Zazu Metals Corporation

Annual Information Form

For the year ended December 31, 2015

March 29, 2016

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Annual Information Form contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining project, the future prices of zinc, lead and silver, the estimation of mineral reserves and mineral resources, the realization of mineral reserve and resource estimates, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "estimates", "intends", "targets", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, future prices of zinc, lead and silver; general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar; changes in project parameters as plans continue to be refined; possible variations of ore grade or projected recovery rates; accidents, labour disputes and other risks of the mining industry; political instability or insurrection or war; labour force availability and turnover; the availability of suitable road and port facilities; delays in obtaining financing or governmental approvals or in the completion of exploration and development activities; as well as those factors discussed in the section entitled "Risk Factors" in this Annual Information Form. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Annual Information Form and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. Subject to applicable law, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

BASIS OF PRESENTATION

For the meanings of certain technical terms used and not otherwise defined in this Annual Information Form, see the "Technical Glossary". Where applicable, terms with a technical meaning related to mineral matters are defined by the Canadian Institute of Mining, Metallurgy and Petroleum — Definitions Adopted by CIM Council.

All references to mineral resources are references to the gross mineral resources on the Lik property, unless reference is made to "attributable" mineral resources which refers only to the Company's attributable portion of the mineral reserves and mineral resources on the Lik property. All information with respect to mineral resources is historical, and remains unclassified in accordance with CIM standards pending further work.

Unless otherwise indicated, all references to the Company include a reference to the subsidiary of the Company, Zazu Alaska.

TECHNICAL GLOSSARY

"**Ag**" means silver.

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**CIM Standards**" means the Mineral Resources and Reserves Definitions and Guidelines adopted by the CIM Council on August 20, 2000, as those definitions may be amended from time to time by the CIM.

"**cm**" means centimetre.

"**g**" means grams.

"**g/t**" means grams per metric tonne.

"**ha**" means hectares.

"**indicated mineral resource**" means that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough for geologic or grade continuity to be reasonably assumed.

"**kg**" means kilogram.

"**km**" means kilometer.

"**lb**" means one pound and is equal to 454 g.

"**m**" means metre.

"**measured mineral resource**" means that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough to confirm both geological and grade continuity.

"**mineral resource**" means a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

"**mineral reserve**" means the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. Mineral reserve includes diluting materials and allowances for losses which may occur when the material is mined.

"**mineralization**" means the concentration of minerals in a body of rock.

"**Pb**" means lead.

"**probable mineral reserve**" means the economically mineable part of an indicated, and in some circumstances a measured mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

"**proven mineral reserve**" means the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. The study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

"**t/m(3)**" means tonnes per cubic metre.

"**t**" or "**tonne**" is a measure of weight equal to 1,000 kg or 2,204 lbs.

"**Zn**" means zinc.

CURRENCY AND EXCHANGE RATES

Unless otherwise indicated, references in this Annual Information Form to "C$" and "Canadian dollars" are to the lawful currency of Canada, and references to "US$" and "United States dollars" are to the lawful currency of the United States of America.

On March 29, 2016, the closing rate of exchange for Canadian dollars versus United States dollars as reported by the Bank of Canada was C$1.00 = US$0.77 or US$1.00 = C$1.3065.

The Company prepares its consolidated financial statements in United States dollars. The following table sets forth, for each period indicated, the average exchange rate for United States dollars expressed in Canadian dollars on each business day during such period, and the exchange rate at the end of such period, based upon the closing rate of exchange on each business day as reported by the Bank of Canada:

	Year ended December 31, 2015	**Year ended December 31, 2014**	**Year ended December 31, 2013**
US$/C$ Period End Rate	1.3353	1.1601	1.0636
US$/C$ Average Rate	1.2686	1.1045	1.0350

CORPORATE STRUCTURE

Zazu Metals Corporation (the "Company") was incorporated under the Canada Business Corporations Act on November 29, 2006. The registered office of the Company and its principal office is located at Suite 500 Park Place, 666 Burrard Street, Vancouver, BC, V6C 3P6.

The Company incorporated Zazu Metals (Alaska) Corporation ("Zazu Alaska"), a 100% owned subsidiary of the Company, in the State of Alaska, United States on January 18, 2007.

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is participating in the exploration and possible development of the Lik property through a joint venture with Teck Resources American, Inc. ("Teck American"), a wholly owned subsidiary of Teck Resources Limited. The terms of the joint venture are governed by the Lik Block Agreement, made as of January 27, 1983, between Houston Oil & Minerals Exploration Company ("HOMEX") and GCO Minerals Company ("GCO"), a wholly owned subsidiary of the International Paper Company, a U.S. publicly listed corporation based in Memphis, Tennessee. HOMEX assigned its interest in the Lik Block Agreement to Echo Bay Mines Ltd., which, in turn, assigned such interest to Teck American. Under the joint venture agreement which governs the Lik property (the "Lik Block Agreement"), GCO held a 50% interest, and the right to increase its interest to up to 80%, as more fully described below. After successfully completing an equity financing, the Company entered into an option agreement with GCO in February 2007 to acquire an interest in the Lik Block Agreement (referred to below as the GCO Exploration and Option Agreement).

Based on the Company's understanding of changes in GCO's strategic direction, and having determined that it would be in the Company's best interests to do so, in the second quarter of 2007 the Company's management entered into negotiations with GCO to acquire GCO's entire ownership interest in the Lik property and the Lik Block Agreement. After successfully completing an additional equity financing, the Company acquired GCO's entire ownership interest effective June 28, 2007, thereby becoming (through Zazu Alaska) the direct owner of a 50% interest in the Lik property and a 50% joint venture interest under the Lik Block Agreement, and with the further right to earn up to an additional 30% interest. See "Narrative Description of the Business – Lik Property – Acquisition".

The Company will pursue a growth strategy that takes advantage of the strengths of its existing management team, particularly with respect to management's experience in resource project management. In addition to developing its current mineral properties, the Company also intends to pursue a strategy of evaluating and potentially acquiring interests in other attractive mineral properties (which may be focused on zinc or other minerals) that the Company believes will be accretive to its overall growth strategy.

Financings and other issuances of shares

In December 2006, the Company completed a founders' private placement and issued 5,000,000 common shares at a price of US$0.001 per share for total proceeds of US$5,000.

In December 2006, the Company issued 11,400,000 special warrants at a price of US$1.00 per special warrant for net proceeds of US$10,368,458. The proceeds of such private placement were held in escrow subject to conditions which included, among other things, that the Company be in a position to enter into an exploration and option agreement with GCO (the "GCO Exploration and Option Agreement"). Such escrow conditions were satisfied, and the proceeds of the private placement were released, in February 2007. In connection with this financing, 906,400 broker special warrants were issued to the agent. These broker special warrants were converted into broker warrants as part of the Company's initial public offering on December 19, 2007 and were exercisable for one common share at a price of US$1.00 per share until June 20, 2008 when they expired unexercised.

In February 2007, the Company issued 100,000 Common Shares on a non-brokered basis, at a subscription price of US$1.00 per share for gross proceeds of US$100,000

In June and July of 2007, the Company issued 11,475,900 special warrants at a price of US$1.75 per special warrant for net proceeds of US$18,520,575.The proceeds of this private placement were held in escrow and released concurrently with the completion (and in order to allow the completion) of the Company's acquisition of GCO's entire 50% interest in the Lik property and the Lik Block Agreement. In connection with this financing, 573,795 broker special warrants were issued to the agent. These broker special warrants were converted into broker warrants as part of the Company's initial public offering on December 19, 2007 and were exercisable for one common share at a price of US$1.75 per share until December 28, 2008 when they expired unexercised.

In August 2007, the Company issued 151,571 Common Shares at US$1.75 per share for gross proceeds of US$265,249 and paid US$6,665 in legal and other costs for net proceeds of US$258,584.

On December 19, 2007, the Company completed its Initial Public Offering ("IPO") of 2,536,300 units at a price of C$1.75 per unit for net proceeds of US$3,190,507. The Company's common shares and common share purchase warrants began trading on the Toronto Stock Exchange on December 19, 2007 under the symbols "ZAZ" and "ZAZ.WT", respectively. As a result of the completion of the IPO, an aggregate of 22,775,900 previously issued special warrants (100,000 special warrants were exercised in January 2007) were automatically converted into an equivalent number of common shares. The common share purchase warrants expired unexercised on December 19, 2012.

The Company did not issue any Common Shares in 2008, 2009 or 2010.

In January 2011, the Company completed a private placement of 5,000,000 shares at CDN$0.45 for gross proceeds of CDN$2,250,000. In connection with this financing, the Company issued 350,000 purchase warrants to a finder entitling the finder to purchase 1 share per warrant at $0.55 per share, expiring in July 2013.

In February 2011, the Company completed a private placement with Zebra Holdings and Investments S.À.R.L., a company owned by a trust settled by the late Adolf H. Lundin, for 8,860,280 shares at CDN$0.90 for gross proceeds of CDN$7,942,252. These shares represent 19.9% of the issued and outstanding common shares of the company on a post closing basis and for a period of two years and for such longer period thereafter as Zebra owns at least 10% of the issued and outstanding shares on non-diluted basis, Zebra shall have the right to name a nominee to the board of directors and participate in financings on a pro rata basis. In addition, Zebra has agreed not to increase its ownership for a period of one year without the Company's approval unless the Company enters into a business combination whereby the Company's shareholders will own less than 50% of the resulting entity, or a third party offers to acquire 50% or more of the outstanding voting shares of Zazu pursuant to a formal take-over bid. In connection with this financing, the Company paid an advisory fee of CDN$400,000.

In July 2011, the finder of the January 2011 private placement exercised 14,175 purchase warrants. The Company received CDN$7,796 and issued 14,175 shares to the finder.

In January 2012, the finder exercised 29,575 purchase warrants. The Company received CDN$16,266 and issued 29,575 shares to the finder.

In July 2012, the finder exercised 17,500 purchase warrants. The Company received CDN$9,625 and issued 17,500 shares to the finder.

In August 2012, the finder exercised the remaining 288,750 purchase warrants. The Company received CDN$158,813 and issued 288,750 shares to the finder.

In December 2012, 400,000 stock options were exercised. The Company received CDN$120,000 and issued 400,000 shares.

In March 2013, 350,000 stock options were exercised. The Company received CDN$105,000 and issued 350,000 shares.

In March 2014, 2,285,000 stock options were exercised. The Company received CDN$685,500 and issued 2,285,000 shares.

During the first quarter of 2015, the Company received loans of $250,000 from its Chief Executive Officer. The loans were unsecured and payable on demand, with interest calculated at 6% per year and paid monthly and were

intended to provide working capital while a larger financing is pursued. The Company repaid these loans in the second quarter with the proceeds from a financing in which the Chief Executive Officer participated.

In May 2015, the Group raised $1,517,598 by issuing 7,489,000 shares in a non-brokered private placement financing, which was completed in two tranches. In tranche one, the Group sold 275,000 common shares at a price of CDN$0.25 per share for equivalent proceeds of $57,000 and 3,750,000 common shares at a price of $0.20 per share for proceeds of $750,000. Tranche two consisted of the sale of 2,464,000 common shares at a price of CDN$0.25 per share for equivalent proceeds of $511,000 and 1,000,000 common shares at a price of $0.20 per share for proceeds of $200,000 including 1,000,000 shares sold to the Group's Chief Executive Officer. The Group incurred $66,369 in costs related to this financing..

NARRATIVE DESCRIPTION OF THE BUSINESS

The Company's primary near term objective is to advance its Lik property towards development through the definition of a resource and commencement of a formal feasibility study. See also, "General Development of the Business".

Lik Property

Unless otherwise stated, the technical information in this section in respect of the Lik property is based upon the "Preliminary Economic Assessment Technical Report" dated April 23, 2014 (the "PEA"), prepared by JDS Energy and Mining, Inc. ("JDS"). The authors of the PEA are "qualified persons" for purposes of NI 43-101. JDS is independent of the Company, within the meaning of NI 43-101, as are the authors of the PEA.

The PEA is the culmination of work by several different consultants independent of Zazu, who are and have been closely involved, and have significant knowledge about the Lik Project. JDS has performed significant portions of this assessment and directed the development of this report with the support of Scott Wilson – Roscoe Postle and Associates ("RPA"), Travis Peterson Environmental Consulting, Inc., and EBA Engineering Consultants, Ltd.

The PEA is available on the Company's website (www.zazumetals.com) and on SEDAR (www.sedar.com).

Acquisition

The Company obtained its current 50% interest in the Lik property from GCO on June 28, 2007 by making a cash payment to GCO of US$20,000,000 and granting GCO a 2% net proceeds interest. GCO also owns an additional 1% net profits interest in the Lik property from a 1997 agreement.

Zazu holds the right to further earn up to 60% of the 50% interest held by Teck American, provided that Zazu incurs the balance of the required expenditure amount, currently estimated to be approximately US$26.0 million (after adjustment for inflation indexing and escalations) (the "Required Expenditure Amount"), by January 27, 2018.

Upon receiving a final accounting of costs and expenses from the Company stating that it has spent the full Required Expenditure Amount by January 27, 2018, the Company will have earned 60% of Teck American's 50% interest, or an additional 30% interest in the Lik property, and Teck American will have a one-time election either to retain an undivided 20% participating interest in the Lik property or to convey to the Company all of Teck American's interest in the mining claims and other mineral rights included in the Lik property by reserving to Teck American a 2% net smelter return royalty interest in any minerals produced and sold from the Lik property.

If the Company fails to spend or cause to be spent the full Required Expenditure Amount by January 27, 2018, the Lik Block Agreement will terminate, Teck American will retain its 50% participating interest in the Lik property, and Teck American and the Company will execute a joint operating agreement governing all further operations relating to the Lik property. Under such joint operating agreement, the Company, as successor to GCO, would be the operator and would have full and exclusive control of the Lik property, its facilities and production as well as of the exploration, development and mining undertaken pursuant to the Lik Block Agreement.

At any time prior to January 27, 2018, the Company may give notice to Teck American of its intention to commence construction of a mine on the Lik property within one year (a "Mine Construction Notice"). In that instance, Teck American will also have the one-time election described above. If, at the time of such Mine Construction Notice, the Company has not spent the full Required Expenditure Amount, Teck American's election will be contingent upon (i) the Company having entered into a mining agreement with a third party and/or having executed contracts for mining equipment and other major capital expenditures to construct the mine within one year of the Mine Construction Notice and (ii) the Company having spent or causing to be spent the remainder of the Required Expenditure Amount within two years of the Mine Construction Notice.

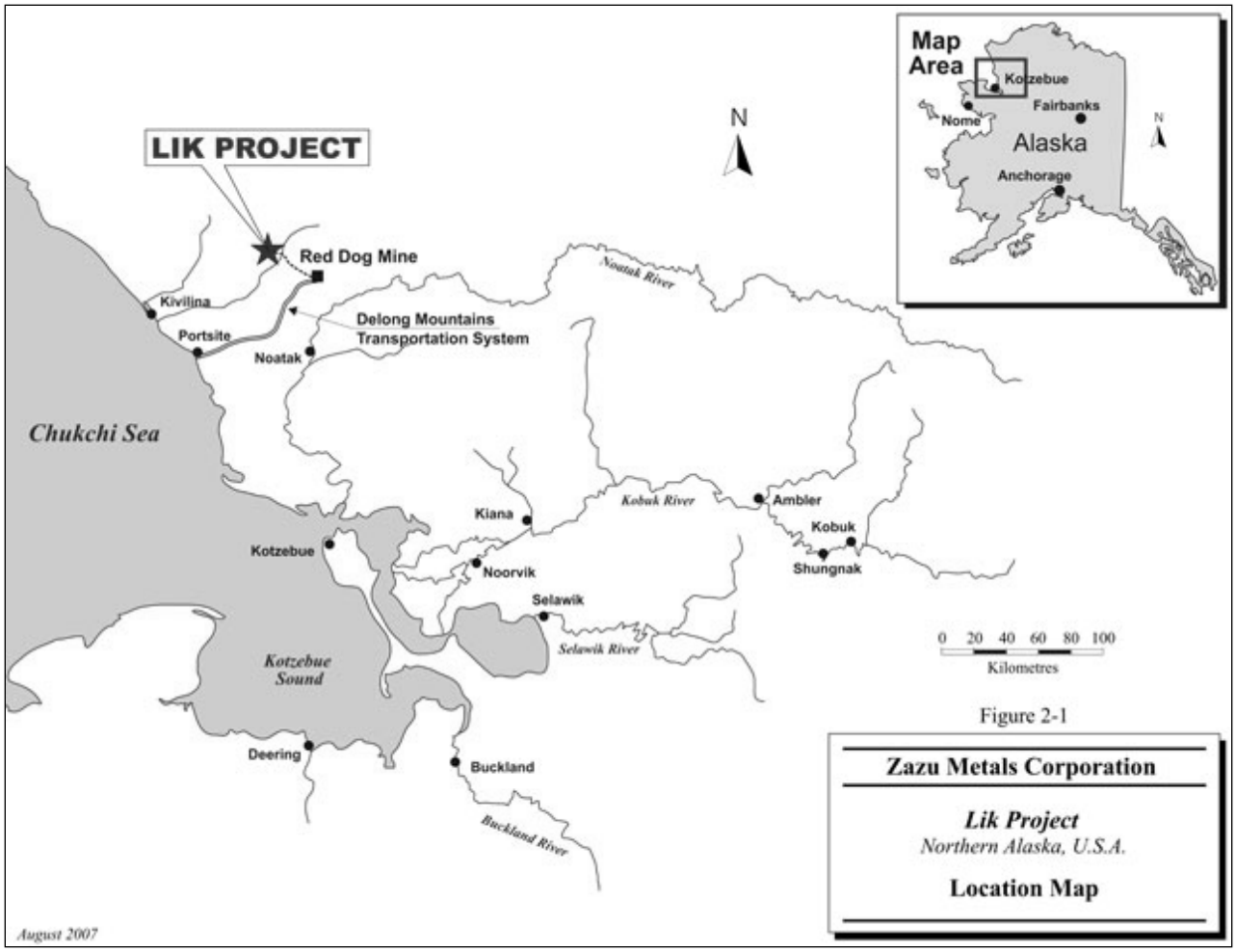
If, in response to such a Mine Construction Notice, Teck American elects to retain its undivided 20% participating interest, a joint operating agreement, as described above, will be executed by the Company and Teck American, and the Company will be responsible for 100% of all costs and expenses to be incurred under such joint operating agreement until the remainder of the Required Expenditure Amount is incurred. Failure by the Company to satisfy either of its obligations described in the preceding paragraph will nullify Teck American's original election and will permit Teck American to make a new one-time election.

Prior to the voluntary abandonment, surrender or release of any mining claim included in the Lik property, the Company is obligated to advise Teck American and to convey to Teck American all of its right, title and interest in such mining claim or claims. The Lik property thereafter will be redefined to exclude such mining claim.

Property Description and Location

The Lik property consists of 47 contiguous state (MPR) mining claims. The contiguous Claims have been grouped together for the purpose of working and operating the same under a common plan of development for the benefit of all of the claims. The claims cover an area of approximately 2,460 ha. The Claims are located in the vicinity of the southwestern DeLong Mountains in the Wulik River drainage, approximately in the below-described protracted Townships, Ranges, and Sections, Kateel River Meridian, State of Alaska:

The geographical coordinates of the Lik deposit are about 163^{o} 12' W and 68^{o} 10' N. The following figure illustrates the location of the Lik property:



To retain the state claims, the Company is required to make annual payments to the State of Alaksa of US$25 for the first five years, US$55 for the second five years and US$130 for all subsequent years for each 40 acre claim and four times those amounts for each 160 acre claim. Property holders are also required to perform assessment work with the amount dependent on the area of the State claims. Assessment credits may be carried forward for a maximum of four years. If required, payments may be made in lieu of work to allow retention of the property.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access to the Lik property is by air to an airstrip located on the property. The airstrip is capable of handling large, multi-engine planes. Charter flights may be arranged from a number of sites in northwestern Alaska. The town of Kotzebue, which is located about 145 km from the deposit, is a seaport and is serviced by a regular air service from Anchorage. Kotzebue is the centre for access to the nearby Red Dog mine operated by a subsidiary of Teck Resources Limited.

The nearest location for which climatic data is available is the town of Kotzebue. The average annual temperature at Kotzebue is -5.8^{o}C, although this may not be entirely reliable as an indicator for conditions near the Lik property. Seasonal extremes probably range between 25^{o}C in summer to -50^{o}C in winter. There is an average of 22.8 cm of rain per year and a snowfall of 1.2 m per year. Snow falls are not extreme, but blowing snow may form significant drifts. Strong winds are common in most parts of Alaska. Currently, diamond drilling is possible at the Lik property between June 1 and October 1. The existing constraint is water, since the drills and the camp currently utilize surface water.

The exposures of the Lik property are located at about 245 m above sea level. West of the deposit, the land rises steeply to peaks about 700 m above sea level. To the southeast, the land slopes down to the Wulik River where the bottom of the valley is about 215 m above sea level. There is sufficient space for tailings and waste rock disposal, and sufficient water is expected to be available for any proposed processing. Locally, there is vegetation on the property consisting of tundra, grasses and low brush made up of willow, dwarf birch, and alder.

There is a camp located on the Lik property. The camp has been used periodically over the last ten years and was substantially refurbished as a part the 2007 and 2008 field programs. The supply of electric power and workforce accommodation will have to be developed.

There are no local resources adjacent to the Lik property. The Red Dog mine, operated by a subsidiary of Teck Resources Limited, is located about 22 km southeast of the deposit. Potentially, concentrates might be moved along the access road from the Red Dog mine to the port on the Chukchi Sea. The port has a shipping season of about 100 days.

In December 2010, the Company entered into a cost reimbursement agreement with Alaska Industrial Development and Export Agency ("AIDEA") to enable AIDEA to begin due diligence on the proposed expansion of the Delong Mountain Transportation System ("DMTS").

AIDEA, as owners of the DMTS, will evaluate their possible role in the two parts of the proposed expansion project: the financing of a spur road connecting the Lik project to the DMTS, and the financing of any required modifications at the port. The DMTS is open to multiple users such as Zazu. The proposed expansion will facilitate both the development of the Lik project, and handle future concentrate production from the project. The DMTS road and port system currently handles all concentrate produced by the Red Dog zinc mine of Teck. Prior to the AIDEA agreement Zazu received a letter of Non Objection from the Northwest Arctic Borough ("NWAB"). In this letter, the NWAB formally acknowledges their awareness of the Lik project, and that they have no objection to the project at this time.

Under the terms of the agreement which expired in December 2011, Zazu reimbursed AIDEA for their cost of conducting certain evaluation processes up to a maximum of $100,000 and in April 2012 paid $59,200.

In April 2013, the Company entered into a new cost reimbursement agreement with AIDEA whereby AIDEA will continue due diligence on the proposed expansion of the DMTS to accommodate use of the road and port facilities by the Company. The Company has agreed to reimburse AIDEA up to $200,000 in any fees they incur as part of their due diligence. To date, the Company has not been billed by AIDEA under this agreement but has accrued $50,000 to cover estimated fees to December 31, 2014.

In January 2015, AIDEA announced the completion of their study into capacity availability in their DMTS. The report concluded that there is sufficient excess capacity for Zazu's concentrate shipping needs, confirming the assumptions made in Zazu's 2014 PEA.

This study aimed to closely identify the outputs of both Lik and Red Dog, if any modifications are required to the DMTS to support them, and if so, their potential cost. The study concluded that sufficient handling capacity will exist with only minor modifications required to accommodate future planned production from Lik under the analyzed PEA scenario.

History

The Red Dog ore deposit was originally discovered in 1970 by a geologist undertaking mapping in the De Long Mountains area on behalf of the United States Geological Survey.

GCO, in joint venture with New Jersey Zinc Company and WGM Inc., carried out stream geochemical sampling and reconnaissance for colour anomalies. Claims were staked in July 1976 to protect a stream geochemical anomaly on Lik Creek. HOMEX replaced New Jersey Zinc Company in the joint venture in 1976/1977.

Diamond drilling on the Lik property commenced in 1977 and targeted a gossan with a coincident soil and electromagnetic anomaly. The first hole encountered massive lead-zinc-silver-bearing sulphides. By the end of 1977, the joint venture had completed 40 line-kilometres of ground geophysics, a soil sampling program, and ten diamond drill holes with an aggregate depth of 1,603 m. In 1978, further geological, geochemical and geophysical surveys were carried out, together with the drilling of another 79 diamond drill holes aggregating 10,680 m. A

further 14 diamond drill holes with a total depth of 4,931 m were completed in 1979 and a mineral resource was estimated.

The joint venture continued to work in the district in the period 1980 to 1983. As the joint venture held a large number of claims outside the existing Lik property, work was concentrated on other targets in some of those years. However, limited diamond drilling activity continued on the Lik property. The Lik Block Agreement was signed in 1984.

In 1984, Noranda optioned the Lik property. Much of Noranda's activity was concentrated in the Lik North Area where ten diamond drill holes with an aggregate depth of 4,180 m were completed on four sections. Noranda also drilled holes in the Lik South deposit to better define "mineable high grade reserves". Noranda released its interest in the Lik property after a re-organization of its holdings in the United States.

Moneta Porcupine Mines Inc. ("Moneta") optioned the property in 1990 and together with GCO completed three diamond drill holes aggregating 263 m. The purpose of the Moneta drilling was to obtain metallurgical samples, but there are no records of any significant metallurgical work having been completed by Moneta. GCO drilled two additional diamond drill holes in 1992, but until the Company commenced its recent work program, there had been no additional drilling since.

All of the diamond drill campaigns prior to the 2007 drilling campaign are summarized in the following table.

Historical Diamond Drilling Campaigns

Year	Number of Holes	Aggregate Depth (m)	Company
1977	10	1,603.3	Managed by WGM
1978	79	10,680.2	Managed by WGM
1979	14	4,931.1	Managed by GCO
1980	3	202.1	Managed by GCO
1983	1	835.2	Managed by GCO
1984	6	1,643.5	Managed by GCO
1985	16	4,883.1	Managed by Noranda
1987	1	696.5	Managed by GCO
1990	3	263.4	Managed by Moneta
1992	2	283.5	Managed by GCO
Totals	135	26,236.6	

The initial ten diamond drill holes of the pre-2007 drilling were B-wireline and essentially all subsequent drill holes were N-wireline. Core recoveries were typically high within the massive sulphides, but lower, more variable recoveries were obtained in the unmineralized and weakly mineralized sections.

The entire core obtained from the Lik deposit was logged on site at the Lik camp. All of the core containing sulphide mineralization was sawn using diamond saws and half of the core was sent for assay. Reference samples were not included in the sample stream. The unused core for all but the first ten holes is stored on site. The core for the initial ten holes is stored in a warehouse in Anchorage.

An examination of diamond drill logs indicates that sample lengths in massive sulphides were typically from 0.6 m to 0.9 m. Occasionally, sample lengths in massive sulphides were up to 1.83 m. Sample lengths up to 2.44 m and

2.74 m were present. Sample lengths were probably controlled by geology and the location of depth markers in the core boxes. Sampling appears to have been completed diligently.

Most of the samples were assayed by Bondar Clegg Laboratory Group ("Bondar Clegg") of Vancouver. At various times, the laboratory maintained preparation facilities in Alaska, Anchorage and Fairbanks. In the initial years, when the bulk of the drilling was completed, it is believed that sample preparation and analysis were carried out in Vancouver. Bondar Clegg was not a registered laboratory at that time. However, Bondar Clegg was a recognized, reputable laboratory and was experienced in the use of atomic absorption spectrometry.

As the entire core was logged and sampled in an isolated field camp, security was not a major concern because access to the camp was closely controlled. It is noted that four different companies (WGM, GCO, Noranda and Moneta) have completed drilling programs at the Lik property and all of them have obtained consistent results. The work to date was considered completed to industry standards in use at the time of the work. Sample preparation was completed in the assay laboratory. No sample preparation was completed onsite.

Geological Setting

Regional Setting The regional geology of the Western Brooks Range area is structurally complex. The sedimentary rocks of the area have been disrupted by thrust sheets or allochthons. The term "allochthon" describes an assemblage of stratigraphically related rocks that overlies a large displacement thrust fault. The Lik property and the other zinc-lead deposits of the Brooks Range, including Red Dog, are hosted in the Kuna Formation of the Lisburne Group. In the Western Brooks Range, the Lisburne Group includes both deep and shallow water sedimentary facies and local volcanic rocks. The rocks have been extensively disrupted by thrusting. The deep water facies of the Lisburne Group, the Kuna Formation, are exposed chiefly in the Endicott Mountains and the structurally higher Picnic Creek allochthons.

In the Red Dog plate of the Endicott Mountains allochthon, the Kuna Formation is divided into two units, the Kivilina Unit and the Ikalukrok Unit, and consists of at least 122 m of thinly interbedded calcareous shale, calcareous spiculite and bioclastic supportstone overlain by 30 m to 240 m of siliceous shale, mudstone, calcareous radiolarite and calcareous lithic turbidite. The Ikalukrok Unit in the Red Dog plate hosts all of the massive sulphide deposits in the area.

Local Geology The Lik property is hosted in the Red Dog plate of the Endicott Mountains allochthon. The stratigraphically lowest rocks within the Red Dog plate belong to the Kayak Shale. The top of the Kayak Shale is interbedded with rocks of the Kuna Formation.

In a district sense, the Kivalina Unit is up to 122 m thick and may have been deposited in a local fault-bounded depression. It includes laminated, black calcareous shale and thick-bedded, grey micritic limestone, grainstone and packstone. The Ikalukrok Unit varies in thickness across the district from 29 m to greater than 240 m. The unit has been divided into a lower laminated black shale sub-unit and an upper medium- to thick-bedded black chert sub-unit.

Property Geology The Lik property is hosted in the upper part of the Ikalukrok Unit of the Kuna Formation. At the Lik property, the immediate host rocks are carbonaceous and siliceous black shale, with subordinate black chert and fine-grained limestone. These rocks strike broadly north-south and dip at about 25^{o} to 40^{o} to the west. The massive sulphides are overlain conformably by rocks of the Siksikpuk Formation. The sequence is overridden by allochthonous rocks that form high hills north and west of the deposits.

The mineralized sequence is cut by a number of faults. The most significant disruption is the Main Break Fault, which drops the northern end of the Lik deposit down about 150 m. It is unclear whether there is a change in strike north of the fault, or whether the change is more apparent due to topography. The Main Break Fault strikes east-west and dips north at about 60^{o}. There is another group of steeper faults that tend to strike northerly or northwesterly and which are interpreted as being both normal and reverse with throws of up to 100 m. The drilling in 2008 appears to demonstrate that several of these faults are non-existent or more minor than previously interpreted.

Exploration

The Lik property was drill tested in the late 1970s and early 1980s and sporadically through the early 1990s. Details of these historical drilling campaigns are discussed above under the heading "History".

The Company completed programs of diamond drilling in the summers of 2007 and 2008. The details of this program, and the results of the work, are discussed below under "Drilling".

The Company did not complete other exploration programs in 2007, but contracted for Controlled- and Natural-Source Audio-frequency Magnetotelluric CSAMT and NSAMT) surveys through Zonge Engineering & Research Organization, Inc. (Zonge Engineering) in 2008. The details of these surveys are discussed below under "Geophysics".

Mineralization

The Lik deposit is a stratiform zinc-lead-silver deposit. The deposit is continuous outside the Lik property onto the adjacent Teck Resources Limited property to the south. The southern continuation of the Lik deposit is referred to as the Su deposit, lying on the Su property.

Within the Lik property, the deposit is divided into two parts by the Main Break Fault. The main part of the deposit within the existing claims is referred to as the Lik South deposit. As presently tested, the Lik South deposit is about 1,100 m long and about 600 m wide. It has been tested down dip to a depth of about 150 m to 200 m. North of the Main Break Fault, the Lik North deposit is about 700 m long and about 350 m wide. It has been tested down dip to a depth of about 300 m.

The deposits strike broadly northerly and dip westerly at about 25^{o} to 40^{o}. The mineralization comprises irregular, stratiform lenses. The mineralogy of the sulphides is simple and comprises pyrite, marcasite, sphalerite, and galena, with rare tetrahedrite, bournonite and boulangerite. Gangue minerals include quartz (as chert), clay minerals, carbonate and barite. Noranda recognized six different ore types in its logging of drill core. Typical grades of mineralized intersections within the Lik deposit are listed in the table below:

Typical Mineralized Intersections

Hole No.	From (m)	To (m)	Length (m)	Zn (%)	Pb (%)	Ag (g/t)
5	54.56	78.79	24.23	19.72	6.27	126.5
16	80.16	94.49	14.33	21.67	7.01	230.4
21	129.54	135.33	5.79	7.07	1.88	8.6
24	40.87	50.14	9.27	11.09	1.44	51.1
31	21.49	34.75	13.26	9.07	2.69	6.9
38	45.90	63.76	17.86	8.13	1.80	48.0
38	70.53	87.75	17.22	8.92	2.08	28.8
43	35.66	40.69	5.03	17.66	3.62	8.6
43	60.96	80.28	19.32	9.07	2.49	47.7
43	84.73	91.04	6.31	21.07	5.95	111.4
55	114.0	125.88	11.89	8.15	2.42	205.7
68	32.31	53.43	21.12	13.34	2.85	56.9
79	15.85	31.33	15.48	9.14	2.66	37.0

Previous work by GCO determined that sulphides were deposited in four distinct cycles. The cycles are better developed close to the likely hydrothermal source of the mineralizing fluids. Individual cycles may be quite thin near the margins of the deposit and the thickest accumulation in a single cycle noted to date is about 13.7 m. The base of a sulphide cycle begins abruptly with the deposition of sphalerite, galena and pyrite. Typically, the highest grades are found at or within a few metres of the base of a sulphide cycle. Massive or finely bedded zinc- and galena-rich sulphides decrease in grade upward within a cycle. Pyrite increases relative to sphalerite and galena, forming bands of massive or colloform pyritic sulphides. Higher in the cycle, pyrite decreases and forms nodular or colloform semi-massive pyrite layers interbedded with black chert or strongly silicified black claystone. The tops of the cycles generally contain the highest marcasite concentrations. Locally, another cycle begins before the earlier cycle is finished. Lateral variations appear to mimic the vertical variations. While brecciated sulphides are common in high-grade areas, they do not form a large percentage of the overall sulphide mass. Individual breccia zones vary in thickness from a few centimetres to a few metres. The origin of the brecciation is not clear, but at least some of it is judged to be primary.

Geophysics

The fieldwork for the geophysical survey was carried out between June 18 and July 3, 2008, by Mr. S. Harworth of Zonge Engineering, and data processing, modelling and interpretation were completed by Mr. S. MacInnes of Zonge Engineering. Tensor CSAMT and NSAMT data were acquired at 61 m (200 ft) station intervals over six lines for a total of about 8 km (26,400 ft). The primary objective of the survey was to trace mineralization and geological structure from the known drill-tested areas north into undrilled terrain north of the existing Lik North deposit. To achieve this objective, two orthogonal transmitter bipoles were located 5 km south-southeast of the survey area so that nearly orthogonal sourcefield orientations were generated over the survey area.

MacInnes (2008) reported that two low-resistivity features labelled Trend A and Trend B can be tracked from line to line extending northeast from the known Lik North mineralization. MacInnes (2008) considered that the geophysical survey was identifying carbonaceous shales associated with the Lik mineralization rather than detecting mineralization itself. The Trends A and B are cut between lines 6500N and 7000N, with an eastward offset of about 200 m. The significance of the results is not immediately clear. The northern end of the Lik North deposit lies at some depth (300 m) based on diamond drilling. It is not known whether the Lik North deposit or its stratigraphic position continues to plunge to depth. Further mapping at the northern end of the known mineralization may help to resolve the geological model, although exposure is not common in the area. Conceptually, the northern extension of the stratigraphy that hosts mineralization at the Lik deposit is a viable exploration target that needs testing. Ultimately, the potential will have to be tested by diamond drilling.

The geophysical survey tested the northern extensions of the Lik mineralization and concentrated specifically on the Lik North Zone and its potential northern extensions. None of the drilling completed in 2007 and 2008 tested the Lik North deposit, and the Lik North mineral resources were estimated using older drilling. The results of the survey are important for longer term exploration of the Lik North deposit and its possible extensions.

Drilling

The Lik property was drill tested in the late 1970s and early 1980s and sporadically through the early 1990s. Details of these historical drilling campaigns are discussed above under the heading “History”.

The Company completed two programs of drilling during the 2007 and 2008 summer field seasons, all of it directed to testing the Lik South deposit. None of the drilling in 2007 or 2008 was designed to test the Lik North deposit. To facilitate the drilling, the Company purchased a diamond drill rig and contracted with an independent diamond driller to operate and maintain the drill rig. The arrangement worked satisfactorily in 2007 and the Company extended the program in 2008. In 2010, the Company has obtained a second drill that will work under the same agreement.

The Company completed diamond drilling programs during the 2007 and 2008 summer field seasons. The 2007 program consisted of 11 drill holes for a total of 1,394 m. The 2008 program consisted of 58 drill holes for a total of 6,829 m.

The 2007 program had several purposes, including:

- to confirm previous drill results. Confirmation of the previous drilling should allow the historical mineral resources to be upgraded to Mineral Resources compliant with NI 43-101;
- to commence fill-in drilling of the Lik deposit; and
- to obtain samples for more detailed metallurgical studies.

No samples were collected in one of the holes from the 2007 drilling program because no sulphides or black shale were recognized in the hole.

2007 Drilling Program Results

Hole ID	From (m)	To (m)	Length Down Hole (m)	True Thickness (m)	Zn (%)	Pb (%)	Ag (g/t)
DDH-136	64.62	69.19	4.57	3.96	4.35	6.04	88.7
	82.30	95.10	12.80	11.09	9.78	1.61	77.1
including	84.43	90.53	6.10	5.28	13.20	1.90	81.3
including	84.43	85.95	1.52	1.32	18.70	1.15	94.0
DDH-137	4.88	16.92	12.04	11.12	3.38	7.72	46.0
	34.14	76.50	42.36	39.14	6.49	1.67	44.2
including	46.02	68.58	22.56	20.84	8.59	2.35	61.0
including	64.92	68.58	3.66	3.38	15.49	1.63	6.0
including	71.63	76.50	4.87	4.50	7.52	1.36	53.2
DDH-138	7.01	32.61	25.60	23.20	8.20	2.44	34.1
including	28.50	32.61	4.11	3.72	17.57	5.28	73.2
DDH-139	29.57	46.02	16.45	14.25	8.95	2.13	3.1
including	31.09	35.36	4.27	3.70	11.90	5.28	3.4
DDH-140	55.47	58.22	2.75	2.38	4.65	1.55	42.9
DDH-141	79.25	86.72	7.47	6.47	5.69	1.23	34.2
DDH-142	117.96	131.98	14.02	12.14	8.46	3.84	39.7
including	125.88	128.93	3.05	2.64	15.59	3.82	57.6
DDH-143	77.72	93.57	15.85	14.36	14.05	9.41	11.4
including	77.72	82.92	5.19	4.70	19.10	14.90	2.1
DDH-145	87.17	90.53	3.36	2.90	5.81	2.10	6.0
DDH-146	103.02	104.24	1.22	1.06	6.73	1.14	14.5

Note:

A natural cut-off was applied. It essentially corresponds to about 5% Pb+Zn.

At the end of the 2007 drilling campaign, it was apparent that there were gaps in the previous testing and areas where there was potential for expansion of the mineral resources. The 2008 program was designed to:

- improve the understanding of the existing Lik South deposit; and
- attempt to expand the existing Lik South deposit.

All of the 2008 diamond drilling was HQ-size core. At the end of 2008, most of the Lik South deposit had been tested on lines spaced at 200 ft. with holes spaced at about 100 ft.

2008 Drilling Program Results

	From (m)	To (m)	Sample Length (m)	Pb %	Zn %	Pb+Zn %	Ag g/t
DDH 147	123.1	125.1	1.98	0.41	3.53	3.94	64
DDH 148	30.5	37.5	7.0	2.50	9.83	12.33	1
	48.2	58.8	10.7	0.46	2.84	3.3	17
DDH 149	75.6	76.2	0.6	0.33	5.85	6.18	3
DDH 150	159.41	181.05	21.64	1.26	4.28	5.54	53.85
including	159.41	168.86	9.45	2.03	5.57	7.59	69.29
DDH 151	53.6	74.1	20.4	0.70	6.74	7.44	1.3
including	54.3	67.2	13.0	1.10	9.67	10.78	1.0
DDH 152	56.4	84.4	29.9	0.7	3.9	4.6	4.2
including	56.4	58.2	1.8	2.2	11.8	14.0	2
including	63.4	66.1	2.7	2.4	9.3	11.7	3.9
including	68.0	71.2	3.2	1.3	9.3	10.6	5.3
including	77.1	84.4	7.3	0.9	4.3	5.2	7.5
	126.2	128.8	2.6	1.8	2.8	4.6	5.0
DDH 153	97.80	122.80	24.99	2.01	6.79	8.79	55.57
including	103.33	112.47	9.14	4.36	10.95	15.31	70.00
including	119.48	122.83	3.35	1.28	12.75	14.04	77.73
DDH 154	101.50	105.16	3.66	0.16	1.49	1.65	2.58
DDH 155	219.15	228.30	9.14	0.01	0.71	0.72	3.00
DDH-156	30.78	49.68	18.9	0.96	4.34	5.3	2.15
including	33.83	48.16	14.33	0.91	4.47	5.38	2.09
including	33.83	39.93	6.1	1.23	6.09	7.33	1.25
DDH-157	151.79	169.16	17.37	2.40	9.67	12.07	95.75
including	151.79	160.02	8.23	4.29	18.28	22.58	159.78
DDH 158	43.59	49.99	6.40	1.33	3.19	4.52	12.38
DDH-159	30.18	57.00	26.82	2.75	8.73	11.48	88.53
including	39.78	57.00	17.22	3.90	12.58	16.47	128.72
including	46.94	54.56	7.62	7.64	22.22	29.87	200.68
including	48.46	52.43	3.96	13.15	34.49	47.64	336.92
DDH-160	52.12	117.65	65.53	2.52	6.26	8.78	37.72
including	52.12	100.58	48.46	3.08	7.02	10.10	26.30
including	52.12	81.69	29.57	4.58	7.91	12.49	24.91
DDH-161 [(1)]	13.41	40.23	26.82	7.84	19.23	27.07	291.30
including	22.56	38.56	16.00	11.25	27.70	38.95	444.30
DDH-162	164.90	172.67	7.77	1.96	5.74	7.70	41.16

2008 Drilling Program Results

	From (m)	To (m)	Sample Length (m)	Pb %	Zn %	Pb+Zn %	Ag g/t
DDH-163	74.07	80.47	6.40	1.14	4.79	5.94	14.57
and	96.93	99.06	2.13	0.81	2.94	3.75	25.86
DDH-164	29.72	66.45	36.73	1.87	6.74	8.61	49.96
DDH- 165	19.2	33.22	14.02	3.04	9.24	12.28	71.96
DDH- 166	3.66	56.08	52.43	1.34	4.59	5.93	56.42
including	24.69	47.40	22.71	1.60	7.19	8.79	77.63
including	24.69	34.44	9.75	1.84	10.92	12.76	46.73
DDH- 167	13.11	74.68	61.57	2.38	2.70	5.08	63.34
including	24.38	74.68	50.29	1.18	3.26	4.44	58.05
including	50.75	65.07	14.33	1.37	4.32	5.69	135.18
DDH- 168	80.16	136.86	56.69	1.50	4.01	5.51	40.12
including	83.21	95.86	12.65	3.61	7.16	10.77	47.81
DDH- 169	101.19	144.17	42.98	2.02	4.33	6.35	58.84
including	110.34	125.88	15.54	4.33	8.71	13.04	82.75
DDH- 170	22.25	33.22	10.97	2.14	7.13	9.27	2.56
DDH- 171	25.91	51.21	25.3	5.54	16.3	21.84	102.2
including	30.18	45.11	14.94	8.58	23.46	32.03	149.14
DDH- 172	17.37	35.36	17.98	3.26	5.15	8.41	10.56
DDH- 173	16.15	52.43	36.27	1.61	3.73	5.34	41.63
DDH- 174	135.03	143.26	8.23	5.38	5.65	11.03	61.52
DDH- 175	105.46	121.31	15.85	4.06	9.92	13.98	4.1
including	109.12	120.4	11.28	5.51	12.75	18.26	4.7
and	132.89	158.8	25.91	1.99	6.41	8.4	64.5
including	149.66	157.58	7.92	4.93	12.91	17.84	93.08
DDH- 176	11.43	29.11	17.68	5.75	9.89	15.64	117.51
DDH- 177	6.71	18.9	12.19	1.75	4.88	6.63	88.5
DDH- 178	26.21	77.11	50.9	1.68	7.09	8.76	49.2
including	39.01	66.9	27.89	2.3	9.86	12.16	68.55
DDH- 179	74.07	87.78	13.72	3.18	9.44	12.62	9.82
DDH- 180	27.13	45.11	17.98	1.09	4.42	5.52	24.22
DDH- 181	16.15	44.81	28.65	2	7.93	9.93	5.86
DDH- 182	52.73	96.62	43.89	2.8	9.12	11.92	97.5
DDH- 183	10.97	46.63	35.66	0.66	3.14	3.8	25.03
including	10.97	16.46	5.49	2.86	8.17	11.03	3.11
DDH- 184	105.16	111.86	6.71	2.47	6.71	9.18	8.05
DDH- 185	12.13	15.24	3.11	2.1	5.16	7.25	9.92

2008 Drilling Program Results

	From (m)	To (m)	Sample Length (m)	Pb %	Zn %	Pb+Zn %	Ag g/t
DDH- 186	16.15	32	15.85	1.95	6.71	8.66	8.85
DDH- 187	10.06	27.43	17.37	1.98	7.97	9.95	63.3
DDH-188	14.94	49.83	34.9	2.55	8.28	10.83	13.36
including	14.94	32.31	17.37	4.06	12.79	16.85	14.14
and	71.93	86.26	14.33	3.43	7.6	11.03	19.34
DDH- 189	13.11	38.77	25.66	1.91	5.63	7.53	51.21
including	27.58	38.77	11.19	2.47	10.55	13.02	40.76
DDH- 190	33.83	44.20	10.36	1.59	8.33	9.92	10.79
DDH- 191	80.16	86.26	6.10	3.26	6.22	9.48	39.75
and	96.93	112.93	16.00	1.58	4.90	6.48	109.71
DDH- 192	12.5	35.81	23.32	1.87	6.31	8.18	6.01
DDH- 193	78.64	117.90	39.26	2.51	7.00	9.51	83.31
DDH- 194	42.82	79.25	36.42	1.65	7.05	8.7	6.22
including	44.2	53.04	8.84	1.66	10.7	12.35	1.14
including	58.83	66.14	7.32	3.79	12.53	16.31	2.5
including	70.41	73.46	3.05	2.09	9.74	11.83	7
DDH- 195	81.69	89.31	7.62	2.52	6.84	9.36	45.36
DDH- 196	61.87	74.07	12.19	1.45	7.07	8.52	53.53
DDH- 197	8.53	45.11	36.58	0.66	2.56	3.21	17.42
including	8.53	20.42	11.89	0.56	4.20	4.76	9.41
DDH- 198	64.92	74.07	9.14	0.59	2.89	3.48	26.83
DDH- 199	92.99	125.88	32.89	3.15	7.22	10.37	48.01
DDH- 200	85.34	115.37	30.02	1.89	8.59	10.48	3.93
DDH- 201	110.70	152.70	42.00	3.08	6.84	9.92	80.78
including	110.70	131.28	20.57	5.00	9.77	14.77	114.56
DDH- 202	167.03	169.47	2.44	0.26	0.87	1.13	1.38
DDH- 203	5.49	12.34	6.86	2.14	4.96	7.11	74.07
DDH- 204	147.22	171.30	24.08	3.1	7.40	10.49	97.00
including	147.22	164.29	17.07	4.13	9.24	13.37	116.96

Notes:

(1) Two Pb assays in the intervals reported as >20% - awaiting overlimit results.

(2) Assays were analyzed by ALS Chemex Laboratories of Fairbanks, Alaska

(3) It is estimated that true thicknesses are approximately 85% to 90% of the sample lengths. The Lik South deposit is a shallow dipping stratiform deposit and all drill holes are vertical.

In 2009 and 2010 the Company conducted a suite of economic, engineering, environmental and metallurgical studies on the Lik property. The 2011 summer field program at Lik combined exploration and development drilling. The exploration drilling focused on Lik North, the contiguous deposit to Lik South. The development drilling focused on improving geological, metallurgical and geotechnical understanding of Lik South.

The drilling program was designed to accommodate several project objectives in 2011. These objectives included:

- additional resource definition, in particular near the transition zone between Lik South and Lik North;
- several exploration holes drilled in Lik North;
- collection of a representative metallurgical sample along the length of the projected open pit area; and
- a geotechnical drilling program to provide data for the open pit design and foundation information to assist in infrastructure design.

The Company's first drill hole beyond the Lik North resource boundary (DDH 214) intersected high grade zinc mineralization.

In 2011, 25 holes were drilled totaling 3,954m.

2011 Drilling Program Results

	From (m)	To (m)	Sample Length (m)	Pb %	Zn %	Pb+Zn %	Ag g/t
DDH 205	54.3	80	25.8	2.63	7.06	9.68	20.9
Including	54.3	66.4	12.2	4.14	9.78	13.92	4.9
	98.5	126.6	28.2	1.55	4.1	5.65	38.4
Including	98.5	118.3	19.8	2.01	5.0	7.01	46.38
DDH 206	98.3	119.8	21.5	2.59	10.8	13.4	46.7
DDH 207	43.6	54.9	11.3	3.7	7.7	11.3	46.3
DDH 208	26.5	43.3	16.8	3.5	7.5	10.9	67.6
	52.4	57.0	4.6	1.5	5.3	6.8	6.2
DDH 209	9.8	21.9	12.2	2.7	6.0	8.7	70.7
	26.8	32.3	5.5	1.38	9.1	10.4	63.9
DDH 210	84.4	101.2	16.8	3.02	11.2	14.2	70.1
DDH 211	184.9	220.1	35.2	1.78	5.51	7.29	34.28
DDH 212	101.8	127.1	25.3	1.74	4.97	6.71	37.05
DDH 213	271.4	306.6	35.2	0.06	0.15	0.2	1.15
DDH 214	505.1	515.6	10.4	2.46	5.8	8.3	10.1
including	506.6	514.5	7.3	3.35	7.8	11.1	13.1
DDH 215	38.7	89.0	50.3	3.5	11.4	14.8	86.4
DDH 216	12.8	23.5	10.7	2.0	8.5	10.5	9.0
	29.6	40.2	10.7	1.6	7.0	8.5	55.4
	50.9	60.0	9.1	2.1	11.0	13.0	123.7
DDH 217	17.4	40.5	23.2	2.6	8.3	10.9	29.4
DDH 218	63.4	74.1	10.7	4.2	10.0	14.2	5.0
DDH 219	10.1	25.9	15.8	2.1	6.6	8.7	18.5

2011 Drilling Program Results

	From (m)	To (m)	Sample Length (m)	Pb %	Zn %	Pb+Zn %	Ag g/t
DDH 220	20.1 35.7 84.4	27.4 58.5 90.5	7.3 22.9 6.1	3.8 1.7 1.1	5.2 4.4 5.8	9.0 6.1 6.9	12.9 49.9 15.5
DDH 221	52.4	60.4	7.9	1.8	12.6	14.4	5.5
DDH 222	Geotechnical hole – no mineralization encountered						
DDH 223 including including	127.7 127.7 153.6	171.6 138.4 162.8	43.9 10.7 9.2	3.0 4.7 5.0	5.5 9.2 7.7	8.5 14.0 12.7	31.6 7.6 60.0
DDH 224	Geotechnical hole – no mineralization encountered						
DDH 225	Geotechnical hole – no mineralization encountered						
DDH 226	Geotechnical hole – no mineralization encountered						
DDH 227	107.6	103.6	4.0	0.7	4.4	5.1	40.3
DDH 228	Geotechnical hole – no mineralization encountered						
DDH 229	Geotechnical hole – no mineralization encountered						

- Assays were analyzed by ALS Chemex Laboratories of Fairbanks, Alaska
- It is estimated that true thicknesses are approximately 85% to 90% of the sample lengths. The Lik South deposit is a shallow dipping stratiform deposit and all drill holes are vertical.
- Drill holes 222 - 229 were part of the geotechnical drilling program whose primary function was to acquire geologic information for the pit design. Most of these holes were either outside the area of the mineralization (in the footwall) or too shallow to intersect the mineralization. Of these geotechnical holes (222-229) only 2 of them (223 & 227) intersected mineralization.

By the end of 2011, a total of 38,201.2 m of drilling in 229 holes had been completed on the Lik property by the Company and the previous owners. No drilling has been completed on the Lik project since 2011.

Sampling, Analysis and Security of Samples

The core obtained from the Lik deposit during the 2007 and 2008 drilling campaigns was logged on site at the Lik camp. The entire core containing sulphide mineralization was sawn using diamond saws and half of the core was sent for assay. Sulphide mineralization at Lik has a problem in that there is local diagenetic marcasite associated with the margins of the higher grade mineralization and within some of the lower grade mineralization. This material oxidizes rapidly, breaking up the core and rendering samples inappropriate for metallurgical testing. Once core was placed in the sample bags, the air was evacuated and replaced with nitrogen. The samples were sent to Kotzebue by charter and then by licensed carrier to Anchorage. The samples were stored under refrigeration in Anchorage until the end of the drilling campaign. Finally, the samples were dispatched to G & T Metallurgical Services Ltd. (G & T) of Kamloops, British Columbia. As well as completing metallurgical testing, G & T crushed and analyzed the samples.

The 2008 diamond drill core was not required for metallurgical testing and core was handled normally. Sawn samples were bagged and boxed on site and dispatched to a facility of ALS Laboratory Group (ALS Chemex)

located in Fairbanks, Alaska, for sample preparation. The pulps were analyzed at ALS Chemex located in Fairbanks or Elko, Nevada.

Core is marked for sampling depending on visual grade estimates. Notwithstanding the absence of economic mineralization, all massive and high sulphide areas were sampled. Mineralization is coarse enough and of high enough grade to be recognized visually. Thus visual methods were used to select sample boundaries and lengths. Short samples were noted adjacent to areas where grade changed sharply. The shortest samples seen were seven one-foot (0.30 m) samples. In areas where the grade is judged to be uniform, core is typically divided into five-foot (1.52 m) lengths. Of the 1,905 original samples collected in 2008, 1,006 samples were five-foot long. There were 42 samples that were 5.5 ft (1.68 m), 115 samples that were six feet (1.83 m), and 12 samples that were seven feet (2.13 m). The mineralization at Lik is considered to be appropriately logged and sampled. It is not evident that logging or sampling is leading to any bias in the sample results.

Recovery was typically excellent in core seen on site. An examination of logging showed that core recovery in sulphide areas was generally very high.

2007 Analyses

The 2007 Lik samples were dispatched to G & T. G & T is an ISO 9001:2000 certified laboratory for precious metals and base metals. As well as completing the analyses for a range of elements, G & T also carried out a program of metallurgical testing. The Company transferred pulps from G & T to ALS Chemex in Vancouver for check analysis as part of the Quality Control/Quality Assurance (QA/QC). Reproducibility between G & T and ALS Chemex was found to be good. The Company is not responsible for any part of the sample preparation or analysis.

G & T prepared the Company's samples using its SMS21 Preparation Method. The major steps in this protocol are:

- samples are received, identified and labeled;
- samples are passed through a jaw crusher to reduce the core to >10 mesh;
- samples are passed through a cone crusher until +99% of the sample is -10 mesh;
- samples are riffled to cut a sample of about 500 g;
- this material is treated in a ring pulverizer so that all of the material is <100 microns; and
- a pulp of 250 g is sent for analysis.

The material was then treated using the AMS08 protocol for analysis. Major steps include:

- samples are dissolved using an aqua regia digestion; and
- the samples are analyzed using induced coupled plasma (ICP) analysis.

Other QA/QC procedures employed by the Company included the use of blanks (unmineralized core from outside of the mineralized zone) and quartered duplicates. The Company was unable to obtain acceptable reference samples for the 2007 field season and reference samples were not included as part of the 2007 ongoing QA/QC program.

2008 Analyses

Samples from the 2008 summer drilling campaign were sent to the preparation facilities of ALS Chemex located in Fairbanks, Alaska. At Fairbanks, the samples were treated using Sample Preparation Package – PREP-31. This is a standard sample preparation protocol. The following steps were followed for the Company's samples:

- LOG-22 – Each sample is logged into the tracking system and a bar code is attached to the sample. Each sample is weighed and dried;
- CRU-31 – Each sample is finely crushed so that more than 70% of each sample is passing 2 mm;
- SPL-21 – Samples are split using a riffle splitter; and
- PUL-31 – A 250 g sample is split out and pulverized so that greater than 85% of each sample is passing 75 microns.

The pulps were analyzed at ALS Chemex in Fairbanks or Elko, with overlimit samples transferred to an ALS Chemex facility located in North Vancouver, British Columbia. The ALS Chemex facility in North Vancouver has received ISO 17025 accreditation from the Standards Council of Canada under CAN-P-4E (ISO/IEC 17025:2005), the General Requirements for the Competence of Testing and Calibration Laboratories, and the PALCAN Handbook (CAN-P-1570).

The basic analyses for each sample, ME-OG62, included:

- ASY-4A01 – four acid digestion. A 0.4 g sample of the pulp is digested in 100 mL of nitric, perchloric, hydrofluoric, and hydrochloric acids for 180 minutes at 220ºC and then evaporated to incipient dryness. Hydrochloric acid and de-ionized water are added for further digestion and the sample is heated. The sample is cooled to room temperature and transferred to a 100 mL volumetric flask; and
- ICP-AES - The resulting solution is diluted to volume with de-ionized water, homogenized, and the solution is analyzed by inductively coupled plasmaatomic emission spectrometry (ICP-AES).

This protocol has an upper limit of 1,500 ppm Ag, 20% Pb, and 30% Zn and a lower limit of 1 ppm Ag, 0.01% Pb, and 0.01% Zn.

In cases where lead values exceeded the upper limits of the analytical procedure, volumetric titration with EDTA (Ethylene Diamine Tetraacetic Acid) was used. This methodology has an upper limit of 100% Pb. An examination of the assay datafile for the original Lik samples shows that two of the original lead samples assayed greater than 20% Pb and were re-assayed by volumetric titration. In cases where the zinc values exceeded the upper limits of the ICP-AES methodology, volumetric titration with EDTA and using Xylenol orange as an indicator was used. In both cases, a 0.4 g to 1.0 g prepared sample is digested using a four acid digestion.

In 2008, the Company dispatched the original 1,905 drill samples sent for analysis together with a further 83 blank samples, 81 reference samples, and 155 duplicate samples. An assessment of the QA/QC results indicates that:

- blank values are typically low in both the 2007 and 2008 sampling, indicating the intersample contamination was not a significant problem in either laboratory in either year;
- quartered duplicates appear to be giving acceptable reproducibility in both years. While there is some percentage variability in base metal assays for values below 1% metal, there is no significant variability at values near likely cut-off grades; and
- as noted above, reference samples were only included in 2008. In all, nine different standards were included. The ALS Chemex analyses of the reference samples gave generally good reproducibility. Some cases of unacceptable results were followed up by the Company and resolved satisfactorily.

The analytical work completed and planned should give a reliable indication of the grades of mineralization tested in the 2007 drilling.

Data verification

RPA completed check sampling of diamond drill core from the 2007 as part of a verification process for samples from the drill campaign during a property visit in September 2007. Eight samples of quartered core were collected and the samples were returned to Toronto in the custody of the RPA representative. The check samples were dispatched to the SGS Canada laboratory in Toronto for analysis. One of the samples shows significant variation between the SGS value and the G & T value. Further assaying will be required to determine whether there is a problem with these data.

Diamond drill collar positions and core storage buildings were inspected during the RPA visit.

One of the objectives of the 2007 drilling was to twin several of the previous holes with the purpose of confirming the earlier work. Three of the holes completed were twin holes of earlier drilling. Of the holes drilled, DDH 137 twinned DDH 38, DDH 138 twinned DDH 76, and DDH 139 twinned DDH 15. Overall, these twinned holes appear to show reasonable correlation.

Further verification sampling was completed during the 2008 field visit. A further eight samples of quartered core were collected, with the samples coming from two different holes. The samples were selected to cover a number of different grades. The verification samples were dispatched to SGS Laboratories in Toronto. Samples for base metals were assayed using the ICP90Q protocol (sodium peroxide fusion with ICP-AES analysis), while silver was assayed using FAG323.

The verification sampling completed by RPA shows a slight bias for base metals (zinc is 7% higher overall, lead is 17% higher overall) in the SGS samples and a slight bias towards silver (9%) in the ALS samples.

RPA has recommended that the Company routinely send a number of pulps to an independent laboratory to serve as another check of the integrity of the database.

Mineral processing and metallurgical testing

2007 – 2008 work

One of the objectives of the 2007 drilling campaign was to collect sufficient sample material to complete metallurgical testing. The testing was completed by G & T under the supervision of RPA.

In May 2008, G & T completed preliminary metallurgical test work on a single composite of drill core sections from the Lik deposit. Approximately 2,000 kg of individual samples from eight drill holes were provided by the Company for use in this study, with a 318 kg master composite constructed for use in testing.

Composite Sample Composition

Element or mineral	Value
Element	
Copper	0.007%
Lead	2.30%
Zinc	7.95%
Iron	20.0%
Silver	35 g/t
Mineral	
Copper sulphides	0.01%
Galena	3.21%
Sphalerite	12.5%
Pyrite	41.9%
Gangue	42.4%

The master composite sample was selected to provide a reasonable cross sectional representation of the deposit and target a mill head grade based on preliminary expectations of an eventual mineral resource grade. RPA believes this sample is reasonably representative of the expected production grades.

Mineralogy

Mineralogical work identified pyrite as the dominant sulphide mineral. From a flotation perspective, the mass ratio of galena to sphalerite is relatively favourable at about 1:4. A small percentage of the lead is suspected of being in non-sulphide forms and relatively non-separable by typical flotation schemes.

At a typical primary grind of 80% passing 76 µm, the liberation level of galena was reasonably good at 62%, while the liberation of sphalerite was not high at 39%. The majority of the unliberated galena (20%) was locked in complex multiphase particles with other sulphides and gangue, while 10% was interlocked with sphalerite. Most of the unliberated sphalerite was found to be interlocked binaries with gangue (32%), while an additional 23% was locked in complex multiphase particles.

Grindability

The Bond ball mill work index for the composite was determined to be 16.6 kWh/t and thus the ore is considered to be moderately hard. This work index is comparable to the grindability recorded for similar lead-zinc deposits by G & T.

Flotation testing

Flotation tests were carried out in three stages, with batch rougher tests used to optimize primary grind and initial reagent dosages, followed by open circuit batch cleaner tests to investigate the effects of regrinding and cleaner circuit reagent schemes, and finally a pair of locked cycle tests to simulate continuous flotation circuit operations.

A total of twelve rougher tests and eight cleaner tests were conducted using a standard lead-zinc sequential flow sheet. The results of the batch rougher and cleaner test work indicated that the best performance was when grinding the feed to a P80 of 44 µm. On average, lead was recovered at 70% into a concentrate grading 65% lead, and zinc was recovered at 70% into a zinc concentrate grading 55% zinc. A relatively fine regrind size of about 12 µm P80 was found to be necessary to produce good grade concentrates. A simple pyrite and sphalerite depressant scheme using cyanide and zinc sulphate was used in the lead circuit. Aero 633, a high molecular weight depressant, was added in the lead rougher and cleaner to control organic carbon.

Two replicate locked cycle tests were performed. The first test performed better and its results are expected to reasonably represent the metallurgical performance for ore characteristic of this master composite. In RPA's opinion, these results are considered good and the ore compares favourably with commercial results obtained with operations successfully processing similar stratiform Pb-Zn ores.

Metallurgical Projection

	Mass	Grade			Recovery		
	%	Pb %	Zn %	Ag g/t	Pb %	Zn %	Ag %
Calculated feed	100.0	2.36	8.47	34	100.0	100.0	100.0
Lead concentrate	2.4	70.3	4.17	68	70.3	1.2	4.8
Zinc concentrate	14.1	1.57	52.2	64	9.4	86.9	26.9
Zn 1st cleaner tailings	15.9	0.75	2.34	21	5.1	4.4	9.9
Final rougher tailings	67.6	0.53	0.95	29	15.2	7.5	58.4

Detailed modal analyses were performed on the products from the locked cycle test and indicate the following trends:

- Contaminants in lead concentrate, in order of relative abundance, were nonsulphide gangue, sphalerite and pyrite, with two-thirds unliberated.
- The primary contaminant in zinc concentrate was non-sulphide gangue accounting for 15% of the concentrate mass, with about two-thirds interlocked with sphalerite.
- Galena losses to the tailings streams totalled 19%, with about half lost as liberated grains.
- Sphalerite losses to the tailing streams totalled 12% and practically all occurred as unliberated particles locked with pyrite or non-sulphide gangue.

Concentrate analysis

The lead and zinc concentrates from the locked cycle test were submitted for detailed chemical analyses. The lead concentrate is considered clean and relatively free of deleterious elements that may attract a smelter penalty. The zinc concentrate, on the other hand, contains several elements that could reduce the marketability of the concentrate. The silica content at 10.1% is above the typically accepted maximum of 5%. The mercury and fluorine levels in the zinc concentrate, at 118 ppm and 242 ppm respectively, are considered relatively high and further study was deemed appropriate.

In 2010, an investigation into the flotation of material from the Lik deposit was commissioned from SGS Mineral Services of Vancouver, BC. This study was conducted as a follow-up exercise on the work conducted by G & T in 2007 and 2008. Using the same master composite, the primary objective was to diagnose the causes of high silica concentrations in the zinc concentrate and identify means to reduce or eliminate the silica.

The study consisted of mineralogical (QEMSCAN) analysis of the master composite, the lead tails (zinc feed) and the final zinc concentrate. Quartz is found widely in the sphalerite as fine grain inclusions, and the removal of this contaminant requires moderately fine regrinding. The mineralogical studies point to the potential to float a saleable zinc concentrate at about 80% zinc recovery, following a regrind to a k80 size of about 15 microns.

Locked cycle testing employed much finer regrinding, to ensure a clear zinc concentrate is made. In the test, the regrind size was 9 microns. The cycle test yielded a zinc concentrate with 6% SiO_2 at 83% zinc recovery. Batch tests had routinely demonstrated that cleaner-still zinc concentrates could be made, albeit at slightly lower zinc recoveries. It should be noted that the process is not optimized and a zinc recovery of 85% could be obtained by further testwork.

The study concluded that adequately silica-free concentrates can be made to ensure their saleability. Regrinding to 9 microns is a safe option, though coarser regrinding would probably also be effective.

Mineral Resource Estimate

RPA has estimated the Mineral Resources of the Lik deposits by constructing a block model of the mineralized zones based on information available up to December 31, 2013. There are no Mineral Reserves on the Lik property at this time.

MINERAL RESOURCE ESTIMATE – DECEMBER 31, 2013

		Indicated Resources				Inferred Resources			
Location	**Cut-off % Pb+Zn**	**Mt**	**Zn %**	**Pb %**	**Ag g/t**	**Mt**	**Zn %**	**Pb %**	**Ag g/t**
Open Pit									
Lik South	5%	16.85	8.04	2.70	50.1	0.74	7.73	1.94	13.4
Lik North	5%	0.44	10.03	2.77	59.0	2.13	8.88	2.94	45.8
		17.29	8.09	2.70	50.3	2.87	8.59	2.68	37.5
Underground									
Lik South	7%	0.69	8.04	3.15	51.0	0.51	6.97	1.59	11.3
Lik North	7%	0.13	8.93	2.93	37.5	1.96	9.22	2.99	45.8
		0.82	8.18	3.12	48.9	2.47	8.76	2.70	38.7
Total		18.11	8.10	2.72	50.2	5.34	8.66	2.69	38.0

Notes:

1 CIM definitions were followed for Mineral Resources.

2 Mineral Resources are estimated using average long-term prices of $1.20/lb for zinc, $1.20/lb for lead and $27/oz for silver.

3 A density value of 3.5 g/cc (0.109 tons/ft.^{3}) was used.

In order to fulfil the mineral resource requirement of "reasonable prospects of economic extraction", the open pit portion of the Mineral Resource estimate reported above is the part of the block model that was constrained within a preliminary open pit shell. The preliminary pit shell was completed by RPA using Whittle software, zinc, lead, and silver metallurgical recoveries for the Lik deposit, assumed costs, concentrate terms, and average long-term commodities prices. The Mineral Resources are classified as Indicated and Inferred and follow Canadian Industry of

Mining ("CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted on November 27, 2010 ("CIM Definitions").

The southern part of the Lik deposit occurs near surface and is considered to have potential for open pit mining. The mineralization in the northern part and at depth in the south is considered to have potential for underground mining. The Mineral Resource estimate has been completed using Gemcom Gems 6.3 software using a conventional approach including 3D solid modelling and block modelling.

The database for the current resource estimate consists of 223 diamond drill holes totalling 37,833.0 m. This drill hole database excludes historic holes that have collar and survey data but no assay data.

Zazu supplied data to RPA in MS Excel spreadsheets that included collar, survey, and assay files. Validation revealed no errors in the database. Previous work on the Lik property used the NAD 27 coordinate system. Zazu is converting the database to the NAD 83 coordinate system for future work.

The primary sources of density information on the Lik deposit is from 1985 Scherkenbach et al. report and the 2008 G&T report. Scherkenbach et al. (1985) included 62 density determinations from three diamond drill holes. All of these samples were analyzed for zinc, lead, silver, barium, copper, and mercury. Scherkenbach et al. (1985) relied on density values for samples with Zn+Pb greater than 5%.

Some 35 density values for samples for which Pb+Zn were greater than 3% were available. The 2008 G&T metallurgical report included some 300 density determinations. Of these, 144 were for samples for which Pb+Zn were greater than 3%. The average of these values was close to 3.5 g/cm3 (0.109 tons/ft3) and this value was used in the RPA estimate to convert volume into tonnes.

Density is affected by the amounts of pyrite and silica in each sample. Iron values are available for the G&T work but not for the earlier work. The correlation between zinc and iron values is poor.

All of the drilling by Zazu in 2007 and 2008 targeted the Lik South deposit. RPA digitally plotted the drill holes for the Lik deposits on drill sections at 200 ft (61 m) intervals corresponding to the spacing of most of the drill sections in the field. Both grid east-west and grid north-south sections were plotted. Zazu provided an interpretation of the deposit based on previous work completed on the deposit. RPA reviewed the previous interpretation and made adjustments for the new drilling completed in the summer of 2011. The results of the 2011 drilling have not changed the interpretations of various lenses significantly. The most important changes are that the Lik South deposit has been extended to the northeast, while drilling in Lik North confirmed the existing interpretation and extended the mineralization to depth.

Base metal mineralization at Lik appears to occur in a number of lenses. The bulk of the Lik South mineralization is interpreted as being in two lenses, with the A Lens being the larger, while the bulk of the Lik North mineralization is interpreted as occurring in a single lens, the N Lens.

Previous interpretations of the Lik South deposit involved a number of north-south faults that divided the mineralization into several fault blocks. The drilling in 2008 and 2011 appears to demonstrate that most of these faults are either less significant or non-existent.

In previous interpretations, the Lik South deposit has been separated from the Lik North deposit by an east-west fault, the Main Break Fault. The recent drilling appears to demonstrate that this fault is less significant than previously interpreted. The A Lens and the N Lens may be continuous, although there is a change in plunge or dip of the mineralization at about the interpreted position of the Main Break Fault. This change in attitude is more akin to a sharp flexure or hinge rather than a fault.

It is noted that the massive sulphides provide more continuity than the wall rocks, for which the geology is complex and it is difficult to interpret much continuity in the enclosing rocks.

While the bulk of the sulphide is interpreted as being part of the A Lens in Lik South and the N Lens in Lik North, there are a number of other sulphide lenses. These are interpreted as lying both above and below the major lenses. The lenses above the A Lens in Lik South are important as they would have to be mined in an open pit to access the larger A Lens. Higher costs would apply to the mining of smaller lenses located below the A Lens.

The wireframe model for Lik South was constructed at a minimum grade of 3% Pb+Zn, while the wireframe model for Lik North was constructed at a minimum grade of 7% Pb+Zn. There is a portion of Lik North that lies within the preliminary Whittle pit shell which, if re-wireframed at 3% Pb+Zn, would not differ significantly from that at the

7% minimum. The wireframed mineralized domains were used to constrain interpolation of grades using drill hole assay composites within the wireframes.

As noted above, the Lik deposit divides into two parts: the Lik South deposit, which is considered amenable to open pit mining, and the deeper Lik North deposit, which is likely to require underground mining.

To report resources, RPA has used a cut-off grade of 5% Pb+Zn for potential open pit resources within the preliminary Whittle pit. RPA has used a cut-off grade of 7% for the potential underground resources. Since the Lik South deposit wireframe model was developed using a minimum grade of 3% Pb+Zn, potential underground resources at a 7% Pb+Zn cut-off are reported only for areas that display continuity and grades that are reflective of potential underground mining selectivity.

The 5% Pb+Zn cut-off grade is based on estimated long-term lead and zinc prices, on operating costs for the Red Dog Mine (Cinits, 2007), and on other data. The average long term metal prices selected were US$1.20/lb zinc and US$1.20/lb lead. The Red Dog Mine is an open pit base metal mine in the same geographic area as the Lik deposit and the operating costs at Red Dog are considered to be a preliminary benchmark for a potential open pit operation at Lik.

For the portion of the Lik North deposit, with potential for underground mining, all of the blocks within the 7% Lik North wireframe is reported as Mineral Resources to avoid mixing of blocks above and below 7% Pb+Zn. The 7% Pb+Zn cut-off for potential underground mineral resources is based on assumed costs for underground mining in northern Alaska.

A significant amount of diamond drilling has been completed on the Lik deposit. Drilling has been carried out on 200 ft (60.96 m) sections in the Lik South area, with holes mainly spaced at 100 ft (30.48 m) along section lines. The major part of the Lik South deposit is comparatively well tested and is considered to be an Indicated Mineral Resource. The portions outside this central area in the Lik South deposit, where drill holes are more widely spaced or where lenses are tested by only a few holes, are classified as Inferred Mineral Resource. Drill holes at Lik North are more widely spaced in general than at Lik South, and Lik North is therefore primarily classified as an Inferred Mineral Resource. A portion of the Lik North deposit that occurs within the preliminary pit shell is classified as an Indicated Mineral Resource.

In order to comply with the CIM Definitions of "reasonable prospects for economic extraction", RPA prepared a preliminary Whittle pit shell using the estimated costs and parameters shown in the table below. Most of the resource in the Lik South and a portion of the resource in Lik North areas appear to have reasonable potential for open pit mining. Lik North and portions of Lik South at depth appear to have reasonable potential for underground mining.

Preliminary Whittle Pit Shell Parameters

Design Parameter	Value Used
Zinc Price	US$1.20/lb
Lead Price	US$1.20/lb
Silver Price	US$27.00/oz
Mining Cost – Open Pit	US$3.00/st
Process + G&A Cost	US$45.00/st
Zinc Recovery	85%
Lead Recovery	70%
Silver Recovery	30%
Offsite Costs, Zinc Concentrate	US$0.45/lb
Offsite Costs, Lead Concentrate	US$0.30/lb
Pit Slopes	45 degrees maximum

To report resources, RPA has used a cut-off grade of 5% Pb+Zn for potential open pit resources within the preliminary Whittle Pit. RPA has used a cut-off grade of 7% for the potential underground resources. Since the Lik South deposit wireframe model was developed using a minimum grade of 3% Pb+Zn, potential underground resources at a 7% Pb+Zn cut-off are reported only for areas that display continuity and grades that are reflective of potential underground mining selectivity.

There are no Mineral Reserves on the Lik property at this time.

Preliminary Economic Assessment

In 2014, JDS reviewed the Lik Deposit data at a Preliminary Economic Assessment level of study and concluded that under the base case assumptions the project has potential economic viability. The base case scenario has utilized a zinc price of $0.92/lb, a lead price of $1.01/lb and a silver price of $19.43/oz.

The Lik Deposit was evaluated on the basis of an open pit truck/shovel/loader mine that produces and processes 2 million tonnes of ore per annum. The saleable products produced will be both zinc and lead concentrates.

A 5,500 tpd concentrator plant, tailings facility, diesel generation power station, truck shop, offices, mine dry, fuel storage facility, and camp will be built on the project site to facilitate year-round mine operations.

The results of the economic analysis, based on all of the drilling data and associated mine modeling and cost estimations for the Lik Deposit, reflect a pre-tax IRR of 12.5% with an NPV at 8% of $69 million and a post-tax estimated IRR of 9.7% with an NPV at 8% of $25 million.

The payback period based on the economic analysis is five years in the pre-tax scenario and 5.8 years in the after-tax scenario.

The Lik Deposit as modeled is very sensitive to changes in metals prices. A change in zinc price from $0.92/lb to $1.00/lb increases the after-tax NPV at 8% from $25 million to $83 million.

The Lik site is relatively conducive to the development of a mining operation. Space, though not abundant, is more than sufficient by current estimates to support mining and waste storage of identified potential resources. Existing topography and efficient site layout offers the opportunity to control and manage waters within the drainage of the proposed Tailings Management Facility ("TMF"). As a result, fresh make-up process water requirements are minimised. Once collected in the TMF, treatment of impacted waters is simplified and the captured water can be treated and recycled back to the ore concentration process in the mill, reducing the need for additional make-up water from a fresh source.

Acid rock drainage and metal leaching issues related to the waste rock and storage facilities are manageable. Testing is underway to identify rock types that will require specialized storage design.

There are no insurmountable environmental or permitting issues identified that could preclude the development of the Lik deposit.

2012 - 2015 Work

During the years 2012 through 2015, Zazu continued to advance the Lik Project by focusing its efforts at Lik on those activities necessary to move the permitting process and mine plan forward. This included refinement of the project mine plan, planning for project infrastructure requirements, and continuation of the environmental baseline studies.

Field activities at Lik during 2012 through 2015 included short site visits at various times in each summer for contractor personnel working on various aspects of the Lik project. The field trips were a continuation of the hydrology, water quality, air quality and aquatic biology baseline studies necessary for future mine permitting and engineering hydrology studies designed to measure discharge volumes in drainages that might impact mine facilities.

Fieldwork incorporated snow/ice surveys together with the engineering and environmental hydrology work. The engineering hydrology work continued the monitoring of the field stations while the environmental work was a continuation of the baseline hydrology, water quality and aquatic biology studies. In addition, data was collected from the thermistors and piezometers installed during the geotechnical field studies conducted in 2011.

As part of the late summer field work, a camp manager accompanied the field crews to make an end of the season assessment of the camp condition, inventory supplies and ensure that the camp was properly closed prior to the onset of winter conditions.

Non-field activities again constituted a significant part of the project development activities. JDS continued to function as the primary contractor directing work geared toward completion of the Lik pre-feasibility study. JDS continued its efforts to develop a mine site design integrating the current and prior engineering investigations (road/port/geotechnical). In addition, JDS is responsible for oversight of the metallurgical program and process design. G & T Metallurgical, who has extensive experience with the Red Dog ores, is conducting the actual metallurgical studies that are being overseen by JDS. At this point the metallurgical work is focused on refinement and optimization of the processing circuit building on the already encouraging results achieved to date.

In 2012, the long pursued goal of conversion of the Lik federal claim holdings to State claims was finally achieved. The federal Bureau of Land Management issued its decision allowing the conversion to State claims to proceed in late June. The federal claims were abandoned in favor of the State claims and now the property consists solely of State claims. While this should provide a smoother path through permitting and development for the Lik project, the actual difference in the land controlled by the project is minimal.

Zazu advanced the Lik project in three key areas in 2014: a NI 43-101 compliant Preliminary Economic Analysis ("PEA") was completed; studies necessary for property permitting were completed and consolidated; and Alaska Industrial Development and Export Authority ("AIDEA") completed a capacity utilization study on Delong Mountain Transportation System ("DMTS") at Zazu's request.

The NI 43-101 compliant Preliminary Economic Analysis was completed by JDS Energy and Mining, Inc. It concluded a positive Internal Rate of Return ("IRR") for the project, using spot metal prices. It also demonstrated the project's sensitivity to zinc price, with significant changes to the IRR with changes to zinc price.

AIDEA completed an independent review of the capacity of their DMTS, the haul road and port system available for Lik. Their findings were in agreement with Zazu's PEA assumptions and concluded that sufficient capacity exists in the system to support the shipping of concentrate produced by Lik. The availability of regional infrastructure reduces the overall investment required to bring Lik into production.

Zazu initiated multiple multi-year studies prior to 2015 in advance preparation for the permitting process. These studies were nearing conclusion in 2015. However, in light of market conditions in early 2015, Zazu management determined to support only 'mission critical' studies with the remainder temporarily suspended. This step minimally impacted the timeline to development, and protected the financial integrity of the company.

Planned work

Zazu intends to maintain the strategy of maximum conservation of the financial resources of the company while continuing essential studies in 2016. This includes completion of the Acid Rock Drainage program and maintaining the environmental data collection programs. When market conditions improve, the suspension of the non-critical studies will be lifted. All studies can be re-initiated in a short timeframe. These are designed to advance Lik toward the feasibility study stage, and prepare the project for permitting.

The Lik property is one of the most advanced development stage zinc properties in the world. The zinc market will be faced with several large mine closures over the next several years, with limited potential for replacement. Zazu aims to be in operation in time to deliver into this supply deficit.

RISK FACTORS

Exploration Stage Operations

Operations at the Company's Lik property are subject to all of the risks normally incidental to the exploration for and the development of mineral properties. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and to develop the mining and processing facilities and infrastructure at any site chosen for mining. There can be no assurance that commercial quantities of ore will be discovered. There is also no assurance that even if commercial quantities of ore are discovered, that a property will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. The above factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Exploration and Operation Risks

In common with other enterprises undertaking business in the mining sector, the Company's mineral exploration and project development activities are subject to conditions beyond the Company's control. The success of the Company will be dependent on many factors including: the discovery and/or acquisition of mineral reserves and mineral resources; the favourable conclusions to feasibility and other mining studies; access to adequate capital for project development and sustaining capital; design and construction of efficient mining and processing facilities within capital expenditure budgets; the securing and maintaining of title to tenements; obtaining permits, consents and approvals necessary for the conduct of exploration and potential mining operations; complying with the terms and conditions of all permits, consents and approvals during the course of exploration and mining activities; access to competent operational management and prudent financial administration, including the availability and reliability of appropriately qualified employees, contractors and consultants; the ability to procure major equipment items and key consumables in a timely and cost-effective manner; the ability to access full power supply; and the ability to access road and port networks for shipment of lead concentrate.

There can be no assurance that the Company will be able to complete development of its mineral project at all or on time or on budget due to, among other things, and in addition to those factors described above, changes in the economics of the mineral projects, the delivery and installation of plant and equipment and cost overruns, or that the

current personnel, systems, procedures and controls will be adequate to support the Company's operations. Should any of these events occur, it would have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Mineral Resources are Imprecise Estimates

The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurances can be given that such resource estimates will be converted into reserves.

Any zinc, lead and silver exploration program entails risks relating to the location of ore bodies that are economically viable to mine, the development of appropriate metallurgical processes, the receipt of necessary governmental permits, licenses and consents and the construction of mining and processing facilities at any site chosen for mining. No assurance can be given that any exploration program will result in the discovery of new reserves or resources or that the expansion of existing resources will be successful.

Additional Funding and Dilution

If the Company's exploration programs are successful, additional funds will be required in order to complete the development of its properties. The only sources of future funds presently available to the Company are the sale of additional equity capital or the entering into of joint venture arrangements or other strategic alliances in which the funding sources could become entitled to an interest in the properties or the projects. The Company's capital resources are largely determined by the strength of the junior resource market and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects.

In order to exercise the option pursuant to the Lik Block Agreement, the Company must spend the Required Expenditure Amount prior to 2018. The Required Expenditure Amount is currently estimated to be approximately US$43.3 million of which US$21.8 million has been incurred. Accordingly, the exact amount the Company is required to spend is uncertain and the longer the duration of time over which such expenditures are made, the greater the potential variability in this spending obligation.

There is no assurance that the Company will be successful in raising sufficient funds to meet its obligations or to complete all of the currently proposed exploration programs. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, the Company may have to forfeit its interest in properties or prospects earned or assumed under such contracts. In addition, if the Company does not raise the funds to complete the currently proposed exploration programs, the viability of the Company could be jeopardized.

Permits and Government Regulation

Although the Company believes it has all of the necessary permits to carry out the proposed exploration programs, the operations of the Company may require licenses and permits from time to time from various governmental authorities to carry out exploration and development at its projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company or its joint venture partner will be able to obtain the necessary licences and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company or its joint venture partner from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company or its joint venture partner will have the resources or expertise to meet its obligations under such licenses and permits.

The mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards, occupational health, mine safety, waste disposal, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the exploration activities of the Company are currently carried out in material compliance with all

applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development. New rules and regulations may be enacted or existing rules and regulations may be applied to the operations and activities of the Company and could have a substantial adverse impact on the Company.

In the United States, Congress has considered a number of proposed amendments to the General Mining Law of 1872. If adopted, such amendments could, among other things, substantially increase the cost of holding unpatented mining claims, impair the ability of companies to develop mineral resources on unpatented mining claims and impose royalties on production from unpatented mining claims. The effects, if any, of any such amendments on the Company and its operations cannot be determined at this time.

Property Interests

The ability of the Company to carry out successful mineral exploration and development activities and mining operations will depend on a number of factors. The Company has to fulfill certain obligations with respect to maintaining title to its Lik property. No guarantee can be given that the Company will be in a position to comply with all such conditions and obligations. Furthermore, while it is common practice that permits and licenses may be renewed or transferred into other forms of licenses appropriate for ongoing operations, no guarantee can be given that a renewal or a transfer will be granted to the Company or, if they are granted, that the Company will be in a position to comply with all conditions that are imposed.

There can be no assurance that the Company's rights to the Lik property are valid and exist as set out in this Annual Information Form and will not be challenged by third parties claiming an interest in the property. The Lik property may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or governmental actions.

The Company's property interest is also subject to the Lik Block Agreement. To maintain its rights under such agreement, the Company is required to expend certain amounts of funds on the property and to maintain the property by paying government claim and other fees. If the Company fails to make these payments or fails to maintain the property in good standing, the Company may lose its right to such property and forfeit any funds expended to such time.

Acquisition of Additional Mineral Properties

There is no assurance that the Company will be able to acquire, or acquire interests in, other mineral properties of merit, whether by way of option or otherwise.

Environmental Regulation

The Company's activities are subject to environmental laws and regulations which may materially adversely affect its future operations. These laws and regulations control the exploration and development of the Lik property and their effects on the environment, including air and water quality, mine reclamation, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands. These laws and regulations will require the Company to acquire permits and other authorizations for certain activities. There can be no assurance that the Company will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

Further, environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

The Company is not currently insured against most environmental risks. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy.

Key Management

The success of the Company will be largely dependent upon the performance of its key officers, consultants and employees. Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have a materially adverse impact upon the Company's success. The Company has not purchased any "key-man" insurance with respect to any of its directors, officers or key employees and has no current plans to do so.

Conflicts of Interest

Certain directors and officers of the Company are or may become associated with other natural resource companies that may give rise to conflicts of interest. The directors and most of the officers of the Company have either other full-time employment or other business or time restrictions placed on them and accordingly, the Company will not be the only business enterprise of these directors and officers.

Title to Properties

Acquisition of rights to the mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Company has investigated the title to the Lik property for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to increase its interest, the Company cannot give an assurance that title to such properties will not be challenged or impugned. The Company can never be certain that it or the parties with which it has concluded option agreements will have valid title to relevant mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or one of the parties with which it has concluded an option agreement does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Infrastructure

Development and exploration activities depend on adequate infrastructure, including reliable roads, power sources, water supply and port (including storage) facilities. The Company's inability to secure adequate water, power resources or appropriate port (including storage) facilities, as well as other events outside of its control, such as unusual weather, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's operations and financial condition.

There is no assurance that the State of Alaska will permit the Company to construct a 13 mile road from the Red Dog road to the Lik property or that port (including storage) facilities will be obtained. Although the Company believes all necessary permits can be obtained under applicable laws, should the Company be prevented from constructing the 13 mile road then the ability to ship ore from the Lik property on an economic basis will not be possible.

Foreign Political Risk

The Lik property is located in the United States and, as such, a substantial portion of the Company's business is exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of governmental orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as by laws and policies of Canada affecting foreign trade, investment and taxation.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding, earthquakes and other environmental occurrences may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

The Company has implemented comprehensive safety and environmental measures designed to comply with or exceed government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

Commodity Prices

The profitability of the Company's operations will be dependent upon the market price of mineral commodities. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, rate of inflation, world supply of mineral commodities, consumption patterns, sales of zinc, lead and silver, forward sales by producers, production, industrial and consumer demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The prices of mineral commodities have fluctuated widely in recent years. Current and future price declines could cause commercial production to be impracticable. The prices of commodities are affected by numerous factors beyond the Company's control.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself with respect to the discovery and acquisition of interests in mineral properties, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Recent increases in commodity prices have encouraged increases in exploration, development and construction activities, which have resulted in increased demand for, and cost of, exploration, development and construction services and equipment (including mining fleet equipment). Increased demand for services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and could increase potential scheduling difficulties and costs due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development or construction costs or result in project delays or both. Any such material increase in costs would adversely affect the Company's results of operations and financial condition.

Expected Continued Operating Losses

The Company has no operating history and there can be no assurance that the Company will ever be profitable. The Company has experienced losses from operations in every fiscal year since its inception in 2006. The Company expects to incur losses, and possibly incur increased losses, in the foreseeable future. There is no guarantee that the Company will be able to reverse the operating losses or that the Company will ever be consistently profitable.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company may become subject could have a material effect on our financial position, results of operations or the Company's mining and project development operations.

Foreign Currency Risk

A substantial portion of the Company's expenses are now, and are expected to continue to be, incurred in United States dollars. The Company's business will be subject to risks typical of an international business including, but not limited to, differing tax structures, regulations and restrictions and general foreign exchange rate volatility. The Company's financial results are reported in U.S. dollars. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on the Company's business, financial condition and results of operations and could result in losses from currency exchange rate fluctuations. The Company does not actively hedge against foreign currency fluctuations.

DIVIDEND POLICY

There are no restrictions in the Company's constating documents that would restrict or prevent the Company from paying dividends. However, it is not contemplated that any dividends will be paid on Common Shares in the foreseeable future, as it is anticipated that all available funds will be reinvested in the Company to finance the growth of its business. Any decision to pay dividends on Common Shares in the future will be made by the board of directors on the basis of the earnings, financial requirements and other conditions existing at such time and will be subject to any restrictions imposed by the terms of any debt facilities or other contractual obligations of the Company.

SHARE CAPITAL

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of special voting shares issuable in series.

There are 55,398,051 Common Shares issued and outstanding at the date of this Annual Information Form. Each Common Share entitles the holder to receive notice of any meetings of shareholders of the Company, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by the board of directors at its discretion from funds legally available therefore and, upon the liquidation, dissolution or winding up of the Company, are entitled to receive on a pro-rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking in priority to, or equally with, the holders of Common Shares with respect to liquidation, dissolution or winding up. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

There are no special voting shares outstanding at the date of this Annual Information Form. Special Voting Shares may be issued in series and shall only be issued in connection with or in relation to Exchangeable Securities (as defined below) for the purpose of providing voting rights with respect to the Corporation to the holders of such securities. Each Special Voting Share shall entitle the holder of record thereof to a number of votes at all meetings

of holders of Common Shares or in respect of any written resolution of holders of Common Shares equal to the number of Common Shares into which the Exchangeable Securities to which such Special Voting Share relates, is directly or indirectly, exchangeable or convertible (other than in respect of Exchangeable Securities that have been so exchanged or converted or are held by the Corporation or an affiliated entity thereof). Except with respect to the matters under which class voting is ordinarily required under the Canada Business Corporations Act, including without limitation section 176 of such Act, applied as if the Common Shares and the Special Voting Shares were each a series of same class of shares, Common Shares and Special Voting Shares shall always be voted as a single class. No Special Voting Share shall entitle the holder to any interest or share in the assets of the Corporation in the event of liquidation, dissolution or winding up of the Corporation or other distribution, dividends or otherwise, to the holders of Common Shares. Special Voting Shares are not transferable except together with the Exchangeable Securities to which they are associated and no certificates representing Special Voting Shares shall be issuable. Upon the exchange or conversion of an Exchangeable Security by the holder thereof, or the redemption or other repurchase for cancellation of an Exchangeable Security by the Corporation, the Special Voting Share(s) attached to such Exchangeable Security will immediately be cancelled for no consideration and without any further action of the Board or the former holder of such Special Voting Share, and the former holder of such Special Voting Share will cease to have any rights with respect thereto. Concurrently with the issuance of Special Voting Shares associated with any Exchangeable Securities, the Corporation shall enter into such agreement as may be necessary or desirable to properly provide for the terms of the Exchangeable Securities. "Exchangeable Security" means a share or other security convertible or exchangeable for Common Shares or other securities of the Corporation (directly or indirectly) without the payment of additional consideration therefor.

MARKET FOR SECURITIES

The common shares of the Company were listed and posted for trading on the Toronto Stock Exchange effective December 19, 2007 under the symbol "ZAZ". In July 2014, the Company's shares began trading on the OTCQX exchange in the United States under the symbol "ZAZUF". The following table sets out the market price range and trading volumes for the periods indicated.

	TSX – ZAZ			OTCQX – ZAZUF		
	High	**Low**	**Volume**	**High**	**Low**	**Volume**
January 2015	C$ 0.35	C$ 0.27	364,321	US$ 0.29	US$ 0.24	83,000
February 2015	0.35	0.30	226,812	0.29	0.24	41,764
March 2015	0.30	0.25	571,457	0.25	0.20	136,567
April 2015	0.26	0.24	223,855	0.21	0.19	14,500
May 2015	0.26	0.24	372,543	0.21	0.19	49,818
June 2015	0.24	0.20	696,500	0.20	0.16	30,000
July 2015	0.22	0.16	1,066,559	0.16	0.13	58,381
August 2015	0.17	0.15	224,001	0.13	0.11	43,750
September 2015	0.16	0.12	269,000	0.13	0.10	100,400
October 2015	0.17	0.11	628,401	0.13	0.10	220,500
November 2015	0.14	0.09	352,971	0.11	0.10	21,000
December 2015	0.16	0.10	319,980	0.14	0.08	70,300

DIRECTORS AND OFFICERS

The following table sets forth the name, municipality of residence, position held with the Company and principal occupation of each person who is a director and/or an executive officer of the Company.

Name and Municipality of Residence	Position with the Company	Principal Occupation	Date of Appointment
Gil Atzmon San Antonio, Texas	Chairman, Chief Executive Officer, President and Director	Founder, Chairman and Chief Executive Officer of the Company	November 29, 2006
Joe M. Britton Anchorage, Alaska	Vice-President Exploration	Vice-President Exploration and principal geologist for the Lik property	September 18, 2007
Joshua D. Crumb Vancouver, British Columbia	Director	Self employed consultant	July 20, 2011
Matthew T. Ford San Antonio, Texas	President	President of the Company	March 1, 2008
Robert Giustra Vancouver, British Columbia	Director	Chief Executive Officer of Columbus Gold Corporation	May 10, 2012
Ralf O. Langner Vancouver, British Columbia	Chief Financial Officer	Chief Financial Officer of the Company	December 1, 2007
Bryan Morris [(1),(2),(3)] Vancouver, British Columbia	Director	Self employed consultant	July 19, 2007
Dennis H. Peterson [(1),(2),(3)] Toronto, Ontario	Director	Lawyer	November 29, 2006
Paul F. Saxton [(1),(2),(3)] Furry Creek, British Columbia	Director	Chief Executive Officer of Lincoln Gold Corp.	July 19, 2007

(1) Member of the Audit Committee
(2) Member of the Compensation Committee
(3) Member of the Corporate Governance Committee

Additional biographical information regarding the directors and executive officers of the Company is provided as follows:

Gil Atzmon: Mr. Atzmon is the founder, Chairman, Chief Executive Officer, President and a Director of the Company. Mr. Atzmon has over 25 years' experience in the mineral resources sector. His career has included positions as a mining executive, investment banker, mining fund manager and geologist. Mr. Atzmon has participated in many global exploration and mining projects and has successfully arranged financing for the

exploration and development of several mineral properties. In 2001 and 2002, Mr. Atzmon acted as Vice President, Corporate Development of Ivanhoe Mines Ltd. In 2000 and 2001, Mr. Atzmon served as a global energy and mining specialist in institutional equity and sales for BNP Paribas. From 1998 to 2000, Mr. Atzmon was Chief Investment Strategist and Portfolio Manager for US Global Investors, Inc. Mr. Atzmon is a director of the following Canadian publicly traded companies: Columbus Gold Corp. (since February 2005) and Columbus Silver Corporation (since September 2008). Mr. Atzmon holds a Bachelors degree in Geology and Geography from Columbia College, Columbia University and obtained a Master Degree in Energy and Mineral Resources from the University of Texas at Austin, Texas.

Joe M. Britton: Mr. Britton is the Company's Vice President Exploration and principal geologist for the Lik property. He has over 35 years of mineral exploration and development experience, principally in Alaska. This experience includes direct field responsibility and supervisory roles in nearly all aspects of the Lik project since 1978. In addition to his experience with the Lik project he has also been involved in the execution and management of several regional exploration projects in Alaska and a variety of general mineral assessments ranging from regional to property specific projects in Alaska, the western United States and Costa Rica. He has substantial experience with governmental, land ownership, regulatory, environmental and social issues in Alaska as they relate to mineral exploration and development projects. His years in the minerals business have included employment by several mining and minerals companies and since 1989 he has been a consulting minerals geologist. Mr. Britton holds a Bachelor of Science (Geology) and a Master of Science (Geology) from the University of Alaska-Fairbanks.

Joshua D. Crumb: Mr. Crumb is an engineer and mineral economist with a wide range of experience in the mining industry. His career included roles in project/construction management, engineering design, corporate development, and metals market research and strategy. Mr. Crumb was recently the Senior Metals Strategist at Goldman Sachs, working for the Global Economics, Commodities and Strategies research division in London. Mr. Crumb also held various positions within the Lundin group of companies, serving as Director of Corporate Development at Lundin Mining, and Special Project Analyst for group chairman Lukas Lundin, and is currently a director of Astur Gold Corp. (since May 2011), Silver Bull Resources Inc. (since February 2012) and Loma Vista Capital Inc. (since June 2012).

Matthew T. Ford: Mr. Ford is the President of the Company. Mr. Ford has 14 years experience with mining and exploration companies. Mr. Ford founded an exploration services company and worked as a geologist in West Africa, Australia and the UK. He later worked as a research analyst and portfolio manager focusing on the mining sector which provided extensive travel to evaluate mineral properties. Mr. Ford completed his B.Sc. in Exploration and Mining Geology at the University of Wales, College of Cardiff and his M.Sc in Mineral Resources Engineering and Management at Nottingham University, England.

Robert Giustra: Mr. Giustra brings extensive experience in the mining industry having founded, developed and managed publically traded mining companies since 1992. After earning an Economics degree from the University of Western Ontario, he initiated his career as a securities broker. Mr. Giustra then moved into investment banking and went on to co-found the institutional equity sales and corporate finance departments for an international investment dealer, specializing in the junior mining sector. Mr. Giustra took his first senior executive position with a junior mining company in 1998. He currently serves as the Chairman, Chief Executive Officer and director of Columbus Gold Corporation (since April 2006) and is a director of Columbus Exploration Corporation (since September 2008) and Columbus Copper Corporation (since October 2005).

Ralf O. Langner: Mr. Langner is the Chief Financial Officer of the Company. Mr. Langner is a Certified General Accountant with over 25 years of accounting and financial experience, including over 20 years in the metals sector. Prior to joining the Company, Mr. Langner was the Chief Financial Officer of Romarco Minerals Inc. (a publicly listed gold exploration company) from 2003 to 2007, Financial Analyst at Bema Gold Corporation (a publicly listed gold producer) from 2000 to 2003, a self-employed accounting and financial consultant in 1999-2000 and held various positions at Dayton Mining Corporation (a publicly listed gold producer) from 1986 to 1999, including Accountant, Chief Accountant and Financial Analyst

Bryan Morris: Mr. Morris is an independent director of the Company. Mr. Morris worked for Teck Cominco Limited as Vice President, Business Development and was responsible for identifying, evaluating and negotiating acquisitions, primarily in the zinc business, until August 2003. Prior to that appointment he was Vice President, Finance and director of Cominco Resources International Ltd., the stock exchange listed international exploration arm of Cominco Ltd., and had held senior positions in Teck Cominco Limited's finance organization. During his career with Teck Cominco Limited, Mr. Morris also served as a director of several subsidiary and associated

companies. Mr. Morris is currently a director of Rae Wallace Mining (since January 2011). Mr. Morris was a director of Andean American Mining Corp. (July 2005 to September 2012), Sinchao Metals Corp. (December 2006 to June 2012), Inca Pacific Resources Inc. (February 2004 to October 2011), Mediterranean Resources Ltd. (April 2004 – March 2011), Animas Resources Ltd. (July 2007 – January 2010), Morgain Minerals Inc. (May 2005 – August 2007). He is a Fellow of the Chartered Institute of Management Accountants (United Kingdom).

Dennis H. Peterson: Mr. Peterson is a director of the Company. Mr. Peterson is a securities lawyer and the principal of Peterson Law Professional Corporation, a Toronto-based securities law boutique focusing on resource companies. Mr. Peterson was called to the Bar of Ontario in 1988. In the past five years, Mr. Peterson has served in the following capacities for the following public companies: director, Probe Mines Limited (2001 to 2006) (2008 to present); director, EM Resources Inc. (2005 to 2011), a predecessor Rio Verde Minerals Development Corp.; director, SL Resources Inc. (2005 to 2010), a predecessor to White Tiger Gold Ltd.; and President and director, GGD Resources Inc. (2006 to 2010), a predecessor to God's Lake Resources Inc. Mr. Peterson holds a Bachelor of Commerce (Honours) degree from Queen's University and a Bachelor of Laws degree from the University of Toronto.

Paul F. Saxton: Mr. Saxton is an independent director of the Company. He is a mining engineer who has been active in the mining industry since 1969, holding various mining positions including mining engineer, mine superintendent and executive positions for several Canadian mining companies. Most recently these include executive positions at Lincoln Gold Corp. (President and Chief Executive Officer, April 2004 to present), Golden Band Resources Inc., (President and Chief Executive Officer, March 2013 to present), Goldcliff Resource Corp. (Director, September 2003 to present), Uranerz Energy Corp. (Director, October 2004 to June 2015) and; Pinnacle Mines Ltd. (Chairman and Chief Operating Officer, June 1995 to September 2010). In addition to holding a Bachelor of Science (Engineering) degree from Queen's University, Mr. Saxton also earned a Master of Business Administration from the University of Western Ontario.

Securities owned

As of the date of this Annual Information Form, the Directors and executive officers beneficially own, directly or indirectly, or have control or direction over, a total of 9,472,300 common shares representing 17% of the common shares issued and outstanding.

Corporate Cease Trade Orders and Bankruptcies

To the Company's knowledge, other than as set out below, none of the directors or officers of the Company or a shareholder holding sufficient securities of the Company who could materially affect the control of the Company, is, or has been within the ten years before the date of this Annual Information Form, a director or officer of any other company that, while such person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied such company access to any statutory exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company.

Bryan Morris was Chief Financial Officer and a director of Andean American Mining Corp. when that company was subject to a cease trade order issued by the British Columbia Securities Commission on August 2, 2007 for the inadequacies of a technical report. The cease trade order was lifted on October 24, 2007.

Penalties and Sanctions

To the Company's knowledge, none of the directors or officers of the Company or a shareholder holding sufficient securities of the Company who could materially affect the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the Company's knowledge, none of the directors or officers of the Company or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons has, within the ten years before the date of this Annual Information Form been bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

Conflicts of Interest

The Company's directors and officers are required by law to act honestly and in good faith with a view to the best interests of the Company. Subject to any limitations in the Company's constating documents, no agreement or transaction would be void or voidable only because it was made between the Company and one or more of its directors or by reason that such director was present at the meeting of directors that approved such agreement or transaction or that the vote or consent of the director is counted for the approval of such agreement or transaction. Subject to any limitations or provisions to the contrary in the constating documents of the Company, in order for an agreement or transaction between the Company and one or more of its directors to be valid, the relevant director or directors must disclose in good faith his or their interests in such agreement or transaction to the other directors not having a conflict of interest (or a sufficient number of directors to carry the resolution without counting the votes of the interested director(s)) and such other directors must vote in favour of the agreement or transaction. If all of the directors have a conflict of interest, the agreement or transaction must be authorized, approved or ratified by a resolution of shareholders in order to achieve statutory validity. An agreement or transaction between a director and the Company will be valid unless it can be shown that, at the time the agreement or transaction was authorized, it was unfairly prejudicial to one or more shareholders or the creditors of the Company. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

To the best of the Company's knowledge, there are no known existing potential conflicts of interest among the Company, its directors, officers or other members of management of the Company as a result of their outside business interests as at the date hereof. However, certain of the directors and officers and other members of management serve as directors, officers, and members of management of other public resource companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company.

The directors and officers of the Company have been advised of their obligations to act at all times in good faith in the interest of the Company and to disclose any conflicts to the Company if and when they arise.

Board Committees

The Board of Directors of the Company has three committees.

i. The Audit Committee is comprised of Bryan Morris (Chair), Paul F. Saxton and Robert Giustra.
ii. The Compensation Committee is comprised of Paul F. Saxton (Chair), Bryan Morris and Dennis H. Peterson.
iii. The Corporate Governance Committee is comprised of Dennis H. Peterson (Chair), Bryan Morris and Paul F. Saxton.

Term

All of the Directors of the Company hold office until the close of the next annual meeting of the shareholders of the Company or until their successors are duly elected or appointed.

AUDIT COMMITTEE

The Audit Committee has been structured to comply with Canadian Multilateral Instrument 52-110 — Audit Committees ("Ml 52-110"). The Audit Committee is comprised of Bryan Morris (Chair), Paul F. Saxton and Robert Giustra. Each member of the Audit Committee is financially literate within the meaning of MI 52-110. In addition, each member is independent within the meaning of MI 52-110.

Members relevant education and experience

Bryan Morris (Chair) Mr. Morris was Vice-President, Finance of Cominco Resources International Ltd. and held senior positions in Teck Cominco Limited's financial organization. He was also Chief Financial Officer of Andean American Mining Corp. (July 2005 to October 2008), Sinchao Metals Corp. (December 2006 to October 2008), Inca Pacific Resources Inc. (February 2004 to May 2005) and Morgain Minerals Inc. (May 2005 to August 2007), all publicly traded companies. He is a Fellow of the Chartered Institute of Management Accountants (United Kingdom).

Paul Saxton – Mr. Saxton is the Chief Executive Officer and President of Lincoln Gold Corp. and was the Chief Operating Officer of Doublestar Resources Ltd. He holds a Master of Business Administration from the University of Western Ontario.

Robert Giustra – Mr. Giustra is the Chairman and Chief Executive Officer of Columbus Gold Corporation. Mr. Giustra has been actively engaged in the creation, financing, development, restructuring and management of publicly traded resource companies since 1992. His early experience in public markets includes working as an investment advisor with a national securities brokerage firm and later as an investment banker at an international investment dealer where he co-founded the equity sales and corporate finance departments.

External Auditor Service Fees

The auditors of the Company are PricewaterhouseCoopers LLP, located at 7th Floor, 250 Howe Street, Vancouver, British Columbia, V6C 3S7. Fees incurred in each of the last two fiscal years by category of service are as follows:

	Year ended December 31, 2015	**Year ended December 31, 2014**
Audit fees – fees for audit services	C$42,500	C$41,500
Audit/review – fees that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under Audit fees above	C$31,500	C$31,500
Tax – fees for tax compliance, tax advice, and tax planning	C$19,609	C$24,730
All other fees – services provided, other than the services reported above	-	-

AUDIT COMMITTEE CHARTER

Audit Committee

The Audit Committee (hereinafter referred to as the "Committee") shall:

(i) assist the Board in its oversight role with respect to the quality and integrity of the financial information;

(ii) assess the effectiveness of the Company's risk management and compliance practices;

(iii) assess the independent auditor's performance, qualifications and independence;

(iv) assess the performance of the Company's internal audit function;

(v) ensure the Company's compliance with legal and regulatory requirements, and

(vi) prepare such reports of the Committee required to be included in Management Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

Structure and Operations

The Committee shall be composed of not less than three Directors. A majority of the members of the Committee shall not be an Officer or employee of the Company. All members shall satisfy the applicable independence and experience requirements of the laws governing the Company, the applicable stock exchanges on which the Company's securities are listed and applicable securities regulatory authorities.

Each member of the Committee shall be financially literate as such qualification is interpreted by the Board in its business judgment.

Members of the Committee shall be appointed or reappointed at the annual meeting of the Company and in the normal course of business will serve a minimum of three years. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a Director. The Board may fill a vacancy that occurs in the Committee at any time.

The Board or, in the event of its failure to do so, the members of the Committee, shall appoint or reappoint, at the annual meeting of the Company a Chairman among their number. The Chairman shall not be a former Officer of the Company. Such Chairman shall serve as a liaison between members and senior management. The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members therefore provided that:

(a) a quorum for meetings shall be at least three members;
(b) the Committee shall meet at least quarterly;
(c) notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least 24 hours in advance of such meeting;
(d) a resolution in writing signed by all directors entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.

The Committee shall report to the Board on its activities after each of its meetings. The Committee shall review and assess the adequacy of this charter annually and, where necessary, will recommend changes to the Board for its approval. The Committee shall undertake and review with the Board an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other designated member of the Committee.

Specific Duties

Oversight of the Independent Auditor

- Sole authority to appoint or replace the independent auditor (subject to shareholder ratification) and responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between Management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Sole authority to pre-approve all audit services as well as non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Company, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain and review a report from the independent auditor at least annually regarding: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the independent auditor and the Company.
- Review and discuss with Management and the independent auditor prior to the annual audit the scope, planning and staffing of the annual audit.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- Review as necessary policies for the Company's hiring of employees or former employees of the independent auditor.

Financial Reporting

- Review and discuss with Management and the independent auditor the annual audited financial statements prior to the publication of earnings.
- Review and discuss with Management the Company's annual and quarterly disclosures made in Management's Discussion and Analysis. The Committee shall approve any reports for inclusion in the Company's Annual Report, as required by applicable legislation.
- Review and discuss with Management and the independent auditor management's report on its assessment of internal controls over financial reporting and the independent auditor's attestation report on management's assessment.
- Review and discuss with Management the Company's quarterly financial statements prior to the publication of earnings.
- Review and discuss with Management and the independent auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
- Review and discuss with Management and the independent auditor at least annually reports from the independent auditors on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and Management, such as any management letter or schedule of unadjusted differences.

- Discuss with the independent auditor at least annually any "Management" or "internal control" letters issued or proposed to be issued by the independent auditor to the Company.
- Review and discuss with Management and the independent auditor at least annually any significant changes to the Company's accounting principles and practices suggested by the independent auditor, internal audit personnel or Management.
- Discuss with Management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance (if any) provided to analysts and rating agencies.
- Review and discuss with Management and the independent auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- Review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual filings with applicable securities regulatory authorities.
- Review disclosures made by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the annual filing with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving Management or other employees who have a significant role in the Company's internal controls.
- Discuss with the Company's General Counsel at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by the Company or any of its subsidiaries from regulators or governmental agencies.

Oversight of Risk Management

- Review and approve periodically Management's risk philosophy and risk management policies.
- Review with Management at least annually reports demonstrating compliance with risk management policies.
- Review with Management the quality and competence of Management appointed to administer risk management policies.
- Review reports from the independent auditor at least annually relating to the adequacy of the Company's risk management practices together with Management's responses.
- Discuss with Management at least annually the Company's major financial risk exposures and the steps Management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

Oversight of Regulatory Compliance

- Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Discuss with Management and the independent auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting.
- Meet with the Company's regulators, according to applicable law.
- Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Audit Committee by the Board.

Funding for the Independent Auditor and Retention of Other Independent Advisors

The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Committee. The Committee shall also have the authority to retain such other independent advisors as it may from time to time

deem necessary or advisable for its purposes and the payment of compensation therefore shall also be funded by the Company.

PROMOTER

Gil Atzmon, the Chairman and Chief Executive Officer of the Company, took the initiative in founding and organizing the Company's business and affairs and accordingly may be considered to be a promoter of the Company within the meaning of applicable securities regulation. Mr. Atzmon owns, directly or indirectly, or has control or direction over, a total of 7,242,500 common shares representing 13% of the common shares issued and outstanding. Mr. Atzmon has also been granted options to purchase 200,000 common shares at a price of C$0.80 per share which expire May 13, 2018, options to purchase 100,000 common shares at a price of C$0.70 per share which expire November 14, 2018, options to purchase 700,000 common shares at a price of C$0.60 per share which expire May 9, 2019 and options to purchase 300,000 common shares at a price of C$0.25 per share which expire August 13, 2020.

The Company has entered into an employment agreement with Gil Atzmon pursuant to which Mr. Atzmon agrees to act as Chairman and Chief Executive Officer of the Company. In consideration for his services, Mr. Atzmon will receive an annual salary of US$185,000, in addition to bonuses granted in accordance with his achievement of the performance objectives set initially by the board of directors (and by the Compensation and Nomination Committee going forward), as well as management incentives and stock options. Mr. Atzmon is also entitled to be reimbursed all reasonable out-of-pocket expenses (including but not limited to travel, office expenses, and insurance).

In December 2014, the Company modified the employment agreement and reduced the amount payable upon termination by the Company at any time, or by the officer within 120 days of a change of control of the Company, from two years' salary to one month's salary. At such time any outstanding stock options will immediately vest and, upon the officer's request, the Company will provide an interest free loan for up to six months to purchase any stock options, with the shares held by the Company as collateral.

In April 2015, Mr. Atzmon agreed to a reduction in his annual salary to $60,000.

In February 2015, Mr. Atzmon loaned the Company $150,000. The loan is unsecured and payable on demand, with interest calculated at 6% per year, payable monthly and is intended to provide working capital while a larger financing is pursued.

During the first quarter of 2015, Mr. Atzmon loaned the Company $250,000. The loans were unsecured and payable on demand, with interest calculated at 6% per year and paid monthly and were intended to provide working capital while a larger financing was pursued. The Company repaid these loans in the second quarter with the proceeds from a financing in which Mr. Atzmon participated by purchasing 1,000,000 common shares at $0.20 per share.

In January 2016, Mr. Atzmon agreed to a reduction in his annual salary to $30,000.

LEGAL PROCEEDINGS

The Company is not subject to any legal proceedings material to the Company to which the Company or any of its subsidiaries is a party or of which any of the Company's properties is the subject matter and no such proceedings are known to the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the first quarter of 2015, the Company received loans of $250,000 from its Chief Executive Officer. The loans were unsecured and payable on demand, with interest calculated at 6% per year and paid monthly and were intended to provide working capital while a larger financing was pursued. The Company repaid these loans in the second quarter with the proceeds from a financing in which the Chief Executive Officer participated.

Other than as described elsewhere in this Annual Information Form, none of the directors or officers of the Company, nor any associate or affiliate thereof, has had a direct or indirect material interest in any transaction within the three years prior to the date hereof or proposed transaction which has materially affected or will materially affect the Company.

TRANSFER AGENT AND REGISTRARS

The Company retains Computershare Trust Company of Canada, in Toronto, Ontario to act as registrar and transfer agent for the Common Shares.

MATERIAL CONTRACTS

All material contracts have been filed with Canadian securities regulatory authorities and are available on the SEDAR website.

The Company did not enter into any material contracts, other than contracts entered into in the ordinary course of business, within the most recently completed financial year.

The Company is currently a party to the following material contract:

LIK Block Agreement with Teck American

The Company is participating in the exploration and possible development of the LIK property through a joint venture with Teck American. The terms of the joint venture are governed by the LIK Block Agreement, made as of January 27, 1983, between Houston Oil & Minerals Exploration Company ("HOMEX") and GCO, a wholly owned subsidiary of the International Paper Company, a U.S. publicly listed corporation based in Memphis, Tennessee. HOMEX assigned its interest in the LIK Block Agreement to Echo Bay Mines Ltd., which, in turn, assigned such interest to Teck American.

The Company obtained its current 50% interest in the LIK property and rights under the LIK Block Agreement pursuant to the GCO Assignment Agreement through an assignment on June 28, 2007, by which GCO assigned to the Company GCO's entire ownership interest in the LIK property and LIK Block Agreement in consideration for a cash payment by the Company of US$20,000,000 and the grant of a 2% net proceeds interest payable by the Company only. GCO also retained a 1% net profits interest in the LIK property, as originally conveyed to it by WGM on April 7, 1997.

The Company (as assignee of GCO's interest) holds the further right to earn up to 60% of the 50% interest held by Teck American, provided that the Company spends the required expenditure amount, currently estimated to be approximately US$44.6 million (after adjustment for inflation indexing and escalations) (the "Required Expenditure Amount"), by January 27, 2018 . As of December 31, 2014 a total of US$21.3 million has been incurred in exploration expenditures pursuant to the terms of the Lik Block Agreement.

Upon receiving a final accounting of costs and expenses from the Company stating that it has spent or caused to be spent the full Required Expenditure Amount by January 27, 2018, the Company will have earned 60% of Teck

American's 50% interest, or an additional 30% interest in the LIK property, and Teck American will have a one-time election either to retain an undivided 20% participating interest in the LIK property or to convey to the Company all of Teck American's interest in the mining claims and other mineral rights included in the LIK property by reserving to Teck American a 2% net smelter return royalty interest in any minerals produced and sold from the LIK property.

If the Company fails to spend or cause to be spent the full Required Expenditure Amount by January 27, 2018, the LIK Block Agreement will terminate, Teck American will retain its 50% participating interest in the LIK property, and Teck American and the Company will execute a joint operating agreement governing all further operations relating to the LIK property. Under such joint operating agreement, the Company, as successor to GCO, would be the operator and would have full and exclusive control of the LIK property, its facilities and production as well as of the exploration, development and mining undertaken pursuant to the LIK Block Agreement.

At any time prior to January 27, 2018, the Company may give notice to Teck American of its intention to commence construction of a mine on the LIK property within one year (a "Mine Construction Notice"). In that instance, Teck American will also have the one-time election described above. If, at the time of such Mine Construction Notice, the Company has not spent the full Required Expenditure Amount, Teck American's election will be contingent upon (i) the Company having entered into a mining agreement with a third party and/or having executed contracts for mining equipment and other major capital expenditures to construct the mine within one year of the Mine Construction Notice and (ii) the Company having spent or causing to be spent the remainder of the Required Expenditure Amount within two years of the Mine Construction Notice.

If, in response to such a Mine Construction Notice, Teck American elects to retain its undivided 20% participating interest, a joint operating agreement, as described above, will be executed by the Company and Teck American, and the Company will be responsible for 100% of all costs and expenses to be incurred under such joint operating agreement until the remainder of the Required Expenditure Amount is incurred. Failure by the Company to satisfy either of its obligations described in the preceding paragraph will nullify Teck American's original election and will permit Teck American to make a new one-time election.

Prior to the voluntary abandonment, surrender or release of any mining claim included in the LIK property, the Company is obligated to advise Teck American and to convey to Teck American all of its right, title and interest in such mining claim or claims. The LIK property thereafter will be redefined to exclude such mining claim.

INTEREST OF EXPERTS

Certain information in this Annual Information Form of an economic, scientific or technical nature in respect of the Company's mining project is based upon the "Preliminary Economic Assessment Technical Report" ("PEA") currently being prepared by JDS Energy and Mining, Inc. The authors of the PEA are "qualified persons" for purposes of NI 43-101. JDS is independent of the Company, within the meaning of NI 43-101, as are the authors of the PEA.

The aforementioned persons, and any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships, own less than one percent of the issued and outstanding Common Shares.

Neither the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or any of any associate or affiliate of the Company.

The auditors of the Company are PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Vancouver, British Columbia. PricewaterhouseCoopers LLP, report that they are independent of the Company in accordance with the Code of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information is provided in the Company's financial statements and MD&A for our most recently completed financial year. Copies of these documents are available on SEDAR (www.sedar.com) and the Company's website (www.zazumetals.com).