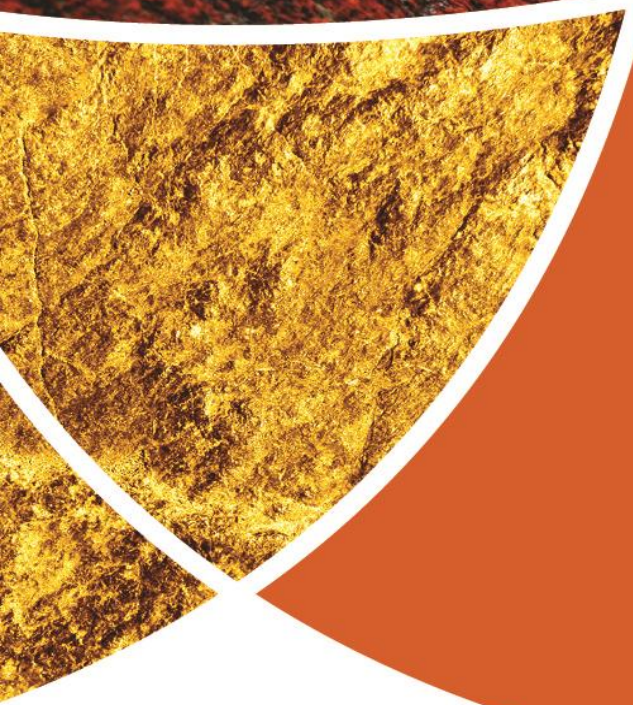

CSA Global
Mining Industry Consultants

NI 43-101 TECHNICAL REPORT

Kiyuk Lake Gold Property, Kivalliq Region, Territory of Nunavut, Canada

Author and Qualified Person:
Ian Trinder, M.Sc., P.Geo. (ON, MB, NWT&NU)
Principal Geologist
CSA Global Consultants Canada Ltd

Report Effective Date: 24 June 2019
Report Date: 24 June 2019
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Report prepared for

Client Name	Margaret Lake Diamonds Inc.
Project Name/Job Code	MLDNIR01
Contact Name	Mr Buddy Doyle
Contact Title	Vice President Exploration and Director
Office Address	Suite 303, 1080 Howe St., Vancouver, BC, V6Z 2T1

Report issued by

CSA Global Office	**CSA Global Consultants Canada Ltd** (Toronto Office) Suite 401, 15 Toronto Street Toronto, Ontario CANADA **T** +1 416 368 7041 **F** +1 416 368 2579 **E** csacanada@csaglobal.com
Division	Resources

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Author/Qualified Person and Reviewer Signatures

Coordinating Author and Qualified Person	Ian Trinder M.Sc., P.Geo. (ON, MB, NWT&NU)	Signature:	["SIGNED and SEALED"] {Ian Trinder} at Toronto, ON
Peer Reviewer	Felix Lee B.Sc., MBA, P.Geo. (ON)	Signature:	["SIGNED and SEALED"] {Felix Lee} at Toronto, ON
CSA Global Authorisation	Felix Lee B.Sc., MBA, P.Geo. (ON)	Signature:	["SIGNED"] {Felix Lee} at Toronto, ON

Date and Signature Page

This Report titled "NI 43-101 Technical Report on the Kiyuk Lake Gold Property, Kivalliq Region, Territory of Nunavut, Canada" for Margaret Lake Diamonds Inc. and dated 24 June 2019 was prepared and signed by the following author:

["SIGNED and SEALED"]

{*Ian Trinder*}

_____

Dated at Toronto, ON
24 June 2019

Ian Trinder, M.Sc., P.Geo. (ON, MB, NWT&NU)
Principal Geologist
CSA Global Consultants Canada Ltd

Report Effective Date:

24 June 2019

Certificate of Qualification

I, Ian D. Trinder, M.Sc., P.Geo. (ON, MAN, NWT/NU), do hereby certify that:

1) I am employed as a Principal Geologist by CSA Global Consultants Canada Ltd ("CSA Global") located at 15 Toronto Street, Suite 401, Toronto, Ontario, Canada. M5C 2E3.
2) I graduated with a degree in Bachelor of Science Honours, Geology, from the University of Manitoba in 1983 and a Master of Science, Geology, from the University of Western Ontario in 1989.
3) I am a Professional Geoscientist (P.Geo.) registered with the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (NAPEG, No. L4185), the Association of Professional Engineers and Geoscientists of Manitoba (APEGM, No. 22924), and the Association of Professional Geoscientists of Ontario (APGO, No. 452).
4) I have approximately 30 years of direct experience with precious and base metals mineral exploration in Canada, USA and the Philippines including project evaluation and management. Additional experience includes the completion of various National Policy 2A and NI 43-101 technical reports for gold and base metal projects.
5) I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43 101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
6) I have previously worked at the Kiyuk Lake Gold Project from 29 July to 8 September 2017 (42 days).
7) I am the author of the technical report titled: "NI 43-101 Technical Report on the Kiyuk Lake Gold Property, Kivalliq Region, Territory of Nunavut, Canada" for Margaret Lake Diamonds Inc. and dated 24 June 2019 (the "Report"). I am responsible for all sections of the Report.
8) I have no prior involvement with the Issuer. I have previous involvement with the Property as CSA Global's Project Geologist and Supervisor during its management of Cache Exploration Inc.'s (the Optioner) 2017 summer exploration program at the Property.
9) As of the effective date of the Report (24 June 2019), to the best of my knowledge, information, and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
10) I am independent of the Issuer, Optioner, and the Property applying all the tests in section 1.5 of NI 43-101.
11) I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
12) I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

DATED at Toronto, ON this 24th day of June 2019
["SIGNED and SEALED"]
{Ian Trinder}

_____

Ian D. Trinder, M.Sc., P. Geo.

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1 Summary

1.1 Introduction

This technical report was prepared by CSA Global Consultants Canada Ltd (CSA Global) at the request of Mr Buddy Doyle, Vice President Exploration and Director, Margaret Lake Diamonds Inc. ("Margaret Lake" or "the Issuer" or "the Company") and focuses on the Kiyuk Lake Gold Property ("the Property") located in southern Nunavut.

CSA Global was commissioned by the Issuer to prepare a technical report on the Kiyuk Lake Gold Property to support its share transaction acquisition of the Property from Cache Exploration Inc. ("Cache" or "the Optioner"). The Report is also intended to enable the Issuer, potential partners and investors to reach informed decisions with respect to the Project. The Report is specific to the standards dictated by NI 43-101 (30 June 2011), companion policy NI 43-101CP, and Form 43-101F1 (Standards of Disclosure for Mineral Projects).

The Report is based on information known to CSA Global and the author as of 24 June 2019, the Effective Date of this Report.

1.2 Property Description and Location

The Kiyuk Lake Gold Property is situated on Crown Land in the Kivalliq region of the Territory of Nunavut in northern Canada. The Property covers 463.45 km^2 (46,345.21 ha) and comprises 51 mineral claims and three mineral leases. The Property extends over parts of National Topographic Sheets 065C-07, 065C-08, and 065C-09. The central coordinates of the Property are approximately 60°26'N and 100°26'W (UTM 6,700,500N, 421,100E, NAD83 Zone 14N).

The nearest communities with significant infrastructure are Churchill, Manitoba (400 km to the southeast); Arviat, Nunavut (350 km to the east); Lynn Lake, Manitoba (400 km to the south); and Thompson, Manitoba (545 km south-southeast).

Margaret Lake holds an Option Agreement to acquire up to an 80% interest in the Kiyuk Lake Gold Property. The claims and leases are currently 100% owned by Cache Resources and to the best of the author's knowledge, the claims and leases are all in good standing. All claims have had sufficient representation work filed to bring them to their 10-year anniversary. Claim boundary surveys must be completed by Spring 2020 in order to bring 47 mineral claims to lease under lease applications filed 11 June 2015 and 8 April 2019. Margaret Lake warrants that there are no current or pending challenges to ownership of the Property of which it is aware.

As of the Effective Date, Margaret Lake and Cache hold Water and Land Use permits valid until 11 June 2022 and 01 April 2024 respectively.

Environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues could potentially materially affect access, title or the right or ability to perform the work recommended in this report on the Project. However, at the time of this report, the author is unaware of any such potential issues affecting the Property.

1.3 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Kiyuk Property is remote and can only be accessed by plane from an ice runway on Kiyuk Lake during the spring or by a float plane during the summer. The property is 85 km north-northwest from the nearest airstrip which is located on Nueltin Lake in northern Manitoba; 118 km east-northeast from an airstrip on Kasba Lake in south-eastern Northwest Territories; and 300 km northeast from road-accessible Points North, Saskatchewan. The Nueltin Lake and Kasba Lake airstrips are operated and serviced by Treeline Fishing Lodge and Kasba Lake Lodge respectively and are typically only operational during summer months when the fishing lodges are open. These airstrips can accommodate larger planes such as the Hawker Siddeley HS 748 and ATR 42/72 aircraft direct from Thompson or Winnipeg Manitoba.

The Kiyuk Lake Gold Property and the surrounding area have been extensively glaciated, resulting in moderate to low relief with an abundance of lakes and ponds. Elevation in the region varies slightly from a minimum of approximately 300 m to a maximum of 360 m. The Property lies within the boreal-tundra transition, south of the tree line and has forests that are dominated by black spruce and jack pine and to a lesser extent, birch and poplar trees.

The region is marked by cool summers and very cold winters. The spring break-up on the Property typically occurs on the small lakes in late May, with the larger lakes becoming ice-free in mid June. Lake freeze-up generally occurs in mid October with snow covering the entire ground surface by early November. The northerly latitude and climate limits mapping and prospecting to the summer months, generally July and August. However, drilling and geophysical surveys are best conducted late in the spring, generally March to May, when there are still appreciable daylight hours and the ice airstrip on Kiyuk Lake can be used. Drilling can continue into late summer (September); however, logistics can be more difficult.

The Kiyuk Lake Gold Property area is undeveloped. No powerlines, gas lines, roads or settlements exist on or near the Project area. There is no significant infrastructure in the Property area other than the 30-person Kiyuk Lake exploration camp and support infrastructure located on the east shore of Kiyuk Lake. All supplies must be brought in via air transport. Exploration personnel must be brought into the Property on an as-needed fly-in/fly-out basis.

Abundant water resources are present in the lakes, rivers, creeks on the Kiyuk Lake Gold Property. As of the Effective Date, it appears that Margaret Lake and Cache hold sufficient mining leases and claims necessary for proposed exploration activities and potential future mining operations (including potential tailings storage areas, potential waste disposal areas, and potential processing plant sites) should a mineable mineral deposit be discovered at the Kiyuk Lake Gold Property.

1.4 History

The region has seen limited exploration compared to the more northern and coastal regions of Nunavut. The following table summarizes the mineral exploration history for the Kiyuk Lake Gold Property. The Kiyuk Lake area of southern Nunavut received little recorded exploration attention until M. Hauseux and S. Sumacz completed regional prospecting and sampling for Comaplex Minerals Corp. (“Comaplex”) in the early 1990s, based on publicly available 1976 lake sediment geochemistry (anomalous arsenic), airborne magnetic geophysical survey data and Geological Survey of Canada (GSC) government regional mapping. Comaplex’s exploration work confirmed the presence of gold mineralization at Kiyuk Lake; however, Comaplex eventually let its mineral rights lapse. No further work was conducted on the Property area until 2003 when it was re-staked by M. Hauseux and S. Sumacz. The first drilling campaign on the Property was conducted by Newmont who, under an option agreement, completed a 14-hole drill program in 2008. Since 2008, the

Property has passed to several other junior exploration companies during which time follow-up exploration including additional drill programs have discovered significant grades and widths of gold mineralization at multiple locations on the Property.

Table 1: Summary of historical exploration on the Kiyuk Lake Gold Property (1991 to 2017)

Company	Year	Season	Program/Work
Comaplex	1991–1992		Prospecting by M. Hauseux and S. Sumacz.
M. Hauseux and S. Sumacz	2003		Staking/Prospecting.
Newmont	2005		Small field sampling program
Newmont	2006		Staking/six-week program of mapping, prospecting, rock sampling campaign.
Newmont	2007	Spring	Terraquest Ltd airborne, magnetic and radiometric geophysical survey (150 m line spacing; covering eastern half of current Property).
			Bell Geospace airborne gravity geophysical survey (400 m line spacing; covering eastern half of current Property).
			Airborne geophysics interpretation.
		Summer	Quantec Geoscience ground induced polarisation geophysical survey. • DCIP lines over Gold Point, Cobalt-Airstrip, Goldie Trend, Rusty • Gradient array over Cobalt-Airstrip and Gold Point.
			Minor field sampling.
Newmont	2008	Spring	Staking/diamond drilling, 13 NQ holes totaling 2,331 m (Peak Drilling).
		Summer	Surface rock sampling and re-sampling of 2008 core.
			Patterson Geophysics – ground magnetics survey at Gold Point.
			Quantec Geoscience Titan 24 DCIP geophysics at Gold Point, Cobalt, Airstrip.
Evolving Gold	2010	Summer	Reconnaissance surface rock sampling.
			Terraquest Ltd airborne magnetic geophysical survey (100 m line spacing covering western half of current Property).
Prosperity	2011	Summer	Diamond drilling, 14 holes totalling 2,679 m (Bodnar Drilling).
Prosperity	2012	Spring	Diamond drilling, 12 holes, 2,657 m (Bodnar Drilling). ClearView Geophysics Inc. total field ground magnetic survey (217.3 line km, 50 m nominal line spacing).
		Summer	Multi-media orientation geochemistry at Rusty. Property-wide till sampling. Grid till sampling. Property-wide geological mapping and prospecting. Ground magnetics. Predictive surficial geology mapping. Structural interpretation of 2010 airborne geophysical data. Petrographic studies.
Prosperity	2013	Spring	Diamond drilling, 20 holes totaling 4,426 m (Bodnar Drilling). ClearView Geophysics Inc. total field ground magnetic survey (129 line km, 50 m nominal line spacing).
		Summer	16-day program of selective re-logging of drill core from Rusty and Gold Point zones. Surveying for lease conversion of three claims that had reached their 10-year anniversary.
Cache	2017	Summer	Diamond drilling, five holes totalling 1,172 m (Bodnar Drilling). Infill grid till sampling.

1.5 Geology

1.5.1 Regional Geology

The Kiyuk Lake Gold Property lies within the Hearne Domain of the Western Churchill Province. The Hearne Domain is composed of mainly deformed Archean gneisses, and granitic, tonalitic, and supracrustal rocks, and unconformably overlying Proterozoic supracrustal rocks and granitic intrusions. Deformation during the Trans-Hudson orogeny is believed to have resulted in the infolding of these Archean and Proterozoic packages. The Proterozoic rocks in the southern Hearne, which are predominantly continental sedimentary rocks, occur as several synclinoria. The Kiyuk Lake Gold Property lies within the Poorfish-Windy Belt, one of these synclinoria and comprises predominantly sedimentary rocks of the Hurwitz and Kiyuk groups. The Hurwitz Group, an 8.5 km thick succession of continental siliciclastic and marine carbonate rocks, unconformably overlies the Archean basement across the Hearn Domain and is preserved as erosional remnants across much of the southern Hearne Domain. The Kiyuk Group unconformably overlies the rocks of the Hurwitz Group in the Kiyuk and Ennadai Lake areas and appears to be absent the more northern parts of the Hearne Domain. This group comprises a fining upward succession of conglomerate, sandstone and intraformational breccia now thought to represent a continental rift package.

Two pulses of granitic magmatism within the Western Churchill Province are of importance in the Kiyuk Lake region – the Hudson Granites and the younger Nueltin Granites. Intrusion of the Hudson granites extended from 1845 Ma to 1795 Ma. These granitoids were emplaced at a midcrustal depth of ~15–20 km during the waning stages of the Trans-Hudson Orogen and have no known extrusive equivalents. The second, later phase of igneous activity, the Nueltin granitoids, composed of biotite granite, and associated rhyolite volcanism has an age range of 1765 Ma to 1750 Ma (van Breeman *et al.,* 2002). The Nueltin Granites are thought to be A-type granites that emplaced at a shallow level in the crust during a period of extension after the Trans-Hudson Orogen.

1.5.2 Property Geology and Mineralization

The Proterozoic Hurwitz and Kiyuk groups dominate the Kiyuk Lake Gold Property. Archean basement is not apparent in the Property area. The Hurwitz Group comprises four sequences thought to have been deposited in shallow marine to fluvial environments. Sequence 1 comprises several formations comprising conglomerates and sandstones, some possibly associated with glaciogenic processes. Sequence 2 is a succession of fine-grained siliciclastic rocks interpreted to represent a deepening of the lacustrine environment and the thickening of the basin sediment. Sequence 3 is a mixed siliciclastic-carbonate succession interpreted to be the emergence of a deeper marine ramp being buried by deltaic, fluvial and lacustrine deposits. Sequence 4 is characterized by stromatolitic dolostones and sandstones representing a transgression from a marine environment to a shallow siliciclastic-carbonate mixed shelf environment.

The Kiyuk Group unconformably overlies the Hurwitz Group and is interpreted to be a continental rift related, fining upward succession of conglomerate, arkose, and intraformational breccia.

Intrusive granitic bodies of the Nueltin Granites extend through the eastern boundary of the Kiyuk Property. There are minor foliated granite and diabase dyke outcroppings throughout the Property.

The Proterozoic cover sequences at Kiyuk Lake form a distinct synclinal basin with the axial trace passing through the length of Kiyuk Lake and plunging shallowly (~20°) to the northeast. The basin structure however has also been complicated by numerous generations of thrusting and later brittle faulting.

On the property scale, prominent structures identified by airborne magnetics and field mapping include north-south, east-northeast, and northwest-southeast faults. These structural trends are often defined by magnetic destructive features. The prominent Snake Lake fault is a north-south feature that lies east of Rusty, North Snake and the Airstrip-Anderson showings. This fault is identified in the magnetics and in field mapping as a sudden change in bedding orientation and rock type. Northwest and east-northeast, likely second order structures, splay off the Snake Lake fault and seem to be associated with mineralized boulder trends.

The Kiyuk Lake area is characterized by a thin veneer of glacial till and dispersed glacial structures such as ribbed moraines, drumlins, and eskers indicating a prevailing pattern of southwest ice flow of 200°.

Several gold prospects exist on the property, many of which were identified during the initial prospecting programs in 1991/1992, 2006, 2011 and 2012. The Cobalt, Airstrip, Amundsen, Bancroft, Heart, and North Snake prospects occur proximal to one another and the group is centered about 2.8 km southeast of Kiyuk Lake; the Rusty and South Snake prospects are 4.8 km and 7.3 km south-southeast of Kiyuk Lake respectively; the Gold Point and East Gold Point prospects are approximately 5.8 km southwest of Kiyuk Lake, and Rasmussen is 13 km southwest of Kiyuk Lake.

Gold mineralization on the Property has been divided into three end members based on surface mapping and review of drill core:

- Brecciated pyrrhotite-rich sandstone (Rusty)
- Altered pyrrhotite-bearing conglomerate (Cobalt, Amundsen, Airstrip, Bancroft, Rasmussen)
- Altered pyrite and arsenopyrite-bearing polymictic conglomerate (Gold Point).

Albite, quartz, actinolite, dolomite and calcite are the important alteration minerals associated with gold mineralization; however, the relative abundance of each mineral is different from one zone to the next. Scapolite is also an important alteration mineral in rocks at the Rusty Zone.

1.6 Exploration and Drilling

Margaret Lake has not yet completed any exploration or drilling on the Property.

1.7 Interpretations and Conclusions

The gold mineralization discovered to date at Kiyuk Lake is hosted by Paleoproterozoic clastic sedimentary rocks. Mineralization is thought to be associated with Proterozoic magmatic events, specifically the Hudson felsic magmatic suite at 1.85 Ga to 1.81 Ga, and subsequent high-level A-type granites and associated rhyolites of the Nueltin suite at 1.75 Ga.

The meta-sedimentary rocks that host gold have undergone sodic and calcic alteration and are veined and locally brecciated. Gold mineralization is associated with pyrrhotite, pyrite, arsenopyrite, quartz, albite, actinolite, dolomite and ferroan calcite, magnetite as well as rare scapolite and tourmaline. Multi-element analysis of surface boulders and diamond drill core indicate positive correlations between Au gold and As, Bi, Ag, S, Te, W, Na ± Sb, Co, Ni, Cu, and In, although gold is the only metal found in economic concentrations. The different prospects show subtle differences in their geochemical signatures, suggestive of zoning. Enrichments in Ca, Mg, and Mn and depletions in K, Rb, Ba are evident in most gold-bearing zones.

At the Rusty Zone, Jones (2018) reports that textural and timing relationships suggest gold mineralization is post-sedimentary and syn- to post-intrusion of intermediate dykes. Stable isotope thermometry suggests mineralization took place between 450°C and 600°C and geochronological studies indicate that the intrusion

and mineralization occurred before or about 1.83 Ga. It is unknown if the age of mineralization at Rusty is applicable to all gold mineralization prospects at the Property.

The Kiyuk Lake gold mineralization differs markedly, in style, from the orogenic gold deposits further north in the Archean Rankin Inlet-Ennadai greenstone belt. Previous workers have suggested that the gold mineralization at Kiyuk Lake may be related to the iron oxide copper-gold (IOCG), intrusion related skarn, and reduced intrusive-related gold (RIRG) deposit models. However, it fits none of the models perfectly. Jones (2018) suggests that that the most appropriate deposit model at this time for the Kiyuk Property might be the broader intrusion-related gold system as described by Lang & Baker (2001) because it permits a number of the potential mineralization components/styles including skarns. The mineral deposit model(s) will undoubtedly evolve as more exploration takes place on the Property.

To date, exploration by previous operators on the Kiyuk Lake Gold Property have outlined more than 12 gold mineralization prospects. At the Rusty Zone, visible gold mineralization is associated with breccias containing pyrrhotite ± pyrite and magnetite in the matrix. At Rusty, sulphide abundance correlates with gold grade; the best grades are in zones with the highest concentrations of pyrrhotite and pyrite. Drill intersections containing greater that 0.5 g/t Au may or may not carry magnetite. Specifically, the northern section of the Rusty Zone typically contains magnetite in infill and associated with gold. To the south, gold concentration is associated with pyrrhotite in actinolite-carbonate-quartz-albite infill lacking magnetite. At the Rusty Zone, 19 diamond drillholes have delineated a zone of mineralization extending from the surface to a depth of 200 m, with a footprint of 250 m x 250 m. Substantial intersections at a cut-off grade of 0.5 g/t Au were returned. The deposit is still open at depth and to the east.

Diamond drilling has also been undertaken at other targets including: Gold Point (12), Cobalt (14), Bancroft (3), North Snake (5), Rasmussen (2), Amundsen (1), Anderson (1) and East Gold Point (1). Anomalous gold values, alteration and brecciation similar to the Rusty Zone were intercepted at each of the targets. Most have not returned significant widths of gold mineralization though; however, drilling is at an early stage at these prospects.

The pattern of magnetite-rich breccia zones surrounded by a sulphide-rich infill halo as seen at Rusty is repeated at Cobalt, Amundsen and North Snake, where the flanks of magnetic highs correlate with gold grade and greater sulphide concentration adjacent to a magnetite-rich core. This correlation could help re-evaluate future drilling of magnetic highs at current and new prospects. At Gold Point and East Gold Point, gold mineralization is associated with pyrite/arsenopyrite and occurs in zones of magnetite destruction within magnetite-rich polymictic conglomerate.

The author concludes that the Kiyuk Lake Gold Property warrants additional exploration.

1.7.1 Risks

Environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues could potentially materially affect access, title, or the right or ability to perform the work recommended in this Report on the Project. However, as of the Effective Date of this Report, the author is unaware of any such potential issues affecting the Project.

A key risk, common to all exploration companies, is that the targeted mineralization type may not be discovered or that it may be too small to warrant commercial exploitation.

A robust quality assurance/quality control (QAQC) program must be maintained and consistently applied. Given the nuggety nature of the gold mineralization, attention should be paid to ensure that the fire-assay

methodology remains adequate at the various individual gold zones that are tested by more extensive diamond drilling programs.

Claim boundary surveys must be completed by Spring 2020 in order to bring 47 mineral claims to lease under lease applications filed 11 June 2015 and 8 April 2019 (Appendix 1).

The author considers the Project-specific risks identified have a low to moderate potential to reasonably affect the reliability or confidence in exploration information obtained to date or exploration programs proposed in this Report.

1.7.2 Opportunities

The Property has potential for the discovery of new gold mineralization showings and the expansion of known showings and zones through prospecting, surficial exploration, geophysics and diamond drilling.

1.8 Recommendations

Continued exploration is warranted at the Kiyuk Lake Gold Project:

- Geological mapping and prospecting and, till geochemical sampling should be continued to define drill targets at known showings and exploration targets defined by 2012 regional exploration.
- Continued diamond drilling to evaluate known showings such as the Rusty and Gold Point zones together with additional testing of showings such as East Gold Point, to demonstrate the presence or continuity of mineralization and to grow the extent of mineralization.

1.8.1 Proposed Budget

Margaret Lake has proposed an initial exploration program comprising 1000 till samples and 2000 m of diamond drilling with which the Author concurs. The six-week exploration program is budgeted at approximately C$ 1,184,000.

2 Introduction

2.1 Issuer

This technical report was prepared by CSA Global at the request of Mr Buddy Doyle, Vice President Exploration and Director, Margaret Lake and focuses on the Kiyuk Lake Gold Property located in southern Nunavut.

Margaret Lake is a Canadian-based public exploration company incorporated in the province of British Columbia, Canada and is headquartered at Suite 303, 1080 Howe Street, Vancouver, BC, V6Z 2T1. The Company trades on the TSX.V (DIA) and the FSE (M85) and is focused on mineral exploration in Canadian mining and exploration mining districts. The Company is earning an 80% interest in the Kiyuk Lake Gold Property. Additionally, the Company holds interests in two diamond exploration properties in the Northwest Territories.

2.2 Terms of Reference

CSA Global was commissioned by the Issuer to prepare a technical report on the Kiyuk Lake Gold Property to support its share transaction acquisition of the Property from Cache Exploration Inc. The Report is also intended to enable the Issuer, potential partners and investors to reach informed decisions with respect to the Project. The Report is specific to the standards dictated by NI 43-101 (30 June 2011), companion policy NI 43-101CP, and Form 43-101F1 (Standards of Disclosure for Mineral Projects).

The Report is based on information known to CSA Global and the author as of 24 June 2019, the Effective Date of this Report.

The Issuer reviewed draft copies of this Report for factual errors. Any changes made because of these reviews did not include alterations to the interpretations and conclusions made. Therefore, the statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this Report.

2.3 Sources of Information

This Report has been prepared by the author based on review of publicly available geological reports, maps, assessment files, mining claim information and technical papers, and company letters and memoranda made available by the Issuer and Optioner, as listed in Section 19 (References) of this Report. The author has taken reasonable steps to verify the information provided where possible.

The author also had discussions with the Issuer's and the Optioner's Vice Presidents of Exploration, Mr Buddy Doyle and Mr Chris Pennimpede respectively.

2.4 Qualified Persons

This Report was prepared in its entirety by Ian D. Trinder, M.Sc., P.Geo. (ON, MB, NWT/NU), Principal Geologist, CSA Global. The author is a Qualified Person with the relevant experience, education and professional standing for all sections of this report.

CSA Global conducted an internal check to confirm that there is no conflict of interest in relation to its engagement in this project or with the Issuer (Margaret Lake) and the Optioner (Cache), and that there is no circumstance that could interfere with the Qualified Person's judgement regarding the preparation of the technical report.

2.5 Property Inspection

The author was onsite at the Kiyuk Lake Gold Project from 29 July to 8 September 2017 (42 days) as CSA Global's Project Geologist and Supervisor during its management of Cache's 2017 diamond drill and till sampling program.

The first week at the Kiyuk Lake Project was spent with Mr Chris Pennimpede, Cache Vice President Exploration, familiarise himself with the Kiyuk Lake Gold Property and camp. During his time at the Property, the author visited the Rusty, Gold Point and East Gold Point showings. The author also visited and oversaw till sampling programs south of the Rusty Zone and north of Kiyuk Lake. The author also supervised the drill program, and as such reviewed select historical drill core archived at the camp, and reviewed and supervised logging, sampling and QAQC of the 2017 drill core. Historical drillhole locations and outcrops were also checked at Rusty Zone.

No work has been completed on the Property since 2017. The author considers his time spent on the Property during 2017 as meeting the requirements of a current site visit under Section 6.2 of NI 43-101.

2.6 Units and Currency

The Metric or SI System is the primary system of measure and length used in this Report and is generally expressed in kilometres (km), metres (m) and centimetres (cm); volume is expressed as cubic metres (m^3), mass expressed as metric tonnes (t), area as hectares (ha), and zinc, copper and lead grades as percent (%) or parts per million (ppm). The precious metal grades are generally expressed as grams/tonne (g/t) but may also be in parts per billion (ppb) or parts per million (ppm). Conversions from the SI or Metric System to the Imperial System are provided below and quoted where practical. Many of the geologic publications and more recent work assessment files now use the SI system but older work assessment files almost exclusively refer to the Imperial System. Metals and minerals acronyms in this report conform to mineral industry accepted usage and the reader is directed to online resources at:

- https://en.wikipedia.org/wiki/List_of_chemical_elements and
- http://cms.unige.ch/sciences/terre/research/Groups/mineral_resources/opaques/ore_abbreviations.php

Other abbreviations include UTM = Universal Transverse Mercator; NAD = North American Datum; WGS = World Geodetic System.

Conversion factors utilised in this report include:

- 1 troy ounce/ton = 34.2857 grams/tonne
- 1 gram/tonne = 0.0292 troy ounces/ton
- 1 troy ounce = 31.1035 grams
- 1 gram = 0.0322 troy ounces
- 1 pound = 0.4536 kilograms
- 1 foot = 0.3048 metres
- 1 mile = 1.609 kilometres
- 1 acre = 0.4047 hectares
- 1 square mile = 2.590 square kilometres.

The term gram/tonne or g/t is expressed as "gram per tonne" where 1 gram/tonne = 1 ppm (part per million) = 1,000 ppb (part per billion). Other abbreviations include ppb = parts per billion; ppm = parts per million;

oz/t = ounce per short ton; Moz = million ounces; Mt = million tonne; t = tonne (1,000 kilograms); SG = specific gravity; lb/t = pound/ton; and, st = short ton (2,000 pounds).

Unless otherwise mentioned, all UTM coordinates in this Report are provided in the datum of Canada, NAD83 Zone 14N.

All currency in this Report is in Canadian dollars (C$) unless otherwise noted. As of the Effective Date of this Report, the Bank of Canada exchange rate between the US and Canadian dollars was approximately US$1.00 = C$1.32.

3 Reliance on Other Experts

The author has relied on land tenure information derived from online web-based land records on Crown-Indigenous Relations and Northern Affairs Canada's (CIRNAC) Nunavut Map Viewer (https://services.aadnc-aandc.gc.ca/nms-scn/gv/index.html – 24 June 2019) for use in Section 4. Where online claim records are currently out of date, the Author has relied on information provided by the Optioner (Microsoft Excel spreadsheet: Claim Listing_v6 25Apr2019.xlxs created by JM Stitychuk and Associates Inc. and received as an email attachment from C. Pennimpede dated 26 April 2019). No independent verification of this information has been carried out.

The author has relied upon Margaret Lake and its management for information related to underlying contracts and agreements pertaining to the acquisition of the mining claims and mining leases and their status and technical information not in the public domain (Section 4). The Property description presented in this Report is not intended to represent a legal, or any other opinion as to title.

4 Property Description and Location

4.1 Property Location and Description

The Kiyuk Lake Gold Property is situated on Crown Land in the Kivalliq region of the Territory of Nunavut in northern Canada (Figure 1). The Property spans 463.45 km^2 (46,345.21 ha) and comprises 51 mineral claims and three leases (Figure 2, Table 2, Table 3). The Property extends over parts of National Topographic Sheets 065C-07, 065C-08, and 065C-09. The central coordinates of the Property are approximately 60°26'N and 100°26'W (UTM 6,700,500N, 421,100E, NAD83 Zone 14N).

The nearest communities with significant infrastructure are Churchill, Manitoba (400 km to the southeast); Arviat, Nunavut (350 km to the east); Lynn Lake, Manitoba (400 km to the south); and Thompson, Manitoba (545 km south-southeast).

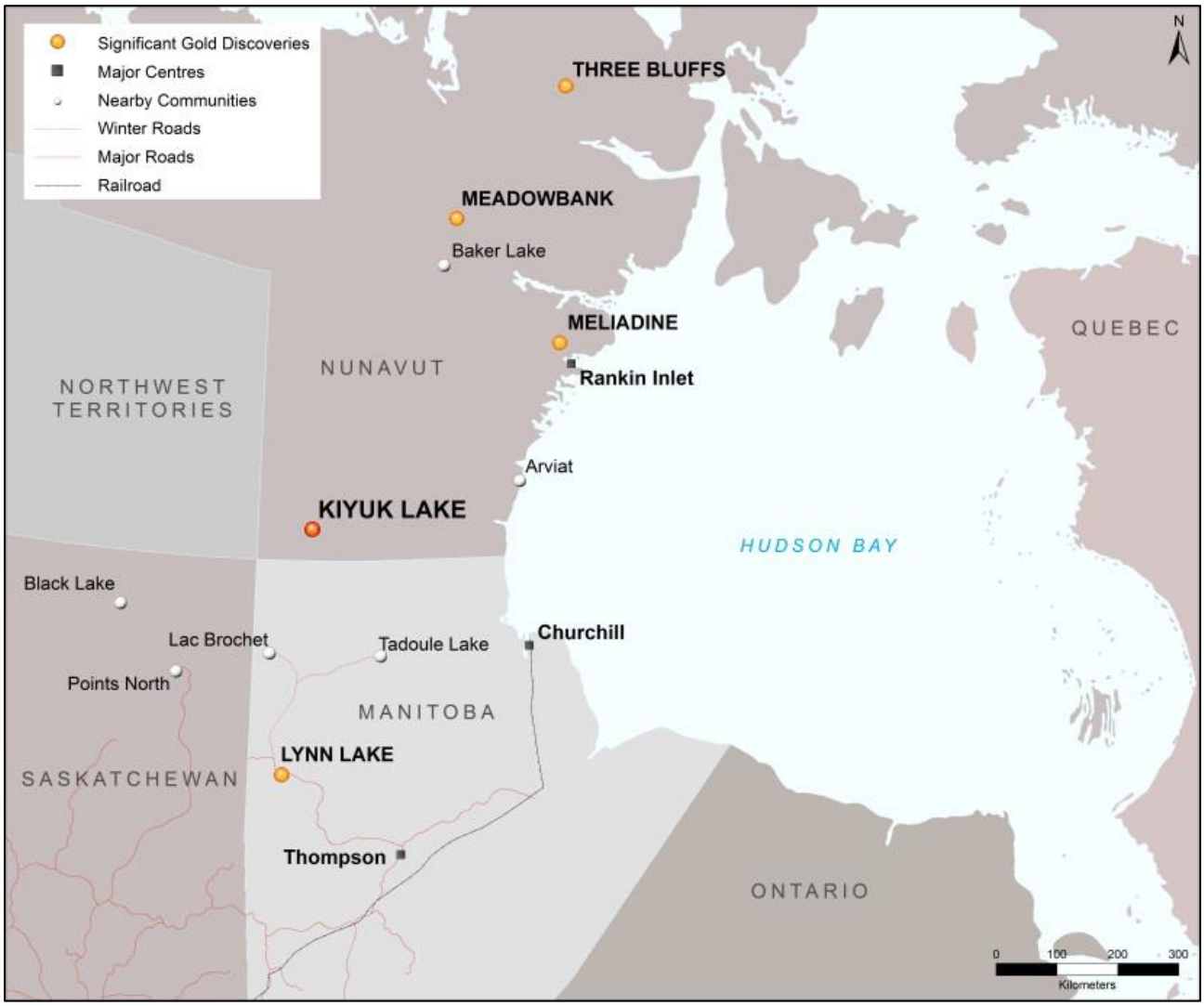

Figure 1: Location of Kiyuk Lake in relation to major population centres in Nunavut and neighbouring provinces and territories

Source: Pennimpede et al. (2013b)

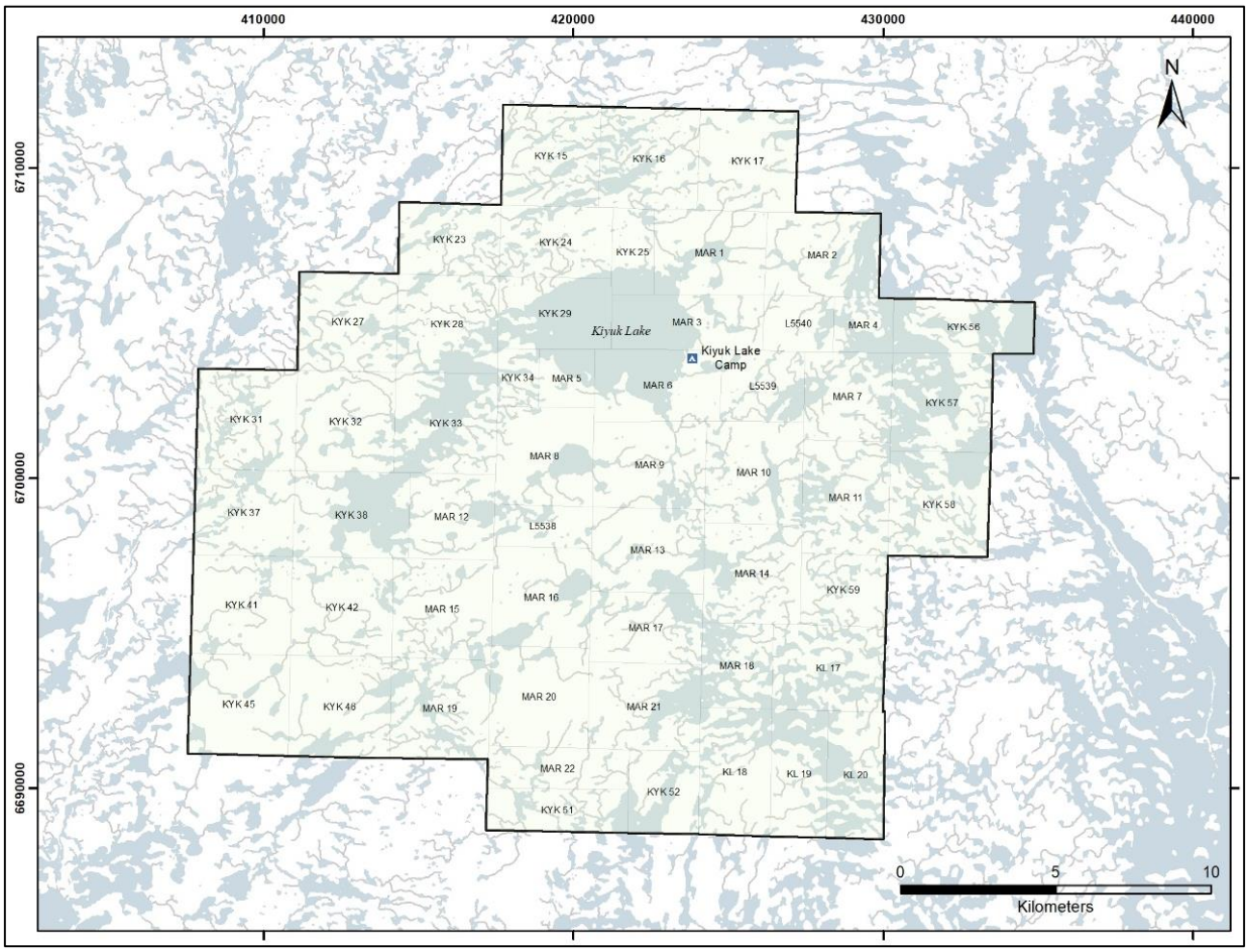

Figure 2: Kiyuk Lake Gold Property claims and leases

Table 2: Kiyuk Property mineral leases (as of 24 June 2019)

Mineral lease numbers	No. of mineral leases	Mineral lease status	End date	Registered mineral lease holder	Royalty holder
L-5538 & L-5539	2	Active	11-May-2035	Montego Resources	Hauseux (2%)
L-5540	1	Active	10-Feb-2036	Montego Resources	Hauseux (2%)
Total	**3**				

Table 3: Kiyuk Property mineral claims (as of 24 June 2019)

Mineral claim numbers	Mineral claim names	No. of mineral claims	Mineral claim status	10-year date	Registered mineral claim holder	Royalty holder
F95846 to F95855	MAR 13 to MAR22	10	Suspended	2016	Montego Resources	Hauseux (2%)
F97771 to F97782	MAR 1 to MAR 12	12	Suspended	2016	Montego Resources	Hauseux (2%)
K10691 to K10692	KYK 51 to KYK 52	2	Suspended*	2018	Montego Resources	Hauseux (2%)
K10696 to K10699	KYK 56 to KYK 59	4	Suspended*	2018	Montego Resources	Hauseux (2%)
K10715 to K10717	KYK 15 to KYK 17	3	Suspended*	2018	Montego Resources	Hauseux (2%)
K10723 to K10725	KYK 23 to KYK 29	6	Suspended*	2018	Montego Resources	Hauseux (2%)
K10727 to K10734	KYK 31 to KYK 34	4	Suspended*	2018	Montego Resources	Hauseux (2%)
K10737 to K10738	KYK 37 to KYK 38	2	Suspended*	2018	Montego Resources	Hauseux (2%)

Mineral claim numbers	Mineral claim names	No. of mineral claims	Mineral claim status	10-year date	Registered mineral claim holder	Royalty holder
K10741 to K10742	KYK 41 to KYK 42	2	Suspended*	2018	Montego Resources	Hauseux (2%)
K10745 to K10746	KYK 45 to KYK 46	2	Suspended*	2018	Montego Resources	Hauseux (2%)
K15938	KL 18	1	Active	2021	Chris Pennimpede	
K15939 to K15940	KL 19 to KL 20	2	Active	2022	Chris Pennimpede	
K16057	KL 17	1	Active	2022	Chris Pennimpede	
Total		**51**				

**Nunavut's online Map Viewer still has these Suspended claims listed as Active as of the Effective Date.*
Note: Detailed lease and claim descriptions are presented in Appendix 1.

4.2 Property Status

Margaret Lake holds an Option Agreement to acquire up to an 80% interest in the Kiyuk Lake Gold Property which comprises 51 mineral claims and three mineral leases (totalling 46,345.21 ha or 463.45 km^2) as of the effective date of this Report (Table 2, Table 3 and Appendix 1). The claims are currently 100% owned by Cache Resources; however, due to processing delays and permit scheduling, the claims have remained in the name of Montego Resources (47 claims and three mineral leases) and Chris Pennimpede (four claims).

The Kiyuk Lake Gold Property's mineral claims and mineral leases lie entirely on Crown land. The Property does not fall within the any Inuit Owned Lands (IOL) parcels. A summary of Nunavut's land tenure system on Crown lands is presented in Appendix 2.

Although the Mining Recorder still lists 31 of the 51 mineral claims as Active on its online Map Viewer, only four of the claims remain Active. The remaining 47 claims are currently "Suspended". This "Suspended" status has been applied to the claims because they have reached their 10-year maximum life (2016–2018) and are set to become Mineral Leases which require an engineering survey. Applications to bring the claims to lease were filed on 11 June 2015 and 8 April 2019 (Appendix 1). In 2014, updates to the Regulations were proposed with respect to staking, owning and working on mineral titles (claims) allowing claims to extend up to 30 years without the survey component and conversion to lease. The 2014 proposed changes to the mining Regulations have not yet come into effect and due to that delay, the government has allowed a Section 51, "Suspended" status, to be filed on claims that are affected by the delayed transition; the claims will not lapse and can still be worked on. The "Suspended" claim status will remain until the proposed Regulation updates come into effect.

The author has been informed by Cache Resources (C. Pennimpede, 2019, pers. comm., June 24) that the Mining Recorder will now require the 47 suspended claims under lease application to be surveyed by spring 2020.

To the best of author's knowledge, the claims and leases are all in good standing (Table 2, Table 3 and Appendix 1). All claims have had sufficient representation work filed to bring them to their 10-year anniversary. The three leases are valid until at least 2035 subject to annual lease payments. Margaret Lake warrants that there are no current or pending challenges to ownership of the Property of which it is aware.

4.2.1 Underlying Tenure Agreements

Current Tenure Agreement

Margaret Lake announced on 14 February 2019 that it has entered into an Option Agreement ("the Agreement") to acquire up to an 80% interest in the Kiyuk Lake Gold Property (which at that date, comprised

67 claims and three leases totalling 59,024.06 ha) from Cache. To earn an initial 50% interest in the Property, Margaret Lake agreed to issue 5,000,000 common shares of Margaret Lake to Cache within 10 days and invest C$150,000 through the purchase of 3,000,000 common shares of Cache at a deemed price of $0.05 on a private placement basis within 30 days. These two terms were completed prior to the Effective Date of this report. Margaret Lake must also make a cash payment of $100,000 to Cache on or before the first anniversary of the effective date of the Agreement and incur exploration expenditures totaling $3,000,000 on or before the third anniversary of the Agreement. Margaret Lake also has the right to acquire an additional 30% in the Property, for a total of 80%, by making a one-time cash payment of $5,000,000. Completion of the transaction is subject to Exchange acceptance. There is no assurance the transaction will be completed in full as proposed.

On 4–5 April 2019, Cache and Margaret Lake allowed 16 "Pennimpede" claims (KL 1 to KL 16 totalling 12,678.85 ha or 126.79 km^2) to lapse, resulting in the current Property of 51 claims and three leases.

Previous Tenure Agreements on the Current Kiyuk Property

Previous tenure agreements and ownership changes on the current Kiyuk Property claims and leases are presented in Section 6.1 of this Report.

4.2.2 Encumbrances

To the best of the author's knowledge, there are no current or pending challenges to ownership of the Kiyuk Lake Gold Property. Margaret Lake warrants that it has not received from any government authority, notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits.

4.2.3 Annual Mining Lease Rentals and Mineral Claim Work Requirements

Kiyuk Lake Gold Property lands are all subject to annual mining lease rentals and mineral claim work requirements as described in Appendix 1. Note all mineral claims have significant banked work as reflected by anniversary dates which are, with exception to one claim, advanced to their 10-year maximum. Margaret Lake informs the Author that all annual mining lease rentals have been or will be submitted (in the cases of due dates post the Effective Date of this Report) for 2019, and the leases and claims are in good standing. Total annual holding cost for all Kiyuk Lake Gold Property claims including the three leases is approximately $4,785. Work required to advance the one remaining mineral claim not already advanced to its 10-year date in 2022 is approximately $4,702.95. Excess banked work is available to cover this requirement. As noted above, 47 claims have reached their 10-year limit and are designated as "Suspended" until 2014 proposed changes to the Mining Regulations are enacted. No payments or rentals are due on these 47 claims while they remain "Suspended".

4.2.4 Royalties

The three leases and 47 of the 51 mining claims are subject to future royalties. Pursuant to a 2009 option agreement, a carried net smelter return (NSR) royalty of 2.0% is payable to Marcelle Hauseux (Table 2). The royalty can be reduced to 0.0% with the payment of US$2.0 million for each percentage point of NSR.

4.3 Permit Requirements and Land Use Restrictions

4.3.1 Permitting

The Kiyuk Lake Gold Property is on Crown Land and for this reason, permitting is managed by the Federal Government and Territorial organizations rather than the regional Inuit organization. Nunavut controls exploration and mining through a staking, permitting and leasing mineral rights service administered by CIRNAC. Permits must be obtained from various Territorial organizations including the Nunavut Planning Commission (NPC), the Nunavut Impact Review Board (NIRB), and the Nunavut Water Board (NWB).

Mineral projects are subject to a preliminary screening, unless specifically exempted, to determine if they might have significant adverse environmental impacts or be a source of public concern. A Type A or a Type B land use permit may be issued, depending on the scope and magnitude of the land use activities being proposed. Various terms and conditions may be applied to any land use permit.

Aboriginal organizations, governments and communities are key participants in the land use permitting process. Applicants must make efforts to inform and obtain feedback on their proposed land use activities from these Aboriginal organizations, governments and communities. This must be done before they submit their applications and is expected throughout the life of a permit.

Licences for the use of water and deposit of waste in waters flowing through or overlying lands must be obtained from the NWB.

With the land use permit and water licence in place (see below), Margaret Lake and its joint venture partner and Optioner, Cache, have all the necessary permits to conduct the recommended and proposed mineral exploration related activities described in this Report. Until Margaret Lake becomes registered as a corporate entity in Nunavut, the land use permit and water licence have been issued in the name of Montego Resources, the recorded holder of the majority of claims and all leases on the Property (see Section 6.1.1 for more information).

Land Use Permit

On 26 February 2019, Margaret Lake and its joint venture partner and Optioner, Cache, filed an application for a land use permit for the Kiyuk Lake Gold Property. CIRNAC issued a Type A Land Use Permit (licence number N2019C0007) for the Project on 02 April 2019. The new five-year land use permit is effective until 01 April 2024 and covers all claims and leases across within the Property as of the Effective Date of this Report.

Water Licence

A water use application was approved by the NWB on 12 June 2017 and expires 11 June 2022 (NWB Water Licence No. 2BE-KIY17222/Type B). Total camp water use shall not exceed ten (10) cubic metres per day. Drill water shall be obtained from local water source(s), proximal to the drilling targets and shall not exceed a total combined amount of one hundred and fifty (150) cubic metres per day. The volume of Water for all purposes under this Licence shall not exceed one hundred and sixty (160) cubic metres per day.

4.3.2 Land Use Restrictions/First Nation Traditional Territories

The area around the Kiyuk Lake Gold Property is subject to Withdrawal from Disposal of Certain Tracts of Territorial Lands in Nunavut (Kivalliq area) Order, P.C. 2013-625, approved on 30 May 2013. All existing interests within the withdrawal area will continue unaffected, including any renewal options. Work may continue on existing mineral claims and leases within the withdrawal area; however, no new claims can be

staked. Interim Land Withdrawal 2013-625 was enacted to facilitate the conclusion of Aboriginal land claim agreements. That withdrawal order expired on 30 May 2016 and was replaced by Withdrawal from Disposal of Certain Tracts of Territorial Lands in Nunavut (Kivalliq area) Order, P.C. 2016-374 on 20 May 2016.

Canada is engaged in separate out-of-court settlement negotiation processes with the Ghotelnene K'odtineh Dene (formerly Manitoba Denesuline) and Athabasca Denesuline (referred to collectively as "Denesuline") to address their asserted Aboriginal and treaty harvesting rights in Nunavut and the Northwest Territories. The Ghotelnene K'odtineh Dene also claim outstanding treaty land entitlement in Nunavut.

The Ghotelnene K'odtineh Dene, signatories to Treaties 5 and 10, consists of two First Nations in northern Manitoba (the Sayisi Dene and Northlands Denesuline First Nations). The traditional territory of the Ghotelnene K'odtineh Dene in Nunavut is supported by extensive land use and occupancy studies and map biographies. In 1993, the Ghotelnene K'odtineh Dene filed the Samuel/Thorassie legal action asserting, among other things, harvesting rights in the Northwest Territories and Nunavut and claiming that Canada had breached its fiduciary duty by concluding the Nunavut Land Claims Agreement. Canada entered into out-of-court settlement negotiations with the Ghotelnene K'odtineh Dene in 1999. Nunavut Tunngavik Inc. and the Kivalliq Inuit Association are actively participating in the Denesuline negotiations. The main Aboriginal groups with overlapping interests are the Kivalliq Inuit and the Athabasca Denesuline with whom the Ghotelnene K'odtineh Dene already have an overlap agreement.

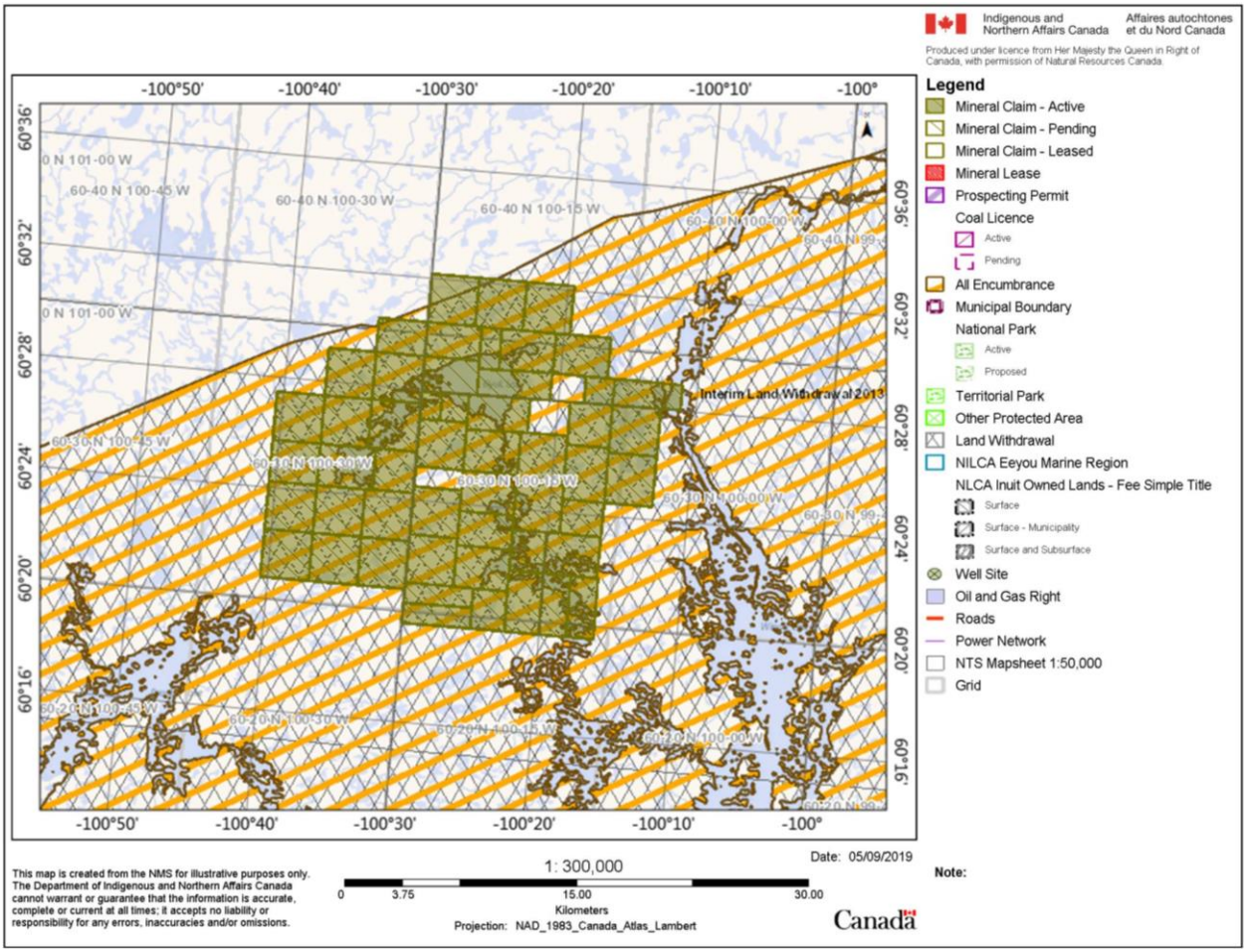

Figure 3: Location of the Kiyuk Lake Gold Property within Interim Land Withdrawal 2016-374 (orange hatch)
Source: Nunavut Map Viewer accessed 9 May 2019

Given the advanced state of negotiations, the Government of Canada considers the interim land withdrawal appropriate. Interim land withdrawals are a widely used tool to facilitate the successful negotiation of Aboriginal land claims. They are intended to protect lands while negotiations are ongoing by preventing Canada from disposing of land under the Territorial Lands Act for a specified period of time. The boundaries identified for the interim land withdrawal are the result of negotiations and are the lands that may become settlement lands pending consultations and the final agreement.

Registered Trap Lines

Nunavut does not have a registered trap line list. Within the property boundary, there is a cabin on the north side of Kiyuk Lake that is used by members of the Ghotelnene K'odtineh.

4.4 Social, Political or Environmental Liabilities and Risks

Following on from its predecessors at the Kiyuk Lake Gold Property, Margaret Lake will continue discussions and communications with the Kivalliq Inuit and the Ghotelnene K'odtineh Dene to inform them and obtain feedback on its proposed exploration activities.

To the best of the author's knowledge, and with exception to the above restrictions set out in the land use and water use permits, there are no other environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues, liabilities and risks associated with the Project at this time that may affect access, title or the right or ability to perform the work recommended in this Report within the Property area.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Access

Spanning two million square kilometres, the Nunavut territory has 25 communities and a population of 37,996. Inuit represent 85% of the residents, creating the foundation of the territory's culture and values. With the exception of Baker Lake, communities are located on the coast, where hunting and fishing traditionally sustained the Inuit. There are no permanent roads to Nunavut from the rest of Canada or connecting communities within Nunavut. Access is mainly by air with ships delivering supplies during the open water season (CIRNAC, 2018).

The Kiyuk Lake Gold Property is remote and can only be accessed by plane via ice runway on Kiyuk Lake during the spring or by a float plane during the summer. The Property is 85 km north-northwest from the nearest airstrip which is located on the southwest shore of Nueltin Lake in northern Manitoba; 118 km east-northeast from an airstrip on Kasba Lake in southeastern Northwest Territories; and 300 km northeast from road-accessible Points North, Saskatchewan. The Nueltin Lake and Kasba Lake airstrips as operated and serviced by Treeline Fishing Lodge and Kasba Lake Lodge and are typically only operational during summer months when the fishing lodges are open. These airstrips can accommodate larger aircraft such as the Hawker Siddeley HS 748 and ATR 42/72 direct from Thompson or Winnipeg Manitoba. The nearest communities with significant infrastructure (hospital, airports, etc.) are Churchill, Manitoba (400 km to the southeast); Arviat, Nunavut (350 km to the east); Lynn Lake, Manitoba (400 km to the south); and Thompson, Manitoba (545 km south-southeast).

5.2 Physiography

The Property is centred on its namesake, Kiyuk Lake, and is located approximately 40 km west of Nueltin Lake, 60 km southeast of Ennadai Lake, and 50 km north of the Manitoba border (Figure 1). Hogarth Lake, Poorfish Lake, and Windy Lake are located near the Project area, in addition to numerous unnamed lakes and drainages. The field camp is located on an upland overlooking the east shore of Kiyuk Lake

In a broader context, the Property is situated at the north-eastern edge of the Selwyn Lake Upland near the border with the Kazan River Upland Ecoregion of the Taiga Shield Ecozone. The Selwyn Lake Upland extends northwest from Churchill River in Manitoba to the East Arm Hills at the eastern end of Great Slave Lake. The Ecological Stratification Working Group (1995) describe the ecoregion's physiography as characterized by:

"It is part of the tundra and boreal forest transition extending from Labrador to Alaska. Black spruce is the climatic species, and open stands of low, stunted black spruce with dwarf birch and Labrador tea, and a ground cover of lichen, and moss, are characteristic. Bog-fen sequences composed of stunted black spruce, ericaceous shrubs, and mosses dominate poorly drained wetlands... Ridged to hummocky crystalline, massive rocks that form broad, sloping uplands and lowlands are covered with discontinuous acidic, sandy tills. Significant shallow, clayey lacustrine deposits occur at lower elevations. Prominent sinuous esker ridges and lakes are common throughout the region. Permafrost is extensive and discontinuous with low to medium ice content and sporadic ice wedges throughout most of the ecoregion, but grades to sporadic discontinuous with low ice content along the southern edges".

5.2.1 Topography and Elevation

The Kiyuk Lake Gold Property and the surrounding area have been extensively glaciated, resulting in moderate to low relief with an abundance of lakes and ponds. The topography is controlled by the glacial and glaciofluvial landforms deposited during the last ice age.

Elevation in the region varies from a minimum of approximately 300 m to a maximum of 360 m, creating a gentle rolling landscape. The multitude of lakes, bogs, forest and glacial deposits result in very limited outcrop exposure (<10%).

5.2.2 Flora and Fauna

The Property lies south of the tree line and has forests that are dominated by black spruce and jack pine and to a lesser extent, birch and poplar trees.

Wildlife that inhabit the ecoregion and Property area include barren-ground caribou, moose, bears (grizzly and black), wolverines, marten, timber wolf, arctic fox, mink, snowshoe hare, rabbits, and red-backed vole. Upland game birds are spruce grouse and willow ptarmigan; other bird species include sandhill crane, migratory waterfowl and shorebirds. The lakes host a multitude of fish species, including lake trout and northern pike. The caribou are important to local communities in this region and the caribou migration sometimes crosses the property. The caribou are observed as solitary animals traveling north during the summer months and return in September as larger southward migrating herds. Exploration activity is ended with the arrival of the migrating caribou herds.

Land use activities are generally limited to trapping and hunting, mineral exploration, and recreation.

5.3 Climate

This Selwyn Lake ecoregion is classified as having a low subarctic ecoclimate (Ecological Stratification Working Group, 1995), marked by cool summers and very cold winters. The mean annual temperature is approximately -5°C. The mean summer temperature is 11°C and the mean winter temperature is -21.5°C. The mean annual precipitation ranges from 250 mm to 400 mm.

The spring break-up on the Property typically occurs on small lakes in late May, with the larger lakes becoming ice-free in mid June. Lake freeze-up generally occurs in mid October with snow covering the entire ground surface by early November.

During the period of mid-May through early August, daylight occurs a maximum of approximately 20 hours per day with dominantly twilight and minor night occupying the remainder of the day. During mid-winter, only about five or six hours of daylight occur at the Property.

The northerly latitude and climate limits mapping and prospecting to the summer months, generally July and August. However, drilling and geophysical surveys are best conducted late in the spring, generally March to May, when there are still appreciable daylight hours and the ice airstrip on Kiyuk Lake can be used. Drilling can continue into late summer (September); however, logistics can be more difficult because the program must be supported by float-equipped aircraft with less cargo capacity than aircraft capable of landing of the lake's ice airstrip.

5.4 Infrastructure

The Kiyuk Lake Gold Property area is remote and undeveloped. No powerlines, gas lines, roads or settlements exist on or near the Project area. There is no significant infrastructure in the Property area other than the 30-person Kiyuk Lake exploration camp on the east shore of Kiyuk Lake (60° 27.81'N 100° 23.11'W; UTM 6,703,830N 423,830E Zone 14N NAD83; Figure 4). Currently all supplies must be brought in via air transport.

Electrical power for camp is produced by diesel generators. All fuel for generators and other equipment must be flown into camp in bulk or in 205-litre drums.

Abundant water resources are present in the lakes, rivers, creeks on the Kiyuk Lake Gold Property.

Skilled mineral exploration personnel must be brought into the Property from larger population centres outside of Nunavut such as Yellowknife, Northwest Territories, and Thompson and Winnipeg, Manitoba on an as-needed fly-in/fly-out basis. Similarly, unskilled labour may be sourced on a fly-in/fly-out basis from smaller remote communities such as Arviat, Nunavut; Tadoule Lake, Brochet and Lac Brochet, Manitoba; and Wollaston Lake, Saskatchewan.

At this time, it appears that Margaret Lake and Cache hold sufficient mining leases and claims necessary for proposed exploration activities and potential future mining operations (including potential tailings storage areas, potential waste disposal areas, and potential processing plant sites) should a mineable mineral deposit be discovered at the Property.

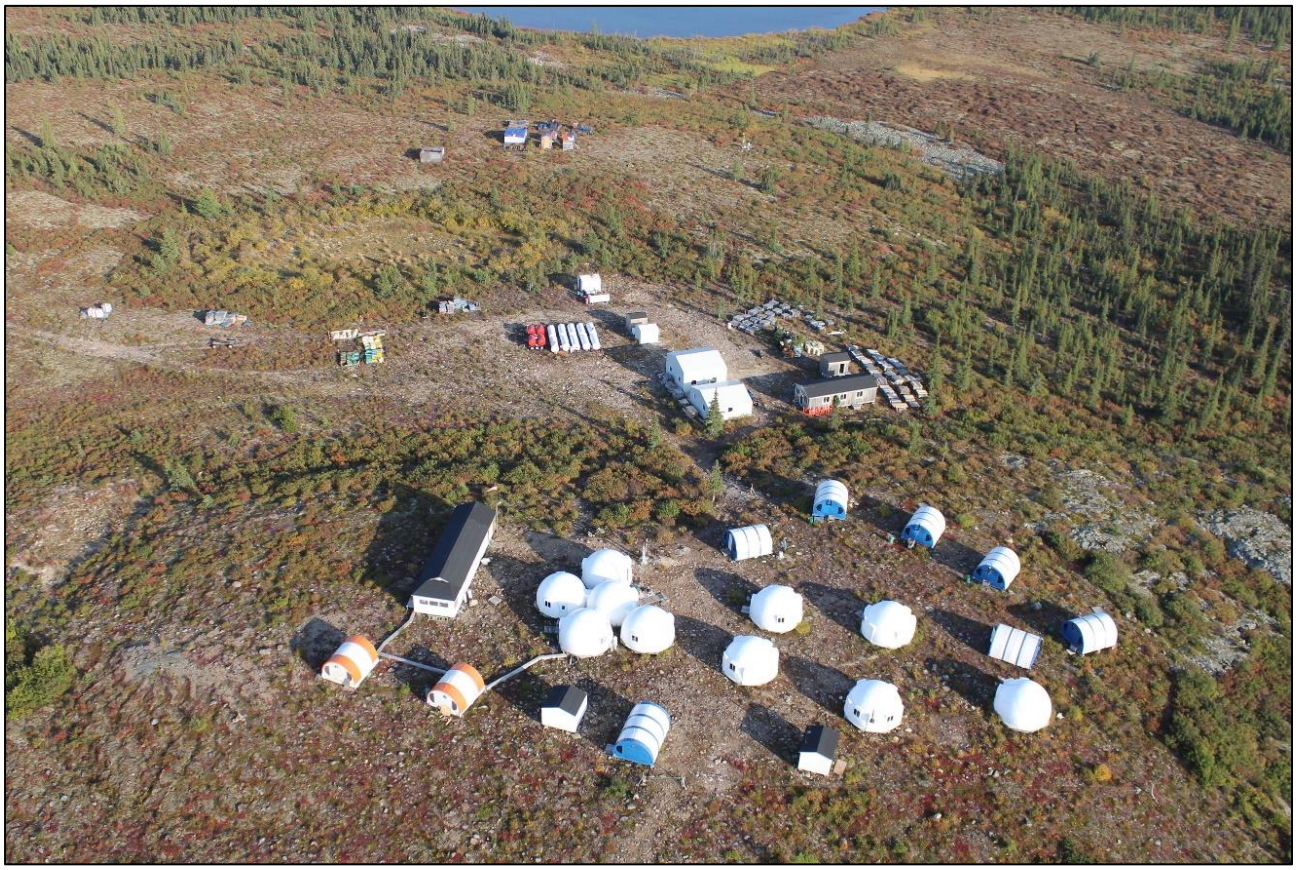

Figure 4: Overview of Kiyuk Lake exploration camp looking east-southeast (September 2017)
Source: Trinder (2017)

6 History

6.1 Prior Tenure Agreements and Ownership Changes

6.1.1 Marcelle Hauseux (2003 to 2005)

Ms Marcelle Hauseux staked three claims in 2003 (KIY 1, KIY 2 and KIY 3) totalling 1,499 ha. The claims were subsequently optioned to Newmont Canada Limited (Newmont) in 2005.

6.1.2 Newmont Canada Limited (2005 to 2009)

Details of the 2005 Newmont option agreement with Ms Hauseux are unknown to the author. Newmont staked an additional 51 claims; 22 claims in 2006 (MAR 1 to MAR 22) totalling 19,429.35 ha; and 29 claims in 2008 (KYK 6 to KYK 64 – non-sequential) totalling 24,852.50 ha. As of April 2008, the entire Property area comprised 54 contiguous claims and totalled 45,780.85 ha or 457.81 km^2.

Newmont elected to discontinue work on the Property and returned it in its entirety to Ms Hauseux in early 2009.

6.1.3 Evolving Gold Corp. – Prosperity Goldfields Corp – Northern Empire Resources Corp. (2009 to 2016)

In an option agreement dated 1 August 2009, Evolving Gold Corp. (EVG) acquired a 100% interest the 54 claim Kiyuk Property from Ms Hauseux subject to the issuance of cash and stock. Cash payments to retain the property totalled $350,000 which were to be paid as follows: $50,000 on signing, plus five annual installments of $60,000 each. The original agreement also required the issuance of 250,000 of EVG common shares to be issued as follows: 50,000 shares on signing, plus five annual installments of 40,000 shares each. There were no work commitments in the Kiyuk option agreement and claim maintenance responsibilities were assumed by the operator, EVG. An NSR royalty of 2.0% was retained by the optioner, Marcelle Hauseux, which can be reduced to 0.0% with the payment of US$2.0 million for each percentage point of NSR.

In August 2010, EVG and Hauseux allowed four KYK claims to lapse (KYK 6, KYK 60, KYK 62 and KYK 64, totalling 2,884.47 ha or 28.85 km^2). The reduced Property then totalled 50 claims totalling 42,896.38 ha or 428.96 km^2.

The option agreement was amended on 28 October 2010 as a result of the transfer of the option agreement from EVG to Prosperity Goldfields Corp. (Prosperity), a wholly owned subsidiary of EVG which was spun-out to the public on 3 March 2011. The terms of the amended agreement replaced the annual instalment of 40,000 EVG common shares with 20,000 EVG shares, plus 60,000 Prosperity shares per year for the remaining four years of the agreement. Claim maintenance responsibilities were assumed by the operator, Prosperity. The final payment of cash and shares was completed by 30 September 2014.

In 2012, Chris Penimpede staked 20 claims (KL 1 to KL 20) totalling 16,127.68 ha (161.28 km^2) on behalf of Prosperity. The claims were contiguous with the southwest and southeast sides of the original property. As a result of the staking, the Property expanded to 70 claims totalling 59,024.06 hectares or 590.24 km^2.

Applications were filed to bring claims KIY 1, 2 and 3 to lease on their 10-year anniversary (May 12, 2013). Leases L-5538 and L-5539 (former claims F65194 KIY 1 and F65195 KIY 2 respectively) were recorded on 12 May 2014. Due to processing delays, lease L-5540 (former claim F65196 KIY 3) was recorded on 11 February 2015. The former mining claims KIY 1 and KIY 2 were officially cancelled on 9 August 2017 and KIY 3 on 18 October 2018.

Effective 11 December 2014, Prosperity changed its name to Northern Empire Resources Corp. (Northern Empire).

6.1.4 Montego Resources Inc. (2016 to 2017)

On 30 August 2016, Montego Resources Inc. (Montego) signed a definitive agreement with Northern Empire whereby Montego would acquire all Northern Empire's 100% right, title, interest in, and obligations to the Kiyuk Lake Gold Property.

On 2 September 2016, Montego announced that it had completed the acquisition of the Property from Northern Empire with the issuance of 6,680,000 common shares in the capital of Montego, that number being equal to 19.9% of the issued and outstanding Montego shares following the closing of a Montego financing announced 24 August 2016. The Property remained subject to a 2% NSR royalty to the original property vendor (Hauseux). At the time of acquisition, the Kiyuk Lake Gold Property consisted of 70 claims totalling 59,024.06 ha or 590.24 km^2.

6.1.5 Cache Exploration Inc. (2017 to 2019)

Cache announced on 1 March 2017 that it had signed a binding, definitive agreement with Montego to acquire a 100% interest in and to the 70 mineral claims and leases of the Kiyuk Lake Gold Property.

Terms to acquire the 100% interest in the Property included:

- $200,000 payable upon the signing of the Definitive Agreement
- $200,000 payable on or before six months after the signing of the Definitive Agreement
- $100,000 payable on or before 12 months after the signing of the Definitive Agreement.

On 7 September 2017, Cache announced that it had made the final payment to Montego for the acquisition of 100% of the Kiyuk Lake Gold Property through payment of $300,000 by the issuance of up to 3,000,000 Common shares of the Company having a deemed value of $0.105 per share.

6.2 Historical Exploration – Previous Owners and Operators

Regional mapping in the Kiyuk Lake area began in the 1950s with government mapping projects by the GSC. Starting in 1989, Lawrence Aspler became a major contributor to the academic and governmental investigations focusing on the geological setting and the tectonic evolution of the Paleoproterozoic cover and Archean basement in the region and on the Kiyuk basin (Aspler, 1989; Aspler *et al.,* 2002).

The region has seen limited exploration compared to the more northern and coastal regions of Nunavut. Table 4 summarizes the mineral exploration history for the Kiyuk Lake Gold Property. The Kiyuk Lake area of southern Nunavut received little recorded exploration attention until M. Hauseux and S. Sumacz completed regional prospecting and sampling for Comaplex in the early 1990s based on publicly available 1976 lake sediment geochemistry (anomalous arsenic), airborne magnetic geophysical survey data and reports of gossanous rocks identified during GSC government regional mapping. Comaplex's exploration work confirmed the presence of gold mineralization at Kiyuk Lake; however, Comaplex eventually let its mineral rights lapse. No further work was conducted on the Property area until 2003 when it was re-staked by M. Hauseux and S. Sumacz. The first drilling campaign on the Property was conducted by Newmont who, under an option agreement, completed a 14-hole drill program in 2008. Since 2008, the property has passed to several other junior exploration companies (see Section 6.1) during which time follow-up exploration including additional drill programs have discovered significant grades and widths of gold mineralization at multiple locations in the Property.

Table 4: Summary of historical exploration on the Kiyuk Lake Gold Property (1991 to 2017)

Company	Year	Season	Program/Work
Comaplex	1991–1992		Prospecting by M. Hauseux and S. Sumacz.
M. Hauseux and S. Sumacz	2003		Staking/Prospecting.
Newmont	2005		Newmont options three claims (KIY 1 to KIY 3) from M. Hauseux. Small field sampling program.
	2006		Additional 22 claims staked (MAR 1 to MAR 22). Six-week program of mapping, prospecting, rock sampling campaign.
	2007	Spring	Terraquest Ltd airborne magnetic and radiometric geophysical survey (150 m line spacing; covering eastern half of current Property).
			Bell Geospace airborne gravity geophysical survey (400 m line spacing; covering eastern half of current Property).
			Airborne geophysics interpretation.
		Summer	Quantec Geoscience ground induced polarisation geophysical survey. DCIP lines over Gold Point, Cobalt-Airstrip, Goldie Trend, Rusty. Gradient array over Cobalt-Airstrip and Gold Point.
			Minor field sampling.
	2008	Spring	Diamond drilling, 13 NQ holes totalling 2,331 m (Peak Drilling).
			29 claims staked (KYK 6 to KYK 64 – non-sequentially numbered).
	2009	March	Option terminated and Property returned to M. Hauseux.
Evolving Gold	2009	July	Property optioned by EVG.
		Summer	Surface rock sampling and resampling of 2008 core.
			Patterson Geophysics – ground magnetics survey at Gold Point.
			Quantec Geoscience Titan 24 DCIP geophysics at Gold Point, Cobalt, Airstrip.
	2010	Summer	Reconnaissance surface rock sampling.
			Terraquest Ltd airborne magnetic geophysical survey (100 m line-spacing covering western half of current Property).
		October	Transfer of Property to Prosperity (October).
Prosperity	2011	Summer	Diamond drilling, 14 holes totalling 2,679 m (Bodnar Drilling).
	2012	Spring	Diamond drilling, 12 holes, 2,657 m (Bodnar Drilling). ClearView Geophysics Inc. total field ground magnetic survey (217.3 line km, 50 m nominal line spacing).
		Summer	Multi-media orientation geochemistry at Rusty. Property-wide till sampling. Grid till sampling. Property-wide geological mapping and prospecting. Ground magnetics. Predictive surficial geology mapping. Structural interpretation of 2010 airborne geophysical data. Petrographic studies.
	2013	Spring	Diamond drilling, 20 holes totalling 4,426 m (Bodnar Drilling). ClearView Geophysics Inc. total field ground magnetic survey (129 line km, 50 m nominal line spacing).
		Summer	16-day program of selective re-logging of drill core from Rusty and Gold Point zones. Surveying for lease conversion of three claims that had reached their 10-year anniversary.
	2015	Summer	A two-person team visited Kiyuk Lake camp in the summer to repair or pack up damaged tents. All scattered debris caused by wildlife and weather was cleaned up and disposed of using the on-site incinerator or removed from site.
Cache	2017	Summer	Property optioned then acquired by Cache. Diamond drilling, five holes totaling 1,172 m (Bodnar Drilling). Infill grid till sampling.

A brief summary description of the various exploration work programs completed at the Property (other than drilling) are presented in the following Sections 6.2.1 to 6.2.10. Diamond drill programs completed by previous owners and operators are presented separately in Section 6.3.

Turner's (2012) NI 43-101 technical report provides a detailed description of work programs completed at the Kiyuk Lake Gold Property to the end of 2011. Prosperity's 2012 and 2013 exploration programs are detailed in its 2012 and 2013 annual technical reports on the Kiyuk Lake Project (Pennimpede *et al.,* 2013a; Pennimpede *et al.,* 2013b).

The Author notes that analytical results for various till, surface rock/boulder and diamond drill core programs reported herein have ranged from below detection to highs of 3610.5 ppb, 25 g/t, and 92.76 g/t Au respectively. Significant analytical results are noted in the following subsections.

6.2.1 Geological Mapping and Prospecting

Mapping and prospecting have been conducted intermittently on the Kiyuk Property since 1992. The most intensive and extensive programs were conducted by Newmont in 2006 and Prosperity in 2012.

Satellite Imagery

In 2012, Prosperity contracted Pacific Geomatics Ltd to georeferenced and mosaic a collection of Worldview-2 Imagery over the entire Property (with a 500 m buffer) creating natural colour, false-colour infrared, and panchromatic images. The images were divided into four quadrants for the final products to make file sizes more manageable. The satellite imagery supplemented previously acquired aerial photography and provided important information for interpretation of surficial geology (glacial landforms) which guided the location of till samples. It was also permitted effective planning of helicopter landing locations and prospecting traverses.

Surficial Geology

Utilizing LANDSAT images, Stea (2012) created a preliminary surficial geology map at 1:50,000 scale which was then edited to incorporate field data collected during the 2012 summer field program. Stea's work confirmed the ice direction on the Property was to the south-southwest, at 200° azimuth, which allowed geologists to better trace and map expected source areas for mineralized boulder showings.

Bedrock Geology

Prosperity's 2012 summer program included property-scale geological mapping and structural studies; local-scale mapping and prospecting which were an important part of 2012 summer program. Many of the previously delineated showings and mineralized boulder trains had little information regarding proximity to source area, and historical sampling was, in some cases, done before the aid of global positioning system (GPS) or data was collected in NAD27 resulting in location uncertainties. Many historical sample locations were revisited in order to obtain proper location information in addition more detailed sample description information.

The basic geological framework is generally well established for the Property area. Overall, industry mapping is relatively consistent with the regional government mapping conducted by Aspler (1989).

6.2.2 Prospecting, Rock Sampling and Geochemistry

Prospecting and rock sampling for Au mineralization has been conducted on and around the Property intermittently since 1991 (Table 5). Early prospecting programs have been fully documented in Work Reports

to Government and are not discussed in detail here (Hauseux, 1991; Hauseux 1992; Paul and Hauseux 2006; Hennigh, 2006).

A total of 785 surface samples with geochemical values and spatial coordinates are available from the Kiyuk Property prior to the 2011 program. Twenty float samples and one outcrop sample were collected in 2011 during cursory prospecting concurrent with diamond drilling. Most of the historical samples have associated assay certificates, while the ones with uncertain origin likely originate from the 2006 field program by Newmont. The results of these uncertain samples do not alter the significance of any mineralized area. All sample analyses have been carried by reputable and certified analytical laboratories.

Table 5: Summary of historical rock sampling on the Kiyuk Lake Gold Property (1991 to 2017)

Operator	Year	No. of samples	Types
Comaplex	1991–1992	136	Rock chip and float from across area
Newmont	2005	18	Rock chip samples from sub-crop. Results unavailable.
	2006	498	326 are local sulphide-albitized boulders of Kiyuk and Tavani, 41 of Ameto Fm, 79 chips from Cobalt and Airstrip showings, 11 grabs
	2007	43	Rock chip and float, from across Property: 16 Rusty-Airstrip-Cobalt showings, 4 regional, 10 Gold Point showing, 13 east of Airstrip
EVG	2009	33	Rock chips and float; Most samples from Rusty showing (24), 2 regional, 2 from Gold Point showing. Results unavailable.
	2010	57	Gold Point, south recon, Rusty, and N Snake Lake showings
Prosperity	2011	21	Cobalt South, Rusty Trend, Gold Point, Gold Point Trend
	2012	210	Property-wide
Cache	2017	11	Boulder/float samples collected during till surveys

Due to the lack of outcrop and extensive coverage of till and other glacial landforms, most showings were discovered through boulder prospecting; a mineralized bedrock source has yet to be found for some of the showings.

Geochemical results from the extensive 2006 sampling by Newmont identified an elemental suite of important trace elements in mineralized samples (or near mineralized outcrop) that variably comprises W, As, Bi, Co and Se along with notable Te, Mo, U, Sb, and Ni. Where very high pathfinder element content is present it is almost always associated with Au values above 1 g/t. In some cases, all elements are elevated in a single sample, whereas other samples show enrichment in only select elements. Hauseux (2006) reports the results of this extensive geochemical investigation of rocks from the Kiyuk Property.

The goal of Properity's 2012 summer program was to evaluate existing mineralized zones and showings by using systematic geochemistry, to provide the necessary geochemical information to assess the mineral potential of other parts of the property. The summer program included property-scale geological mapping and structural studies; local-scale mapping and prospecting; collection of 210 grab rock samples; collection of 1,352 till samples was completed by a team from Pika Exploration; onsite x-ray fluorescence (XRF) analysis of property-wide till sampling; and core review and sample selection for thin section and lithogeochemical analysis. Prosperity staff and contract geologists collaborated with consultants, Rob Mackie, Mike Cooley, Dennis Arne, and Ralph Stea to complete the summer program.

Prospecting during the 2012 program was designed to follow-up on previously sampled areas, new areas of interpreted structural interest identified from ground magnetics, areas of anomalous geochemical response from till samples, or other areas of geological and geophysical interest. Grab rock samples from boulders (float), sub-crop and outcrops were collected by geologists during prospecting and mapping traverses. Due to

the early state of exploration of the Property and a desire to understand the nature of gold mineralization, rock samples typically consisted of grab samples and as such may not be representative of bedrock mineralization. Descriptive and location data were recorded into a Trimble Juno handheld field computer with a built-in GPS. Magnetic susceptibility information for each sample was also collected in order to evaluate background susceptibility on unaltered rocks and susceptibility values on mineralized samples from across the property. This information was uploaded into a Microsoft Access database on a daily basis and merged with other GIS data.

The rocks sampled were from a wide variety of sedimentary and igneous rock types indicative of the Kiyuk basin. Gold is hosted in a variety of sedimentary rocks. Gold bearing samples contain sulphide (pyrrhotite, pyrite, and/or arsenopyrite) and are altered with secondary growth of actinolite and albite ± calcite/dolomite.

In 2017, Cache collected 11 boulder and float samples during its infill till sampling program.

6.2.3 Geophysics

Airborne Geophysics

Three fixed-wing airborne geophysical surveys have been conducted over different parts of the Property. Approximately 90% of the current property has been covered by airborne magnetics and the eastern half of that extent has been covered by airborne radiometrics, VLF-EM, and gravity surveys. In 2007, Terraquest conducted a magnetic, radiometric and VLF-EM survey on behalf of Newmont that covered the eastern three quarters of the current Property (Figure 5, Project B-227; Goldie, 2007; Johnson, 2010a). This survey was flow at 150 m line spacing with flight-lines oriented east-west. Radiometrics were collected but not processed. Newmont also contracted Bell Geospace to conduct a fixed-wing airborne gravity survey over the same area in 2007 (Selman, 2007; Johnson, 2010b). The Air-FTG full tensor gravity gradiometer survey was flown at 400 m line spacing. In 2010, EVG contracted Terraquest to conduct a magnetic, radiometric, and VLF-EM survey over much of the current Property area at 100 m line spacing with flight lines oriented north-south (Figure 5, Project B-326; Barrie, 2010; Johnson, 2010a). Sufficient overlap exists between the two magnetic surveys to allow for levelling and merging of the two surveys (Figure 6). The 2010 VLF-EM survey results were of too poor quality for interpretation (Johnson, 2010a).

A structural interpretation of these airborne surveys was completed in 2012 by Leigh Rankin (Rankin, 2012). Interpreted priority structures were used to rank geochemical anomalies from the 2012 property-wide till sampling program discussed in Section 6.2.7.

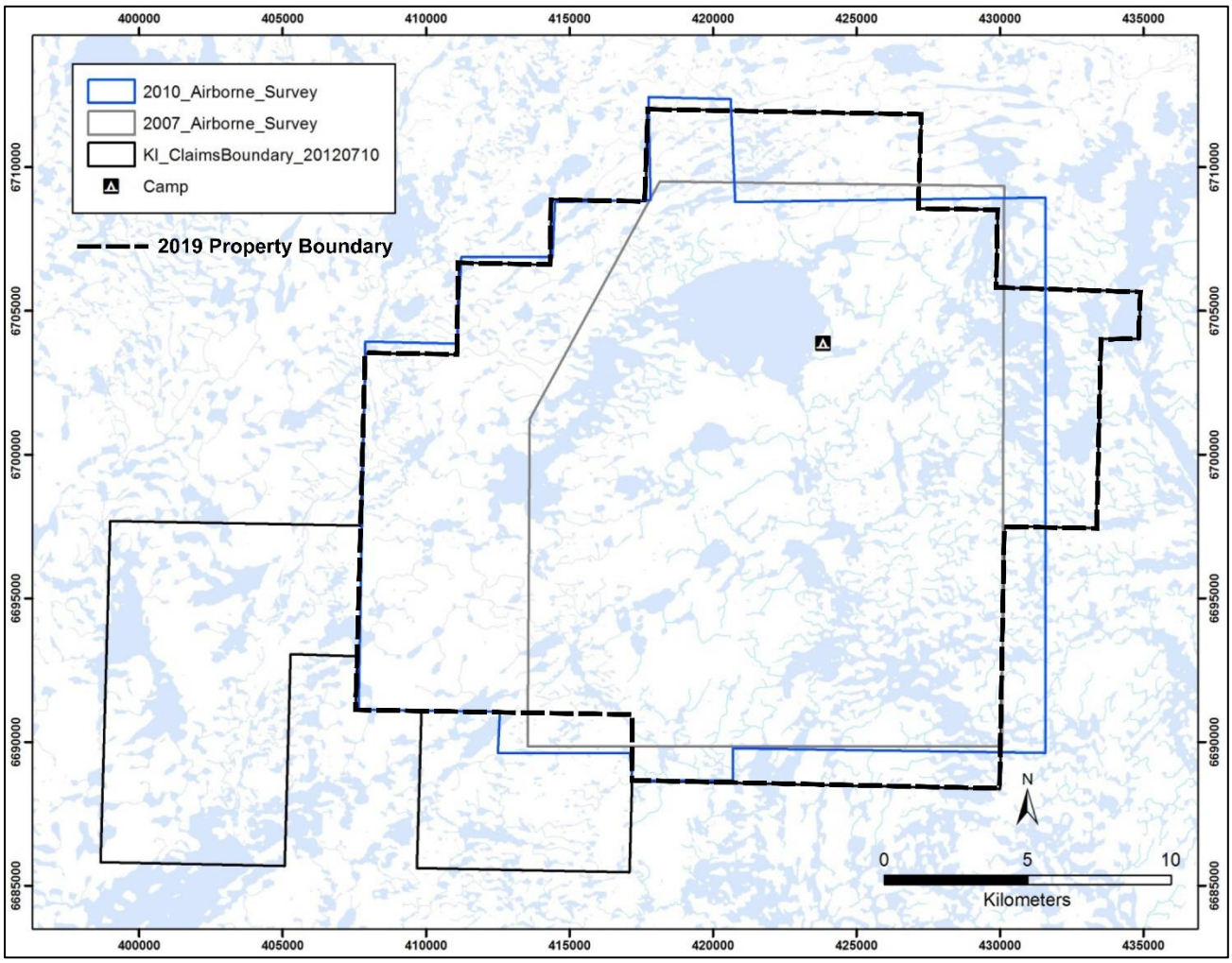

Figure 5: Plan map showing the area covered by the 2007 airborne magnetic, radiometric and gravity survey and the 2010 airborne magnetic survey
Source: Pennimpede (2013b)

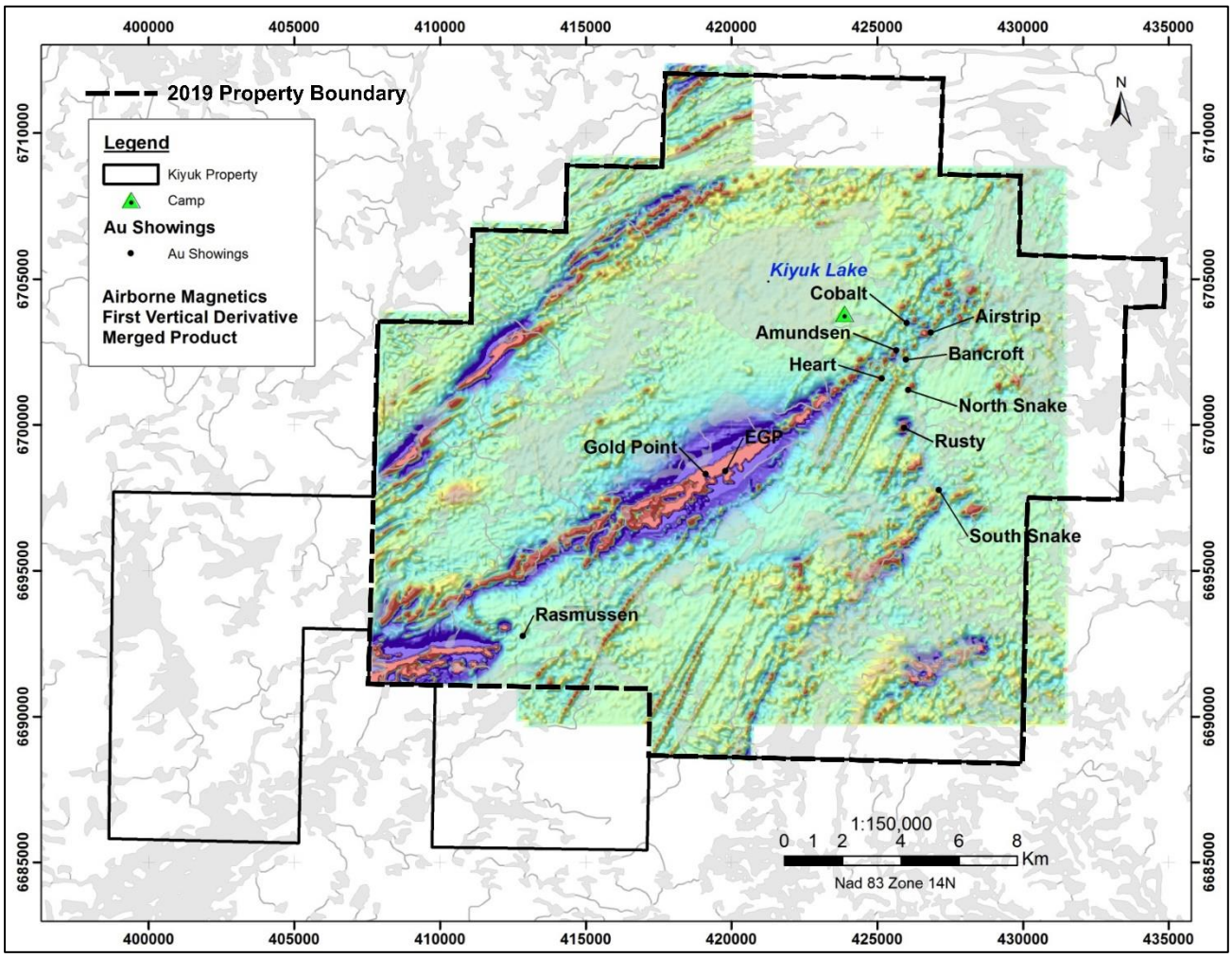

Figure 6: Plan map showing extent of merged 2007 and 2010 airborne magnetic data and the location of Au prospects
Source: Pennimpede (2013b)

6.2.4 Ground Magnetics

Three ground magnetic surveying programs have been completed on the property (Figure 7):

- The first was completed in 2009 by Patterson Geophysics and was conducted over the Gold Point Zone at a line spacing of 50 m.
- The second was completed in 2012 by Clearview Geophysics and was conducted over two broad areas covering the Cobalt, Amundsen, Heart, North Snake, Rusty, and Gold Point prospects at a nominal 50 m line spacing (Figure 7). A total of 217.3-line km was completed from 12 April to 6 May 2012. Survey line direction varied between prospects, depending on what was known about the potential orientation of mineralizing structures.
    - The walking-mode magnetometer surveys were carried out using backpack mounted magnetometers and GPS sensors. The magnetometer sensor was located at a height of approximately 2.5 m above ground surface. The GPS sensor was located just above the operator's head. Readings were acquired with the Scintrex EnviC set for 10x per second. Positioning was with the EnviC USB connected GPS unit.

- GEM Systems Overhauser magnetometers were used for the base station corrections. The base station magnetics data were real-time UTC stamped. They were located less than 5 km from the work areas to minimize distance variations. Two base stations were setup within 100 m from each other and leap frogged as needed to stay within the work area. The extra base station was used to provide a backup in case the main base station failed, and to provide quality control by comparing the results from both units daily.

- A third ground magnetics program was undertaken and completed during spring 2013. The work was again completed by Clearview Geophysics. A total of 129-line km were completed in four blocks: Bancroft-Airstrip; West Rusty, South Rusty, and Rasmussen (Figure 7). Surveying was undertaken by walking mode on lines at nominal 50 m spacing. Walking-mode magnetometers and base stations utilized were as described in the 2012 surveys described above.
  - An unconstrained inversion of ground magnetic data at Rusty was completed and shows as near vertically dipping, elongate pipe like magnetic feature. This magnetic feature corresponds closely to 10–20 m thick magnetite-rich hydrothermal breccia zones intersected during drilling in the northern section of the Rusty Zone. The continuity of these breccia zones is not yet known but displacement by faulting is likely.

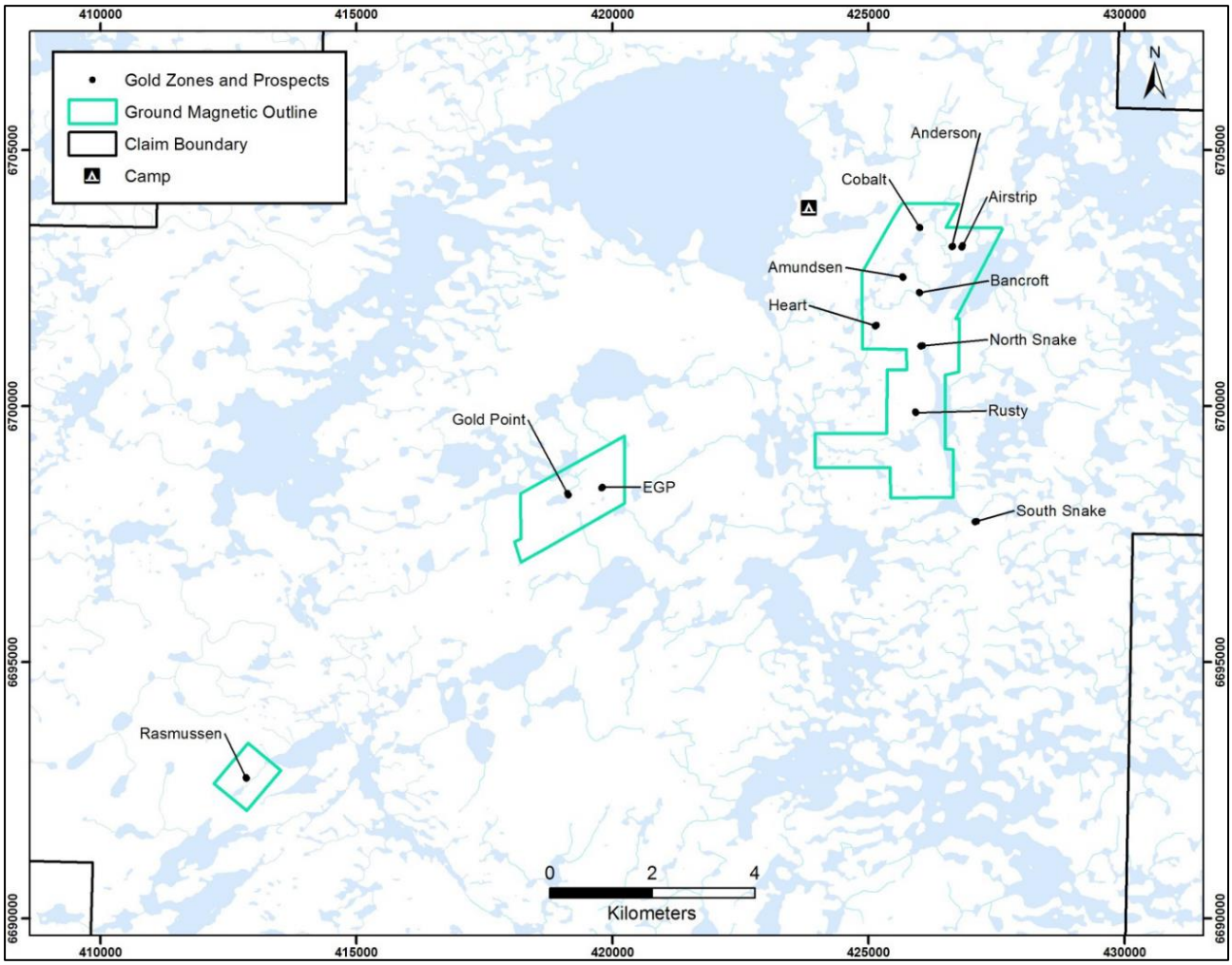

Figure 7: Plan map showing the completed ground magnetic survey blocks (2009 to 2012)
Source: Pennimpede (2013b)

6.2.5 Ground IP-Resistivity Surveys

In 2007, Newmont contracted Quantec conduct IP-resistivity surveys over parts of the Property (Figure 8). Limited information is available for the 2007 surveys; however, a brief description of the survey is given in the Assessment report for that year (Rampe & Chambers, 2007). Much of the drilling conducted by Newmont in 2008 targeted induced polarisation (IP) chargeability anomalies identified during this program.

In 2009, EVG contracted Quantec to conduct a Titan-24 survey over the Gold Point and Cobalt areas (Figure 8). Detailed description of survey specifications and processing is given in the logistics report completed by Meade *et al.* (2009).

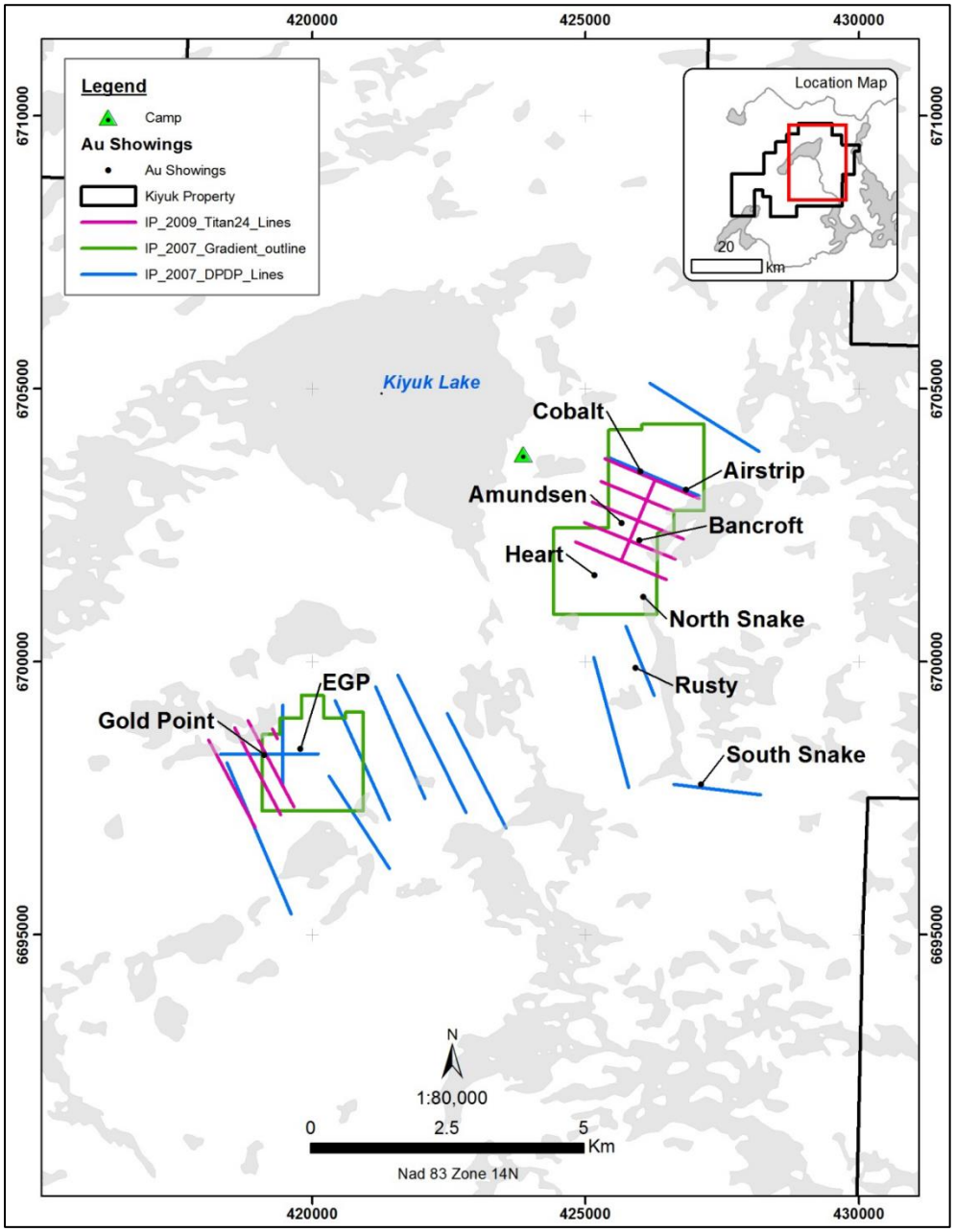

Figure 8: Plan map showing location of Newmont's 2007 and 2009 IP-resistivity surveys
Source: Pennimpede (2013b)

6.2.6 Electrical Characteristics of Whole-Core Samples

A series of whole-core samples were collected from Rusty Zone during the 2013 spring core drilling program for the purpose of defining electrical characteristics. Direct current/IP testing of the core samples was carried out by consultant Dave Hall in Vancouver (Pennimpede *et al.,* 2013b). The tests measured chargeability, conductivity/resistivity of mineralized and unmineralized rock types to help determine which electrical geophysical method might better define the extent of mineralization seen in the Rusty Zone and find similar mineralization in unexplored parts of the property. Mineralized and brecciated sandstones, from the Rusty zone (sulphide rich), are chargeable (34-161 MV/V) and have higher chargeability values than the surrounding host rock and other lithologies found in the Kiyuk Group. Sulphide-bearing rocks have low resistivity values (5,166 and 8,772 ohm-m) and one sample, containing net textured sulphides and magnetite, is conductive (90 s/m). The results suggest an IP survey may be useful in identifying the extent of alteration and mineralization at Rusty and an electromagnetic survey may assist defining a core of high-grade mineralization at Rusty.

6.2.7 Surficial Media Sampling and Geochemistry

Prosperity conducted the first systematic and extensive surficial media sampling program on the Property during summer 2012, including a multi-media orientation study over the Rusty Zone, a property-wide regional till sampling program, and detailed grid sampling in around the Amundsen and Bancroft zones. Gold grain analyses have also been completed on certain till samples.

All 2012 surficial media sampling was completed by a four-person crew from Pika Exploration. Prior to the start of the sampling campaign, consultants Ralph Stea and Dennis Arne conducted a training session on till sampling for the samplers. A GPS-equipped handheld computer was used to locate each sample and record pertinent information such as colour, sample depth, drainage, vegetation, and clast shape. Sample locations were clearly marked in the field by flagging tape and a metal tag with the appropriate sample number inscribed. Sampling was done by hand using augers or shovels. When necessary, a metal pry bar was used to move aside large boulders. Till samples were not sieved in the field. Instead, large clasts were removed by hand-picking prior to being placed in the sample bag. All sampling lines were oriented perpendicular to the main ice flow direction. A-horizon soils were collected by skimming off the organic-rich material at the base of the moss layer, being careful not to incorporate mineral soil from the underlying till. B-horizon soils were collected following the recommended methodology for mobile metal ion (MMI) analyses at a depth of approximately 15 cm below the base of the organic-rich soil layer and wrapped in plastic bags before being dispatch to the lab (Section 11.2.1).

Samples were securely stored at the Kiyuk Lake camp before batch shipping to various labs via fixed-wing aircraft and ground-based transport. Sample preparation procedures and QAQC evaluation are discussed in Section 11.

Regional C-Horizon Till

In order to assess the Property for other mineralized surficial media trends like that extending south and west of the Cobalt Zone, a property-wide till sampling campaign was conducted in 2012. Samples were collected at a 1 km sample spacing and locations were adjusted to avoid low-lying areas such as lakes and bogs and glaciofluvial sediment where the C-horizon till would be difficult to obtain or where the sediment travel distance was uncertain. Sample locations were offset 500 m on alternate sample lines. Lines were orientated perpendicular to ice flow direction which is estimated to be 200° (Stea, 2012). A total of 586 samples were collected; each sample weighed between 1 kg and 2 kg. As described in detail in Section 11, these samples

were analyzed by both field portable XRF in the field and inductively coupled plasma-mass spectrometry (ICP-MS) at Acme Laboratories.

In order to guide prospecting efforts in real-time, all till samples from the regionally spaced grid were analyzed by field portable XRF. Gold abundance in till samples are well below the lower limit of detection for the field portable XRF; however, the pathfinder element (As, Co, and Cu) concentrations are high enough to be analyzed by this method. The distribution of As anomalies is quite similar between the field portable XRF and ICP-MS (Pennimpede, 2013b).

Gold analyses by ICP-MS for the regional till samples highlight areas of known mineralization as well as five new areas of anomalous Au. Samples collected near known areas of bedrock mineralization (Cobalt, Amundsen, and Rusty) returned anomalous gold values in till ranging from 28.8 ppb Au up to 271 ppb Au. This mineralized trend forms a prominent regional till gold anomaly and validates the regional till survey sample spacing which was designed to assess the Property for presence of undocumented mineralized trends, rather than individual showings. The Au distribution is illustrated in Figure 9. Pathfinder elements associated with anomalous gold include As, Sb and W. These elements provide support for some of the regional Au anomalies, as well as identifying additional areas that are not elevated in Au and warrant further investigation.

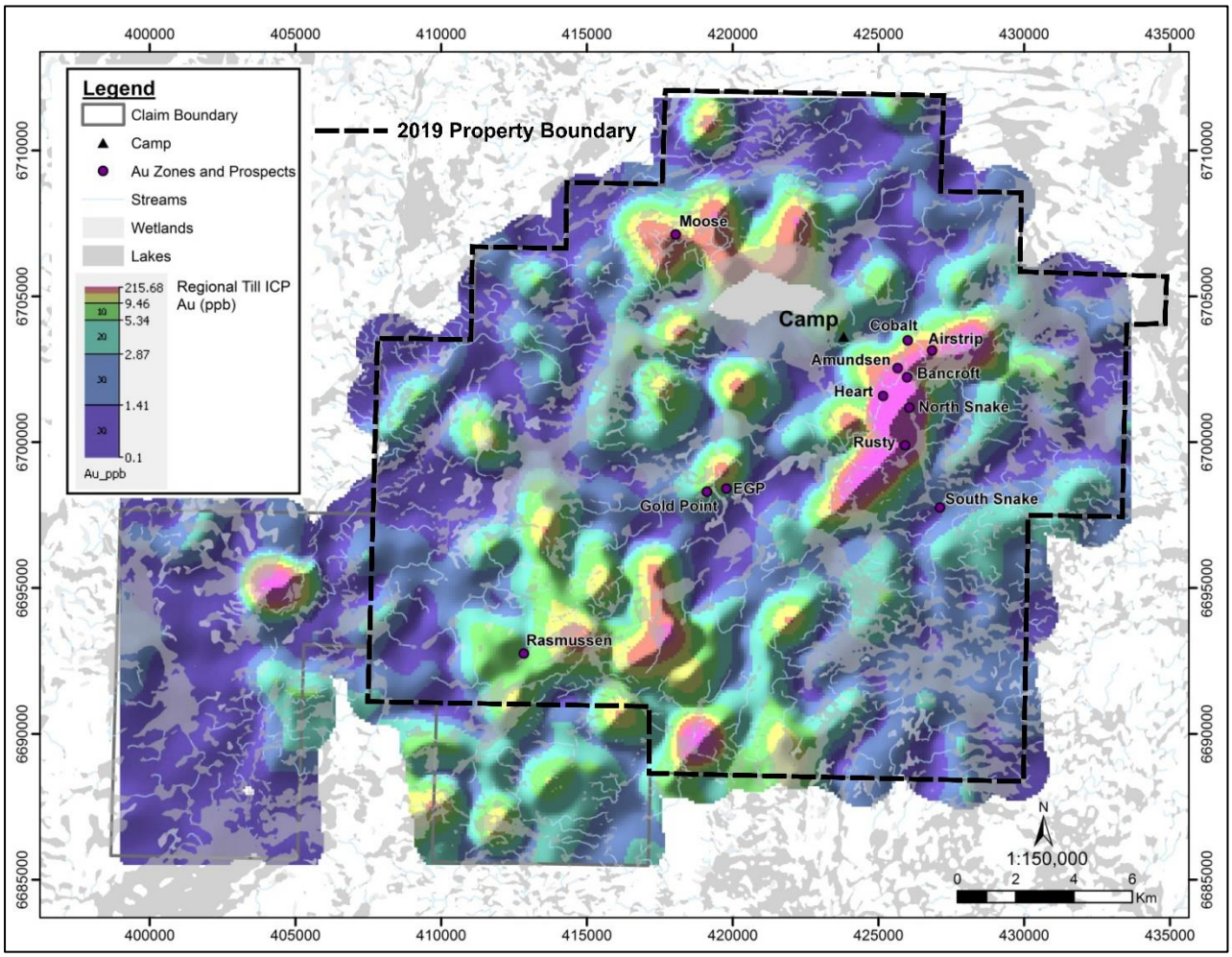

Figure 9: Plan map of the Property showing locations of gold prospects on a gridded image of Au values (ppb, ICP-MS) from 2012 till sample program
Source: Pennimpede (2013b)

The geochemical results of the regional till sampling program were evaluated in conjunction with structures interpreted from airborne geophysics to highlight areas within the Property that were most prospective and where follow-up work is justified.

In addition to the bulk till samples collected for the Rusty orientation study, limited bulk till sampling was completed near other prospective areas. Of particular interest were high numbers of pristine gold grains from two samples collected just south of Cobalt Lake. These samples were collected from "primary" till and were thought to reflect proximal bedrock mineralization.

Rusty Zone Multi-Media Geochemical Orientation Study

The July 2012 multi-media orientation study, comprising A and B-horizon soil sampling, bulk till sampling and till geochemistry sampling was completed over the Rusty Zone to better understand the magnitude and extent of any geochemical anomaly associated with the gold mineralization observed in surficial media over and down-ice from the surface showing (Table 6).

Not all samples were analysed by all methods, and sample sizes varied (Arne, 2012h). Evaluation of Au and pathfinder elements by different analysis methods using multiple media types was undertaken to determine the most efficient and effective procedure with respect to identifying both bedrock sources of gold and potential glacial dispersion fans which provide a wider footprint and larger exploration target. Gold grain counts and morphology of larger till samples (10 kg) processed at Overburden Drilling Management provided added confidence of proximity to bedrock source but did not appear to be more sensitive than till geochemistry as both methods lack anomalies on the southernmost survey line. Gold grain analysis was also conducted on a subset of 1–2 kg till samples from the detailed grid sampling that contained >250 ppb Au.

Table 6: Sample types and analytical methods for the surficial media orientation study over the Rusty Zone

Analytical method	Sample size	A-horizon soil	B-horizon soil	C-horizon till
Aqua regia – ICP-MS	1-2 kg	54		130
MMI	1-2 kg		54	
Gold grain analysis	8-10 kg			32
	1-2 kg			22
pH determination	N/A		54	

The results of the study indicate that C-horizon till geochemistry is the most effective method to define down-ice dispersion trains of Au and pathfinder elements (Co, As, W, Mo, and Ni). Arne (2012h) concluded and recommended:

"Geochemical analysis of C-horizon till samples on a closely-spaced grid pattern is the most reliable and cost-effective way to define geochemical dispersal down-ice from a bedrock source of Au mineralization as a follow-up to regional till or boulder anomalies. The judicious collection of bulk till samples for Au grain recovery within these follow-up grids will help validate any geochemical response and will also provide information on proximity to the bedrock source. However, the collection and processing of bulk till samples is expensive and slow relative to geochemical analysis and should only be used as a follow-up method once a geochemical dispersal train has been identified. Geochemical dispersal can be identified quickly in the field using field portable XRF to identify anomalous levels of As, Co or Ni in C-horizon till samples, or As in A-horizon soils. Physical Au grains can be isolated to confirm an association with Au in the dispersal train by panning a bulk till sample, and a quick indication of proximity to a bedrock source can be obtained by assessing grain shape using a hand lens or binocular microscope."

Detailed Grid C-Horizon Till Sampling

A total of 120 samples of C-horizon till were collected at and down-ice of the Rusty occurrence as part of an orientation survey conducted in July 2012 (see above, Table 6, Figure 10). The line spacing was adjusted in order to test the extent of down-ice dispersal, and sampling was undertaken at higher density over the known extent of the Rusty occurrence so that methods that might detect bedrock mineralization could be tested.

A further 459 samples of C-horizon till, including field duplicates, were collected in August 2012 on Amundsen Grid, an area encompassing the Amundsen, Heart Pond, Bancroft prospects (Figure 11). The sample locations were adjusted to avoid low-lying areas where the likelihood of obtaining C-horizon till was poor, as well as areas mapped as glaciofluvial sediments. The grid was orientated perpendicular to the estimated average ice flow direction of 200° (Stea, 2012).

Samples were spaced typically 50 m apart along 100 m spaced lines; however, the southernmost sample lines on the Rusty grid had wider spacing. Between 1 kg and 2 kg of C-horizon or B/C transition till was collected at each sample location.

Arne (2012g) reported that:

"A statistical evaluation of the detailed till grid data indicates that Au in the samples is associated with the following elements, in order of decreasing correlation coefficient: As, Co, W, Ni, Sb, Ag, Mo, Fe, Mg, Cr, Sc, B and Te at Amundsen and As, Co, W, Ni, Ag, Sb, Fe, Se, Sc and Mg at Rusty. Many of the associated elements also show coincident spatial associations with Au and define discrete linear anomalies parallel to the inferred direction of ice movement. These dispersal trains define a number of new target areas that have not previously been tested by drilling. Some of the dispersal trains show irregularities in both their form and concentration of metals that might be related to the presence of additional bedrock sources, although this needs to be established through follow-up investigations."

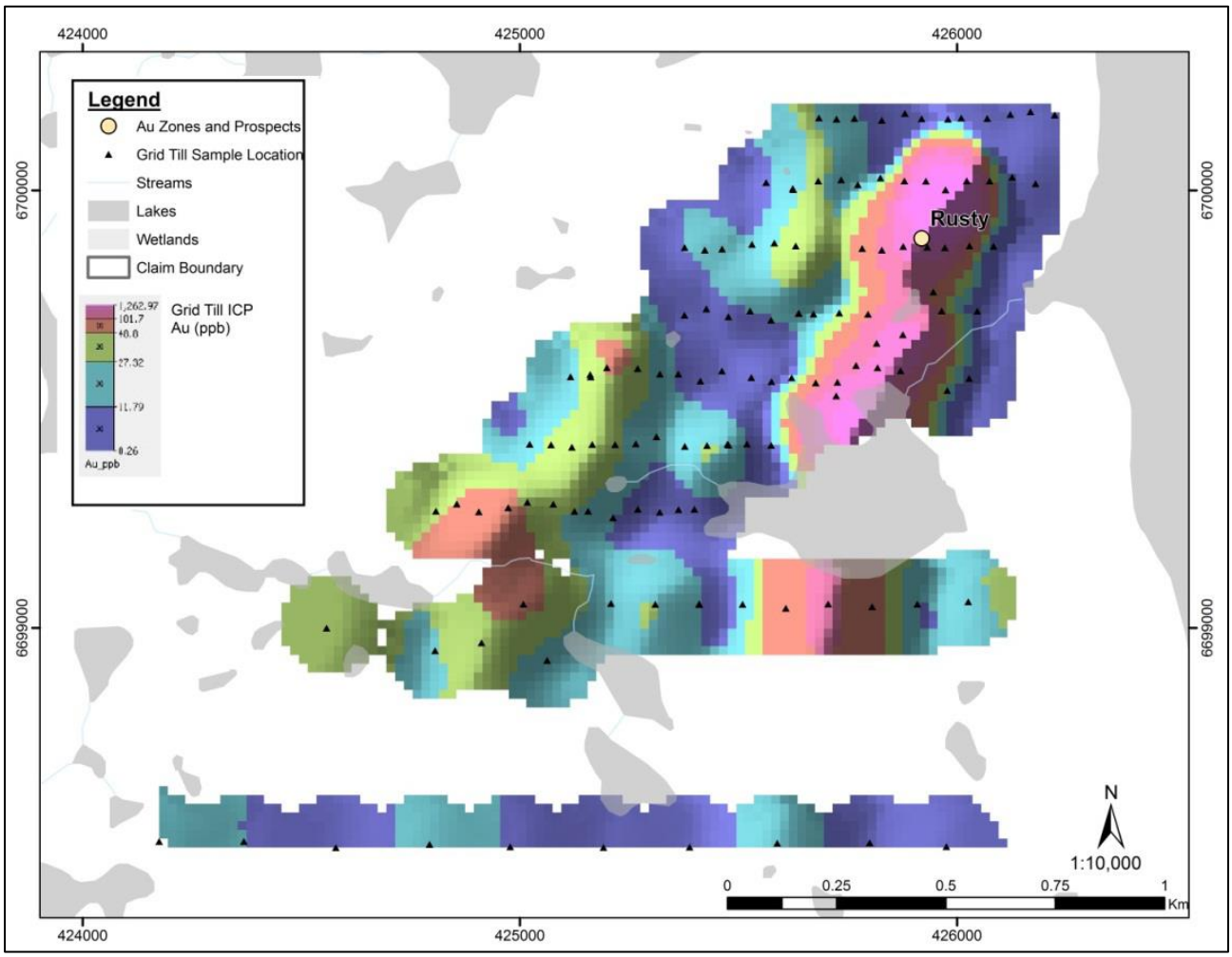

Figure 10: Plan map of the Rusty Zone grid showing the location of detailed grid till samples and a gridded image of Au values in till
Source: Pennimpede (2013b)

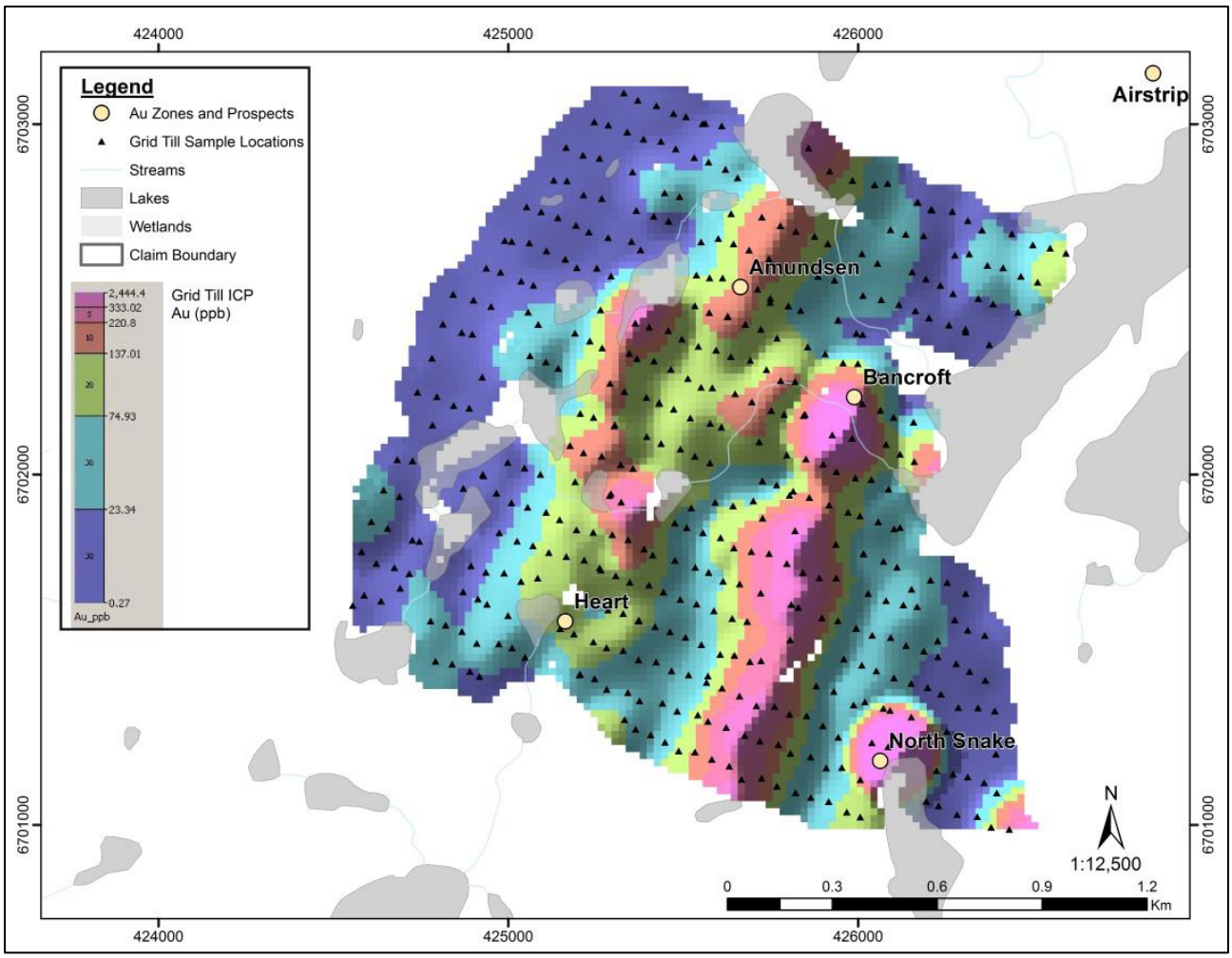

Figure 11: Plan map of the Amundsen grid area showing the location of detailed grid till samples and a gridded image of Au values in till
Source: Pennimpede (2013b)

Cache 2017 Infill Till Sampling.

In 2017, Cache collected 83 infill till samples east and south of the Rusty Zone (Figure 12) and 134 infill till samples on the north side of Kiyuk Lake (Figure 13).

Sampling grids extending previous Rusty zone till sampling identified several gold-in-till anomalies ranging from <0.2 ppb up to 390.2 ppb gold. Several samples were above 50ppb gold and are considered highly anomalous. The dispersion of these anomalies may indicate additional sources of gold mineralization to the west and south of the Rusty zone (Figure 12). Till sampling results north of Kiyuk Lake returned values ranging from 0.4 ppb up to 756.4 ppb gold and identified a new target area of potential gold mineralization named the Nansen target (Figure 13).

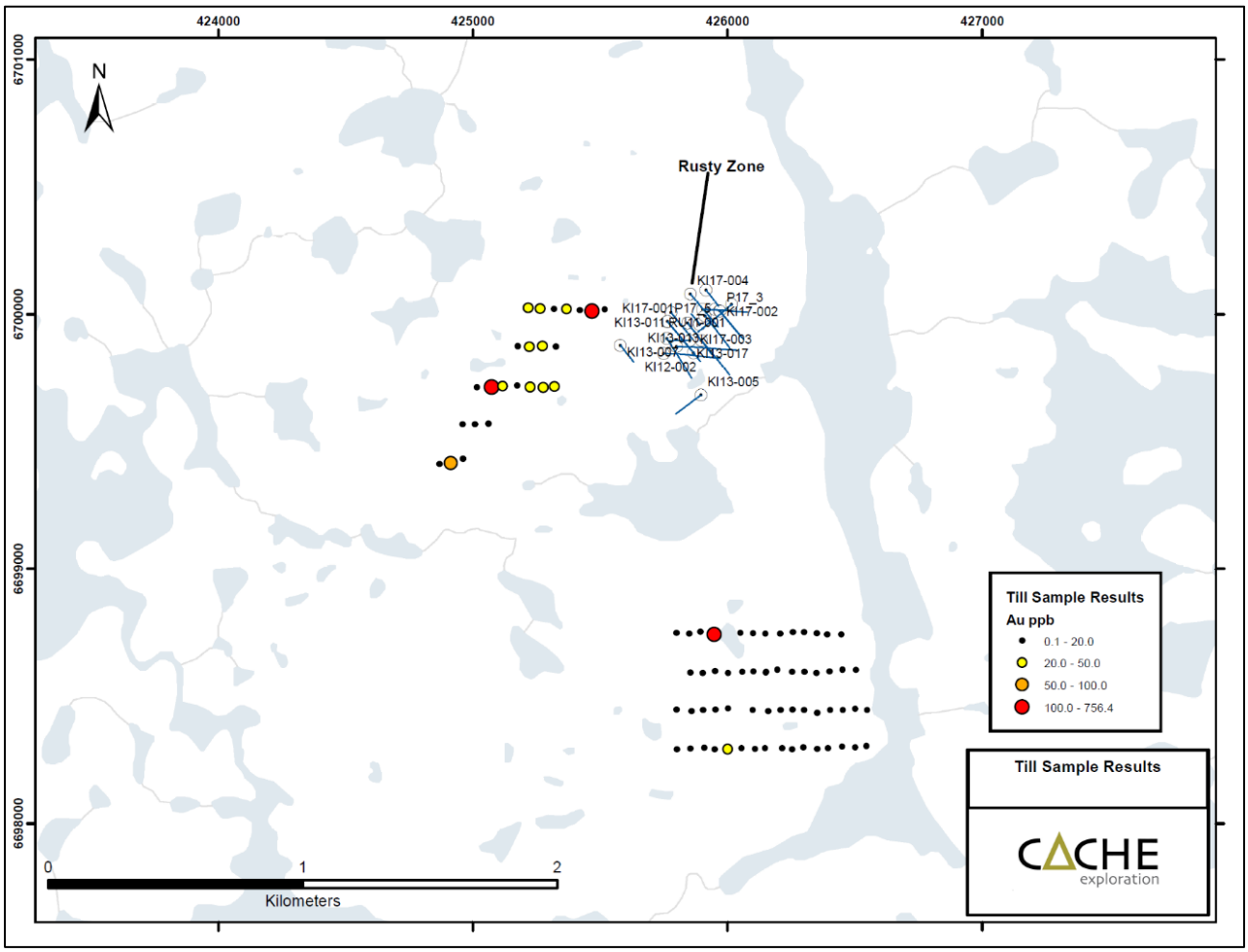

Figure 12: 2017 Cache infill till geochemistry results north of Rusty Zone/Snake Lake area
Source: Cache (2017)

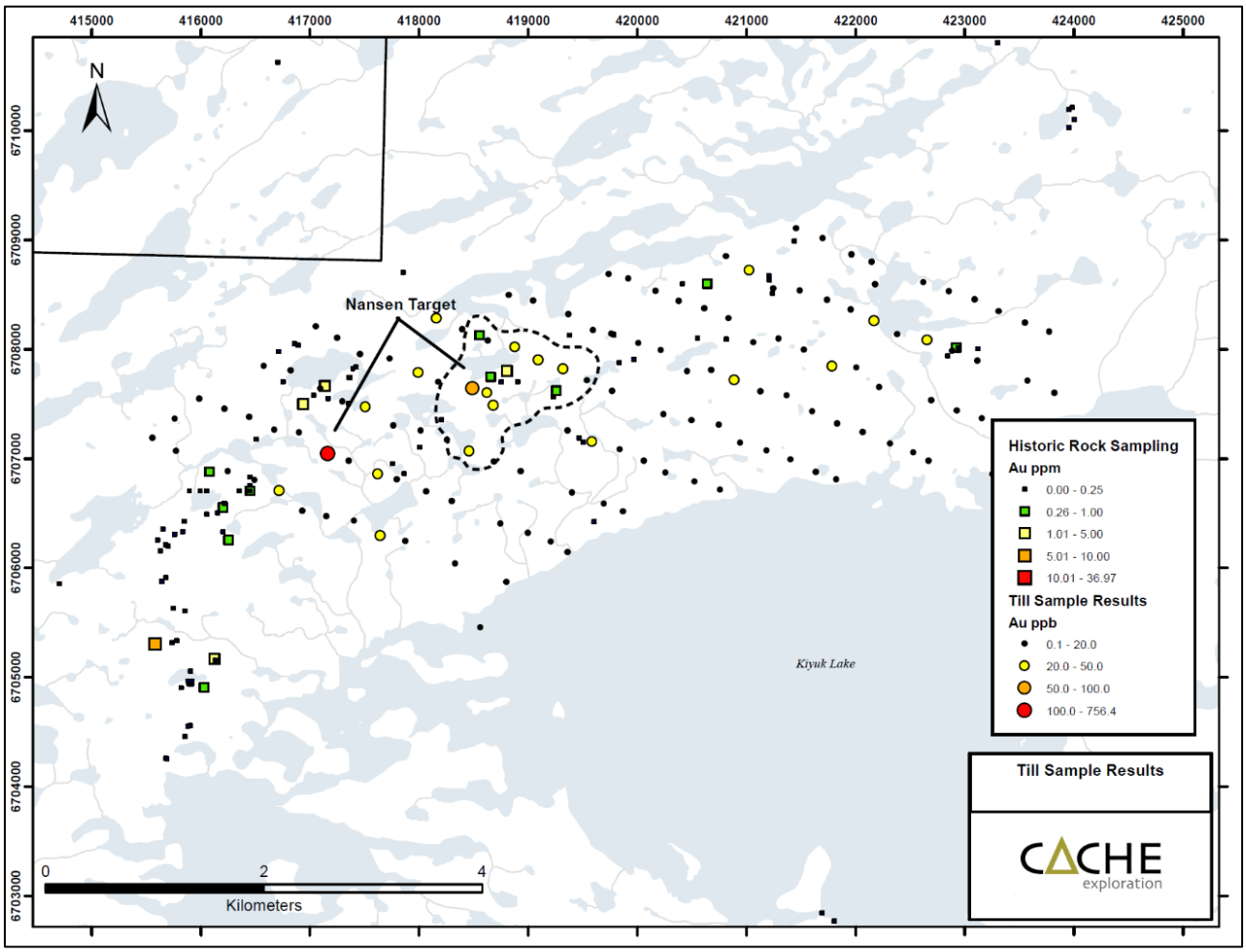

Figure 13: 2017 Cache infill till geochemistry results north of Kiyuk Lake
Source: Cache (2017)

6.2.8 Multi-Element and Whole-Rock Geochemistry

Multi-element geochemical data exists for select surface rock and drill core samples. Previous evaluations of multi-element geochemistry of surface samples have been conducted (Hauseux, 1991; Hauseux, 1992; Hauseux & Paul, 2006) and showed a wide range of elements associated with gold and a significant variation in pathfinder elements from one zone to the next, as summarized by Turner (2010).

Drill core samples from the 2011, 2012 and 2013 programs were systematically analyzed for a suite of 49 elements using four-acid digestion and ICP-MS analysis, allowing for an assessment of Au pathfinder elements and element zonation in the main Au-bearing zones. Incorporation of sample description information also allows for an evaluation of the chemical variation associated with mineralization, alteration and changes in lithology. Sample material for the 2011 drill core samples represents composites of four or five 1.5 m samples over an average interval of 5 m; whereas, that for the 2012 drill core represents every third individual sample (1.5 m average sample interval). 2013 drill core samples from the Rusty Zone were selected on the basis of gold content (low, moderate, and high). Samples were selected carefully so that no samples crossed lithologic boundaries. The purpose of the 2013 multi-element work was to define the alteration halo at Rusty by geochemically characterizing the unaltered end members of sandstone and conglomerate lithologies.

Thirty samples were selected for whole rock analysis during the summer of 2012 and winter of 2013 from surface rock and drill core.

Table 7 summarizes important geochemical and mineralogical characteristics of the main zones based on the assessment of multi-element data from 2011, 2012 and 2013 drill core samples in conjunction with rock description information.

Table 7: Summary of geochemical characteristics of the main gold zones (Pennimpede et al., 2013b)

	Rusty	**Cobalt**	**Gold Point**
Host rock	Sandstone	Conglomerate (volcaniclastic?)	Polymictic Conglomerate
Au-metal associations	S, Bi, Co, Ni, Fe, Te, Ag, As, Cu, (W), In	S, Co, In, Fe, Ag, As, (W), Bi	S, W, As, Sb, (Ag, Te, Cu) S
Au-lithophile element associations	Ca, Mg, Mn	Mn, Cr, Sc	Na
Au-trace element associations	Yb, Y, Tb ~U	(U)	(~U)
Enrichments	Na	Na?-Ca?	Na
Depletions (liberated?)	K, Ba, Rb	? K, Ba, Rb,	K, Ba, Rb, Fe, Ni, Co
REE pattern	Enriched in LREE (bulk crust); sporadic positive U peak; HREE peak	Enriched in LREE (bulk crust); sporadic positive U peak; same pattern for siltstone and 'volcaniclastic'	Enriched in LREE (bulk crust); sporadic positive U peak
Alteration	Alb (pervasive); FeOx-Sul (Vein); Carb-Act-Sul-Au (Vein)	Alb?; Chl?-Sul-Au	Hem Alb-Sulphide-Au
Vectoring	Na/K halo in host rocks likely	No observable halo. Possibly no unaltered rock present?	Na/K halo variably developed in host rock; may highlight prospective structures
Comments	Albitization – breakdown of biotite and sodic alteration of feldspar? Au mineralization with later Carb-Act-Sulphide event	Potentially no unaltered endmember; Siltstone contains Co, Cu, As but not Au; Au mineralization associated with more mafic material (alteration or protolith?)	Na enrichment and K and Fe depletion in Au zones very prevalent; Fe depletion consistent with magnetite destruction

Note: Associations in brackets are from analysis of 2011 composites samples; all others are from analysis of 2012 and 2013 samples.

6.2.9 Property-Wide Exploration Targeting Study

A Property-scale exploration targeting study was completed in November 2012. The key spatial datasets used included regional till geochemistry, lake sediment geochemistry, and interpreted structures from magnetic and gravity surveys. These datasets are Property-wide and therefore allowed for an assessment not biased towards known showings. ArcGIS software was used to identify spatial overlaps between zones of interest (anomalies) in the different datasets. The objective of the targeting was to outline the most prospective areas on the Property.

Geochemical anomalies in the regional till survey were selected based on breaks in slope on a cumulative probability plot of Au values. Au anomalies were classified as weakly (>8.7 ppb <12.7 ppb), moderately (>12.7 ppb <25.9 ppb), or strongly (>25.9 ppb) anomalous. Anomaly thresholds were also selected at the 95th percentile for pathfinder elements As, Sb, and W which have a positive correlation with Au in surficial materials (Arne, 2012f). A sample was considered anomalous if it exceeded the 95th percentile in any of the three pathfinders.

Given that the till samples represent transported material and based on the results of the orientation survey conducted over Rusty Zone and the Quaternary geology work of Stea (2012), each anomaly was depicted as a 1 km long "wedge" polygon. The wedges were oriented in the direction of ice flow such that the widest part of the wedge points up-ice approximating the area most likely to include the bedrock source of the anomaly. Each anomaly wedge was then attributed by the appropriate category of Au and/or pathfinder element.

Anomaly thresholds for Au and select pathfinders (As, Sb, Co) in the 1976 GSC lake sediment sample data were similarly defined. Anomaly thresholds at 97th percentile were chosen for As and Sb, and 95th percentile for Co/Fe. A Co/Fe ratio was used rather than elemental Co given the strong correlation with Fe which is likely a result of secondary enrichment. For each anomaly the corresponding drainage catchment was digitized such that intersections with the till "wedges" could be assessed.

The structure layer was derived from the 2012 airborne magnetics and gravity geophysical interpretation of Rankin (2012). Rankin defined three key structure orientations: northwest, north-south and east-west. Certain individual structures or zones were prioritized by Rankin based partly on location of known gold occurrences. For the purposes of the targeting study, key structures were digitized and attributed with the names and priorities as outlined in Rankin's report. A buffer of 500 m on either side of the structure was applied to allow for the existence of parallel structures or nearby second order structures or intersections.

The targeting exercise was completed in two stages. The first stage involved assessing spatial overlaps between the till anomaly "wedges" and either:

- Structures of different orientations and priorities; or
- Lake sediment anomalies.

This process was completed using spatial and attribute queries in ArcGIS and the till geochemical anomalies were given an initial ranking scale 1 to 4.The second stage involved a manual review of each classified anomaly to verify the ranking and, where appropriate, adjust the ranking based on other supporting or contrasting information such as coincidence with known mineralized trend or lack of evidence for interpreted structure. A rank of 5 was granted to select target wedges following review of supporting datasets.

The moderate and high-ranking target wedges define three broad geographic regions as shown in Figure 14. Region A, a cluster of high priority target wedges, corresponds to the trend of mineralized boulders and showings that extend from the Cobalt to Rusty prospects. This area contains some of the highest gold in till values from the regional sampling program and also shows anomalous levels of W, Sb, and As. This trend is particularly high in W compared to the other regions and shows a prominent Au-W association. Note that two target "wedges" are located up-ice from Cobalt where no bedrock mineralization has yet been discovered. Further prospecting and till sampling are justified in this area to help locate the bedrock source of the geochemical anomaly.

Region B, North of Kiyuk Lake, is a broad cluster of moderate and high ranking target wedges that, in general, includes the location of the historical Moose showing as well as anomalous surface rock samples collected in 2012 (1.2 g/t Au to 2.0 g/t Au) indicating that this is a prospective area. Pathfinder anomalies in the regional till samples consist of individual Au-W and Au-As points. This area also corresponds to the trend of elevated As values outlined by field portable XRF analyses completed in camp during the 2012 summer program. No drilling has been conducted in this area.

Region C is centred between Gold Point and Rasmussen and predominantly consists of moderately ranked target wedges. There is no consistent pathfinder association, but some targets are associated with anomalous As or Sb. No drilling has been conducted in this region however some anomalous rock samples have been collected in the 1–2 g/t range, suggesting that this region is prospective. It should be noted that neither

Rasmussen nor Gold Point was convincingly detected by the regional till sampling program. In the case of Rasmussen however, the closest down-ice sample is weakly anomalous in gold.

In addition to the three regions noted above, there are two other smaller areas, denoted D and E on the map below, containing moderate or high-ranking targets. These targets are defined by moderately and highly anomalous Au in till that overlaps with a priority north-south trending set of structures. Region D shows an Au-W association whereas Region E has a Au-Sb-W association. No drilling has been completed in either area.

A long trend of low-ranking targets occurs in eastern part of the property and correspond to As- or Sb-only anomalies that form two geographically distinct populations. The As-rich samples occur in the northern portion of the trend (east of main trend of Au showings), and the Sb-rich samples occur in the southern portion of the trend.

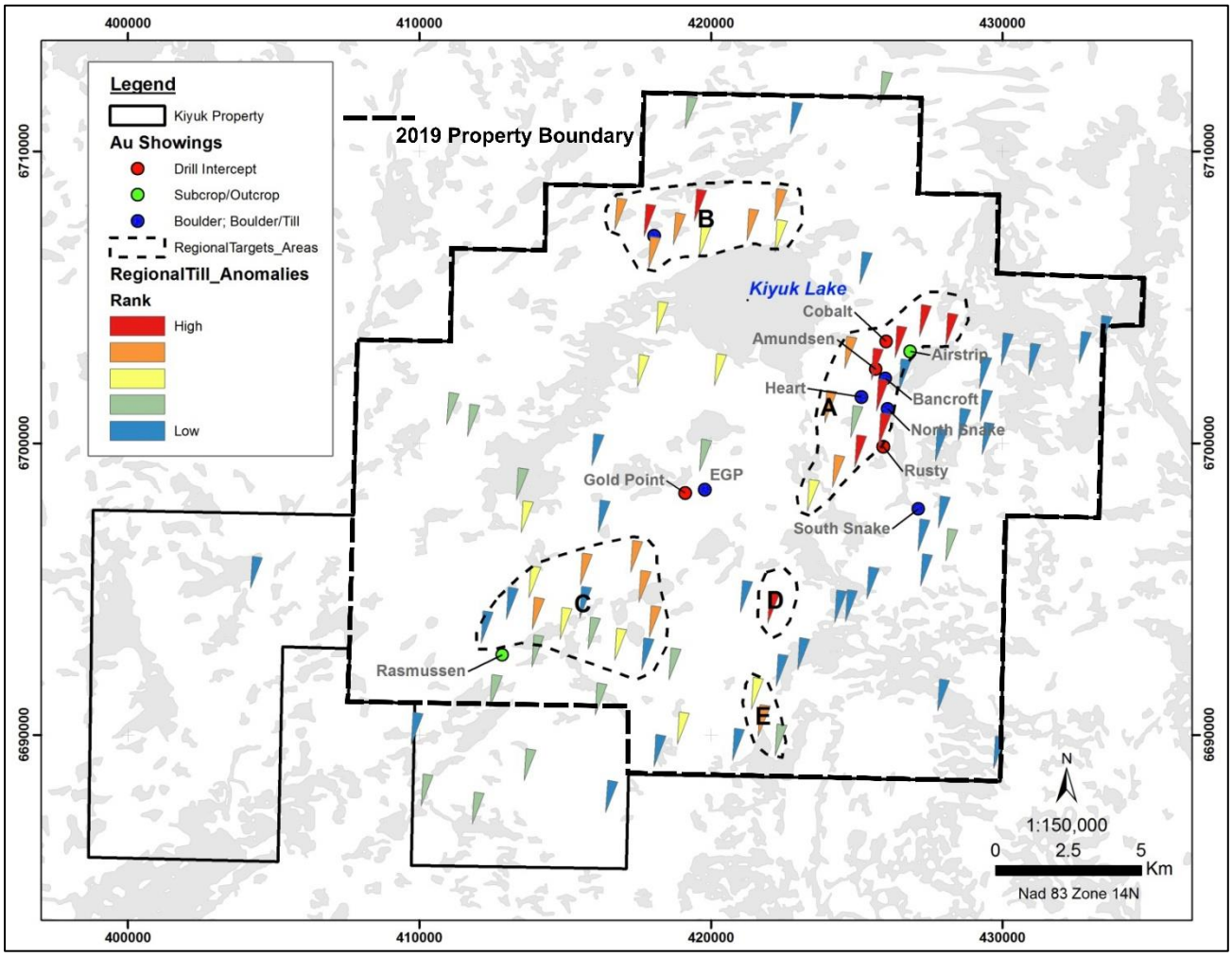

Figure 14: Plan map showing ranked target "wedges" based on intersections between till geochemical anomalies and structures interpreted from airborne geophysical data
Source: Pennimpede (2013b)

6.2.10 Petrographic Analysis

Due to the enigmatic nature of mineralization at Kiyuk Lake, petrographic studies of mineral and lithological associations have been conducted to better understand the mineralizing processes and aid in the targeting of mineralized zones. Newmont previously completed two petrographic studies (Hennigh, 2006).

In 2012, Prosperity submitted a total of 54 predominantly drill core samples to Vancouver Petrographics for preparation as polished thin sections. Petrographic analysis was completed and reported by Fabrizio Colombo, Ph.D. (Colombo, 2012a and 2012b). The sections were classified into six suites based on the British Geological Survey Scheme – Classification of Metamorphic Rocks, Volume 2 (Robertson, 1999). Dr Colombo classified the samples based on textural characteristics because there were limited ways of determining if the mineralogy observed in these sections was primary or due to recrystallization and intense alteration. The six suites included: schist, granofels, replacement zone, breccia, skarnoid and hornfels, and meta-sedimentary/ meta-volcanic.

The petrographic analysis indicates that albite, quartz, actinolite, calcite, and chlorite are dominant and re-occurring gangue minerals, particularly in the replacement zone suite where original characteristics have been completely replaced. The replacement zone suite could encompass vein, infill, and true replacement types of alteration. The most prevalent potential economic minerals include pyrrhotite, pyrite, chalcopyrite, magnetite with lesser arsenopyrite and ilmenite. Gold was only identified in three samples, all from the Rusty showing. The gold was observed in the actinolite-scapolite-pyrrhotite replacement within the grey sandstone common to Rusty where it was preferentially located along pyrrhotite-actinolite and scapolite-actinolite grain boundaries. Little can be concluded regarding the deposition of gold at the other showings since gold was not observed in thin section.

Petrographic analysis indicates there have been multiple injections of mineralizing fluids and alteration phases. An interpreted paragenetic sequence was assembled in an effort to ascertain the timing of important minerals and their associations with gold. The alteration mineral assemblage plagioclase-quartz-biotite-calcite/dolomite appears to be present in all altered samples. An early alteration phase also includes chlorite, magnetite, then hematite replacing magnetite, actinolite, and scapolite. There is evidence for brittle deformation (i.e. brecciation and microfaults) occurring prior to a second, later alteration and mineralization event. The second event retains plagioclase, quartz, biotite, calcite/dolomite, scapolite as the dominant alteration assemblage, however, ilmenite, pyrite, arsenopyrite and chalcopyrite infill veins and faults. Within the two alteration phases, there are apparently two generations of albite, one a fine-grained pervasive alteration and a second coarser grained generation limited to veins or infilling fractures. The petrographic studies agreed with and supplemented the drill core logging observations that pyrrhotite (and chalcopyrite) occurs with gold petrogenetically late compared to magnetite alteration. More work is needed to ascertain the absolute timing and duration of the alteration and mineralization.

6.3 Diamond Drilling

Diamond drill campaigns were completed on the Kiyuk Lake Gold Property in 2008, 2011, 2012, 2013 and 2017 (Table 8, Figure 15 to Figure 18).

Table 8: Diamond drillhole information – 2008 to 2017

Hole ID	Year	Company/ Operator	Prospect	Easting (UTM)	Northing (UTM)	Elevation (m asl)	Hole length (m)	Azimuth (Astro)	Dip	Downhole survey	Drill start date	Drill finish date	Comments
KIY-001	2008	Newmont	Airstrip	426910.23	6703070.37	295.00	198.12	312	-60	None	2008-04-08	2008-04-12	
KIY-002	2008	Newmont	Airstrip	426689.58	6703208.70	301.00	197.21	120	-60	None	2008-04-13	2008-04-15	
KIY-003	2008	Newmont	Cobalt	426055.78	6703478.89	318.00	195.07	300	-60	None	2008-04-16	2008-04-19	
KIY-004	2008	Newmont	Cobalt	425939.90	6703059.49	324.00	0.00	315	-60	None	2008-04-20	NA	Abandoned, unable to set casing in bedrock
KIY-005	2008	Newmont	Gold Point	419089.58	6698286.84	335.00	219.46	0	-60	None	2008-04-24	2008-04-26	
KIY-006	2008	Newmont	Goldie Trend	420679.54	6697305.85	324.00	243.84	330	-70	None	2008-04-27	2008-05-02	
KIY-007	2008	Newmont	Gold Point	418870.58	6698190.84	333.00	182.88	0	-50	None	2008-05-03	2008-05-05	
KIY-008	2008	Newmont	Goldie Trend	421102.57	6697698.85	323.00	210.31	335	-50	None	2008-05-07	2008-05-09	
KIY-009	2008	Newmont	Gold Point	419166.58	6698175.84	334.00	243.84	345	-50	None	2008-05-10	2008-05-13	
KIY-010	2008	Newmont	Airstrip	427012.79	6703022.90	296.00	216.41	320	-50	None	2008-05-14	2008-05-16	
KIY-011	2008	Newmont	Amundsen area	425367.75	6702318.89	328.00	210.31	310	-50	None	2008-05-17	2008-05-19	
KIY-012	2008	Newmont	Airstrip SW	426326.77	6702566.89	337.00	30.48	320	-50	None	2008-05-20	2008-05-20	Abandoned, hole stabilization issues
KIY-012B	2008	Newmont	Airstrip SW	426326.77	6702566.89	337.00	15.85	320	-58	None	2008-05-21	2008-05-21	Abandoned, hole stabilization issues
KIY-013	2008	Newmont	Airstrip SW	426328.77	6702563.89	337.00	167.64	140	-60	None	2008-05-22	2008-05-24	
CS11-001	2011	Prosperity	Cobalt	425809.95	6703151.11	321.08	16.76	139	-50	None	Program started 2011-07-04	NA	Abandoned, casing failed in glacial till
CS11-002	2011	Prosperity	Cobalt	425974.68	6703543.14	326.29	229.76	145	-50	None	NA	NA	
CS11-003	2011	Prosperity	Cobalt	426042.30	6703628.30	327.96	136.25	147	-50	None	NA	NA	
CS11-004	2011	Prosperity	Cobalt	425821.75	6703347.36	322.88	152.10	139	-50	None	NA	NA	
CS11-005	2011	Prosperity	Cobalt	425821.75	6703347.36	322.88	108.81	0	-90	None	NA	NA	
CS11-006	2011	Prosperity	Cobalt	425766.16	6703207.71	321.60	197.21	140	-50	None	NA	NA	
CS11-007	2011	Prosperity	Cobalt	425766.16	6703207.71	321.60	160.63	0	-90	None	NA	NA	
GP11-001	2011	Prosperity	Gold Point	418728.84	6698205.06	337.07	181.97	156	-50	None	NA	NA	
GP11-002	2011	Prosperity	Gold Point	418857.06	6698292.68	338.67	185.01	154	-50	None	NA	NA	
GP11-003	2011	Prosperity	Gold Point	418974.61	6698341.37	337.49	280.87	177	-50	None	NA	NA	

Hole ID	Year	Company/ Operator	Prospect	Easting (UTM)	Northing (UTM)	Elevation (m asl)	Hole length (m)	Azimuth (Astro)	Dip	Downhole survey	Drill start date	Drill finish date	Comments
GP11-004	2011	Prosperity	Gold Point	419092.62	6698378.13	341.51	236.83	173	-50	None	NA	NA	
GP11-005	2011	Prosperity	Gold Point	418849.89	6698293.05	338.75	288.65	154	-50	None	NA	NA	
GP11-006	2011	Prosperity	Gold Point	418849.89	6698293.05	338.75	349.61	109	-50	None	NA	NA	
RU11-001	2011	Prosperity	Rusty	425952.49	6700018.82	331.75	157.59	0	-90	None	NA	Program ended 2011-08-23	
KI12-001	2012	Prosperity	Rusty	425904.12	6700018.64	332.26	237.53	90	-50	Gyro	2012-03-22	2012-03-25	
KI12-002	2012	Prosperity	Rusty	425750.12	6699845.77	325.34	273.10	90	-50	Gyro	2012-03-26	2012-04-01	Hole stopped prematurely due to difficult drilling conditions. Hole shallowed to -26°
KI12-003	2012	Prosperity	Rusty	425800.60	6699873.03	330.00	291.70	90	-50	Gyro	2012-04-01	2012-04-07	Hole stopped prematurely due extreme hole shallowing (-25°) - very difficult and eventually impossible to pull core.
KI12-004	2012	Prosperity	Gold Point	419018.08	6698289.94	339.59	203.40	155	-50	Gyro	2012-04-07	2012-04-09	
KI12-005	2012	Prosperity	Gold Point	419018.08	6698289.94	339.59	264.26	0	-90	Gyro	2012-04-09	2012-04-11	
KI12-006	2012	Prosperity	Gold Point	418948.12	6698318.22	339.10	191.11	155	-55	Gyro	2012-04-12	2012-04-14	
KI12-007	2012	Prosperity	North Snake	426100.33	6701328.18	312.77	245.97	90	-70	Gyro	2012-04-15	2012-04-19	
KI12-008	2012	Prosperity	Cobalt	425919.32	6703474.23	320.19	172.82	105	-50	Gyro	2012-04-20	2012-04-21	
KI12-009	2012	Prosperity	Cobalt	425919.32	6703474.23	320.19	197.21	100	-70	Gyro	2012-04-22	2012-04-24	
KI12-010	2012	Prosperity	North Snake	426029.08	6701178.62	307.73	178.92	90	-50	Gyro	2012-04-24	2012-04-26	
KI12-011	2012	Prosperity	Cobalt	425908.28	6703538.37	325.03	188.29	105	-50	None	2012-04-27	2012-05-30	Hole ended prematurely due to broken crown in the hole - close to target depth
KI12-012	2012	Prosperity	Amundsen	425581.69	6702575.66	330.98	212.45	140	-50	None	2012-04-30	2012-05-04	
KI13-001	2013	Prosperity	Rusty	425845.85	6699964.50	330.22	243.06	140	-50	Gyro	2013-03-01	2013-03-06	
KI13-002	2013	Prosperity	Rusty	425763.59	6699904.40	327.63	273.41	146	-50	Gyro	2013-03-04	2013-03-12	
KI13-002a	2013	Prosperity	Rusty	425763.59	6699904.40	327.63	1.00	140	-50	None	2013-03-02	2013-03-06	Abandoned, core barrel and reaming shell snapped in hole.

Hole ID	Year	Company/ Operator	Prospect	Easting (UTM)	Northing (UTM)	Elevation (m asl)	Hole length (m)	Azimuth (Astro)	Dip	Downhole survey	Drill start date	Drill finish date	Comments
KI13-003	2013	Prosperity	Rusty	425900.04	6699897.14	333.53	276.45	140	-50	Gyro	2013-03-06	2013-03-13	
KI13-004	2013	Prosperity	Rusty	426017.94	6700037.13	330.60	268.48	230	-50	Gyro	2013-03-12	2013-03-17	
KI13-005	2013	Prosperity	Rusty	425897.68	6699680.08	321.78	203.30	230	-50	Gyro	2013-03-14	2013-03-16	
KI13-006	2013	Prosperity	Bancroft	425902.85	6702115.23	304.99	197.21	90	-50	Gyro	2013-03-16	2013-03-19	
KI13-007	2013	Prosperity	Rusty	425580.91	6699877.01	329.89	236.83	140	-70	Gyro	2013-03-17	2013-03-22	
KI13-008	2013	Prosperity	Bancroft	425957.02	6702223.61	306.83	194.16	90	-50	Gyro	2013-03-20	2013-03-25	
KI13-009	2013	Prosperity	Rusty	425917.31	6700093.87	341.72	233.78	140	-70	Gyro	2013-03-22	2013-03-25	
KI13-010	2013	Prosperity	Bancroft	425981.09	6702273.22	308.08	188.22	90	-50	Gyro	2013-03-24	2013-03-28	
KI13-011	2013	Prosperity	Rusty	425780.91	6700006.21	334.58	208.79	141	-50	None	2013-03-25	2013-03-29	Hole lost at 208.79m; 167.64m (550ft) of rods left in hole; cave over lost rods; starter barrel lost.
KI13-012	2013	Prosperity	North Snake	426233.13	6701369.36	308.67	154.53	0	-90	None	2013-03-28	2013-03-31	
KI13-013	2013	Prosperity	Rusty	425893.05	6699959.50	327.26	215.49	320	-75	Gyro	2013-03-29	2013-04-01	
KI13-014	2013	Prosperity	North Snake	426181.19	6701327.98	307.75	209.40	90	-60	Gyro	2013-04-01	2013-04-02	
KI13-015	2013	Prosperity	Rusty	425913.46	6699992.48	327.83	279.20	140	-55	Gyro	2013-04-01	2013-04-05	
KI13-016	2013	Prosperity	Rasmussen	412830.86	6692824.42	330.74	185.01	140	-50	None	2013-04-03	2013-04-06	
KI13-017	2013	Prosperity	Rusty	425854.60	6699899.43	330.74	230.73	270	-70	Gyro	2013-04-05	2013-04-08	
KI13-018	2013	Prosperity	Rasmussen	412830.86	6692824.42	330.74	185.02	140	-70	None	2013-04-06	2013-04-09	
KI13-019	2013	Prosperity	Cobalt	425847.31	6703228.76	319.34	224.64	140	-50	Gyro	2013-04-09	2013-04-13	
KI13-020	2013	Prosperity	Anderson	426650.10	6703122.57	304.47	218.54	0	-90	None	2013-04-10	2013-04-12	
KI17-001	2017	Cache	Rusty	425767.00	6699972.00	330.00	287.73	140	-60	None	2017-08-01	2017-08-15	Mechanical problems with drill and water pumps
KI17-002	2017	Cache	Rusty	425971.00	6700013.00	328.80	209.10	140	-50	None	2017-08-15	2017-08-22	
KI17-003	2017	Cache	Rusty	425867.00	6699851.00	325.67	86.56	140	-60	None	2017-08-22	2017-08-25	Abandoned, small drill rig unable to drill through poor rock conditions.
KI17-004	2017	Cache	Rusty	425855.00	6700082.00	341.03	309.68	140	-57	None	2017-08-25	2017-09-01	
KI17-005	2017	Cache	Gold Point East	419730.00	6698480.00	339.70	279.20	140	-50	None	2017-09-01	2017-09-05	

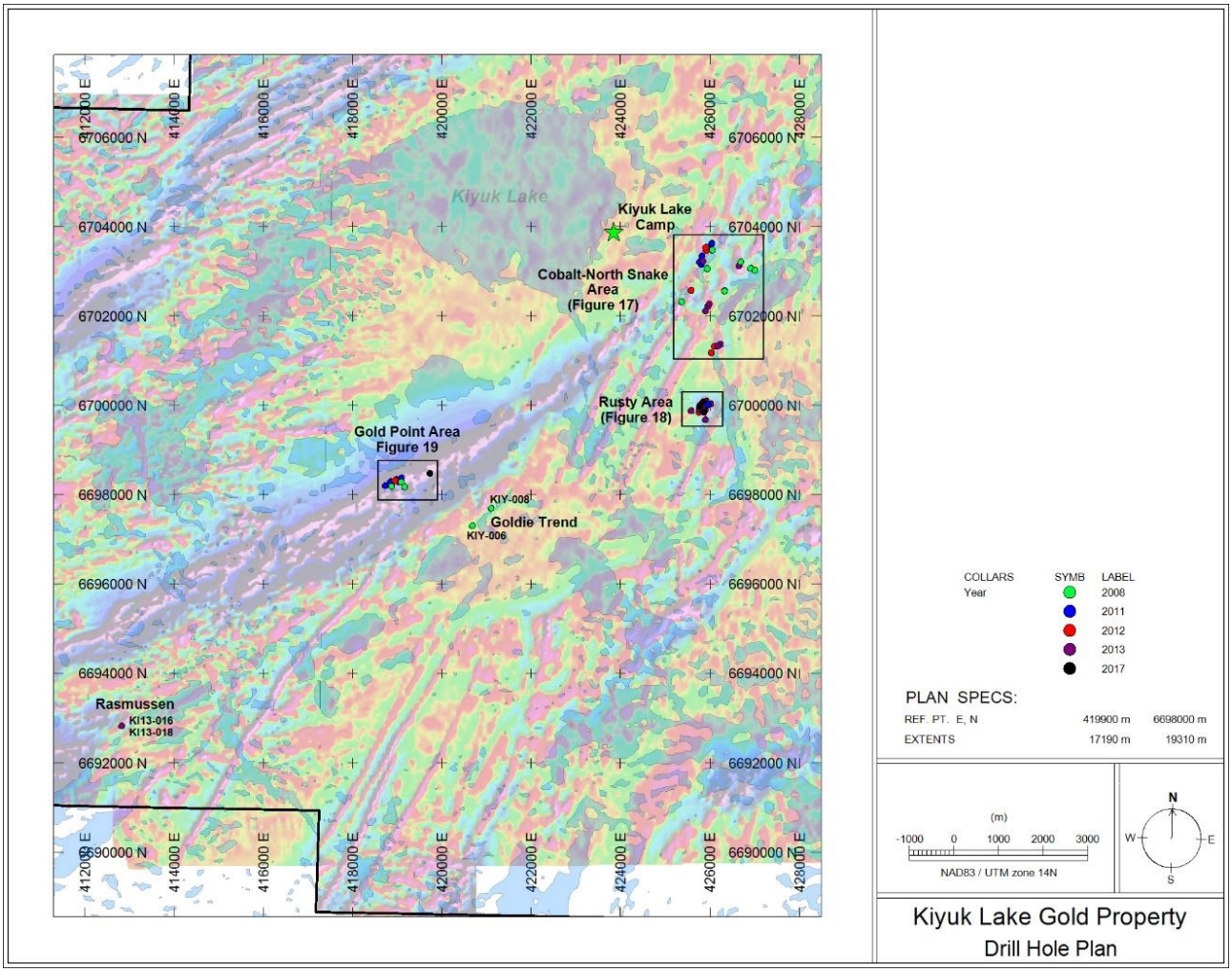

Figure 15: Kiyuk Lake Gold Property diamond drillhole plan (2008 to 2017); base – shaded airborne TMI 1VD

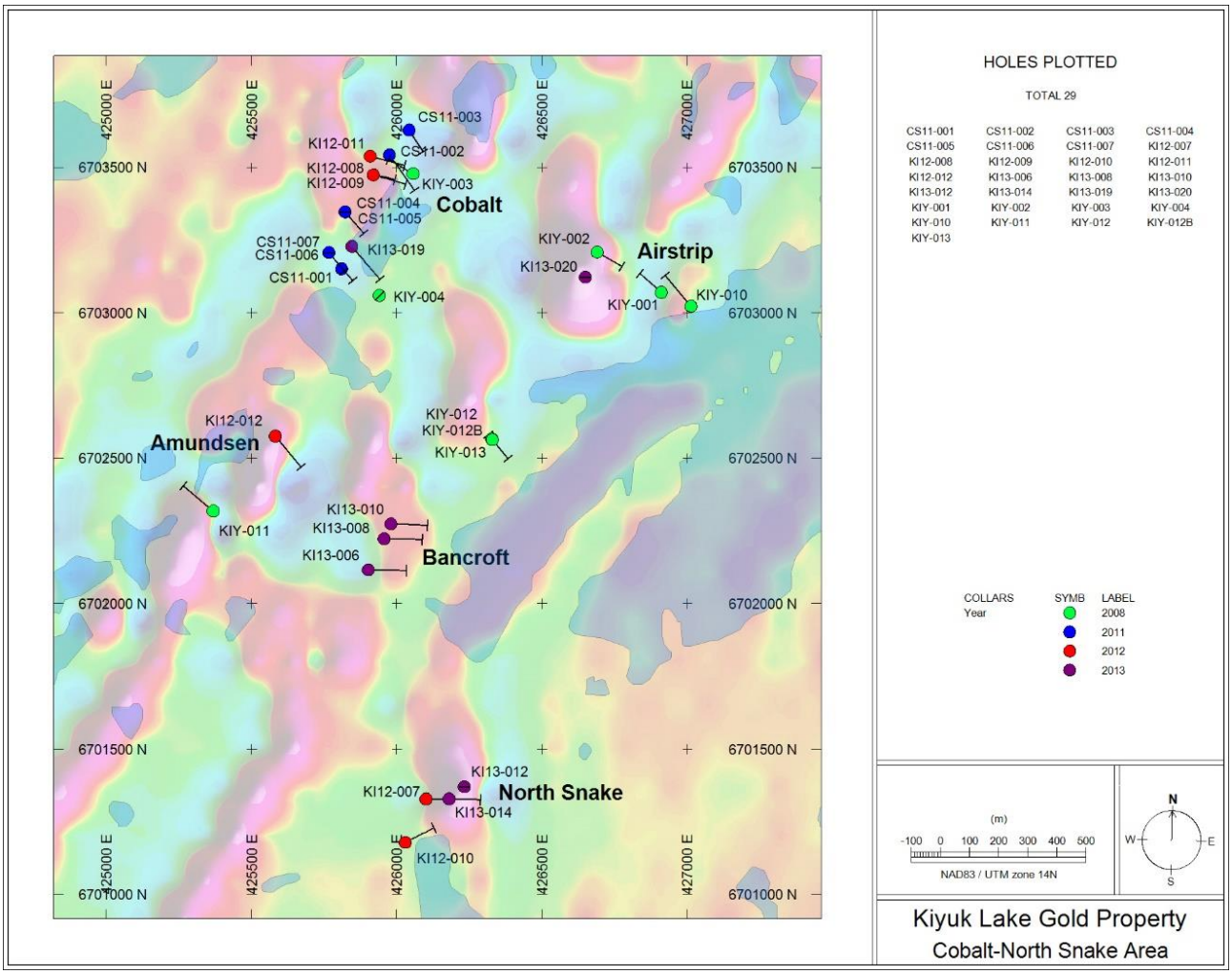

Figure 16: Cobalt-North Snake area diamond drillhole plan; base – shaded airborne TMI 1VD

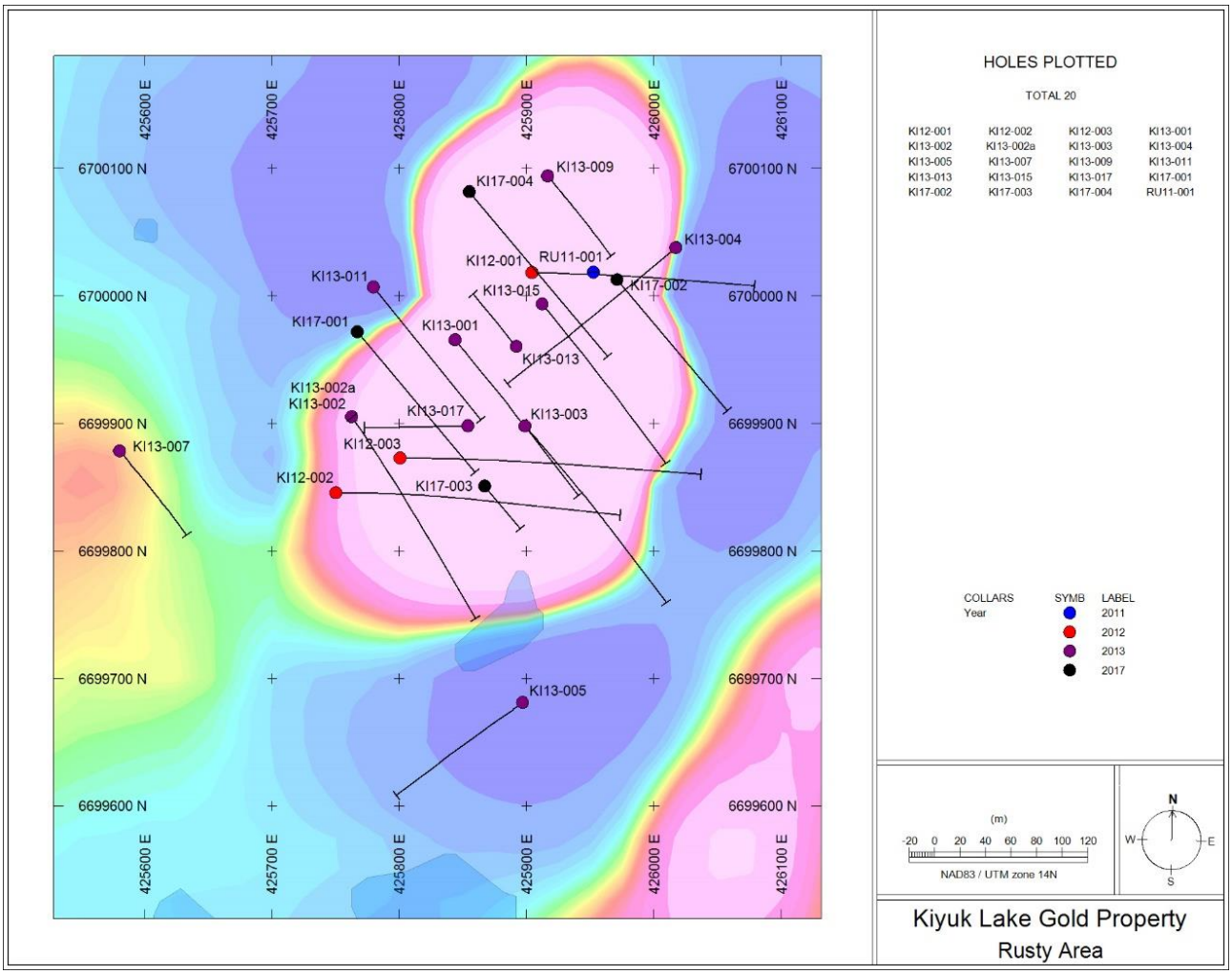

Figure 17: Rusty Zone diamond drillhole plan; base – airborne TMI 1VD

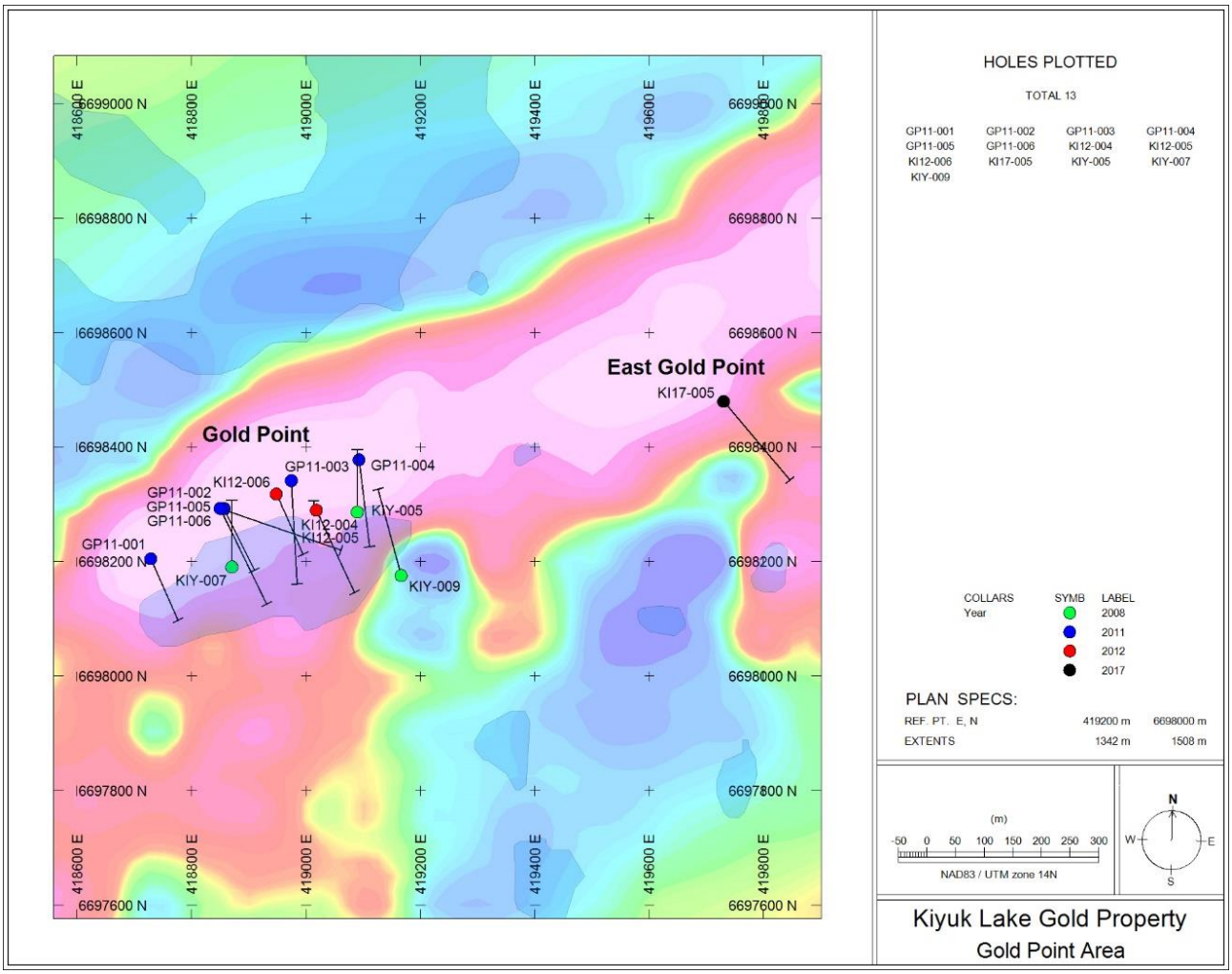

Figure 18: Gold Point–East Gold Point area diamond drillhole plan; base – airborne TMI 1VD

6.3.1 2008 Newmont

Newmont undertook the first diamond drill campaign on the Kiyuk Lake Gold Property during April and May 2008 comprising 13 diamond drillholes totalling 2,331 m of NQ core (Table 8, Figure 15, Figure 16 and Figure 18). The stated purpose of this initial drill program was to gain a better understanding of the local geology and style of Au mineralization in the area.

The drill program was contracted to Peak Drilling of Courtenay, BC. Helicopter support was provided by Great Slave Helicopters Canadian Helicopters.

Drillholes targeted known surface Au mineralization and geophysical anomalies. The drillhole targets were distributed over four separate areas referred to as the Airstrip, Cobalt, and Gold Point targets, and the Goldie Trend. Holes KIY-001, KIY-002, KIY-010, KIY-012, KIY-012B and KIY-013 were drilled in the Airstrip area and targeted rock chip geochemistry anomalies and geophysical features. Holes KIY-003 and KIY-004 were collared near the Cobalt showing and KIY-011 was drilled southwest of the Cobalt showing along a perceived structural trend. Holes KIY-005, KIY-007 and KIY-009 targeted narrow mineralized zones at Gold Point based on surface rock geochemistry and the magnetic anomaly from the geophysical survey. The Goldie Trend holes KIY-006 and KIY-008 targeted IP chargeability gradients exhibiting a northeast-southwest trending feature.

All drillholes reached the desired depth except for holes KIY-004, KIY-012 and KIY-012B. Casing could not be set to bedrock for KIY-004 and the location was subsequently abandoned. Holes KIY-012 and KIY-012B had hole stabilization issues and were drilled to 30 m and 15 m respectively before abandonment. KIY-013 was drilled at an azimuth of 180° from the same drill platform as KIY-012 and KIY-012B.

Anchors for each hole were drilled into the ground and upon completion of each hole, the above ground portion of the anchor was removed. Casing was removed from all holes and all holes were plugged with bentonite chips at bedrock. No permafrost was encountered in any of the drillholes and bedrock was typically within 3–10 m from the surface, except for KIY-004. The method of drill collar location in 2008 is uncertain. Coordinates were reported by Newmont in UTM NAD 27 Datum. No downhole orientation surveys were taken. Collars were relocated in 2012 using a Trimble GeoExplorer 6000 GeoXT GPS unit.

Core was retrieved from the drill site and delivered to the Project's base of operations at the Nueltin Treeline Lodge, approximately 85 km south-southeast of the Property in Northern Manitoba. All field work and drilling supervision was carried out by Newmont personnel. All core was logged at the Nueltin Treeline Lodge float-plane base with focus on lithology, alteration, mineralization.

A total of 587 samples were taken from the 13 drillholes, representing core length intervals of several centimetres to 1.5 m. Core was split by a manual core splitter and core cutting saw. All samples were shipped to the ALS-Chemex lab in Thunder Bay, Ontario for preparation. All remaining core was stored at the Nueltin Treeline Lodge float-plane base at the end of the drill program. As of 2012, the core was still at Treeline Lodge; its condition has not been checked since that date.

Significant intersections of gold mineralization from the 2008 Newmont drillholes are presented in Table 9.

Table 9: 2008 Newmont drill program – significant gold mineralization intersections

Zone	Hole ID	From (m)	To (m)	Interval (m)*	Composite (g/t Au)
Airstrip	KIY-001	38.5	40.1	1.7	1.105
Cobalt	KIY-003	60.7	62.2	1.5	1.45
Gold Point	KIY-005	30.8	34.6	3.8	2.84
		39.9	44.3	4.4	1.373
		61.4	62.9	1.5	4.248
	KIY-007	15.4	19.9	4.5	3.364
		71.1	86	14.9	1.874
	including	71.1	71.9	0.8	3.89
	and	73.5	76.1	2.6	3.928
	and	82.3	86	3.7	3.62
	KIY-009	145.8	149.1	3.3	2.11
	including	147.2	148.4	1.2	3.04
Airstrip	KIY-010	57.0	58.8	1.8	5.32
		105.5	106.9	1.4	1.03
		170.6	171.9	1.3	1.105
Airstrip SW	KIY-012	15.9	16.5	0.6	8.26
	KIY-012b	13.1	13.7	0.6	1.065

**Intervals are core lengths; true widths of mineralized intervals are uncertain.*

6.3.2 2009 Evolving Gold Resampling of 2008 Drill Core

Anomalous sections of drill core identified by Newmont in 2008 were re-sampled by EVG in 2009 to verify gold grades and to provide additional views of geochemistry and lithology. Where core had already been halved, it was quartered in order to leave some archive material in the core boxes.

Some variation in grades was seen, as expected, given the volume of the second sample (quarter-core duplicate) was effectively halved in the 2009 sampling compared to the original sample and sample intervals were not always consistent (Turner, 2012). Overall however, the grades from 2008 and 2009 samples were comparable. Some sections were "upgraded" while others were "downgraded", but the majority showed relatively good correlation. Notably, the mineralized intersection in KIY-007 (Gold Point) from approximately 68.58 m to 86.56 m returned 1.58 g/t Au over 18.08 m from Newmont assays and 1.7 g/t Au over 16.44 m from EVG's assays. An intercept within KIY-005 (Gold Point) returned 2.47 g/t Au over 4.44 m (30.76 m to 35.20 m) in Newmont's 2008 program and 2.67 g/t Au over 4.80 m (30.27 m to 35.07 m) from EVG's resampling program. Newmont reported 3.24 g/t Au over 3.00 m (55.78 m to 58.78 m) in drillhole KIY-010 (Airstrip) whereas EVG reported 3.00 g/t over 2.44 m (56.08 m to 58.52 m).

6.3.3 2011 Prosperity

Kiyuk Lake camp construction began on 14 July 2011 and continued during the drill program. Prosperity's crews were lodged at the Nueltin Lodge during the camp construction phase. Drilling started on 4 July and was terminated 20 August due to arrival of the first group of caribou which signalled the beginning of the caribou migration. Core cutting and sampling was completed within the next three days and the camp was then shutdown. The 2011 drill program comprised 14 diamond drillholes totalling 2,678.67 m.

The drill program was contracted to Bodnar Drilling of Ste Rose du Lac, Manitoba and conducted with one helicopter-portable Discovery 1 drill rig using BTW rods. Helicopter support was provided by Custom Helicopters of Thompson, Manitoba with a Bell 206 Long Ranger. Drilling was conducted on a two-shift/24-hour per day basis.

Drilling focused on three target areas: Cobalt, Gold Point and Rusty (Figure 15 to Figure 18). Drill targets at the prospects were selected based on surface rock assays and airborne magnetics.

The survey method for drill collar location handheld GPS. Coordinates were reported in UTM NAD 83 Datum. Drill collar azimuths were sighted using a compass, and wooden pickets were set out marking the collar, front site and back site locations. No downhole surveys were taken. Some collars were relocated in 2012 using a Trimble GeoExplorer 6000 GeoXT GPS unit.

Core was retrieved from the drill site at the end of each shift. At the Kiyuk Lake camp logging facility, core was logged on a paper graphic log, recording lithology, alteration, mineralization, and structure. Geotechnical data was not reported.

Core was sampled continuously from top to bottom of the hole at 1.5 m intervals except where changes in lithology, alteration, or sulphide mineralization dictated shorter intervals. Samples were either sawn using a core saw or split using a hydraulic core splitter depending on hardness and condition of the core. A total of 1,901 core samples (excluding QAQC samples) were shipped to the SGS lab in Red Lake, Ontario for analysis. All remaining archived core is stored cross-piled at the Kiyuk Lake camp.

Significant intersections of gold mineralization from the 2011 drillholes are presented in Table 10.

Table 10: 2011 Prosperity drill program – significant gold mineralization intersections

Zone	Hole ID	From (m)	To (m)	Interval (m)	Composite (g/t Au)
Rusty	RU11-001	2.44	40.23	37.79	4.18
		41.76	55.32	13.56	1.22
		67.67	86.26	18.59	2.31
		88.09	99.67	11.58	1.52
		110.95	118.41	7.47	1.19
Cobalt	CS11-002	52.43	58.52	6.09	1.56
		63.09	84.43	21.34	2.15
	CS11-004	84.43	98.15	13.72	1.89
	CS11-005	90.53	96.62	6.09	2.03
	CS11-007	104.24	110.34	6.10	4.38
Gold Point	GP11-002	102.72	108.81	6.09	2.62
	GP11-003	148.53	160.63	12.10	6.37
		164.84	191.38	26.54	3.17
		199.37	207.87	8.50	1.76
	GP11-005	108.81	124.05	15.24	1.92
		174.19	191.72	17.53	2.09
	GP11-006	214.67	222.60	7.93	6.20
		319.13	329.34	10.21	1.56

**Intervals are core lengths; true widths of mineralized intervals are uncertain.*

6.3.4 2012 Prosperity

Prosperity's 2012 spring drill program started with additional camp construction and maintenance in the last week of February. The technical team and drill crews arrived on 4 March 2012. Drilling did not start until 11 March 2012 due to bad weather and camp construction delays. The program was terminated 7 May due to deteriorating ice runway conditions. Overall, drill program goals had been met. The 2012 drill program comprised 12 holes totalling 2,657 m.

The drill program was contracted to Bodnar Drilling of Ste Rose du Lac, Manitoba and conducted with one helicopter-portable Discovery 1 drill rig using BTW rods. Helicopter support was provided by Guardian Helicopters. Drilling was conducted on a two-shift/24-hour per day basis.

Drilling focused on five zones including three previously tested mineralized zones, Cobalt, Gold Point and Rusty, and two new zones, Amundsen and North Snake (Figure 15 to Figure 18). Drill targets at the prospects were selected based on surface rock assays and airborne magnetics. Ground magnetics collected during the drill program was used to plan the Amundsen drillhole.

Drillhole collar coordinates were surveyed with a Trimble GeoExplorer 6000 GeoXT GPS unit. GPS locations were post-processed using onsite base station data to give sub-meter accuracy. Drill collar azimuths were sighted using a Brunton pocket transit, and four wooden pickets were set out marking the collar, two front site and one back site locations. Upon drillhole completion, the holes were surveyed downhole with a Reflex Gyro survey tool. The gyro tool was selected due to high magnetic minerals content in the host rock. Measurements were recorded at intervals of between approximately 5 m and 15 m from the bottom of the hole depending on the specific hole.

Core was retrieved from the drill site at the end of each shift. At the Kiyuk Lake camp's dedicated core logging facility, core was logged digitally into a Microsoft Access database with focus on lithology, alteration, mineralization, and structure. Geotechnical data were also recorded in the same database and included recovery, rock quality designation. Magnetic susceptibility measurements were collected with a handheld KT-10 meter and entered into the database.

The core was photographed wet and dry using a mounted DSLR camera.

Core was sampled continuously from top to bottom of the hole at 1.5 m intervals except where changes in lithology, alteration, or sulphide mineralization dictated shorter intervals. Samples were either sawn using a Vancon core saw or split using a Multitek hydraulic core splitter depending on hardness and condition of the core. A total of 1,714 core samples (excluding QAQC samples) were shipped to the SGS lab in Red Lake, Ontario for analysis. All remaining archived core is stored cross-piled at the Kiyuk Lake camp.

Significant intersections of gold mineralization from the 2012 drillholes are presented in Table 11.

Table 11: 2012 Prosperity drill program – significant gold mineralization intersections

Zone	Hole ID	From (m)	To (m)	Interval (m)	Composite (g/t Au)
Rusty	KI12-001	20.00	35.00	15.00	1.08
		56.00	63.50	7.50	1.26
		65.00	72.53	7.53	1.19
		81.49	104.50	23.01	1.49
		115.00	139.00	24.00	3.73
		145.03	152.50	7.47	1.68
		166.05	175.00	8.95	5.10
	KI12-002	137.00	146.00	9.00	5.40
		156.50	174.50	18.00	3.47
		195.50	203.00	7.50	2.82
		218.00	240.50	22.50	1.80
	KI12-003	19.48	39.00	19.52	3.49
		108.00	118.50	10.50	7.17
		159.00	220.50	61.50	3.34
Cobalt	KI12-008	57.00	66.00	9.00	2.05
		73.50	91.50	18.00	1.36
	KI12-009	68.00	77.03	9.03	1.00
Gold Point	KI12-006	120.00	132.00	12.00	2.43
		163.50	175.50	12.00	3.99
Amundsen	KI12-012	170.00	182.00	12.00	2.33

**Intervals are core lengths; true widths of mineralized intervals are uncertain.*

6.3.5 2013 Prosperity

Prosperity's start-up crew mobilised to Kiyuk Lake on 18 February for the beginning of the 2013 drill program. Drill crews and other personnel mobilised on 24 February. Core drilling began on 1 March and ended on 14 April. The 2013 drill program comprised 20 holes totalling 4,426 m.

The drill program was contracted to Bodnar Drilling of Ste Rose du Lac, Manitoba and conducted with two helicopter-portable Discovery 1 drill rigs using BTW rods. One drill rig and drill support equipment had been in storage at the Kiyuk Lake Camp. The second drill rig and its support equipment were mobilized into the

project ate the beginning of the program. Helicopter support was provided by Canadian Helicopters with an AStar AS350 B2. Drilling was conducted on a two-shift/24-hour per day basis.

Drilling focused on six zones: Rusty, Bancroft, North Snake, Rasmussen, Cobalt and Anderson (Figure 15 to Figure 17). The drillhole targets at the prospects were selected based on all available technical data including surface rock assays, till geochemistry, airborne magnetics, ground magnetics, gold grain analysis and ground IP. Ground magnetics collected during the 2013 and 2012 drill programs were used to plan several exploration holes. Areas of interest (from prospecting and till sampling) were covered by the magnetic surveys and images of the magnetics were provided by the field-based magnetic survey operators at the end of each day. 2013 drillholes could be then planned usually in a period of one week after the area of interest was magnetically surveyed. Drilling with both rigs commenced at Rusty Zone with the objective of further defining mineralization in the vicinity of the pre-existing four holes and then to expand the deposit.

Drillholes were surveyed with a Trimble GeoExplorer 6000 GeoXT GPS unit. GPS locations were post processed using onsite base station data to give sub-meter accuracy. Drill collar azimuths were sighted using a Brunton pocket transit, and four wooden pickets were set out marking the collar, two front sites and one back site locations. Upon drillhole completion, some but not all holes were surveyed with a Reflex Gyro survey tool (Table 8). The gyro tool was selected due to high percentages of magnetic minerals in the host rock. Measurements were recorded at intervals of between approximately 10 m and 15 m from the bottom of the hole depending on the specific hole.

Core was retrieved from the drill site at the end of each shift. At the Kiyuk Lake camp's dedicated core logging facility, core was logged digitally into a Microsoft Access database with lithology, alteration, mineralization, and structure recorded. Geotechnical data including recovery and rock quality designation were also recorded in the same database. Magnetic susceptibility and conductivity measurements were collected with a handheld KT-10 meter and an MPP-EM2S+ probe respectively and then entered into the database.

Onsite bulk density measurements of drill core using the water immersion method were collected at random during the 2013 drilling campaign. During the re-logging program in summer of 2013, an additional 100 detailed specific gravity (SG) samples were collected and measured from drill core intervals with low, moderate and high gold values. As with the geotechnical and geophysical data, specific gravity was also entered into the digital database. Average SG, from the Rusty Zone, is 2.85 and varied from 2.55 to 4.88. Mineralized samples returned SG values of 2.85 or higher.

The core was photographed wet and dry using a mounted DSLR camera.

Core was sampled continuously from top to bottom of the hole at 2 m intervals except where changes in lithology, alteration, or sulphide mineralization dictated shorter intervals. Samples were either sawn using a Vancon core saw or split using a Multitek hydraulic core splitter depending on hardness and condition of the core. A total of 2,129 core samples (excluding QAQC samples) were shipped to the SGS lab in Red Lake, Ontario for analysis. All remaining archived core is stored cross-piled at the Kiyuk Lake camp.

Significant intersections of gold mineralization from the 2013 drillholes are presented in Table 12.

Table 12: 2013 Prosperity drill program – significant gold mineralization intersections

Zone	Hole ID	From (m)	To (m)	Interval (m)	Composite (g/t Au)
Rusty	KI13-001	40.00	46.00	6.00	2.12
		48.00	54.00	6.00	1.27
		81.97	89.98	8.01	1.28
		101.99	110.00	8.01	2.53
		134.05	169.97	35.92	4.95
	KI13-003	79.98	92.00	12.02	6.61
		256.00	264.00	8.00	1.30
	KI13-004	8.23	20.04	11.81	1.46
		33.97	58.06	24.09	3.40
		66.00	94.00	28.00	1.53
		104.00	118.00	14.00	1.70
		132.02	142.00	9.98	1.72
		168.00	176.00	8.00	8.24
		181.96	190.00	8.04	1.17
		196.00	206.00	10.00	3.01
		224.00	254.00	30.00	2.87
	KI13-011	162.00	170.00	8.00	4.01
		184.00	208.00	24.00	2.52
North Snake	KI13-012	24.00	30.00	6.00	1.33
Rusty	KI13-013	10.01	34.00	23.99	1.47
		58.00	68.00	10.00	1.39
	KI13-015	24.03	32.00	7.97	1.71
		38.00	66.00	28.00	1.05
		218.00	230.00	12.00	1.87
		240.00	248.00	8.00	1.14

**Intervals are core lengths; true widths of mineralized intervals are uncertain.*

6.3.6 2017 Cache

Cache retained CSA Global to manage its 2017 drill program. Following a reconnaissance visit to the Kiyuk camp in mid-July to determine the condition of the camp and drill equipment, drill crews and technical and support personnel mobilised to Kiyuk Lake camp on 29 July. Core drilling began on 1 August and ended on 5 September. The camp was shut down on 8 September. The 2017 drill program comprised five holes totalling 1,172 m.

The drill program was contracted to Bodnar Drilling of Ste Rose du Lac, Manitoba and conducted with one helicopter-portable Discovery 1 drill rig using BTW rods. The drill and drill equipment had been in storage at the Kiyuk Lake Camp since the 2013 drill program. Helicopter support was provided by TRK Helicopters of Langley, BC with an AStar AS350 B2. Drilling was conducted on a two-shift/24-hour per day basis. Overall, 2017 program's drill production was poor due to mechanical failures of the drill and support equipment following four years of unmaintained storage at the Kiyuk Lake camp. Drill core production did improve toward the end of the relatively short field program.

Four holes focused on the Rusty Zone and one hole tested the East Gold Point target (Figure 15, Figure 17, and Figure 18). The drillhole targets at the prospects were selected based on all available technical data

including surface rock assays, till geochemistry, airborne magnetics, ground magnetics, gold grain analysis and ground IP. Drilling at Rusty Zone was completed with the objective of further defining the distribution of mineralization in the vicinity of the pre-existing drillholes.

Drillholes were surveyed with a Trimble GeoExplorer 6000 GeoXH GPS unit. GPS locations were not post processed. Due to magnetic conditions (presence of abundant magnetite in bedrock) around Rusty in particular, drill collar azimuths were sighted using the GPS compass orientation capabilities of the GeoExplorer 6000 GeoXH, and four wooden pickets were set out marking the collar, two front sites and one back site locations. Upon drillhole completion, the collar was resurveyed with the GeoExplorer 6000 GeoXH. Downhole surveys were not completed due to the short notice of the drill program and lack of an available gyroscopic survey tool.

Core was retrieved from the drill site at the end of each shift in a steel basket attached by long-line to the helicopter. At the Kiyuk Lake camp's dedicated core logging facility, core was digitally logged into a Microsoft Access database focusing on lithology, alteration, mineralization, and structure. Geotechnical and geophysical data were also recorded in the same database and included recovery and rock quality designation, and magnetic susceptibility measurements collected a handheld KT-10 meter.

Onsite bulk density measurements of drill core using the water immersion method were randomly collected for various rock, alteration and mineralization types during the 2017 drilling campaign and entered into the digital database.

The core was photographed wet and dry using a mounted DSLR camera.

Core was sampled continuously from top to bottom of the hole at 2 m intervals except where significant changes in lithology, alteration, or sulphide mineralization dictated shorter intervals. Samples were either sawn using a Vancon core saw or split using a Multitek hydraulic core splitter depending on hardness and condition of the core. A total of 585 core samples (excluding QAQC samples) were shipped to the SGS lab in Red Lake for analysis. All remaining archived core is stored cross-piled at the Kiyuk Lake camp.

Significant intersections of gold mineralization for drillholes completed in 2017 are presented in Table 13.

Table 13: 2017 Cache drill program – significant gold mineralization intersections

Zone	Hole ID	From (m)	To (m)	Interval (m)	Composite (g/t Au)
Rusty	KI17-001	108.00	116.00	8.00	26.48
	Including	110.00	112.00	2.00	92.76
		132.00	138.00	6.00	5.70
	KI17-002	32.00	42.00	10.00	2.60
	including	32.00	36.00	4.00	9.90
		58.00	96.00	38.00	1.16
	including	68.00	76.00	8.00	3.98
		150.00	154.00	4.00	1.20
	including	152.00	154.00	2.00	4.17
	KI17-004	188.00	309.68	121.68	1.82
	including	192.00	194.00	2.00	3.52
	including	216.00	220.00	4.00	3.54
	including	225.00	240.00	15.00	3.34
	including	279.00	288.00	9.00	3.20
	including	294.00	309.68	15.68	3.03

Zone	Hole ID	From (m)	To (m)	Interval (m)	Composite (g/t Au)
East Gold Point	KI17-005	35.00	99.00	64.00	1.46
	including	37.00	51.00	14.00	3.12
	including	57.00	63.00	6.00	3.29
	including	95.00	97.00	2.00	3.13
		248.00	258.00	10.00	6.51

**Intervals are core lengths; true widths of mineralized intervals are uncertain.*

6.4 Significant Historical Mineral Resource and Mineral Reserve Estimates

There are no historical Mineral Resource or Mineral Reserve estimates on the Property's known mineral occurrences.

6.5 Historical Mineral Production

There has been no historical mineral production within the current Property area.

7 Geological Setting and Mineralization

7.1 Regional Geology

The Kiyuk Lake Gold Property, situated in southwestern Nunavut, lies within the Hearne Domain of the Western Churchill Province. The Western Churchill Province is bounded to the west and east by the Taltson-Thelon and Trans-Hudson orogenic zones respectively. The Trans-Hudson orogenic zone represents the collisional boundary between the Western Churchill Province and the Superior Province that developed during the assembly of the Laurentia at 1.9–1.76 Ga (Aspler *et al.,* 2002; Berman *et al.,* 2007). The Western Churchill Province, composed of mainly Neoarchean rocks is divided into the Rae, Chesterfield (formerly NW Hearne), and Hearne domains. The amalgamation of these domains occurred in two stages with the Rae and Chesterfield block colliding prior to 2.6 Ga and then the collision with the Hearne Domain at 1.9 Ga along the Snowbird Tectonic Zone (Hoffman, 1988; Henmer *et al.,* 1995; Davis *et al.,* 2006; Berman *et al.,* 2007).

The Hearne Domain is composed of mainly deformed Archean gneisses, and granitic, tonalitic and supracrustal rocks, and unconformably overlying Proterozoic supracrustal rocks and granitic intrusions. Deformation during the Trans-Hudson orogeny is believed to have resulted in the infolding of these Archean and Proterozoic packages (Aspler *et al.,* 2002). The Proterozoic rocks in the southern Hearne, which are predominantly continental sedimentary rocks, occur as several synclinoria which appear to have a periodicity of 35 km (Aspler *et al.,* 2002). The Poorfish-Windy Belt, located in the Kiyuk Lake area, represents one of these synclinoria (Figure 19).

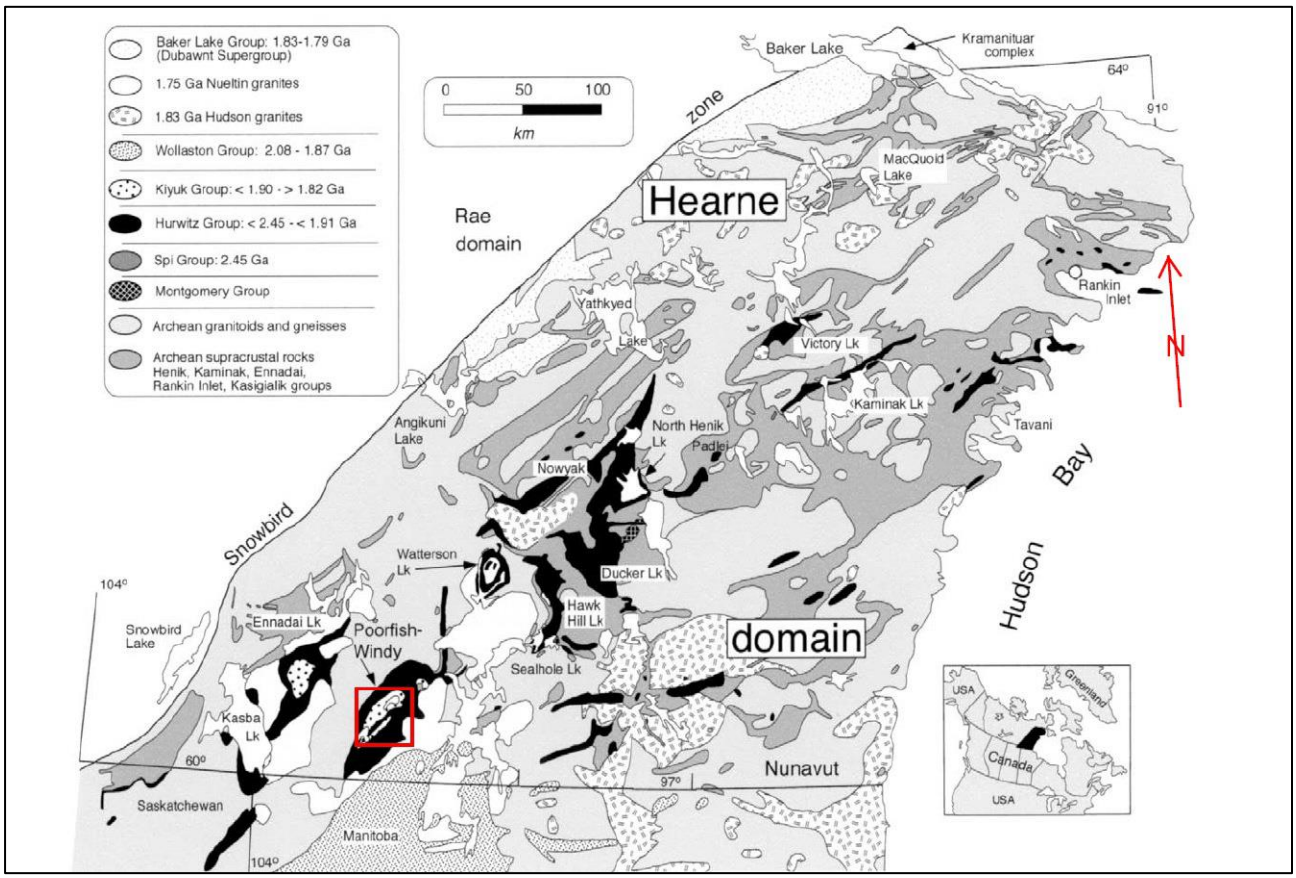

Figure 19: Simplified geology of Hearne domain of the Western Churchill Province showing distribution of the Hurwitz and Kiyuk groups (from Aspler et al., 2002); red square – approximate location of Kiyuk property
Source: Turner (2012)

The Poorfish-Windy Belt comprises predominantly sedimentary rocks of the Hurwitz and Kiyuk groups. The Hurwitz Group, an 8.5 km thick succession of continental siliciclastic and marine carbonate rocks, unconformably overlies the Archean basement across the Hearn Domain and is preserved as erosional remnants across much of the southern Hearne Domain (Aspler *et al.,* 2002). The Hurwitz Group has been divided into an upper and lower zone and described in more detail in Section 7.2. The maximum age of the Hurwitz Group (2.45 Ga) is defined by the Kaminak dyke swarm that cuts the Archean basement but not the lower units of the Hurwitz Group (Heaman, 1997; Davis *et al.,* 2005). The lower Hurwitz units have been cut but 2.11 Ga gabbro dykes which has have been inferred to have intruded after lithification of the sedimentary beds thus providing a minimum age for the lower Hurwitz Group (Aspler *et al.,* 2002b). U-Pb ages for detrital zircons from the lower part of the Hurwitz Group range from 2.7 Ga to 2.66 Ga which also confirms that the basin rocks are younger than 2.66 Ga. The upper part of the Hurwitz Group has a maximum depositional age of 1.91 Ga based a weighted mean age for the youngest detrital zircon identified in a sample from the Tavani Formation (Davis *et al.,* 2005). The Kiyuk Group is made up of a fining upward succession of conglomerate, sandstone and intraformational breccia now thought to represent a continental rift package from the late stage opening of the Manikewan Ocean (Aspler *et al.,* 2002a). This group unconformably overlies the rocks of the Hurwitz Group in the Kiyuk and Ennadai Lake areas and appears to be absent the more northern parts of the Hearne Domain. The youngest detrital zircon date recovered from a sandstone sample of K2 has a U-Pb SHRIMP age of 1898 ± 28 Ma (Davis *et al.,* 2000) which is within error of the maximum depositional age of the youngest Hurwitz Group rocks.

Two pulses of granitic magmatism within the Western Churchill Province are of importance in the Kiyuk Lake region: the Hudson Granites and the younger Nueltin Granites (Figure 19). Intrusion of the Hudson granites extended from 1845 Ma to 1795 Ma (van Breemen *et al.,* 2005). The Hudson granitoids are found in the north and east of the Churchill Province concentrating along the Trans-Hudson Orogeny (Peterson *et al.,* 2002). These granitoids were emplaced at a mid-crustal depth of ~15–20 km during the waning stages of the Trans-Hudson Orogen and have no known extrusive equivalents (Berman *et al.,* 2000). The second, later phase of igneous activity, the Nueltin granitoids, composed of biotite granite, and associated rhyolite volcanism has an age range of 1765 Ma to 1750 Ma (van Breeman *et al.,* 2002). The Nueltin Granites are thought to be A-type granites that emplaced at a shallow level in the crust during a period of extension after the Trans-Hudson Orogen.

The Nueltin intrusive suite is exposed along a north-trending corridor extending from Dubwant Lake in the north to the Athabasca basin in the south and extending obliquely across the Snowbird Tectonic Zone. Within this corridor there is an absence of Hudson plutons.

7.2 Property Geology

The Hurwitz and Kiyuk groups compose the majority of the lithologies within the Kiyuk Lake Gold Property (Figure 20). Archean basement is not apparent in the Property area.

The Hurwitz Group comprises four sequences thought to have been deposited in shallow marine to fluvial environments (Figure 21).

- Sequence 1 comprises the lower Hurwitz Group, which thought to have been deposited in shallow marine to fluvial environments. The basal Noomut Formation comprises subarkose, quartz arenite, quartz pebble conglomerate and polymictic conglomerate. The Padlei Formation consists of conglomerates and sandstones possibly related to glaciogenic processes (Young and McLennan, 1981). The Kinga Formation, also comprising conglomerates and sandstones, is thought to have been deposited by fluvial-lacustrine processes with periods of marine transgression. The Kinga Formation includes units of locally preserved dolostone suggesting a short lived shallow marine environment; broad ripple marked beds are indicative of large shallow water bodies.
- Sequence 2 is a succession of fine-grained siliciclastic rocks of the Ameto Formation (Davis *et al.,* 2005). These fine-grained sediments denote the deepening of the lacustrine environment and the thickening of the basin sediment.
- Sequence 3 is a mixed siliciclastic-carbonate succession (Davis *et al.,* 2005). The Watterson Formation is made up of dolostone and mudstone, and transitions into the coarser sandstone and conglomerate units of the Ducker and lower Tavani formations. This sequence is interpreted to be the emergence of a deeper marine ramp being buried by deltaic, fluvial and lacustrine deposits (Aspler *et al.,* 2002).
- Sequence 4, the upper Tavani Formation, is characterized by stromatolitic dolostones and sandstones that represent a transgression from a marine environment to a shallow siliciclastic-carbonate mixed shelf environment.

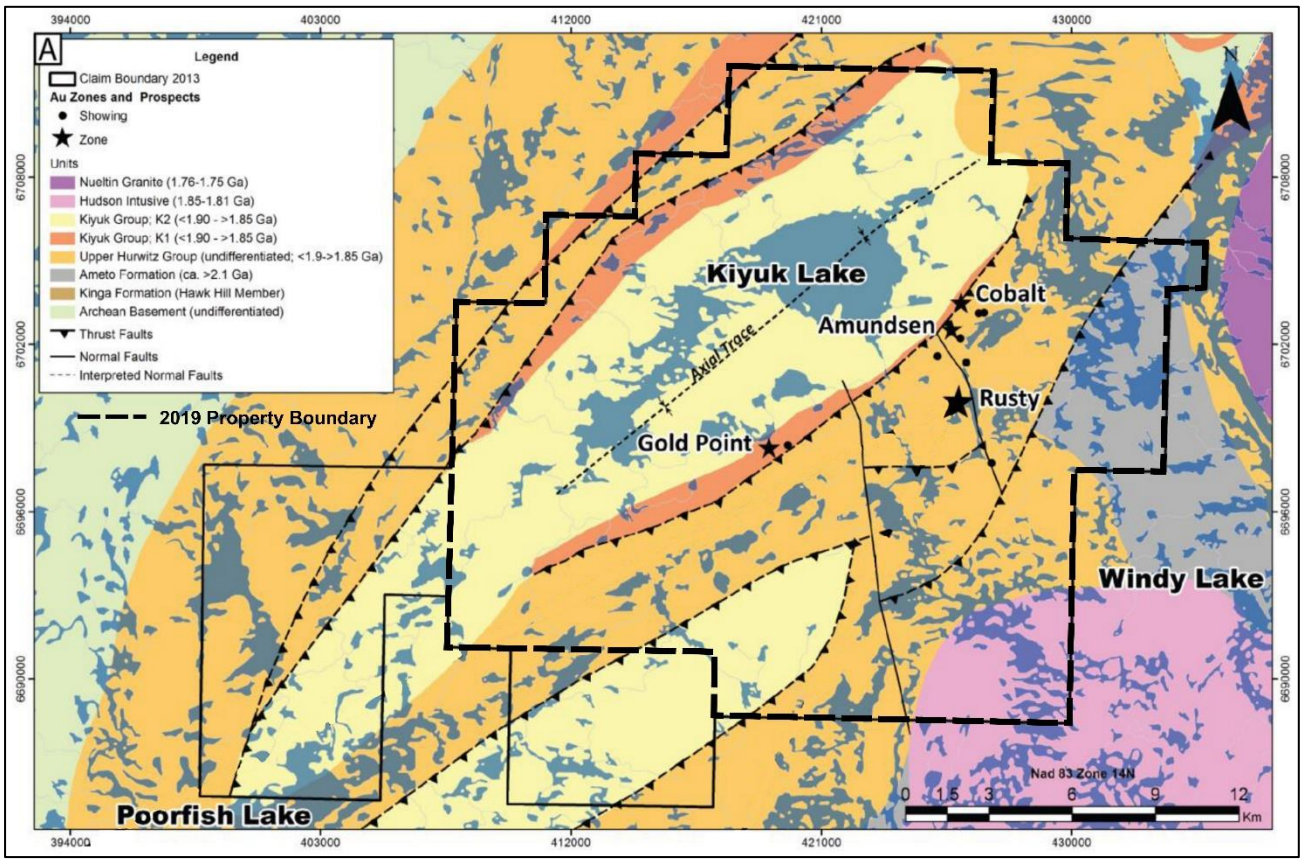

Figure 20: Kiyuk Property geology
Source: Jones (2018)

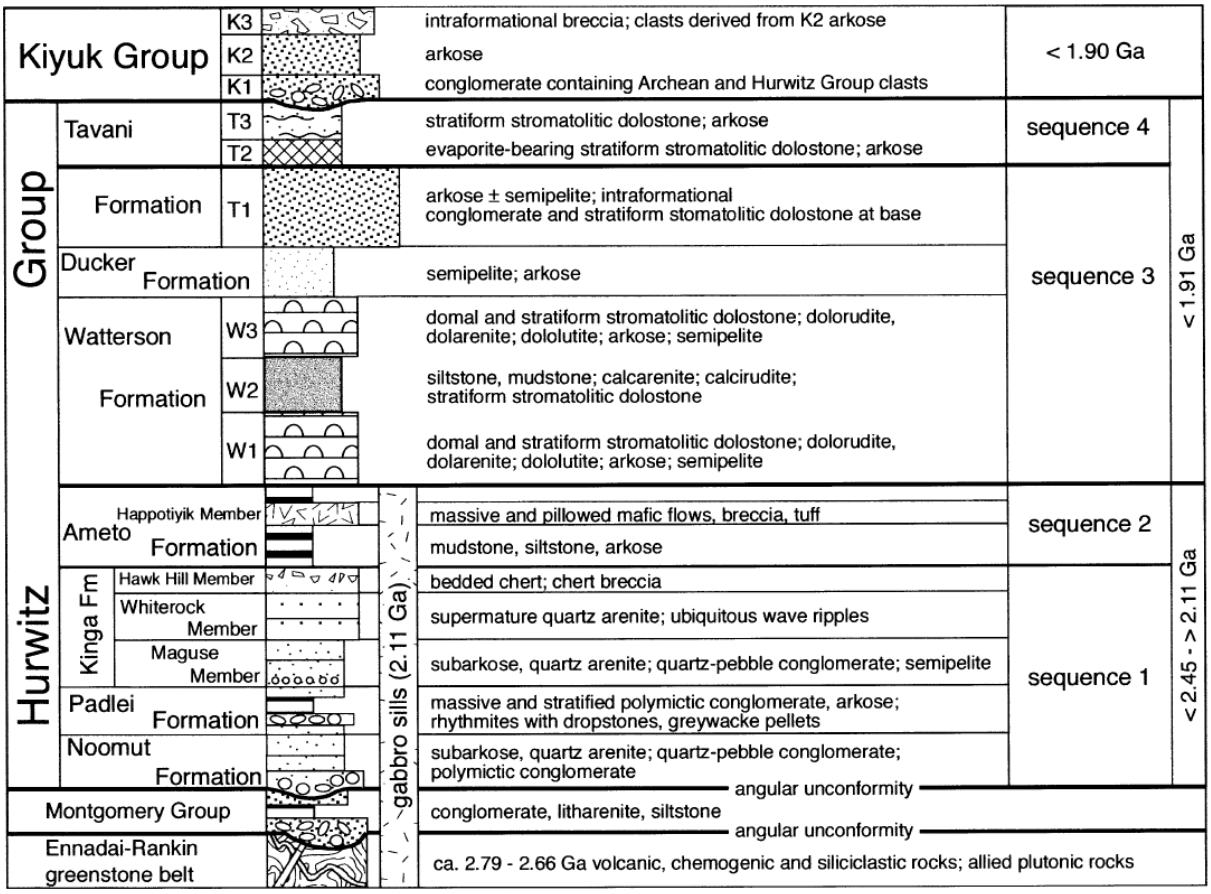

Figure 21: Idealized stratigraphic section of the Hurwitz and Kiyuk groups (from Aspler et al., 2002) – gold mineralization is hosted in Tavani Formation (T1) and Kiyuk Group (K1)

Source: Turner (2012)

The Kiyuk Group unconformably overlies the Hurwitz Group and is described as a continental rift related deposit made up of an overall fining upward succession of conglomerate, arkose, and intraformational breccia (Davis *et al.,* 2005). The Kiyuk Group comprises two main units, K1 and K2 with estimated thicknesses of 1,000 m and 2,500 m respectively, and a third unit, K3 whose thickness is debated (Aspler *et al.,* 2002). The oldest K1 unit is a distinct polymictic conglomerate incorporating clasts derived from the Archean basement and the Hurwitz Group. Pebble to cobble size clasts predominate but boulders surpassing 1m in diameter are present and the unit is postulated to represent alluvial fan deposits (Aspler *et al.,* 2002). The K2 unit is the thickest section of the Kiyuk Group and is made up of arkose, minor polymictic conglomerate and rare mudstone layers. This unit is postulated to represent the distal expression of the source of the alluvial fan material of K1 (Aspler *et al.,* 2002). Unit K3 is described as an intraformational breccia thought to represent angular talus derived from K2. However, this unit is exposed in few areas and therefore cannot be interpreted with any certainty. K3 is described as framework supported and cemented with hematite, botryoidal quartz, tremolite and actinolite (Turner, 2010) which suggests a possible alternate hydrothermal origin.

Intrusive granitic bodies of the Nueltin Granites extend through the eastern boundary of the Kiyuk Property. There are minor foliated granite and diabase dyke outcroppings throughout the Property.

Due to glacial scouring, an extensive cover of surficial glacial deposits, and limited bedrock exposure in the Property area, mapping and prospecting tends to be biased towards more resistant and prominent sandstone and siltstone units whereas weaker lithologies have recessive and buried beneath cover.

7.2.1 Tectonics and Structure

Owning to the accretionary stresses caused by the Trans-Hudson orogeny, the Hearn Domain developed thick-skinned intraplate structures such as folds of Archean and Proterozoic cover sequences. The Proterozoic rocks at Kiyuk Lake form a distinct synclinal basin with the axial trace running through the length of Kiyuk Lake and plunging shallowly (~20°) to the northeast (Aspler, 1989). The youngest and highest stratigraphic unit is exposed in the core of the basin; however, the basin structure has been complicated by numerous generations of thrusting and later brittle faulting. On the Kiyuk Property, northwest-vergent basement-involved piggy-back thrusts, northwest-vergent folds and late northwest and northeast trending normal faults are the principal structures (Aspler *et al.,* 2002). Thrusting in the Poorfish-Windy Belt is thought to have been completed by 1815 Ma as indicated by geochronological studies on the intraformational breccias in unit K3 (Aspler *et al.,* 2002). The older thrusts have been cut by the northwest-northeast trending normal faults. The basin structure has been further complicated by smaller structures and later brittle faulting.

At the Property scale, prominent structures identified by airborne magnetics and field mapping include north-south, east-northeast, and northwest-southeast faults (Ranking, 2012). These structural trends are often defined by magnetic destructive features. The prominent Snake Lake fault is a north-south feature that lies east of Rusty, North Snake and the Airstrip-Anderson showings and is identified in the magnetics and in field mapping by a sudden change in bedding orientation and rock type. Northwest and east-northeast trending, probable second order structures, splay off the Snake Lake fault and appear to be associated with mineralized boulder trends.

The Rusty Zone magnetic body appears to be truncated to the north and south, suggestive of secondary structures derived from the Snake Lake fault. The lack of outcrop and the lack of variation in the magnetics within the host sandstone have inhibited definition of a distinct controlling structure(s) or structural orientation. Additional work is required to test for and to define the postulated structural control on mineralization in the Rusty Zone.

At Gold Point, magnetite destructive features, predominantly in the northwest-southeast direction define mineralized zones. These features were identified in the airborne magnetics and define the structural control for mineralized found in the polymictic conglomerate.

7.2.2 Quaternary Geology

The Kiyuk area and region west of Hudson Bay was once covered by the Keewatin Ice Sheet (Tyrrell, 1998). The Kiyuk Lake area is characterized by a thin till veneer and dispersed glacial structures such as ribbed moraines, drumlins, and eskers indicating a prevailing southwest ice flow direction (Alysworth, 1985; Stea, 2012).

7.3 Prospect Geology

More than 12 gold prospects exist on the property, many of which were identified during the initial prospecting programs documented by Hauseaux (1992), Hauseaux and Paul (2006) and Hennigh (2006). Additional prospecting conducted in 2011 and 2012 identified several prospects and target areas. As shown in Figure 22, the Cobalt, Airstrip, Amundsen, Bancroft, Heart, and North Snake prospects occur proximal to one another and the group is centred about 2.8 km southeast of Kiyuk Lake; Rusty and South Snake are 4.8 km and 7.3 km south-southeast of Kiyuk Lake respectively; Gold Point is 5.8 km southwest of Kiyuk Lake; and Rasmussen is 13 km southwest Kiyuk Lake.

Prospects are herein classified as “Showings” or “Zones”. A showing refers to an occurrence with gold mineralization in clusters of boulders, sub-crop and/or outcrop, and a zone refers to a gold mineralization occurrence that has been confirmed by drilling.

Table 14 lists the geographic coordinates of each of the main gold prospects and summarizes the various exploration work that has been conducted at each prospect. A summary of the geology and mineralization of the following showings and zones follows in order from north to south: Cobalt, Airstrip, Amundsen, Bancroft, Heart, North Snake, Rusty, Gold Point, South Snake, and Rasmussen.

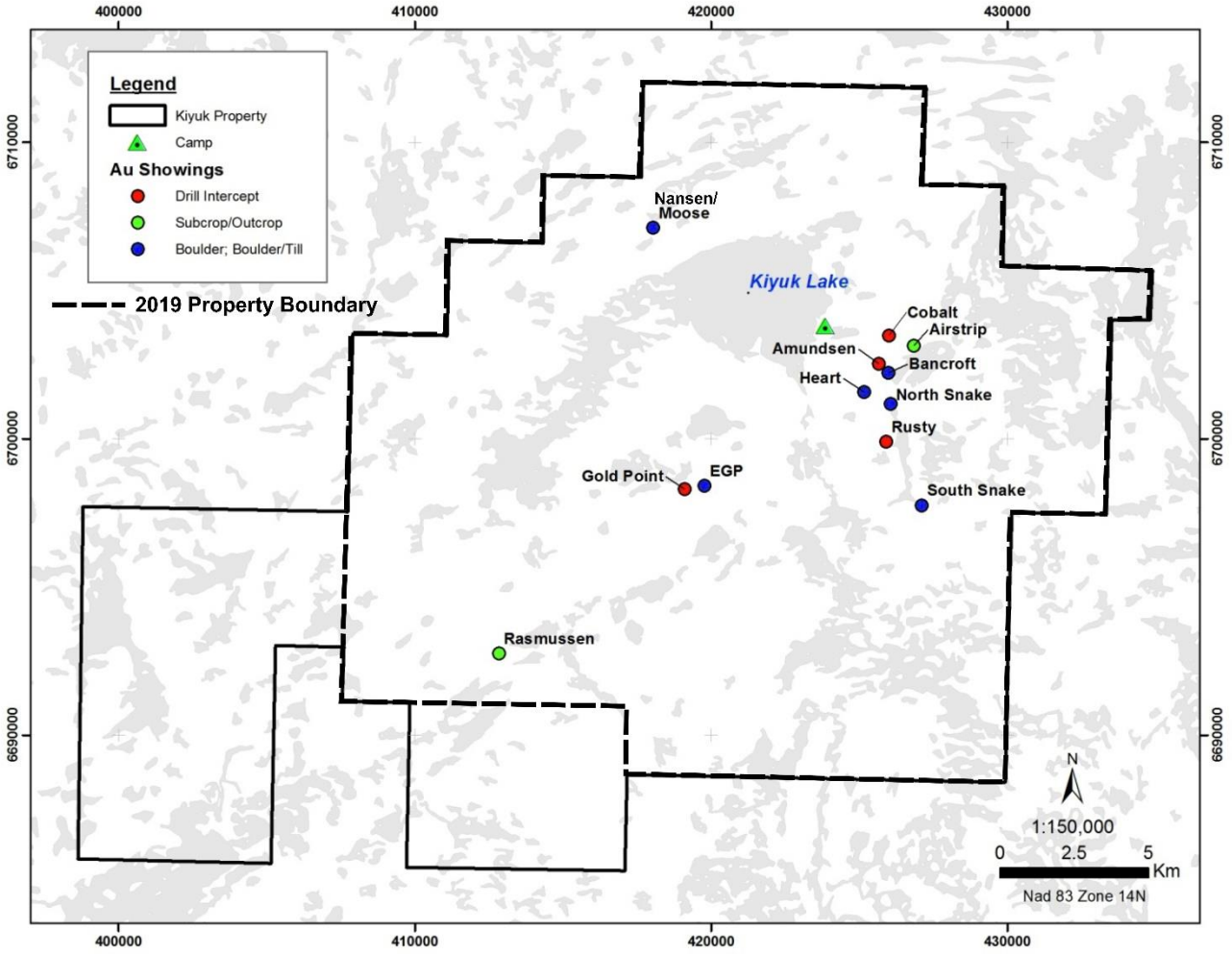

Figure 22: Plan map of the Property showing the location of the gold prospects
Source: Pennimpede (2013b)

Table 14: Gold prospects with summary of exploration work

	Airstrip/ Anderson	Cobalt	Amundsen	Heart	North Snake	Bancroft	Rusty	South Snake	Gold Point	East Gold Point	Rasmussen
UTM East	426843	426010	425663	425163	426063	425989	425919	427117	419117	419787	412839
UTM North	6703145	6703486	6702535	6701581	6701183	6702221	6699890	6697755	6698297	6698404	6692750
Class	Showing	Zone	Zone	Showing	Showing	Showing	Zone	Showing	Zone	Showing	Showing
Category	Sub-crop/ Outcrop	DDH	DDH	Boulder	Boulder	Boulder/Till	DDH	Boulder	DDH	Boulder	Subcrop/ Outcrop
AMag	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	100m (2010)
AGrav	400m (2007)	400m (2007)	400m (2007)	400m (2007)	400m (2007)	400m (2007)	400m (2007)	400m (2007)	400m (2007)	400m (2007)	
ARad	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	
AVLF	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	150m (2007)	
Gmag	50m (2013)	50m (2012)	50m (2012)	50m (2012)	50m (2012, 2013)	50m (2012)	50m (2012, 2013)		50m (2012)	50m (2012)	50m (2012)
TillGchm			100x50m (2012)	100x50m (2012)	100x50m (2012)	100x50m (2012)	100x50m (2012)				
Till_Indct		Select (2012)					Grid (2012)				
IP_Grad	200m (2007)	200m (2007)	200m (2007)	200m (2007)	200m (2007)	200m (2007)			200m (2007)	200m (2007)	
IP_Line	(2007)	(2007)					(2007)	(2007)	(2007)		
Titan24	400m (2009)	400m (2009)	400m (2009)			400m (2009)			400m (2009)		
Drillholes	4	14	1		4	3	19		12	1	2

AMag = Airborne Magnetics; AGrav = Airborne Gravity; Arad = Airborne Radiometrics; AVLF = Airborne VLF; Gmag = Ground Magnetics; The line spacing and sample spacing is noted for all geophysical and geochemical surveys respectively. The year. the surveying was conducted is shown in brackets. Coordinates in UTM Nad83 Zone 14.

7.3.1 Airstrip/Anderson Showings

The original Airstrip showing is a 12 m x 12 m outcrop that was found by prospecting in 1992. Rock sampling of mineralized samples at that time returned up to 15.0 g/t Au. The host rock is described as a highly albite altered and locally brecciated Tavani siltstone and conglomerate (or felsic volcaniclastic) with massive, pale white, fine to medium grained albitite, to brecciated rock with albite altered clasts floating in an actinolite bearing matrix with slight foliation (Turner, 2011). Newmont tested the mineralized outcrop at the Airstrip showing with three holes in 2008 which failed to intersect significant gold values.

In 2012, prospecting and mapping in the area southwest of the original showing discovered several rock samples containing pyrrhotite and arsenopyrite in a similar dark green to grey, actinolite altered, massive rock containing trace pale-white clasts or remnant clast shapes. Interpreted as a strongly altered conglomerate, these samples contained values up 1.85 g/t Au.

Anderson was a conceptual target based on a ground magnetic anomaly on the order same order as those at Rusty and North Snake and located 100 m west of the Airstrip showing. Vertical hole KI13-020 intersected magnetite-rich brecciated siltstone at the top of the hole which accounts for the magnetic anomaly. The magnetite-rich breccia is similar to that encountered at Amundsen; hematite alteration gives the siltstone a pink colour and magnetite is disseminated throughout.

Several zones of pyrrhotite-rich and strongly actinolite altered siltstones were encountered in the hole. Moderately veined oligomictic conglomerate sections are also mineralized. Gold values at Anderson were lower than expected given pyrrhotite concentrations and alteration. However, three weak zones of gold mineralization were intersected with assays. Actinolite and biotite altered siltstones containing 10% pyrrhotite returned with values up to 0.8 g/t Au over a 2 m interval. The best interval of 1.48 g/t Au over 2 m from 124.05 m is in strongly veined oligomictic conglomerate with crosscutting carbonate veins containing up to 3% pyrrhotite and lesser disseminated pyrite. KI13-020 ended in unaltered mudstone containing crosscutting quartz veinlets carrying chalcopyrite, pyrite and pyrrhotite. These veins did not return significant gold values.

There is insufficient drilling to determine the potential dimensions and orientation of the Airstrip and Anderson showings at this time.

7.3.2 Cobalt Zone

The original showing at Cobalt is a 4 m x 8 m outcrop of sulphide-bearing siltstone and oligo-monomictic conglomerate. This rock was weathered and transported down-ice resulting in a mineralized boulders trend extending southwest from bedrock mineralization.

The Cobalt Zone's geophysical signature is a northeast trending magnetic body of moderate intensity sharply bounded by a magnetic low feature to the east. Drill results show that this magnetic boundary relates to a fault or lithologic contact between clastic rocks to the northwest and a carbonate unit to the southeast and is reflected on surface by a northeast trending string of lakes.

Alteration and mineralization identified at the showing outcrop includes pervasive albitization along with actinolite-albite veining and late sulphide (pyrrhotite) albite-calcite veining. Other minerals include pyrite, cobaltite, chalcopyrite and arsenopyrite with later erythrite along fractures. Historical sampling returned values up to 15.5 g/t Au from the Cobalt showing area. In 2012, sampling sites were revisited to confirm sample locations and additional samples were taken around the Cobalt showing. Rock sampling in 2012 returned values from below detection limit to 2.21 g/t Au.

The Cobalt Zone and immediate area has been targeted by 14 drillholes (Figure 16). Mineralization intersected in 2011 drillholes indicates a 250 m strike length. Gold mineralization intersected in holes CS11-004 and CS11-002 is concentrated in the magnetic feature proximal to the boundary between the magnetic high and low. Although the associated magnetic high is continuous, mineralization has been found to be discontinuous throughout the Cobalt trend. Drilling in 2012 in the area of discovery hole CS11-002 (21.3 m @ 2.15 g/t Au) intersected lower grade gold mineralization. Significant drill hole intersections in the Cobalt area are presented in Table 9, Table 10 and Table 11.

CS11-003, drilled 100 m to the northeast of the discovery hole (CS11-002 21.3 m @ 2.15 g/t Au) in a magnetic low between anomalous high magnetic bodies, returned weak gold values of 200 and 245 ppb Au over core lengths of 0.9 and 1.5 m respectively. No follow-up drilling has been completed in this area.

A large concentration of gold-bearing conglomerate boulders lies approximately 420 m south of the original Cobalt showing area. It is likely that these are glacially transported boulders, but the distance of transport is unknown. In 2013, these boulders and coincident abundant pristine gold grains in bulk till samples were targeted, in the up-ice direction, by drillhole KI13-019. This area had been previously targeted by three drillholes by Newmont and Prosperity with all holes suffering cave-in problems forcing abandonment. KI13-019 intersected minor zones of sulphide mineralization in a conglomerate host rock. No significant intervals of brecciation or mineralization were observed.

7.3.3 Amundsen Zone

The Amundsen Zone is located 850 m south of the Cobalt Zone. Historical rock sampling discovered a mineralized boulder train, with samples up to 15.2 g/t Au. The mineralized boulder trend flanks a northeast-trending highly magnetic body to the west and a moderate, smaller, magnetic body to the east. These two magnetic features intersect at the up-ice end of the mineralized boulders. The Amundsen zone is 340 m north of the significant magnetic break that trends northwest-southeast and truncates anomalous magnetic bodies.

Drillhole KI12-012 was collared in the main magnetic body and drilled southeast across the inferred structural intersection into the moderately magnetic body at the up-ice limit of the boulder train. It intersected 42 m of 0.97 g/t Au including 12 m at 2.3 g/t Au from 170 m downhole depth within the moderate magnetic feature. Host rocks are clastic and could represent a volcanic or sedimentary protolith. Clasts are bleached white-pink and the matrix is typically dark green and composed of mainly secondary actinolite. The dominant sulphide is pyrrhotite and magnetite is disseminated in the matrix. Some core intervals are massive with no visible clasts and contain stockwork actinolite-chlorite veins.

There is insufficient drilling to determine the potential dimensions and orientation of the Amundsen Zone as of the Effective Date.

7.3.4 Heart Pond Showing

The Heart Pond Showing is defined by several large boulders over a 90 m x 100 m area returning gold grades up to 5.3 g/t. The host rock is described as pyrrhotite, pyrite, and arsenopyrite-bearing albite-actinolite-carbonate altered conglomerate. There is no obvious corroborating support from magnetics or till sampling and as such, previous workers have considered this a low priority drill target.

7.3.5 North Snake Showing

The North Snake showing is defined by boulders returning gold values up to 32 g/t. The North Snake Zone displays a similar magnetic feature to the Rusty Zone, is hosted in similar rock types and is proximal to the

Snake Lake fault. North Snake is characterized by a strong magnetic high, which has a sharp boundary to the east and north suggesting north trending and east-northeast trending intersecting structures. As at Rusty, the main magnetic body has a diffuse magnetic pattern to the west. Two drillholes were completed in 2012 adjacent to the main magnetic body; however, magnetic susceptibilities were low for all units intersected and no significant gold mineralization was intersected. The siltstone has only weak hematite alteration in general with one zone of carbonate-rich material that may be alteration or the original protolith. Prospecting and mapping in 2012 identified a 200 m long trend of mineralized boulders (1.0 g/t Au to 3.84 g/t Au) "up-ice" of the 2012 drillholes suggesting the bedrock source may be further to the north. Some of these mineralized samples were a pyrrhotite- and actinolite-rich rock very similar to that intersected at the top of Rusty drillhole KI12-003.

Two additional holes drilled in 2013 intersected hydrothermal breccias hosted in mudstone and siltstone. Vertical hole KI13-012, centred on the highest magnetic reading from ground magnetics returned a 6 m interval of 1.33 g/t Au from a downhole depth of 24 m in brecciated and quartz-carbonate-actinolite-biotite-magnetite altered mudstone with up to 20% net textured pyrrhotite with 1–2% arsenopyrite disseminated in the infill matrix. This mineralized core interval is however shouldered up and downhole by background gold values (<0.08 g/t Au). This near surface, magnetite-rich, mineralized section is likely responsible for the magnetic anomaly seen in ground and airborne surveys.

Additional rock and till sampling along this boulder trend are required in order to define a drill target.

South of the showing, Snake Lake represents a significant north-south trending fault. Secondary structures splaying off the Snake Lake fault are thought to be responsible for the mineralization at the Rusty Zone (described below) although no obvious structure has been identified in the field or interpreted from existing geophysical data. The North Snake showing is located at the intersection of the Snake Lake fault and the northwest-southeast trending magnetic low corridor. This intersection of structures and a lithologic contact between conglomerate/mudstones and sandstone is a favorable setting for gold mineralization.

7.3.6 Bancroft Showing

The Bancroft showing is defined by coincident gold-bearing boulders and highly anomalous gold values in till. Historical samples of boulders contain up to 6.7 g/t Au. Till geochemical results from samples collected in 2012 identified a "ribbon" of anomalous gold in till samples extending in a down-ice direction from the location of these boulders for 2 km. The gold in till samples are some of the best from the property and of the same order of magnitude as the Rusty Zone. Many mineralized boulders exist in the area, but no outcrop source area has been identified. Mineralized boulders are similar to those found at Airstrip and Cobalt, typically consisting of fine grained siliceous, grey-green, massive conglomerate (or felsic volcaniclastic) with bleached (albite altered) clasts with diffuse boundaries. Finely disseminated pyrrhotite is the primary sulphide in mineralized samples with common actinolite and carbonate alteration of the matrix of the conglomerate.

A ground magnetic survey revealed a prominent northwest trending magnetic low feature, interpreted to be a major structure, near the head of the gold till ribbon. Each side of the structure is flanked by magnetic anomalies often with mineralized boulders lying coincident to those anomalies. The interpreted structure is covered by marsh with minimal boulder showings. Ground magnetic coverage has revealed two post-mineral dikes trending northeast through the Bancroft showing.

Despite encouraging and coincident IP chargeability anomalies, Au till geochemistry and anomalous Au-bearing rock samples, the three Bancroft drillholes targeting the magnetic highs and the distinct crosscutting magnetic low returned no significant gold results. One 2 m sample returned 1.4 g/t Au. Minor pyrite and pyrrhotite was intersected in the first hole (KI13-006) from 24 m to 50 m in actinolite and carbonate altered

oligomictic conglomerate. Carbonate veins crosscutting the altered conglomerate with intermittent intervals of silica overprint define the subtle mineralized zone. Previous workers have suggested the possibility that the Au bedrock source may be to the west; available datasets should be reviewed to determine if the target was fully tested.

7.3.7 Rusty Zone

The Rusty Zone was a prospecting discovery of a 2 m x 3 m outcrop of brecciated cross bedded sandstone with a matrix of magnetite (and pyrrhotite), albite, actinolite, dolomite, calcite and quartz. Cross bedding is locally preserved but often fragments are intensely bleached leaving no evidence of bedding.

Jones (2018) reports the presence of altered medium-grained, pale grey-green diorite to quartz-diorite dykes that irregularly intrude and brecciate the host sandstone at the Rusty Zone. The intermediate dykes are sporadically distributed, typically varying from 30 cm to 2.5 m in apparent thickness but appear to be more common at greater depths. Drillhole KI17-002 intersected a 7.2 m interval of diorite at the bottom of the hole. The dykes are difficult to distinguish because their alteration mineralogy is the same as the alteration components of the mineralized breccia. They rarely exhibit sharp contacts cutting the sandstone in drill core; typically, the margins progress inwards from a brecciated sandstone to an intermediate intrusion with sub-rounded millimetre-to-centimetre sandstone clasts that become smaller and rarer away from the margin.

Rock samples from initial Rusty discovery outcrop/sub-crop returned up to 9.27 g/t Au. Rusty-style mineralization was found in sandstone and volcaniclastic rocks continuing south and west from the original showing and discovery drillholes. Rock samples up to 8.46 g/t Au were found 420 m south of the main area coinciding with an anomalous bulk till sample. Several anomalous rock samples up to 6.57 g/t Au exist to the southwest in an area of elevated gold grid till samples. Mineralization in surface samples and drill core is predominantly pyrrhotite ± magnetite with arsenopyrite and pyrite in brecciated and altered sandstone.

The Rusty Zone is characterized by a high intensity magnetic body clearly evident in airborne and ground magnetic data. The magnetic high has an irregular elliptical shape that covers a 200 m x 250 m area based on the ground magnetic survey. Adjacent and to the west of this magnetic body is a diffuse magnetic high that may “connect” to the main body. Drillhole KI13-007 was oriented to test this diffuse magnetic high west of the discovery area. No magnetite was intersected suggesting the magnetic source is deeper. The entire hole intersected strongly albitized sandstone cut by stockwork quartz veining with weak actinolite and pyrrhotite/pyrite infill and returned grades of up 1.4 g/t Au over 2 m.

Nineteen drillholes have been completed at the at the Rusty Zone which have outlined mineralization over a northeast strike of approximately 250 m and an apparent width of 150 m (Figure 17 and Figure 23). True width and strike of mineralization is uncertain. Drilling to the north and west has identified sharp boundaries of the gold mineralization suggesting a possible fault bounding the mineralization. Significant drill hole intersections in the Rusty area are presented in Table 10, Table 11, Table 12 and Table 13.

No obvious structures are evident in the ground magnetics at the showing itself. Drilling at the north end of the Rusty Zone intersected abundant magnetite consistent with the observed magnetic high. Drilling at the south end however failed to encounter any significant magnetic response suggesting the magnetic response seen in the survey is at depth or corresponds to abundant pyrrhotite.

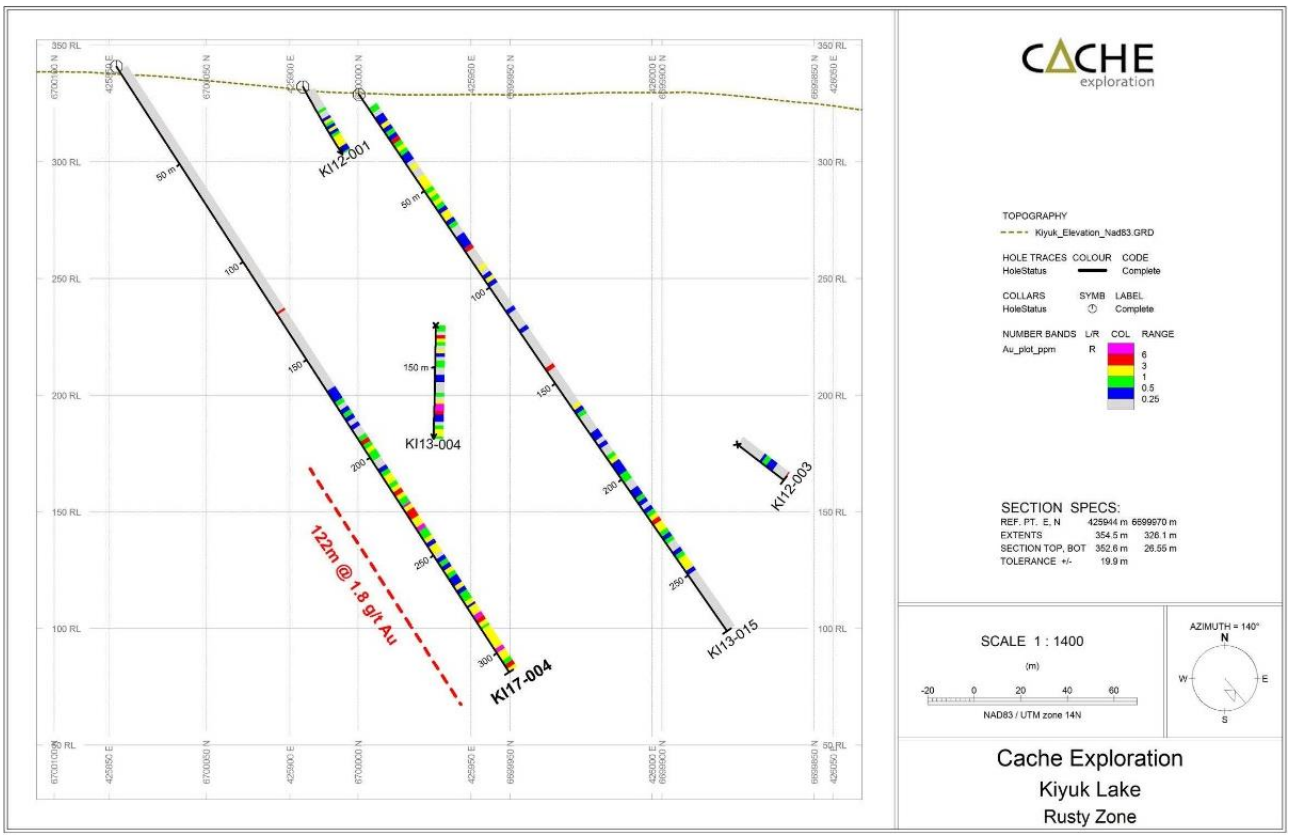

Figure 23: Example of subsurface distribution of gold mineralization at the Rusty Zone
Source: Cache (2017)

As at the North Snake Lake showing, it is possible that a second order structure splaying off the north-south trending Snake Lake fault is controlling the mineralization at the Rusty Zone. However, a distinct controlling structure(s) or structural orientation has not yet been identified due to the lack of outcrop and the lack of variation seen in the magnetics with the host sandstone.

Gold mineralization occurs in all drillholes at Rusty indicating that the prospective rocks are not limited to the extent of the magnetic high. Holes drilled to test the magnetic low to the east returned minor intervals with grades up to 5 g/t Au over 2 m. Lower grades (less than 1.0 g/t but greater than 0.3 g/t Au) have been intersected in what was originally logged at Rusty as monomictic conglomerate in an area of low magnetic response to the east and south of the main magnetic body. Re-logging, during the summer of 2013, indicated that this unit comprises a strongly altered rock with poorly defined sandstone fragments (embayed and reabsorbed clast boundaries) and very strong infill of actinolite and carbonate. Upper and lower contacts are poorly defined and often are sandstone above and below with a "grading" from strongly veined and brecciated into massive infill with only an occasional identifiable fragment of sandstone. This area is further complicated by the presence of altered dykes described by Jones (2018).

At the Rusty Zone, Jones (2018) reports that textural and timing relationships suggest gold mineralization is post-sedimentary and syn- to post-intrusion of intermediate dykes. Stable isotope thermometry suggests mineralization took place between 450°C and 600°C and geochronological studies indicate that the intrusion and mineralization occurred before or about 1.83 Ga. It is unknown if the age of mineralization at Rusty is applicable to all gold mineralization prospects at the Property.

7.3.8 South Snake Showing

The South Snake showing is located at the south end of Snake Lake, 4 km south of the Rusty Zone. The showing is defined by two 3 m-long boulders containing strong actinolite alteration and abundant pyrrhotite. The protolith is a clastic rock which has been bleached and brecciated with a carbonate-actinolite rich matrix. Sulphides are concentrated in the breccia matrix but are also disseminated in the host rock. Pre-2012 grab samples returned up to 12 g/t Au. The bedrock source area for these boulders has not been identified; most of the surrounding rock is largely unaltered.

7.3.9 Gold Point Zone

The Gold Point Zone comprises a series of locally derived mineralized, altered, polymictic conglomerate boulder fields that occur over a 500 m long trend. Rock sampling prior to 2012 returned a maximum Au assay from this showing of 24.69 g/t. A single boulder 1.35 km to the southwest grades 1.33 g/t and is along strike of the mineralized boulder trend. Additional sampling and mapping in 2012 returned values of up 6.57 g/t Au 270 m south of the main Gold Point Zone. Magnetic susceptibility of mineralized samples (>1 g/t Au) collected in this area were typically greater than the mineralized zones intersected in drillholes. A total of 12 diamond drill holes have been completed at the Gold Point prospect between 2009 and 2012. Significant drill hole intersections in the Rusty area are presented in Table 9, Table 10 and Table 11.

Mineralized rocks include polymictic conglomerate containing clasts of siltstone, ironstone, chert, phyllite, granite, and quartz vein hosted in a matrix of quartz, albite, biotite, and magnetite. The main alteration minerals associated with the gold mineralization are albite and quartz with minor actinolite and tourmaline. Zones of gold mineralization are intensely bleached and have no significant associated magnetite due to magnetite destructive alteration. The Gold Point Zone displays the most prominent, magnetite destructive, structures on the Property. The structures are oriented east-west to northeast-southwest. Drilling through the northern most structure has yielded significant gold intercepts. Prospecting along the southern parallel magnetic destructive structures has produced occasional mineralized rock samples; however, exposure along these prospective structures is poor due to marshes. These southern structures have yet to be drilled.

7.3.10 East Gold Point Zone

The East Gold Point showing lies approximately 700 m to the northeast of Gold Point where mineralized boulders grading up to 2.36 g/t Au have been found.

East Gold Point is at the intersection of two magnetite destructive features trending northeast-southwest and north-south. Prospecting and mapping identified several mineralized boulder and outcrop showings within the interpreted structural features. Drillhole KI17-005 tested a zone of magnetite destruction within a polymictic conglomerate and returned a significant core length interval of 64.00 m grading 1.46 g/t from 37 m including intervals of 14.00 m of 3.12 g/t Au and 6.00 m of 3.292 g/t Au and a deeper interval of 10.00 m of 6.51 g/t Au from 248 m.

There is insufficient drilling to determine the potential dimensions and orientation of the East Gold Point showing at this time.

7.3.11 Rasmussen Showing

The Rasmussen showing, located during prospecting in 2012, is defined by gold mineralization in frost heaved conglomerate boulders interpreted to have undergone minimal transport. Boulders at the Rasmussen showing have returned from 0.1 g/t to 6.9 g/t Au. The dominant sulphide mineral is pyrrhotite with lesser

arsenopyrite. Alteration is commonly albite-actinolite-carbonate. A ground magnetic survey over the area did not show any positive magnetic anomalies over the assumed target. However, a magnetic low corridor separates two magnetic bodies. Anomalous rock samples are found within this corridor in an area of sub-crop and outcrop.

The Rasmussen showing occurs proximal to a major lithologic or structural contact between interbedded siltstone and limestone. The surficial expression of this contact/structure is a low-lying marsh. Two diamond drillholes completed in 2013 intersected mineralization similar to that in outcrop but they failed return significant Au grades (up to 0.5 g/t Au over 2 m). The host rock is characterized by strongly oxidized and bleached conglomerate carrying oxidized pyrite and pyrrhotite.

7.3.12 Other Areas of Interest

Several new showings were identified by rock sampling and till sampling during the summer 2012 exploration program. The highest-grade rock sample taken (25 g/t Au) is found along an inferred contact between polymictic conglomerate and felsic volcanic rocks between Gold Point and Rasmussen. The sample contained abundant sericite, scorodite and arsenopyrite.

One sample 1.5 km south of Rusty was found to contain 5.2 g/t Au in actinolite-altered bedded sandstone with fresh sulphides along fractures. This sample is of interest because it is located on a magnetic anomaly that is adjacent to the Snake Lake Fault.

Two samples, 900 m northwest of the Rusty Zone, returned with values of 2.47 g/t and 2.58 g/t Au in altered monomictic conglomerate. Ground magnetics were completed over this target area in the spring of 2013.

The Moose showing north of Kiyuk Lake was identified initially by XRF arsenic results in regional till sampling and was confirmed by fire assay with 20.8 ppb Au in a regional till sample. Rock samples from this area returned values from below detection limit to 2.04 g/t Au. The 4 km long area displays moderate gold anomalism in regional till samples, several moderate gold-bearing rock samples and one historical lake sediment sample containing anomalous gold and arsenic values. Preliminary interpretation indicates the host rocks are intermediate-mafic volcanics in contact with strongly magnetic polymictic conglomerate. 2017 infill till sampling north confirmed the Moose showing area with values up to 756.4 ppb Au. The target area of potential gold mineralization has now been called the Nansen target

2017 grid infill extending previous Rusty Zone till sampling has identified several gold-in-till anomalies above 50 ppb Au (up to 390.2 ppb Au). The dispersion of these anomalies may indicate additional sources of gold mineralization to the west and south of the Rusty Zone.

7.4 Mineralization Styles

Gold mineralization on the property has been divided into three end members based on surface mapping and review of drill core:

- Brecciated pyrrhotite-rich sandstone (Rusty)
- Altered pyrrhotite-bearing conglomerate (Cobalt, Amundsen, Airstrip, Bancroft, Rasmussen)
- Altered pyrite and arsenopyrite-bearing polymictic conglomerate (Gold Point).

Albite, quartz, actinolite, dolomite and calcite are the important alteration minerals associated with gold mineralization; however, the relative abundance of each mineral is different from one zone to the next. Scapolite is also an important alteration mineral in rocks at the Rusty Zone.

7.4.1 Rusty Zone

Based on drilling to date at Rusty, the following observations about mineralization and alteration associated with gold mineralization at Rusty in particular, and with potential importance to other showings and zones at the Property:

- Brecciated sandstone with magnetite infill and actinolite alteration of sandstone fragments commonly hosts elevated gold grades.
- Replacement of sandstone fragments with pyrrhotite corresponds to the highest-grade gold values. Partial mineralization of sandstone fragments (by pyrrhotite) also is related to gold mineralization. Sandstone fragments can be either albitized or actinolite altered (bleached light grey/white or green).
- High grade gold is found in an actinolite massive infill found in drillhole KI12-003. Visible gold is often found on the margins or contacts between massive actinolite infill and either sandstone fragments.
- Semi-massive sulphide infill in veins or breccia correlates with high concentrations of Au.
- Sulphide percentage, regardless of host rock type, typically correlates to gold concentration
- Dolomite is commonly found in infill. Pyrrhotite-bearing dolomite (coarse grained) veins are strongly associated with gold mineralization. In general, dolomite infill is more extensive than originally observed/captured.

Gold mineralization is generally not associated with:

- Massive calcite veins – these veins may contain sulphide but do not carry significant gold concentrations.
- Quartz rich veins, which are both early (pre-mineral) and late – they are not gold bearing but might represent fringes of hydrothermal event. Silicification however, is part of the main mineralized zone.
- Sediments with or without alteration of host rock typically do not carry gold grades without veining.
- Sulphide poor actinolite-carbonate veins/veinlets do not contain gold grades.

At the Rusty Zone, sulphide percentage not magnetite, is the best indicator of the highest gold grades (Pennimpede, 2013b). The sulphide halo around the magnetite vein/infill zones contains significant gold mineralization (e.g. hole KI12-003 returned 3.34 g/t Au over 61.5 m from 159 m to 220.50 m). The pattern of magnetite-rich breccia zones surrounded by a sulphide-rich halo is repeated at Cobalt, Amundsen and North Snake where the flanks of magnetic highs correlate with gold mineralization and greater sulphide concentration. This correlation could help re-evaluate drilling of magnetic highs at showings that returned no significant gold mineralization such as at Anderson and North Snake.

8 Deposit Types

8.1 Conceptual Deposit Models

Given exploration at Kiyuk Lake is still at a relatively early stage and the variability in the characteristics of the various mineralized showings and zones on the Property, a classification of the gold mineralization at Kiyuk into a deposit type is somewhat premature.

Based on Kiyuk Lake mineralization characteristics, previous workers have suggested the following deposit models for some or all the various mineralized showings:

- Iron oxide-copper-gold (IOCG)
- Reduced intrusion-related gold (RIRG) deposit type.

8.1.1 Iron Oxide Copper-Gold Deposit Model

The initial observation of a host-rock bleaching alteration, considered at the time to be sodic alteration and albitization of the sedimentary feldspars, spatially associated with iron-oxide and iron-silicate breccia matrix assemblages led early geologists to consider the Kiyuk Lake mineralization as a possible variant on the IOCG deposit family. M. Hitzman, an expert in IOCG systems from the Colorado School of Mines, visited the Kiyuk Property in 2006 and supported this concept. Gold mineralization within the Kiyuk Proterozoic basin further supported an IOCG deposit model since intracratonic basin settings are a preferred tectonic setting for IOCG development (Kerrich *et al.,* 2005; Groves *et al.,* 2010).

Williams *et al.,* (2005) refined the original Hitzman (1992) IOCG description, outlining an empirical definition having five key features. To earn the classification of an IOCG deposit, *sensu stricto*, deposits must:

- Have Cu and/or Au as economic commodities
- Have variable ore styles that are structurally controlled
- Have abundant Fe-oxides including magnetite and/or hematite
- Have Fe-oxides with lower Fe/Ti ratios than most igneous rocks
- Differ from typically porphyry-skarn systems as there is generally no clear spatial relationship with igneous intrusions.

Groves *et al.,* (2010) further elaborated on this definition by refining the tectonic and temporal distribution of these deposits to settings and timing coincident with anorogenic or intracratonic settings affected by distal orogenesis. LREE (and U) enrichment is also one of the defining characteristics of IOCG as outlined by Groves *et al.* (2010).

At Kiyuk Lake, characteristics consistent with IOCG deposits include the association of gold with Fe-oxide minerals, sodic alteration (albite recrystallization and minor scapolite growth), major calcic alteration in the form of pervasive carbonate and calcic-amphibole development, Au element association with As, Ag, Co, Ni, Mo, Cl, and a lack of widespread quartz veining and silicification (Jones, 2018).

However, Kiyuk Lake's lack of significant copper mineralization, lack of potassic alteration, irregular occurrences of Fe-oxides (magnetite destruction occurring at the Gold Point Zone) and a possible association with igneous intrusions are major discrepancies from the typical IOCG model (Jones, 2018). Also, based on the multi-element geochemistry of Kiyuk drill core, Au-bearing samples are not greatly enriched in LREE relative to the adjacent host rocks and there is no correlation between Au and LREE. However, U is sporadically elevated in Au-bearing samples indicating that the hydrothermal fluid that transported Au was

also able to transport U, and that potentially the ultimate source of the fluid may be similar to that of IOCG deposits (Jones, 2018).

Furthermore, Corriveau *et al.,* (2007) describes IOCG deposits as systems with significant lateral extent with extensive alteration halos which does not fit current observations at the Kiyuk Lake Gold Property. Instead, exploration to date suggests the targets and zones are structurally controlled with very little regional-scale alteration between zones; however, this may be an artifact of the limited exploration to date or the paleodepth of the mineralized system currently being tested.

Although some differences are present between the Kiyuk mineralized showings and the IOCG model, these may simply be distinct characteristics of the Kiyuk mineralizing system, or perhaps the "missing" components have yet to be found in this underexplored area with abundant overburden.

8.1.2 Reduced-Intrusion Related Gold Deposit Model

A RIRG deposit type is supported by the observed Au-Bi association at Kiyuk. However, the lack of widespread quartz veining and the apparent lack of potassic alteration does not support the model. The absence of base metal rich veins that occur distally to plutons in RIRG systems is also a key discrepancy. This however could in part be due to the gold focus exploration programs to date. Granitic stocks have not been identified proximal to gold mineralization. Some of the granitic intrusions in the Kiyuk district have flat magnetic patterns, suggesting they could be relatively reduced. The association of Au and magnetite is generally not characteristic of RIRG deposits.

Jones (2018) reports the presence of felsic-intermediate intrusive rocks at the Rusty Zone. The potential magmatic-hydrothermal nature of the Rusty Zone in association with strong pyrrhotite mineralization and an element association with W, As, Mo, Bi, Te and Sb satisfies the definition for intrusion related gold. A clear relationship with felsic-intermediate intrusives has yet to be identified at the Gold Point Zone and other mineral showings at the Property but the magnetite-destructive alteration would support a reduced setting. In addition, both zones contain a restricted hydrothermal alteration footprint.

The variation in mineralization style between the Gold Point Zone and the Rusty Zone could be reflective of an intrusion-related system where varying styles of mineralization are common. Lang and Baker (2001) described an intrusion-related gold "system" involving:

- Felsic to intermediate intrusion
- Carbonic hydrothermal fluids
- An elemental association of Au with Bi, W, As, Mo, Te and Sb
- Reduced ore mineralogy
- Restricted hydrothermal alteration
- A tectonic setting distal from convergent plate boundaries that has the ability to form multiple styles of Au-mineralization.

A RIRG deposit model for Kiyuk Lake may in part be counter-indicated by the fact that most documented and well-studied reduced intrusion-related system deposits are found in Phanerozoic terranes (Lang *et al.,* 2001). Deposits within older Archean terranes have been suggested; however, these deposits deviate from characteristic reduced intrusion-related systems (Hart, 2007).

8.1.3 Deposit Models Summary

Gold mineralization at Kiyuk has many features that are consistent with an IOCG model, though the lack of Cu, absence of LREE enrichment, and the inconsistent association of Au with Fe-oxide minerals indicate that it cannot be classified as true IOCG-type mineralization. Equally, the various Kiyuk gold mineralization showings and related alterations does not exactly fit the RIRG deposit model.

The inability to unequivocally fit the Kiyuk Lake mineralization to either an IOCG or a RIRG deposit model is not surprising considering the continuum in which mineral deposits form and the overlap of alteration styles. Jones (2018) suggests that that the most appropriate deposit model at this time for the Kiyuk Property might be the broader intrusion-related gold system as described by Lang and Baker (2001) because it permits a number of the potential mineralization components/styles including skarns.

The mineral deposit model(s) will undoubtedly evolve as more exploration takes place on the Property.

8.2 Exploration Methodology

Despite a genetic deposit model not being fully defined, the general characteristics of the mineralized showings and zones at the Kiyuk Lake Gold Property are sufficiently well-defined that targeting based on current geological, geochemical and geophysical data is sound.

9 Exploration

9.1 Previous (Historical) Exploration Programs

Historical exploration conducted on the Kiyuk Lake Gold Property area prior to Margaret Lake's option is described in Section 6.

9.1.1 Qualified Person's Opinion on Sample Methodology, Representivity, and Potential Bias

The author is of the opinion that past surficial sampling methods employed at Kiyuk Lake meet current industry standards. The collection of till and soil samples is considered to have been representative and unbiased, as the samples were collected from pre-determined sample locations in areas for which there was generally no knowledge of pre-existing gold mineralization. Samples were collected by trained personnel and are considered to be of good quality.

The collection of grab, chip and float rock samples during greenfield exploration, such as at Kiyuk Lake, is inherently unrepresentative because sample collection is biased towards sporadic rock exposures and concentrated in areas of suspected mineralization. The purpose of this sampling has been to determine the presence or absence of anomalous concentrations of the target element and/or relevant pathfinder elements in the area; no meaningful estimates of potential grade or quantity can be inferred from the data of such an early-stage exploration program.

9.2 Margaret Lake Exploration Programs

As of the Effective Date, Margaret Lake has completed no exploration work on the Kiyuk Lake Gold Property.

10 Drilling

10.1 Previous (Historical) Drilling Programs

Drilling by previous operators on the Kiyuk Lake Gold Property is presented in Section 6. Drill campaigns were completed by Newmont in 2008, Prosperity in 2011, 2012 and 2013, and Cache in 2017. Descriptions of the protocols and procedures used during the 2008 and 2011 drill programs are not complete. Protocols and procedures used on the 2012, 2013 and 2017 are well documented.

10.1.1 Qualified Person's Opinion on Sample Methodology, Representivity, and Potential Bias

The collection of drill core samples at the Property by previous operators is considered representative and unbiased. Since 2011, core has been sampled continuously from top to bottom of the hole at 1.5 m to 2 m intervals except where changes in lithology, alteration, or sulphide mineralization dictated shorter intervals. Samples were either sawn using a core saw or split using a hydraulic core splitter depending on hardness and condition of the core. No significant bias has been noted based on differing splitting sawing methods. Samples were collected by trained personnel and are considered good quality.

The author is of the opinion that the drilling, logging and sampling procedures and protocols employed by the previous operators are appropriate for the mineralization type and conform to current industry standards with exception to the following:

- Newmont 2008:
  - No record of use of independent QAQC standards and blanks – apparently relied on laboratory internal QAQC
  - No core photography.
- Prosperity 2011:
  - No record of core photography.

The author is unaware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

10.2 Margaret Lake Drill Programs

As of the Effective Date, Margaret Lake had not completed a drill program on the Kiyuk Lake Gold Property.

11 Sample Preparation, Analyses and Security

11.1 Margaret Lake Sample Preparation, Analysis and Security

Margaret Lake has not yet completed any sampling on the Kiyuk Lake Gold Property and the author is therefore unable to comment on Margaret Lake's sample preparation, analytical procedures, and security. Margaret Lake informs the author that its proposed surface sampling and diamond drill programs will conform to industry standards.

11.2 Previous (Historical) Operators – Sample Preparation, Analyses and Security (1991 to 2017)

11.2.1 Surficial Media Samples

Till Samples (Geochemistry)

Till samples collected in 2012 and 2017 were dried at the Kiyuk Lake field camp. Samples were then placed in rice bags and transported to Thompson, Manitoba via fixed-wing aircraft in batch shipments. Upon arrival in Thompson, the camp's expeditor delivered the samples to Manitoulin Transport facilities. In 2012, Manitoulin transported the samples to Acme Analytical Laboratories' (now Bureau Veritas) preparation facility in Timmins, Ontario. Acme confirmed receipt of samples by via email and chain of custody forms were returned to Prosperity. Pulps and rejects were stored at the laboratory for 12 months.

Upon arrival at the Acme preparation facility, the till samples were further dried at 60°C and sieved to -230 mesh. The sieved -230 mesh fractions were then transferred to the main Acme laboratory in Vancouver where they were re-homogenized prior to analysis to mitigate any potential gravity settling of gold grains during transport. A 30 g split was digested in aqua regia acid and analysed for gold and a suite of 36 elements by ICP-MS (Acme Group 1F03).

In 2017, Manitoulin transported till samples to Bureau Veritas' (BV) Vancouver laboratory (formerly Acme). The 2017 samples were prepared and analyzed using the same methodology as in 2012 (BV method AQ252). BV confirmed receipt of samples by via email and chain of custody forms were returned to the exploration manager, CSA Global. Pulps and rejects were stored at the laboratory for 90 days.

Till samples collected as part of the 2012 property-wide sampling campaign (see Section 6.2.7) were, prior to being shipped to ACME, analysed with an Innov-X Systems Delta DP6000 field portable XRF analyser. Other than drying, no additional sample preparation was undertaken in the field. Analyses were made in the soil mode using all three beams with reading times of 20, 45 and 45 seconds respectively. The concentrations of pathfinder elements were recorded by the XRF device and stored in a Microsoft Access database with a link to the field data. After XRF analysis, the samples were packed into sealed and labelled rice bags and were shipped to Acme.

Till Samples (Gold Grain Analysis)

Bulk till samples (8–10 kg) were collected as part of the 2012 orientation study over the Rusty Zone as well as at select sites regionally. The samples were shipped to Thompson, Manitoba via fixed wing aircraft and then to Overburden Drilling Management (ODM) in Nepean, Ontario via Manitoulin Transport. Samples were first

screened to separate the +2.0 mm size fraction. The -2.0 mm fraction was tabled to obtain a heavy mineral concentrate. Gold and other heavy mineral grains were counted from the heavy mineral separates. The +2.0 mm fraction was assessed for lithology counts. Gold grains were classified into size and shape categories. Three classes of transported gold grains were identified: Reshaped, Modified, and Pristine.

Soil Samples

A limited number of A-horizon and B-horizon soil samples were collected in 2012 on the four northernmost lines of the Rusty Zone orientation study. Prior to shipping, the A-horizon soil samples were dried and then analyzed by portable XRF in camp. The samples were shipped to Thompson, Manitoba via fixed-wing aircraft. The expediter then forwarded the A-horizon soils to Acme Analytical Laboratories in Vancouver and the B-horizon soils were shipped to SGS Minerals in Toronto for MMI analysis.

At the Acme laboratory, A-horizon soils were sieved to -80 mesh (<177 µm) and a 0.5 g aliquot of the -80 mesh fraction was digested using aqua regia and analyzed by ICP-MS for 30 elements (laboratory method code 1F).

At the SGS Toronto lab, the B-horizon MMI samples were subjected to a proprietary dilute digestion (MMI-M) designed to remove loosely sorbed ions from the samples and analysed in a reaction cell ICP-MS to allow low detection limits. The pH of these soil samples was also analyzed at SGS using a 1:1 soil: distilled water slurry and electronic pH probe. Prosperity also completed complementary field-based measurements of soil pH.

11.2.2 Rock Samples (Drill Core and Grab)

During Newmont's 2006 to 2008 surface rock sampling and diamond drill programs, all samples were sent to the ALS-Chemex laboratory in Thunder Bay, Ontario for preparation. Samples were crushed to 70% passing 2 mm, a riffle split was then taken and up to 250 g was pulverised to 85% passing 75 microns. Sample pulps were analysed for gold by fire assay and inductively coupled plasma-atomic emission spectroscopy (ICP-AES) finish using a 50 g sample (laboratory method code Au-ICP22). Samples from two holes were also analysed for trace elements using aqua regia digestion and ICP-MS analysis (laboratory method code ME-MS41).

For the 2011, 2012, 2013 and 2017 programs, drill core and surface grab samples were transported to the camp expeditor in Thompson or Winnipeg via fixed-wing aircraft. Rock samples were subsequently shipped to SGS Laboratories in Red Lake, Ontario by ground freight using Manitoulin Transport.

2011, 2012 and 2013 rock samples were prepared by crushing to 75% passing 2 mm and pulverising a 250 g split to 85% passing 75 microns. Gold analyses were by fire assay using a 30 g charge and an atomic absorption spectrometry (AAS) finish (FAA313). Gold assays greater than 10 g/t were routinely re-assayed using a gravimetric finish (FAG303). A pulp of every third sample was forwarded to SGS Toronto for multi-element analyses. The 2012 and 2013 pulps were subjected to four-acid digestion followed by ICP-OES and ICP-MS analyses for major and trace elements (ICM40B). In 2013, multi-element analysis was completed in Vancouver, BC after the Toronto lab closed.

In 2017, samples were prepared at the SGS lab using the same techniques. However, gold analyses were by fire assay using a 50 g charge and an AAS finish (FAA515). Gold assays greater than 10 g/t were routinely re-assayed using a gravimetric finish (FAG505).

Thirty surface rock and drill core samples were selected for whole-rock analysis during the summer of 2012 and winter of 2013. Whole-rock analysis was completed at ALS-Chemex in June 2013 using the Complete Characterization Package, CCP-PGK01 which comprised the following methods:

- ME-ICP06 – 15 major elements by fused bead, acid digestion and ICP-AES. Loss on ignition (LOI) by furnace or Thermogravimetric Analyzer (TGA).
- ME-IR08 – Total carbon and sulphur by Leco furnace.
- ME-MS81 – 31 trace elements by lithium borate fusion prior to acid dissolution and ICP-MS analysis.
- ME-MS42 – nine elements by aqua regia digestion with ICP-MS finish.
- ME-4ACD81 – 10 elements by four acid digestion and ICP-AES finish.

11.2.3 Comments on Analytical Laboratories

ALS Chemex (2006–2008), SGS Minerals Services (2011–2017), and Acme Analytical Laboratories (2012), now BV (2017), all have a quality system compliant with the International Standards Organization (ISO) 9001 Model for Quality Assurance and ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories.

ODM, who conducted the bulk till gold grain analysis in 2012, is a reputable commercial mineral processing laboratory. The author is unaware of any certifications held by ODM.

All labs utilised since 2006 are reputable commercial laboratories independent from the prior operators at the Kiyuk, Margaret Lake, CSA Global and the author.

The author is unable to comment on any laboratories utilized by previous operators prior to 2005 due to insufficient documentation.

11.2.4 Quality Assurance and Quality Control

Given that exploration at the Kiyuk Lake Gold Property has been conducted by several different companies over a period of decades, differing QAQC procedures have been followed. In most cases, it is unclear what QAQC protocols were utilized prior to 2010. That said, analyses for most prospecting and all drilling programs were completed at reputable laboratories. In regard to historical assays (pre-2010), many of the gold showings have since been revisited and resampled in follow-up campaigns and anomalous gold values have persisted, so there is an overall high degree of certainty in the presence of significant gold mineralization in multiple areas on the Kiyuk Lake Gold Property. A summary of QAQC procedures and results follows.

Till and Soil Sampling

Quality control data for the 2012 C-Horizon till sampling program included field duplicates, pulp duplicates, and analysis of certified blanks (CDN BL10) and reference material (OREAS 45c). Review of field and pulp duplicates shows high relative standard deviations of around 50% indicating that the gold data suffer from a nugget effect. Gold results for blanks are all less than the certified value confirming no cross contamination during sample preparation. Gold results for OREAS 45c are within two standard deviations of the certified value confirming the data is accurate. Results for As are also of high quality and show a much lower relative standard deviation than gold which is consistent with nuggety gold.

Quality control data for A-horizon, and B-horizon (MMI), soil sample submission consisted of only laboratory inserted reference materials. Independent assessment of gold values for these materials by Arne (2012h) indicates that results are of acceptable quality; however, the A-horizon field duplicates show considerable variability.

Reproducibility of gold grain counts from ODM was assessed by comparison to field duplicates which had comparable results (Arne, 2012g).

Rock Sampling

Surface Rock (pre-2010)

The initial sampling campaign in 1991 and 1992 was completed prior to handheld GPS aid. Therefore, the precise location of samples was unknown. During the 2012 summer program, an attempt was made to relocate many of the anomalous 1991 and 1992 gold sample sites in order to verify their locations. Many of the sample sites could not be located, particularly samples with numbers starting with "88". Samples collected in the between 2005 and 2009 were recorded in UTM NAD27 datum which resulted in positional errors when they were uploaded into the early Prosperity database which was in NAD 83 datum. Most of the samples from 2006 were located and all were noted to be shifted 40 m southeast. The 2006 samples were re-projected in the database based the NAD27 to NAD83 positional shift observed and confirmed by actual field location measurements. Prosperity noted that it is likely that the locations for other samples taken prior to 2010 and listed in the current database have a positional error of approximately 40–50 m due to their coordinates being in NAD27 rather than NAD83 datum. The author has not verified this observation.

The initial prospecting programs in 1991 and 1992 collected a total of 237 surface rock samples. Gold analyses were completed at Terramin Research Labs Ltd (Calgary). No summary of QAQC procedures is presented in the assessment reports filed for these programs.

In 2006 and 2007, a total of 457 and 30 surface rock samples were collected respectively, although some were taken outside the current limits of the Property (Hauseux and Paul, 2006). Duplicates may have been inserted (suffix "A"); however, there is no record of any reference material used or any comment on evaluation of the quality control results. Check assays were completed in 2006 at ALS Chemex for 165 of the 392 samples collected within the claims; however, there is no documented statistical comparison of the two sets of results. The check assay samples were also submitted for cyanide analyses. Comparison of these results with standard fire assay results show a mean ratio of 42% CN-extractable gold to total gold, suggesting possible refractory gold (Arne, 2012a). Based on this limited test work, there is no obvious relationship between total amount of gold and the amount of CN-extractable gold. At this time, no follow up cyanide leach tests have been completed on any surface or drill core sample.

Surface Rock (2010–2011)

Only 76 surface samples were collected during 2010 and 2011. Gold results for certified reference materials (CRMs) included in these batches have relative standard deviations of <5% compared to the certified values confirming the accuracy of these results.

Surface Rock (2012)

A total of 210 surface rock samples were collected during 2012. Gold results for CRMs inserted every 20th sample are all within three standard deviation of the accepted values confirming an acceptable level of accuracy. No multi-element standards were included with the rock submissions and thus no comment can be made with regard to the quality of the multi-element data.

Drill Core Sampling

Drill Core (2008)

The 2008 diamond drilling program, which was conducted by Newmont, was the first drilling campaign completed within the current limits of the Kiyuk Lake Gold Property. There is no record of insertion of any company quality control materials (blanks, duplicates or CRMs); however, these analyses were completed at Chemex in Thunder Bay (a reputable laboratory) providing some level of certainty of good quality results. No independent assessment of laboratory quality control data has been completed.

In 2009, EVG resampled and re-assayed drill core from the Newmont 2008 program (Turner, 2010). The sample material represents half of the material left over from previous sampling (i.e. half core if no previous sample had been collected from that interval, or quarter core if the interval had already been sampled). Despite the sampling differences between the two sets of samples, such as different sampling intervals and only half of the material, the results were reported as comparable. No independent evaluation has been completed by Prosperity.

Given that the results of the 2008 program were disappointing with respect to gold mineralization, many of the holes were drilled outside now known main showings and the lack of quality control data does not negatively impact the overall prospectivity of the property.

Drill Core (2011)

A brief evaluation of quality control for drill core samples from the 2011 drilling program was completed by Arne (2012a) and included assessment of pulp duplicates, blanks and CRMs. CRMs were inserted every 20th sample. Results for blanks are all less than five times the detection limit and are therefore deemed acceptable. Based on pulp duplicates, the level of precision is acceptable and RSD for values >50 ppb is on the order of 20%. Removing low values (imprecise data) there is generally good reproducibility. An acceptable level of accuracy is evident, based on a cursory review of the values for CRMs where determined results are typically within 15% of the accepted value. As shown in Table 15 the highest value CRM was 1.58 ppm (CDN-CGS-26). Given that >120 samples returned values greater than 1.6 ppb Au, it is clear that a higher-grade standard should be used for future program to ensure accuracy of high-grade samples.

Table 15: CRMs used during the 2011 drill program

CRMs	Certified Au value ± 1SD (ppm)*	Number inserted for 2011 drill program
CDN BL7 (Blank)	<0.01	19
CDN GSP2	0.214 ± 0.02	21
CDN CM12	0.686 ± 0.072	17
CDN CM8	0.91 ± 0.11	15
CDN CGS 26	1.58 ± 0.07	19

**Accepted values from CDN Resource Laboratories Ltd publications.*

Arne (March, 2012a) compared gold values determined by traditional fire assay on a 30 g charge and screen metallics (N=488). In general, the two methods are consistent with mean values of 1.60 for the fire assay and 1.63 for the screen metallic results. Removing samples with <10 times the lower detection limit, it is evident that there is a slight bias towards the fire assay results, such that fire assay results are slightly higher than the screen metallic.

Check assays were completed for 116 drill core samples from the 2011 drill program at ALS Chemex (Arne, 2012b). Many of the pre-existing pulps were exhausted meaning that many of check assays consisted of re-pulverized coarse reject material. A total of nine CRMs were included and the results were within three standard deviations of the accepted value, indicating the check assays were of good quality. Comparing the two sets of values, the data points cluster along a 1:1 line with the exception of two samples that had higher values in the original assay. Screen metallic results for these two samples are lower than the original assay value and provide a better fit to the 1:1 line. The discrepancy of the original assay and screen metallic results is likely due to nuggety gold in those two high grade samples. The relative standard deviation for the paired duplicate data is 56% which is higher than that calculated for pulp duplicate pairs from the original analysis, which is likely due to the fact that many of the samples consisted of coarse crush duplicates and therefore represent the maximum possible variance. Overall, the quality of the check assays is considered to be high and provide good support for the original gold assay data produced by SGS.

Drill Core (2012)

A comprehensive assessment of accuracy and precision of results from drill core samples collected during the 2012 diamond drilling program was completed by Arne (18 May 2012; Internal Memo). This assessment involved review of both Prosperity and SGS quality control data which included analysis of pulp duplicates, blanks and CRMs. CRMs were inserted in camp every 20th sample and consisted of unlabelled packets of pre-made pulp. Table 16 lists the specific CRMs and their respective certified gold value.

Table 16: CRMs used during the spring 2012 drilling program

CRMs	Certified Au value ± 1SD (ppm)*	Number inserted for 2012 drill program
CDN BL10 (Blank)	<0.01	19
CDN GSP2A	0.226 ± 0.03	18
CDN GS2K	1.97 ± 0.18	18
CDN GS5J	4.96 ± 0.42	17

**Accepted values from CDN Resource Laboratories Ltd publications.*

Based on results for all batches submitted from the 2012 drill program, it was found that CRMs were within three standard deviations of the accepted value ~95% of the time, and many of the affected batches contained few data of economic significance. Unfortunately, it was apparent that analysis of CRMs with values ~5 ppm Au was the least satisfactory. Arne (2012e) recommended that in future programs, any FA-AA assays returning values greater than 3 ppm Au should be re-assayed using a gravimetric finish. The threshold for re-assay by the gravimetric method for the 2012 program was set at 10 ppm Au.

Assessment of preparation and pulp duplicates data show relative standard deviations of 24% which are considered good precision for assays of rocks that contain free gold. As noted by Arne (2012e) improved precision could be obtained either though use of bulk analytical methods such as screened metallic or cyanide leach of 500 g samples, or through routine duplicate or triplicate analyses of samples containing significant gold.

Check assays were not completed for any samples from the 2012 drill program.

Drill Core (2013)

During the 2013 drill program, CRMs were inserted in camp, every 20th sample and consisted of unlabelled packets of pre-made pulp. Table 17 lists the specific CRMs and their respective certified gold value.

Table 17: CRMs used during the spring 2013 drilling program

CRMs	Certified Au value ± 1SD (ppm)*	Number inserted for 2013 drill program
CDN BL10 (Blank)	<0.01	18
CDN GSP2	0.214 ± 0.01	23
CDN CM8	0.91 ± 0.055	23
CDN CGS26	1.64 ± 0.055	1
CDN GS5L	4.68 ± 0.16	11
CDN GS5G	4.77 ± 0.4	8
CDN GS5F	5.3 ± 0.18	6
CDN GS13A	13.20 ± 0.36	20

**Accepted values from CDN Resource Laboratories Ltd publications.*

Any FA-AA finish analysis returning 3 ppm Au or greater was re-assayed using a gravimetric finish. This greatly improved the quality of the data and eliminated the deviation around 5 ppm seen in the 2012 data (Pennimpede *et al.,* 2013b).

Check assays were not completed during the 2013 drill program.

Drill Core (2017)

During the 2017 drill program, CRMs were inserted every 20th sample and consisted of unlabelled packets of pre-made pulp. A coarse commercial landscape stone blank was used in 2017 instead of the pulverized CDN-BL10 blank in order to check for potential contamination in the preliminary crushing and pulverizing stages. Table 18 lists the specific CRMs and their respective certified gold value.

Table 18: CRMs used during the summer 2017 drilling program

CRMs	Certified Au value ± 1SD (ppm)*	Number inserted for 2017 drill program
Coarse Limestone Blank	Commercial landscape stone	23
CDN GSP2	0.214 +/-0.01	1
CDN CM12	0.686 ± 0.036	2
CDN CGS26	1.64 +/- 0.055	7
OREAS 216	6.66 +/- 0.16	6
OREAS 229	12.11 +/- 0.206	7

**Accepted values from CDN Resource Laboratories Ltd and ORE Research & Exploration Pty Ltd certificates.*

The laboratory was requested to undertake a fire assay-gravimetric finish (50 g charge) on any sample returning greater than 10 ppm Au.

The 2017 QAQC program also included the insertion of 33 quarter-core duplicate samples. Assessment of primary half-core versus quarter-core duplicate data shows deviations typical for assays of rocks that contain free gold. Independent preparation duplicates and pulp duplicates were not inserted into the shipments.

Check assays were not completed during the 2017 drill program.

Based on results for all batches submitted from the 2017 drill program, CRMs were generally within three standard deviations of the accepted value.

11.3 Author's Opinion on Historical Sample Preparation, Security and Analytical Procedures

The author is of the opinion that the sample preparation, analytical techniques, and QAQC/security protocols employed by previous operators between 2011 and 2017 are appropriate for the sample media and mineralization type and conform to current industry standards and are of sufficient quality to provide the basis for the conclusions and recommendations reached in this Report. There have been no significant issues documented with respect to QAQC. In particular, the assay results from drill core with significant intercepts (2011, 2012, 2013 and 2017 programs) have been shown to be generally accurate and precise.

Detailed descriptions of the sample preparation, analytical techniques, QAQC and security protocols and procedures utilized by previous operators prior to 2011 for assay results disclosed in Section 6 (History) were not available to the author. QAQC data for assay results from these historical programs, if completed, has not been documented and no independent assessment can be made; thus, the quality of these samples cannot be verified. However, most of the gold showings have been resampled in subsequent years and broadly similar gold grades have been confirmed, indicating assays from this initial surface work are acceptable for the purpose of initial exploration and the lack of QAQC information does not negatively impact the overall prospectivity of the Property.

12 Data Verification

12.1 Site Visit

The author was onsite at the Kiyuk Lake Gold Property from 29 July to 9 September 2017 (42 days) as Project Geologist and Supervisor during CSA Global's management of Cache's 2017 diamond drill and till sampling program.

The first week at the Kiyuk Lake Project was spent with Mr Chris Pennimpede, Cache Vice President Exploration, becoming familiar with the Kiyuk Lake Gold Property and camp. During his time at the Property, the author visited the Rusty, Gold Point and East Gold Point showings. The author also visited and oversaw till sampling programs south of the Rusty Zone and north of Kiyuk Lake. The author supervised the 2017 drill program and, as such, reviewed select historical drill core archived at the camp, as well as reviewed and supervised logging, sampling, and QAQC of the 2017 drill core. Historical drillhole locations and outcrops were also checked at the Rusty Zone.

12.2 Historical Data Verification

The Property drillhole Microsoft Access database was provided to the author. A random selection of gold assay records was checked against the laboratory certificates for potential numeric and alpha-numeric errors. Given the import of laboratory analytical data directly from laboratory digital spreadsheets into the drillhole database, no material errors were found.

The author has reviewed available technical reports, online historical third-party exploration assessment reports, online mineral deposit files and various government geological publications pertinent to the Property. The author has also reviewed the sample collection and analytical methodologies of previous operators on the Property and is of the opinion that those methodologies are to current industry standards and permit a meaningful investigation of gold mineralization at the Kiyuk Lake Gold Property.

It is the opinion of the author that the available historical information and data are a reasonable and accurate representation of the Kiyuk Lake Gold Property and are of sufficient quality to provide the basis for the conclusions and recommendations reached in this Report.

13 Mineral Processing and Metallurgical Testing

This section is not relevant to the Property. As of the Effective Date of this Report, no mineral processing or metallurgical testwork have been completed by Margaret Lake or previous operators on the Property.

14 Mineral Resource Estimates

This section is not relevant to the Property. As of the date of this Report, the Property is at an early stage of exploration. Several drill campaigns have been completed on various prospects by previous operators, but no Mineral Resources have been estimated.

15 Adjacent Properties

The author is unaware of any immediately adjacent third-party mineral properties nor of any significant third-party exploration activity in the immediate area of the Kiyuk Lake Gold Property.

16 Other Relevant Data and Information

No additional information or explanation is necessary to make the technical report understandable and not misleading.

17 Interpretation and Conclusions

The gold mineralization discovered to date at the Property is hosted by Paleoproterozoic clastic sedimentary rocks. Mineralization is thought to be associated with Proterozoic magmatic events, specifically the Hudson felsic magmatic suite at 1.85 Ga to 1.81 Ga, and subsequent high-level A-type granites and associated rhyolites of the Nueltin suite at 1.75 Ga. At the Rusty Zone, textural and timing relationships suggest gold mineralization is post-sedimentary and syn- to post-intrusion of intermediate dykes (Jones, 2018). Stable isotope thermometry suggests mineralization took place between 450°C and 600°C and geochronological studies indicate that the intrusion and mineralization occurred before or about 1.83 Ga. It is unknown if the age of mineralization at Rusty is applicable to all gold mineralization prospects at the Property. The Kiyuk Lake gold mineralization differs markedly, in style, from the orogenic gold deposits further north in the Archean Rankin Inlet-Ennadai greenstone belt.

The meta-sedimentary rocks that host gold have undergone sodic and calcic alteration and are veined and locally brecciated. Gold mineralization is associated with pyrrhotite, pyrite, arsenopyrite, quartz, albite, actinolite, dolomite and ferroan calcite, magnetite as well as rare scapolite and tourmaline. Multi-element analysis of surface boulders and diamond drill core indicate positive correlations between gold and As, Bi, Ag, S, Te, W, Na ± Sb, Co, Ni, Cu, and In, although gold is the only metal found in economic concentrations. The different prospects show subtle differences in their geochemical signatures, suggesting zoning. Enrichments in Ca, Mg, and Mn and depletions in K, Rb, Ba are evident in most gold-bearing zones.

Previous workers have suggested that the gold mineralization at Kiyuk Lake may be related to the IOCG and RIRG deposit models. However, it fits none of the models perfectly. Jones (2018) suggests that that the most appropriate deposit model at this time for the Kiyuk Property might be the broader intrusion-related gold system as described by Lang and Baker (2001) because it permits a number of the potential mineralization components/styles including skarns. The mineral deposit model(s) will undoubtedly evolve as more exploration takes place on the Property.

To date, exploration by previous operators on the Kiyuk Lake Gold Property have outlined in excess of 12 gold mineralization showings and zones. At the Rusty Zone, visible gold mineralization is associated with breccias containing pyrrhotite ± pyrite and magnetite in the matrix. At Rusty, sulphide abundance correlates with gold grade; the best grades are in zones with the highest concentrations of pyrrhotite and pyrite. Drill intersections containing greater that 0.5 g/t Au may or may not carry magnetite. Specifically, the northern section of the Rusty Zone typically contains magnetite in infill and associated with gold. To the south, gold concentration is associated with pyrrhotite in actinolite-carbonate-quartz-albite infill lacking magnetite. At the Rusty Zone, 19 diamond drillholes have delineated a zone of mineralization extending from the surface to a depth of 200 m, with a footprint of 250 m x 250 m. Substantial intersections at a cut-off grade of 0.5 g/t Au were returned. The deposit is still open at depth and to the east.

Diamond drilling has also been undertaken at other targets including: Gold Point (12), Cobalt (13), Bancroft (three), North Snake (five), Rasmussen (two), Amundsen (one), Anderson (one) and East Gold Point (one). Anomalous gold values, alteration and brecciation similar to the Rusty Zone, were intercepted at each of the targets. Most have not returned significant widths of gold mineralization, though drilling is at an early stage at these prospects.

The pattern of magnetite-rich breccia zones surrounded by a sulphide-rich infill halo seen at Rusty is repeated at Cobalt, Amundsen, and North Snake, where the flanks of magnetic highs correlate with gold grade and greater sulphide concentration adjacent to a magnetite-rich core. This correlation could help re-evaluate

future drilling of magnetic highs at current and new prospects. At Gold Point and East Gold Point, gold mineralization is associated with pyrite/arsenopyrite and occurs in zones of magnetite destruction within magnetite-rich polymictic conglomerate.

The author concludes that the Kiyuk Lake Gold Property warrants additional exploration.

17.1 Risks

17.1.1 General Risks

As noted in Section 4.4, environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues could potentially materially affect access, title, or the right or ability to perform the work recommended in this Report on the Projects. However, as of the Effective Date of this Report, the Author is unaware of any such potential issues affecting the Projects.

The Author considers the Project-specific risks identified in the following subsections to a low to moderate potential to reasonably affect the reliability or confidence in exploration information obtained to date or exploration programs proposed in this Report.

17.1.2 Exploration Risk

A key risk, common to all exploration companies, is that the targeted mineralization type may not be discovered or that it may be too small to warrant commercial exploitation.

17.1.3 Quality Assurance/Quality Control

A robust QAQC program must be maintained and consistently applied. Given the nuggety nature of the gold mineralization, attention should be paid to ensure that the fire-assay methodology remains adequate at the various individual gold zones that are tested by more extensive diamond drilling programs.

All future drilling should incorporate gyroscopic downhole surveying to mitigate the effects of the presence of magnetite in the bedrock.

17.1.4 Lease Applications

Claim boundary surveys must be completed by Spring 2020 in order to bring 47 mineral claims to lease under Lease applications filed 11 June 2015 and 8 April 2019 (Appendix 1).

17.2 Opportunities

The Property has potential for the discovery of new gold mineralization showings and the expansion of known showings and zones through prospecting, surficial exploration, geophysics and diamond drilling.

18 Recommendations

Continued exploration is warranted at the Kiyuk Lake Gold Project:

- Geological mapping and prospecting and, till geochemical sampling should be continued to define drill targets at known showings and exploration targets defined by 2012 regional exploration.
- Continued diamond drilling to evaluate known showings such as the Rusty and Gold Point zones together with additional testing of showings such as East Gold Point, to demonstrate the presence or continuity of mineralization and to grow the extent mineralization.

18.1 Till Sampling, Mapping and Prospecting

A program of approximately 1,000 till samples is recommended. Infill sampling should be conducted over prospective areas identified from the 2012 regional till program. This semi-regional sampling would be done with samples spaced at 200 m along 400 m spaced lines. To follow up on:

- The Rasmussen showing
- Highly anomalous gold-in-rock samples
- Multi-element anomalies identified from the 2012 property wide till sampling program.

Detailed grid sampling (50 m spaced samples; 100 m spaced lines) could be considered over select prospective areas if time and budget permit. These grids will be orientated perpendicular to known ice flow directions.

Prospecting and mapping are recommended:

- North of Kiyuk Lake.
- Along the gold in boulder trend north of the North Snake showing.
- At the two target wedges “B” and “C” from the 2012 till sampling and magnetic structural interpretation, located up-ice from the Cobalt Zone where no showings have yet to be discovered. Further prospecting and till sampling are required to locate the bedrock source of the geochemical anomaly.

18.2 Diamond Drilling

Further drilling is warranted at Rusty, Gold Point and East Gold Point to expand known mineralisation at each location (Table 19).

Table 19: Proposed diamond drill holes – Rusty Zone

Zone/Showing	Proposed Holes	Target	Length (m)
Rusty	R-PH-1	Offset of high-grade zone (8m @ 26 g/t Au)	200
	R-PH-2	Shallow extension of 2013 south drill holes	200
	R-PH-3	Shallow extension of 2013 south drill holes	200
	R-PH-4	Shallow extension of mineralization out into the mag low from 2013	200
	R-PH-5	Shallow extension of mineralization out into the mag low from 2013	200
	5 holes	***Subtotal***	***1000***
Gold Point	GP-PH-1	South of Gold Point	200
	GP-PH-2	South of Gold Point	200
	2 holes	***Subtotal***	***400***
East Gold Point	EGP-PH-1	50m step out along NE-SW mag destructive feature around KI17-005.	200
	EGP-PH-2	50m step out along NE-SW mag destructive feature around KI17-005.	200
	EGP-PH-3	50m step out along NE-SW mag destructive feature around KI17-005.	200
	3 holes	***Subtotal***	***600***
TOTAL	**10 holes**	**TOTAL**	**2,000**

18.2.1 Rusty Zone

Approximate locations of recommended follow-up holes at the Rusty zone are listed in Table 19 and shown in Figure 24 with green collars. Holes are oriented to the southeast since the breccia hosted mineralization is thought to be plunging steeply towards the west.

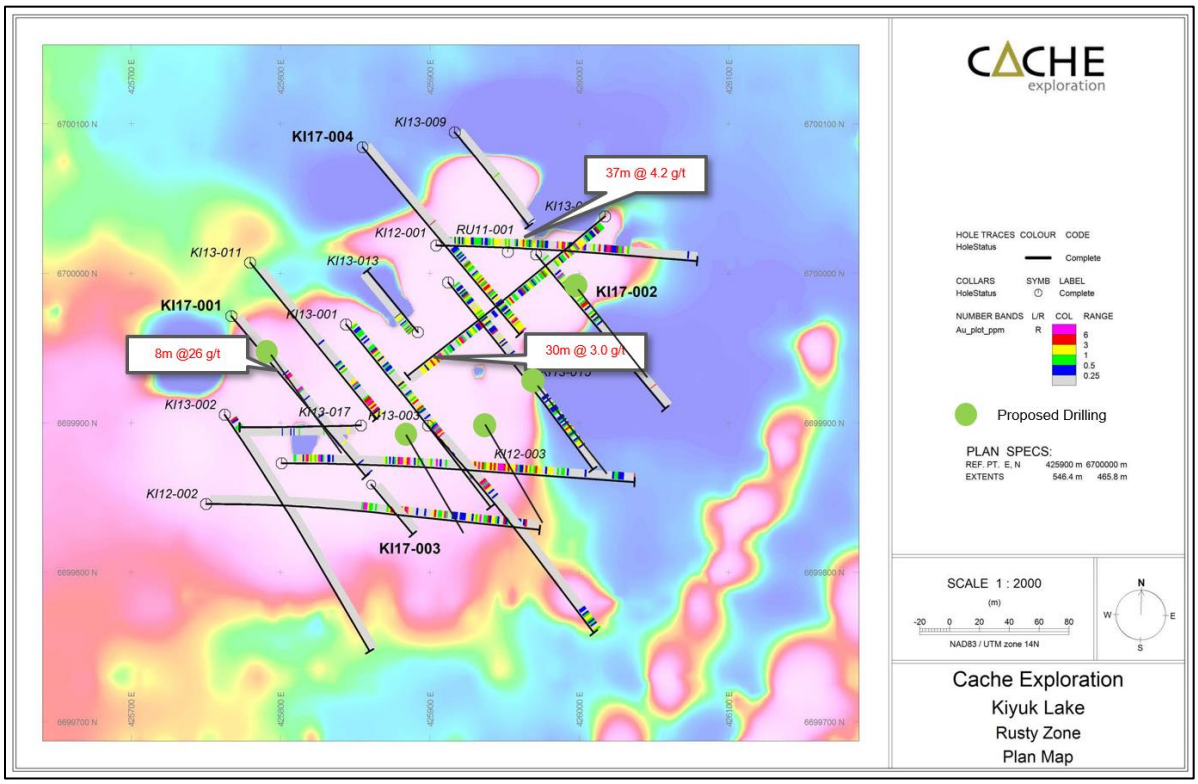

Figure 24: Proposed diamond drill holes – Rusty Zone

Source: Cache (2019)

18.2.2 Gold Point

Two drill holes are recommended to test south of Gold Point showing (Table 19) where a parallel magnetic destructive structure is associated with occasional mineralized rock samples. Outcrop exposure along the prospective structure is poor due to wetlands. Approximate collar locations are shown in Figure 25 as green symbols.

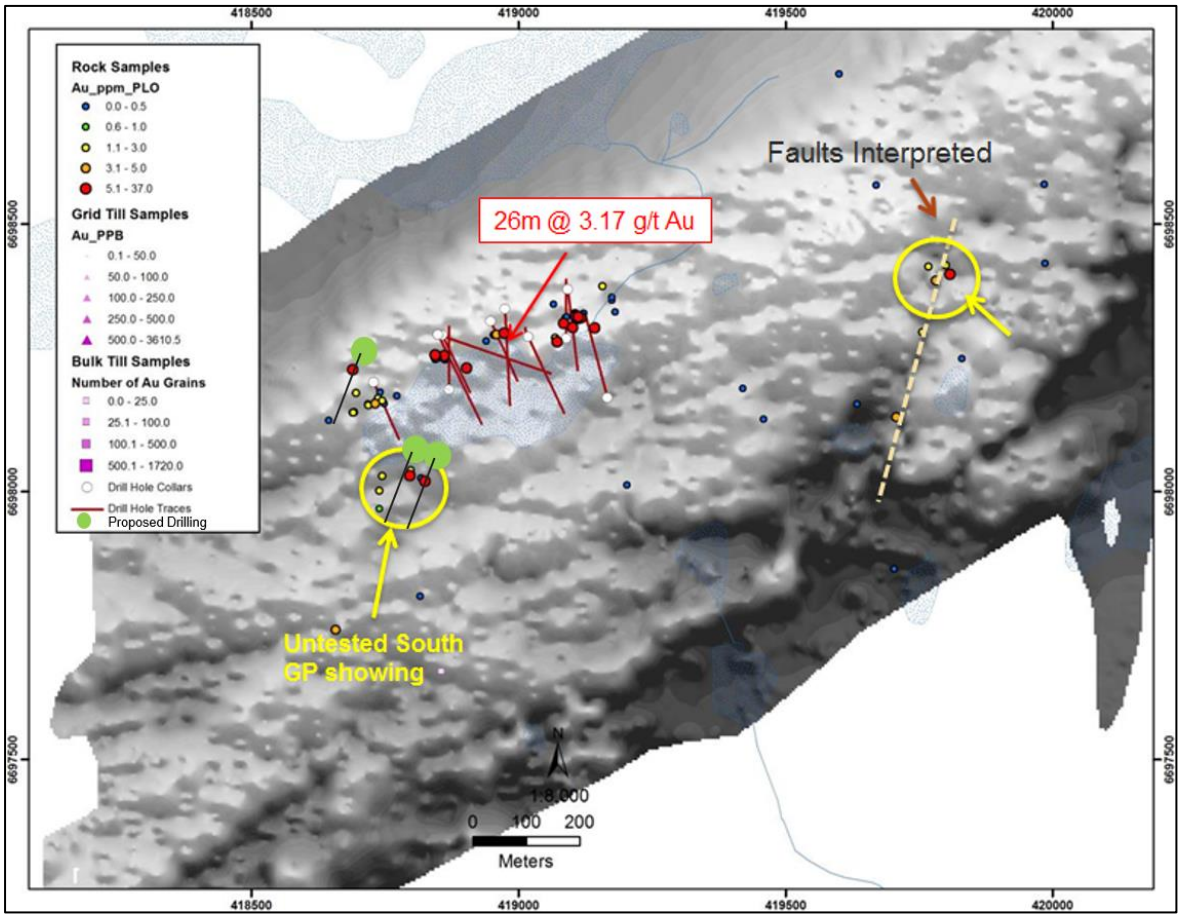

Figure 25: Proposed diamond drill holes – Rusty Zone

Source: Cache (2019)

18.2.3 East Gold Point

KI17-005 was the first drill hole to test a magnetic destructive structure at the East Gold Point showing and intersected a significant gold mineralized interval. Follow-up drilling is recommended to test potential strike extents of the suspected mineralized trend (Table 19). Approximate collar locations are shown in Figure 26 as green symbols.

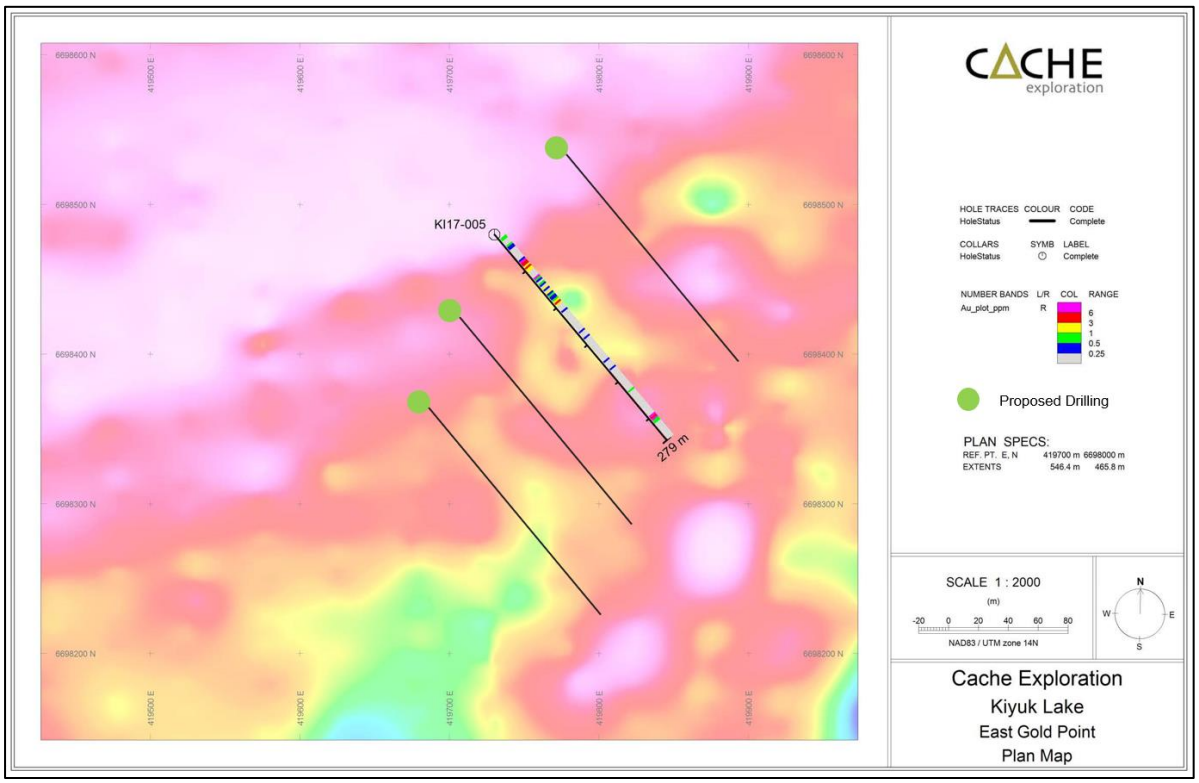

Figure 26: Proposed diamond drill holes – East Gold Point

Source: Cache (2019)

18.2.4 Diamond Drill Comments

The two drills currently stored at the Kiyuk Lake camp are lighter weight units with BTW rod strings which have exhibited difficulty drilling through the boulder rich overburden and associated delays during the last three programs at Kiyuk Lake.

A larger drill with conventional NQ rod string should show better overburden penetration capabilities and a better core production rate. The author recommends a cost-benefit analysis to determine whether a larger drill(s) should be brought in to replace one or both smaller drills currently on site.

18.3 Proposed Budget

Margaret Lake has proposed an initial program comprising 1000 till samples and 2000 m of diamond drilling with which the Author concurs. The six-week exploration program is budgeted at approximately C$ 1,184,000 as presented in Table 20.

Table 20: Proposed Kiyuk Lake Gold Project Exploration Budget

Task	#	Unit	Rate (CAD)	Cost (CAD)
Health and Safety				
Medic	42	day	700	29,400
Supplies	2	fixed	1,000	2,000
			Subtotal	**31,400**
Personnel				
Project Geologist	74	day	750	55,500
Core Logging Geologist	49	month	350	17,150
Geological Tech	42	day	300	12,600
Core Cutter	42	day	250	10,500
Till Samplers (3)	42	day	900	37,800
Camp Manager	42	day	550	23,100
Camp Cook	42	day	400	16,800
Helper/Cleaner	42	day	225	9,450
Expeditor	35	day	300	10,500
			Subtotal	**193,400**
Consultants/Contractors				
Data Handling	10	day	650	6,500
Targetting	5	day	1,250	6,250
Geochem	4	day	1,200	4,800
			Subtotal	**17,550**
Diamond Drilling				
Drilling	2000	m	115	230,000
Foreman	52	day	400	20,800
Drill storage fee (two drills)				8,000
Travel				10,000
Reflex Gyro	60	day	300	18,000
			Subtotal	**286,800**
Analytical Costs				
Till - geochem	1000	sample	25	25,000
Drill core/rock - FA & ME	1000	sample	40	40,000
			Subtotal	**65,000**
Helicopter (Astar) Field/Drill Support				
Helicopter -Astar	120	hr	1,600	192,000
Helicopter - mob/demob	1	fixed	10,000	10,000
			Subtotal	**202,000**
Camp/Field Expenses				
Food	40	day	680	27,200
Geo supplies, camp office				5,000
Camp rental				36,850
Lumber				1,000
			Subtotal	**70,050**
Software Rental				**5,000**
Satellite Communications				**10,100**
Commercial and Charter Airfare/Charter Supply Flights				**188,950**
Fuel (gasoline only; JetA, diesel and propane stored onsite)				**1,250**
Camp Equipment				**5,000**
			Total	**1,076,500**
			Contingency	**107,650**
			Grand Total	**1,184,150**

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Appendix 1: Kiyuk Lake Claim Status

Status	Tenure type	Disp'n #	Disp'n name	Hectares	Record date	Anniversary date	End date	Annual payment ($)	Owner	Notes
Active	Lease	L-5538	L-5538	456.00	12-May-14	12-May-20	11-May-35	$1,140.00	Montego Resources Inc	Formerly claim F65194 KIY 1
Active	Lease	L-5539	L-5539	628.00	12-May-14	12-May-20	11-May-35	$2,607.50	Montego Resources	Formerly claim F65195 KIY 2
Active	Lease	L-5540	L-5540	415.00	11-Feb-15	11-Feb-20	10-Feb-36	$1,037.50	Montego Resources	Formerly claim F65196 KIY 3
Suspended	Claim	F95846	MAR 13	1,003.62	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95847	MAR 14	1,024.26	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95848	MAR 15	1,042.87	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95849	MAR 16	1,024.26	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95850	MAR 17	836.08	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95851	MAR 18	627.26	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95852	MAR 19	1,024.26	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95853	MAR 20	1,024.26	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95854	MAR 21	1,003.62	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F95855	MAR 22	627.26	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97771	MAR 01	1,003.62	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97772	MAR 02	1,003.62	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97773	MAR 03	887.88	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97774	MAR 04	342.77	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required

Status	Tenure type	Disp'n #	Disp'n name	Hectares	Record date	Anniversary date	End date	Annual payment ($)	Owner	Notes
Suspended	Claim	F97775	MAR 05	334.67	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97776	MAR 06	951.42	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97777	MAR 07	823.13	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97778	MAR 08	1,024.26	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97779	MAR 09	1,021.02	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97780	MAR 10	1,037.61	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97781	MAR 11	1,003.62	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	F97782	MAR 12	757.98	14-Jul-06	14-Jul-19			Montego Resources	Mining Lease application 11 June 2015; survey required
Suspended	Claim	K10691	KYK 51	627.06	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10692	KYK 52	627.06	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10696	KYK 56	836.08	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10697	KYK 57	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10698	KYK 58	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10699	KYK 59	627.06	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10715	KYK 15	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10716	KYK 16	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10717	KYK 17	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10723	KYK 23	731.57	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required

Status	Tenure type	Disp'n #	Disp'n name	Hectares	Record date	Anniversary date	End date	Annual payment ($)	Owner	Notes
Suspended	Claim	K10724	KYK 24	836.08	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10725	KYK 25	376.24	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10727	KYK 27	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10728	KYK 28	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10729	KYK 29	836.08	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10731	KYK 31	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10732	KYK 32	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10733	KYK 33	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10734	KYK 34	250.82	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10737	KYK 37	877.88	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10738	KYK 38	1,003.30	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10741	KYK 41	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10742	KYK 42	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10745	KYK 45	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Suspended	Claim	K10746	KYK 46	1,024.20	11-Apr-08	11-Apr-19			Montego Resources	Mining Lease application 8 April 2019; survey required
Active	Claim	K15938	KL 18	940.59	04-Apr-12	04-Apr-21			Christopher Pennimpede	
Active	Claim	K15939	KL 19	752.47	04-Apr-12	04-Apr-22			Christopher Pennimpede	
Active	Claim	K15940	KL 20	752.47	04-Apr-12	04-Apr-22			Christopher Pennimpede	
Active	Claim	K16057	KL 17	1,003.30	04-Apr-12	04-Apr-22			Christopher Pennimpede	

Appendix 2: Nunavut Mineral Land Tenure

Mining Rights in Nunavut

The territory of Nunavut was created on April 1, 1999, after the signing of the Nunavut Agreement in 1993. Spanning 2 million km_2, the territory has 25 communities and a population of 37,996. Inuit represent 85% of the residents, creating the foundation of the territory's culture and values. With the exception of Baker Lake, communities are located on coasts, where hunting and fishing traditionally sustained the Inuit. There are no roads to Nunavut or connecting communities in Nunavut. Access is mainly by air with ships delivering supplies during the open water season.

As a modern-day treaty, the 1993 Nunavut Agreement provides certainty and clarity of rights to ownership and use of lands and resources within Nunavut. It gave Inuit fee simple title to 356,000 km^2 of land, making the Nunavut Agreement the largest Aboriginal land settlement in Canadian history. There are 944 parcels of Inuit Owned Land (IOL) where Inuit hold surface title only. The Crown retains the mineral rights to these lands. Inuit also hold fee simple title including mineral rights to 150 parcels of IOL, which totals 38,000 km^2 and represent approximately 2% of the territory. Surface title to all IOL is held in each of the three regions (Kitikmeot, Kivalliq and Qikiqtani) by the respective Regional Inuit Association (RIA), while title to subsurface IOL is held and administered by Nunavut Tunngavik Incorporated (NTI). Exploration agreements and mineral production leases are negotiated by NTI on land where it owns the subsurface rights, while access permission and land use licences are granted by RIAs on all IOL (CIRNAC, 2018).

The Government of Canada administers subsurface rights for the remaining 98% of Nunavut (Crown lands). There are three main types of mineral interests under the Nunavut Mining Regulations: a mineral claim, a prospecting permit, and a mineral lease, also referred to as mining lease. All are issued by Crown-Indigenous Relations and Northern Affairs Canada's (CIRNAC) Nunavut Regional Office. The Mining Recorder's Office (MRO) is responsible for subsurface rights administration of Crown land. Surface rights for Crown land are administered according to the Territorial Lands Act and its regulations.

Summary of Nunavut Mining Land Tenure

The following is an abbreviated summary. Please see the Nunavut Mining Regulations for a complete and official description of Nunavut mining land tenure types and requirements.

On Crown lands, a licence to prospect is required to:

- Prospect;
- Record a mineral claim;
- Apply for a prospecting permit;
- File for representation work credits (for a claim or claim groups); or
- Acquire a mineral lease.

Any person 18 years of age and over can apply for a licence to prospect, as can any company registered with the Registrar of Corporations in accordance with the Business Corporations Act (BCANU) which is administered by the Department of Justice (DOJNU).

Prospecting Permits

Prospecting permits provide exclusive exploration rights within assigned boundaries, but do not include mineral rights or surface rights. Permit areas vary from 8,319 ha (20,557 acres) to 29,000 ha (71,661 acres);

each area is one quarter of a mineral claim staking sheet (1:50,000 scale map based on the National Topographic System).

Applications for prospecting permits must be submitted between 1 February and close of business on the last business day of November before the year in which it is to commence. Applications are reviewed in the order in which they are received, and all the prospecting permits issued are effective as of the following 1 February. Each permit is valid for three years for areas south of 68°N and five years for areas north of 68°N.

The following rent must be paid for a prospecting permit:

- For a prospecting permit zone located south of 68° north latitude:
  - before the close of business on the last business day of November in the year in which the application for the permit is made, an amount equal to the number of hectares in the permit zone multiplied by $0.25
  - before the start of the second year of the permit, an amount equal to the number of hectares in the permit zone multiplied by $0.50
  - before the start of the third year of the permit, an amount equal to the number of hectares in the permit zone multiplied by $1.00.
- For a prospecting permit zone north of 68° north latitude:
  - before the close of business on the last business day of November of the year in which the application for the permit is made, an amount equal to the number of hectares in the permit zone multiplied by $0.25
  - before the start of the third year of the permit, an amount equal to the number of hectares in the permit zone multiplied by $0.50
  - before the start of the fifth year of the permit, an amount equal to the number of hectares in the permit zone multiplied by $1.00.

A permittee who has done work in respect of a zone for which they have a prospecting permit may request remission of the charges the permittee has paid or is obligated to pay for that permit by submitting a report on the work to the Mining Recorder no later than 60 days after the expiry of the permit.

Active prospecting permits may be transferred to another individual or company holding a valid licence to prospect. A permit holder with a valid prospecting permit may, at the end of the first or second work period, relinquish the rights under the permit. Failure to make the required expenditures may result in the permit being cancelled and any unrefunded work deposits forfeited.

After the required amount of exploration work has been completed and approved (cost of work equal to or greater than the number of hectares in the permit zone multiplied by $0.25), the permit holder can stake claims within the permit areas. The staked areas no longer form part of the permit areas. Work done to the permit areas may be transferred to the claims staked within the permit area provided they were staked during the life of the permit.

Once a permit has expired, the holder of the expired permit may not stake a claim, or acquire a permit, within the permit area for a minimum of one year after the date of expiry.

Mineral Claims

The area of a claim must not exceed 1,250 ha. Every claim must, as nearly as possible, meet all the following specifications:

- It is rectangular in shape unless they adjoin lands where staking is prohibited. No "L," "U" or donut shaped claims are allowable.
- Its boundaries run north, south, east and west astronomically.
- The length of each boundary is 500 m or a multiple of 500 m.
- The length of the longest boundary is not more than five times the length of the shortest.

Before staking, determine if there are IOL surface lands or areas in which the minerals are withdrawn such as IOL subsurface lands. If there are IOL surface lands, a surface access permit must be obtained from the applicable RIA. Prior to staking, all companies or individuals should refer to relevant maps available in the MRO, Nunavut, to determine Withdrawn Areas or potential areas of withdrawal.

The boundaries and corners of a claim must be marked by legal posts. Four identification tags, issued by the Mining Recorder with the following inscriptions, are used to identify the corners of a claim: "NE 1" for the northeast corner, "SE 2" for the southeast corner, "SW 3" for the southwest corner and "NW 4" for the northwest corner. The Nunavut Mining Regulations provides step-by-step instructions on the specific requirements and procedures for locating and staking mineral claims.

Each claim must be submitted for recording at the MRO within 60 days after the first day of staking. The application to record a mineral claim must be submitted with a fee and a sketch map showing the position of the claim relative to the surrounding topographical features and adjoining claims. Claims are recorded as of the date of receipt of the completed application, which becomes the anniversary date of the claim.

Mineral claims may be held for up to 10 years from the dated it was first recorded, if all the required representation work has been completed. The holder of a recorded claim has the exclusive right to prospect and develop any mineral discoveries within the staked area, however the claim does not give the holder any surface rights.

To keep the claim in good standing, work to the value of $10.00/ha for the first two years and $5.00/ha for subsequent years must be submitted. The claim holder must, no later than 90 days after the end of the period during which the work must be done, submit to the Mining Recorder a report of the work that has been done in respect of the claim; or an application for a one-year extension to do the work.

No representation work is required on a recorded claim after an application is filed for a mineral lease by the holder of the claim.

If a claim holder fails to file the required representation work, or to apply for an extension or a mineral lease within the required time, the Mining Recorder sends a lapsing notice 30 days after the anniversary date of the claim and the claim will lapse automatically if the required remedy is not made within 60 days.

Mineral claims or any interests therein on Crown lands may be transferred to another individual or company holding a licence to prospect provided all the required fees have been paid. The transfer is subject to all liens or encumbrances registered at the time of the transfer.

For one year after the recording of a claim is cancelled, the former claim holder and any person related to the former claim holder are not permitted to apply for a prospecting permit for a zone, or apply to record a claim, that covers any part of the area that was covered by the claim the recording of which has been cancelled; or acquire a legal or beneficial interest in that prospecting permit or claim.

Mineral Leases

Claims cannot be taken past the 10th year unless a lease is applied for. The lease allows the holder to prospect, develop, extract or sell minerals from the land within the lease area. A mineral lease does not convey any surface rights. An application for a mineral lease may be made at any time and:

- Be accompanied by the applicable fee set
- Be received by the Mining Recorder at least one year before the end of the duration of the claim or of the claim that has the earliest recording date of any of the claims in the collection of contiguous claims
- Before a lease is issued
- An official plan of survey of the claim, or the collection of contiguous claims, must have been
- Certificates of work must have been recorded with respect to the claim, or with respect to each claim in the collection of contiguous recorded claims, that allocate to the claim, or to each claim, a cost of work of at least $25/ha, of which the total of the costs of the official plan of survey and of the construction of any roads, airstrips or docks does not exceed $5/ha
- The rent for the first year of the lease must have been paid to the Mining Recorder.

Mineral leases are issued for a 21-year period and may be renewed for additional 21-year periods, as long as all required rents are paid. Annual rents are $2.50/ha for the first 21-year lease period and $5.00/ha during each renewed term of 21 years. The rent must be paid to the Mining Recorder before the anniversary date of the lease.

There is no requirement under the Nunavut Mining Regulations to report any work done on a mineral lease.

Mineral leases may be transferred to another individual or company holding a licence to prospect, provided all the required fees, rents and royalties have been paid. The transfer is subject to all liens or encumbrances registered at the time of the transfer.

Mineral lease holders may surrender a lease at any time during the term of the lease. A mineral lease may be cancelled if the rent is not paid within the 60-day rental notice period. A lease will lapse if no renewal action has been taken within the 60-day period.

For one year after a lease is cancelled, the former lessee and any person related to the former lessee are not permitted to apply for a prospecting permit for a zone, or apply to record a claim, that covers any part of the area that was covered by the cancelled lease; or acquire a legal or beneficial interest in that prospecting permit or claim referred to in paragraph.

Appendix 3: Glossary of Technical Terms and Abbreviations

%	percent
°	degrees
°C	degrees Celsius
AAS	atomic absorption spectrometry
Au	gold
BCAN	Business Corporation Act
BV	Bureau Veritas
C$	Canadian dollars
Cache	Cache Exploration Inc.
CIRNAC	Crown-Indigenous Relations and Northern Affairs Canada
cm	centimetre(s)
Comaplex	Comaplex Minerals Corp.
CRM	certified reference materials
CSA Global	CSA Global Consultants Canada Ltd
DOJNU	Department of Justice
EVG	Evolving Gold Corp.
Fe	iron
g	gram(s)
g/t	grams per tonne
GPS	global positioning system
GSC	Geological Survey of Canada
ha	hectare(s)
ICP-AES	inductively coupled plasma-atomic emission spectroscopy
ICP-MS	inductively coupled plasma-mass spectrometry
IOCG	iron oxide copper-gold
IOL	Inuit Owned Lands
IP	induced polarisation
ISO	International Standards Organization
kg	kilogram(s)
km	kilometre(s)
km^2	square kilometres
LOI	loss on ignition
m	metre(s)

m^3	cubic metre(s)
Margaret Lake	Margaret Lake Diamonds Inc.
mm	millimetre(s)
MMI	mobile metal ion
Montego	Montego Resources Inc.
MRO	Mining Recorder's Office
NAD	North American Datum
Newmont	Newmont Canada Limited
NIRB	Nunavut Impact Review Board
Northern Empire	Northern Empire Resources Corp.
NPC	Nunavut Planning Commission
NSR	net smelter return
NTI	Nunavut Tunngavik Incorporated
NWB	Nunavut Water Board
ODM	Overburden Drilling Management
ppb	parts per billion
ppm	parts per million
Prosperity	Prosperity Goldfields Corp.
QAQC	quality assurance/quality control
RIA	Regional Inuit Association
RIRG	reduced intrusive related gold
SG	specific gravity
TGA	thermogravimetric analyser
the Company	Margaret Lake Diamonds Inc.
the Issuer	Margaret Lake Diamonds Inc.
the Optioner	Cache Exploration Inc.
the Property	Kiyuk Lake Gold Property
UTM	Universal Transverse Mercator
WGS	World Geodetic System
XRF	x-ray fluorescence

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