SKUKUM GOLD-SILVER PROJECT
NI 43-101 Technical Report
Whitehorse Mining District, Yukon Territory, Canada

Prepared for:
Whitehorse Gold Corp.

Prepared by:
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Effective Date: October 1, 2020

Cautionary Note with respect to Forward Looking Information

Certain information and statements contained in this report are “forward looking” in nature. All information and statements in this report, other than statements of historical fact, that address events, results, outcomes or developments that Whitehorse Gold Corp. and/or the Qualified Person who authored this report expect to occur are “forward-looking statements”. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “projects”, “potential”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will be taken”, “occur” or “be achieved” or the negative connotation of such terms. Forward-looking statements include, but are not limited to, statements with respect to estimates of mineral reserves and resources; potential environmental liabilities and related costs; and exploration potential.

All forward-looking statements in this report are necessarily based on opinions and estimates made as of the date such statements are made and are subject to important risk factors and uncertainties, many of which cannot be controlled or predicted. Material assumptions regarding forward-looking statements are discussed in this report, where applicable. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any of the future results, performance or achievements expressed or implied by forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the assumptions underlying the technical report discussed herein not being realized; decreases in gold prices; actual recovery rates; actual results of current exploration; exchange rate fluctuations; title risks; regulatory risks and uncertainties; and other risks involved in the gold exploration and development industry; as well as those risk factors discussed elsewhere in this report, in Sun Metal’s latest Annual Information Form, Management’s Discussion and Analysis and its other SEDAR filings from time to time. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. Whitehorse Gold Corp. and the Qualified Person who authored of this report undertake no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law.

DATE AND SIGNATURE PAGE

The effective date of this NI 43-101 Technical report, entitled “Skukum Gold Silver Project, NI 43-101 Technical Report,” is October 1, 2020.

(signed) *"Ronald G. Simpson"*
Ronald G. Simpson, P.Geo.
Date: October 1, 2020.

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1.0 SUMMARY

1.1 Introduction

Geosim Services Inc. ("Geosim") was retained by the Whitehorse Gold Corp. ("Whitehorse Gold" or "the Company") to prepare a Technical Report on the Skukum Gold-Silver Property ("the Property"). The Property is 100% owned by Tagish Lake Gold Corp. ("Tagish Lake Gold"). Tagish Lake Gold is a wholly owned subsidiary of Whitehorse Gold which is a wholly owned subsidiary of New Pacific Metals Corp ("New Pacific").

The bulk of the contents of this report were previously prepared at the request of New Pacific in 2012 and filed on SEDAR on September 14, 2012 (Simpson, 2012). The Company requested the author to update the report for their use in connection with a transaction relating to Whitehorse Gold, and re-state the Mineral Resource Estimate using current metal price assumptions.

The Property lies in the south western Yukon Territory, Canada, approximately 55 kilometres south of the Territory's capital city, Whitehorse. The 170.3 km^2 Property consists of 1,051 full or fractional Quartz Mining claims which encompass the Skukum Creek gold-silver prospect, the Goddell gold prospect, and the past-producing Mt. Skukum gold mine.

1.2 History

The Property has been the subject of exploration activities, and some production mining at Mt. Skukum, over its history. The history of work is difficult to follow, as the Property has undergone many ownership changes and wide-ranging exploratory work has been completed on many parts of the Property, ranging from regional geochemical surveys to detailed drilling and underground exploration and development. Exploration and development are principally linked to the three known deposits of the Property, namely Mt. Skukum, Skukum Creek and Goddell Gully.

The first claims in the Mt. Skukum area were staked in 1981 by Agip Canada Ltd. (Agip). Production at Mt. Skukum was undertaken between February 1986 and August 1988 during which a total of 233,400 tons of ore were processed in the plant, recovering 2,500 kilograms (77,790 tr. oz.) of gold.

The Skukum Creek area was originally staked in 1922 to cover anomalous gold and antimony showings and included driving a 41-metre adit and considerable trenching.

First recorded exploration in the Goddell area was in 1898 with the discovery of the Porter and Empire Showings, followed in 1906 with the discovery of the Becker-Cochran and Goddell antimony showings.

1.3 Geology and Mineralization

The Property is situated on the boundary between the Jurassic andesites and siliciclastic rocks of the Stikine Terrane and Paleozoic gneisses of the Nisling Terrane. This package is intruded by the late Triassic to Jurassic Bennett Granite and Cretaceous intrusions of the Coast Plutonic Complex which includes: the Mt. McNeil granodiorite, the Mt. Ward granite and Carbon Hill quartz monzonite. Intermediate Cretaceous volcanic rocks of the Mt. Nansen Group deposited approximately coeval with the Coast Plutonic Complex, are present on the Property east of the Wheaton River. These rocks are separated from the late Paleocene to early Eocene rocks of the Mount Skukum volcanic complex, which outcrop in the northwestern part of the property, by east- to northeast-trending structures.

Three deposit types on the Skukum Property are typically structurally controlled gold±silver±base metal bearing veins, vein breccias or mylonites. The Mt. Skukum deposit is a structurally controlled epithermal gold deposit hosted in Eocene volcanics. Low temperature auriferous quartz-calcite-adularia veins occur along brittle fractures and faults with little shearing and appear to be formed at shallow levels. The Skukum Creek deposit is a structurally controlled, polymetallic gold-silver, deep epithermal vein deposit hosted in Mid-Cretaceous Mt. McNeil granodiorite. In the Skukum Creek area, zones of mineralization are hosted primarily by a series of linked, northeast-trending faults that may represent splays off the Berney Creek fault system. The Goddell Gully deposit is a structurally controlled shear-hosted gold deposit. Mineralization is associated with altered andesite dykes within the shear zone. The shear zone is located within Mid-Cretaceous Carbon Hill granodiorites.

1.4 Exploration

A considerable amount of historical exploration, including diamond drilling and underground exploration, has been undertaken on the Property. Historical exploration consisted of surface geological surveys, geochemical surveys, ground and airborne geophysical surveys, trenching, and surface and underground drilling. Approximately 121,000 metres was drilled in more than 910 holes, and 7,630 metres of underground drifting and crosscutting were developed, mainly at Mt. Skukum, Skukum Creek and Goddell Gully.

In 2011, New Pacific undertook an exploration program consisting of digital data compilation; surface geochemical sampling, surface geological mapping, supplementary core sampling of historical drill holes, surface and underground diamond drilling, metallurgical testwork, rehabilitation of underground workings and camp upgrades. A total of 51 diamond drill holes totalling 12,487.77 metres were completed at various deposits and prospects on the Property, including Mt. Skukum (Lake Zone), Skukum Creek and Goddell Gully.

No exploration work has yet been carried out by Whitehorse Gold Corp.

1.5 Metallurgical Testing

Between 1988 and 2011, various types of mineral processing and metallurgical test work have been completed on the mineralized material of the Skukum Creek deposits. The most recent work was carried out in 2011. New Pacific sent two batches of metallurgical samples to the Hunan Nonferrous Research Institute of Metallurgy based in Changsha City, Hunan Province, PR China for flotation recovery tests. Each batch weighed about 450 to 500 kilograms, taken from the mineralization stockpile, a product of historical drift development along the Rainbow Zone at Skukum Creek. The metallurgical sample most representative of the average grade showed flotation recovery of approximately 88% for gold and 86% for silver.

1.6 Mineral Resource Estimate

Current resource estimates for the Mt. Skukum (Lake Zone), Skukum Creek and Goddell Gully have been prepared by GeoSim Services, Inc. using all available exploration data, up to and including the results of New Pacific's 2011 exploration program. The current resource estimates, using a base case 3 g/t gold or 3 g/t gold-equivalent cut-off, are summarized below:

Table 1-1 Mineral Resources – Mt. Skukum Lake Zone

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Inferred	Lake Vein	90,100	9.28	12.9	9.43	26,882	37,368	27,308

Table 1-2 Mineral Resources - Skukum Creek

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Indicated	Combined	1,001,300	5.85	166.4	7.75	188,334	5,355,478	249,401
Inferred	Combined	537,000	4.99	108.3	6.22	86,124	1,869,065	107,415

Table 1-3 Mineral Resources - Goddell Gully

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Indicated	Goddell	329,700	8.13	-	8.13	86,210	-	86,210
Inferred	Goddell	483,900	7.13	-	7.13	110,867	-	110,867

Notes:

1. Mineral resource estimate prepared by GeoSim Services Inc. with an effective date of October 1, 2020.
2. Totals may not sum due to rounding.
3. Mineral resources are diluted to a minimum width of 1.5m
4. A base case cut-off grade of 3.0 g/t Au represents an in-situ metal value of US$126 per tonne at a gold price of $1450/oz, silver price of $16.50/oz and a metal recovery of 90% for gold and silver which is believed to provide a reasonable margin over operating and sustaining costs for narrow vein mining and processing.
5. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The underground mining assumptions for determining cut-off grade with reasonable prospects of economic extraction are presented in Table 1-4.

Table 1-4 Cost Assumptions used in Cut-off Grade Determination

Assumptions	Value
Gold Price	$1,450
Silver Price	$16.50
Gold Recovery %	90%
Silver Recovery %	90%
Mining Cost (US$/t milled)	$90
Processing (US$/t milled)	$25
G&A Cost (US$/t milled)	$10
Total Operating Cost (US$/t milled)	$125
Cut-off Grade g/t Au	3.0

Areas of uncertainty that may materially impact the Mineral Resource Estimate include:

- Commodity price assumptions
- Assumptions that all required permits will be forthcoming
- Metallurgical recoveries
- Mining and process cost assumptions

There are no other known factors or issues that materially affect the estimate other than normal risks faced by mining projects in the Yukon Territory in terms of environmental, permitting, taxation, socio economic, marketing, and political factors. Geosim is not aware of any known legal or title issues that would materially affect the Mineral Resource estimate.

1.7 Interpretation and Conclusions

Geosim has reported an updated Mineral Resource estimate for the Skukum Gold-Silver Project. The following observations and conclusions were drawn:

- The adequacy of sample preparation, security and analytical procedures are sufficiently reliable to support an Indicated or Inferred mineral resource classification and that sample preparation, analysis, and security are generally performed in accordance with exploration best practices at the time of collection.
- The resource estimate is based on analytical data from 631 drill holes representing 95,056 metres of drilling and 2925 underground samples.
- The Mt. Skukum Lake Zone gold-silver deposit is estimated to contain an Inferred Mineral Resources of 90,100 tonnes at 9.43 g/t Au equivalent.
- The Skukum Creek gold-silver deposit is estimated to contain an Indicated Mineral Resource of 1,001,300 tonnes at 7.75 g/t Au equivalent and an additional Inferred Mineral Resource of 537,000 tonnes at 6.22 g/t Au equivalent.
- The Goddell Gully deposit is estimated to contain and Indicated Mineral Resource of 329,700 tonnes at 8.13 g/t Au and Inferred Mineral Resource of 483,900 tonnes at 7.13 g/t Au.
- There is significant potential for expanding the current resource and for discovering additional gold deposits on the Property

1.8 Recommendations

Recommendations presented below are limited to the three deposits which were the subject of the current resource estimates. The Property does host numerous other prospects and showings as discussed in Section 7 that warrant additional exploration.

1.9 Mt. Skukum (Lake Zone)

Recommendations based upon data review for the resource estimate of Lake Zone, and the resource estimate itself, include:

1. Surface diamond drilling of the high-grade, near-surface ore shoot along strike as well as infilling of gaps in the down-dip direction of the vein. For this vein system, drill sections should be spaced on the order of 10 metres in order to reliably demonstrate continuity along section. An estimated 2,500 metres of drilling in 20 holes would be required to better assess the strike and dip continuity of the Lake Zone in this area. Sampling should be completed through the expected vein zone. Further infill holes will be required to test the down-dip expression of the host structure to increase confidence in the continuity of both structure and grades at depth.

2. Further infill sampling of key drill holes of the Lake Zone. While it is apparent that the key mineralization has been identified and sampled by previous operators, there are examples of unbracketed mineralized zones that should be addressed.

3. Completion of data entry of the historical drilling (geological and geochemical).

4. If possible, gain access to the underground workings to investigate the vein and selectively chip sample for confirmation of the higher grades.

1.10 Skukum Creek

Recommendations based upon data review for the resource estimate of Skukum Creek, and the resource estimate itself, include:

1. Drill holes from 2007 and 2008 (SC07-series) should be surveyed at collar, and, at minimum, an initial azimuth and dip measurement of the drill hole should be determined. The latter can be completed by inserting a down-hole survey instrument in the drill hole, provided the hole can be identified and remains open.

2. Re-survey of the workings in the Rainbow 2 and Berg Zones should be carried out to determine the source of the apparent error in underground survey point 07-57. If the reported coordinate for that station is in fact correct, the location and dimensions of the underground workings in this drift may need to be recaptured.

3. Complete the inclusion of any remaining underground chip or channel sampling into the database (e.g. in the 1225 drill drift, 1300 access drift between the Rainbow Zone and Kuhn Zone). This is a matter of completeness of the underground sampling database as results for these areas were not significant and would be unlikely to impact future resource modeling.

4. Current resource modeling of the Kuhn Zone excluded the mineralized splay near surface which was included in previous modelling. Downhole survey control of the historical drilling was limited to non-existent. Several drill holes with accurate surface and down-hole survey control should be planned to twin historical drill holes in this area which and would increase confidence in the nature and continuity of the structures and grades. Drilling would be from

surface and would require a helicopter moveable drill and rehabilitation of the historical drill pads. An estimated 1,000 metres of drilling is proposed from two drill pads.

5. The Rainbow Zone remains open at depth and diamond drilling is recommended to test the down-dip potential. Coupled with this, infill drilling will be required to increase confidence of the current resource estimate and strengthen the interpretation of the mineralized zones. At least 4,000 metres of diamond drilling is recommended.

The existing underground workings are very limited as a useful base to undertake this drilling. The existing decline could be extended to the 1,150 metre level where diamond drilling stations can be established in a footwall drift. These drill stations should be at least fifty metres into the footwall rocks to ensure a higher incidence angle between the drill holes and the shear zone.

Alternatively, a new portal and ramp could be driven to the 1,100 metre elevation from the Wheaton River valley near the confluence of Skukum Creek. This would afford an excellent platform to test the lower reaches (below 1,100 metres) of the Rainbow Zone. This option also has an advantage in that it would be a necessary component of any future mining scenario. Studies have previously been carried out by Tagish Lake Gold with respect to this option as well (Laxey Mining, 2004).

1.11 Goddell Gully

Recommendations based upon data review for the resource estimate of Goddell Gully and the resource estimate itself, include:

1. The remaining Goddell Gully drill core should be completely sampled through the shear zone as defined by the current resource model. Although no significant additional gold mineralization is expected, this will allow for more comprehensive modeling of the lower grade material within the Goddell shear zone.

2. Related to (1), infill core samples collected by New Pacific reported intervals that did not exactly adjoin historical samples, leaving small (30 centimetres or less) gaps of unsampled material. These infill sample intervals should be inspected to see whether they are actually continuous with historical samples, and if so, adjust the sample interval accordingly.

3. Drill holes GG04-3 and GG04-4 should be located and surveyed at collar, and if possible, down hole. These drill holes were excluded from the current resource database. This is a matter of completeness of the drill database as results for these drill holes were not significant and would be unlikely to impact future resource modeling.

4. The Goddell Gully deposit remains open at depth as well as along strike to the east. Further drilling is recommended to test these areas of the deposit. Furthermore, infill drilling will be required to increase confidence of the current resource estimate as well as strengthen the interpretation of the mineralized zones. However, this drilling would be contingent upon successful rehabilitation and extension of the existing Goddell decline, or possibly a new decline. Drilling from surface to the target depths requires long and tangentially oriented drill holes. New Pacific drilling during 2011 demonstrated that such surface drilling can be

problematic from a technical standpoint, as only two of the seven drill holes successfully encountered the target mineralization.

If the existing decline can be rehabilitated, additional work should include surveying of all available underground drill holes at collar, as well as verifying the initial starting azimuth and dip. If the drill holes are still open at depth an attempt should be made to survey their down-hole extents.

The quantity of any new drilling would be dependent upon the extent of the available underground access. Therefore, the proposed drill costs are not presented in the proposed exploration budget.

1.12 Proposed Exploration Budget

The 2020 work program (Table 1-5) is designed to improve understanding of the property and deposit scale geology. Mapping, geochemical, and geophysical studies combined with historic data compilation will support target generation and ranking for a Phase II exploration program outlined in

Table 1-6. A limited resource validation drill program is proposed in the first phase as an initial check on the historic data if weather conditions permit.

Table 1-5 Phase I Exploration Budget

Program	Proposed Work	Estimated Cost
Phase I Work Program-G&A	Camp clean up/refurbishment, travel and accommodation	$35,000
Phase I Work Program-Environmental / Permitting	Background studies and permitting	$45,000
Phase I Work Program-Geophysics	Magnetic survey	$165,000
Phase I Work Program-Geology	Re-logging, Mapping, Sampling	$200,000
Phase I Work Program-2000m drilling	2000 meter exploratory drilling	$460,000
	Total:	**$905,000**

The proposed Phase II program is contingent on funding and company priorities but not contingent on the completion of the Phase I program. Phase II is designed to be completed over a two-year period (2021 and 2022) and will focus on resource expansion at Mt. Skukum, Skukum Creek and Goddell Gully. In addition, it will include further exploration of other targets on the Property.

Table 1-6 Phase II Exploration Budget

Program	Proposed Work	Estimated Cost
Phase II Work Program-G&A	Travel and accommodation	$180,000
Phase II Work Program-Environmental/Permitting/infrastructure	Permitting and infrastructure construction	$620,000
Phase II Geophysics	IP Survey	$160,000
Phase II Work Program-Geology	Re-logging, Mapping, Sampling	$115,000
Phase II Work Program-12,000m drilling	12,000 meter drilling (helicopter supported)	$3,000,000
	Total:	**$4,075,000**

2.0 INTRODUCTION AND TERMS OF REFERENCE

Whitehorse Gold is engaged in the exploration of the Property, which is located in the Whitehorse Mining District, Yukon Territory. The Property is 100% owned by Tagish Lake Gold. Tagish Lake Gold is a wholly owned subsidiary of Whitehorse Gold which is a wholly-owned subsidiary of New Pacific.

The bulk of the contents of this report were previously prepared at the request of New Pacific and filed on SEDAR on September 14, 2012 (Simpson, 2012). The 2012 report summarized the work completed by New Pacific on the Skukum Property and documents the results of the data verification and resource modeling and estimation of the three deposits on the property: Mt Skukum, Skukum Creek and Goddell Gully. The Company requested the author to update the report for their use in connection with the planned spin out of Whitehorse Gold Corp. as an independent entity and to re-state the Mineral Resource Estimate using current metal price assumptions.

2.1 Terms of Reference

Geosim is independent of Whitehorse Gold and has no beneficial interest in the Skukum Gold-Silver Project. Fees for this Technical Report are not dependent in whole or in part on any prior or future engagement or understanding resulting from the conclusions of this report.

All measurement units used in this report are metric, and currency is expressed in United States dollars unless stated otherwise.

The geographic projection used for the project maps and surveys is UTM Zone 8, NAD 83.

2.2 Qualified Persons

Ronald G. Simpson, P Geo. (Geosim Services Inc.) served as the Qualified Person (QPs) as defined in NI 43-101.

2.3 Site Visits and Scope of Personal Inspection

The author visited the site on July 16 and 17, 2013 and on August 26, 2020. Drill core was examined, independent samples were collected, and drill hole collar locations were checked by handheld GPS. Details are described in Section 12.1.

2.4 Effective Dates

The effective date of this Technical Report is October 1, 2020.

2.5 Information Sources and References

Information used to support this Technical Report was derived from a previous Technical Report by the author (Simpson, 2012). Other supplemental sources of information are cited in the text of this report and listed in Section 20 of this Report.

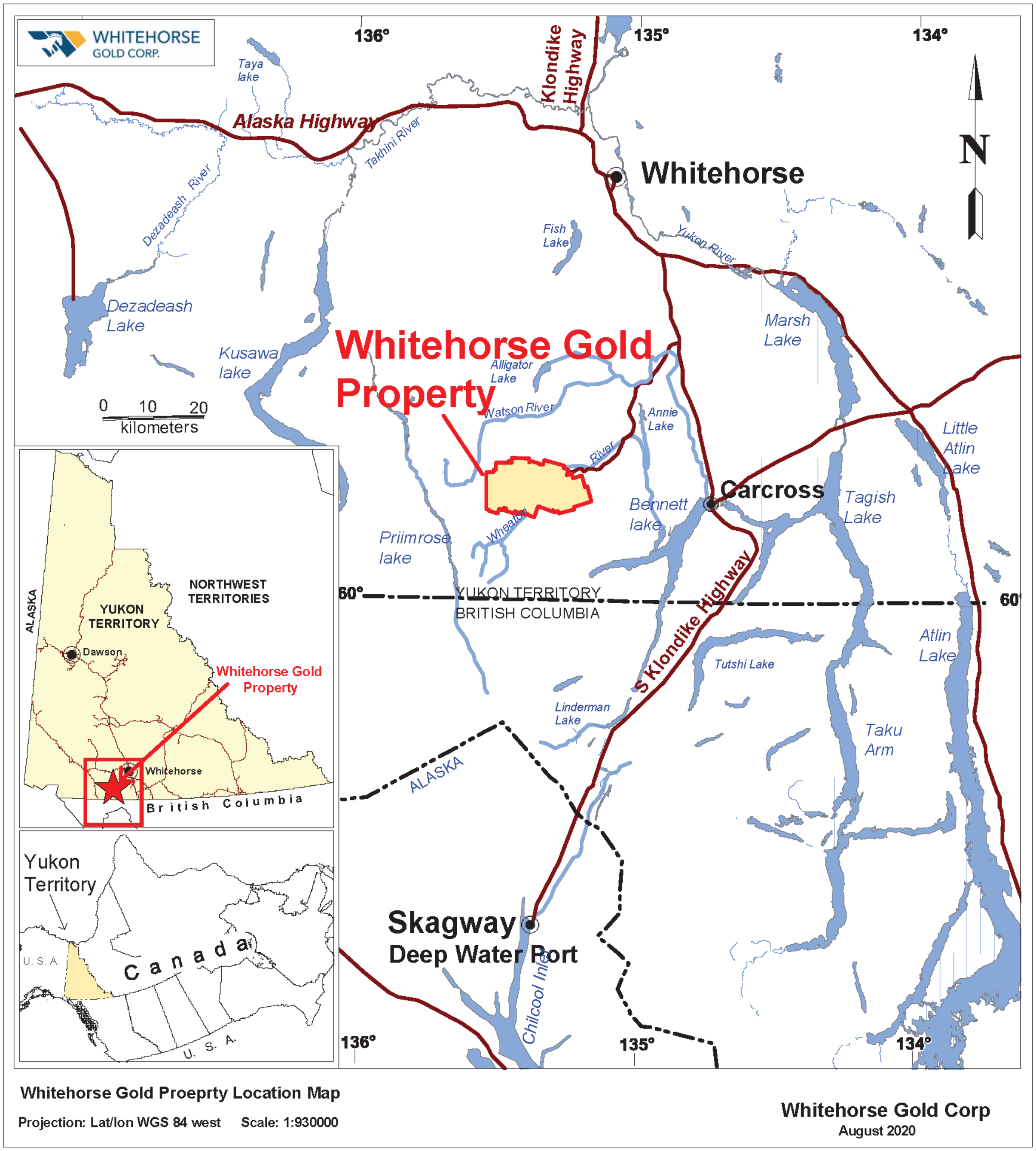
3.0 RELIANCE ON OTHER EXPERTS

The author of this Report confirms that he is a qualified person for those areas as identified in the "Certificate of Qualified Person", as included in this Report. The author has not conducted independent land status evaluations and has relied and believes there is a reasonable basis for this reliance, upon information from Whitehorse Gold, and the Mineral Titles Branch, Energy and Minerals Division of the Ministry of Energy and Mines for Yukon Territory regarding property status, and legal title for the Project as of July 10, 2020 (Sections 4.2 to 4.4), which the author believes to be accurate.

4.0 PROPERTY DESCRIPTION AND LOCATION

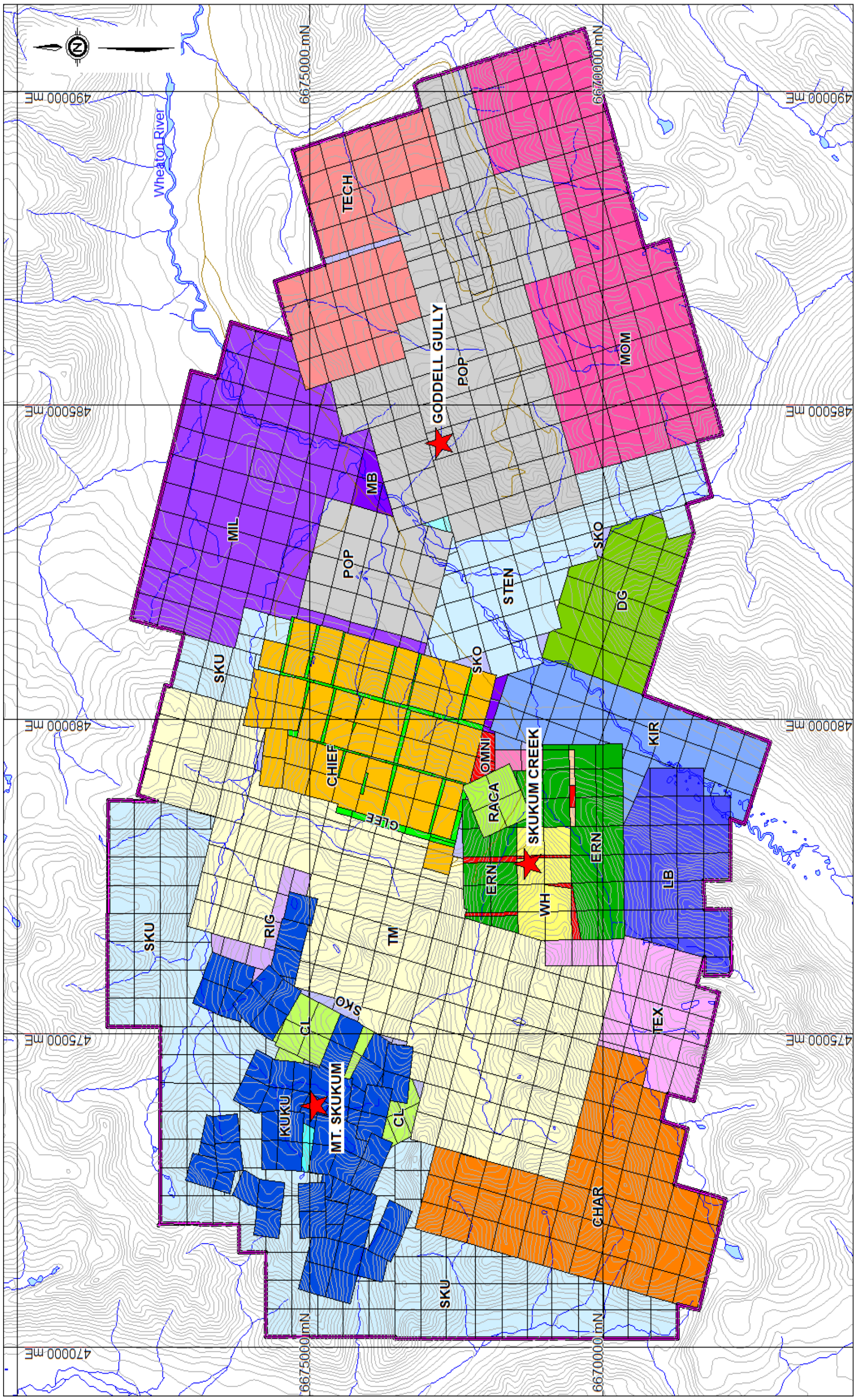
The Property is located approximately 80 kilometres south of Whitehorse, in the Whitehorse Mining District of the Yukon Territory, Canada (Figure 4-1). The Property's approximate center is 60°10'N latitude and 135°30'W longitude and falls on NTS mapsheets 105D03, 105D04, and 105D06.

Figure 4-1 General Location Map



The 170.3 km^2 Property consists of 1,051 full or fractional Quartz Mining claims which encompass the Skukum Creek gold-silver prospect, the Goddell gold prospect, the past-producing Mt. Skukum gold mine as well as a large number of gold showings (Figure 4-2). All Quartz claims are registered to Tagish Lake Gold.

Figure 4-2 Skukum Property Quartz Claims



4.1 Mineral Tenure

In the Yukon, all work undertaken on the surface for hard rock mineral claims and leases is regulated under the Quartz Mining Act (QMA) through the Quartz Mining Land Use Regulation and is managed by the Mining Recorder's Office.

A mineral claim is a parcel of land located or granted for hard rock mining. A claim also includes any ditches or water rights used for mining the claim, and all other things belonging to, or used in, the working of the claim for mining purposes. The holder of a mineral claim is entitled to all minerals found in veins or lodes, together with the right to enter on, and use and occupy, the surface of the claim for the efficient and miner-like operation of the mines and minerals contained in the claim. Continued tenure to the mineral rights is dependent upon work performed on the claim or a group of claims. Renewal of a quartz claim requires C$100 of work be done per claim per year. Where work is not performed, the claimant may make a payment in lieu of work.

A Quartz Mining Lease is the most secure form of mineral title in the Yukon as the claims are held for a longer period of time (21 years instead of annually) and the claims are surveyed. A lease is applied for when a company is contemplating production and would like to advance their claims to lease. This relieves the company of the annual work requirement; there are however, annual rental fees of C$200 per lease. Quartz Mining Leases are issued for 21 years and can be renewed for an additional 21-year term, provided that during the original term of the lease, all conditions of the lease and provisions of the legislation have been adhered to.

The Property consists of 1051 contiguous quartz claims covering an area of approximately 17,030 hectares (Table 4-1) in the Whitehorse Mining District. All Quartz claims are in good standing and registered to Tagish Lake Gold. The claims were first recorded between February 1971 and August 2011. Expiry dates range from April 28, 2021 to January 1, 2022.

Table 4-1 Skukum Property Mineral Tenures

Claim Name	Claim Number(s)	Grant Number(s)
CHAR	1-43	YC18781-YC18823
	44-52	YC19347-YC19355
CHIEF	2	YA74385
	12-27	YA74395-YA4410
	32-49	YA74415-YA74432
	52-68	YA74435-YA74451
CL	6-10	YC14135-YC14139
	13-18	YC14140-YC14145
	21-25	YC14148-YC14152
	29-30	YC14156-YC14157
DG	1-22	YB66982-YB67003
ERN	1-15	YA81543-YA81557
	16-22	YA85503-YA85509
	24-27	YA85511-YA85514

Claim Name	Claim Number(s)	Grant Number(s)
	30-33	YA85515-YA85518
GLEE	1-12 16-20 22 37-46 59-80	YA93875-YA93886 YA93890-YA93894 YA93896 YA93911-YA93920 YA93993-YA94014
KIR	1-33	YA92967-YA92999
KUKU	1-6 9-21 23-41 43 45-48 50 65-66 97-100 194 196-199 250-251 282-283 22	YA61199-YA61204 YA61207-YA61219 YA61221-YA61239 YA61241 YA61243-YA61246 YA61624 YA61639-YA61640 YA61671-YA61674 YA61768 YA61770-YA61773 YA61824-YA61825 YA61856-YA61857 YB97767
LB	1-13 15-27	YB67028-YB67040 YB67042-YB67054
MB	1-3	YA94610-YA94612
MIL	1-69	YB67168-YB67234
MOM	3-10 15-44 47-48 50 52 54 56 58 60 62-81 82-89	YA81769-YA81776 YA81781-YA81810 YA81813-YA81826 YA81816 YA81818 YA81820 YA81822 YA81824 YA81826 YA81828-YA81847 YA82000-YA82007
OMNI	1-12	YA93743-YA93754
POP	1-14 15-70 71-104 101-102	Y5415-Y 75428 YA81468-YA81523 YA86194-YA86227 YA93378-YA93379

Claim Name	Claim Number(s)	Grant Number(s)
	103-116	YA93382-YA93395
	117-118	YA94672-YA94673
PUP	29-30	YB97801-YB97802
	85	YA78390
RACA	8-11	Y 60275-Y 60278
RIG	1-8	YE33401-YE33408
SKO	1-3	YE32968-YE32970
	16-45	YE32983-YE33012
SKU	342-373	YE33259-YE33399
	378-406	YE33312-YE33342
	408	YE33342
	414-465	YE33348-YE33399
	480-495	YE33028-YE33043
	510-515	YE33058-YE33063
	516	YE54650
	517	YE33013
	518	YE33409
	700	YE33400
STEN	2	YA92923
	4	YA92925
	9-17	YA92930-YA92938
	19-45	YA92940-YA92966
TECH	1-4	YA82362-YA82365
	5	YB97764
	6	YB26465
	7-13	YA82368-YA82374
	14	YB97763
	15-18	YA82376-YA82379
	19-21	YA86013-YA86015
	22-40	YA92145-YA92163
TEX	1-22	YA92833-YA92854
TM	1-14	YB66868-YB66879
	16-20	YB66881-YB66885
	22-32	YB66886-YB66896
	35-117	YB66899-YB66981
	118-123	YC07981-YC07986
	126-133	YC07989-YC07996
TREE	1-5	YA82961-YA82965
WH	1-8	Y 75547-Y 75554

4.2 Royalties and Encumbrances

There are no existing royalties or encumbrances on the Property.

4.3 Permits & Environmental Liabilities

The Crown holds control of the surface rights on the Property, and as detailed in section 4.1, the Company held claims and all work undertaken on the surface for hard rock mineral claims and leases is regulated under the Yukon Quartz Mining Act (QMA) through the Quartz Mining Land Use Regulation and is managed by the Mining Recorder's Office.

The work permitting process in the Yukon is similar to the rest of Canada in that, although the claim holder has the right to explore for minerals, they must make all the necessary applications to Energy, Mines, and Resources and other environmentally applicable agencies prior to the commencement of work.

Exploration activities including drilling, trenching, blasting, cut lines, and excavating require a Mining Land Use Permit which must be approved under the Yukon Environmental Socioeconomic Assessment Act (YESSA). A Class I notification (number: C1Q00263 – Q2020_0197) is currently in place for the Project and valid to July 14, 2021. The permit requires submittal of an annual report by March 31 of each year, summarizing activities performed in the preceding calendar year. Additional notification and permits including a new class 1 as well as a class 3/4 notification will be applied for as needed in support of planned expanded exploration activities in 2021 – 2022. If deemed necessary, a water license may also be obtained through the Yukon Water Board.

In 2019 New Pacific Metals was issued a Directive from the Yukon Government Compliance Monitoring and Inspections (YGCMI) to stop the discharge of waste from the 1300 Portal at Skukum Creek. The discharge of waste was defined as the water leaving the 1300 portal, for which New Pacific did not have a Water License in place to cover this discharge.

New management of Whitehorse Gold approached YGCMI in July to discuss the issue and seek a resolution. Following numerous meetings, a meeting on August 25th led to an agreement between the Company and YGCMI whereby YGCMI would issue a Directive to WHG with compliance dates to be mutually agreed upon. At the meeting, stopping the discharge of waste was defined as either stopping the flow of water or treating the water so that it met the previous water license discharge limits. The previous water license under which the portal was developed was developed taking into consideration of the downstream assimilative capacity and the metal loadings in the receiving waters.

The YGCMI has since issued the new directive and the Company has until Sept 2021 to comply. The Company is working with a water quality consultant on developing a suitable water treatment method to be implemented at the portal.

4.4 Comments on Section 4

The quartz claims held by Tagish Lake Gold are valid and are sufficient to support estimation of Mineral Resources.

To the extent known there are no other significant factors and risks besides noted in the report that may affect access, title, or the right or ability to perform work on the property.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

5.1 Accessibility

The Property can be accessed by 84 km of all-weather road from Whitehorse, Yukon Territory. Road access from Whitehorse is gained by traveling southeastward on the Alaska Highway for 19 kilometres to Carcross Corner, then south on the South Klondike Highway a further 22 kilometres to the Annie Lake turnoff. The 28-kilometre Annie Lake road is a government-maintained 2 lane gravel road that heads west to the Wheaton River. From the Wheaton River Crossing, a 4-wheel drive non-maintained gravel road continues southwestward to the Property and on to the Tagish Lake Gold camp. Total travel time from Whitehorse is approximately 1 hr and 15 minutes.

The camp is located in the north-central portion of the Property, from which numerous roads and trails provide final access to the individual deposits and showings. The last two bridges on the camp access road have been removed so access is currently limited to 4WD vehicles and is dependent on water levels. The permitting process has been initiated to restore bridge access to the camp.

Alternatively, the Property can be reached by helicopter from the Whitehorse airport, which is 55 kilometres to the north-northwest of the Property.

5.2 Climate

The region is semi-arid, with an average annual precipitation of 163 millimetres, primarily as rain during the summer. Snow accumulation rarely exceeds 150 centimetres. Temperatures range from –30ºC in winter to 30ºC in the summer. Permafrost is prevalent throughout the area. North facing slopes are frozen year-round, with permanent snow-ice fields on the higher peaks, including Mt. Skukum. South facing slopes thaw to depths of rarely more than 1 metre during the summer.

The operating season for exploration activities is typically from early May to early October.

5.3 Local Resources and Infrastructure

The Property is located 84 km south-southwest of Whitehorse, with good vehicle access. This provides excellent access to an experienced and skilled labour force as well as the necessary services and suppliers required to support exploration programs. Whitehorse has a population of approximately 25,000 residents. Facilities include a commercial airport with regular air service through Air Canada and Air North airlines. fixed wing aircraft bases, two helicopter bases, a hospital, police station, service stations, grocery stores, accommodation, and restaurants. Industrial services include tire repair, propane sales, welding and machine shops, heavy equipment repair and rental, and freight and trucking companies. Heavy equipment and a mining oriented labour force are available for contract exploration and mining work. Key industries in the region are tourism and mining. Currently access to the property is limited to 4WD vehicles and is dependent on water levels on Becker Creek and the Wheaton river. Bridges over these two water crossings have been removed. Access is also available via helicopter from Whitehorse.

The Property hosts the past producing Mt. Skukum gold mine. The past producing mine is located 9 kilometres from the mill on the northern flank of Mt. Skukum. There has been underground exploration and development undertaken on the Main Cirque, Lake and Brandy zones. The Main Cirque Zone portal is at an elevation of 1,635 metres, while the Lake Zone portal is at an elevation of 1,750 metres. Production was limited to the Main Cirque Zone.

While in production the mine facilities consisted of a mill with a 270 tpd capacity, a service complex, a camp facility, a tailings pond and electric generators (Figure 5-1 and Figure 5-2). The camp facility and electric generators were removed when the mine closed in 1988. The tailings pond dam was breached to prevent accumulation of surface water behind the structure. Topography is suitable for expansion of the estimated 700,000 tonne-capacity of the tailings pond, or for this area to be used for waste rock storage. However, no recent (post 2012) engineering studies have been undertaken and there is no guarantee that the areas for potential mine waste disposal, or water treatment and processing plants will be deemed viable for future mining operations.

Figure 5-1 Camp and Mill Site – July 2011

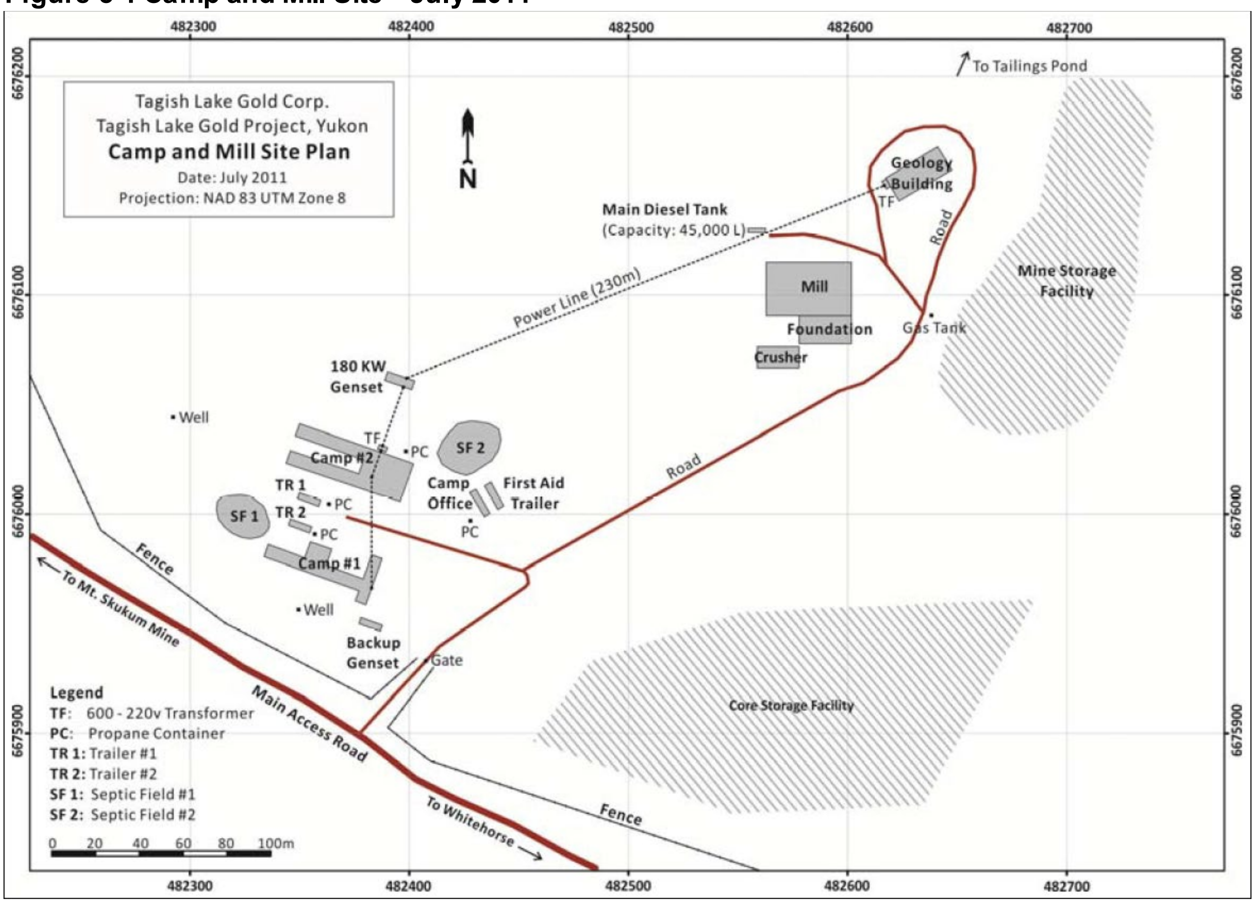


Figure 5-2 Photo of Mill Complex - July 2013

Exploration drifts were driven on the Skukum Creek prospect and the Goddell Gully prospect. These underground workings were used to assist in the exploration of the mineralized zones at depth.

At Skukum Creek, an adit has been driven at the 1300 metre elevation in the footwall and parallel to the Rainbow Zone and affords access to the Rainbow, Kuhn, Rainbow 2 and Berg Zones. The distance from the portal to the end of the workings in the Rainbow 2 Zone is approximately 1,040 metres. Drifting has been completed along the Rainbow, Kuhn, Rainbow 2 and Berg Zones. Various facilities, such as a maintenance shop, water supply sump, and drainage have been established on that level. An adit has also been driven at the 1350 metre elevation of the Rainbow Zone which provides a drift of 200 metres in length, a footwall cross-cut, and drawpoints connecting the two. A decline driven at -15% from the 1300 level provides access to the 1275, 1250, and 1225 levels. A raise connects the 1300 and 1350 levels in the Rainbow Zone and a vertical ventilation raise connects all levels with the surface at an elevation of approximately 1450 metres. Two raises connect the 1300 and 1350 levels within the Rainbow and Kuhn main mineralized zones. The latter provides the only access to the 1350 sub-level within the Kuhn Zone. Raises have been initiated at the Rainbow 2 and Berg Zones.

At the Goddell prospect, a decline was driven at -15% from approximately the 1,015 metre elevation on surface down to the 900 metre elevation in 1996. The purpose of the decline was to provide a location for diamond drilling to further test the prospect at depth.

A site office and trailer camp that accommodated 25 people in previous exploration programs, was expanded in 2011 to accommodate 50 people. The existing core yard has been expanded for additional storage of up to 100,000 metres of core. A 180 kW diesel generator installed in May 2011, was the main electrical power source for the camp, with two 40 kW standby generators. After 2011 all generators were removed. The camp facility has two water wells that have previously served as the primary water source.

Since 2012 the site has remained on care and maintenance. In November 2014 the camp was shut down completely due to bridge damage and two bridges leading to camp have been removed. In 2015 further cleanup of the site included the sale of old vehicles and equipment.

5.4 Physiography

The Property is located within the Boundary Ranges of the Coast Mountain physiographic division. Topography covered by the claims is characterized by steep, rugged mountains. Elevations on the property range from 1,000 metres up to 2,260 metres above sea level. The Wheaton River valley is broad and flat, flanked by steep mountain slopes. Mountaintops consist of mainly rolling, high upland plateaus covered with glacial till and felsenmeer. On a regional scale, outcrop exposure is relatively uncommon.

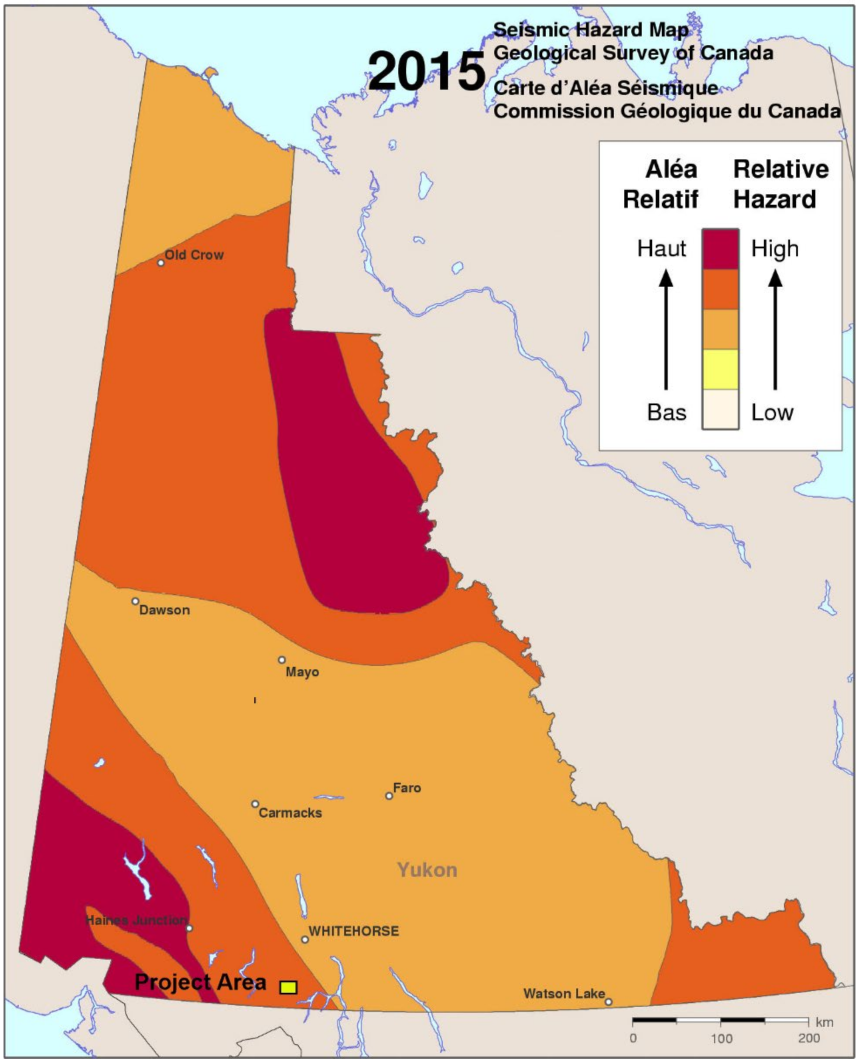
Valley bottoms are typically underlain by glaciofluvial sediments, with a thickness in excess of 5 metres. Lower slopes above the valley floor are draped by colluvial apron sediments. Slopes above the valley floor to the tree line are populated by forests of spruce, balsam fir, poplar and willow. The tree line occurs at approximately 1,350 metres and above this elevation alpine grasses, low shrubs and a variety of mosses prevail.

5.5 Regional Seismicity

The project is located in the south western Yukon where the level of recorded historical seismic activity is moderate to high (Figure 5-3).

Figure 5-3 Seismic Hazard Map - Yukon

Natural Resources Canada   Ressources naturelles Canada



6.0 HISTORY

6.1 Historical Exploration and Development

The Property has been the subject of exploration activities, and some production mining at Mt. Skukum, over its history. The history of work is difficult to follow, as the Property has undergone many ownership changes and wide-ranging exploratory work has been completed on many parts of the Property, ranging from regional geochemical surveys to detailed drilling and underground exploration and development. Exploration and development are principally linked to the three known deposits of the Property, namely Mt. Skukum, Skukum Creek and Goddell Gully. The only production mining on the property occurred at the Mt. Skukum deposit, detailed below. Skukum Creek and Goddell Gully have exploratory underground workings and underground drilling however neither deposit nor any other prospect on the property has had any significant mineral production. These deposits as well as other notable prospects and showings are presented in Figure 6-1 and described below.

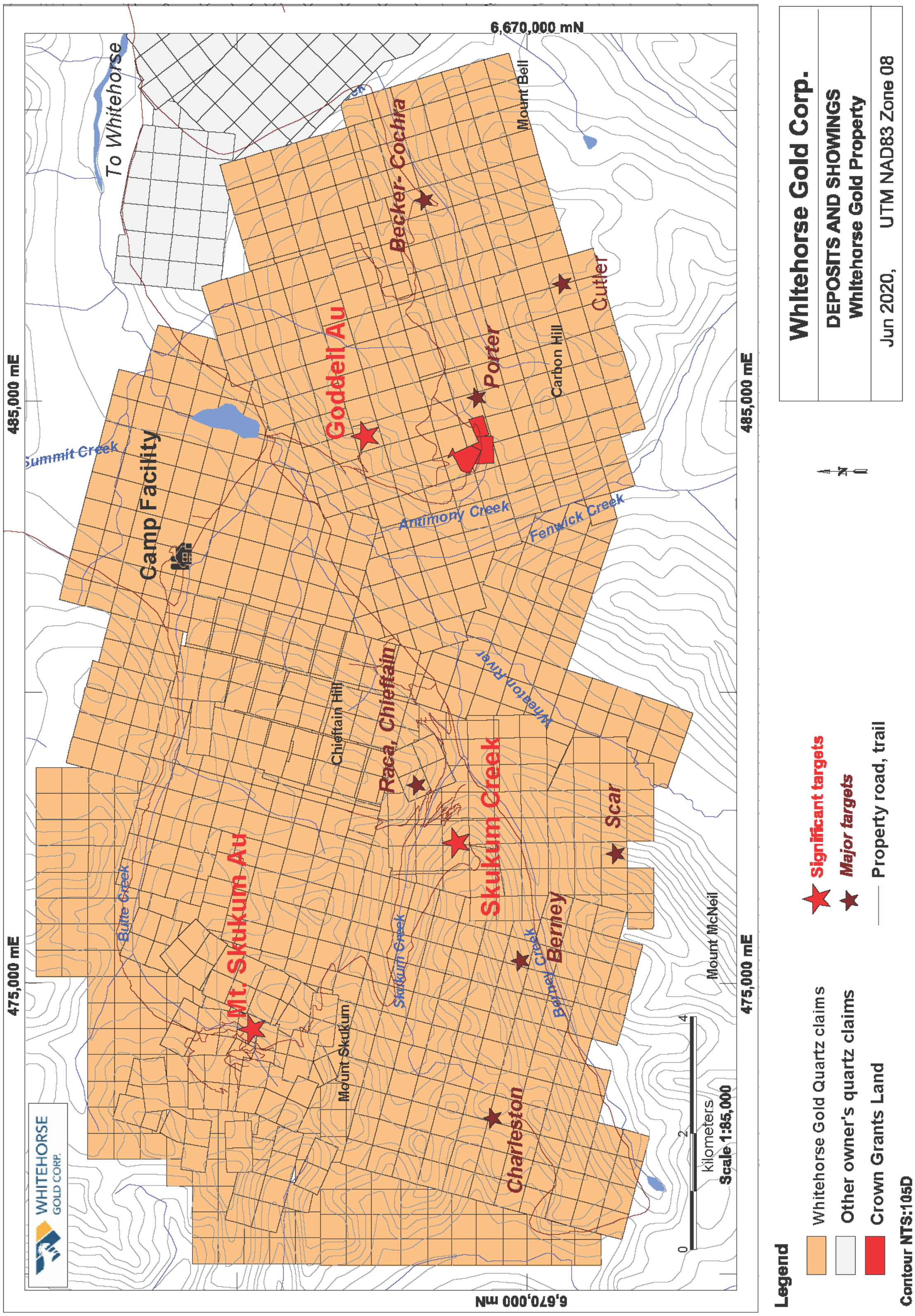
6.1.1 Mt. Skukum (Lake Zone)

In 1980, Agip Canada Ltd. (Agip) conducted a regional reconnaissance level stream sediment sampling survey which located a strong gold anomaly at the head of Butte Creek. This area was staked in 1981 and subsequent exploration by Agip delineated five more strong gold-in-soil anomalies in the area of the Cirque Zone. In 1984, a joint-venture agreement between Erickson Gold Mines Ltd (later Total Erickson / Total Energold) and Agip was completed to develop a mine and mill. In 1984 an adit was driven into the Main Cirque Vein (Mortimer, 1987).

Production mining was carried out between February 1986 and August 1988. During this period a total of 233,400 tons of ore were processed in the plant, recovering approximately 2,481 kilograms (79,750 tr. oz.) of gold (Total Energold, 1999).

The Lake Vein (or Lake Zone) was discovered in 1982 as the regional exploration program in the Mt. Skukum Complex was expanded. At the Lake Zone, drilling up to 1988 delineated three vertically plunging shoots of gold bearing vein material within a mineralized structure; approximately 550 metres in strike length. Regional prospecting suggested the host structure continues to the south, although in this region it is covered by talus.

Figure 6-1 Deposits and Showings



There were various versions of historical mineral reserve estimates of the Mt. Skukum deposit. The most frequently cited historical reserve estimate is an unpublished report by Macdonald of Agip in 1988 regarding the Lake Veins. There was inadequate supporting data for the author to validate the estimate and the author does not consider the estimate to be reliable for public disclosure. The Lake Veins are mentioned in this section for the sole reason that the prospect has high exploration potential in the Lake Veins area.

The Brandy Zone was identified in 1982 by soil geochemistry and prospecting. Between 1983 and 1988, a total of five veins were encountered by diamond drilling and trenching (Westervelt, 1988).

Many other smaller veins and anomalous zones are also known. Though generally small and of limited strike potential, some carried substantial gold and silver grades. Examples in the immediate Mt. Skukum area include the Fox, Pika, Marmot, Wolverine, Wanda, K-9, Falls, and Gully Veins (Naas, 2002). Surface geochemical and geophysical surveys, as well as diamond drilling have been performed by Mount Skukum Gold Mining Corporation ("MSGM") over these veins and zones. Exploration was also carried out in the Chieftain Hill and Charleston areas and is discussed under those headings in section 6.4.

A summary of the drilling performed during the AGIP/Total Erickson,/Total Energold/MSGM period is presented in Table 6-1 (Zhang, 2012).

Table 6-1 Summary or Drilling – Mt. Skukum (1982-1989)

Total Number of Drill holes completed	Total amount of drilling completed (m)	Years of Drilling	Target Zones	Companies Involved
29	3,325.80	1982	Main Cirque	Agip
40	4,380.52	1983	Main Cirque, Brandy	Agip
61	6,097.50	1984	Brandy, Cirque, Lake	Agip
6	168.42	1985	Cirque	Ericson
72	8,864.96	1986	Brandy, Cirque, Lake	Mount Skukum Gold Mining
153	17,125.47	1987	Evening, Ocean, Midnight, Pika, Falls, Lake, Cirque, Fox, Wunder, Brandy, Gully	Mount Skukum Gold Mining
106	12,373.45	1988	Ocean, Morning, Pika, Tango, Lake, Cirque, Fox, Kiwi, Brandy, Sulphide	Mount Skukum Gold Mining
14	3,214.73	1989	Ocean, Tango, Goat	Mount Skukum Gold Mining
3	576.38	1991	Ocean	Wheaton River Mineral
5	608.08	1997	Ocean	Omni

In 1991, Wheaton River Minerals Ltd. ("Wheaton") purchased 100% of the Mt. Skukum claim group and the 270 tpd mine from MSGM. Wheaton completed three diamond drill holes totaling 576.38 metres targeting the Ocean Vein (Naas, 2003) (refer to section 6.4).

In September 1993, Wheaton negotiated an agreement with Omni Resources Inc. ("Omni"), whereby Omni could acquire all of Wheaton's claims within a 10-mile radius of Omni's Skukum Creek property (which would include the Mt. Skukum deposit). The option was for 12 months and called for a cash payment of C$400,000 by Omni to Wheaton. Omni never exercised this option, but Wheaton agreed that Omni would have right of first refusal on the Mt. Skukum claims if Wheaton decided to sell its interest any time in the future (Naas, 2001).

In September 1994, Omni purchased a 100% interest in the 820 Mt. Skukum claims plus the 270 tpd mill for 1,600,000 shares together with C$300,000 which would be paid out of smelter return proceeds of $3.00 per dry ton from ore processed at the MSGM mill (Naas, 2001). It is not known if the purchase was completed through an exercise of Omni's right of first refusal

From 1995 to 1999, Omni added to their claim package in the Mt. Skukum area through claim staking (Naas, 2003). Omni completed 5 diamond drill holes in 1997 totaling 608.08 metres targeting the Ocean Vein (see section 6.4).

In August 2000, Trumpeter Yukon Gold Inc. (TYG) conducted a one-day traverse in the Mt. Skukum area for purposes of assessment credit. Three rock samples were collected with no significant results obtained (Naas 2000).

In November 2000, TYG amalgamated with Omni to form Tagish Lake Gold.

In 2001, Tagish Lake Gold relocated and resampled several of the smaller veins in the Mt. Skukum area. A total of 50 rock samples and one silt sample were collected. Sampling reportedly confirmed historic grades (Naas, 2003).

As part of the Tagish Lake Gold's 2003 exploration work, a data compilation program of the Lake Zone drilling was carried out to capture the data into digital format for future use (Naas, 2004a). Only drilling pertaining to the Lake Zone was digitized at that time.

In 2009, rock sampling was carried out as part of a Property wide geochemical sampling program by Yukon-Nevada Gold Corp. and Northwest Geological Exploration and Mining Bureau for Non-Ferrous Metals of the People's Republic of China ("NWME") personnel.

6.1.2 Skukum Creek

The Skukum Creek area was originally staked in 1922 to cover anomalous gold and antimony showings and included driving a 41-metre adit and considerable trenching (Forster et al, 1986). In 1930-1931, J Stenbraten improved road access, conducted trenching and drove a 30-metre adit. In 1964, Yukon Antimony Corporation became interested in the area for its copper and antimony potential. Between 1964 and 1967, Yukon Antimony staked claims in the area, including ground covering the veins at Skukum Creek. Work included the construction of a road to gain access to the main showings and to explore the veins with several bulldozer trenches. The Skukum Creek area was staked again in 1973 by W. Kuhn for El Paso Mining and Milling Company who mapped and sampled in 1974 but returned the claims to Kuhn in 1976. In 1977 Com-Am Resources acquired the claims, marked out a new grid and resampled old trenches. In 1980, the claims were transferred from Kuhn to Skukum Gold Inc. ("Skukum Gold") and subsequently transferred in 1984 to Omni (Robinson, 1988).

In 1985, Omni undertook a detailed exploration program at Skukum Creek. Work included geological mapping, trenching, soil sampling, diamond drilling and reverse circulation drilling which outlined ten anomalous gold zones, including the Rainbow, Kuhn, Ridge and Sterling zones (Forster et al, 1986).

During the 1986 field season, the focus was on diamond drilling and detailed mapping of the Rainbow, Kuhn, and Sterling zones. Fifty-three (53) diamond drill holes totaling 8,301 metres were drilled (Montgomery, 1987).

In January 1987, an adit was collared at the 1300 metre elevation level. Between April and July, 823 metres of underground work was completed. A 2.8 metre by 3.5 metre adit was driven along the footwall side of the Rainbow Zone and extended to the Kuhn Zone. Two crosscuts were driven through the Rainbow Zone to provide access to the mineralized horizon and to provide a location for underground diamond drilling from the hanging wall side of the vein. A total of 7,446 metres of diamond drilling in 80 drill holes tested the Rainbow and Kuhn Zones in 1987 (69 underground and 11 from surface) (Robinson, 1988).

In 1988, Skukum Gold and Omni entered into a joint venture to bring Skukum Creek to production. Underground work in 1988 included 1,571 metres of tunneling which included a decline from the 1300 metre level to the 1218 metre level; collaring and driving the 1350 metre level at Rainbow; driving a raise at Kuhn from the 1300 metre level to the 1350 metre level; drifting and sampling along the Rainbow and Kuhn veins at the 1300 metre and 1350 metre levels; and diamond drilling.

A total of 1,416 metres of diamond drilling in 13 drill holes tested the Kuhn, Rainbow and Sterling Zones from underground. At surface, 24 diamond drill holes totaling 5,165 metres tested the Kuhn and Sterling Zones. Surface mapping and geophysical surveying were conducted at the Taxi Zone.

Bacon, Donaldson and Associates carried out metallurgical testing of the Skukum Creek mineralization in 1988 initially under the direction of Orocon Inc. and later under the direction of Melis Engineering Ltd. ("Melis Engineering"). Testing determined that the optimal treatment would be cyanidation of ground up mineralization followed by flotation of a bulk sulphide concentrate from the cyanide tailings resulting in gold recoveries of 90-98% and silver recoveries of 93-98% (Wong and Beattie, 1988).

In June 1991, the Property reverted back to Omni, as Skukum Gold failed to uphold its portion of the joint venture agreement to put the property into production. In August of 1991, Wheaton purchased the assets of Mt. Skukum Gold Mining Corp., which included the neighboring Mt. Skukum property and mill. Wheaton also entered into an agreement with Omni to purchase the Skukum Creek property with the intent to bring the property into production.

In 1993, Wheaton contracted Melis Engineering to determine if bioleaching could be used for pre-treatment of flotation concentrate ahead of cyanidation as a means of recovering refractory mineralization from Skukum Creek. Results of this testwork reported recoveries of 92% for gold and 95% for silver (Melis, 1993).

By 1994, Wheaton backed out of this agreement and the Skukum Creek claims, along with the Mt. Skukum claims and mill, were transferred to Omni.

In 1995, Omni acquired a 70% interest in the nearby Goddell property from Arkona Resources. With this acquisition, Omni had consolidated three gold deposits and numerous gold showings into a single property, now referred to as the Skukum property.

In 1996, TYG negotiated an agreement with Omni in which TYG could acquire 50% interest in Omni's Skukum property. The option was exercised in 1997.

During 1996, Omni de-iced and de-watered the underground workings at Skukum Creek and drove a 100-metre-long drift off the 1225 metre level crosscut to provide a location for diamond drilling. Fifteen drill holes totaling 1,647 metres tested the down dip extension of the Rainbow Zone. The results of the program extended the mineralized zone 40 metres to 170 metres deeper to the 1050 metre elevation.

In 1997, seven surface diamond drill holes totaling 2,739 metres tested the Ridge and Rainbow East Zones. At the Ridge Zone, a new mineralized horizon named the Ridge 2 Zone (also reported as Zone 2) was discovered. At the Rainbow East Zone, 350 metres to the northeast of the Rainbow Zone, drilling encountered mineralization similar to that at Rainbow (Omni referred to this zone as the Raca, but was changed to Rainbow East in 2002, so not to confuse the showing with the original Raca copper showing, 500 metres to the northeast).

Also, during 1997, B.Y.G. Natural Resources Inc. contracted Process Research Associates Ltd. to carry out a preliminary flotation/cyanide leach study on Rainbow Zone mineralization. Overall recoveries were 88.7% for gold and 90.7% for silver. It was suggested that some of the gold and silver were refractory and therefore recommended investigation into pretreatment by bio-oxidation or pressure oxidation before cyanidation (Tse, 1997).

In 1998, exploration consisted of geological mapping, contour and grid-controlled soil sampling, HLEM geophysical survey and diamond drilling at favorable mineralized targets identified by previous exploration programs. A total of 56 rock and 164 soil samples were collected. Five drill holes totaling 1,321.90 metres tested the Taxi (1), Golden Eagle (1), Bonanza (1) and Polaris Zones (2). Although highly anomalous values were returned from the rock and soil sampling, no significant results were obtained from the drilling program (Wesa, 1998).

In 1999, Tagish Lake Gold consolidated the Property information through a data compilation program. This was followed by resource estimation carried out my Micromine Pty. of Perth, Australia, and reported in Naas and Rodger (1999). As part of this work, Laurion Consulting Inc. of Vancouver was contracted to undertake metallurgical studies on reject material from a drill core grade verification study (Fox, 1999). Results showed that a flotation concentrator and cyanide leach plant would give a 75% gold recovery and 72% silver recovery. Using a pressure oxidation system, the gold and silver recovery would increase to around 92%.

In 2001, Tagish Lake Gold undertook a program of detailed geological mapping and sampling in the Taxi Zone, reconnaissance sampling in the Raca Zone and surface diamond drilling in the Ridge Zone (four drill holes, 1,502.35 metres). Rock sampling in the Taxi Zone of well-mineralized veins returned significant precious metal grades.

In 2002, Tagish Lake Gold rehabilitated the underground workings and carried out 2,502.52 metres of underground diamond drilling in 15 drill holes on the Rainbow, Sterling and Kuhn Zones. Drilling of the Sterling and Kuhn Zones confirmed structural interpretation of the deposit, as well as continuation of the Kuhn Zone mineralization shoot. Coincident with this work was a regional structural and alteration study, as well as surface and underground mapping and sampling (Naas, 2003).

In 2002, MineTech International Limited ("MineTech") was commissioned to complete a resource estimate of the gold resources for the Skukum Property, including Goddell Gully. Details of this estimate are presented in Section 6.2.

During 2003, 1,054 cubic metres of slashing was carried along the main drift on the 1300 metre level. The drift was slashed from the portal to a position near the first drill station on the Kuhn crosscut, a linear distance of approximately 420 metres. A new drift was collared at this point and driven 166 metres southwest. During the work, a new shear zone hosting quartz-sulphide vein was encountered and named Rainbow 2 Zone. Subsequently, a further 60 metres was driven to accommodate a remuck bay and a diamond drill station. A total of 248 metres was drilled in 5 holes from two locations. Results from drilling confirmed the high-grade nature of the vein along strike and dip, though in places the vein appears to have been replaced by a post-mineral dyke.

The 2005 exploration program on the Skukum Creek gold-silver prospect, completed between February 22 and May 1, 2005, included 913 metres of underground diamond drilling in 14 drill holes with minor detailed underground geological mapping. A total of 620 metres of underground diamond drilling in twelve holes was completed on the Rainbow 2 Zone to determine the continuity and grade of mineralization discovered in 2003 while completing an underground drift to provide drill access to the Ridge Zone (Ridge Access Drift). More detailed mapping of the drift exposure, at a scale of 1:100, was undertaken for correlation with the drill data. Two underground diamond drill holes, totaling 293 metres, were completed to verify the depth extent of mineralization in the northeastern Kuhn Zone, a similar sub-parallel dilational shear zone to the Rainbow 2 Zone.

During the spring of 2006, the access drift situated on 1308 metre level was extended for an additional 400 metres further southwest to establish drill platforms for underground drilling to trace southwestern extensions of the Rainbow 2 and Kuhn mineralized zones. Underground diamond drilling was completed between May 25 and November 7, 2006 and consisted of underground diamond drilling of 72 holes (SC06-39 through SC06-110) from 16 drill stations totaling 6,445.44 metres and with collection of 2,384 core samples. Geological mapping of the underground workings was also carried out (Naas, 2007).

The drill program was designed to trace the Rainbow 2 mineralized zone further west-southwest, with a goal to delineate new resources in this zone by determining the continuity and grade of mineralization. During this program designated drill holes would be extended with the goal of verifying the extent of mineralization in the west-southwestern part of the Kuhn Zone. This drilling would also be used to explore the areas between the Rainbow 2 and Kuhn Zones, which included testing the newly discovered Berg Zone (Naas, 2007).

A metallurgical test program was completed by Cantest Ltd. of Burnaby, BC. Tests included grinding and flotation to produce bulk sulphide concentrates, as well as cyanidation of the flotation concentrates to determine gold and silver recovery. Additional tests included cleaner flotation to evaluate possible concentrate quality, and ore characterization tests, including head assays, acid base accounting for environmental issues, specific gravity and bond work index determination. Settling tests were also conducted on flotation tailings. Test results are summarized below (O'Connor, 2006):

- Flotation Recovery: gold 96%, silver and lead 88%, zinc 84%;
- Grade of concentrate: 75g/t Au, 3000 g/t Ag, 7% Pb and 5% Zn; and
- Cyanidation of concentrate: up to 90% for gold and 87% for silver from concentrate.

In November 2006, Tagish Lake Gold again contracted MineTech to complete an update of the resource of the Skukum Creek deposit based on additional drilling carried out in the Rainbow 2 and Berg Zones since the 2003 resource estimate. Details of this estimate are presented in Section 6.2.

During 2007 and 2008, Tagish Lake Gold continued to focus on expanding the potential in the Rainbow 2 and the Berg Zones. This involved further drifting in both the footwall access and along the Rainbow 2 and Berg Zones. Approximately 570 metres of drifting in this area was completed during 2007. Mapping and sampling of the Rainbow 2 and Berg drifts was also carried out. Underground diamond drilling followed with a total of 16 drill holes (SC07-111 to SC07-126) from two drill stations, for a total of 2,125.98 metres and 559 samples collected (Note: SC07-124 to SC07-126 were completed in early 2008). No technical report of the work conducted during this time was available to the author. Details are based on Tagish Lake Gold news releases and a memorandum supplied by New Pacific. Assay plans and a geological plan map of the workings were also made available by New Pacific.

Concurrent with the exploration Tagish Lake Gold requested EBA Engineering Consultants Ltd. to prepare a feasibility level Tailings Management Plan for the Skukum Property. The plan outlines containment of the ten-year mine life tailings that requires the construction of three tailings containment structures and two spigot discharge structures prior to commencement of mill processing operations and placement of tailings (EBA, 2007). Additionally, metallurgical testing and rock characterization study was conducted by Process Research Associates (PRA). The work was done as part of the variability program for the Skukum Creek deposit. Samples from the Rainbow 2 and Berg Zones were taken to confirm test procedures developed for the Rainbow Zone. The rock characterization included physical and chemical determinations and environmental analysis. The results suggest that these waste rocks will not be the source of detrimental environmental effects (PRA, 2007).

Table 6-2 presents a summary of the exploration work carried out on the Skukum Creek deposit prior to 2011 (Zhang, 2012)

Table 6-2 Drilling and Drifting - Skukum Creek Deposit (1985 - 2008)

Total Number of Drill holes completed	Total amount of drilling completed (m)	Years drilling and/or underground development completed	Amount of Drift Completed (m)	Companies Involved
23 (s)	2,322.61 (s)	1985	0	Aurum
55 (s)	8,301.47 (s)	1986	0	Aurum
69 UG and 11(s)	2,624.03 (s)4,821.97 (UG)	1987	823; collar the 1300m portal	Aurum and Omni Resources Inc.
13 UG 24 (s)	1,416 (UG)5,165 (s)	1988	1,571; collar the 1350 m portal	Skukum Gold Inc. and Omni Resources Inc.
15 UG	1,647 UG	1996	100	Omni Resources Inc.
7 (s)	2,739 (s)	1997	ND	Omni Resources Inc.
5 (s)	1,321.9 (s)	1998	ND	Omni Resources Inc.
4 (s)15 UG	1,502.35 (s)2,502.52 UG	2001	ND	TLGC
5 UG	248 UG	2003	586	TLGC
14 UG	913.4 UG	2005	ND	TLGC
72 UG	6,446.21 UG	2006	400	TLGC
13 UG	1,783.4 UG	2007	570	TLGC
3 UG	342.6 UG	2008	0	TLGC
TOTALS 129 (s)219 UG	23,976.36 (s)20,121.1 UG	1985-2008	4,050	Various

6.1.3 Goddell Gully

First recorded exploration in the Goddell area was in 1898 with the discovery of the Porter and Empire Showings, followed in 1906 with the discovery of the Becker-Cochran and Goddell antimony showings.

The Porter-Fleming and Becker Cochran Showings are located some 1.7 and 3.8 kilometres, respectively, from the current Goddell Gully gold deposit, but their history of exploration are often linked and have been included within this section. This area of the property has also been referred to as Carbon Hill and includes the aforementioned showings, as well as other areas including Antimony Creek, Horseshoe Gulch and Goldpan Gully.

At the Porter-Fleming Showing, trenching was undertaken between 1898 and 1905 but no records of results of this work were found. From 1906 to 1915, 335 metres of underground development was carried out. A short adit was driven at the Goddell Showing at this time and some trenching completed between 1906 and 1910. The Becker-Cochran Showing had been worked intermittently between 1906 and 1940. Trenching and two short adits were driven with lengths quoted as 30.5 metres and 27.4 metres. Work was also performed at other showings on Carbon Hill in this same time period although detailed reports are missing. These include hand trenching at the Carbon Showing and hand trenching at the Empire Showing.

Between 1964 and 1967, Yukon Antimony acquired or staked claims over Becker-Cochran, Goddell, and Porter-Fleming Showings. At Becker Cochran, exploration over this period included 567 metres of diamond drilling and driving of three adits on two levels that totaled 160 metres of crosscuts and 270 metres of drifting. The second level is 46 metres below the uppermost. Work at the Becker-Cochran Showing defined a mineralized antimony-bearing shear zone approximately 350 metres long. Widths varied 1.5 metres to 7 metres and a vertical extent of 120 metres was reported (Hylands, 1966). Underground maps reveal that as many as three parallel zones coexist in a sheeted fashion. Cross cutting late dykes and faults were estimated to represent 30% of lateral development and caused mineralized systems to be lost for substantial distances.

A trench was excavated using both a bulldozer and shovels during 1964. It measured 7 by 3 metres. Sampling in this trench returned antimony values ranging from 2.5% to 27.5% (true width of the sampled structure is not known). The material was both mineralized gouge and quartz vein bearing stibnite. Arsenic red and yellow stains were pervasive. A bulk sample was collected from the trench and sent out for independent metallurgical test-work at two laboratories, reported head grades from the two labs were 9.52% and the other at 11.78% antimony, results from the testwork are unknown (Hylands, 1966).

Berglynn (now Arkona) staked the Becker-Cochran area in 1974 and optioned the property to Belmoral Mines the same year. Belmoral conducted mapping, geochemical sampling and reserve calculation drilling. In 1976, Con-Am Resources Ltd. ("Con-Am") optioned the property and carried out a 1,255.5 metre diamond drilling program the following year on the stibnite mineralized zone at Becker Cochran and the Empire Showing. Con-Am also staked the Goddell area in 1976 (Con-Am, 1977).

In 1984, Berglynn staked claims from Goddell to Becker Cochran, as well as ground to the south on Carbon Hill. During the same year, the three Crown Grants over the Porter veins were purchased by B. Wilson, who then also staked several claims surrounding the Crown Grants. The Crown Grants were transferred to Skukum Gold Inc. in 1989.

In 1985, Berglynn completed a 1,632 soil sampling program that covered a 3.4 by 4.9 kilometre area from Goddell Gully to Becker Cochran. Five anomalous areas were defined with gold values in the 600 to 1,500 ppb Au range (Doherty, 1986). The anomalies are distinct and covered areas of approximately 900 by 200 metres in mostly overburden covered areas of gentle topography. One gold-antimony anomaly was localized over the Becker-Cochran antimony showing, the others were located in areas far removed from previously known mineralization (Hulstein, 1986).

Stream sediment and talus fine samples were collected from the MOM claims (located south of the Goddell and Becker-Cochran Showings). Three consecutive talus fine samples anomalous gold values in one area of shearing and rhyolite dykes within altered granodiorite on the west face of Carbon Hill (Garagan, 1987).

In 1986, a program of geological mapping and rock sampling was designed to follow-up on the five anomalies outlined from the previous soil sampling survey. Adit No. 3 at the Becker-Cochran Showing and the Goddell adit were rehabilitated for mapping and rock sampling. Sampling within the Becker-Cochran adit returned background gold values (Garagan, 1987).

In 1987, an exploration program was undertaken to assess the previously determined targets and work them to a drill target stage, then test the high priority targets by diamond drilling. Prior to drilling, a VLF-EM survey was undertaken along roads over the Goddell Fault extensions. At Goldpan Gully, 4.1 kilometres of VLF-EM surveying was undertaken along grid lines spaced 100 metres apart. Bulldozer trenching was undertaken at Horseshoe Gulch, from which 29 samples were taken (Coster, 1988).

Eleven drill holes totaling 2,854.47 metres tested the Goddell Fault at relatively shallow depths (920-1280 metres elevation) along a strike length of 250 metres. Three drill holes totaling 818.08 metres tested the Horseshoe Gulch area, but returned low gold values. Two drill holes totaling 483.72 metres tested the Goldpan Gully area, but results returned low gold values and failed to explain the VLF-EM and geochemical anomalies (Coster, 1988).

Drilling in 1988 tested the structure as deep as the 800 metre elevation (above sea level), below the 1987 anomalous drill intersections. Four drill holes totaling 1,976.33 metres were completed (Doherty, 1989). This new gold zone is now referred to as the PD Zone (Rodger, 1997).

In 1990, seven drill holes totaling 1,573.08 metres were drilled to the south of the main Goddell structure over a strike length of 250 metres. This zone was referred to as the Golden Tusk Zone (Rodger, 1997).

Arkona (formally Berglynn) and 276 Taurus Ventures Ltd. (“Taurus”) entered into a joint venture in 1994. The following year, Omni negotiated an agreement with Arkona and Taurus to acquire a 70% interest in the claim group covering the Goddell, Porter and Becker-Cochran Showings.

Exploration in 1995 consisted of five drill holes into the PD Zone, totaling 2,855.4 metres. Drilling results outlined a mineralized zone extending 200 metres in length by 100 metres in depth with an average width of 5 metres (Doherty, 1996).

In 1996 TYG and Omni negotiated an agreement for which TYG could acquire 50% interest in Omni’s Skukum Property. The primary focus of the agreement was to develop the PD Zone of the Goddell Gully deposit.

A 3.5 metre by 4.0 metre decline was collared in late 1996, with 780 metres of underground workings and 9,242.55 metres of underground diamond drilling completed by September 1997. The PD Zone was explored over a 400 metre strike length and a vertical extent of 170 metres, from an elevation of approximately 870 metres down to 700 metres (Rodger, 1997).

On surface, during 1996, Omni drilled two diamond drill holes (510.23 metres) near the Porter-Fleming Showing and encountered only weak values of antimony (266.7 ppm Sb over 0.9 metres) and background levels of gold. One drill hole, which totaled 887.58 metres in length, was drilled at Becker-Cochran to test for possible gold mineralization at depth. No significant gold grades were encountered, but results did include some elevated Sb an Ag values (Elliot, 1996).

In 1999, TYG consolidated the Property information base through a data compilation program. This was followed by resource estimation carried out my Micromine Pty. of Perth, Australia, and reported in Naas and Rodger (1999).

In December 2000, TYG and Omni amalgamated into Tagish Lake Gold.

In 2002, MineTech was commissioned to complete a resource estimate of the gold resources for the Skukum Property, including Goddell Gully. Details of this estimate are presented in Section 6.2.

In 2003, exploration at Goddell Gully consisted of:

- data compilation and integration to digital format of the Carbon Hill area;
- core relogging and sampling of historical drill core: 34 holes, 801 samples;
- line cutting: 2,985 metres of grid for an anticipated IP and magnetometer survey;
- surface diamond drilling: 3 drill holes, GG03-1, GG02-2, and GG03-2A (3 drill pads) totaling 974.74 metres, 368 samples; and
- GPS surveying: sub-metre accuracy of roads, important monuments and exploration sites on Carbon Hill.

Core relogging of historical diamond drill core from the Goddell Gully Deposit was undertaken based on the observation of previously unsampled mineralized drill core in drill hole 97-56, an underground drill hole located to the west of the main PD Zone. Results of this infill sampling indicated that historical sampling had not identified all significant mineralization within the core. Prior to the relogging program, drill holes 97-31 and 97-42 had no sample data from the interpreted up-dip extension of the PD Zone. Likewise, drill hole 97-37 only had sporadic sampling with unbracketed significant results. These drill holes, on their respective sections, cross the PD Zone at its upper elevations. Sampling during 2003 was successful in locating significant gold occurrences in all three holes (Naas, 2004).

In 2003 diamond drilling was carried out to test the area where resampled historical drill core had identified gold mineralization (Naas, 2004a).

In 2004, Tagish Lake Gold completed two drill holes (GG04-3 and GG04-4) at the western strike extent of the Goddell shear zone. A total of 818.29 metres of NQ core was drilled with the collection of 144 samples. No significant gold mineralization was encountered other than two narrow intervals.

In 2009, rock sampling was carried out as part of a property-wide geochemical sampling program by Yukon-Nevada Gold Corp.

Table 6-3 presents a summary of the exploration work carried out on the Skukum Creek deposit prior to 2011 (Zhang, 2012)

Table 6-3 Drilling and Drifting - Goddell Gully (1985 - 2008)

Total Number of Drill holes completed	Total amount of drilling completed (m)	Years drilling and/or underground development completed	Amount of Drift Completed (m)	Companies Involved
13 (s)	2,857.19 (s)	1987	0	Berglynn Resources Inc. and Skukum Gold Inc.; Skukum Ventures
4 (s)	1,976.33 (s)	1988	0	Skukum Gold
7 (s)	1,573.08 (s)	1990	0	Skukum Gold
5 (s)	2,855.4 (s)	1995	0	Aurum
40 UG	9,242.55 (UG)	1996-1997	780	Trumpeter Yukon Gold and Omni Resources
3 (s)	974.74 (s)	2003	0	TLGC
2(s)	~900 (s)	2004	0	TLGC and Yukon Government
3 UG	342.6 UG	2008	0	TLGC
TOTALS 34 (s) 40 UG	~11,136.74 (s) 9,242.55 UG	1987-2004	780	Various

6.1.4 Other Areas

Chieftain Hill and Raca Zone

Some of the earliest claims in the Wheaton River area were reportedly staked on Chieftain Hill. Several were reportedly surveyed and taken to lease but no records are available. The earliest work is reported to be trenching undertaken between 1906 and 1910 on the Morning and Evening Veins (Naas, 2003).

The Raca Zone occurrence occurs on the south-facing cliffs of Chieftain Hill, directly across from the Skukum Creek Deposit. The Raca Zone is sometimes associated with exploration associated with the Skukum Creek Deposit although there should be a distinction made between the Raca copper occurrence higher up on the cliffs with the gold-silver vein occurrences identified by drilling at lower elevations. The latter area has also been termed “Rainbow East” in some reports to make the distinction.

In 1964, Yukon Antimony acquired or staked claims over much of Chieftain Hill (including the Raca showing). Yukon Antimony constructed a tote trail and conducted bulldozer trenching in 1964-1965. Exploration at the Raca copper showing consisted of mapping, rock chip sampling and an IP survey followed by three diamond drill holes from 1967-1968. Rock sampling returned 0.05% to 1.12% Cu with an average of 0.42%. The IP survey indicated a large strong anomaly approximately 730 metres by 1220 metres. Diamond drilling above the main showing intersected pyritic volcanics and granodiorite with low Cu values. The third hole was abandoned in alluvium (Freeze, 1986).

The Raca Showing was restaked by Secord Investments Ltd. and Laura Developments Ltd. in 1971 with further rock sampling carried out in 1972 that returned an average of 0.11% Cu and 24 g/t Ag (Minfile 105D023). It was sold to Chatham Resources Ltd. (later renamed to Westmount Resources Ltd.) in 1973. A bulk sample collected during this period returned an average grade of 0.11% Cu and 24 g/t Ag (Freeze, 1986).

During 1985, Westmount conducted further soil and rock chip sampling over the RACA claims, focusing in on the precious metal potential of the area.

Also in 1985, Omni drilled a single reverse circulation drill hole near Skukum Creek below the Raca occurrence to test the strike extension of the newly discovered gold-silver bearing Rainbow-Road Zone (Forster *et al*, 1986). The following year this hole was extended by diamond drilling (Omni corporate files, 1986). The work by Omni focused on the structurally controlled gold-silver mineralization found at lower elevations than the surface exposures of copper mineralization (Naas, 2002).

In 1986, Agip/Total Energold relocated the Morning and Evening Veins to an area with anomalous contour soil samples. The area was referred to as the Morning Gulch (Naas, 2002).

In 1987, the Evening Grid was surveyed to cover the area of the Morning and Evening Veins after prospecting led to the discovery of the Johnny B. Vein in Morning Gulch. Subsequent geological mapping at 1:1,000 scale on the grid lead to discovery of many quartz-calcite veins including the Ocean, Better B., and Pristine Veins. Soil geochemistry, prospecting, trenching, detailed mapping and ground geophysics were conducted over the grid area. Seven diamond drill holes totaling 894.18 metres were drilled to test the Evening, Pristine, Better B., Johnny B. and Ocean Veins (Reddy and McDonald, 1989).

Exploration in 1988 included 901.92 metres of diamond drilling in eight holes, trenching, rock sampling and an HLEM geophysical survey. Holes 88-398, -399, -407 and -412 were drilled to test the Ocean Vein and holes 88-408, and -411 were drilled to test the Morning Vein. The HLEM survey indicated a continuation of the Ocean structure 300 metres to the east of the outcrop exposure. One bulldozer trench was excavated on the HLEM trace of the Ocean Vein and a 0.7 metre wide fault zone oriented at 076/84NW with anomalous gold and silver values was revealed. The Ocean Vein remained open in all directions in 1988 (Naas and Rodger, 1999).

Exploration in 1989 included grid establishment, HLEM and ground magnetic surveys, limited prospecting and diamond drilling totaling 1,803.97 metres in seven holes. With this drilling, the Ocean Vein had been tested along a strike length of 580 metres with a dip extent from 1,250 metre to 900 metre elevation. Significant intersections were found to decrease in width to the east. (Reddy and McDonald, 1989).

Wheaton tested the Ocean Vein in 1991 with three diamond drill holes totaling 1,033.5 metres (Doherty, 1992).

In 1997, Omni undertook a five drill hole, 608 metre diamond drill program to test the eastward extension of the Ocean Vein. The vein was reportedly intersected between 40-50 metres below surface (Elliott, 1997).

A drill program was also completed at the Raca Zone by Omni, with three drill holes totaling 847.65 metres (RACA97-1 to RACA97-3) (Omni corporate files, 1997).

As part of Tagish Lake Gold's exploration program in 2001, the Raca Zone was investigated through a one-day traverse in the Raca copper occurrence (6 rock samples) and infill sampling of the Omni drill holes (RACA97-1 to RACA97-3).

As part of Tagish Lake Gold's 2002 exploration program, Chieftain Hill was included as part of the structural and alteration study of the Property, by D. Rhys and Dr. J. Lang.

In 2009, rock sampling was carried out as part of a Property wide geochemical sampling program by Yukon-Nevada Gold Corp. and NWME personnel (Johnson and Jinsheng, 2009).

Charleston Trend

Prior to 1907, C. Weik staked the Charleston Vein area. To the west, a group of 12 claims was also staked, but no records are available. The Charleston claim was purchased by M. Watson from J. Hume in 1912 and was optioned to Slate Creek Mining Company in 1921 that carried out the development of the two adits (61 metres and 30 metres). Surface sampling at the time reported assays averaging 11.31 g/t Au, 291.4 g/t Ag over an average of 1.05 metres (true width) along a strike length of 250 metres. The claim was surveyed and taken to lease in the 1950's (Naas, 2003).

From 1964-1967, while Yukon Antimony was active in the Wheaton River area, they staked several claims immediately south of the Charleston mining lease (Naas, 2003).

Immediately north of the Charleston Mining Lease to the west of Skukum Creek, in the Twist-Watusi area, the NAT Joint Venture (Armco Mining Exploration and Chevron Canada Ltd.) staked ground in 1979 but allowed their claims to lapse by 1980 (Naas, 2003).

From 1981 to 1984, Agip continued to add to their Mt. Skukum land package by staking north of the Charleston area, covering the Twist and Watusi Showings. Preliminary surface exploration over the entire Charleston trend was carried out during this time (Naas, 2003).

In 1984, the Charleston Mining Lease was optioned to Shakwak Exploration Co. ("Shawak") who also staked claims surrounding the Lease. Shakwak rehabilitated old trenches at the Charleston Vein as well as excavated several new ones. A new zone was located 105 metres south (McDonald, 1985).

Mapping, sampling, and further trenching was carried out from 1985-1989 by Shakwak with joint venture partners Island Mining and Exploration Co. Ltd. (1987-88) and Total Energold Corp (1988-89) (Naas, 2003). Trenching by Island Mining in 1986 extended the Charleston Vein 430 metres to the south, and located several other veins (Naas, 2003). Total Energold sampled the Charleston Vein on surface over its exposed strike length in 1988 and rehabilitated the adits in 1989 (Borntraeger, 1990).

Kerr-Addison performed grid-controlled geochemical surveys, contour sampling and trenching at the Twist Zone north of the Charleston Vein in 1985-1986. In 1987 and 1988, Pacific Trans-Ocean mapped, trenched, sampled, and carried out ground geophysical surveys. Northern Minerals Ltd. continued exploration of the Twist Zone with further trenching and VLF surveying in 1989.

No further work was carried out until 1997 when Omni staked the DUKE claims over the Twist Zone, over which limited rock sampling was carried out (Omni, corporate files, 1997).

In 2000, the Charleston mining lease and the Shakwak claims lapsed and Tagish Lake Gold (then TYG) restaked the area as the current CHAR claims, consolidating what has historically been a complex land position for the first time (Naas, 2003).

Exploration in 2001 by Tagish Lake Gold included prospecting of the Charleston trend. Work included the collection of 50 rock samples and 1 stream sediment sample.

In 2009, rock sampling was carried out as part of a Property wide geochemical sampling program by Yukon-Nevada Gold Corp. and NWME personnel (Johnson and Jinsheng, 2009).

Berney Creek

The Berney Creek Lineament has been interpreted as the western extension of the fault system, which hosts the Rainbow and Kuhn Zones (Dussell, 1987). The fault marks the southern fault boundary of the Mt. Skukum Complex and places Cretaceous granitic basement rocks to the south in fault contact with Skukum Group volcanics to the north (Naas and Rodger, 1999).

In 1983, the area was geologically mapped and sampled. Nineteen chip and 94 talus fines were analyzed for gold, silver, copper, and mercury with generally poor results (Dussell, 1987). Most prospecting and sampling was carried out in the vicinity of the Berney Creek Lineament.

In 1986 a program consisting of geological mapping, soil and rock sampling and general prospecting carried out within the Berney Creek area. Weak and discontinuous quartz veining containing base metal sulphides were located in three zones along the lineament (Dussell, 1987). All these showings are weak, discontinuous and localized within granodiorite in the vicinity of the Berney Creek Lineament (Naas and Rodger, 1999).

In 2009, rock sampling was carried out as part of a property-wide geochemical sampling program by Yukon-Nevada Gold Corp. and NWME personnel (Johnson and Jinsheng, 2009).

6.2 Historical Mineral Resource Estimates

There are numerous historical estimates of mineral resources of the deposits on the Property that have been completed by in-house professionals of numerous companies as well as third-party consultants since the late 1980's. The most recent estimates were made by Minetech in 2003 on the Skukum Creek deposit and Goddell Gully deposit and a 2007 resource update on the Skukum Creek deposit.

The 2003 resource estimates for Skukum Creek and Goddell Gully were prepared by D. Roy and P. Hannon of Minetech and documented in the Technical Report entitled "*Resource Report, Tagish Lake Gold Corporation., Skukum Creek and Goddell Gully Deposits*" and dated June 9, 2003.

The 2007 resource estimate update for Skukum Creek was also prepared by D. Roy and P. Hannon of Minetech and documented in the Technical Report entitled "*Tagish Lake Gold Corp, Resource Report Update, for the Skukum Property, Wheaton River, Yukon, Canada*" and dated August 27, 2007.

A summary of the key assumptions, parameters and methods used to prepare the historical estimates at Skukum Creek (2003, and 2007 update) and Goddell Gully (2003) are presented in Sections 6.2.1 and 6.2.2. The historical estimates in this section use the categories set out in sections 1.2 of the NI 43-101 Standards of Disclosure for Mineral Projects.

The historical resource estimates in this section have been upgraded and replaced with a current mineral resource estimate prepared by a Qualified Person. These historical estimates are not to be relied upon.

Since the completion of the historical estimates, additional work has been carried out at Skukum Creek (diamond drilling and underground development) and Goddell Gully (diamond drilling) by a previous operator and New Pacific.

Current resource estimates for Skukum Creek and Goddell Gully have been prepared by a Qualified Person using all available data, updated models and run at current metal prices. The current resource estimates are presented in Section 14.0 of this report.

6.2.1 2003 Historical Resource Estimate: Skukum Creek and Goddell Gully

For Skukum Creek, all sample data were collected as of the end of 2002, totaling 5,135 gold samples and 4,885 silver samples. For Goddell Gully, there were 3,949 core samples in total. At Skukum Creek, specific gravity was estimated using inverse distance weighting. At Goddell, an average specific gravity value of 2.7 t/m^3 was used as no specific gravity sampling had been carried out.

Drilling and channel samples were downhole composited or regularized over one metre intervals. Equivalent gold grades were calculated for each composited silver sample; however, gold and silver grades were calculated separately for each block. At this time, metal prices were assumed as US$300 per troy ounce gold and $4.50 per troy ounce silver. The equivalent grade was equal to the silver grade multiplied by the ratio $4.50/$300 or 0.015. Top-cuts of 32 g/t Au and 1,300 g/t Ag were applied to Skukum Creek blocks. A top-cut of 45 g/t Au was applied to Goddell Gully blocks.

Cross sections were created to show geology and the equivalent gold grades at 25 metres apart in the Rainbow and Kuhn Zones, and 50 metres apart in the Ridge Zone. Shear zone geology and an outline of "higher grade" material (greater than 5 g/t Au equivalent) within the shear zone were created to develop the wireframe model. The high-grade outline model was used to construct a block model with dimension of 2m^3, sub-blocked five times across strike and twice down-dip. Concurrently, a polygonal resource estimate was carried out, consisting of calculating the average grade of all samples within each section that were within the outline. Calculating the area of each section and multiplying that by the section width and average specific gravity gave the mass of each section. Measured resources were identified as blocks that were within 15 metres from two underground channel samples, Indicated resources were identified as blocks that were within the outline and were less than 25 metres away from at least two samples and Inferred resources were within the outline and within 40 metres of channel or core results.

At Goddell Gully, the same procedure for outlining geology was used as for outlining geology at Skukum Creek. An outline value was created using 5 g/t Au as a guide for the outline's outer limits. East-west sections were created at section spacing of 50 metres, except for a 100 metre portion over which a 25 metre spacing was used. Two zones were outlined and a specific gravity of 2.7 t/m^3 was used. A block model was constructed with block dimensions of 2 m^3. Each block was subdivided five times across the strike dimension and twice in the vertical dimension to allow finer geological resolution. A polygonal method was used to estimate resources. Indicated resource was defined as within 15 metres of sampling and Inferred resources within 25 metres of sampling.

A summary of the total Skukum Creek and Goddell Gully resources are presented in Table 6-4 and Table 6-5 at a range of cut-off grades. **These historical estimates have been upgraded and replaced with current mineral resource estimates prepared by a Qualified Person. These historical estimates are not to be relied upon.**

Table 6-4 2003 Historical Resource Estimate, Skukum Creek Deposit (after Roy and Hannon, 2003)

Cut-off Grade (Au Eq g/t)	Measured Resources:			Indicated Resources:			Inferred Resources		
	Tonnage (t)	Au Grade (g/t)	Ag Grade (g/t)	Tonnage (t)	Au Grade (g/t)	Ag Grade (g/t)	Tonnage (t)	Au Grade (g/t)	Ag Grade (g/t)
3	220000	5.46	226	870,000	5.73	173	150,000	5.15	169
4	190000	5.81	240	770,000	6.18	185	130,000	5.69	187
5	160000	6.52	257	640,000	6.84	203	90,000	6.53	225
6	130000	7.39	279	510,000	7.61	226	70,000	7.14	260
7	110000	8.14	296	410,000	8.33	247	60,000	7.83	289
8	92000	8.91	309	340,000	9.06	268	51,000	8.34	307
9	78000	9.68	319	280,000	9.65	287	45,000	8.76	325
10	65000	10.52	325	240,000	10.21	305	40,000	8.99	338

Table 6-5 2003 Historical Resource Estimate, Goddell Gully Deposit (after Roy and Hannon, 2003)

Cut-off Grade (Au g/t)	Indicated Resources:		Inferred Resources:	
	Tonnage (t)	Au Grade (g/t)	Tonnage (t)	Au Grade (g/t)
3	400,000	9.55	350,000	8.11
4	360,000	10.26	310,000	8.75
5	320,000	11.02	280,000	9.21
6	260,000	12.25	210,000	10.28
7	220,000	13.44	170,000	11.16
8	180,000	14.56	150,000	11.86
9	150,000	16.05	113,000	12.81
10	110,000	18.24	82,000	14.15

6.2.2 2007 Historical Resource Estimate: Skukum Creek

A summary of the procedure and details of the 2007 Skukum Creek resource estimate prepared by Roy and Hannon (2007) of MineTech is presented below. The resource estimate focused on the Rainbow 2 and Berg Zones that were discovered after the 2003 resource estimate.

The resource estimate was based upon all sample data collected as of the end of 2006. At this time, gold equivalent was calculated based on metal prices of gold at US$650 and silver at US$13 per troy ounce to establish cut-off grade for the purpose of outlining mineralized zones and reporting resources, but block value was estimated separately for gold and silver. Top-cut values were set at 35 g/t for gold and 350 g/t for silver. An average specific gravity of 2.83 was used. Mineralized zones were interpreted on paper and then digitized in computer. A cut-off grade of 2 g/tonne of gold-equivalent over a minimum horizontal width of 1.2 metres was used. Separate two-dimensional block models were created for each zone. Block dimensions were 5 metres by 5 metres (in the East and Elevation directions). Block thickness values (North direction) were calculated during the estimation process. The geometry of each zone was constrained by the geological outlines. Grade estimation was carried out using inverse distance weighting with a power of two. Horizontal thickness values were calculated for each drilling intercept and inverse distance weighting with a power of three was used to estimate block thickness values. Block specific gravity values were also estimated using inverse distance weighting with a power of two.

Indicated resource was defined as within the outlined geology and within 20 metres of at least two drilling intercepts, and Inferred resource as within the outlined geology but within 40 metres of at least one drilling intercept. There was no Measured resource category as there was no supporting drifting/raising and underground sampling.

A summary of the total Skukum Creek resources is presented in Table 6-6 at a range of cut-off grades. **These historical estimates have been upgraded and replaced with current mineral resource estimates prepared by a Qualified Person. These historical estimates are not to be relied upon.**

Table 6-6 2007 Historical Resource Estimate, Skukum Creek Deposit (after Roy and Hannon, 2007)

Cut-off Grade (Au Eq g/t)	Measured Resources:			Indicated Resources:			Inferred Resources		
	Tonnage (t)	Au Grade (g/t)	Ag Grade (g/t)	Tonnage (t)	Au Grade (g/t)	Ag Grade (g/t)	Tonnage (t)	Au Grade (g/t)	Ag Grade (g/t)
0	260,000	4.7	193	1,170,000	5.3	145	303,000	5.1	124
1	250,000	4.9	200	1,140,000	5.4	149	299,000	5.3	126
2	230,000	5.2	215	1,100,000	5.6	154	288,000	5.5	132
3	220,000	5.3	221	1,000,000	6	164	251,000	6.1	145
4	195,000	5.8	240	880,000	6.5	174	206,000	6.8	155
5	160,000	6.6	261	740,000	7.2	191	160,000	8.2	189

Roy and Hannon (2007) noted that the Rainbow 2 zone appears to be related to the Rainbow Zone. The Rainbow 2 zone peters out toward the east end of the zone. The Rainbow 2 and the Ridge Zone may either be contiguous or closely related. They also note that the Rainbow 2 is more extensive than the Berg Zone.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

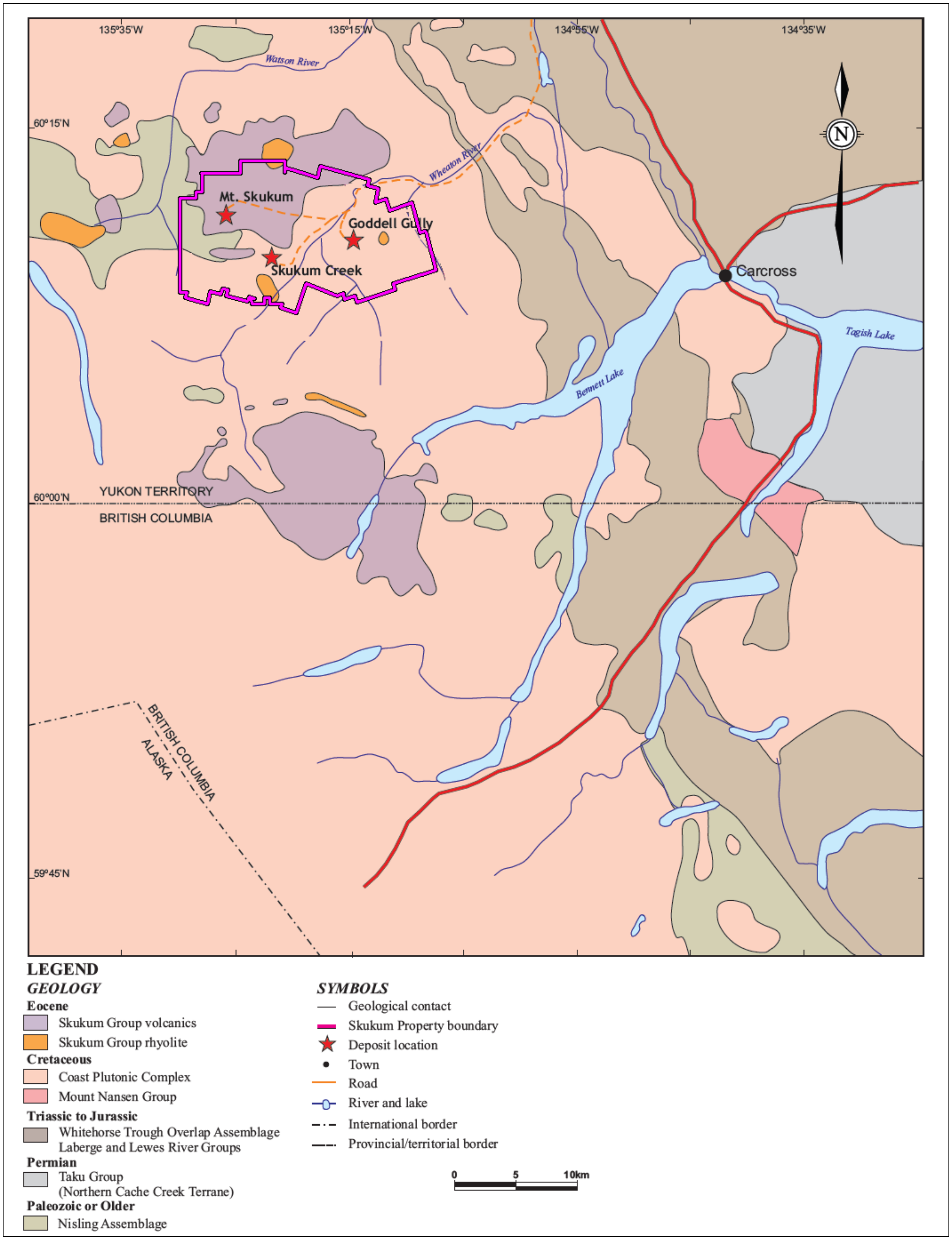
The Skukum property area is situated within the Wheaton River/Bennett Lake map sheet (Hart and Radloff, 1990). The district covers the boundary between the Stikine and Nisling Terranes, of the Intermontane Superterrane (or Intermontane Belt) of the Canadian Cordillera (Naas, 2007).

The regional geological setting of the Skukum project area is described in Hart and Radloff (1990), from which the following information is summarized. The project area is located within the Intermontane belt of the Canadian Cordillera. Oldest rocks in the area comprise domains and screens of probable Paleozoic gneiss, assigned to the Nisling Terrane by Hart and Radloff (1990), and Jurassic andesitic volcanic and siliciclastic sedimentary rocks of the Stikine Terrane and Whitehorse Trough overlap assemblage (Figure 7-1) (Naas, 2007).

Stratigraphic and contact relationships are commonly obscured by the many intrusions associated with the Coast Plutonic Complex. Strata of the Jurassic Whitehorse trough are affected by a series of open to tight, northwest trending folds that probably formed in Upper Jurassic to Lower Cretaceous time, approximately coeval with activity of the Skeena Fold Belt to the south in British Columbia. The folds are superimposed on earlier, probably pre-Triassic, metamorphic fabrics and the northwest trending Tally-Ho shear zone, a major Late Triassic shear zone that is developed approximately 15 kilometres to the northeast of the project area and which forms the easternmost limit of exposures of the Nisling Terrane (Naas, 2007).

Mesozoic plutonic rocks, which underlie much of the project area, separate the Jurassic units and Nisling Assemblage into isolated domains and screens. Major intrusions include the Alligator Quartz Monzonite and the late Triassic or early Jurassic K-feldspar megacrystic Bennett Granite that are widespread east of the Wheaton River in the Skukum project area (Figure 7-1). The most abundant rock types in the region comprise metaluminous Cretaceous intrusions of the Coast Plutonic Complex, which are subdivided into several plutonic suites by Hart and Radloff (1990). The dominant Cretaceous suites in the project area include the Mt. McIntyre plutonic suite (96 to 119 Ma), comprising the Mt. Ward granite and Carbon Hill quartz monzonite (Figure 7-1), and the Whitehorse plutonic suite (116 to 119 Ma), locally represented by the Mt. McNeil granodiorite pluton (Figure 7-1). Isolated accumulations of mid- to late-Cretaceous volcanic rocks of intermediate composition of the Mt. Nansen Group are present regionally and are approximately coeval with the Coast Plutonic Complex. In the Skukum project area, these rock types occur on the eastern flanks of Carbon hill and southeast of Goddell Gully near the Becker-Cochran deposit (Figure 7-1), where they comprise green tuff and tuff breccia that unconformably overlie the Bennett Granite and Jurassic strata (Figure 7-1) (Naas, 2007).

Figure 7-1 Regional Geology



Late Cretaceous and Early Paleocene brittle dextral displacement associated with widespread dextral displacement throughout the Cordillera is related to reactivation of the Triassic Tally-Ho shear zone. This phase of displacement formed a brittle fault system, termed the Llewellyn fault by Hart and Radloff (1990), which exploited parts of the earlier Tally-Ho structure. Subsidiary faults generated during this tectonic episode may subsequently have been remobilized during Eocene volcanic activity to locally form caldera-bounding structures; these may also have acted as permeable structural sites for the formation of the late-volcanic vein deposits hosted by faults and shear zones in the Skukum project area (Naas, 2007).

Pre-Tertiary rock types in the region are unconformably overlain by at least four Late Paleocene to Early Eocene volcanic complexes that form the Skukum Group, and are intruded by numerous associated rhyolite and andesite dykes. In the project area, these are the youngest exposed rocks and are represented by the Early Eocene Mount Skukum volcanic complex, a caldera sequence that underlies western portions of the project area (Figure 7-1). The complex comprises a bimodal sequence of subaerial volcanic and volcaniclastic rocks with a total thickness that locally exceeds 800 metres, and an areal extent of approximately 200 km^2. Exposures of the complex adjacent to the study area near the Skukum Creek deposits and in the Chieftain Hill area (Figure 7-1) are composed mainly of massive to poorly bedded, plagioclase porphyritic andesitic flows and tuff (McDonald *et al*, 1990, Naas, 2007).

Rocks of the Mt. Skukum Volcanic Complex rocks are locally separated from pre-Tertiary rock types by east- to northeast-trending, curved faults such as the Berney Creek fault and Wheaton lineament that may have been active synchronously with volcanism and which potentially form caldera-bounding structures (Figure 7-1) (Hart and Radloff, 1990). These structures, which locally may represent reactivated older faults, and parallel faults within the volcanic complex are host to or control probable synvolcanic vein and shear zone hosted Au-Ag mineralization in the district (Naas, 2007).

Regionally, most of the tectonic and magmatic events have or may have been accompanied by respective metallogenic assemblages (Mihalynuk *et al*, 1997). In particular, Upper Triassic arc rocks of the Whitehorse Trough are lithologically and temporally equivalent to those hosting important copper-molybdenum-gold porphyry deposits in southern British Columbia. Early Jurassic intrusive rocks are also known to host copper-gold mineralization in the central-western Yukon (Minto and Williams Creek deposits; Tafti and Mortensen, 2004). Cretaceous plutons produce copper skarns where they cut Upper Triassic carbonates in the Whitehorse copper belt (Mihalynuk *et al*, 1997), as well as copper-gold porphyry mineralization. The southern end of this belt may extend into the Skukum area. Epithermal gold-silver mineralization related to volcanic rocks forms a distinct belt extending from north to south across southern Yukon; this incorporates the Mount Nansen cluster of epithermal gold deposits and occurrences related to 100 Ma Mount Nansen volcanics, the Laforma epithermal gold deposit related to the Carmacks Group volcanics (75 Ma), and finally the Mt. Skukum gold prospect, further south, related to Tertiary volcanic rocks (55 Ma). The emplacement of some of these volcanic rocks are responsible for both epithermal and possibly related copper-porphyry deposits (i.e., the Laforma gold veins and the Casino copper-molybdenum-gold deposit), suggesting the respective epithermal-porphyry transitions (Naas, 2007).

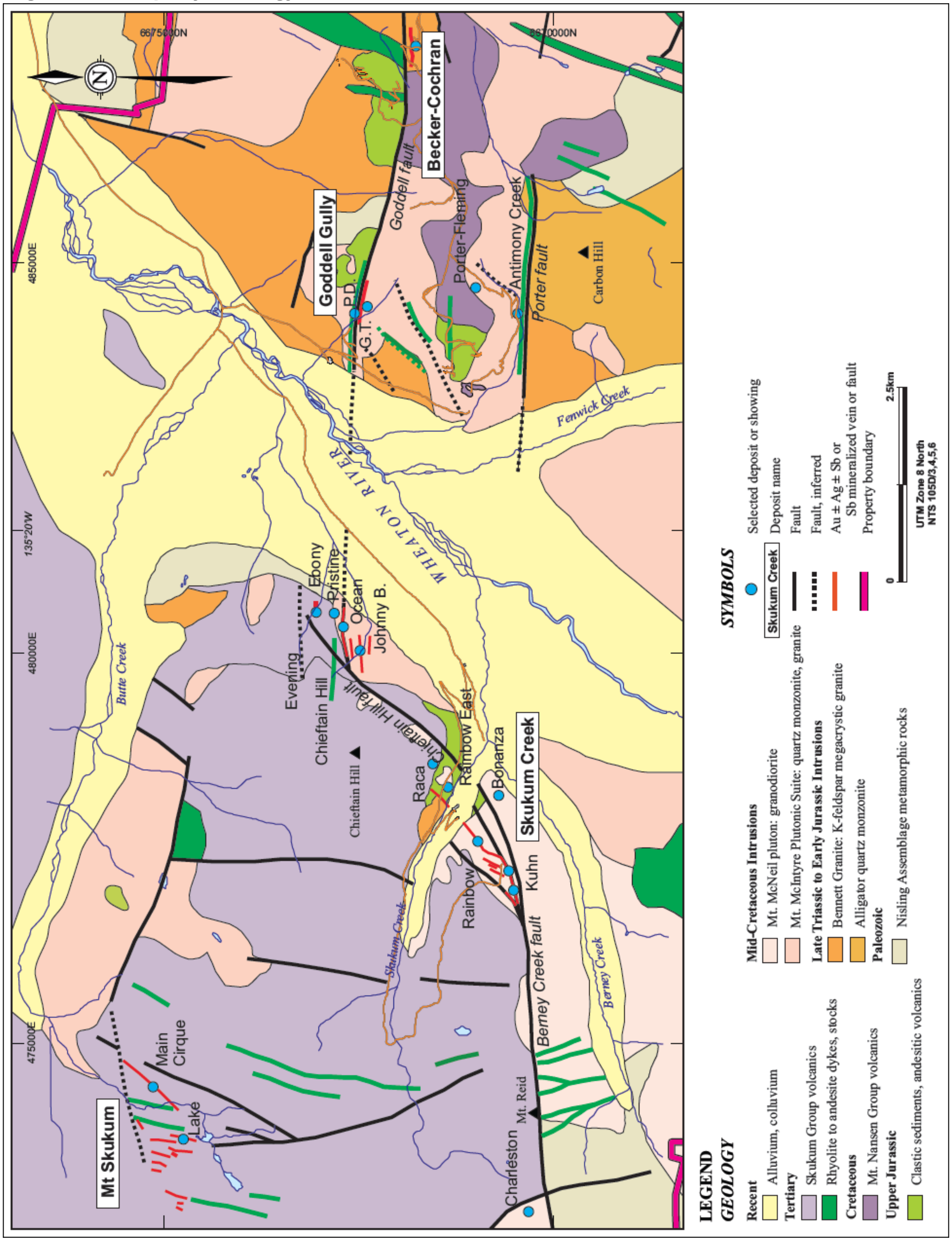
7.2 Local and Property Geology

The geology of the Property area was described in several papers (Wheeler, 1961; Doherty and Hart, 1988; Hart and Radloff, 1990) and summarized by Lang et al. (2003). The Wheaton River area covers the boundary between the Stikine and Nisling Terranes, of the Intermontane Superterrane (or Intermontane Belt) of the Canadian Cordillera. The rocks consist of Paleozoic gneiss assigned to the Nisling Terrane, and Jurassic andesite and siliciclastic rocks of the Stikine Terrane and Whitehorse Trough overlap assemblage, respectively.

The older rocks were intruded by late Triassic or early Jurassic K-feldspar megacrystic Bennett Granite (175 Ma), and then by metaluminous Cretaceous intrusions of the Coast Plutonic Complex including the most abundant Whitehorse Plutonic Suite (116-119 Ma), locally represented by the Mt. McNeil granodiorite pluton and associated rocks, and the Mt. McIntyre plutonic suite (96-119 Ma); the latter includes the Mt. Ward granite and Carbon Hill quartz monzonite. Intermediate Cretaceous volcanic rocks of the Mt. Nansen Group, thought to be approximately coeval with the Coast Plutonic Complex, are present regionally, and in the property area occur east of the Wheaton River (Lang et al., 2003).

As noted by Lang et al (2003), the early Eocene Mount Skukum volcanic complex, part of the widespread late Paleocene to early Eocene felsic to intermediate volcanism of the Skukum Group (Smith, 1982 and 1983; Pride, 1986), is a caldera sequence that underlies the western portion of the district. The Mount Skukum complex consists of up to 800 metres of mainly porphyritic andesitic flows and tuff exposed over an area of approximately 200 km2. These volcanic rocks are locally separated from pre-Tertiary rocks by curved, east- to northeast-trending structures such as Berney Creek fault and Wheaton lineament (coincident with the Wheaton River valley on Figure 7-1 that have been inferred to be syn-volcanic, caldera-bounding faults (Hart and Radloff, 1990). These and parallel structures host gold-silver mineralization in the district (Naas, 2007).

Figure 7-2 Property Geology



7.2.1 Stratigraphy

Proterozoic to Paleozoic Metamorphic Formations

Metamorphic rocks of the Nisling Terrane underlie the western extent of the property (Charleston area) and occur as isolated roof pendants in the Chieftain Hill and Goddell areas of the property. These metamorphics are comprised of three units, the Nisling and Nasina assemblages as well as undifferentiated gneiss (Naas, 2007).

Nisling Assemblage

This assemblage is comprised of rusty-brown weathering, competent, non-fissile biotite-muscovite-quartz-feldspar schist, quartzite, and marble. A planar foliation is well developed parallel to compositional layering. Compositional layering is observed in the schists and quartzites from 1-2 centimetres wide and from 1 to 100 metres wide in the marbles (Naas, 2007).

Nasina Assemblage

These rocks are very similar to the Nisling Assemblage in composition but distinguishable by graphitic, commonly garnet-bearing quartz schists and lesser marble. The best exposures are seen to the west of Mt. Skukum. The rocks are also well foliated but fissile due to partings on the graphitic layers. The typical lithology is garnet-muscovite, garnet-graphite schists and carbonaceous quartzite (Naas, 2007).

Undifferentiated Gneiss

Feldspar-hornblende orthogneiss with minor biotite, epidote, and chlorite are found on Chieftain and Carbon Hills in the Wheaton River area. This unit is not in actual contact with the other two but has been included in the Nisling Terrane based on descriptions and other relationships determined by other workers (Naas, 2007).

Jurassic volcanic and siliciclastic rocks

Pebble conglomerate is present in several drill holes completed historically at the eastern end of the Rainbow Zone, immediately southwest of Skukum Creek. The unit is composed of clast-supported conglomerate with rounded clasts of chert and quartzite in a pale green sericitic matrix. This unit probably belongs to the Jurassic Tantalus Formation (cf., Hart and Radloff 1990). It is present in an area of no outcrop and core is incomplete and partially lost for the holes containing this unit, so its contact relationships and orientation could not be assessed. Conglomerate that has been mapped along the southeastern flanks of Chieftain Hill by Mt. Skukum Mines (unpublished mine maps; Hart and Radloff 1990), and which is intercalated with Jurassic volcanic rocks, may also correlate with this unit (Naas, 2007).

Diamond drill holes drilled in the Rainbow East Zone (RACA97-1 to RACA97-3) first pass through thick, recent talus of fresh Tertiary volcanic rocks, and then intersect pale grey, sericite-pyrite ± magnetite altered, locally plagioclase ± pyroxene porphyritic volcanic rocks of probable intermediate composition. Main rock types include massive, grey lapilli to block tuff and tuff breccia, and massive porphyritic flows or subvolcanic intrusive rocks. These units are distinct from the fresh Tertiary volcanic units present in talus higher on the slope. Their altered state, close spatial association with Jurassic conglomerate of the Tantalus Formation that is present immediately across Skukum Creek, and occurrence of Cretaceous intrusive rocks within them suggest that they may correlate with Jurassic pyritic andesitic volcanic rocks present on the eastern flank of Chieftain Hill two kilometres to the northeast (Figure 7-1). Since these volcanic units are present in an area of poor exposure under talus, their contact relationships with adjacent rock types are not well defined but recent surface mapping by New Pacific in 2011 indicates has identified a thrust contact between the volcanic units.

7.2.2 Tectonic Structures

Rocks at the Skukum Creek deposit have been affected by several phases of faulting, and Jurassic and older rocks have also been subjected to regional penetrative strain manifested by one or more phases of foliation development and, locally, by folding (Lang and Rhys, 2002). In particular, foliation is developed in K-feldspar granite on the north-east side of the Skukum Creek, which is assigned to the Bennett Granite (Naas, 2007).

Faults and shear zones developed in the Skukum property area comprise predominantly east- and north-east trending structures in all rock types, and additional significant north trending faults developed in the Mt. Skukum Volcanic Complex. Major north-west trending, Cordillera-parallel faults and shear zones are not well represented in the area, apart from some north-west trending lineaments defined by valleys and drainages, which do not accommodate regionally significant displacements but which may have local significance (Lang and Rhys, 2002) (Naas, 2007).

Major faults in the property area probably form part of a single, anastomosing and bifurcating fault system. These structures include the Berney Creek and Chieftain Hill faults developed on the west side of the Wheaton River valley, and the Porter and Goddell faults developed to the east. All of these structures are spatially associated with rhyolite and andesite dykes, and with Au-Ag±Sb and Sb mineralization (Naas, 2007).

Lang and Rhys (2002) assign the local shear zones occurred in the Skukum Creek deposit area to the Berney Creek fault system. The Berney Creek fault occurs on surface as a rusty, east-northeast trending lineament running along the southern, upper part of Mt. Reid ridge for up to 5 kilometres southwest of the Skukum Creek deposit. It dips vertically or steeply to the southeast. The fault locally defines, or occurs near, the contact between rocks of Mt. Skukum volcanic complex to the north and Cretaceous granodiorite to the south. Multiple fault strands over a width of several hundred metres contain slivers of Tertiary volcanic rocks and conglomerate and Cretaceous granodiorite. Rapid thickening of the Skukum Creek volcanic rocks to the north of the fault, their dip away from this structure, and the occurrence of several rhyolite and andesite dykes within the fault zone that may in part represent feeders to the volcanic rocks suggest that this structure may have been active synchronously with volcanism and may therefore form a caldera bounding fault (McDonald *et al*, 1990; Hart, 1992). Between several hundred metres and 1 kilometre of north side down displacement are estimated by McDonald *et al* (1990), based on the thickness of the Mt. Skukum volcanic rocks to the north (Naas, 2007).

The Berney Creek fault curves to more northeasterly trends at the Skukum Creek deposit and may be continuous with the Chieftain Hill fault system on the northeast side of the Skukum Creek. Northeast trending splays and fault steps off the north side of the Berney Creek fault at its northeastern, bending end may include the Kuhn and Rainbow (and possibly other) faults, which are host to mineralization at the Skukum Creek deposit (Naas, 2007).

Other significant faults within the property area include the Chieftain Hill fault system and Wheaton lineament, Goddell fault, Porter fault. In particular, the Chieftain Hill fault system is defined by a set of northeast trending, vertical to steeply southeast dipping faults developed along the eastern and southeastern flanks of the Chieftain Hill, possibly as the northern continuation of the Berney Creek fault. The Chieftain Hill fault system is parallel and developed approximately 400 metres southeast of the Wheaton lineament, a linear, northeast trending, 30 kilometres long feature defined by Hart and Radloff (1990) based on air photo enhanced Landsat TM imagery. Its southwestern end is interpreted to pass through the eastern flanks of the Chieftain Hill (Naas, 2007).

The Goddell fault is a steeply dipping, east-southeast trending fault system that is developed in pre-Tertiary rocks over a minimum 5 kilometre strike length east of the Wheaton River valley. Like other east trending faults in the area, the structure is intruded by rhyolite and andesite dykes along its length and has associated Au-Sb and Sb mineralization occurred as the Goddell Gully and Becker-Cochran prospects, respectively. The Porter fault is parallel to and developed 2 kilometres south of the Goddell fault and also controls andesite and rhyolite dykes (Naas, 2007).

7.2.3 Igneous Rocks

Numerous types of intrusive rock of widely variable composition and texture are identified on the Property. In general, three igneous complexes can be conditionally distinguished within the property, namely, (1) Triassic-Jurassic Bennett Granite Stock, (2) Cretaceous multiphase intrusions of the Coast plutonic complex (gabbro, monzonite/diorite, granodiorite, quartz monzonite, monzonite-porphyry, and various granites), and (3) Tertiary volcanics and related subvolcanic dykes and stocks of the Mt. Skukum Volcanic Complex (Naas, 2007).

Triassic-Jurassic Bennett Granite Stock (K-Feldspar megacrystic biotite-hornblende granite)

Diamond drill holes completed in the Rainbow East Zone on the northeast side of Skukum Creek (holes RACA97-1 to 3) intersected a foliated K-feldspar megacrystic granite, which based on textural and mineralogical similarity, is interpreted to be the Bennett granite which is widespread in the region. Doherty and Hart (1988) report a U-Pb zircon age for the Bennett granite of about 220 Ma, although other U-Pb dates in the region return approximately 175 Ma (J. K. Mortensen, *pers. comm*. 2002, in Lang and Rhys, 2002). This unit is easily distinguishable by the presence of pink euhedral K-feldspar megacrysts up to several centimetres across in greenish-gray medium- to coarse-grained, equigranular groundmass (Naas, 2007).

Cretaceous Coast Plutonic Complex

As noted above, multiphase intrusions of the Coast Plutonic Complex in the property area are subdivided into several plutonic suites (Hart and Radloff, 1990). The dominant Cretaceous suites include the Mt. McIntyre plutonic suite (96 to 119 Ma), comprising the Mt. Ward granite and Carbon Hill quartz monzonite, and the Whitehorse plutonic suite (116 to 119 Ma), locally represented by the Mt. McNeil granodiorite pluton. Isolated accumulations of mid- to late-Cretaceous volcanic rocks of intermediate composition of the Mt. Nansen Group are present regionally and are approximately coeval with the Coast Plutonic Complex. On the Property, these rock types occur on the eastern flanks of Carbon Hill and southeast of Goddell Gully near the Becker-Cochran deposit, where they comprise green tuff and tuff breccia that unconformably overlie the Bennett Granite and Jurassic strata (Figure 7-2) (Naas, 2007).

The Mt. McIntyre plutonic suite (96 to 119 Ma) comprises the Mt. Ward granite and Carbon Hill quartz monzonite intrusives (Naas, 2007).

Hornblende-biotite quartz monzonite (Carbon Hill pluton of Mt. McIntyre Plutonic Suite)

This is the main host rock to the Goddell Gully and Porter fault zones on the east side of the Wheaton River valley. Hart and Radloff (1990) report a poorly constrained K-Ar date of 96 ± 15 Ma for this intrusion, which is broadly consistent with 107 to 110 Ma U-Pb zircon results obtained from other plutons of the same plutonic suite in the area. It is a medium-grained, equigranular reddish-pink rock with subequal K-feldspar and plagioclase and about 20% combined hornblende and biotite. It is moderately magnetic, but less so than the Mt. McNeil stock. It has invariably been affected by strong alteration where close to the Goddell Gully and Porter fault zones. No temporal relationships were observed with other intrusions except for cross-cutting Tertiary rhyolite and andesite dykes (Naas, 2007).

The Whitehorse plutonic suite (116 to 119 Ma) forms the Mt. McNeil pluton and is represented by gabbro, monzonite/diorite, granodiorite (major intrusive phase), quartz monzonite, monzonite-porphyry, and various granites (Naas, 2007).

Gabbro

Gabbro was for the first time encountered during the 2006 drilling program, in drill hole SC06-52 (interval 138-145 metres) drilled to explore the area south of the Rainbow 2 and Kuhn mineralized zones. This is a medium-grained, equigranular meso- to melanocratic dark-gray rock, with nearly equal amounts of clinopyroxene and amphibole (mafic index is about 60%); the presence and abundance of amphibole reveals possibly transalkalic composition of the rock. This rock is found in contact with the McNeil granodiorite and is apparently crosscut by the latter (Naas, 2007).

Biotite-pyroxene monzonite/diorite

This rock type was observed in the Skukum Creek area, in vicinity to and especially immediately north of the Rainbow and Rainbow 2 mineralized zones. The rocks are dark-gray, fine- to medium-grained, and equigranular. Mafic minerals (clinopyroxene, amphibole, and biotite) together make up 30 to 35% of the rock. Quartz is locally present in minor (<5%) concentrations. The rock exhibits very irregular textures, with coarser- and finer-grained, more or less meso- and melanocratic sectors, locally – with clots of mafic minerals, variously sized mafic enclaves and xenoliths – possibly indicating a processes of hybridism, magma mingling/mixing. The rocks are crosscut by McNeil granodiorite, quartz monzonite, monzonite-porphyry, and younger Tertiary dykes (andesites to rhyolites) (Naas, 2007).

Biotite-hornblende granodiorite (Cretaceous Mt. McNeil pluton)

Within the Skukum project area, the Mt. McNeil pluton underlies the valley of Berney Creek, Mt. Reid and the south side of Skukum Creek, immediately to the south of the Mt. Skukum volcanic complex. Hart and Radloff (1990) report a 111 Ma U-Pb zircon age from the pluton in the Skukum project area. The rocks are gray in color (from dark-gray to light-gray), mesocratic, medium- to coarse-grained, equigranular to seriate, and are characterized by large, euhedral amphibole grains that are mostly 3 to 6 millimetres (up to 1 centimetre) long. They typically contain approximately 10% hornblende, 5% biotite, 25 to 30% quartz, 30 to 35% plagioclase, and 20% K-feldspar, providing an IUGS classification as biotite-hornblende granodiorite. Fresh rock contains abundant magnetite. Partially disaggregated cognate xenoliths of fine-grained monzonite/diorite are common. Hornblende and biotite have been at least partially replaced by greenish chlorite in even the freshest samples. Granodiorite is crosscut by quartz monzonite, monzonite-porphyry, and younger Tertiary dykes (andesites to rhyolites). Alteration is pervasive and much stronger close to major shear zones (Naas, 2007).

Weakly porphyritic quartz monzonite

This rock type forms small dykes up to several metres thick and traceable for many tens of metres, crosscutting the Mt. McNeil granodiorite. It has characteristic pale-pink color, meso- to leucocratic appearance, fine-to-medium-grained weakly porphyritic texture, with plagioclase phenocrysts. Mafic minerals (20-30%) include both amphibole and biotite. Several northeast trending dykes of quartz monzonite have been mapped in the western part of the Rainbow 2 and Kuhn Zones. Contacts between the quartz monzonite and the granodiorite are distinct. The quartz monzonite is crosscut by monzonite-porphyry, andesite and rhyolite dykes (Naas, 2007).

Despite of the similarity in rock names, the weakly porphyritic quartz monzonite and the Carbon Hill pluton hornblende-biotite quartz monzonite are easily distinguishable by their color, equigranular versus porphyritic texture, and general appearance (Naas, 2007).

Porphyritic hornblende monzonite to quartz monzonite ("monzonite-porphyry")

This unit is present as irregular bodies and dark dykes within the Mt. McNeil pluton in the vicinity of the Skukum Creek deposits. The rock is gray to dark-gray in color and typically has a salt and pepper texture that reflects subequal concentrations of euhedral hornblende prisms and equant, white plagioclase phenocrysts. The groundmass is dark and fine-grained. Some variations on this rock type contain minor quartz. Plagioclase phenocrysts form approximately 40% of the rock, and locally exceed 50%. The moderate response to K-feldspar staining is consistent with monzonite. This rock type is common in the Skukum Creek area, but it was not observed at Goddell Gully or Chieftain Hill. The rock locally contains minor cognate diorite xenoliths, but their concentration is markedly less than in the Mt. McNeil granodiorite. It commonly contains inclusions of the Mt. McNeil granodiorite and weakly porphyritic quartz monzonite (the latter are more frequent) but is cut by andesite and rhyolite dykes (Naas, 2007).

Biotite granite

This rock was observed by Lang and Rhys (2002) and described as a medium-grained, equigranular intrusive rock that occurs locally in the Taxi Zone and in drill holes south of the Kuhn Fault. No significant alteration or distinctive fabric has been noted in this unit. Dykes of this rock type crosscut the Mt. McNeil granodiorite, but were not observed in contact with other intrusions. The rock is moderately magnetic, and the only mafic phase is biotite. It is cut locally by chlorite or sericite veinlets (Naas, 2007).

Aplites and Pegmatites

Small dykes and dykelets of fine-grained equigranular aplites and coarse-crystalline pegmatites are widespread cutting through the Mt. McNeil granodiorite in the Skukum Creek area. According to Lang and Rhys (2002), these dykes are most abundant in areas that are also cut by biotite granite dykes, to which they might be related. They are late magmatic features that are cut by minor shear zones and altered. Sometimes small aplite dykes grade to a core of pure quartz, a pattern common to aplites in many systems (Naas, 2007).

Considering a geological history of emplacement of the rocks allocated to the Coast Plutonic Complex in the Skukum Creek area, a missed member is apparent, namely, late mafic dykes that are very common in many multiphase intrusive suites following the youngest granites. In this regard, it will not be surprising, if a follow-up study reveals some andesite dykes currently considered to represent the Tertiary subvolcanic formations are in fact late mafic dykes accompanying the Cretaceous intrusives (Naas, 2007).

7.2.4 Tertiary Volcanic and Subvolcanic Rocks

Andesite dykes

These intrusions are widespread throughout the project area but are generally most common within or adjacent to major fault zones (cf. rhyolite dykes below). The most common types are either dark grey aphyric, or have a porphyritic texture defined by hornblende and plagioclase. Both types of dyke may be altered and locally mineralized. The andesites were observed to cut most of the pre-Tertiary phaneritic intrusive rocks, but with respect to rhyolites it can only be said that some andesite dykes are older than some rhyolite dykes. Several types of andesite dykes are probably present in the area, but work was inadequate for full delineation. Andesite dykes that intrude pre-Tertiary rocks in the area may represent subvolcanic feeders to the Mt. Skukum volcanic complex (Naas, 2007).

Dacite dykes

Dacite dykes are also widespread in the area; in particular, dacite forms the large Portal Dyke striking roughly north (north-east) and found just east of the Rainbow mineralized zone. Dacite is a brown to brick-brown aphanitic rock, with small plagioclase phenocrysts and quite common small vugs filled in by chlorite and epidote (Naas, 2007).

Rhyolite dykes

These subvolcanic intrusions comprise a diverse group of felsic dykes that are variable in mineralogy, texture, and their spatial and temporal relationships to hydrothermal alteration and mineralization. Rhyolite dykes were observed to cut most intrusions on the property but have variable timing relative to andesites as noted above, suggesting multiple pulses of both intrusive types. Like the andesite dykes, rhyolite dykes commonly have a spatial association with, or are developed within, major east- and northeast-trending fault systems. In the Skukum Creek area and at Chieftain Hill, the most typical appearance of the includes a light beige to light grayish-green color, and a aphanitic texture with up to 10% clear, rounded to square and locally resorbed quartz phenocrysts mostly <3 to 4 millimetres in size. Prominent flow banding is well developed near the contacts of many of the larger dykes (Naas, 2007).

Three distinctive quartz ± K-feldspar porphyritic dykes that are present in the Goddell Gully area along the Goddell fault belong to the rhyolite dyke group. These have been termed the North, Central and South marker dykes in old drill logs, based on a consistent and predictable distribution along strike. The North and South Marker dykes lack flow banding and have a higher concentration of K-feldspar phenocrysts and more variable concentrations of quartz phenocrysts than the Central Marker dyke. The Central Marker dyke has well-developed flow banding, overall texture, equant quartz phenocrysts, and alteration and disseminated pyrite that makes it much more like the mineralized rhyolite dykes at Skukum Creek. The relative age of the three rhyolite dykes at Goddell was not established (Naas, 2007).

A single, narrow spherulitic rhyolite dyke was observed in the Ridge Zone. It is characterized by spherules <4 millimetres in size and several percent disseminated pyrite; the age of this intrusion relative to other types of rhyolite dyke is unknown but similar intrusions at Mount Skukum were considered by McDonald *et al* (1990) to be among the youngest rock types in the area (Naas, 2007).

Zoned Andesite-Dacite dykes

Zoned andesite-dacite dykes were apparently firstly observed during the 2006 Phase V drilling program in the western parts of the Rainbow 2 and Kuhn mineralized zones (DDH SC06-48, SC06-53 to SC06-55). In most cases, dacite occupies central ("core") position in the zoned dykes and exhibit quite sharp (less often gradual) contacts to the "rimming" andesites. These relationships can be considered as revealing intra-chamber magmatic differentiation rather than successive emplacement of various rock types. Visually, the andesites and dacites found in the zoned dykes are indistinguishable from those forming "regular" dykes composed of one rock type. The only difference is that the zoned dykes are much thicker than the "regular" ones. Furthermore, the zoned dykes apparently evolve into the less thick "regular" ones along strike and down-dip (Naas, 2007).

Composite Andesite-Rhyolite and Andesite-Dacite-Rhyolite dykes

Composite andesite-rhyolite and andesite-dacite-rhyolite dykes represent something different from the zoned andesite-dacite dykes mentioned above. The difference is that these rock types are found in crosscutting relationships rather than in gradual transitions. In other words, these complex dykes were likely formed by subsequent intrusion of portions of magma with different composition; these intrusions were controlled by multiple re-activation of the same controlling tectonic structures. In all cases, rhyolite appears to be younger than other rock types (dykes). It is important that the largest dykes identified on the prospect (namely, the Rainbow 2, Kuhn, and possibly Rainbow dykes) represent this type of composite dykes, with perhaps earlier zoned andesite-dacite and/or unzoned andesite dykes intruded by rhyolite dykes (Naas, 2007).

Post-hydrothermal amygdaloidal andesite dykes

These occur in several places at Skukum Creek; one of them was intersected by SC06-52 (interval 110 to 125 metres) south of the Kuhn Zone. They tend to be fresh and undeformed, even where located close to known mineralization, and are consequently interpreted as post-hydrothermal. These dykes range up to several metres in width. They have a fine-grained to aphanitic, dark-coloured groundmass, and are distinguished by white to clear amygdules infilled by quartz and/or calcite. Similar dykes were interpreted to be the latest stage of intrusive activity in the vicinity of the Mount Skukum mine (McDonald *et al*, 1990) (Naas, 2007).

7.3 Mineralization

7.3.1 Mt. Skukum

Mineralization within the Mt. Skukum area is restricted to gold veins that occur in shear and fault zones located on the caldera margin, along major cross-cutting faults and in local, complex faults zones associated with collapse of the nested calderas (Figure 7-3). Productive veins in the Mt. Skukum area consists of electrum-bearing quartz-calcite-sericite veins (Naas, 2004).

Main Cirque Zone

The mined-out Main Cirque Vein is hosted within porphyritic andesite cut by various andesite dykes (Figure 7-3), and in particular a 2 to 60 metre wide steeply dipping rhyolite dyke along the north south trending Main Cirque Fault Zone. The ore zone was approximately 200 metres long, 80 metres in depth and on average 5 metres wide. Mineralization consisted of multiple emplacement electrum- and native silver-bearing quartz-calcite-sericite veins with marginal stockwork and gouge zones. The stockwork veins locally coalesced to form near vertical shoots of massive quartz-carbonate veins. Veins typically occur as 0.5 to 25 metre wide zones of stockwork veinlets 5 millimetres to 2 metres wide, which crosscut rhyolite and porphyritic andesite dykes and hydrothermal breccias. All massive veins narrow at depth and bottom out in quartz-carbonate stockworks (McDonald *et al*, 1989).

Lake Zone

The Lake Zone consists of two interconnected veins of different orientations hosted in gently west-dipping propylitically altered porphyritic andesite and pyroclastic andesite rocks. The veins occur as massive, fine to coarse grained quartz-calcite-sericite veins, re-cemented vein breccias, vein-wallrock breccias, hydrothermal breccias and stockwork. Accessory minerals include generally <1% combined pyrite, pyrrhotite, sphalerite, galena, rhodochrosite, rhodonite and visible electrum (Naas, 2004).

Drilling and underground development indicates a 50° dipping, 020° trending vein (and associated secondary subparallel veins and splays) interconnects with a vertical 012° vein. The former has a drill indicated strike length of 650 metres, and 230 metre vertical extent. Thickness of the vein varies widely from 0.1 to 10.1 metres, averaging 0.6 metres. The southerly portions of the vein average about 2.5 metres. The latter vein (012° trend) originates to the south as vertical splay. Moving along strike to the north, the vein is generally narrow and discontinuous for 125 metres, until it diverges and becomes thicker and more continuous for the next 250 metres until it intersects the surface. This vein is 0.1 to 7 metres thick, averaging 0.45 metres (McDonald *et al*, 1989).

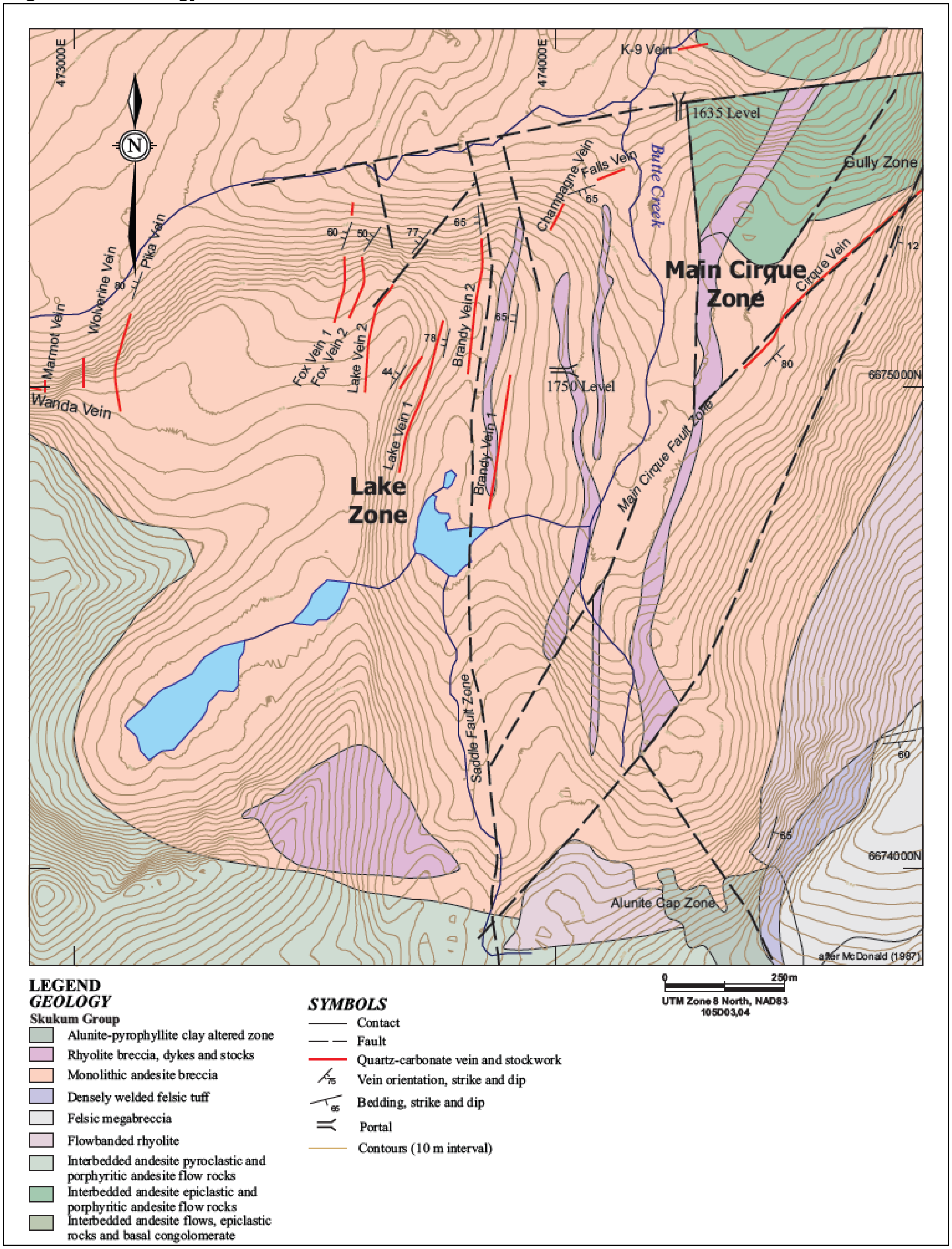
Brandy Zone

The Brandy Zone comprises a series of six subparallel gold-bearing quartz-calcite veins striking 014° and dipping 55-70° west. The veins occur over 150 metres width and a 650 metre strike length. Veins are hosted in flat-lying porphyritic andesite flows and tuffs, which are crosscut by numerous steeply dipping rhyolite and andesite dykes and form part of the Brandy Zone structure. The veins consist of quartz, calcite, sericite and visible electrum. Epidote and chlorite are common as alteration in the wallrock or in vein breccias where the vein material forms the matrix for altered wallrock fragments. The veins range from 0.08 to 2 metres thick and average 0.2 metres (McDonald *et al*, 1989).

Other Zones

The numerous other veins occurring in the Mt. Skukum area show similar characteristics to the primary veins. All veins are typically quartz-calcite-sericite veins and stockworks with very fine-grained electrum and sulphides. Grades in several of the veins (e.g. Wolverine, Marmot) may contain economic gold (+silver) grades but often show a very erratic distribution of grade. Gold-silver ratios are typically 1:1 to 1:3 (Naas, 2004).

Figure 7-3 Geology Plan, Mt. Skukum Area



7.3.2 Skukum Creek

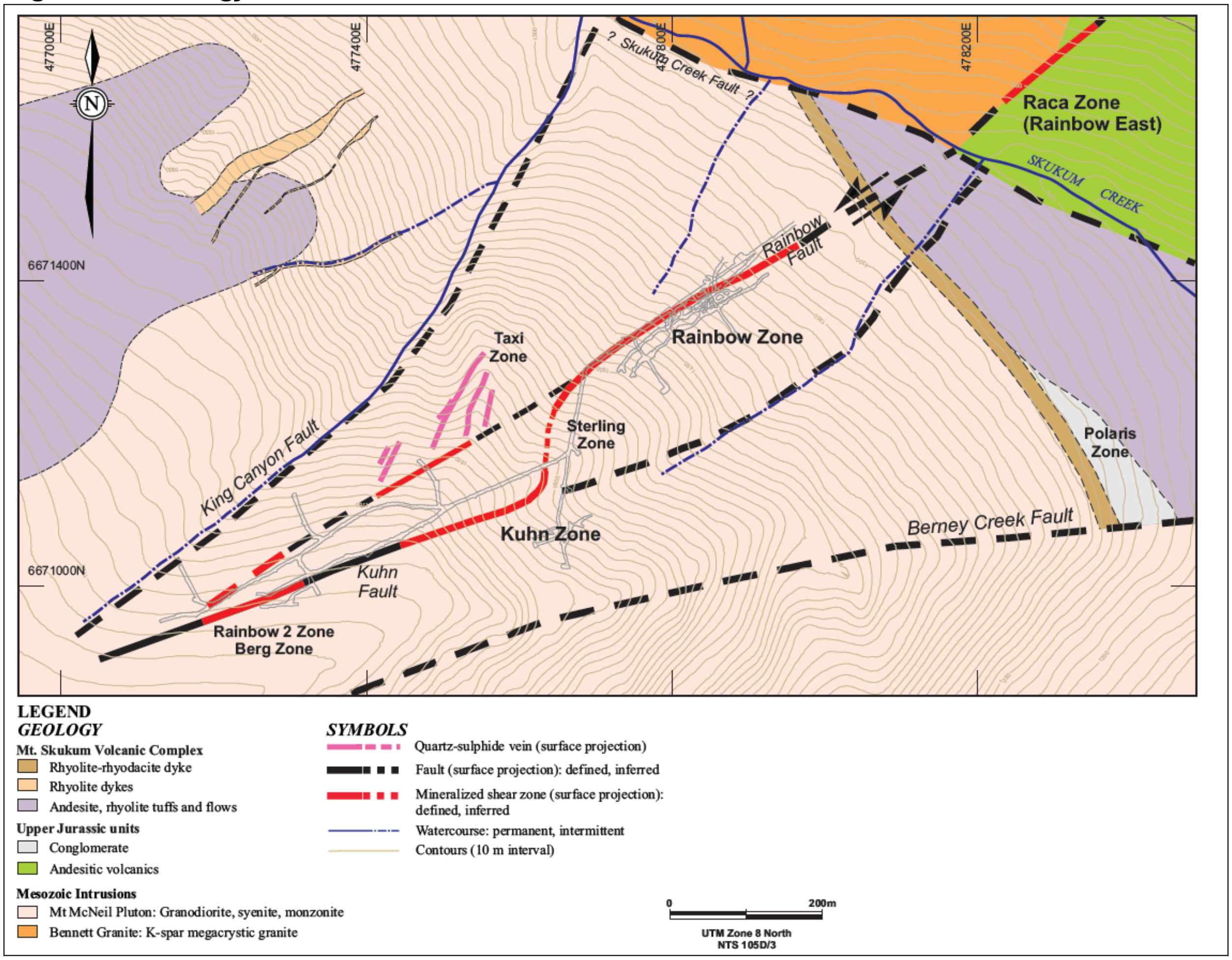
In the Skukum Creek area, zones of mineralization are hosted primarily by a series of linked, northeast-trending faults that may represent splays off the Berney Creek fault system (Figure 7-4). The Rainbow and Kuhn zones occur along parallel, northeast-trending faults of the same name that are defined by intermixed andesite and rhyolite dykes, monolithic and polylithic phreatomagmatic breccias, semi-brittle shear zones and quartz-sulphide veins. These two zones are linked by the north-trending Sterling Zone, a dilational step-over that connects the eastern end of the Kuhn Zone with the western end of the Rainbow Zone (Naas, 2007).

Within the Rainbow and Kuhn Zones, mineralization occurs in quartz-sulphide veins that are intimately associated with an anastomosing network of shear zones that cross and/or are developed along dyke contacts. Multiple generations of veins are present including early veins incorporated as fragments into cataclasites and younger veins that overprint cataclastic breccias (Naas, 2007).

Mineralization in the Ridge and Ridge 2 Zones may occur at or near the junction of the Kuhn and King Canyon faults. This may be a zone of dilation and splays that links the two structures. Rainbow 2 may represent an extension of the Rainbow Zone. North-northeast trending, steeply dipping quartz-sulphide extension veins in the Taxi zone, and similar veins developed throughout the underground workings, have orientations consistent with formation during sinistral displacement along the Rainbow and Kuhn faults (Naas, 2007).

Sulphide mineralization occurs primarily as pyrite, arsenopyrite, galena, sphalerite, and chalcopyrite. There is commonly an early stage of pyrite-arsenopyrite without associated precious metals. Gold at Skukum Creek occurs mostly as electrum and minor to trace native gold and is directly related to a late stage of galena-stibnite mineralization that replaces earlier arsenopyrite-pyrite-sphalerite. Silver is hosted predominantly in freibergite, with trace to minor native silver and argentite with trace amounts occurring within galena, chalcopyrite, stibnite and sphalerite (Naas, 2005, 2007).

Figure 7-4 Geology Plan, Skukum Creek Area



7.3.3 Goddell Gully

Golden Tusk - PD Zone

Gold mineralization in the Goddell Gully area occurs within and south of the main strands of the Goddell fault. Different parts of this area have been assigned various names; exposures of mineralization at surface south of the main fault have been termed the GT (Golden Tusk) Zone, whereas deeper, higher grade intersections at depths of 300 to 700 metres below surface and drilled from the underground workings have been called the PD Zone (Figure 7-5). The two areas are separated by a gap in drilling and may be continuous. Both are of similar style. Mineralization is open in the PD Zone on several sections, and potential exists for the identification of further mineralization of similar style (Naas, 2004).

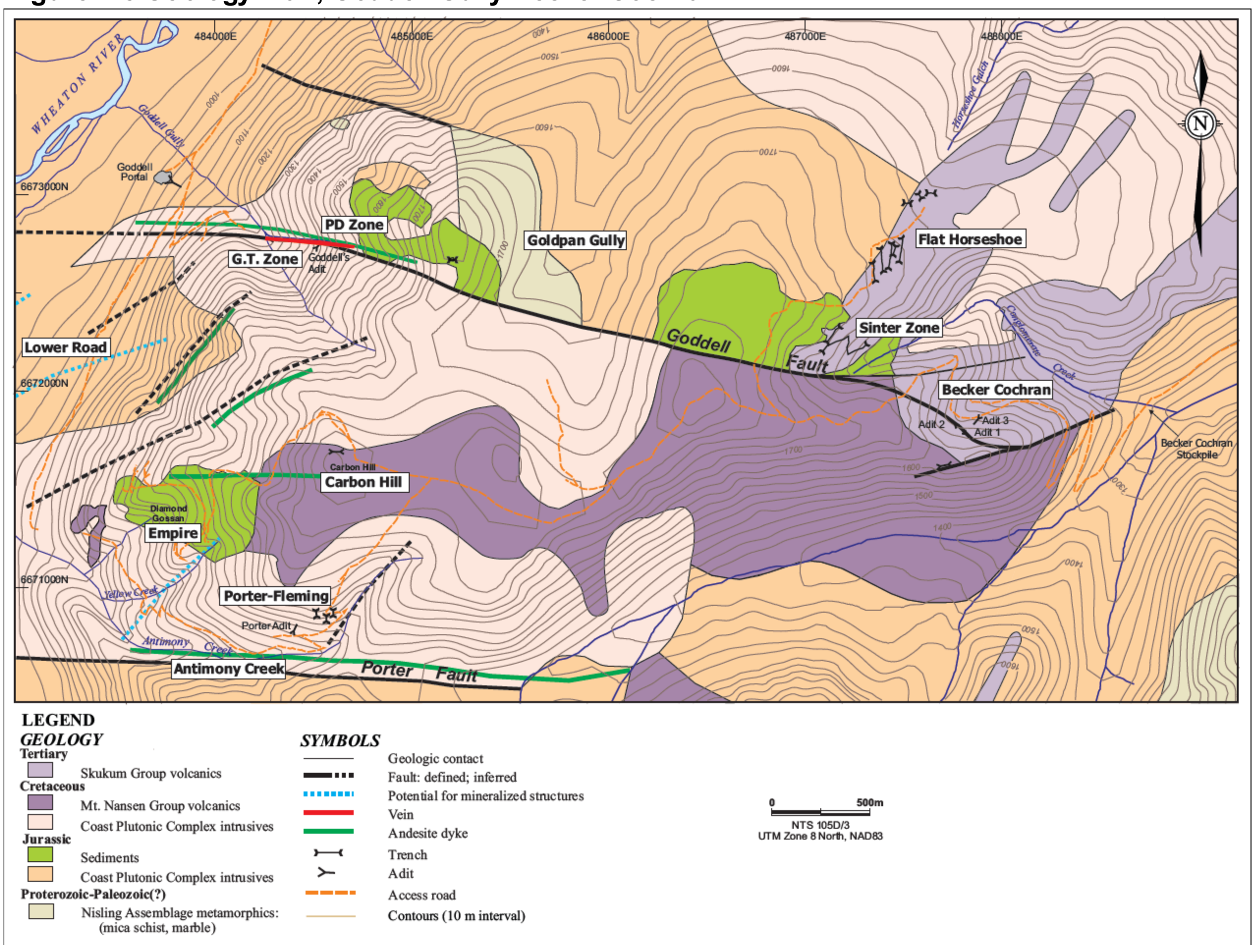
Gold mineralization in the PD Zone that has been intersected from underground drilling occurs principally to the south of the rhyolite dykes and main cataclastic strands of the Goddell fault system, along the southern margin of the fault. Gold mineralization in this area is associated with:

a) disseminated, fine-grained acicular arsenopyrite-arsenian pyrite that are pervasively disseminated, primarily in andesite dykes and locally in cataclastic shear zones; and,

b) quartz-sphalerite-stibnite extension and shear veins, which commonly have a spatial relationship to the disseminated mineralization (Naas, 2004).

Mineralization is principally associated with the disseminated arsenopyrite style which occurs as pervasive disseminations that are often localized in dykes adjacent to shear zones or are spatially associated with widely spaced quartz-sphalerite-stibnite extension veins of the second mineralization style. Where the extension veins are developed, envelopes of abundant dark grey disseminated arsenopyrite commonly surround them and extend from 0.5 to 4 centimetres outward from the veins, indicating a genetic link and contemporaneity between the two mineralization styles. Mineralization in cataclastic breccias also locally occurs where andesite fragments contain disseminated acicular arsenopyrite (Naas, 2004).

Figure 7-5 Geology Plan, Goddell Gully-Becker Cochran



7.3.4 Other Areas

Charleston

The Charleston Vein is hosted by Cretaceous granodiorite cut by Tertiary rhyolite and andesite dykes. The vein is from 0.15 to 2 metres thick, strikes 135º to 160º, dips 30º to 45º NE and has been traced for 900 metres (Minfile 105D-020). The vein is vuggy with thick chlorite seams and up to 5% galena, pyrite and minor sphalerite and chalcopyrite. The host rock is sericitized for up to 1.5 metres from the vein boundary and chlorite alteration occurs up to 25 metres from the vein. The vein has been traced north to the Twist Zone, where it is hosted in a graphitic shear, and along strike to the south for a total strike length of 1.7 kilometres (Naas, 2001).

Chieftain Hill

The Better B. Vein, Evening Vein, Johnny B. Vein and Ocean Vein are situated in Cretaceous quartz monzonite to granodiorite intrusives (Figure 7-2). All trend approximately east-west and have a near vertical dip. These veins lie topographically below, and to the southeast of a large fault (approximately 60º trend). Across the fault and to the northwest lies the Morning Vein, which trends 90º and dips steeply to the north. This vein is topographically higher than the previously mentioned veins and emplaced for the most part in porphyritic andesite of the Eocene Mt. Skukum Volcanic Complex (Naas, 2001).

The Ocean Vein is a quartz-sulphide vein within a sheared envelope of intensely altered granodiorite intruded by several andesite and rhyolite dykes and cross cut by faulted zones. Intersections are characterized by a hanging wall fault gouge or breccia and some intersections have a rhyolite dyke along the footwall contact. The vein has an intense silicic, argillic and phyllically altered envelope of granodiorite. The vein is typically comprised of 60 to 80% quartz or brecciated quartz fragments with sulphide filling fractures or forming a sulphide and chlorite-rich matrix. Sulphide minerals include pyrite, galena, sphalerite, arsenopyrite and chalcopyrite (Reddy and McDonald, 1989).

Porter-Fleming

Mineralization at the Porter showing is found in many veins. The veins are hosted in faults and tensional openings that locally parallel fine-grained dykes including rhyolite dykes (Figure 7-2). The largest surface vein is traced for 40 metres before disappearing under the talus cover. Vein widths varies from 0.05 to 0.9 metres and have principal orientations of 100° and 130° with dips of 10° to 60° to the north. Mineralogy of the vein consists of quartz-stibnite-sphalerite and malachite-staining, probably due to the presence of tetrahedrite. Barite occurs in some veinlets. A small surface vein is found 30 metres uphill from the adit portal and exposed over 7 metres, of which 3 metres are mineralized with quartz-barite-hematite-stibnite-sphalerite-galena-tetrahedrite. Vein attitude is 105°/90°; width is 10 to 20 centimetres. A vein is found in the underground drift, consisting of two 3 metre segments. One segment parallels the tunnel and is 7-10 centimetres thick. The second vein strikes at a high angle to the tunnel and is 10 to 15 centimetres thick, comprised of mainly quartz-stibnite-sphalerite and minor tetrahedrite (malachite-stained). Other minerals reported from here include galena, zinkerite, chalcostilbite, plagionite, and covellite (Minfile 105D026). Outcrop is sparse and additional veins are probably present. The 100° orientation mentioned above parallels the Porter

Shear lying 200 metres to the south. A similar shearing direction was mapped as three separate shears 26 metres apart in the underground cross-cut (Naas, 2004).

Becker-Cochran

Mineralization occurs in lenses of quartz and barite within a broad shear zone cutting a rhyolite plug, argillite, conglomerate and quartz monzonite (Figure 7-2). The shear zone trends 120° and is characterized by black, fine-grained pyrite, massive stibnite, along with sphalerite and traces of realgar, orpiment, galena, and tetrahedrite in a quartz-barite gangue. On surface the zone has been traced for 30 metres with an attitude of 120°/75°SW and is identified by a weathered grey gangue with red and yellow streaks and massive sulphide boulders. The shear zone is described as 70% clay-like gouge and 30% hard, siliceous, antimony-bearing rocks (CME, 2000). Trenching to the northwest has identified stibnite in primarily quartz type veins. Drifting underground traverses this same area (Naas, 2004).

Carbon Hill

This showing is reported to lie approximately 1 kilometre north-northeast of the Porter- Fleming showing on the crest of Carbon Hill (Figure 7-2). The vein is described as being 0.61 metres in width in a small open cut. The texture is described as banded with barite, some quartz, blades and masses of stibnite, minor sphalerite and jamesonite. Host rocks are andesite and rhyolite. The vein material was traced southeast with float for about 150 metres indicating a strike direction of 115° (Naas, 2004).

Empire Showing

Several veins of up to 0.75 metres thickness are reported to occur. No structural data or historical assays are available (Naas, 2004).

The showing occurs in granitic rocks intruded frequently by intermediate dykes. Fault structures are also common (Con-Am, 1977). The showing lies adjacent the area known as the Diamond Gossan and above Antimony Creek (Figure 7-2). A prospector, K. Lumsden, communicated in 1964 (Fawley, 1964) that old cuts are sloughed but that blocks of almost massive stibnite up to 40 pounds in weight were beside some of the pits and that there were many small dumps of stibnite. The area was diamond drilled during 1977 (Naas, 2004).

8.0 DEPOSIT TYPES

Mineralization at the Skukum Property are generally thought to represent different expressions of one or more Low to Intermediate sulfidation Epithermal system, though other deposit models including intrusion related mineralization (Goddell – Chieftan areas) may also be valid. Occurrences are typically structurally controlled (fault/shear/joint) gold ± silver ± base metal (± lead ± zinc ± copper ± antimony) bearing veins, vein breccias or mylonites.

Exploration to date has outlined three principle precious metal deposits:

a) Mt. Skukum: gold ± silver deposit (includes the past producing Main Cirque vein as well as the Lake and Brandy zones);

b) Skukum Creek: gold-silver deposit; and,

c) Goddell Gully: gold deposit.

This mineralization includes:

a) epithermal vein systems at the Mt. Skukum mine, and Skukum Creek; and,

b) probable intrusion-related, Au-Ag-Sb-As mineralization that formed principally within pre-Tertiary igneous rocks to the southeast of the volcanic complex and which include the Chieftain Hill and Goddell areas.

Future exploration programs on the property will seek to expand the existing defined resources at Mt. Skukum, Skukum Creek and Goddell Gully primarily through diamond drilling. Various geophysical (Magnetics and Induced Polarization), geochemical and spectral exploration techniques will be applied to evaluate and rank the many occurrences on the property in order to prioritize exploration drilling of various targets.

8.1 Mt. Skukum

The Mt. Skukum deposit is located 2.5 kilometres north-northwest of Mt. Skukum within the Mt. Skukum Volcanic Complex. The deposit is a structurally controlled epithermal gold deposit hosted in Eocene volcanics. Low temperature auriferous quartz-calcite-adularia veins occur along brittle fractures and faults with little shearing and appear to be formed at shallow levels. Both gold grade and zone thickness change dramatically along strike and down-dip with frequent swelling and pinch-out. The deposit currently consists of the Lake Zone and Brandy Zone. The Main Cirque Vein was mined out in 1988 (Naas, 2004 and Zhang, 2012).

8.2 Skukum Creek

The Skukum Creek deposit is located outside the Mt. Skukum Volcanic Complex, 5.25 kilometres southeast of the Lake Zone, on the south side of Skukum Creek. It is a structurally controlled, polymetallic gold-silver, deep epithermal vein deposit hosted in Mid-Cretaceous Mt. McNeil granodiorite. In the Skukum Creek area, zones of mineralization are hosted primarily by a series of linked, northeast-trending faults that may represent splays off the Berney Creek fault system. The Rainbow and Kuhn zones occur along parallel, northeast-trending faults of the same name that are defined by intermixed andesite and rhyolite dykes, monolithic and polylithic phreatomagmatic breccias, semi-brittle shear zones and quartz-sulphide veins. These two zones are linked by the north-trending Sterling zone, a dilational step-over that connects the eastern end of the Kuhn zone with the western end of the Rainbow zone (Naas, 2007).

Within the Rainbow and Kuhn zones, mineralization occurs in quartz-sulphide veins that are intimately associated with an anastomosing network of shear zones that cross and/or are developed along dyke contacts. Multiple generations of veins are present including early veins incorporated as fragments into cataclasites and younger veins that overprint cataclastic breccias (Naas, 2007).

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Sulphide mineralization occurs primarily as pyrite, arsenopyrite, galena, sphalerite, and chalcopyrite. There is commonly an early stage of pyrite-arsenopyrite without associated precious metals. Gold at Skukum Creek occurs mostly as electrum and minor to trace native gold and is directly related to a late stage of galena-stibnite mineralization that replaces earlier arsenopyrite-pyrite-sphalerite. Silver is hosted predominantly in freibergite, with trace to minor native silver and argentite with trace amounts occurring within galena, chalcopyrite, stibnite and sphalerite (Naas, 2005).

8.3 Goddell Gully

The Goddell deposit is located outside the Mt. Skukum Volcanic Complex, 10.5 kilometres to the east of Mt. Skukum and 7 kilometres east-northeast of the Skukum Creek deposit. It is a structurally controlled shear-hosted gold deposit. Mineralization is associated with altered andesite dykes within the shear zone. The shear zone is located within Mid-Cretaceous Carbon Hill granodiorites. The main gold bearing zone, which does not outcrop at surface, is referred to as the PD Zone (Naas, 2004).

The mineralization is more strictly associated with structural controls as the gold mineralization is found to occur in a variety of lithologies. Sulphides associated with the deposit include pyrite, stibnite, sphalerite, arsenopyrite and jamesonite. Mineralization is principally located within fine acicular arsenopyrite-pyrite-lithic-quartz-sericite-carbonate breccias and stockwork veinlets. The presence of acicular arsenopyrite crystals within sulphide breccias is an indication of gold mineralization.

The main deposit is located quite deep and appears to thicken with depth as compared to the sulphide breccia intersections found closer to surface. Also, gold grades tend to increase at depth whereas the mineralization nearer surface is found more as stibnite-rich pods within the fault zone (Rodger, 1996).

9.0 EXPLORATION

No exploration has taken place on the property since 2011.

New Pacific undertook an exploration program on the Property during 2011 which consisted of:

- data compilation
- rock sampling
- soil sampling
- geological mapping
- additional sampling of historical drill core
- surface and underground diamond drilling
- metallurgical testing
- refurbishment of underground workings
- camp upgrades

Details and results of the exploration program presented in this section are summarized from the report "Exploration Report for 2011" by A. Zhang (2012). Field camp upgrades have been discussed in Section 5.4. Diamond drilling and metallurgical testing undertaken by New Pacific are reported in Sections 10.0 and 13.0, respectively.

Exploration completed prior to 2011 was undertaken by previous owners and is discussed in Section 6.0.

Whitehorse Gold exploration programs will be planned build on the work completed in 2011 and detailed below. Exploration programs will continue with historic data compilation, review and 3-D modeling. Resource expansion drilling is planned for all three or bodies, Mt. Skukum, Skukum Creek and Goddell Gully. Various geophysical (Magnetics and Induced Polarization), geochemical and spectral exploration techniques will be employed to evaluate and rank the many occurrences on the property in order to prioritize exploration drilling of various targets.

9.1 Data Compilation

New Pacific reviewed all the available historical drill data including drill plans, sections, drill logs and assays results, and compiled all available drill data into digital format (access database or excel spreadsheet). The objective was to establish adequate data storage to facilitate further activities of exploration and potential development of the Mt. Skukum gold deposit. The compilation work comprised of digitizing geology plans to GIS format files and entering non-digital drill data (collar, survey, geology and assay) into digital format.

9.1.1 Procedure

Historical maps, drill logs and assay results were collected from the storage of Tagish Lake Gold in North Vancouver, BC and the Tagish Lake camp site data storage room. Prior to digitizing, the source maps were examined to establish their respective datum and coordinate system. For most maps, the datum and coordinate system were NAD27 and UTM Zone 8, respectively. For some historic maps without labeled UTM grid, reference points were used by selecting topographic and other known monuments (surveyed pins, adit collars, etc.).

All maps were digitized in original coordinate system NAD27 UTM 8 North, then transformed to NAD83 UTM 8 North. Both geology and topography contours were digitized from separate map units, and integrated to single digital files of different geology features (contacts, faults, rock or strata units, vein outcrops, rock sample locations, drill collars, trenches, underground development and roads, etc.). For the area west of the Wheaton River valley, digital topo maps of 10 metre contour interval were set up by digitizing all topography maps of scales from one to one thousand and ten thousand.

9.1.2 Results

In addition to the 158 holes of the Lake Vein completed from 1986 to 1988 and compiled by CME in 2003, drill holes completed from 1982 to 1985 and after 1988 for both the Lake Zone and other zones were compiled by New Pacific into an Access database, bringing the total number of holes captured to 363 holes. The database comprises four tables: collar, survey, geology and assay. It was observed that acid-etch test was used to test the dip of drillhole path in therefore no azimuth measurements apart from the collar azimuth were recorded. The collar azimuths were assumed to be constant down hole.

For the area immediately around the Mt. Skukum gold deposit, geology plan maps of one to one thousand scale were available with elevation contours at 5 metre interval. This area is about 5.2 square kilometres. Geology features, roads and contours were digitized to create an integrated topographic and geology plan map.

The area to the west of the Wheaton River valley is approximately 164 square kilometres. One to ten thousand scale topo maps with elevation interval of ten metres were digitized and a 3D DTM file is created using Surpac mining software.

The 1750 metre level drift of the Lake Zone and the 1635 metre level drift of the Main Cirque Zone were digitized, and 3D solids were created using Surpac mining software.

9.2 Rock Sampling

Surface rock sampling was carried out at the Raca Zone-Chieftain Hill, Goddell Gully, Antimony Creek, Charleston-Tango, and Mt. McNeil with the aim to confirm historical exploration results and evaluate the mineralization potential. A total of 319 rock samples were taken with the majority from the Raca-Chieftain Hill area. Details are reported in Zhang (2012) and summarized below.

9.2.1 Raca Zone - Chieftain Hill

Surface prospecting was aimed to confirm historical exploration results and assess the economic potential of the area. Five traverses of Raca-Chieftain Hill area were completed that were approximately 1.0 kilometre long each (Zhang, 2012).

Rock chip samples were typically collected over lengths of 10 metres each. Grab samples were taken where there was insufficient outcrop for a chip sample. Chip samples typically weighed approximately five kilograms each while grab samples were about 3 kilograms. During sampling, geology along each traverse was observed and information of rock type, contacts, alteration, mineralization and structure features was recorded.

A total of 258 rock chip samples and 17 grab samples were collected from the 5 traverses.

9.2.2 Goddell Gully

Five rock chip samples were taken from the dykes and fractures, and one sample (GD-003) from an andesite dyke with quartz veining returned anomalous values of Ag, Pb and Zn. It is speculated that these dykes and altered fractures in monzonite are the splay structures from the major Goddell Gully shear zone. The PD Zone could be where the splays merge into the major shear zone.

9.2.3 Antimony Creek

Eleven (11) samples were collected from a road cut in the Antimony Creek area. Two samples returned anomalous precious metal values.

Cha New Pacific conducted a short field visit of the Charleston and Tango Veins. The program was designed to follow up on gold-silver mineralization reported in historical exploration results and to evaluate the mineralization potential of economic importance.

9.2.4 Charleston Trend

New Pacific conducted a short field visit of the Charleston and Tango Veins. The program was designed to follow up on gold-silver mineralization reported in historical exploration results and to evaluate the mineralization potential of economic importance. Twelve chip samples were collected from this Charleston Vein (Table 9-1) and one chip sample from across the Tango Vein. Intervals reported represent true thickness of the vein structure.

Table 9-1 Analytical Results of Chip Samples at Charleston Vein

Sample ID	East	North	Elev	Interval (m)	Au (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	As (ppm)
CH-001	472460	6670523	1893	0.40	7.00	25.2	20	591	152	235
CH-002	472473	6670490	1898	0.60	5.20	16.5	80	666	134	120
CH-003	472462	6670482	1908	0.60	7.30	24.3	74	159	168	320
CH-004	472473	6670476	1909	0.50	0.52	3.0	54	108	372	130
CH-005	472467	6670480	1907	0.70	1.31	9.0	106	258	488	65
CH-006	472464	6670476	1906	0.30	0.03	2.8	146	129	1442	230
CH-007	472465	6670477	1906	0.50	0.18	2.3	22	57	216	105
CH-008	472465	6670478	1907	0.70	7.45	49.1	60	1374	116	140
CH-009	472465	6670479	1907	0.30	0.28	4.4	110	378	1292	100
CH-010	472465	6670471	1912	0.30	0.24	18.3	54	72	8530	35

Sample ID	East	North	Elev	Interval (m)	Au (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	As (ppm)
CH-011	472463	6670482	1911	0.80	1.77	80.8	206	3258	714	65
CH-012	472465	6670471	1911	0.50	0.18	2.0	214	180	2512	15

9.2.5 Mt. McNeil

A helicopter aided fieldtrip was made to the top of the peak and five rock chip samples were taken from the rhyolite with weathered brownish colour. Five rock samples were collected but did not return any anomalous values.

9.3 Soil Sampling

Soil sampling was undertaken at Carbon Hill and the Raca Zone.

9.3.1 Raca Zone - Chieftain Hill

Soil sampling was carried out in the Raca Zone-Chieftain Hill area in areas of little to no outcrop. Soil samples were normally collected from 20 to 30 centimetres below surface from the C horizon and contained in-situ rock debris (*writ comm* A Zhang, 2013). A total of 25 soil samples and 2 talus samples were collected from this area, 22 of which were from a single traverse to confirm an historical gold-in-soil anomaly reported by MSGM in 1986. Four consecutive anomalous gold values from 165 to 310 ppb Au collected from traverse 3 confirmed the gold-in-soil anomaly.

9.3.2 Carbon Hill

Sampling at Carbon Hill was carried out testing for the presence of anomalous base and precious metals associated with the Porter Shear structure. A total of 155 soil samples were taken over a 100 metre by 40 metre grid area on the flatter terrain. Where the terrain became steep, soil samples were taken from two traverses along contour at a sample spacing of 40 metres. Sample collection was the same described above. No anomalous values were reported from these samples.

9.4 Geological Mapping

Geological mapping was undertaken with surface rock and soil sampling. The main focus of mapping was in the Raca Zone-Chieftain Hill area, although additional geological observations were made at the Goddell Gully and Porter areas.

9.4.1 Raca Zone - Chieftain Hill

Geological observations in the Raca area have provided clues to dating the mineralization of the Raca Zone and the Rainbow Zone. The unconformity between the Tertiary pyroclastic flows and the underlying Jurassic megacrystic feldspar intrusion and andesitic volcanic rocks truncated the Raca Zone and associated rhyolite dyke. No similar mineralization was found in the pyroclastic flows to the north, but the extension of the Raca Zone is very likely buried under the thrust plane above which are the Chieftain Hill Tertiary volcanic flows. The rhyolite dyke in the Raca Zone is well cleaved and fractured, whereas the dykes in the Tertiary volcanics are fresh and solid. The felsic and intermediate dykes in the Rainbow Zone were also altered and contain narrow crackled sulphide veinlets.

9.4.2 Goddell Gully

Surface prospecting consisted of a one-day traverse in Goddell Gully and its south side area with the objective to locate the potential surface outcrop of the projected PD Zone. No significant altered shear zone was discovered on the south side of the gully. Instead a few rhyolite and andesite dykes were discovered but the attitude and width of dykes are uncertain because of poor outcrop. A few narrow fractures in monzonite were spotted. These fractures are generally east-west trending, about 0.2 to 0.5 metres wide and contain narrow quartz veins with minor sulphide mineralization. On either side of the veins are half to one metre wide alteration halo.

9.4.3 Porter Shear

The Porter shear structure underlies most of the Antimony Creek area. The structure trends about 110° and parallels the Goddell shear structure approximately two kilometres north. The structure is intensely altered with a width about one hundred metres. Alteration includes argillic and sericitic phases. Monzonite appears apple green when the feldspar grains were altered to sericite. Brown appearance is common when mafic minerals were converted to hematite which is then weathered to limonite. Within the structure hosted swarms of andesite and quartz feldspar porphyry dykes. A quartz vein is present which measures at least 200 metres in length and is in excess of 9 metres in width. A zone of about twenty metres wide with patchy malachite stains was located on the south side of the creek. This zone seems controlled by a near NE trending crosscutting fault. Historical chip sampling from this outcrop reportedly returned anomalous values of Ag and base metals. However, historically reported float of azurite and chalcopyrite were not located at the bottom of the creek. A pyritic halo with dimension of two hundred metres across was confirmed at the south slope. Historical contour soil sampling also indicated polymetallic anomalies of copper, molybdenum, lead, and zinc in the altered shear zone on the south slope of the creek. Based on the historical prospecting results and the field observations three drill sites were selected to test the depth mineralization potential of the structure (Zhang, 2012).

9.5 Supplementary Core Sampling

9.5.1 Goddell Gully

Supplementary core sampling on historical drill core from Goddell Gully was initiated following a review of the historical drill database of Goddell.

All historical drill cores with samples of gold value greater than 1.0 g/t at the beginning or end of sample sequence were located at the site core yard, and one or more new samples of about one metre long each were marked immediately next to the historical sample intervals. A total of 171 samples were collected from 49 drill holes. Overall, the results of the supplementary sampling program indicated that the main mineralized intervals had been adequately sampled during previous exploration programs (Zhang, 2012).

9.5.2 Raca Zone

Initially, additional samples were collected from three historical drill holes based on the observation of strong alteration and mineralization in drill core that had not been sampled. Historical core sampling only occurred at the sheared quartz sulphide veins immediately at both the footwall and the hanging wall of the rhyolite dyke. The megacrystic K-feldspar Bennett Granite from the footwall of the rhyolite dyke to the end of hole is extensively altered by various levels of sericitization, silicification and chloritization and shows associated disseminated pyrite.

A total of 27 samples of the altered granite were collected from the three historical holes.

During drilling at the Raca Zone in 2011 by New Pacific, a new zone (Zone 1) was encountered in the hanging wall of the Mesozoic (probably Jurassic) tuffaceous andesite sequence. The andesite bears strong pyrite-sericite alteration, and locally silicification and high concentrations of hydrothermal magnetite bands. This presence of this new zone led to a re-examination of historical drill holes RACA97-1 and RACA97-3. A total of 84 samples were collected from the projected area of the new zone (43 samples from RACA97-1 and 41 samples from RACA97-3). Samples from the initial sampling returned no significant results other than one anomalous gold value of 240 ppb Au (sample 7559 from the hole RACA97-2), sample interval was 0.9 meters, true thickness of zone is unknown.

Samples subsequently collected from the projected areas of Zone 1 drilled in 2011 returned for the most part, very low gold and silver values. This suggests Zone 1 may not extend down-dip from the discovery hole RACA11-01, or its orientation may be very different from the other mineralized structures.

9.6 Underground Refurbishment

9.6.1 Skukum Creek

In 2011 refurbishment included de-icing, mucking, bolting and screening the drill sites and small portion at the intersection of the drift with the No.3 crosscut, and installation of ventilation and power cable.

9.6.2 Goddell Gully

During the rehabilitation of the decline, poor ground conditions were encountered at a distance of 130 metres from the portal. Soft, broken rock due to a series of crosscutting faults resulted in significant rock fall from the back as the water pressure was reduced. Due to the probability of more fault zones further down the decline, New Pacific deemed that refurbishment of the decline would not be "*an effective and efficient consideration in terms of both monetary expenses and time consumption*". The refurbishment work was halted in early August 2011 (Zhang, 2012).

10.0 DRILLING

New Pacific undertook diamond drilling on the Property during 2011. Details and results of the drilling program presented in this section are summarized from the report “Exploration Report for 2011” by A. Zhang (2012). Work consisted of:

- diamond drilling: 51 drill holes totalling 12,487.77 metres;
- geological core logging of all drill holes; and,
- submission of 3,220 drill core samples for analysis excluding control samples.

Drilling completed prior to 2011 was undertaken by previous owners and is discussed in Section 6.0.

Drilling was performed by four drilling contractors: Earth Tek Drilling Ltd. and New Age Drilling Solutions Inc. both of Whitehorse, YT; G4 Drilling Ltd from Val-D’or, QC; and, Swick Mining Services Inc. of Sudbury, ON. Swick Mining Services was responsible for all underground drilling. A total of four rigs were used, one from each contractor. Drill core size was mainly NQ (47.6 millimetre diameter), except for some HQ (63.5 millimetre diameter) core which was drilled at the start of several of the deep drill holes.

A breakdown of the drilling totals by deposit or prospect is presenting in Table 10-1. A tabulation of drilling specifications is presented in

Table 10-2. Coordinates are reported in UTM Zone 8 North (NAD83 datum).

Table 10-1 Summary of 2011 Drilling

Deposit/Prospect	Location	Completed		Abandoned		Total	
		Quantity	Metres	Quantity	Metres	Quantity	Metres
Skukum Creek	Surface	6	3,169.51			6	3,169.5
	Underground	13	1,703.70	1	5.60	14	1,709.30
Raca	Surface	2	566.96	3	684.49	5	1,251.45
Chieftain Hill	Surface	1	346.83			1	346.83
Goddell	Surface	3	1,951.86	5	1,235.16	8	3,187.02
Mt. Skukum	Surface	16	2,482.66			16	2,482.66
Antimony Creek	Surface			1	341.00	1	341.00
Total		41	10,221.52	10	2,266.25	51	12,487.77

Table 10-2 Drill Hole Locations

Hole	Location (NAD 83 UTM Zone 8 North)			Orientation (°)		Length	Status
	Easting	Northing	Elevation (m)	Dip	Azimuth	(m)	
Mt. Skukum (Lake Zone)							
MS11-01	473575.29	6674704	1905.27	106	-50	81.00	completed
MS11-02	473574.99	6674704	1905.26	106	-66	100.53	completed
MS11-02A	473573.82	6674701	1905.27	106	-60	90.00	completed
MS11-03	473573.95	6674702	1905.32	96	-61	100.45	completed
MS11-04	473573.64	6674701	1905.24	117	-61	102.00	completed
MS11-05	473423.92	6674731	1926.42	106	54	345.00	completed
MS11-06	473423.92	6674731	1926.42	128	-51	206.00	completed
MS11-07	473423.92	6674731	1926.42	117	-55	210.00	completed
MS11-08	473440.64	6674748	1925.78	107	-56	243.00	completed
MS11-09	473433.41	6674768	1926.09	106	-59	200.10	completed
MS11-10	473506.88	6674865	1916.97	108	-55	189.00	completed
MS11-11	473529.07	6675111	1863.42	115	-53	111.00	completed
MS11-12	473667.89	6675073	1889.54	109	-50	138.00	completed
MS11-13	473578.03	6675142	1860.77	84	-62	106.58	completed
MS11-14	473575.7	6675142	1860.77	108	-58	90.00	completed
MS11-15	473506.47	6674865	1917.02	108	-64	170.00	completed
Skukum Creek Underground							
SC11-01-UG	477795.24	6671262	1302.92	11.4	-56.5	140.90	completed
SC11-02A-UG	477795.24	6671262	1302.92	14	-60.6	140.10	completed
SC11-03-UG	477795.06	6671263	1303.11	4.5	-55.5	110.50	completed
SC11-04-UG	477795.04	6671262	1303.04	8.4	-63	130.00	completed
SC11-05-UG	477794.98	6671262	1303.01	12.6	-69	134.50	completed
SC11-06-UG	477795.52	6671262	1302.99	19	-73.4	161.40	completed
SC11-07-UG	477793.43	6671262	1302.86	359.6	-70.3	131.40	completed
SC11-08-UG	477793.37	6671262	1302.86	358.3	-65.2	122.30	completed
SC11-09-UG	477792.87	6671260	1302.86	335.4	-76.5	134.40	completed
SC11-10-UG	477792.87	6671260	1302.86	332	-68.2	116.10	completed
SC11-11-UG	477793.2	6671261	1302.85	348.5	-62.5	101.10	completed
SC11-13-UG	477795.56	6671262	1303.22	22.5	-54	140.00	completed
SC11-14-UG	477793.8	6671263	1302	16	-51	5.60	abandoned
SC11-15-UG	477795.56	6671262	1303.22	17.5	-57	141.00	completed
Skukum Creek Surface							
SC11-01	477945.46	6671171	1444.59	327	-63.5	412.83	completed
SC11-02	477945.45	6671171	1444.47	315	-74	551.44	completed
SC11-03	477945.49	6671172	1444.73	290	-65	449.55	completed

Hole	Location (NAD 83 UTM Zone 8 North)			Orientation (°)		Length	Status
	Easting	Northing	Elevation (m)	Dip	Azimuth	(m)	
SC11-04	477945.88	6671172	1444.58	291	-70	617.50	completed
SC11-05	477945.95	6671172	1444.61	299	-75	632.12	completed
SC11-06	478102.3	6671141	1368.33	331	-60	506.07	completed
Goddell Gully							
GG11-01	484094	6672880	1188.27	110.5	-47.3	369.11	abandoned
GG11-02	484051.5	6672905	1176.31	110	-45	633.44	completed
GG11-03	484051.6	6672905	1176.32	107	-45	325.18	abandoned
GG11-04	484051.2	6672905	1176.24	110.5	-50	638.10	completed
GG11-05	483729.8	6673089	1017.31	180	-62	24.90	abandoned
GG11-06	484045.1	6672906	1175.95	143	-67	680.32	completed
GG11-09	484045.2	6672906	1175.66	108	-72	160.58	abandoned
GG11-10	484045.2	6672906	1175.94	108	-66	355.39	abandoned
Raca Zone							
RACA11-01	478317.68	6671615	1232.57	325	-61	350.55	completed
RACA11-02	478317.35	6671616	1232.57	325	-45	216.41	completed
RACA11-03	478498.32	6671509	1215.2	308	-56	170.14	abandoned
RACA11-04	478500.3	6671507	1215.06	308	-60	310.14	abandoned
RACA11-05	478394.39	6671572	1225.53	310	-68	204.21	abandoned
Chieftain Hill							
CFT11-01	478904.49	6672507	1791.92	120	-60	346.83	completed
Antimony Creek							
ATM11-01	483653.45	6670863	1350.08	167.5	-64	341.00	abandoned

Surface drill hole collars were surveyed using a dual frequency Trimble GNSS R8 RTK Base Station and receiver. Survey accuracy of this instrument configuration is expected to be less than 5 centimetres, according to the manufacture specifications. Existing control points were used where available. New control points were also established elsewhere on the Property to aid in future exploration. Underground drill holes were surveyed using a Nikon DTM522 Total Station. The surveying of underground holes is referenced to the control points 2389 (at 1300 level portal) and Omni 9 as back sights for the traverse. In addition, two temporary control points 1668 and 1669 (No.3 Crosscut) were set up by Underhill Geomatics of Whitehorse Surveyors in July 2011.

Downhole surveys were carried out by drillers using electronic single shot Reflex EZ- SHOT™ instrument. Surface drill holes were surveyed at 50 metre intervals and the end of hole. Underground drill holes were surveyed at 30 metre intervals and at end of hole.

10.1 Core Recovery

Diamond drill crews recorded imperial depth numbers determined from 10 foot drill rods and then converted to metric number. Both imperial and metric numbers as well as run numbers were recorded on a wooden core block at the end of each run. New Pacific personnel verified the depth numbers, cleaned cores with fresh water and re- aligned broken cores (Zhang, 2012).

Recovery is a measure of actual length against the interval drilled and calculated by dividing the measured sum of all pieces by the length of the interval of every run. It is reported as percent of the drilled interval.

Rock Quality Designation (RQD) is the measured sum of all pieces of core exceeding 10 centimetres over an interval divided by the calculated length of the interval and reported as a decimal. The artificial breaks made by drillers are discounted.

Overall, the core recovery was excellent in all holes (Table 10-3). Rock mass quality was generally good in intrusive and volcanic rocks with RQD higher than 0.75. However, the weak andesitic tuff with frequent fractures in the hanging wall of Raca zone resulted in poor rock mass quality with RQD lower than 0.5.

Table 10-3 Summary of Core Recovery and RQD

Deposit/Area	# of Holes	Average Core Recovery (%)	Average RQD
Skukum Creek UG	13	97.88	0.79
Skukum Creek SF	6	98.21	0.76
Raca	5	94.09	0.49
Chieftain Hill	1	97.88	0.8
Goddell	7	98.37	0.82
Antimony Creek	1	97.79	0.67
Mt Skukum	15	97.13	0.75

10.2 Mt. Skukum Lake Zone

The objective of drilling at the Lake Zone of Mt. Skukum was to confirm the high-grade nature of the mineralization of the Lake Zone, to infill drill the gap areas of historical data, and to define potential step-outs of the high grade pockets demonstrated by historical drilling. Sixteen (16) drill holes were completed totaling 2,482.66 metres. A total of 782 drill core samples were collected excluding control samples. A drill hole plan map of the area is presented in Figure 10-1 and a representative cross section is presented in Figure 10-2. Silver grades shown on the cross section have been rounded to the nearest whole number.

Figure 10-1 Drill Hole Plan, Lake Zone, Mt. Skukum Deposit

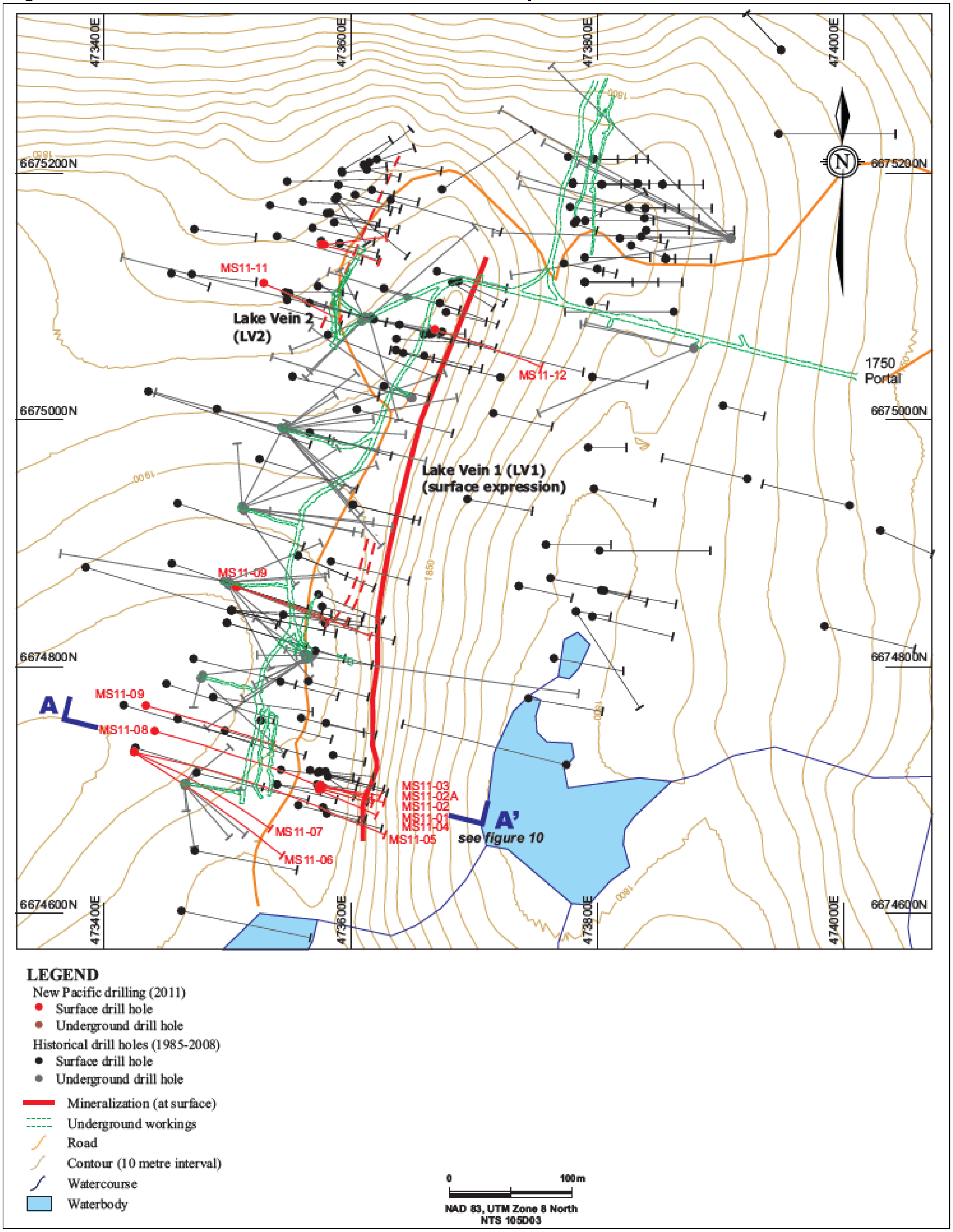
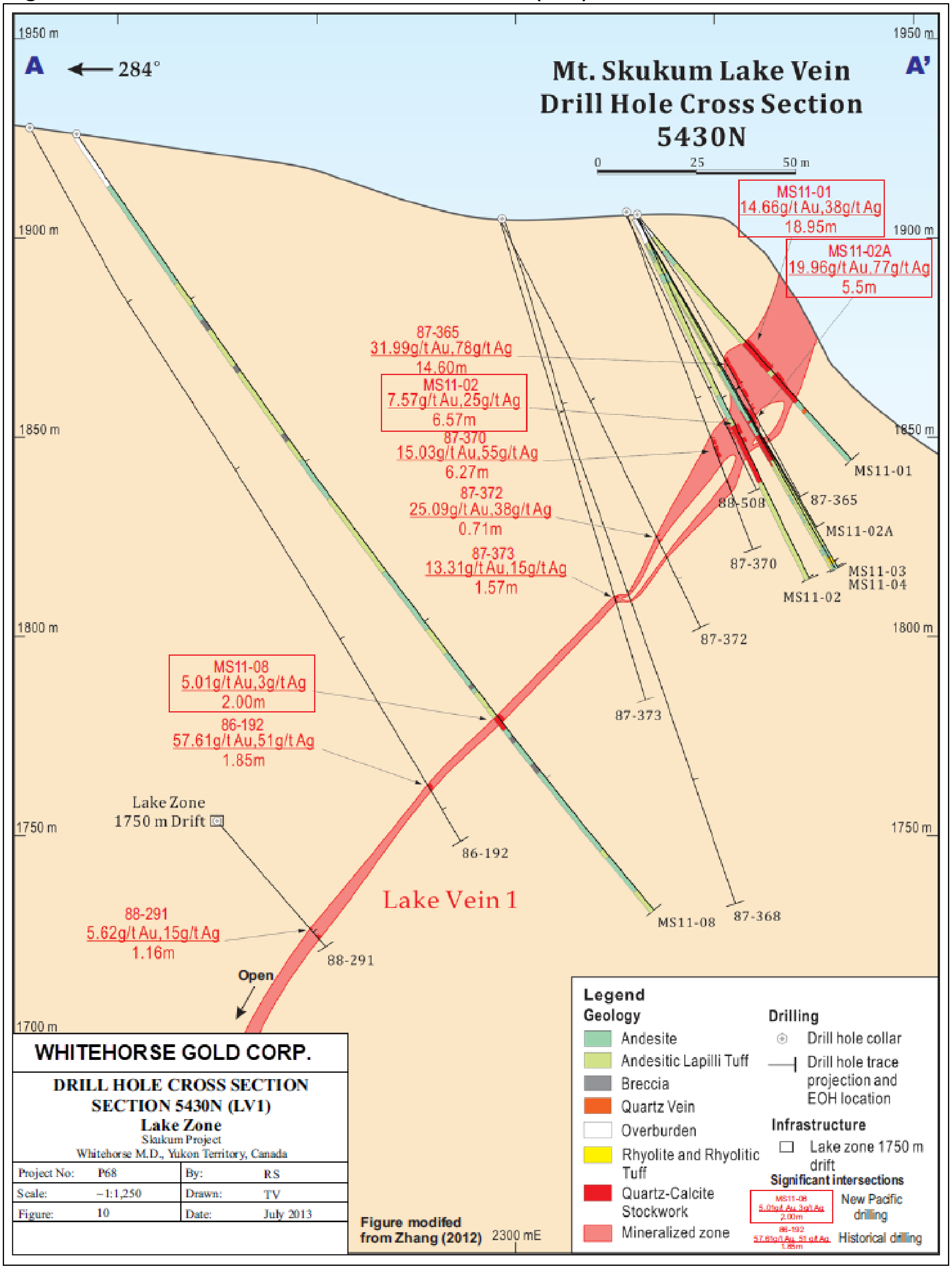


Figure 10-2 Drill Hole Cross Section, Section 5340N (LV1), Lake Zone



Geology

The dominant rock type cored is the porphyritic andesite flows and andesitic pyroclastic rocks of Tertiary age. The rocks are gently west dipping, propyliticaly altered along fractures and slight sericite alteration observed locally. Away from fractures are fresh andesite rocks with phenocrysts of plagioclase and hornblende in millimetres size. The rocks unanimously contain disseminated pyrrhotite and pyrite, locally the content of sulphide more than 10%. The Lake Zone consists of two separate subparallel quartz- calcite-sericite veins, breccias and stockworks. Drilling indicated two subparallel veins, LV1 and LV2, striking 014° and dipping west at 45 to 75° with strike extent more than 600 metres.

Mineralization and Results

The vein minerals consist of quartz, calcite, sericite and adularia and have features of high-level emplacement such as crustification, chalcedonic quartz, brecciation textures with well-formed cockscomb quartz, and calcite crystals. Large drusy cavities are common in framework supported breccias containing wall rock fragments and colloform layers of quartz. Veins can be divided into two types: early, blue-grey, pyrite-bearing chalcedonic quartz veins, and later gold-bearing coarser grained quartz-carbonate veins (McDonald, 1990). The early barren chalcedonic quartz occurs primarily as veinlets with minor pyritic selvages and envelopes and associated pervasive wall-rock alteration. The later, coarser grained, quartz-carbonate veins constitute most vein material in gold- bearing zones, cross cutting earlier chalcedonic veinlets, and form a final filling in fractures already partially filled by chalcedonic material. Ore minerals are electrum and native silver (McDonald, 1990).

The width of the mineralized veins average approximately 2 metres. However the veins may rapidly swell laterally to more than ten metres wide or pinch out as narrow veinlets or small stockworks with a sharp drop of gold grades (Figure 10-2). However, on strike or down dip the vein zones can easily be correlated based on the presence of quartz-calcite veins and stockworks. Because of the nature of the mineralization, more drilling is required to define the resource with better confidence and facilitate mining planning.

Significant intersections (>1.0 g/t Au) of the Lake Zone in are presented in Table 10-4. All intersection widths are core lengths, which is close to true width as the drill hole is almost normal to the dip and strike of the vein (Zhang, 2011)

Table 10-4 Significant Intercepts - Lake Zone

Hole	Interval (m)			Results	
	From	To	Length*	Au (g/t)	Ag (g/t)
MS11-01	41.15	60.10	18.95	14.66	37.9
including	41.15	53.40	12.25	21.13	50.0
MS11-02	56.00	62.57	6.57	7.57	24.8
including	57.58	59.00	1.42	21.80	70.5
MS11-02A	54.50	60.00	5.50	19.96	76.9
including	56.10	58.70	2.60	39.75	152.8
MS11-03	55.50	61.50	6.00	8.67	32.1
including	55.50	57.00	1.50	29.60	113.0

Hole	Interval (m)			Results	
	From	To	Length*	Au (g/t)	Ag (g/t)
MS11-04	*no significant results*				
MS11-05	232.00	234.00	2.00	1.65	1.6
MS11-06	*no significant results*				
MS11-07	95.00	97.00	2.00	1.48	12.5
MS11-08	180.00	182.00	2.00	5.01	3.4
MS11-09	189.12	190.52	1.40	26.60	17.0
MS11-10	*no significant results*				
MS11-11	*no significant results*				
MS11-12	*no significant results*				
MS11-13	63.00	66.50	3.50	30.25	29.5
MS11-14	*no significant results*				
MS11-15	*no significant results*				

* All intersection widths are core lengths, which are close to true widths as the drill holes are almost normal to the dip and strike of the vein

10.3 Skukum Creek

A drill hole plan map is presented in Figure 10-3 and a representative cross section and longitudinal section is presented in Figure 10-4. The objective of the underground drilling program was to confirm and infill drill the high grade pocket of the Rainbow Zone near the bottom of the 1225 metre level ramp. The pocket was intended to be the target of the planned bulk metallurgy sampling. The drill rig was set up at the south end of the No.3 crosscut at the 1300 metre level drift. A total of 1,709 metres were drilled in 14 holes. The objective of the surface drilling was to test the down dip extension of the Rainbow Zone. A total of 3,169.50 metres were drilled in six drill holes. A total of 600 drill core samples were collected; 184 samples from surface drill holes and 416 samples from underground drill holes.

Silver grades reported on the cross section have been rounded off to the nearest whole number.

Figure 10-3 Drill Hole Plan, Skukum Creek Deposit

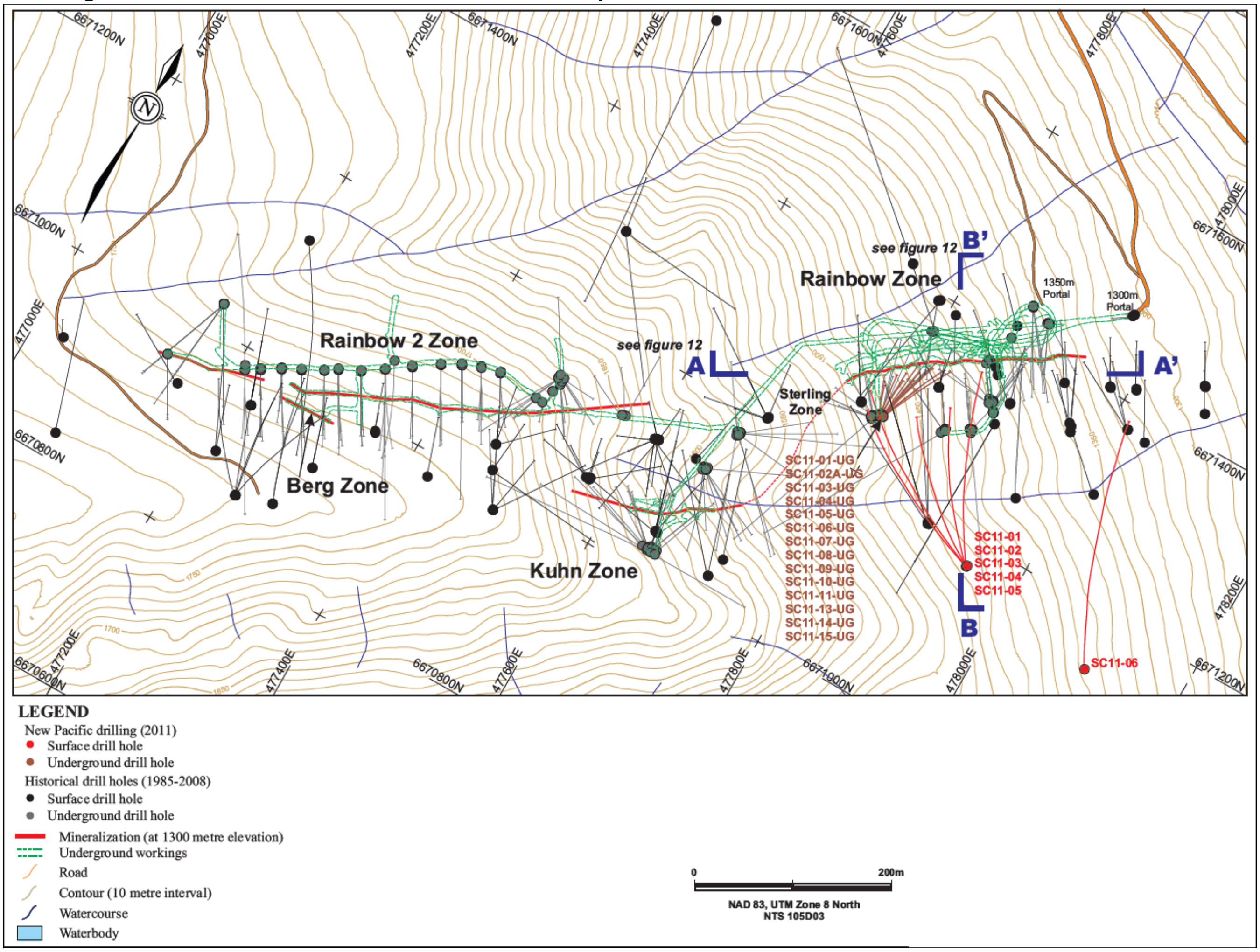
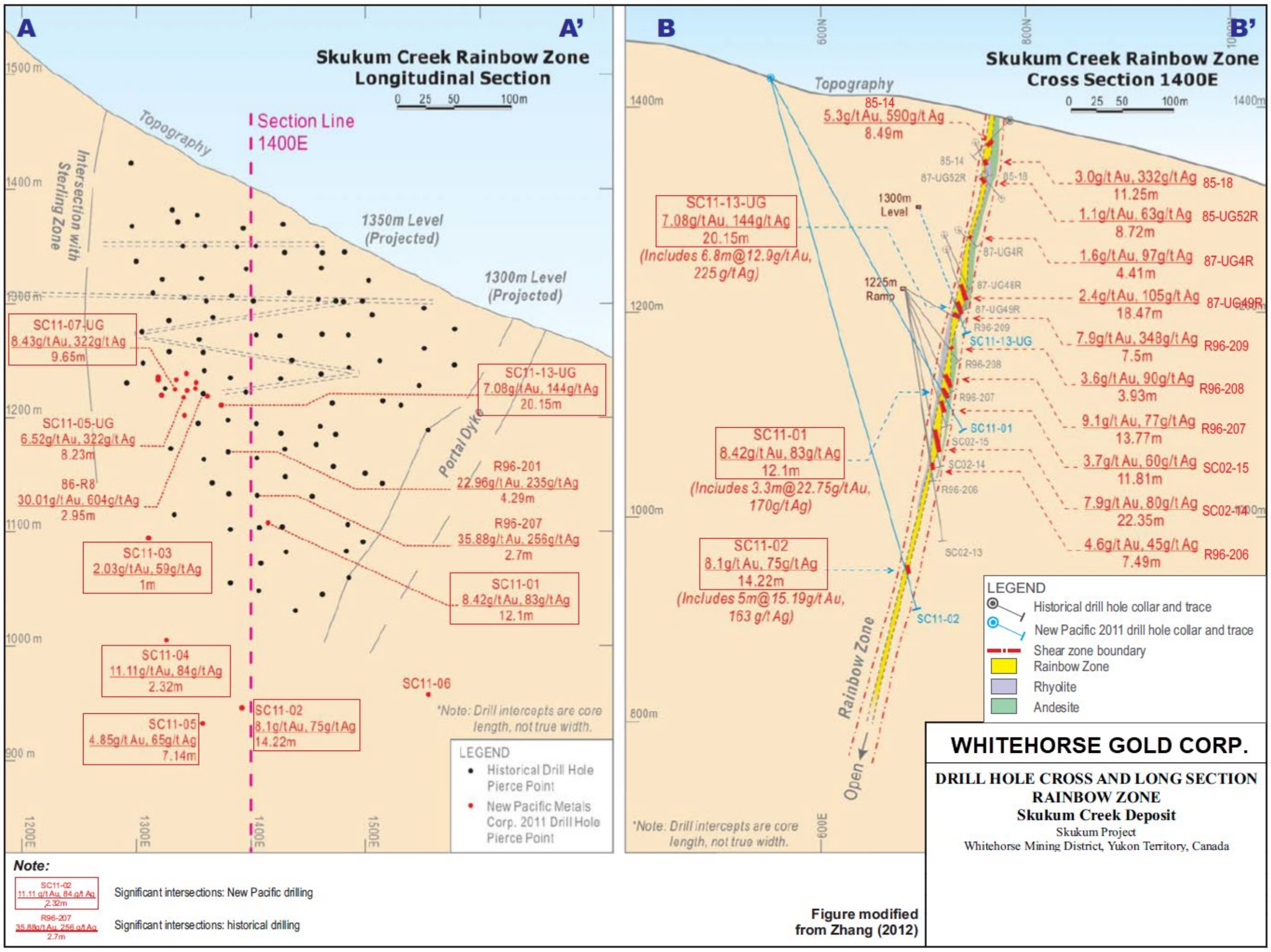


Figure 10-4 Drill Hole Cross and Long Section, Rainbow Zone, Skukum Creek Deposit



Geology

The dominant lithology cored at Skukum Creek is coarse-grained and equigranular biotite-hornblende granodiorite of middle Cretaceous. Fresh granodiorite is very magnetic whereas close to and within the shear zones, alteration of sericite and chlorite is pervasive, and the rock is weakly magnetic to non-magnetic.

Dykes of andesite and rhyolite are very common within the shear zones. The dykes commonly experienced alterations of chlorite and sericite. Strong shear fabrics to brecciation are common in these dykes. Dykes are in lenticular shape on strike and downdip, with width normally in the range of a few metres and occasionally more than ten metres. Associated with the dykes are mineralized quartz sulphide veins and breccias.

The most important structure is the altered shear zones which hosts mineralization. The width of the hosting structure of the Rainbow Zone is normally about 10 to 30 metres wide, consisting of cleaved and altered rocks of granodiorite, andesite and rhyolite dykes, breccia zones and quartz sulphide veins. The overall strike of the shear structure is about 60 degrees and dipping southeast at 80 degrees.

Drill hole SC11-06 successfully penetrated through the Portal Dyke (dacite) with a core length of about 146 metres. The Rainbow Zone does not appear to continue on the east of the dyke as fresh and non-fractured granodiorite was encountered in the projected location of the Rainbow Zone. Another explanation is that the Rainbow Zone extension on the east side of the Portal Dyke might be offset from the projected position by faulting along the dyke, but testing this hypothesis requires further drilling (Zhang, 2012).

Both SC11-04 and SC11-05 encountered thick dacite dyke beneath the Rainbow mineralized zone in the depth range of 537.17 to 617.5 metres (end of hole) and 588.35-to 632.12 metres (end of hole), respectively. The dyke is very similar to the Portal Dyke in terms of composition, texture and appearance. The relationship of the dacite dyke exposed in SC11-04 and SC11-05 with the Portal Dyke is unknown.

Mineralization and Results

The mineralization style at the Rainbow Zone and other zones at Skukum Creek is quartz sulphide veins with width from less than one metre to a few metres. Within the rhyolite dykes, narrow and braided quartz sulphide veinlets are common. The veins contain high grade of gold and silver as well as minor amount of base metals.

Sulphide minerals in the quartz sulphide vein include arsenopyrite, pyrite, and lesser amounts of sphalerite, galena, chalcopyrite, stibnite and tetrahedrite. The total content of sulphide is about 10 to 20%.

Underground holes targeted the high grade pocket of Rainbow Zone near the bottom of the 1225 metre level ramp, represented by historical drill holes 86-R8 and 87-UG17R which yielded significant intersections of 30.01 g/t Au and 603.6 g/t Ag over 2.95 metres and 11.24 g/t Au and 291.8 g/t Ag over 25.60 metres, respectively.

Intersections from the new underground drill holes show good continuity of mineralization with considerable variation of both grade and width. This demonstrates the spotty nature of the quartz-sulphide vein mineralization.

Mineralization remains open at depth of the Rainbow Zone. Drill hole SC11-02 returned an intersection (core length) of 8.10 g/t Au and 75.3 g/t Ag over 14.22 metres (including 15.19 g/t Au and 162.8 g/t Ag over 5.00 metres). This intersection is about 100 metres below the historical drill limit. The assay results also show a general trend of increasing gold grades and decreasing silver grades with increasing depth (Zhang, 2012).

Significant intersections are presented in Table 10-5. Intersection grades are based on a cut-off grade of 1 g/t Au and widths are reported as core lengths. Intersection true widths range from 50 to 80% of the core length, depending on the angle of the drill hole (Zhang, 2012).

Table 10-5 Significant Intercepts - Skukum Creek

Hole	Interval (m)			Results			
	From	To	Length *	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
SC11-01-UG	85.76	90.00	4.24	3.23	135.6	0.59	0.65
SC11-02A-UG	88.90	91.17	2.27	3.30	93.6	0.58	0.54
SC11-03-UG	76.65	78.54	1.89	3.44	95.7	0.30	0.47
	81.51	82.55	1.04	1.93	90.4	0.68	0.72
SC11-04-UG	81.35	85.76	4.41	3.02	122.1	0.52	0.73
	87.65	89.21	1.56	4.99	126.7	0.28	0.43
	92.30	94.62	2.32	4.90	55.0	0.30	0.54
SC11-05-UG	89.08	97.31	8.23	6.52	321.8	1.10	1.52
including	90.48	93.10	2.62	16.63	853.3	2.51	2.94
	103.80	105.90	2.10	1.61	43.9	0.57	0.28
	109.00	110.00	1.00	5.10	27.0	0.13	0.18
SC11-06-UG	123.00	124.11	1.11	4.28	378.0	0.74	0.50
	142.08	143.08	1.00	1.18	3.2	0.01	0.18
SC11-07-UG	81.83	91.48	9.65	8.43	322.3	1.18	1.63
including	81.83	88.09	6.26	11.34	434.2	1.48	1.79
	101.72	103.96	2.24	16.00	406.9	1.54	2.66
SC11-08-UG	74.80	83.00	8.20	2.20	53.3	0.24	0.47
	86.60	89.00	2.40	2.63	11.1	0.07	0.20
SC11-09-UG	78.00	79.70	1.70	4.14	119.8	0.22	0.23
	83.90	91.25	7.35	2.34	22.4	0.14	0.19
	93.40	96.42	3.02	2.09	34.0	0.24	0.29
SC11-10-UG	61.00	63.00	2.00	1.82	44.1	0.21	0.36
	65.00	71.10	6.10	2.75	34.1	0.16	0.43
including	65.00	67.05	2.05	5.30	61.4	0.29	0.73
SC11-11-UG	68.82	73.48	4.66	2.04	174.4	0.56	0.83
	75.48	77.48	2.00	1.27	28.0	0.21	0.40
SC11-13-UG	103.00	123.15	20.15	7.08	144.0	0.71	0.99
including	113.70	120.50	6.80	12.94	225.3	1.23	1.12
SC11-15-UG	94.42	95.00	0.58	5.85	198.0	0.86	1.41
	97.85	113.65	15.80	2.58	70.1	0.29	0.45
including	105.52	107.58	.2.06	5.67	53.4	0.23	0.52
SC11-01	368.30	380.40	12.10	8.42	82.6	0.47	1.72
including	376.00	379.30	3.30	22.75	169.9	1.08	5.42
SC11-02	496.78	511.00	14.22	8.10	75.3	0.80	1.30
including	504.00	509.00	5.00	15.19	162.8	1.81	2.56
SC11-03	384.69	385.69	1.00	2.03	59.0	2.35	1.72
SC11-04	437.50	439.82	2.32	11.11	83.9	0.14	0.74
including	438.70	439.82	1.12	21.20	158.0	0.21	1.38
	465.73	466.94	1.21	1.70	36.9	0.20	1.62
SC11-05	516.40	523.54	7.14	4.85	65.2	0.54	1.11
including	516.40	518.40	2.00	10.03	147.5	1.28	2.14
SC11-06	*no significant results*						

* Intersection true w idths range from 50 to 80% of the core length, depending on the angle of the drill hole

10.4 Goddell Gully

Diamond drilling at Goddell was designed to confirm the wide gold mineralization at the PD Zone and test the potential up and down dip as well as along strike. Eight (8) holes totaling 3187.02 metres were drilled with three completed to their planned depth; the others were abandoned due to various technical difficulties. A total of 913 core samples were collected excluding control samples.

A drill hole plan map is presented in Figure 10-5 and a representative cross section and longitudinal section is presented in Figure 10-6.

Figure 10-5 Drill Hole Plan, Goddell Gully Deposit

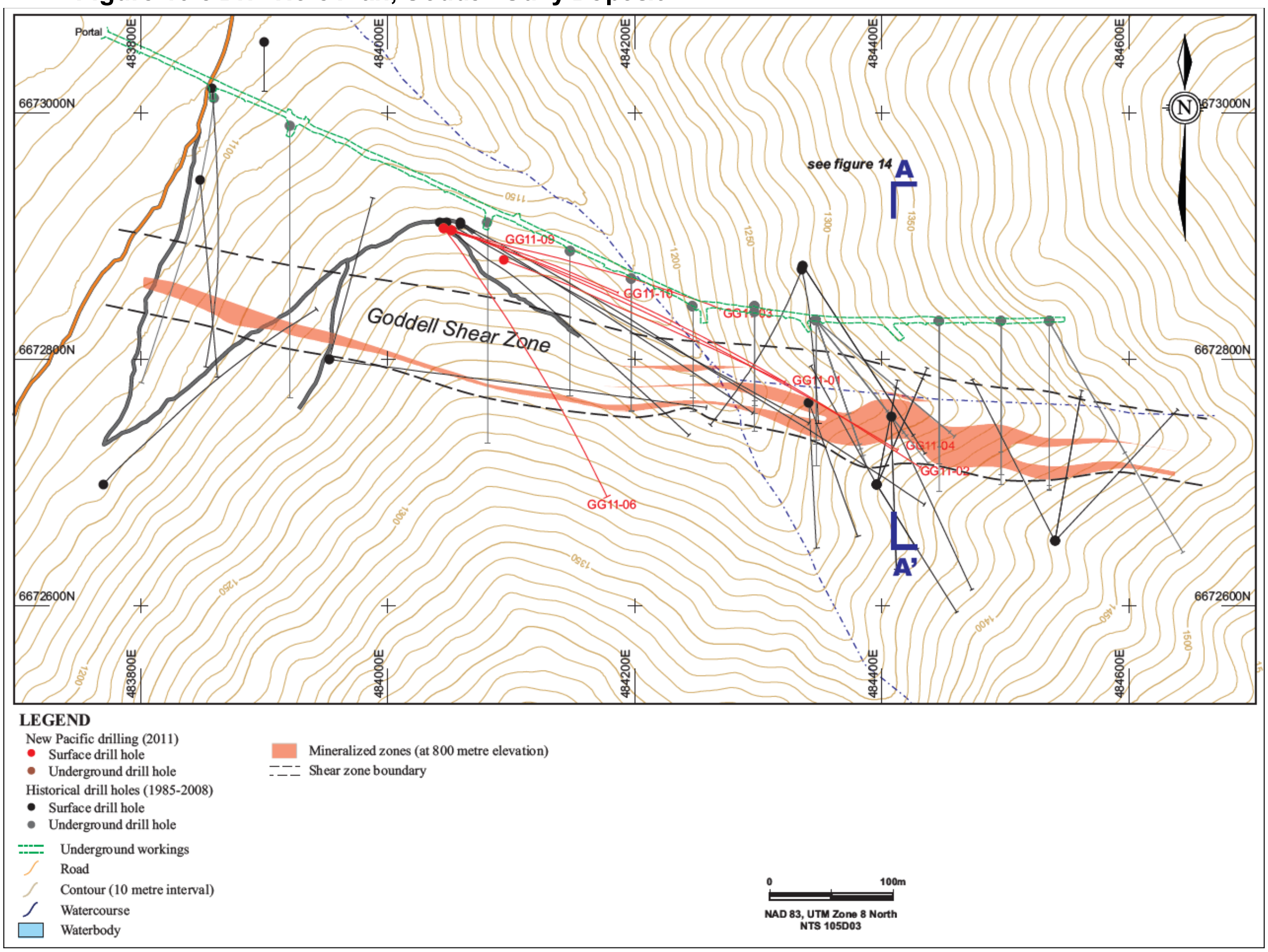
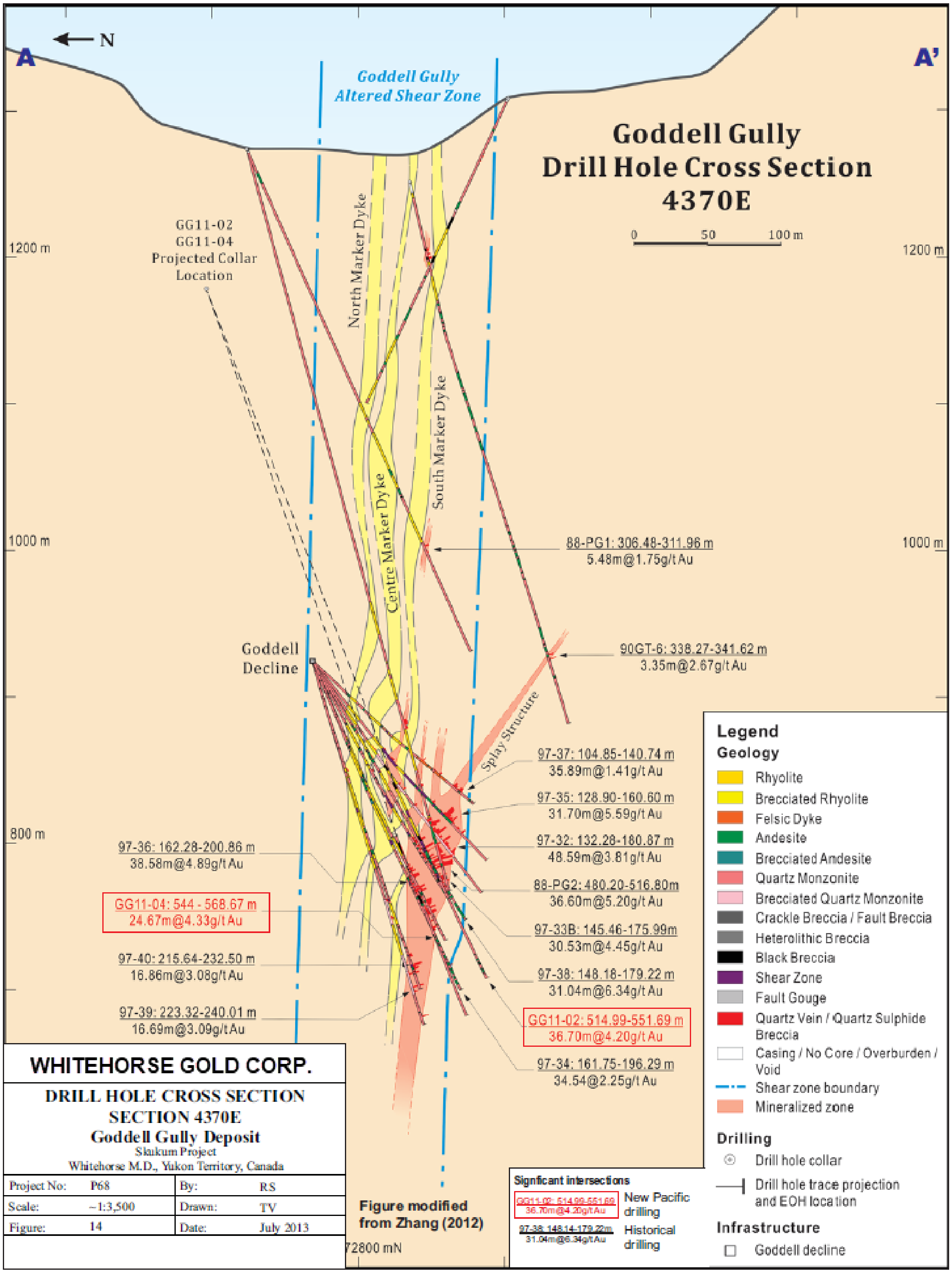


Figure 10-6 Drill Hole Cross Section, Section 4370E, Goddell Gully Deposit



Geology

The leucocratic quartz monzonite is the dominant rock type encountered in drilling of the Goddell Gully area. Dykes of porphyritic rhyolite and andesite are also quite common especially within the major shear zone. Fresh monzonite is medium-grained and equigranular with sharp boundary of mineral grains. Close to the shear zone, sericite alteration is common, and the mineral grains became blurred. Within the shear zone, monzonite is strongly fractured and altered with most feldspar grains altered to sericite and carbonate, giving an apple green appearance. Biotite in monzonite was completely altered to carbonate and lesser sericite. Petrography study and SEM results (Lang and Rhys, 2002) indicated that the apple green colour is caused by massive sericite-muscovite clots with no green colour activators such as V, U or Cr. Dark ferromagnesian mineral grains in andesite dykes were altered to clots of chlorite, and rhyolite dykes also experienced more or less sericite alteration and silicification.

Three rhyolite dykes were identified and used as markers to help sectional interpretation in historical exploration documents. All these rhyolite dykes display porphyritic texture, and were referred to as quartz feldspar porphyry (QFP) in logging. During drilling in 2011, drill hole GG11-02 penetrated all the three porphyritic rhyolite markers. The north strand (“North Marker”), from 360.95 metres to 371.92 metres, contains grains of feldspar and quartz as well as clasts of earlier rhyolite xenolith of similar composition and texture. It seems that some xenolith clasts experienced stronger alteration and display apple green color, but in drill hole GG11-04, the xenolith clasts display a grey color. The “Central Marker” rhyolite dyke, from 386.35 metres to 393.14 metres, in drill hole GG11-02, contains lesser disseminated sulphides and displays flow-banding structure. The “South Marker” dyke, from 460.27 metres to 503.5 metres, did not exhibit sulphides, banding structures or xenolith clasts. The thickness and position of the rhyolite marker dykes can vary dramatically on different sections along strike and make it difficult to ascertain which dyke is which. As a package, the of rhyolite dykes are emplaced within the Goddell Gully shear zone, are consistently present on surface and at depth, and act as a good guide to exploration drilling.

A black graphitic breccia zone, referred to as “Black Breccia”, was encountered in the Goddell Gully shear zone. It may represent the most intensely ductile deformed rock of the shear zone and there are multiple such zones of various widths in the Goddell Gully shear structure. The mineral composition of the breccia is unknown as no petrology study has been done on it. However, the graphite is believed to be sourced from hydrothermal activities (Zhang, 2012).

Mineralization and Results

Gold mineralization at Goddell is mainly characterized by abundant disseminated sulphides contained in intermediate to felsic dykes, breccias and cataclastic quartz monzonite within the Goddell shear zone. Rich, fine acicular arsenopyrite is the indication of high grade of gold. Other sulphides include pyrite and stibnite as well as minor sphalerite. When strongly altered and mineralized, andesite dykes contain abundant acicular arsenopyirte and the dyke shows a dark grey appearance with the original grain texture of dark minerals completely disappeared. A piece of such core (sample 8R292955) from the depth of 525.07 metres to 525.80 metres (0.83 metres) in drill hole GG11-02 returned a value of 90 g/t Au. Gold grades in breccia and cataclastic monzonite are relatively lower, likely determined by the amount of disseminated sulphides. When quartz monzonite is strongly altered and mineralized, grains of both plagioclase and K-feldspar were sericite altered and featured by abundant disseminated acicular arsenopyrite which is enriched as dark 0.5 centimetre dots. No fractures or shear fabrics were observed. The parent mineral of the arsenopyrite dots could be ferromagnesian bearing minerals such as hornblende and biotite.

Structural control played a key role in gold mineralization. Within the Goddell Gully shear zone, low grade gold mineralization is associated with breccia zones and on the contact of dykes with monzonite wall rock. Andesite and rhyolite dykes can be mineralized with minor disseminated arsenopyrite, but gold grade is generally low. Goddell Gully zone is also referred to as “GG Zone”. The most important deposition sites for gold are the intersection area of the major Goddell shear structure and its splays in the footwall to the south. Gold mineralization in the structural intersection area was referred to as “PD Zone” in historical documents, and “Merge Zone” recently. The PD or Merge Zone is located to the south of the rhyolite dykes, characterized by a wide zone of mineralization (Figure 10-5). The longest intersection to date is from historical hole 97-41 grading 5.75 g/t Au over a core length of 64.69 metres. Significant intersections from the current drilling include 4.20 g/t Au over a core length of 36.70 metres (GG11-02) and 4.33 g/t Au over a core length of 24.67 metres (GG11-04).

Based on available drill data, the vertical extent of the Merge Zone is 100 to 150 metres, with a lateral extent of 300 to 400 metres. Further away from the structural intersection area, both width and grade of gold mineralization drop dramatically. Away from the major shear zone, the splays cut through quartz monzonite and present as a mineralized fracture from one to a few metres wide. The Golden Tusk Zone to the south of the major Goddell Gully shear zone could be the surface presence of the PD Zone. A few mineralized splay fractures were also encountered outside the major shear structure (i.e. GG11-06).

Significant intersections are presented in Table 10-6. Intersection grades are based on a cut-off grade of 1 g/t Au and widths are reported as core lengths. True widths were not reported by New Pacific but are estimated by the author to be 50% to 65% of the core length depending on the angle of the drill hole.

Table 10-6 Significant Intercepts - Goddell Gully

Hole	Interval (m)			Results
	From	To	Length *	Au (g/t)
GG11-01	327.42	328.43	1.01	4.05
	366.72	367.72	1.00	2.38
GG11-02	440.44	441.60	1.16	1.26
	447.60	448.80	1.20	1.54
	454.80	456.00	1.20	2.56
	482.17	483.35	1.18	1.10
	503.50	506.13	2.63	1.41
	507.68	508.75	1.07	1.01
	514.99	551.69	36.70	4.20
including	514.99	532.33	17.34	7.20
	557.13	557.70	0.57	1.06
GG11-04	378.33	378.91	0.58	1.18
	416.05	417.30	1.25	4.46
	466.37	467.50	1.13	1.08
	509.10	512.33	3.23	2.02
	516.79	517.79	1.00	7.50

Hole	Interval (m)			Results
	From	To	Length *	Au (g/t)
	530.00	531.00	1.00	7.60
	534.43	535.16	0.73	1.78
	536.06	536.62	0.56	4.35
	540.69	541.34	0.65	4.00
	544.00	568.67	24.67	4.33
including	544.00	552.00	8.00	10.58
	579.00	580.00	1.00	1.35
GG11-06	273.00	274.00	1.00	1.03
	275.00	276.65	1.65	5.04
	502.10	503.10	1.00	2.65

* True w idths are estimated to be 50% to 65% of the core length depending on the angle of the drill hole.

10.5 Raca Zone

Drilling at the Raca Zone was designed to test the down-dip and on-strike continuity of the high grade mineralization reported by diamond drilling in 1997. A total of 1,251 metres were drilled in five holes of which only two holes reached the planned depth due to drilling technical difficulties. A total of 727 samples were collected excluding control samples.

Geology

The dominant lithology encountered at Raca is the andesitic tuff and cherty conglomerate (Tantalus Formation) of late Jurassic as well as the early Jurassic mega crystal K-feldspar granite (Bennett Granite). The andesitic tuff shows porphyritic texture. It contains lots of disseminated pyrite and experienced more or less alteration of sericite. Magnetite bandings and clots of possible hydrothermal origin were noticed locally. The pebble of conglomerate is well rounded chert and quartz of centimetres in size. Groundmass is strongly silicified and sericitized. The size of the K-feldspar grains in the Bennett Granite varies from less than one centimeter up to ten centimeters. The granite is highly fractured and bleached, unanimously experienced strong alteration of sericitation and silicification, and contains more or less disseminated sulphides. A rhyolite dyke about 10 metres wide emplaced along the contact between the andesitic tuff and the granite units. On both the hanging and foot walls of the rhyolite dyke are shear structures.

Mineralization and Results

Quartz sulphide vein mineralization is hosted along the contact shear zones on hanging and footwalls of the rhyolite dyke, referred to as Zone 2 and Zone 3 respectively. Andesite dykes of various widths are also noticed along the shear zones. The mineralized veins are mostly brecciated. Sulphide minerals include pyrite, arsenopyrite, sphalerite and galena. In many ways the Raca Zone is very similar to the Rainbow Zone of the Skukum Creek gold-silver deposit, such as the hosting shear structure, association with felsic and intermediate dykes, and similar sulphide minerals. Historical documents suggest that the Raca Zone is the eastern extension of the Rainbow Zone, although this hypothesis has not been proven by sufficient drilling. The silver grades are higher and gold grades are much lower in the Raca Zone than those of the Rainbow Zone suggesting the two zones may be distinct.

A separate and new mineralized zone was recorded from the depth 115.20 metres to 116.78 metres (referred to as Zone 1) in the hole RACA11-01. Mineralization is characterized by stockwork veining of sulphides comprising pyrite, arsenopyrite, galena, sphalerite and minor chalcopyrite hosted in altered andesite. This interval returns a high silver grade of 1,280 g/t Ag over 1.58 metres (core length).

Significant intersections are presented in Table 10-7. Intersection grades are based on a cut-off grade of 50 g/t Ag and widths are reported as core lengths. True widths are estimated to be approximately 75% of the core length (Zhang, 2012).

Table 10-7 Significant Intercepts - Raca Zone

Hole	Interval (m)			Results	
	From	To	Length	Au (g/t)	Ag (g/t)
RACA11-01	115.20	116.78	1.58	1.91	1,280
	169.22	172.22	3.00	1.92	347
	193.42	194.08	0.66	1.06	248
RACA11-02	134.21	135.40	1.19	0.75	300
	183.58	184.46	0.88	0.19	190

* True w idths are estimated to approximately 75% of the core length.

10.6 Chieftan Hill

A single drill hole (CFT11-01) was completed at Chieftain Hill with a total depth of 346.83 metres. The purpose of this drilling was to locate the source of the strong surface soil anomaly of gold. A total of 157 core samples were collected excluding control samples.

Geology

The most common rock types encountered in the hole are Tertiary volcanic flows of andesitic pyroclastics and rhyolite. The composition of clasts in the pyroclastic flows is very complex, ranging from various small mineral and rock debris to large pyroclasts of diameters more than ten centimetres. Flow banding is obvious near the contact of rhyolite with pyroclastics. Alteration is generally weak except some oxidation and weathering along fractures. A few narrow fracture zones occurred along the contacts of different rock types.

Mineralization and Results

A zone with disseminated pyrite was identified in the pyroclastic flows from the down hole depth of 60 metres to 83.8 metres. The amount of pyrite seems increasing to the lower part up to 5% with moderate sericitic alteration. However, analytical results did not return any anomalous values of metals from this mineralized interval.

No mineralized zone was identified by visual observation in the rhyolite flow. Geochemical analyses indicated anomalous values of gold, silver, lead and zinc from 199.39 metres to 242.00 metres (42.61 metres). Within the zone, is an intersection grading 0.27 g/t Au, 8.1 g/t Ag, 0.14% Pb and 0.24% Zn over a core length 14.12 metres (199.39-213.51m) including a single sample grading 1.98 g/t Au and 4.8 g/t Ag over 1.00 metres (200.39-201.39m). Metal values diminish sharply either way from this zone. This anomalous zone is very similar to the surface soil geochemical anomaly right above the hole and is likely the contributing source. The nature of this mineralization is still unknown.

10.7 Antimony Creek

A single drill hole at Antimony Creek (ATM11-01) was designed to test the depth potential of the strongly altered Porter shear structure. The drill hole was terminated at a depth of 341 metres, approximately 200 metres short of the planned depth, due to technical difficulties. A total of 41 core samples were collected, excluding control samples.

Geology

The dominant rock type encountered in the hole is monzonite of probably the mid- Cretaceous Mount McIntyre Plutonic Suite of the Coast Plutonic Complex. A few small dykes of andesite and rhyolite were also noticed. The dykes emplaced along fracture and shear zones. Reddish mega-crystals of K-feldspar are observed frequently. The size of some K-feldspar grains is up to more than 10 centimetres across the core and giving it appearance of “dyke”. Fractured or sheared zones of various sizes are common all the way through the hole with the most intensely sheared section at the depth from 230 metres to 305 metres. The shear and fracture zones are part of the Porter structure. Alteration is pervasive with intensity increased near fractures and shear zones. Common altered minerals are chlorite from Fe-Mg bearing minerals such as biotite and hornblende. Plagioclase is mostly altered to sericite but K-feldspar grains remain fresh or experienced little alteration. In the strongly altered section around the depth 250 metres, both plagioclase and K-feldspar were altered to sericite and carbonate.

Mineralization and Results

Between 1 to 3% disseminated sulphides were observed in association with the strongly sheared section from 250 metres to 305 metres down hole. Sulphide minerals are mostly pyrite with minor chalcopyrite. Analytical results from this section returned anomalous values of copper in the range of hundreds of ppm. Silver, lead, and zinc are low, in the range of background values. The results of this drill hole do not explain the Ag-As-Cu-Mo-Pb-Zn anomaly at surface. As the drill hole was terminated early due to drilling difficulties, the potential of the Porter Shear structure remains untested at depth.

11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

This section includes information on sample preparation, analyses (including quality control) and security related to New Pacific's 2011 exploration program. Information is summarized from "Exploration Report for 2011" by A. Zhang (2012).

11.1 Density Determinations

Specific gravity (SG) testing was performed on drill core at a frequency of one test for every box of mineralized intervals, and one test of every three boxes of unmineralized intervals. An Aquatronic^{TM} Salter electronic digital balance was used for the testing. The capacity of the balance is five kilograms and accuracy one gram. Prior to everyday testing work, the balance is calibrated using a one-kilogram standard weight. The wire hanger was then hung and tared off.

At each testing, one piece of core with length about ten to twenty centimetres was weighed in air and in water separately. The depth numbers of the weighed interval, weight numbers, date and names of operators were recorded on a record sheet. The raw data was then entered into a spreadsheet for calculation of specific gravity using the following formula assuming the density of water is one gram per cubic centimeter:

$$S.G. = (\text{Dry Weight}) / [(\text{Dry Weight}) - (\text{Wet Weight})]$$

Summary of the testing results are given in Table 11-1, broken down to individual deposits, mineralized intervals, and rock types.

Table 11-1 Specific Gravity Test Results

Deposit	Interval	Rock Type	No. Tests	Minimum (g/cm3)	Maximum (g/cm3)	Average (g/cm3)
Mt. Skukum	Mineralized Zone	Quartz-Calcite Stockwork	11	2.60	2.79	2.68
	Unmineralized Zone	Andesitic rocks	159	2.18	3.16	2.68
Skukum Creek	Mineralized Zone	Quartz-Sulphide Veins and Breccia	30	2.15	3.35	2.87
	Unmineralized Zone	Granodiorite/andesite/rhyolite	312	2.26	3.07	2.67
Goddell	Mineralized Zone	Altered/Sheared QZMZ/dykes	22	2.66	2.93	2.77
	Unmineralized Zone	Quartz Monzonite/andesite	350	2.36	2.93	2.69

11.2 Analytical and Test Laboratories

Information from assessment reports indicates that drilling between 1983 and 1998 used several certified commercial labs including Chemex, Acme Analytical and Bondar Clegg Canada Ltd. ("Bondar Clegg").

During 1986 and 1987 Mt. Skukum drill samples were analyzed at the Mt. Skukum Mine laboratory.

In 2001 and 2002, Acme Analytical was the primary lab and Bondar Clegg was used for check assays. Both were ISO 9002 certified.

In 2003 and 2006, Acme Analytical and Eco Tech were used as primary laboratories and Assayers Canada was used as for check assays.

During the 2011 exploration program, analyses of soil, rock and core samples were performed by Eco-Tech of Kamloops, BC and ALS Minerals of North Vancouver, BC. Both laboratories are ISO 9001:2008 accredited providers of geochemical and environmental analytical services.

11.3 Sample Preparation and Analysis

11.3.1 Field Preparation

Prior to 2001 field preparation protocols were not documented.

2001-2006 Drilling

CME Consulting limited was supervising the exploration programs during this period. At the end of each drill shift, the drill contractor transported the drill core to the core handling facilities at the camp. Boxes were transported with lids securely nailed down to prevent potential core loss. At the core handling facility, all drill core was washed, re-aligned and photographed. Core logging included core recovery percentages, rock quality percentages and geological descriptions. CME geologists marked sample intervals in preparation of core cutting/splitting. From the cut/split core, one half of each sample was placed in individual plastic sample bags while the other half was returned to the core box. Core boxes were racked in down hole sequence within the security of the core logging facility. Sample bags were secured with flagging tape and CME standard and blank quality control samples were inserted into the sample sequence. All samples were then bagged into rice sacks or 28 litre secure pails for transport. Core during the cutting and logging process was at all times within eyesight of CME personnel or was locked in a secure building.

CME personnel transported the rice sacks to Greyhound Courier in Whitehorse for direct delivery to the laboratory.

2011 Drilling

Drill core was delivered to the camp geology building by the drilling contractors each day. Geology staff cleaned and re-aligned the cores prior to core logging. Core recovery and rock quality designation ("RQD") were measured before geological logging. After logging, geologists marked sample intervals in the mineralized zones. Sample length ranged from one to two metres but was sensitive to changes in rock type, structure, alteration, and mineralization. One to two additional samples were marked in the immediate hanging and footwall to bracket potential mineralized zones. Photos of both dry and wet core were taken after logging and sample marking.

All core samples were sawn into two equal halves, one half for submission for analysis and the other for storage at the on-site core yard. Samples for analysis were bagged in pre-numbered plastic bags with one pre-numbered tag in the bag. Standard reference material and blank samples were inserted into the normal sample sequence at frequency of one standard and one blank every thirty routine samples. The sample bags were then sealed securely with staples and delivered to the sample preparation lab of Eco-Tech Laboratories Ltd. (a part of the Stewart Group) in Whitehorse, YT by New Pacific personnel. Each sample delivery batch normally contained approximately one hundred samples.

Due to the acquisition of Stewart Group by ALS Group in July 2011, subsequent sample batches were delivered to the ALS Minerals preparation facility in Whitehorse, YT.

11.3.2 Laboratory Preparation

2001-2008 Drill Programs – Precious Metal Assay

At Acme Analytical Laboratories, drill core and rock samples were crushed 75% -10 mesh or -200 mesh. Reject and pulp duplicate splits are taken from two samples in every 34 to monitor sub-sampling variation. One quarter to two assay ton splits are weighed. STD Au-I (Au reference material), STD Ag-2 (Ag reference material) or STD FA-1OR (Au, Pt, Pd, Rh reference material) and a blank are added to each analytical batch to monitor accuracy. Results are reported in imperial (ozlt) or metric (gmlmt) measure. For metallics testing, 500t gm is pulverized and sieved through a 150 or 200 mesh screen. The oversize material on the screen is weighed and assayed in total. A 1 or 2 assay ton split of the undersize fraction is also assayed.

2011 Drill Program

Preparation of soil, rock and core samples were performed by Eco-Tech Laboratories Ltd. ("Eco-Tech") and ALS Minerals ("ALS"). Both laboratories are ISO 9001:2008 accredited providers of geochemical and environmental analytical services.

Soils were prepared by drying and sieving through an -80 mesh screen to obtain a -80 mesh fraction. Samples unable to produce adequate -80 mesh material are screened at a coarser fraction. A 250 gram sub sample of the minus fraction is pulverized on a ring mill pulveriser until 95% passes a -140 mesh screen. The pulverized sub sample is rolled, homogenized, and bagged in a pre-numbered bag for analysis. A "barren" gravel blank is prepared before each job as a "sample prep". This "blank" is analyzed for trace contaminates with the job samples.

Drill core and rock samples are dried and crushed such that at least 70% crushed material must pass through a -10 mesh screen. A 250 gram sub sample of the crushed sample is then pulverized so that 80% can pass through a -200 mesh screen. A barren gravel blank was prepared before each job in the sample prep to monitor for possible contamination along with the processed samples. The pulverized samples were then delivered to the analyzing laboratory, either Eco-Tech or ALS (Zhang, 2012).

11.3.3 Sample Analysis

2001-2002 Drill Program

All rock, stream sediment, and drill core samples were analyzed for gold and multi-elements by Acme Labs. Multi-elements were determined from a 0.50 gram sample by ICP-ES(Induced Coupled Plasma-Emission Spectrometer) analysis after digestion in a hydrochloric nitric acid solution and are reported in parts per million (ppm) or percent (%). Gold was analyzed by ICP-MS (Mass Spectrometer) techniques from a 10 gram sample after digestion in an aqua regia solution and is reported in parts per billion (ppb).Samples returning 2900 ppb gold and/or 2100 ppm silver were re-analyzed for gold and silver by fire assay of a 1 A.T. (assay ton) sample from the pulp. Results for both elements are reported in grams per tonne (g/t).

Acme Labs is a registered IS0 9002 laboratory and have three BC Certified Assayers on staff. Check analyses, including gravimetric determination of gold and silver, were carried out by Bondar Clegg Canada Ltd. of North Vancouver, British Columbia, an IS0 9002 registered company.

2003-2006 Drill Programs

All drill core samples from the diamond drilling program were analyzed for gold and multi-elements by Eco-Tech. Historic re-sampled core samples were primarily analyzed at Eco-Tech, though several early samples were analyzed at Acme.

Multi-elements were determined from a 0.50 gram sample by ICP-ES (Induced Coupled Plasma-Emission Spectrometer) analysis after digestion in a hydrochloric-nitric acid solution and are reported in parts per million (ppm) or percent (%). Gold was analyzed by ICP-MS (Mass Spectrometer) techniques from a 10 gram sample after digestion in an aqua regia solution and is reported in parts per billion (ppb).

Acme and Eco-Tech's ICP suite of elements were slightly different, although only in rare or trace elements.

In all instances, regardless of analyzing laboratory, samples returning greater than 900 ppb gold and/or greater than 100 ppm silver were re-analyzed for gold and silver by fire assay of a 1 A.T. (assay ton) sample from the pulp. Results for both elements are reported in grams per tonne (g/t).

Drill core check samples were analyzed by Assayers Canada of Vancouver BC and Acme Labs. All samples were analyzed by 1 A.T. fire assay for gold.

2011 Drill Program

Analyses of soil, rock and core samples were performed by Eco-Tech of Kamloops, BC and ALS Minerals of North Vancouver, BC. Sample analyses are summarized from Zhang (2012)

Gold Fire Assay

Eco-Tech

All surface rock samples, soil samples and drill core samples were analysed using method Au2-30 method. A 30 gram sample is used with detection limits of 5 to 1,000 ppb Au. Overlimit samples were re-analyzed using method Au3-30 with detection limits of 0.03 to 100 ppm Au.

ALS Minerals

A 30 gram sample of pulp sample is used (lab code Au-AA23). Detection limits for this method is 0.005 to 10.0 ppm Au. Overlimit samples were analyzed by gravimetric method (Au-GRA21) with detection limits of 0.05 to 1,000 ppm Au.

Aqua Regia Digestion

Eco-Tech

Thirty-three (33) elements are analysed using aqua regia digestion (code AR/ES). Any base metal elements (Cu, Pb, Zn) that are overlimit (>1.0% or 10,000 ppm) and silver (>50 ppm) were immediately run as an ore grade assay (code BM2/A).

ALS Minerals

Aqua regia ICP-AES (lab code ME-ICP41) was used for multi-element analyses. This method analyses a package of 35 elements. Any overlimit results for the elements listed below would re rerun by assay:

- If Ag>=50 ppm, then run method Ag-OG46 (detection limit 1-1,500 ppm)
- If Cu>=10,000 ppm, then run method Cu-OG46, (detection limit 0.001-40%)
- If Mo>=10,000 ppm, then run method Mo-OG46, (detection limit 0.001-10%)
- If Pb>=10,000 ppm, then run method Pb-OG46, (detection limit 0.001-20%)
- If Zn>=10,000 ppm, then run method Zn-OG46, (detection limit 0.001-60%)

11.4 Quality Assurance and Quality Control

Prior to 2001, QAQC was limited to internal laboratory checks.

Since 2001, QAQC programs were implemented for all drill core samples by CME. This consisted of two standard references (accuracy and bias) and two blanks (contamination) inserted for each 100 samples submitted to the laboratory for analysis. Each standard and blank consisted of a 150 gram sample size.

In 2011 New Pacific employed a quality control system to monitor the integrity of the database and to provide a measure of accuracy and confidence. The system consisted of reference materials, blanks and check samples and is summarized from Zhang (2012).

11.4.1 Reference Standards

IN 2001, CME standard sample (CME-1) was created by collecting approximately 150 kilograms of material from the Skukum Creek high-grade ore pile. The material was then sent to CDN Resource Laboratories of Richmond, British Columbia who prepared the material into a standard and packaged the material into 100 gram packets to eliminate possible settling of gold. Gold was determined to be 10.10 g/t Au with a standard deviation of 0.25 g/t Au. Silver was determined to be 1,421.3 g/t Ag with a standard deviation of 31.52 g/t Ag.

New Pacific prepared custom reference materials to be used during the exploration of the Property. The following description of the procedure for creating the reference materials was taken from Zhang (2012), however certificates of analyses and details of the statistical calculations were not available to the author.

Seven (7) pails of mineralized material, approximately 40 kg in weight, were taken from the Skukum Creek stockpile and sent to Eco-Tech for preparation and analysis. Each pail represented a different sample/reference material. The sample material was prepared to 85% passing through -200 mesh. Each sample was the split to 10 sub-samples which were analysed for gold, silver, copper, lead and zinc. The mean and standard deviation of each sample were calculated by omitting the maximum and the minimum of each element, i.e., eight values were used for the calculation. The ten sub-samples were again mixed and homogenized (Zhang, 2012).

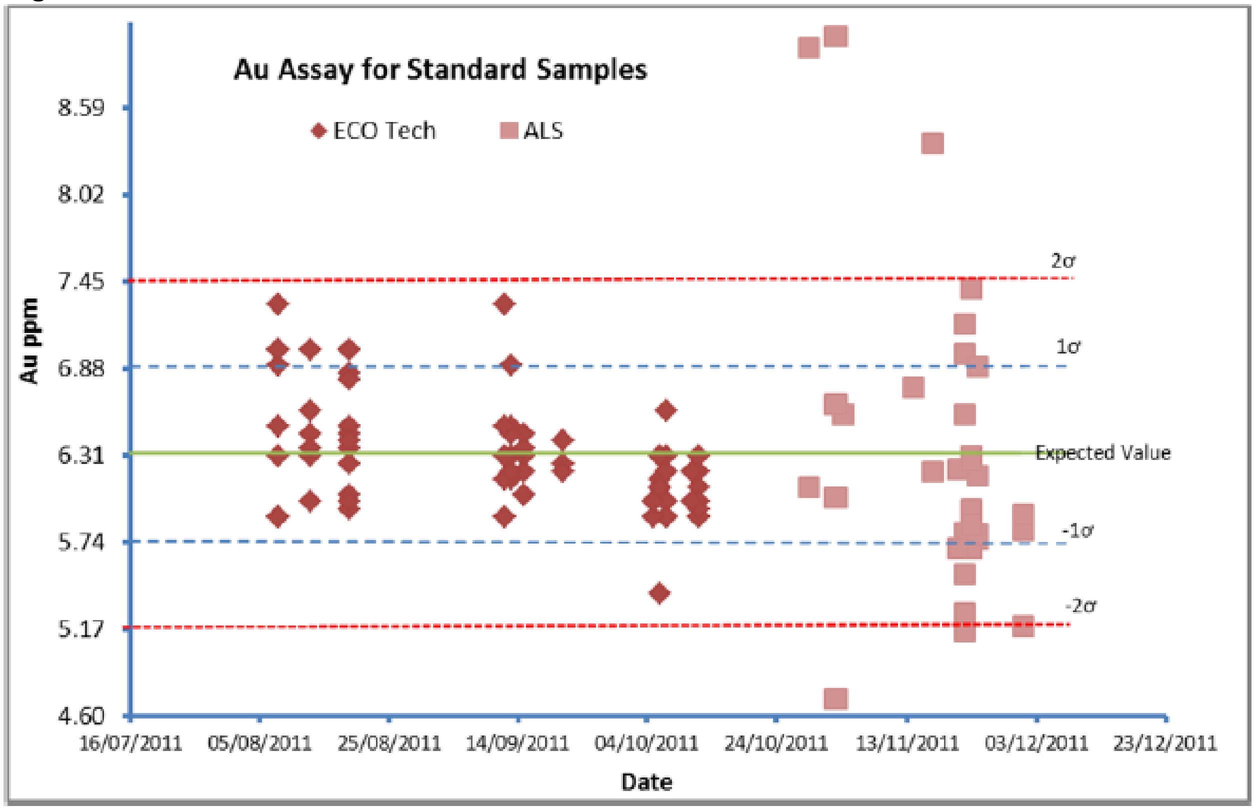
One New Pacific-prepared reference material (“Standard 1”) was used during the 2011 exploration which had nominal values of:

- gold: 6.31 ppm Au (1σ = 0.57 ppm Au);
- silver: 46.58 ppm Ag, (1σ = 1.33 ppm Ag)

One standard sample of about 100 gram pulp was inserted to the normal sample sequence at every 30 samples prior to shipment to laboratory for analysis. The mean (expected value) for gold is 6.31 ppm with a standard deviation of 0.57. The mean (expected value) for silver is 46.58 ppm with a standard deviation value of 1.33.

A total of 110 standard samples were used in 2011. Upon receipt of assay results from labs, standards were checked against expected value for any significant discrepancies (more than two standard deviations above or below the expected value). The assays from Eco Tech performed well with all values within two standard deviations from the expected value and mostly within one standard deviation. The assays from ALS seem a bit wild with a few beyond the two standard deviations but mostly still within (Figure 11-1). The average gold values for Eco Tech assays and ALS assays are 6.28 ppm and 6.18 ppm (omitting values beyond two standard deviations), respectively. The overall average for all assays is 6.31 with standard deviation of 0.57, almost identical to the expected values (Table 11-2), although the graph shows a slight under-statement.

Figure 11-1 Performance of Standards - Gold



The silver values show roughly the same pattern of gold (Figure 11-2). The assays of ALS are more wildly scattered, and a general slight understatement is obvious. Most assays are below the expected value. The average for ALS and Eco Tech is 39.81 ppm and 42.48 ppm, respectively. The overall average is 41.46 ppm (Table 11-2).

Figure 11-2 Performance of Standards-Silver

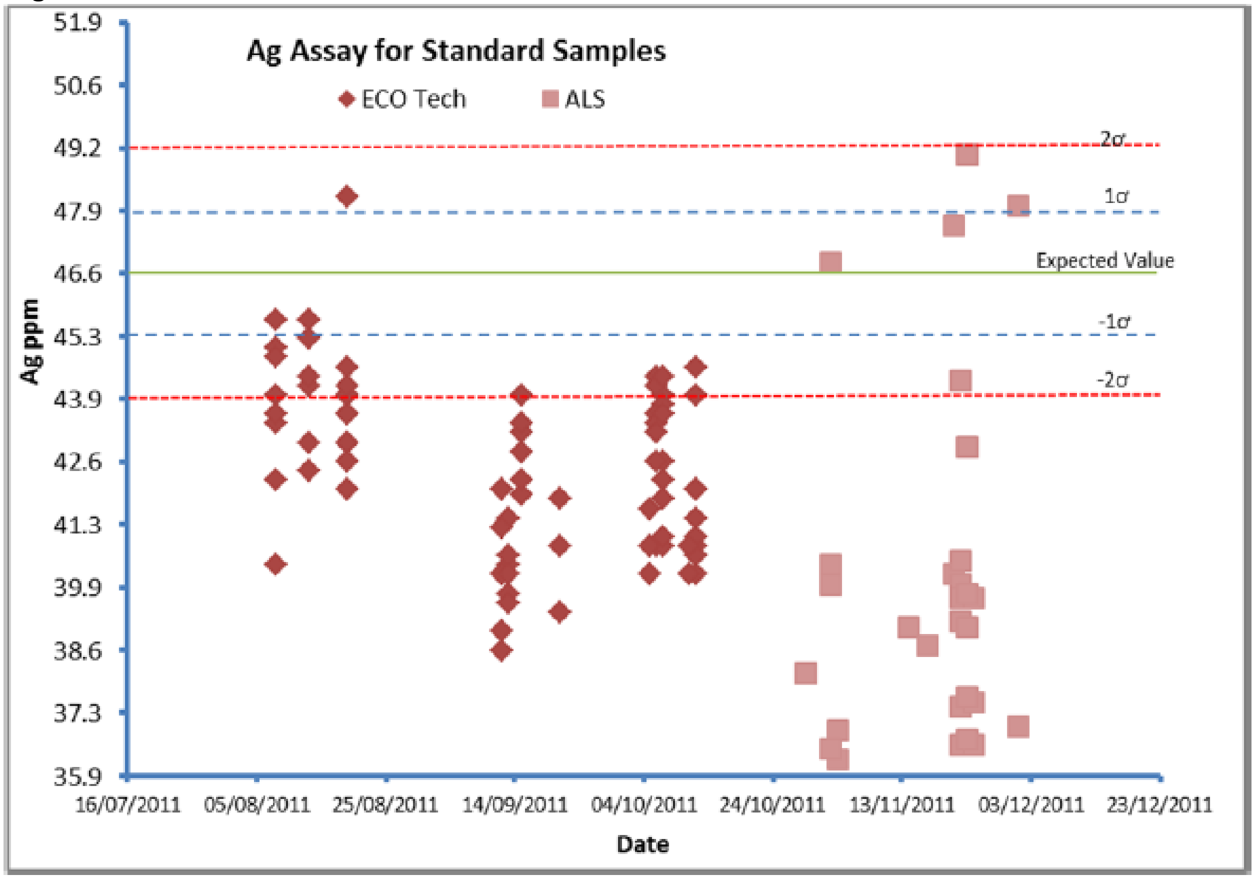


Table 11-2 Comparison of Assays with Expected Values of Standards

Samples	Elements	# of Samples	Min	Max	Mean	Stdev	Lab
All assays tested by Echo Tech	Au	76	5.40	7.30	6.28	0.43	Echo Tech
Assays within expected range from 5.15 to 7.45, Tested by ALS	Au	28	5.19	7.4	6.18	0.55	ALS
All assays by ALS	Au	33	4.71	9.06	6.34	0.99	ALS
All assays by both Echo Tech and ALS	Au	109	4.71	9.06	6.31	0.62	Echo Tech & ALS
Expected Value	Au				**6.31**	**0.57**	
All assays by Echo	Ag	76	38.6	48.2	42.48	1.82	Echo Tech
All assays by ALS	Ag	33	36.3	49.1	39.81	3.55	ALS
All assays by both Echo Tech and ALS	Ag	109	36.3	49.1	41.67	2.75	Echo Tech & ALS
Expected Value	Ag				**46.58**	**1.33**	

11.4.2 Blanks

In 2001, the CME blank was created using sterilized play sand. The material was analyzed by ALS Chemex Laboratories of Vancouver, BC. Gold and silver grades were determined to be <1 ppb Au and <0.02 ppm Ag.

For the 2011 program the blank material was provided by Eco Tech's preparation facility in Whitehorse, YT. It consists of fresh unmineralized granite crushed to 0.5 centimeter size and packed in plastic rice bags (Zhang, 2012).

A total of 126 blank samples were inserted into the sample sequences.

Results for blank reference material show no evidence of contamination during sample preparation (Zhang, 2012).

11.4.3 Duplicate Checks

In 2001, a second laboratory, Bondar-Clegg, analyzed approximately 10% of the fire assayed samples to measure reproducibility (check samples). A total of 8 samples were submitted: 4 prepared pulp samples; and 4 sample rejects. One CME standard and one blank material (both pulps) were also included in the check analysis batch. Samples were analyzed by gravimetric fire assay.

In 2003, CME submitted approximately 10% of all fire-assayed samples to Assayers Canada of Vancouver, BC to measure reproducibility (check samples). A total of 6 sample pulps, which included one CME standard and one CME blank, were submitted for the study. The pulp material was analyzed for gold by fire assay.

In 2011, duplicate check samples were taken as sub-samples of the pulps sent to the analytical labs. One duplicate was taken about every twenty samples and weighs about 50-100 grams each. To better monitor the reproductivity, more duplicate samples were taken in the well mineralized intervals than in the weakly mineralized part identified by visual examination. A total of 182 duplicates were taken in 2011. The duplicates were numbered as separate sequence. The analytical lab for the duplicates is Inspectorate based in Richmond, BC, an ISO 9001-2008 certified provider of mineral and geochemical analysis. To monitor the accuracy and precision of analysis of the check lab, 7 standards and 7 blanks were included in the 182 duplicates.

The assays of gold and silver show very good reproductivity (Figure 11-5 and Figure 11-6). Of the 168 normal samples, 75 samples have gold values more than 1 ppm. The original assays of gold match well with the check assays which are slightly lower (averagely -4.4% for the 75 samples >1ppm gold). There are 35 samples with silver values higher than 50ppm.The check assay of two samples returned odd values for silver. The check value (47.5ppm) of the sample K664022 is significantly lower than the original assay (302ppm) of the sample 291932, which might be a typing error when the check lab prepared the assay report. The check value (544.2ppm) of the sample K664021 is about half lower than the original assay (1,140ppm) of the sample 291930. The check assays are averagely 5.3% lower than the original assays for the 35 samples with silver value higher than 50ppm. If the two samples with odd check values of silver are not considered, the values of the original assay and the check assay match perfectly with the check assay only 1.5% lower than the original assay.

The 7 blanks inserted in the check samples returned values of gold silver lower than detection limit, meaning there is no contamination in the process of sample preparation. Values of gold and silver of standards for both the original and the check samples are lower than the expected values. The accuracy and precision performance of the original gold assay is better than that of the gold check assays (Figure 11-5 and Figure 11-6).

Figure 11-3 Performance of Standards Inserted in Duplicates - Gold

Figure 11-4 Performance of Standards Inserted in Duplicates - Silver

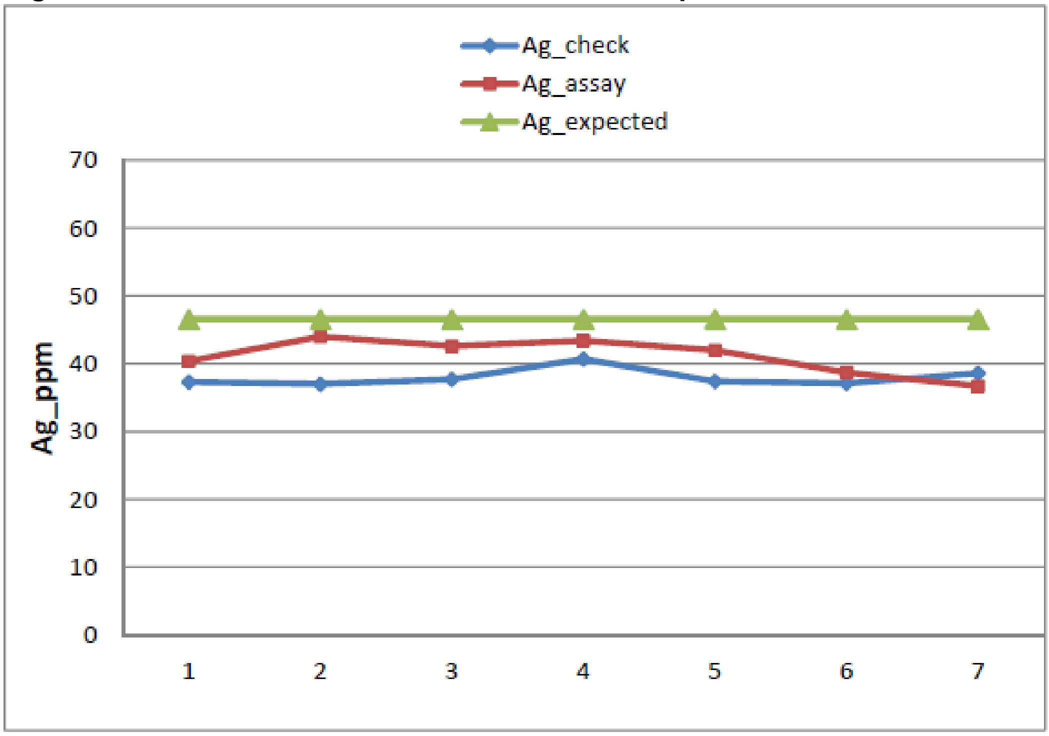


Figure 11-5 Comparison of Assays of Normal Samples with Duplicates - Gold

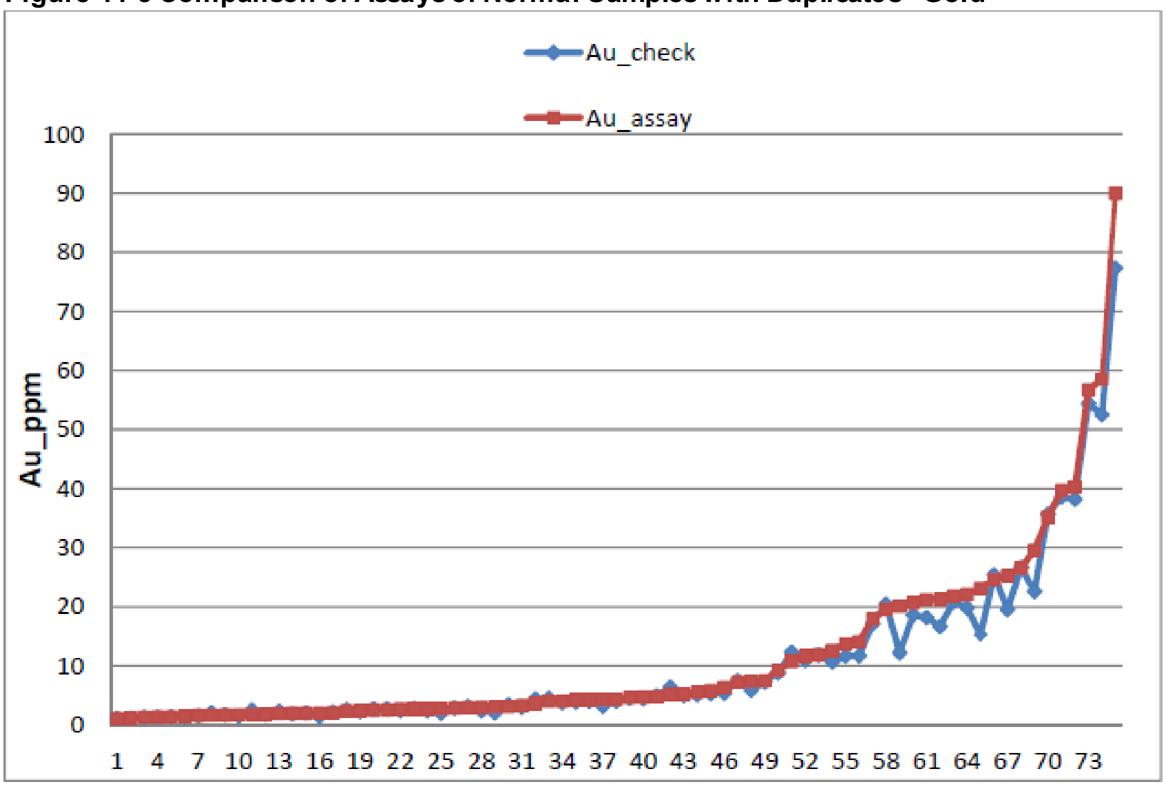
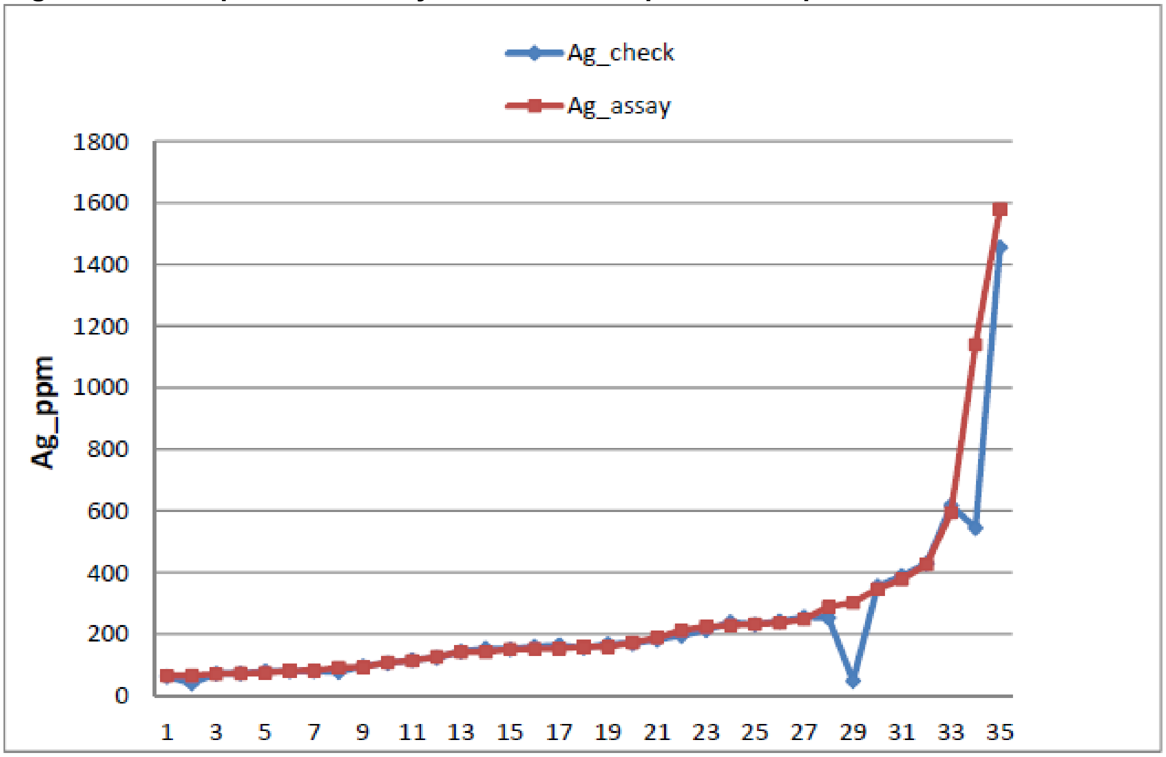


Figure 11-6 Comparison of Assays of Normal Samples with Duplicates - Silver



11.5 Sample Security

For security, the geology building, and core processing area were restricted to New Pacific geology personnel only. At the core cutting facility the samples were sealed by triple folding the top of plastic sample bag and then closed with staples. When no authorized personnel were present, samples were stored in the locked geology building. Bagged samples were placed in rice bags and transported by staff to the preparation labs in Whitehorse, YT where custody of the samples was transferred from New Pacific to Eco-Tech or ALS Minerals.

11.6 Opinion on Adequacy

GeoSim is of the opinion that the adequacy of sample preparation, security and analytical procedures are sufficiently reliable to support an Inferred mineral resource estimation and that sample preparation, analysis, and security are generally performed in accordance with exploration best practices at the time of collection.

12.0 DATA VERIFICATION

12.1 Site Visit Verification

The author visited the site on July 16 and 17, 2013 and on August 26, 2020. The purpose of the visits was to review the drilling, sampling, and quality assurance/quality control procedures. The geology and mineralization encountered in the drill holes completed to date were also reviewed. Underground workings have been sealed off since 2011 but all portals were visited. The Rainbow vein outcrop was examined near the 1350 portal of the Skukum Creek deposit. Data verification included:

- Verification sampling of drill core
- Verification of selected drill hole collars by hand-held GPS
- Verification of the Lake Zone, Skukum Creek and Goddell Gully geodatabases.

Drill core was stored either as pallets or in racks. A few racks had collapsed resulting in core spillage (Figure 12-1). Drill core from several holes was examined and found to be consistent with drill logs.

Figure 12-1 Core Storage

Four samples of drill core from various deposits were collected by the author and submitted to Acme Analytical Laboratories Ltd. (Acme) of Vancouver, BC (an ISO 9001:2008 accredited laboratory). Results confirmed the presence of significant grades of gold and silver in the sampled intervals (Table 12-1). Two samples were considerably lower in grade and two returned higher grades than the complete interval assays but these samples only represented 10 to 20 centimetres of material within the corresponding intervals.

Table 12-1 Verification Samples

Sample	Hole No.	Depth (m)	Au g/t	Ag g/t	Original Assay Interval (m)				
					From	To	Width	Au g/t	Ag g/t
GSM01	SC11-02	507	60.3	274	506.00	507.00	1.00	19.90	226.0
GSM02	MS11-01	46	9.916	30	45.30	46.40	1.10	6.90	19.5
GSM03	GG11-04	549.5	0.622	<2	549.00	550.00	1.00	17.50	3.4
GSM04	SC11-04UG	88	0.497	47	87.65	88.30	0.65	10.70	264.0

Eight drill hole collars were checked by hand-held GPS and locations confirmed.

At the time of the recent site visit, a tent camp had been established for exploration and historic core was being re-logged and sampled. New core racks were being constructed for new drilling and to preserve historic core.

Portals at Skukum Creek and Goddell Gully are presently road-accessible by 4WD vehicle. The access road to the Mt. Skukum area has two significant washouts about 2 km before the Cirque portal.

12.2 Database Verification

The author examined the sample database for location accuracy, down hole survey errors, typographical errors, interval errors and missing sample intervals. Several issues were identified and corrected prior to the mineral resource estimation. Drill hole collars were confirmed to correspond to topographic surfaces or underground workings. Underground samples were also confirmed to correspond to underground development.

12.3 Conclusions

The author is of the opinion that the data is adequate to support a current mineral resource estimate as defined under NI 43-101.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Between 1988 and 2011, various types of mineral processing and metallurgical test work have been completed on the mineralized material of the Skukum Creek gold-silver deposit. Testwork completed prior to 2011 are included in Section 6.0. Details of the 2011 testwork by New Pacific are presented below with information and results taken from Zhang (2012). Certificates of analysis corresponding to the assay work were not available to the author.

During 2011, New Pacific sent two batches of metallurgical samples to the Hunan Nonferrous Research Institute of Metallurgy based in Changsha City, Hunan Province, PR China for flotation recovery tests. Each batch weighed about 450 to 500 kilograms, taken from the mineralization stockpile, a product of historical drift development along the Rainbow Zone at Skukum Creek.

The first batch was sampled and delivered to the Institute in July 2011. Sampling method was by hand-picking quartz sulphide vein material from the stockpile. This sample is referred to as "High Grade".

Assay results of the sample are presented in Table 13-1. The flotation test results (Table 13-2) indicated the recovery of both gold and silver of the high-grade sample is more than 90%.

Table 13-1 Assay Results of Samples for Flotation Tests

Item	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	S (%)	As (%)
"High-Grade"	49	419	1.04	1.1	3.49	11.56	3.05
"Low-Grade"	6.57	93.12	0.12	0.36	0.93	2.42	1.07

Table 13-2 Closed-Circuit Flotation Recovery of "High Grade" at Skukum Creek

Item	Production (%)	Grade (g/t)		Recovery (%)		Frother
		Au	Ag	Au	Ag	
Concentrate	30.31	162.5	1311.67	99.24	96.63	sodium carbonate
Tailings	69.69	0.54	19.89	0.76	3.37	
Primary	100	49.63	411.43	100	100	
Concentrate	18.07	258.3	2070.7	94.5	89.47	lime
Tailings	81.93	3.31	53.77	5.5	10.53	
Primary	100	49.39	418.23	100	100	

With consideration that the high-grade sample is not properly representative of the average grade of the deposit, a second batch was taken and delivered to the Institute in September 2011. This sample was referred to as "Low Grade" and is a better reflection of average grade of the Skukum Creek Deposit. The recovery of the initial open circuit test for gold and silver is 88.26% and 86.03%, respectively (Table 13-3).

Table 13-3 Open-Circuit Flotation Recovery of "Low Grade" at Skukum Creek

Item	Production (%)	Grade (g/t)		Recovery (%)		Frother
		Au	Ag	Au	Ag	
Concentrate	7.52	79.1	1022.66	88.26	86.03	sodium carbonate
	3.27	5.1	47.52	2.47	1.74	
	3.53	10.4	109.21	5.45	4.31	
Tailings	85.68	0.3	8.26	3.82	7.92	
Primary	100	6.74	89.39	100	100	
Concentrate	6.25	94	1019.89	87.89	83.44	lime
	1.99	4.75	100.41	1.41	2.62	
	2.51	10.7	146.45	4.02	4.81	
Tailings	89.25	0.5	7.82	6.68	9.13	
Primary	100	6.68	76.4	100	100	

Zhang (2012) did not include any discussion of processing factors or deleterious elements that could have an impact on potential economic extraction. With the information at hand, the author cannot present an opinion on the results of the metallurgical testing.

14.0 MINERAL RESOURCE ESTIMATE

14.1 Introduction

Resource models have been developed for three of the targets within the Project area;

1) Mt. Skukum (Lake Zone)
2) Skukum Creek
    - Rainbow Zone
    - Kuhn Zone
    - Berg Zone
    - Rainbow2 Zone
3) Goddell Gully

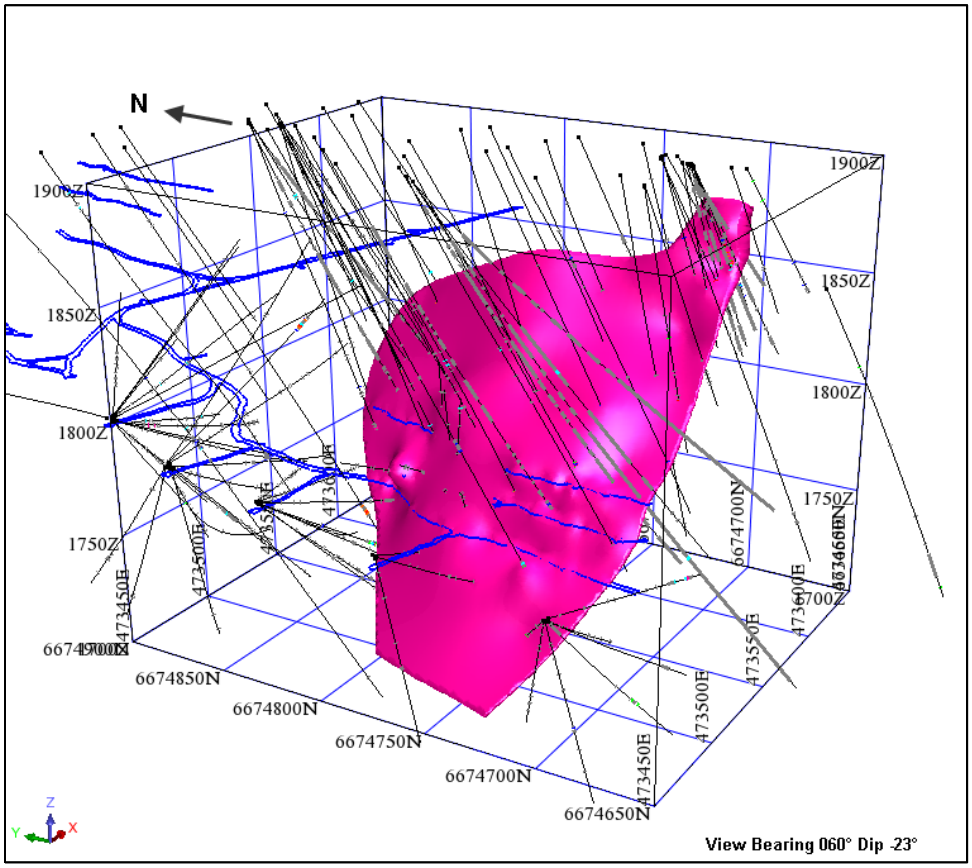
14.2 Mt. Skukum (Lake Zone)

14.2.1 Geologic Model, Domains and Coding

Drilling and sampling have outlined a single continuous vein extending up to 176 metres along strike to the NNW and up to 233 metres down dip to the WNW. The zone has a moderate dip of 52° towards an azimuth of 284°.

The zone was modeled in Leapfrog3d software using a minimum horizontal width of 1.5m. The Lake Zone vein model is illustrated in Figure 14-1.

Figure 14-1 Lake Zone Vein Model



14.2.2 Available Data

The database for the Mt. Skukum area contains 363 core holes totaling 42,914 m. Total drilling on the Lake Zone amounted to 184 core holes for 21,390 metres as summarized in Table 14-1 and Table 14-2. The 1984-1988 drill programs used a nominal sample length of 0.5 metres and averaged 0.43 metres overall. The 2011 drill program used a 2 metres nominal sample length and averaged 1.76m overall.

Table 14-1 Lake Zone Database - Surface Drilling Summary

Series	Year Completed	Company	Holes Drilled	Total metres	Intervals Assayed	Metres Assayed
84-082 to 118	1984	Agip	10	1,157.31	12	4.20
86-143 to 192	1986	MSGM	32	5,481.96	436	230.83
87-322 to 382	1987	MSGM	43	3,997.25	669	264.09
88-500 to 519	1988	MSGM	15	1,847.48	249	100.55
MS11-01 to 15	2003	NUX	16	2,483.67	782	1,377.89
		Total	**116**	**14,967.67**	**2,148**	**1,977.56**

Table 14-2 Lake Zone Database - Underground Drilling Summary

Series	Year Completed	Company	Holes Drilled	Total metres	Intervals Assayed	Metres Assayed
87-221 to 259	1987	MSGM	39	3,861.03	499	210.01
88-260 to 294	1988	MSGM	29	2,561.04	439	184.61
		Total	**68**	**6,422.07**	**938**	**394.62**

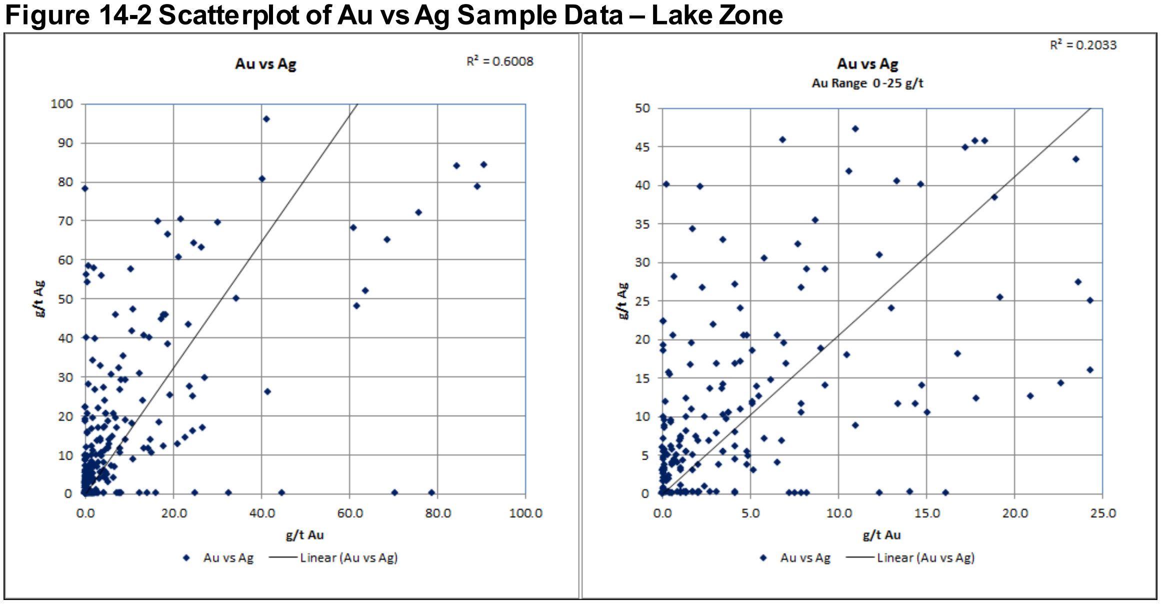
The database also contains 951 underground samples assayed only for Au from 3 main levels with an average length of 1.18 m. These are labelled as channel samples, but the sample methodology is not documented. They correspond reasonably well with nearby drill intercepts and are believed to be of sufficient reliability to support an inferred resource.

A total of 551 assays labeled 'BH' are believed to be taken from sludge samples and were not used in the resource estimation.

14.2.3 Exploratory Data Analysis

Within the vein model, Au and Ag show a moderate positive correlation (correlation coefficient = 0.78) and a linear regression yields an R^2 value of 0.6. At lower levels of Au content the correlation drops significantly to 0.54 with an R^2 value of 0.2 (Figure 14-2).

Figure 14-2 Scatterplot of Au vs Ag Sample Data – Lake Zone



Cumulative frequency distributions for the Au and Ag samples within the vein model are illustrated in Figure 14-3 and Figure 14-4. Sample populations are highly skewed approaching log normal distribution.

Basic statistics for Au and Ag in their corresponding grade domains are shown in Table 14-3.

Figure 14-3 Frequency Distribution of Au – Lake Zone

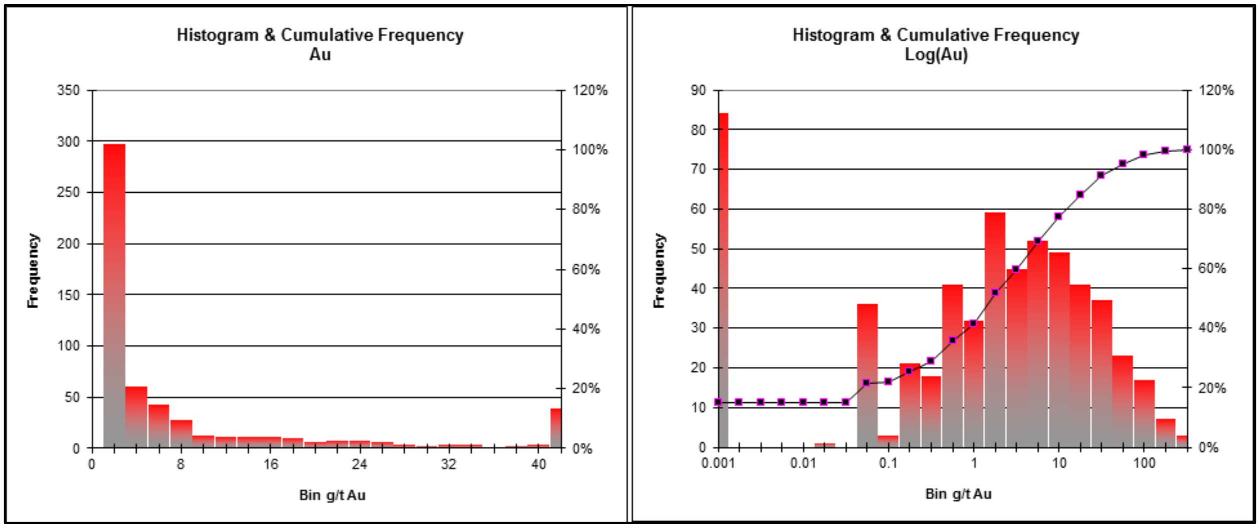


Figure 14-4 Frequency Distribution of Ag – Lake Zone

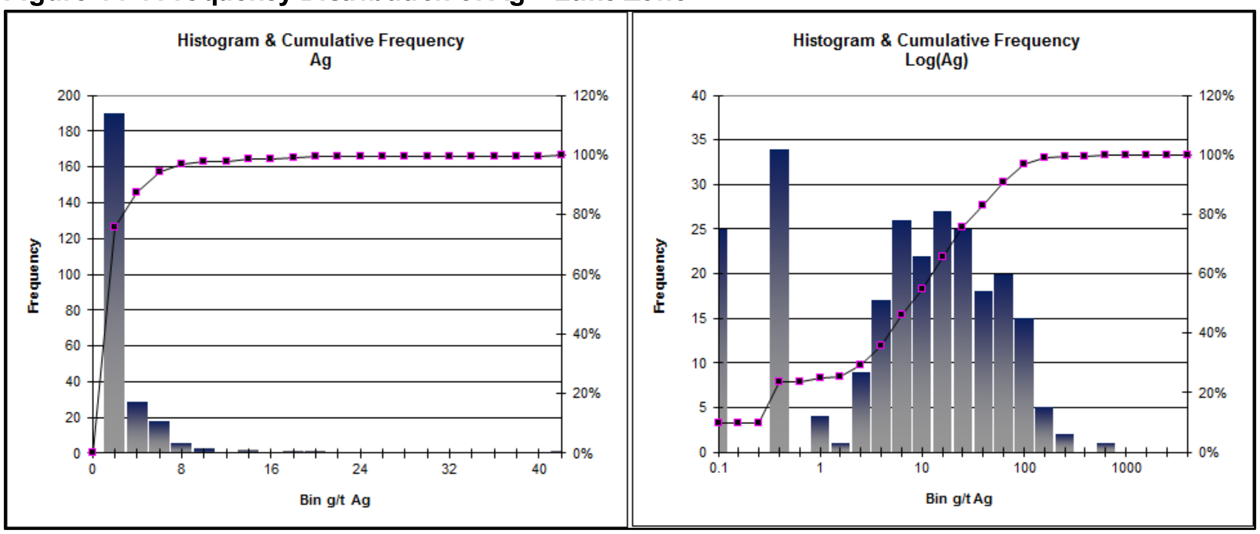


Table 14-3 Sample Statistics

	Au g/t		Ag g/t	
	Undiluted	Diluted	Undiluted	Diluted
n	529	536	236	243
Min	0.001	0.001	0.1	0.1
Max	389.143	389.143	505.4	505.4
Median	2.297	2.143	9.6	8.2
Mean	11.830	11.676	22.9	22.2
Wt Avg	13.536	13.473	22.5	22.2
Variance	897.30	887.36	2056	2011
Std Dev	29.95	29.79	45.3	44.8
CV	2.53	2.55	1.98	2.02

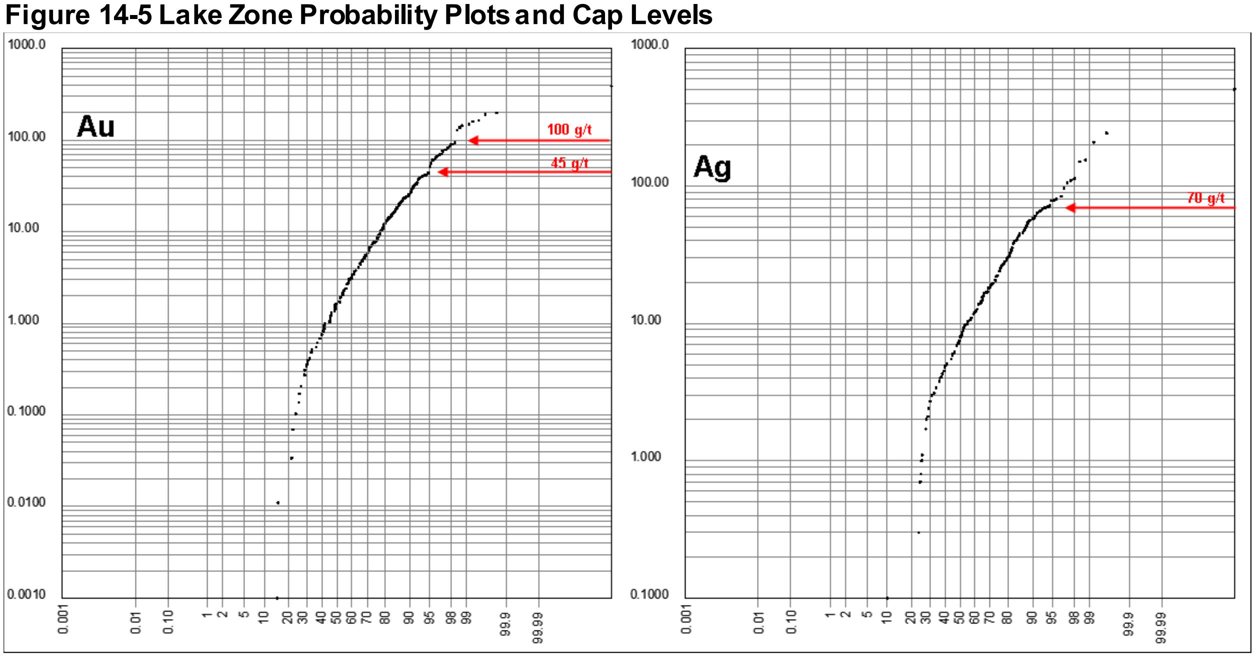
14.2.4 Evaluation of Outlier Grades

Before compositing of sample assays, grade distribution in the raw sample data was examined to determine if grade capping or special treatment of high outliers was warranted. Cumulative log probability plots were examined for outlier populations, and decile analyses were performed for Au within the zone domains. As a general rule, the cutting of high grades is warranted if:

- the last decile (upper 10% of samples) contains more than 40% of the metal; or
- the last decile contains more than 2.3 times the metal of the previous decile; or
- the last centile (upper 1%) contains more than 10% of the metal; or
- the last centile contains more than 1.75 times the next highest centile.

In the case of the Lake Zone sample population, the last decile contains 72% of the metal for Au or 5.7 times the metal of the previous decile. For Ag the last decile contains 56% for of the contained metal which is 3.3 times the metal of the previous decile. There were too few samples in the upper decile to give reliable results for the upper centiles so cumulative probability plots were used to determine appropriate capping and outlier restriction (Figure 14-5). Top-cuts of 100 g/t for Au and 70 g/t for Ag were selected and samples between 45 and 100 g/t Au were identified as requiring a limited range of influence. The top-cuts affected 10 Au intervals and 16 Ag intervals. An additional 19 Au intervals between 45 and 100 g/t were given a limited range of influence.

Figure 14-5 Lake Zone Probability Plots and Cap Levels



14.2.5 Compositing

Best fit downhole sample assay composites of Au and Ag were generated using a nominal 1 meter interval within the zone domain. There were fewer Ag composites as the underground samples did not have Ag assays. Samples were capped prior to compositing at the levels established in the previous section.

Statistics for composites are summarized in Table 14-4. Grade capping reduced the coefficient of variation ("CV") for Au from 2.83 in the uncapped composites to 1.52 in the capped data population. Although this is still considered quite high, it is not unusual for precious metal deposits and is a considerable improvement over the CV of the initial sample intervals. Geosim is of the opinion that the CV is low enough to support a mineral resource estimate.

Table 14-4 Composite Statistics

		Au g/t			Ag g/t	
		Uncapped	Cap 45 g/t	Cap 70 g/t	Uncapped	Cap 70 g/t
n		562	562	562	149	149
Mean		0.00	0.00	0.00	0.00	0.00
Mean		389.14	45.00	100.00	155.00	70.00
Mean		13.31	8.17	10.48	20.58	17.02
Median		2.73	2.73	2.73	9.97	9.97
Var		1417.38	153.34	410.53	790.56	373.59
Std Dev		37.65	12.38	20.26	28.12	19.33
COV		2.83	1.52	1.93	1.37	1.14

14.2.6 Bulk Density Data

A total of 171 density measurements were made on core sampled in 2011. After removing 5 outliers the average density was 2.68 g/cm^3. A comparison of measurements between mineralized and unmineralized core showed no significant difference and this value was used to determine reported tonnes of mineralized material in the resource estimate.

14.2.7 Variography

Directional variograms in the plane of the mineralized zone showed no significant trends or anisotropy. The maximum model range was 20m and the nugget value was 53% of the total sill using a maximum grade of 45 g/t.

14.2.8 Model Setup and Limits

A rotated block model was created in Gemcom-Surpac Vision© software using a block size 5 x 5 x 3 metres with sub-blocking enabled to 2.5 x 2.5 x 1.5 metres. Block model extents and orientation are summarized in Table 14-5.

Table 14-5 Block Model Parameters

	East	North	Elevation
Origin	473480	6674680	1650
Extent	300	220	75
Rotation		-52°	14°

	East	North	Elevation
Block Size	5	5	3
Sub-block	2.5	2.5	1.5

14.2.9 Interpolation Parameters

Au and Ag grades within the vein domain were estimated in three passes using the inverse distance weighting method to the third power (ID^3). A single pass nearest neighbour estimate was also carried out for use in model validation. Search parameters are outlined in Table 14-6. Grade distribution it illustrated in Figure 14-6 and Figure 14-7.

Table 14-6 Grade Model Search Parameters

Item/Zone	Pass	Max Search Dist (m)		Min # Composites	Max # Composites	Max per Hole	Topcut g/t Au / Ag
		Parallel to structure	Across Structure				
Au	1	20	4	3	16	2	100
	2	40	8	3	16	2	45
	3	80	16	3	20	-	45
Ag	1	20	4	3	16	2	70
	2	40	8	3	16	2	70
	3	80	16	3	20	-	70

Figure 14-6 Perspective View of Block Model Au Grades

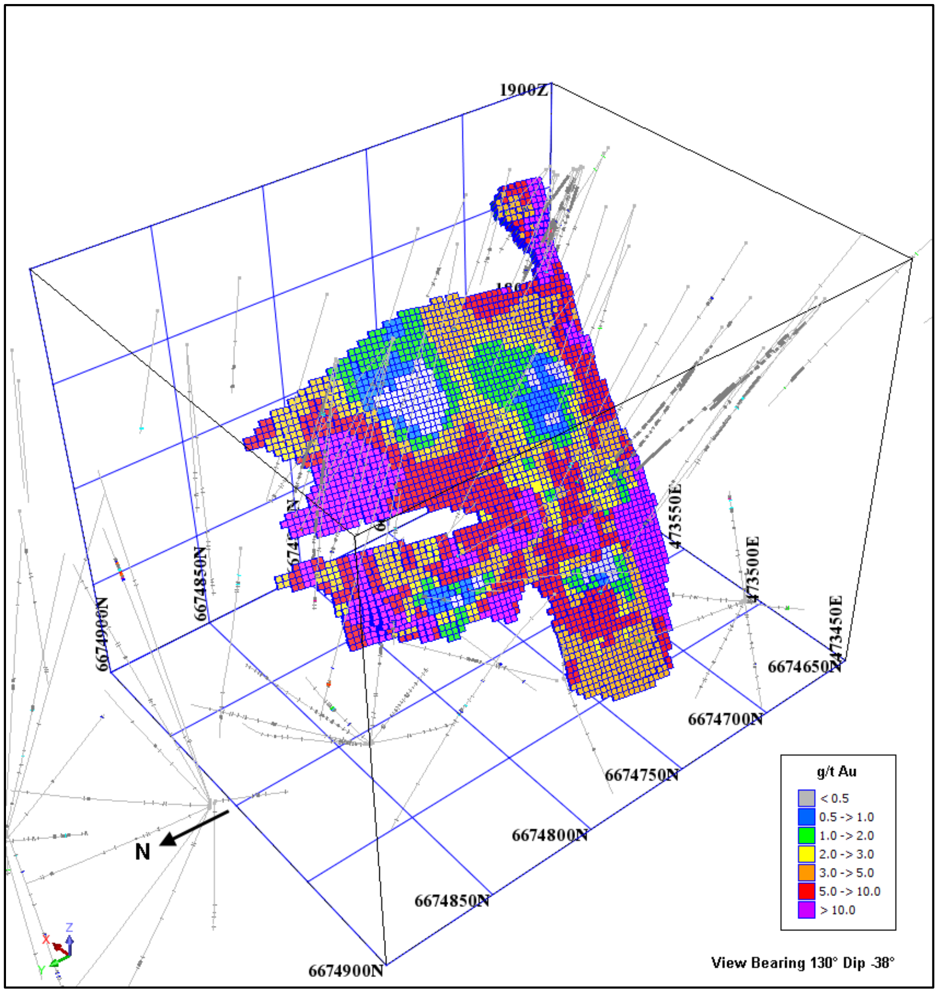
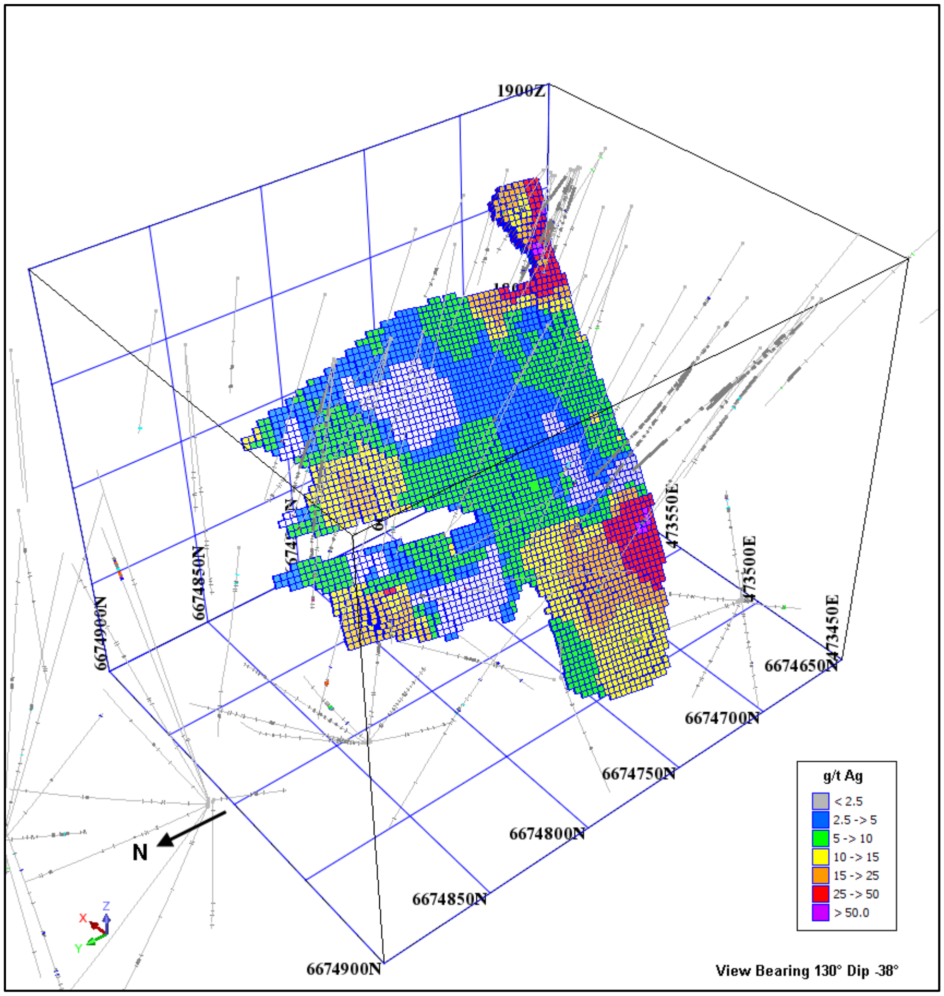


Figure 14-7 Perspective View of Block Model Ag Grades



14.2.10 Validation

14.2.10.1. Visual Inspection

Model verification was initially carried out by visual comparison of blocks and sample grades in plan and section views. The estimated block grades showed reasonable correlation with adjacent composite grades.

The frequency distributions of block grades within the blocks estimated for Au and Ag are shown in Figure 14-8 and Figure 14-9.

Figure 14-8 Frequency Distribution of Au Grades in Block Model

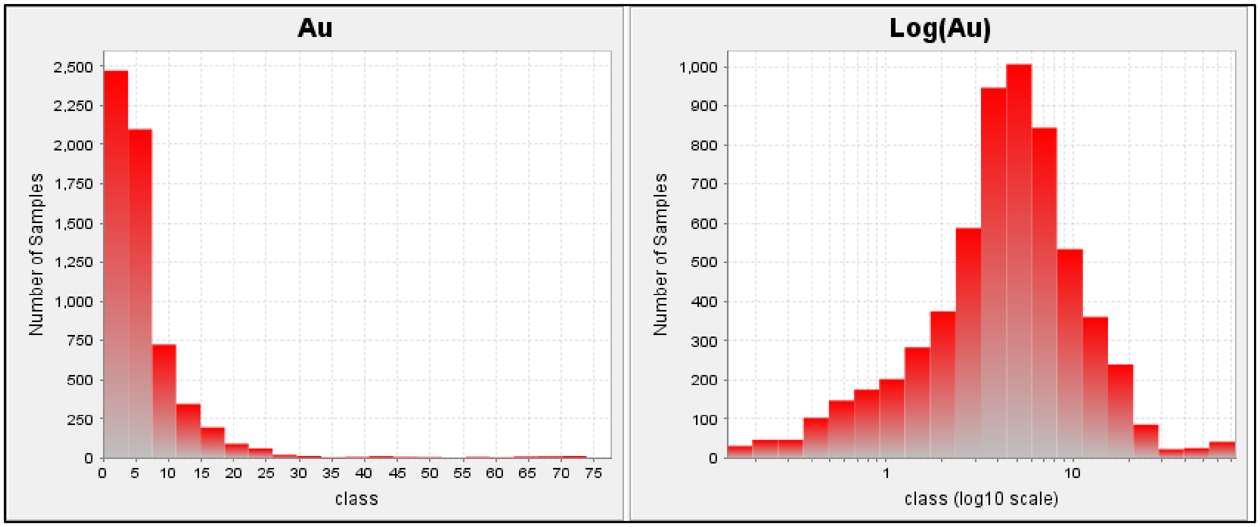
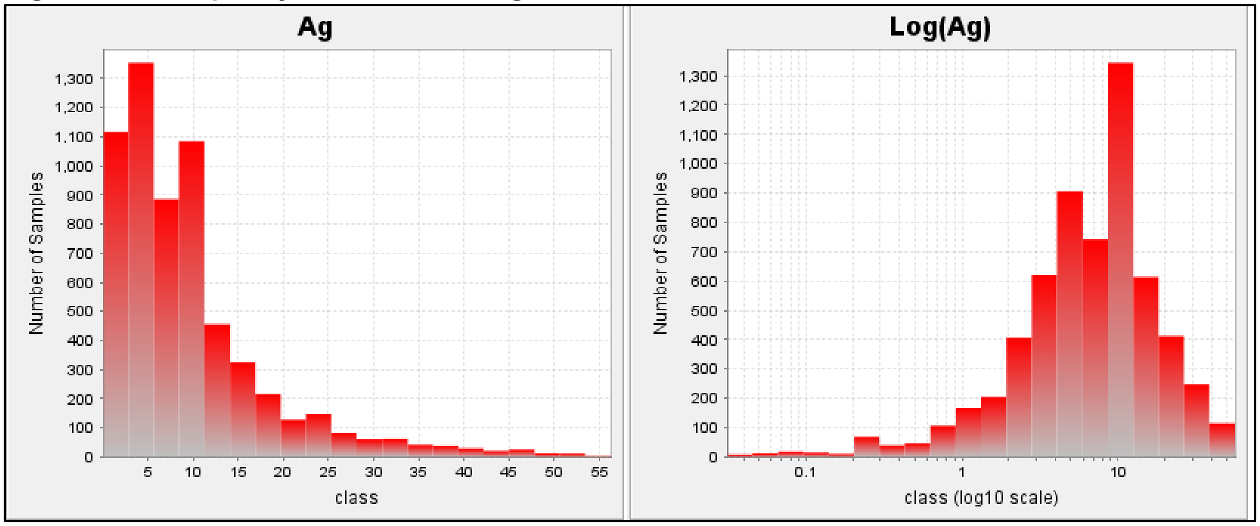


Figure 14-9 Frequency Distribution of Ag Grades in Block Model



14.2.10.2. Global Bias Check

Block grades were estimated using the inverse distance (ID^3) and the nearest neighbour ('NN') methods. A comparison of global mean values within the vein domain shows a reasonably close relationship with samples, composites and block model values at a '0' cut-off grade (Table 14-7).

Table 14-7 Global Mean Grade Comparison

Source	Au	Ag
Samples	13.54	23
Samples (Capped)	10.89	19
Composites	13.31	21
Capped Composites	8.17	17
IDW Grade	7.35	11
NN Grade	7.74	13

14.2.11 Resource Classification

Resource classifications used in this study conform to the following definition from Canadian Institute of Mining ("CIM") Definition Standards adopted by CIM Council on May 10, 2014:

Mineral Resource

Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

Interpretation of the word 'eventual' in this context may vary depending on the commodity or mineral involved. For example, for some coal, iron, potash deposits and other bulk minerals or commodities, it may be reasonable to envisage 'eventual economic extraction' as covering time periods in excess of 50 years. However, for many gold deposits, application of the concept would normally be restricted to perhaps 10 to 15 years, and frequently to much shorter periods of time.

Measured Mineral Resource

Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Indicated Mineral Resource

An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the *application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.*

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

The Mt. Skukum resource is classified as 'Inferred' as grade estimation is largely based on limited sampling and grade continuity has not been verified between widely spaced drill intercepts.

The underground mining assumptions for determining cut-off grade with reasonable prospects of economic extraction are presented in Table 14-8.

Table 14-8 Cost Assumptions used in Cut-off Grade Determination

Assumptions	Value
Gold Price	$1,450
Silver Price	$16.50
Gold Recovery %	90%
Silver Recovery %	90%
Mining Cost (US$/t milled)	$90
Processing (US$/t milled)	$25
G&A Cost (US$/t milled)	$10
Total Operating Cost (US$/t milled)	$125
Cut-off Grade g/t Au	3.0

14.2.12 Mineral Resources

The following table presents the mineral resource estimate for the Mount Skukum. The selected base case cut-off grade of 3.0 g/t gold is considered to be generally consistent with the economic cut-off for other mineral deposits of similar characteristics, scale and location. The gold equivalent formula used was AuEQ = Au + Ag * 0.0114. The effective date of the estimate is October 1, 2020.

Table 14-9 Inferred Mineral Resource – Mt. Skukum Lake Zone

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Inferred	Lake Vein	90,100	9.28	12.9	9.43	26,882	37,368	27,308

Notes:

1. Mineral resource estimate prepared by GeoSim Services Inc. with an effective date of October 1, 2020.
2. Totals may not sum due to rounding.
3. Mineral resources are diluted to a minimum width of 1.5m
4. A base case cut-off grade of 3.0 g/t Au represents an in-situ metal value of US$126 per tonne at a gold price of $1450/oz, silver price of $16.50/oz and a metal recovery of 90% for gold and silver which is believed to provide a reasonable margin over operating and sustaining costs for narrow vein mining and processing.
5. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

14.2.13 Comparison with Previous Estimate

The change in metal price assumptions since 2012 resulted in a higher Au:Ag ratio for the gold equivalent calculation. As a result, the 2020 Skukum Lake resource estimate showed lower tonnes at higher gold grades than the previous resource estimate released in 2012 (Simpson, 2012).

14.3 Skukum Creek

14.3.1 Geologic Model, Domains and Coding

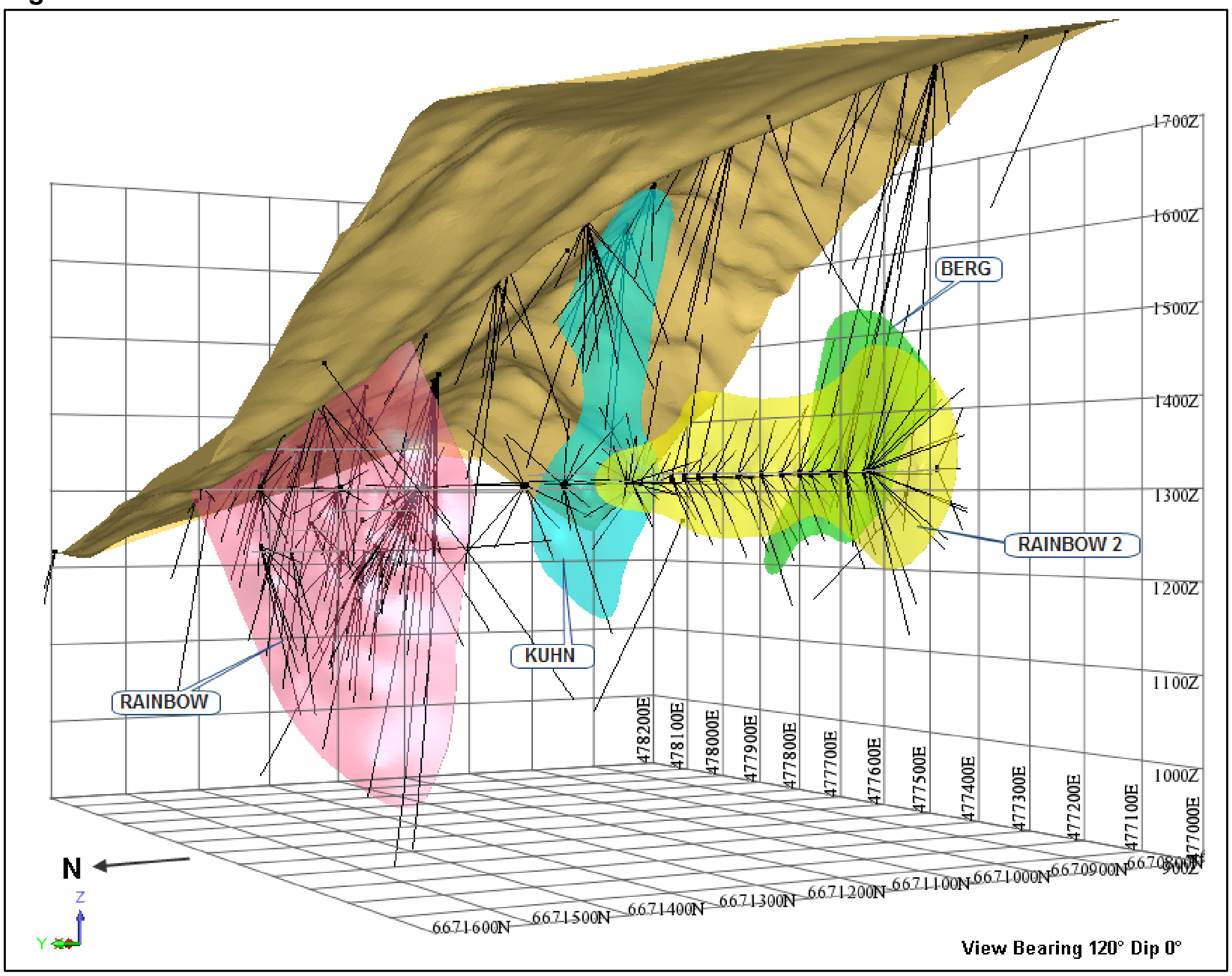
Four separate vein zones were modeled in Leapfrog3d software using a minimum horizontal width of 1.5m. The vein domains were assigned integer codes as displayed in Table 14-10.

The Skukum Creek vein models are illustrated in Figure 14-10.

Table 14-10 Skukum Creek Vein Model Codes

Vein	Code
Rainbow 2	101
Berg	102
Kuhn	201
Rainbow	301

Figure 14-10 Skukum Creek Vein Models



14.3.2 Available Data

The drilling database summary for the Skukum Creek area is presented in Table 14-11 and Table 14-12. A total of 10,723 samples were assayed for Au and 10,484 for Ag (22 holes from the 1986 surface drill program were missing Ag assays).

Table 14-11 Skukum Creek Database - Surface Drilling Summary

Series	Year Completed	Company	Holes Drilled	Total metres	Intervals Assayed	Metres Assayed
85-1 to 85-23, RDH85	1985	Aurum	27	2,883.43	558	582.42
86-	1986	Aurum	55	8,301.47	1,086	1,297.90
87-	1987	Aurum	11	2,624.03	212	241.61
88-E1 to WC1	1988	Omni	24	5,165.18	388	490.26
RACA97, RG97	1997	Omni	7	2,739.47	639	800.79
98-	1998	Omni	5	1,321.90	48	37.22
SC01-1 to 4	2001	Tagish Lake Gold	4	1,502.35	895	1,174.57
CFT11, RACA11, SC11	2011	NUX	12	4,767.44	910	1,033.58
		Total	**145**	**29,305.27**	**4,736**	**5,658.35**

Table 14-12 Skukum Creek Database - Underground Drilling Summary

Series	Year Completed	Company	Holes Drilled	Total metres	Intervals Assayed	Metres Assayed
87-UG1R to 17R, 87-UG18K TO 21K	1987	Aurum	21	1,741.90	350	438.12
87-UG-TH1 to TH4	1987	Mt. Skukum	4	41.46	25	26.10
87-UG22K to UG57K	1987	Omni	36	2,896.51	600	669.45
88-UG1 to UG12	1988	Omni	13	1,416.06	224	199.67
R96-200 to 214	1996	Omni	15	1,646.84	241	324.67
SC02-5 to 19	2002	Tagish Lake Gold	15	2,502.52	788	923.89
SC03-20 to 24	2003	Tagish Lake Gold	5	284.08	117	143.57
SC05-25 to 38	2005	Tagish Lake Gold	14	913.40	283	271.64
SC06-39 to 110	2006	Tagish Lake Gold	72	6,445.44	2,384	2,364.43
SC07-111 to 126	2007	Tagish Lake Gold	16	2,125.98	559	437.47
SC11-(UG)	2011	NUX	14	1,706.60	416	413.89
		Total	**225**	**21,720.79**	**5,987**	**6,212.90**

Two drill holes were excluded from the resource estimate. Hole 87-UG17R was twinned by a more recent hole and hole 85-18 appeared to have incorrect orientation data as the zone intercept was significantly offset from the nearby underground development.

The mean width of all the Skukum Creek drill sample intervals was 1.11 metres with the most common interval set at 1 m.

The database also contains Au and Ag assay results from 1974 underground samples. The average sample length is 0.93 metres and the median is 0.9 metres. Most of the underground sampling was carried out along drifts in the Rainbow Zone developed on the 1300 and 1350 levels. The 1300 level drifts on the Berg, Kuhn and Rainbow 2 Zones were also sampled.

14.3.3 Exploratory Data Analysis

Au and Ag show moderate positive correlations in the Rainbow 2 and Berg Zones with correlation coefficients of 0.6 and 0.66 respectively. The Kuhn zone shows a weaker correlation of 0.37 and the Rainbow zone is very weak (0.24). Scatterplots of Au vs Ag for the individual zones are displayed in Figure 14-11 and Figure 14-12.

Figure 14-11 Scatterplot of Au vs Ag Sample Data – Rainbow 2 and Berg Zones

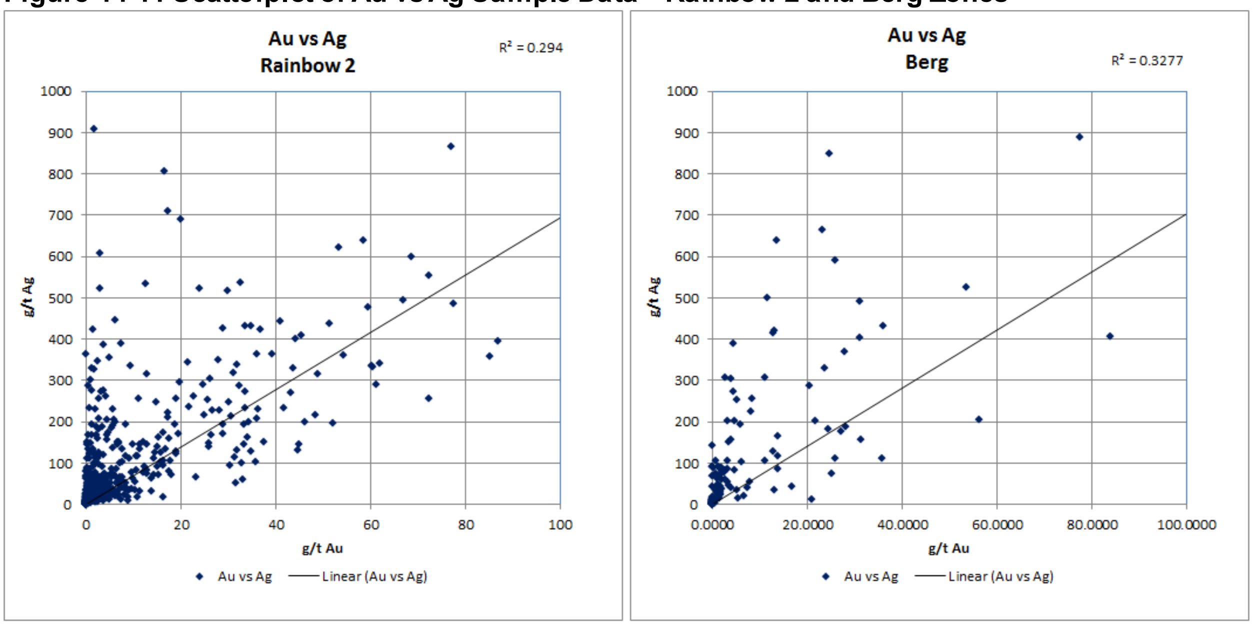
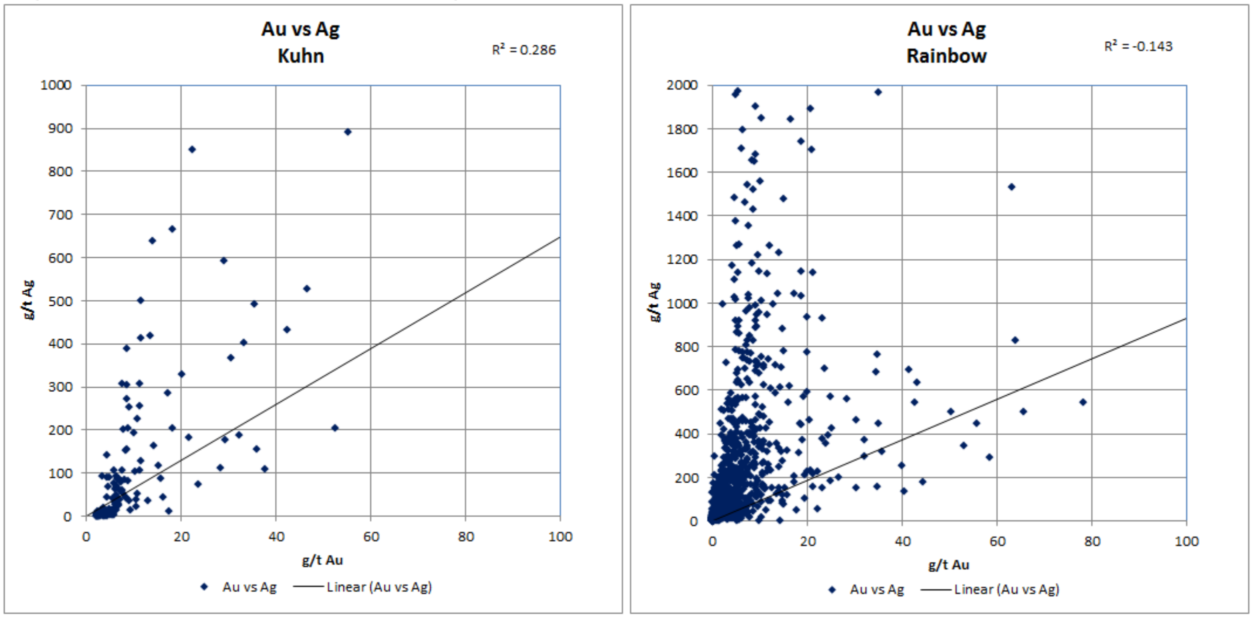


Figure 14-12 Scatterplot of Au vs Ag Sample Data – Kuhn and Rainbow Zones



Cumulative frequency distributions for the Au and Ag samples within the vein models are illustrated in Figure 14-13 and Figure 14-14. Sample populations are highly skewed approaching log normal distribution.

Basic statistics for Au and Ag in their corresponding grade domains are shown in Table 14-13 and Table 14-14

Table 14-13 Sample Statistics - Au

	Rainbow 2	Berg	Kuhn	Rainbow	All DH	All Channel	Combined
n	713	159	325	1325	1588	934	2522
Min	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Max	144.00	215.00	198.86	412.80	412.80	215.00	412.80
Median	0.89	1.10	2.06	1.95	1.58	2.03	1.75
Mean	7.09	8.29	6.00	5.04	5.48	6.75	5.95
Wt Avg	6.46	6.91	5.20	4.99	5.00	6.42	5.47
Variance	225.34	450.10	244.90	223.30	226.82	266.38	241.75
Std Dev	15.01	21.22	15.65	14.94	15.06	16.32	15.55
CV	2.12	2.56	2.61	2.96	2.75	2.42	2.61

Table 14-14 Sample Statistics - Ag

	Rainbow 2	Berg	Kuhn	Rainbow	All DH	All Channel	Combined
n	713	159	325	1325	1588	934	2522
Min	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Max	1400.0	1010.4	3306.9	3516.0	3516.0	2990.7	3516.0
Median	21.6	35.0	37.0	59.3	38.1	52.7	42.7
Mean	83.6	116.6	100.7	199.6	130.1	180.8	148.8
Wt Avg	75.9	109.3	75.7	188.7	115.8	190.4	141.2
Variance	21378	36699	58687	128710	73993	105972	86399
Std Dev	146.2	191.6	242.3	358.8	272.0	325.5	293.9
CV	1.75	1.64	2.40	1.80	2.09	1.80	1.97

Figure 14-13 Frequency Distribution of Au – Skukum Creek

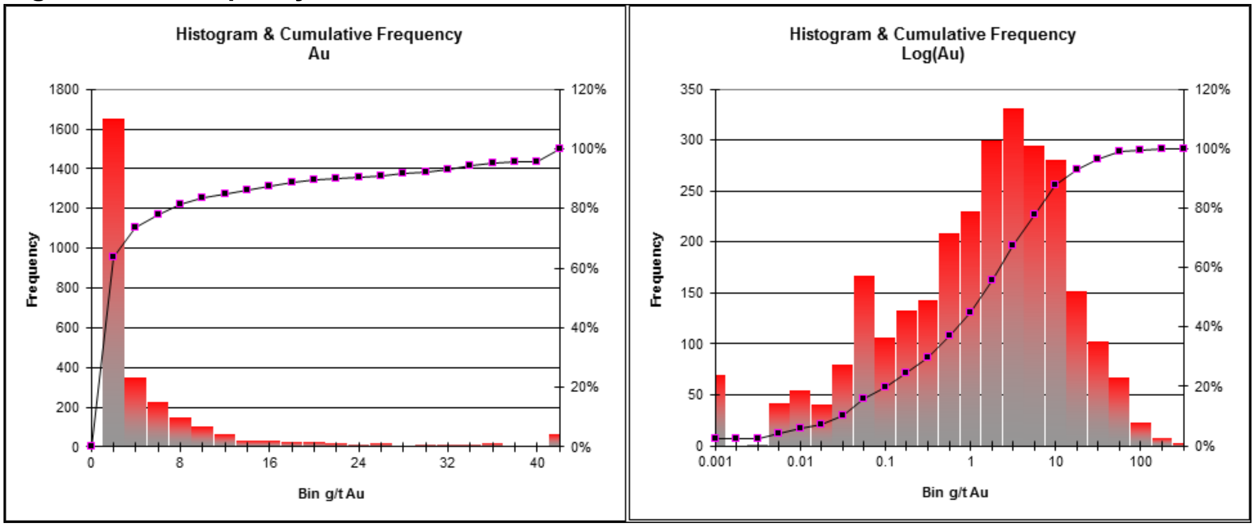
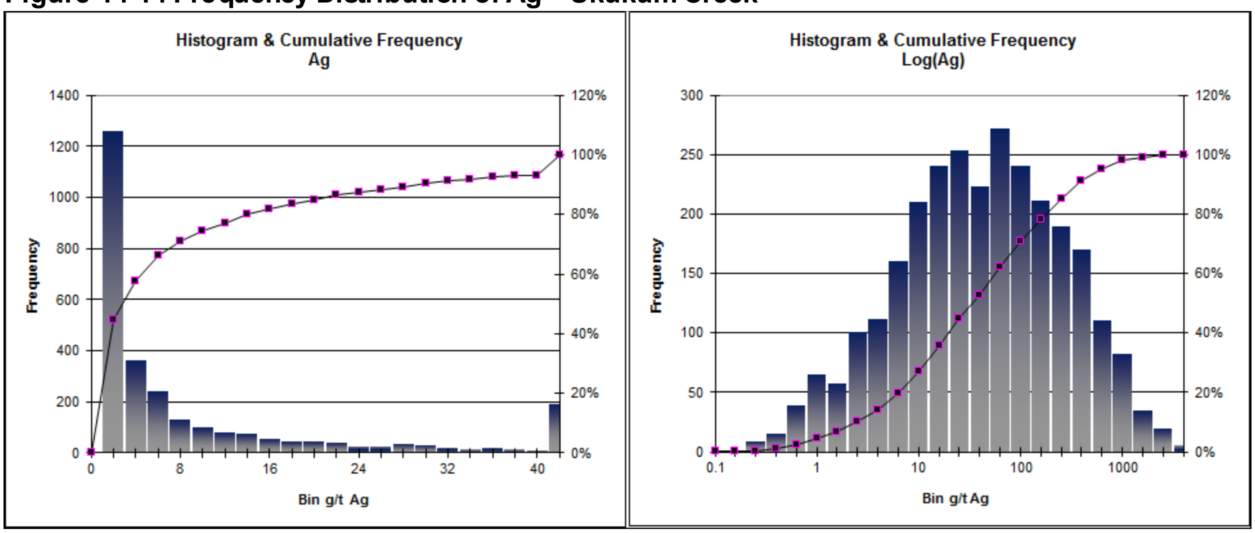


Figure 14-14 Frequency Distribution of Ag – Skukum Creek



14.3.4 Evaluation of Outlier Grades

Before compositing, grade distribution in the raw sample data was examined to determine if grade capping or special treatment of high outliers was warranted. Cumulative log probability plots were examined for outlier populations and decile analyses was performed for Au and Ag within the zone domains.

The upper decile for all zones exceeded the 40% threshold and the upper centiles were all exceeded a level of 10% of the contained metal for both Au and Ag (Table 14-15).

Table 14-15 Decile Analysis - Skukum Creek Zones

Zone	% Contained Metal			
	Au		Ag	
	Upper Decile	Upper Centile	Upper Decile	Upper Centile
Rainbow2	59.7	15.8	46.4	11.0
Berg	51.0	20.8	43.8	14.3
Kuhn	57.2	23.2	43.0	10.1
Skukum	53.6	24.1	51.6	10.2

To establish suitable capping levels, cumulative probability plots (CPP) were examined for any clear break points. Selected upper top-cut levels varied between the 95th and 99th percentile levels (Figures 3 to 6). For the Rainbow2 zone the 60 g/t top-cut was restricted to a maximum distance of 24 metres and beyond this range a 30 g/t outlier restrictions was imposed.

The number of samples capped and impact on average grade in each zone are summarized in Tables 2 and 3. The most dramatic apparent impact on average grade is on the Berg zone which dropped from 6.9 g/t to 4.7. However, most of this drop was due to the influence of one high grade outlier grading 215 g/t which exceeded the next highest grade by over 250%. If this single outlier is excluded the average grade drops from 6.9 to 5.9 g/t. Similarly, in the Kuhn zone, 2 high grade outliers are over 250% higher than the next highest value and if they are excluded the average grade drops from 5.2 to 4.3 g/t.

Figure 14-15 CPP Au and Cap Levels - Rainbow2 Zone

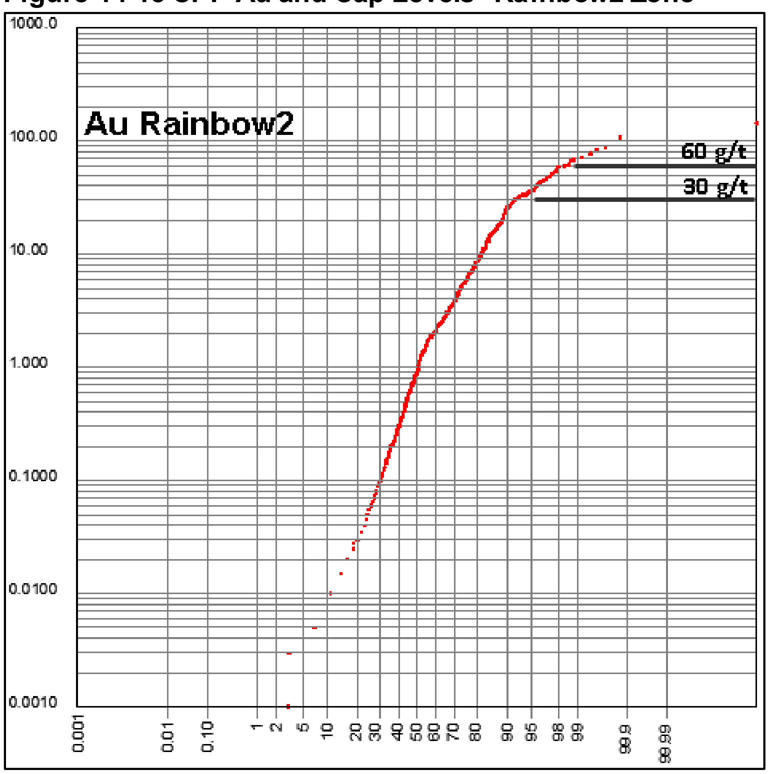


Figure 14-16 CPP Au and Cap Levels- Berg Zone

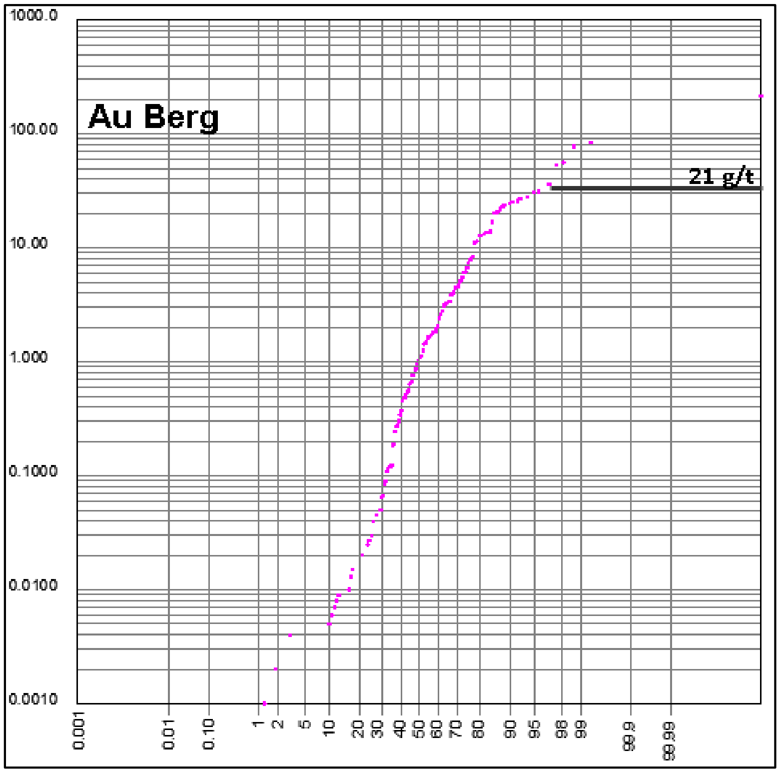


Figure 14-17 CPP Au and Cap Levels - Kuhn Zone

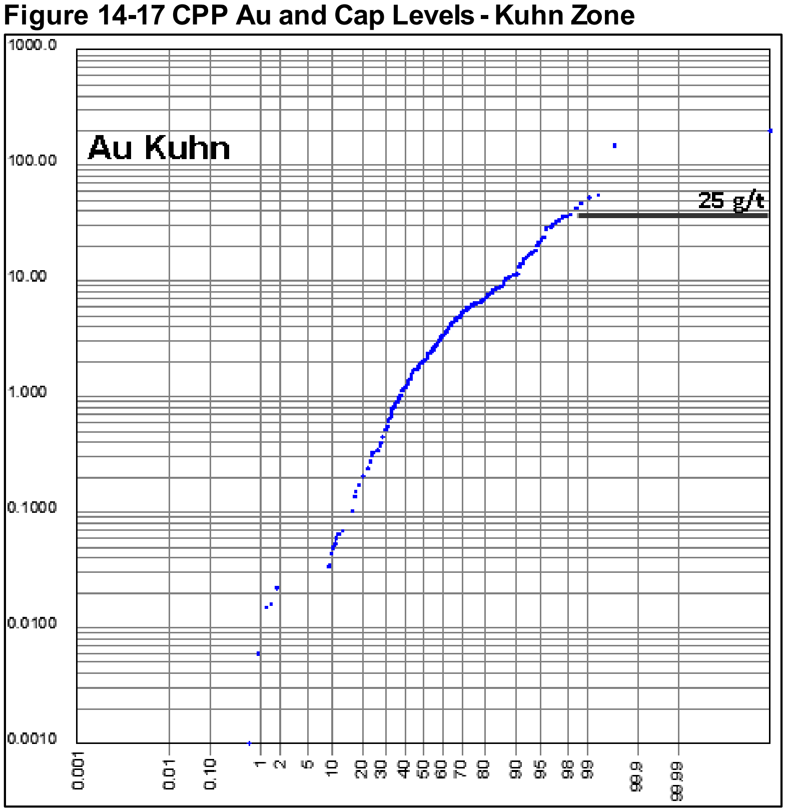


Figure 14-18 CPP Au and Cap Levels - Rainbow Zone

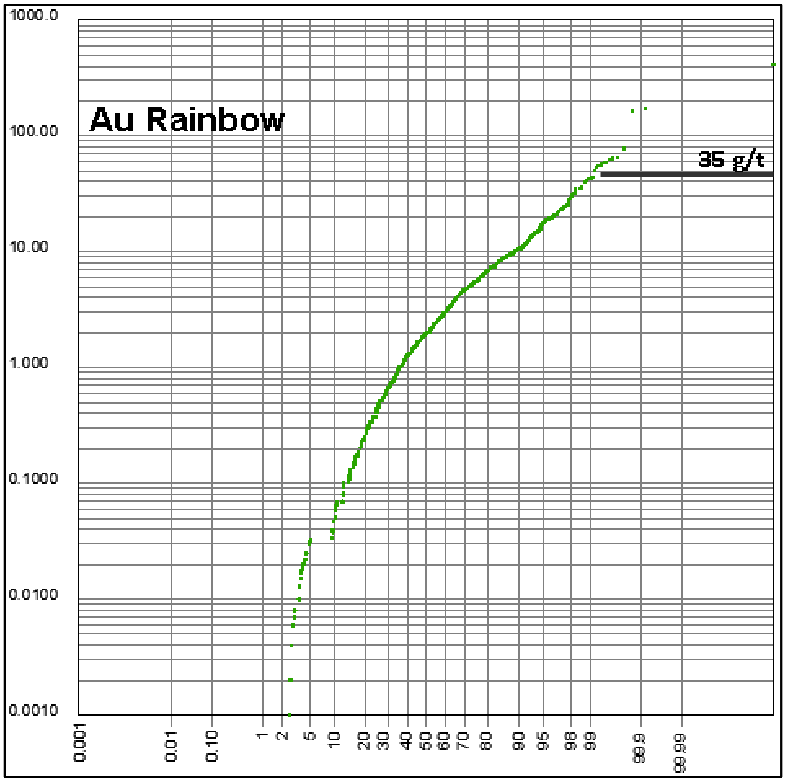


Table 14-16 Capping Summary by Zone - Au

Zone	Rainbow2	Berg	Kuhn	Rainbow	Combined
Cap Level	60	21	25	35	
Total Samples	713	159	325	1325	2522
Maximum Value	144	215	199	413	413
Wt Avg Uncapped	6.46	6.91	5.20	4.99	5.47
Wt Avg Capped	6.07	4.70	4.04	4.15	4.60
Number Capped	14	21	15	20	70
% Capped	2.0%	13.2%	4.6%	1.5%	2.8%

Table 14-17 Capping Summary by Zone - Ag

Zone	Rainbow2	Berg	Kuhn	Rainbow	Combined
Cap Level	650	400	400	1000	
Total Samples	713	159	325	1325	2522
Maximum Value	1400	1010	3307	3516	3516
Wt Avg Uncapped	75.89	109.29	75.69	188.69	141.15
Wt Avg Capped	72.97	91.04	64.92	180.37	133.08
Number Capped	7	15	13	26	61
% Capped	1.0%	9.4%	4.0%	2.0%	2.4%

14.3.5 Compositing

Best fit downhole sample assay composites of Au and Ag were generated using a nominal 1 meter interval within the zone domains. Samples were capped prior to compositing at the levels established in the previous section.

Statistics for composites are summarized in Table 14-18 and Table 14-19. Compositing and grade capping reduced the coefficient of variation ("CV") for Au from 2.61 in the uncapped raw sample data to 1.47 in the capped composite population. Although this is still considered quite high, it is not unusual for precious metal deposits and is a considerable improvement over the CV of the initial sample intervals. Geosim is of the opinion that the CV is low enough to support a mineral resource estimate.

Table 14-18 Composite Statistics - Au

Zone	101	102	201	301	Combined
n	605	166	408	1365	2544
Min	0.000	0.000	0.000	0.000	0.000
Max	60.000	21.000	25.000	35.000	35.000
Q1	0.105	0.027	0.198	0.680	0.334
Median	1.427	0.785	1.630	2.176	1.851
Q3	6.133	5.799	4.814	5.200	5.284
90th %ile	18.190	15.008	9.191	9.388	10.700
99th %ile	53.316	21.000	25.000	32.797	30.000
Mean	5.725	4.274	3.632	4.067	4.172
Variance	109.225	42.743	28.140	31.984	37.812
Std Dev	10.451	6.538	5.305	5.655	6.149
CV	1.83	1.53	1.46	1.39	1.47

Table 14-19 Composite Statistics - Ag

Zone	101	102	201	301	Combined
n	605	166	408	1365	2544
Min	0.0	0.0	0.0	0.0	0.0
Max	650.0	400.0	391.3	1500.0	1500.0
Q1	5.8	5.7	7.4	18.4	11.4
Median	28.3	25.4	30.1	68.6	45.6
Q3	82.0	97.8	74.8	215.7	142.6
90th %ile	192.0	303.9	161.0	480.4	347.5
99th %ile	521.2	400.0	353.2	1474.4	1151.7
Mean	69.4	82.1	58.6	177.2	126.3
Variance	11064.1	14192.1	5954.4	72269.0	46287.1
Std Dev	105.2	119.1	77.2	268.8	215.1
CV	1.515	1.452	1.318	1.517	1.703

14.3.6 Bulk Density Data

A total of 32 samples of vein material from the Skukum Creek zones were measured for bulk density in 2011. After removing two outliers, the average value of 2.87 g/cm^3 was used for converting volume to tonnes in the resource estimate.

14.3.7 Variography

Directional variograms in the plane of the mineralized zone showed no significant trends or anisotropy. The maximum model range was 24m and the nugget value was 39% of the total sill for Au and 33% for Ag.

14.3.8 Model Setup and Limits

A rotated block model was created in Gemcom-Surpac Vision© software using a block size 5 x 1.5 x 5 metres with sub-blocking enabled to 2.5 x 0.75 x 2.5 m. Block model extents and orientation are summarized in Table 14-20.

Table 14-20 Block Model Parameters – Skukum Creek

	East	North	Elev
Origin	477000	6671000	900
Extent	350	1200	800
Rotation			60°
Block Size	5	1.5	5
Sub-block	2.5	0.75	2.5
Blocks	70	800	160

14.3.9 Interpolation Parameters

Au and Ag grades within the vein domains were estimated in three passes using the inverse distance weighting method to the third power (ID^3). Search parameters are presented in Table 14-21. Grade distribution it illustrated in Figure 14-19 and Figure 14-20.

Table 14-21 Search Parameters - Skukum Creek Grade Estimation

Item/Zone	Pass	Maximum Search Dist (m)			Min # Composites	Max # Composites	Max per Hole	Topcut g/t Au
		Major Axis	Semi-Major Axis	MinorAxis				
Au Rainbow 2	1	24	24	4.8	5	24	4	60
	2	48	48	9.6	4	24	3	30
	3	72	72	14.4	3	20	-	30
Au Berg	1	24	24	4.8	5	24	4	21
	2	48	48	9.6	4	24	3	21
	3	72	72	14.4	3	20	-	21
Au Kuhn	1	24	24	4.8	5	24	4	25
	2	48	48	9.6	4	24	3	25
	3	72	72	14.4	3	20	-	25
Au Rainbow	1	24	24	4.8	5	24	4	35
	2	48	48	9.6	4	24	3	35
	3	72	72	14.4	3	20	-	35

Item/Zone	Pass	Maximum Search Dist (m)			Min # Composites	Max # Composites	Max per Hole	Topcut g/t Au
		Major Axis	Semi-Major Axis	Minor Axis				
Ag Rainbow 2	1	20	20	4	5	24	2	650
	2	40	40	8	4	24	2	650
	3	80	80	16	3	20	-	650
Ag Berg	1	24	24	4.8	5	24	4	400
	2	48	48	9.6	4	24	3	400
	3	72	72	14.4	3	20	-	400
Ag Kuhn	1	24	24	4.8	5	24	4	400
	2	48	48	9.6	4	24	3	400
	3	72	72	14.4	3	20	-	400
Ag Rainbow	1	24	24	4.8	5	24	4	1500
	2	48	48	9.6	4	24	3	1500
	3	72	72	14.4	3	20	-	1500

Figure 14-19 Au Block Grade Distribution

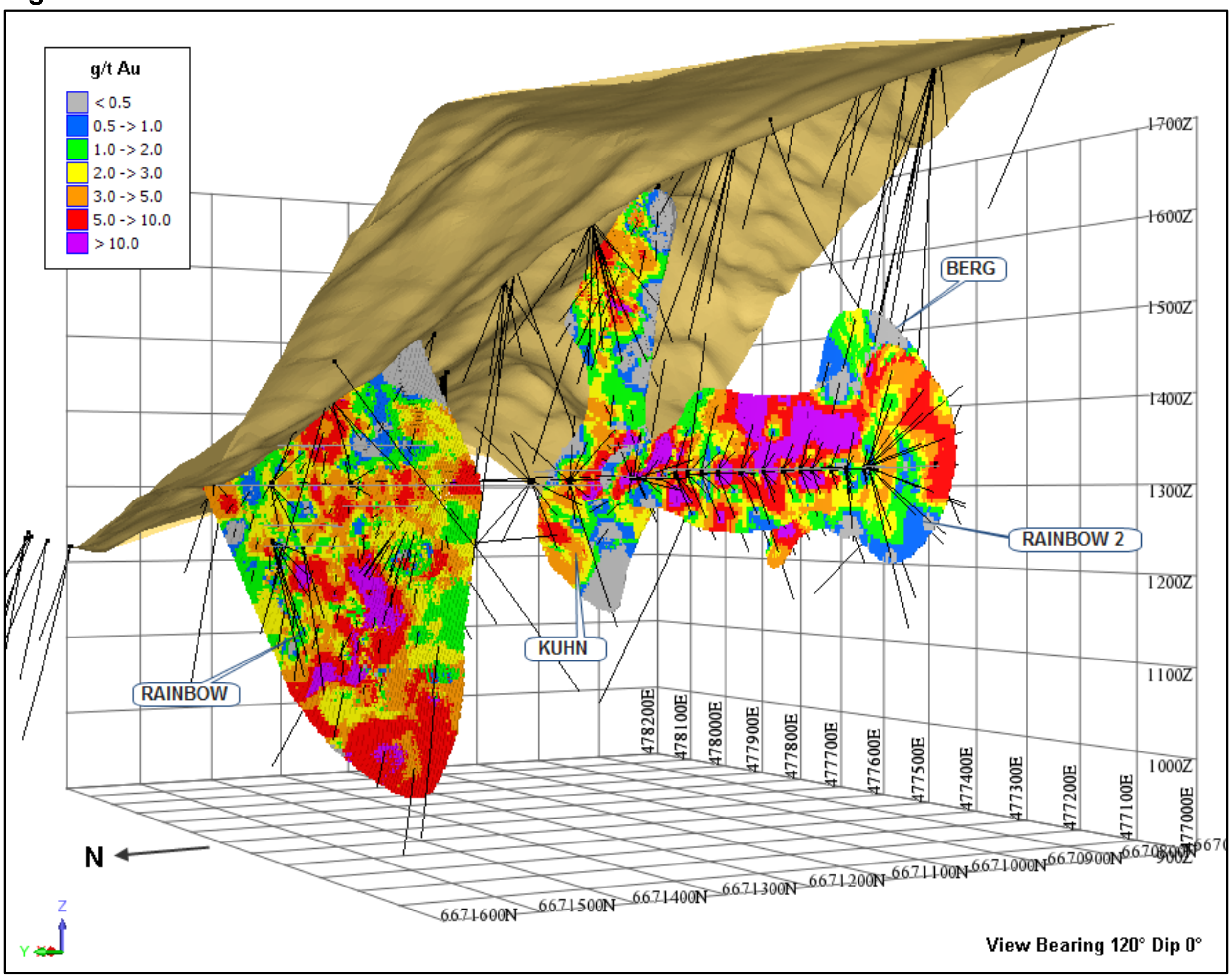
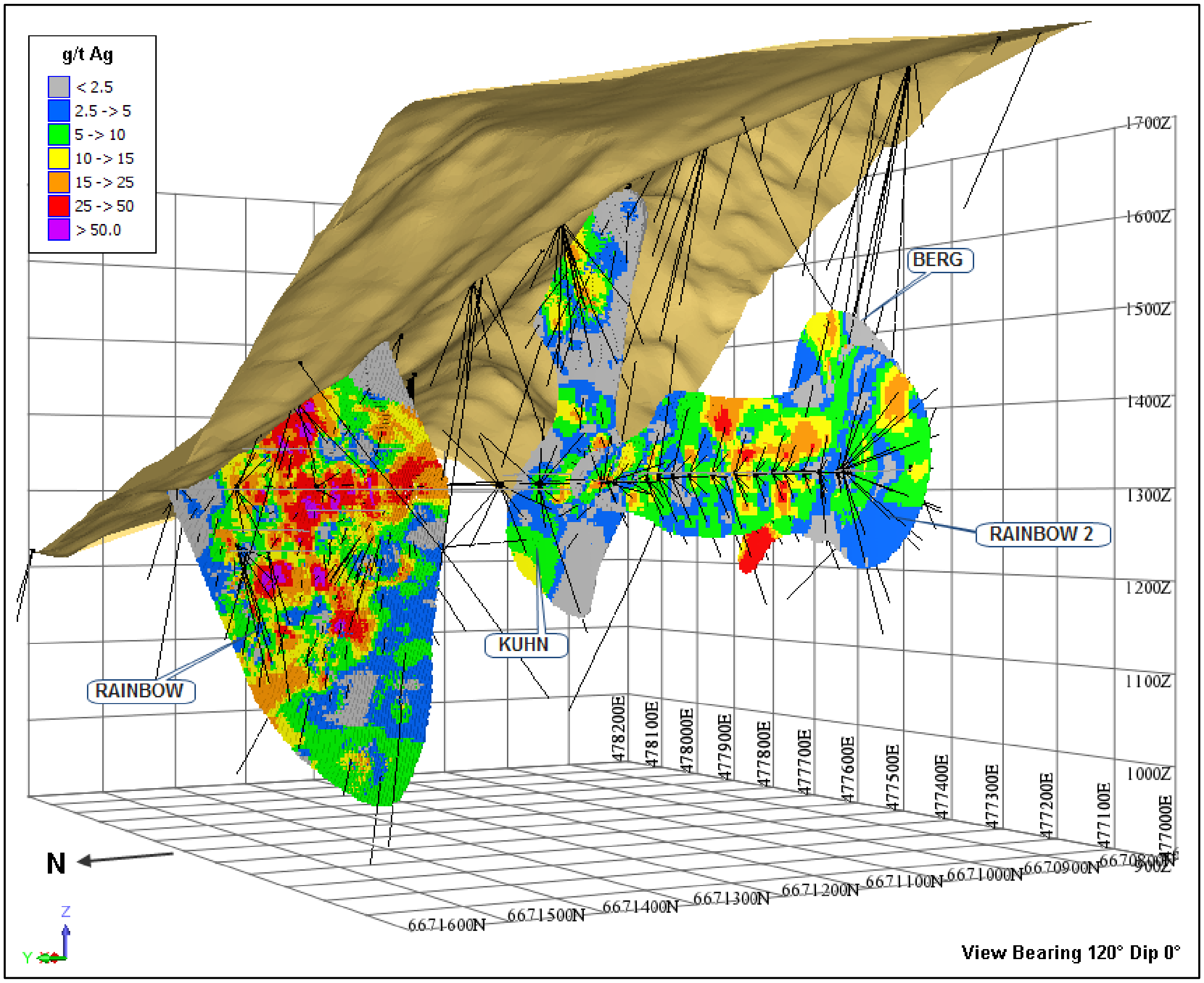


Figure 14-20 Ag Block Grade Distribution - Skukum Creek



14.3.10 Validation

14.3.10.1. Visual Inspection

Model verification was initially carried out by visual comparison of blocks and sample grades in plan and section views. The estimated block grades showed reasonable correlation with adjacent composite grades.

The frequency distributions of block grades within the blocks estimated for Au and Ag are shown in Figure 14-21 and Figure 14-22

Figure 14-21 Frequency Distribution of Au Grades in Block Model

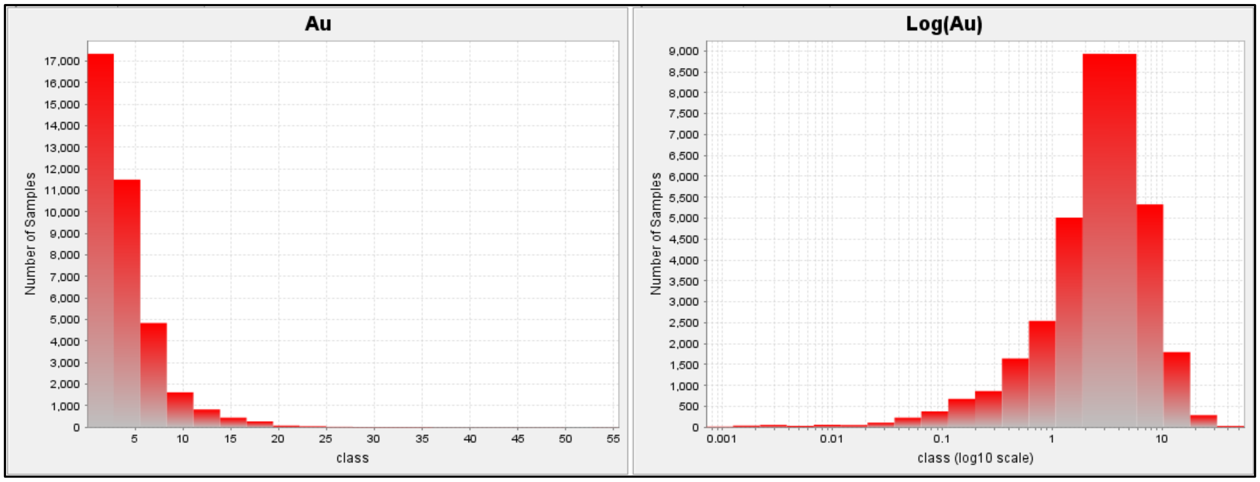
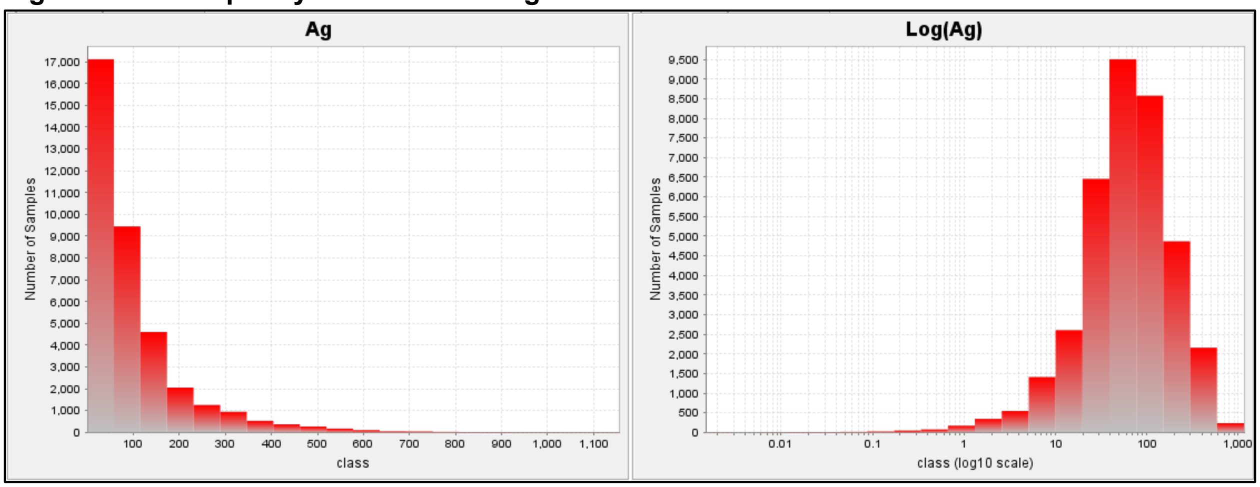


Figure 14-22 Frequency Distribution of Ag Grades in Block Model



14.3.10.2. Global Bias Check

Block grades were estimated using the inverse distance (ID^3) and the nearest neighbour ('NN') methods. A comparison of global mean values within the vein domains shows a reasonably close relationship with samples, composites and block model values at a '0' cut-off grade (Table 14-22).

Table 14-22 Global Mean Grade Comparison

	Au g/t					Ag g/t				
	Rainbow 2	Berg	Kuhn	Rainbow	All	Rainbow 2	Berg	Kuhn	Rainbow	All
Samples (Wt Avg)	6.46	6.91	5.20	4.99	5.47	76	109	76	189	141
Samples Capped	6.07	4.70	4.04	4.15	4.60	73	91	65	180	133
Composites	6.09	5.59	4.74	4.89	5.26	72	98	68	186	134
Composites Capped	5.73	4.27	3.63	4.07	4.17	69	82	59	177	126
ID^3 Model	5.24	3.16	2.98	4.25	4.06	74	79	56	141	97

	Au g/t					Ag g/t				
	Rainbow 2	Berg	Kuhn	Rainbow	All	Rainbow 2	Berg	Kuhn	Rainbow	All
Nearest Neighbour	5.71	2.91	2.82	4.17	4.03	75	77	54	145	110

14.3.11 Resource Classification

Resource classifications used in this study conform to the definition from National Instrument 43-101 quoted in Section 11.2.13.

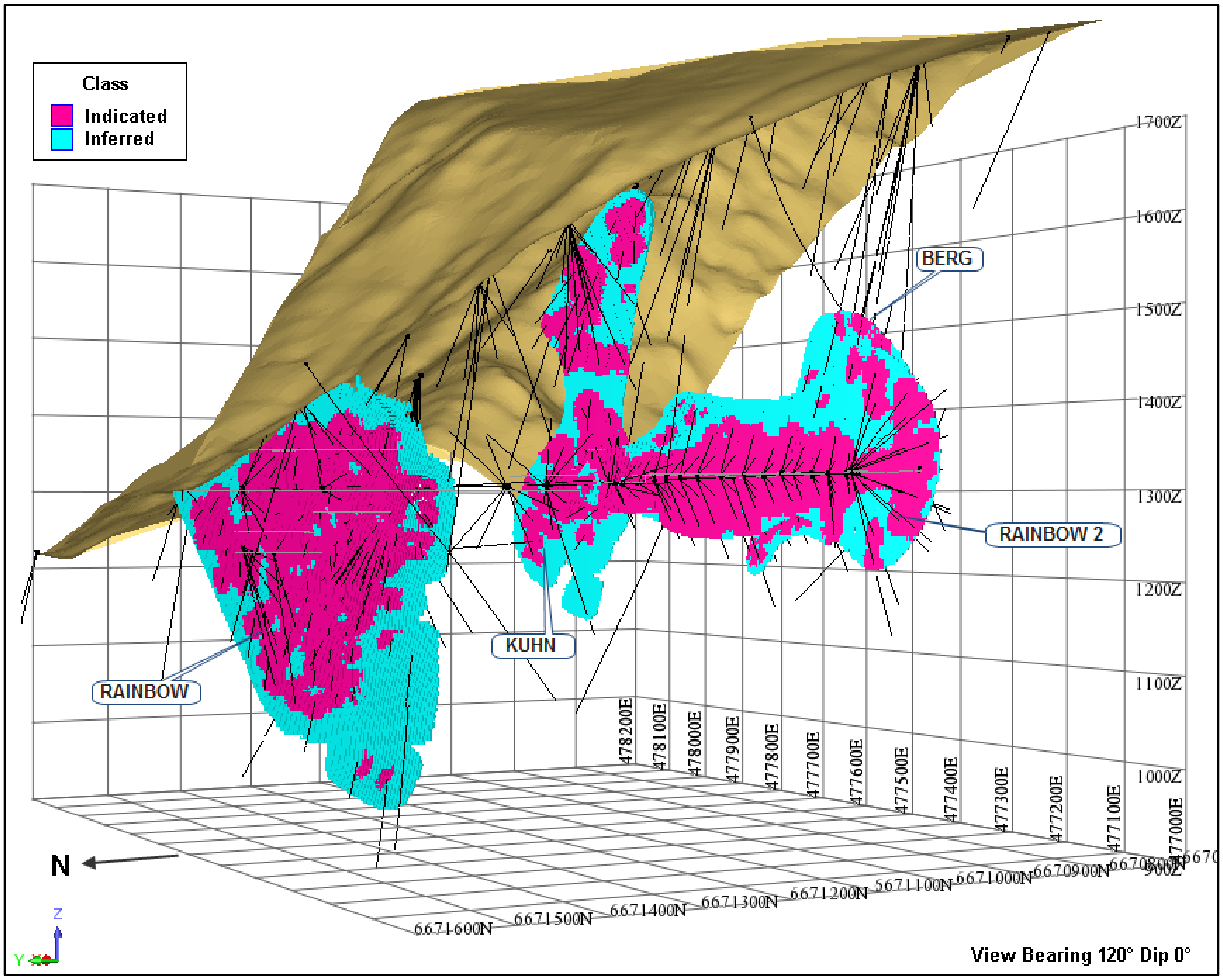
Blocks were assigned to the 'Indicated' category if they were estimated in the first or second pass using composites from at least 2 drill holes or sample lines and were within 18 metres of the closest composite. All other estimated blocks were assigned to the 'Inferred' category. The distribution of Indicated and Inferred blocks is illustrated in Figure 14-23.

The underground mining assumptions for determining cut-off grade with reasonable prospects of economic extraction are presented in Table 14-23.

Table 14-23 Cost Assumptions used in Cut-off Grade Determination

Assumptions	Value
Gold Price	$1,450
Silver Price	$16.50
Gold Recovery %	90%
Silver Recovery %	90%
Mining Cost (US$/t milled)	$90
Processing (US$/t milled)	$25
G&A Cost (US$/t milled)	$10
Total Operating Cost (US$/t milled)	$125
Cut-off Grade g/t Au	3.0

Figure 14-23 Block Classification - Skukum Creek



14.3.12 Mineral Resources

The following tables presents the mineral resource estimate for the Skukum Creek Deposit. The selected base case cut-off grade of 3.0 g/t gold equivalent is considered to be generally consistent with the economic cut-off for other mineral deposits of similar characteristics, scale and location. The gold equivalent formula used was AuEQ = Au + Ag * 0.0114. The effective date of the estimate is October 1, 2020.

Table 14-24 Skukum Creek Indicated Mineral Resource by Zone

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Indicated	Rainbow 2	174,200	7.63	94.1	8.7	42,733	527,022	48,726
	Berg	40,000	6.33	147	8.01	8,141	189,046	10,301
	Kuhn	158,000	5.36	89.5	6.38	27,228	454,644	32,409
	Rainbow	629,100	5.45	206.9	7.81	110,232	4,184,766	157,965
	Total	**1,001,300**	**5.85**	**166.4**	**7.75**	**188,334**	**5,355,478**	**249,401**

Table 14-25 Skukum Creek Inferred Mineral Resource by Zone

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Inferred	Rainbow 2	69,200	6.25	90.4	7.28	13,905	201,125	16,197
	Berg	36,600	4.88	117.6	6.22	5,742	138,382	7,319
	Kuhn	88,000	4.23	89	5.24	11,968	251,805	14,825
	Rainbow	343,200	4.94	115.8	6.26	54,509	1,277,753	69,074
	Total	**537,000**	**4.99**	**108.3**	**6.22**	**86,124**	**1,869,065**	**107,415**

Notes:

1. Mineral resource estimate prepared by GeoSim Services Inc. with an effective date of October 1, 2020
2. Totals may not sum due to rounding.
3. Mineral resources are diluted to a minimum width of 1.5m
4. A base case cut-off grade of 3.0 g/t Au represents an in-situ metal value of US$126 per tonne at a gold price of $1450/oz, silver price of $16.50/oz and a metal recovery of 90% for gold and silver which is believed to provide a reasonable margin over operating and sustaining costs for narrow vein mining and processing.
5. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

14.3.13 Comparison with Previous Estimate

The change in metal price assumptions resulted in a higher Au:Ag ratio for the gold equivalent calculation. As a result, the 2020 Skukum Lake resource estimate showed lower tonnes at higher gold grades than the previous resource estimate released in 2012 (Simpson, 2012).

14.4 Goddell Gully

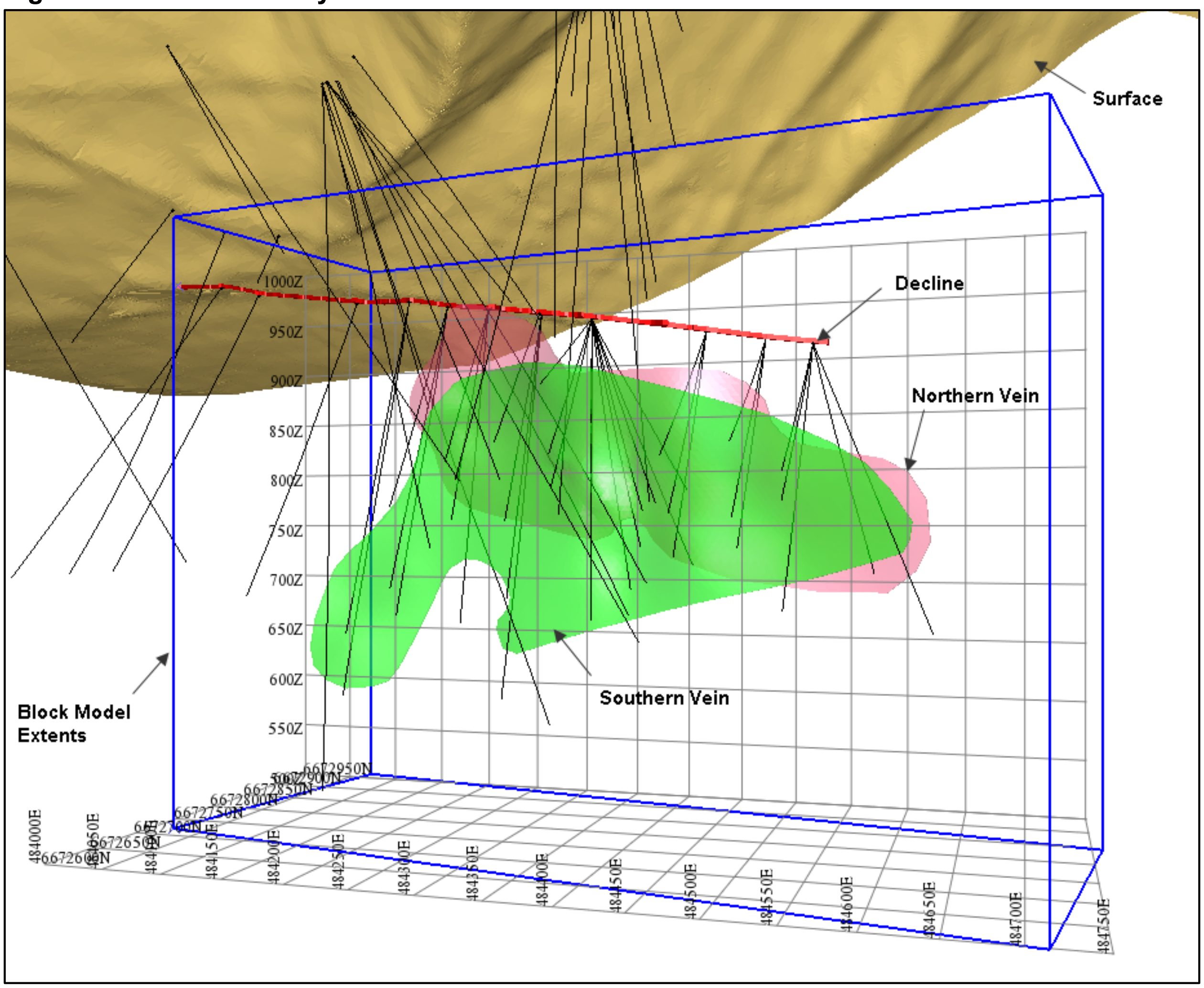
14.4.1 Geologic Model, Domains and Coding

Drilling and sampling at Goddell Gully has outlined two sub-parallel vein structures extending up to 500 metres along strike towards an azimuth of 100° and dipping vertical to sub-vertical, ranging in elevation from 612 to 938 metres.

Silver content was not used in the Goddell Gully resource model as the grades were insignificant with samples averaging less than 5 g/t and Ag assays were incomplete.

The two sub-parallel vein zones were modeled in Leapfrog3d software using a minimum horizontal width of 1.5 metres. The model is illustrated in Figure 14-24.

Figure 14-24 Goddell Gully Vein Model



14.4.2 Available Data

The drilling database summary for the Skukum Creek area is presented in Table 14-26 and

Table 14-27. A total of 5824 samples were assayed for Au and 4909 for Ag. About 15% of the 1998 sampled intervals were assayed for Ag. The 1990 drill results did not include Ag assays.

Table 14-26 Goddell Gully Database - Surface Drilling Summary

Series	Year Completed	Company	Holes Drilled	Total metres	Intervals Assayed	Metres Assayed
87-PG/PGE	1987	Skukum Gold	11	2,857.21	952	1,088.76
88-PG	1988	Skukum Gold	4	1,976.33	310	370.48
90-GT	1990	Skukum Gold	7	1,573.08	601	1,016.51
95-	1995	Omni	5	2,855.40	470	440.68
GG03	2003	Tagish Lake Gold	3	974.74	368	495.78
GG11-01 to 10	2011	NUX	7	3,162.12	928	897.61
		Total	**37**	**13,398.88**	**3,629**	**4,309.82**

Table 14-27 Goddell Gully Database - Underground Drilling Summary

Series	Year Completed	Company	Holes Drilled	Total metres	Intervals Assayed	Metres Assayed
96-28 to 30	1996	Omni	3	721.77	212	283.51
97-31 to 67	1997	Omni	37	8,519.41	1,983	2,495.51
		Total	**40**	**9,241.18**	**2,195**	**2,779.02**

The mean width of all the Goddell Gully drill sample intervals was 1.27 metres with the most common interval set at 1 m.

A decline was driven in 1987 for drill access but underground development did not intersect the zones.

14.4.3 Exploratory Data Analysis

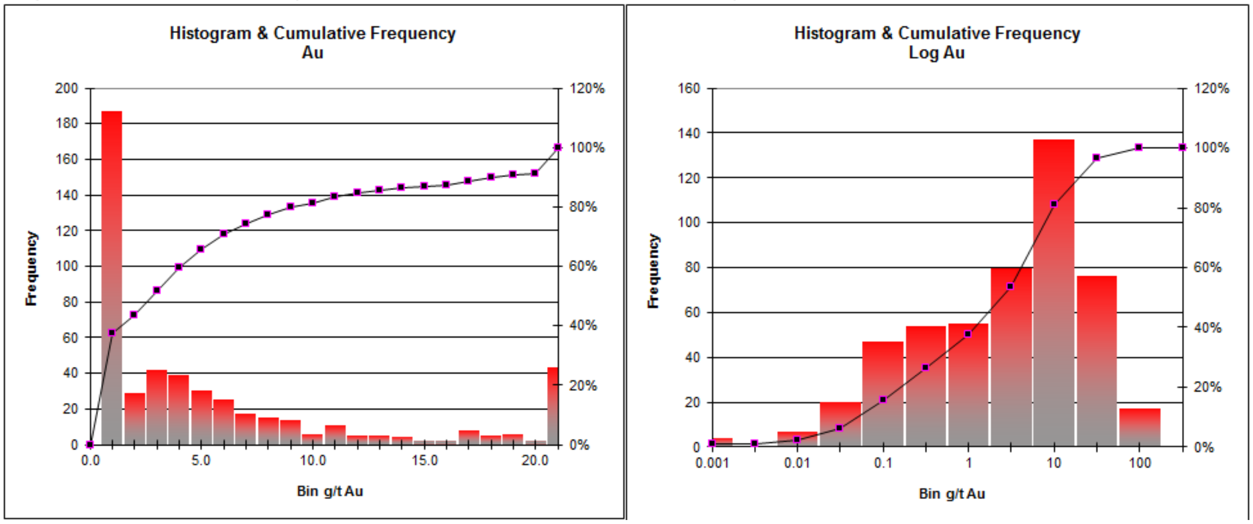
Basic statistics for Au are shown in Table 14-28. Silver grades within the Goddell Gully vein models averaged 3 g/t and are not considered economically significant.

Table 14-28 Sample Statistics - Au

	Vein1	**Vein 2**	**Combined**
n	296	221	517
Min	0.001	0.001	0.001
Max	74.709	59.623	74.709
Mean	7.243	5.157	6.352
Wt Avg	6.753	5.127	6.048
Median	3.266	1.303	2.434
Var	144.929	88.954	121.850
Std Dev	12.039	9.432	11.039
CV	1.66	1.83	1.74

Cumulative frequency distributions for the Au samples within the vein models are illustrated in Figure 14-25. Sample populations are highly skewed approaching log normal distribution. The large number of near zero values are

Figure 14-25 Frequency Distribution of Au – Goddell Gully



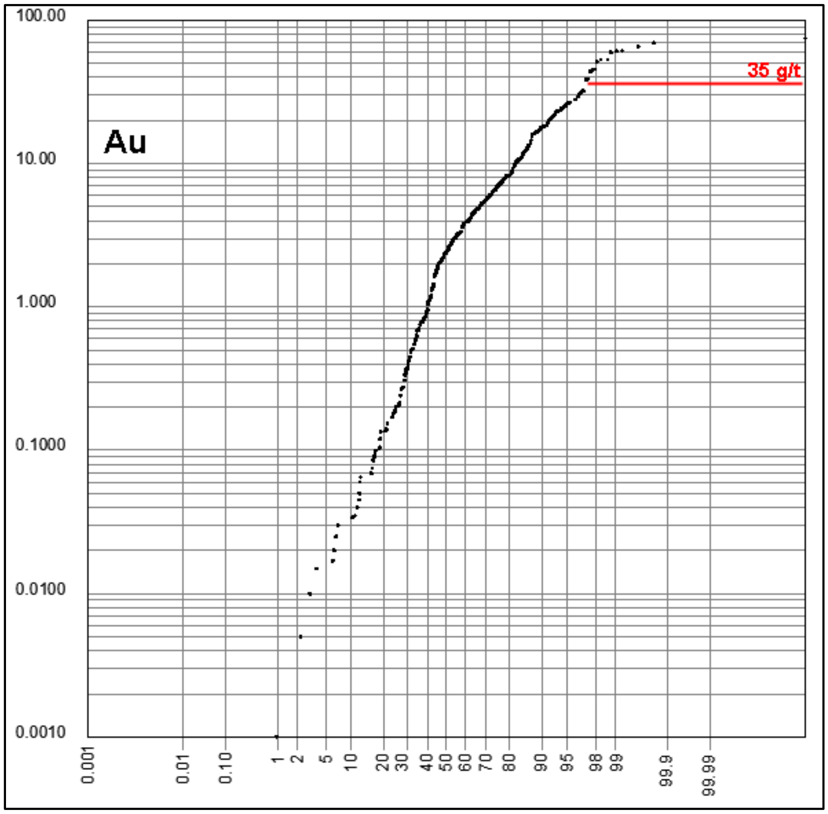
14.4.4 Evaluation of Outlier Grades

Before compositing, grade distribution in the raw sample data was examined to determine if grade capping or special treatment of high outliers was warranted. Cumulative log probability plots were examined for outlier populations and decile analyses was performed for Au within the vein domains.

The upper decile for contained 47% of the contained metal threshold and the upper tow centiles were both close to the 10% level.

The CPP plot showed a marked break point around 35 g/t Au and this level was selected as a top-cut (Figure 14-26). Sixteen out of 517 samples within the vein domains were capped.

Figure 14-26 CPP Au and Cap Level



14.4.5 Compositing

Best fit downhole sample assay composites of Au were generated using a nominal 1 meter interval within the zone domains. Samples were capped prior to compositing at 35 g/t Au.

Statistics for composites are summarized in Table 14-18 and Table 14-19. Compositing and grade capping reduced the coefficient of variation ("CV") for Au from 1.74 in the uncapped raw sample data to 1.48 in the capped composite population. Although this is still considered quite high, it is not unusual for precious metal deposits and is a considerable improvement over the CV of the initial sample intervals. Geosim is of the opinion that the CV is low enough to support a mineral resource estimate.

Table 14-29 Composite Statistics

	South Vein	North Vein	Combined
n	324	268	592
Min	0.000	0.000	0.000
Max	35.000	35.000	35.000
Mean	6.095	4.476	5.362
Median	3.869	1.997	3.046
Var	52.679	45.862	50.160
Std Dev	7.258	6.772	7.082
CV	1.19	1.51	1.32

14.4.6 Bulk Density Data

A total of 22 samples of vein material from the Goddell Gully mineralized zones were measured for bulk density in 2011. The average value of 2.77 g/cm^3 was used for converting volume to tonnes in the resource estimate.

14.4.7 Variography

Directional variograms in the plane of the mineralized zone showed no significant trends or anisotropy. The maximum model range was 24m and the nugget value was 39% of the total sill for Au.

14.4.8 Model Setup and Limits

A rotated block model was created in Gemcom-Surpac Vision© software using a block size 5 x 1.5 x 5 metres with sub-blocking enabled to 2.5 x 0.75 x 2.5 m. Block model extents and orientation are summarized in Table 14-30 Block Model Parameters – Goddell Gully The limits are illustrated in Figure 14-24 Goddell Gully Vein Model.

Table 14-30 Block Model Parameters – Goddell Gully

	East	North	Elev
Origin	484020	6672720	500
Extent	705	252	505
Rotation			10°
Block Size	5	1.5	5
Sub-block	2.5	0.75	0.25
Blocks	141	168	101

14.4.9 Interpolation Parameters

Au grades within the vein domains were estimated in three passes using the inverse distance weighting method to the third power (ID^3). Search parameters are presented in Table 14-31. Grade distribution it illustrated in Figure 14-27 and Figure 14-28.

Table 14-31 Search Parameters – Goddell Gully Grade Estimation

Pass	Search Dist (m)			Min # Composites	Max # Composites	Max per Hole	Topcut g/t Au
	Major Axis	Semi-Major Axis	MinorAxs				
1	25	25	5	5	12	4	35
2	50	50	10	4	16	3	35
3	62.5	63	13	3	16		35

Figure 14-27 Block Grade Distribution - Southern Vein

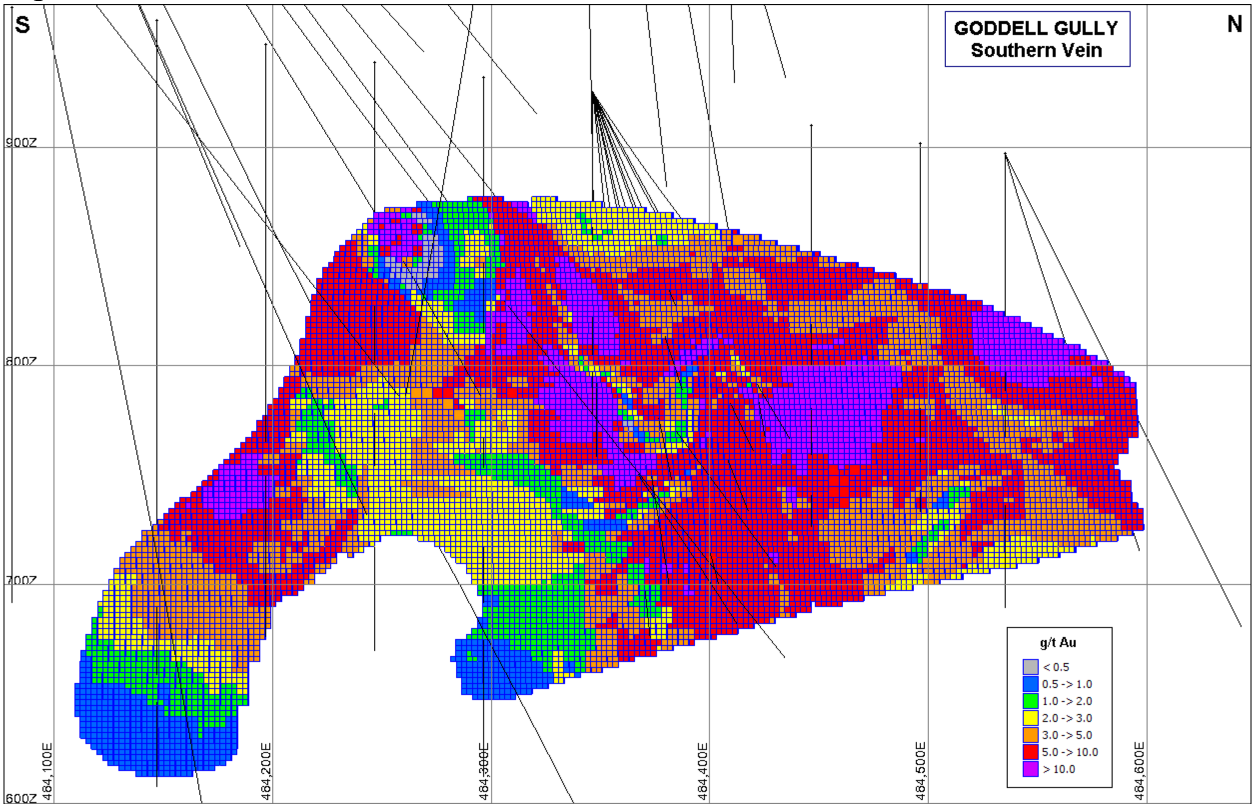
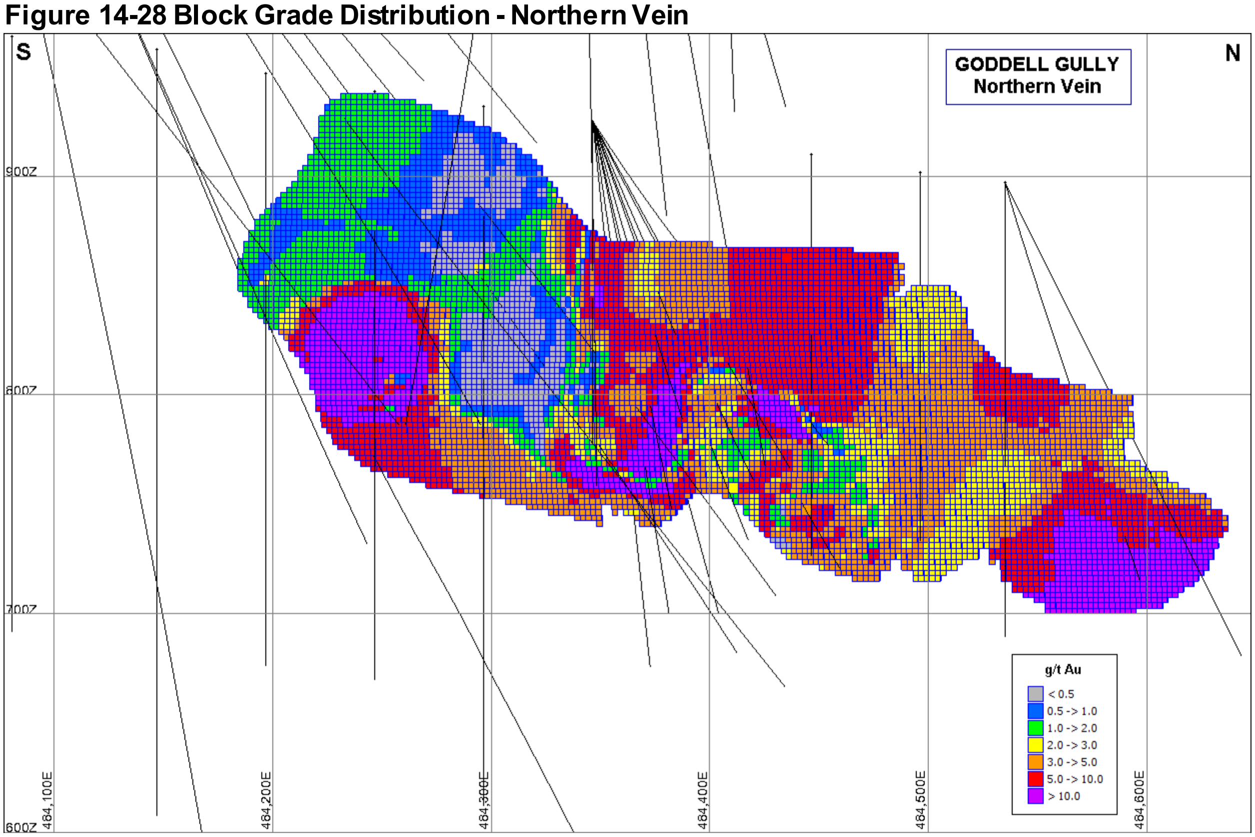


Figure 14-28 Block Grade Distribution - Northern Vein



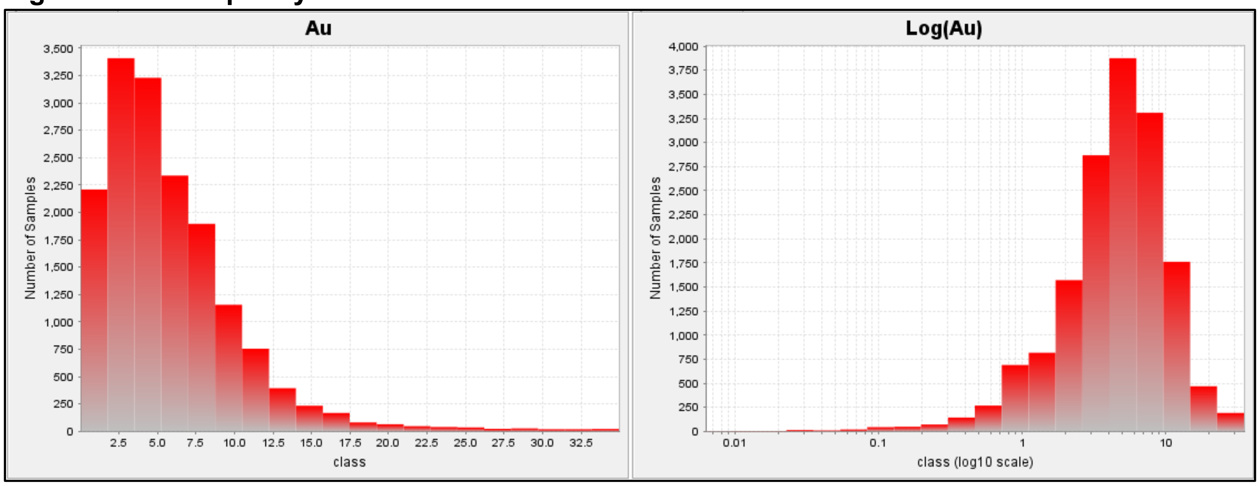
14.4.10 Validation

14.4.10.1. Visual Inspection

Model verification was initially carried out by visual comparison of blocks and sample grades in plan and section views. The estimated block grades showed reasonable correlation with adjacent composite grades.

The frequency distributions of block grades within the blocks estimated for Au are shown in Figure 14-29.

Figure 14-29 Frequency Distribution of Au Grades in Block Model



14.4.10.2. Global Bias Check

Block grades were estimated using the inverse distance (ID^3) and the nearest neighbour ('NN') methods. A comparison of global mean values within the vein domains shows a reasonably close relationship with samples, composites and block model values at a '0' cut-off grade (Table 14-32).

Table 14-32 Global Mean Grade Comparison

Source	Au g/t
Samples (Wt Avg)	6.35
Samples Capped	5.69
Composites	5.90
Composites Capped	5.36
ID^3 (Indicated Blocks)	6.42
NN (Indicated Blocks)	7.33
ID^3 (All Blocks)	6.02
NN (All Blocks)	6.87

14.4.11 Resource Classification

Resource classifications used in this study conform to the definition from National Instrument 43-101 quoted in Section 11.2.13.

The underground mining assumptions for determining cut-off grade with reasonable prospects of economic extraction are presented in Table 14-33.

Table 14-33 Cost Assumptions used in Cut-off Grade Determination

Assumptions	Value
Gold Price	$1,450
Silver Price	$16.50
Gold Recovery %	90%
Silver Recovery %	90%
Mining Cost (US$/t milled)	$90
Processing (US$/t milled)	$25
G&A Cost (US$/t milled)	$10
Total Operating Cost (US$/t milled)	$125
Cut-off Grade g/t Au	3.0

Blocks were assigned to the 'Indicated' category if they were estimated in the first or second pass using composites from at least 2 drill holes or sample lines and were within 18.75 metres of the closest composite (3/4 of the maximum variogram range). All other estimated blocks were assigned to the 'Inferred' category. The distribution of Indicated and Inferred blocks is illustrated in Figure 14-30 and Figure 14-31.

Figure 14-30 Block Classification - Southern Vein

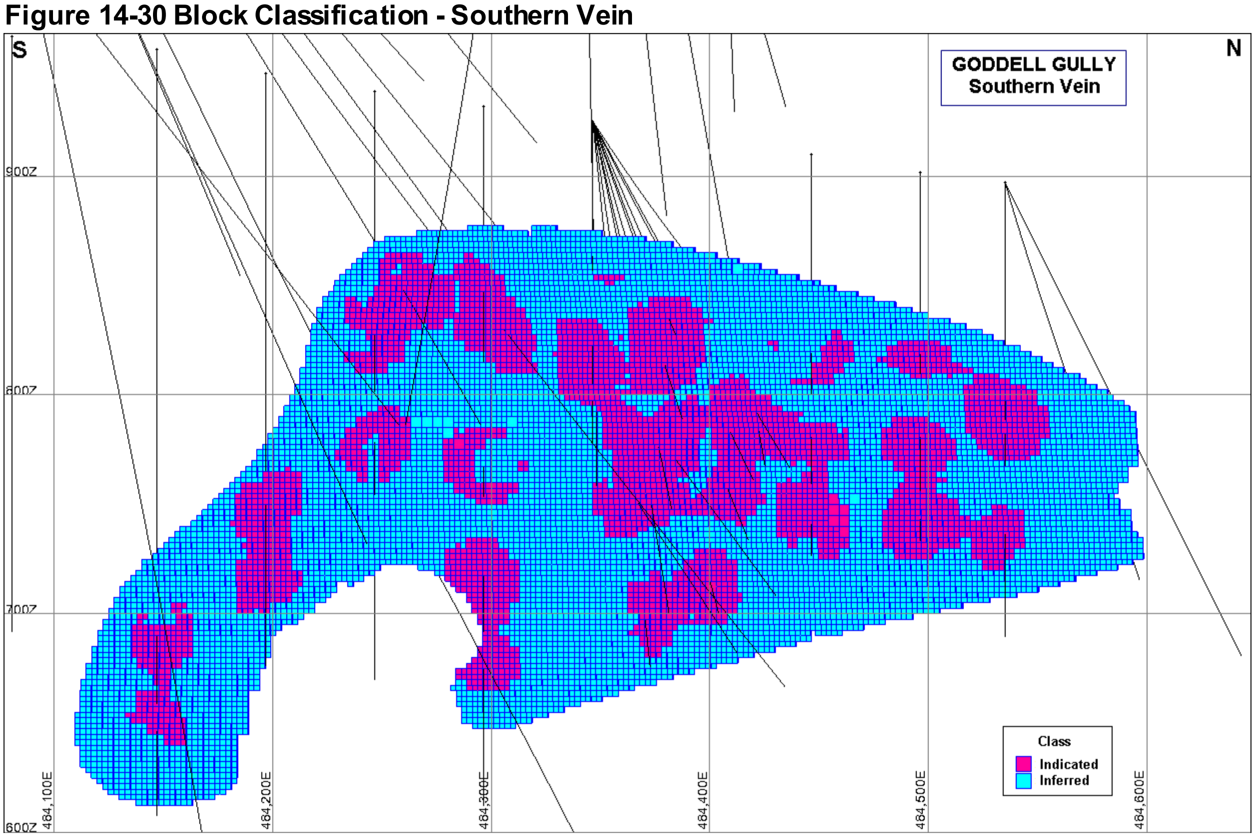
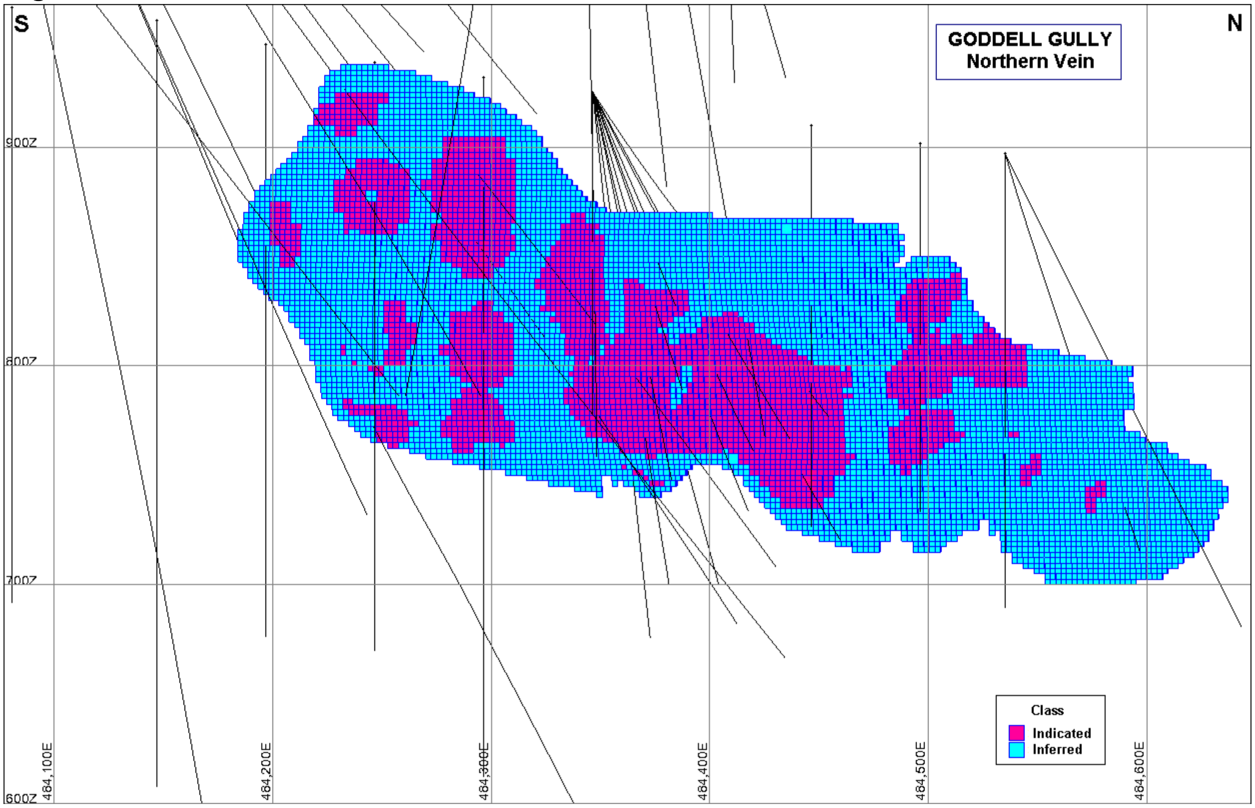


Figure 14-31 Block Classification – Northern Vein



14.4.12 Mineral Resources

The following table presents the mineral resource estimate for the Goddell Gully Deposit. The selected base case cut-off grade of 3.0 g/t gold is considered to be generally consistent with the economic cut-off for other mineral deposits of similar characteristics, scale and location.

Table 14-34 Goddell Gully Mineral Resource

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Indicated	Goddell	329,700	8.13	-	8.13	86,210	-	86,210
Inferred	Goddell	483,900	7.13	-	7.13	110,867	-	110,867

Notes:
1. Resource estimate prepared by GeoSim Services Inc. with an effective date of October 1, 2020.
2. Totals may not sum due to rounding.
3. Mineral resources are diluted to a minimum width of 1.5m
4. A base case cut-off grade of 3.0 g/t Au represents an in-situ metal value of US$126 per tonne at a gold price of $1450/oz and a metal recovery of 90% which is believed to provide a reasonable margin over operating and sustaining costs for narrow vein mining and processing.
5. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

14.4.13 Comparison with Previous Estimates

There was no change in the mineral resource estimate for Goddell Gully from the Geosim 2012 study. This is because a gold equivalent value was not used as a cut-off grade as silver was not estimated due to lack of data.

14.5 Mineral Resource Summary

Current resource estimates for the Mt. Skukum (Lake Zone), Skukum Creek and Goddell Gully have been prepared by GeoSim Services, Inc. using all available exploration data, up to and including the results of New Pacific's 2011 exploration program.

The underground mining assumptions for determining cut-off grade with reasonable prospects of economic extraction are presented in Table 14-35.

Table 14-35 Cost Assumptions used in Cut-off Grade Determination

Assumptions	Value
Gold Price	$1,450
Silver Price	$16.50
Gold Recovery %	90%
Silver Recovery %	90%
Mining Cost (US$/t milled)	$90
Processing (US$/t milled)	$25
G&A Cost (US$/t milled)	$10
Total Operating Cost (US$/t milled)	$125
Cut-off Grade g/t Au	3.0

The current resource estimates, using a base case 3 g/t gold or 3 g/t gold-equivalent cut-off, are summarized below:

Table 14-36 Mineral Resources – Mt. Skukum Lake Zone

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Inferred	Lake Vein	90,100	9.28	12.9	9.43	26,882	37,368	27,308

Table 14-37 Mineral Resources - Skukum Creek

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Indicated	Combined	1,001,300	5.85	166.4	7.75	188,334	5,355,478	249,401
Inferred	Combined	537,000	4.99	108.3	6.22	86,124	1,869,065	107,415

Table 14-38 Mineral Resources - Goddell Gully

Class	Zone	Tonnes	Au g/t	Ag g/t	AuEQ g/t	Contained oz Au	Contained oz Ag	Contained oz AuEQ
Indicated	Goddell	329,700	8.13	-	8.13	86,210	-	86,210
Inferred	Goddell	483,900	7.13	-	7.13	110,867	-	110,867

Notes:
1. Mineral resource estimate prepared by GeoSim Services Inc. with an effective date of October 1, 2020.
2. Totals may not sum due to rounding.
3. Mineral resources are diluted to a minimum width of 1.5m
4. A base case cut-off grade of 3.0 g/t Au represents an in-situ metal value of US$126 per tonne at a gold price of $1450/oz, silver price of $16.50/oz and a metal recovery of 90% for gold and silver which is believed to provide a reasonable margin over operating and sustaining costs for narrow vein mining and processing.
5. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

14.6 Factors That May Affect the Mineral Resource Estimate

Areas of uncertainty that may materially impact the Mineral Resource Estimate include:

- Commodity price assumptions.
- Assumptions that all required permits will be forthcoming.
- Metallurgical recoveries
- Mining and process cost assumptions

There are no other known factors or issues that materially affect the estimate other than normal risks faced by mining projects in the Yukon Territory in terms of environmental, permitting, taxation, socio economic, marketing, and political factors. Geosim is not aware of any known legal or title issues that would materially affect the Mineral Resource estimate.

15.0 MINERAL RESERVES

No mineral reserves have been estimated for the Skukum Gold-Silver deposit.

16.0 ADJACENT PROPERTIES

On the eastern boundary of the Property are claims held by Gold World Resources as part of their Mt. Anderson Yukon gold-silver project. These claims cover a series of geochemical anomalies and several historically known gold-bearing skarns. A 436-kilogram bulk sample was collected from a trench and submitted for analysis. The average grade returned is reported as 14.3 g/t Au, 860 g/t Ag, 21.2% Pb, 8.42% Zn, 0.50% Cu and 16.4% S (Lahti, 2012).

The author has not verified this information and the information is not necessarily indicative of the mineralization of the Property. The style of mineralization on this property differs from the style of mineralization found at Mt. Skukum (Lake Zone), Skukum Creek and Goddell Gully.

17.0 OTHER RELEVANT DATA AND INFORMATION

The author is of the opinion that all known relevant technical data and information with regard to the Skukum Gold-Silver Project deposit has been reviewed and addressed in this Technical Report.

18.0 INTERPRETATION AND CONCLUSIONS

Geosim has reported an updated Mineral Resource estimate for the Skukum Gold-Silver Project. The following observations and conclusions were drawn:

- The adequacy of sample preparation, security and analytical procedures are sufficiently reliable to support an Indicated or Inferred mineral resource classification and that sample preparation, analysis, and security are generally performed in accordance with exploration best practices at the time of collection.

- The resource estimate is based on analytical data from 631 drill holes representing 95,056 metres of drilling and 2925 underground samples.

- The Mt. Skukum Lake Zone gold-silver deposit is estimated to contain an Inferred Mineral Resources of 90,100 tonnes at 9.43 g/t Au equivalent.

- The Skukum Creek gold-silver deposit is estimated to contain an Indicated Mineral Resource of 1,001,300 tonnes at 7.75 g/t Au equivalent and an additional Inferred Mineral Resource of 537,000 tonnes at 6.22 g/t Au equivalent.

- The Goddell Gully deposit is estimated to contain and Indicated Mineral Resource of 329,700 tonnes at 8.13 g/t Au and Inferred Mineral Resource of 483,900 tonnes at 7.13 g/t Au.

- There is significant potential for expanding the current resource and for discovering additional gold deposits on the Property

- Factors That May Affect the Mineral Resource Estimate include:
  - Commodity price assumptions.
  - Assumptions that all required permits will be forthcoming.
  - Metallurgical recoveries
  - Mining and process cost assumptions

There are no other known factors or issues that materially affect the estimate other than normal risks faced by mining projects in the Yukon Territory in terms of environmental, permitting, taxation, socio economic, marketing, and political factors. Geosim is not aware of any known legal or title issues that would materially affect the Mineral Resource estimate.

19.0 RECOMMENDATIONS

Recommendations presented below are limited to the three deposits which were the subject of the current resource estimates. The Property does host numerous other prospects and showings as discussed in Section 7 that warrant additional exploration.

19.1 Mt. Skukum (Lake Zone)

Recommendations based upon data review for the resource estimate of Lake Zone, and the resource estimate itself, include:

1. Surface diamond drilling of the high-grade, near-surface ore shoot along strike as well as infilling of gaps in the down-dip direction of the vein. For this vein system, drill sections should be spaced on the order of 10 metres in order to reliably demonstrate continuity along section. An estimated 2,500 metres of drilling in 20 holes would be required to better assess the strike and dip continuity of the Lake Zone in this area. Sampling should be completed through the expected vein zone. Further infill holes will be required to test the down-dip expression of the host structure to increase confidence in the continuity of both structure and grades at depth.

2. Further infill sampling of key drill holes of the Lake Zone. While it is apparent that the key mineralization has been identified and sampled by previous operators, there are examples of unbracketed mineralized zones that should be addressed.

3. Completion of data entry of the historical drilling (geological and geochemical).

4. If possible, gain access to the underground workings to investigate the vein and selectively chip sample for confirmation of the higher grades.

19.2 Skukum Creek

Recommendations based upon data review for the resource estimate of Skukum Creek, and the resource estimate itself, include:

1. Drill holes from 2007 and 2008 (SC07-series) should be surveyed at collar, and, at minimum, an initial azimuth and dip measurement of the drill hole should be determined. The latter can be completed by inserting a down-hole survey instrument in the drill hole, provided the hole can be identified and remains open.

2. Re-survey of the workings in the Rainbow 2 and Berg Zones should be carried out to determine the source of the apparent error in underground survey point 07-57. If the reported coordinate for that station is in fact correct, the location and dimensions of the underground workings in this drift may need to be recaptured.

3. Complete the inclusion of any remaining underground chip or channel sampling into the database (e.g. in the 1225 drill drift, 1300 access drift between the Rainbow Zone and Kuhn Zone). This is a matter of completeness of the underground sampling database as results for these areas were not significant and would be unlikely to impact future resource modeling.

4. Current resource modeling of the Kuhn Zone excluded the mineralized splay near surface which was included in previous modelling. Downhole survey control of the historical drilling was limited to non-existent. Several drill holes with accurate surface and down-hole survey control should be planned to twin historical drill holes in this area which and would increase confidence in the nature and continuity of the structures and grades. Drilling would be from surface and would require a helicopter moveable drill and rehabilitation of the historical drill pads. An estimated 1,000 metres of drilling is proposed from two drill pads.

5. The Rainbow Zone remains open at depth and diamond drilling is recommended to test the down-dip potential. Coupled with this, infill drilling will be required to increase confidence of the current resource estimate and strengthen the interpretation of the mineralized zones. At least 4,000 metres of diamond drilling is recommended.

The existing underground workings are very limited as a useful base to undertake this drilling. The existing decline could be extended to the 1,150 metre level where diamond drilling stations can be established in a footwall drift. These drill stations should be at least fifty metres into the footwall rocks to ensure a higher incidence angle between the drill holes and the shear zone.

Alternatively, a new portal and ramp could be driven to the 1,100 metre elevation from the Wheaton River valley near the confluence of Skukum Creek. This would afford an excellent platform to test the lower reaches (below 1,100 metres) of the Rainbow Zone. This option also has an advantage in that it would be a necessary component of any future mining scenario. Studies have previously been carried out by Tagish Lake Gold (e.g. Laxey Mining, 2004) with respect to this option as well.

19.3 Goddell Gully

Recommendations based upon data review for the resource estimate of Goddell Gully and the resource estimate itself, include:

1. The remaining Goddell Gully drill core should be completely sampled through the shear zone as defined by the current resource model. Although no significant additional gold mineralization is expected, this will allow for more comprehensive modeling of the lower grade material within the Goddell shear zone.

2. Related to (1), infill core samples collected by New Pacific reported intervals that did not exactly adjoin historical samples, leaving small (30 centimetres or less) gaps of unsampled material. These infill sample intervals should be inspected to see whether they are actually continuous with historical samples, and if so, adjust the sample interval accordingly.

3. Drill holes GG04-3 and GG04-4 should be located and surveyed at collar, and if possible, down hole. These drill holes were excluded from the current resource database. This is a matter of completeness of the drill database as results for these drill holes were not significant and would be unlikely to impact future resource modeling.

4. The Goddell Gully deposit remains open at depth as well as along strike to the east. Further drilling is recommended to test these areas of the deposit. Furthermore, infill drilling will be required to increase confidence of the current resource estimate as well as strengthen the interpretation of the mineralized zones. However, this drilling would be contingent upon successful rehabilitation and extension of the existing Goddell decline, or possibly a new decline. Drilling from surface to the target depths requires long and tangentially oriented drill

holes. New Pacific drilling during 2011 demonstrated that such surface drilling can be problematic from a technical standpoint, as only two of the seven drill holes successfully encountered the target mineralization.

If the existing decline can be rehabilitated, additional work should include surveying of all available underground drill holes at collar, as well as verifying the initial starting azimuth and dip. If the drill holes are still open at depth an attempt should be made to survey their down-hole extents.

The quantity of any new drilling would be dependent upon the extent of the available underground access. Therefore, the proposed drill costs are not presented in the proposed exploration budget.

19.4 Proposed Exploration Budget

The 2020 proposed work program (Table 19-1) is designed to improve understanding of the property and deposit scale geology. Mapping, geochemical, and geophysical studies combined with historic data compilation will support target generation and ranking for a Phase II exploration program outlined in

Table 19-2. A limited resource validation drill program is proposed in the first phase as an initial check on the historic data if weather conditions permit.

Table 19-1 Phase I Exploration Budget

Program	Proposed Work	Estimated Cost
Phase I Work Program-G&A	Camp clean up/refurbishment, travel and accommodation	$35,000
Phase I Work Program-Environmental / Permitting	Background studies and permitting	$45,000
Phase I Work Program-Geophysics	Magnetic survey	$165,000
Phase I Work Program-Geology	Re-logging, Mapping, Sampling	$200,000
Phase I Work Program-2000m drilling	2000 meter exploratory drilling	$460,000
	Total:	**$905,000**

The proposed Phase II program is contingent on funding and company priorities but not contingent on the completion of the Phase 1 program. Phase II is designed to be completed over a two-year period (2021 and 2022) and will focus on resource expansion at Mt. Skukum, Skukum Creek and Goddell Gully. In addition, it will include further exploration of other targets on the Property.

Table 19-2 Phase II Exploration Budget

Program	Proposed Work	Estimated Cost
Phase II Work Program-G&A	Travel and accommodation	$180,000
Phase II Work Program-Environmental/Permitting/infrastructure	Permitting and infrastructure construction	$620,000
Phase II Geophysics	IP Survey	$160,000
Phase II Work Program-Geology	Re-logging, Mapping, Sampling	$115,000
Phase II Work Program-12,000m drilling	12,000 meter drilling (helicopter supported)	$3,000,000
	Total:	**$4,075,000**

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