



**SULLIDEN**  
MINING CAPITAL

**ANNUAL INFORMATION FORM  
FOR THE FINANCIAL YEAR ENDED JULY 31, 2017**

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**October 30, 2017**

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## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This annual information form contains forward-looking information under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the Corporation's (as hereinafter defined) exploration and development potential and timetable associated with the Corporation's properties, including the East Sullivan and Troilus Properties and those of investee companies; future precious metal prices; ability to raise additional financing; the timing and cost of estimated future exploration and development activities; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Mineral resource estimates are based on the assumptions and parameters set out herein and on the opinion of qualified persons. Forward-looking information is based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of activities are based on informed reasonable assumptions and are set out herein. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information including, but not limited to, risks related to: unexpected events and delays during exploration; variations in grade and recovery rates; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future precious metal prices; failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; future costs of supplies and labour; risks inherent in conducting business in foreign countries, other risks of the mining industry and those risk factors identified elsewhere in this annual information form. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except as required by applicable securities laws.

Stéphane Amireault, P.Eng (B.Eng; MScA), is the Company's in-house Qualified Person for geology for the purposes of National Instrument 43-101("NI 43-101"). Joseph C. Milbourne, FAusIMM, is the Company's in-house Qualified Person for all technical materials (except geology) for the purposes of NI 43-101. Mr. Amireault and Mr. Milbourne have reviewed and approved the scientific and technical disclosure in this AIF.

## **DEFINITIONS AND GLOSSARY OF TERMS**

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In this annual information form, references to “Sulliden” or the “Corporation” mean Sulliden Mining Capital Inc. and the following abbreviations and defined terms are used:

“250 Ontario”	means 2507868 Ontario Inc., a wholly owned subsidiary of Sulliden.
“251 Ontario”	means 2513924 Ontario Inc., a third party entity with whom 250 Ontario granted an option to acquire 40% of the Troilus Property.
“AIF”	means this annual information form.
“Audit Committee”	means the audit committee of the Board.
“Board”	means the board of directors of Sulliden.
“Common Shares”	means the common shares in the capital of the Corporation.
“Compensation Committee”	means the compensation committee of the Board.
“Corporate Development and Investment Committee”	means the corporate development and investment committee of the Board.
“Corporate Governance and Nominating Committee”	means the corporate governance and nominating committee of the Board.
“East Sullivan Property”	is described at page 22 of the AIF.
“NI 43-101”	means the Canadian Securities Administrators National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .
“Troilus Property”	means the past-producing Troilus gold and copper mine in the Province of Quebec.

## **CURRENCY PRESENTATION AND DATE OF INFORMATION**

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This AIF contains references to United States dollars and Canadian dollars. All dollar amounts referenced herein, unless otherwise indicated, are expressed in Canadian dollars and United States dollars are referred to as “United States dollars” or “US\$”.

## Metric Equivalents

Conversion rates from imperial measures to metric measures, and metric measures to imperial measures, are provided below.

Imperial Measure	Metric Unit	Metric Measure	Imperial Unit
1 acre	0.4047 hectare	1 hectare	2.4711 acres
1 foot	0.3048 metre (m)	1 metre (m)	3.2808 feet
1 mile	1.6093 kilometre (km)	1 kilometre (km)	0.6214 mile
1 ounce (troy)	31.1035 grams (g)	1 gram (g)	0.0322 ounce (troy)
1 pound	0.4536 kilogram (kg)	1 kilogram (kg)	2.2046 pounds
1 ton (short)	0.9072 metric tonne	1 metric tonne	1.1023 ton (short)
1 ounce (troy) / short ton	(t) 34.2857 grams metric / tone	(t) 1 gram / metric tonne	0.0292 ounce (troy) / short ton

All information in this AIF is given as of October 30, 2017, unless otherwise indicated.

## **CORPORATE STRUCTURE**

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Sulliden was incorporated as 2422222 Ontario Inc. under the *Business Corporations Act* (Ontario) on June 10, 2014, for the purposes of completing an arrangement among Sulliden Gold Corporation Ltd., the Corporation and Rio Alto Mining Ltd. whereby the East Sullivan property and cash were transferred to the Corporation. The Corporation was renamed on July 15, 2014 to “Sulliden Mining Capital Inc.” Sulliden is currently a reporting issuer in each province of Canada and the Common Shares are listed on the Toronto Stock Exchange.

The Corporation’s registered office is located at 65 Queen Street West, Suite 800, Toronto, Ontario.

Sulliden has three subsidiaries, being 2507868 Ontario Inc. (“250 Ontario”), Daos Limited (“Daos”) and Sulliden Moçambique, Lda. 250 Ontario is a wholly owned subsidiary of Sulliden. It was formed in 2016 in connection with, and holds, the option to purchase an interest in the Troilus Project. Daos is a company existing under the laws of Mauritius. Sulliden obtained a majority of the shares of Daos when it realized on the security it held in respect to a loan made to Apio Limited, the former parent company to Daos. Sulliden has written off the value of these shares and the Apio loan and is considering options to sell the asset. In May 2016, Sulliden Moçambique, Lda, was incorporated in Mozambique, and became a 100% owned subsidiary of the Company. There is currently no activity in this subsidiary. The registered office of this subsidiary is located at Rua Damião de Góis, Numero 371, Maputo Cidade, Moçambique.

## **GENERAL DEVELOPMENT OF THE BUSINESS**

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Sulliden is a Canadian-based precious metals company focused on investments, acquisitions and the development of brownfield, development-stage and early production-stage mining projects in the Americas. Sulliden's main project is the East Sullivan property ("East Sullivan", the "Project" or the "East Sullivan Property"), which is located in Quebec, Canada. In 2016, Sulliden entered into option arrangements whereby it can earn a 60% interest in the Troilus Project. The Corporation has also made a few strategic investments into other mining companies, which have been minor in quantum but have strategically allowed the Corporation to leverage its management and technical expertise.

### **History Since Incorporation**

The following provides a summary of the development of the business of the Corporation during the current financial year and the three previous financial years.

#### *Financial Year Ended July 31, 2017*

On May 17, 2017 the Corporation closed a non-brokered private placement financing for gross proceeds of \$1,150,000 through the sale of 4,600,000 units at \$0.25 per unit. Each unit is comprised of one common share and one-half of a share purchase warrant, which is exercisable at \$0.35 for a period of two years.

On June 21, 2017 Sulliden's wholly owned subsidiary, 250 Ontario, entered into two option agreements that together provide 250 Ontario with the right to purchase from First Quantum Minerals Inc. ("First Quantum") a 60% interest in the Troilus Gold Project ("Troilus Project"), subject to fulfilling certain work commitments and making certain cash payments. In June 2017, Sulliden entered into a share purchase agreement with Pitchblack Resources Ltd ("Pitchblack") to sell to Pitchblack all of the shares of 250 Ontario, and thereby Pitchblack would effectively acquire and assume the Troilus Project option agreements, in consideration for Sulliden receiving 60,000,000 Pitchblack common shares.

#### *Financial Year Ended July 31, 2016*

On May 19, 2016 Sulliden entered into an agreement with Carpathian Gold Inc., which has been subsequently re-named Euro Sun Mining Inc. ("Euro Sun"), to acquire 71,428,571 units, at a price of \$0.07 per unit for total consideration of \$5,000,000. Each unit consisted of one common share of Euro Sun and one-half of a common share purchase warrant. Each warrant will allow Sulliden to acquire one common share of Euro Sun at a price of \$0.12 for a period of two years from the date of issuance. As part of the agreement, Peter Tagliamonte, Sulliden's Senior Vice-President, and Stan Bharti, Chairman of Sulliden, have joined Carpathian's board of directors. Subsequent to Sulliden's year end, Euro Sun consolidated its common shares on an 18.164 for one basis and Euro Sun shareholders also elected Justin Reid, Sulliden's chief executive officer, to the Euro Sun board of directors.

On May 2, 2016, 250 Ontario entered into an option arrangement with First Quantum to acquire the past-producing Troilus Property, located in the Abitibi mining region of Quebec, Canada. As a result of the option agreement with First Quantum, Sulliden holds a two-year option to purchase a 100% interest in the Troilus Mine. To exercise this option 250 Ontario must spend a minimum of \$1,000,000 on engineering and technical studies to evaluate the economic viability of the project. Sulliden made an initial cash payment of \$100,000 First Quantum and a second cash payment of \$100,000 on the first anniversary of the Agreement; 250 Ontario must make a final cash payment of \$100,000 on the date of exercise of the Option. Additionally, a variable Net Smelter Royalty (NSR) of 1.5% or 2.5% depending of the gold price being more or less than US \$1,250 per ounce during the reference period will be granted to First Quantum. Sulliden agreed to a second option (the "Second Option") with 251 Ontario whereby 251 Ontario has an option to acquire 40% of the Troilus mine and a 1.0% net smelter royalty in consideration for 251 Ontario paying to 250 Ontario an amount equal to 40% of the expenditures Sulliden incurs under the First Quantum option agreement.

#### *Financial Year Ended July 31, 2015*

On November 25, 2014 the Corporation closed a non-brokered private placement financing for gross proceeds of \$2,000,000 through the sale of 5,000,000 units at \$0.40 per unit. Each unit was comprised of one common share and one-half of a share purchase warrant, which is exercisable at \$0.50 for a period of five years.

On October 20, 2014 the Corporation entered into an agreement with Aguia Resources Ltd ("Aguia") to acquire 40,000,000 Aguia ordinary shares, representing a 15.7% interest in Aguia. The Company also acquired a 1% net smelter return royalty ("NSR") on the Rio Grande project held by Aguia. The aggregate purchase price for the shares and NSR royalty was AUD\$2 million. Aguia retained the option to buy-back the NSR royalty for AUD\$1 million, which it exercised in July 2017. As part of the agreement, Sulliden received a board seat at Aguia, and has the right to participate in any future equity offerings by Aguia in order to maintain its proportionate equity interest.

On August 11, 2014 the Corporation started trading on the Toronto Stock Exchange under the symbol: "SMC".

On August 5, 2014 the plan of arrangement among Sulliden Gold Corporation Ltd., the Corporation and Rio Alto Mining Limited was completed. Former shareholders of Sulliden Gold Corporation Ltd. were issued a total of 31,590,893 Common Shares and the Corporation acquired the East Sullivan Project and cash.

## **NARRATIVE DESCRIPTION OF THE BUSINESS**

### *General*

Sulliden is currently focused on investments, acquisitions and the development of brownfield, development-stage and early production-stage mining projects in the

Americas. Sulliden's main projects are the East Sullivan Property and the Troilus Project, both of which are in Quebec, Canada.

### *Principal Products*

The Corporation is an exploration and development company and is not in production. If it develops a precious or base metal property into production, there is a global market into which Sulliden could sell minerals produced and, as a result, the Corporation does not expect to be dependent on a particular purchaser with regard to the sale of any minerals that it produces.

### *Competitive Conditions*

The mining business is a competitive business. The Corporation competes with numerous companies and individuals that have resources significantly in excess of the resources of the Corporation, in the search for (i) attractive mineral properties; (ii) qualified service providers and labour; and (iii) equipment and suppliers. The ability of the Corporation to acquire additional mineral properties in the future will depend on its ability to operate and develop its present property or obtain other sources of financing, and also on its ability to select and acquire suitable producing properties or prospects for development or exploration. See "*Risks of the Business - Competition*".

### *Employees*

The Corporation has approximately 20 employees and consultants, including senior management. The Corporation has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees can be retained by the Corporation when necessary. See "*Risks of the Business – Qualified Personnel*".

### *Specialized Skills and Knowledge*

All aspects of the Corporation's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mineral exploration, drilling, financial, regulatory compliance, legal and accounting. Sulliden has been successful, to date, in identifying and retaining employees and contractors with such skills and knowledge.

### *Environmental Protection*

The current and future operations of the Corporation, including exploration and development activities, are subject to extensive laws and regulations governing environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations can increase the costs of, and potentially delay planning, designing, drilling and developing the Corporation's properties.

## **Risk Factors**

Investing in the Corporation involves risks that should be carefully considered. The operations of the Corporation are speculative due to the high-risk nature of its business. Investors should be aware that there are various risks, including those discussed below, that could have a material adverse effect on, among other things, the East Sullivan Project, the Troilus Project, and the operating results, earnings, business and condition (financial or otherwise) of the Corporation. In addition please see “*Cautionary Statement Regarding Forward-Looking Information*”.

### *No Revenues*

To date, the Corporation has not recorded any revenues from operations nor has the Corporation commenced production on any property. There can be no assurance that the Corporation will always have sufficient capital resources to continue as a going concern, that significant losses will not occur in the near future or that the Corporation will be profitable in the future. The Corporation’s expenses and capital expenditures will increase as consultants, personnel and equipment associated with the exploration, and possible development, of its properties are advanced. The Corporation expects to continue to incur losses unless and until such time as it enters into commercial production and generates sufficient revenues to fund its continuing operations. The development of the Corporation’s properties will continue to require the commitment of substantial resources. There can be no assurance that the Corporation will continue as a going concern, generate any revenues or achieve profitability.

### *Precious Metal Prices*

Precious metal prices fluctuate widely and are affected by numerous factors beyond the control of the Corporation. The level of interest rates, the rate of inflation, the world supply of mineral commodities and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, national fiscal policies, monetary systems and political developments. The price of gold and silver has fluctuated widely in recent years. Future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Corporation’s business, financial condition and result of operations. Moreover, the ability of the Corporation to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious metals.

### *Current Global Financial Condition*

The Corporation will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Current financial and economic conditions globally have been subject to increased uncertainties. Access to financing has been negatively affected by these economic uncertainties. These factors may affect the ability of the Corporation to obtain equity and/or debt financing in the future and, if obtained, influence the terms available to the Corporation. If these increased levels of volatility and market turmoil continue, the

Corporation may not be able to secure appropriate debt or equity financing. If additional capital is raised by the issuance of shares from the treasury of the Corporation, shareholders may suffer dilution. Future borrowings by the Corporation or its subsidiaries may increase the level of financial and interest rate risk to the Corporation as the Corporation will be required to service future indebtedness.

#### *Competition*

The Corporation competes with many other mining companies that have substantially greater resources than the Corporation. Such competition may result in the Corporation being unable to acquire desired properties, recruit or retain qualified employees or obtain the capital necessary to fund the Corporation's operations and develop its properties. The Corporation's inability to compete with other mining companies for these resources would have a material adverse effect on the Corporation's results of operations and business.

#### *Share Price Fluctuations*

The market price of securities of many companies, particularly junior stage mining companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Corporation's share price will not occur. As well, the Corporation has invested in a small number of junior companies. Fluctuations in the share prices of these companies may significantly affect the valuations of the Corporation's assets.

#### *Conflicts of Interest*

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other mining companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting such participation.

#### *Foreign Exchange*

Globally, commodities are typically sold in U.S. dollars. As a result, the Corporation is subject to foreign exchange risks relating to the relative value of the U.S. dollar as compared to the Canadian dollar.

#### *Nature of Mining, Mineral Exploration and Development Projects*

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or

expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Corporation towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Mining operations generally involve a high degree of risk. The Corporation's operations are subject to the hazards and risks normally encountered in mineral exploration and development, including environmental hazards, explosions, and unusual or unexpected geological formations or pressures. Such risks could result in damage to, or destruction of, mineral properties, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

#### *Licences and Permits, Laws and Regulations*

The Corporation's exploration and development activities (and those of investee companies) require permits and approvals from various government authorities, and are subject to extensive federal, provincial and local laws and regulations governing prospecting, exploration, development, production, transportation, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more time consuming and costly. In addition, the Corporation may be required to compensate those suffering loss or damage by reason of its activities. The Corporation will be required to obtain additional licences and permits from various governmental authorities to continue and expand its exploration and development activities. There can be no guarantee that the Corporation will be able to maintain or obtain all necessary licences, permits and approvals that may be required to explore and develop its properties (or that its investee companies would also succeed).

#### *Environmental Risks*

The Corporation's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Furthermore, any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Corporation, including the suspension or cessation of operations.

Exploration and mining operations involve risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. Significant risk of environmental contamination from present and past exploration or mining activities still exists for mining companies. The Troilus Project is a past producing mine subject to significant continuing reclamation liabilities and obligations. Sulliden may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at either the East Sullivan Property or the Troilus

Project do not exist or that Sulliden will not be alleged to be responsible for historical liabilities at the East Sullivan Project or the Troilus Project.

#### *Title to Properties*

Acquiring the ownership of title to resource properties is a very detailed and time-consuming process. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Corporation may have an interest, which, if successful, could result in the loss or reduction of the Corporation's interest in its properties.

#### *Liquidity Concerns and Future Financings*

The Corporation will require capital and operating expenditures in connection with the exploration and development of its properties and for working capital purposes. There can be no assurance that the Corporation will be successful in obtaining required financing as and when needed. The only sources of future funds presently available to Sulliden are the sale of equity capital, the sale of existing investments, which may be illiquid, or the offering by Sulliden of an interest in its properties. There is no assurance that any funds will be available for operations. Failure to obtain additional financing on a timely basis could cause Sulliden to reduce, delay or terminate its proposed operations, with the possible loss of such operations and assets (particularly in terms of the option to purchase the Troilus Project).

Volatile markets may make it difficult or impossible for the Corporation to obtain debt financing or equity financing on acceptable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Corporation to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

#### *No Mineral Resources or Mineral Reserves have been estimated at East Sullivan*

The East Sullivan Property is in the exploration stage and sufficient work has not been done to describe mineralization on the property with enough geological confidence for such mineralization to be reported as a mineral resource. There is no assurance given by the Corporation that continuing work on the property will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource, or to economically extract it.

#### *Insurance*

Sulliden's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of: Sulliden's mineral properties or

future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive regulatory approvals to transport their products, or costs, monetary losses and potential legal liability and adverse governmental action. Sulliden may be subject to liability or sustain loss for certain risks and hazards against which they do not or cannot insure or which it may reasonably elect not to insure. This lack of insurance coverage could result in material economic harm to Sulliden.

#### *Dependence on Outside Parties*

The Corporation has relied upon consultants, geologists, engineers and others and intends to rely on these parties for exploration and development expertise. Substantial expenditures are required to construct mines, to establish mineral resources and reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract metal from ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Corporation.

#### *Limited Property Portfolio*

At this time, the Corporation holds an interest in East Sullivan and an option to acquire an interest in Troilus. As a result, unless the Corporation acquires additional property interests, any adverse developments affecting these properties could have a material adverse effect upon the Corporation and would materially and adversely affect the potential future mineral resource production, profitability, financial performance and results of operations of the Corporation.

#### *Dividend Policy*

No dividends on the Common Shares have been paid by the Corporation to date. The Corporation does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors including the Corporation's operating results, financial condition and current and anticipated cash needs.

#### *Accounting Policies and Internal Controls*

The Corporation prepares its financial reports in accordance with IFRS. In preparing of financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Corporation. Significant accounting policies are described in more detail in the Corporation's audited financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Corporation has implemented and continues to analyze its internal control systems for financial reporting. Although the Corporation believes its financial reporting and financial statements are

prepared with reasonable safeguards to ensure reliability, the Corporation cannot provide absolute assurance.

#### *Public Company and other Regulatory Obligations*

The Corporation is subject to evolving corporate governance and public disclosure regulations that have increased both the Corporation's compliance costs and the risk of non-compliance, which could adversely affect the Corporation's share price.

The Corporation is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. For example, the Canadian government proclaimed into force the *Extractive Sector Transparency Measures Act* on June 1, 2015, which mandates the public disclosure of payments made by mining companies to all levels of domestic and foreign governments. The Corporation's efforts to comply with increasing regulatory burden could result in increased general and administration expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

## **DESCRIPTION OF MATERIAL PROPERTIES**

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### ***Troilus Project***

The Troilus Project is a past-producing mine in respect of which Sulliden outlined a new mineral resource estimate in 2016. As discussed under "General Development of the Business", Sulliden has entered into option arrangements with First Quantum and 251 Ontario that provide Sulliden with the right to earn 60% interest in the Troilus Project.

The following disclosure with respect to the Troilus Mine has been derived from a technical report on the Troilus Mine entitled "Technical Report on the Troilus Gold-Copper Mine Mineral Resource Estimate, Quebec, Canada", dated June 30, 2016 prepared by Mr. Luke Evans, M.Sc., P.Eng, and Tudorel Ciuculescu, M.Sc., P.Geo (the "**Troilus Technical Report**").

### **Property Description, Location and Access**

The Troilus Mine is located approximately 650 km north of Montreal and 175 km north of Chibougamau in northwestern Quebec within lands administered by the Municipalité de la Baie James. It is approximately centred at latitude 51°00' N and longitude 74°30' W.

The Troilus Mine is a past producer. Two open pits, J4 and Z87, operated from 1996 to 2009. Site restoration work began in 2007 and is well underway. Environmental monitoring work is on-going and will continue for approximately five years after the site restoration work has been completed.

The Troilus property consists of one surveyed mining lease (BM 829) covering 840 ha and 81 map designated claims covering 3,878.6 ha, for a total of 4,718.6 ha. Renewal fees totaling approximately \$53,000 will be due in March 2018 for the mining lease and \$58,000 in March 2019 for the mining lease and the map designated claims.

Map designated claims have pre-established positions and a legal survey of them is not required. All claims are in good standing and are currently 100% owned by First Quantum. First Quantum acquired the Troilus Mine as part of the Inmet takeover in March 2013.

In Quebec, a mining lease is initially granted for a 20 year period. The mining lease can be renewed for additional 10 year periods. Mining lease BM 829 is in good standing, with the expiry date of March 3, 2026.

A map designated claim is valid for two years and can be renewed indefinitely, subject to the completion of necessary expenditure requirements. The map designated claims in the Troilus property have an average individual size of approximately 54 ha. Each claim gives the holder the exclusive right to explore for mineral substances, except sand, gravel, clay and other unconsolidated deposits, on the land subject to the claim. The claim also guarantees the holder's right to obtain an extraction right upon the discovery of a mineral deposit. Ownership of the mining rights confers the right to acquire the surface rights.

In addition to the surface rights covering the mining lease, there are surface right leases covering a number of areas. The surface rights renewal fee totals more than \$50,000 per year.

Please see "General Development of the Business – Financial year Ended July 31, 2016" for a description of the royalties that would be granted in respect of the project under the Corporation's option agreements.

The site restoration work started in 2007 by Inmet with the re-vegetation of areas no longer used by the Troilus mine. The dismantling, cleaning, and grading work is largely complete. Some fertilization and seeding work is on-going, particularly in the tailings area. A water treatment plant has been functional since the end of 1998. It is unclear for how long the water treatment plant will be needed.

The current mine restoration plan was produced by Genivar Inc. in November 2009. It considers recent additional studies updating the information regarding the hydrology and hydrogeology, the acid rock drainage, the phase 1-type site characterization, and the progressive restoration work carried out in 2007, 2008, and 2009. The Mistissini Cree community was consulted throughout the process. The closure plan for the Troilus Mine was approved by the Quebec Ministry of Sustainable Development, Environment and Parks (Certificate of Authorization No. 3214-14-025) pursuant to modifications made November 3, 2010 and May 23, 2012.

Surface and groundwater water samples are taken at regular intervals at a number

of monitoring sites on the property and annual reports summarizing the results are submitted to the MRNF and the Ministère de l'Environnement et de la Faune (MDDEP). RPA stated its expectation that the monitoring work will continue for at least five years after the site restoration work is completed.

The Troilus Mine can be reached by road from Chibougamau by driving 23 km east along Highway 167, then north for a distance of 108 km along the Route du Nord, and then northeasterly along the mine access road for a distance of 44 km. All of these roads, with the exception of the mine access road, are well maintained year-round. Chibougamau is serviced by daily flights from Montreal.

Climate in the area is characterized by short mild summers and long cold winters, with mean temperatures ranging from  $-17^{\circ}\text{C}$  in January to  $16^{\circ}\text{C}$  in July. Mean monthly precipitation ranges from 40 mm in February to 120 mm in September.

Various limited services are available at Mistissini, a Cree community located about 90 km southeast of the mine. A greater range of industry services is available at Chibougamau, a mining town with a population of about 8,500 established in 1950 and located about two hours by road to the south. It has a well-developed local infrastructure, services, and a mining industry workforce.

The mine is connected to the provincial hydroelectric grid via a 137 km 161 kV power line. Water is plentiful.

Most of the infrastructure on the mine site has been sold and removed. Security personnel patrol the site on a regular basis. The key remaining infrastructure includes:

1. Bunkhouse/office building
2. Garage for snow removal and road maintenance contractor
3. Garage for site restoration employees
4. Electrical transformer station
5. Drinking water tank and pump house
6. Tailings water treatment plant
7. A number of tailings water pump houses
8. Outdoor core storage area
9. Gatehouse and gate

The property area is primarily covered by black spruce forests, swamps, and lakes. The vertical relief in the area is moderate, with a mean altitude of 375 MASL. Overburden consists essentially of a thick layer ( $>10$  m) of fluvio-glacial till. Outcrops are sparse, and very large boulders sitting on surface are common.

## **History**

Kerr Addison Mines Ltd. (Kerr Addison) staked two large blocks of claims in 1985 and 1987 that included the Troilus mine area. In 1988, Minnova Inc. (Minnova) became operator in a 50-50 joint-venture with Kerr Addison. In February 1993, Metall Mining Corporation (Metall) acquired Minnova's interest and, in May 1993, Metall purchased all

of Kerr Addison's mining properties. On May 4, 1995, Metall changed its name to Inmet. Inmet was acquired by First Quantum in March 2013. On April 8, 2014, Copper One entered into a definitive purchase agreement with a wholly-owned subsidiary of First Quantum to acquire a 100% interest in the past producing Troilus Mine, however, the purchase was not completed.

Initial exploration in the area started in 1958 following the discovery of many erratic blocks containing copper and nickel anomalies. Some occurrences of copper and zinc were discovered between 1958 and 1967, including a massive sulphide deposit at Baie Moléon discovered by Falconbridge Ltd. in 1961.

Kerr Addison acquired a large block of claims in 1985, following a mapping program by the Quebec Ministry of Natural Resources that indicated good potential for gold and base metal mineralization. More geochemical, geophysical, and geological work was carried out by Kerr Addison in 1985 and 1986. Drilling began in 1986 with 24 holes totaling 3,590 m, which led to the discovery of Zone 86 (Z86).

In 1987, more claims were added to the property to the north of the Z86 drilling, where the Troilus Mine is now located. A large gold float dispersion train was found by prospecting and 26 diamond drill holes totaling 4,413 m were drilled. Hole KN-12, collared immediately up-ice from a glacial float dispersion train, intersected significant gold-copper mineralization over great widths, which turned out to be part of Z87, named after the year of its discovery.

In 1988, 27 diamond drill holes totaling 6,567 m were completed. Initial drill testing of a nearby weak horizontal loop electromagnetic (HEM) anomaly intersected anomalous gold and copper mineralization in what was confirmed to be Zone J4 (J4) in 1991. The J4 name originates from its location on the "J" exploration grid.

Between 1989 and 2005, 14 drilling programs comprising 887 diamond drill holes for a total of 159,538 m were carried out on the property. The drilling outlined five main areas of gold mineralization (Z87/87S, Z87 Deep, J4, J5, and Southwest) and a number of isolated gold intersections.

Between December 1992 and March 1993, a drilling program comprising 181 holes totalling 24,239 m was carried out to complete a feasibility study. The purpose of the drilling was to define Z87 and J4 as well as to test other IP anomalies.

The construction of the mill complex and all facilities was completed in the fall of 1996, and milling started in November 1996. In April 1997, after some fine tuning, the mill capacity reached 10,000 tpd.

In April 1998, Inmet approved 15,000 tpd mill expansion feasibility by Met-Chem Canada Inc. (Met-Chem). Modifications to the mill started in December 1998, and the full 15,000 tpd capacity was reached in 1999.

In 2004, Inmet approved another mill expansion feasibility by Met-Chem to increase mill capacity to 20,000 tpd. Modifications to the mill were completed in December 2004 and the full 20,000 tpd capacity was reached in 2005.

### *Past Production*

The mine started commercial production in October 1996 and operated continuously to April 2009 and the mill continued to process stockpile material until June 2010. From 1995 to 2010, approximately 69.6 million tonnes averaging 1.00 g/t Au and 0.10% Cu of ore was mined and 7.6 million tonnes of lower grade mineralization had been stockpiled. A total of approximately 230.4 million tonnes had been excavated including 18.4 million tonnes of overburden and 134.7 million tonnes of waste rock. Overall mill recovery averaged 83% for gold and 89% for copper. The Troilus mine produced over 2,000,000 ounces of gold and almost 70,000 tonnes of copper. The production history up to the end of the mine life in 2010 is summarized in the table below. The mill processed the low grade stockpile material from 2009 until June 2010.

#### **TROILUS MINE PRODUCTION HISTORY** Sulliden Mining Capital Inc. – Troilus Mine

Description	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010
Overburden (000 t)	3,449	5,080	3,235	967	1,949	552	83	203	843	1,702	347	0	0	0	0	0	18,389
Waste Rock (000 t)		988	8,840	13,052	12,073	14,370	13,441	14,912	11,279	10,344	11,452	9,787	6,951	6,999	212	0	134,700
Stockpile (000 t)		118	865	1,423	1,144	61	1,081	8	281	488	888	371	167	784	0	0	7,640
Ore Mined (000 t)		629	3,798	4,178	4,959	4,913	5,901	5,943	5,923	6,045	6,929	6,670	6,463	5,599	1,892	0	69,639
Total Excavated (000 t)	3,449	6,814	16,737	19,618	20,126	19,895	20,485	21,065	18,307	18,559	19,616	16,828	13,582	13,382	1,904	0	230,368
Mill Head (g/t Au)		1.35	1.44	1.34	1.26	0.9	1.1	1.08	1.03	0.95	0.94	0.86	0.87	0.95	0.83	0.52	1.00
Mill Head (%Cu)		0.157	0.163	0.138	0.125	0.104	0.156	0.132	0.108	0.092	0.076	0.051	0.054	0.106	0.11	0.08	0.10
Gold Recovery		80.7	85.56	86.43	85.84	82.78	83.6	83.05	83.01	80.83	81.79	82.45	81.72	84.02	84.00	81.00	83.09
Copper Recovery		81.4	89.41	89.71	89.81	89.87	91.75	90.22	89.42	86.78	89.68	86.9	87.83	93.39	92.00	89.00	89.13
Au (ozs)*		12,941	139,888	146,970	168,384	122,532	162,578	164,802	164,061	149,028	159,545	147,876	138,391	151,267	135,200	37,900	2,001,173
Cu (t)*		471	5,158	4,915	5,416	4,786	7,836	6,817	5,791	4,814	4,444	2,881	2,772	5,707	5,900	2,000	69,708

Note \* Recovered metal after milling and smelter and refining adjustments.

## **Geological Setting, Mineralization and Deposit Types**

### *Regional Geology*

The Troilus gold-copper deposit lies within the eastern segment of the Frotet-Evans Greenstone Belt, in the Opatica Subprovince of the Superior Province in Quebec.

The Frotet-Evans Archean greenstone belt extends for more than 300 km between James Bay and Mistassini Lake, and varies from a few kilometres up to 45 km in width. The belt is divided into two similar volcano-sedimentary domains, west domain and east domain. Half of the west domain consists of tholeiitic basalt and the other half consists

of felsic pyroclastic rocks, gabbro, pyroxenite, and peridotite. The east domain is known as the Frotet-Troilus Domain and hosts the Troilus deposit.

### *Local Geology*

The Frotet-Troilus Domain is underlain by a supracrustal sequence of submarine mafic volcanics with intercalated cogenetic mafic intrusions. Felsic volcanic and pyroclastic rocks, minor epislastic sedimentary rocks, and ultramafic horizons are also present. These supracrustal rocks are intruded by granitoid plutons and dikes, which are the youngest rocks in the area.

The rocks are variably deformed and are affected by a strong regional foliation. Subhorizontal mesoscopic to megascopic folds are common, affecting both regional foliation and primary layering. The metamorphic grade in the Troilus area ranges from greenschist to lower amphibolite facies. The higher metamorphic grade is apparent adjacent to boundaries of intrusions and margins of the greenstone belt.

The Troilus region contains many occurrences of gold, base metal, and molybdenite mineralization. Troilus is the largest identified gold deposit. The three largest identified base metal volcanogenic massive sulphide (VMS) occurrences are the Lessard deposit, Tortigny deposit, and Clairly deposit.

### *Property Geology*

The property geology consists of a sequence of intermediate to mafic flows and breccia, locally with felsic volcanic rocks, and comagmatic gabbro and ultramafic sills. The sequence is fault bound to the north by a significant fault and cut internally by smaller scale faults. The gold mineralization at Troilus is hosted in a multiphase gabbro to diorite intrusion, the Troilus Diorite. Interpretation of airborne magnetic data indicates that the Troilus Diorite is an elongate intrusion five kilometres by one kilometre in size, whose long axis has a northeasterly orientation. The Troilus Diorite hosts the two main mineralized zones (Z87 and J4) of the Troilus Mine in its northeast and north margins. Late porphyritic felsic intrusions intrude the margin of the Troilus Diorite and appear to be more abundant in the mineralized zones. Magmatic zircon from a large felsic dike yielded an age of  $2,782 \pm 6$  Ma (Dion et al., 1998). A large granite-trondhjemite pluton (Parker Pluton) is located northeast of the Troilus Diorite and a smaller granitic pluton (Parker Junior) occurs to the south. Magmatic titanite from the Parker pluton yielded a preliminary U/Pb age of 2,698 Ma.

The Troilus Diorite consists of coarse- to medium-grained gabbro and diorite. Despite metamorphic recrystallization to hornblende and epidote aggregates in a matrix of andesine and quartz, magmatic textures are preserved within the intrusion. The margin of the intrusion contains a brecciated unit with centimetre- to decimetre-size leucocratic fragments in a melanocratic matrix. The breccia unit is the main host rock of the Z87 and J4 mineralized zones. The outer margin of the breccia unit grades into fine-grained country rock consisting of massive to strongly foliated amphibolite, depending on the amount of biotite alteration.

Three main fracture orientations are mapped in the deposit area. The other two sets (035°/25° and 320°/85°) cut the regional foliation almost at a right angle. The combined effect of these fractures has induced local instability in the Z87 pit. Faulting is observed locally in the pit.

These two fault orientations do not cause any overall wall stability concerns, but can create problems locally.

The geologic units and alteration patterns were strongly flattened and stretched during regional deformation. In the Z87 pit area, the effects of deformation are manifested as strongly elongated (parallel to the regional foliation) felsic dikes, extensive stretching of breccia fragments, strongly boudinaged mafic dikes, and distorted quartz veins. Mineralized breccia fragments show aspect ratios of up to 20:1 in a foliated biotite enriched matrix, parallel to the north-northwest plunging lineation. In contrast, barren breccia in the structural hanging wall consists of more angular, equant fragments in a matrix of weakly foliated amphibolite.

### **Mineralization**

Two styles of mineralization are recognized at Troilus: 1) disseminated mineralization and 2) vein-hosted mineralization. Disseminated mineralization contributed greater than 90% of the ore, particularly in Z87. This mineralization style consists of disseminated fine-grained chalcopyrite, pyrite, and pyrrhotite and streaks and stringers of these minerals along the foliation and fractures. Copper values are consistently greater than 0.07% Cu. Gold occurs as native gold and electrum grains up to 20 µm in size with up to 15% Ag. The grains are present along sulphide grain boundaries, fractures within sulphides, and as inclusions in silicates. The abundance of biotite alteration in the matrix of the breccia and in the amphibolite at Z87 is interpreted to reflect strong potassic metasomatism during channelized hydrothermal fluid flow through permeable rocks between the felsic dikes in the footwall and hanging wall.

Several generations of gold-bearing veins have been identified. In terms of grade and abundance, the most significant are quartz-chlorite (±tourmaline) veins. These veins occur in silicified wall rocks to sericitized high strain zones which cut the main foliation and in the margins of felsic dikes. Gold-bearing millimetre- to centimetre-wide veinlets are locally present as swarms parallel or subparallel to spaced cleavage in the silicified rocks.

### **Drilling**

Since 1986, Inmet and its predecessor companies have used similar procedures for drilling. The table below summarizes the drilling programs completed on the property to the end of 2007. There has been no drilling on the property since 2007. The current drill hole database contains 645 drill holes totaling 127,454 m and most of the drill holes targeted Z87 and J4.

SUMMARY OF HISTORICAL DRILLING  
Sulliden Mining Capital Inc. - Troilus Mine

Years	Contractor	Core Size
1986-1989	Morissette Diamond Drilling	BQ
1990	Morissette Diamond Drilling	NQ
	Benoit Diamond Drilling	
	Chibougamau Diamond Drilling	
1991-1993	Benoit Diamond Drilling	NQ
	Chibougamau Diamond Drilling	
1995	Benoit Diamond Drilling	NQ ("KN" holes)
	Morissette Diamond Drilling	BQ ("TN" holes)
1997	Chibougamau Diamond Drilling	NQ ("KN" holes)
		BQ ("TN" holes)
1999	Forages Mercier	NQ
2000	Chibougamau Diamond Drilling	NQ (on Z87 and J4 zones)
		BQ (elsewhere)
2002	Chibougamau Diamond Drilling	NQ
2003-2005	Forages Mercier	NQ
2007	Forages Mercier	NQ

### Sample Analyses and Data Verification

During the earlier (pre-1990) drilling programs, core sample intervals were selected based on visible mineralization and geological contacts. After 1990, one-metre samples were taken systematically in the mineralized zones, regardless of the geology. Also, resampling of the pre-1990 holes was carried out to fill in gaps in the sampling and to bring the assay sections as close as possible to one metre. In 1999, a new sampling and metallic sieve based assay protocol was introduced. This protocol included increasing the sample length to three metres and was applied to all samples located within mineralized zones. The sample length for samples located outside the mineralized zones was set at two metres, and these samples used a sampling protocol that involved fire assaying a 30 g sub-sample. Since 1999, most of the Z87 diamond drill core samples were three metres in length and most of the J4 Zone samples were 2.5 m in length. For the 2002 J4 zone drilling, the mine laboratory adjusted the protocol to a 2.5 m length. In 2004, all sample lengths were reduced to two-metre lengths.

Since 1986, a consistent sample preparation protocol has been employed at Troilus prior to shipping samples for analysis. All core samples are marked, tagged, placed in plastic bags, sealed, and temporarily stored in the secure core shack. When sufficient samples are accumulated, they are shipped by truck to the assay laboratory. Prior to 1997, samples were shipped off site to certified assay laboratories. Since 1997, samples have been assayed on- site.

As a verification method, plant recoveries in 2005 were approximately 82% for gold and 90% for copper.

Several laboratories and assay methods were used in the course of the different drilling programs, and a number of re-assay and check assay programs were carried out over the years.

In the Troilus Technical Report, the assays that support the current mineral resource estimate are based on sample preparation and analytical protocols that meet or exceed standard industry practice. The mine laboratory was equipped with modern state-of-the-art equipment and staffed with highly qualified personnel. Established assay laboratories were used for the earlier drill programs.

RPA further opined that the check assay data do not reveal any major biases in the historical Troilus drilling program gold assays that could have a significant negative effect on the Troilus mineral resource grade estimates. Overall, Sulliden has no reason to believe the production data did not reconcile well with the resources model.

### Mineral Resource Estimate

The current open pit and underground resource estimates for the J4 and J5 zones are based on the 2014 5m by 5m by 5m block model using Geovia GEMS 6.6. The Z87 underground resources are based on the 2006 10m by 10m by 10m underground block model using Gemcom 4.02.

RPA re-estimated mineral resources for Z87 based on an underground mining scenario only, while mineral resource estimates for the J4 and J5 zones remain for a mixed open pit and underground mining scenario. The combined open pit and underground mineral resource estimate for the Troilus mine is summarized in the table below. No mineral reserves have been estimated for the Property.

#### MINERAL RESOURCE ESTIMATE AS OF JUNE 30, 2016 Sulliden Mining Capital Inc. – Troilus Mine

Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	AuEq (g/t)	Contained Gold (000 oz)	Contained Copper (Mlb)	Contained AuEq (000 oz)
Indicated	44.0	1.27	0.120	1.45	1,789	116.5	2,054
Inferred	18.7	1.03	0.084	1.16	622	34.8	701

Notes:

1. CIM definitions were followed for Mineral Resources.
2. Open pit Mineral Resources were estimated at a cut-off grade of 0.3 g/t Au and were constrained by a Whittle pit shell. Underground Mineral Resources were estimated at a cut-off grade of 0.8 g/t Au.
3. Mineral Resources were estimated using long-term metal prices of US\$1,500 per ounce gold and US\$3.50 per pound copper; and an exchange rate of US\$1.00 = C\$1.1.
4.  $AuEq = (34.59 \times Au \text{ grade} + 54.02 \times Cu \text{ grade}) / 34.59$ .
5. A recovery of 83% was used for gold and 92% for copper.

RPA stated it was not aware of any environmental, permitting, and legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral resource estimate.

### *Capping Levels*

Since 2003, all high grade gold resource assays at Z87 have been capped to 6 g/t Au before compositing to three-metre lengths. High grade copper assays are rare and copper assays have never been capped at Troilus. Reconciliation work in 2003 and 2004 indicated that the 6 g/t Au capping level was appropriate; however, RPA and Inmet recognized that the 6 g/t Au cutting level was conservative for higher grade areas such as the Z87 pit bottom (Inmet and RPA, 2003). In the Troilus Technical report, RPA determined a 10 g/t Au capping level is reasonable and acceptable for the high grade gold resource assays and the copper assays do not need capping.

The 10 g/t Au capping level was applied to Z87 and the J4 and J5 Zones for the current resource estimate.

### *Block Models*

Gemcom Resource Evaluation Edition Version 4.02 was used to construct a block model for the Z87 underground project. The information for each block in the model includes:

- Interpolated gold, cut gold, and copper grades related to blocks that contain at least 1% mineralization.
- The percentage of the mineralization wireframe model that is in each block.
- The mineralization density.
- Indicated and Inferred identifiers for mineralization blocks.
- The distance to the closest composite used to interpolate block mineralization grades.

The blocks are 10 m by 10 m by 10 m in size, and the model has 90 columns, 160 rows, and 70 levels. The Z87 underground model origin is at 9,800E, 12,800N, and the 5,400 m elevation.

GEOVIA GEMS 6.6 was used to build a combined open pit block model for Z87, J4, and J5. Previously, RPA had built separate block models for the Z87 and J4 areas. The 2014 block model has been used to report the open pit and underground resources for J4 and J5. The GEMS model origin is at 9,000E, 12,600N, and 5,420 m elevation in mine grid coordinates. The blocks are 5m by 5m by 5m in size. The model has 380 columns, 650 rows, and 140 levels

The information contained in the block model includes mineralization domain flagging, percent of mineralization domain in the block, density, classification, as well as interpolated gold, capped gold and copper using inverse distance squared, check estimates for capped gold and copper using ordinary kriging, and a net smelter return (NSR) economic model.

For the mineral resource estimate, RPA estimated an open pit discard cut-off grade of 0.3 g/t Au for mineralization situated within the J4/J5 Whittle pit shell and an underground bulk mining cut-off grade of 0.8 g/t Au was estimated for Z87 mineralization lying below the current topography, which is essentially the same as Inmet's ultimate pit design surface.

Metal prices used are based on consensus, long term forecasts from banks, financial institutions, and other sources and are summarized in the table notes above.

### **Exploration and Development**

In its recent technical report, RPA recommended that Sulliden Sub continue to evaluate the technical and economic viability of the Troilus Project, and complete the work commitments required to satisfy the option agreement with First Quantum. RPA recommended that an initial ground reconnaissance and data compilation program should be completed of approximately \$500,000. Further, exploration drilling, engineering and economic studies, and environmental monitoring are recommended pending successful completion of the 18 month ground reconnaissance program for a total budget of approximately \$3.6 million. This work is recommended in a two phase approach, with Phase 2 contingent on positive results from Phase 1.

### ***East Sullivan Property***

The East Sullivan Property is a past producing mine in Quebec. Sulliden owns 100% of the property.

### **Technical Report**

The following disclosure with respect to the East Sullivan Property has been derived from a technical report on the East Sullivan Property titled "Technical Report on the East Sullivan Property, Abitibi, Quebec", dated June 17, 2014 prepared by Mr. Rémi Charbonneau, Geologist, Ph. D., and a QP for the purposes of NI 43-101 (the "**East Sullivan Technical Report**").

### **Property Description, Location and Access**

The East Sullivan Property is located in the Abitibi region of Quebec, about five kilometres southeast from the city of Val-d'Or. The property forms a single claim block which consists of 21 contiguous staked claims registered in 1981 for a total area of 334 ha.

Sulliden holds a 100% interest on these claims, which are all in good standing and not subjected to any royalty agreement. In Quebec, staked mining claims require a \$1,000 payment or work equivalent to be renewed on a two year anniversary cycle. Suitable banked assessment credits originally generated by completing and filing eligible exploration work may be distributed on contiguous claims.

The East Sullivan Property is on public land, and permits must be obtained from the Ministère des Ressources Naturelles du Québec (“**MRN**”) for machinery access, for drilling, or mechanical trenching activities. There are no surface rights associated with the land holding.

The East Sullivan Property includes the past producing site of the East-Sullivan mine. This historical exploitation of copper-zinc (gold-silver) massive sulphide lenses left mining infrastructure and a large tailings pile covering the central part of the property. After closure of the mine in 1966, the site was abandoned and declared an orphan site by the government of Quebec, and is still listed as such. The site was among the first to be reclaimed by the Quebec Government in the early 1980s, because of acid drainage problem caused by the pyrite-rich tailings. Wood waste covering of the tailing pile to reduce oxidation by rain water was initiated in 1984. In addition, the pile was surrounded by a containment dam between 1992 and 1996. In 1998, a recirculation circuit was introduced by pumping the outflow water from the impoundment to the tailing pile, throughout the organic cover.

There is no direct liability for past production on the property for Sulliden, but future exploration and exploitation activities will have to be carried out in coordination with governmental representatives in order to keep the integrity of the tailings confinement system. Ultimately, the tailings pile can be further secured and used for tailings disposal in the case of any future production by constructing appropriate containment facilities for tailings and waste material.

The East Sullivan Property area is easily accessed from well-maintained gravel roads connected to Highway 117. A network of smaller roads, trails and ancient railways give access to most part of the property. The region experiences cold winters and warm summers. Snow accumulation and freeze-up of lakes begins in November and generally persists until April or May.

An experienced mining workforce is well-established in the Val d’Or area, where past and currently operating mines provide the region with abundant specialized mining personnel including engineers, geologists, and technicians. Val d’Or is served by a small airport, a railway line, power lines and telecommunication systems.

The topography of the project area forms a rolling plain, mostly characterized by smooth forested highs (above 320 m) with some outcrops and swampy lower lands. Forested cover is mostly of balsam fir-white birch type, with significant presence of aspen as secondary forest-type.

## History

The Bourlamaque Township was first mapped by the Geological Survey of Canada, as the mining camp of Val d'Or was being developed with the starting of several mines in the 1930s (including Siscoe, Sullivan, Sigma, East Malartic, Lamaque, and others). The copper-zinc East Sullivan mine located in the west portion of the property was discovered in 1945 by mining and geologist engineers George-Henri Dumont and Pierre Beauchemin. The mine was in production from 1949 to 1966.

In 1950, surface diamond drilling of approximately 600 to 900 m (2,000 to 3,000 feet) east of the mine shaft revealed two gold bearing intersections. From 1950 to 1958, during the mine production years, this gold structure was episodically explored from the surface and underground works (drifts, raisings and drillings). From 1981 to 1993, sporadic exploration work focused on this gold structure.

A concentrator with a capacity of 2,000 tonnes a day was erected in 1947. The mine was operated from 1949 to 1966. During the 1949-1956 period, East-Sullivan Mines Ltd. produced 15% of Quebec's total copper output, being the third largest copper producer of that time, behind Noranda Mines Ltd. and Waite Amulet Mines Ltd.

The mine was closed in 1966 and the five-compartment shaft remained in place until dynamited in February 2000. Total production of the mine was 16,007,443 Mt of ore with average contents of 1.023% Cu, 0.695% Zn and 0.329 g/t Au. Records indicate the storage facilities for drill core were destroyed after the closing of the mine.

The East Sullivan Mine was the subject of two geological studies: Assad, J. R., 1958, "The geology of the East Sullivan deposit, Val d'Or, Quebec (Ph.D. thesis, McGill University), and Lavoie, S., 2003, "Géologie de la mine East Sullivan, Abitibi-Est, Val d'Or, Quebec" (M.Sc. thesis, Université of Quebec in Chicoutimi) in an effort to establish the relationship between the ore and the monzonitic intrusive as well as to provide a more comprehensive view of the deposit types and of the mineralisation location.

### *Gold Mineralization*

A group of prospectors from Val d'Or claimed the property in 1980. An electromagnetic survey was undertaken on the east portion, along with 4 drill holes (ES-1 to ES04) totaling 1,380 m (4,528 ft) that attempted to precisely locate the gold structure.

The claims were transferred to a new public company called "Exploration Denn'Or Inc." which conducted two large drilling programs from 1986 to 1988 to evaluate the gold structure. These drilling programs established that the gold structure strikes east to east-northeast and dips 35 to 45° towards the south. Two irregular lenses were identified within the main shear zone and were interpreted to be open at depths and laterally. Drill density is irregular with the best drilled area along the mineralized plane (representing a 300 m by 300 m surface) showing piercing points along the plane every 10 to 15 m. Elsewhere along the drilled portion of the plane, the piercing point density is around 50m.

### *Historical sampling and analysis*

The table below includes statistics describing sampling done during the various drill campaigns.

Sampling was done continuously in and around the gold-bearing geological unit (shear-zone). Sampling was sporadic elsewhere and focused on geological features. No details have been compiled on sample preparation and analysis for drill core assayed during these drill campaigns.

In 1981 and 1987, Laboratoire d'Analyse Bourlamaque was used as the principal laboratory. The author of the East Sullivan Technical Report has no knowledge of the laboratory certification at the time these assays were done. Gold is reported as the main metal assayed. Silver, copper and zinc are also infrequently reported. No specific gravity measurements were reported. No other information is available at this moment such as laboratories used, as assays were found integrated in the log sheets.

No quality control procedures have been found for the sampling mentioned above, except for the following items:

- a) Limited sludge assays for drill intervals are reported for the East Sullivan campaigns (surface 1958 and underground).
- b) Limited re-assay of smaller, gold carrying interval within a previous larger sampled interval in 1987.
- c) A program consisting of 78 re-assays for gold, focused mostly on reproducing detectable gold assays for the 1988 drill program.

### *Historical estimate of the Gold Zone*

In 1988, an estimation of the Gold Zone was produced using data from 180 surface and underground diamond drill holes, along with samples from one exploration drift and one raising. This evaluation resulted in a historical resource estimate of 442,376 tonnes at 4.60 g/t Au using a 1.56 g/t Au cut-off. This estimate is presented in an evaluation report commissioned by Denn'Or and dated by October 1988. This estimate is historical in nature and should not be relied upon. It is only being reported to provide a history of the project. A QP has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Sulliden is not treating the historical estimate as current mineral resources or mineral reserves but rather to show the gold potential associated with the Gold Zone present on the East Sullivan Property. These estimates should not be relied upon.

This volume estimate was performed by Denn'Or using an in-house modified polygonal method with categories other than the ones set out in NI 43-101 and not prepared to the standards required by the instrument or modern estimation practices.

A full compilation of historical data and new drilling are necessary to upgrade this historical estimate to a current mineral resource or mineral reserve estimate. The decision to include part or all of this data into the project technical databases for possible future resource estimation will be made after the compilation process for historical data is completed.

## **Geological Setting, Mineralization and Deposit Types**

### *Regional Geology*

The East Sullivan Property is located in the north-central part of the Archean Abitibi Greenstone Belt, a subprovince of the Archean Superior Province of the Canadian Shield. This belt includes volcano sedimentary assemblages and granitic rocks of Archean age (> 2.5 Ga). The Abitibi Greenstone Belt was affected by a regional north-south compression. The volcanic sequences generally show east-west oriented synforms with synvolcanic and/or syntectonic plutons, alternating with east-west sedimentary sequences which tend to be unconformable. Most of the sedimentary and volcanic sequences dip steeply, with a regional subvertical schistosity generally oriented east-west. The volcano-sedimentary sequences are dissected by major structures of east-west direction. These structures are generally described as tectonic zones or deformation corridors of high amplitudes.

The Abitibi Greenstone Belt is formally divided into two segments: the Northern Volcanic Zone (“**NVZ**”), which covers most of the Belt and the Southern Volcanic Zone (“**SVZ**”). The NVZ is a coherent geotectonic unit initially formed as a diffuse volcanic arc, which evolved into a mature arc as represented by a second volcanic and sedimentary cycle. The East Sullivan Property is located in this volcanic zone. More specifically, the project is situated in the southern part of Harricana-Turgeon Belt which contains the plutonic and volcanosedimentary domains extending over 250 km along an east-west axis and over 70 km along a north-south axis. The composition of these complexes varies from dioritic to granodioritic.

### *Local Geology*

The property encompasses the western contact of the monzonitic East-Sullivan Stock, which intrudes the volcanic sequence of the Val-d’Or and Heva Formations. The Val-d’Or Formation presents an alternance of andesitic and basaltic flows with intermediate volcanoclastic rock. The andesitic and dacitic flows are porphyritic or massive while basaltic flows are brecciated with about 30% of angular clasts. In turn the volcanoclastic varies from tuff to lapilli tuff. The Heva Formation is characterized by massive to pillowed volcanic flows of basaltic composition. The East-Sullivan Stock is an elliptical, massive to porphyritic, multiphase intrusive body of monzonitic to dioritic composition. Contact metamorphism is in the forms of biotite rich bands affecting the surrounding volcanics. Finally, a northeast striking diabase dyke swarm intruded the area, during the Proterozoic Era.

Structurally, the property is included into the Val-d’Or Domain characterized by NE-SW orientation of the stratigraphy. This domain, which corresponds more or less to the Val-

d'Or Formation, represents a younger volcanic sequence affected by only one phase of deformation of younger age.

The immediate host rocks of the sulfide ore bodies at the East Sullivan Property are described as agglomerate and fragmental flows, according to former descriptions.

### *Mineralization*

Two distinct mineralizations of importance are found on the East Sullivan Property: the now extracted sulphide rich base metal mineralization of the East-Sullivan Mine and the gold bearing shear zone that includes the Gold Zone.

The base-metal sulfide-rich mineralization occurs as subvertical lenticular bodies elongated in the E-W and ENE-WSW directions within the volcanic sequence of the Val-d'Or Formation. These mineralized bodies consisted of massive to semi massive sulfides including pyrrhotite pyrite chalcopyrite and sphalerite. Other minor sulfide minerals were arsenopyrite, marcassite, galena, ilmenite and magnetite. Alteration minerals include quartz, chlorite, sericite and carbonate. Production statistics presented above in the table entitled "Historical Production Statistics – East Sullivan Mine" show copper grades from 0.4 to 2.0%, zinc from 0.2 to 1.3%, silver from 3.4 to 14.0g/t and gold from 0.1 to 0.6 g/t. Although up to 22 lenses were exploited, most of the production is derived from three main lenses of massive sulfides (A, B, and C) present near the surface, above 300 m (900 feet) in depth). The other lenses found at depth were smaller and contained lower copper grades, some of them being dominated by zinc. This mineralized system is older than the intrusive, as evidenced by the finding of massive sulfides remnants present as xenolith into the intrusive.

### *Deposit Types*

Two main type of mineralisation found in the East Sullivan Property are: copper-zinc-gold-silver ore extracted at the East Sullivan mine from 1949 to 1966, and gold mineralisation discovered in the 1950's less than one kilometer to the east of the mine.

### *Deposit type for base metal ore*

The East-Sullivan ore is typical of volcanogenic massive sulfide ("VMS") deposits found in the Abitibi sub-province such as Louvicourt, Manitou-Barvue, Dunraine and the Louvem deposits. VMS deposits are synvolcanic accumulations of sulfide minerals that occur in geological domains characterized by submarine volcanic rocks. In simple terms, mineralized discordant lenses topped with a stratiform mineralized cap. VMS are classified based on base metal content, geological environment, host rock types or by the distribution of the alteration zones. This deposit could be classified using chlorite alteration, discordant alteration pipe and volcanic rock types observed at East Sullivan as a Noranda type.

A total of 16 million tonnes of ore with grades of 1.03 % Cu, 0.7% Zn, 0.3 g/t Au and 9.6 g/t Ag were mostly extracted from the upper 3 massive sulphide lenses at East Sullivan. Some 20 other lenses consisting of disseminated and brecciated ore as well as stringers

were reported beneath the massive lenses. Although ore grades were decreasing in the last years of exploitation at East Sullivan, it is suggested that the mineralized zones are still open at depth, and that the ore lenses and host rocks were put in place as mineralized blocks displaced along faults and that possible extension of the deposit could have been laterally displaced at depth. The extension of the majority of the zones at depth was not fully investigated.

#### *Deposit type for gold*

Exploration work and a review of the geological literature of the area suggest that the gold mineralization found at East Sullivan could belong to the mesothermal type of gold deposit or gold bearing shear deposits.

At East Sullivan, the Cadillac Break regional fault zone is found less than 2 kilometres south of the property and a north to north-east trending shear zone crosscuts the entire property. Gold mineralized zones defined in 1987-88 are associated to this structure which crosscuts the contact between the monzonite to the east and the volcanics to the west. This structure is believed to have a semi-regional scale and was detected over a length of 400m and is up to 14m thick, with an average thickness of 6m.

The gold mineralisation described above seems to form a planar structure with little deformation, indicating a late mineralizing event in the history of regional deformation. The quartz-tourmaline vein deposit found in ductile shear zones of the Val D'Or area have been described as resulting from hydrothermal and deformation events considered to be contemporaneous to the Cadillac tectonic zone which is a major structure formed during regional deformation. This major structure could have drained auriferous fluids towards second and third order structures in the area of East Sullivan.

### **Exploration**

Exploration work performed by prior companies is described above. The work detailed below summarizes exploration activities conducted by Sulliden Gold Corporation Ltd. on the East Sullivan Property during the summer of 2013.

A digitized index was created to classify and facilitate further research for the 5,242 historical documents compiled so far for the East Sullivan Property.

During summer 2013, 21,719 microfiches preserved since mine closure have been digitalized into image files by the MRN. Upon reception, 11,420 of these images have been transformed into pdf format, combined (if necessary) and classified into the index based on their nature. So far, indexed documents include 988 drill logs, 2,519 plans, 1,779 sections and 17 reports.

All available exploration drill logs and reports done by prior companies (except East Sullivan Mines) have been regrouped and classified into the index. So far, a total of 50 logs performed within the property and 94 logs in the surrounding properties are now archived.

Approximately 55% of the documentation received from the MRN has been compiled, and from this initial compilation, the following databases were generated.

#### *Drill and old workings databases*

Digitized drill databases have been generated with the data compiled which consists at this moment of 2,154 drill logs. Information collected included drilling operators and date, collar location, dip, bearing, and length of drill holes. Some down hole data was also compiled, and the data compiled consists mostly of gold assays, lithology and mineral type, structure and texture information. The old stopes and exploration workings from the mine were also located according to the mine grid and a 3D framework of such infrastructure was generated. Assay values for gold from the workings of the old mine were also compiled into a database.

#### *Structural element database*

The compilation also focused on structural information displayed on geological maps drawn for 28 mine levels at every 60 m (200 feet). This data was used to generate a structural database. During summer 2013, 311 maps were referenced into ArcGIS from which two main types of data were extracted: structural symbols, and chronological markers. The database includes 4,656 referenced structural symbols and 183 chronological markers.

Using a 3D modeling software, every geological map compiled from the old mine showing the development layout was referenced and delimitations of ore bodies and tunnels were traced and connected to form a 3D model as shown below. The location of the gold zone is also displayed in relation to the exploration drift in the figure below.

### **Drilling and Sampling Analysis and Data Verification**

Neither Sulliden Gold Corporation Ltd. nor the Corporation have performed any drilling or sampling activity on the East Sullivan Property. Historical drilling and sampling is described above. See “Mineral Properties-East Sullivan Property – History.”

Most of the data used in the East Sullivan Technical Report are from historical works and little material is left for direct verification, except for exploration reports stored in internal archives or assessment files. Nevertheless, the database and particularly in the case of information from independent sources did not show major inconsistencies, so Sulliden consider available information to be valuable in the present context where information is used as an indication of the mineralization potential to warrant further exploration works, including redrilling of the Gold Zone.

### **Mineral Processing and Metallurgical Testing**

The Gold Zone of the East Sullivan Property is at an early stage of exploration and mineral processing or metallurgical testing has not been performed at this stage.

## Mineral Resource Estimate

There are no current mineral reserve or mineral resource estimates for the East Sullivan Property.

## Exploration and Development

In the East Sullivan Technical Report, the authors recommended Sulliden complete the historical data compilation initiated in 2013 while simultaneously performing surface exploration work on the property and gathering social and environmental information. These steps will be necessary to obtain the necessary permits to initiate a drill campaign. Accordingly, a non-contingent first phase of work with a \$150,000 budget is proposed. Following the completion of the compilation, a second phase of work, which would consist of a drill program with a budget of \$2,000,000, is recommended. The costs for both phases are projected to total \$2,150,000.

<b>Phase I</b>	<b>quantity</b>	<b>unit</b>	<b>Unit cost</b>	<b>Cost (\$)</b>
Completion of compilation work	90	man-days	\$600.00	\$54,000
Survey				\$15,000
Line cutting	10	line km	\$800.00	\$8,000
IP geophysics	10	line km	\$1 400.00	\$14,000
Permitting	50	man-days	\$600.00	\$30,000
Production of maps and report	25	man-days	\$600.00	\$15,000
Contingency (approx. 10%)				\$14,000
<b>Total</b>				<b>\$150,000</b>

  

<b>Phase II</b>	<b>quantity</b>	<b>item</b>	<b>Unit cost</b>	<b>Cost (\$)</b>
Interpretation of targets	20	man-days	\$600	\$12,000
Drilling	10,000	m	\$100	\$1,000,000
Core logging and splitting	200	team-days	\$1,000	\$200,000
Mobilisation transport expenses				\$65,000
Lodging and food	200	team-days	\$200	\$40,000
Field supply				\$40,000
Laboratory assay	7,500	samples	\$40	\$300,000
Production of plan and report				\$60,000
Logistics				\$33,000
Contingency (approx. 10%)				\$250,000
<b>Total</b>				<b>\$2,000,000</b>

  

<b>Total for phase I and phase II</b>				<b>\$2,150,000</b>
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## **DIVIDENDS**

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The constating documents of the Corporation do not limit the Corporation's ability to pay dividends on the Common Shares. However, the Corporation has not paid any dividends since incorporation and does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the Board.

## **DESCRIPTION OF CAPITAL STRUCTURE**

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The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of October 30, 2017, there were 41,462,851 Common Shares issued and outstanding.

### **Common Shares**

Holders of Common Shares are entitled to receive notice of and to attend any meetings of shareholders and shall have one vote per share at all meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board and, upon liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

## **MARKET FOR SECURITIES**

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### **Trading Price and Volume**

The Common Shares trade on the Toronto Stock Exchange under the symbol "SMC". The following chart provides the monthly price range and average daily volume traded for the Common Shares during the months of the financial year completed July 31, 2017.

<b>Month</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
July 2017	0.275	0.18	24,204
June 2017	0.30	0.23	30,600
May 2017	0.30	0.275	14,834
April 2017	0.30	0.25	54,977
March 2017	0.325	0.29	234,280

February 2017	0.37	0.30	42,845
January 2017	0.33	0.265	21,175
December 2016	0.33	0.28	19,715
November 2016	0.425	0.325	53,623
October 2016	0.41	0.365	32,899
September 2016	0.415	0.32	50,560

### Prior Sales

During the financial year ended July 31, 2017 the Corporation issued the following securities:

<u>Transaction Date</u>	<u>Number of Securities</u>	<u>Type of Securities</u>	<u>Issue/ Exercise Price (\$)</u>
May 17, 2017	4,600,000 <sup>(1)</sup>	Common Shares	\$0.25

<sup>(1)</sup> Common Shares issuance pursuant to financing

### DIRECTORS AND OFFICERS

The following table sets forth the name, province of residence, position held with the Corporation and principal occupation of each person who is a director or an executive officer of the Corporation. All directors hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

<b>Name and Province of Residence</b>	<b>Position(s) with Corporation and Period of Service as a Director (if applicable)</b>	<b>Principal Occupation</b>
Stan Bharti (Ontario, Canada)	Chairman and Director since August 2014	Executive Chairman, Forbes & Manhattan, Inc.
Peter Tagliamonte (Ontario, Canada)	Director since August 2014	CEO of Belo Sun Mining
Justin Reid (Ontario Canada)	CEO and a Director since August 2014	CEO and Director of the Corporation

Bruce Humphrey <sup>(1)(2)(3)</sup> (Ontario, Canada)	Director since August 2014	Mining Executive
Diane Lai <sup>(1)(2)</sup> (Ontario, Canada)	Director since December 2014	COO of ARHT Media Inc.
Hon. Pierre Pettigrew, p.c. <sup>(1)(2)(3)</sup> (Ontario, Canada)	Director since August 2014	Executive Advisor, International with Deloitte & Touche LLP
William Clarke (Ontario, Canada)	Director since January 2017	Business Advisor
Paul Pint (Ontario, Canada)	President since January 2016	President of the Corporation
Deborah Battiston (Ontario, Canada)	Chief Financial Officer	Chief Financial Officer of the Corporation
Wanda Roque (Ontario, Canada)	Corporate Secretary	Corporate Securities Clerk

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee

(3) Member of the Corporate Governance and Nominating Committee

The directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control over, 3,143,324 common shares, representing approximately 7.6% of the issued and outstanding common shares of the Corporation as of the date hereof, based on their SEDI reports.

The principal occupations, businesses or employments of each of the Corporation's directors and executive officers within the past five years are disclosed in the brief biographies below.

*Stan Bharti, Executive Chairman.* Mr. Bharti has over 25 years of experience in operations, public markets and finance. Over the last ten years, Mr. Bharti has been involved in acquiring, restructuring and financing various business ventures, mostly in the resource sector. He is a Professional Mining Engineer and holds a Masters Degree in Engineering from Moscow, Russia and University of London, England. His principal occupation is his role as Executive Chairman of Forbes & Manhattan, Inc. In addition, Mr. Bharti is a director of several public and private companies.

*Justin Reid, CEO and Director.* Mr. Reid is a geologist and capital markets executive with over 20 years of experience focused exclusively in the resource space. From February 2013 to August 2014, Mr. Reid served as President of Sulliden Gold Corporation Ltd. Since the sale of Sulliden Gold Corporation Ltd. to Rio Alto Mining

Limited, Mr. Reid has served as the CEO of the Corporation. Mr. Reid holds a B.Sc from the University of Regina, an M.Sc from the University of Toronto and MBA from the Kellogg School of Management at Northwestern University. Mr. Reid started his career as a geologist with the SGS and Cominco Ltd after which he became a partner and senior mining analyst at Cormark Securities in Toronto. In 2009, Mr. Reid was named Executive General Manager at Paladin Energy responsible for leading all merger and acquisition, corporate and market related activities. He returned to Canada in early 2011 assuming the role of Managing Director Global Mining Sales at National Bank Financial, where he directed the firm's sales and trading in the mining sector.

*Peter Tagliamonte, Executive Director.* Mr. Tagliamonte is a professional mining engineer and also holds an MBA from the Richard Ivey School of Business at the University of Western Ontario. He is the former President and CEO of Central Sun Mining, Chief Executive Officer of Sulliden Gold Corporation Ltd. and former Chief Operating Officer of Desert Sun Mining where he developed the Jacobina Mine in Brazil into a 4,200-tonne-per-day mining operation. Mr. Tagliamonte is the current CEO of Belo Sun Mining Corp., a precious metal resource exploration and development company focused on the Volta Grande property in Brazil. Mr. Tagliamonte has over 25 years of progressive managerial experience building and operating mines worldwide, notably in Central and South America. In 2005, he received the Mining Journal's "Mine Manager of the Year" award in recognition for his work in the mining sector. Mr. Tagliamonte also serves as a director of several public companies in the resource sector.

*Diane Lai, Director.* Ms. Lai brings over 22 years of global experience in business development, management and acquisitions. From April 2016 to March 9, 2017, she was the chief operating officer of ARHT Media Inc. She formerly worked at Vodaphone in the United Kingdom and Entrata Communications in California, before returning to Canada where she was instrumental in the acquisition of FloNetwork to DoubleClick and Platform Computing to IBM. Ms. Lai's entrepreneurial nature led to the launch of a successful organic skin care company in 2010. She formerly held board positions at Windmill Line Co-Operative, Cloverdale Inc. in Bermuda and currently holds a board position with DLG Inc. Ms. Lai graduated from the University of Waterloo and holds an MBA from the Kellogg School of Management at Northwestern University.

*Bruce Humphrey, Director.* Mr. Humphrey is a mining engineer with over 35 years' experience. He served as the President and Chief Executive Officer of Desert Sun Mining Corp. from October 2004 to April 2006. From May 1998 to May 2004, Mr. Humphrey served as Senior Vice President and Chief Operating Officer of Goldcorp Inc. He is a member of the Professional Engineers of Ontario. He also serves as a director of several public companies in the resource sector.

*Honourable Pierre Pettigrew, p.c., Director.* From January 1996 to February 2006, Pierre Pettigrew served as a member of the Government of Canada where he led a number of senior government departments in successive federal Canadian governments. Among other positions, he has served Canada as the Minister of Foreign Affairs, Minister for International Trade and the Minister for International Cooperation. Pierre Pettigrew

presently works with Deloitte & Touche, LLP in the role of Executive Advisor, International and he serves as a director of several public companies.

*William Clarke, Director.* Mr. Clarke is a Former Ambassador to Brazil and Sweden and a former Advisor to Desert Sun Mining. He is an expert in international trade and investment, with extensive experience as an advocate for Canadian industry. From 2000 to 2004 he served as President and CEO of the Canadian Nuclear Association, a national industry association representing Canada's large and internationally recognized nuclear industry sector. Mr. Clarke served in Canada's Foreign Service for 34 years with assignments around the world, most notably as Canadian Ambassador to Brazil, Sweden and the Baltic Republics. He retired from the public service in 2000 as Canada's Chief Trade Commissioner, leading and directing Canadian government personnel worldwide to promote export growth and investment inflows. Mr. Clarke currently provides consulting services and special interactions for mining companies and senior governmental officials and sits on the board of several mining companies.

*Paul Pint, President.* Mr. Pint is a capital markets professional with over 20 years of experience Mr. Pint began his capital markets career on the institutional equity team at a large Canadian financial institution. Over his career, he has held a number of senior positions at various financial institutions and boutique investments banks in Canada. Mr. Pint is a chartered Professional Accountant and holds a Bachelor of Commerce degree from the University of Toronto.

*Deborah Battiston, Chief Financial Officer.* Ms. Battiston is a CPA-CGA who holds BA in Economics from the University of Guelph and has over 20 years of financial management experience. Ms. Battiston has broad public company and mining expertise having served as CFO for a multitude of public resource sector companies. Ms. Battiston has managed the financial departments of numerous successful domestic and international organizations through exploration, development and into production. She formerly served as CFO for Consolidated Thompson Iron Mines, Largo Resources Ltd., Forbes and Manhattan Coal Corp., Allana Potash Corp. and is currently CFO of several companies in the mining sector.

*Wanda Roque, Corporate Secretary.* Ms. Roque is a law clerk in the Province of Ontario. Ms. Roque has served as a clerk to a number of public companies since July 2007.

### **Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No director or executive officer is, as at the date of this AIF, or has been, within ten years before the date of this document, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; or

- (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the corporation being the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days,

other than Mr. Bharti, who was a director of Kansai Mining Corporation, which on January 29, 2008 became subject to a cease trade order for a period of more than 30 days for failing to file its financial statements.

No director executive officer or shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation

(i) is, as at the date of this AIF, or has been within ten years before the date of the AIF, a director or executive officer of any corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or

(ii) has, within the ten years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Sulliden, or a shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Certain of the Corporation's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of the Corporation also serve as directors, please see the Corporation's management information circular for its upcoming shareholders meeting or the directors' and insider's profile available on SEDI at [www.sedi.ca](http://www.sedi.ca). To the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the

Corporation may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular corporation will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the Corporation making the assignment. Under the laws of Canada, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

## **AUDIT COMMITTEE DISCLOSURE**

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National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Corporation to have a written audit committee charter and to make the disclosure required by Form 52-110F1. Please find attached as Schedule A hereto, a copy of the Charter of the Audit Committee, which has been adopted by the Board to properly define the role of the Audit Committee in the oversight of the financial reporting process of the Corporation. Nothing in the Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

### **Composition of the Audit Committee**

The Audit Committee is comprised of three directors, namely Diane Lai, Bruce Humphrey and Pierre Pettigrew (Chair). Each member of the Audit Committee is independent of the Corporation and financially literate, as such terms are defined in NI 52-110.

### **Relevant Education and Experience**

The following provides a brief summary of the qualifications of each member of the Audit Committee.

Diane Lai brings over 22 years of global experience in business development, management and acquisitions. Currently she is the chief operating officer of ARHT Media Inc. She formerly worked at Vodaphone in the United Kingdom and Entrata Communications in California, before returning to Canada where she was instrumental in the acquisition of FloNetwork to DoubleClick and Platform Computing to IBM. Diane's entrepreneurial nature led to the launch of a successful organic skin care company in 2010. She formerly held Board positions at Windmill Line Co- Operative, Cloverdale Inc. in Bermuda and currently holds a board position with DLG Inc. Ms. Lai graduated from the University of Waterloo and holds an MBA from the Kellogg School of Management at Northwestern University.

Mr. Humphrey is a mining engineer with over 35 years' experience. He served as the President and Chief Executive Officer of Desert Sun Mining Corp. from October 2004 to April 2006. From May 1998 to May 2004, Mr. Humphrey served as Senior Vice President and Chief Operating Officer of Goldcorp Inc. He is a member of the Professional Engineers of Ontario. Bruce also serves as a director of several public companies in the resource sector.

From January 1996 to February 2006, Pierre Pettigrew served as a member of the Government of Canada where he led a number of senior government departments in successive federal Canadian governments. Among other positions, he has served Canada as the Minister of Foreign Affairs, Minister for International Trade and the Minister for International Cooperation. Pierre Pettigrew presently works with Deloitte & Touche, LLP in the role of Executive Advisor, International and he serves as a director of several public companies.

#### **Audit Committee Oversight**

At no time since the commencement of the Corporation's most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

#### **Reliance on Certain Exemptions**

Since incorporation the Corporation has not relied on any of the exemptions regarding the Audit Committee provided in National Instrument 52-110.

#### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

#### **External Auditor Service Fees**

##### *Audit Fees*

PricewaterhouseCoopers LLP ("**PwC**"), the Corporation's auditors billed the Corporation \$65,825 and \$46,500 for audit fees in the periods ended July 31, 2017 and 2016.

##### *Audit-Related Fees*

PwC billed \$34,020 to the Corporation in the period ended July 31, 2017 and \$33,495 for 2016 for assurance and audit-related services, including review of the Corporation's interim financial statements and work done in connection with offerings completed by the Company.

##### *Tax Fees*

PwC billed \$34,296 and \$6,000 in the periods ended July 31, 2017 and 2016 for tax compliance, tax advice and tax planning.

##### *Other Fees*

PwC did not bill the Corporation any other fees during the years ended July 31, 2016 and 2015.

## **PROMOTERS**

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To the best of the Corporation's knowledge, since becoming a reporting issuer, no person or corporation has been a promoter of the Corporation.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

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To the best of the Corporation's knowledge, there were no legal proceedings during the period ended July 31, 2017 to which the Corporation was a party or of which any of the Corporation's property was subject that would have had a material adverse effect on the Corporation, nor are there any such legal proceedings existing or contemplated to which the Corporation is a party or of which any of the Corporation's property is subject that would have a material adverse effect on the Corporation.

There have been no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the fiscal year ended July 31, 2017, or any other time that would likely be considered important to a reasonable investor making an investment decision in the Corporation. The Corporation has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended July 31, 2017.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

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None of the directors, executive officers or principal shareholders of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or will materially affect the Corporation or any of its subsidiaries.

## **TRANSFER AGENTS AND REGISTRARS**

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The Corporation's transfer agent is TMX Equity Transfer Services, located in Toronto, Ontario.

## **MATERIAL CONTRACTS**

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There are no contracts of the Company, other than contracts entered into in the ordinary course of business, that are material to the Company and that were entered into by the Company within the most recently completed financial year or before the most recently completed financial year if the material contract is still in effect, other than the Amended Purchase Agreement.

## **INTERESTS OF EXPERTS**

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Mr. Luke Evans MSC., P. Eng. and Mr. Tudorel Ciuculescu, MSC, P.Geo. authorized the "Technical Report on the Troilus Gold- Copper Mine Mineral Resources Estimate "dated

June 30, 2016, which is referred to in this AIF. Mr. Luke Evans and Mr. Tudorel Ciuculescu, are both qualified persons as defined by NI 43-101 and are independent of Sulliden.

Mr. Rémi Charbonneau, Geologist, Ph. D., prepared the East Sullivan Technical Report dated June 17, 2014 which is referred to in this AIF. Mr. Rémi Charbonneau is a qualified person as defined by NI 43-101 and is independent of Sulliden.

The aforementioned firms and persons held either less than one percent or no securities of the Corporation or of any associate or affiliate of the Corporation when they prepared the technical reports or information referred to.

Mr. Stéphane Amireault, MScA, P. Eng, and Mr. Joseph Milbourne have compiled, reviewed and approved the technical information disclosed in this AIF. Mr. Amireault and Mr. Milbourne are both qualified persons as defined by NI 43-101. Neither is independent of Sulliden.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation, other than Mr. Amireault and Mr. Milbourne who are employees of the Corporation. Mr. Amireault holds 16,667 restricted share units and options exercisable into 160,000 common shares. Mr. Milbourne holds 16,667 restricted share units and options exercisable into 160,000 Common Shares and holds 46,902 Common Shares of Sulliden.

PricewaterhouseCoopers, LLP, Chartered Professional Accountants are the Corporation's external auditors and have reported to the shareholders on the Corporation's annual financial statements for the fiscal year ended July 31, 2017, in their report dated October 30, 2017. In connection with the audit, PricewaterhouseCoopers LLP has confirmed that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

#### **ADDITIONAL INFORMATION**

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Additional financial information is provided in the Corporation's annual financial statements and management's discussion and analysis for the year ended July 31, 2017. These documents and other information about the Corporation can be found on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

## **SCHEDULE A**

### **AUDIT COMMITTEE CHARTER**

#### Constitution, Composition and Quorum

The Board of Directors of the Corporation has appointed an Audit Committee of a minimum number of three (3) Directors, all of whom should be independent and financially literate in accordance with the laws, by-laws and applicable policies with respect to securities including without limitation National Instrument 52-110. Each member of the Audit Committee, amongst other things, has to be able to read and understand financial statements. The quorum of the Committee is the majority of the members. The Directors have also appointed the Chairman of the Committee.

#### Power and Authority

In the performance of its mandate, the Committee has the right to examine the books, registers and accounts of the Corporation and to discuss any question concerning the financial situation of the Corporation or any other question which relates to its mandate with any employee and with the external auditor or the internal audit team of the Corporation and its subsidiaries.

The external auditor reports directly to the Audit Committee and the Committee has the power to communicate directly with the external auditor. The external auditor is present, if requested, at all of the meetings of the Committee where reports or financial statements that it has prepared or where public communications based upon these reports or financial statements are examined or approved by the Committee. The external auditor can also be invited to other meetings. Upon the external auditor's request, the Chairman of the Committee will convene a meeting of the Audit Committee. The Audit Committee may meet privately with the external auditor, without management being present, once per quarter after the presentation of the interim financial statements if they have been reviewed by the external auditor, and following the presentation of the annual financial statements and at any time upon request.

The Audit Committee has the right to require any employee of the Corporation or of its subsidiaries to discuss any question concerning the financial situation of the Corporation or any other question which relates to its mandate.

If the Audit Committee deems it appropriate, it can retain independent counsel, accountants or others to assist the Audit Committee in fulfilling its duties and responsibilities and it has the power and authority to approve and ensure the payment of their fees and disbursements.

### Delegation

The Audit Committee cannot delegate to management any of the responsibilities that are part of its mandate. However, the Audit Committee may delegate to one or more independent members of the Audit Committee the authority to pre-approve non-audit services to be rendered by the external auditor.

The pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Audit Committee at its first scheduled meeting following such a pre-approval and all of the conditions of National Instrument 52-110 and of the pre-approval policy adopted by the Audit Committee must be respected.

### Reports

The Audit Committee has to report to the Board of Directors on or about its work, activities and decisions at the meeting of the Board of Directors following the meeting of the Audit Committee providing all topics discussed, decisions taken, means undertaken in order to study and examine the reports, statements and documents submitted, as well as the level of satisfaction of the members of the Committee therewith, the unresolved issues, the disagreements and the decisions taken, in which case the justifying motives also have to be provided.

### Compensation

The Board of Directors determines the compensation to be received by the members of the Audit Committee for their services.

### Mandate

The mandate of the Audit Committee comprises the following:

#### **General**

1. to oversee the audit process and the integrity of the Corporation's financial reporting with a view to enhance the accuracy of the information provided and the quality of the Corporation's financial reporting;
2. to establish, oversee and verify the accounting standards and policies adopted;
3. to oversee and adopt new accounting pronouncements that could affect the Corporation and to ensure they are respected;
4. to follow the evolution of best practices with respect to accounting principles, standards and rules and to incorporate such best practices to the practices of the Corporation, where applicable;
5. to ensure the respect of the rules applicable to the Corporation in accordance with the laws, by-laws, instruments and policies relating to financial information in general and in

particular to audits and to audit committees including National Instrument 52-110 pertaining to the audit committee;

6. to review the Audit Committee Charter and membership annually and make recommendations for modifications, where applicable, to the Board of Directors;

### **Risk Management**

7. to oversee and adopt risk management systems and to ensure the monitoring of these systems;

### **Financial Results**

8. to review the Annual Audited Financial Statements, the unaudited interim financial statements and the Management's Discussion and Analysis as well as all other statements and financial reports including press releases dealing with financial information which require a review by the Audit Committee in accordance with the applicable laws or when the Board of Directors requires such review and to recommend their adoption by the Board of Directors;
9. to ensure that the financial information is in compliance with the applicable securities laws, regulations and policies;
10. to review together with the external auditor of the Corporation the methods used for and the extent of their respective auditing processes and to report to the Board of Directors any material reservation that the Audit Committee has or that the external auditor have expressed with respect to their work;

### **External auditors**

11. to recommend the external auditor to the Board of Directors as well as its compensation in connection with the audit services;
12. to ensure that the external auditor remains ultimately accountable to the Board of Directors through the Audit Committee as a representative of the shareholder and amongst other things, to provide and establish processes allowing independent and direct communication links between the Board of Directors, the internal audit team and the external auditor;
13. to monitor the independence of the external auditor including:
  - (i) the pre-approval of all non-audit services to be provided to the Corporation by the external auditor;
  - (ii) to adopt detailed pre-approval policies and processes with respect to the services mentioned in sub-paragraph (i) hereinabove including the obligation imposed upon management and the external auditor to inform the Audit Committee of any projected services unrelated to the audit and of the rendering of such a service;

(iii) to examine the existing or potential relationship of the Corporation with the external auditor including between the employees of the Corporation and the partners, employees, former partners and employees of the former or present external auditor and without limiting the generality of the foregoing to review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor;

14. to receive and study the external auditor's report following its final audit as well as the recommendations relating thereto, to the management of the Corporation;
15. to monitor once a year and on occasion during the year the skills, the quality of the services and the independence of the external auditor within the exercise of its duties and to recommend to the Board of Directors, if appropriate, the convening of a shareholders' meeting in order to consider the dismissal of the external auditor;
16. to review with the external auditor the extent of its audit and to examine the conclusions resulting from such audit and the actions undertaken by management to implement the recommendations derived from its conclusions;
17. to ensure the resolution of disagreements between management and the external auditor regarding financial reports;

#### **Internal Controls**

18. to review the important items of the reports that follow up as well as the recommendations given to management;
19. to review with the external auditor:
  - 19.1 the efficiency of the books and of the accounting systems of internal control and of the Corporation's information and if those books are maintained in an appropriate manner and if those systems are applied evenly; and
  - 19.2 the efficiency and skills of the employees involved in internal accounting and the control of the activities of the Corporation;

in order to evaluate the efficiency and adequacy of the internal control systems and to report to the Board of Directors on such matters;

#### **Capital Expenditures**

20. to monitor the financial aspects of capital expenditures projects, including compliance with budgets or cost projections and of the actual return on investment of the projects in comparison with the projected return on investment;

### **Reception and Revision of Reports**

21. to prescribe the form and the content of the certificates to be executed by the President and the Chief Financial Officer of the Corporation, to ensure that they are provided in good time and to review such certificate following their receipt;
22. to receive and review the reports from the President and the Chief Financial Officer with respect to the financial provisions made, the purchase and sale of assets, the risk elements that could have an effect on the financial results or on the financial structure of the enterprise, the redemption of shares of the Corporation, financial derivatives and other similar matters;
23. to receive and review the status reports on capital expenditures;
24. to receive and review the report pertaining to potential or current litigation involving the Corporation;

### **Continuous Disclosure**

25. to review annual shareholders meeting notice, proxy circular and Annual Information Form unless they are directly submitted to the Board of Directors;

### **Complaints**

26. to establish procedures for:
  - (i) the treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing of the Corporation and its subsidiaries; and

### **Other questions**

27. to study any other questions and rendering any other work that the Board of Directors considers useful.