad for the 2015 drill program was constructed above, and slightly south of, the portal for the Level 1 underground workings. The primary objective of the program was to reproduce the high-grade, gold-bearing intercept documented in underground hole 203.

Mapping of the underground workings (Williams 1985) documented structures dipping predominantly between 75° and 85° southeast, with mineralization varying between 40° and 85° southeast at the west end of the Level 1 workings and between 45° and 60° northwest slightly to the east. Numerous north-northwest to north-northeast faults ("slips") were documented, both truncating and offsetting mineralization.

Mapping of the Level 2 workings document mineralization varying between 85° north (west end) and 60° to 83° south slightly farther east on Main Drift South. Mineralization dips between 60° and 60° at the west end of North Drift West, with dips between 50° and 80° south slightly farther to the east. Finally, the dip of mineralization in the No. 3 Drift, farthest to the north, varies between 45° and 50° north.

Mineralized zone(s) described from, and mapped within, the underground workings vary from south dipping to moderately north dipping, with considerable change in orientation across numerous, generally north-trending "slips" (ranging from northwest to north-northeast trending, dipping shallowly west-southwest to steeply northeast). Therefore, the optimum collar location and orientation (i.e. azimuth and inclination) for any given drill hole is dependent upon the orientation of the mineralized zone(s) at that location and, more importantly, at the target depth. Furthermore, dip of the mineralized zones will change dramatically depending upon location relative to the generally north-trending faults which subsequently offset mineralization. Finally, given the high range of variation documented in the dip of mineralization between different workings at the same level (i.e. Level 2 South Drift, North Drift and No. 3 Drift), a single drill hole may intersect one (or more) sets of mineralization, yet be sub-parallel, and therefore miss, mineralization in adjacent workings. Underground mapping indicates that the mineralized zones identified at the west end of Level 2 are dipping 65°-70° to the south. Therefore, the location for the 2015 pad was selected so as to result in a series of drill holes inclined between 65°-90° to the mineralized zone.

The 2015 holes returned intersections between: 1) structures (interpreted to control mineralization), and 2) contacts for mineralized intervals and the core axis between 05° and 40°, angles much shallower than expected. These results are interpreted to indicate a change in the local dip for the mineralized zone(s) to moderately north dipping.

In addition, given that the mineralized zones are interpreted to trend essentially east-west, the first three holes (LH 15-30 to 33) were drilled at a high angle to the strike of the mineralized zone. As the drill was successively turned clockwise for the subsequent holes, holes LH 15-34 to 40, are progressively inclined more obliquely to the strike, as well as dip, of the mineralized zones.

As a result, all holes drilled from the 2015 pad are inclined at a shallow oblique angle to the mineralized zone(s), resulting in an Apparent Thickness, rather than a True Width, for all mineralized intervals. Therefore, the True Width of the mineralized zone(s) remains uncertain, however, are interpreted to be approximately 6-8 m in thickness. Furthermore, the uncertainty in the location of the workings with respect to collar location at surface resulted in uncertainty of the location of the shaft connecting the Level 1 and Level 2 workings. As a result, a large number of the holes drilled in 2015 intersected underground workings.

Given the mineralization intersected in holes LH15-30 to LH15-32, it was thought that a vertical hole from this location would extend definition of the mineralized zone farther to the south, providing dip extent. The resulting hole, however, failed intersect significant mineralization within the target depth and the hole was terminated at 52.73 m.

Despite this fact, all holes (with the exception of LH 15-33) intersected gold-bearing mineralization and returned numerous high-grade gold-bearing intercepts, with many of the holes intersecting at least two mineralized zones. Of the holes that intersected underground workings, most returned gold-bearing mineralization, with several returning high-grade gold values, immediately above the workings.

At least two moderately north dipping mineralized intervals are interpreted on the basis of the 2015 drill results. These results, taken together with results of the 1985 underground chip sampling and drill program, are interpreted to suggest multiple gold-bearing mineralized zones characterized by silicification ± calc-silicate alteration and elevated sulphide content. Offset of mineralized zones is apparent in the results the 2015 drill program (i.e. lack of mineralization in LH 15-33), interpreted to demonstrate fault control on mineralization, as reported previously from the underground workings. In addition, micro-faulting was prevalent in the core recovered from the 2015 program.

Results to date are interpreted to indicate mineralization extends from locations sampled in, and immediately adjacent to, the underground workings eastward to **at least** hole LH06-06 (approximately 100 m along interpreted strike). In addition, at least one of the mineralized zones intersected in 2015 is interpreted to correlate with the mineralized zone documented in 1936 holes 202 and 203, as well as mineralization in the No. 3 Drift of Level 2, however, this mineralization is located north of the mineralization documented in the North Drift of Level 2. Mineralization in holes 202 and 203, and the No. 3 Drift of Level 2, probably correlates with mineralization documented from underground sampling of Level 1. Finally, none of the above mineralization is interpreted to correlate with the two intervals documented in hole LH 06-06. Therefore, there exists strong potential for identification of numerous high-grade, gold-bearing mineralized zones within, and immediately adjacent to, the LH underground workings.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 2012 Program

The following has been taken from Kowalchuk (2013).

"Core was collected by the drillers and placed in wooden core boxes marked by hole number, box number and footage blocks for every three metre run by the drill. The core boxes were flown by helicopter down to a borrow pit by the road where it was received by the QP, Gordon Gibson and stored in the back of his truck, where he proceeded to mark the boxes; geotechnically log the core for core recovery and RQD; geologically log the core and mark the sample intervals. When the drilling was completed, Gordon drove the entire core to Vancouver where he cut the core in half with a rock saw at the company offices.

The total length of core was sampled. In areas where there was no apparent mineralization, the sample interval was a standard one metre. In areas of sulphide mineralization, the sample interval varied according to geology but was never more than one metre. The sample interval was marked with a wax pencil and a numbered sample tag was inserted at the beginning of the interval. This number, along with the drill hole number and sample depth were recorded for reference against laboratory results. The core was then photographed for permanent record.

The core was cut in half with a rock saw and one half of the core was removed and placed into plastic sample bags in which the numbered sample tag had been placed. The sample bags were also marked with the same unique sample number. The bags were sealed with a zip tie and stored in a secure place prior to Gordon Gibson personally taking the samples to the laboratory. The other half of the core remains in the box for future reference and archival requirements and is stored in a locked area with restricted access. In all cases in the field the core and the samples were under the supervision and care of the QP and there was no opportunity to contaminate the core. The author is confident that all measures pertinent to core and sample security were followed by the QP.

Samples were sent to Acme Analytical Labs in Vancouver where they were they were analysed by 30 element Inductively Coupled Plasma Spectroscopy (ICP) and 30 gram fire assay for gold. All values greater than 10 g/t gold were also assayed using a 30 gram gravimetric fire assay.

Acme Lab is an ISO accredited member for quality management. From Acme's web page the following information is available discussing the accreditation.

*Foreseeing the need for a globally recognized mark of quality in 1994, Acme began adapting its Quality Management System to an ISO 9000 model. Acme implemented a quality system compliant with the International Standards Organization (ISO) 9001 Model for Quality Assurance and **ISO/IEC 17025** General Requirements for the Competence of Testing and Calibration Laboratories. On November 13, 1996, Acme became the first commercial geochemical analysis and assaying lab in North America to be registered under **ISO 9001.** The laboratory has maintained its registration in good standing since then.*

*In October 2011 and November 2012 the Vancouver laboratory and Santiago laboratory respectively received formal approval of their **ISO/IEC 17025:2005** accreditations from Standards Council of Canada for the tests listed in the approved scopes of accreditation*

Acme is a completely independent analytical facility which is contracted to complete analysis rock materials. It has absolutely no connection to the vendor or to Magnum Capital except as a contractor.

Sample Preparation and Analysis at the Laboratory

Samples are dried and crushed to –10 mesh size, riffle split to 100 grams. The 100 gram sample is pulverized, and a 30 gram sample of the -150 mesh fraction is subjected to a fire assay for the gold content. A 2 gram split of the pulps was dissolved in aqua regia and was analysed by 30 element ICP Spectroscopy.

The 30 grams of -150 mesh pulp sample were weighed into a fusion pot with chemical fluxes such as lead oxide, sodium carbonate, borax, silica flour, baking flour or potassium nitrate.

After the sample and fluxes had been mixed thoroughly, the sample was then charged into a fire assay furnace at 2000° F for one hour, at this stage, lead oxide would be reduced to elemental lead and slowly sunken down to the bottom of the fusion pot and collected the gold and silver along the way.

After one hour of fusion, the sample was taken out and poured into a conical cast iron mould. The elemental lead which contained precious metals would stayed at the bottom of the mould and any unwanted materials called slag would floated on top and removed by hammering, a "lead button" is formed.

The lead button was then put back in the furnace onto a preheated cupel for a second stage of separation, at 1650° F, the lead button became liquefied and absorbed by the cupel, but gold and silver which had higher melting points would stayed on top of the cupel.

After 60 minutes of cupellation, the cupel was then taken out and cooled, the concentration of gold in dore bead is determined by gravimetric method and/or volumetric method to assure total recovery.

Gravimetric determination – the dore bead is transferred into a porcelain cup, the silver content is dissolved in HNO3 acid on hotplate and removed, the gold content is annealed, let cooled and then weighed.

Volumetric determination – the dore bead is transferred into a test tube and digested with acids in hot water bath. The gold in solution is determined by using Atomic Absorption Spectrometer by comparing with a set of gold standard solutions.

Method of 30 element analysis by Aqua Regia digestion/ICP

0.50 grams of sample is digested with diluted Aqua Regia solution by heating in a hot water bath, at about 95° Celsius for 90 minutes, then cooled and bulked up to a fixed volume with de-mineralized water, and thoroughly mixed. Digested samples are let settled over night to separate residue from solution.

The specific elements are determined using an Inductively Coupled Argon Plasma spectrophotometer. All elements are corrected for inter-element interference. All data are subsequently stored onto computer diskette.

11.1.1 QA/QC

Since the drilling program was ongoing and no samples had been split, the author did not take any samples for independent data verification. Gordon Gibson did insert one gold standard and one blank sample every 50 samples.

All of the blank samples recorded 0.005 g/t Au which is below the detection limit for the analytical technique and so all of the blanks recorded below the detection limits.

All five standard samples range from 6.898 to 6.542 g/t Au and give an average of 6.712 g/t Au. This is a maximum range of 0.356 g/t Au, which is approximately 5.3 % of the mean. This is well within sample error and the values are considered reliable.

(Author's Note: the specific identity of the blanks and standards used in the 2012 program was not provided and, therefore, cannot be compared to analytical results determined from the source of the blanks and standards).

As well, Acme Labs has a very rigorous method of data verification using several standards and blanks for controlling their analysis.

11.2 2014 and 2015 Programs

Core was collected recovered from the core barrel by the drill helper and placed in wooden core boxes marked with hole number and box number. Footage blocks were placed in each box at the end of each 10 foot drill run. The core boxes were flown by helicopter down to a Ministry of Highways borrow pit at the north end of Red Mountain Road where it was received by the QP, Rick Walker and loaded in the back of his truck. The core was transported to a secure facility where the footage was marked at the top and bottom of each box. The core was then marked with grease pencil in 1 metre increments and geological features of the core was described. Sample intervals were then marked in a separate colour, by grease pencil, and specific features in the core photographed.

Phase I sampling involved sampling all intervals having visually estimated sulphide content greater than 2%. Core from drill hole LH-14-26 was split in its entirety, with sampling in the subsequent three holes limited to mineralized intervals having approximately 2% pyrrhotite over greater than 1 metre. Sampling of the remainder of the holes was completd in late November / early December, 2014. Core from drill hole LH-15-30 was split in its entirety. Sampling in subsequent holes was restricted to mineralized intervals having approximately 2% sulphide content (predominantly pyrrhotite and/or subordinate arsenopyrite) over greater than 1 metre. The remainder of the 2015 drill core remains to be split.

The total length of 2014 and LH15-30 core was sampled, generally in 1 metre intervals. The sample interval was marked, top and bottom, with a grease pencil and a pre-printed, sequentially numbered sample tag was stapled at the centre of each sample interval. Drill hole number and sample depth were recorded in a pre-printed sample book. The core was then photographed, wet and dry, to provide a permanent record.

The core in each sample interval was split using a core splitter, with one half of the core removed and placed into plastic sample bags in which the numbered sample tag had been placed. The sample bags were also marked front and back with the unique sample number for redundancy. Each sample bag was individually sealed with a zip tie and stored in a secure (locked) location. Individual sample bags were placed in groups of 15 into rice bags, marked with the AGAT Laboratories address and the Company's return address. Chain of Custody forms were completed for each group of 15 samples and photographed with the corresponding sample bags for each group. A copy of the pertinent Chain of Custody form was placed in each rice bag, with a copy kept by the Qualified Person. Each rice bag was then individually sealed with a zip tie.

Rice bags were transported by Rick Walker, Qualified Person, to either the Petro Canada in New Denver, BC (Courier Pick-up location) or Ace Couriers facility in Castlegar, BC where the rice bags for each shipment were palletized for transport.

The remaining half of the core was returned to the appropriate core box for future reference and archival requirements. Upon completion of the program, the core was transported to a storage locker at Crescent Valley, where it is currently stored in a secure, locked compound having restricted access. At all times in the field, the core, sampling and samples were under the supervision and care of the QP. There was no opportunity to tamper with or otherwise contaminate the core or samples. The author and Qualified Person is confident that all appropriate measures pertinent to core and sample security were taken.

Samples were sent to AGAT Laboratories in Burnaby, BC, where they were received and prepared for analysis. Prepared samples were sent, internally, to the AGAT facility in Mississauga, ON for quantitative analysis. Initial analysis was by 30 element Inductively Coupled Plasma Spectroscopy (ICP) (AGAT Method Code 202-074). Samples returning greater than 0.5 ppm Au were re-submitted for quantitative gold determination using AGAT Method Code 202-051. Samples returning greater than 10 ppm Au were re-submitted for quantitative gold determination using AGAT Method Code 202-064.

11.2.1 AGAT Laboratories Protocols

11.2.1.1 Preparation

Steps

1. Sample Reception – Laboratory Information Management System (LIMS)

2. Drying of geological samples

3. Crushing mineralogical samples

4. Sample size reduction of mineralogical samples

5. Milling of mineralogical samples

6. Standard operating procedure for compressed air usage

7. Compressed air usage – mining branches.

Sample Reception

▪▪ Samples will arrive via courier, client drop-off or picked up by AGAT Laboratories or an AGAT Representative.

▪▪ Samples are inspected and compared to the Chain of Custody (COC) and logged into the AGAT LIMS program.

▪▪ Deviations from the COC are noted in AGAT Laboratories' Sample Integrity Report (SIR) and sent immediately to the client via email and posted on the clients *WebMINING* account.

Drying: Specified samples are dried to 60°C.

Crushing and Splitting: Unless instructed by the client, specified samples are crushed to 75 per cent passing 10 mesh (2mm) and split to 250 g using a Jones riffler splitter or rotary split.

Pulverizing: Unless instructed by the client, specified samples are pulverized to 85 per cent passing 200 mesh (75µm).

Screening: After drying specific sample are shaken on an 80 mesh sieve with the plus fraction stored and the minus fraction sent to the laboratory for analysis.

All equipment are cleaned using quartz and air from a compressed air source. Blanks, sample replicates, duplicates, and internal reference materials (both aqueous and geochemical standards) are routinely used as part of AGAT Laboratories' quality assurance program.

Instrumentation Used

▪▪ Rocklabs Boyd Crusher with RSD Combo, TM Terminator Crushers, TM TM-2 Pulverizers are routinely used in sample preparation procedures.

Prepared samples are fused using accepted fire assay techniques, cupelled and parted in nitric acid and hydrochloric acid. Sample splits of 30g are routinely used though 50g may also be used (AGAT Code 202551).

Blanks, sample replicates, duplicates, and internal reference materials (both aqueous and geochemical standards) are routinely used as part of AGAT Laboratories quality assurance program.

PerkinElmer AAnalyst 400 AAS instruments are used in the analysis.

11.2.1.2 Method Code: 201-074

Description: Determination of Metals in Geological Materials using an Aqua Regia Digestion and an Inductively Coupled Plasma – Optical Emission Spectroscopy (ICP-OES) and Inductively Coupled Plasma – Mass Spectrometry (ICPMS) Finish

Prepared samples are digested with aqua regia for one hour using temperature controlled hot blocks. Resulting digests are diluted with de-ionized water. Sample splits of 1 g are routinely used.

Solubility of elements can be dependent on the mineral species present and as such, data reported from the aqua regia leach should be considered as representing only the leachable portion of a particular analyte.

Blanks, sample replicates, duplicates, and internal reference materials (both aqueous and geochemical standards) are routinely used as part of AGAT Laboratories quality assurance program.

PerkinElmer 7300DV and 8300DV ICP-OES and Perkin Elmer Elan 9000 and NexION ICP-MS instruments are used in the analysis. Inter-Element Correction (IEC) techniques are used to correct for any spectral interferences.

Solubility of elements can be dependent on the mineral species present and as such, data reported from the aqua regia leach should be considered as representing only the leachable portion of a particular analyte.

11.2.1.3 Method Code: 202-051

Description: Determination of Gold, Platinum and Palladium in Geological Samples by Lead Fusion Fire Assay with Atomic Absorption Spectroscopy (AAS) Finish

Prepared samples are fused using accepted fire assay techniques, cupelled and parted in nitric acid and hydrochloric acid. Sample splits of 30g are routinely used though 50g may also be used (AGAT Code 202551).

Blanks, sample replicates, duplicates, and internal reference materials (both aqueous and geochemical standards) are routinely used as part of AGAT Laboratories quality assurance program.

PerkinElmer AAnalyst 400 AAS instruments are used in the analysis.

11.2.1.4 Method Code 202-064

Description: Determination of Gold and Silver in Mineralogical Samples by Lead Fusion Fire Assay with Gravimetric Finish

Prepared samples are fused using accepted fire assay techniques.

Samples are cupelled, parted in nitric acid and weighed.

Sample splits of 30g are routinely used. If 50g weights are required then 202564 (Au) and 202566 (Ag) are used.

Blanks, sample replicates, duplicates, and internal reference materials (both aqueous and geochemical standards) are routinely used as part of AGAT Laboratories quality assurance program.

Mettler Toledo XP6 microbalances are used in the analysis.

11.2.2 QA/QC

Blanks (BL-10) purchased from CDN Resource Laboratories were inserted into the sample sequence every 50 samples and analyzed with the drill core samples. An intermediate gold standard (GS-5PC) was inserted into the sample sequence immediately preceding intervals having "moderate" grades of visually estimated sulphide content and, therefore, corresponding "moderate" gold potential. Finally, for intervals having high sulphide content and, therefore, correspondingly high gold potential, standard GS-5L was inserted immediately preceding the sample(s).

The blank or standard identifier was entered into the pre-printed sample books, with the pre-printed sample number paced in a plastic bag with the Kraft envelopes containing the blank or standard pulps. Thereafter, the blank or standard was identified exclusively by the unique Sample Number. Blanks and standards were, therefore, indistinguishable from samples analyzed by AGAT Laboratories and, except for initial preparation, were processed in exactly the same manner as the samples, with analytical results embedded into Analytical Certificates issued by AGAT Laboratories.

11.2.2.1 2014 Results

The blanks returned very consistent, low values for all elements, with nothing of potential concern. The element of most interest is gold and analytical values returned from analysis of 15 blanks returned gold values <0.005 (below the Detection Limit), consistent with the certificate for CDN-BL-10.

Standard CDN-GS-5PC was selected for having intermediate gold values (0.571 ± 0.048 g/t). The average of 14 samples analyzed was 0.57 ± 0.14, with a range from 0.402 to 1.0 g/t by initial ICP. Initial ICP analyses for three of the blanks returned Au values below 0.5 g/t and were not, subsequently resubmitted for Gravimetric analysis. Of the 11 samples analyzed by the Gravimetric method, the average was 0.59 ± 0.04 g/t, with a range from 0.508 to 0.666 g/t. With respect to the Gravimetric analysis, 1 sample falls below the lower uncertainty limit of 0.522 g/t, with a second sample analysis above the upper uncertainty limit.

Standard CDN-GS-5L was selected for having a high-grade gold value (4.68 ± 0.31 g/t by 30 g Fire Assay / ICP and 4.74 ± 0.22 by 30 g Fire Assay / Gravimetric Analysis). This standard was submitted only three times during the 2014 program, returning an average of 0.52 ± 0.01, with a range from 0.505 to 0.531 g/t g/t by initial ICP analysis. Subsequent analysis by Gravimetric method returned an average of 4.8 ± 0.10, with a range from 4.7 to 4.9 g/t. These values fall within the range of uncertainty provided by CDN Resource Laboratories Ltd.

Analytical results, as verified by submission of blanks and standards, is considered acceptable.

11.2.2.2 2015 Results

As a general statement, blanks returned very consistent, low values for all elements. Although all analytical values are acceptably low for the elements analyzed, there are subtle variations, with the results from AGAT certificates 15D996707, 15D996709, 15D996711 and 15D99675 returning lower values, in many cases less than half the values, for the same elements from certificates 15D996845 and 15D996862.

The element of most interest is gold and analytical values returned from analysis of 9 blanks returned an average gold value of 0.01 ± 0.01, with a range from 0.005 (below the Detection Limit) to 0.04 g/t by initial ICP. Although the gold values are higher than expected, the low values are acceptable.

Standard CDN-GS-5PC was selected for having intermediate gold values (0.571 ± 0.048 g/t). The average of 3 samples analyzed was 0.60 ± 0.17, with a range from 0.407 to 0.724 g/t by initial ICP. One sample falls below the lower uncertainty limit of 0.522 g/t. Two samples were analyzed using the Gravimetric method and returned an average of 0.53 ± 0.07 g/t, within the range of uncertainty for the original value.

Standard CDN-GS-5L was selected for having a high-grade gold value (4.68 ± 0.31 g/t by 30 g Fire Assay / ICP and 4.74 ± 0.22 by 30 g Fire Assay / Gravimetric Analysis). This standard was submitted six times during the 2015 program, returning an average of 0.14 ± 0.10, with a range from 0.035 to 0.297 g/t g/t by initial ICP analysis and, being below 0.5 g/t, did not trigger a subsequent Gravimetric Analysis for a more quantitative result.

Since the Initial ICP analysis of the six GS-5L standards returned analytical results far below those anticipated, they were re-analyzed by Fire Assay. The values returned through re-analysis were consistent with the values quoted on the CDN Laboratories Ltd. Analytical Certificate (4.68 ± 0.31 g/t).

DDH	SAMPLE #	FROM	ICP ppm 0.005	Fire Assay ppm 0.001
LH-15-30	E5383949	GS-57	0.035	4.85
LH-15-31	E5383970	GS-5L	0.042	4.83
LH-15-31	E5383979	GS-5L	0.154	4.78
LH-15-38	E5384100	GS-5L	0.297	4.78
LH-15-38	E5384123	GS-5L	0.129	4.62
LH-15-40	E5384138	GS-5L	0.196	4.70

Subsequently, further analysis of 87 of the drill core samples were requested for re-analysis by Fire Assay, having Au values determined by initial ICP analysis between 0.5 and 0.1 ppm. A new bead was made from the remaining pulps for re-analysis. The average analytical difference between the initial ICP and subsequent Fire Assay analyses for the 87 samples was 0.024 ppm. The maximum differences were +0.446 and -0.143 ppm.

Given that the analytical results from re-analysis of these 87 moderately low grade samples were generally comparable to the original ICP results, the Company elected not to have additional analysis of the low grade samples (i.e. <0.1 ppm). The remaining samples were not expected to return significantly higher Au values based on re-analyses of the moderately low grade samples (0.1 to 0.499 ppm).

AGAT Laboratories utilizes a rigorous method of data verification through analysis of replicate samples, standards and/or blanks as part of their internal QA/QC program. AGAT Laboratories systematically runs replicate analyses of 1 to 2 samples per group (submitted in group of 15 samples). The replicate analyses for 32 samples re-analyzed by the ICP method vary between ±30%, with one sample at -126%. This range is relatively large, however, they are interpreted to represent variable gold content between the original and replicate samples. The results are interpreted to reflect variations in gold content from drill core.

Similarly, analysis of 10 replicate samples using the Fire Assay method and returned a smaller variation between the original and replicate analysis, varying from -6.06 to +14.11%. A single replicate analysis using the Gravimetric method returned a variation of 12.90%. Again, these results are interpreted to result from the “Nugget Effect”, or variations in gold content in the sample.

Analysis of standards undertaken by AGAT Laboratories as part of their internal QA/QC program returned a range ±8% on a homogenized standard CRM#1 (1P5K) for 11 analyses, 8% for a single analysis of CRM #1 (GS6D) and -3% to +4% for 11 analyses of CRM #1 (GSP7J) using the Gravimetric method.

These results are interpreted to indicate the Company can have confidence in the analytical results provided by AGAT Laboratories, particularly for the Fire Assay and Gravimetric methods utilized. Furthermore, variation between the gold values reported by the various methods and, in particular, for analyses from separate and distinct samples should be expected.

Summary: For the 2014 and 2015 programs, after consultation with AGAT Laboratories representatives, the Company elected to use an initial ICP analysis, using an Aqua Regia digestion, with any gold results greater than 0.5 ppm then triggering a more quantitative Fire Assay. AGAT representatives suggest the low analytical values for gold determined in 2015 for standard CDN-GS-5L may originate due to partial digestion using Aqua Regia. However, the same procedure appears to have worked in 2014, with the results from the same standard, using an Aqua Regia digestion, returning analytical results that fell within the uncertainty limits quoted for the standard.

Nonetheless, a change in analytical protocol will be required for the 2016 program requiring Fire Assay of all samples for quantitative determination of gold, with ICP analysis for all other elements.

Sample preparation, security and analytical procedures are believed to have been compliant with NI 43-101 requirements, with analytical results accurately reflecting the mineral potential of the resulting drill core. Irregularities in the 2015 analytical results were identified and resolved, leading to a change in analytical procedures for the proposed 2016 program.

The relationship between Magnum and AGAT Laboratories Ltd. is simply that of client / service provider. No other relationship exists.

12.0 DATA VERIFICATION

Much of the interpretations contained within this report are based upon the author's compilation and review of historical data, together with the results of three exploration programs completed by, or on behalf of the Company.

Compilation was based on a best efforts basis, attempting to reconcile maps based predominantly on chain and compass, with limited survey data, using a NAD27 projection. Compilation of analytical data is supported by copies of the original analytical certificates for most of the data. Results have been flagged for data having no supporting analytical certificates (i.e. drill holes LH88-13 to 24).

Some data, for which a probable ground location cannot be determined (i.e. Congo Grid) have not been incorporated into the database for the property.

The 2014 program, under the supervision of the author, incorporated ground geophysics to identify magnetic and/or conductive anomalies interpreted to correlate with occurrences of elevated sulphides, specifically pyrrhotite (being both highly conductive and magnetic). Subsequent drilling was intended to test the resulting geophysical anomalies on the east side of the Ridge Zone, defined on the basis of strong to extensive silicification. Furthermore, gold values reported from the area from historical drilling were considered valid drill targets.

The 2015 drill program, under the supervision of the author, was intended to duplicate and, ideally, confirm historical, high grade, gold-bearing intercepts from underground drilling, supported by more recent chip sampling of the underground workings. Furthermore, compilation and review of the results for Noranda drill hole LH086-06 were interpreted to suggest the presence of multiple gold zones, comprising further incentive for the proposed drill program.

Data resulting from the Company's exploration programs, comprised of ground geophysics and diamond drilling (with accompanying core descriptions and sampling), on the Property to date are interpreted to confirm, and refine, interpretations arising from the historical programs. The data compiled as part of the Company's exploration program is, therefore, believed to represent a valuable resource upon which to rely for continued exploration and evaluation of the Property.

Therefore, the author believes the data utilized for, and presented, in this report is adequate for the purposes proposed for this report, which is to provide a thorough description and evaluation of the mineral potential of the property.

14.0 MINERAL PROCESSING AND METALLURGICAL TESTING

No Metallurgical Testing or Mineral Processing was completed in the program.

Note: Sections 15 – 23 of the prescribed technical report format are not applicable as this is an exploration property.

24.0 ADJACENT PROPERTIES

Note: the author (Qualified Person) has been unable to verify the information for the Adjacent Properties described below and, therefore, the information herein is not necessarily indicative of the mineralization on the properties that is the subject of the technical report.

24.1 Willa Property

The Willa Property and deposit is located approximately 2.5 km west of the "LH Claims" in Fingland Creek. Since its discovery in 1893, the property has had a long history of exploration and development by multiple operators including Noranda, Rio Algom, BP Minerals, Orphan Boy Resources Inc., Northair Mines Ltd and Hudson Bay Mining and Smelting. Discovery Ventures Inc. ("Discovery") acquired the property in November, 2012, and recently announced it had acquired 100% interest in the Willa Property (Discovery News Release dated September 17, 2015). Discovery has been working toward advancing the Willa deposit to an active mining operation, with positive metallurgical results reported (Discovery News Release dated June 16, 2015). The property has been the subject of two recent NI 43-101 Technical Reports (Ash 2014 and Ash and Makepeace 2012).

On October 6, 2015, Discovery Ventures Inc. announced acquisition of the remaining outstanding 65 per cent of the share capital of FortyTwo Metals Inc., making Discovery the 100% owner of the share capital of FortyTwo. The acquisition includes: "... the Max Mine which includes an underground molybdenum mine, approximately $50M tax loss, crushing, milling and concentrating facilities, tailings storage facilities, mineral claims, mining leases, licenses and other holdings located near Trout Lake in the Revelstoke mining division of the Province of British Columbia" (Discovery News Release dated October 6, 2015).

Subsequently, Discovery announced "... it has engaged a work crew to commence various maintenance and upgrades to its WillaMAX Project. The MAX Mill, camps and offices have been on care and maintenance since the end of 2011 and the scope of work initially includes repairing and renovating some of the structures. Other tasks include repairs and basic modifications to some of the systems in the plant as preparation for larger modifications that may be completed in the future" (Discovery News Release dated October 14, 2015).

Discovery Ventures filed an Amended Preliminary Economic Assessment for the Willa Property on February 1, 2016, as follows:

Category	Tonnes	Au (g/t)	Cu (%)	Ag (g/t)
Measured	198000	5.36	0.83	8.3
Indicated	627000	4.97	0.86	9.5
Inferred	151000	4.21	0.71	9.8
Total (M+I)	758,199	6.67	0.85	12.54

"The revenue is estimated at $C 140.3 million, the operating costs at $C 62.5 million, cumulative cash flow at $C 56.1 million, the after-tax Net Present Value (based on a 10% discount rate) at $C

38.7 million, and the after-tax Internal Rate of Return at 83%. The mine has an estimated lifespan of 4.25 years. … In the amended report, the Capital Costs have increased by 70%. For the Willa projected mine life, this increase in capital cost results in a lower Net Present Value and a much lower Internal Rate of Return" (Discovery Ventures 2016).

Mining the Willa deposit proposes utilization of the Max Mill located approximately 130 km away at Trout Lake, BC.

The **Stratigraphy** (Section 8.1), **Structure** (Section 8.2) and **Mineralization** (Section 8.3) of the Willa deposit has been summarized previously (Section 8.0 - **Local Geology**).

24.2 Slocan Mining Camp

The Slocan Mining Camp consists of a metalliferous area surrounding New Denver, British Columbia, with significant deposits identified near Kaslo, Slocan, Silverton, and Sandon. Mining of deposits in the Slocan area has generally been small-scale, made feasible by the high grade of the ore. There are over 125 MINFILE occurrences in the area, with more than half of these showings being Past Producers, with 13 mines producing over 1,000,000 grams of silver. Ore minerals are predominantly galena and sphalerite, occurring in association with minor pyrite, chalcopyrite, and pyrrhotite. Silver occurs as argentiferous tetrahedrite, galena, and rarely as native silver, argentite, polybasite, ruby silver, stephanite, and electrum. Quartz is the dominant gangue mineral, with lesser siderite, calcite, dolomite and rarely fluorite and barite. Deposits are characterized by open-space filling, with lesser occurrences of replacement. Mineralization occurred over a broad period of time, initiating with the emplacement of the Nelson Batholith, and continuing through cooling, resulting in the emplacement of mineralized veins within the batholith. Silver-lead-zinc veins of the Slocan mining camp are thought to be genetically related to intrusion of the batholith. Subsequent mineralization occurred as hydrothermal activity increased as a result of Paleocene to Eocene extension in the region, and the concomitant rapid uplift of the Valhalla metamorphic core complex. Further mineralization also occurred in multiple stages of redistribution as lead, zinc, barium, and iron were leached from meteoric waters channeling through the intrusive system.

Two important producing mines in the Slocan Mining Camp are the Silvana and Lucky Jim Mines. The Silvana Mine operated from 1913 to 1993 and mined approximately 510,000 T and produced 7.8 Moz Ag, 28 Mkg Pb, and 26 Mkg Zn (BC Government MINFILE 082FNW050, revised 2008). Lucky Jim mined approximately 1 MT of ore from which it produced approximately 600,000 oz Ag, 80 Mkg Pb, and 3.7 Mkg Zn (BC Government MINFILE 082KSW023, revised 1995).

25.0 OTHER RELEVANT DATA AND INFORMATION

There is no other data and information relevant to the report.

26.0 INTERPRETATION AND CONCLUSIONS

Previous exploration programs on the LH Property have resulted in the interpretation that the Property is host to two styles of gold mineralization, as follows:

3) Mesothermal, gold-bearing quartz vein mineralization - as evidenced by minor production on two historical underground levels in the former LH Mine, and
4) Ridge Zone mineralization - interpreted to represent gold-bearing, skarn-style gold-bearing mineralization associated with pyrrhotite, arsenopyrite and/or minor copper and hosted within silicified calc-silicate altered host rocks. This style of mineralization is interpreted to have greater potential for identification of a larger volume of mineralized rock, although with significantly lower grades than epithermal vein mineralization.

The Willa deposit and LH Claims are located in the west and northeast portion, respectively, of a roof pendant comprised of Rossland Group pyroclastic volcanic and coeval intrusive lithologies. Coeval intrusive lithologies are interpreted to include: 1) a large gabbro mapped at surface west of the Ridge Zone and extending west into Congo Creek, and 2) gabbro to diorite described from drill core (LH 14-26 - 66.40 – 67.92 m). These intrusives are interpreted to represent hypabyssal, sub- volcanic equivalents of the Elise Formation of the Rossland Group.

Other intrusives, identified at the Willa deposit, interpreted to be coeval with the Rossland Group include Quartz Latite and Feldspar Porphyry (Heather 1985), with Feldspar Porphyry (and quartz veinlets within the surrounding Rossland Group volcanics) described as the host for molybdenite mineralization. On the LH Claims, Quartz-Feldspar to Feldspar-Quartz Dykes, more specifically, megacrystic to pegmatitic occurrences, are interpreted to correlate to the Nelson Plutonic Suite, however, fine-grained to aplitic dykes described in the core may correlate to Quartz Latite Porphyry or Feldspar Porphyry described at the Willa deposit.

A thin felsic dyke in LH 15-32 (92.28 – 92.63) was described as having approximately 2 - 3% acicular amphibole phenocrysts (≤1 cm) in the core of the dyke. As the majority of felsic dykes described have little or no mafics, this dyke may be correlative to the Feldspar Hornblende Syenite west of the Ridge Zone in Congo Creek. Furthermore, these lithologies may correlate to the Hornblende Feldspar Porphyry described from the Willa deposit (Heather 1985).

The Rossland Group meta-volcanics comprising the roof pendant have been documented to be susceptible to chlorite, potassic, silicification and calc-silicate skarn-style alteration (Kowalchuk 2013, Wong and Spence 1995, Heather 1985). Summary descriptions of the alteration assemblages identified at the Willa deposit are provided in Section **8.4 Alteration**.

With reference to Heather's Table 7 (below), a progression of stratigraphic units, alteration and mineralization over time, it can be seen that many of the same features identified in the Willa deposit have been identified within the LH Claims, both in the Ridge Zone and at the LH Underground workings. This, of course, is not surprising, given that the roof pendant hosting both the Willa deposit and the LH Claims is considered to be a single geological unit (the "pendant", see Fig. 7) suspended within, and enclosed by, the Potassium Feldspar Porphyritic Granite (or "Unit 2 - "Main Phase") (Brown and Logan 1988) of the Nelson Plutonic Suite.

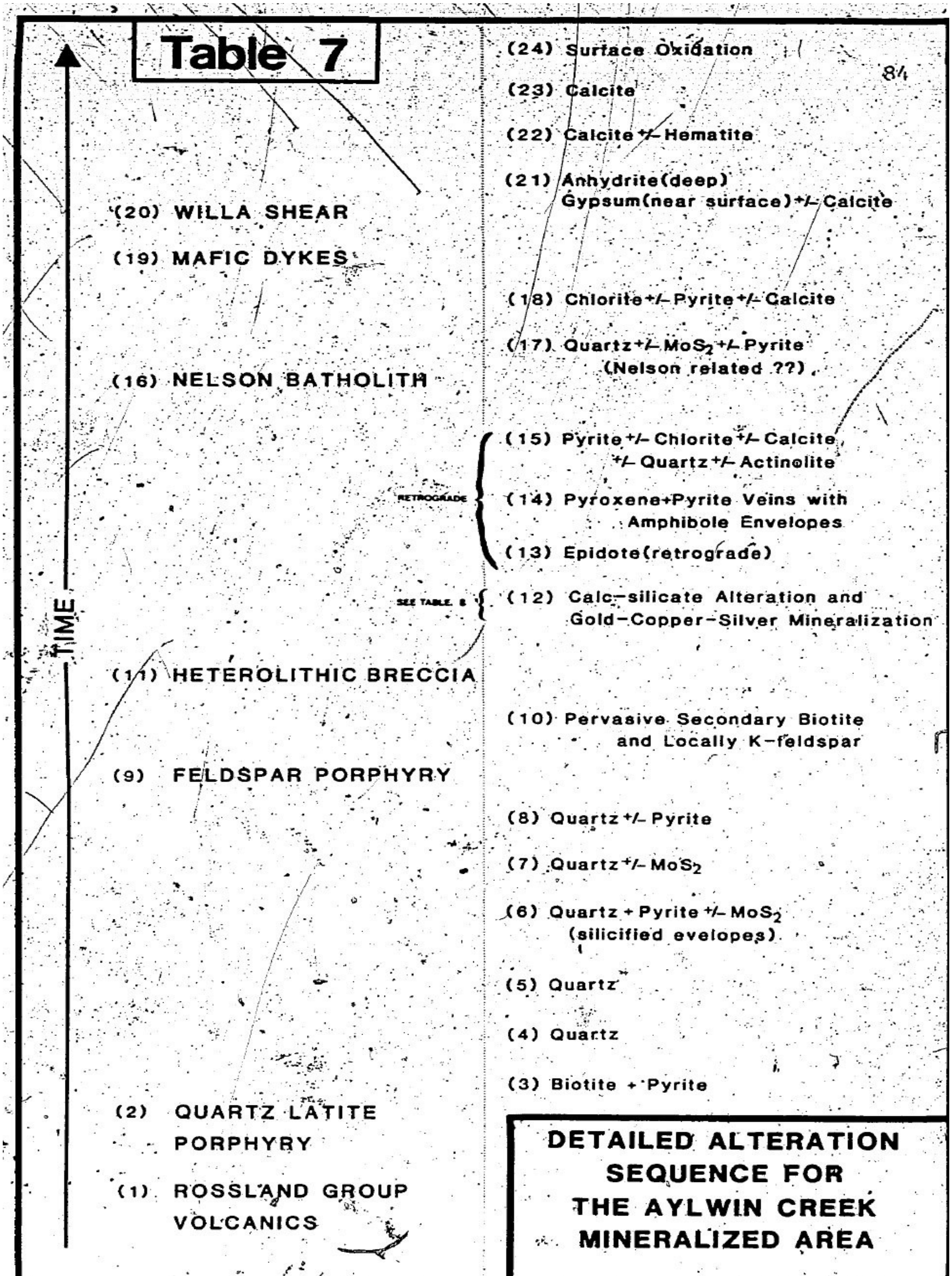


Table 4 - Correlation chart of the relationship between stratigraphy, intrusive events, alteration assemblages and mineralization identified at the Willa deposit (Heather 1985).

Pervasive chlorite alteration is interpreted to have developed in the metasedimentary lithologies at the same time chlorite and biotite zone metamorphic assemblages were developed within metasedimentary equivalents, prior to intrusion of the Nelson Batholith under regional Barrovian metamorphic conditions.

An early Biotite-Pyrite Assemblage is described at the Willa deposit as consisting of "Fine- to medium-grained black biotite accompanied by 2% to 5% disseminated and fracture-filling pyrite ... within mafic volcanic rocks adjacent to Quartz Latite Porphyry. ... Ubiquitous pyrite associated with this assemblage contributes to the large pyritic halo which encloses the overall intrusive complex" (Wong and Spence 1995). Therefore, by analogy with the Willa deposit, early pyrite, observed and described as being replaced (pseudomorphed) by later pyrrhotite and/or arsenopyrite may be consistent with this early assemblage. Medium- to coarse-grained, disseminated, cubic pyrite crystals, however, may be associated with regional metamorphism.

Potassic alteration has been reported from the Willa deposit in the form of both biotite and potassium (K) feldspar, however, both styles are localized within, and around, the central Feldspar Porphyry stock. (Heather 1985). Potassium feldspar is more abundant than, and overprints, biotite within the potassic zone at surface. Biotite alteration consists of two types: 1) fine, disseminated secondary biotite within the Feldspar Porphyry and within the immediately adjacent host rocks, and 2) as felted masses replacing (pseudomorphs) of original hornblende in the Feldspar Porphyry.

Biotite of the first type is described as "pervasive pink biotite alteration" and may be analogous to purple biotitic alteration described on the LH Claims. The variation between pink (Willa) and purple (LH Claims) may be due to development spatially associated with, and partially overlapping, potassium feldspar at the Willa deposit. Slightly lower grade potassic alteration on the LH Claims may result in purple, rather than pink, biotite alteration. Alternatively, it may be representative of Biotite Zone (Barrovian style) regional metamorphism.

Several thin intervals of breccia have been described in the core (LH 14-29 – 137.29 – 138.29 m, near surface portion of holes LH 15-34 to LH 15-38), comprised of annealed in situ, jigsaw textured (possible hydrostatic) breccia. While there is no "Heterolithic Breccia" analogous to the Willa deposit identified, as yet, on the LH Claims, these thin breccias identified to date may represent the high level expressions of one (or more) deeper breccia pipes.

Prograde calc-silicate alteration is interpreted to accompany incorporation of a high level pendant within the Nelson Batholith in the Middle Jurassic. At the Willa deposit, the Calc-Silicate Assemblage is interpreted to result from calcic metasomatism associated with the gold-copper-silver mineralizing event. Based on surface soil and rock samples, there appears to be a metal zonation from Au + Cu + Ag ± Mo at the Willa to Au + As ± Ag on the LH Claims. Although both gold and silver are present in both areas, Au:Ag and arsenic increases markedly toward the LH, coincident with a decrease in copper. On the LH Claims, calc-silicate alteration is strongly associated with silicification, which may be a separate and distinct alteration event. West of Fingland Creek (Ridge Zone area), strong to extensive silicification is accompanied by, and intimately associated with, calc-silicate alteration. There are many examples of extensive silicification of lapilli and patches within tuffaceous intervals grading through calc-silicate halos into pervasive chlorite alteration.

In the LH Underground area, however, local zones of strong to extensive silicification (quartz veins to diffuse siliceous zones) may or may not be accompanied by highly subordinate calc-silicate alteration. Therefore, silicification may be independent of calc-silicate alteration.

Much of the pyrrhotite mineralization observed in the LH Claims area may be a product of calc-silicate alteration. At the macroscopic scale, strong to extensively silica altered patches associated with sieve textured pyrrhotite and having pale green calc-silicate halos were noted. Alteration of mafic units, zones and/or minerals may result in liberation of iron, which may combine with sulphur from magmatic fluids and/or hydrothermal alteration to subsequently precipitate as sulphides. In addition, iron in altered mafics may serve as nucleation sites for sulphides.

Intrusion of the Nelson Batholith in the Middle Jurassic is interpreted to have provided a huge volume of hot magmatic fluids exsolved from the crystallizing magma, as well as initiating a potentially long-lived hydrothermal system. The resulting hot fluids would be capable of leaching and mobilizing metals from adjacent meta-sediments and meta-volcanics and re-distributing them throughout the system.

Veining associated with this event is interpreted to be characterized by black chlorite veins and/or massive sulphide (pyrrhotitic) veins, ranging from veinlets (≤ 5 mm) to veins (<30 cm), having black chloritic margins (halos) against host strata. Highly subordinate pyrite is also interpreted to be associated with this event as pristine (stable) pyrite with pyrrhotite was noted in some veins. In addition, arsenopyrite is interpreted to accompany this mineralizing event, given the close association between pyrrhotite, arsenopyrite and gold.

Megacrystic to pegmatitic dykes, as well as most of the Felsic and/or Quartz-Feldspar to Feldspar-Quartz dykes are interpreted to correlate to the Nelson Plutonic Suite. Several instances were noted in which these dykes contain clots of pristine (stable) pyrrhotite and, therefore, the Nelson Batholith is interpreted to be a possible source of pyrrhotite. In addition, Andesitic Dykes described from 2014 are interpreted to be late stage intrusives associated with bimodal igneous activity associated with the Nelson Plutonic Suite.

Retrograde alteration is interpreted to be evidenced by black chloritic veins (associated with the mineralizing event) cross-cutting calc-silicate alteration (prograde alteration event). Subsequent examples of retrograde alteration are represented by ubiquitous calcite ± quartz veinlets, often sheeted, ranging from hairline to several cm, but averaging less than 0.5 mm thick.

Finally, Lamprophyre Dykes are very late stage intrusives unrelated to mineralization and/or alteration.

The thermal aureole surrounding the Nelson Batholith has been interpreted to vary from 700 m in the south to 1.8 km southeast of Nelson, BC (Pattison and Vogl 2005). At the north end of the Nelson Batholith, at Mt. Carlyle (approximately 5 – 10 km east of the LH Claims), the thermal aureole is approximately 800 m thick. On the basis of pressure and temperature determinations from geothermobarometers using both metasedimentary and intrusive lithologies, Pattison and Vogl (op. cit.) determined that the western half of the Nelson Batholith, immediately east of the Slocan Lake Fault, has been subjected to metamorphic temperatures between 527° and 599° C, at a pressure between approximately 2.3 and 4.7 kb, corresponding to a depth between approximately 7 and 14.1 km.

The width of the thermal aureole developed within the roof pendant is interpreted to be similar to the width determined in pelitic units having an appropriate bulk composition for development of characteristic metamorphic assemblages, or approximately 800 m thick. Therefore, it is likely that the entirety of the roof pendant lies within the thermal aureole, however, thermal gradients, with coincident variations in alteration assemblages, are expected toward the interior of the pendant with increasing distance from the granitic contact.

Based on the relative abundance and variety of dykes described west of Fingland Creek, the intrusive contact is interpreted to be highly irregular, with apophyses and related narrow felsic dykes extending outward from the Nelson Batholith into the host lithologies. Dyke abundance and thickness is expected to decrease away from the intrusion. The thermal gradient of the batholith and volume of hydrothermal fluids available is interpreted to control the intensity and grade of mineralization. The most intense sulphide and gold mineralization are expected to be located within a restricted thermal zone above the intrusive, the boundaries of which have yet to be determined.

25.1 Skarn-Style Alteration and/or Mineralization

Skarn-style mineralization is the result of metasomatism, or alteration due to the interaction between calcium-bearing lithologies and hot magmatic fluids exsolved by proximal intrusive lithologies. Due to sharp temperature gradients as magmatic fluids move away from the causative intrusion, skarn-style alteration and/or mineralization within host rocks typically occurs within 500 – 800 m of the intrusive contact. A reactive unit, such as the Rossland Group volcanics (i.e. the roof pendant) suspended within the Nelson Batholith is expected to react, and undergo, alteration as a result of the large volume of magmatic fluids, as well as the subsequent hydrothermal system, to which it is exposed. Therefore, host rocks within the thermal aureole of, and within 800 m of the the contact with, the Nelson Batholith are expected to show the effects of alteration, ranging from contact hornfels to calc-silicate, skarn-style alteration.

The presence of calc-silicate alteration documented over successive programs is, therefore, consistent with proximity to the intrusive contact. While not surprising, given the interpretation of a roof pendant, the extent of calc-silicate alteration may provide a qualitative estimate of distance to the intrusive contact.

Very limited calc-silicate alteration has been described from the LH Underground and, more generally, the area east of Fingland Creek. As the Rossland Group volcanics are, demonstrably, highly reactive, with locally extensive calc-silicate alteration described from both the Willa property and the west side of the LH Claims, the weak development of calc-silicate alteration east of Fingland Creek is interpreted to suggest a distance at the outer limits of such alteration (i.e. approximately 500 – 800 m). The presence of relatively limited dykes correlative with the Nelson Batholith is also interpreted to be consistent with a location more distal to the intrusive contact.

In contrast, the widespread, moderate to strong calc-silicate alteration described from the west side of Fingland Creek and, in particular, the Ridge Zone, is interpreted to indicate a location more proximal to the intrusive contact, potentially within 200-300 m. In addition, a variety of relatively abundant dykes is interpreted to be consistent with a more proximal location. Furthermore, the abundance of thin dykes (cm scale to several metres) will contribute heat to the surrounding host rocks and are expected to widen the intrusive contact (and the overall thickness of the thermal aureole) from an abrupt contact to a “contact zone”. The relative abundance of dykes and widespread calc-silicate alteration is interpreted to indicate the presence of a high level apophyse or cupola above the Nelson Batholith, underlying the Ridge Zone.

If correct, the strong to extensive alteration reported along the Ridge Zone may represent an increased volume of silica- (and metal-) rich fluids exsolved from the Nelson Batholith and focused along the Ridge Zone. As such, development of calc-silicate alteration may be indicative of higher heat required for such alteration to take place, while the silica may be evidence of high fluid flow. As such, the intimate association of silicification and calc-silicate alteration along the Ridge Zone may be the expression of two independent, yet complimentary, processes.

Intrusive rocks comprising the Nelson Plutonic Suite are, generally, interpreted to be I-Type granitoids emplaced at depths between 12 and 18 km (Webster and Pattison 2014). Furthermore, the moderate aeromagnetic signature characteristic of the Nelson Plutonic Suite, particularly in comparison to the more prominent signatures characteristic of the Cretaceous Bayonne Magmatic Suite, may be indicative of a more reduced suite of magmas. More specifically, it can be speculated that ilmenite is more widespread than magnetite in the Nelson Plutonic Suite. If correct, the Nelson Plutonic Suite and, more specifically, the Nelson Batholith, may have been intruded in a reduced, rather than oxidized, environment.

25.2 Reduced Cu-Au Porphyry

The widespread presence of pyrrhotite is interpreted to indicate a reduced, rather than oxidized, environment, during mineralization. As the mineralization event has been interpreted to have been contemporaneous with emplacement of the Nelson Batholith (Heather 1985), a reduced intrusive environment may be consistent with a Reduced Cu-Au Porphyry.

> "These "reduced" porphyry Cu-Au deposits (RPCG) lack primary hematite, magnetite, and sulfate minerals, but contain abundant hypogene pyrrhotite, commonly have carbonic ore fluids with substantial CH4, and are associated with ilmenite-bearing, reduced I-type granitoids. Based on a synthesis of theoretical, experimental, and field data, a variation on the classic porphyry Cu model is advanced to explain the formation of RPCG deposits and their relatively Cu-poor, but Au-rich nature. It is proposed that during fluid boiling or immiscible phase separation, Cu, and especially Au, are transported largely via the vapor phase to distal sites up to several kilometres away from the causative porphyry. This enhanced metal mobility in the vapor phase yields a low-grade Cu-Au core and the impression of a sub-economic or "failed" porphyry Cu system in many cases.
>
> … Unlike Cu, however, dissolved Au (>0.1 ppm) as $AuCl^{2-}$, is transported in similar quantities in magmatic brines regardless of the oxidation state of the system. For example, at 500°C, Au solubilities are only ~1.1 log units apart for a strongly oxidized fluid (at the SO2/H2S buffer) versus a strongly reduced fluid . … (Recent) experimental studies ... also support this conclusion, but they proposed Au transport as a hydrosulfide complex under these conditions.
>
> Taken together, these metal solubility studies indicate that significant quantities of Au can be transported by hot, saline, magmatic fluids under either reducing or oxidizing conditions, whereas Cu transport is much more favored in the oxidizing environment. Thus, RPCG ore systems have the potential to transport just as much Au as the classically oxidized porphyry systems, but significantly less Cu" (Rowins 2000; see summary table below).

According to this model, a causative porphyry underlying the area would be expected to be sub-economic. Depending on oxidizing vs. reducing conditions, Au mineralization may be associated with Cu (i.e. the Willa deposit) under more oxidizing conditions and be Cu-poor (i.e. the LH Claims) under reducing conditions.

25.3 Fingland Creek Fault

A generally north-south fault was mapped by Noranda (Keating et al. 1987) along Fingland Creek (Fig. 7). As mapped, the faults southern termination is located in the upper Fingland Creek basin, immediately north of apparently unfaulted "Lapilli Tuff, minor Tuff Breccia" unit. Where the fault is first mapped, it separates the "Feldspar Crystal Tuff, minor interbedded wacke" unit (on the west) from the Lapilli Tuff unit (on the east). The "Feldspar Crystal Tuff, minor interbedded wacke" is juxtaposed against the "Sandstone, interbedded greywacke" unit west of the LH Underground workings, with "Sandstone, interbedded greywacke" identified on both sides of the fault slightly farther north.

Table 1. Distinguishing features of RPCG deposits
• Pyrrhotite-rich hypogene ore assemblage (massive pyrrhotite veins very common)
• No primary magnetite, hematite, or sulphate minerals (e.g., anhydrite)
• Ore fluids commonly CO_2-bearing with a significant CH_4 component
• Mineralization associated with ilmenite-bearing, reduced I-type granitoids
• Relatively low grades of Cu and Au in potassic and/or phyllic alteration zones are common

Table 2. Selected characteristics of some RPCG deposits

Name, Location, Age[1]	**Associated intrusions**	**Mineralization style**	**Hypogene alteration**	**Ore fluid P-T-X**
17 Mile Hill, W. Australia Neproterozoic (~650 Ma)	Ilm-bearing, reduced I-type monzogranite	Vn stwks; Sxfrac fillings & diss; mass. Po vns	Potassic, phyllic, propylitic, argillic, sideritic	~2 kb; 142-611°C; H_2O-NaCl-CO_2-CH_4
San Anton, Mexico Mid-Tertiary (24-38 Ma)	Ilm-bearing, reduced I-type (?) qtz monzonite	Vn stwks; Sxfrac fillings & diss; mass Po vns	Potassic, phyllic, propylitic, argillic, sideritic	<1 kb; 265 to >560°C; H_2O-NaCl-CO_2-CH_4
Madeleine, Quebec, Canada Devonian (~370 Ma)	Ilm & Mag-bearing, peralum granitoids to peralk syenites	Plunging Qtz-Sx vn stwk orebodies	Potassic, calc-silicate (Act-Ep), Chl-Ms	1-2 kb; 400-600°C; H_2O-NaCl-CO_2-CH_4
Copper Canyon, Nevada, USA Eocene (39 Ma)	Reduced I-type (?) granodiorite porphyry	Vn stwks; Repl. Sx in tabular lenses; Au skarn	Potassic, phyllic, calc-silicate skarn	~0.5 kb; 250-375°C; H_2O-NaCl-CO_2-CH_4
Rossland, B.C., Canada Early Jurassic (~190 Ma)	Mag-bearing Hbl-Bt monzodiorite & augite porphyry	Parallel, tabular, cymoid vns of mass Po-Py-Qtz	Silicic (Qtz) & propylitic (Cal-Ank-Sd-Chl)	~2 kb?; ~400°C
Liberty Bell, Alaska, USA Late Cretaceous (~92 Ma)	Ilm-bearing, reduced I-type Qtz-Fsp granite porphyry	Repl. Sx in tabular lenses & stringers; mass Po vns	Potassic, phyllic (Qtz-Ser-Clay), chloritic (Chl-Ser-Cal)	350-450°C; H_2O-NaCl-CO_2-CH_4
Shotgun, Alaska, USA Late Cretaceous (70 Ma)	Reduced I-type (?) granite porphyry	Vn stwks; Sxfrac & diss; Sx Bx's	Albitic, phyllic (Ser-Qtz), carbonate	0.5 kb; 350-600°C; H_2O-NaCl-CO_2-CH_4
Boddington, W. Australia Late Archean (2650+/-50 Ma)	I-type? Diorite to Qtz diorite	Stwk Qtz-Sx vns; Qtz-native Au vns.	Potassic, phyllic, propylitic, calc-silicate	>1 kb; 200-440°C; H_2O-$CaCl_2$-NaCl-CH_4
Clark Lake, Quebec, Canada Late Archean (2715 Ma)	Reduced I-type (?) tonalite porphyry	Vn stwks; Sxfrac fillings & diss; mass Po vns	Phyllic & propylitic	~0.8 kb; 130-430°C; $CaCl_2$-NaCl-H_2O-CH_4
Lac Troilus, Quebec, Canada Late Archean (~2700 Ma)	Ilm-bearing, reduced I-type (?) Qtz-Fsp granite porphyry	Vn stwks; Sxfrac fillings & diss; semi-mass Sx vns	Potassic, phyllic, propylitic	<1 kb; 250-600°C? H_2O-$CaCl_2$-NaCl-CH_4?

[1] Tectonic setting of all deposits is 'convergent plate margin'; Key references for each deposit are given in Rowins (in press); Abbreviations are as follows: Ma=million years, Ilm=ilmenite, Qtz=quartz, Mag=magnetite, peralum=peraluminous, peralk=peralkaline, Hbl=hornblende, Bt=biotite, Fsp=feldspar, Vn=vein, stwks=stockworks, Sx=sulphide, frac=fractures, Bx=breccia, diss=disseminations, mass=massive, Po=pyrrhotite, Py=pyrite, Ksp=K-feldspar, Act=actinolite, Ep=epidote, Chl=chlorite, Ms=muscovite, Cal=calcite, Ank=ankerite, Sd=siderite, Ser=sericite.

"Feldspar Porphyritic Granodiorite" is mapped west of the fault on the west side of the fault to the limit of mapping (at the northern edge of the Crown Grants). As mapped, the fault is a scissor fault, hinged in the uppermost Fingland Creek basin, with fault offset increasing to the north. The "Feldspar Crystal Tuff, minor interbedded wacke" unit and the "Feldspar Porphyritic Granodiorite" were only identified on the west side of the fault, indicating some complexities not reflected in the mapping.

The "Feldspar Crystal Tuff, minor interbedded wacke" thins rapidly west and it is possible that the unit similarly thinned to the east and/or was controlled by irregular topography at the site of deposition. The lack of the "Feldspar Porphyritic Granodiorite" is a little more problematic as it is quite extensive on the west side, suggesting potential thickness, unless it is a sill, again truncated and offset by the fault.

As discussed above, under "**Skarn Alteration and Mineralization**", skarn alteration is generally restricted to between 500 and 800 m of the intrusive contact. Therefore, the offset across the Fingland Creek Fault map is estimated to be 400 m or less, sufficient to juxtapose different levels of the same skarn altered envelope across the fault.

Finally, the presence of “Feldspar Porphyritic Granodiorite” along the west side of the fault may be a possible local heat source driving skarn alteration, more intensely developed on the west side of the fault. This possibility is considered unlikely as the mapping (Keating et al. 1987) also identified “Altered rocks, original texture not preserved”, one of which occurs along a portion of the contact between the “Feldspar Porphyritic Granodiorite” and “Feldspar Crystal Tuff, minor interbedded wacke” units to the west.

There was, however, no such alteration noted along the contact between the “Feldspar Porphyritic Granodiorite” and the “Sandstone, interbedded greywacke”. Furthermore, exposures of “Altered rocks, original texture not preserved” were identified farther to the south and southwest, spatially associated with “Gabbro” and “Feldspar Hornblende Syenite”. The altered intervals do not appear to be localized along geological contacts, rather cross-cutting many of the contacts, and/or developed within the mapped exposures of the various units. The mapped outline of the “Feldspar Hornblende Syenite” is, however, interpreted to indicate a cross-cutting relationship and, therefore, post-dates development of “Altered rocks, original texture not preserved” exposures.

25.4 Molybdenum

The Nelson Batholith is a composite intrusive body, with multiple phases identified (Brown and Logan 1987). Heather (1985) interpreted the presence of molybdenite to be coeval with one (or more) of the feldspar porphyries identified on the adjacent Willa Property.

“A prominent 40 cm vein of pegmatitic granite containing coarse-grained moybdenite occurs within the footwall of the zone (in the LH Underground workings) ...” (Bresee 1982). In addition, the presence of molybdenum (≤170 ppm) in every hole drilled by the Company to date, together with the fact that molybdenum is not uniformly distributed throughout the holes, is interpreted to indicate the presence of a specific host lithology, which may be a feldspar-bearing intrusive phase equivalent to the feldspar-bearing porphyries documented to the west and/or stockwork to sheeted quartz veins associated with a proximal porphyry intrusive. On the LH claims, a single occurrence of Pyroxene-bearing Dyke (LH 14-29 - 81.96 – 83.30 m) was noted hosting 1-2% molybdenite.

Furthermore, molybdenum has been identified in many of the surface soil and rock samples for which multi-element ICP analyses are available. Although Mo values have been relatively low to date, the possibility of a Mo porphyry at depth remains a possibility. On the basis of observations of drill core, and by analogy with Heather (1985), the most likely phase associated with molybdenum mineralization is interpreted to be the Feldspar Porphyry (Quartz-Feldspar to Feldspar-Quartz Dyke).

25.5 Metal Zonation

Based on previous work completed over a larger area of the property, a metal zonation has been proposed.

> “When results for elements are integrated ..., a distinct pattern of metal zonation across the property emerges. From west to east, the zonation is:
>
> Mo → Mo-Cu-Au-(Ag) → Cu-Mo-(Au), Cu-Au-As → As-Au (Ag)
>
> Congo and Fingland creeks form crude boundaries in the zonation ... There is also a strong correlation between metal zonation and geology in the following manner:

Element	Geologic Association
Mo-Cu-Au-(Ag)	Hornblende feldspar porphyry, quartz porphyry
Cu-(Au)	Metavolcanics; biotite chlorite schists
As-Au	Tuffs, quartzites

Ag	Near Nelson granite / roof pendant contact

...

The alteration facies and geochemical signature of metal zonation across the roof pendant are thought to relate to the composite intrusion in the following manner (greatly simplified).

	West			**East**
Distance from Intrusion	Proximal			Distal
Metal Association	Mo-Cu-Au			As-Au
Sulphide Association	Molybdenite - chalcopyrite-pyrite-gold			Pyrrhotite - arsenopyrite-gold
Structural Association	Breccia bodies →	Quartz veins	→	Shear zones
Alteration Assemblage	Phyllic (Sericitization) Argillic (Kaolinization of phenocrysts; destruction of hornblende phenocrysts)”			Silicification

(Bresee 1982)

25.6 Congo Grid

“Previous work by Hudson Bay Oil and Gas Co. Ltd. in the early 1980's revealed several anomalous gold, copper and molybdenum soil and rock samples on the southwest corner of the property west of Congo Creek. In June 1987, a grid with an interval of 50 m between wing lines was established to cover these anomalies, and subsequently mapped in detail at a scale of 1:2,500.

Steep bluffs often hampered prospecting and locally made grid coverage inaccessible.

The mapping revealed an altered package of Rossland volcanic pyroclastics similar to the Ridge Grid, but bordered by diorite on the west end, which locally intrudes approximately east-west through the central portion of the grid where it is usually bleached and altered. Silicification and alteration occurs locally throughout the grid, but generally appears more pervasive at the south end” (Mitchell 1988).

To date, compilation of data for the Congo Grid has not been possible due to lack of a reference point with which to georeference maps. Despite this, some generalizations can be made as Congo Creek itself can be identified and the Congo Grid was located within the Congo Creek drainage.

Congo Creek represents an intermediate location in the proposed metal zonation within the roof pendant, extending from Au-Ag-Cu ± Mo at the Willa deposit (to the west-southwest) to Au-As ± Ag ± Mo in the LH Claims (to the east-northeast). Several high grade, gold-bearing samples have been described from the Congo Grid, including 20.74 g/t (LBR-127), 11.20 g/t (LBR-119), 7.30 g/t) and 1.37 g/t (LBR-173) (Bresee 1982).

25.7 Ice Tunnel

The Ice Tunnel is located west of Fingland Creek and south-southwest of the LH Underground workings. Based on the limited information available, the style of mineralization is interpreted to be similar to that of the LH Underground workings.

Location	Width (m)	Grade (g/t)	Comments
North wall, east cross-cut	1	3.15	Rusty; 5% dissem. Sulphides (mainly pyrrhotite)
North wall, east cross-cut	1	3.5	Silicified; 5% diss. Sulphides (mainly pyrrhotite)
NW wall of adit 1	1 incl. 0.2	1.20 10.22	Silicified; with arsenopyrite vein Arsenopyrite vein
Adit 2	1 incl 0.2 incl. 0.1	7.51 6.58 8.91	Quartz stringers; oxidized arsenopyrite Arsenopyrite pod Quartz Vein

The presence of anomalous molybdenum in the LH Underground workings, as a molybdenum zone defined by surface soil samples and in every drill hole completed by the company to date is interpreted to suggest metal zonation is not as simple as proposed by previous operators. The steep topography characterizing the property provides a relatively extensive vertical, in addition to areal, exposure, resulting in a 3 dimensional component (i.e. depth) to all sampling programs. Alteration, with accompanying mineralization, is expected to change with depth and, therefore, relative location with respect to the Nelson Batholith, acting as a major local control.

Furthermore, the presence of structures identified by mapping (surface and underground) and within drill holes would modify a simple zonation model. The Fingland Creek Fault (discussed above) juxtaposes lithologies and alteration (as well as styles of mineralization). Therefore, the marked difference in alteration across the Fingland Creek Fault is interpreted to indicate relatively significant local offset across the fault (Fig. 9). In addition, the fault would add local complexity to a simply metal zonation model.

25.8 2014 Ground Geophysical Program

The relatively small ground geophysical survey completed in 2014 was undertaken to evaluate the value of the various methods for delineating zones of potential mineralization. The Self Potential (SP) survey was very limited in scope, completed before the geophysical grid was cut and, therefore, restricted to the existing road and trail network. Nonetheless, the results are considered very encouraging and are interpreted to agree well with the results of the subsequent Induced Potential (IP) / magnetometer survey.

The IP survey documented a number of anomalies (Fig. 17), one of which (in the west-central portion of the grid) is spatially associated with a prominent magnetic anomaly along the Ridge Zone (Fig. 16). The spatial association of the IP and magnetic anomaly, as well as a corresponding SP anomaly, is interpreted to define a pyrrhotite-rich zone and/or horizon(s) within Rossland Group volcanics. An association with the SP anomaly is interpreted to indicate pyrrhotite is in point-to-point contact and, as a result, defines a conductive zone. The associated Chargeability anomaly is interpreted to define a metal-rich mass. Taken together, the results of the three methods appear to define a large zone, extending from the west side of the survey grid through the west-central portion of the grid to the Ice Tunnel.

Furthermore, the anomaly defined is interpreted to define the eastern portion of the anomaly. The survey grid did not extend far enough west to provide closure to the anomaly. In addition, the north-south length of the discontinuous magnetic anomaly (at least 500 m) and its configuration, together with the configuration of the coincident Chargeability anomalies, is interpreted to suggest the overall anomaly extends farther west.

The two Chargeability anomalies defined on the western portion of the grid, appear to be developed on the margin of the magnetic anomaly and may be responding to different features of the overall anomaly. There is also very good agreement between the geophysical anomalies and alteration mapping of the Ridge Zone completed by Noranda Exploration.

The results of the ground geophysical survey is interpreted to be consistent with previous alteration mapping of the Ridge Zone and provide support for the interpretation that alteration, and potentially associated mineralization, underlies the Ridge Zone and extends farther west.

The initial plots of the Chargeability and Resistivity results appear to define west-dipping anomalous zones (see Appendix C, pages 1 to 10), however, subsequent inversions of the data with respect to topography are interpreted to indicate a potential carapace, possibly a lithocap coincident with the present erosional surface of the Ridge Zone (see Appendix C, pages 14 to 22). In particular, the sections for Lines 100 and 200 (pages 14 and 15) appear to define near surface anomalies extending from the east side of the Ridge Zone to the end of the survey grid to the west. (Note: The IP method apparently requires up to 150 m to achieve maximum depth penetration (A. Walcott 2015, pers. Comm.) and so no section has been provided for Line 000).

Furthermore, the Chargeability sections for Lines 100 and 200 are interpreted to indicate that the drill holes completed to date on the Ridge Zone may have been drilled too far east and below the anomaly. Therefore, the Chargeability anomalies (and associated potential mineralization) identified may not have tested.

25.9 Diamond Drilling

Ridge Zone

Drilling in 2012 and 2014, west of Fingland Creek, documented Rossland Group volcanics with widespread moderate to extensive silicification and calc-silicate alteration. Several high grade gold-bearing intercepts were documented within a background of low grade gold values, however, the intercepts identified have not been correlated to define potential mineralized zones. These results are consistent with previous drilling by Noranda and are tentatively interpreted to indicate potential for identification of low grade, bulk tonnage mineralization.

As stated in the preceding section, results of the IP ground geophysical survey are interpreted to suggest all drilling in the Ridge Zone may have been collared too far east. As a result, the drill holes may have been collared at an elevation below the Chargeability anomaly defined and drilled below the potential zone of interest.

Alternatively, as discussed in the preceding section on "**Skarn-style Alteration and Mineralization**" and "**Reduced Cu-Au Porphyries**", the holes may have been drilled too high and potentially passed above more strongly altered, and potentially mineralized, host rocks above the contact with the Nelson Batholith.

The extent of calc-silicate alteration associated with Skarn-style alteration and mineralization is expected to increase with depth toward the intrusive contact with skarn developed in the host rocks (Exoskarn) and/or within the intrusive itself (Endoskarn). Limited pyroxene and no garnet has been identified in the skarn-style alteration identified to date and, therefore, the grade of skarn development is interpreted to be too low, at the current levels exposed and depth of drilling. One possibility is that the high grade gold-bearing intercepts documented to date are simply high level, localized expressions of a deeper gold skarn.

Pattison and Vogl (2005) interpreted the Nelson Batholith in the hangingwall of the Slocan Fault to be tilted at approximately 11°, or west side down. Therefore, a moderately long drill hole, to a maximum of 800 m is recommended to test the potential for increased skarn-hosted mineralization and/or Au skarn at depth. The best location would be on the existing road network, allowing possible road access (if the road can be sufficiently rehabilitated), on the west side of Fingland Creek at relatively low elevation where previous drilling has documented widespread calc-silicate alteration (i.e. near the collar of LH 88-13 at 475520 E, 5526770 N, 1620 m elevation).

Summary

The results of the 2014 and 2015 programs are interpreted to confirm previous interpretation of a strong qualitative correlation between gold grade and pyrrhotite mineralization. On the basis of this hypothesis, several strongly magnetic anomalies identified by the ground magnetic survey are tentatively proposed to reflect host rocks having elevated levels of pyrrhotite. This relationship is supported by coincident surface geochemistry (soils and rocks) and geophysics (SP, Magnetics and IP (particularly Apparent Chargeability)).

In addition to being strongly magnetic, pyrrhotite is also highly conductive. As a result, the close spatial association between magnetic anomalies and SP anomalies (Fig. 16) is interpreted to confirm potential for elevated pyrrhotite content and potential for elevated to anomalous gold content and, therefore, represent high priority targets for sub-surface drilling.

If this interpretation is correct, the highest priority target identified to date is the southern portion of the Ridge Zone, where alteration mapping and ground geophysics, particularly magnetic and Apparent Chargeability, have delineated the strongest anomalies. The potential for gold is supported by the previous drill results of Noranda (1986 – 1988) and the Company's 2012 drillhole (LH 12-25). The highest gold value was 1.00 m grading 34.29 g/t in LH88-22, with multiple anomalous gold-bearing intercepts documented in holes LH88-22 to LH12-25.

LH Underground Workings

“Above the L.H. workings there is a considerable outcropping of breccia composed of angular fragments of granite included in basic igneous rock, such as forms the country rock of the L.H. ore deposits. Granite, aplitic, and micropegmatite dykes cutting through this basic member represent the acidic differentiation phase segregated and intruded into the roof rocks from the upper surface of the magma reservoir (Bancroft 1917).

Furthermore,

> “In reviewing the available geochemical data, a continuous contour of elevated gold assays extends both north and south of the underground for a total distance of 1500 m. This broad geochemical envelope is oriented about 005 degrees azimuth to the north and 030 degrees to the south. ...
>
> The pattern of mineralization which occurs in the underground may extend over the much larger area defined by anomalous geochemical contours. The 1500 m long envelope may represent the tendency for north/south structures to contain higher than background gold assays in weak alteration. Structures hosting mineralization may define high grade outlines

oriented east/west in the geochemical survey. If so, it appears that conditions in the underground are repeated en-echelon style along a band at least 1500 metres long. Fitting the envelope on a provisional geology map of the property shows a roughly parallel intrusive contact located 100 to 300 metres east. Mineralized zones influenced by a neighbouring intrusive contact is a common feature of gold deposits.

... The pattern of underground mineralization is expressed in the large geochemical anomaly extending over 1500 metres and indicates a potential for similar zones occurring en-echelon through the anomaly " (Williams 1985).

An historical grade and tonnage estimate was determined on behalf of Noranda (Williams 1985), as follows:

	Tonnage (tonnes)	Grade (gram / tone)
Proven	9,325	10.63
Probable	21,405	8.06
Possible	31,035	3.72
Total Reserve	61,765	6.27

(Note: This is an historical resource estimate (Williams 1985) prepared prior to implementation of NI43-101 or CIMM reporting standards. The estimate has been provided to indicate the mineral potential interpreted by a previous operator as a guide to their exploration program. The work underlying the estimate is unavailable to the author, who has not been able to verify the work and, as such, this resource cannot be relied upon. A Qualified Person has not done sufficient work to classify the historical estimate as a current mineral resource of mineral reserve. The Issuer is not treating the historical estimate as a current mineral resource or mineral reserve; it is provided solely for historical interest. The Phase I drill program proposed herein is expected to provide sufficient information for preparation of an initial NI 43-101 compliant resource estimate).

The above historical grade and tonnage estimate is interpreted to indicate the mineralization potential previously identified from within the LH Underground workings on the basis of underground chip samples and compilation of historical underground drill results (refer to Section 9.2 Mineralization – LH Underground workings and Fig. 10). Multiple drill holes (LH 06-06 and LH 15-30 to 41), as well as the underground chip sampling results are interpreted to indicate the presence of multiple high-grade, gold-bearing mineralized zones in Levels 1 and 2 and farther north.

Although a review of data in early 2015 was interpreted to indicate the mineralized zones would be steeply north dipping to vertical, interpretation subsequent drill results indicates a moderately steep (45°-55°) dip to the north at the west end of the mineralized zone(s) in Levels 1 and 2. Based on available mapping of mineralization exposed in the underground workings, the dip of the zone(s) varies markedly along strike as a result of generally north-trending faults which offset mineralization. Therefore, the dip of the mineralized zone(s) is expected to vary from moderately steeply north dipping to vertical to locally very steeply south dipping.

Mineralization is associated with moderate to extensive silicification, ranging from pervasive silica alteration of host rocks to quartz veins. Calc-silicate alteration identified in drill core was only weakly developed, in contrast to the west side of Fingland Creek Fault. Pyrrhotite is, again, the dominant sulphide present, although predominantly as thin veins to bands (thicker veins?) of massive sulphides. Arsenopyrite was more prevalent in the LH Underground than west of the the Fingland Creek Fault, although highly subordinate to pyrrhotite.

Host rocks of the Rossland Group volcanics were predominantly variations of Lapilli Tuff, with highly subordinate tuffaceous intervals. Cross-cutting dykes comprised a smaller proportion of the core relative to the 2014 drill program west of the Fingland Creek Fault. The lithologies documented in the drill core are pervasively chlorite altered, interpreted to have resulted from regional Barrovian style metamorphism, however, it may also be due to contact metamorphism in the thermal aureole of the Nelson Batholith.

Conclusions

The results of the Company's programs to date are considered very significant with respect to future and further evaluation of high grade gold mineralization previously identified in two locations on the LH Property, more specifically, the Ridge Zone and the LH Underground workings. Exploration programs have documented attractive gold values (to 187 g/t; refer to Table 3), interpreted to reflect two styles of mineralization on the LH Claims, 1) gold-bearing, skarn style mineralization (i.e. Ridge Zone), and 2) mesothermal, gold-bearing quartz vein mineralization (i.e. LH Underground workings). Results confirm previous interpretation of a strong association between gold and pyrrhotite mineralization. Furthermore, the Company's drill programs are interpreted to confirm a strong correlation between pyrrhotite content and gold grade.

Ridge Zone

Interpretation of a review of historical data and results arising from the 2012 and 2014 drill programs indicate a strong, albeit low-grade gold-bearing system associated with widespread silicification and calc-silicate alteration. Narrow intercepts of relatively high-grade gold (greater than 1 gm/tonne) may be indicative of potential to delineate veins, horizons and/or zones of such high grade intercepts. Alternatively, identification of low grade, high tonnage, bulk tonnage mineralization is another potential outcome of continued exploration.

The variable development of calc-silicate alteration on the east and west side of the Fingland Creek Fault is the result of offset across the fault, with the west side (comprising a deeper level in the calc-silicate alteration halo surrounding the Nelson Batholith) upthrown relative to the east side. Although the exposure levels on either side of the fault may only represent an offset of approximately 500 m (or less), the intensity of calc-silicate development is markedly different.

The extensive development of both silicification and calc-silicate alteration west of the Fingland Creek Fault is interpreted to indicate the presence of a high level intrusion underlying the Ridge Zone. A drill hole collared at a relatively low elevation on the west side of Fingland Creek offers an opportunity to assess the potential for a skarn type (i.e. Au Skarn) deposit with a moderately long hole (≤800 m). Furthermore, the results of the 2014 ground geophysical program are interpreted to indicate a strong, coincident set of both magnetic and Chargeability anomalies, spatially associated with strong to extensive silicification and calc-silicate alteration identified from surface mapping and in drill holes, and, potentially, high grade, gold-bearing pyrrhotite ± arsenopyrite mineralization.

Further work is strongly recommended on the west side of the Fingland Creek Fault, extending from the Ridge Zone west into Congo Creek.

LH Underground Workings

The pad location selected for the 2015 program was constrained by topography and the orientation of the mineralization documented in the underground mapping. However, despite uncertainty in the location of the underground workings with respect to surface and the associated uncertainty associated with the pad location itself, particularly with respect to elevation, at the start of the program, the 2015 program resulted in identification of numerous high grade, gold-bearing . The orientation of the mineralized zones is interpreted to be moderately steeply dipping (i.e. 45°-60°) to the north at target depth.

Furthermore, despite the fact that many of the 2015 holes intersected the underground workings, the program produced strong evidence in support an interpretation of multiple mineralized zones associated with strong silicification ± calc-silicate alteration and elevated sulphide content, comprised predominantly of pyrrhotite with subordinate arsenopyrite. A series of multiple mineralized zones with associated strong to extensive alteration is interpreted to be generally east-west trending, dipping moderately steeply to the north. These mineralized zones interpreted to extend a minimum of 100 m east-west and remain open along strike and to depth.

A follow-up drill program is recommended from pads located north of the surface projection of the LH Underground workings. Two revised pad locations have been approved in anticipation for a 2016 drill program. A series of fans, on multiple azimuths, are proposed from each pad to: 1) test for multiple high grade, gold-bearing mineralized zones, and 2) provide sufficient gold-bearing intercepts from which to calculate an initial NI 43-101 compliant Resource Estimate.

Further work is strongly recommended to further advance the LH Underground workings.

The LH Property is worthy of continued exploration to further evaluate the mineral potential of the Ridge Zone and LH Underground Working (in the short term) and skarn-, (Mo) porphyry- and silver-rich, base metal vein-style mineralization. The potential of the LH Underground Workings and the Ridge Zone is reasonably well documented on the basis of results to date, while skarn-, (Mo) porphyry- and silver-rich, base metal vein-style mineralization is, at this time, speculative.

The results to date are very encouraging from the LH Underground Workings, strongly supporting the rationale for the proposed Phase I drill program. Possible controls on mineralization on the Ridge Zone remain speculative at this time, however, recovery of elevated gold grades associated with skarn-style alteration and a near surface geophysical anomaly, are interpreted to justify the proposed Phase II program.

To summarize, the proposed 2016 program is intended to further evaluate the potential for multiple, high grade, gold-bearing silicified ± calc-silicate, pyrrhotite ± arsenopyrite mineralized zones in two separate and distinct locations on the Property. Anticipated results from the program are expected to: 1) be sufficient for developing an initial resource estimate for the LH Underground Workings, and 2) further evaluate alteration (as mapped at surface), together with the results of the geophysical survey, to identify potential controls on mineralization on the Ridge Zone. The overall objective of the proposed 2016 exploration program is to provide results and impetus sufficient to undertake :

a) possible delineation drilling to further develop the LH Underground Workings,

b) additional drilling to further develop, and identify controls on, mineralization along the Ridge Zone,

as well as extend exploration and evaluation of

c) potential high grade, gold-bearing mineralization reported from the Congo Creek area,

d) high grade, gold-bearing mineralization identified at the Ice Tunnel,

e) a possible metal zonation extending from the Willa Deposit, through Congo Creek and the Ridge Zone, to the LH Underground Workings,

f) potential high grade skarn-style and/or (Mo) porphyry-style mineralization at depth, and

g) potential for high grade, silver + base metal veins so prevalent within the Slocan Camp and reported immediately north (i.e. Hewitt Mine) and south (i.e. Enterprise Creek) of the Property.

The Company currently has a valid Multi-Year, Area Based (MYAB) Mines Permit sufficient to complete the proposed two phase, 2016 exploration program. Ideally, the bridges on the Branch 200 spur road can be utilized to support the drill program, however, if not, the program can proceed using helicopter support (similar to the 2012, 2014 and 2015 programs). The author does not foresee any factors that might affect the reliability or confidence in the exploration information obtained to date, nor arising from the proposed 2016 exploration program.

26.0 RECOMMENDATIONS

1. Review of 2015 analytical results for CDN Laboratories Ltd. standard CDN-GS-5L disclosed that all analyses returned gold values significantly below the quoted average results for the standard (see Section **12.2.2.2 2015 Results**). Although analogous results in 2014, using the same standard and the same method, returned results for the standard within the limits of uncertainty, the results of 2015 are interpreted to suggest Aqua Regia digestion utilized for initial ICP analysis results in only partial digestion.

   The discrepancy in the results between 2014 and 2015 is believed to be the result of partial digestion; some samples may have had gold bound in host silicate mineral phases which was not, therefore, detected in the initial ICP analysis, leaving gold under represented in the analytical results. As only samples having gold values greater than 0.5 ppm in initial ICP results were subsequently analyzed by Fire Assay, there may be a population of gold-bearing samples that were not detected in the 2014 analytical programs.

   On the basis of re-analysis of gold standard GS-5L and 2015 samples returning initial ICP values for Au between 0.5 and 0.1 ppm, an acceptable compromise might be to re-analyze all 2014 samples having between 0.5 and 0.1 ppm using the Fire Assay method.

2. Additional sampling from the 2015 drill holes is recommended. Initial sampling was from intervals having visually estimated sulphide content greater than 2%. Further sampling is recommended from intervals visually estimated to have between 0.5% and 2% to further identify, document and delineate gold-bearing intervals, as well as potential peripheral alteration halos

3. Continue compilation of available data for the LH Property from previous programs, as follows:

   a. attempt to locate reports and/or analytical results (i.e. analytical certificates) for holes LH88-13 to LH88-24 completed by, or on behalf of, Andaurex Resources,

   b. compile geochemical results from Bresee (1982) and Ferreira and Ferreira (1985), and\

   c. available results for the Congo Creek area, including surface geochemical and mapping results extending to the Willa deposit.

4. Code all lithologies identified from drilling to facilitate digital correlations between holes.

5. Undertake additional processing / interpretation of the results of both the Self-Potential and/or IP / Magnetometer survey from 2014.

6. Acquire air photos and/or an orthophoto from the provincial government covering at least the Fingland Creek drainage and, ideally, the entirety of the property.

7. Undertake further rehabilitation of the LH Mine Access Road, extending southeast from Branch 200 of the Hewitt Mine Road to facilitate access by 4WD trucks and heavy equipment. This will necessitate coordinating, to some extent, with the Slocan Integrated Forest Company (SIF Co) with regard to rehabilitation and/or replacement of the bridges along the Branch 200 Road.

8. Should negotiation of a favourable cost-sharing agreement for rehabilitation / replacement of the bridges prove too difficult (Recommendation #7), use of temporary bridges should be explored to provide the necessary road access for heavy equipment to support a ground-based drill program.

9. Attempt to locate and recover any remaining core from the historical programs. Some core was reportedly stored at the Lower Galena Farm (across from the Hewitt Mine Road on Red Mountain

Road). Additional core may be stored within / adjacent to one or more of the cabins along the old LH Mine road.

Any core recovered should be described, so as to confirm the descriptions and ensure consistency with the Company nomenclature.

Additional sampling of select intervals of the core recovered may be required.

10. Consider acquisition of additional Self-Potential and/or IP / Magnetometer (subsequent to further processing; Recommendation #4) data for:
    a. the area west of the Ridge Zone (to Congo Creek); requiring additional line-cutting to extend the grid,
    b. in the area north of the existing grid so as to cover the LH Underground workings; requiring additional line-cutting to extend the grid, and
    c. acquire additional SP data along the existing survey grid cut in 2014 to supplement IP / magnetometer data.
11. Based on further compilation of data, specifically, from Congo Creek, mapping and field verification of previous sample locations having elevated gold content is recommended.

    In particular, additional work should be undertaken in the immediate vicinity of the Ice Tunnels, given the high grade gold values previously reported.
12. Areas previously mapped as "Altered rocks, original texture not preserved" should be re-visited and mapped in detail. Being characterized by extensive alteration where the original texture is not preserved suggests an area having high mineralization potential. An area where alteration is broadly correlated mineralization, particularly where high grade, gold-bearing mineralization has been identified, represents a high priority target for further evaluation.
13. The Fingland Creek basin should be flown to acquire high resolution air photo imagery so as to produce a corresponding high resolution orthophoto. Depending on the cost for the proposed program, consideration should be given to surveying the entirety of the property. Combination of the air photo and a LIDAR survey would result in a high resolution Digital Elevation Model (DEM) to use for subsequent interpretation of ground and airborne geophysical data, sub-surface drill hole location and topographic control for future exploration on the property.
14. Consider an airborne geophysical survey, comprised of electromagnetic (conductivity/resistivity) and magnetics, with an accompanying LIDAR survey, covering at least the portion of the claims underlain by the roof pendant and, ideally, the entirety of the property . In general terms, the target consists of variably magnetic Rossland Group pyroclastic volcanics suspended within non- to weakly magnetic Nelson batholith lithologies. In addition, pyrrhotite, as veins and as the interpreted product of calc-silicate alteration, is strongly magnetic and is expected to produce local magnetic anomalies. Due to the anticipated magnetic contrast, unrecognized Rossland Group material suspended within the Nelson Batholith and/or areas of elevated pyrrhotite content should be readily apparent.

Alteration associated with mineralization is characterized by silicification ± calc-silicate alteration and may show up as resistivity anomalies. The presence of pyrrhotite-rich mineralization, associated with arsenopyrite and/or gold mineralization, should be both magnetic and highly conductive. However, the presence of weakly to non-magnetic pyrrhotite was described from the 2015 core.

Finally, silver-rich, lead-zinc veins typical of the Slocan Camp should be very conductive and may return additional targets for subsequent evaluation, particularly in the southern portion of the property.

15. The road network is the single constant between all mapping initiatives on the property. Once the surface location of the existing road network has been confidently determined (i.e. air photo with LIDAR survey), then all subsequent data relying on the road network for reference (i.e. all Noranda data, including drill collar locations, survey data, geochemical results, etc.) should be georeferenced and re-plotted using that data.

LH Underground workings

16. The proposed Phase II drill program should be completed in the spring of 2016. Moving two of the approved, permitted pads north of the surface trace of the LH Underground workings (approximate UTM coordinates – Pad 1) 475740 E, 5526875 N; Pad 2) 475770 E, 5526880 N) has been discussed with, and approved by, with Gerald Crawford, BC Mines Inspector (refer to map on following page). Pads need to be constructed at these locations to facilitate the proposed 2016 drill program.

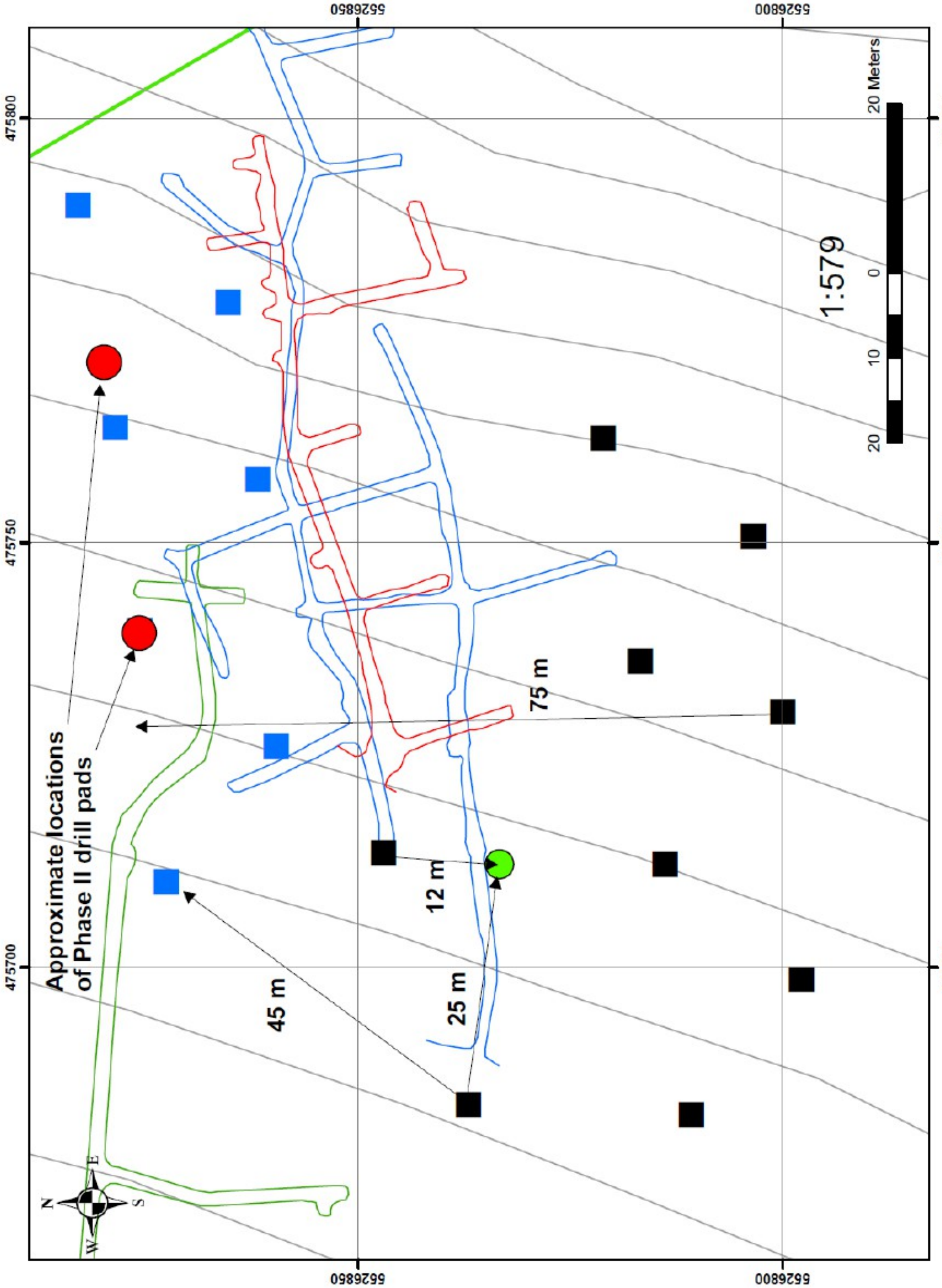
    A series of fanned holes should be drilled along multiple azimuths from each pad. Located approximately 25 – 30 m north of the surface projection of the underground workings, a series of relatively shallow holes would permit:

    a. testing for an interpreted series of high grade, gold-bearing zones,
    b. testing a portion of the strike length for the mineralized zone(s) interpreted by Noranda (Williams 1985), and
    c. provide sufficient high grade, gold-bearing intercepts sufficiently spaced in three dimensions to calculate an initial NI 43-101 compliant Resource Estimate.

17. Upon successful results from Recommendation #17, construct an exploration trail to the portals of the Level 1 and Level 2 workings to facilitate re-opening and rehabilitating the underground workings. Establishing access to the underground workings would allow a series of relatively short drill holes to be contemplated from the established underground workings to further develop the mineralized zone(s) and expand the expected resource estimate on a more cost effective basis (i.e. eliminate expensive helicopter support).

    Subject to modification based on the results arising from Recommendation #16, underground holes should be drilled upwards and to the north so as to intersect and test multiple mineralized zones interpreted to extend down-dip to the north, north of the Level 3 workings. Relatively short holes are anticipated from Level 2 (and, particularly, Level 1, if necessary). Drill holes from Level 3 are expected to be longer holes as none of the holes previously drilled from that level intersected mineralization.

Any upwardly inclined holes intersecting high grade, gold-bearing intercepts defining a possible mineralized zone should be followed up by a longer horizontal hole to increase the down-dip extent of the mineralized zone(s).

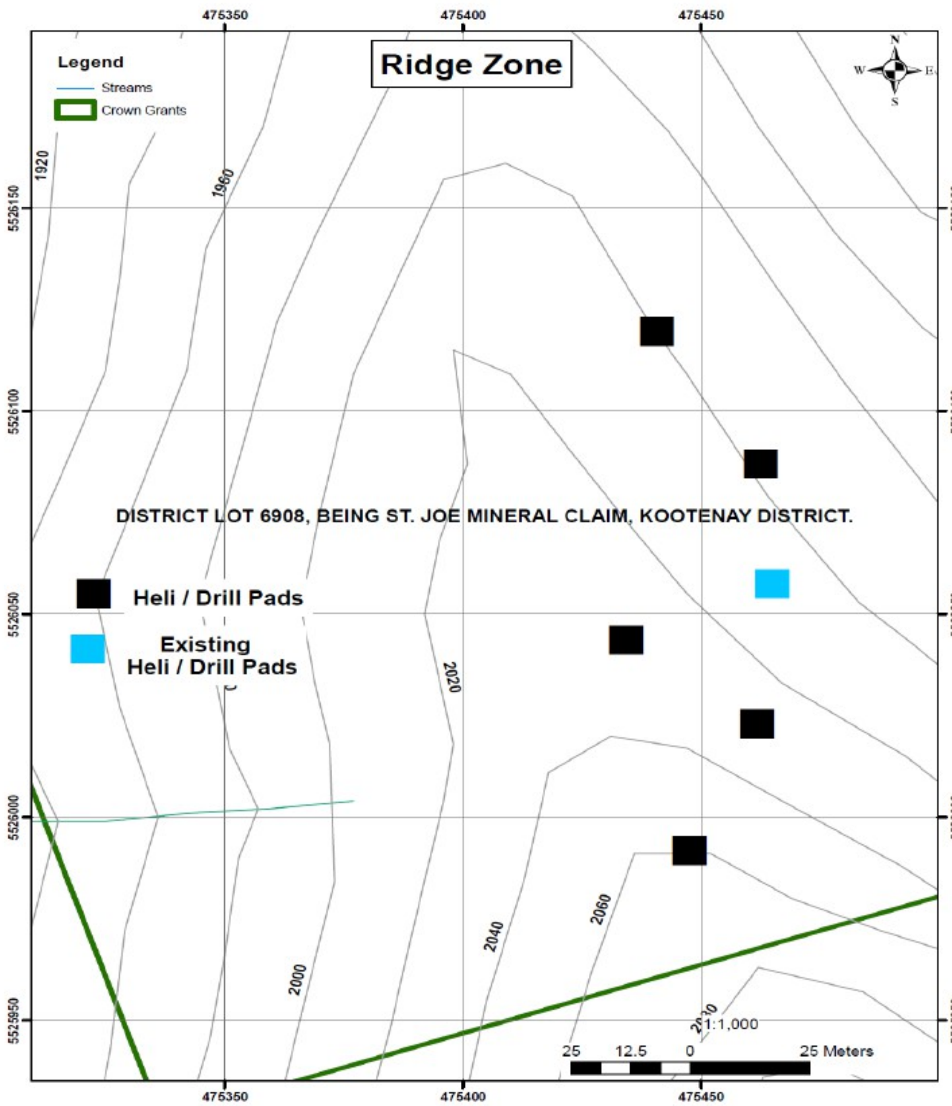


Ridge Zone

18. A single drill hole is proposed to evaluate potential for increased skarn-hosted mineralization and/or Au skarn at depth. The best location would be on the existing road network on the west side of Fingland Creek at relatively low elevation where previous drilling has documented widespread calc-silicate alteration (i.e. near the collar of LH 88-13 at 475520 E, 5526770 N, 1620 m elevation). An amendment to the existing permit would be required to drill this proposed hole.

19. The existing, approved Mines Act Permit allows for construction of an additional 5 drill / Helicopter pads along the east side of the Ridge Zone (see map below). The proposed pads are located at higher elevation and farther west to facilitate evaluating the shallow Chargeability anomaly evident on the inverted IP data (i.e. Lines 100 and 200).

    Initially, the southernmost hole should be drilled at an inclination of 45° so as to keep the hole as shallow as possible. (An) additional hole(s) from the pad may be advisable, dependent upon the results of the first hole. Further holes, from the remaining pads proposed, are discretionary, dependent upon the results of the first hole.



Given the current economic, investment environment, a 2016 program needs to minimize expenditures while maximizing positive results. Therefore, of the Recommendations detailed in the preceding section, diamond drilling of the LH Underground and Ridge Zone are considered the most effective use of funds. The objective would be to obtain additional mineralized, high grade gold intercepts from the LH Underground and, potentially, from the Ridge Zone for an initial resource estimate. Furthermore, recovery of high grade gold-bearing mineralized intercepts from the Ridge Zone, drilled to further evaluate geophysical results is expected to provide impetous for acquisition of additional geophysical data with which to guide subsequent programs.

Two separate and distinct project areas are proposed for subsequent exploration and evaluation:

1. the Ridge Zone – the north-south trending ridge comprising the west margin of the Fingland Creek basin, and
2. 2) the LH Underground workings and immediately surrounding area.

Therefore, a two phase exploration program is recommended for the LH Claims on the LH property, with a thrid phase dependent upon the results of Phases I and II.

Phase I is proposed to consist of continued compilation and preparatory work, followed by a drill program to evaluate and, potentially further develop, the LH Underground and immediate area. Ideally, the proposed program would result on sufficient high grade, gold-bearing intercepts with which to calculate an initial NI 43-101 compliant Resource Estimate. At that time, the LH Underground would have sufficient information with which to decide if further work, including possible delineation drilling, is justified.

The proposed Phase I program includes additional sampling of 2015 drill core, pad construction and an estimated 630 m of drilling at an estimated cost of $159,250.

Phase II is independent of Phase I, proposed to further advance the west side of the Fingland Creek Fault, in an area characterized by strong to extensive silicification and calc-silicate alteration. This area includes the Ridge Zone and extends west into Congo Creek.

The proposed program consists of drilling, already permitted, along the east side of the Ridge Zone, at slightly higher elevations and farther west of the previous holes. The purpose is to test the relatively shallow Chargeability anomaly evident on the inverted Induced Potential data from the 2014 ground geophysical program.

The results of the proposed Phase II program is expected to provide sufficient results to allow the Company to decide whether further exploration on the west side of the Fingland Creek Fault is justified and, if so, to greater depth and/or farther west.

The proposed Phase II program includes pad construction and an estimated 1,000 m of drilling, from two separate areas, at an estimated cost of $218,900.

The proposed Phase III program is contingent upon the success of Phases I and/or II. Phase III addresses initiatives to extend / expand the areas of known mineralization elsewhere throughout the Propety. It includes large scale (i.e. airborne geophysics and/or LIDAR) and small (additional work on the ICE Tunnels). The total estimated cost for Phase III is $968,000.

The total estimated cost of the three Phases is 1,346,159, with a contingency of $153,850, for an overall program total of $1,346,150.

Phase I – LH Underground

Further evaluation of mineral potential within, and immediately surrounding, LH Underground workings

Pre-Field

Additional sampling of 2015 drill core having <2% mineralization (visible estimate) Recommendation #2)	$ 15,000
Sub-Total (A)	**$ 15,000**

Field

Pad construction, 2 pads on steep ground	$ 25,000
Diamond drilling, 3 vertical fans (9 holes) from each pad – each 70 m length (10 days)	
- 630 m NQ drilling at $100/m	$ 63,000
Helicopter - 10 days at $2,000 / day	$ 20,000
Fuel	$ 5,000
Geologist – 15 days at $800 / day	$ 12,000
Assistant – 100 days at $250 / day	$ 2,500
Core Splitter – 1 month at $300 / month	$ 300
Truck (4WD) – 15 days at $100 / day	$ 1,500
Fuel	$ 500
Accommodations	
Drillers (Day Shift, Night Shift, Foreman)	$ 2,250
Geologist	$ 1,175
Assistant	$ 750
Meals	
Drillers (Day Shift, Night Shift, Foreman)	$ 1,950
Geologist	$ 975
Assistant	$ 650
Analytical	
Assume 700 samples at $30 / sample	$ 21,000
Shipping	$ 700
Sub-Total (B)	**$ 159,250**

Ridge Zone

Helicopter-supported drilling to further evaluate the Ridge Zone alteration / mineralization

Pad construction, 5 pads	$	12,500
Diamond drilling, 2 holes (10 total) from each pad – each 100 m length (16 days)		
- 1,000 m NQ drilling at $100/m	$	100,000
Helicopter - 16 days at $2,000 / day	$	32,000
Fuel	$	6,000
Geologist – 25 days at $800 / day	$	20,000
Assistant – 20 days at $250 / day	$	5,000
Core Splitter – 1 month at $300 / month	$	300
Truck (4WD) – 25 days at $100 / day	$	2,500
Fuel	$	800
Accommodations		
Drillers (Day Shift, Night Shift, Foreman)	$	3,600
Geologist	$	1,875
Assistant	$	1,500
Meals		
Drillers (Day Shift, Night Shift, Foreman)	$	5,200
Geologist	$	1,625
Assistant	$	1,300
Analytical		
Assume 800 samples at $30 / sample	$	24,000
Shipping	$	700
Sub-Total (C)	**$**	**218,900**

Phase II – Additional initiatives on the Property

Coding of lithological information for use in digital form	$ 5,000
Additional processing of 2014 SP / IP / Magnetic data	$ 5,000
Acquisition / Interpretation of air photos over Property	$ 3,000
Acquisition of airphotos for production of orthophoto - for Fingland Basin	$ 10,000
- for Property	$ 30,000
Rehabilitation of Branch 200 roads / replacement of bridges (cost sharing with SIFCo)	$ 70,000
Identification / Recovery of diamond drill core from previous programs	$ 10,000
Extending existing geophysical grid / acquisition of additional IP / Magnetic / SP data from Ridge Zone and north to LH Underground	$ 40,000
Geological Mapping – Congo Creek area	$ 20,000
- Ice Tunnels area	$ 5,000
– Areas of "Altered rocks, original texture not preserved"	$ 10,000
Airborne Geophysical survey + LIDAR – Fingland Basin	$ 35,000
– Property (includes Fingland Basin)	$ 75,000
Re-determination of sample locations, grid, historical drill holes subsequent to LIDAR	$ 10,000
Permitting / Construction of exploration trail from existing road network to LH Underground Workings	$ 120,000
Rehabilitation of underground workings to facilitate underground drill program	$ 200,000
Underground drill program from LH Underground Workings - Levels 1 and 2 1,000 m at $200 /m (inclusive)	$ 200,000
Deep hole west of Fingland Creek, north of Ice Tunnels 800 m at $150 m (inclusive)	$ 120,000
Sub-Total (D)	**$ 968,000**
Sub-Total (A to D)	**$1,346,150**
Contingency	**$ 153,850**
Total	**$1,500,000**

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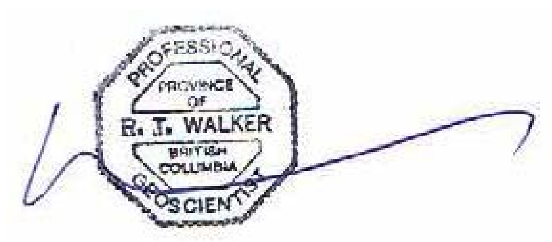
To: TSX Venture Exchange, the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission

I, Rick Walker, do hereby consent to the public filing of the technical report entitled "**NI 43-101 TECHNICAL REPORT - LH PROPERTY**" and dated February 18, 2016 (the "Technical Report") by Magnum Goldcorp Inc. (the "Issuer"), with the TSX Venture Exchange under its applicable policies and forms in conjunction with the proposed acquisition referred to in the Issuer's news release dated December 21, 2015 to be entered into by the Issuer and I acknowledge that the Technical Report will become part of the Issuer's public record.

Dated at Cranbrook, British Columbia this 9th day of March, 2016.



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Richard T. Walker, P.Geo.

Appendix A

Statement of Qualifications

STATEMENT OF QUALIFICATIONS

I, Richard T. Walker, of 1616 – 7th Avenue South, Cranbrook, BC, as author of this report entitled "43-101 Technical Report on the LH Gold Property, Southeastern British Columbia" (the "Technical Report") prepared for Magnum Capital Corp on March 9, 2016 do hereby certify that:

1) I am the sole proprietor of Dynamic Exploration Ltd., a geological consulting firm located at 1616 – 7th Ave South, Cranbrook, British Columbia, V1C 5V4.

2) I am a graduate of the University of Calgary of Calgary, Alberta, having obtained a Bachelors of Science in 1986.

3) I obtained a Masters of Geology at the University of Calgary of Calgary, Alberta in 1989.

4) I am a member in good standing with the Association of Professional Engineers and Geoscientists of the Province of British Columbia.

5) I have practiced my profession as a geologist continuously for 29 years. As a professional geologist in the mining industry, I have extensive geological, geochemical, and exploration experience, management skills, and a solid background in research techniques, and training of technical personnel. I have been involved in exploration projects world-wide, throughout Canada, United States (Alaska, Idaho, Michigan and Montana), Brazil, Chile and Peru. These projects have included Due Diligence property evaluations; data compilation; GIS interpretation; stream, soil, rock and chip sampling; geological, alteration and structural mapping, camp and program management of integrated geochemical, geophysical and/or diamond drilling programs. I have extensive experience in exploration for gold and base metals deposits.

6) I have read the definition of "Qualified Person" as set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements of a "Qualified Person" for the purposes of NI 43-101.

7) I directly supervised the drill programs in 2014 and 2015 (on-site 12 days; between June 29 and July 10, 2015),

8) I am responsible for the preparation of the Technical Report and take responsibility for all items included in the technical report.

9) I have received less than 50% of my fees over the previous three years from Magnum Goldcorp Inc. I am completely independent of Magnum Capital Corp applying the test set out in Section 1.5 of NI 43-101. I am also completely independent of International Bethlehem Mining Corp., the vendor of the property.

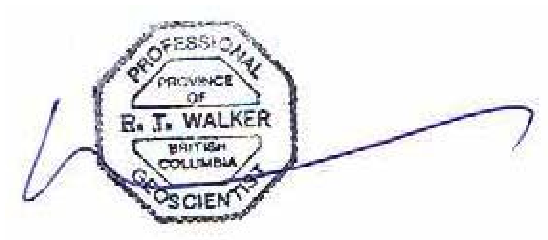
10) I have been granted a Stock Option by Magnum Goldcorp Inc.

11) I have had no prior involvement with the property that is subject of this Technical Report.

12) I have read the requirements for a Technical Report for compliance with NI 43 – 101, and the Technical Report has been prepared in compliance with NI 43 – 101 and Form 43 – 101F1.

13) To the best of my knowledge, information, and belief, the technical report entitled "NI 43-101 TECHNICAL REPORT - LH PROPERTY" contains all scientific and technical information that is required to be disclosed to make Technical Report not misleading.

Dated at Cranbrook, British Columbia this 9th day of March, 2016.



Richard T. Walker, P.Geo.

Appendix B

Deposit Profile

Subvolcanic Cu-Au-Ag (As-Sb)

Subvolcanic Cu-Au-Ag (As-Sb)

by Andre Panteleyev
British Columbia Geological Survey

IDENTIFICATION

SYNONYMS: Transitional, intrusion-related (polymetallic) stockwork and vein.

COMMODITIES (*BYPRODUCTS*): Cu, Au, Ag (As, Sb).

EXAMPLES (British Columbia - *Canada/International*): Equity Silver (093L 001); Thorn prospect (104K031, 116); *Rochester District (Nevada, USA), Kori Kollo (Bolivia), the 'epithermal gold' zones at Lepanto (Philippines), parts of Recsk (Hungary) and Bor (Serbia).*

GEOLOGICAL CHARACTERISTICS

CAPSULE DESCRIPTION: Pyritic veins, stockworks and breccias in subvolcanic intrusive bodies with stratabound to discordant massive pyritic replacements, veins, stockworks, disseminations and related hydrothermal breccias in country rocks. These deposits are located near or above porphyry Cu hydrothermal systems and commonly contain pyritic auriferous polymetallic mineralization with Ag sulphosalt and other As and Sb-bearing minerals.

TECTONIC SETTINGS: Volcano-plutonic belts in island arcs and continental margins; continental volcanic arcs. Subvolcanic intrusions are abundant. Extensional tectonic regimes allow high-level emplacement of the intrusions, but compressive regimes are also permissive.

DEPOSITIONAL ENVIRONMENT / GEOLOGICAL SETTING: Uppermost levels of intrusive systems and their adjoining fractured and permeable country rocks, commonly in volcanic terrains with eroded stratovolcanoes. Subvolcanic domes and flow-dome complexes can also be mineralized; their uppermost parts are exposed without much erosion.

AGE OF MINERALIZATION: Mainly Tertiary, a number of older deposits have been identified.

HOST/ASSOCIATED ROCK TYPES: Subvolcanic (hypabyssal) stocks, rhyodacite and dacite flow-dome complexes with fine to coarse-grained quartz-phyric intrusions are common. Dike swarms and other small subvolcanic intrusions are likely to be present. Country rocks range widely in character and age. Where coeval volcanic rocks are present, they range from andesite to rhyolite in composition and occur as flows, breccias and pyroclastic rocks with related erosion products (epiclastic rocks).

DEPOSIT FORM: Stockworks and closely-spaced to sheeted sets of sulphide-bearing veins in zones within intrusions and as structurally controlled and stratabound or bedding plane replacements along permeable units and horizons in hostrocks. Veins and stockworks form in transgressive hydrothermal fluid conduits that can pass into pipe-like and planar breccias. Breccia bodies are commonly tens of metres and, rarely, a few hundred metres in size. Massive sulphide zones can pass outward into auriferous pyrite-quartz-sericite veins and replacements.

TEXTURE/STRUCTURE: Sulphide and sulphide-quartz veins and stockworks. Open space filling and replacement of matrix in breccia units. Bedding and lithic clast replacements by massive sulphide, disseminations and veins. Multiple generations of veins and hydrothermal breccias are common. Pyrite is dominant and quartz is minor to absent in veins.

ORE MINERALOGY (Principal and *subordinate*): Pyrite, commonly as auriferous pyrite, chalcopyrite, terahedrite/tennantite; enargite/luzonite, covellite, chalcocite, bornite, sphalerite, galena, arsenopyrite, argentite, sulphosalts, gold, stibnite, molybdenite, wolframite or scheelite, pyrrhotite, marcasite, realgar,hematite, tin and bismuth minerals. Depth zoning is commonly evident with pyrite-rich deposits containing enargite near surface, passing downwards into tetrahedrite/tennantite + chalcopyrite and then chalcopyrite in porphyry intrusions at depth.

GANGUE MINERALOGY (Principal and *subordinate*): Pyrite, sericite, quartz; kaolinite, alunite, jarosite (mainly in supergene zone).

ALTERATION MINERALOGY (Principal and *subordinate*): Pyrite, sericite, quartz; kaolinite, dickite, pyrophyllite, andalusite, diaspore, corundum, tourmaline, alunite, anhydrite, barite, chalcedony, dumortierite, lazulite (variety scorzalite), rutile and chlorite. Tourmaline as schorlite (a black Fe-rich variety) can be present locally; it is commonly present in breccias with quartz and variable amounts of clay minerals. Late quartz-alunite veins may occur.

WEATHERING: Weathering of pyritic zones can produce limonitic blankets containing abundant jarosite, goethite and, locally, alunite.

GENETIC MODEL: These deposits represent a transition from porphyry copper to epithermal conditions with a blending and blurring of porphyry and epithermal characteristics. Mineralization is related to robust, evolving hydrothermal systems derived from porphyritic, subvolcanic intrusions. Vertical zoning and superimposition of different types of ores is typical due, in large part, to overlapping stages of mineralizations. Ore fluids with varying amounts of magmatic-source fluids have temperatures generally greater than those of epithermal systems, commonly in the order of 300* C and higher. Fluid salinities are also relatively high, commonly more than 10 weight per cent NaCl-equivalent and rarely in the order of 50 %, and greater.

ORE CONTROLS: Strongly fractured to crackled zones in cupolas and internal parts of intrusions and flow-dome complexes; along faulted margins of high-level intrusive bodies. Permeable lithologies, both primary and secondary in origin, in the country rocks. Primary controls are structural features such as faults, shearz, fractured and crackled zones and breccias. Secondary controls are porous volcanic units, bedding plane contacts and unconformities. Breccia pipes provide channelways for hydrothermal fluids originating from porphyry Cu systems and commonly carry elevated values of Au and Ag. The vein and replacement style deposits can be separated from the deeper porphyry Cu mineralization by 200 to 700 m.

ASSOCIATED DEPOSIT TYPES: Porphyry Cu-Au±Mo (L04); epithermal Au-Ag commonly both high-sulphidation (H04) and low-sulphidation (H05) pyrite-sericite-bearing types; auriferous quartz-pyrite veins, enargite massive sulphide also known as enargite gold.

COMMENTS: This deposit type is poorly defined and overall, uncommon. It is in large part stockworks and a closely spaced to sheeted sulphide vein system with local massive to disseminated replacement sulphide zones. It forms as a high- temperature, pyrite-rich, commonly tetrahderite, and rarely enargite-bearing, polymetallic affiliate of epithermal Au-Ag mineralization. Both low and high- sulphidation epithermal styles of mineralization can be present. As and Sb enrichments in ores are characteristic. If abundant gas and gas condensates evolve from the hydrothermal fluids there can be extensive acid leaching and widespread, high-level advanced argillic alteration. This type of alteration is rarely mineralized.

EXPLORATION GUIDES

GEOCHEMICAL SIGNATURE: Elevated values of Au, Cu, Ag, As, Sb, Zn, Cd, Pb, Fe and F; at deeper levels Mo, Bi, W and locally Sn. In some deposits there is local strong enrichment in B, Co, Ba, K and depletion of Na. Both depth zoning and lateral zoning are evident.

GEOPHYSICAL SIGNATURE: Induced polarization to delineate pyrite zones. Magnetic surveys are useful in some cases to outline lithologic units and delineate contacts. Electromagnetic surveys can be used effectively where massive sulphide bodies are present.

OTHER EXPLORATION GUIDES: Association with widespread sericite-pyrite and quartz-sericite-pyrite that might be high-level leakage from buried porphyry Cu ± Au ± Mo deposits. Extensive overprinting of sericite/illite by kaolinite; rare alunite. In some deposits, high-temperature aluminous alteration minerals pyrophyllite and andalusite are present but are generally overprinted by abundant sericite and lesser kaolinite. Tourmaline and phosphate minerals can occur. There is commonly marked vertical mineralogical and geochemical depth-zoning.

ECONOMIC FACTORS

GRADE AND TONNAGE: The deposits have pyritic orebodies of various types; vertical stacking and pronounced metal zoning are prevalent. Small, high-grade replacement orebodies containing tetrahedrite/tennantite, and rarely enargite, can form within larger zones of pyritization. The massive sulphide replacement ores have associated smaller peripheral, structurally controlled zones of sericitic alteration that constitute pyritic orebodies grading ~ 4 g/t gold. Similar tetrahedrite-bearing ores with bulk mineable reserves at Equity Silver were in the order of 30 Mt with 0.25% Cu and ~86 g/t Ag and 1 g/t Au. At the Recsk deposit, Hungary, shallow breccia-hosted Cu-Au ores overlie a porphyry deposit containing ~1000 Mt with 0.8 % Cu. The closely spaced pyritic fracture and vein systems at Kori Kollo, La Joya district, Bolivia contained 10 Mt oxide ore with 1.62 g/t Au and 23.6 g/t Ag and had sulphide ore reserves of 64 Mt at 2.26 g/t Au and 13.8 g/t Ag.

REFERENCES

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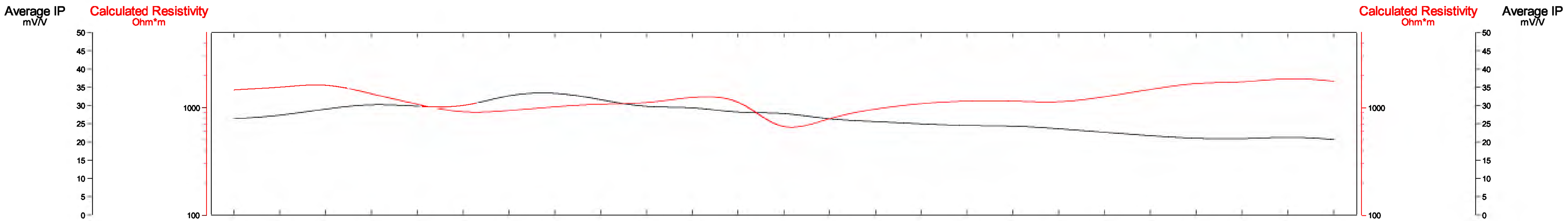
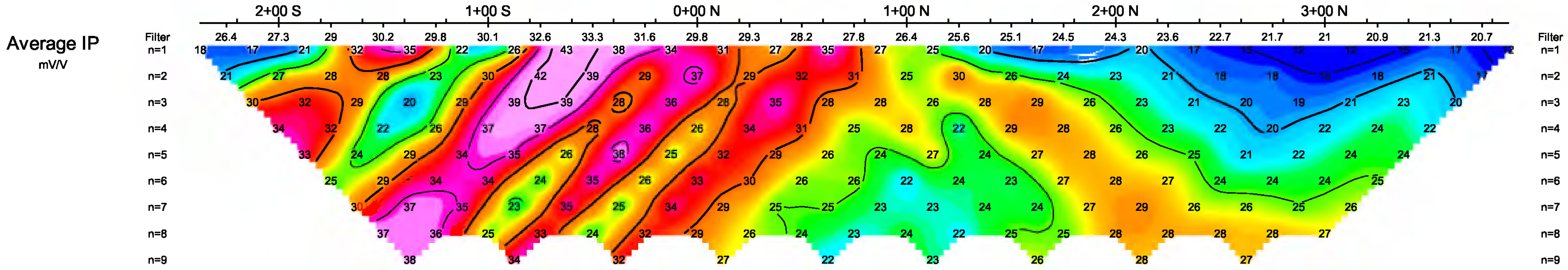
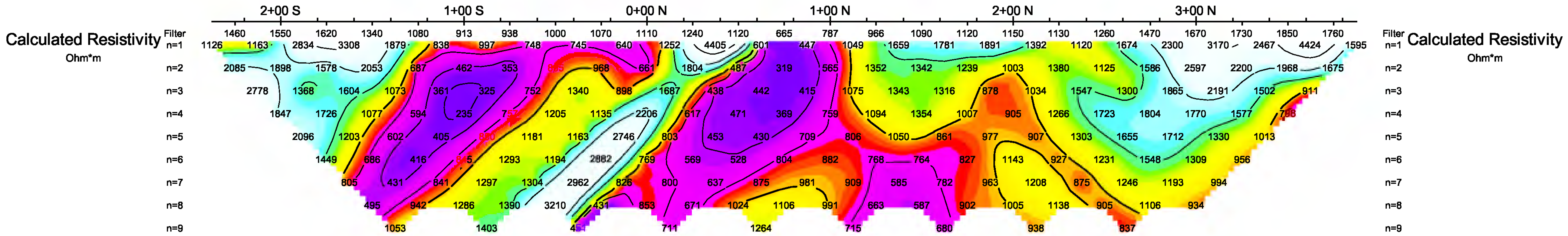
Appendix C

2014 Geophysical Results

Sections and Maps

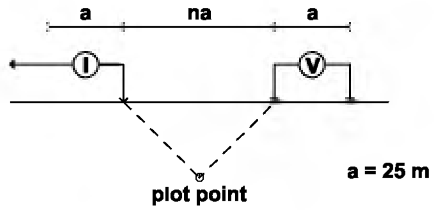






0+00 E

Pole-Dipole Array



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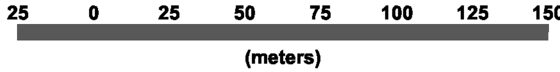
Instruments: GDD 3.6kW Tx
Elrec Pro Rx

Frequency: 0.125 Hz.
Operators: M.W., M.M.

Logarithmic
Contours 1, 1.5, 2, 3, 5, 7.5, 10,...

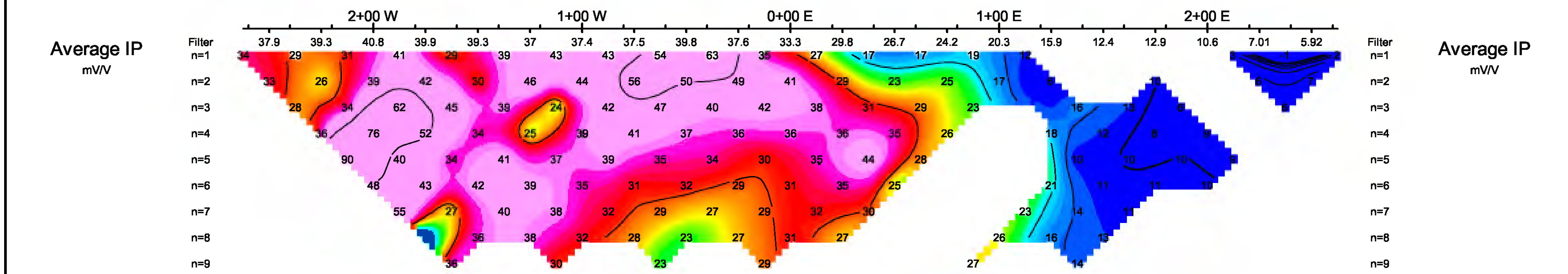
Scale 1:2500

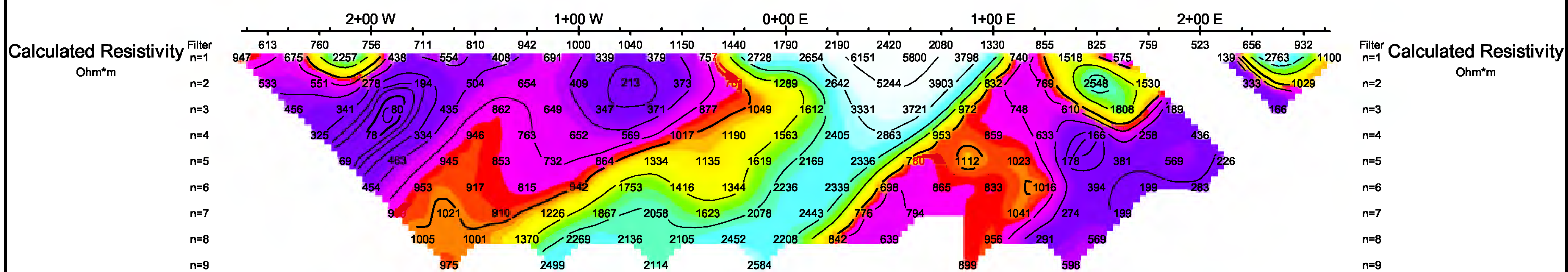


INDUCED POLARIZATION SURVEY
LH PROJECT

Date: JULY 2014
Interpretation:

PETER E. WALCOTT & ASSOCIATES LIMITED





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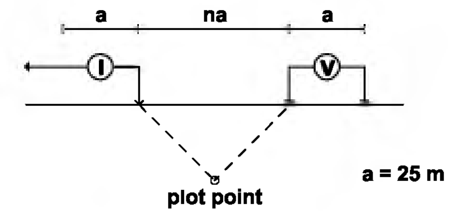
Pole-Dipole Array



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Instruments: GDD 3.6kW Tx
Elrec Pro Rx

Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

Logarithmic Contours: 1, 1.5, 2, 3, 5, 7.5, 10,...

Scale 1:2500

25 0 25 50 75 100 125 150
(meters)

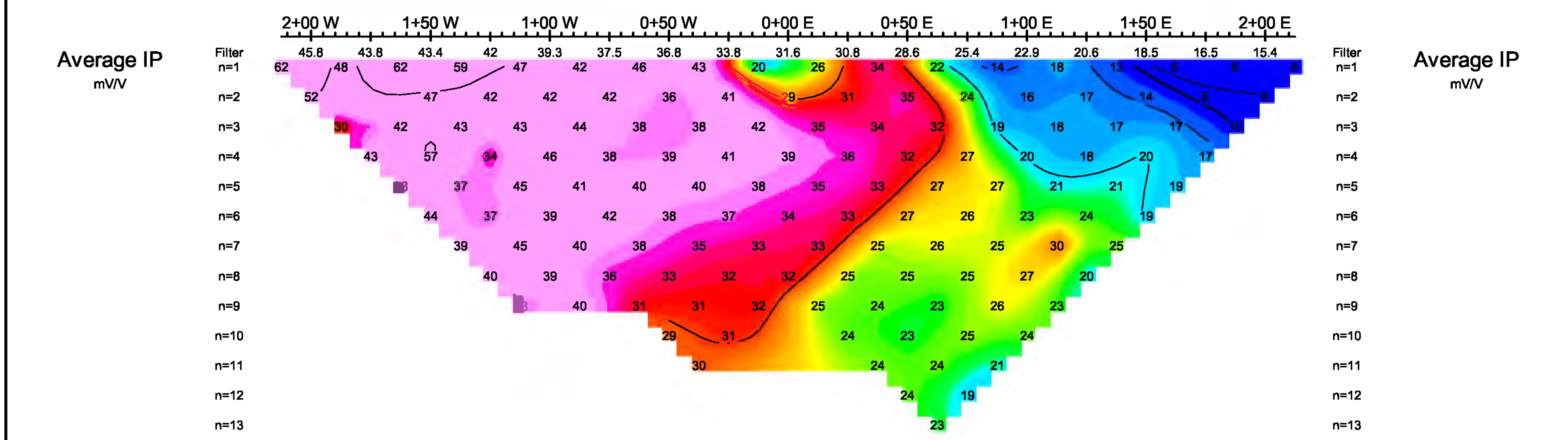
MAGNUM GOLDCORP INC.

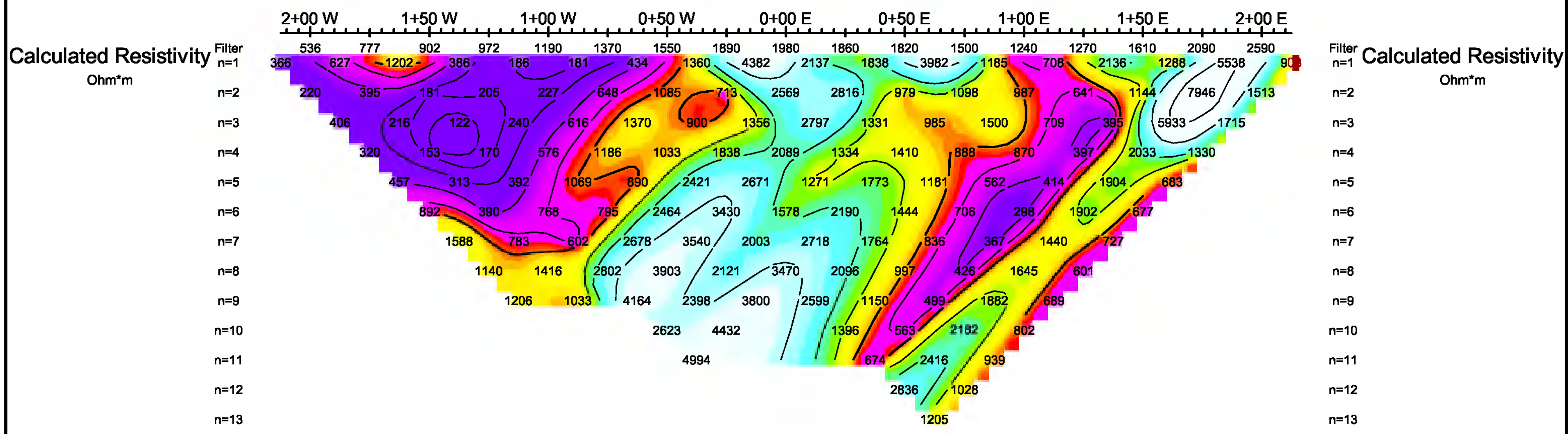
INDUCED POLARIZATION SURVEY
LH PROJECT

Date: JULY 2014
Interpretation:

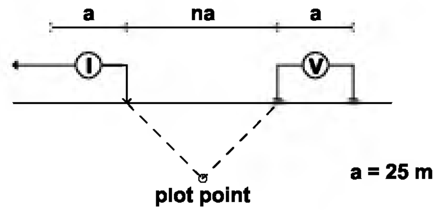
PETER E. WALCOTT & ASSOCIATES LIMITED

2+00 N





Pole-Dipole Array



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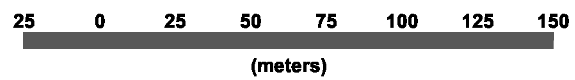
Instruments: GDD 3.6kW Tx
Elrec Pro Rx

Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

Logarithmic Contours: 1, 1.5, 2, 3, 5, 7.5, 10,...

Scale 1:2500



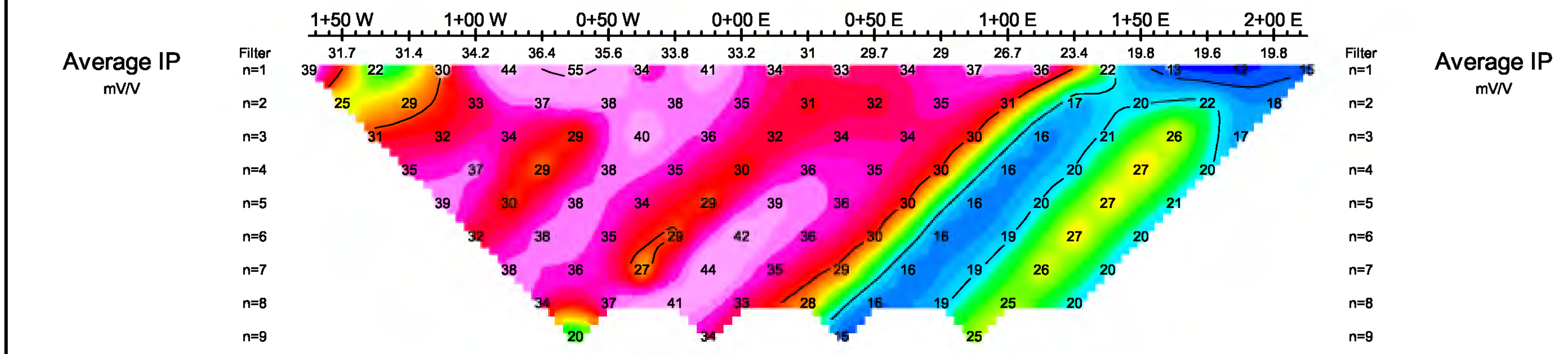
MAGNUM GOLDCORP INC.

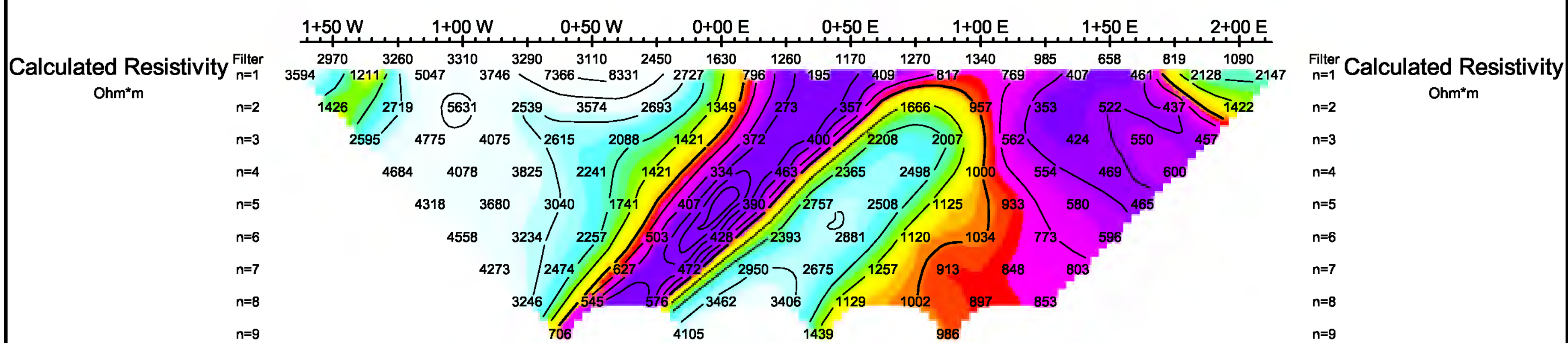
INDUCED POLARIZATION SURVEY
LH PROJECT

Date: JULY 2014
Interpretation:

PETER E. WALCOTT & ASSOCIATES LIMITED

3+00 N





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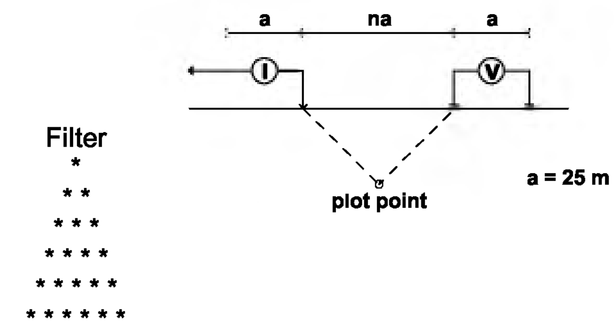
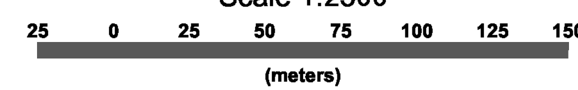


Instruments: GDD 3.6kW Tx
Elrec Pro Rx

Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

Logarithmic Contours: 1, 1.5, 2, 3, 5, 7.5, 10,...

Scale 1:2500

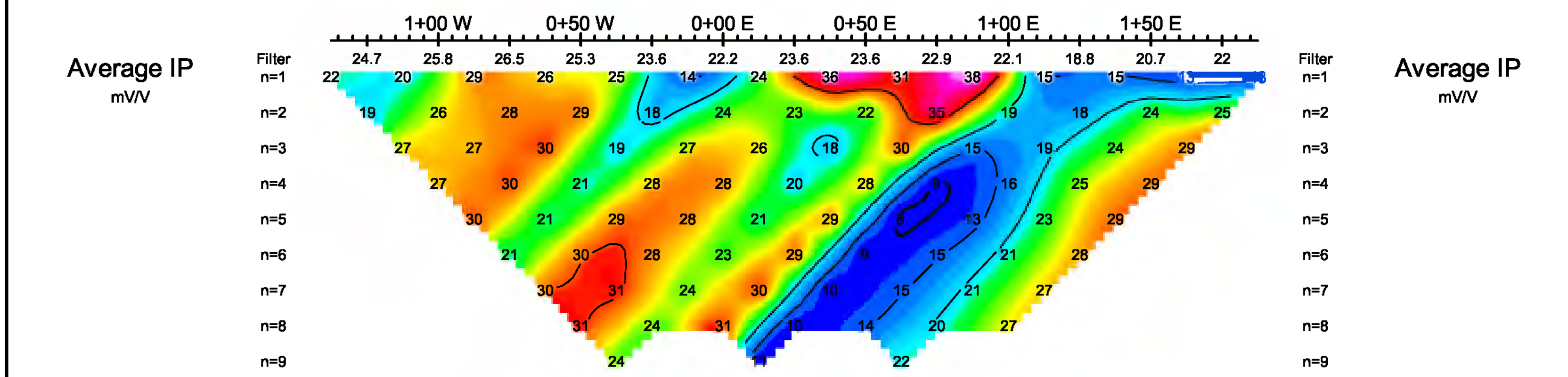


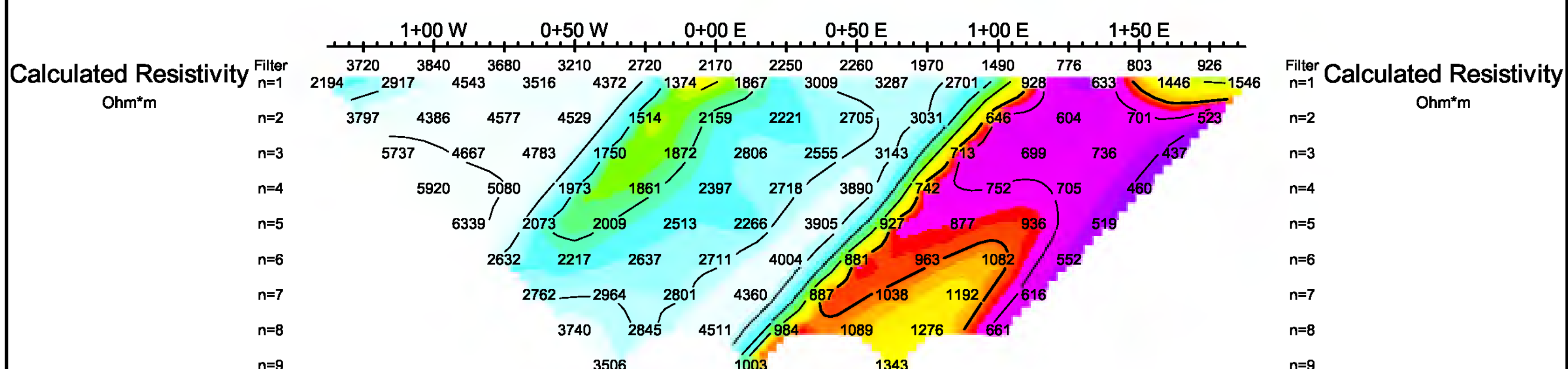
MAGNUM GOLDCORP INC.

INDUCED POLARIZATION SURVEY
LH PROJECT

Date: JULY 2014
Interpretation:

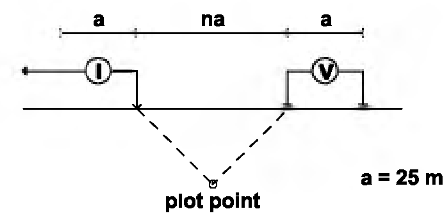
PETER E. WALCOTT & ASSOCIATES LIMITED





4+00 N

Pole-Dipole Array



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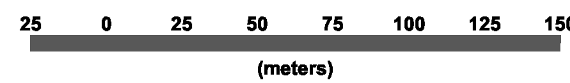
Instruments: GDD 3.6kW Tx
Elrec Pro Rx

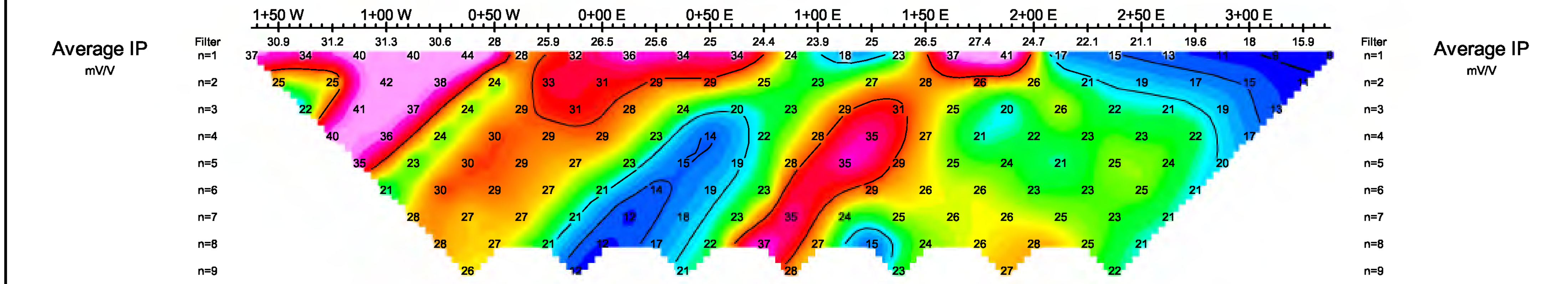
Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

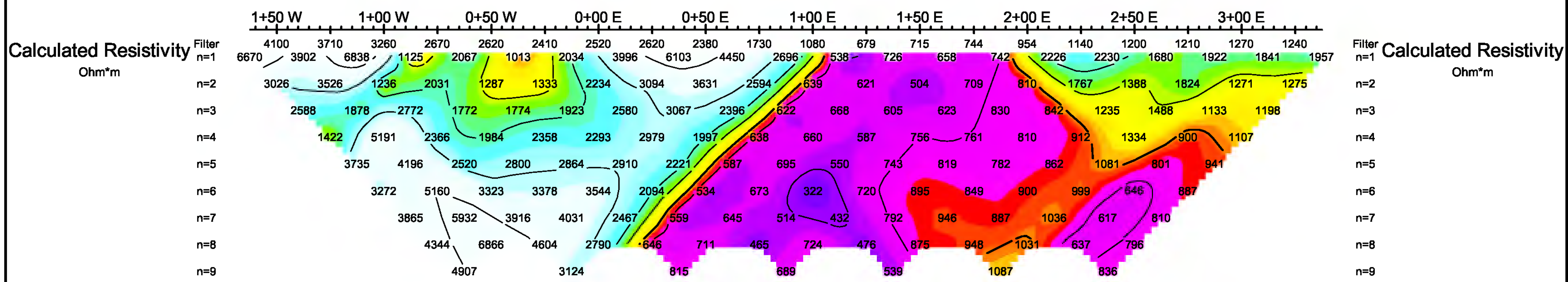
Logarithmic Contours: 1, 1.5, 2, 3, 5, 7.5, 10,...

Scale 1:2500



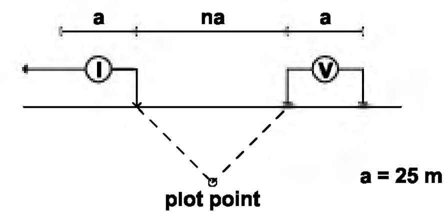
MAGNUM GOLDCORP INC.
INDUCED POLARIZATION SURVEY
LH PROJECT
Date: JULY 2014
Interpretation:
PETER E. WALCOTT & ASSOCIATES LIMITED





5+00 N

Pole-Dipole Array



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Instruments: GDD 3.6kW Tx
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Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

Logarithmic Contours: 1, 1.5, 2, 3, 5, 7.5, 10,...

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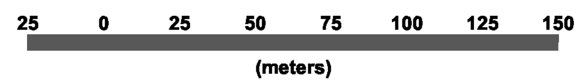
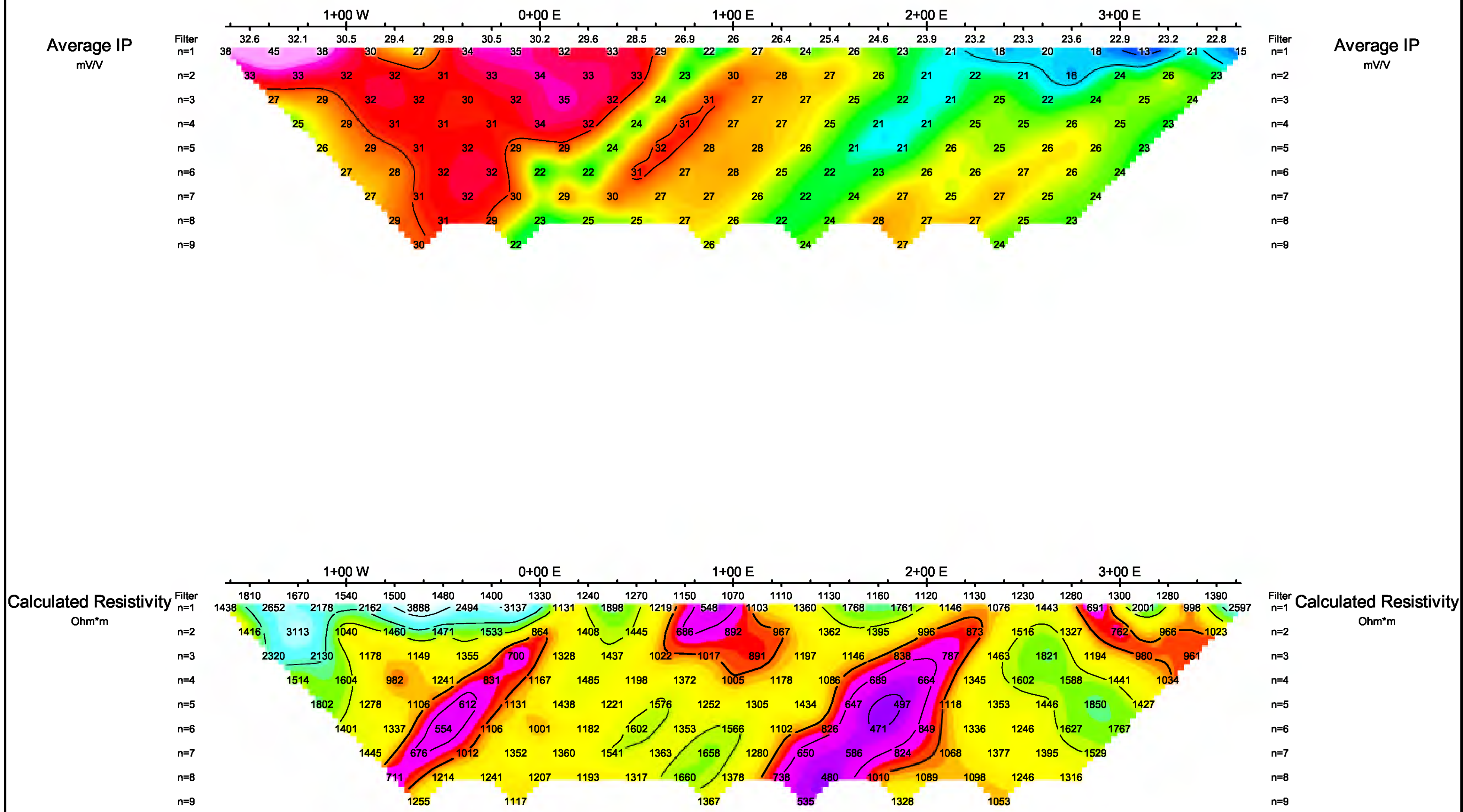


MAGNUM GOLDCORP INC.

INDUCED POLARIZATION SURVEY
LH PROJECT

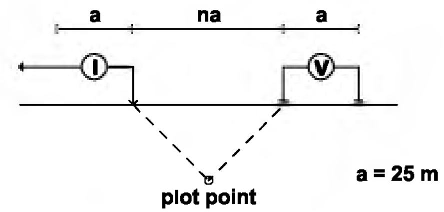
Date: JULY 2014
Interpretation:

PETER E. WALCOTT & ASSOCIATES LIMITED



6+00 N

Pole-Dipole Array



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Instruments: GDD 3.6kW Tx
Elrec Pro Rx

Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

Logarithmic Contours: 1, 1.5, 2, 3, 5, 7.5, 10,...

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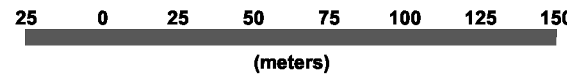

MAGNUM GOLDCORP INC.

INDUCED POLARIZATION SURVEY
LH PROJECT

Date: JULY 2014
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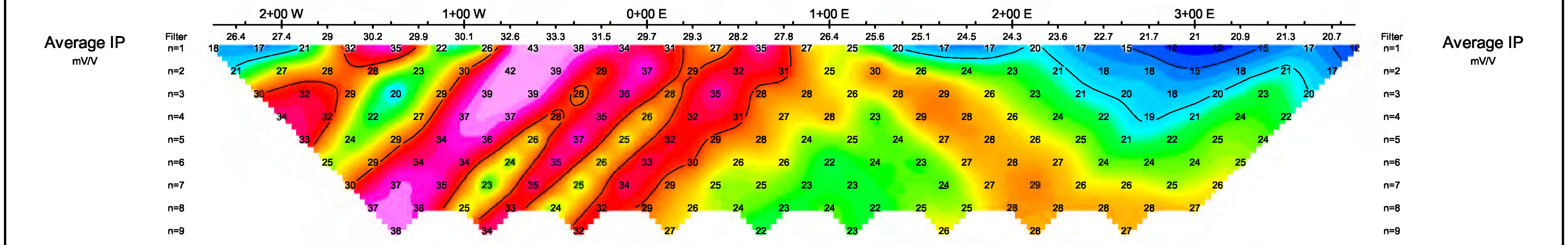
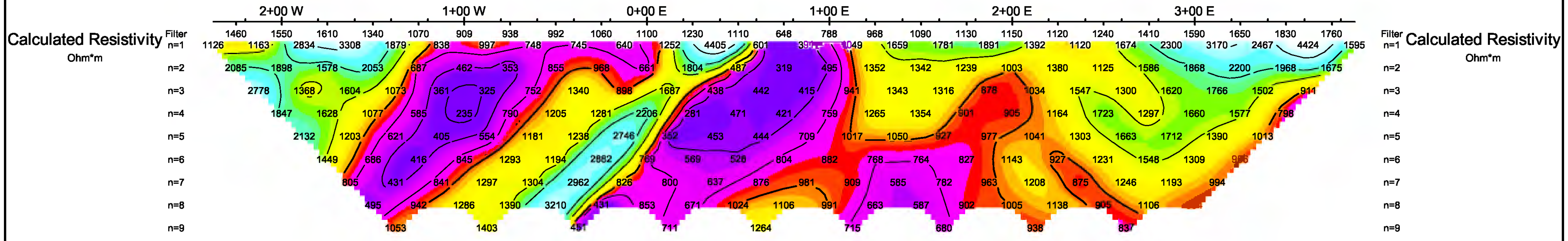
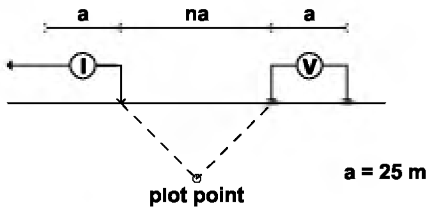




7+00 N

Pole-Dipole Array



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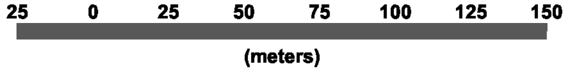
Instruments: GDD 3.6kW Tx
Elrec Pro Rx

Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

Logarithmic Contours 1, 1.5, 2, 3, 5, 7.5, 10,...

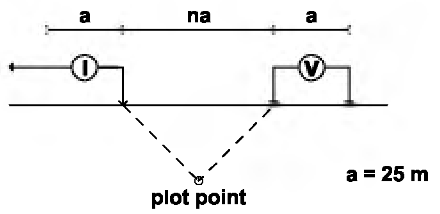
Scale 1:2500



MAGNUM GOLDCORP INC.
INDUCED POLARIZATION SURVEY
LH PROJECT
Date: JULY 2014
Interpretation:
PETER E. WALCOTT & ASSOCIATES LIMITED

8+00 N

Pole-Dipole Array



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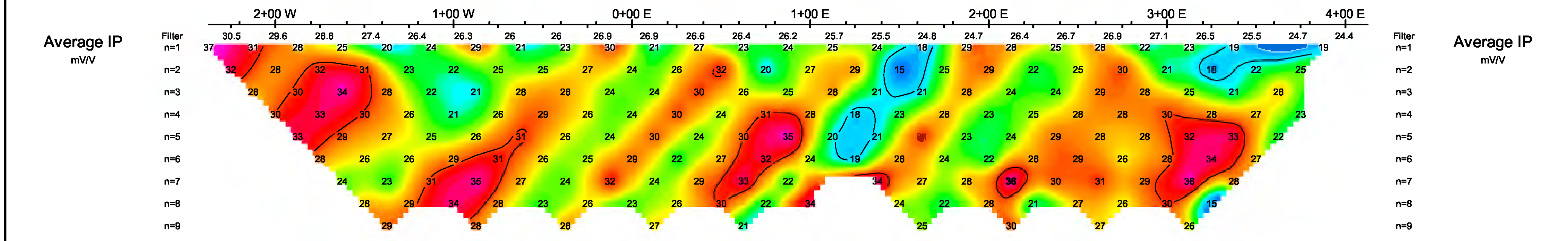
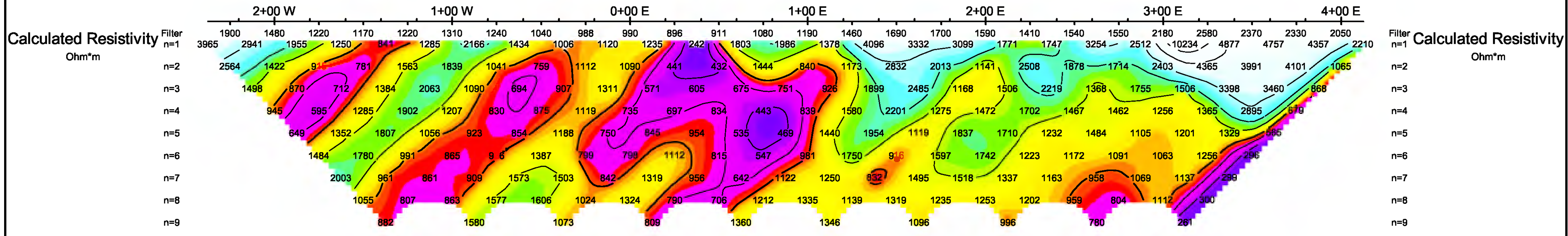




Instruments: GDD 3.6kW Tx
Elrec Pro Rx

Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

Logarithmic Contours: 1.5, 2, 3, 5, 7.5, 10,...

Scale 1:2500

25 0 25 50 75 100 125 150

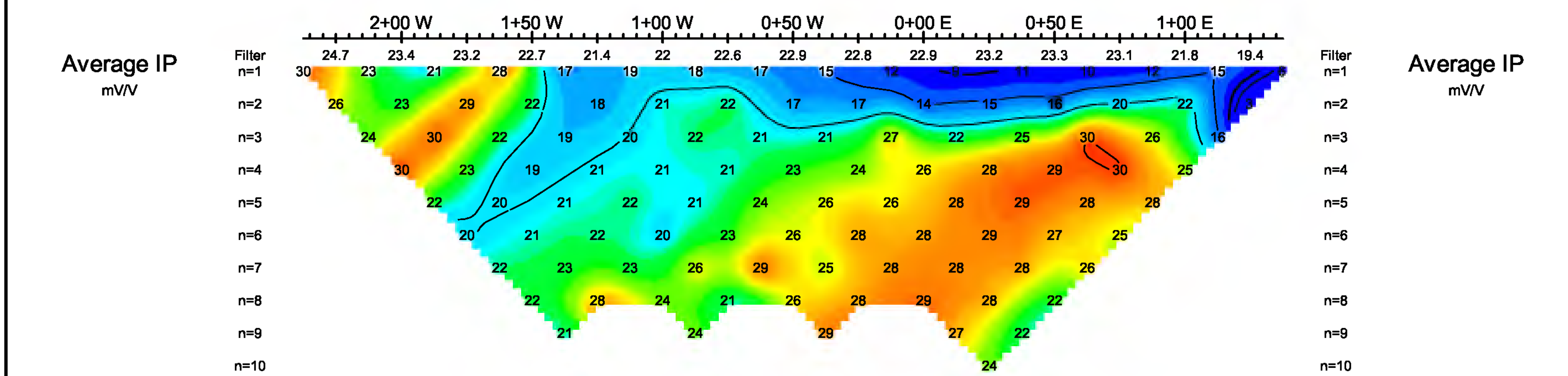
(meters)

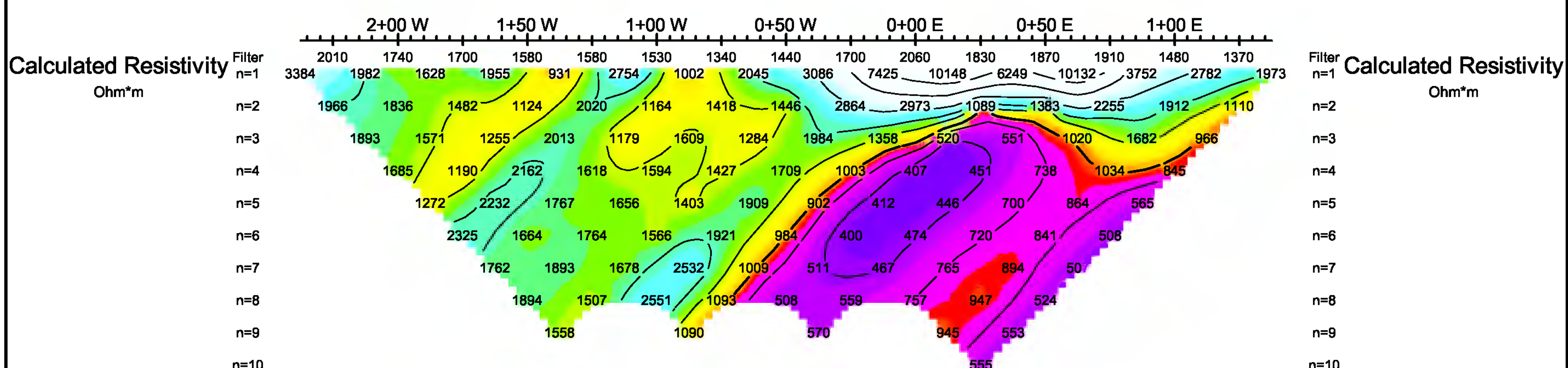
MAGNUM GOLDCORP INC.

INDUCED POLARIZATION SURVEY
LH PROJECT

Date: JULY 2014
Interpretation:

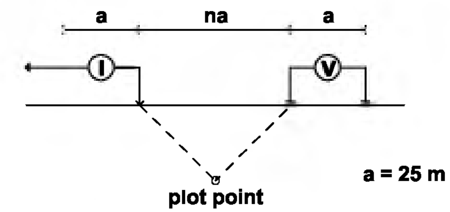
PETER E. WALCOTT & ASSOCIATES LIMITED

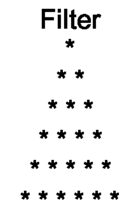




9+00 N

Pole-Dipole Array



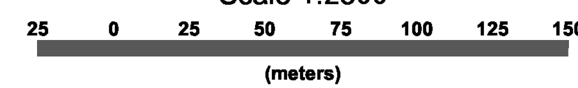


Instruments: GDD 3.6kW Tx
Elrec Pro Rx

Frequency: 0.125 Hz.
Operators: M.W., M.M., O.J.

Logarithmic Contours: 1, 1.5, 2, 3, 5, 7.5, 10,...

Scale 1:2500

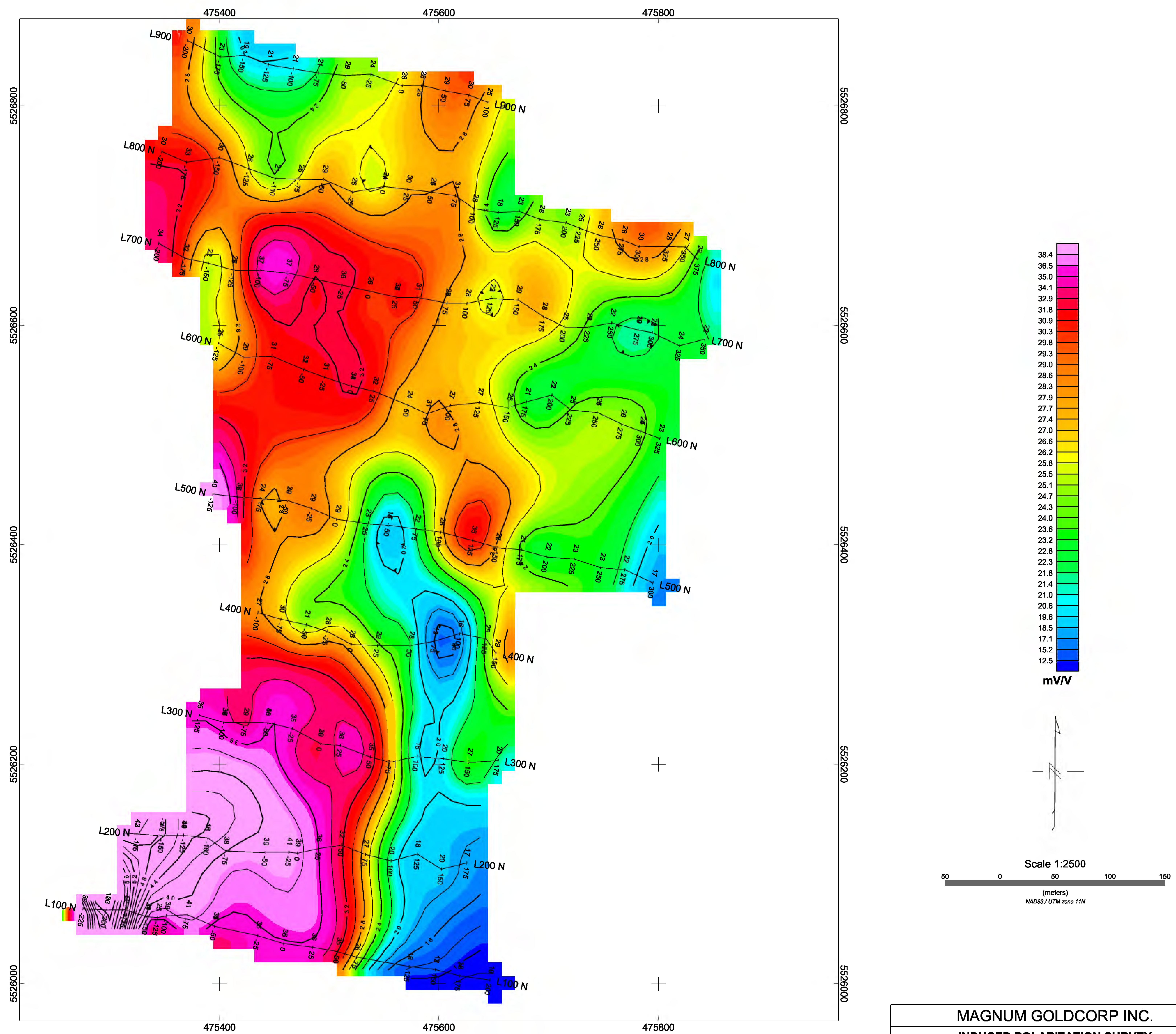


MAGNUM GOLDCORP INC.

INDUCED POLARIZATION SURVEY
LH PROJECT

Date: JULY 2014
Interpretation:

PETER E. WALCOTT & ASSOCIATES LIMITED

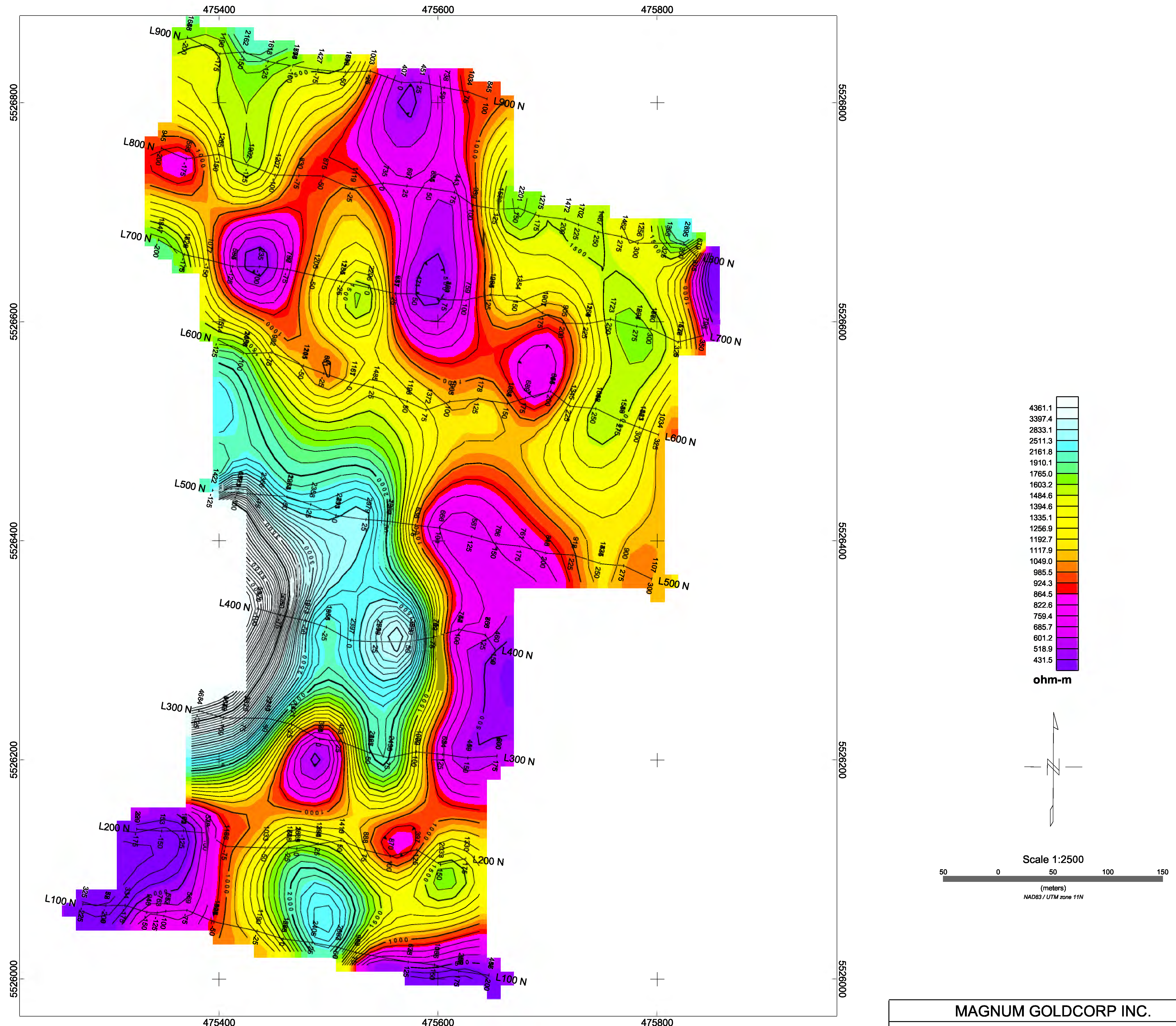


MAGNUM GOLDCORP INC.

INDUCED POLARIZATION SURVEY
CONTOURS OF APPARENT CHARGEABILITY (mV/V)
N=4

LH PROPERTY
NEW DENVER AREA
JULY 2014

PETER E. WALCOTT & ASSOCIATES LIMITED

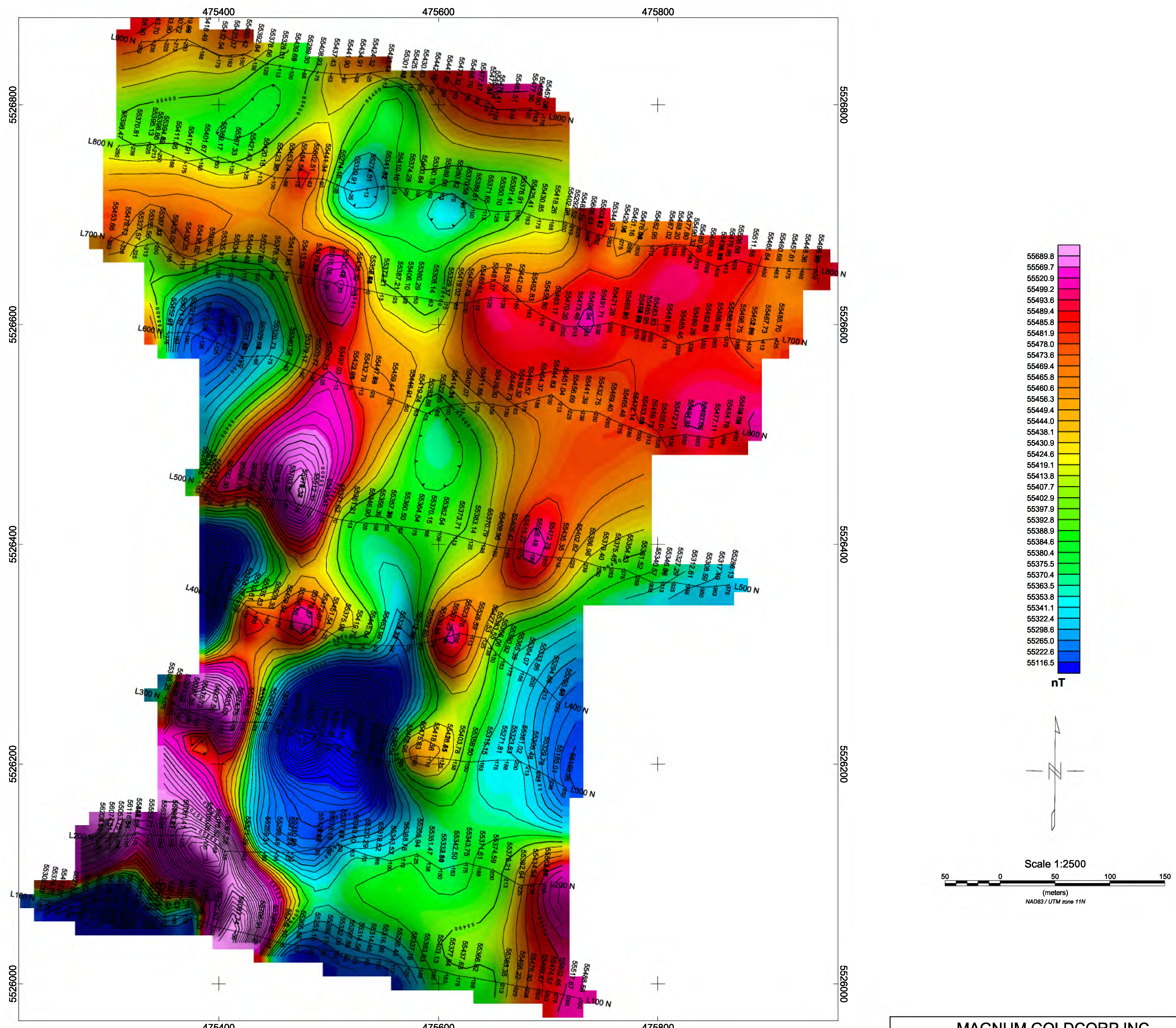


MAGNUM GOLDCORP INC.

INDUCED POLARIZATION SURVEY
CONTOURS OF APPARENT RESISTIVITY (ohm-m)
N=4

LH PROPERTY
NEW DENVER AREA
JULY 2014

PETER E. WALCOTT & ASSOCIATES LIMITED

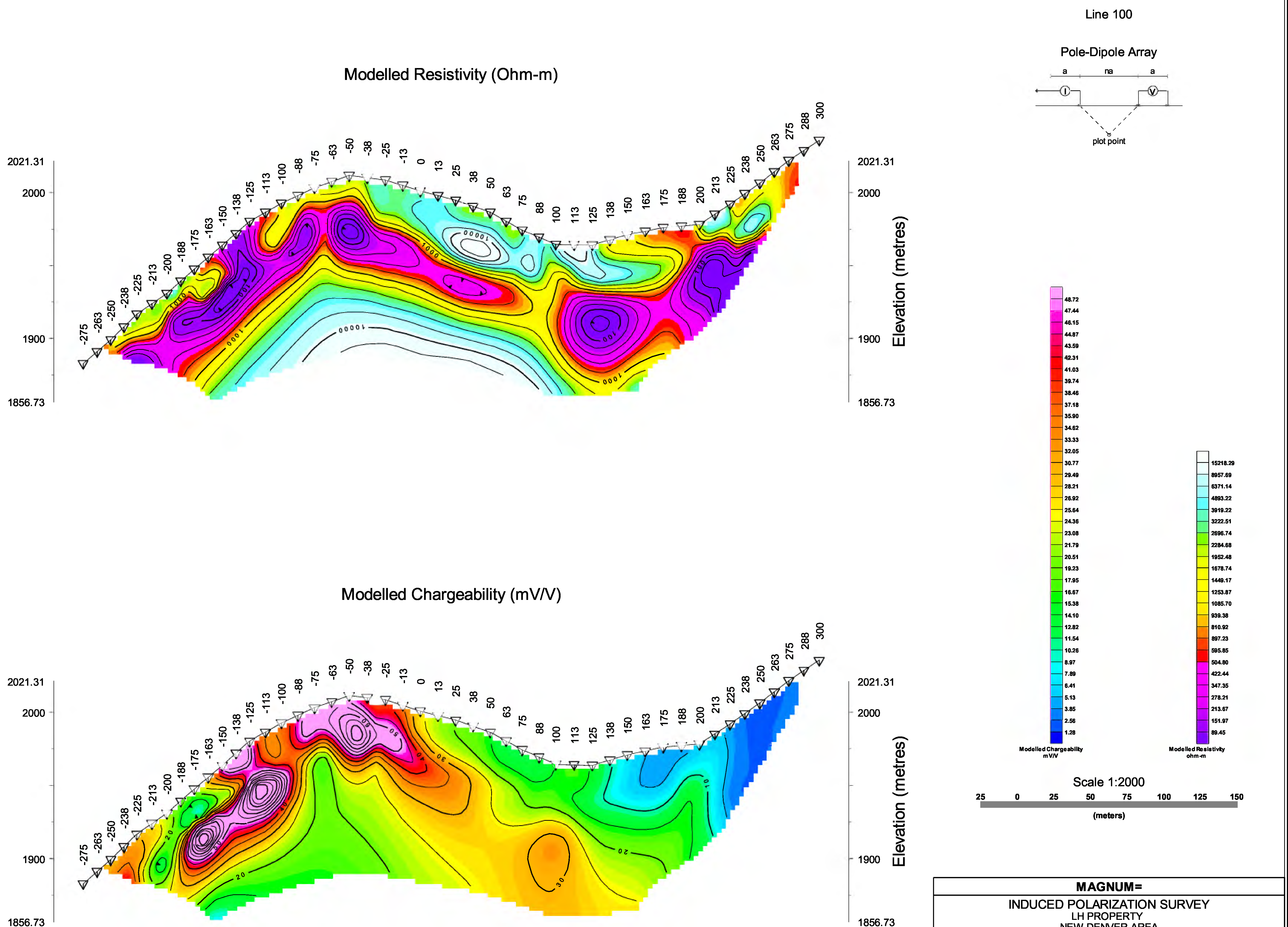


MAGNUM GOLDCORP INC.

GROUND MAGNETIC SURVEY
CONTOURS OF TOTAL FIELD INTENSITY (nT)

LH PROPERTY
NEW DENVER AREA
JULY 2014

PETER E. WALCOTT & ASSOCIATES LIMITED



MAGNUM=

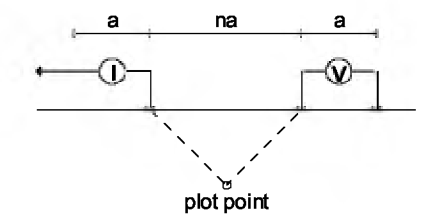
INDUCED POLARIZATION SURVEY
LH PROPERTY
NEW DENVER AREA

July 2014
RES2DINV

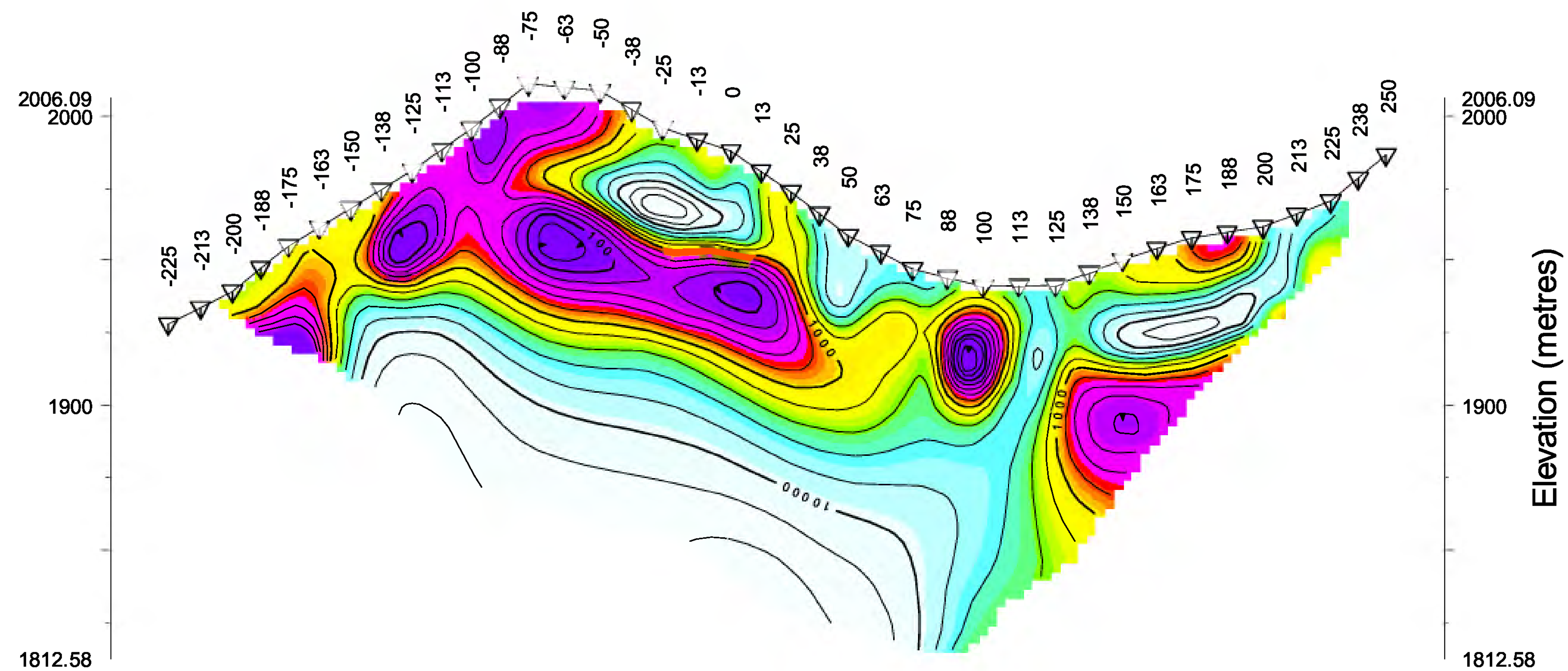
Inversion By:PETER E. WALCOTT & ASSOCIATES LIMITED

Line 200

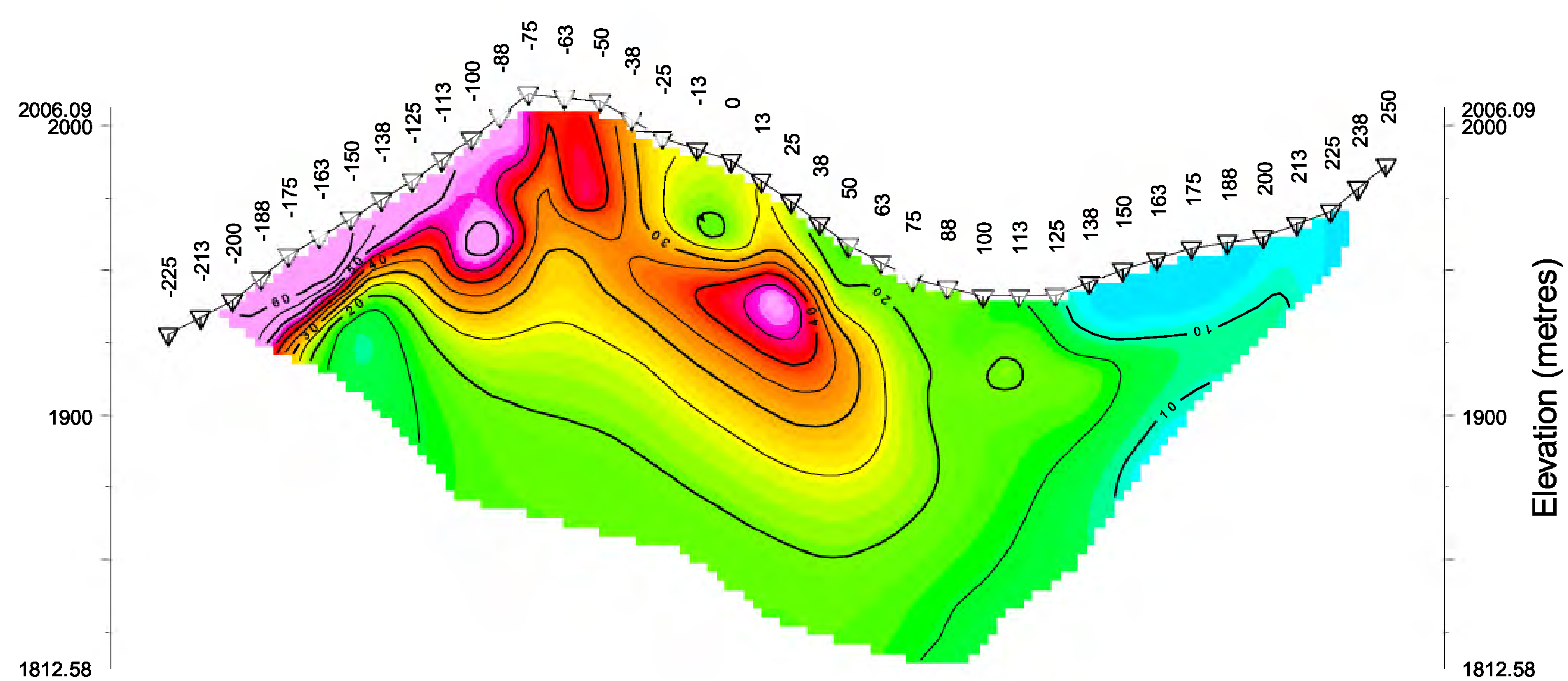
Pole-Dipole Array

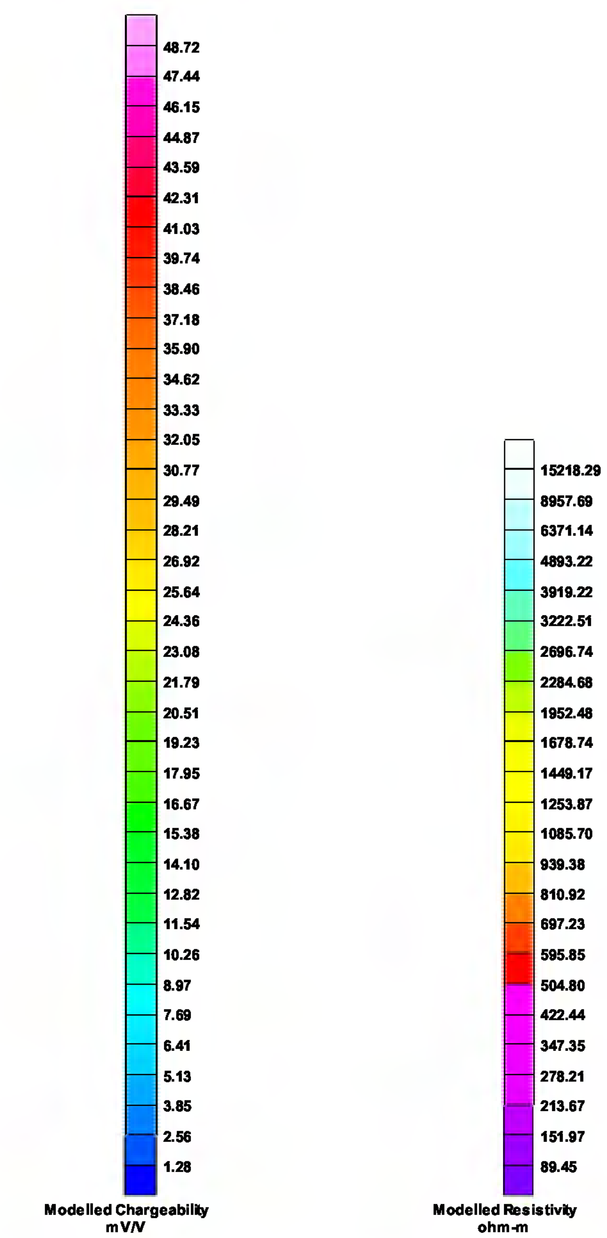


Modelled Resistivity (Ohm-m)

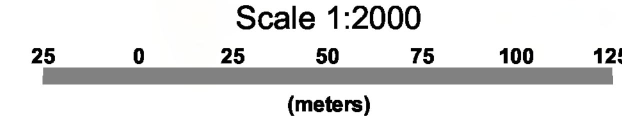


Modelled Chargeability (mV/V)





Scale 1:2000

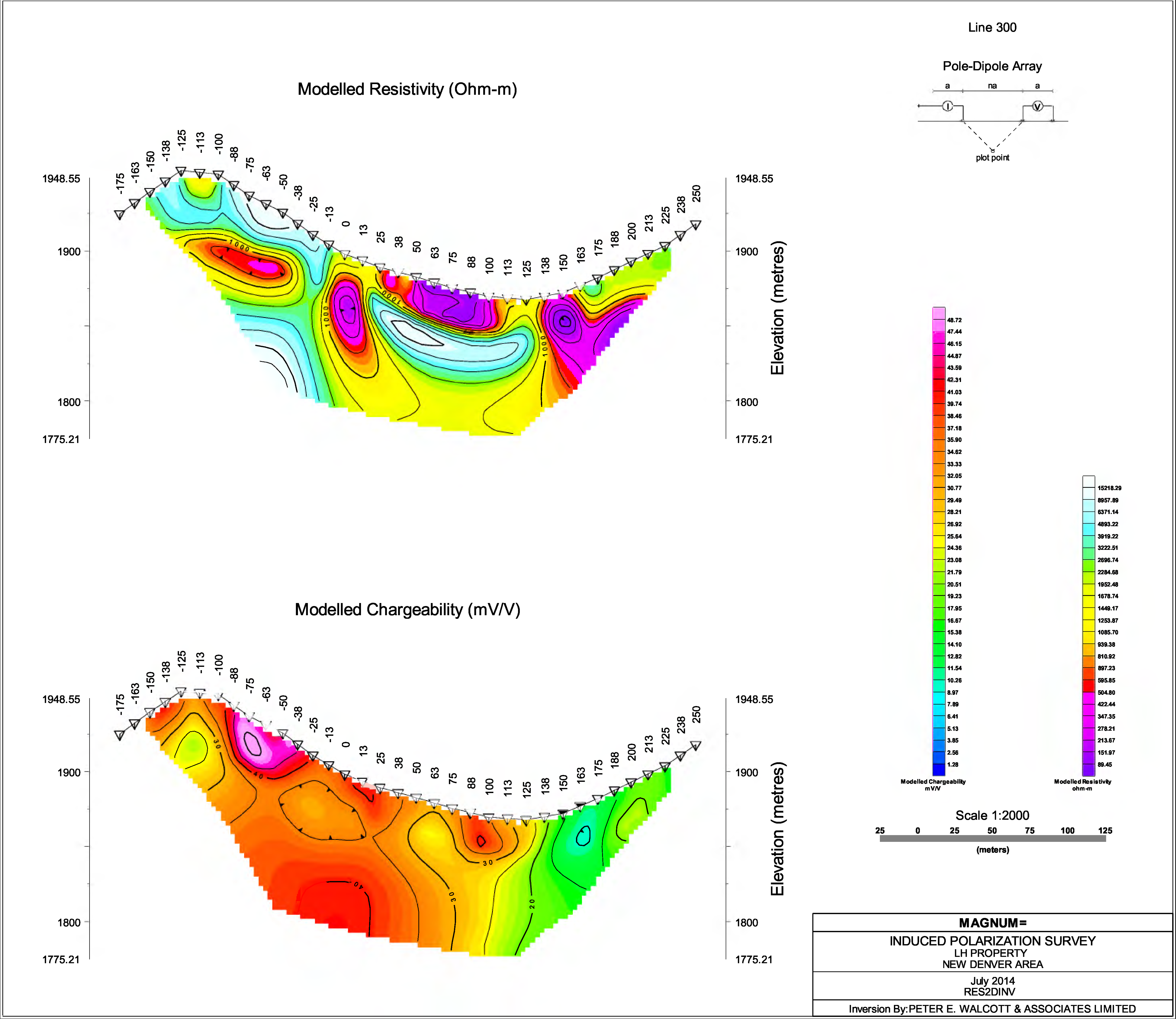


MAGNUM=

INDUCED POLARIZATION SURVEY
LH PROPERTY
NEW DENVER AREA

July 2014
RES2DINV

Inversion By:PETER E. WALCOTT & ASSOCIATES LIMITED



Line 300
Pole-Dipole Array
a
na
a
plot point
Modelled Resistivity (Ohm-m)
1948.55
1900
1800
1775.21
Elevation (metres)
Modelled Chargeability (mV/V)
Modelled Chargeability
mV/V
Modelled Resistivity
ohm-m
Scale 1:2000
25
0
25
50
75
100
125
(meters)
MAGNUM=
INDUCED POLARIZATION SURVEY
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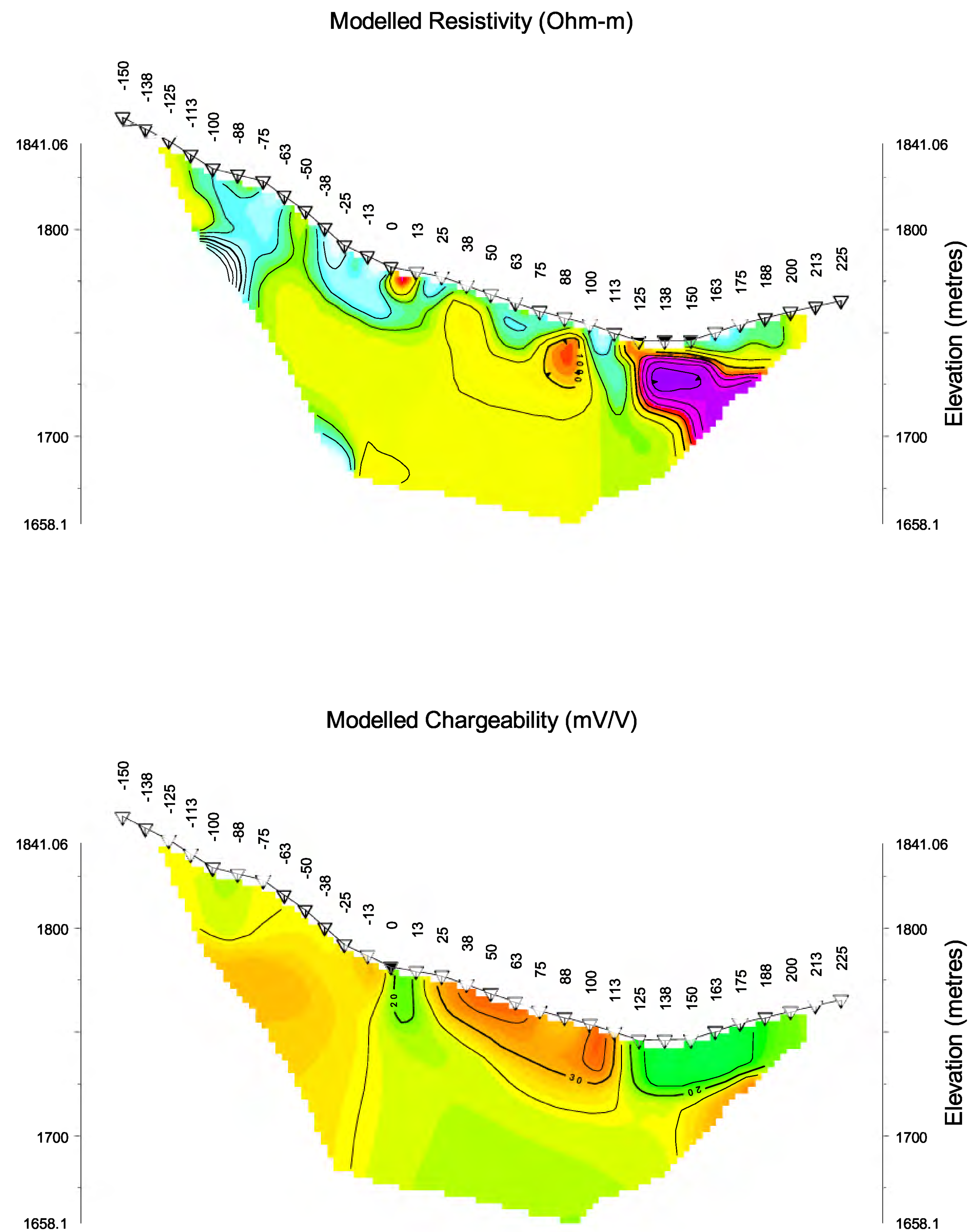

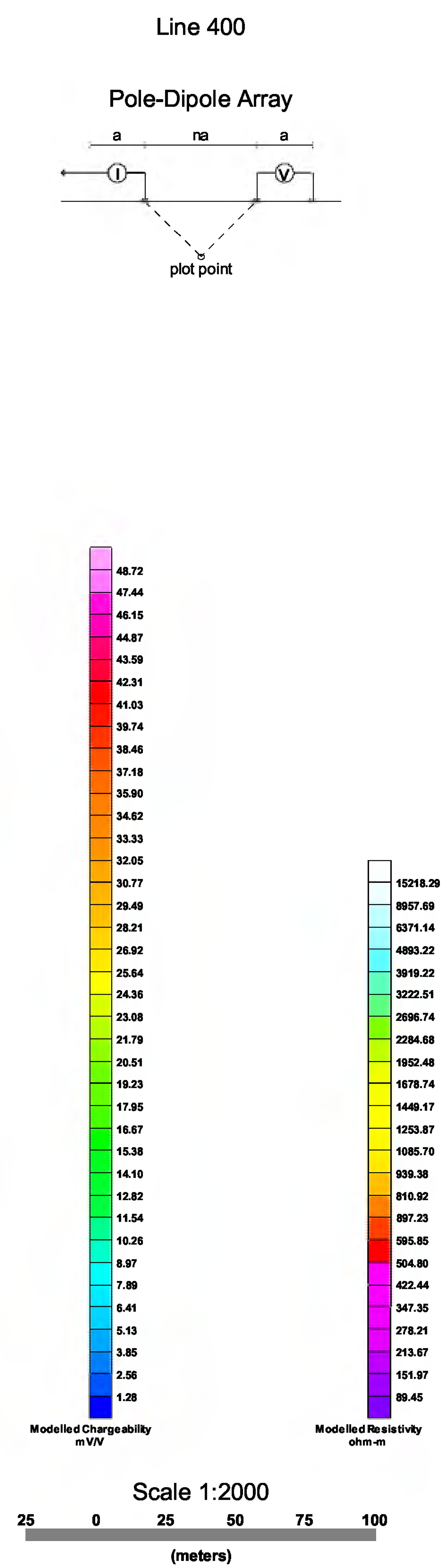

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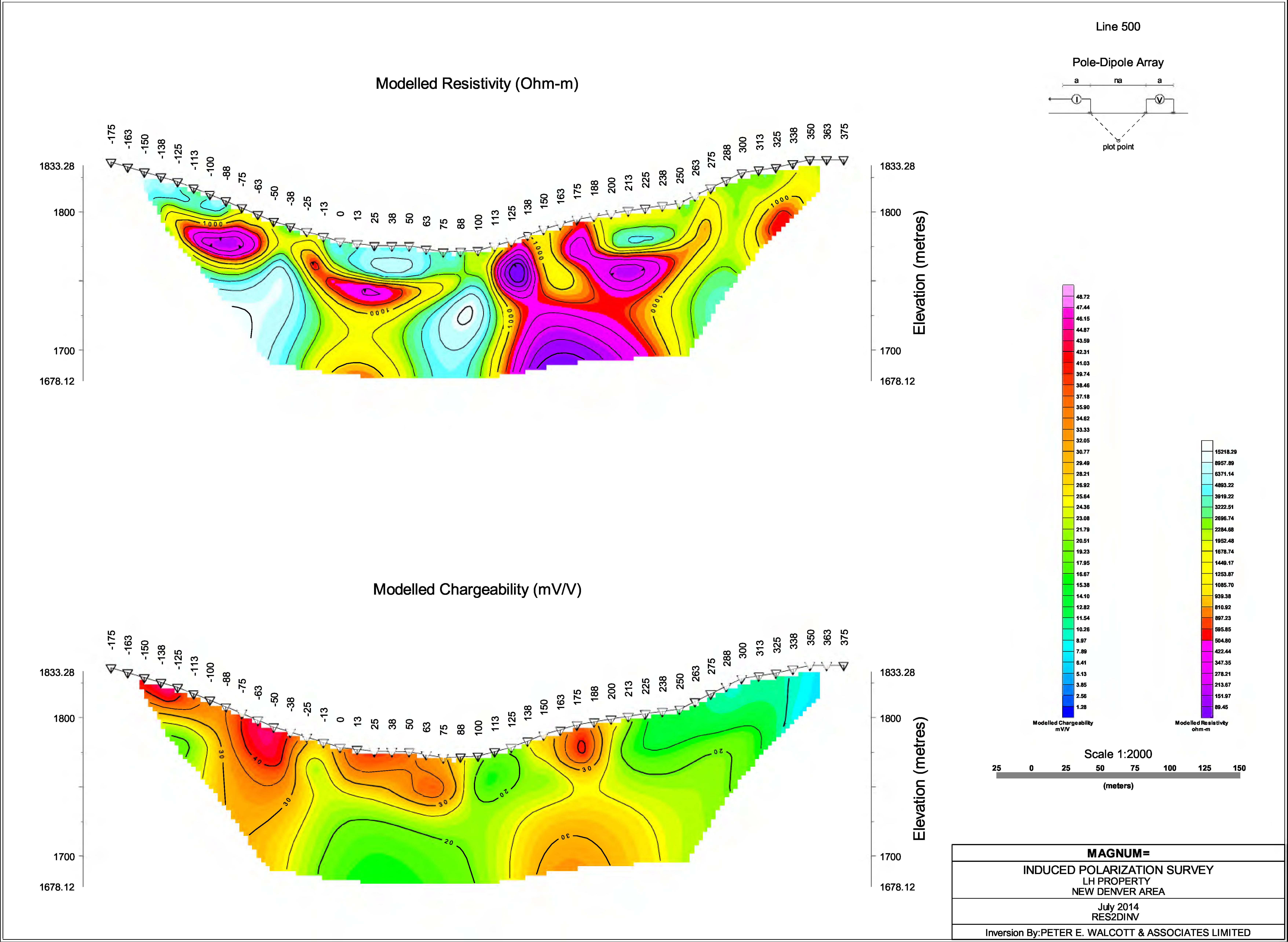

Line 500
Pole-Dipole Array
a
na
a
plot point
Modelled Resistivity (Ohm-m)
Modelled Chargeability (mV/V)
1833.28
1800
1700
1678.12
Elevation (metres)
Modelled Chargeability mV/V
Modelled Resistivity ohm-m
Scale 1:2000
25 0 25 50 75 100 125 150
(meters)
MAGNUM=
INDUCED POLARIZATION SURVEY
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July 2014
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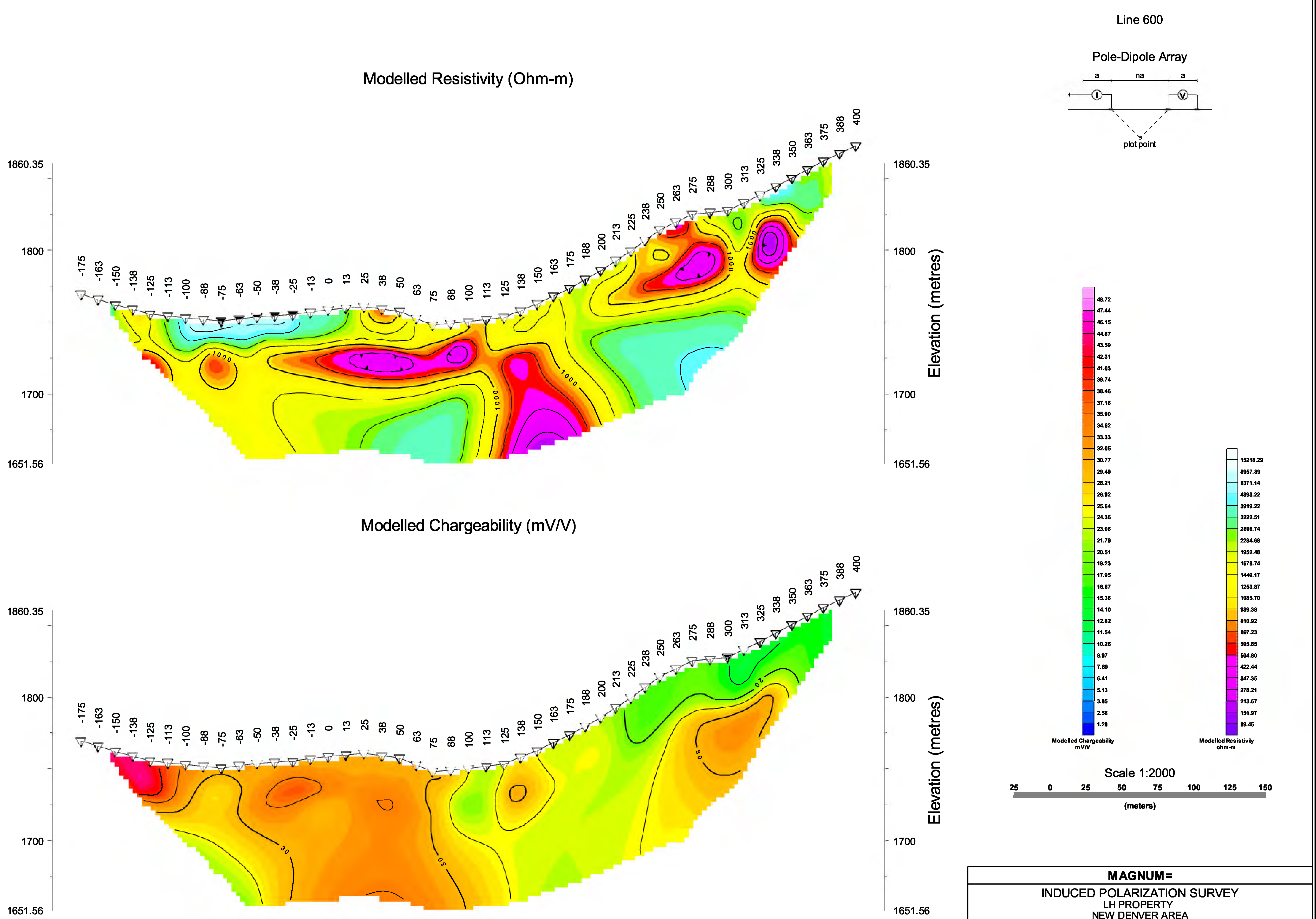

MAGNUM=

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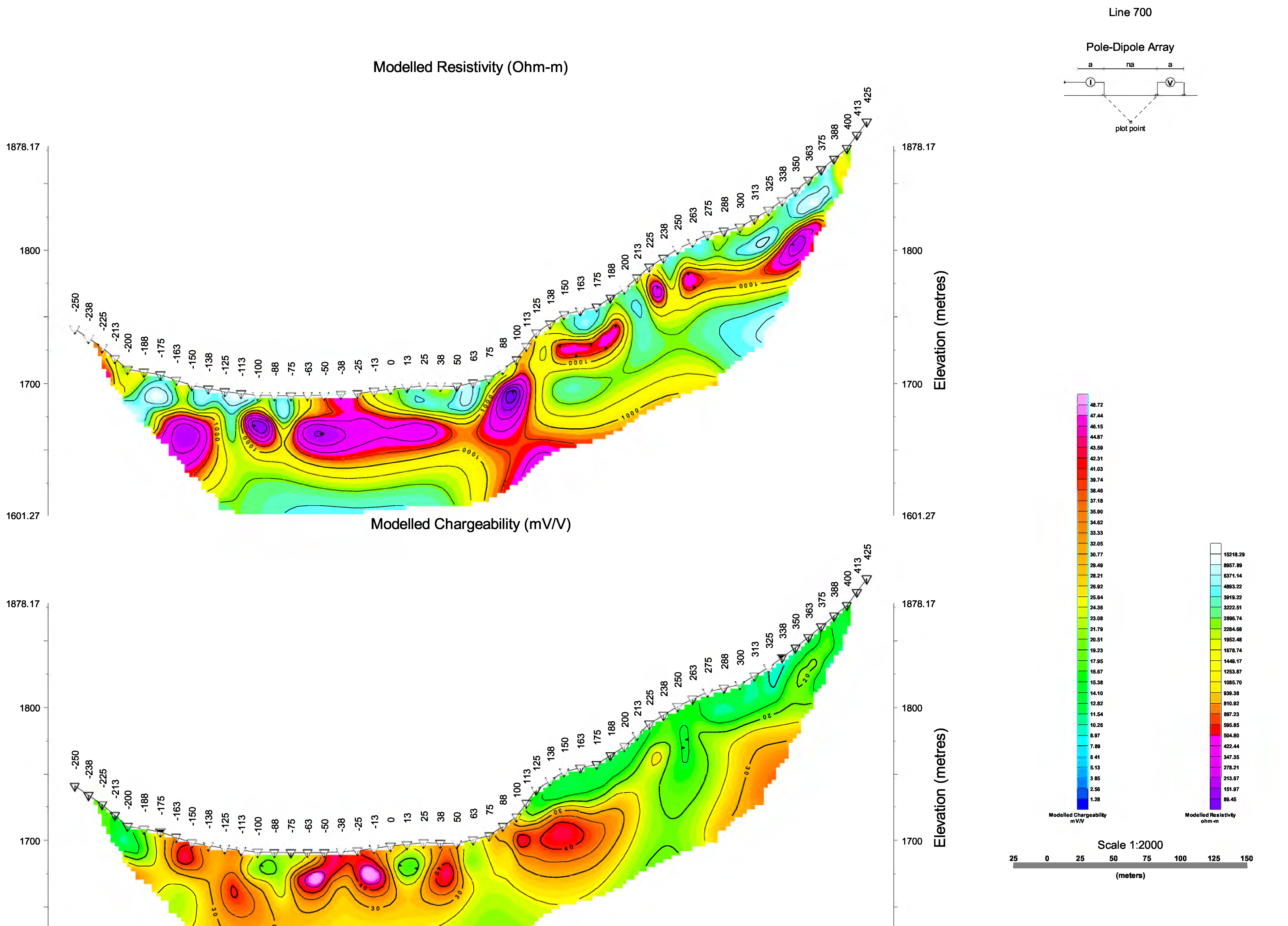

MAGNUM=

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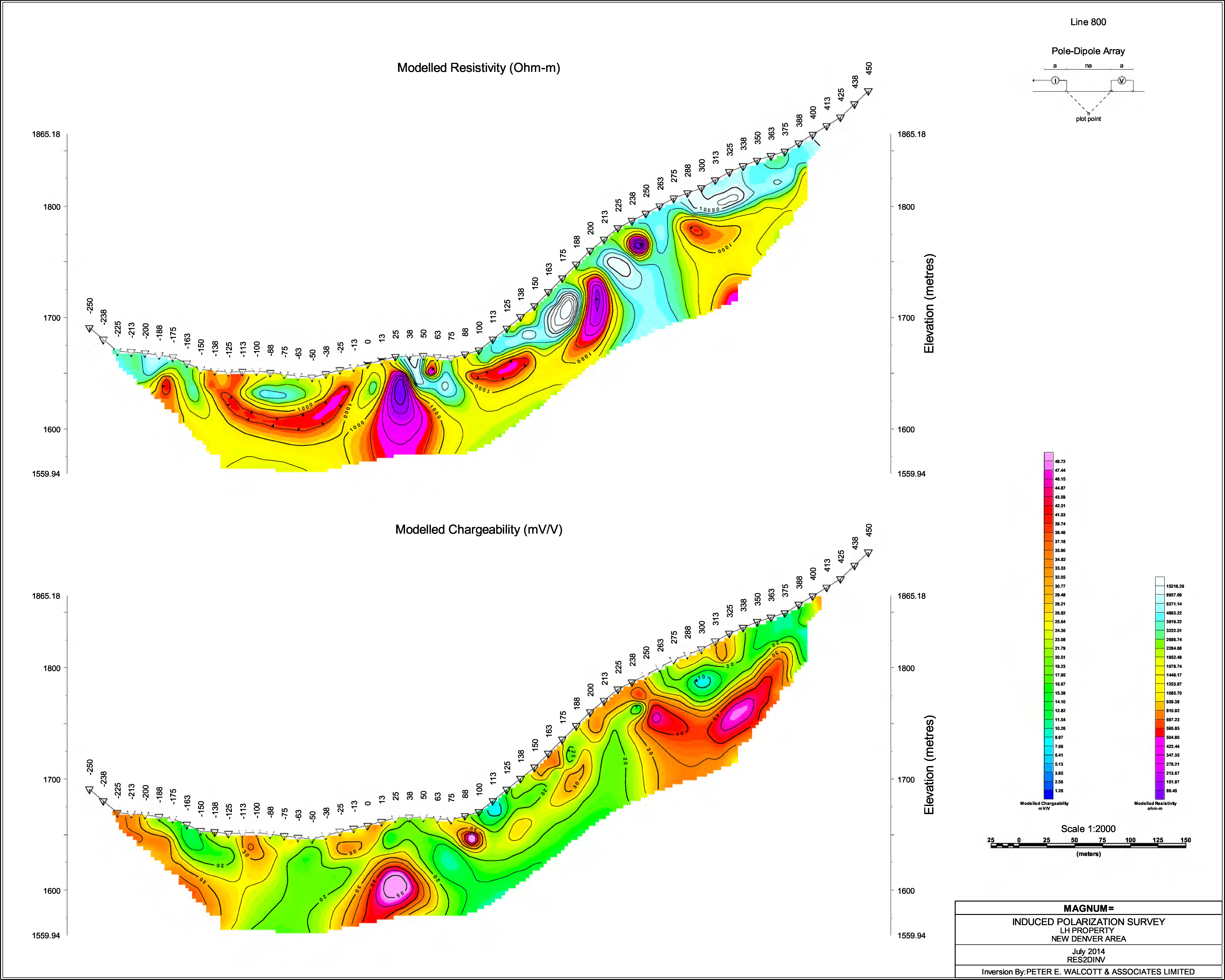
Inversion By:PETER E. WALCOTT & ASSOCIATES LIMITED


Line 800
Pole-Dipole Array
a
na
a
plot point
Modelled Resistivity (Ohm-m)
Modelled Chargeability (mV/V)
1865.18
1800
1700
1600
1559.94
Elevation (metres)
Modelled Chargeability mV/V
Modelled Resistivity ohm-m
Scale 1:2000
25 0 25 50 75 100 125 150
(meters)
MAGNUM=
INDUCED POLARIZATION SURVEY
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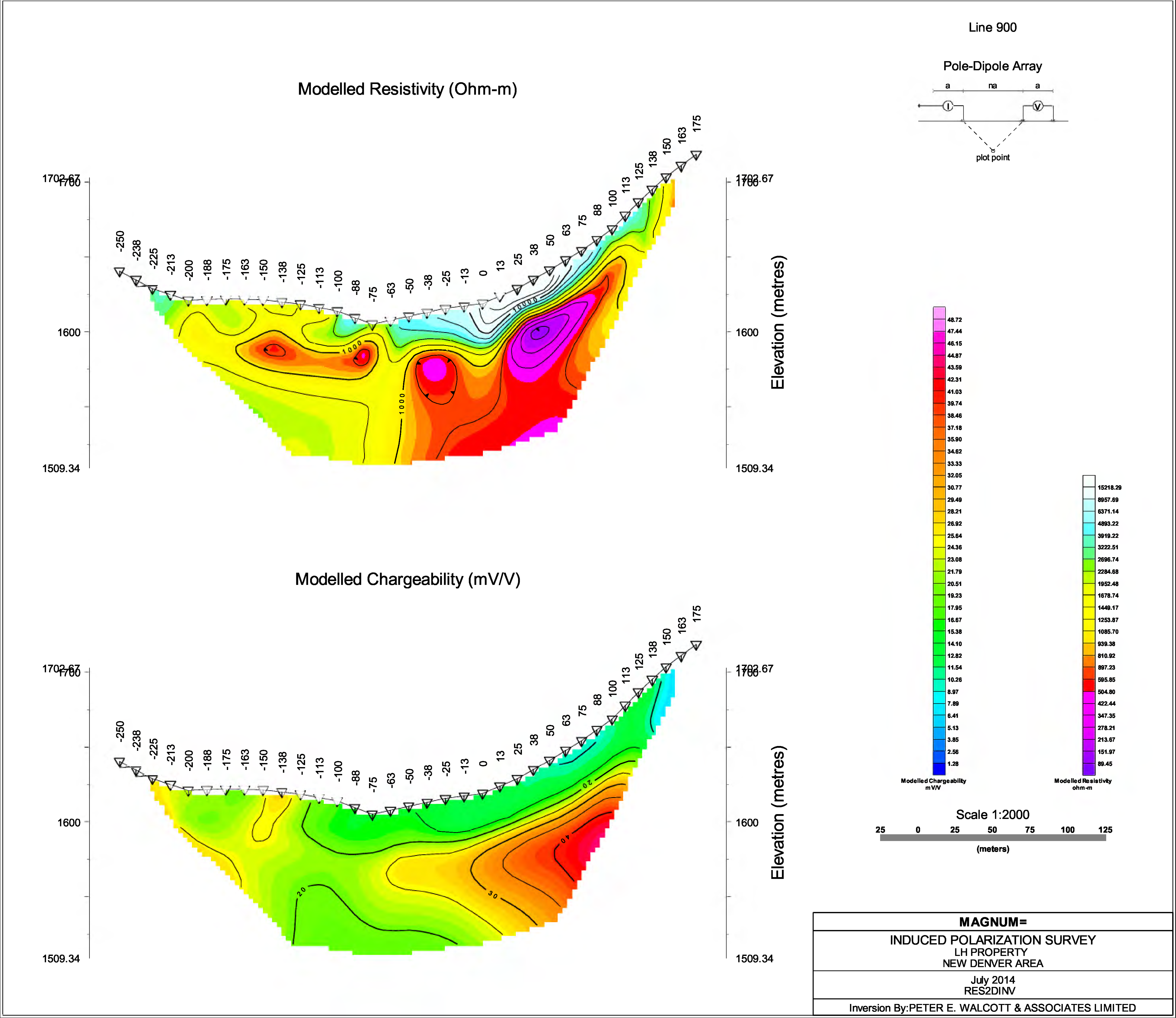
Line 900
Pole-Dipole Array
a
na
a
I
V
plot point
Modelled Resistivity (Ohm-m)
Modelled Chargeability (mV/V)
1702.67
1700
1600
1509.34
Elevation (metres)
-250 -238 -225 -213 -200 -188 -175 -163 -150 -138 -125 -113 -100 -88 -75 -63 -50 -38 -25 -13 0 13 25 38 50 63 75 88 100 113 125 138 150 163 175
1000
10000
20
30
40
48.72 47.44 46.15 44.87 43.59 42.31 41.03 39.74 38.46 37.18 35.90 34.62 33.33 32.05 30.77 29.49 28.21 26.92 25.64 24.36 23.08 21.79 20.51 19.23 17.95 16.67 15.38 14.10 12.82 11.54 10.26 8.97 7.69 6.41 5.13 3.85 2.56 1.28
Modelled Chargeability mV/V
15218.29 8957.69 6371.14 4893.22 3919.22 3222.51 2696.74 2284.68 1952.48 1678.74 1449.17 1253.87 1085.70 939.38 810.92 697.23 595.85 504.80 422.44 347.35 278.21 213.67 151.97 89.45
Modelled Resistivity ohm-m
Scale 1:2000
25 0 25 50 75 100 125
(meters)
MAGNUM=
INDUCED POLARIZATION SURVEY
LH PROPERTY
NEW DENVER AREA
July 2014
RES2DINV
Inversion By:PETER E. WALCOTT & ASSOCIATES LIMITED