TECHNICAL REPORT ON
THE BAKER GOLD PROJECT

Toodoggone Region British Columbia, Canada

Centered at: 57.285° N and 127.111° W

PREPARED BY:

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1) SUMMARY

The Baker Gold Project (the "Baker Project" or "Property") is located in the Toodoggone region of the Omineca Mining Division, 430 km northwest of Prince George, British Columbia. The Property is situated 35 km northwest of the former Kemess South open pit gold-copper mine. The Baker Project consists of 54 mineral claims, and 2 mining leases, all 100%-owned by Multinational Mining Inc., a 100% owned subsidiary of Sable Resources Ltd. The claims cover 6,601 hectares of land that encompass the Baker Gold Project which includes the past-producing Dupont-Baker 'A' and Multinational 'B' underground gold-silver mine, and the past-producing Shasta open pit/underground gold-silver mine, as well as multiple gold, silver, and copper showings. Access to the project is provided by a series of branching gravel roads, including the Finlay Forest Service Road that begins south of the town of Mackenzie, then connects to the Omineca Resource Access Road (ORAR). The ORAR continues beyond the end of the Kemess South mine access road, past the Sturdee River gravel airstrip located 10 km south, to the Project. Road access is currently seasonal and the driving time to the property from Prince George is 9 hours.

The Property lies within the Toodoggone region within a portion of the Stikine Terrane. The Stikine Terrane is comprised of Paleozoic to Mesozoic island arc assemblages and overlying Mesozoic sedimentary sequences within the Intermontane Belt. The oldest rocks exposed in the Toodoggone region consist of crystalline limestone of the Devonian Asitka Group. They are unconformably overlain by mafic volcanic rocks of the Upper Triassic Takla Group. Takla Group volcanic rocks are in turn overlain by bimodal volcanic and sedimentary strata of the Lower Jurassic Toodoggone Formation of the Hazelton Group.

The Baker Project is underlain primarily by andesitic to basaltic rocks of the Upper Triassic Takla Group, and feldspar porphryritic rocks (volcanic and intrusive) of the Toodoggone Formation. Past operators have recognized low to intermediate-sulphidation epithermal gold-silver mineralization occurring in association with northeast, northwest, north-northwest trending, sub-vertical to steeply dipping faults, and Cu-Au porphyry style alteration. Past production has occurred on the northwest portion of the Property from the Dupont/Baker 'A' vein and Multinational 'B' vein, and on the southeast portion of the Property from the JM and Creek zones. On a seasonal basis in 2004 and 2005, Sable completed a small test pit on the Creek zone, and mined and processed 15,000 tons (Craft, E.M., 2007). Underground operations resumed in 2007, and between 2008 and 2012, Sable mined approximately 105,000 tons from the Creek zone (Tetratech EBA 2015).

The property is considered to be an early stage exploration property. Currently, the historic mineral resources and historic mineral reserves on the Property have been depleted by mining activities over the past decades; exploration has shifted to focus on extensions along strike/dip from previous historic mine developments, and on new or under-explored locations by reverting to early-stage exploration techniques on various showings across the property. In 2015, Sable conducted a prospecting and lithogeochemical survey over the northwest portion of the Property (including, but not limited to, areas with historic mining activities). Geochemical assay results identified three separate multi-element anomalies that are likely related to hydrothermal alteration and possibly porphyry style mineralization (interpreted using models presented in: Dilles, J.H., 2012). All three areas identified fall within the northwest portion of the property and show coincident multi-element pathfinders, specifically gold ("Au"), Bismuth ("Bi"), Copper ("Cu"), Molybdenum (“Mo”), Selenium (“Se”), and Thallium (“Tl”). Although the trace element concentration is not economical, it represents areas where there is increased prospectively for identifying both intermediate to high sulphidation precious metal deposits and porphyry Cu-Au style deposits.

The author concludes that there remains excellent potential for the discovery of additional epithermal deposits like those that have been discovered, explored, and developed to date, including untested extensions along strike and to depth from pre-existing historic development. In addition, there exists the possibility for the discovery of a near-surface or buried 'bulk tonnage' Cu-Au porphyry style deposit. It is recommended that exploration of the Baker Project continues. The main components of the proposed exploration program should include compilation and modern 3D modelling of all historic surface and underground workings, additional surface geochemistry and mapping surveys, and diamond drilling. A proposed exploration program totaling $330,000 is recommended by the author.

2) INTRODUCTION

2.1 PURPOSE OF REPORT AND TERMS OF REFERENCE

Sable Resources Ltd. ("SRL" or "Sable") retained the author to prepare an independent National Instrument 43-101 (NI 43-101) Technical Report (the "Report") for its 100%-owned Baker Gold Project (the "Project") located in the Omineca Mining Division, in the Toodoggone region of north-central British Columbia, Canada.

Neither the author of this Report, nor their family members or associates, have a business relationship with SRL or any associated company. In addition, the author does not have any financial interest in the outcome of any transaction involving the Project that is the subject of this Report other than payment of professional fees for the work undertaken in preparation of the Report. The discussions, conclusions and recommendations expressed in this Report are those of the author and independent of SRL.

The material in this technical report or referenced herein is sourced from material provided by Sable, previous assessment reports, and internal reports, selected publications, various provincial resources available for review, as well as information gathered during the authors work on the property over the period of several years. There were no limitations put on the author in the preparation of this Report. The purpose of this Report is to summarize the Project history and along with recent exploration activities, to provide an exploration framework and recommendations for future work.

The Report was prepared for Sable concerning the Baker Gold Property in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies. The terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" used in this Report are Canadian mining terms as defined in the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by CIM Council on May 10, 2014 and incorporated by reference in National Instrument 43-101 ("NI 43-101"). While the terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are recognized and required by Canadian securities regulations, they are not defined terms under standards of the United States Securities and Exchange Commission. As such, certain information contained in this Report concerning descriptions of mineralization and resources under Canadian standards is not comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of the United States Securities and Exchange Commission.

2.2 QUALIFIED PERSONS AND SITE VISIT

The author of the report, Adrian Smith, P.Geo., is a qualified persons ("QP") as that term is defined in National Instrument 43-101, Standards of Disclosure for Mineral Projects, and in accordance with Form 43-101F1.

Author Smith has previously worked on the Property for extended periods between June 2008 and May 2011. During the periods of work on the property Mr. Smith was involved in geological mapping, trenching, and sampling programs on various mineral occurrences discussed in this report spread across the Property.

Mr. Smith was also extensively involved in detailed underground mapping and sampling during active mine development at the Shasta gold-silver mine. Mr. Smith is also familiar with the regional geology of the Toodoggone region.

Exploration work carried out in 2012, 2015, and 2016 since Mr. Smith ceased work on the Property, while providing additional detail to the geochemical and lithological distribution within the alteration system centered roughly on the Baker/Dupont mine, has not resulted in a material change to the technical or scientific understanding of the Property and produced no drilling results or significant gold, silver, or copper grades contained in assay data. Mining activity ended shortly after the author's last visit to the subject Property due to financial difficulties rather than a material change in the technical aspects of the project. Further, Mr. Smith has extensively reviewed and conversed with the author of the exploration reports conducted since Mr. Smith's last site visit, as well as reviewed publicly available government inspection reports, and Company Sedar filings.

The above taken together, it is concluded by the author that there has been no material change to the Property and the author's most recent property visit can be considered current.

2.3 UNITS AND CURRENCY

All units of measurement in this Report are metric unless otherwise stated. Some historical records and figures that are disclosed in the Report are reported in Imperial measurements.

Base metal values are reported in percent (%), parts per billion (ppb), or parts per million (ppm). Historical gold and silver grades are reported in their original unit of "oz Au per ton" (ounces per short ton gold), or, "oz Ag per ton" (ounces per short ton silver), although in some cases metric equivalents are also given for clarity. Recent gold and silver analyses are reported in parts per billion (ppb) and parts per million (ppm) respectively, or g/t Au (grams per metric tonne gold) and g/t Ag (grams per metric tonne silver).

Currencies are reported in Canadian dollars unless otherwise stated.

Additional abbreviations and symbols used:

>	greater than
<	less than
BD	below detection
AR	Assessment Report
ARIS	Assessment Report Index System
a.s.l.	above sea level
c.c.	correlation coefficient
C	centigrade
g	gram
ha	hectare
kg	kilograms
km	kilometre

t	metric ton
tpd	tons per day
m	metre
Ma	million years (pertaining to ages and/or elapsed time)
MINFILE	Mineral Inventory – BC Ministry of Energy and Mines
NSR	Net Smelter (return) Royalty
oz.	ounces
ppb	parts per billion
ppm	parts per million
QA/QC	quality assurance/quality control
4WD	four wheel drive
FSR	Forest Service Road

3) RELIANCE ON OTHER EXPERTS

The author is required by NI 43-101 *Standards of Disclosure for Mineral Projects* to include descriptions of Project title and terms of legal or purchase agreements that are presented in this Report. No Title Opinion for the claims that comprise the Baker Project was provided to the author by SRL. Title was confirmed by independently reviewing the digital tenure records listed on the Province of British Columbia's "Mineral Titles Online" website (https://www.mtonline.gov.bc.ca) on June 9th, 2017. The validity of the data and information presented in this report is taken to be representative, but disclosed as historic in nature, and the project is considered an "early stage exploration property".

4) PROJECT DESCRIPTION AND LOCATION

4.1 LOCATION

The Baker Project is located approximately 450 km north-northwest of Prince George in the Omineca Mining Division of north-central British Columbia (Figure 4.1). The Project is situated 45 km northwest of the past-producing Kemess South open pit copper-gold mine ("Kemess South"). It is centered at Latitude 57.285° N and Longitude 127.111° W or, in NAD 83 (Zone 9) UTM co-ordinates, 6350723 N and 613892 E, and covers parts of two BCGS mapsheets: 094E.025 and 094E.026.

4.2 DESCRIPTION

The Baker Project consists of 54 contiguous British Columbia Mineral Titles Online (MTO) claims, and 2 British Columbia Mineral Titles Online (MTO) mining leases 100%-owned by Multinational Mining Inc., a 100% owned subsidiary of Sable Resources Ltd. and shown in Fig 4-2. The mineral claims are in good standing until October 14, 2017, and are as described in Table 4-1. The mining leases are 40-year term leases, due for renewal on June 13, 2020 and September 10, 2021 for the past producing Shasta and Baker mines respectively, and with lease payments due annually. The 'Good to date' presented in Table 4-1 for Mining leases 243451 and 243454 are the dates to which the annual lease payments have been made to, and not the date for renewal of the 40-year term lease term.

The claims cover 6,601 hectares of land that encompass the Baker project which includes former Dupont-Baker 'A' and Multinational 'B' underground gold-silver mine, and the former Shasta open pit/underground gold-silver mine, as well as multiple gold, silver, and copper MINFILE occurences as listed in Table 7-3 and shown in Figure 4-3

Historically, and referred to in this report, the "Chappelle Group" claims encompass the past producing Dupont/Baker 'A' and Multinational 'B' and covers an extensive zone of pyrite enriched, gossanous alteration extending from the Black Gossan MINFILE showing in the center of the current property to the Western edge, and informally defined and depicted in Figure 4-3.

The "Shasta Group" claims, as referred to in this report, covers the former Shasta mine and is informally defined and depicted in Figure 4-3.

To the authors' knowledge, SRL has not entered into any joint venture or option agreement with other entities on the Baker Project. SRL, through wholly owned subsidiary Multinational Mining Inc., is the 100% owner of all of the claims that comprise the Project, free and clear of any liens and other encumbrances, but subject to a 0.5% royalty obligation on the Shasta Mining Lease (Title Number 243454), and select mineral titles (Title Numbers: 505435, 505436, 505432, 505431, 505434, 505430) to the beneficiary International Royalty Corporation.

4.2.1 Mackenzie Land and Resource Management Plan

The Baker Project is not directly encumbered by any provincial or national parks, or other protected areas. The Project lies fully within the Mackenzie Land and Resource Management Plan ("LRMP"). LRMPs provide strategic level direction for managing Crown land resources and identify ways to achieve community, economic, environmental and social objectives. The Mackenzie LRMP recognizes the importance of mineral resources and mining and, in that regard, provides the following direction:

"Minerals Objective – Maintain opportunities and access for mineral exploration, development and transportation while having due regard to impacts on other resource values. Provide opportunities for exploration and development of mineral resources within the regulatory framework and consistent with the management intent of this zone. Accommodate localized impacts of advanced exploration and development activities with existing legislation. There is no intention or direction suggested in the objectives and strategies for this zone to cause undue operational approval delays by government for development or exploration proponents."

Specifically, the Project lies within the Toodoggone Lake/River - Special Subzone (#7B) of the Thutade - Mining and Wildlife Special Resource Management Zone (#7). The Mackenzie LRMP describes the management intent for the Thutade RMZ as:

"The intent of this zone is to manage for the conservation of non-extractive values such as wildlife and wildlife habitat, fish and fish habitat, heritage and culture, scenic areas, recreation and tourism. This zone also has a special emphasis on mineral development and related access. Opportunities are maintained for timber, mineral and oil and gas development. As this RMZ is adjacent to an existing park and a protected area, resource development should be sensitive to the intended objectives of the existing park and protected area."

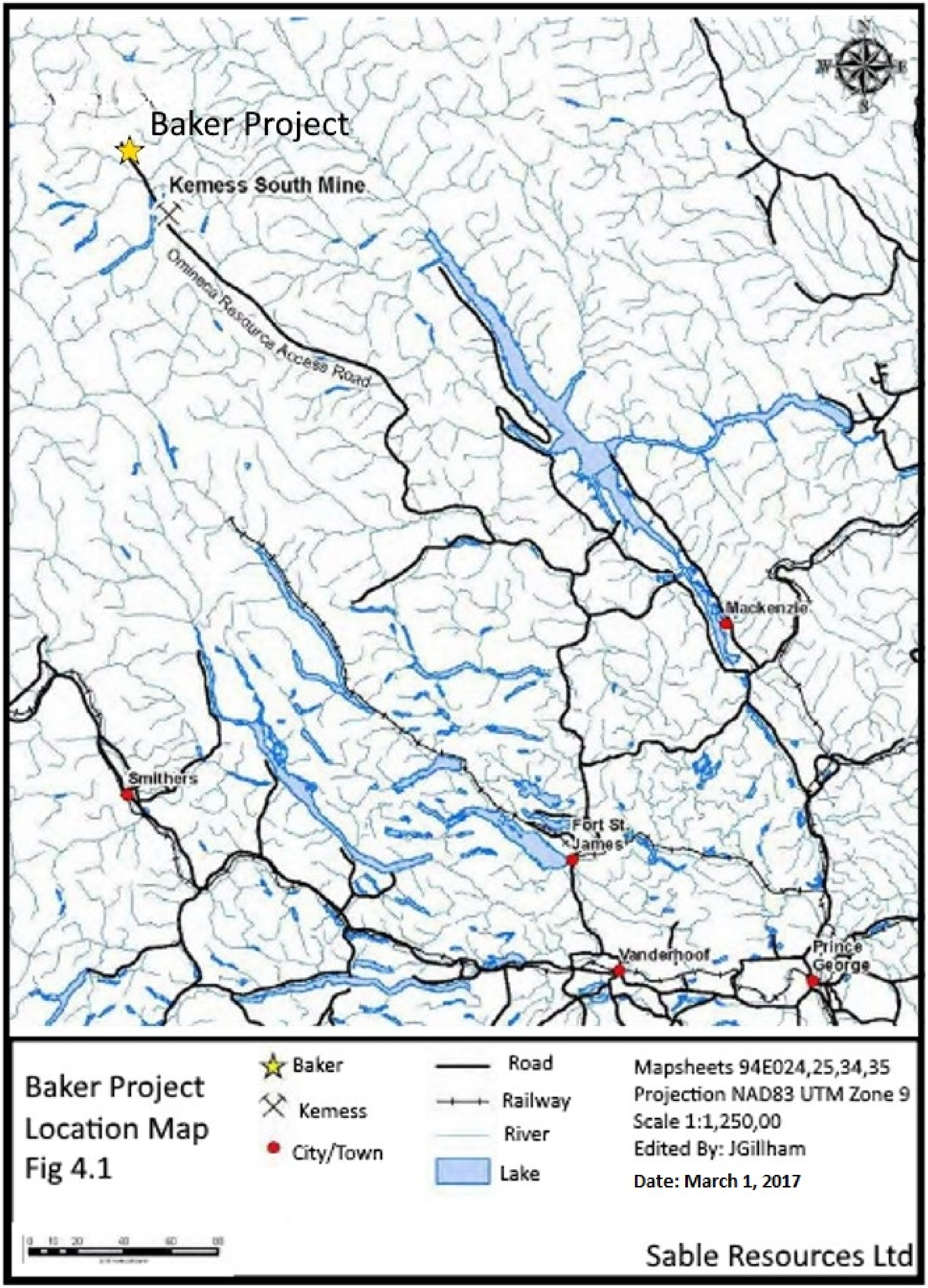

Figure 4-1: Baker Project Location Map

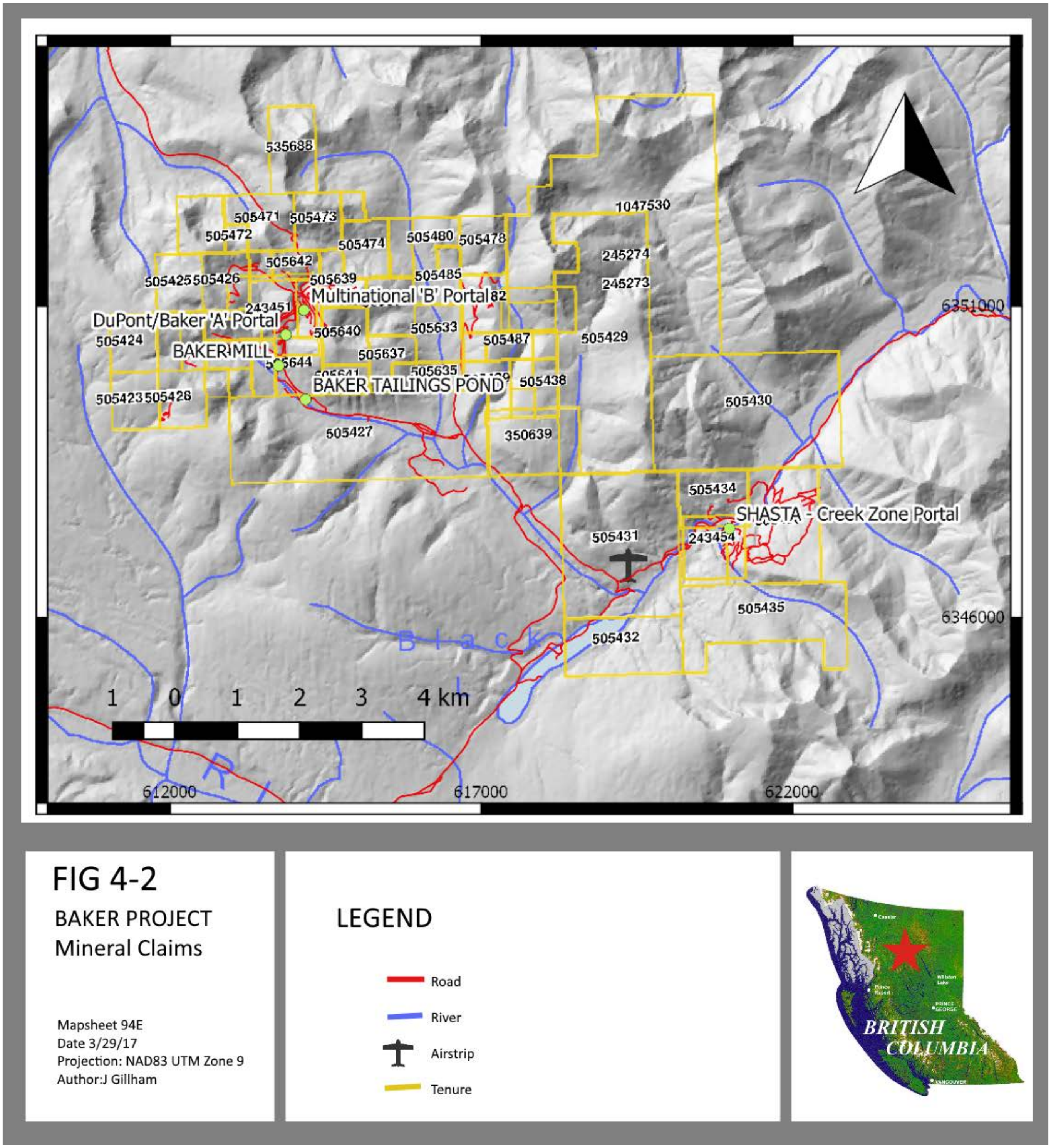

Figure 4-2: Baker Project Mineral Claims Map

Table 4-1: List of Mineral Claims, Baker Project

Title Number	Claim Name	Owner	Title Sub Type	Map Number	Issue Date	Good To Date	Area (ha)
243451		119151 (100%)	Lease	094E025	1980/SEP/10	2017/SEP/10	157.8
243454		119151 (100%)	Lease	094E025	1990/JUN/13	2017/JUN/13	100.0
245273	CHAPPELLE NO.186	119151 (100%)	Claim	094E025	1970/NOV/09	2017/OCT/14	25.0
245274	CHAPPELLE NO.188	119151 (100%)	Claim	094E025	1970/NOV/09	2017/OCT/14	25.0
350639	MOSLEY 1	119151 (100%)	Claim	094E025	1996/SEP/11	2017/OCT/14	450.0
505423		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	69.984
505424		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	69.969
505425		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	69.953
505426		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	69.953
505427		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	577.469
505428		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	69.984
505429		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	612.271
505430		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	559.951
505431		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	437.658
505432		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	175.129
505434		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	105.026
505435		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	280.196
505436		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	245.097
505438		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	34.992
505439		119151 (100%)	Claim	094E	2005/FEB/01	2017/OCT/14	52.488
505460		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.937
505471		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	87.421
505472		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	17.485
505473		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.937
505474		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.946
505475		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	17.483
505476		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.973
505478		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.947
505480		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	52.459
505482		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.962
505485		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	52.467
505487		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.987
505490		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	17.493
505492		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	17.495
505633		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.97
505634		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	17.493
505635		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.99
505636		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.962

505637		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	52.482
505638		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	17.495
505639		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	52.466
505640		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.969
505641		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.99
505642		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.975
505643		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.98
505644		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	69.977
505645		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	17.487
505646		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.988
505647		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.986
505649		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	52.474
505651		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.984
505652		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	34.984
505653		119151 (100%)	Claim	094E	2005/FEB/02	2017/OCT/14	17.495
527360	MUTT 1	119151 (100%)	Claim	094E	2006/FEB/09	2017/OCT/14	17.497
535688	TIGERNOTCH	119151 (100%)	Claim	094E	2006/JUN/14	2017/OCT/14	104.877
1047530		119151 (100%)	Claim	094E	2016/OCT/31	2017/OCT/31	821.7896

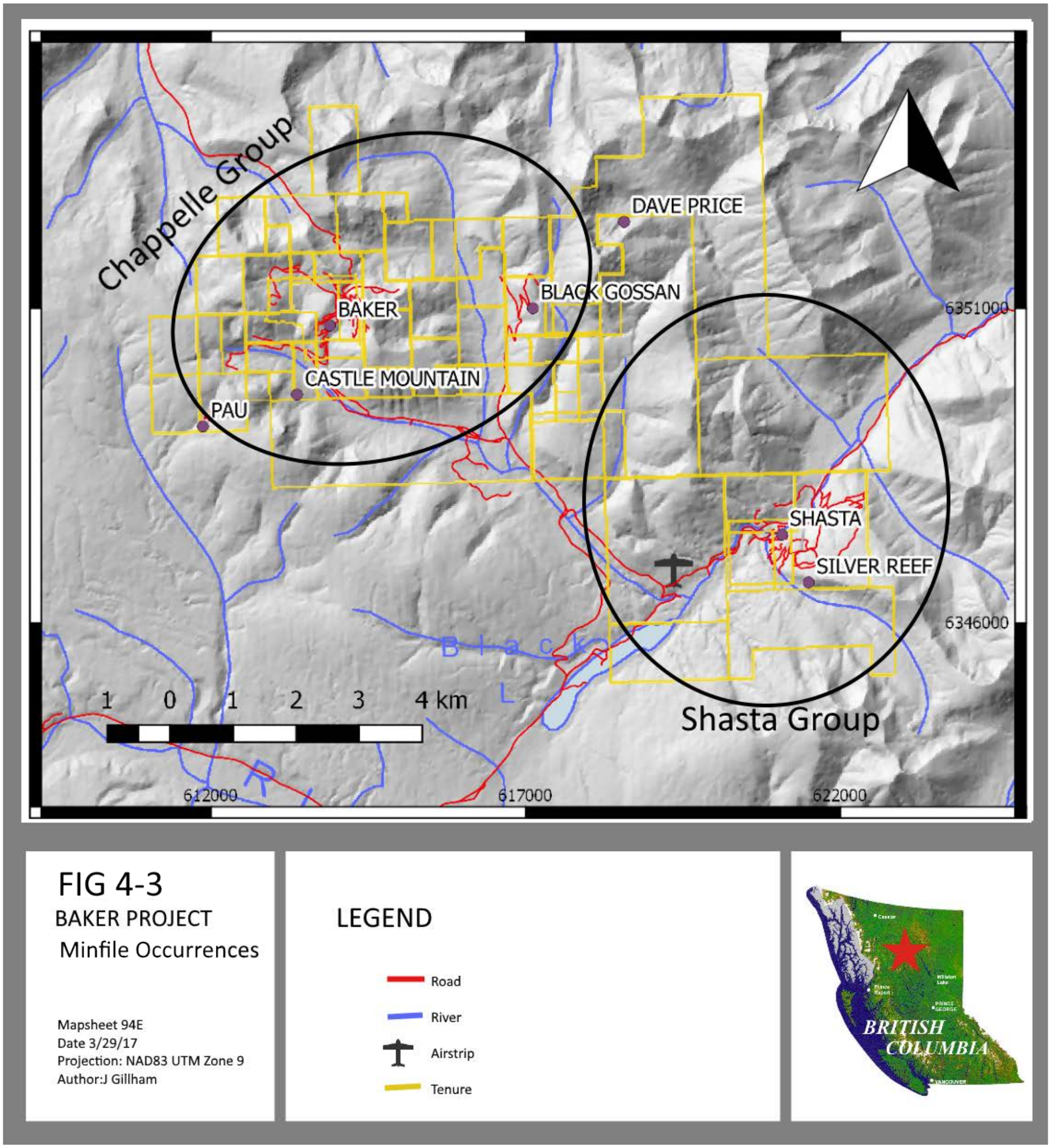

Figure 4-3: Baker Project MINFILE Occurrences

Plate 4-1: View north over Dupont/Baker 'A' mine, mill and tailings pond, 1986

4.3 SURFACE RIGHTS

SRL own surface rights under Mining Leases No 243251 and 243454 as well as the lease to the surface rights associated with the Baker Mill and infrastructure in the Cassiar Land District. No other surface rights on the Project are held by SRL or, to the authors' knowledge, by any other parties. For SRL to produce from mineral tenure not covered by the current mining lease, SRL and/or other parties (whether future optionors or joint venture partners) will be required to obtain all necessary surface rights by way of filing an application for mining leases for the construction and operation of a mine on the Project. A complete land title review of surface ownership has not been conducted at this time, but SRL is aware that the mineral claims comprising the Project consist of Crown Land for which surface access and rights of use for mineral development can be obtained.

4.4 FIRST NATIONS COMMUNICATIONS

Maintaining good relations with the local First Nations people will have to continue to be a high priority to ensure success in any future development within the Project area.

4.5 PERMITTING, ENVIRONMENTAL LIABILITIES AND OTHER ISSUES

To date, no permits have been issued to Sable Resources Ltd. to conduct the work proposed in the Phase 1 Exploration Program described in Section 26: Recommendations of the Report. A permit amendment detailing proposed works on SRL mineral tenures will need to be applied for under existing exploration permit MX-13-58. SRL also holds a Mines Act permit M-189, which is currently closed, and will need to make application to conduct any physical works within the permit boundary as shown in Figure 4-4. The author does not anticipate that SRL will encounter any problems obtaining the required permits based on the historical exploration conducted on the subject and surrounding properties. It is, however, advised that sufficient lead time be allowed government agencies to process permit applications well in advance of the start-up date for planned work. Regarding reclamation bonding, additional bonding will likely be required to be posted to cover reclamation of proposed Phase 1 exploration activities as presented in Section 26.

Significant liabilities exist on the Property in the form of historic mine construction and development infrastructure, tailings dam(s), waste dump site, a mill site, a camp site, and other mining related infrastructure, disturbance, and equipment located on the property. The most recent monetary assessment of the liability on the Property was made in the 2015 Annual Report of the Chief Inspector of Mines, BC, Ministry of Energy and Mines, at 1.1 million. A complete closure and reclamation plan was prepared and outlined in 2009 which cannot be considered current, does not fall within the scope of the Report, and has not been personally examined by the author. To the best of the authors knowledge, prior to recommencement of mining activities on the Property, in the event that Sable was able to successfully identify additional mineral resources on the property, Sable would have to post a bond at least equivalent to that amount previously assessed in addition to any amount determined by future reclamation and closure assessments made by the Chief Inspector of Mines.

The author is not aware of any other known significant factors or risks related to the Project that may affect access, title or the right or ability to perform exploration work on the property.

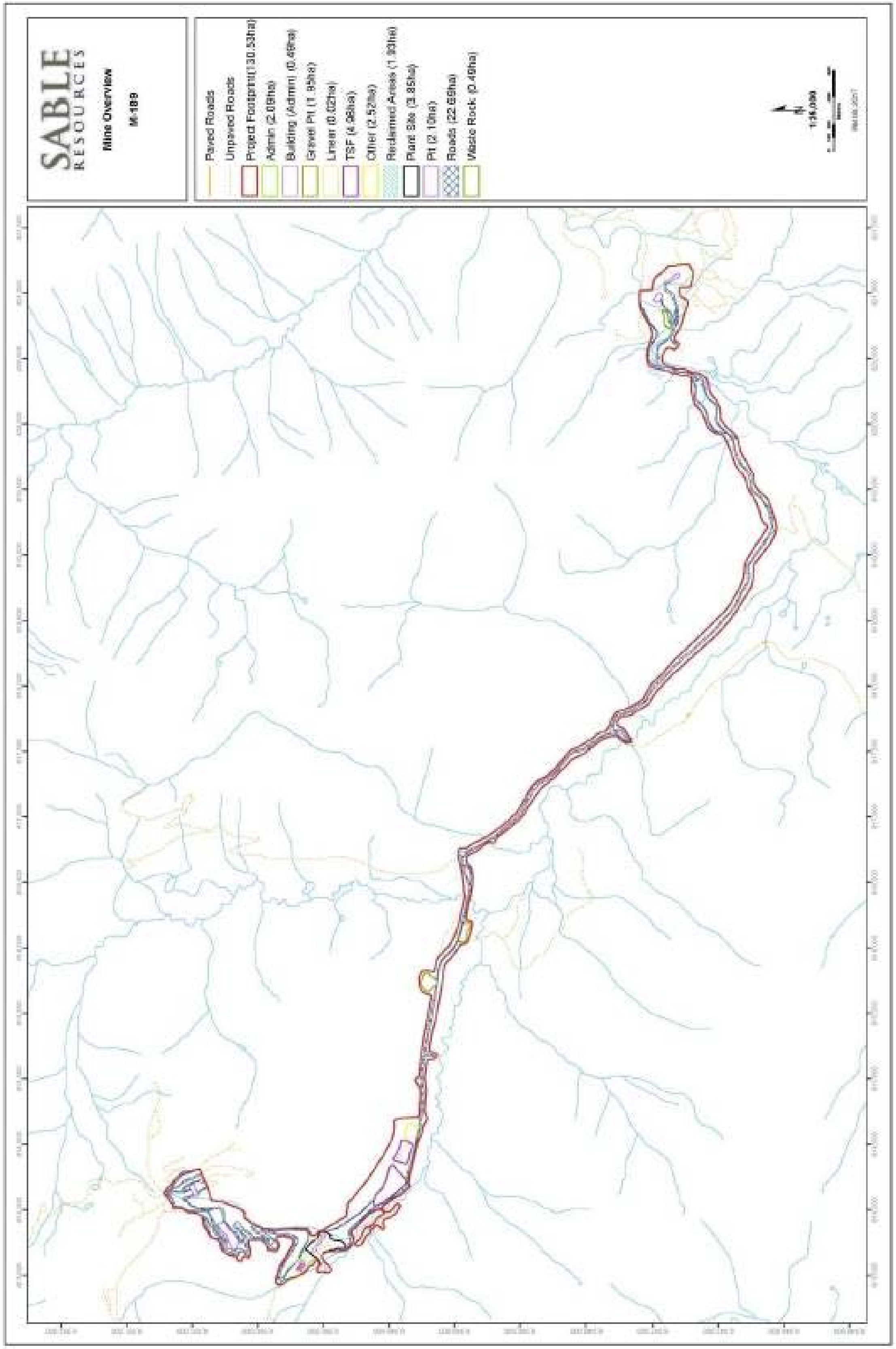

Figure 4-4: Permit boundary for SRL Mines Act permit M-189

5) ACCESSIBILITY, CLIMATE, INFRASTRUCTURE, LOCAL RESOURCES AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

Access to the Project is provided by a series of branching gravel roads, including the Finlay Forest Service Road ("Finlay FSR"), that begin south of Mackenzie, a small forestry town located about 180 km north of, and about a two-hour drive from, Prince George. The Finlay FSR forms the southern part of the Omineca Resource Access Road ("ORAR"), an industrial road that provides access to the past producing Kemess South mine/Kemess Underground development project, and beyond to the Baker Project. Driving time from the Kemess South turn-off on the ORAR to the project is about 60 minutes. Current seasonal road access to the Project is only during the late spring, summer and early fall seasons when the road conditions are snow-free.

Total driving distance from Prince George to the Project is 520 km, and total driving time is about 9 hours. There are no fueling stations once one leaves paved Highway 97; therefore fuel for the return trip to the Project area must be carried. At the Project, numerous mine and exploration roads remain in good condition and provide access to many of the previously drilled areas.

Year round helicopter access is via Smithers, a distance of 300 km south of the Project. Alternative helicopter access during summer months may be from the Kemess South mine site if it is under active exploration. Fixed-wing air service departing from Smithers or Prince George to it can be contracted to Black Lake located approximately 2 km southeast of the Project (floatplane in ice-free conditions or skis in winter-ice conditions), or the Sturdee valley airstrip located approximately 15 km south of the project.

5.2 CLIMATE

The climate of the Project can be described as cool continental with cool summers and cold winters. The summer field season typically extends from the beginning of June to late September. The temperatures and weather can be quite erratic during this period and sporadic rain and snow showers can occur at any time. Approximate temperatures range from a minimum of -32°C in January to a maximum of +26°C in June. Snowfall accumulations can reach up to two metres over the winter months.

5.3 INFRASTRUCTURE

The closest major infrastructure facility is the Kemess South mine which is currently on care-and-maintenance while owner Aurico Metals Inc. ("Aurico"), carries out seasonal exploration and evaluates options for development of its Kemess Underground and Kemess East copper-gold deposits. Existing facilities include: electrical power connected to the B.C. Hydro grid via a 340 km powerline extending from Mackenzie; a 1,424 m gravel airstrip now serviced periodically by flights from Smithers and Prince George; a large mine camp that provides room and board to the AuRico workforce; and an all-weather road that connects to major supply centres to the south.

Limited infrastructure is located on the Baker project, which contains the 200 tpd Baker mill, tailings dam, limited surface and underground equipment, and seasonal 30 man camp facilities.

5.4 LOCAL RESOURCES

The closest major supply centre by air is Smithers, a distance of about 300 km to the south. Smithers has a population of about 6,000 and services roughly 15,000 people living in the Bulkley Valley region. It is a major service centre along the Yellowhead Highway ("Highway 16") and along the Canadian National Railway ("CNR") line midway between Prince George and the port city of Prince Rupert.

Smithers has an extensive history of supporting mineral exploration and mining development in north- central and northwest B.C., including major past-producing mines such as Bell and Granisle in the Babine Lake area, Equity Silver near Houston, Kemess South in the Toodoggone region, and Eskay Creek and Snip in the Iskut River area. Smithers has an available and skilled workforce for exploration and mining, and is the operational base for many companies that provide a range of services, such as contract diamond drilling, to mining exploration companies. It also has an active exploration fraternity whose foundation is the Smithers Exploration Group ("SEG") which has been serving and promoting the mineral industry in the region since 1971.

The closest supply centre by road is Mackenzie, a driving distance of about 400 km to the southeast of the Project. Mackenzie has a population of about 4,500 and provides services to a primarily forestry- based economy (logging, softwood lumber and pulp manufacturing facilities). Active logging includes areas serviced by the Findlay FSR and the ORAR corridors several hundred kilometres northwest of the town. Mackenzie also provides services to the Mt. Milligan copper-gold mine, a major open-pit operation owned and operated by Centrra, located approximately 95 km to the west. CNR operates a 37 km spur line that connects Mackenzie to its mainline, providing rail service to the ports of Vancouver and Prince Rupert. Mackenzie is supported by the larger industrial hub city of Prince George, population 70,000, located 180 km to the south.

The only other industry in the Toodoggone region is adventure tourism, including guided big game hunting and sports fishing.

The Baker Project already holds surface rights to support a mining & milling operation within the existing mining leases and permit boundaries depicted in Figures 4-2 & 4-4. Expanded surface rights in the form of additional mining leases and increased permit boundaries to facilitate additional tailings storage capacity may be needed to support future mining activities.

5.5 PHYSIOGRAPHY

The Project is situated in moderate terrain with elevations ranging from about 1,200 metres a.s.l. along Jock Creek in the eastern part of the property to about 1,900 metres a.s.l. in the central and west parts of the property. Most of the property is above tree line which is at an elevation of about 1,630 metres. Below tree line, sparse cover consists of birch and willow shrubs and scattered groves of white spruce and sub-alpine fir. In alpine areas, dwarf shrubs, grassy meadows, lichens and rocky tundra are common. Bedrock exposures are relatively scarce and are primarily limited to ridges and steeper creek gullies. A number of creeks are present on the property; these have been used for exploration water sources into October before freezing. Most creeks on the property appear groundwater fed.

6) HISTORY

The exploration history of the Project has been well documented in property reports by Carter (1988), Holbek (1991), Craft (2004), and Gillham (2016)).

The Baker Project brings together the formerly separately held Chappelle and Shasta group claims which contain the past-producing Dupont/Baker 'A' and Multinational 'B', and the Shasta gold-silver mines respectively. The Chappelle group forms the western portion of the current claim block and exploration was focused on high grade veins occurring within a roughly 5 km pyrite rich gossanous zone. The Shasta group claims form the eastern portion of the current claim block where exploration was focused on a number of quart-carbonate stockworks and breccias discovered along jock creek. Each area has its own exploration and/or development history; descriptions of previous activity are provided in separate sub-sections below and locations are shown previously in Figure 4.3. Additional details regarding the past drilling programs that have been completed on the property are discussed in Section 10 of the Report.

6.1 EARLY HISTORY OF THE TOODOGGONE REGION

In 1824, explorer Samuel Black diarized many unusually colorful gossans in the headwaters of the Findlay River system. In 1915, prospector Charles McClair mined alluvial gold from the gravels of a creek north of Toodoggone Lake that would later bear his name. In 1929, Cominco explored several base metals showings in the region.

6.2 HISTORY OF PROPERTY ACQUISITION

Kenneco Explorations (Western) Limited staked the Chappelle claims in 1969. Conwest Exploration Ltd. optioned the property in 1973 from Kenneco and constructed an airstrip at Blake Lake and a road to the property prior to dropping the option in 1974. DuPont of Canada Exploration Limited acquired the property in 1974 and in 1979 the decision to put the property into production Dupont/Baker mine was made. Multinational Mining Inc. acquired the mineral rights from Dupont in 1985. SRL acquired the Dupont/Baker mill infrastructure in 1989 from Dupont to process material from the Shasta mine, and subsequently acquired Multinational Mining Inc. and their claims.

The original Shasta group of claims were staked in 1972 by Shasta Mines and Oil Ltd., who later changed their name to International Shasta Resources Ltd. In 1978, the property was optioned by Asarco Ltd. But due to poor results from resampling of old trenches, the option was terminated. Newmont Exploration Canada Ltd. Optioned the property in 1983 and during the next two years staked additional claims. Esso Minerals Canada Ltd. optioned the property in 1987 and carried out two seasons of exploration. Homestake Mining (Canada) Ltd. purchased Esso's interest in the Shasta property in the spring of 1989, and continued exploration during the summer of 1989. In 1989 International Shasta Resources Ltd. and Sable Resources Ltd. completed a mining and assignment agreement whereby Sable would mine 100,000 tonnes and process it at the Baker mill which Sable had recently acquired the rights to in. In 1990, Homestake continued to work the property, but following the summer exploration program Homestake dropped their option, and Sable acquired the Shasta property from International Shasta.

6.3 EXPLORATION AND DEVELOPMENT HISTORY

6.3.1 HISTORIC DRILLING

On the Chappelle group of claims, gold-silver mineralization The historic drilling information presented in this section was gathered from several sources including: (i) descriptions for all MINFILE occurrences which fall within the current claims boundary of the Project; (ii) selected B.C. Ministry of Energy and Mines assessment reports; (iii) available information sheets for B.C. Mineral Exploration Annual Reviews; and, (iv) a 2016 compilation of past drilling, prepared by SRL, consisting of: Dupont Exploration Canada Ltd drill logs dated between 1973 and 1983; Multinational Mining Inc. Exploration reports 1986 through 1988; Esso Minerals, Newmont and Homestake Mining (Canada) Ltd exploration reports 1983 through 1991; and SRL assessment reports for the years 1994, 1997, 1998, 2000, 2004, 2006, and 2010. **The total number of drill holes and the total meters given below are approximate estimates only**, based upon the various historic drill data that the author was able to compile. They are presented in this section of the Report so that the reader can appreciate the overall scope of historic surface and underground diamond drilling on the past-producing Dupont/Baker 'A', Multinational 'B' and Shasta mines, and surrounding prospects.

Surface plans with drill collar location and stems for the Dupont/Baker + Multinational deposit, and the Shasta Mine are presented above in Figures 6-2 and 6-3 respectively.

Historic drilling on the Baker project is summarized in Table 6-1 below and divided into the Chappelle group and Shasta group of claims:

Table 6-1: Summary of historic drilling

Chappelle Group			
Period	**Metres**	**# Holes**	**Description**
1974-1984	12381	159	Dupont/Baker 'A' vein
1986-1988	11935	104	Multinational 'B' vein
1997-2004	3312	52	Sable drilling - peripheral targets
subtotal	**27628**	**315**	
Shasta Group			
Period	**Metres**	**# Holes**	**Description**
1983-1991	18886	170	Esso, Newmont & Homestake drilling - all zones
1994-2010	9052	122	Sable drilling - primarily Creek zone
subtotal	**27938**	**292**	
Totals			
Total	**55566**	**607**	

6.3.2 EXPLORATION AND DEVELOPMENT - CHAPPELLE GROUP (DuPONT/BAKER & MULTINATIONAL MINES)

On the Chappelle group of claims, gold-silver mineralization was discovered by Kennco Explorations (Western) Limited in 1969. Several quartz vein structures were identified including the ‘A’ Vein. Conwest Exploration Ltd. optioned the property in 1973 and constructed an airstrip at Blake Lake and a road to the property prior to driving a 200 metre adit to further explore the ‘A’ Vein. Underground diamond drilling was also carried but results were not encouraging and the option was terminated (Carter 1988).

DuPont of Canada Exploration Limited acquired the property in 1974 and over the next five years completed 8700 metres of diamond drilling and 460 metres of underground development on the ‘A’ Vein structure. A production decision was made in 1979, and the mine was put into production as the Baker mine. An airstrip was constructed in the Sturdee River Valley to facilitate air freighting of all equipment including a 90 tonnes per day mill (Carter 1988).

The Baker Mine (referred to as the Dupont/Baker 'A' deposit) was operated by Dupont Canada during the period 1981 – 83 as an underground and open pit gold - silver mine. The Dupont operation included a 90 tons per day whole ore cyanidation plant using the Merrill-Crowe process (Carter 1988). Sable Resources Ltd. acquired the Baker site including the processing facility in 1989 and subsequently modified it to a flotation circuit with optional concentrate cyanidation.

The Multinational 'B' deposit, located adjacent to Adit Creek and upstream of the 'A' deposit, was a high grade gold-silver-copper deposit from which flotation concentrates were shipped off-site. This mine was intermittently operated by Sable during 1991-1997 (Craft 2003).

No reliable historical resource or reserve estimate could be located for either the Multinational 'B' or Dupont 'A' deposits; however, Craft (2001) reports that DuPont of Canada Exploration Ltd produced 95,000 tons from the Dupont 'A' between 1981 and 1983 at an average production grade of 0.9 oz/ton gold equivalent and that Sable produced 17,500 tons from the Multinational 'B' deposit at a grade of 0.5 oz/ton gold, 5 oz/ton silver, and 1% copper.

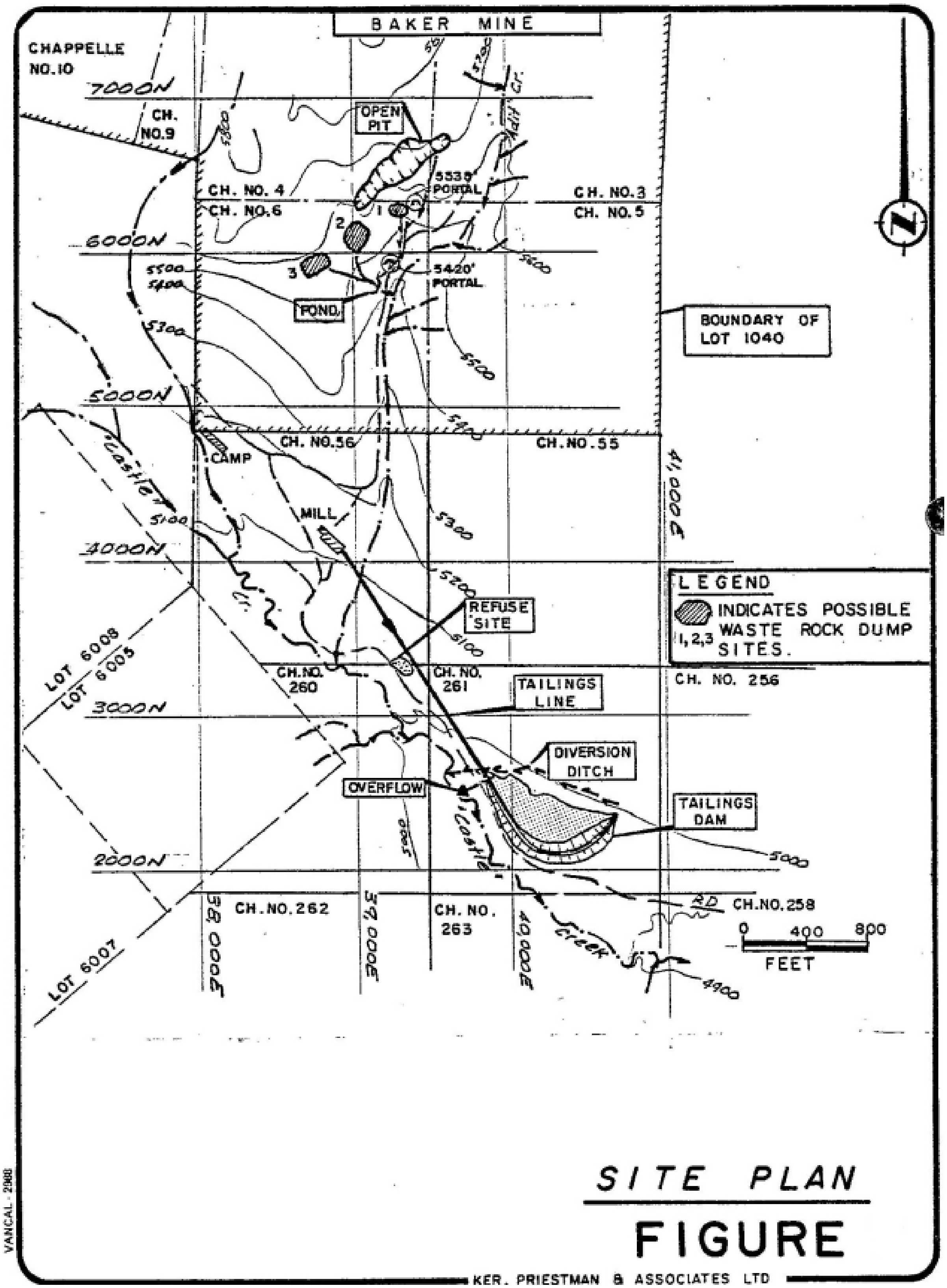

Figure 6-1: Original Baker Mine Site Plan (after Ker, Priestman & Associates Ltd (1980))

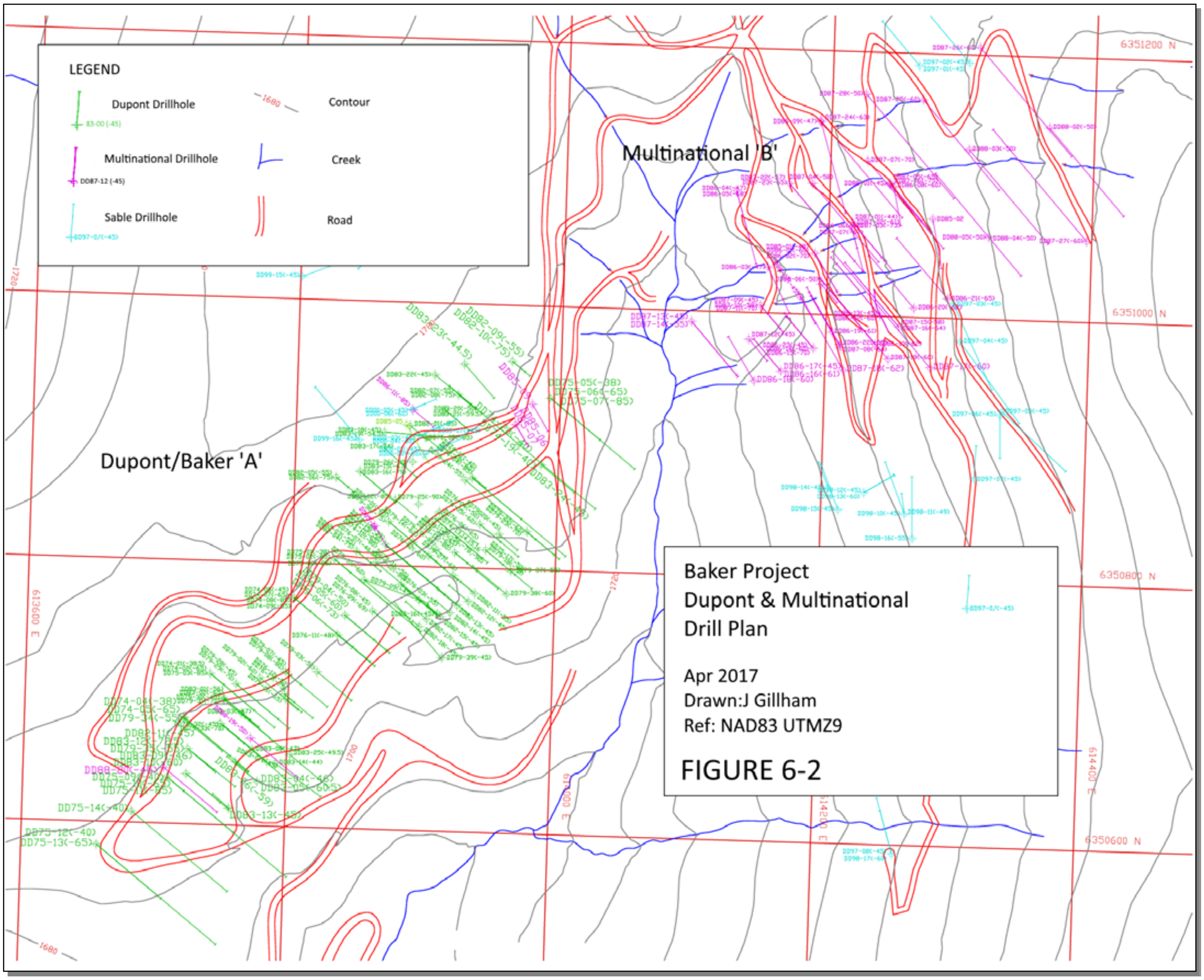

Figure 6-2: Surface and Drill Plan for the historic Dupont/Baker ‘A’ and Multinational ‘B’ mines.

6.3.3 EXPLORATION AND DEVELOPMENT - SHASTA GROUP

The original Shasta group of claims were staked in 1972 by Shasta Mines and Oil Ltd., who later changed their name to International Shasta Resources Ltd. (“International Shasta”). Prospecting, soil and rock geochemical surveys, geological mapping, and magnetometer surveys were carried out between 1973 and 1975 by W. Meyers and Associates Ltd on behalf of the owner. Most of this work was carried out on the south side of Jock Creek. In 1978, the property was optioned by Asarco Ltd. but due to poor results from resampling of old trenches, the option was terminated.

Newmont Exploration Canada Ltd. ("Newmont") optioned the property in 1983 and during the next two years staked additional claims, conducted extensive soil geochemical, geological and geophysical surveys, and completed 2,675m of diamond drilling. Newmont's drilling identified the Creek Zone and two other mineralized structures, the Ranier and Jock Zones (Holbek 1988).

Esso Minerals Canada Ltd. ("Esso") optioned the property in 1987 and carried out two seasons of exploration consisting of geological mapping, soil geochemistry and VLF-R geophysical surveys, backhoe trenching and diamond drilling. The main result of this work was the discovery of the JM and O-Zones.

Homestake Mining (Canada) Ltd. ("Homestake") purchased Esso's interest in the Shasta property in the spring of 1989, and continued exploration during the summer of 1989, with a program of exploration and delineation drilling as well as geochemical and geophysical surveys. By the end of the 1989 field season, total exploration work included 5,140 geochemical soil samples, 200 line km of VLF-R and 4.0 line km of IP geophysical surveys, 4.0 km of backhoe trenches, geological mapping at 1:10,000 and 1:1,000 scales, 13,774m exploration diamond drilling and 1,093m of delineation and condemnation diamond drilling. Cumulative expenditures by Newmont, Esso and Homestake to the end of 1989 totaled approximately $2.8 million (Holbek 1991).

In 1990, Homestake continued to work the property, and completed 9.27 line kilometres of geochemical soil sampling, 14.94 line kilometres of VLF-R geophysical surveys, and 4,777m of BQ-thinwall diamond drilling in twenty seven holes. International Shasta and Sable Resources completed a mining and assignment agreement whereby Sable would mine 100,000 tonnes and process it at the Baker mill which Sable had recently acquired (Holbek 1991). Sable mined the JM and Creek zones, by both open pit and underground methods, and completed 285m of diamond drilling in 5 holes.

Following the exploration program in 1990, Homestake dropped the option, and Sable acquired the Shasta property from International Shasta. Sable continued to operate the mine under the mining and assignment agreement until 1991.

Sable resumed exploring the property in 1994, and between 1994-1998 completed 1,968 meters in over 32 diamond drill holes. Exploration again resumed in 2003, and between 2003 and 2010 Sable completed 6,929 meters of diamond drilling in 89 holes (Craft, E.M., 2004).

On a seasonal basis in 2004 and 2005, Sable completed a small test pit on the Creek zone, and mined and processed 15,000 tons (Craft, E.M., 2007). Underground operations resumed in 2007, and between 2008 and 2012, Sable mined approximately 105,000 tons from the Creek zone (Tetratech EBA, 2015).

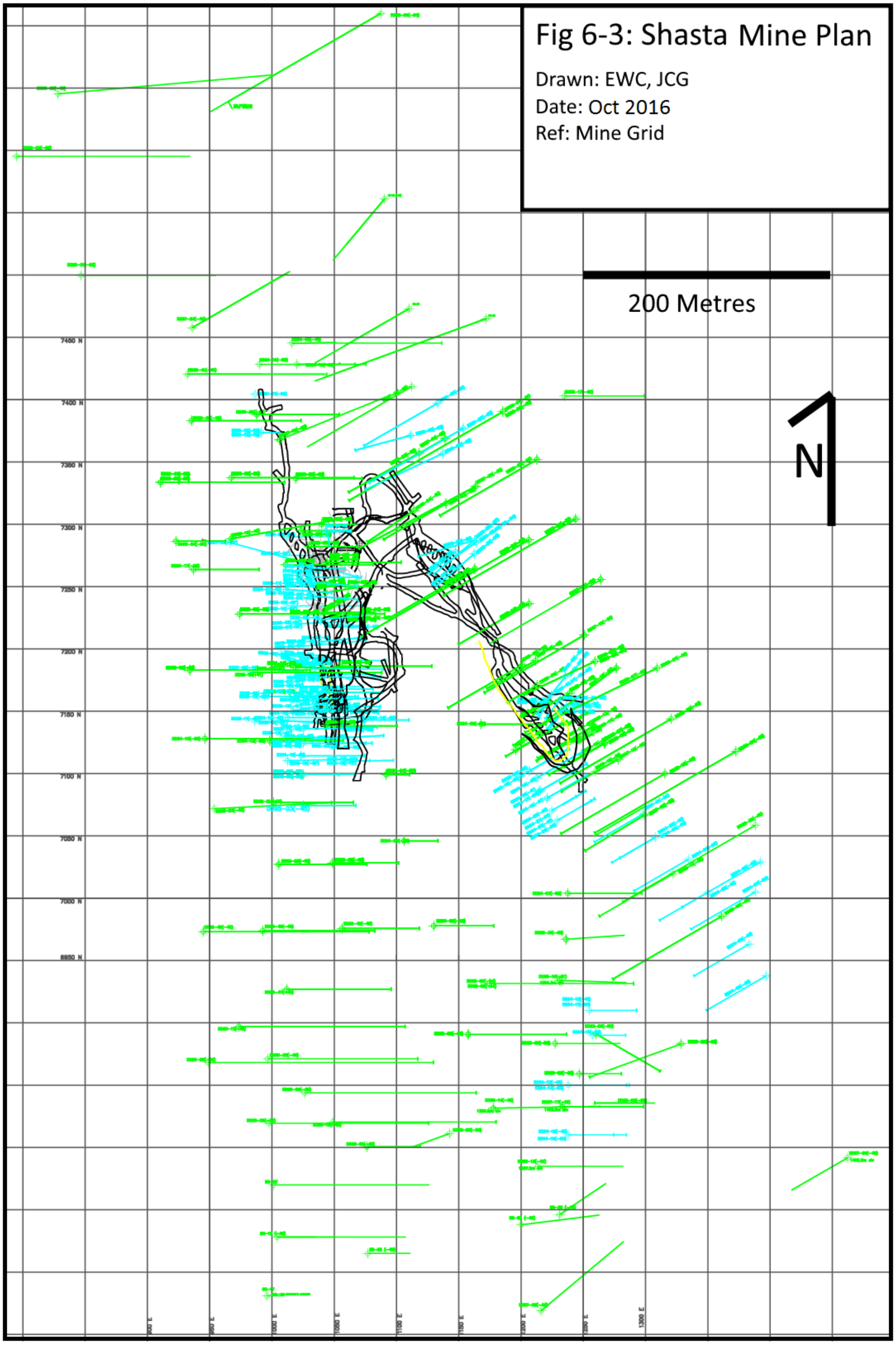

Figure 6-3: Historic Shasta Mine workings plan map

6.3.3.1 HISTORICAL MINERAL RESOURCE ESTIMATE

A historical mineral 'reserve' estimate was completed for the Shasta mine prior to mining activities for Homestake Canada Ltd. (Holbek 1991). The reported preliminary historic 'reserve' estimate prior to mining for three (3) zones at the Shasta deposit is reported by Holbek (1991) in the Homestake Canada Ltd. annual exploration report. The historic 'reserve' estimates are also presented below in table 14-1 below. Using a 3.0 gram/tonne gold equivalent (Silver:Gold ratio 70:1) cutoff, the combined 3 three zones of the deposit had a reported mineral 'reserve' of 1,226,521 tonnes at 3.37 grams/tonne gold and 152.3 grams/tonne silver.

The original resource/reserve estimates were not available to the author, and all estimates are reproduced from available literature. All mineral 'reserve' and 'resource' estimates by previous operators were completed before the coming into force of NI 43-101 *Standards of Disclosure for Mineral Projects.* They use categories other than those stipulated for current use. Using today's mineral resource and mineral reserve classification as adopted by CIM Council on May 10, 2014 and incorporated, by reference, into National Instrument 43-101, many, if not all of these historical mineral 'reserve' estimates might now be considered mineral resource estimates.

The purpose of including the historic pre-mined 'reserves' and 'resources' in the Report are to provide an indication to the reader what grades and tonnages of precious metals are possible to be discovered on the Baker Property based on past successes, and are not intended to represent remaining mineral 'reserves' or 'resources' on the property.

The author has not done sufficient work to classify historical estimate as a current mineral resource or reserve. The author has been unable to verify data or work, or the key assumptions, methods or parameters used to prepare the historical resource estimate. The historical resource estimate should not be considered as a current mineral resource or mineral reserve. Sable Resources Ltd. is not treating the historical resource estimate as a current mineral resource or mineral reserve

Table 6-2: Historical 'reserve' estimate Shasta mine (Holbek 1991)

JM Zone

Cutoff (g/t Aueq)	Au g/t	Ag g/t	Aueq (g/t)	tonnes
2.0	2.78	139.9	4.78	724,128
3.0	3.15	164.7	5.50	554,929
5.0	5.43	268.9	9.27	181,707

Creek Zone

Cutoff (g/t Aueq)	Au g/t	Ag g/t	Aueq (g/t)	tonnes
2.0	2.89	124.5	4.67	878,958
3.0	3.42	145.3	5.50	635,097
5.0	5.40	211.7	8.42	289,508

Rainier Zone

Cutoff (g/t Aueq)	Au g/t	Ag g/t	Aueq (g/t)	tonnes
2.0	3.94	82.5	5.12	65,779
3.0	5.91	85.7	7.14	36,495
5.0	6.53	57.9	7.36	23,361

Total

Cutoff (g/t Aueq)	Au g/t	Ag g/t	Aueq (g/t)	tonnes
2.0	2.88	129.5	4.74	1,668,865
3.0	3.37	152.3	5.55	1,226,521
5.0	5.46	225.5	8.68	494,576

6.4 RECENT WORK

Since SRL consolidated the properties and acquired the mill in 1989, the focus of activity on the property has primarily been mining related with limited exploration programs conducted. Exploration over SRL's history on the project has therefore largely consisted of infill diamond drilling at Shasta on the Creek zone as detailed in Craft (2005) and Craft (2007) which were conducted prior to reactivating underground mining on the Creek zone in late 2007.

Between 2007 and 2012 SRL resumed underground operations at the Shasta mine and mined and milled approximately 105,000 tons from the Creek zone. Mining occurred between the 1215 (metres above sea level) and 1290 levels.

Recent work on the Chappelle claims is detailed in assessment reports by Craft (2001), Craft (2003), and Craft (2005), where SRL conducted modest exploration programs consisting of 2,321 metres of diamond drilling on targets peripheral to the historic Dupont/Baker 'A' and Multinational 'B' zones.

Since mining of the Creek zone at the Shasta mine ceased in 2012, very limited exploration has been conducted. Work has focusing primarily on the former Chappelle group claims and has consisted of prospecting, geochemical surveys and mapping, and is detailed in Gillham (2016) and Gillham (2017).

7) GEOLOGICAL SETTING AND MINERALIZATION

The main source of information for the regional geology description presented in Section 7.1 is Diakow et al. (1993). Sources of information for the regional mineral deposit descriptions and local geology descriptions, Section 7.1.2 and 7.2 respectively, include Diakow et al. (1991), Hawkins (2003), During et al. (2009), and Bowen (2014) and numerous mineral exploration assessment reports that are referenced individually where appropriate.

7.1 REGIONAL GEOLOGY

The Baker Project is situated in the Toodoggone region, an area measuring approximately 1500 square kilometres that extends from the Kemess South mine area northwestwards to the Chuckachida River. The region occurs within the Intermontane Belt and is underlain by strata of the Stikine Terrane (Figure 7.1) which consists of Paleozoic to Mesozoic island arc assemblages and overlying Mesozoic sedimentary sequences (Table 7.1). The oldest rocks exposed in the region consist of crystalline limestone of the Devonian Asitka Group. They are unconformably overlain by mafic volcanic rocks of the Upper Triassic Takla Group. Takla Group volcanic rocks are in turn overlain by bimodal volcanic and sedimentary strata of the Lower Jurassic Toodoggone Formation of the Hazelton Group.

Toodoggone Formation pyroclastic and epiclastic volcanic rocks are a predominantly calcalkaline andesitic to dacitic subaerial succession. Toodoggone volcanic rocks display broad open folds with attitudes generally less than 25 degrees dipping predominantly to the west.

Potassium-argon dating of hornblende and biotite indicate that the age of Toodoggone volcanism ranges from 204 to 182 Ma. This age range appears to be divisible into two main groups: an older, lower stage of volcanism dominated by andesitic pyroclastics and flows characterized by widespread propylitic and zeolitic alteration; and a younger, upper stage of volcanism dominated by andesitic ash-flow tuffs which generally lack significant epithermal alteration (Diakow et al., 1993). All the known epithermal gold-silver deposits and occurrences are restricted to the lower Toodoggone Formation volcanics and underlying units.

Unconformably overlying volcanic strata of the Toodoggone Formation are sedimentary strata of Cretaceous age, including fine-grained clastics of the Skeena Group and chert pebble conglomerates and finer grained clastics of the Sustut Group. These sediments are structurally unaffected and are horizontal, forming cap rocks to high-standing plateaus primarily on the western edge of the Toodoggone region.

Late Triassic to Middle Cretaceous intrusions are exposed throughout the Toodoggone region. The most significant of these in terms of precious metal and porphyry mineralization are Early Jurassic granodioritic to quartz monzonitic bodies known as the Black Lake Suite of Intrusions. These intrusions host porphyry copper-gold mineralization in several localities, including the former Kemess South mine and several other deposits on the Kemess property in the southeastern part of the Toodoggone region.

A northwest-trending set of younger, steeply dipping faults and half-grabens are the principle structures found in the region. Major structural breaks are postulated to have been caused by, or be the result of, a northwest-trending line of volcanic centres (Diakow et al., 1993). Small stocks are also aligned northwesterly, suggesting they were also influenced by the same structural trend. Subsequent to volcanism and intrusion, younger faults are recognizable as northwest-trending lineaments.

Table 7-1: Regional Stratigraphy of the Toodoggone Region (after Diakow et al., 1993)

Period	Group	Formation	Lithology
Upper and Lower Cretaceous	Sustut	Brothers Peak Tango Creek	Nonmarine conglomerate, siltstone, shale, sandstone; minor ash-tuff
			Cassiar Intrusions: Quartz, monzonite and granodiorite
Major Unconformity			
Lower Cretaceous to Middle Jurassic	Bowser Lake		Marine and nonmarine shale, siltstone and conglomerate
Comfortable Contact			
Middle and Lower Jurassic	Spatsizi Hazelton	Toodoggone	Marine equivalent of the Hazelton Group; shale siltstone and conglomerate, subordinate fine tuffs Subaerial andesite to dacite flow and tuffs, rare basalt and rhyolite flows; subordinate volcanic siltstone to conglomerate; rare limestone lenses
			Black Lake Intrusive Suite: Granodiorite and quartz monzonite
Unconformity			
Upper Triassic	Takla		Submarine basalt to andesite flows and tuffs, minor limestone and argillite
Unconformity			
Lower Permian	Asikta		Limestone, chert, argillite
Major Terrane Boundary Fault			
Cambrian & Proterozoic			Siltstone, shale, sandstone, limestone; regionally metamorphosed to greenschist and amphibolite grade

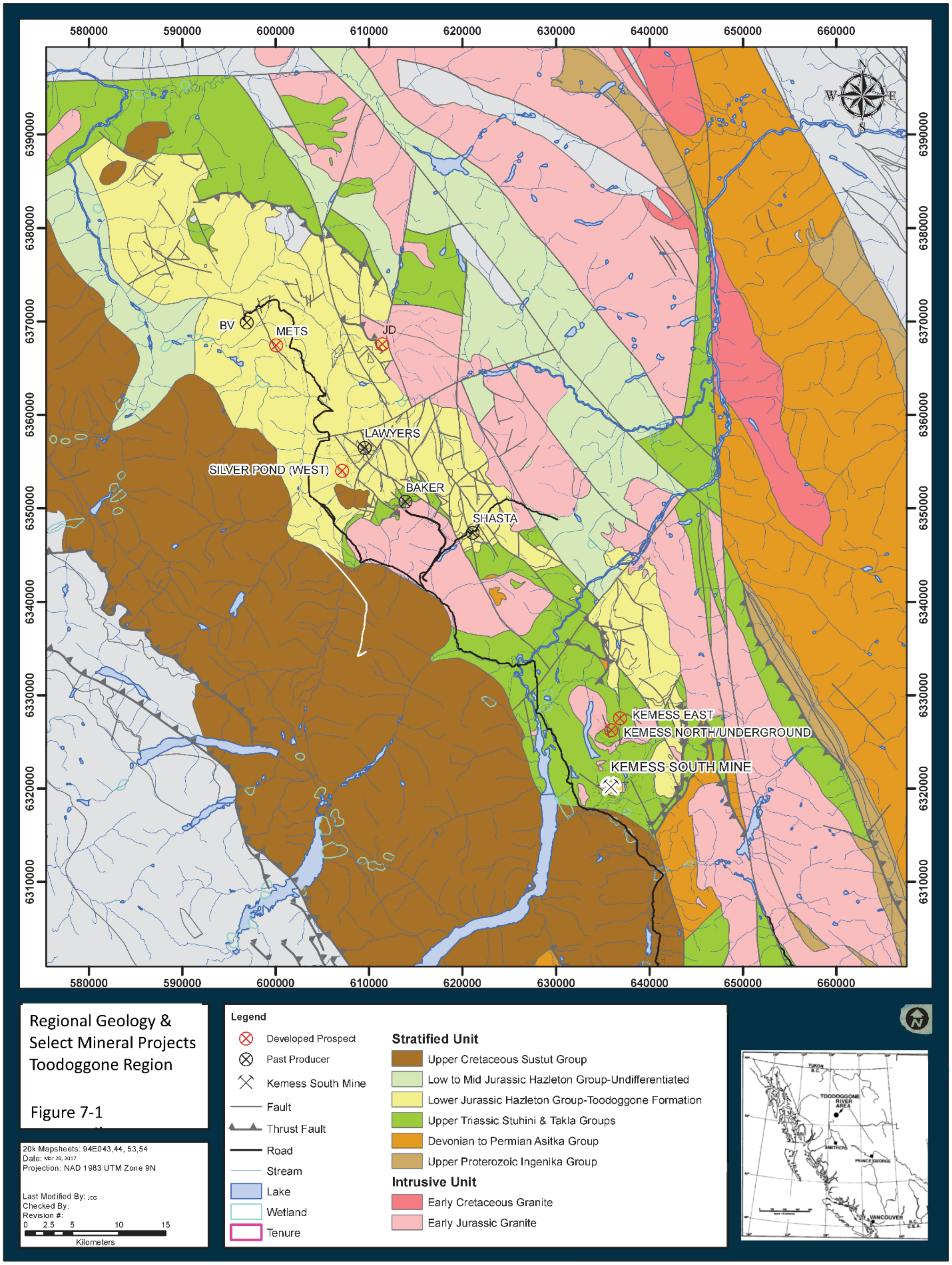

Figure 7-1: Regional Geology & Select Mineral Projects, Toodoggone Region

7.1.1 Mineral Deposits

The Toodoggone region is host to a number of mineral deposit types including epithermal gold-silver mineralization, calc-alkalic porphyry copper-gold mineralization, and occasional iron or copper (+/- gold-silver) skarn mineralization. All of these styles of mineralization are genetically related to Early Jurassic volcanic and intrusive activity in an extensional setting (Diakow et al, 1993). Epithermal gold-silver mineralization is hosted primarily by strata of the Toodoggone Formation, to a lesser degree by coeval intrusions, and locally within strata of the Takla Group. Epithermal mineralization is structurally controlled, and both vertical and lateral zoning in mineralization and alteration are common (Panteleyev, 1986). Porphyry copper-gold mineralization at Kemess is spatially and genetically associated with Black Lake Suite intrusions which have intruded Takla Group volcanic and sedimentary rocks. High-sulphidation epithermal mineralization systems formed at ca. 201 – 182 Ma and coincide with district wide plutonism and porphyry copper-gold±molybdenum mineralization, whereas low-sulphidation systems formed later at ca. 192 – 162 Ma, commonly coinciding with the emplacement of felsic dykes and Toodoggone Formation volcanism (Duuring et al., 2009).

A number of past producing mines and developed prospects plot within the map area of Figure 7-1. The Dupont/Baker 'A', Multinational 'B' and the Shasta past-producing mines of the Baker Project are discussed in Section 7.2.4. Two past-producing properties, Lawyers and Ranch, and three developed prospects, Mets, Golden Stranger and JD, are described in Section 23.0 (Adjacent Properties) of the Report. Discussed below in Section 7.1.2 is the Kemess South past-producing mine and the Kemess North and Kemess East developed prospects.

7.2 LOCAL GEOLOGY

The descriptions that follow in Sections 7.2.1 to 7.2.4 are compiled from numerous reports that have evaluated the Project area, including: assessment reports downloaded from the B.C. Ministry of Energy and Mines' ARIS (Assessment Report Indexing System) website; publications of the B.C. Geological Survey (B.C. Ministry of Energy and Mines); and hard copy reports obtained by SRL.

A map depicting the local geology and the principal mineralized zones of the Project area is shown in Figure 7.2. The geology of the Baker/Dupont 'A' and Shasta Mine sites (Diakow et al., 1993) are shown in Figures 7-3 and 7-4 respectively.

7.2.1 LITHOLOGY

The western "Chappelle Group" claims of the Baker Project are primarily underlain by an uplifted fault block of Takla Group volcanics in thrust contact with Asikta limestone both having been intruded by quartz monzonite of the Black Lake stock. The stock is exposed at the southern margin of the property, and has locally altered the limestone to an epidote-diopside skarn along their contact. The limestone also occurs towards the south of the property, and forms the prominent cliffs of Castle Mountain. Broken and iron-oxide stained augite phyric andesite to basalt flows of Takla Group are the dominant rock types on this part of the property, and are the principal host of mineralization at the DuPont/Baker 'A' and Multinational 'B' deposits. To the north, upper cycle Toodoggone formation volcanics of Diakow (1990) are present in fault contact with Takla Group rocks. Numerous hornblende-feldspar porphyritic apophyses of the Black Lake stock intrude and brecciate the Takla host rocks. The similar composition to the overlying Toodoggone volcanics suggests that these may be feeders for the overlying volcanism.

To the east the "Shasta Group" claims, and locally the "Chappelle Group" claims, the project area is underlain primarily by volcanic rocks of the Jurassic Toodoggone Formation. The Toodoggone Formation is a compositionally uniform subaerial volcanic succession that consists of six lithostratigraphic members divided into Lower and Upper Eruptive Cycles (Table 7-2). The members are comprised of high potassium, calcalkaline latite and dacite volcanic strata emplaced along a north-northwest trending, elongate volcano-tectonic depression (Diakow et al., 1993). The Attycelley and Saunders members are the predominant volcanic units to the east and north of the Project area.

Table 7-2: Lithostratigraphic Column, Toodoggone Formation (Diakow et al., 1993)

Toodoggone Formation Member	Eruptive Cycle	Age (Ma)	Description
Saunders	Upper	192.9 to 194	Trachyandesite tuffs
Attycelley		193.8	Dacite tuffs and related feeder dykes and sub-volcanic domes
McClair			Heterogeneous lithic tuffs, andesite flows and sub-volcanic dykes and plugs
Metsantan	Lower	197 to 200	Trachyandesite latite flows and tuffs
Moyez			Well-layered crystal and ash tuffs
Adoogacho		197.6	Trachyandesite ash flows to lapilli tuffs and reworked equivalents

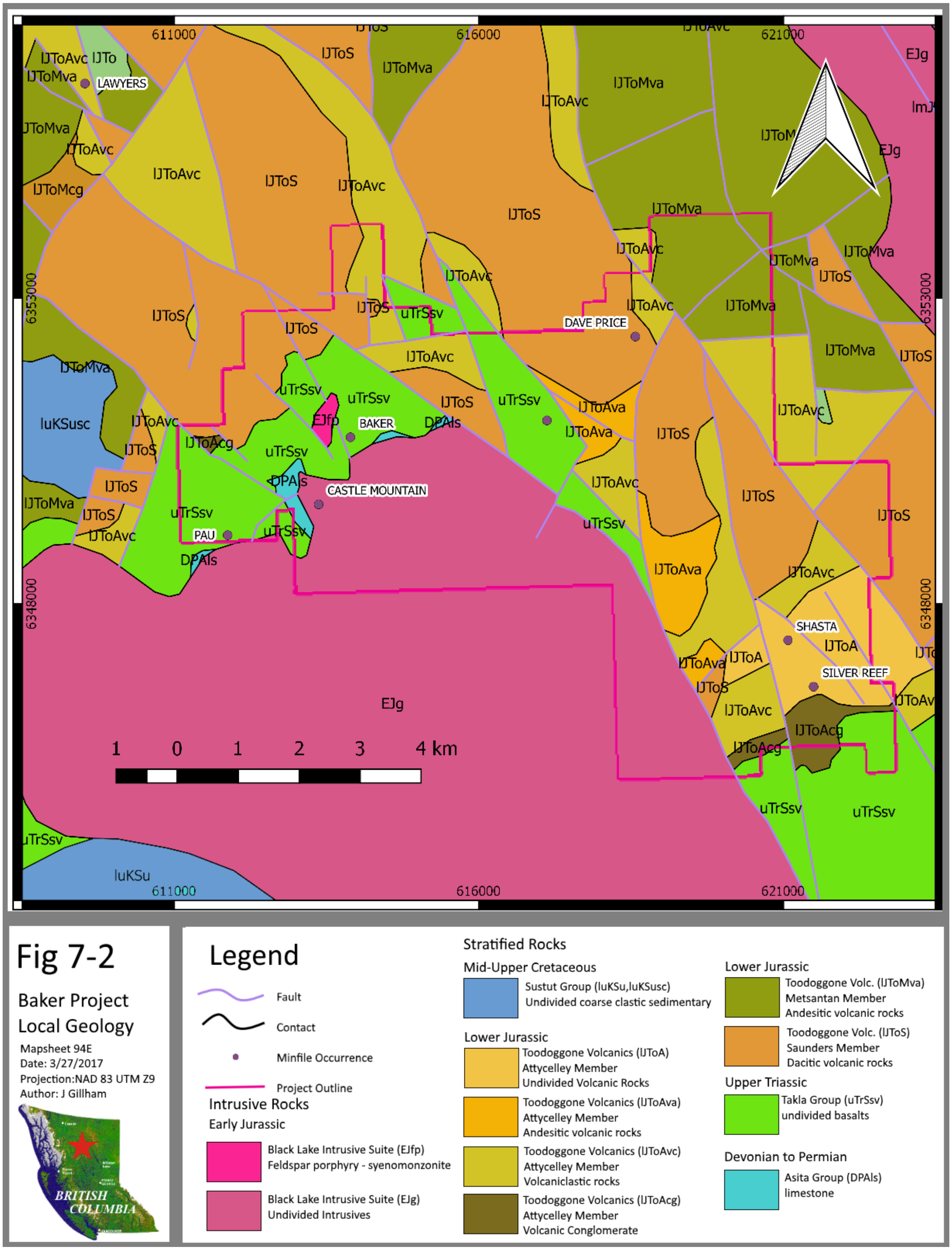

Figure 7-2: Baker Project Local Geology

7.2.2 STRUCTURE

Dominant structures on the Baker Project consist of steeply dipping normal faults, and north to northwest-trending strike-slip faults. One of the latter (the Saunders fault) borders the Shasta deposit to the east (Fig. 7-2), and has an estimated ~5 km right-lateral displacement (Diakow et al. 1993). Several of the Toodoggone area deposits, including Lawyers, Baker, and Shasta, lie near northwest-trending faults. Diakow (1990) proposed that these deposits lie along the margin of a fault-bounded trough which may have ponded later volcanics and localized hydrothermal fluids during extension. At Shasta, structurally controlled mineralized zones also have northwest trends, and may similarly reflect syn- to immediately post-volcanic normal fault activity. Small stocks in the area are also aligned northwesterly, suggesting they were also influenced by the same structural trend. Subsequent to volcanism and intrusions, younger faults are recognizable as northwest-trending lineaments.

A more detailed description of the structures found on the Chappelle and Shasta claims is presented below in sections 7.2.4.1 and 7.2.4.2.

7.2.3 ALTERATION AND MINERALIZATION

Alteration and associated mineralization on the Baker Project includes both the Dupont/Baker 'A' and Multinational 'B' vein systems on the Chappelle group of claims, and the Shasta deposit and on the Shasta claims. Alteration for the property consists of regional scale propylitic alteration of chlorite-epidote +/- calcite and pyrite. At the deposit scale, the Chappelle group of claims has undergone intense propylitic chlorite-epidote-pyrite alteration, and locally strong sericitic alteration. The lower grade regional alteration has been overprinted at Shasta by extensive potassic (quartz-adularia) alteration assemblage associated with a low-sulphidation epithermal system.

Further detail of the alteration and mineralization for the individual zones and deposits is discussed in more detail below in section 7.2.4

7.2.4 DEPOSITS AND ZONES

The Baker Project covers an area that includes seven (7) B.C. MINFILE mineral occurrences, including the past producing underground and open cut/pit Dupont/Baker 'A', Multinational 'B', and Shasta mines. The Dupont/Baker 'A' and Multinational 'B' deposits are not distinguished in the MINFILE reports and both occur under the 'BAKER' MINFILE. The other six (6) MINFILE occurrences along with the 'BAKER' showing are listed in Table 4.2 and are shown on Figure 4.3. Historical mineral resource estimates have been completed for the Shasta, Dupont/Baker 'A' and Multinational 'B' deposits. These are discussed in more detail in section Section 6: History.

Table 7-3: List of MINFILE and Other Notable Mineral Occurrences, Baker Project

MINFILE NO	NAME	STATUS	ZONE	NORTHING	EASTING
094E 026	BAKER	Past Producer	9	6350723	613891
094E 027	CASTLE MOUNTAIN	Showing	9	6349625	613369
094E 072	PAU	Prospect	9	6349120	611874
094E 302	BLACK GOSSAN	Showing	9	6351000	617125
094E 151	DAVE PRICE	Prospect	9	6352371	618569
094E 050	SHASTA	Past Producer	9	6347401	621077
094E 145	SILVER REEF	Showing	9	6346640	621502

7.2.4.1 Chappelle Group (Historic Dupont/Baker 'A' and Multinational 'B' Mines)

The Baker property is underlain by an uplifted fault block of Takla Group volcanics in thrust contact with Asikta limestone both having been intruded by quartz monzonite of the Black Lake stock. The stock is exposed at the southern margin of the property, and has locally altered the limestone to an epidote-diopside skarn along their contact. The limestone also occurs towards the south of the property, and forms the prominent cliffs of Castle Mountain. Broken and iron-oxide stained augite phyric andesite to basalt flows of Takla Group are the dominant rock types on the property, and are the principal host of mineralization at Baker. To the north, upper cycle Toodoggone formation volcanics of Diakow (1990) are present in fault contact with Takla Group rocks.

Numerous hornblende-feldspar porphyritic apophyses of the Black Lake stock intrude and brecciate the Takla host rocks. The similar composition to the overlying Toodoggone volcanics suggests that these may be feeders for the overlying volcanism.The largest of these, intrusions, the Black Lake stock, extends 9 kilometres southeast from the Baker property. Its composition varies from granodiorite to quartz monzonite. Radiometric potassium-argon dates obtained by the Geological Survey of Canada on hornblende from this pluton indicate an emplacement age of 186 Ma. Another pair yielded ages of 189 Ma and 200 Ma on biotite and hornblende respectively (Diakow 1993). Two small syenomonzonite intrusions occur immediately to the north of the Black Lake stock near the A vein. Highly altered quartz feldspar porphyry which appears to be a late phase of the syenomonzonite intrusions, occurs immediately to the north of the A vein. The main portion of this porphyry unit lies at the fault contact between Asitka Group and Takla Group rocks near the western end of the A vein. Dike-like apophyses of this body, varying from 1 to 30 metres in thickness, subparallel and intersect the northeast extension of the A vein.

Prominent Propylitic and Sericitic alteration on the property has weathered a gossanous rust color. An assemblage of quartz-sericite-chlorite-pyrite gives way to an argillic clay assemblage proximal to veins. Milky quartz veins are the principal host to economic mineralization, and commonly exhibit polyphase breccia, and vuggy textures. Gold-silver mineralization is associated with pyrite, sphalerite, galena and chalcopyrite, with precious metal mineralization in the form of electrum and acanthite.

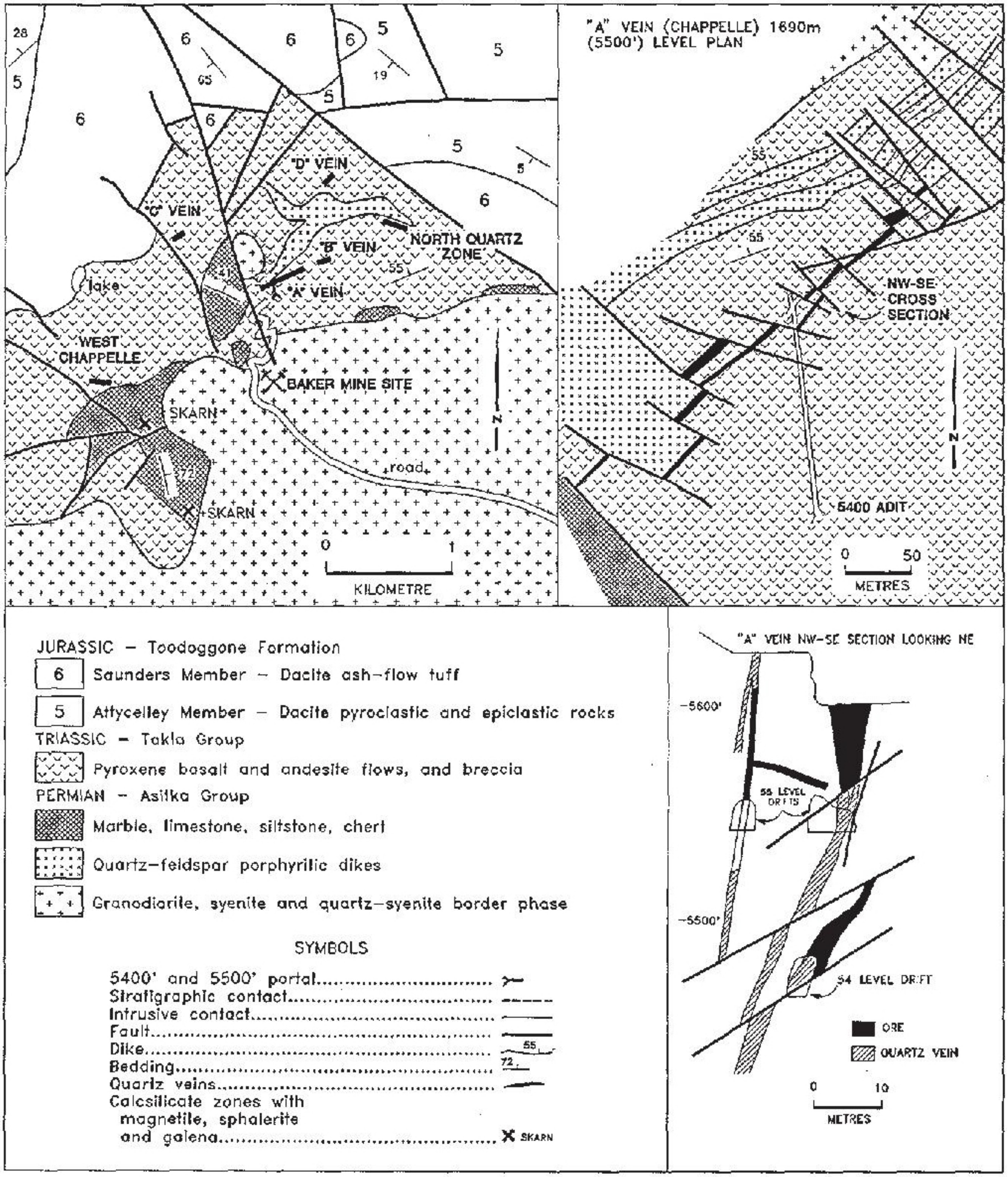

Figure 7-3: Geology and Select Mineralized Zones, Dupont/Baker 'A' Mine (after Diakow et al., 1993)

Mineralization occurs within steeply dipping structures on the property, commonly with a northeast strike. The hypabyssal hornblende-feldspar porphyry has exploited these structures, and silicification with or without mineralization, occurs along these intrusive contacts Wallrocks are variably silicified and altered to sericite, clay minerals and carbonate with intensity increasing with proximity to vein structures.

The main production occurring on the Chappelle Group claims was at the Dupont/Baker 'A' vein, a fault-controlled quartz vein system composed of two or more subparallel veins which strike northeast and dip from 80 degrees southeast to approximately 70 degrees northwest. The quartz vein system has been traced for a strike length of 435 metres and across a width varying from 10 to 70 metres. Individual veins within the system vary from 0.5 to 10 metres in width. Drilling indicated that the vein system persists for at least 150 metres vertically from surface. The A vein system is cut by numerous crossfaults which offset portions of individual veins, commonly for 1 to 15 metres and in one instance, for an inferred plan offset of 30 metres in a small graben structure. Most of the faults are northwest striking normal and reverse faults dipping to the northeast, and dip-slip strike faults dipping at shallow angles, generally to the southeast. Wallrocks, particularly in the hangingwall, are badly broken. The quartz vein is broken into segments less than 30 metres in length. A variety of quartz vein textures and crosscutting relationships indicate a complex history of veining with multiple depositional stages. Much of the quartz is massive and drusy, whereas a distinctive earlier ribboned variety is common, particularly near vein contacts. The quartz varies in colour from white to grey to dark grey.

Gold-silver values are generally associated with highly fractured and occasionally brecciated white to grey, vuggy quartz veins containing 1 to 10 per cent pyrite, and to a lesser extent occur in silicified wallrock. Xenoliths of altered andesite and dacite frequently occur in the veins. The only other common gangue mineral is carbonate, which fills fractures.

Higher grade mineralization is associated with grey quartz, which occasionally contains visible argentite, commonly associated with disseminated grains of pyrite, chalcopyrite and very minor sphalerite. High grade gold-silver values occasionally occur in narrow (1 to 5 centimetres) crosscutting silicified shears. Visible gold is rare. Significant precious metals were found to be contained in a flat-lying shoot 200 metres in length by 3 metres wide and extending to a depth of 40 metres below surface.

Polished section, x-ray diffraction, and electron microprobe studies indicate that pyrite is the dominant mineral, constituting about 90 per cent of sulphide mineralization. It occurs as euhedral grains and includes blebs of chalcopyrite, electrum, argentite, bornite and sphalerite. Sphalerite constitutes about 3 per cent of the sulphides and is commonly enclosed in pyrite. Argentite is commonly interstitial between pyrite, chalcopyrite and gold. Electrum is frequently associated with argentite. The form of occurrence of gold is similar to that of argentite and electrum. Bornite occurs as blebs in pyrite or with chalcopyrite. Galena occurs as rare discrete disseminated grains. Chalcocite forms thick coatings on chalcopyrite and covellite forms a thin coating on both chalcocite and chalcopyrite in the oxidized part of the A vein.

7.2.4.2 Shasta Group (Shasta Mine)

The Shasta deposit is an epithermal multiphase quartz-carbonate stockwork vein/breccia deposit containing significant silver and gold mineralization. It is spatially related to a dacitic dome of Lower to Middle Jurassic age. Mineralized zones are hosted by pyroclastic rocks that were deposited on the flank of the coeval dacite dome. The pyroclastic rocks, which unconformably overlie Stuhini Group volcanic rocks, belong to the Attycelley Member of the Upper Volcanic Cycle of the Toodoggone Formation.

The Shasta deposit comprises a dozen tabular to curviplanar mineralized zones, of which the Creek and JM zones are the largest and contain the bulk of exploitable reserves (Fig. 7-4). The Creek zone strikes 180 °, has a length of 875 m and an average width of 5 to 10 m, and continues to a depth of ~300 m at a dip of 60 ° west; the JM zone strikes 330 ° over a distance of 1000 m and an average width of 5 to 10 m, and dips 70 ° east to 70 m depth. These attitudes produce an inverted ``V'' geometry that plunges shallowly to the northwest. Rocks hosting the deposit are probably equivalent to the Attycelley Member of the Toodoggone Formation, described by Diakow (1993) as green to mauve lapilli ash tuffs and lapilli-block tuffs with minor ash-flows, lava flows and epiclastic rocks (Marsden and Moore 1990).

The structure of the area is dominated by north- to northwest-trending normal and/or dextral strike-slip faults, with trends similar to the mineralized zones; later northeast-trending faults truncate mineralization. It is likely that syn-volcanic normal faults have been remobilized by younger transpressional tectonic activity. In the mine area, the most prominent northerly trending structure is the Shasta fault, which strikes 180 ° and dips 50 ° west. This fault separates pyroclastic host rocks in the footwall from overlying epiclastic rocks in the hangingwall (Fig. 7-4). The Shasta fault displays postmineralization movement, forming the hangingwall to the Creek zone near surface, but curving away from this zone at depth. In the JM zone, a late-stage carbonate vein (CB vein) forms the hangingwall to mineralization. The CB vein, which is essentially parallel to the JM zone, is semi-continuous over 200 m and varies from a 1.5 m wide vein to a 15 cm wide gouge-filled seam. Given that both the CB vein and the Shasta fault are parallel to zones of mineralization and form the hangingwall of the mineralized zones, it is likely that these structures were the result of post-ore movement on faults that initially controlled permeability and focused hydrothermal fluids (Thiersch 1997).

Mineralized zones consist of cross-cutting, multi-stage quartz-calcite stockwork and breccia veins up to 30 m wide, enclosed by salmon-pink alteration envelopes up to 100 m wide. Individual stockwork veins are massive to crudely banded and 1 to 75 cm thick. Breccia veins pinch and swell along strike and down dip within the stockwork zones, forming discontinuous, subparallel or en-echelon pods up to 15 m wide, and consist of hydrothermally altered wallrock and vein fragments cemented by quartz and/or calcite. They range from narrow single-stage breccias of "jigsaw" type, to wider multi-stage breccias with repeatedly fractured and recemented fragments 1 to 100 cm in diameter. Based on mineral assemblages described below, hydrothermal alteration associated with the deposit can be classified as propylitic, potassic and sericitic. Propylitic alteration is regional in extent, and adjacent to the deposit grades into potassic assemblages over a distance of several meters. Potassic alteration is directly associated with quartz stockworks and veins, and forms broad pinkish haloes that surround stockwork zones. Sericite locally overprints potassic alteration. Propylitic alteration consists of an assemblage of chlorite, albite, epidote, calcite and pyrite. Lapilli are generally chloritized, and plagioclase phenocrysts are replaced by fine-grained chlorite and epidote; however, primary textures are usually well preserved. Potassic alteration is characterized by replacement of plagioclase phenocrysts and lapilli by K-feldspar and minor calcite, and pervasive silicification of the groundmass. Mass balance calculations based on whole rock geochemistry indicate that potassic alteration was accompanied by significant additions of K and Si, and a loss of Na (Thiersch 1997). The intensity of alteration is related directly to quartz vein density and, in areas of high vein density, secondary K-feldspar and quartz completely obscure primary textures. Epidote is present only in areas of weak potassic alteration, and is associated primarily with late-stage fractures. Sericitic alteration occurs in minor, irregular patches throughout the deposit area, and appears to be associated with late-stage faulting and post-mineralization hydrothermal activity. Sericitic assemblages consist of fine-grained sericite, quartz and pyrite that replace the original mineralogy and generally destroy primary textures. Veins and breccia cement consist mainly of quartz and calcite. Quartz is dominant at higher levels and in the periphery of stockwork zones, and calcite is more abundant at lower levels and in the central part of the breccia zones. Quartz is characteristically fine-grained and locally chalcedonic, whereas calcite tends to be relatively coarse-grained. Veins commonly display multistage crack and fill textures, although open space-filling textures are also observed. Vugs are rare, but are more common in calcite veins than in quartz veins. Minor chlorite and hematite, and rare late-stage barite are also present in veins. Chlorite occurs typically as fine selvages along vein walls or between calcite layers in banded veins, and is particularly abundant in high-grade breccias, where it forms up to 20% of the gangue. Hematite is restricted to post-ore calcite veins. Cross-cutting veins and breccias attest to multiple episodes of fracturing and infilling. Quartz-only veins formed early, whereas calcite-only veins are always late in the sequence of alteration/mineralization. Multi-stage veins typically show evidence of sequential filling of the fracture, beginning with fine-grained quartz at the vein wall, followed by euhedral crystalline quartz, and medium- to coarse-grained calcite. At the transition from quartz to calcite, the two minerals are commonly intergrown, and were evidently co-precipitated. Multiple stage breccias are composed typically of silicified wallrock and quartz vein fragments cemented by quartz and calcite, or calcite alone. In order of decreasing abundance, sulfide and precious metal minerals consist of pyrite, sphalerite, galena, chalcopyrite, acanthite, native silver and electrum. These minerals are typically fine-grained and occur with chlorite at vein margins, and are conspicuous at the contact between quartz and calcite zones in mixed quartz-calcite veins and breccias. The sulfide and precious metal minerals constitute generally less than 5% of the rock within the ore zones. Nevertheless, high-grade breccias may contain >10% sulfides, and yield assays as high as 1015 g/t Au, 8.8% Ag, and several percent Cu, Pb and Zn (Thiersch 1997).

Paragenetic relationships described already can be represented by a sequence consisting of pre-ore, ore, and post-ore stages (Fig. 7-4). In the pre-ore stage, euhedral pyrite was deposited in early quartz veins, with minor sphalerite and chalcopyrite. At the onset of ore deposition, veins were re-opened and/or brecciated, resulting in pyrite cataclasis. This was followed by deposition of most of the sphalerite and chalcopyrite, and subsequently galena, argentite, electrum and native silver (in this order) precipitated in the spaces created by renewed fracturing. Quartz was the main gangue mineral deposited during the early ore stage, and was joined by calcite at the peak of precious metal mineralization. In the post-ore stage, minor amounts of hematite were deposited in generally barren calcite veins.

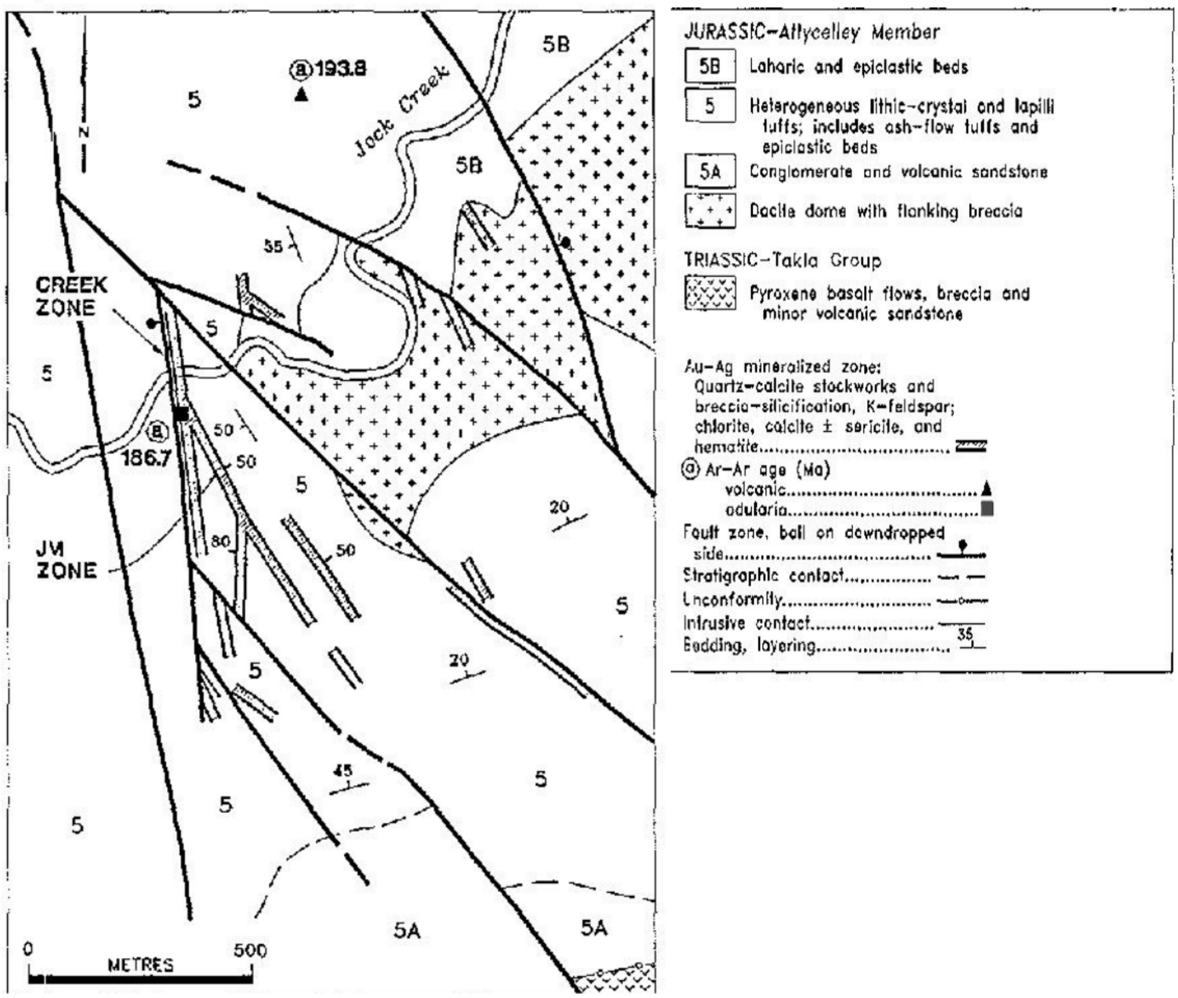

Figure 7-4: Geology and select mineralization from the Shasta deposit (after Diakow et al. 1993)

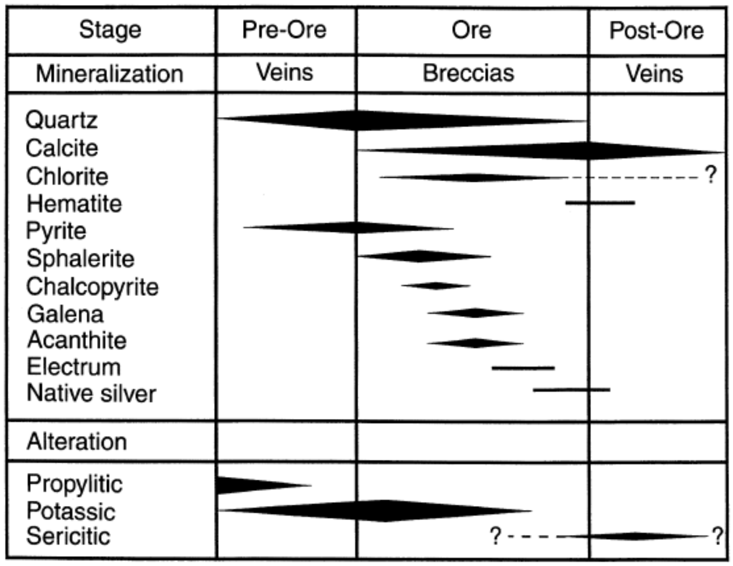

Fig 7-5: Paragenetic Sequence of mineralization and alteration, Shasta deposit (after Thiersch 1997)

7.2.4.3 Other MINFILE Occurrences, Baker Project

Pau Prospect (MINFILE 094E 072)

The Pau prospect is located approximately 2.5 kilometres southwest of the former Baker mine (094E 026) and is underlain by the dominant lithologies of augite feldspar phyric andesitic flows of the Takla Group and feldspar porphyry of the Toodoggone Formation. Other lithologies cropping out in the vicinity include limestone and marble of the Asitka Group, and porphyritic andesitic crystal and lithic tuffs and breccias. Structurally the units in the area are intensively disrupted by steep dipping northeast-striking faults.

Mineralization consists of galena, tetrahedrite, argentite, chalcopyrite and sphalerite hosted in quartz veins, breccias and silicification forming a zone that has been traced over a strike length in excess of 80 metres with apparent surface widths between 4 and 12 metres. Minor amounts of chalcedony are found in some quartz veins. The Asitka Group limestone is locally metamorphosed to a pale green actinolite-bearing calcsilicate skarn. Skarn mineralization includes galena, chalcopyrite, sphalerite and pyrite. Most of both types of mineralization occur near the intrusive contact.

Property exploration consisting of soil, silt and rock geochemistry, geological mapping and prospecting, and ground magnetic surveys by Cheni Mines from 1980 to 1982, led to the discovery of a zone of intense quartz veining and silicification. This zone became known as the Black Pete zone. Hand trenching was completed over a the zone and assay values up to 3.77 grams per tonne gold and 298.28 grams per tonne silver across 1 metres were obtained (Assessment Report 16476). In 1985 and 1986, bulldozer and backhoe trenches were dug. Assay values up to 164.9

grams per tonne gold and 2694.85 grams per tonne silver over 3 metres were obtained (Assessment Report 16476).

In 1987, diamond drilling was undertaken to determine the continuity at depth of gold and silver mineralization in quartz veins, breccias and silicified zones. Core from eight drillholes, totaling 1122.13 metres, was intensely fractured indicating the area is strongly faulted. Continuity of ore intersections between drillholes was also poor. The best assay values were from drillhole 87PM6. A 0.5-metre intersection from 98 to 98.5 metres analyzed 3.08 grams per tonne gold and 1165.7 grams per tonne silver (Assessment Report 16476). These values were from within a broader 21.6-metre wide anomalous zone yielding weighted averages of 100.46 grams per tonne silver and 0.31 gram per tonne gold (Assessment Report 16476). The upper 10.6 metres consisted of a volcanic breccia with a density of irregular quartz stringers followed by a quartz vein 10 metres wide.

Significant but sporadic gold mineralization was intersected in all other drillholes. Drillhole 87PM3 intersected a 0.72-metre wide quartz vein, from 27.53 to 28.5 metres, which yielded 600.9 grams per tonne silver and 2.74 grams per tonne gold (Assessment Report 16476). Drillhole 87PM4 intersected a 0.75-metre quartz vein which analyzed 157.7 grams per tonne silver and 0.343 gram per tonne gold (Assessment Report 16476). A 8.92-metre wide quartz vein intersected in drillhole 87PM1 analyzed 123.42 grams per tonne silver and 0.343 gram per tonne gold over a 1-metre interval (Assessment Report 16476).

Castle Mountain (MINFILE 094E 027)

The Castle Mountain showing is located approximately 1.2 kilometres southwest of the former Baker mine (094E 026) and is underlain by limestone of the Asitka Group and volcanic rocks of the Takla Group. Dark green augite plagioclase phyric andesite to basalt flows with lesser interbedded siltstone, tuffaceous sediments and chert comprise lithologies of the Takla Group. These lithologies have in turn been intruded by Early Jurassic granodiorite to quartz monzonite of the Black Lake stock.

The intrusion of the Black Lake stock has led to the development of skarn mineralization at the Castle Mountain showing, which was first recognized and explored by Cominco in the early 1930s. Sphalerite, galena, chalcopyrite, magnetite, pyrite and pyrrhotite mineralization is sporadically distributed in pods rarely more than 1 to 2 metres long, but are traceable over a strike length of 304 to 426 metres in a zone up to 3 metres thick. Associated skarn mineralogy includes green amphibole, garnet and epidote. Silver content is erratic and ranges up to 1714.28 grams per tonne but averages closer to 68.57 to 102.85 grams per tonne; gold values are generally low. The highest values from assays were 9.25 grams per tonne gold, 1904.91 grams per tonne silver and 76.7 per cent lead from a small skarn lens on the Castle Mountain 3 Crown grant. Another small lens on the Castle Mountain 4 Crown grant yielded trace gold, 47.99 grams per tonne silver, 32.5 per cent zinc, 3.9 per cent lead and 0.79 per cent copper (Assessment Report 14979).

Black Gossan (MINFILE 094E 302)

The Black Gossan occurs in a fault block of Upper Triassic Takla (Stuhini) Group andesite to basalt. To the northeast and southwest, the Upper Triassic Takla rocks are in fault contact with Toodoggone formation volcanics. Strong propyltic alteration is pervasive, with argillic alteration assemblages on fault surfaces. Strong oxidized pyritic and gossanous alteration forms a prominent supergene cap over the target.

Drilling in 2002 yielded only low values with one of the best being 0.14 gram per tonne gold and 2.2 grams per tonne silver and 88 parts per million copper (Assessment Report 27127). This 1.83 metre drill interval contained pyritic veins with up to 8 per cent pyrite.

It is reported (Assessment Report 29168) that to the north of the Black Gossan zone, is the Clancey showing which consists of vuggy zinc-lead quartz veinlets, in weakly propylitic Takla volcanics. This association of zinc-lead veinlets distal to copper-gold porphyry systems has been established at the nearby Kemess South Mine, and is thought to support the interpretation of the Black Gossan being a porphyry system.

Dave Price (MINFILE 094E 151)

The Dave Price prospect is located approximately 7.5 kilometres north-northwest of the Shasta mine site and is underlain by Toodoggone Formation volcanic rocks of the upper volcanic cycle. These consist of a heterogeneous mixture of green, grey and mauve lapilli ash and lesser block tuff, with lesser interspersed ash flows and lava flows and interbedded epiclastics of the Attycelley Member and partly welded, crystal-rich dacitic ash flows of the conformably overlying Saunders Member.

Mineralization consists of a network of quartz-sericite-pyrite brecciated veins in an elliptical-shaped alunite clay cap approximately 600 metres in diameter. Earlier property work identified this clay cap as being part of a jarositic vent rim. Four separate zones of alteration have been identified and collectively comprise the prospect. Pyrite is the only metallic mineral identified within these alteration zones.

Two of these quartz breccia systems were sampled prior to trenching in 1987 and yielded assay values ranging from 0.1 to 1.7 grams per tonne silver and 0.005 to 0.045 gram per tonne gold (Assessment Report 16994). A trench, 12 metres long by 2 metres wide and averaging 1.5 metres deep, was blasted on one of these zones in 1987. Subsequent chip sampling across this trench yielded anomalous silver and gold. Sample DP-87-1001, a 20-centimetre chip sample from the east wall at the southern end of the trench, analyzed 1.71 grams per tonne gold, 215.9 grams per tonne silver and 0.005 per cent copper (Assessment Report 16994). Sample material consisted of bluish silica with jarosite, pyrite and altered crystal tuff fragments.

Silver Reef (MINFILE 094E 191)

The Silver Reef showing is located approximately 1 kilometre southeast of the Shasta minesite, and is underlain by the Attycelley and overlying Saunders members of the Toodoggone Formation volcanics. The Attycelley Member (a pyroclastic series) unconformably overlies pyroxene feldspar phyric basalt flows and breccias of the Takla Group. To the north of the Silver Reef showing, the Attycelley Member consists of dacitic feldspar quartz crystal tuffs, chloritic and heterolithic lapilli tuffs, and an underlying feldspar-quartz- biotite porphyry flow. These units all contain characteristic orange-weathering plagioclase feldspars. The Saunders Member (an epivolcaniclastic series) consists of green to maroon feldspar phyric tuffs, heterolithic agglomerates, lahars and ash tuffs.

Locally the volcanic rocks of the Toodoggone Formation are feldspathized and silicified in quartz vein and brecciated vein stockwork zones. These zones weather a distinctive pink-white and are frequently accompanied by limonite and jarosite staining. Composition of these veins is 30 to 70 per cent feldspar in a dark green matrix containing small vitreous quartz crystals and finely disseminated pyrite. Brecciated zones within veins contain elongate drusy cavities 2 to 10 millimetres wide. Manganese oxide staining is common on quartz crystals. Extensive silicification is common in country rocks adjacent to breccia zones.

The main exposure, in a steep bluff on trend with the Shasta mine, strikes approximately 300 degrees with an easterly dip of 50 to 90 degrees. Here the altered zone is 1 to 3 metres wide, consisting mainly of silicified stockwork bands in unaltered fresh volcanics. Mineralization is minimal in veins from this zone and samples assayed negligible precious and base metals. Sample 32130 yielded the highest precious metals values; 1.028 grams per tonne silver and 0.27 gram per tonne gold (Assessment Report 9886).

Two distinct zones occur 450 and 700 metres east of the main zone respectively. These zones trend northwestward and dip steeply northeast. One band was traced for about 100 metres along strike. Variable amounts of pyrite (up to 15 per cent) occur in veins and jarosite alteration is common. Four small trenches were blasted to uncover fresh vein material. Assay results from these trenches were up to 0.04 per cent lead, 0.02 per cent zinc, 0.686 gram per tonne silver and 0.343 gram per tonne gold (Assessment Report 9886).

Silicification in the northeast zone is limited. Vein material assayed only trace amounts of base and precious metals (Assessment Report 9886). Assay results from soil samples at this zone indicated strong lead, zinc, silver and gold anomalies, suggesting the possibility of mineralized vein material nearby (Assessment Report 9886).

8) DEPOSIT TYPES

8.1 DEPOSIT TYPE DESCRIPTIONS

The descriptions of deposit types in this section are based, in large measure, on the B.C. Geological Survey's Bulletin 86, titled "Geology of the Early Jurassic Toodoggone Formation and Gold-Silver Deposits in the Toodoggone River Map Area, Northern British Columbia" (Diakow et al., 1993) in addition to Duuring et al. (2009), and Diakow et al. (1991).

The Toodoggone region is host to a number of mineral deposits and prospects, several of which are described in Sections 7.1.1 and 7.2.4 of this Report. Deposit types include epithermal gold-silver mineralization and porphyry copper-gold mineralization. All are genetically related to Early Jurassic volcanic and intrusive activity in an extensional setting (Diakow et al, 1993). A schematic cross-section of the deposit types and their zonal relationships is shown in Figure 8-1.

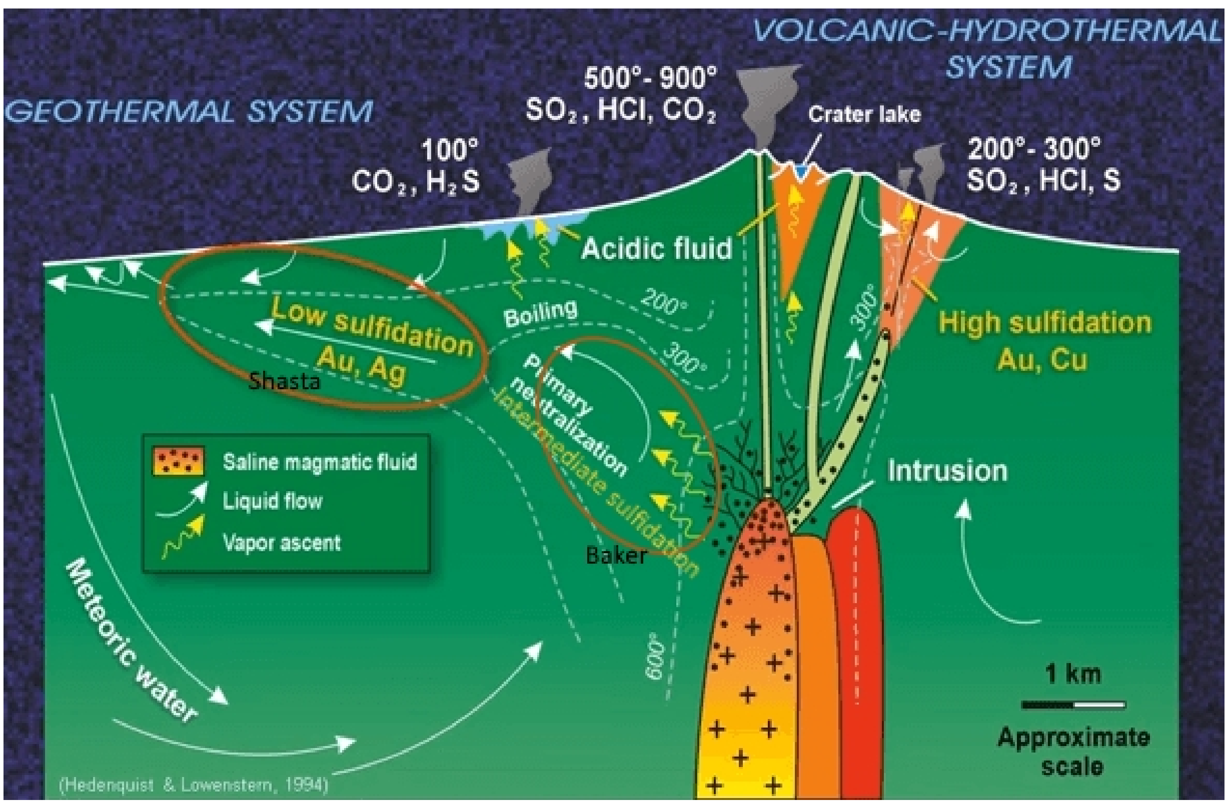

Figure 8-1: Baker Project - Schematic Model for Low Sulphidation, Intermediate and High Sulphidation Epithermal Mineralization Relative to Shallow, Sub-Volcanic Intrusions

8.1.1 LOW SULPHIDATION EPITHERMAL DEPOSITS

Low sulphidation epithermal gold-silver deposits are also called adularia-sericite or quartz-adularia types which form in high-level (epizonal) to near-surface environments. They consist of quartz veins, stockworks and breccias commonly exhibiting open-space filling textures and are associated with volcanic-related hydrothermal or geothermal systems. The deposits occur within volcanic island and continent-margin magmatic arcs and/or continental volcanic fields in an extensional structural setting.

The depth of formation of these high-level deposits is from surface (in hot springs systems) to about 1 km below surface along regional-scale fracture zones related to grabens, resurgent calderas, flow-dome complexes and rarely, maar diatremes. Settings also include extensional structures (normal and splay faults, ladder veins and cymoid loops, etc.) in volcanic fields; locally graben or caldera-fill clastic rocks are present. High-level, subvolcanic stocks and/or dykes and pebble breccia diatremes occur in some areas. Locally resurgent or domal structures are present and are related to underlying intrusive bodies.

The age of this type of epithermal mineralization varies. Tertiary deposits are most abundant world-wide but in B.C. Jurassic deposits are important. Mineralization appears closely related in time to the host volcanic rocks but invariably it is slightly younger in age.

Ore zones are typically localized in fault or fracture systems, but also may occur in permeable lithologies. Upward-flaring ore zones centered on structurally controlled hydrothermal conduits are typical. Large (>1 m wide and hundreds of meters in strike length) to small veins and stockworks are common with lesser disseminations and replacements. Vein systems can be laterally extensive but ore shoots have relatively restricted vertical extents. Ore bodies form where dilational openings and cymoid loops develop, typically where the strike or dip of veins change. Hangingwall fractures adjacent to mineralized structures are particularly favorable for the development of high-grade ore shoots.

Textural features associated with mineralization include open-space filling, symmetrical layering, crustification, comb structures, colloform banding and multi-phase breccias. Ore minerals present include pyrite, electrum, gold, silver, acanthite (argentite) and lesser amounts of chalcopyrite, sphalerite, galena, tetrahedrite, silver sulphosalts and/or selenide minerals. Gangue minerals include quartz, amethyst, chalcedony, quartz pseudomorphs after calcite, with lesser amounts of adularia, sericite, barite, fluorite, Ca-Mg-Mn-Fe carbonate minerals (such as rhodochrosite), hematite and chlorite. Epithermal silver deposits generally have higher base metals contents than do gold or gold-silver types.

Deposits can be strongly zoned horizontally and vertically. Downward vertical zonation occurs over a 250 to 350 m interval, from a base metals poor, gold and silver-rich top to a relatively silver-rich base metals intermediate zone, to an underlying base metals-rich zone grading at depth into a sparse base metals- bearing pyritic zone. At depth, deposits can be postulated to occur above or peripheral to porphyry and possibly skarn-type mineralization.

Silicification of host rocks is extensive, occurring as multiple generations of quartz and chalcedony commonly accompanied by adularia and calcite. Pervasive silicification in vein envelopes is flanked by sericite-illite-kaolinite assemblages. Intermediate argillic alteration (kaolinite-illite-montmorillonite [smectite]) forms adjacent to some veins and advanced argillic alteration (kaolinite-alunite) may form at the tops of mineralized zones. Propylitic alteration dominates at depth and peripherally. Weathered outcrops are often characterized by resistant quartz +/- alunite 'ledges' flanked by extensive bleached, clay-altered zones with supergene alunite, jarosite and limonite.

8.1.2 INTERMEDIATE SULPHIDATION EPITHERMAL DEPOSITS

Most intermediate sulphidation epithermal veins show a metal signature comprising gold and silver, with lesser zinc, lead and copper. Total sulphide content typically ranges from 5 to >20% (by volume) with pyrite > sphalerite > galena > chalcopyrite (if present). Sphalerite is usually vertically zoned from black, iron-rich (Fe>Zn), higher temperature species at depth, through brown and red, to yellow, iron-poor (Zn>Fe), low temperature species at shallower levels. Tellurides may be common in some systems—selenides are uncommon. Manganese is often present (usually in association with carbonate gangue). Tetrahedrite-tennantite may be present.

Quartz and carbonate are the dominant gangue minerals (the commercially worth-are often less minerals within a mineral deposit that surround, or are intergrown with, the minerals of economic interest) in intermediate sulphidation epithermal systems. Barite, gypsum, anhydrite and manganiferous silicates may be locally important. Pyrite is the dominant sulphide gangue.

Multiple episodes of quartz deposition is the norm as evidenced by cross-cutting quartz phases and varied quartz textures. Vein-filling crustiform and comb quartz is common—this reflects the higher temperature of formation as compared to low sulphidation quartz veins. Equant space-filling, saccharoidal, fine crystalline and open space quartz-flooding may be present. Colloform banded quartz (ginguro texture) and other boiling textures typical of low sulphidation epithermal systems are generally not present.

Vein-filling carbonate is the dominant gangue in the upper parts of intermediate sulphidation epithermal veins. The Ca/Mg carbonate end members (calcite, Mg-calcite and dolomite) form at the deepest levels, whilst Fe/Mn carbonate end members (siderite and rhodocrosite) form at shallower levels under cooler conditions. Carbonates may form fine crustiform bands which alternate with thin quartz-rich carbonate bands, especially within the transition zone from quartz-dominant to carbonate-dominant phases. Blocky and massive vein-filling carbonate is common.

Barite, if present, generally forms vein fill in the uppermost parts of the system. Gypsum and anyhydrite may also present as late phases in the uppermost parts of intermediate sulphidation epithermal systems.

The majority of intermediate sulphidation deposits form steeply dipping veins which may contain bonanza gold grade shoots (especially within quartz-base metal sulphide veins and breccias). Within a given district, multiple veins are common and typically form sub-parallel to anastomosing vein swarms, as is typical within the Baguio District.

Vein breccias and larger breccia bodies (e.g. the Rosia Montana Deposit: Lexa, 1999) may be developed—vein breccias especially may be high grade even within narrow vein deposits.

Stockworks are common in the hanging wall of deposits—they range from narrow selvages that extend metres from veins and silicified structures, to extensive stockworks that may be of sufficient density and grade to justify an open pitable bulk tonnage mine

Disseminated mineralization is less common but is important in some deposits such as Creede in the USA and San Cristóbal in Bolivia (Wilson 2015)

Alteration minerals in intermediate sulphidation epithermal gold systems are zoned in a similar manner to that of gangue mineralogy. Proximal to mineralization quartz-sericite dominates at depth whilst carbonate dominates in the shallower parts of the system. Pyrite is ubiquitous. Further from mineralization illite-smectite passes outwards to epidote-chlorite (prophylitic).

Intermediate sulphidation systems are generally distinctly zoned. Ores tend to be dominated by quartz-pyrite-base metal sulphides at depth, and become more carbonate rich at the expense of these phases at progressively shallower levels. Carbonate deposition may also postdate and cross-cut earlier quartz sulphide phases as the fluid system cools and collapses. Barite, gypsum and anhydrite, if present, are formed in the uppermost parts of the system and/or are the latest depositional event.

Gold mineralization predominantly develops in association with base metal sulfide deposition. Whilst most base metal sulphides are deposited with quartz, minor base metal sulphide mineralization extends into the carbonate event in many deposits, as evidenced in the Baguio District, Philippines, where carbonate veins may be significantly gold mineralized (especially where manganoan carbonates are present, e.g. the Sangilo deposit) (Wilson 2015).

Gold typically occurs in its native state, either as inclusions in pyrite and/or base metal sulfides, intergrown with carbonate, or filling fractures and vugs in earlier quartz, and generally does not pose metallurgical problems

Unlike low sulphidation epithermal gold-silver deposits (in which boiling is the main mechanism for deposition of metals) which typically have relatively restricted vertical precious metal interval of approximately 200 to 250 metres,Intermediate sulphidation systems can have precious metal intervals that extends over 100s to potentially >1 kilometre,

8.1.3 HIGH SULPHIDATION EPITHERMAL DEPOSITS

High sulphidation epithermal deposits are also called acid-sulphate, quartz-alunite, alunite-kaolinite-pyrophyllite or advanced argillic types. They occur as veins, vuggy breccias and sulphide-silica replacement pods to massive lenses within volcanic host rocks associated with high level hydrothermal systems marked by acid-leached, advanced argillic and silicic alteration. Their setting is usually within extensional and trans-tensional environments, commonly in volcano-plutonic continent-margin and oceanic arc and back-arc settings. They occur in zones with high-level magmatic emplacements where strato-volcanoes and other volcanic edifices are constructed above plutons.

Deposits are commonly irregular in shape, controlled in part by host rock permeability and the geometry of ore-controlling structures. Multiple, cross-cutting composite veins are common; texturally the mineralization is characterized by vuggy, porous silica derived as a residual product of acid leaching. Hydrothermal breccias and massive wallrock replacements associated with fine-grained quartz are also common features associated with high sulphidation deposits.

Mineralization consists of pyrite, enargite/luzonite, chalcocite, covellite, bornite, gold, electrum, and less commonly chalcopyrite, sphalerite, tetrahedrite/tennantite, galena, marcasite, arsenopyrite, silver sulphosalts and tellurides including goldfieldite. Two types of ore are commonly present: (i) massive enargite-pyrite and/or (ii) quartz-alunite-gold. Gangue mineralogy consists principally of quartz-pyrite or quartz-barite; carbonate minerals are absent.

Alteration minerals consist principally of: quartz, kaolinite/dickite, alunite, barite, hematite, sericite/illite, amorphous clays, pyrophyllite, andalusite, diaspore, corundum, tourmaline and native sulphur with subordinate amounts of dumortierite, topaz, zunyite and jarosite. Advanced argillic alteration is a common alteration type and can be aerially extensive and visually prominent. Quartz occurs as fine- grained replacements and as vuggy, residual silica in acid-leached rocks. Weathered rocks may contain abundant limonite, jarosite, goethite and/or hematite, generally in a groundmass of kaolinite and quartz. Fine-grained supergene alunite veins and nodules are common.

Ore controls in volcanic edifices are commonly caldera ring and radial fractures, (particularly at their intersections), fracture sets in resurgent domes and flow-dome complexes, and hydrothermal breccia pipes and diatremes. Faults and breccias in and around intrusive centers appear to be important controls. Permeable lithologies can also be favorable host rocks, capped in some deposits by less permeable, hydrothermally altered silica, clay and alunite-bearing 'lithocaps'. The deposits can occur over considerable depths, ranging from high-temperature solfataras (sulfurous fumaroles) at the paleosurface down into cupolas of intrusive bodies at depth.

Recent research into the high sulphidation genetic model, mainly in the southwest Pacific and in the Andes of South America, has shown that these deposits are commonly genetically related to high-level intrusions and at several locales, they tend to overlie and flank porphyry copper-gold deposits. Multiple stages of mineralization are common, presumably related to periodic tectonism with associated intrusive activity and magmatic hydrothermal fluid generation.

The high sulphidation deposit type has become a focus for exploration throughout the circum-Pacific region because of the economically important gold and copper grades in some deposits.

8.1.4 PORPHYRY DEPOSITS

The porphyry deposit type consists of bulk tonnage-style copper-molybdenum-gold mineralization commonly related to feldspar porphyritic intrusions. Core areas consist of intrusive-hosted, disseminated copper sulphides, largely chalcopyrite and bornite, commonly with accessory molybdenum and gold. Mineralization is spatially associated with the core intrusion, but not necessarily confined to it. Stocks are typified by concentric zones of potassic, phyllic (sericitic) and propylitic alteration, commonly with argillic (clay) alteration and overlying zones of advanced argillic alteration. Some secondary (supergene) mineralization commonly occurs near-surface, marked by oxidation of sulphide minerals and enrichment of economic minerals. Deposit boundaries are determined by economic factors that outline ore zones within larger areas of low-grade, concentrically zoned mineralization.

The Kemess South and North copper-gold deposits belong to the calc-alkaline variety of the porphyry deposit type. Both are described in Section 7.1.1 of this Report. Pyrite, chalcopyrite and magnetite are associated with well-developed quartz stockwork veins and veinlets within potassically-altered zones hosted by porphyritic quartz monzonite intrusions and adjacent wall rocks. The Jurassic age mineralization is spatially, temporally and genetically associated with the intrusions. Alkaline porphyry copper-gold deposits are associated with syenitic and other alkalic rocks and are considered to be a distinct deposit type.

Porphyry deposits occur in orogenic belts at convergent plate boundaries and are commonly linked to subduction-related magmatism. They also occur in association with the emplacement of high-level stocks during extensional tectonism related to strike-slip faulting and back-arc spreading following continent margin accretion. The geological setting of these deposits is a high-level (epizonal) stock emplacement in volcano-plutonic arcs. Virtually any type of country rock can host mineralization, but commonly the high- level stocks and related dykes intrude their coeval volcanic piles.

Pyrite is the predominant sulphide mineral in porphyry deposits. Magnetite and rarely hematite are abundant in some deposits. Ore minerals include chalcopyrite, molybdenite, lesser bornite and rare (primary) chalcocite. Subordinate minerals are tetrahedrite/tennantite, enargite and minor gold, electrum and arsenopyrite. In many deposits late veins commonly contain galena and sphalerite in a gangue of quartz, calcite and barite. Gangue minerals in mineralized veins are mainly quartz with lesser biotite, sericite, K-feldspar, magnetite, chlorite, calcite, epidote, anhydrite and tourmaline. Many of these minerals are also pervasive alteration products of primary igneous mineral grains.

Alteration mineralogy consists of quartz, sericite, biotite, K-feldspar, albite, anhydrite/gypsum, magnetite, actinolite, chlorite, epidote, calcite, clay minerals and tourmaline. Early formed alteration can be overprinted by younger assemblages. Central and early formed potassic zones (K-feldspar and biotite) commonly coincide with ore. This alteration can be flanked in volcanic host rocks by biotite-rich rocks (biotite 'hornfels') that grade outward into propylitically-altered rocks. The older alteration assemblages in copper-bearing zones can be partially to completely overprinted by later potassic, phyllic and less commonly argillic alteration assemblages. Rarely, in the uppermost parts of some porphyry deposits, advanced argillic (kaolinite-pyrophyllite) alteration is present.

Weathering results in secondary (supergene) zones carrying chalcocite, covellite and other Cu2S minerals (digenite, djurleite, etc.), chrysocolla, native copper and copper oxides, carbonates and sulphate minerals. Oxidized and leached zones at surface are marked by ferruginous 'cappings' with supergene clay minerals, limonite, goethite, hematite, jarosite and residual quartz.

Ore zones, particularly those with higher gold content, can be associated with magnetite-rich rocks and thus are indicated by magnetic highs in magnetic surveys. Alternatively, the more intensely hydrothermally altered rocks, particularly those with quartz-sericite-pyrite (phyllic) alteration produce magnetic and resistivity lows. Pyritic haloes surrounding copper zones respond well to induced polarization (IP) surveys but in sulphide-poor systems the ore itself provides the only significant IP response.

8.2 EXPLORATION MODEL

The primary exploration targets on the Baker Project are structurally-controlled veins, stockworks or breccia-style low-to-intermediate sulphidation epithermal gold-silver deposit similar to the deposits that have seen past production on the property.

A secondary, but no less important target type is a bulk-tonnage porphyry style of mineralization associated with the large gossanous pyrite alteration zone covering much of the Chappelle claims. The demonstrated genetic link of the Dupont/Baker 'A' and Multinational 'B' veins to porphyry fluids (Duuring 2009), and the broad alteration zone of Chlorite-Epidote-Pyrite to Quartz-Sericite-Chlorite-Pyrite consistent with alteration seen at the nearby Kemess underground deposit and general Porphyry alteration models, suggest a buried porphyry deposit may be present on the property.

A suitable, descriptive geological model for the epithermal environment, from Hedenquist and Lowenstern (1994), has been provided above in Figure 8-1. In it, one could place the Shasta deposit in the upper left hand side of the figure (8-1), where the highlighted text "Low sulfidation Au, Ag" is circled in orange. The Dupont/Baker veins could be placed in the centre-left of the figure where the highlighted text "Intermediate sulfidation" is shown.

The depth potential of the Dupont/Baker 'A' and Multinational 'B' veins, as well as the peripheral veins, remains under-tested. The lowest holes on both previously mined zones have significant intercepts in holes 74-16 intersecting 1.2 metres at 0.58/0.24 oz/short ton Au/Ag, and M87-24 intersecting 1.83 meters at 0.091/0.06 oz/short ton Au/Ag respectively (quoted intervals are considered historic in nature and have not been confirmed by the author). The genetic model of intermediate sulphidation veins does not depend on a boiling zone relative to the paleosurface such as in low-sulphidation veins, and as such, the potential vertical extent of mineralization can reach up to 1 km (Williams 2015).

9) EXPLORATION

9.1 HISTORICAL EXPLORATION

Historical exploration for the Baker Project together with key results of past work has been described in Section 6 of this Report, with a summary of drilling found in Table 6-1.

9.2 RECENT EXPLORATION

Recent exploration conducted by SRL consists of the 2015 prospecting and lithogeochemical survey over the historic Chappelle claims described in Gillham (2016) and the 2016 mapping report over the historic Chappelle claims described in Gillham (2017). Prior to 2015, the Sable had been inactive in regards to exploration other than limited prospecting conducted in 2012, and a small drill campaign was conducted in 2010.

In 2015, a 220 sample, soil and rock litho-geochemical survey over the Baker group claims (West Chappelle, DuPont/Baker 'A', and Multinational 'B' vein systems and Black Gossan alteration zone) was completed. Samples were collected on 200 metre centers primarily from outcrop or talus. Rock samples taken from either talus or outcrop were picked to be representative of the bulk rock, and placed in a 5" x 9" kraft sample bag, sealed, and marked with coordinates. Of the 220 samples, 25 were soil samples collected from the 'B' horizon at approximately 20-30 cm depth. The soil samples were collected where no rock outcrop or talus was available and preferentially included coarser sands. Results plotted without the soil sample data produces similar results to plots including the soil data.

According to the model of Dilles (2012) presented below in Figure 9-1, the trace elements Arsenic (As), Bismuth (Bi), Copper (Cu), Molybdenum (Mo), Antimony (Sb), Selenium (Se), Tellurium (Te), Tin (Sn) and Thallium (Tl) are enriched along the magmatic-hydrothermal path of ascending fluids in porphyry deposits. Results revealed 3 broad, discrete zones of enrichment in trace elements consistent with a buried porphyry Cu-Au (Dilles 2012).

The trace elements Arsenic, Bismuth, Copper, Molybdenum, Antimony, Selenium, Tellurium, Tin and Thallium are enriched along the magmatic-hydrothermal path of ascending fluids in porphyry deposits (Dilles 2012). The results of the 2015 survey produced three zones, presented in figure 9-2, with coincident elevated values of some suite of these elements; notably Au, Bi, Cu, Mo, Se, and Tl. These three anomalous zones form broad targets for vertically ascending porphyry related fluids. Individual element results are shown in figures 9-3 through 9-12.

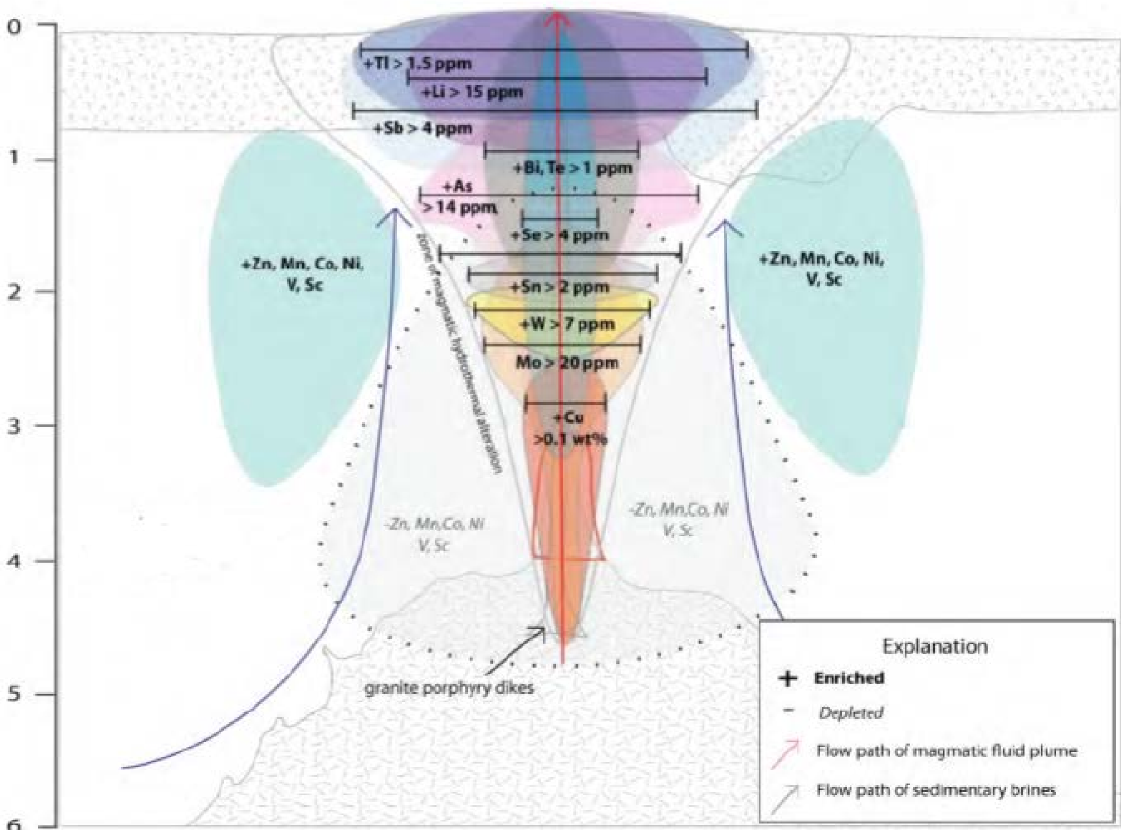

Fig 9-1: Model Section of trace element enrichment above porphyry systems after Dilles (2012)

Zone 1 occurs to the west of the survey zone and overlies Takla group in fault contact with Asitka group rocks and the West Chappelle vein system. This zone has a broad anomaly in all elements, but is strongest in Tl, Bi, and Sb, corresponding to a shallower exposure level according to the Dilles (2012) model depicted in Fig 9-1. Limited historic drilling has tested the West Chappelle vein and encountered low grade Au and Ag values.

Zone 2 occurs in the central part of the survey area, and overlies Takla group rocks with minor dikes and sills of Feldspar porphyry. This zone encompasses the past producing Baker 'A' and 'B' zones, as well as the upper ridge zone which contains abundant high grade gold-silver quartz float. This zone has the highest response for Au, Cu, Se, and Mo, with the peak gold value near the historic 'A' vein, and the Cu, Se, and Mo high near the center of the Feldspar porphyry/syenomonzonite dike (Duuring et all 2009).

Zone 3 occurs centered on the Black Gossan - a historic porphyry target which has received limited exploration efforts including shallow drilling. Au, Bi, Se, and Tl produce the best responses over this zone, again suggesting a shallower exposure using the model of Dilles (2012).

The trace element data for the 3 zones of enrichment are consistent with a hydrothermal plume associated with a porphyry system. Further, the zones outlined are consistent with the centers of historical exploration targets - the West Chappelle vein system, the Baker 'A' & 'B' veins, and the

Black Gossan. They are also consistent with the work of Duuring et al (2009) in an investigation of the genetic relationship between 'epithermal' vein deposits and Cu-Au porphyry deposits concluded that the Baker 'A' and 'B' veins exhibit a magmatic input consistent with porphyry related fluids in the formation of the veins.

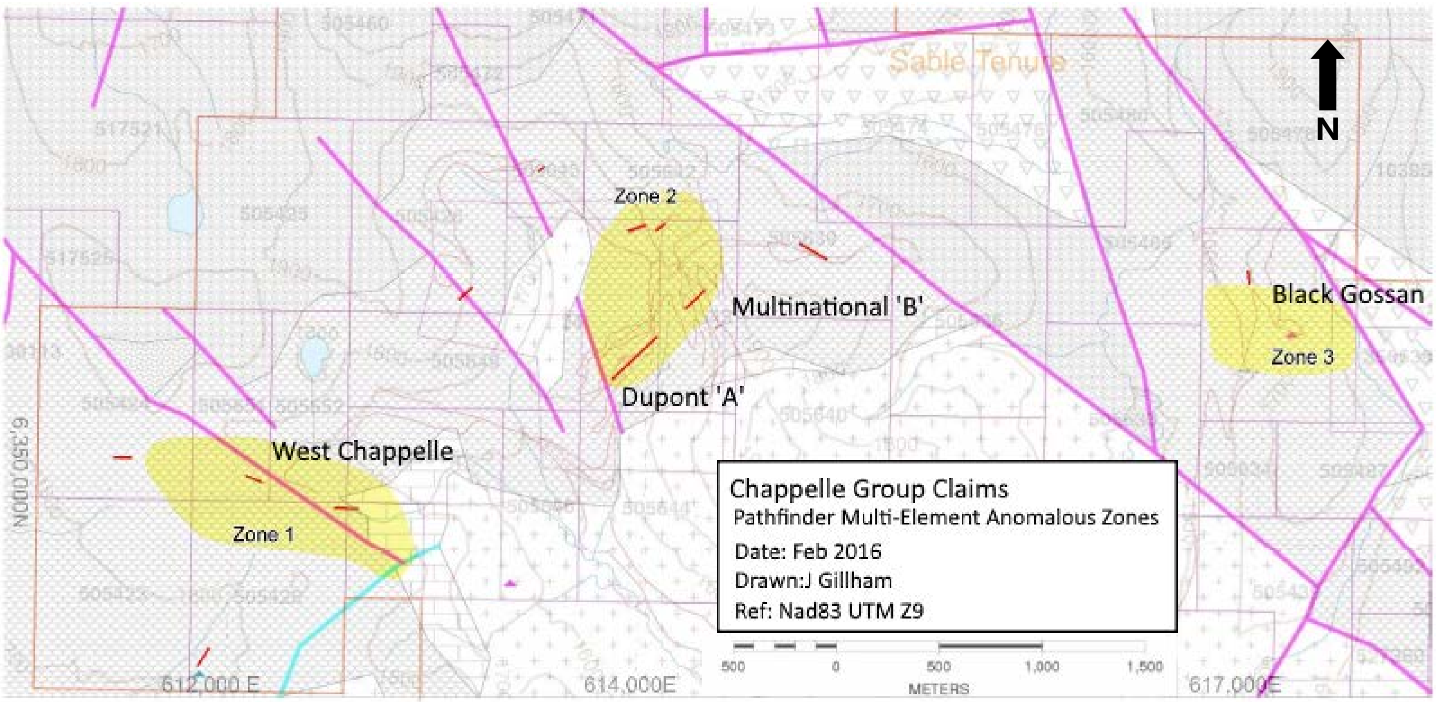

Fig 9-2: Pathfinder Multi-elemental anomalous zones over the Chappelle Group Claims (Gillham 2016)

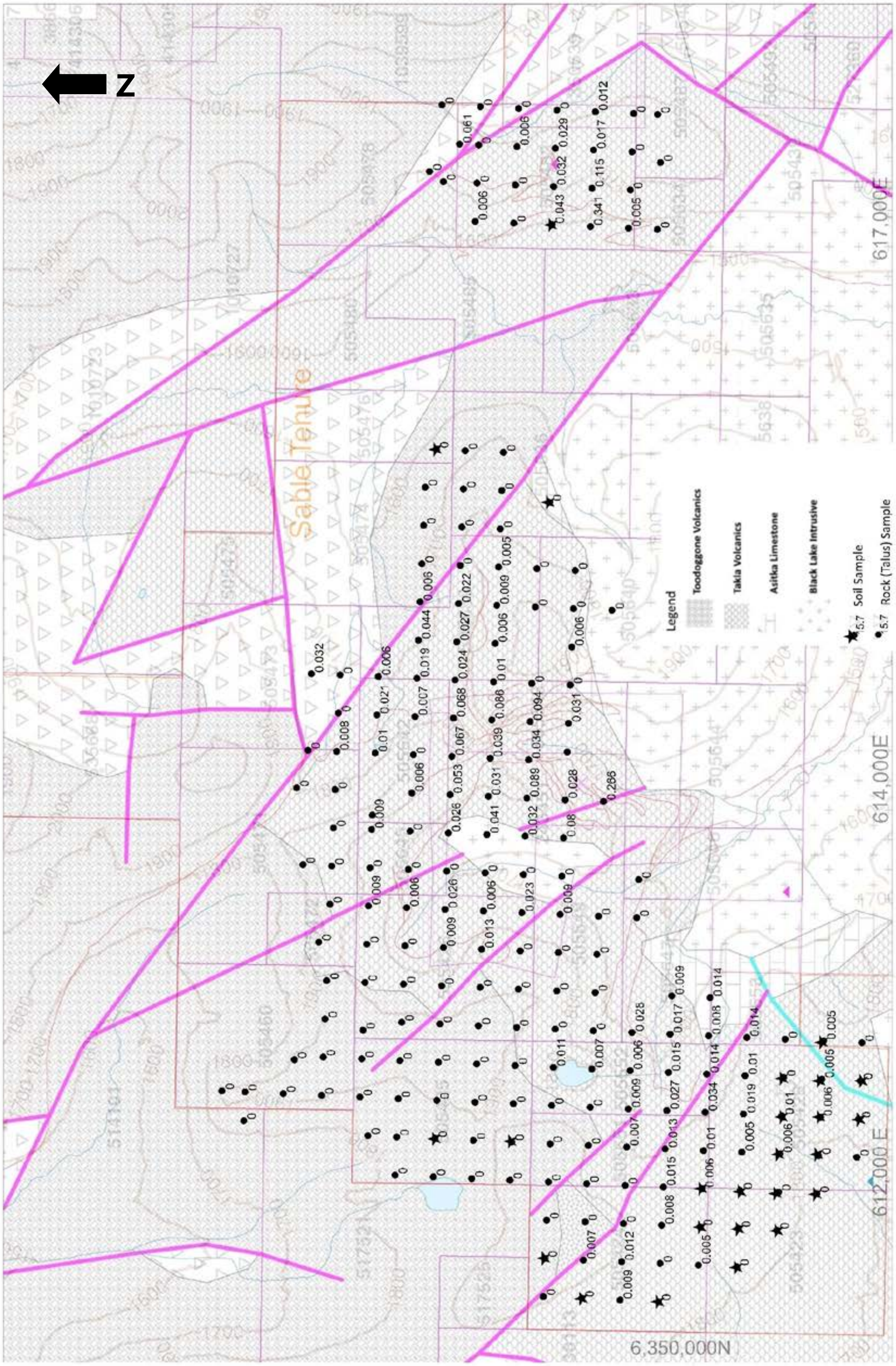

Figure 9-3: 2015 Rock and Soil lithogeochemical samples – Gold (ppm)

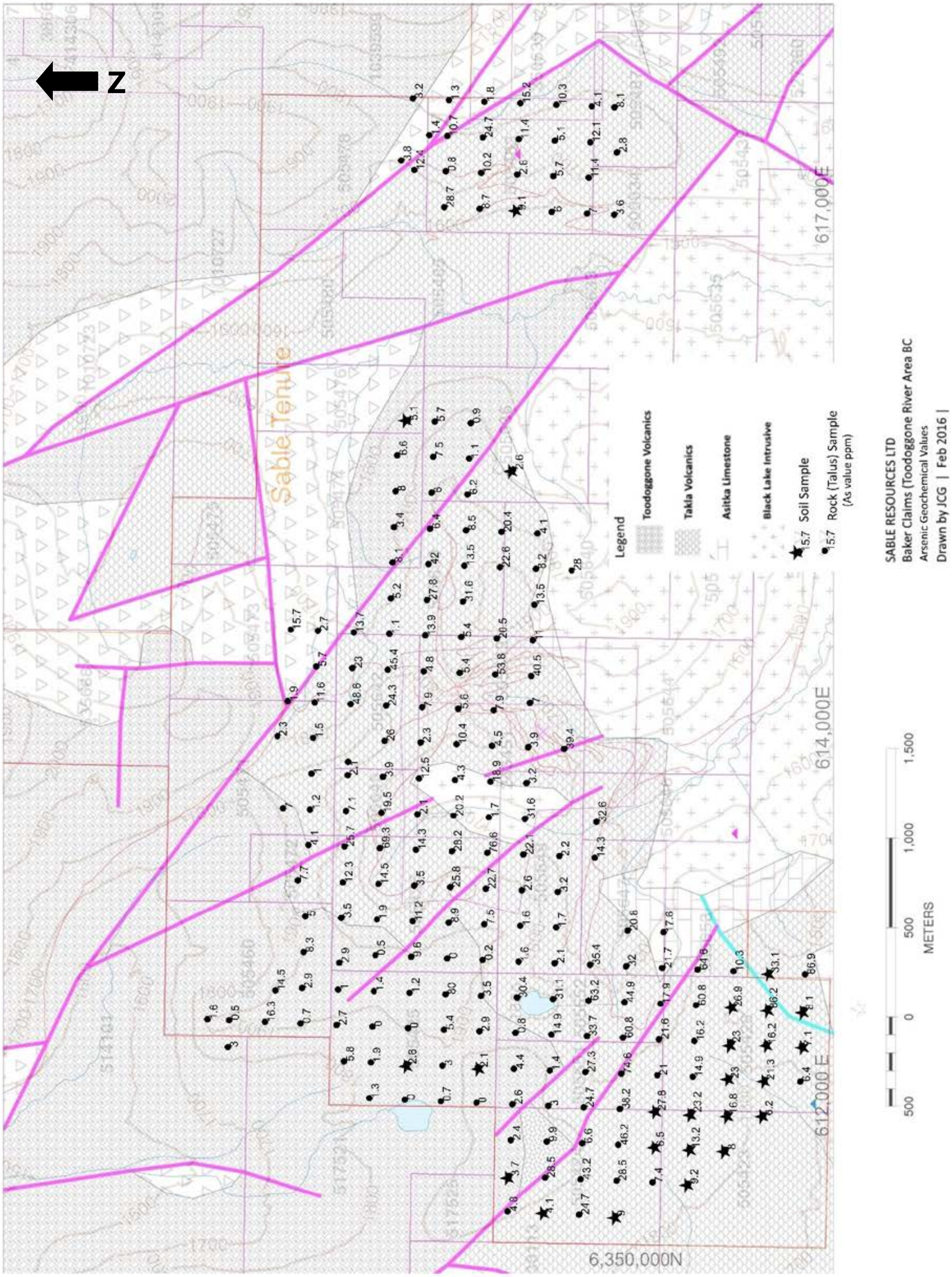

Figure 9-4: 2015 Rock and Soil lithogeochemical samples – Arsenic (ppm)

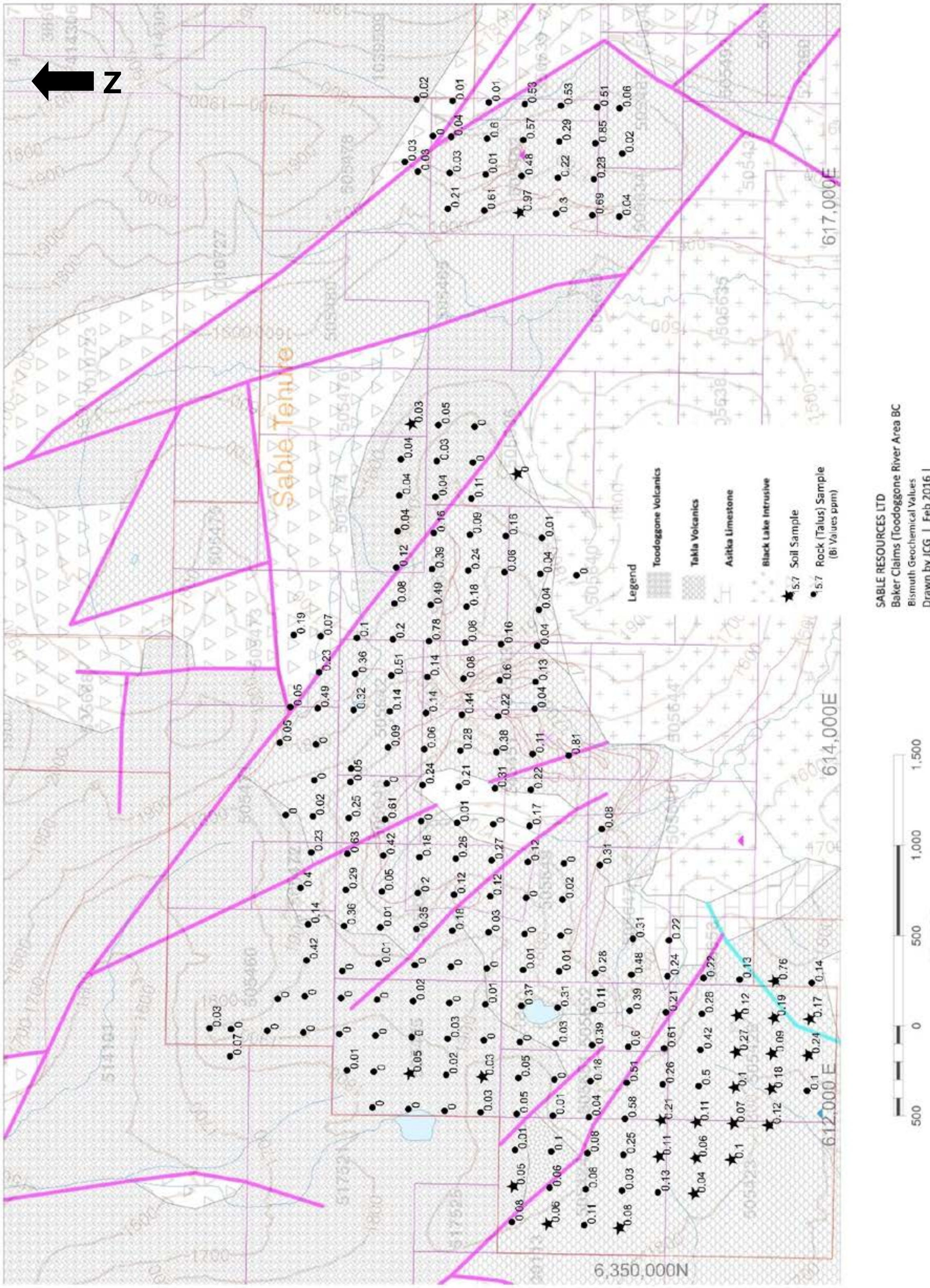

Figure 9-5: 2015 Rock and Soil lithogeochemical samples – Bismuth (ppm)

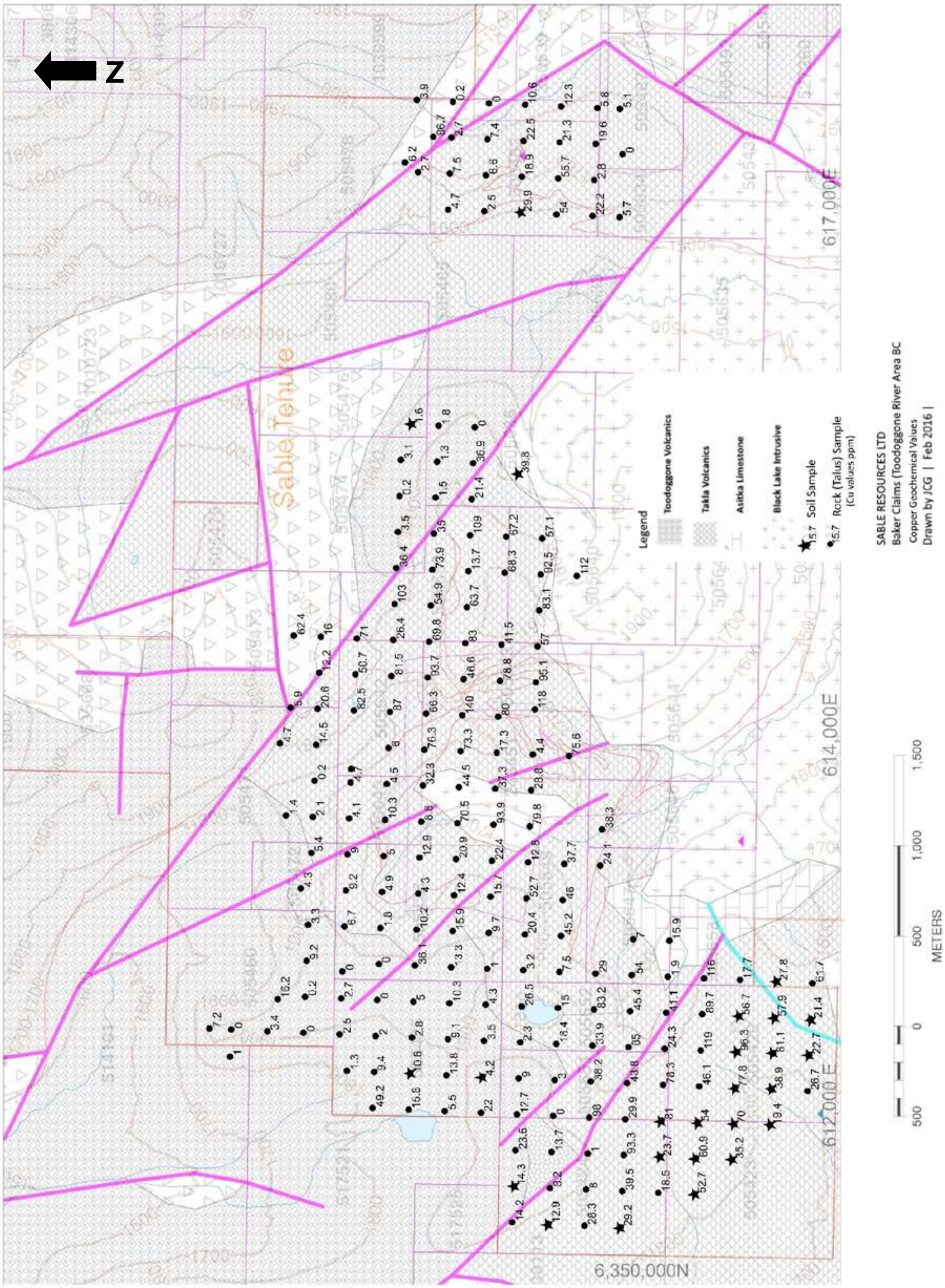

Figure 9-6: 2015 Rock and Soil lithogeochemical samples – Copper (ppm)

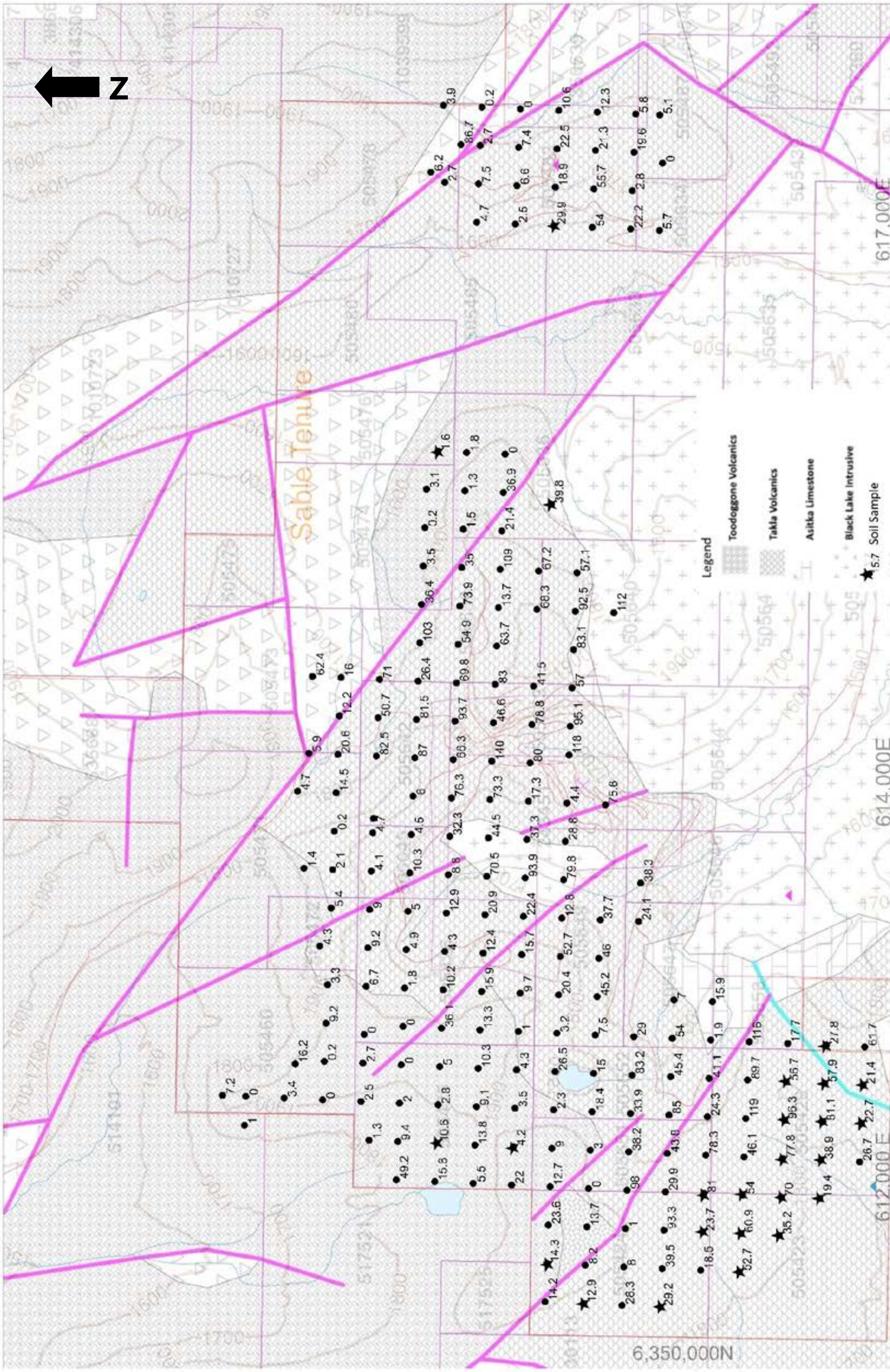

Figure 9-7: 2015 Rock and Soil lithogeochemical samples – Molybdenum (ppm)

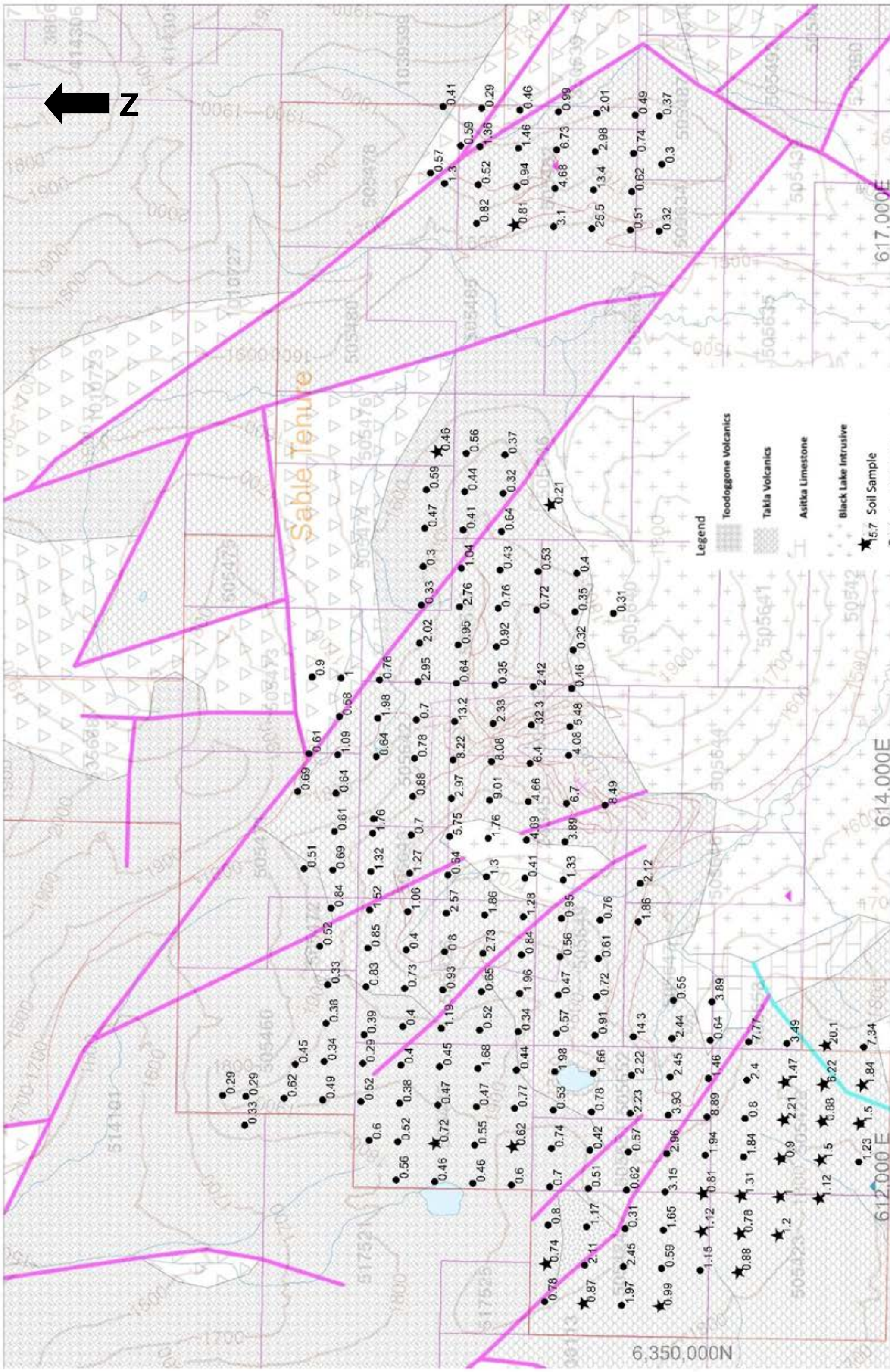

Figure 9-8: 2015 Rock and Soil lithogeochemical samples – Antimony (ppm)

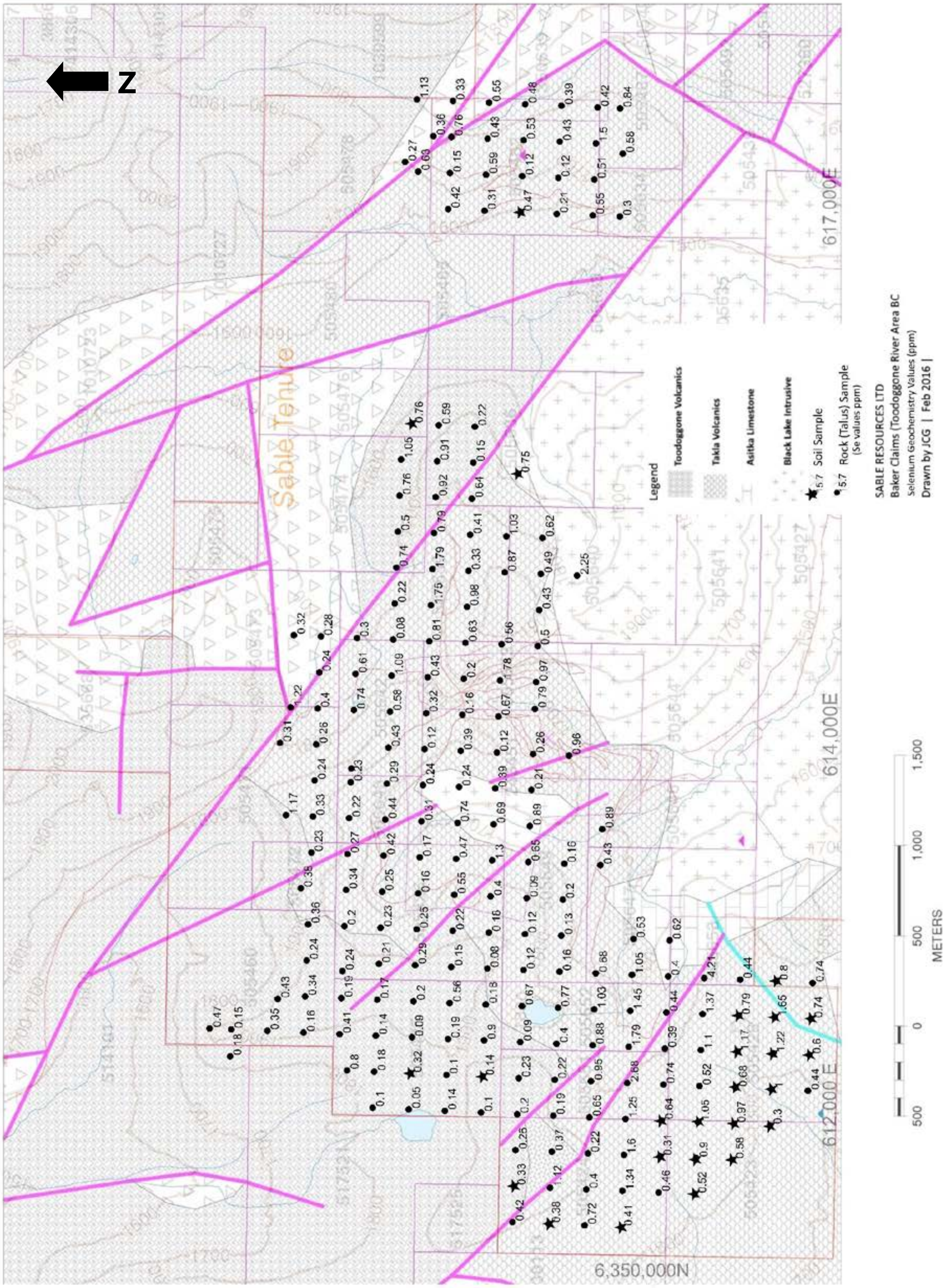

Figure 9-9: 2015 Rock and Soil lithogeochemical samples – Selenium (ppm)

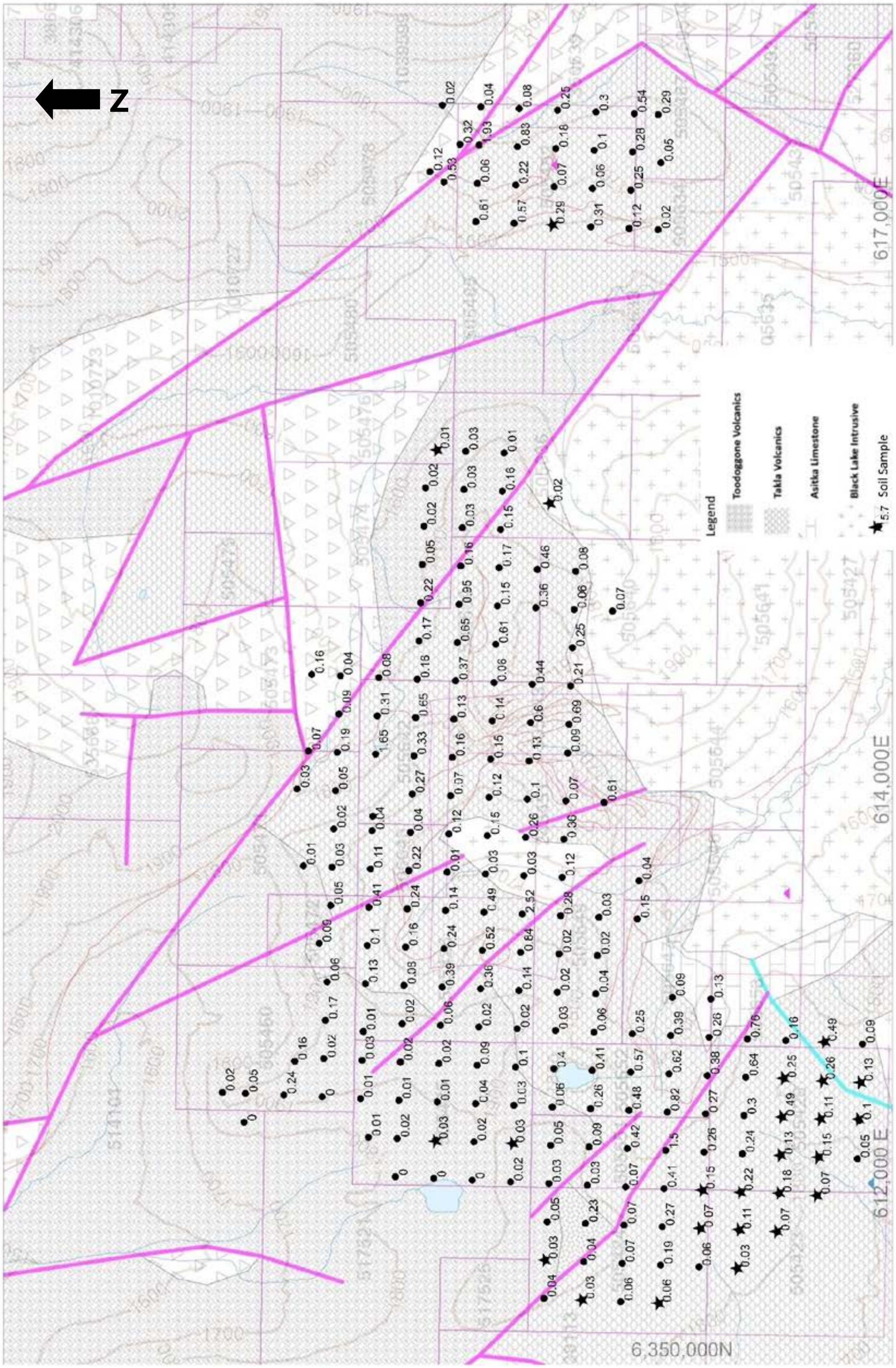

Figure 9-10: 2015 Rock and Soil lithogeochemical samples – Tellurium (ppm)

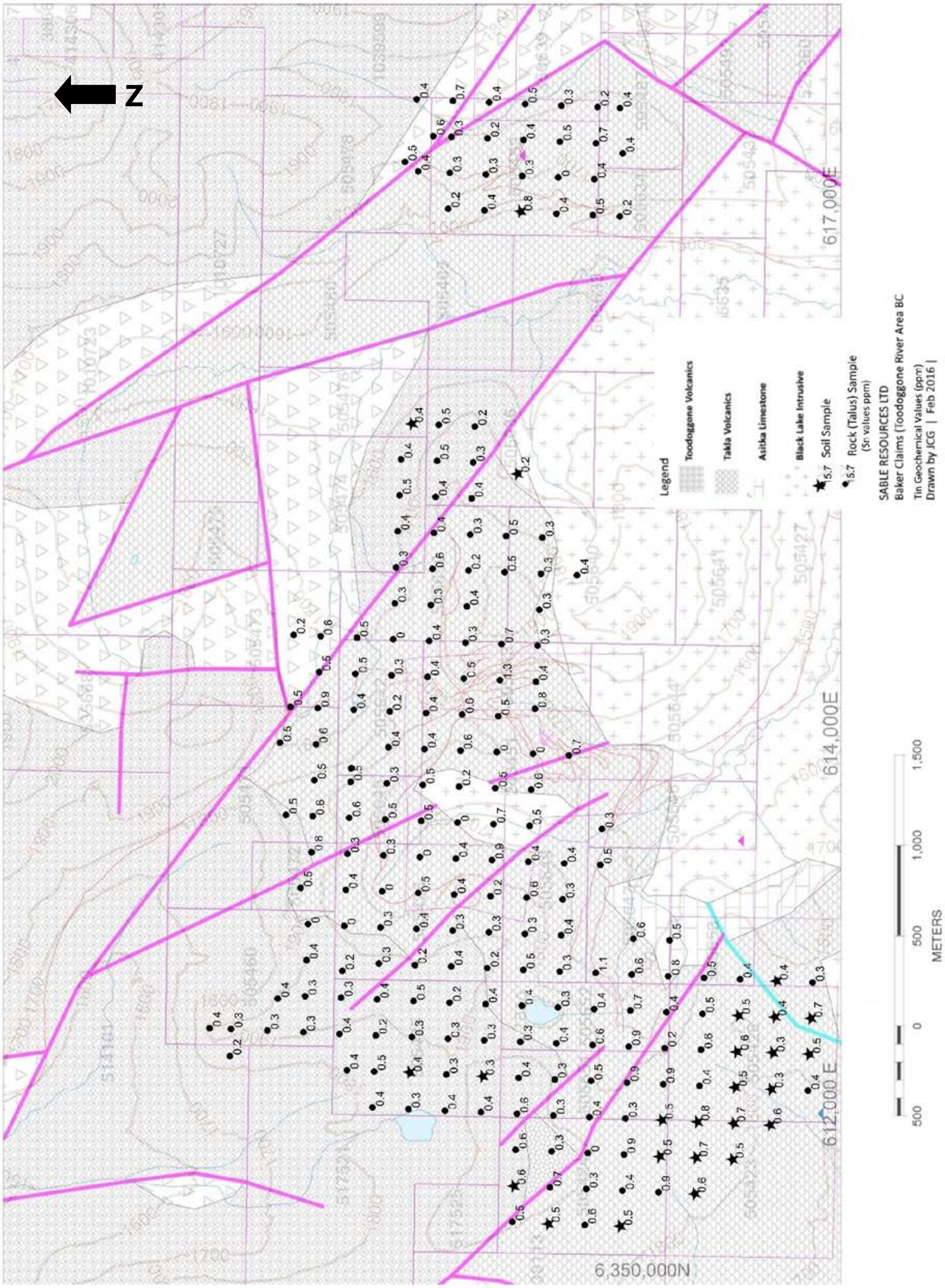

Figure 9-11: 2015 Rock and Soil lithogeochemical samples – Tin (ppm)

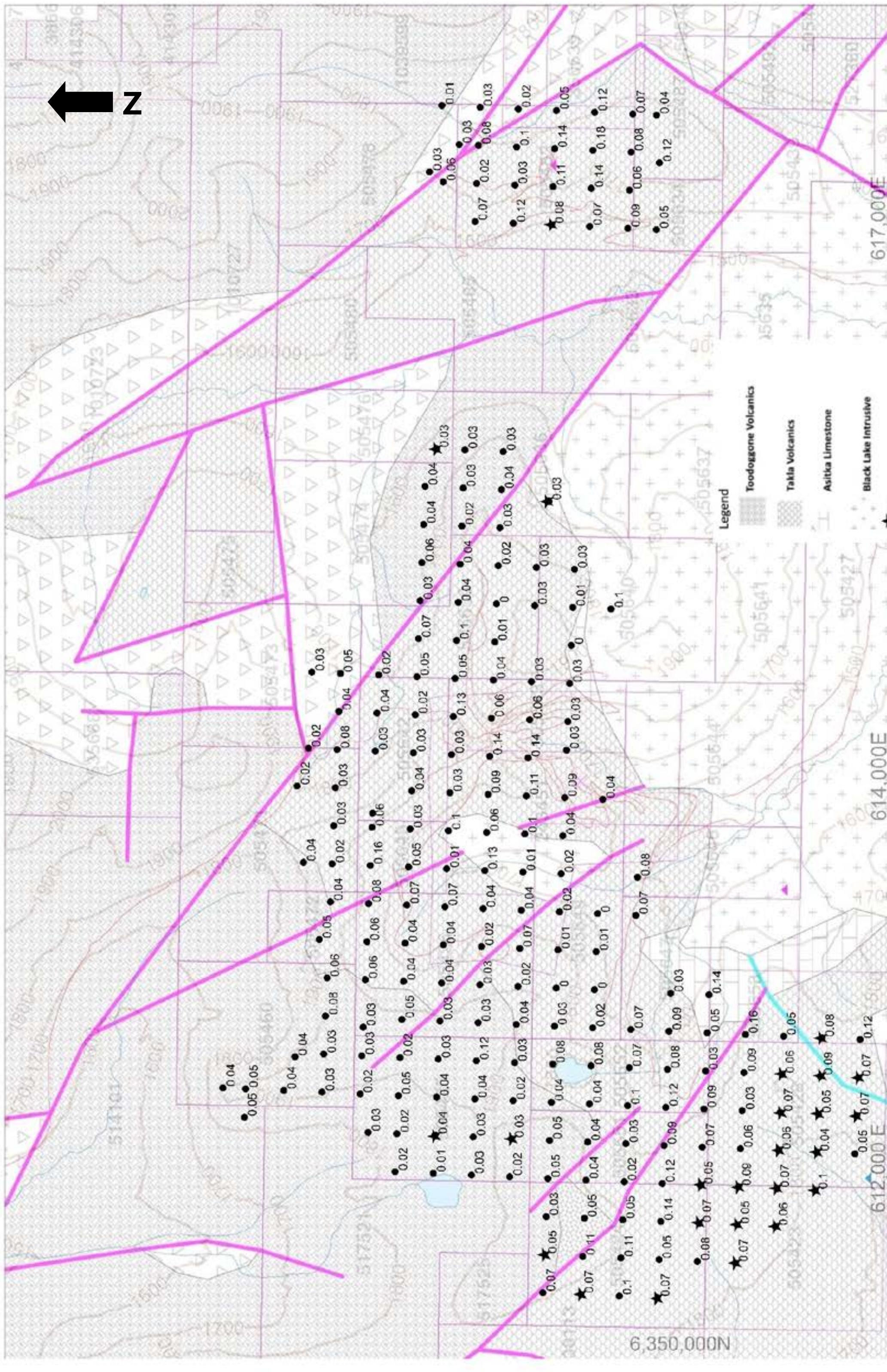

Figure 9-12: 2015 Rock and Soil lithogeochemical samples – Thallium (ppm)

10) DRILLING

10.1 RECENT DRILLING

SRL has not conducted any recent drilling on the Project. All previous drilling by SRL should be considered historical in nature.

11) SAMPLE PREPARATION, ANALYSES AND SECURITY

Soil and rock samples collected by employees of Sable in 2015 were collected along on 200 metre spaced lines at 200 metre intervals primarily from outcrop or talus where available. In locations void of subcrop or outcrop material, soil samples were collected from 20-30cm depth using a specialized geological pick.

It is the author's opinion that the sample preparation, security and analytical procedures were sufficient to produce the maps and interpret the qualitative results from the 2015 program.

11.1 SAMPLE HANDLING PROCEDURES

Samples were collected and then placed into Kraft paper bags and held at the Baker camp facilities until the exploration program concluded. They were then delivered to AGAT Laboratories Ltd. ("AGAT Labs") in Burnaby by SRL for sample preparation and analysis. All Sampling conducted during the 2015 lithogeochemical survey was stored on the project site and transported by the field personnel to AGAT labs in Burnaby. Onsite core sample security was not a concern because of the remote location of the project.

11.2 ANALYTICAL METHODS

SRL selected AGAT Laboratories ("AGAT") in Burnaby British Columbia, to conduct its analysis of the rock and soil samples from the 2015 lithogeochemical program. AGAT maintains ISO 9001:2015 accreditation for quality management system certification.

All samples were dried and pulverized for analysis which consisted of 1 g sample, aqua regia digestion, ICP-MS finish, multi-element (201-074);

11.3 QUALITY ASSURANCE / QUALITY CONTROL

Due to the qualitative value of the results of the of the geochemical sampling, no certified reference material ("standards"), or blank materials ("blanks") were not inserted into sample sequence by field geologists, although internal standards and blanks were inserted into the sample sequence at AGAT Labs.

12) DATA VERIFICATION

Historical surface geochemistry and drill core analysis should be considered historical in nature and not relied upon to form economic analysis of the project. The author has not verified all of the data relied upon in this report. The author has reviewed the various assessment and exploration reports and it is the author's opinion that sampling methodology, sample preparation, security, and analytical procedures used by SRL and previous operators were both adequate and conducted in compliance with standard accepted industry practice at the time of the work, with the exception of some analysis on drill core performed by SRL, where an uncertified, on-site assay lab was used to perform Au-Ag fire assays on samples. Aside from the certain SRL diamond drill programs between 1997 and 2010, the independent analytical laboratories were used.

Recent soil and rock lithogeochemical sampling is consider preliminary in nature and in the opinion of the author does not change materially the existing mineral occurrences and potential of the project. It is concluded by the author that the independent quality assurance and quality control done internally by AGAT Labs is sufficient verification for the data provided and for the purpose of this Report.

13) MINERAL PROCESSING AND METALLURGICAL TESTING

13.1 HISTORICAL MINERAL PROCESSING AND METALLURGICAL TESTING

Gravity, Grinding, Flotation and Cyanidation metallurgical testing was performed on both the Shasta and Multinational 'B' orebodies in 1989 and is summarized in a report by G. Hawthorn (1989). No record of metallurgical testing of the Dupont/Baker 'A' deposit is available to the author. Composite samples were prepared for both the Shasta and Multinational 'B' orebodies from diamond drill reject.

13.1.1 SHASTA RESULTS

Testing of the Shasta deposit by Hawthorn (1989) used reject crushed diamond drill core samples from the JM zone. The JM zone may not be representative of the entire Shasta ore body. Testing was conducted on a bench scale lab The results of the test work indicated that the ore was relatively grind insensitive, and a flotation concentrate followed by cyanidation was the optimal. Gravity concentration was not effective, with recoveries of gold and silver at 5% and between 1-3% respectively. A grind of 50% - 200 mesh was determined to be sufficient for flotation recovery, producing 96% and 93% recoveries for gold and silver respectively and resulting in a concentration ratio of 25:1. Cyanidation produced recoveries of 90% gold and 77% silver after 48 hours.

Cyanidation of flotation concentrate followed by Merrill-Crowe recovery was settled upon as the optimal flowsheet for Shasta ore, as concentrate recoveries were high, and cyanidation of the concentrate reduced sodium-cyanide consumption from 2kg/t to 0.25-0.3kg/t.

No processing factors or deleterious elements were considered beyond the concentration of Copper in the ore body was discussed that could have an impact on economic recovery. Copper concentrations have a strong impact on cyanide use and were found to be within acceptable limits.

The work index for Shasta ore was calculated at 17.6 kwh/metric tonne.

13.1.2 MULTINATIONAL 'B' RESULTS

Testing of the Multinational 'B' deposit by Hawthorn (1989) used used reject crushed diamond drill core samples from the 1988 diamond drill program conducted by Multinational Mining Inc. The samples were considered representative of the Multinational 'B' deposit due to the small size of the deposit. Gravity concentration of Multinational 'B' ore produced recoveries of 17.2% and 0.8% gold and silver respectively - no additional gravity recovery were considered beyond these results. Grind sensitivity was considered relatively high for the 'B' ore and 80% -200 mesh was considered optimal for recoveries of gold and silver of 90%. Cyanidation was investigated and was determined to be unsuccessful due to high copper levels (0.8%) in the feed, resulting in very high consumption of NaCN (Sodium cyanide) (> 10 kg/t of mill feed) and low gold recoveries of 80%.

The optimal process settled upon for the Multinational ore was grinding to 80% -200 mesh and flotation recovery and dewatering of the concentrate to produce a saleable concentrate grading > 8 oz/t and 18% Cu.

No processing factors or deleterious elements were considered beyond the concentration of Copper in the ore body was discussed that could have an impact on economic recovery. Copper concentrations have a strong impact on cyanide use and were found to be too elevated for acceptable process limits of cyanide consumption.

The work index for Multinational 'B' ore is 16.3 kwh/metric tonne.

13.2 Recent PROCESSING AND METALLURGICAL TESTING

No recent metallurgical testing has been completed on any material; however, information provided to the author indicates production between 2008 and 2012 at Shasta mine is consistent with the findings in the 1989 report by G. Hawthorn P.Eng.

14) MINERAL RESOURCE ESTIMATES

No current mineral resource estimates exist for the property. Historical resource estimates are discussed in section 6.

ITEMS 15.0 TO 22.0 ADDITIONAL REQUIREMENTS FOR ADVANCED TECHNICAL REPORTS

These sections are not included in this technical report on the Baker Project. The subject property is not an 'advanced property' as defined by NI 43-101; therefore these sections are not applicable as they pertain to advanced level projects.

23) ADJACENT PROPERTIES

23.1 INTRODUCTION

In preparing this section of the report, the author relied mainly upon public domain MINFILE descriptions and assessment reports for three (3) past-producing properties and three (3) developed prospects, all of which are covered by adjacent or nearby external competitors' claims and by definition, are considered Adjacent Properties. Supplementary sources of information for this section were some publically-traded companies' websites and news releases. All references and sources of information are listed in Section 27 of the Report; property locations are shown on Figure 23-1. **Readers are cautioned that the author of this Report has not verified the presented information and all information, and is not necessarily representative or indicative of mineralization found or that may be found on the Baker Project.**

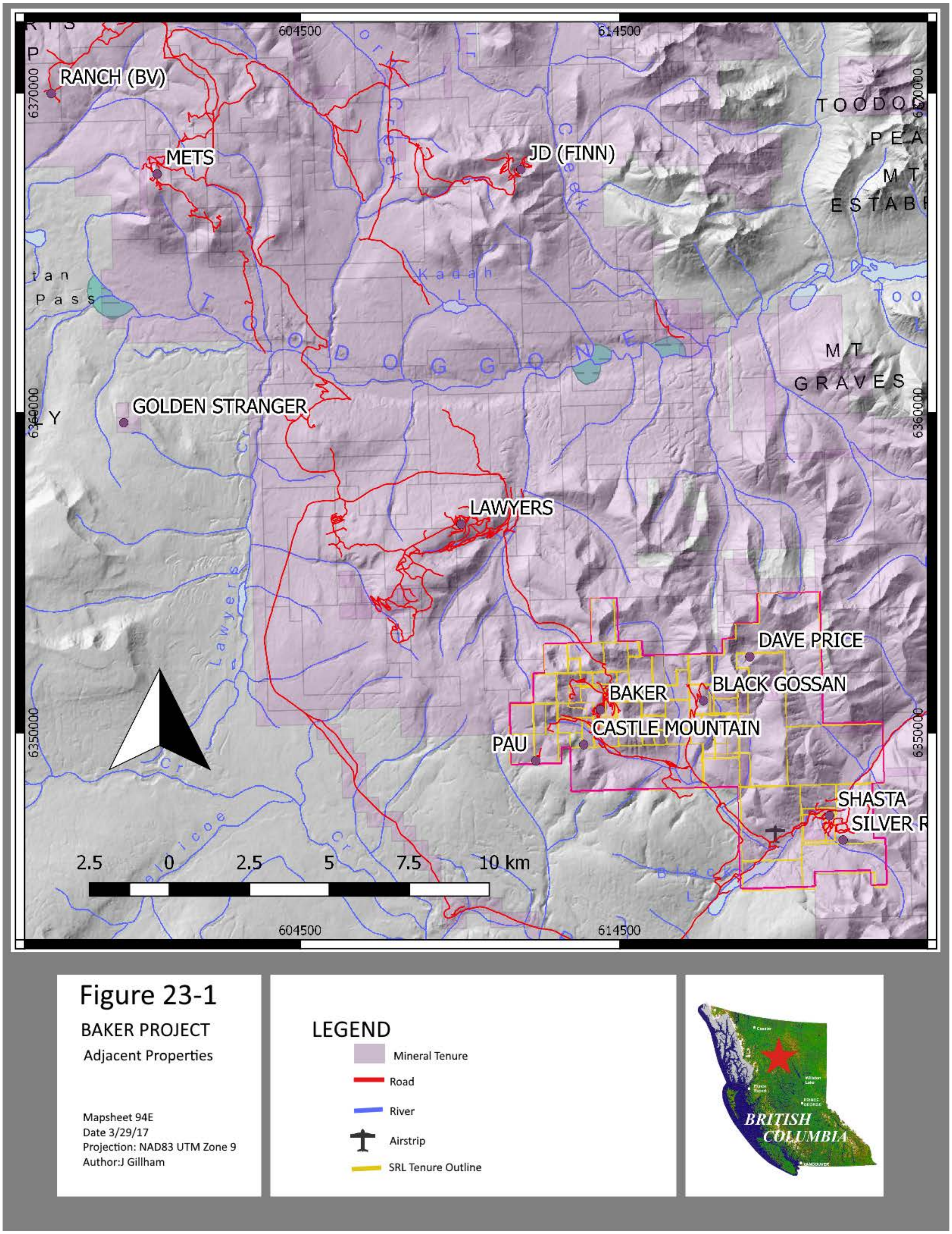

Figure 23-1: Baker Project, Adjacent Properties

23.2 PAST PRODUCERS

23.2.1 RANCH (094E 079, 091 AND 099)

The Ranch property is located about 30 km northwest of the Lawyers Project. It is currently covered by claims which are 100% owned by Guardsmen Resources Ltd. of West Vancouver, British Columbia.

Past work on the Ranch property has identified 19 zones of gold mineralization over a 25 km2 area. In 1991, Cheni Gold Mines Inc. surface-mined an aggregate of 59,000 tonnes from three small pits in the Bonanza (094E 079), Thesis III (094E 091) and BV Zones (094E 099). Approximately 41,000 tonnes of ore were treated at the Lawyers mill and about 10,000 ounces of gold were recovered. During August 1986, Energex Mines Ltd. operated a 6 tonnes per day (tpd) pilot plant on the property; a total of 209 tonnes of high-grade surface ore from the Thesis III A Zone was processed (Hawkins, P.A. 2003).

The property is underlain mainly by trachyandesite ash-flows to lapilli tuffs of the Adoogacho and Metsantan Members of the Lower Jurassic Toodoggone Formation. The volcanic sequence is intruded locally by dykes which are compositionally similar to the volcanic units and may represent feeder systems to them. Felsic dykes and irregular bodies of dacitic, rhyo-dacitic and rhyolitic composition have been encountered in a number of drill holes. These intrusive rocks may be genetically linked to late-stage ore- forming fluids.

Alteration on the Ranch property is of the high-sulphidation (acid-sulphate) epithermal type, characterized by widespread argillization and silicification of andesite-dacite hosts rocks. Important alteration assemblages include alunite-quartz, hematite-illite-quartz, dickite-quartz, quartz-barite and quartz-pyrite, working inwards and downwards in a typical, zoned epithermal alteration system. Principal ore minerals include argentite, electrum, native gold and silver and lesser chalcopyrite, galena and sphalerite. Also present in the area but not confirmed on the property is porphyry-style mineralization.

As currently known, all significant gold mineralization on the Ranch property is hosted by silica-sulphate and silica-sulphide bodies flanked by argillically altered zones. They are controlled by moderately to steeply-dipping fault zones with north-northwesterly, northwesterly and northeasterly orientations. The gold-bearing zones have a crudely elliptical shape and are discontinuous along the controlling fault systems. In the Bonanza deposit, some of the gold-bearing zones are thought to have formed by selective replacement of more permeable tuff units within the volcanic strata. Across and adjacent to the property, gold mineralization is known to occur over a vertical range of about 300 m.

Historical resource estimates have been done on 8 mineralized zones, including the past-producing Bonanza, Thesis III and BV Zones. Post-mining resource estimates for these three deposits include: (i) at the Bonanza Zone, using a 5 g/t Au cut-off, from 69,225 tonnes grading

14.06 g/t Au (Cheni, 1992) to 130,490 tonnes grading 9.80 g/t Au (Micromine, 2007); (ii) at the Thesis III Zone, using a 3.5 g/t Au cut- off, from 13,012 tonnes grading 16.75 g/t Au (Cheni, 1992) to 49,170 tonnes grading 8.03 g/t Au (Micromine, 2007); and (iii) at the BV Zone, also using a 3.5 g/t Au cut-off, 33,870 tonnes grading 9.53 g/t Au (Micromine, 2007). The Cheni estimates were prepared before the coming into force of the NI 43-101 Standards of Disclosure for Mineral Projects. **The author has not done sufficient work to classify the above historical estimates as a current mineral resource or reserve. The author has been unable to verify data or work, or the key assumptions, methods or parameters used to prepare the historical resource estimate. The historical resource estimate should not be considered as a current mineral resource or mineral reserve. Sable Resources Ltd. is not treating the historical resource estimate as a current mineral resource or mineral reserve**

Considerable exploration potential remains on the Ranch Project. Future discovery of overburden covered near-surface gold deposits, or "blind" deposits at depth, will have to rely more on the drill-testing of geophysical targets such as coincident 3D-IP resistivity-chargeability anomalies. The primary exploration target at Ranch will remain as structurally-controlled or replacement-style high sulphidation epithermal gold deposits similar to those previously discovered on the property. A secondary, but no less important target type is a buried porphyry copper-gold deposit for which earlier magnetic and IP surveys have partially delineated coincident geophysical anomalies possibly indicative of this deposit type (Hawkins, P.A. 2003)

23.2.2 LAWYERS (094E 066)

The Lawyers Group of prospects consists of a combination of quartz veins, stockwork zones and chalcedony breccia bodies that developed along northwest and north-northwest trending fracture systems. Low-sulphidation epithermal gold-silver mineralization consists predominantly of pyrite, with minor chalcopyrite, sphalerite, galena, native gold, native silver, electrum and acanthite in a gangue of quartz, chalcedony, amethyst, minor calcite, and occasional barite. Veins commonly display banded and crustiform textures typical of low-sulphidation epithermal systems. Three principle zones have been discovered to date and include the Amethyst Gold Breccia (AGB) Zone, the Cliff Creek Zone with its North, Central and South sub-zones, and the Duke's Ridge Zone. Subsidiary zones include Phoenix, M-Grid and Marmot Lake. Low-sulphidation (adularia-sericite) epithermal type alteration is characterized by core zones of intense silicification±adularia and bleaching. At higher elevations within the AGB Zone and within the Cliff Creek and Duke's Ridge Zones, aduarlia forms narrow, pink boundaries on vein margins, and outbound of veins replaces plagioclase phenocrysts and groundmass silicate minerals, partly masking the porphyritic texture of the wallrock. At AGB, central potassic alteration grades outward to a propylitic assemblage of epidote-carbonate-chlorite-pyrite. At the Cliff Creek and Duke's Ridge Zones, adularia on vein margins occurs with sericite flanked by an assemblage consisting primarily of kaolinite. The argillic alteration, accompanied by pyrite and chlorite, forms wide envelopes on the veins; it grades outward to a propylitic assemblage similar to that observed at the AGB Zone.

In 1978, the Lawyers claims were optioned to Semco Mining Corporation, who quickly assigned the option to Serem Ltd. From 1978-1981, Serem and joint venture partners Sudbury Contact Mines, Limited and Agnico-Eagle Mines Limited, completed soil and silt geochemical surveys, trenching and diamond drilling with a focus on the AGB Zone. In 1981, a crosscut adit was developed at the 1750 m elevation and driven to intersect the AGB Zone. Following the program, the joint venture partnership was dissolved. Serem's continued assessment of the property in 1982-83 included extensive trenching on the Cliff Creek and Duke's Ridge Zones and underground and surface diamond drilling on the AGB Zone. In 1984, the company released an estimate of mineable reserves for the AGB Zone of 509,528 tonnes grading 7.23 g/t Au and 243.77 g/t Ag, and an estimate of probable drill-indicated reserves for the other two zones combined of 130,155 tonnes grading 7.44 g/t Au and 294.86 g/t Ag (Lane, B.A. 2016). This revised historical estimate was completed before the coming into force of NI 43-101 Standards of Disclosure for Mineral Projects. It uses categories other than those stipulated for current use. The "mineable reserves" would now likely be classified as measured mineral resources.

In 1984, Serem completed additional trenching and surface diamond drilling on all three zones, and additional underground development and drilling on the AGB Zone. The work expanded the reserve estimate for the project to the figures shown below (Table 1.1) that formed the basis for mine development planning.

Work in 1985-86 focused mainly on economic, engineering, geotechnical and environmental studies, as well as other technical evaluations to determine the feasibility of the project. A 1985 Feasibility Study, a 1986 Technical / Economic Study and a revised 1987 Mine Plan were competed for the project by Wright Engineers Limited, and a 1985 Prospectus and 1986 Stage 1 Report for the project were completed by Norecol Environmental Consultants Ltd. and submitted to provincial regulators (Mine Development Steering Committee) for review using the following reserves:

Table 23-1: Lawyers Reserves in 1985 (Lane, B.A. 2016)

Zone	Classification	Tonnes	Au (g/t)	Ag (g/t)
AGB	Proven	452,600	8.321	263.5
Cliff Creek	Probable	420,300	5.844	260.8
Duke's Ridge	Probable	68,400	7.868	226.0
Total Weighted Average		941,300	7.182	259.6

Site work completed to the end of 1986 included 22,298 m of surface and underground diamond drilling, 7000 m of trenching, 1303 m of crosscuts and drifts, and 179 m of raises.

In 1987, Serem changed its name to Cheni Gold Mines Inc. ("Cheni") and received its approval from the BC government to construct and operate the Lawyers mine. Cheni also received financial assistance from the Province to extend the ORAR to the Sturdee Valley airstrip. Exploration conducted on the property in 1987 included 10,432 m of diamond drilling in 49 holes on the Cliff Creek Zone and underground development for mining of the AGB Zone. Reserves in all categories were estimated as 1,757,766 tonnes grading 6.72 g/t Au and 243.09 g/t Ag (George Cross News Letter, 18/11/87). Construction of the 500 tonne per day mill began early in 1988.

The author has not done sufficient work to classify the above historical estimates as a current mineral resource or reserve. The author has been unable to verify data or work, or the key assumptions, methods or parameters used to prepare the historical resource estimate. The historical resource estimate should not be considered as a current mineral resource or mineral reserve. Sable Resources Ltd. is not treating the historical resource estimate as a current mineral resource or mineral reserve

The Lawyers mine was operated by Cheni from 1989 to 1992 with the first dore being poured on January 8, 1989. The sequence of mining saw the AGB Zone mined to exhaustion while preparations for underground development of the Cliff Creek North Zone advanced. Underground development of Cliff Creek North began in 1990 and included a 750 m access ramp, a spiral decline with five sublevels, and an incline to access two upper levels. However, limited mining of the Cliff Creek North zone occurred. The high grade Phoenix Zone was discovered in 1991 and trenched, drilled, accessed and mined by November 1992. Efforts to outline additional sources of high-grade ore on the property were unsuccessful and the mine was closed. During its four years of operation the mine produced a total of 171,246 ounces of gold and 3,546,400 ounces of silver from the AGB, Cliff Creek North and Phoenix deposits, and from test mining on one satellite property. During the mid-1990s, Cheni fully reclaimed the mine site and later allowed the mineral tenure covering the area to lapse. In 2000-2001, Guardsmen Resources Ltd. staked the ground covering the former mine site and adjacent areas (Lane, B.A. 2016).

Exploration conducted on the Lawyers Project since closure has been limited to prospecting, sampling and minor trenching during the period 2001-2004, which led to the discovery of the M-Grid gold-silver vein showing, and small diamond drilling programs in 2005 and 2006 that targeted the Cliff Creek South and Central subzones. In 2010, the Cliff Creek portal was re-opened to assess its integrity. In 2011, Guardsmen transferred ownership of the Lawyers Project to affiliated company PPM Phoenix Precious Metals Corp. who then made an attempt to fully dewater the flooded underground workings.

In 2015 Phoenix Precious Metals Corp. completed a 26 HQ diameter diamond drill program on the Cliff Creek and Duke's Ridge zones to support the following NI 43-101 compliant inferred resource for Cliff Creek zone (Lane, B.A. 2016):

Table 23-2: Inferred resource for Cliff Creek zone, Lawyers Deposit (Lane, B.A. 2016)

AuEQ Cut-off	Tonnes > Cut-off	Grade>Cut-off			Contained Metal	
(g/t)	(tonnes)	Au (g/t)	Ag (g/t)	AuEQ (g/t)	Au (ozs)	Ag (ozs)
1.00	1,460,000	2.89	121.70	4.16	136,000	5,710,000
2.00	1,260,000	3.16	134.94	4.57	128,000	5,470,000
3.00	840,000	3.79	171.54	5.58	102,000	4,630,000
3.50	690,000	4.12	190.08	6.10	91,000	4,220,000
4.00	**550,000**	**4.51**	**209.15**	**6.69**	**80,000**	**3,700,000**
4.50	440,000	4.90	230.48	7.30	69,000	3,260,000
5.00	350,000	5.30	253.88	7.94	60,000	2,860,000
6.00	260,000	5.88	290.09	8.91	49,000	2,420,000
7.00	200,000	6.27	318.42	9.59	40,000	2,050,000
8.00	150,000	6.78	344.18	10.37	33,000	1,660,000

23.2.3 Kemess Mineral Deposits

The following descriptions are presented in order to provide the reader with background information on the sizes, styles and modes of occurrence of the porphyry copper-gold deposits on the Kemess property, located in the southeastern part of the Toodoggone region. **The information on the Kemess deposits is not necessarily indicative of mineralization that may be present within the Baker Project area.**

Kemess South

Discovered in 1983, extensive diamond drilling by El Condor Resources Ltd. from 1990 to 1991 outlined the now mined out Kemess South deposit. Royal Oak Mines Inc. acquired the property from El Condor in 1995.

The Kemess South porphyry copper-gold deposit had historical mineable reserves in 1996 of 221,000,000 tons grading 0.018 oz. Au per ton and 0.224 % Cu (Royal Oak, 1997). Royal Oak's mineable reserves included allowances for mining losses and dilution. This historical estimate was completed before the coming into force of NI 43-101 Standards of Disclosure for Mineral Projects and used categories other than those stipulated for current use. This historical resource estimate would now likely be classified as probable mineral reserves.

The operation was a low-grade bulk tonnage operation based on the economics of scale, which enabled the mining of low-grade material. The mine was planned as a large open pit operation at a rate of 40,000 tons of ore per day, with a fifteen year mine life. The average stripping ratio for the project over its mine life was estimated to be about 1.18 to 1. Gold-copper concentrate was trucked along the ORAR to the rail-head at Mackenzie, B.C., where it was loaded into covered rail cars for shipment to the Horne Smelter in Rouyn-Noranda, Quebec, Canada.

The mine development had an original capital cost estimate of $350 million. A further $50 million came from the Province of B.C. as grants for infrastructure improvements. The final capital cost for the project was about $650 million, which significantly exceeded the original estimate. This capital cost overrun caused serious financial problems for Royal Oak, which eventually relinquished ownership of the property, via several creditor transactions, to Northgate Exploration Limited ("Northgate").

Production commenced in April 1998 and continued without interruption until March 2011. Total production statistics include 473,376,688 tonnes mined and 228,732,478 tonnes milled, yielding 91,903,400 grams (2,954,763 oz.) gold, 4,871,000 grams (156,606 oz.) silver and 355,450,336 kg (783,633,852 lb.) copper (Aurico Gold Inc. 2012)

The Kemess South deposit is hosted by the Early Jurassic Maple Leaf intrusion, a gently inclined sill-like body of quartz monzodiorite which intrudes Takla Group volcanic and sedimentary rocks. The ore body measures 1,700 m long by 650 m wide and ranges from 100 m to over 290 m thick. A blanket of copper- enriched supergene mineralization containing native copper overlies hypogene ore and comprises 20% of the deposit.

The highest grades of gold and copper in the deposit correlate with zones of intense quartz stockwork development, accompanied by intense potassium feldspar selvages and local magnetite stringers and disseminations. The potassic alteration is strongly developed in the western two-thirds of the deposit where it overprints earlier sericite and calcite alteration. Sericitization does not show a consistent association with gold or copper mineralization.

Pyrite, the dominant sulphide in the deposit, occurs as veins and fracture coatings accompanying quartz stringers. Chalcopyrite occurs as disseminated grains and in quartz stockwork veins. Native gold is included within or is peripheral to grains of chalcopyrite, and higher gold grades correlate closely with higher copper grades in the hypogene zone.

The above information on the Kemess South deposit, and its past production data, is not necessarily indicative of the mineralization on the Baker Project. This information provides contrast between large bulk tonnage, low-grade gold-copper deposits and high-grade gold deposits with modest tonnages. The historical data is relevant to the bulk tonnage mineral potential of the Toodoggone region.

Kemess North (Underground)

Kemess North is located about 6 km north of Kemess South. Mining companies were first attracted to the area by a large gossan that is the surface expression of the Kemess North porphyry copper-gold deposit. Exploration programs were carried out by Kennco from 1966-71, Getty Mines Ltd. from 1975-76 and El Condor Resources Ltd. from 1986-93. By the end of 1993, a total of 15,039 m of diamond drilling in 78 holes had partially delineated the Kemess North deposit over a strike length of 1,200 m, a true thickness of about 300 m and to 400 m down-dip.

In 2000, Northgate completed 12 diamond drill holes totaling 4,100 m at Kemess North. Their results and those from earlier drilling programs defined a total of 360 million tonnes grading 0.299 g/t Au and 0.154% Cu (Northgate Exploration Ltd., News Release - January 22, 2000). The following year, Northgate completed 16 holes totaling 8,200 m. This drilling defined a significantly larger and higher grade inferred mineral resource which was estimated to be 442 million tonnes grading 0.4 g/t Au and 0.23% Cu, using a gold equivalent cut-off grade of 0.6 g/t (Stockwatch - November 14, 2001).

The author has not done sufficient work to classify historical estimate as a current mineral resource or reserve. The author has been unable to verify data or work, or the key assumptions, methods or parameters used to prepare the historical resource estimate. The historical resource estimate should not be considered as a current mineral resource or mineral reserve. Sable Resources Ltd. is not treating the historical resource estimate as a current mineral resource or mineral reserve

At Kemess North, a sub-volcanic quartz monzonite stock and related dykes have intruded Takla Group volcanic rocks. Porphyry-style copper-gold mineralization is hosted in potassically-altered zones developed both within the monzonite and adjacent country rock. Higher grade copper-gold mineralization is associated with stockworks, veins and disseminations of pyrite, chalcopyrite and magnetite that form as replacements of earlier ferromagnesian silicate minerals. Outward from the potassically-altered zone, the onset of a propylitic alteration assemblage of chlorite, carbonate, pyrite, pink zeolite and minor epidote is marked by a pronounced decrease in copper and gold concentrations (SRK Consulting 2016)

Kemess East

The Kemess East deposit is located one kilometre east of the Kemess Underground deposit. Exploration drilling carried out by AuRico in 2013-14 was guided in part by the results of a deep-penetrating induced polarization survey completed in 2006 by Quantec Geoscience. The drilling outlined a deep copper-gold mineral resource which, as of December 31, 2014, totaled 55.9 million indicated tonnes grading 0.41% Cu and 0.52 g/t Au, containing 503.7 million pounds of copper and 939,000 ounces of gold, and an additional 117.2 million inferred tonnes grading 0.34% Cu and 0.38 g/t Au, containing 871.4 million pounds of copper and 3.4 million ounces of gold. Base case commodity prices used for the resource estimate were US$3.00 per pound for copper and US$1,300 per ounce for gold. As the Kemess East deposit is proximal to Kemess Underground, any proposed development of the former will potentially share infrastructure with the latter (SRK Consulting Inc 2016).

Kemess East is typical of calc-alkaline porphyry copper-gold deposits in the western cordillera. The deposit is deeply buried; mineralization starts at an average depth of 900 m below surface and extends to 1500 m below surface. Unlike Kemess Underground, there is no significant low grade mineralization associated with Kemess East. The deposit is mainly hosted by a potassically-altered porphyritic diorite pluton which is part of the Black Lake intrusive suite. In its eastern portion, it is hosted within potassically- altered Takla volcanic rocks. The host diorite body appears to be nearly flat lying, dipping gently to the south. Higher grade copper-gold mineralization is characterized by strong secondary biotite alteration in the plutonic rocks. Better copper and gold grades within Takla volcanic rocks are associated with potassic (biotitic) alteration assemblages. Toodoggone volcanic rocks in the Kemess East area are relatively fresh to weakly propyliticallyaltered, generally lack significant sulphides and contain no ore grade mineralization (SRK Consulting Inc 2016).

The above information on the Kemess North, Kemess Underground and Kemess East deposits, and the proposed underground development of Kemess Underground, is not necessarily indicative of the mineralization on, or the development potential of, the Baker Project. This information demonstrates the potential for the mining of porphyry-type deposits, by bulk underground methods, in the Toodoggone region. The reader is reminded, however, that in the case of Kemess Underground and Kemess East, their operational synergies with Kemess South have enhanced their possible economic viability.

23.3 DEVELOPED PROSPECTS

23.3.1 METS (094E 093)

The Mets deposit, situated on Metsantan Mountain, is located about 16 km northwest of the Lawyers Project. It was discovered by Golden Rule Resources Ltd. in 1980 and is currently covered by Mining Lease # 314708 which is 100% owned by Rupert Allen of Victoria, B.C. The property hosts several quartz- barite breccia zones for which Golden Rule, from surface diamond drilling and trenching, defined a historical "measured geological resource" of 143,321 tonnes @ 11.31 g/t Au on the "A" Zone (Evans, 1988). This historical estimate was completed before the coming into force of NI 43-101 Standards of Disclosure for Mineral Projects and uses categories other than those stipulated for current use.

The author has not done sufficient work to classify the above historical estimates as a current mineral resource or reserve. The author has been unable to verify data or work, or the key assumptions, methods or parameters used to prepare the historical resource estimate. The historical resource estimate should not be considered as a current mineral resource or mineral reserve. Sable Resources Ltd. is not treating the historical resource estimate as a current mineral resource or mineral reserve

Cheni Gold Mines optioned the property in July 1992. From the above historical resource estimate, Cheni estimated a "probable geological reserve" of 75,000 tons grading 0.384 oz. Au per ton (Cheni, 1992). This revised historical estimate was completed before the coming into force of NI 43-101 Standards of Disclosure for Mineral Projects. It uses categories other than those stipulated for current use. The "probable geological reserve" would now likely be classified as indicated mineral resources. By September 1992, Cheni had developed the property (using trackless equipment) with a 60 m decline to cross-cut the A Zone and a 120 m-long exploration drift along the zone, mining about 2,300 tonnes of ore and 3,700 tonnes of waste. After the underground program, Cheni estimated diluted reserves of 53,357 tonnes @ 12.0 g/t Au (Cheni, 1992). These historical diluted reserves would likely be comparable to the current CIMM classification for probable reserves. Later in 1992, with additional data, Cheni recalculated mineable reserves to be 48,564 tonnes @ 11.62 g/t Au. These historical mineable reserves would be comparable to the current classification for proven reserves but would have likely been subsequently downgraded to inferred mineral resources. The reduction of reserves was in part due to a grade reduction based on underground sampling of the zone.

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Cheni's program also determined there were acid rock drainage issues with the ore; during site reclamation, Cheni put all of the ore and most of the waste back underground. The property was subsequently returned to Golden Rule because of low gold prices.

The Mets developed prospect consists of a tabular core of silicified rock in three separate but genetically linked zones: the A Zone (and its extension), the Footwall Zone and the 400 South Zone. The A zone has a strike length of 140 m, a true thickness of 6 to 10 m and a vertical extent of up to 75 m; it strikes 340° and dips 70°-85° to the west. A mineralized shoot within the A Zone has a gentle northwest plunge.

The A Zone is hosted by a quartz-barite breccia zone which occurs near the vertical contact between a footwall andesite and a hangingwall dacite unit. Steeply-dipping, thin breccias generally are higher in grade; when the breccia orientation flattens, as it does at depth, grades drop off rapidly. Native gold is the primary ore mineral present with rare occurrences of electrum, argentite, tetrahedrite, pyrite and galena. Gold occurs as free grains and flakes 0.005-2 mm in diameter, adjacent to fragments of quartz and barite within the breccia system. Sulphide mineralization is practically nonexistent in the A Zone.

At its northern end, the A Zone is truncated by the N75 fault, a vertical graben structure striking 050° and dipping 80° south. The block of rock north of the fault is down-dropped, with up to 110 m of vertical displacement. In 1987, deep drilling north of the fault intersected a 4 m wide quartz breccia body (the N75 or A Extension Zone) from which intercepts yielded values ranging from 0.85 g/t Au across 4 m to 22.83 g/t Au across 7.1 m (Evans, 1988).

The Footwall Zone is a quartz-carbonate breccia body situated within the footwall andesite unit. It has been exposed over a 260 m strike length and is interpreted to strike 340°, with an indeterminate dip. It pinches and swells with a maximum width on surface of 4 m. Its Ag:Au ratio is 2:1 or greater contrasting with a Au:Ag ratio of 10:1 or greater for the A Zone. A one-metre channel sample across it assayed 19.81 g/t Au and 127.86 g/t Ag; a drill intersection in it assayed 19.29 g/t Au over 0.7 m (Evans, 1988).

Drilling in 1987 also intersected the 400 South Zone, a narrow auriferous quartz breccia body at the same andesite-dacite contact along which the A Zone occurs. Drill intercepts through this zone include 4.11 g/t Au over 1.6 m and 8.03 g/t Au over 1.0 m (Evans, 1988).

Alteration at the Mets deposit consists of an extensive outer propylitic zone (epidote, chlorite, rare pyrite) and a proximal advanced argillic zone (sericite, kaolinite, dickite) enveloping inner silicic (quartz +/- barite) zones, in both the hangingwall and footwall rocks to the silicic zones. Argillic alteration is primarily developed within the footwall side of the deposit where the alteration envelope can range up to 40 m in thickness (Evans, 1988).

23.3.2 GOLDEN STRANGER (094E 076)

The Golden Stranger developed prospect is located about 11 km west-northwest of the Lawyers Project on claims now owned by Steven Lawes of Princeton, B.C. The original gold-silver showings on the property were discovered by Western Horizons Resources Ltd. in 1983.

The prospect hosts low sulphidation, adularia-sericite type epithermal mineralization hosted by Metsantan Member trachyandesite flows of the Lower Volcanic Cycle of the Toodoggone Formation. The volcanic wall rocks are cut by a series of north to northwesterly-trending fracture/fault systems, along which aplitic dyke-like bodies are present. Multistage quartz veining and silicified breccias crosscut both the altered volcanics and the aplitic rocks.

Two divergent breccia zones comprise the Main and West Zones. The Main Zone consists of a quartz vein/breccia system striking northerly with a near-vertical dip. The zone is 50 m wide and extends for 450 m in length. Pyrite, galena, sphalerite, chalcopyrite, chalcocite and covellite are hosted in a quartz- amethyst breccia zone developed at the contact of a trachyandesite unit and an aplite dyke. A 1986 trench in the northern part of the Main Zone yielded an interval of 3.9 m grading 14.4 g/t Au; the most southerly trench on the zone, located 390 m along strike, yielded 1.37 g/t Au over 4.0 m. In 1988, drilling on the Main Zone returned several significant intercepts, including 11.55 g/t Au and 6.20 g/t Ag over 3.05 m and 5.99 g/t Au and 12.35 g/t Ag over 3.05 m. True widths of these intercepts are not known. (

The West Zone vein-breccia system is not as well-developed as the Main Zone. Drill-testing of it in 1988 returned some low-grade values, including 0.03 g/t Au and 3.1 g/t Ag over 3.1 m and 2.07 g/t Au over 15.0 m. True widths of these intercepts are not known.

Preliminary data on the Main Zone indicates a mineral resource of 498,905 tonnes grading 2.74 g/t Au (Sutton Resources Ltd. report to shareholders, March 30, 1989). This historical estimate was completed before the coming into force of NI 43-101 Standards of Disclosure for Mineral Projects. It uses categories that are not well defined and do not conform to those stipulated for current use.

23.3.3 JD (094E 171)

The JD developed prospect is located about 11 km north-northeast of the Lawyers Project on claims now owned by Cameron Scott of Alberni, B.C. Attention first focused on the area in 1931 when a prospector was reported to have taken several thousand dollars' worth of gold from placer workings. Much later, in 1971, Sumac Mines Ltd. staked claims in the area to cover lead and zinc showings hosted in quartz veins. Subsequent soil geochemical surveys nearby outlined a 1,500 m-long zone with anomalous silver, lead, zinc and copper values.

Claims covering the JD prospect were optioned by AGC Americas Gold Corp. in 1994. From 1994-98, AGC carried out a substantial amount of diamond drilling and ancillary geochemical and geophysical surveys and discovered two main zones of interest, named Finn and Creek. The Finn Zone is a high sulphidation epithermal-type gold deposit with important values in silver, copper, lead and zinc. It is a structurally- controlled, 600 m long by 400 m wide, east-west trending zone consisting of a tabular, shallowly-dipping, 15 m thick body of gold-bearing brecciated and silicified rock, enveloped by a large quartz-carbonate vein stockwork with disseminated and massive base metal sulphides. AGC concluded that the mineralized setting of the Finn Zone should perhaps be viewed as a large high-sulphidation epithermal system overlapping with porphyry-style mineralization at depth (McBride 2014).

The high-grade polymetallic Creek Zone was discovered by drilling in 1997 and became the focus of exploration in 1998. Hole 97-08 intersected 103.3 g/t Au, 92.2 g/t Ag, 1.34% Cu, 0.46% Pb and 11.7% Zn over 4 m. The true width of this intercept is not known. In 1998, eleven holes were drilled to follow-up the high-grade intersection; results confirmed the presence of stockwork mineralization but overall grades were lower.

A possible mineral resource on the Finn Zone was estimated to be 147,889 tonnes grading 4.40 g/t Au (George Cross News Letter, No. 9, January 13, 1995). This historical estimate was completed before the coming into force of NI 43-101 Standards of Disclosure for Mineral Projects. It uses categories other than those stipulated for current use.

In September 2011, the JD property was optioned by Tower Energy (now Tower Resources Ltd.). Tower believes there is potential on the JD property to discover a lower grade, bulk-tonnage gold and silver deposit. In a news release dated August 29, 2012, Tower reported results of its first three confirmation drill holes in the Finn Zone, including a near-surface intersection of 12.6 m grading 10.82 g/t Au and 65.70 g/t Ag. In a later news release dated September 19, 2012, Tower reported the discovery of gold mineralization in the footwall of the Finn Zone. Hole JD-12-009, collared in the footwall, intersected 18.0 m grading 1.74 g/t Au and 4.23 g/t Ag from 3.1-21.0 m, followed by 11.0 m grading 2.48 g/t Au and 5.49 g/t Ag from 29.0-40.0 m (McBride 2013).

Tower's 2013 exploration drilling in the eastern part of the JD project area discovered porphyry-style alteration and associated anomalous copper mineralization coincident with a Cu-Au-Ag-Te soil geochemical anomaly, an 800 m by 800 m aeromagnetic high anomaly and a large IP chargeability anomaly (Tower news release dated October 4, 2013). The chargeability anomaly, which measures about 1.400 m north-south by 400-600 m east-west and remains open to the east, was tested by three diamond drill holes.

Hole JD13-025 tested the northern part of the chargeability anomaly. It transitioned from propylitically- altered volcanic rocks near surface, through strong phyllic alteration and bottomed in altered rocks exhibiting early potassic alteration assemblages. Copper-silver mineralization of note in the hole includes 3 m grading 0.94% Cu and 14 g/t Ag at a depth of 66 m, and 1.4 m grading 4665 ppm Cu and 3.4 g/t Ag at the bottom of the hole at 230.1 m. Hole JD13-028 tested the central part of the anomaly. It intersected variably phyllically-altered rock with local zones exhibiting earlier potassic alteration. The hole contained a wide interval of anomalous copper mineralization averaging 333 ppm Cu over 321 m from surface. Hole JD13-026 tested the southern part of the anomaly. It encountered nearly continuous, intensely phyllically-altered volcanic rocks throughout its entire length but no copper mineralization of note is reported. A 2.0 m interval of higher grade gold mineralization grading 6.03 g/t Au was cut at a depth of 310 m (McBride 2014).

Tower concluded that a program including deep penetrating IP surveys followed by diamond drilling are warranted to fully test the porphyry potential in the eastern part of the JD project area. To date, no further work, past that reported above, has been carried out by Tower Resources on the JD property (McBride 2014).

24) OTHER RELEVANT DATA AND INFORMATION

The Toodoggone District has a long history of successful exploration and development. However, until recently, the principal focus of past workers has been to explore for nearer-surface, low and high- sulphidation epithermal gold-silver deposits and, to a lesser extent, for open-pitable, porphyry-style copper-gold deposits.

In Section 23.2.3 of the Report, AuRico's recent success at its Kemess Underground and Kemess East deposits is described. Both deposits are potentially mineable by underground block caving methods; their discovery by deep drilling was guided in part by deep-penetrating induced polarization surveys. This information demonstrates the potential for the mining of porphyry-type deposits, by bulk underground methods, in the Toodoggone District. It has prompted recent explorers elsewhere in the district, including SRL, to re-evaluate historic results in order to better assess the potential of discovering a buried, porphyry-type deposit on their properties.

Other information relevant to ongoing exploration and any possible future development on the Baker Project includes:

a. the fact that the Baker project is a 'brown-fields' project which offers certain advantages relating to future exploration, development and reclamation costs;
b. the fact that the price of gold has seen an approximate US$600 correction since July 2011. Any price rebound for it (and for silver too), although by no means certain, would help improve the economics of any future discovery or resource definition.
c. the current US$-CDN$ exchange rate, with approximately 1.0 US$ = 1.34 CDN$ as of the Effective Date of the Report, which could have a positive impact on project economics, assuming that similar, favorable exchange rates persist into the future.

25) INTERPRETATION AND CONCLUSIONS

It is concluded that:

a. The Baker Project brings together the historic Chappelle group of claims which includes past-producing Dupont/Baker 'A' and Multinational 'B' deposits, and the past producing Shasta mine and group of claims. The two claim groups had the majority of their exploration work completed while they were owned by separate companies before Sable Resources Ltd. consolidated the land package. This large prospective land holding along with the Baker mill and leases, under one company's ownership, presents a unique opportunity for SRL to carry out further exploration on a 'camp' scale.

b. There remains excellent potential on the Property for the discovery of additional epithermal deposits like those that have been discovered and explored to date. In addition, there exists the possibility for the discovery of a near-surface or buried 'bulk tonnage' deposit which may offer an advantage to "scale" the economics should this type of discovery and development occur.

c. The Dupont/Baker 'A' and Multinational 'B' veins may persist along strike and to depth, based on historical drill results.

d. Veins containing anomalous precious metal values occurring near the Dupont/Baker 'A' and Multinational 'B' veins (West Chappelle vein, 'C' vein, North quartz zone etc.) may have higher-grade gold-silver values similar to those previously mined in the area and require further investigation to determine if a higher-grade horizon exists.

e. Shasta style mineralization remains open along strike, at depth, and in other proximal vein sets based on historic diamond drill holes.

f. The Dupont/Baker 'A' and Multinational 'B' veins have a demonstrated genetic link to 'porphyry' related fluids as outlined by the 2015 lithogeochemistry. Trace element lithogeochemistry identified three areas where 'porphyry' related fluids may be the source of observed alteration, roughly located on: The West Chappelle Zone; Dupont/Baker 'A' and Multinational 'B'; and the western, lower elevations of the Black Gossan. These zones and surrounding grounds represent a good target for further exploration of a buried Cu-Au porphyry system.

g. Historic underground development infrastructure remains at the Shasta mine. Should ongoing exploration discover additional resources near the existing development, any further underground development, underground drilling, or mining, would have considerably lower pre-production development costs. Furthermore, despite the liabilities, other existing surface infrastructure could facilitate future development on the Project.

h. The Baker Project is not directly encumbered by any provincial or national parks, or other protected areas.

i. Adequate QA/QC was not completed on previous diamond drilling programs for the results to be relied upon. However, historic metallurgical studies and recoveries of the gold-silver ore mined and milled during the operating history of the Baker mill are considered good and indicate that any future ores mined within the Project area, at least those that may be sourced from epithermal deposits similar to those mined in the past, should present no significant problems in terms of acceptable rates of metals recovery.

j. The author is unaware of any significant risks or uncertainties that could affect the exploration data gathered to date. The information was collected systematically and in accordance with industry accepted practices.

Recommendations for future work on the Project are summarized below in Section 26 of the Report.

26) RECOMMENDATIONS

Recommendations by the author include a single phase of exploration on the three multi-element target areas identified in the Sable 2015 program as discussed above, and for the historic DuPont/Baker 'A' and Multinational 'B' vein systems as follows:

Data Compilation & Modelling:

a. complete a modern 3D model compiling all historic surface and underground drilling data on the DuPont/Baker 'A' and Multinational 'B' veins, and historic underground workings to support geological modeling.
    i. use the geological model to identify internal grade related structural controls and zones within the historic (mined-out) resource,
    ii. project mineralized zones outside the historic mine workings to support the phase 1 drilling which would test additional high grade mineralization to depth and along strike.

Surface Geochemistry and Mapping:

a. Extend the lithogeochemical sampling (Gillham 2016) and Mapping (Gillham 2017) surveys further east to cover the Dave Price occurrence.

Drilling:

a. 1000 - 1200 m of NQ diamond drilling DuPont/Baker 'A' and Multinational 'B' zone, including:
    i. if confirmed by 3D model, conduct 2 x 300-350 metre holes with 65-70 degree dips that test 25-30 metres below the northeast extension of the 'A' vein where DuPont drillhole 74-16 intersected 1.2 metres of 0.58 ounce per short ton gold and 0.24 ounce per short ton silver (quoted intersection is historic in nature and requires further investigation to confirm the validity) ;
    ii. if confirmed by 3D model, conduct additional 2 x 300-350 metre holes to test for a plunging down-dip extension of the 'B' vein mineralization below Multinational Mining drillhole M87-24 where 1.83 metres of 0.091 ounce per short ton gold and 0.06 ounce per short ton silver was intersected (quoted intersection is historic in nature and requires further investigation to confirm the validity).

Exploration budgets for Phase 1 are presented in Table 21-1 below.

Table 26-1: Proposed Exploration Program

ITEM	Cost (CDN$)
PHASE 1	
Compilation and modeling	$50,000
Extending lithogeochemistry and mapping	$50,000
Diamond drilling	$200,000
Contingency (10%)	$30,000
Total	**$330,000**

A comprehensive, success-contingent Phase 2 program will follow completion of Phase 1 work. The detailed work plan and budget for it will be formulated after a thorough review of all Phase 1 results.

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28) CERTIFICATE OF QUALIFICATION

I, Adrian Smith, do hereby certify that:

1. I have a Bachelor of Science Degree from Simon Fraser University (Geology);
2. I have engaged in mineral exploration since 2007, for junior exploration companies and as an independent geologist and have been involved in numerous Canadian Cordilleran projects including early ground based projects and advanced underground mining operations, with specific focus on magmatic-hydrothermal systems such as found on the Baker Project;
3. I am a Licenced Professional Geoscientist with the Association of Professional Engineers and Geoscientists of British Columbia;
4. With regard to this Technical Report, I am a Qualified Person as defined in National Instrument 43-101. I have read the Instrument (NI 43-101) and this report is prepared in compliance with its provisions;
5. I have previously worked on the Baker property as a staff geologist during underground production from the Creek zone at the Shasta mine between 2009 and 2011. My most recent personal inspection of the Baker property was during May of 2011 as an employee of Sable Resources Ltd.;
6. I have authored and take responsibility of all sections, 1.0 through 28.0 of the report entitled "Technical Report on the Baker Gold Project" dated June 19th, 2017. The report is based on recent work carried out and on the compilation of historical data;
7. I have no direct or indirect interest in the Baker Project of this report. I am completely independent of Sable Resources Ltd. On this basis, I believe that I am independent, and in full compliance with all provisions of Section 1.5 of National Instrument 43-101;
8. I am the President of Divitiae Resources Ltd. located at 1304 Steeple Dr. Coquitlam, BC, Canada;
9. As of the effective date of this Report, to the best of my knowledge, information and belief, the Report contains all scientific and technical information that is required to be disclosed to make the Report not misleading.

Signed and dated at Vancouver, British Columbia, on the 19th day of June, 2017.

Adrian Smith B.Sc., P.Geo