



## **Annual Information Form**

For the year ended December 31, 2015

Dated as of February 14, 2017

**Golden Predator Mining Corp.**  
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## PRELIMINARY NOTES

### Date of Information

Unless otherwise indicated, all information contained in this Annual Information Form (“**AIF**”) of Golden Predator Mining Corp. (the “**Company**”) is as of December 31, 2015.

### Documents Incorporated by Reference

Incorporated by reference into this AIF are the following documents:

- audited consolidated financial statements of the Company for the year ended December 31, 2015;
- management’s discussion and analysis of the Company for the year ended December 31, 2015;
- news releases of the Company with respect to the 3 Aces Project dated: March 5, 2010; April 7, 2010; May 26, 2010; July 27, 2010; September 2, 2010; September 8, 2010; September 21, 2010; September 23, 2010; November 4, 2010; November 17, 2010; November 25, 2010; December 21, 2010; April 12, 2011; May 3, 2011; June 22, 2011; August 31, 2011; September 8, 2011; September 26, 2011; October 25, 2011; December 1, 2011; December 20, 2011; January 17, 2012; May 24, 2012; July 31, 2012; August 8, 2012; July 17, 2012; October 31, 2012; June 27, 2013; October 28, 2013; December 17, 2013; February 24, 2014; April 17, 2014; April 21, 2014; September 4, 2014; December 2, 2014; June 22, 2015; September 14, 2015; January 25, 2016; March 3, 2016; March 7, 2016; March 14, 2016; March 31, 2016; June 6, 2016; June 20, 2016; August 3, 2016; August 15, 2016; August 18, 2016; August 22, 2016; September 9, 2016; October 5, 2016; October 17, 2016; October 31, 2016; November 2, 2016; November 21, 2016; November 28, 2016; December 15, 2016; January 3, 2017; January 19, 2017; and February 13, 2017.
- news releases of the Company with respect to the Brewery Creek Property dated: September 2, 2015, June 24, 2016, July 13, 2016; and October 13, 2016; and
- a report entitled, “Preliminary Economic Assessment for the Brewery Creek Property Yukon Territory, Canada”, dated November 19, 2014 (the “**Brewery Creek Report**”) was prepared by Tetra Tech EBA Inc. in cooperation with Tetra Tech Inc., SGS-E&S Engineering Solutions Inc., Resource Modeling Inc., Gustavson and Associates and Access Consulting Group.

Copies of documents incorporated by reference are available under the Company’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained in this AIF or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this AIF, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

## **Technical Information**

Where appropriate, certain information contained in this AIF or in a document incorporated or deemed to be incorporated by reference herein updates information from the Brewery Creek Report. Any updates to the scientific or technical information derived from the Brewery Creek Report and any other scientific or technical information contained in this AIF or in a document incorporated or deemed to be incorporated by reference herein was approved by Mike Burke, P. Geo, a “qualified person” for the purposes of NI 43-101 and an employee of the Company.

## **Financial Information**

Our financial statements and information derived therefrom are prepared in accordance with International Financial Reporting Standards.

## **Forward-looking Information**

Certain statements contained in this AIF, and in certain documents incorporated by reference herein, contain “forward-looking statements” within the meaning of applicable securities legislation. These forward-looking statements are made as of the date of this AIF or, in the case of documents incorporated by reference herein, as of the date of such documents and the Company does not intend, and does not assume any obligation, to update these forward-looking statements. Forward-looking statements may include, but are not limited to, statements with respect to the future price of commodities, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage, the completion of financings and future listings and regulatory approvals. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “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 to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors may include, among others, risks related to results of exploration activities not being supportive of further development of our projects; changes in metal prices; accidents, labour disputes, unavailability of appropriate land use permits, changes to land usage agreements and other risks of the mining industry generally and specifically in The Yukon; delays in obtaining other governmental or regulatory approvals; inability to obtain financing required for the completion of exploration and development activities, as well as those factors discussed in the section entitled “*Risk Factors*” in this AIF. 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 not to be as anticipated, estimated or intended. 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.

## **Cautionary Note to U.S. Investors Concerning Resource Estimates**

Resource estimates reported herein are made in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum and incorporated into National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). Estimates of gold and silver resources were prepared by or under the supervision of the qualified persons who are identified in this document and other public filings.

The Company reports its reserves and resources in accordance with NI 43-101, as required by Canadian securities regulatory authorities. For U.S. reporting purposes, Industry Guide 7 under the Securities Exchange Act of 1934 (as interpreted by the Staff of the US Securities and Exchange Commission) applies different standards in order to classify mineralization as a reserve. Accordingly, for US reporting purposes all mineral resources must be considered as mineralized material.

Mineral resources are not mineral reserves and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measured and indicated mineral resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resources. Inferred resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred resources are too speculative geologically to have economic considerations applied to enable them to be categorized as mineral reserves. There is no certainty that mineral resources will be upgraded to mineral reserves through continued exploration.

### **Currency**

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated.

## GLOSSARY OF TERMS

For ease of reference, the following factors for converting metric measurements into imperial equivalents are as follows:

<u>Metric Units</u>	<u>Multiply By</u>	<u>Imperial Units</u>
Hectares	2.471	= acres
Meters	3.281	= feet
Kilometers	0.621	= miles (5,280 feet)
Grams	0.032	= ounces (troy)
Tonnes	1.102	= tons (short) (2,000 lbs)
grams/tonne	0.029	= ounces (troy)/ton

### Abbreviations

In this AIF, the abbreviations set forth below have the following meanings:

\$	Canadian dollar	kg/t	kilograms per tonne
°	degrees	kl/t	kilo liters per tonne
%	percent	km <sup>2</sup>	square kilometer
au	gold	kv	kilovolt
au ozs	gold per ounce	m	meter
ft	feet	m <sup>2</sup>	square meter
gpt	gold grade point	oz	ounce
g/t	metric gram per metric tonne	oz/t	ounce per tonne
kg	kilogram	ppb	parts per billion

In this AIF, the following terms have the meanings set forth herein:

“**3 Aces Option Agreement**” means the option agreement dated April 7, 2010 between the Company and McMillan regarding the acquisition of the 3 Aces Project by the Company;

“**3 Aces Option Requirements**” means the cash payment, share issuance, and exploration expenditure requirements that the Company had to fulfill in order to earn a 100% interest in the 3 Aces Project;

“**3 Aces Property**” or the “**3 Aces Project**” means a property consisting of 1,118 contiguous quartz claims located in southeast Yukon, as further described in *Description of the Business – 3 Aces Project*;

“**ABCA**” means the *Business Corporations Act (Alberta)*, as amended and supplemented from time to time;

“**Ace of Spades**” has the meaning ascribed to such term under the heading “Ace of Spades (formerly Sleeping Giant)” in *Description of Business – 3 Aces Project*;

“**AIF**” means this annual information form of the Company for the year ended December 31, 2015 and dated as of February 14, 2017;

“**Alexco**” means Alexco Resource Corp., a publicly traded company;

“**anomaly**” means geochemical and geophysical data, which deviates from neighboring background results either in value or distribution;

“**arsenopyrite**” means an iron arsenic sulfide (FeAsS);

“**assay**” means the analytical procedure to determine the presence, abundance or quantity of one or more chemical components;

“**Audit Committee**” means the Company’s audit committee of the Board of Directors;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended and supplemented from time to time;

“**Bearing Agreement**” the mineral property purchase agreement between the Company and Bearing Resources dated December 23, 2016;

“**Bearing Resources**” means Bearing Resources Ltd., a British Columbia corporation listed on the TSX-V;

“**Board of Directors**” means the board of directors of the Company;

“**Brewery Creek Property**” or the “**Brewery Creek Project**” means a property consisting 1,075 quartz claims located in northwestern Yukon;

“**carbonate**” means mineral or rock composed principally of calcium carbonate with or without additional elements such as iron or magnesium;

“**CEO**” means the Chief Executive Officer;

“**CFO**” means the Chief Financial Officer;

“**clastic**” means mineral or rock composed of fragments of pre-existing minerals and rock;

“**Company**” or “**Golden Predator**” means Golden Predator Mining Corp.;

“**Class A Common Shares**” means the Class A common shares without par value in the capital of the Company;

“**Class B Common Shares**” means the Class B common shares without par value in the capital of the Company;

“**Class C Redeemable Preferred Shares**” means the Class C redeemable preferred shares without par value in the capital of the Company;

“**Class D Redeemable Preferred Shares**” means the Class D redeemable preferred shares without par value in the capital of the Company;

“**Clubs Zone**” has the meaning ascribed to such term under the heading “Spades, Hearts and Clubs Zone” in *Description of Business – 3 Aces Project*;

“**diamond drill**” means a rotary type of rock drill with a diamond set or diamond impregnated bit used to obtain a cylindrical core of rock;

“**Discovery Vein**” has the meaning ascribed to such term under the heading “Exploration – Prior to 2016” in *Description of Business – 3 Aces Project*;

“**GPX**” means Golden Predator Exploration Ltd., a private company wholly-owned by the Company;

“**Green Zone**” has the meaning ascribed to such term under the heading “Exploration – Prior to 2016” in *Description of Business – 3 Aces Project*;

“**heap leach**” means a method of recovering minerals from ore whereby crushed rock is stacked on a non-porous liner and an appropriate chemical solution is sprayed on the top of the pile and allowed to percolate down through the crushed rock, dissolving the desired minerals(s). The chemical solution is then collected from the base of the heap and is treated to remove the dissolved mineral(s);

“**igneous**” means rock or material which solidified from molten material;

“**intrusive**” means igneous rock that typically forms at depth that invades older rocks;

“**Jack of Spades**” has the meaning ascribed to such term under the heading “Spades, Hearts and Clubs Zone” in *Description of Business – 3 Aces Project*;

“**Kaska Exploration Agreement**” means the exploration memorandum of understanding dated January 28, 2013 between the Company and Kaska Nation, as represented by both the Ross River Dena Council & Liard First Nation;

“**Kaska Nation**” has the meaning ascribed to such term under the heading “3 Aces Project” in *Description of Business*;

“**Liard First Nation**” has the meaning ascribed to such term under the heading “3 Aces Project” in *Description of Business*;

“**Main Zone**” has the meaning ascribed to such term under the heading “Exploration – Prior to 2016” in *Description of Business – 3 Aces Project*;

“**McMillan**” means Mr. Alex McMillan;

“**mineral reserve**” means the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors;

“**mineral resources**” means a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories;

“**mineralization**” means in exploration, a reference to a notable concentration of metals and their associated mineral compounds, or a specific mineral, within a body of rock;

“**Nahanni Range Road**” has the meaning ascribed to such term in *Description of Business – 3 Aces Project*;

“**Newmont Canada**” means Newmont Canada Corporation, a subsidiary of Newmont Mining Corporation;

“**North Zone**” has the meaning ascribed to such term under the heading “Exploration – Prior to 2016” in *Description of Business – 3 Aces Project*;

“**NSR**” means net smelter royalty, a royalty based on the actual metal sale price received less the cost of refining;

“**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

“**NI 52-110**” means National Instrument 52-110 *Audit Committees*;

“**orogenic**” means the process of mountain formation, especially by a folding and faulting of the earth’s crust;

“**OTCQX**” means the OTCQX International Exchange;

“**outcrop**” means an exposure of bedrock at the surface;

“**PEA**” or “**Brewery Creek Report**” means the Preliminary Economic Assessment for the Brewery Creek Property Yukon Territory, Canada, dated November 19, 2014, prepared by Tetra Tech EBA Inc. in cooperation with Tetra Tech Inc., SGS-E&S Engineering Solutions Inc., Resource Modeling Inc., Gustavson and Associates and Access Consulting Group.

“**Precipitate Gold**” means Precipitate Gold Corp., a TSX-V listed company;

“**Precipitate Option Agreement**” means the property option agreement dated February 9, 2017 between Precipitate Gold and the Company;

“**pluton**” means a body of intrusive igneous rock that is crystalized from magma slowly cooling below the surface of the Earth;

“**pyrite**” means iron sulfide (FeS<sub>2</sub>);

“**Queen of Spades**” has the meaning ascribed to such term under the heading “Spades, Hearts and Clubs Zone” in *Description of Business – 3 Aces Project*;

“**reclamation bond**” means a type of surety bond that ensures the company responsible for mining will also be responsible for the cleanup;

“**Redtail**” means Redtail Metals Corp.;

“**reverse circulation drill**” or “**RC drilling**” means a rotary type of rock drill and air compressor used to obtain samples of mineral and rock cuttings;

“**Reverse Circulation Drill Program**” has the meaning ascribed to such term under the heading “Exploration – Prior to 2016” in *Description of Business – 3 Aces Project*;

“**Ross River Dena Council**” has the meaning ascribed to such term under the heading “3 Aces Project” in *Description of Business*;

“**Rotary Air Blast**” or “**RAB**” has the meaning ascribed to such term under the heading “Exploration – Prior to 2016” in *Description of Business – 3 Aces Project*;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**sedimentary rocks**” are rocks formed by the deposition of mud, clay, sand and other small particles on the surface of the Earth;

“**Selwyn Basin**” is a lenticular belt of sedimentary rocks that extends across the Yukon;

“**Seven of Spades**” has the meaning ascribed to such term under the heading “Spades, Hearts and Clubs Zone” in *Description of Business – 3 Aces Project*;

“**sill**” means a tabular sheet intrusion that has intruded between older layers of sedimentary rock;

“**Six of Clubs**” has the meaning ascribed to such term under the heading “Spades, Hearts and Clubs Zone” in *Description of Business – 3 Aces Project*;

“**Sleeping Giant Zone**” has the meaning ascribed to such term under the heading “Exploration – Prior to 2016” in *Description of Business – 3 Aces Project*;

“**Socio-Economic Accord**” means the amended and restated socio-economic accord dated effective September 26, 2012, between Tr’ondëk Hwëch’in and GPX;

“**Socio-Economic Accord Amendment Agreement**” means the amendment agreement dated June 22, 2016 between Tr’ondëk Hwëch’in and GPX, which amends the Socio-Economic Accord;

“**stockwork**” means a complex system of structurally controlled or randomly oriented veins;

“**stratigraphy**” means a branch of geology which studies rock layers and layering, primarily used in the study of sedimentary and layered volcanic rocks;

“**strike**” means the direction, or course or bearing, of a vein or rock formation measured on a level surface;

“**Ten of Clubs**” has the meaning ascribed to such term under the heading “Spades, Hearts and Clubs Zone” in *Description of Business – 3 Aces Project*;

“**Three of Spades**” has the meaning ascribed to such term under the heading “Spades, Hearts and Clubs Zone” in *Description of Business – 3 Aces Project*;

“**trenching**” means the act of blasting or digging through overburden and outcrop to expose fresh outcrop for mapping and sampling;

“**TSX-V**” means the TSX Venture Exchange;

“**vein**” means a geological feature comprised of minerals (usually dominated by quartz) that are found filling openings in rocks created by faults or replacing rocks on either side of faults or fractures;

“Viceroy” means Viceroy Minerals Corporation, a private mining company;

“**Viceroy**” means Viceroy Minerals Corporation; and

“**Winter 2016 Bulk Sample Program**” has the meaning ascribed to such term under the heading “Exploration – 2016 and Later” in *Description of Business – 3 Aces Project*.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated on April 29, 2008 under the ABCA under the name “Northern Tiger Resources Inc.” The Company’s name was changed to “Golden Predator Mining Corp.” on April 17, 2014. On June 1, 2014, the Company completed an amalgamation under the ABCA with Redtail Metals Corp., its wholly-owned subsidiary at the time. The Company was continued into British Columbia under the BCBCA on October 21, 2015.

The Company is a reporting issuer in the provinces of British Columbia and Alberta and its Class A Common Shares are listed for trading on the TSX-V under the symbol “GPY” and on the OTCQX under the symbol “NTGSF”.

The principal offices of the Company are located at Suite 555 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6. The Company’s registered and records office is located at Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

### Intercorporate Relationships

The Company has one wholly-owned subsidiary, Golden Predator Exploration Ltd., a private company incorporated under the BCBCA.

## GENERAL DEVELOPMENT OF THE BUSINESS

### History and Significant Acquisitions

The Company is in the business of acquiring and exploring mineral properties in Canada, primarily in the Yukon.

On March 5, 2010, the Company announced the signing of a letter of intent to acquire the 3 Aces Project from Mr. Alex McMillan (“**McMillan**”), a long standing Yukon prospector at the time. On April 7, 2010, the Company announced that it signed an option agreement (the “**3 Aces Option Agreement**”) for the 3 Aces Project formalizing the terms previously outlined in the letter of intent. In particular, the 3 Aces Option Agreement provided the Company with an option to earn a 100% interest in the 3 Aces Project by making cash payments of \$500,000, issuing 2,000,000 shares and incurring \$700,000 in exploration expenditures over a four year period (the “**3 Aces Option Requirements**”). In addition, the Company agreed to pay an annual advance royalty payment of \$45,000 starting on April 1, 2015 and continuing until the commencement of commercial production.

Pursuant to the 3 Aces Option Agreement, McMillan also retained a 2% net smelter return interest (the “**NSR**”) on the 3 Aces Project, which could be increased up to 3% based on the resource defined on the 3 Aces Project. In particular if a NI 43-101 compliant resource estimate in excess of 500,000 ounces of gold at a grade greater than 5 g/t is defined on the 3 Aces Project, then the NSR will increase to 2.5% and McMillan will receive a bonus payment of \$300,000 (in cash or equivalent Company shares). If a NI 43-101 compliant resource estimate in excess of 1,000,000 ounces of gold at a grade greater than 5 g/t is defined on the 3 Aces Project, then the NSR will increase to 3% and McMillan will receive an additional bonus payment of \$300,000 (in cash or equivalent Company shares). In addition, it was agreed that each 1% of the NSR could be purchased by the Company for \$2,000,000.

A full summary of the terms and conditions of the letter of intent and 3 Aces Option Agreement is set out

in the Company's news releases dated March 5, 2010 and April 7, 2010.

By March of 2014, the Company had completed the 3 Aces Option Requirements and exercised its option to acquire a 100% interest in the 3 Aces Project, located in the Yukon. See *Description of the Business – 3 Aces Project* for more information regarding the 3 Aces Project and a history of the Company's exploration efforts on the project.

On April 17, 2014, the Company acquired all of the issued and outstanding shares of Redtail Metals Corp. ("**Redtail**"), a British Columbia company previously listed on the TSX-V specializing in identifying, acquiring and developing precious metal enriched copper, lead and zinc mineral deposits in the Yukon and British Columbia, Canada. Through the acquisition of Redtail, the Company acquired several mineral properties, including the Marg, Clear Lake, Lucky Joe, and Babine properties located in Yukon. For further information regarding the Company's acquisition of Redtail, please see the Company's series of news releases dated October 28, 2013, December 17, 2013, February 24, 2014, April 17, 2014 and April 21, 2014.

After acquiring Redtail, the Company completed an amalgamation under the ABCA with Redtail, its wholly owned subsidiary at the time.

On April 17, 2014, the Company also acquired all of the outstanding shares of Golden Predator Exploration Ltd. ("**GPX**") from Till Capital Ltd. Through the acquisition of GPX, the Company acquired the Brewery Creek Project, a past producing heap leap gold mining operation located east of Dawson City, Yukon, and GPX's other Yukon properties. For more information, see *Description of the Business – Brewery Creek Property* for more information and history regarding the Brewery Creek Project.

On May 29, 2014, the Company completed a private placement of 6,428,571 Class A Common Shares and 357,143 flow-through common shares at a price of \$0.28 per share for gross proceeds of \$1,900,000.

In October 2014, Mr. Greg Hayes resigned as CEO and the Company appointed Ms. Janet Lee-Sheriff as CEO of the Company.

In November 2014, the Company filed the Brewery Creek Report.

On February 25, 2016, the Company completed a private placement of 2,315,000 units and 250,000 flow-through units at a price of \$0.10 per unit for gross proceeds of \$256,500. Each unit consisted of one Class A Common Share and one warrant exercisable into an additional Class A Common Share at an exercise price of \$0.15 per share for a period of two years.

On May 24, 2016, the Company completed a private placement of 21,350,000 units and 5,650,000 flow-through units at a price of \$0.16 per unit for gross proceeds of \$4,320,000. Each unit consisted of one Class A Common Share and one warrant exercisable into an additional Class A Common Share at an exercise price of \$0.21 per share for a period of two years.

On July 26, 2016, the Company completed a private placement of 11,036,000 units at a price of \$0.73 per unit and 8,305,000 flow-through units at a price of \$1.00 per unit for gross proceeds of \$16,361,280. Each unit consisted of one Class A Common Share and one-half of a warrant. Each whole warrant is exercisable into an additional Class A Common Share at an exercise price of \$1.00 per share for a period of two years.

At the beginning of November 2016, the Company appointed Ms. Kathryn Johnson as the CFO of the Company.

## DESCRIPTION OF THE BUSINESS

### General

The Company is a mineral exploration company with a mandate to become a leading gold property explorer and developer in Yukon, Canada. The Company's material properties and projects are the 3 Aces Project and the Brewery Creek Property, located in the Yukon.

### Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs and accounting. Management is composed of individuals who have extensive expertise in the mineral exploration industry and exploration finance and are complemented by the Board of Directors. See "*Directors and Officers*".

### Competitive Conditions

The gold exploration and mining business is a competitive business. The Company competes with numerous other companies and individuals in the search for and the acquisition of attractive mineral properties. The ability of the Company to acquire further properties will depend not only on its ability to operate and develop its properties but also on its ability to select and acquire suitable properties or prospects for development or mineral exploration.

### Business Cycles

The mineral exploration and development business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles.

### Environmental Protection

All phases of the Company's operations are subject to environmental regulation in the jurisdiction in which it operates. These regulations govern exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of the environment, reclamation, mine safety, toxic substances and other matters. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general handling, transportation, storage and disposal of solid and hazardous waste. 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. The costs of compliance with changes in government regulations have the potential to reduce the profitability of future operations. Environmental protection requirements did not have a material effect on the capital expenditures, earnings or competitive position of the Company during the 2015 financial year and are not expected to have a material effect during the 2016 and 2017 financial years.

## **Employees**

As at February 14, 2017, the Company has 8 permanent full time employees and 1 permanent part time employee. When the drill program is scheduled to resume in March 2017, it is expected that the Company will employ approximately 25 additional full time, temporary employees. The operations of the Company are managed by its directors and officers. The Company engages geological, metallurgical, and engineering consultants from time to time as required to assist in evaluating its interests and recommending and conducting work programs.

## **Material Mineral Properties**

The Company's material properties and projects are the 3 Aces Project and the Brewery Creek Property, located in the Yukon.

### **3 Aces Project**

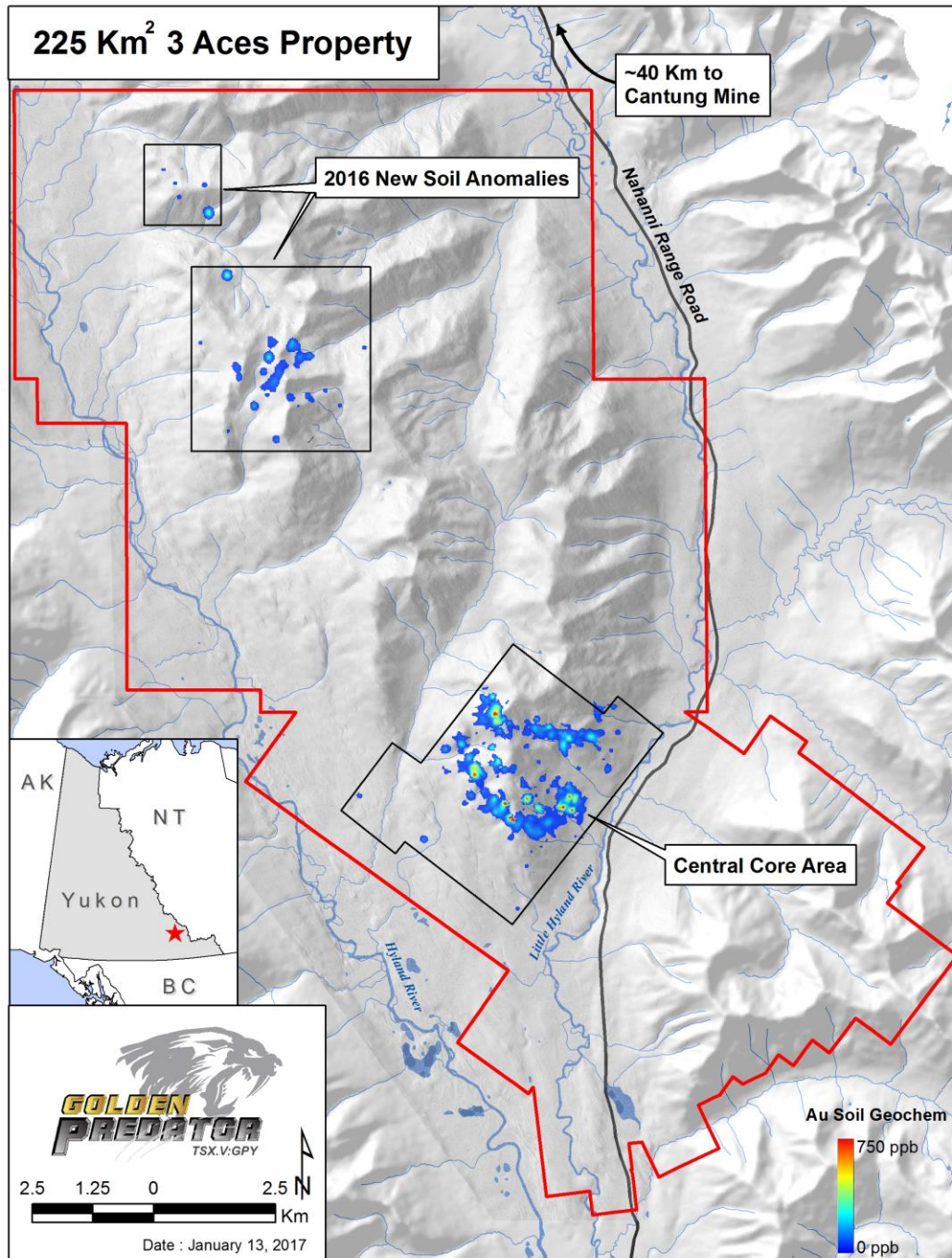
#### ***Project Description and Location and Access***

The 3 Aces Project is a 225-square-kilometre property consisting of 1,118 contiguous quartz claims (23,000 hectares) located in southeast Yukon and includes the two highest-grade surface outcrops discovered to date in Yukon. The 3 Aces Project is located along the all-season Nahanni Range Road which accesses the Cantung mine located 40 km to the north. The 3 Aces Project is road accessible via a newly constructed bridge that will allow for year-round work programs. To date, over 30 mineralized veins have been discovered through sampling, trenching, roadwork and drilling with different gold-bearing veins occurring throughout 762 m (2,500 feet) of vertical elevation.

The 3 Aces Project is located in the traditional territory of the Kaska Nation. In January 2013, the Company signed an exploration agreement with the Kaska Nation, as represented by the Ross River Dena Council and the Liard First Nation (the "**Kaska Exploration Agreement**"), with respect to activities within its traditional territories. The 3 Aces project operates under a Class 4 Mining Land Use Permit. The permit allows the Company to carry out expanded exploration activities including the ability to construct up to 45 kilometers of roads, 40,000 cubic meters of trenching and the ability to bulk sample up to 10,000 tonnes of material annually. The permit is valid until July 6, 2021. The 3 Aces Project also has a Type B Water License number MS16-040 for the clear span bridge across the Little Hyland River which is valid until December 31, 2026.

The Company is the 100% registered owner of the approximately 1,118 claims in the Yukon for the 3 Aces Project as follows with expiry dates ranging from May 2018 to May 2030. The Company has the right to conduct exploration pursuant to the Yukon Quartz Mining Act and the terms and conditions of the Company's Quartz Mining Land Use Permit.

A \$45,000 advance royalty payment is due annually to McMillan. The royalty due to McMillan is scaled from 2 to 3% based on measured and indicated resources grading greater than 5 g/t as follows: 2% royalty for resources up to 500,000 ounces of gold, 2.5% royalty and bonus payment of \$300,000 (in cash or equivalent company shares) for resources from 500,000 to 1,000,000 ounces of gold, and 3% royalty and bonus payment of \$300,000 (in cash or equivalent company shares) for resources over 1,000,000 ounces of gold. Each percent of the royalty can be purchased for two million dollars. In addition a 2% NSR is payable to Alexco and Newmont Canada on the Sproge claims, which form part of the 3 Aces Project.



### History

The 3 Aces Project was initially explored by Hudson Bay Exploration in the late 1990's, resulting in the delineation of several large anomalies (up to 400 meters by 400 meters) with gold-in-soil values ranging up to 1,300 ppb. These anomalies are contained within a broader area of anomalous arsenic and gold measuring about two kilometers by two kilometers. Quartz vein swarms and vein stockworks are located within brittle quartz pebble conglomerate units and frequently contain variable amounts of fine to coarse crystalline arsenopyrite and occasional blebs of galena with phalerite and pyrite.

Surface outcrops of gold-bearing quartz veins were first discovered on the property in 2009. The project was advanced with extensive soil sampling, which outlined significant gold-in-soil anomalies over a central core area of 10.5 square kilometers, and helicopter-supported core drilling. Previous exploration work by the Company in 2015 and 2016, which includes metallurgical studies, rotary air blast (RAB) drilling, reverse circulation drilling and bulk sampling, focused on establishing the grade and continuity of the Ace of Spades vein where previous diamond drilling had intersected the vein but returned lower-than-expected grades. The work in 2015 and 2016 confirmed the high grades of the vein by utilizing a sampling protocol derived from the metallurgical studies that are resulting in a better estimation of gold grades within the veins.

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

The 3 Aces Project is located in the Selwyn Basin, a lenticular belt of sedimentary rocks that extends across the Yukon. The property is underlain by interbedded clastic and carbonate sedimentary rocks of the Hyland Group, the basal unit of the Selwyn Basin. The stratigraphic sequence is assigned to the Yusezyu and Narchilla formations; although recent regional mapping suggests a distinct package of calcareous sedimentary rocks occurs between the two classic formations of the Hyland Group. Polyphase fold and fault systems overprint the stratigraphy, structurally preparing the rocks for later hydrothermal fluids and acting as pathways for the mineralizing fluids. Gold mineralization along with minor sulphides (i.e., pyrite and arsenopyrite) mineralization occurs along late, brittle faults formed within an extensional step-over zone between two regional dextral trans-extensional faults. Mineralised hydrothermal fluids migrated through these faults during late phases of brittle fault displacement. Gold mineralization on the property is associated with extensive argillic, iron carbonate, and limonitic alteration zones that broadly overprint the stratigraphy and early structural fabrics.

The current exploration strategy on the 3 Aces Project is based on the metallogenic models developed for orogenic gold deposits. These types of deposits have been described extensively throughout the northern Cordillera of Alaska and BC (e.g., Groves et al., 1998; Kerrich, 2000; Goldfarb et al., 2001; Goldfarb et al., 2004), but have not been extensively explored for in Yukon Territory. The primary characteristics of the 3 Aces Project that make the orogenic gold model an appropriate analogy for the property are: mid- to upper-crustal level crack-seal style quartz veins, high competency contrast between lithologies, transextensional crustal-scale regional faults that provide fluid pathways for deeply sourced metamorphic fluids, and a prolonged polyphase deformation history that allowed multiple generations of fluid to pass through the region.

### ***Spades, Hearts and Clubs Zones***

The Company has identified the following material zones at the 3 Aces Project.

#### **Seven of Spades**

The newly discovered Seven of Spades zone is composed of a series of flat lying stacked quartz veins, high angle quartz veins and steeply dipping fracture/fault zones. The three highest values of 18.55, 17.05 and 16.8 g/t gold were from flat lying quartz veins, two of which contained visible gold. The veins are hosted in shale and cut bedding at various angles, individual vein thicknesses range up to 1.0 m.

### Queen of Spades

The Queen of Spades zone consists of several quartz veins lying subparallel to the hillside. Six samples returned values over 5.0 g/t gold with the highest grade sample returning 30.8 g/t gold. Fifteen of twenty-four panel samples returned values greater than 1.0 g/t gold. Visible gold has been identified in the largest of these veins and in the northernmost vein.

### Jack of Spades

The Jack of Spades zone consists of several sets of quartz veins of various orientations including east-west, northeast and north south. Additional sampling has returned values up to 8.65 g/t Gold from panel sampling of the newly exposed extension of the east-west trending vein. The northeast striking vein set consists of several individual veins up to a maximum apparent thickness of 1.7 m. The thickest vein returned 37.9 g/t gold from a panel sample and contained visible gold. Previous sampling of this vein on the lower discovery bench returned a value of 64.3 g/t gold over 1.5 m.

### Three of Spades

The Three of Spades zone is a gold bearing vertical fault zone with a northeasterly strike. Trenching has exposed the zone over 180 m and all trenches returned panel samples greater than 1.0 g/t gold. Five additional trenches were excavated across the zone with a total of fortythree panel samples collected of which twenty returned values greater than 1.0 g/t gold with a maximum value of 6.95 g/t gold. The zone consists of crushed quartz, shale, grits, iron oxides and minor arsenopyrite.

### Ace of Spades (formerly Sleeping Giant)

The Ace of Spades zone, accessible via an exploration dirt road, encompasses an area approximately 33,000 m<sup>2</sup> defined by float and outcrops of quartz veins. To date, it contains one of the 3 Aces Project's two preferred continuous quartz veins offering potential for bulk sampling. The Ace of Spades vein has now been exposed by bulk sampling and trenching over a 50 meter strike length. The vein remains open along strike in both directions and down dip. The presence of coarse gold in vein systems makes assaying and sampling especially challenging, bulk sampling is required to accurately determine the gold grade in these types of systems. The bulk sampling has also resulted in an excellent exposure of the vein which has provided valuable information on the structural setting of the vein and gold mineralization.

The Ace of Spades is the location of the 2016 bulk sample, reverse circulation drilling and previously reported sampling. The deepest intersection from the drilling program was approximately 45 meters downdip on the vein in hole 3A16-RC003 with 6.40 m of 13.80 g/t gold including 1.83 m of 31.32 g/t gold.

### Six of Clubs

The Six of Clubs is a previously reported anomaly that has been exposed by trenching revealing a quartz vein with minor pyrite and arsenopyrite. A large composite grab sample of quartz vein from the exposure was collected over an approximate length of 12 m returning an assay of 16.85 g/t gold. A road has been constructed to the showing and detailed trenching conducted with results pending.

### Ten of Clubs

The Ten of Clubs is a previously reported anomaly lying 750m south of the Six of Clubs. Recent trenching has revealed a quartz vein 1.5m wide with pyrite and arsenopyrite. A panel sample 2.4m x 0.5m of quartz vein from the exposure returning an assay of 10.65 g/t gold. A road has been constructed to the showing and detailed trenching conducted.

### Queen of Clubs

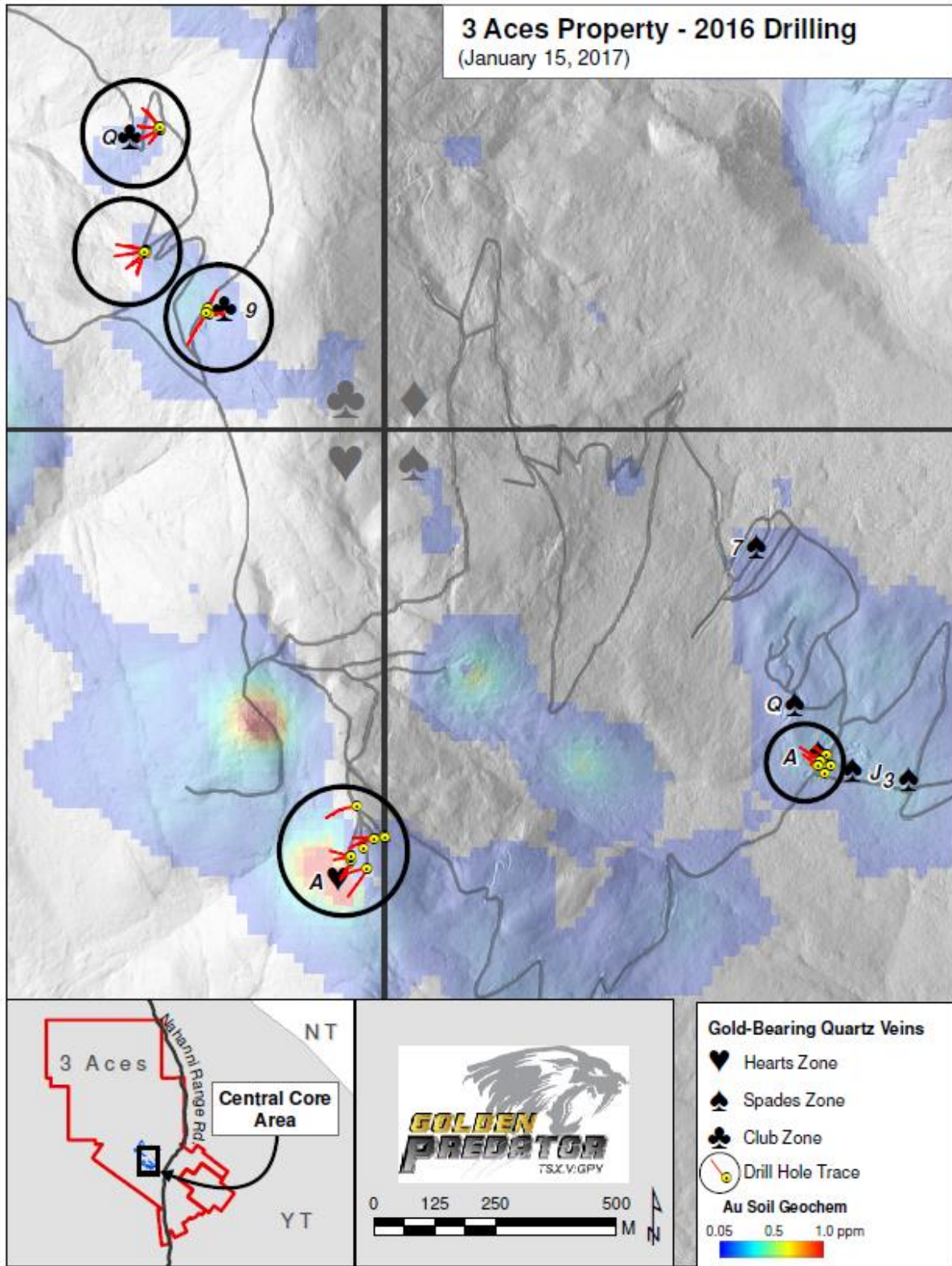
The Queen of Clubs vein is made up of several parallel quartz veins across a 1 m wide zone separated by shale. Coarse visible gold occurs along a network of euhedral quartz crystals. The vein was sampled along approximately 26 m of strike and was discovered by following a high grade float train to its source.

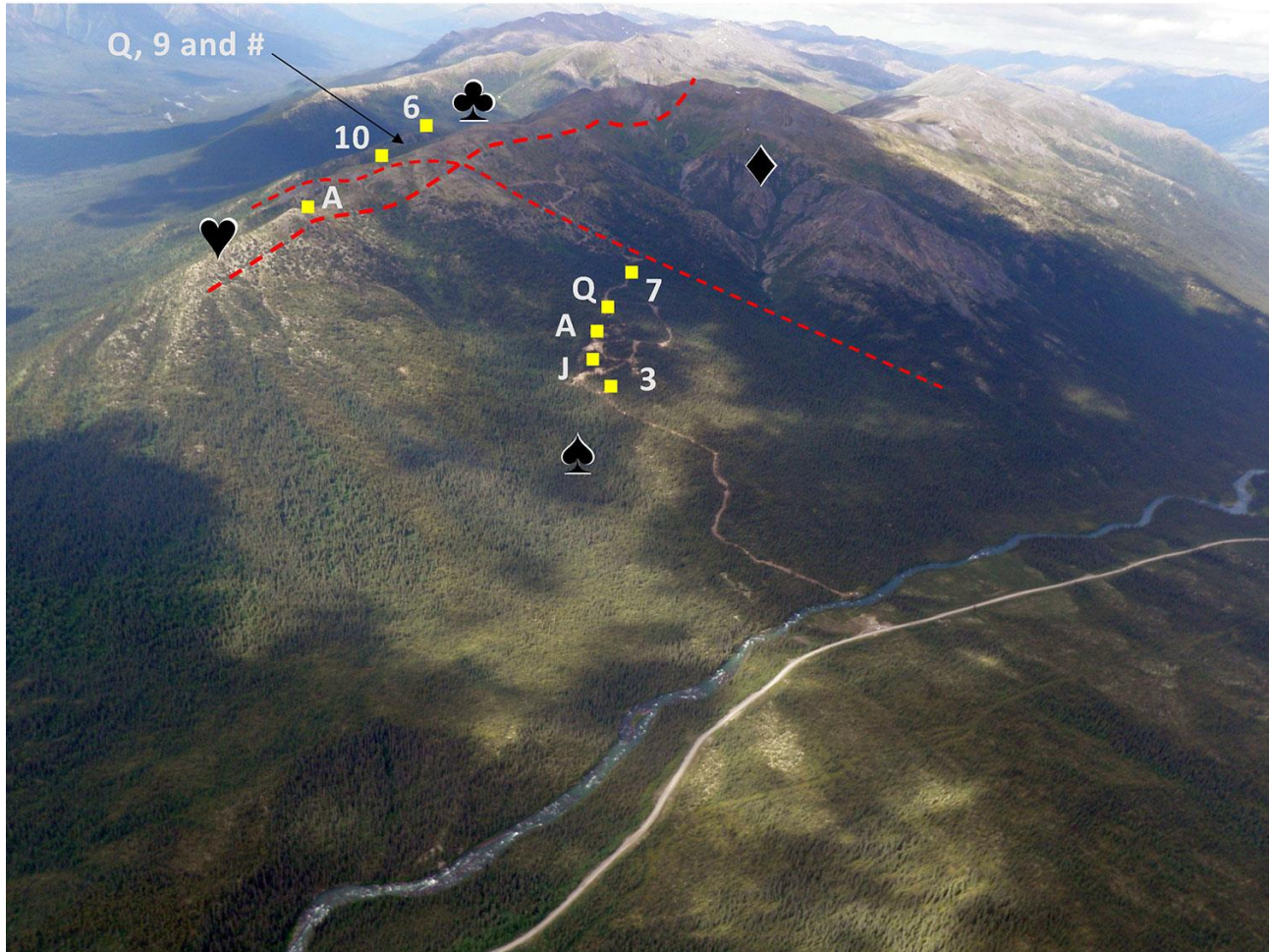
### Nine of Clubs

The Nine of Clubs zone consists of intensely altered quartz pebble conglomerate in contact with shale. A number of quartz veins and crushed quartz veins occur with increasing frequency as the contact is approached. A composite grab sample of quartz veining along the contact returned 26.2 g/t gold. Anomalous gold occurs in several of the other veins within the conglomerate.

### Clubs Prospect Pit

A composite grab sample from quartz vein material returned an assay of 24.6 g/t gold. The sample contains unusually high amounts of silver (409 g/t vs. 0.35 g/t property average), lead (12.8% vs. 0.01% average), zinc (7540 ppm vs. 83 ppm average), copper (350 ppm vs. 36 ppm average) and antimony (372 ppm vs. 1.2 ppm average). The sample exhibits a different style of mineralization and represents a potential second type or pulse of mineralization at 3 Aces.





### ***Exploration - Prior to 2016***

#### 2010

The Company started its initial exploration program on the 3 Aces Project in 2010 after acquiring an option over the property in April of that year. See “*General Development of the Business – History and Significant Acquisitions*” above. The exploration program formed part of the Company’s larger \$2.6 million exploration program on the Company’s Yukon projects at the time. The primary objectives of the 2010 program were to investigate the extent of high grade gold mineralization associated with the Discovery Vein (later renamed Ace of Hearts), where previous grab samples returned values up to 140 ounces/ton and to explore the rest of the property for additional mineralized structures and systems. In addition to investigating the existing high grade occurrence on the property, the Company completed diamond drilling, detailed mapping, prospecting and a sampling program aimed to identify similar geological and structural environments with potential to host additional high grade gold occurrences on the property. For additional information on the Company’s initial 2010 exploration program on the 3 Aces Project, please see the Company’s news release dated May 26, 2010.

By July of 2010, the Company had collected initial grab samples on and around the 3 Aces Project which verified the high-grade nature of the gold mineralization. Full results and details of the nine grab samples gathered are set out in the Company’s news release dated July 27, 2010.

In September of 2010, the Company had identified four separate gold bearing-zones: the Main Zone, Sleeping Giant Zone, Green Zone and the North Zone. The Main Zone, Sleeping Giant Zone and Green Zone were later renamed and known as Ace of Hearts zone, Ace of Spades zone and Clubs zone, respectively. For a full summary of the additional gold zones identified by the Company in 2010 please see the Company's news release dated September 2, 2010.

Also in September of 2010, the Company completed a chip sampling program on the 3 Aces Project and released all results from rock and soil samples collected during the 2010 surface exploration program. The chip sampling program demonstrated a high grade nature of the gold mineralization in the Main Zone. Full results of the 15 chip samples collected from the Discovery Vein in the Main Zone and of the rock and soil samples were set out in the Company's news releases dated September 8, 2010 and September 23, 2010.

Given the Company's chip sampling results the Company, undertook and completed diamond drilling to follow-up on their 2010 surface exploration program. In total, the Company, drilled 1240 meters (9 holes) focusing on the Main Zone and Sleeping Giant Zone. The Company announced a significant new gold discovery at the 3 Aces Project based on results received for three diamond drill holes that tested the Main Zone. Full details and information on the 2010 drill program and drill results are set out in the Company's series of news releases dated September 8, 2010, September 21, 2010, November 4, 2010 and November 25, 2010.

In addition, the Company also expanded its land position at the 3 Aces Project in 2010 as the Company staked an additional 823 claims and acquired 20 claims from a prospector to bring the total claim block up to 986 claims (206 km<sup>2</sup>). Seven regional targets totaling 256 claims (54 km<sup>2</sup>) were also staked. For additional information on the Company's increased 3 Ace land position, please see the Company's news release dated November 17, 2010.

## 2011

In April of 2011, the Company executed an option agreement to acquire the Sprogge claims from Alexco and Newmont. The option agreement formalized the terms previously outlined in the letter of intent signed in December of 2010. The Sprogge claims are located in the southeast Yukon and adjoined to the east boundary of the 3 Aces Project. Pursuant to the option agreement, the Company was provided with an option to earn a 100% interest in the Sprogge claims from Alexco and Newmont. Pursuant to the option agreement, the Company was required to make cash payments of \$500,000 over a three year period and incur \$1,000,000 in exploration expenditures over a four year period. Alexco and Newmont retained a 2% NSR on the claims. The Company is entitled to purchase 1% of this NSR for \$1,000,000. In addition, Newmont Canada and Alexco were granted a first right of offer on any proposed sale of the claims for four years. The Sprogge claims are currently reported as part of the 3 Aces Project. For additional information on the Sprogge claims option agreement, please see the Company's news releases dated December 21, 2010 and April 12, 2011.

In May of 2011, the Company announced a \$7.2 million exploration program, \$6 million of which the Company budgeted for exploration at the 3 Aces Project and the adjacent Sprogge claims. The 2011 exploration program included a drill program and a surface exploration program including: soil, silt, and rock sampling, airborne and ground geophysical surveys, trenching, prospecting and mapping. At the end of August 2011, the Company announced that a new bedrock gold occurrence had been discovered at the 3 Aces Project, approximately 1200 meters northwest of the Main Zone and a significant new mineralized trend has also been identified on the adjacent Sprogge claims. In addition, the Company had constructed a 45-man camp on the all-weather Nahanni Range Road, which cut across the project area. For additional

information on the Company's 2011 exploration program on the 3 Aces Project and the adjacent Sprogge claims, please see the Company's news releases dated May 3, 2011, June 22, 2011 and August 31, 2011.

In September of 2011, an extensive silt survey program on its 3 Aces Project and Sprogge claims identified multiple new prospective gold targets. Further details of the silt survey program are set out in the Company's news release dated September 8, 2011.

By the end of October 2011, the 2011 drill campaign was winding up with 29 holes completed to depth. The assay results confirmed that the high-grade Main Zone continues to depth and had a minimum strike length of 160 metres. It was open along strike in both directions and down dip. In addition, the results extend the Main Zone an additional 50 metres along strike to the North and demonstrate the zone's strong down-dip continuity. Full details and information on the 2011 drill program and drill results are set out in the Company's series of news releases dated September, 26, 2011, October 25, 2011, December 20, 2011 and January 17, 2012.

In December of 2011, the Company announced that all results had been received from the 2011 soil geochemistry survey at the 3 Aces Project. A new 1,500 metre by 250 metre gold-in-soil anomaly (the Kaiser trend) had been identified, and the Green Zone East target was expanded to 1,250 metres by 500 metres. In addition, a number of gold-in-soil anomalies at the 3 Aces Project had been traced directly to proximal outcrops of quartz pebble conglomerate containing gold-bearing quartz veins, and soil sampling was considered to be a primary exploration tool on the property. The new Kaiser trend and expanded Green Zone East represented important new exploration targets at such time. For additional information on the new exploration targets see the Company's news release dated December 1, 2011.

## 2012

In May of 2012, a field crew was mobilized to its 3 Aces Project and the Company announced its 2012 exploration program. The exploration program included diamond drilling, as well as additional surface exploration, including trenching, sampling prospecting and mapping. The 2012 drilling program was designed to both expand the Main Zone mineralization and to further evaluate the kilometres of gold-in-soil anomalies that remained to be drill tested. For additional information on the Company's 2012 exploration program on the 3 Aces Project, please see the Company's news release dated May 24, 2012.

The start of the drill program was delayed until July of 2012 due to a large snowpack and subsequent rapid melt that damaged sections of the Nahanni Range Road which provided access to the 3 Aces Project. However, the Yukon Government responded quickly to the situation in order to re-open the road.

By the end of July 2012, the Company located a second zone on the property to host high-grade gold mineralization as trenching had exposed new high-grade gold mineralization on its 3 Aces Project. Eleven continuous one metre chip samples taken along the strike of a new quartz vein exposure in the Sleeping Giant Zone returned from 0.06 to 226.68 g/t gold, with a weighted average of 50.3 g/t gold. In response, the Company redirected drilling efforts to test this new showing. The Company additionally completed channel sampling on the newly exposed quartz vein exposure in the Sleeping Giant Zone which confirmed the high-grade nature of the gold mineralization previously reported from chip sampling noted above. Full results of the 11 chip samples collected from along the strike of the new quartz vein exposure in the Sleeping Giant Zone and additional information on the related channel sampling are set out in the Company's news releases dated July 31, 2012 and August 8, 2012, respectively.

In total, the Company drilled 1,711 meters (15 holes) at the Company's 3 Aces Project in 2012. In particular, four holes (891 metres) were drilled at the Main Zone, seven holes (366 metres) were drilled at the Sleeping Giant Zone, and four scout holes (454 metres) provided preliminary drill testing of four additional zones. Surface exploration (trenching, sampling and prospecting) continued during the delay. Full details and information on the 2012 drill program and drill results are set out in the Company's news releases dated July 17, 2012 and October 31, 2012.

## 2013

The 3 Aces property is located in the traditional territory of the Kaska Nation. In January 2013, the Company signed the Kaska Exploration Agreement with the Kaska Nation, as represented by the Ross River Dena Council and the Liard First Nation, with respect to activities within their traditional territories.

In June of 2013, the Company commenced exploration on the 3 Aces Project. The exploration camp was reopened and a phase one program consisting of trenching, soil and rock sampling, mapping and prospecting was initiated. The initial surface exploration program was designed to focus on developing specific drill targets on some of the extensive soil anomalies that had seen little or no drill testing as at such date.

In addition, several blast trenches were completed on Sleeping Giant Zone outcrops where 2012 drill results did not replicate the high-grade results obtained by surface channel sampling. The coarse gold and highly variable assay results suggested a strong nugget effect which made it challenging to determine average grades using the relatively small sample sizes obtained through channel and drill sampling. The blast trenches allowed the Company to process some larger sample sizes to obtain more representative average grades and to gain a better understanding of possible structural controls that may be controlling the gold grades. For additional information on the 2013 exploration program, please see the Company's news release dated June 27, 2013, for more information.

## 2014

In September of 2014, the Company announced that results from Gravity Recoverable Gold (GRG) tests done on 3 samples from the 3 Aces Project returned GRG recoveries of 86.9 to 95.8%. The GRG testing was completed on three 20-kg sub-samples taken from three larger volume samples collected at the 3 Aces Project's Sleeping Giant Zone for metallurgical and mineralogical characterization test work. The three samples were to be processed in their entirety in bulk fashion to measure total gold recovery from each of the 600 to 800 kg samples.

In December of 2014, the Company completed metallurgical testing on 3 large volume samples collected from the Sleeping Giant Zone on the 3 Aces Project. Overall gold recoveries for the three samples were reported at 98.3%, 97.9% and 93.5%. The three samples were processed in their entirety in bulk fashion by gravity and gravity tail leaching. The final results of the metallurgical testing on the three samples showed that very high overall gold recoveries could be achieved by simple initial gravity methods followed by final CN leaching of the tails. For additional information on the results from the GRG tests and metallurgical testing completed in 2014, please see the Company's news releases dated September 4, 2014, and December 2, 2014.

## 2015

In June of 2015, the Company received its amended Class 3 exploration permit to continue exploration and conduct bulk sampling at the 3 Aces Project.

By the middle of September of 2015, the Company completed a tightly spaced Rotary Air Blast drill program confirming gold mineralization in advance of bulk sampling from the Sleeping Giant vein at the 3 Aces Project. The drilling program was designed to test a portion of the Sleeping Giant vein where previous channel sampling by the Company returned grades up to 3.88 oz/t (132.91 g/t) gold over 22.63 feet (6.9 m), and metallurgical testwork from a 1,366 pound (620kg) sample that returned a metallic screen gold assay of 6.29 oz/t (215.5 g/t) gold and reported gravity recoverable gold of 78.9% and overall gold recovery of 97.9%.

In total, 13 shallow holes totaling 150 ft (45.73m) were drilled in preparation for bulk sampling from the Sleeping Giant vein. Drill samples were collected downhole at 2.5 ft (0.76m) intervals on an irregular grid covering an area of approximately 50 ft by 20 ft (15.24m by 6.10m) with hole depths ranging from 6.5 ft (1.98m) to 13.5 ft (4.12m). Drill holes were collared in the outcropping vein (hanging wall) where exposed from earlier trench and road work, and oriented for true-width intersection.

After evaluation of the RAB drilling results, the Company refined its plan for the bulk sample at the Sleeping Giant Zone and expected to initially extract and ship approximately 550 short tons (500 tonnes) of high grade vein material. The program anticipated targeting the top 2.5 feet (0.76m) to 7.5 feet (2.29m) of the vein as dictated by 3-D analysis of the RAB drill results. The bulk sample was to be conducted in a manner attempting to preserve any possible occurrences of specimen value rock prior to bagging the broken sample into super sacks designed for shipping the ore to a processing facility. The material was to be transported off site and was planned to be processed in its entirety to not only recover gold but to further advance the Company's understanding of the distribution of the coarse gold particles and provide additional baseline data that could be used in designing a process flow sheet for this type of material. For additional information on the Company's RAB drill program and 2015 bulk sampling program, please see the Company's news releases dated June 22, 2015, and September 14, 2015.

### ***Exploration – 2016 and later***

#### Preliminary Process Testing

In January of 2016, the Company announced results from its preliminary process testing in advance of its 2016 bulk sampling program. Gold recovery had been calculated at 90.8% from a 108kg composite rock sample processed through a conventional gravity recovery facility. A second sample consisting of 61.5kg of material composited from rejects from previous Rotary Air Blast (RAB) drilling completed in September 2015 returned a calculated gold recovery of 79.9%. Full results of this preliminary process testing are disclosed in the Company's news release dated January 25, 2016.

#### Winter 2016 Bulk Sampling Program: Ace of Spades Zone

The multi-phase winter 2016 bulk sample program was required to accurately determine the grade, distribution of mineralization, and metallurgical aspects of the mineralization in the Ace of Spades vein. The first phase of the bulk sampling program was designed to extract a minimum of 550 tons of high grade gold bearing-quartz from the Ace of Spades vein, expanded by approximately 50% based on observations including vein continuity and the presence of visible gold. The exact tonnage was

determined upon weighing during the processing phase. Additional field work was planned across the property to determine the extent and potential for additional occurrences of high grade gold.

The Ace of Spades vein, as exposed at surface, contains coarse visible gold, bulk sampling was designed to provide the actual grade of the vein given the distribution of coarse gold and results from previous detailed Rotary Air Blast (RAB) drilling.

By the end of March 2016, the Company had completed the blasting, excavation, bagging and loading of an estimated 750 tons of gold-quartz vein material from the Ace of Spades vein at its 3 Aces Project. Sample processing began on April 10, 2016, with 66.65 dry tonnes (73.45 dry tons) of material processed through June 3, 2016. Head grade samples and tail grade samples were collected between April 23, 2016 and May 5, 2016. Sampling was conducted hourly and daily composites were made for both the head and tail samples. Head and tailings grades were determined by precious metals analysis utilizing a screen metallic gold procedure. Calculated daily recoveries (head grade minus tailings grade/head grade) ranged from 80.81 per cent to 92.79 per cent. Prior to April 23, 2016, the plant was operating intermittently during start-up, and head grade and tails samples were not collected.

On June 6, 2016, the Company reported on the initial bulk sample processing results from its estimated 750 ton bulk sample program at the 3 Aces Project. A total of 3,442.8 grams (110.7 troy ounces) of a gold concentrate with an estimated gold content of 85.9 per cent has been recovered from the processing. The gold concentrate was estimated to contain approximately 8.1 per cent silver and 6 per cent waste. Final analysis was to be announced once the material was refined. The gold concentrate consisted of recovered gold grains, mostly larger than a 100mesh screen (0.15 millimetre) size. A sulphide concentrate was also being recovered that would be refined at a later date resulting in additional gold recovery. Assaying of the sulphide concentrate was to be conducted at a later date. Additional information on the 2016 bulk sampling program (including full initial bulk sample processing results) is set out in the Company's series of news releases dated March 7, 2016, March 31, 2016, and June 6, 2016.

On August 18, 2016, the Company further announced the results of the initial test processing of its winter 2016 bulk sample program from the Ace of Spades vein at its 3 Aces Project. A total of 79.70 dry tonnes (87.83 dry tons) from a stockpile estimated at 750 tons of material was processed intermittently through July 12<sup>th</sup>, 2016. A total of 4,587 grams of concentrate were recovered from the shaker tables, which was poured into a doré bar which contained 81.408 troy ounces of fine gold and 7.771 troy ounces of silver. The Company sold the precious metals and received payment for 99% of the gold and 96% of the silver for a net of CAD \$139,062.45. The doré bar weighed 96.72 troy ounces and contained 85.02% gold and 8.37% silver. Non-payable metals represented the balance of the weight.

In addition to the precious metal concentrate noted above a significant amount of gold remained in the middling or sulphide concentrate which had returned an assay of 986.0 g/t Au. A significant amount of the gold in this middling concentrate could be recovered through additional third party processing at a later date. Daily head and tail assays collected from the plant after May 5<sup>th</sup>, 2016 continued to indicate above 80% average overall recovery. For full details of the results of the initial test processing of its winter 2016 bulk sample program see the Company's news release dated August 18, 2016.

#### Reverse Circulation Drill Program

In March of 2016, the Company commenced Reverse Circulation (RC) drilling at the Ace of Spades vein. The drill program was initiated when visible gold mineralization was identified in the lowest bench of the bulk sample program and trenching exposed the vein along strike to the north-east. The drill program

takes advantage of the road access provided by the ice bridge installed for bulk sampling resulting in significantly reduced costs.

Midnight Sun Drilling Inc., of Whitehorse, Yukon, was contracted to conduct RC drilling using a 3.5 inch diameter drill hole and a Center Face Hammer drill bit to collect large volume samples. A number of the drill holes were to be closely spaced at 5 meter centers along strike and down dip of the vein to outline additional areas for potential bulk sampling. Future bulk sampling would be required to estimate the actual grade of the vein compared with RC drill results given the complex nature of coarse gold distribution in the Ace of Spades vein. Additional information regarding the Company's RC drill program is set out in the Company's news release dated March 31, 2016.

By the end of June 2016, a total of 31 RC drill holes totaling 510 m (1674.5 ft) were drilled to test down dip and along strike of the approximately 750 ton bulk sample extracted from the Ace of Spades vein. Holes 1 through 28 were drilled from a large drill pad constructed approximately 2m below the deepest extent of the already completed bulk sampling program. All holes encountered the mineralized structure as expected and with the exception of hole 12, which was the most southerly hole, returned at least one sample of greater than 2g/t Au.

Holes 29 -31 were drilled from a pad approximately 20 m below the main drill pad. Hole 29 was drilled to test the field interpretation of a shallowly plunging high grade mineralized shoot to the northwest in the Sleeping Giant vein. The drilling did not intersect a shoot in this direction as predicted. Hole 29 did intersect a previously undrilled vein located at surface on the drill pad returning a value of 13.0 g/t gold over 0.76 m. Hole 30 and 31 were shallow holes testing along the interpreted strike of the undrilled vein and returned values of 2.90 g/t gold over 0.61 m and 1.06 g/t Au over 0.76 m respectively. Full results of the Company's RC drill program are set out in the Company's news release dated June 20, 2016.

### 2016 Exploration Program

At the beginning of August 2016, the Company announced the commencement of the 2016 exploration program at the 3 Aces Project. The exploration program included airborne geophysics, soil sampling, trenching, panel sampling, road construction, drilling and installation of a bridge over the Little Hyland River. The program was designed to further outline the extent of the known mineralization while leading to the potential discovery of additional veins on the 3 Aces Project. Newly generated soil anomalies outside of the core area were more thoroughly explored in 2016. For additional information on the 2016 exploration program see the Company's news release dated August 3, 2016.

### *Discovery of the Jack of Spades Vein*

By the middle of August, 2016, the Company discovered visible gold mineralization in the newly identified Jack of Spades quartz vein at its 3 Aces Project. This was the first discovery arising from the Company's exploration program which commenced at the beginning of August. The Jack of Spades vein was discovered through systematic trenching and mapping of a small portion of one of the 16 soil anomalies present across the 10 km<sup>2</sup> central core area of the 225 km<sup>2</sup> property.

The newly discovered Jack of Spades vein was 2.5m thick and was located 100m east of the Ace of Spades vein, and 1,100m east-northeast of the Ace of Hearts vein. Trenching at the Jack of Spades vein had exposed 25m of strike length and the top 3m of dip extent. Patchy coarse gold, sometimes crystalline, occurs within a 4m x 3m area along the western end of the exposed Jack of Spades vein. Two other occurrences of visible gold occur in the central area of the Jack of Spades vein. This style of mineralization was consistent with the gold occurrences along and within the Ace of Spades vein. For

additional information on this discovery and the Jack of Spades vein see the Company's news release dated August 15, 2016.

### *Construction of Clear Span Bridge*

By August 22, 2016, the Company had received all necessary permits under the Yukon Waters Act and the Yukon Quartz Mining Act permitting the construction, and operation of a clear span bridge across the Little Hyland River at the 3 Aces Project. The clear span bridge had been purchased and was in the community of Watson Lake, Yukon, assembled and ready for transport to the 3 Aces Project site for installation. The bridge, was identified in the 2016 work plan as a key element of the 3 Aces Project infrastructure, to provide cost-effective, year-round access to the Aces of Spades vein, Aces of Hearts vein and the Jack of Spades vein as well as the other 16 soil anomalies present across the 10 km<sup>2</sup> central core area of the 225 km<sup>2</sup> property. In addition to saving on helicopter-supported exploration costs of over \$2,500/day, the bridge provides year-round access and the use of heavier equipment including reverse circulation drill rigs, service trucks, and bulk sampling equipment which are largely unavailable by helicopter support. For additional information on the construction of the clear span bridge see the Company's news release dated August 22, 2016.

### *Discovery of New Veins and Exploration Results*

At the beginning of September 2016, the Company announced the discovery of eleven previously unknown mineralized veins since the commencement of the 2016 exploration program, at least five of which had visible gold. Trenching of soil anomalies was the preferred method to identify and locate mineralized veins, generally located near surface, in order to identify the preferred drill locations for the Q4-2016 program. Additional information regarding the Company's discovery of the eleven previously unknown mineralized veins is set out in the Company's news release dated September 9, 2016.

At the beginning of October 2016, the Company announced explorations results from ongoing work at the 3 Aces Project and the discovery of two new veins. In particular, panel sampling from the three principal veins at the Jack of Spades discovery zone returned 186.5 g/t, 94.7 g/t and 64.3 g/t gold respectively and sampling of the northeast extension of the Ace of Spades vein returned assays of 51.2 g/t and 55.1 g/t gold. In addition, the Company discovered two new mineralized quartz veins in the Clubs Zone with the Six of Clubs and Ten of Clubs. These discoveries in the Clubs Zone were approximately 2.0 to 2.5 kilometers northwest of the Jack and Ace of Spades. Full results and additional information regarding the two discovered veins are set out in the Company's news release dated October 5, 2016.

### *Soil Sampling Program*

The soil sampling program was a follow up to gold-in-silt stream sample results identified in several drainages in the northern regions of the property. Four separate sections were sampled with a total of 4,139 samples taken along 50m x 100m grids. In addition, 20 separate sample lines were run on 100m spacings for a total of 667 samples.

At the end of October, 2016, the Company announced the results of its 2016 soil sampling program which included the discovery of a new gold-in-soil zone at its 3 Aces Project in Yukon, Canada. The new 1.5 x 1.5 km area lies on trend approximately 7 to 12 km northwest of the previously identified Central Core Area which is the target of the 2016 drill program. In addition to the new identified area, the Diamond Zone, within the Central Core Area, has been extended by approximately 950m. Soil sampling was recognized as the preferred method to identify near surface mineralization and drill targets at the 3 Aces project. The newly recognized gold-in-soil anomalies were the result of a large soil sampling program

(over 20 km<sup>2</sup>) undertaken in August and September 2016. For additional information regarding the soil sampling program see the Company's news release dated October 31, 2016.

### *Discovery of New Veins*

At beginning of November 2016, the Company announced that it had discovered new gold bearing veins during the on-going exploration program in the Clubs Area at the 3 Aces Project. These new veins were the latest in a series of over 20 new veins discovered during 2016 at 3 Aces. Highlights included: the Queen of Clubs vein, approximately 1,900 meters northeast of the Ace of Spades, including 67.1, 91.1, and 111.0 g/t gold from channel and composite grab samples; the Nine of Clubs vein, approximately 380 meters southeast of the Queen of Clubs, with 26.2 g/t gold from a composite grab sample; and the Clubs Prospect Pit with 24.6 g/t gold from a composite grab sample located 350 meters south of the Queen of Clubs. For additional information regarding the discovery of these new veins see the Company's news release dated November 2, 2016.

### *3 Aces Sampling Program*

A total of over 800 composite grab, chip, channel and panels samples were collected within the 10km<sup>2</sup> Central Core Area of the 225 km<sup>2</sup> 3 Aces property between August 1<sup>st</sup> and October 20<sup>th</sup>, 2016. Results of the sampling program are set in a series of the Company's news releases dated October 5, 2016, November 2, 2016 and November 21, 2016.

### *Airborne Geophysical Surveys*

The Company completed a geophysical airborne magnetic/radiometric survey over the entire 3 Aces Project to aid in understanding structure, rock types and alteration. Interpretation of the data indicated that two types of intrusions underlie the property at depth. As at November 21<sup>st</sup> 2016, only one type of intrusive rock has been identified in mapping on the property. A total of 2,652 line km were flown at a line spacing of 100m. Additional data review and interpretation was conducted by JL Wright Geophysics.

The Company announced additional surface exploration results of airborne geophysical surveys from ongoing work at the 3 Aces Project in November 2016. The results from the airborne geophysical surveys are set out in the Company's news release dated November 21, 2016.

### *Q4-2016 Drilling Program*

In October of 2016 the Company announced the start of its Q4-2016 drill program at the 3 Aces Project. The drilling contract was awarded to a progressive joint venture between Boart Longyear and the Liard First Nation. The Company also commenced use of the recently completed bridge crossing the Little Hyland River, reducing operational costs and allowing for year-round operations.

The drill program was intended to test high grade mineralization exposed in a number of trenches along strike and down dip in the Ace of Spades Zone and the Jack of Spades Zone, and from additional mineralized veins in the Spades, Hearts and Clubs areas. Together, the Clubs, Diamond, Hearts and Spades areas encompass approximately 10.5 km<sup>2</sup>.

By the middle of December 2016, the Company had completed the Q-4 2016 drilling program at the 3 Aces Project. In total, 54 holes were completed during Q-4 2016 drill program for a total of 4,315 m, which included 3,776 m of reverse circulation drilling utilizing a larger 5.5-inch center face-return hammer drill bit and 539 m of PQ-size (3.35-inch) diamond core drilling. Fifty-two of the 54 drill holes

reached their targeted depths. The Q-4 2016 drill program focused on the previously undrilled Clubs Zone, the Hearts Zone and included limited drilling at the Spades Zone. Drilling was initially concentrated on the Clubs and Hearts Zone, located at higher elevations, to take advantage of relatively mild early winter weather conditions. Drilling at the Spades Zone included 13 holes at the Ace of Spades, designed to establish, test, refine, and optimize drilling and sampling procedures in an area of known mineralization and begin to extend the known mineralization down dip. The Aces of Spades vein remains open along strike and down dip.

In January of 2017, the Company released assay results for the first 13 holes of a total of 54 holes completed in the Q-4 2016 drill program at the 3 Aces Project. Drilling had demonstrated an extension of high-grade gold at the Ace of Spades Zone, as well as the discovery of a blind vein and the occurrence of significant assay values in stockwork zones. Full details and information on the Q-4 2016 drill program and drill results for the first 13 holes completed in the Q-4 2016 drill program are set out in the Company's series of news releases dated October 17, 2016, December 15, 2016 and January 19, 2017.

### Permits

By the middle of March 2016, the Company received an extension of its Current Class 3 exploration permit from July 6, 2016 to the new date of July 6, 2021, to continue exploration and conduct bulk sampling at the 3 Aces Project.

Following the end of the Company's bulk sampling program, the Company commenced the application process for a Class 4 Mining Land use Permit (MLUP). By the end of November 2016, the Company had received a Class 4 MLUP at the 3 Aces Project. The permit allows the company to carry out expanded exploration activities including the ability to construct up to 45 kilometers of roads, 40,000 cubic meters of trenching and the ability to bulk sample up to 10,000 tonnes of material annually. The permit is valid for a period of five years. The Class 4 MLUP allows the Company the ability to significantly expand its exploration program. For additional information on the Company's permits, please see the Company's news release dated March 14, 2016 and November 28, 2016.

### ***Sampling Methodology, Quality Control and Quality Assurance***

The Company has utilized larger-diameter drilling to provide sample material for comparative/effectiveness analysis of past drilling programs, including sampling protocols, assay methods and QA/QC procedures, and to more confidently estimate grades of high-grade veins containing coarse gold.

All analyses for the drill samples from the program were performed by ALS Minerals with sample preparation in Whitehorse, Yukon, Terrace, B.C., or North Vancouver, B.C., and assaying in North Vancouver, B.C. Drill samples were analyzed using a screen metallics gold method (Au-SCR24), or combination of fire assay (Au-AA26) and Au-SCR24 if the sample was located within a mineralized zone or if the Au-AA26 procedure returned a 0.75-part-per-million gold or greater result.

The screen metallics procedure utilizes a two-kilogram split from each crushed sample, which is pulverized and passed through a 150-mesh screen. The material remaining on the screen (plus fraction) is analyzed in its entirety by fire assay with gravimetric finish. The material that passed through the screen (minus fraction) is homogenized and two 50-gram subsamples are analyzed by fire assay with AAS (atomic absorption spectroscopy) finish and averaged. The plus and minus fraction gold analyses are weight averaged to obtain a final gold determination for the sample.

No field-split samples were submitted for analysis. The samples generated by reverse circulation drilling consisted entirely of whole interval cuttings, and diamond drill core samples were submitted as whole core intervals. Quality control and assurance (QA/QC) included 12 per cent of the samples, consisting of reject duplicates, blank and certified reference materials.

Samples were bagged for transportation in rice bags and sealed in wooden crates. Crates were transported by expedited delivery directly to ALS Minerals preparation lab in Whitehorse. Chain of Custody was maintained from the project to the laboratory.

### ***2017 Exploration***

A 20,000-metre drilling program is planned to commence in February, 2017, and will initially focus on the Spades zone then will expand to other areas of the property. Drilling in the Spades zone is intended to test targets including the depth and strike extensions of the Ace of Spades vein, deeper stockwork mineralization, and commence initial drilling at the Jack, Queen, Seven and Three of Spades. As the Clubs and Hearts zone elevations are 350 to 500 m above the Spades zone, and experience heavier snow conditions, follow-up drilling is expected to commence in the third quarter of 2017.

The 2017 work plans will include further exploration on the newly identified anomalies. Additional grid soil sampling work plans will also concentrate on the area between the 2016 sample grids and the Central Core Area. The Central Core area hosts a number of high grade gold occurrences including the Ace of Hearts Zone and the recent discoveries of the Ace of Spades, Jack of Spades, Six of Clubs and Ten of Clubs Zones.

Road building, trenching and sampling targeting areas of high gold-in-soil anomalies will continue in the spring of 2017.

### ***Subsequent Events***

On January 3, 2017, the Company announced that it had entered into a mineral property purchase agreement dated December 23, 2016 with Bearing Resources (the “**Bearing Agreement**”) pursuant to which the Company agreed to purchase all of Bearing Resources’ undivided interest in certain mineral claims located in the Upper Hyland River area in the southeast region of the Yukon Territory. For a full summary of the terms and conditions of the Bearing Agreement, see the Company’s news release dated January 3, 2017.

On February 13, 2017, the Company announced that it had entered into a mineral property option agreement dated February 9, 2017 (the “**Precipitate Option Agreement**”) with Precipitate Gold pursuant to which the Company may acquire Precipitate Gold’s 100% interest in certain mineral claims known as the Reef property located adjacent to the northern boundary of the 3 Aces Project in the southeast region of the Yukon Territory. The right to acquire the Reef property combined with the above noted Bearing Agreement to acquire the Hy-Jay property from Bearing Resources would, on completion of these acquisitions, expand the 3 Aces Project to a total of 357 km<sup>2</sup> consisting of 1,734 contiguous quartz claims. For additional information on Precipitate Option Agreement and the Company’s consolidation efforts on the 3 Aces district, see the Company’s news release dated February 13, 2017.

## **Brewery Creek Property**

The Brewery Creek Property (the “**Brewery Creek Property**”) is a past producing heap leach gold mining operation with approximately 280,000 oz Au produced from seven near-surface oxide deposits along the property's Reserve Trend from 1996 through 2002. The mine (operated by Viceroy Resource Corporation) shut down primarily due to low gold prices. The 200 km<sup>2</sup> property is located 55 km due east of Dawson City, accessible by paved and gravel roads from the junction of the North Klondike and Dempster Highways.

Brewery Creek hosts oxide mineral resources classified as follows: Indicated mineral resources of 577,000 gold ounces contained in 14.15 million tonnes of material with an average grade of 1.27 g/t, and Inferred mineral resources of 279,000 gold ounces contained in 9.3 million tonnes with an average grade of 0.93 g/t.

All necessary permits required to conduct additional exploration are in place. The Brewery Creek Property holds a Type A Water License with an expiry date of December 31, 2021, subject to the restrictions and conditions contained in the Yukon Water Act and Regulations and a Quartz Mining License (QML) with an expiry date of December 31, 2021. The Brewery Creek project has a Socio-Economic Accord with the Tr'ondëk Hwëch'in, as amended by the Socio-Economic Accord Amendment Agreement.

The summary section of the Brewery Creek Report is reproduced below. Portions of the following information are based on assumptions, qualifications and procedures which are not fully described in the summary. Reference should be made to the full text of the Brewery Creek Report, which is incorporated by reference herein.

### ***Property Description and Location***

The Brewery Creek Property includes a past producing heap leach gold mining operation, located approximately 55 km due east of Dawson City in the northwestern Yukon. The Brewery Creek Property is centered at Latitude 64.041887° N and Longitude 138.206389° W or UTM NAD83 Zone 7N at 636401(m) E, 7104673(m) N. The Brewery Creek Property consists of total 1,075 quartz claims (93 of which have been converted to mining leases) covering approximately 181 km<sup>2</sup>.

The site is accessible year round from the Klondike Highway connecting Whitehorse and Dawson City. Access to the site requires travelling 8 km along the Dempster Highway, which intersects the Klondike Highway about 40 km from Dawson City. About 20 km of well-maintained gravel road connects the mine site to the Dempster Highway.

The Brewery Creek Property was previously mined and operated by Viceroy Minerals Corporation (“**Viceroy**”) between 1995 and 2002, with approximately 280,000 ounces of gold produced.

Although much of the infrastructure from past mining operations has been removed or rehabilitated, the original administration building, with an office, core logging facility, warehouse and storage still exists on site along with the heap leach pad, process and overflow ponds. This infrastructure has been on site since 1996 when Viceroy commenced operations at the mine. In 2011, Golden Predator added several mobile accommodation trailers and wall tents to accommodate an increase in staff and personnel. A network of roads exists that connect various exploration sites and work locations to the main camp. Previously reclaimed roads have been brought back into use and are maintained by Golden Predator.

Golden Predator owns a 100% interest in the Brewery Creek Property, subject to a 2% NSR in favour of Alexco Resource Corp. (“**Alexco**”) on the first 600,000 ounces of gold produced from the Brewery Creek Property, after which the NSR will increase to 2.75%. Golden Predator has the right to repurchase 0.625% of the increased NSR for CAD \$2,000,000 (which, if so acquired, would result in a 2.125% NSR on gold to Alexco).

In exchange for a 100% interest in the Brewery Creek Property and in addition to the NSR, the Company paid CAD \$3,205,000 to Alexco, representing the cash consideration to be paid under a purchase agreement (CAD \$4,000,000) less the amount of the reclamation bond that had been posted by Alexco with the Yukon government (CAD \$795,000). The current quartz mining licence and water licence have been transferred to Golden Predator from Alexco.

### ***Property History***

Historical exploration surveys conducted at Brewery Creek between 1988 and 2006 included geological mapping, extensive grid soil sampling, ground and airborne geophysical studies, mechanized surface trenching, and extensive core and reverse-circulation drilling.

Viceroy ran an operating mine at Brewery Creek between 1996 and 2002. During this period approximately 280,000 ounces of gold were produced from seven near-surface oxide deposits occurring along strike within the historically termed “Brewery Creek Reserve Trend” (BCRT). The first gold pour at the Brewery Creek Mine was completed on November 15, 1996 with 10,175 ounces being produced prior to commencement of full commercial production in May 1997. During 1997, a total of 72,387 ounces of gold were produced at a cash cost of \$USD 184 per ounce of gold. In 1998 production totaled 79,396 ounces at a cash cost of \$USD 177 per ounce. Production in 1999 fell to 48,164 ounces while operating costs rose to a cash cost of \$USD 288 per ounce of gold. Viceroy suspended seasonal mining operations earlier than planned and hired an independent consulting company to study processes in an effort to improve recoveries. In 2000, Viceroy concentrated on selectively mining the mineralization containing the highest grades. Production in 2000 fell to 48,048 ounces of gold at a cash operating cost of \$USD 243 per ounce of gold. Mining ceased in 2001, but heap leaching continued with production of 18,542 ounces of gold at a cash operating cost of \$USD 222 per ounce of gold.

During 2002, Viceroy undertook and completed reclamation consisting of re-contouring and re-vegetation of pits and dumps. A final closure and decommissioning plan was prepared and submitted as required, to the Yukon regulatory agencies, with the primary elements of the plan adopted as water license amendments granted in April 2005.

### ***Geological Setting and Mineralization***

The Brewery Creek Property is located within the foothills of the Ogilvie Mountains along the northeastern boundary of the Tintina Trench. The Tintina Trench forms a 15-kilometre wide erosional valley formed by the northweststriking Mesozoic to Tertiary Tintina Fault. In the vicinity of the Brewery Creek Property, the Tintina Fault juxtaposes Selwyn Basin stratigraphy to the northeast against accreted terranes of the Canadian Cordillera to the southwest. Selwyn Basin stratigraphy is composed of Late Proterozoic and Paleozoic marginal basin deposits of ancient North America. The Cordillera rocks are dominantly composed of Klondike Schist and other allied rocks of the Yukon-Tanana Terrain, an allochthonous terrain of primarily volcanic arc rocks that evolved in mid to late Paleozoic time.

The Brewery Creek Project is in Selwyn Basin rocks northeast of the Tintina Trench. The local stratigraphy consists of late Proterozoic to Paleozoic marginal basinal and platformal clastic and pelitic lower greenschist facies metasedimentary rocks. The provenance of the protoliths was the North American Craton. The stratigraphy includes thick sequences of Lower Proterozoic Hyland Group, Cambrian-Ordovician Road River Group and Devonian-Mississippian Earn Group sedimentary rocks.

The Selwyn Basin rocks have been polydeformed and imbricated by the Jura-Cretaceous Dawson, Tombstone and Robert Service Thrusts. The Hyland, Road River and Earn Group rocks are cut by Cretaceous intrusive units (Tombstone Plutonic Suite) that form a northwest-trending belt of widely spaced intermediate to siliceous stocks and plutons that closely parallel the Tintina Trench. In the Brewery Creek area, these igneous rocks are comprised of monzonite and quartz monzonite that primarily intruded along the thrust faults and formed sill-like geometries.

Gold mineralization at Brewery Creek is predominantly hosted within or adjacent to the felsic intrusive rocks. Gold is associated with carbonate/clay, quartz and pyrite/arsenopyrite alteration of monzonite/quartz monzonite intrusive rocks and adjacent siliciclastic rocks.

### ***Exploration***

Exploration conducted by Golden Predator includes geophysical surveys, soil sampling surveys and an extensive drilling campaign. These surveys were undertaken to define the limits of known mineralized zones and examine previously untested parts of the Brewery Creek Property. In 2011, Precision GeoSurveys Inc. of Vancouver, BC was contracted to fly an airborne magnetic survey. The survey was done in order to better define the magnetic signatures in known areas of mineralization and to investigate these same signatures in unexplored areas. During this time, Golden Predator also completed soil sampling of the Classic zone and on new extensional claims on the Brewery Creek Property, as well as an IP survey over the Sleeman zone in the eastern part of the Brewery Creek Property.

### ***Mineral Resources***

Mineral resource estimates have previously been reported by Golden Predator for a total of fifteen individual deposits (including the spent ore on the historic leach pad) on the Brewery Creek Property. The most recent estimates were disclosed in a press release by Americas Bullion Royalty Corp. on September 19, 2013 and a supporting technical report titled "NI 43-101 Technical Report on Resources, Brewery Creek Project, Yukon, Canada" filed on SEDAR on October 23, 2013. These estimates are unchanged and remain current for use in the PEA. The current oxide mineral resources for the Brewery Creek Property are summarized in Table 1-1, and sulfide resources in Table 1-2.

**Table 1-1: Summary of Oxide Mineral Resources – Effective Date July 22, 2014**

Resource Area	Au Cut-off (g/t)	Indicated Oxide Resources			Inferred Oxide Resources		
		Tonnes (000)	Au (g/t)	Au Ozs (000)	Tonnes (000)	Au (g/t)	Au Ozs (000)
Kokanee	0.54	1,201	1.19	46	279	1.19	11
Golden	0.54	1,070	1.38	47	247	1.25	10
Pacific	0.53	373	1.01	12	131	0.91	4
Blue	0.53	250	1.29	10	29	0.98	1
Lucky	0.54	2,394	1.36	105	236	1.27	10
Bohemian	0.49	1,491	1.31	63	134	1.49	6
Schooner	0.51	1,108	1.99	71	243	2.65	21
Lower Fosters	0.51	1,090	1.61	56	492	1.52	24
West Big Rock	0.45	722	1.27	29	38	0.75	1
East Big Rock	0.48	596	1.10	21	21	0.87	1
Classic	0.54	-	-	-	3,711	0.81	97
Lone Star	0.54	-	-	-	1,522	0.88	43
North Slope	0.5	756	1.15	28	412	1.05	14
Sleeman	0.5	124	1.14	5	132	0.84	4
Historical Viceroy Pad	0.30	2,977	0.88	84	1,682	0.60	32
<b>Total</b>		<b>14,152</b>	<b>1.27</b>	<b>577</b>	<b>9,309</b>	<b>0.93</b>	<b>279</b>

Note: Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Inferred mineral resources have a high degree of uncertainty as to their existence, and a great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Tonnes and contained gold have been rounded to the nearest thousand.

\*cut-off grades are based on a gold price of \$1,250 per ounce (below 3 year trailing average) and recovery rate of 70 to 83% depending on the deposit.

**Table 1-2: Summary of Sulfide Mineral Resources - Effective Date July 22, 2014**

Resource Area	Au Cut-off (g/t)	Indicated Sulfide Resources			Inferred Sulfide Resources		
		Tonnes (000)	Au (g/t)	Au Ozs (000)	Tonnes (000)	Au (g/t)	Au Ozs (000)
Kokanee	0.70	-	-	-	1,547	1.33	66
Golden	0.70	-	-	-	649	1.20	25
Pacific	0.70	-	-	-	707	1.45	33
Blue	0.70	-	-	-	1,358	1.31	57
Lucky	0.70	-	-	-	1,783	1.36	78
Bohemian	0.70	-	-	-	973	1.58	50
Schooner	0.70	-	-	-	313	1.42	14
Lower Fosters	0.70	-	-	-	883	1.45	41
West Big Rock	0.70	-	-	-	381	1.28	16
East Big Rock	0.70	-	-	-	170	1.00	5
Classic	0.70	-	-	-	-	-	-
Lone Star	0.70	-	-	-	-	-	-
North Slope	0.70	2,122	1.26	86	2,686	1.36	118
Sleeman	0.70	1,337	1.30	56	958	1.40	43
<b>Total</b>		<b>3,459</b>	<b>1.28</b>	<b>142</b>	<b>12,408</b>	<b>1.37</b>	<b>546</b>

Note: Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. Inferred mineral resources have a high degree of uncertainty as to their existence, and a great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Tonnes and contained gold have been rounded to the nearest thousand.

\*cut-off grades are based on a gold price of \$1,250 per ounce (below 3 year trailing average) and recovery rate of 70 to 83% depending on posit.

### ***Mining***

For the purpose of the PEA, mining is planned to be carried out using open pit truck and shovel methods. Eight deposits were evaluated further for mining namely, from West to East, West Big Rock, East Big Rock, Lower Fosters, Kokanee, Golden, Lucky, Bohemian and Schooner.

Mining and recovery of material from the old heap leach has also been considered, based on the fact that the material placed on the old heap leach was not crushed and that recent metallurgical work has shown that crushing and reprocessing this material will result in recoveries of an estimated 45%. This material has been scheduled based on making up tonnage from the pits, when the process feed from the pits is not planned to be mined at full capacity.

To evaluate the possibility of undertaking open pit mining, the resource block models were imported into a pit optimisation software package called Geovia Whittle 4.5™. Criteria were applied to the mining and processing of mineralised blocks and waste blocks that would be mined. Pit selection was based on maximising the value obtained from mining the pits. The resulting pit shells were imported into a general mining package to create open pit designs with benched slopes and pit access ramps.

The design pits were then scheduled on the basis of the contained rock types and mineralisation within the design pits. Additional process feed was also considered for mining from the old heap leach pad in

accordance with the resource evaluated for the material on the pad. Table 1-3 shows a summary of the pits proposed to be mined over the life of mine.

**Table 1-3: Total Tonnes and Gold Mined by Pit**

<b>Pit Area</b>	<b>Process Feed Mined Over Life of Mine (kt)</b>	<b>Waste Rock Mined (kt)</b>	<b>Gold Mined (kg)</b>	<b>Gold grade (gpt)</b>
Schooner	1,044	8,198	2,157	2.07
Fosters	1,275	5,599	2,067	1.62
Bohemian	1,577	4,960	1,919	1.22
Golden	878	2,776	1,176	1.34
Kokanee	1,243	3,908	1,321	1.06
WBR	809	4,167	945	1.17
EBR	465	2,235	496	1.07
Lucky	2,973	11,677	3,764	1.27
<b>Total from Pits</b>	<b>10,264</b>	<b>43,520</b>	<b>13,845</b>	<b>1.35</b>
<b>Total from Old Heap Leach</b>	<b>4,180</b>	<b>3,366</b>	<b>3,219</b>	<b>0.77</b>

Waste will be stored in waste dumps, which have been conceptually designed for the PEA at locations, which have been found suitable, based on geotechnical investigations. Where possible, waste will be placed in mined out pits to reduce closure costs and reduce the project footprint.

Mining equipment is estimated to cost US\$17.8 million to purchase. For the PEA, leasing of mining equipment has been considered, this reducing capital costs but increasing operating costs.

The mining equipment includes equipment for drilling blast holes, loading of haul trucks (by loader and shovel) and a total of 10 trucks for hauling. Support equipment includes bulldozers, pit service loaders, grader, ANFO truck, medium trucks, tire handlers and light vehicles. Equipment for maintaining haul roads has also been included.

### ***Electrical Power***

The power required for the Brewery Creek Property will be supplied by on-site generation using diesel fuel. Power supply is also available from the utility through Yukon Energy Corporation (YEC), via a 27 km long, 69 kV utility transmission line from Dempster Corner though this has not been considered for the PEA. The Brewery Creek Mine Substation will include an electrical room, housing the main 4.16 kV switchgear for distributing power on site, and a power generation building to house the generators.

### ***Mineral Processing and Metallurgical Test Work***

Considerable metallurgical testing of material from the Brewery Creek Property were conducted and presented in earlier reports completed in 1988 by Loki Gold Corporation. The test work was conducted by Kappes, Cassiday & Associates and Lakefield in the 1990s. Current metallurgical testing of both new resource and historical leach pad material has been done by McClelland. A variability study was also conducted on new materials, which included, bottle roll tests, column tests, column lock-cycle tests, screen and head analysis.

Metallurgical data have been extracted from a McClelland draft report, MLI Job No. 3618, to estimate metallurgical performance of residue material from the existing heap leach pad. MLI Job No. 3719 was used to estimate performance of new mined materials from potential pit sites. Gold extraction was modelled for five target pits and reagent consumptions were calculated from test work and weighted based on the minable pit tonnage.

Industrial scale-up was applied to each target pit and a calculation of the metal produced conducted.

**Table 1-4: Industrial Heap Leach Metal Recovery Estimates**

	<b>Gold Extraction by Deposit (%)</b>				
	<b>West Big Rock</b>	<b>East Big Rock</b>	<b>Lower Foster</b>	<b>Bohemian</b>	<b>Schooner</b>
Cumulative Extraction					
30 days (0.7 kl/t)	81.3	75.4	72.8	78.4	73.6
60 days (1.3 kl/t)	86.6	80.6	76.7	81.0	77.6
90 days (2.0 kl/t)	87.3	81.2	77.6	81.2	78.1
Discount for Industrial Practice	3.5	3.5	3.5	3.5	3.5
Heap Leach Average Extraction	83.8	77.7	73.2	77.7	74.6
CIC/Goldroom Recovery	99.0	99.0	99.0	99.0	99.0
Gold Recovery to Doré	82.9	77.0	72.5	77.0	73.9

Reagent consumption is derived from the metallurgical test work.

**Table 1-5: Weighted Average for Lime and Cement Addition from Column Tests**

<b>Ore Zone</b>	<b>Reagent Consumption (kg/t)</b>	
	<b>Lime</b>	<b>Cement</b>
West Big Rock	3.87	-
East Big Rock	3.30	-
Lower Fosters	1.73	2.00
Bohemian	3.00	-
Schooner	2.53	-

Parameters for reprocessing the historical leach pad are derived from McClelland Report on Job No. 3618, mining requirements and operational data from the original operation.

**Table 1-6: Reprocessing Parameters from Spent Materials**

Description	Value	Units	Comments
Resource	4,208,000	t	Estimated
Grade	0.68	g/t	Mine Plan grade
Recovery	45	%	Test work
Lime Consumption	0	kg/t	Column Leach Tests
Cyanide Consumption	0.265	kg/t	Operational data
Cement Consumption	5.75	kg/t	Column Leach Tests

The combined parameters are summarized in Table 1-7.

**Table 1-7: Weighted Average Reagent Consumption by Source**

Ore Zone	Au Extraction (%)	NaCN (kg/t)	Lime (kg/t)	Cement (kg/t)
West Big Rock	82.9	0.30	3.87	0
East Big Rock	77.0	0.73	3.30	0
Lower Fosters	72.5	0.23	1.73	2.00
Bohemian	77.0	0.31	3.00	0
Schooner	73.9	0.26	2.53	0
Old Heap	45.0	0.27	0	5.75
<b>Weighted Average</b>	<b>68.1</b>	<b>0.31</b>	<b>1.76</b>	<b>2.44</b>

### *Process Plant*

Based on the data provided by Brewery Creek, the following process plant flow sheet has been selected:

- Crushing Plant – Tertiary crushing, modular or contracted, with primary jaw, secondary and tertiary cones, and surge bin to feed agglomeration;
- Agglomeration – Lime and cement are added to the main conveyor belt feeding the agglomeration drum. Agglomerates discharge the drum to form a crushed ore stockpile;
- Ore Stacking – Truck Stacking;
- Heap Leach Solution Management – Pumping and piping systems to circulate and collect leach liquors;
- Carbon Columns – For precious metal adsorption;
- Carbon Stripping and Refining – Concentration of gold solutions for electrowinning and production of final product;
- Acid Washing and Carbon Reactivation – Carbon handling system designed to remove acid soluble deposits on the carbon surface and a reactivation kiln to reactivate loading sites to maintain maximum gold loadings; and
- Final Detoxification – Solution detoxification for discharge.

### Capital Cost Estimates

An overall capital cost of US\$89 million has been estimated for the project. This includes equipment purchases, material offtakes, construction costs and labour, pre-stripping as capitalised mining costs, freight, contingencies at an overall 14 %, indirect costs and owner's costs during construction. Table 1-8 summarizes the capital costs by area.

**Table 1-8: Summary of Capital Costs**

Capital costs in US\$000						
Capital cost item	Estimated initial capital	Contingency \$	Contingency %	Total Initial	Sustaining including contingency	Total capital
<b>Direct</b>						
General site	\$64	\$3	5%	\$67		\$67
Site infrastructure	\$2,857	\$429	15%	\$3,286		\$3,286
Preproduction and haul roads	\$890	\$	0%	\$890		\$890
Mining equipment	\$65	\$16	25%	\$81		\$81
Mining infrastructure	\$615	\$92	15%	\$708		\$708
<b>Total mining and site infrastructure</b>	<b>\$4,491</b>	<b>\$540</b>	<b>12%</b>	<b>\$5,031</b>	<b>\$</b>	<b>\$5,031</b>
<b>Processing excluding heap leach construction</b>						
Crushing	\$10,902	\$2,180	20%	\$13,082		\$13,082
Agglomeration	\$3,349	\$670	20%	\$4,019		\$4,019
Ore stacking	\$728	\$146	20%	\$874		\$874
ADR facility and heap leach equipment	\$9,918	\$1,984	20%	\$11,901	\$4,128	\$16,029
Process infrastructure	\$8,159	\$1,632	20%	\$9,790		\$9,790
<b>Total processing</b>	<b>\$33,055</b>	<b>\$6,611</b>	<b>20%</b>	<b>\$39,666</b>	<b>\$4,128</b>	<b>\$43,795</b>
<b>Heap leach and water management</b>						
Heap leach including ponds	\$12,764	\$1,915	15%	\$14,679		\$14,679
Water management	\$83	\$21	25%	\$103		\$103
Total HLF and water management	\$12,847	\$1,935	15%	\$14,782	\$	\$14,782
<b>Total direct</b>	<b>\$50,393</b>	<b>\$9,087</b>	<b>18%</b>	<b>\$59,480</b>	<b>\$4,128</b>	<b>\$63,608</b>
<b>Indirect</b>						
Capitalised mining	\$11,365			\$11,365		\$11,365
Process indirects	\$5,550	\$1,110	20%	\$6,661	\$33	\$6,694
Mining and other indirects	\$1,517	\$228	15%	\$1,745		\$1,745
Owners costs (G & A year -2 and -1)	\$5,998	\$	0%	\$5,998		\$5,998
<b>Total indirect</b>	<b>\$24,431</b>	<b>\$1,338</b>	<b>5%</b>	<b>\$25,769</b>	<b>\$33</b>	<b>\$25,802</b>
<b>Total capital in US\$000</b>	<b>\$74,824</b>	<b>\$10,425</b>	<b>14%</b>	<b>\$85,249</b>	<b>\$4,161</b>	<b>\$89,410</b>

### Operating Costs

Operating costs average US\$19.95 / tonne processed over the life of mine, translating to US\$ 778 per troy ounce sold. The estimation of operating costs is based on consumables, labour, maintenance and other requirements. Table 1-9 summarizes the average life of mine operating costs by area.

**Table 1-9: Summary of Base Case Operating Cost Estimates for the Brewery Creek Operation**

Costs			
Item	Cost in USD\$	Units	Source
LOM average cost of mining per tonne process feed, including equipment leasing	\$13.38	\$/tonne	Modelled using Runge Xeras™
LOM average cost of mining process feed from old heap leach	\$1.17	\$/tonne	Modelled using Runge Xeras™
LOM average unit cost of mining process feed in the pits	\$3.52	\$/tonne	Modelled using Runge Xeras™
LOM average unit cost of mining waste rock in pits	\$2.61	\$/tonne	Modelled using Runge Xeras™
LOM average processing costs and placement on heap leach pad	\$8.41	\$/tonne	SGS
General and administrative costs per tonne process feed	\$3.11	\$/tonne	Estimated for each year of operation

**Economics**

Tetra Tech EBA prepared an economic evaluation of the Brewery Creek Project using discount cash flow modelling. The project with 9 years of operating life as proposed in the PEA has positive economics. Key economic modelling results are shown in Table 1-10.

**Table 1-10: Summary of Economic Modelling Results**

Summary of financial results in US\$000	
<i>Using a Gold price of US\$ 1250 / oz.</i>	
Pre-tax and royalty NPV at 5%	\$45,658
Pre-tax and Royalty IRR	22%
<b>Post Tax and Royalty NPV</b>	<b>\$23,315</b>
<b>Post Tax and Royalty IRR</b>	<b>15%</b>
Payback period	3.2
<i>Using a Gold price of US\$ 1300 / oz.</i>	
Pre-tax and royalty NPV at 5%	\$59,431
Pre-tax and Royalty IRR	27%
<b>Post Tax and Royalty NPV</b>	<b>\$32,315</b>
<b>Post Tax and Royalty IRR</b>	<b>19%</b>
Payback period	2.9

The economic analysis is preliminary in nature and is based on the extraction of both indicated and inferred resources. Inferred resources are considered too speculative geologically to have economic considerations applied to them in order to establish mineral reserves. There is no certainty that this PEA will be realized.

The financial modelling includes consideration of all private and government royalties and taxes applicable to the property.

Tetra Tech has conducted sensitivity analysis on the PEA economic results, finding that the economics are most sensitive to gold price, followed by operating cost and then capital cost.

Table 1-11 shows the post-tax base case sensitivities at various gold prices. The break-even gold price is roughly \$1,135 per troy ounce.

**Table 1-11: Post tax and royalty sensitivities for various gold prices**

<b>Gold Price in US\$</b>	<b>NPV in US\$000</b>	<b>IRR</b>
\$1,100	-\$7,610	1%
\$1,150	\$4,001	7%
\$1,250	\$23,315	15%
\$1,375	\$46,858	24%
\$1,500	\$69,360	32%

### *Interpretations and Conclusions*

The results of the PEA considering mining both indicated and inferred mineral resources shows positive economic results for Brewery Creek Project. The PEA has also highlighted the following potential project risks and opportunities:

#### Project Risks

- Several of the mineral resource areas are characterized by mineralization hosted in relatively thin intrusive sills that are in immediate contact with highly preg robbing carbonaceous sediments. Depending upon the degree of practical mining selectivity, a portion of the resource may be lost due to mining constraints;
- Risks also pertain to the current selection of waste rock storage areas, which have not been thoroughly investigated in terms of environmental aspects;
- Though this report indicates a positive NPV at 5%, Tetra Tech EBA has found the project very sensitive to gold price and operating cost, a 20% unfavourable change could render the project uneconomical;
- The climatic conditions pose additional risk for the proposed operation. Operations in sub-arctic conditions require special considerations in terms of operational efficiency of personnel and equipment. The Brewery Creek Property, as proposed, operates as a part-time process, ceasing mining and active crushing during the cold part of the season and assumes an operating season commencing in March and ending in late October; and
- As described in this study, it is proposed to place ore on the leach pad using trucking. The trucks will impart additional compaction to the crushed ore pad. This compaction is a common problem with leach pads, which causes ponding, internal hydrostatic pressure build-up in buried lifts, and blinding. The effect of compaction from truck stacking on the Brewery Creek materials is unknown at this time.

#### Project Opportunities

- The Brewery Creek area contains numerous willow mineralized gold systems. To date, no high-grade feeder zones or large mineralized masses have been identified in the project area. Drilling in the Lone Star area in 2012 resulted in the recognition of a potential higher-grade zone of skarn-style mineralization. Gold grades for the currently identified deposits tend to be relatively low so the potential for higher grades in the Lone Star area could help future project economics;
- This PEA considers a mining season from March to October each operating year. It may be possible to place additional material during the off season on the leach pad, thereby increasing annual tonnage processed, though with a lag of 4 maximum 4 months from placement to recovery. This could increase ounces recovered each year; and
- There may be opportunities to renegotiate the payment of some of the royalties to reduce initial operating costs.

## ***Recommendations***

The following recommendations are made to enhance with respect to the Brewery Creek Property:

1. Complete remaining infill drilling on all deposits included in the PEA to increase confidence of Inferred Resources to an Indicated level, and conduct confirmatory drilling at Kokanee, Golden and Lucky to validate historical results for these areas (\$1M),
2. Continue with metallurgical and processing test work for the existing deposits and initiate test work for the Classic and Lonestar deposits, initiate metallurgical test work at Kokanee, Golden and Lucky (\$500k),
3. Continue with Executive Committee Project Proposal document and associated site investigation and surveys along with the development of a Mine Closure and Reclamation Plan (\$750k),
4. Review the potential success of Fort Knox, Alaska operation as a year around operation. This operation is located in similar climate and has just started to test year around mining and leaching. If possible, this may have a significant positive impact on project economics,
5. Conduct a trade-off study to test effect of various production rates on initial capital requirements,
6. Commence assessment of Classic and Lonestar deposits, and increase confidence of current resource; conduct trade-offs to assess viability of these areas as integrated or a stand-alone operations on the property.

An estimated budget of \$2.25M is anticipated to be required to fulfil items 1 through 3. Budgets have not been estimated for items 4 through 6 as these may be conducted as internal exercises and may have indirect value added to the current PEA.

The above recommendations should be attempted before a feasibility level study and associated detailed site work is considered.

## ***Subsequent Events***

On September 2, 2015, the Company announced that the 0.5% NSR on the Brewery Creek Property which was originally granted to Till Capital Ltd. in connection with the Company's acquisition of GPX in April 2014, had been returned to the Company. For additional information on the return of the NSR, see the Company's news release dated September 2, 2015.

On June 24, 2016, the Company announced that the Tr'ondëk Hwëch'in had amended the terms of the Socio-Economic Accord dated Sept. 26, 2012, relating to the Brewery Creek Property. For additional information on the Socio-Economic Accord Amendment Agreement see the Company's news release dated June 24, 2016.

On July 13, 2016, the Company announced that it commenced a 1,600-metre engineering and metallurgical drill program at the Brewery Creek Property. The drilling was focused at the Golden, Lucky and Kokanee pits which were previously mined in the 1990s, and historic data indicate significant oxide gold mineralization remains unmined. For additional information on the Company's geotechnical and metallurgical drill program see the Company's news release dated July 13, 2016.

On October 13, 2016, the Company announced new drill results from a program designed to gather metallurgical, geotechnical, and environmental information and samples from the Brewery Creek Property. For full drill results, please see the Company's news release dated October 13, 2016.

## **RISK FACTORS**

The securities of the Company should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this AIF and the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) prior to making an investment in our securities. In addition to the other information presented in this AIF, the following risk factors should be given special consideration when evaluating an investment in any of our securities.

### **Exploration and Development**

Mineral exploration and development of mineral properties involves a high degree of risk, and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of minerals. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors. 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.

Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. 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. Most of 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".

The operations of the Company may require licenses and permits from various governmental authorities to carry out exploration and development at its projects. Obtaining permits can be a complex and time-consuming process. There can be no assurances that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, in a timely manner or at all. Failure to obtain such licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration work, which may result in it losing its interest in the subject property. 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 will have the resources or expertise to meet its obligations under such licenses and permits.

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. Failure to comply with such legislation may result in imposition of fines and penalties. In addition, certain types of operations

require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement. 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. Fines and penalties for non-compliance are also more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

### **Technical Estimates**

Mineral resource estimates and the economic analysis contained in the Brewery Creek Report are based on interpretation and assumptions. Unless otherwise indicated, mineral resource figures and economic analysis presented or incorporated by reference in this AIF are based upon estimates made by independent consulting geologists.

Estimates can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling, which may prove to be unreliable. We cannot assure you that the estimates are accurate or that mineralized materials from the Brewery Creek Property can be mined or processed profitably.

Any material changes in mineral resource estimates and grades of resources will affect the economic viability of placing the Brewery Creek Property into production and the Brewery Creek Property's return on capital.

As the Company has not commenced actual production from the Brewery Creek Property, mineral resources may require adjustments or downward revisions. In addition, the grade of mineralized material ultimately mined, if any, may differ from that indicated by our Brewery Creek Report. Gold recovered in small scale tests may not be duplicated on a production scale.

The mineral resource estimates contained in this AIF and the Brewery Creek Report have been determined and valued based on assumed future prices for gold, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in prices for gold may render our estimates uneconomic and result in reduced reported mineralization or adversely affect our determinations of commercial viability. Any material reductions in estimates of mineralization, or of our ability to profitably extract gold from our resources, could have a material adverse effect on our share price and the value of the Brewery Creek Project.

The economic analysis in the Brewery Creek Report is preliminary in nature and is based on the extraction of both indicated and inferred resources. Inferred resources are considered too speculative geologically to have economic considerations applied to them to establish mineral reserves. There is no certainty that any part of the Brewery Creek Report will be realized.

### **Title to Assets**

Although the Company has or will receive title for any concessions in which it has or will acquire a material interest, there is no guarantee that title to such concessions will be not challenged or impugned. The Company can never be certain that it or its option partners will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company may or may not carry title insurance on

its properties. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title provides only minimal comfort that the holder has title. Also, in many countries, including Canada, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries. A successful claim that the Company (or its option partner) does not have title to a property could cause the Company to lose its right to that property, perhaps without compensation for its prior expenditures relating to the property.

### **Requirement for New Capital**

As an exploration stage company without revenues from operations, the Company needs more capital than it currently has available to it. The Company has to raise, by way of debt or equity financing, considerable funds to meet its capital needs. There is no assurance that sufficient funding will be available to the Company for further exploration and development of its property interests or to fulfill its obligations under applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of new projects with the possible loss of such properties. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

If mineable deposits are discovered, substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained at all or on terms acceptable to the Company.

### **Operating Hazards and Risks**

Exploration for natural resources involves many risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or may obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

### **Fluctuating Commodity Prices**

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of gold and other metals or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. Current and future price declines could cause commercial production to be impracticable. The Company's revenues and earnings could also be affected by the prices of other commodities. The effect of these factors on the price

of gold, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

### **Aboriginal Claims and Consultation Issues**

Many lands in Canadian territories in which the Company's properties are situated are or could become subject to aboriginal land claim to title. The legal nature of aboriginal land claims is a complex matter. The impact of any such claim on the Company's ownership interests in its properties cannot be predicted with any degree of certainty. Aboriginal interests and rights as well as related consultation issues may impact the Company's ability to pursue exploration, development and mining at its Canadian properties. The Company's has entered and may enter into agreements with First Nations and other Aboriginal communities in order to manage its relationship with those groups but there is no assurance that claims or other assertions of rights by Aboriginal communities or consultation issues will not arise on or with respect to the Company's properties or activities. These could result in significant costs and delays or materially restrict the Company's activities.

The Company and the Tr'ondëk Hwëch'in First Nation signed the Socio-Economic Accord dated September 26, 2012, relating to the Brewery Creek Project. The Socio-Economic Accord was subsequently amended by the Socio-Economic Accord Amendment Agreement. The accord establishes the framework for the Tr'ondëk Hwëch'in First Nation's support and services related to the advancement and development of the Company's Brewery Creek Project.

In January 2013, the Company signed the Kaska Exploration Agreement with the Kaska Nation, as represented by the Ross River Dena Council and the Liard First Nation, with respect to activities within its traditional territories. The purpose of the Kaska Exploration Agreement was to promote a cooperative and mutually respectful relationship concerning the Company's exploration of its current and any additional mining claims or properties that the Company may acquire an interest in and which are located with the Kaska Nation Traditional Territory.

While the Company intends to consult with all groups which may be adversely affected by the Company's activities, including various other aboriginal groups, there can be no assurance that satisfactory agreements can be reached.

### **Environmental Factors**

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. 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. 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. Although the exploration activities of the Company are currently carried out in accordance 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 production or development. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

## **Competition**

The resource industry is intensely competitive in all its phases, and the Company competes with many other companies possessing greater financial resources and technical facilities than it has. Competition could adversely affect the Company's ability to acquire suitable properties for exploration in the future.

## **Options and Joint Ventures**

The Company may, in the future be unable to meet its share of costs incurred under option, joint venture or shareholder agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. If the Company does not raise the necessary capital to meet its obligations under current contractual obligations, then the Company may have to forfeit its interest in the properties or prospects earned or assumed under such contracts. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

## **Political and Economic Instability**

The Company may acquire properties located in countries where mineral exploration activities may be affected by varying degrees of political instability and haphazard changes in government regulations such as tax laws, business laws and mining laws. Any changes in regulations or shifts in political conditions would be beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price control, export controls, income taxes, and expropriation of property, environmental legislation, and mine safety.

The Company may also be affected by possible economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in resource development or investment policies or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

## **Management**

The Company is dependent upon the personal efforts and commitment of its management, which is responsible for the development of future business. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company. The Company is dependent on a relatively small number of key officers, consultants and employees, the loss of any of whom could have an adverse effect on the Company. 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.

## **DIVIDENDS AND DISTRIBUTIONS**

The Company has paid no dividends since its inception. At the present time, the Company intends to retain any earnings for corporate purposes. The payment of dividends in the future will depend on the earnings and financial condition of the Company and on such other facts as the board of directors of the Company may consider appropriate. However, since the Company is currently in a development stage, it is unlikely that earnings, if any, will be available for the payment of dividends in the foreseeable future.

## **CAPITAL STRUCTURE**

The authorized capital of the Company consists of an unlimited number of Class A Common Shares without par value, an unlimited number of Class B Common Shares without par value, an unlimited number of Class C Redeemable Preferred Shares without par value, and an unlimited number of Class D Redeemable Preferred Shares without par value. As at February 14, 2017, there were 80,044,212 Class A Common Shares, no Class B Common Shares, no Class C Redeemable Preferred Shares, and no Class D Redeemable Preferred Shares issued and outstanding.

The holders of the Class A Common Shares are entitled to notice of, to attend, and to vote at all meetings of the Company's shareholders. The holders of the Class B Common Shares are not entitled to notice of, nor attend, nor vote at meetings of the Company's shareholders. The Class A Common Shares and the Class B Common Shares are entitled to receive dividends if, as and when declared by the directors, and rank *pari passu* with one another in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Company.

The holders of the Class C Redeemable Preferred Shares and the Class D Redeemable Preferred Shares are not entitled to notice of, nor attend, nor vote at meetings of the Company's shareholders. The Class C Redeemable Preferred Shares and the Class D Redeemable Preferred Shares are entitled to receive dividends if, as and when declared by the directors. The Class C Redeemable Preferred Shares and the Class D Redeemable Preferred Shares have preference over the Class A Common Shares and the Class B Common Shares, and rank *pari passu* with one another, on liquidation and winding up of the Company.

The holders of the Class C Redeemable Preferred Shares and the Class D Redeemable Preferred Shares are entitled to require the Company to redeem or purchase all or a part of the Class C Redeemable Preferred Shares or the Class D Redeemable Preferred Shares. The Company may, by resolution of the directors and upon giving notice, from time to time redeem or purchase the whole or any part of the Class C Redeemable Preferred Shares and the Class D Redeemable Preferred Shares.

The Company's shares carry no pre-emptive rights, conversion or exchange rights, retraction, sinking fund or purchase fund provisions. There are no provisions requiring the holders the shares of the Company to contribute additional capital and no restrictions on the issuance of additional securities by the Company. There are no restrictions on the repurchase or redemption of shares by the Company except as otherwise set out herein and to the extent that any such repurchase or redemption would render the Company insolvent pursuant to the BCBCA.

As at February 14, 2017, the Company had 5,713,250 stock options to purchase Class A Common Shares outstanding as follows:

<b>Number Issued</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
325,000	\$0.20	August 1, 2017
450,000	\$0.10	November 17, 2017
40,000	\$0.12	March 23, 2018
125,000	\$0.12	June 22, 2018
266,250	\$0.14	October 1, 2018
857,500	\$0.17	February 25, 2019
20,000	\$0.25	May 2, 2019
330,000	\$0.43	May 24, 2019
1,690,000	\$0.66	June 3, 2019
75,000	\$0.95	June 20, 2019
127,500	\$0.82	July 20, 2019
150,000	\$0.91	August 10, 2019
682,000	\$0.69	October 7, 2019
25,000	\$0.72	October 11, 2019
25,000	\$0.80	October 14, 2019
25,000	\$0.75	October 19, 2019
60,000	\$0.77	November 1, 2019
10,000	\$0.77	November 9, 2019
30,000	\$0.56	November 23, 2019
225,000	\$0.56	November 23, 2021
125,000	\$0.99	January 20, 2020
50,000	\$1.51	February 1, 2020

As at February 14, 2017, the Company had 37,568,030 share purchase warrants to purchase Class A Common Shares of the Company outstanding as follows:

<b>Number Issued</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
2,000,000	\$0.15	February 25, 2018
875,000	\$0.15	March 3, 2018
1,274,000	\$0.16	May 24, 2018
22,812,500	\$0.21	May 24, 2018
9,288,500	\$1.00	July 26, 2018
1,318,030	\$1.00	July 26, 2018

## MARKET FOR SECURITIES

### Trading Price and Volume

The Class A Common Shares trade on the TSX-V under the symbol “GPY” and on the OTCQX under the symbol “NTGSF. The following table shows the high, low and closing prices and average trading volume of the Class A Common Shares on the TSX-V on a monthly basis for the financial year ended December 31, 2015:

Month	High	Low	Volume
December 2015	\$0.13	\$0.105	143,157
November 2015	\$0.125	\$0.115	59,992
October 2015	\$0.125	\$0.115	153,300
September 2015	\$0.145	\$0.07	495,929
August 2015	\$0.095	\$0.07	347,670
July 2015	\$0.095	\$0.08	109,647
June 2015	\$0.12	\$0.095	276,244
May 2015	\$0.12	\$0.10	492,874
April 2015	\$0.12	\$0.095	382,821
March 2015	\$0.11	\$0.095	123,348
February 2015	\$0.11	\$0.10	119,553
January 2015	\$0.12	\$0.095	322,710

### Prior Sales

The Company does not have any Class B Common Shares, Class C Redeemable Preferred Shares, or Class D Redeemable Preferred Shares issued and outstanding.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holding

The following table sets out the names of the current directors and executive officers of the Company as at February 14, 2017, provinces or states and countries of residence, positions with the Company, principal occupations within the five preceding years, periods during which each director has served as a director and the number of Class A Common Shares and percentage of the issued Class A Common Shares beneficially owned, directly or indirectly, or subject to control or direction by that person.

The term of each of the current directors of the Company will expire at the next annual general meeting unless his office is earlier vacated in accordance with the Articles of the Company, or he becomes disqualified to act as a director.

Name, Position and Municipality of Residence	Principal Occupation for the Past Five Years <sup>(1)</sup>	Director/Executive Officer Since	Number and Percentage of Company Class A Common Shares Beneficially Owned or Controlled <sup>(1)(2)</sup>
<b>William M. Sheriff</b> <sup>(5)</sup> <i>Director and Chairman</i> British Columbia, Canada	Executive Chairman of Golden Predator Mining Corp since April 2014. Chairman of enCore Energy Corp. since October 2009. CEO of Redtail Metals Corp. from October 2010 to April 2014. CEO of Silver Predator Corp. from May 2011 to February 2012. Chairman of Silver Predator Corp. since May 2006 until May 10, 2016. Chairman of Wolfpack Gold Corp. from February 2011 until May 2013. Chairman and CEO of Till Capital Ltd. since April 2014 until September 1, 2015. CEO of Americas Bullion Royalty Corp. from January 2009 until April 2014.	April 17, 2014	11,571,500 14.46%
<b>Janet Lee-Sheriff</b> <i>Chief Executive Officer</i> British Columbia, Canada	CEO of the Company since Oct. 2014. Executive Vice President of Till Management Company, a subsidiary of Till Capital Ltd. from April 8, 2014 until July 31, 2015. Vice President of Communications and First Nations of Till Capital Ltd. since December 1, 2012 until April 8, 2014. Vice President of Golden Predator Corp. from January 2009 to March 2013.	October 17, 2014	119,882 (less than 1%)
<b>Kathryn Johnson</b> <i>Chief Financial Officer</i> British Columbia, Canada	Contractor at Goldcorp Inc. from November 2015 to May 2016. CFO of Rio Alto Mining from April 2014 to May 2015. Vice President, Corporate Reporting at Rio Alto Mining from August 2013 to March 2014. Controller, Rio Alto mining from December 2011 to July 2013.	November 1, 2016	100,000 (less than 1%)
<b>Bradley G. Thiele</b> <sup>(3)</sup> <i>Director</i> British Columbia, Canada	Retired until 2011. Director of Redtail Metals Corp. from September 2011 to April 2014.	April 17, 2014	181,096 (less than 1%)

<b>Name, Position and Municipality of Residence</b>	<b>Principal Occupation for the Past Five Years <sup>(1)</sup></b>	<b>Director/Executive Officer Since</b>	<b>Number and Percentage of Company Class A Common Shares Beneficially Owned or Controlled <sup>(1)(2)</sup></b>
<b>Dennis Fentie</b> <sup>(4)</sup> <i>Director</i> Yukon Territory, Canada	Premier of the Yukon Territory from 2002 to 2011; Retired from 2011 to 2014.	July 7, 2014	142,500 (less than 1%)
<b>Jesse Duke</b> <sup>(3)</sup> <i>Director</i> Yukon Territory, Canada	President of Ibez Valley Environmental Consulting since 2008.	April 29, 2008	130,393 (less than 1%)
<b>Anthony Lesiak</b> <sup>(4)</sup> <i>Director</i> Ontario, Canada	Managing Director and Global Head of Mining Research for Canaccord Genuity Corp. (Canada). Previously Managing Director and Senior Mining Analyst at Macquarie Capital Markets.	June 13, 2016	100,000 (less than 1%)
<b>Stefan Spears</b> <sup>(4)(5)</sup> <i>Director</i> Ontario, Canada	Chairman and CEO of Inventus Mining Corp. since November 2016; Special Projects at McEwen Mining Inc. since March 2015; Founder and President of Coreprint Patterns Inc. from July 2012 to Dec 2015; and Vice President Projects at McEwen Mining Inc. from August 2008 to May 2012.	June 7, 2016	70,000 (less than 1%)
<b>Greg Hayes</b> <sup>(3)</sup> <i>Director</i> Alberta, Canada	President and Chief Executive Officer of the Company from June 14, 2008 to October 17, 2014. Chief Financial Officer of the Company from June 22, 2015 to September 30, 2016. Chief Financial Officer of Cobalt Distribution Inc. and IronTech Electric Corp. since May 1, 2015.	April 29, 2008	323,665 (less than 1%)

**Notes:**

- (1) The above information was derived from insider and beneficial ownership reports available at [www.sedi.com](http://www.sedi.com).
- (2) The information as to principal occupation, business or employment and Class A Common Shares beneficially owned or controlled have been provided by the respective directors and officers. As at February 14, 2017, as a group the directors and executive officers beneficially own or control a total of 12,739,036 Class A Common Shares, or 15.91% of the Class A Common Shares of the Company. Percentages of Class A Common Shares owned is based on 80,044,212 Class A Common Shares issued and outstanding.
- (3) Member of Audit Committee.
- (4) Member of Compensation Committee.
- (5) Member of Options Grant Committee.

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

To the knowledge of the Company, no director or executive officer of the Company, or a personal holding company of such person is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer (“CEO”) or chief financial officer (“CFO”) of any company that:

- (a) was subject to a cease trade or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as a director, CEO or CFO of such company; or
- (b) was subject to a cease trade or similar order to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO but which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, CEO or CFO of such company.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities to affect materially the control of the Company, or a personal holding company of such person:

- (a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **Conflicts of Interest**

The Company’s directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors or officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company’s directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and

development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. The directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors and officers of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the BCBCA and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

To the best of the Company's knowledge, and other than as disclosed above and elsewhere in this AIF, there are no known existing or potential conflicts of interest among the Company, its subsidiaries, directors and officers or other members of management of the Company or its subsidiaries as a result of their outside business interests.

### **Audit Committee Information**

Pursuant to the provisions of the BCBCA and NI 52-110 of the Canadian Securities Administrators, the Company is required to have an Audit Committee and to disclose in its Annual Information Form certain information concerning the constitution of its audit committee and its relationship with the Company's independent auditor. The general function of the Audit Committee is to review the overall audit plan and the Company's system of internal controls, to review the results of the external audit, and to resolve any potential dispute with the Company's auditor

#### Audit Committee Charter

A copy of the charter of the Audit Committee is attached to this AIF as Schedule "A".

#### Composition of the Audit Committee

The Company's current Audit Committee consists of Greg Hayes, Jesse Duke and Bradley Thiele.

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, that could, in the view of the Company's board of directors, reasonably interfere with the exercise of the member's independent judgment. All of the Company's current Audit Committee members are "independent" within the meaning of NI 52-110 other than Greg Hayes. Greg Hayes is not "independent" as he was CEO of the Company until October 17, 2014 and was appointed CFO of the Company June 22, 2015.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit

Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

#### Relevant Education and Experience

*Greg Hayes:* Mr. Hayes, a Chartered Accountant since 1997, previously served as the Chief Executive Officer for the Company. Mr. Hayes brings considerable experience to the Company's board of directors from both the public and private sectors. Working with international and Alberta-based accounting firms, he has serviced clients ranging from small, private businesses to multinational corporations. Most recently, Mr. Hayes has been providing financial consulting services to junior exploration companies.

*Jesse Duke:* Mr. Duke previously served as the Director of Mineral Development for the Government of the Yukon, and was involved in the design and implementation of many Yukon government programs and policies that shape the management of the mineral industry today. He previously managed the Yukon Operations for Noranda Exploration and was the Manager of the Whitehorse office for the environmental consulting firm Gartner Lee Limited where he lead a team of professionals that support mining clients in the Yukon, Northwest Territories, British Columbia and Alaska. More recently we was Vice-President, Environment for Casino Mining Corporation, and currently is President of IbeX Valley Environmental Consulting Inc. Mr. Duke is a long-time Yukon resident with over 30 years' experience working in the mineral industry throughout the north. Mr. Duke graduated from the University of Alaska with a B.Sc. in Geology. He is a Professional Geoscientist registered with the Association of Professional Engineers and Geoscientists of British Columbia.

*Bradley Thiele:* Mr. Thiele, a Professional Engineer, is an independent mining consultant with over 45 years of extensive industry experience. He served as Vice President of Project Development for the Meadowbank Gold Project of Cumberland Resources Ltd. from 2002 until 2007, through the acquisition of that company by Agnico-Eagle. Mr. Thiele's broad range of expertise includes underground and open pit designs, development, operations and engineering throughout northern and western Canada, providing services to Newmont Mines Ltd, Pioneer Metals Corporation, United Keno Hill Mines Limited, Minnova Inc., Fairfield Minerals, and Placer Group. Mr. Thiele obtained his BSc in Mining Engineering from the University of Saskatchewan.

#### Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6, 3.8 or Part 8 of NI 52-110.

#### Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor that were not adopted by the board of directors.

#### Pre-Approval Policies and Procedures

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

### External Auditor Service Fees

The aggregate fees billed to the Company for the last two (2) fiscal years noted below by Pricewaterhouse Coopers LLP, are as follows:

<b>Financial Year Ending Dec. 31</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
2015	\$25,862	\$1,000	Nil	\$3,150
2014	\$93,713	\$882	Nil	\$2,756

**Notes:**

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two financial years noted above for audit fees.
- (2) "Audit related fees" include the aggregate fees billed in each of the last two financial years noted above for assurance and related services by the Company's external auditor 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. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two financial years noted above for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two financial years noted above for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

### **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

The Company is not aware of any legal proceedings to which the Company is or was a party, or to which the Company's property is or was subject, either during the financial year ended December 31, 2015, or as of the date hereof, nor is the Company aware that any such proceedings are contemplated.

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

Except as disclosed in this AIF, no informed person (a director, officer or holder of 10% or more Class A Common Shares) or any associate or affiliate of any informed person had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries, within the three most recently completed financial years or during the current financial year.

### **TRANSFER AGENT AND REGISTRAR**

The Company's Registrar and Transfer Agent for the Class A Common Shares is Computershare Trust Company of Canada at its principal offices at Suite 600 - 530 8th Avenue SW, Calgary, Alberta, T2P 3S8.

The Company has not appointed a Registrar and Transfer Agent for the Class B Common Shares, the Class C Redeemable Preferred Shares, and the Class D Redeemable Preferred Shares as there are no such shares issued and outstanding.

## MATERIAL CONTRACTS

The following is a description of each material contract entered into by the Company since the beginning of the last financial year, or before the last financial year, if such material contract is still in effect:

### 1. Kaska Exploration Agreement

The Company and Kaska Nation entered into an exploration memorandum of understanding to promote a cooperative and mutually respectful relationship concerning the Company's exploration of its current and any additional mining claims or properties that the Company may acquire an interest in and which are located with the Kaska Nation Traditional Territory. The purpose of the Kaska Exploration Agreement was to ensure that any exploration activities conducted by the Company within the Kaska Traditional Territory are conducted for the mutual benefit of Kaska Nation and the Company, while recognizing the importance of the environment and the Kaska National traditional territory to Kaska Nation and its citizens. The Company has agreed to make reasonable commercial efforts to provide training opportunities and to employ Kaska Nation citizens during the exploration activities undertaken by the Company. In consideration for entering into the Kaska Exploration Agreement, the Company issued non-transferable common share purchase warrants to the Kaska Nation.

### 2. Socio-Economic Accord, as amended by the Socio-Economic Accord Amendment Agreement

GPX and Tr'ondëk Hwëch'in entered into an amended and restated socio economic accord to establish the framework for the Tr'ondëk Hwëch'in's support and services related to the advancement and development of the Company's Brewery Creek Project. Pursuant to the Socio-Economic Accord, the Company continues to build on their effective working relationship, foster successful social and economic development of Tr'ondëk Hwëch'in while ensuring successful environmental screening, licensing, permitting, financing and construction and operation of the Brewery Creek Project. In consideration for Tr'ondëk Hwëch'in entering into the Socio-Economic Accord, GPX agreed to pay to Tr'ondëk Hwëch'in an aggregate amount of \$400,000, to be applied to a subscription for shares of the Company as follows: (i) \$250,000 on signing of the Socio-Economic Accord; and (ii) \$150,000 on September 26, 2013. GPX also agreed to pay to Tr'ondëk Hwëch'in 2.5% of annual profits from the Brewery Creek Project. Upon issuance of all required permits for the commercial production of minerals from the area of the mine site, GPX agreed to issue to Tr'ondëk Hwëch \$300,000 worth of Company shares.

Under the terms of the Socio-Economic Accord and as noted above, Tr'ondëk Hwëch'in was to receive \$150,000 worth of common shares in September 2013. Tr'ondëk Hwëch'in agreed to extend that payment date due to market conditions in 2013. The Socio-Economic Accord Amendment updated the Socio-Economic Accord to make that \$150,000 worth of shares payable by June 30, 2016.

### 3. Bearing Agreement

Pursuant to the Bearing Agreement, the Company agreed to purchase all of Bearing Resources' undivided interest in certain mineral claims located in the Upper Hyland River area in the southeast region of the Yukon territory. In consideration for the claims, the Company agreed to pay to Bearing Resources an aggregate cash payment in the amount of \$275,000, payable over a 48 month period from the execution date of the Bearing Agreement. In addition, the Company issued 35,000 Class A Common Shares of the Company to Bearing Resources upon receipt of TSX-V approval, and agreed to issue a further 50,000 Class A Common Shares on August 23,

2017. The Company has also agreed to issue up to \$600,000 worth of Class A Common Shares of the Company to Bearing Resources on the dates that are August 23, 2018, August 23, 2019, and December 23, 2020, at a price per share equal to the 21-day VWAP as at the date of issuance, subject to a floor price equal to the minimum price permitted under the TSX-V policies. Pursuant to the Bearing Agreement, the Company will grant to Bearing Resources a 2% net smelter return royalty on certain claims and a 1% net smelter returns royalty on the remaining claims. The Company may re-purchase 50% of the royalty, at any time, for the purchase price of \$1,000,000. Completion of the acquisition and the transactions under the Bearing Agreement and the obligation to make any payments other than the initial cash payment and share issuance are conditional upon completion by Bearing Resources of its previously announced transaction with Li3 Energy Inc. In the event the transaction with Li3 Energy Inc. does not complete, the initial share issuance will be returned to the Company.

#### 4. Precipitate Option Agreement

Pursuant to the Precipitate Option Agreement, the Company may acquire Precipitate Gold's 100% interest in certain mineral claims known as the Reef property located adjacent to the northern boundary of the 3 Aces Project in the southeast region of the Yukon Territory. In consideration for the claims, the Company agreed to pay to Precipitate Gold an aggregate cash payment in the amount of \$1,050,000, payable over a 36 month period from the closing date of the Precipitate Option Agreement. In addition, the Company agreed to issue 100,000 Class A Common Shares and 100,000 warrants of the Company to Precipitate Gold upon TSX-V approval, and a further 100,000 Class A Common Shares and 100,000 warrants on February 9, 2018. The warrants will be exercisable for a period of three years at a price of \$1.50 and \$2.00 respectively. The Company has also agreed to issue up to \$300,000 worth of Class A Common Shares of the Company to Precipitate Gold on each of 24 months and 36 months from closing, at a price per share equal to the 21-day VWAP as at the date of issuance, subject to a floor price equal to the minimum price permitted under the TSX-V policies. In addition the Company agreed to issue 300,000 warrants on 24 months and 36 months from closing, with the exercise price to be equal to 150% of the 21-day VWAP as at the date of issuance, and having a three year exercise period. Pursuant to the Precipitate Option Agreement, the Company agreed to grant to Precipitate Gold a 2% net smelter return royalty on certain of the claims and a 1% net smelter returns royalty on the remaining claims. The Company may re-purchase 25% of the royalty, at any time, for the purchase price of \$1,000,000, and a further 25% for a purchase price of \$1,500,000.

A copy of any material contract or report may be inspected during normal business hours at the Company's office, Suite 555 – 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6.

### **INTEREST OF EXPERTS**

#### **Names of Experts**

The following experts have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102- *Continuous Disclosure Obligations* by the Company during, or relating to, the year ended December 31, 2015, whose profession or business gives authority to the report, valuation, statement or opinion made by such expert.

Tetra Tech EBA Inc. in cooperation with Tetra Tech Inc., SGS-E&S Engineering Solutions Inc., Resource Modeling Inc., Gustavson and Associates and Access Consulting Group prepared the "Preliminary Economic Assessment for the Brewery Creek Property Yukon Territory, Canada", dated November 19, 2014.

PricewaterhouseCoopers LLP audited the financial statements of the Company for its financial year ended December 31, 2015. PricewaterhouseCoopers LLP is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Grant Thornton LLP, Chartered Professional Accountants was appointed as the current auditors of the Company, effective October 24, 2016.

### **Interests of Experts**

To the knowledge of the Company based on information provided by the experts, none of the experts named above, at the time of preparing the applicable report, valuation, statement or opinion, held or has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates in connection with the preparation or certification of any report, valuation, statement or opinion prepared by such person.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional financial information is provided in the Company's audited financial statements and MD&A for the year ended December 31, 2015.

These documents may be obtained upon request from the Company's head office, or may be viewed on the Company's website ([www.goldenpredator.com](http://www.goldenpredator.com)) or on the SEDAR website ([www.sedar.com](http://www.sedar.com)).

## Schedule A

### AUDIT COMMITTEE CHARTER

The Audit Committee of Golden Predator Mining Corp. (the “Company”) is the committee of the Board to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The Audit Committee will:

- (a) review and report to the Board of the Company on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company; and
  - (ii) the auditors report, if any, prepared in relation to those financial statements,
- (b) review the Company’s annual and interim earnings press releases before the Company publicly discloses this information,
- (c) satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures,
- (d) recommend to the Board:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; and
  - (ii) the compensation of the external auditor,
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- (f) monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established,
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company,
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company’s external auditor,
- (j) review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company,

- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109,
- (l) review and recommend to the Board any changes to accounting policies,
- (m) review the opportunities and risks inherent in the Company's financial management and the effectiveness of the controls thereon; and
- (n) review major transactions (acquisitions, divestitures and funding).

### **Composition of the Committee**

The committee will be composed of a minimum of 3 directors, the majority of which are not officers, employees or control persons of the Company or any of its subsidiaries. At a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the Board, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include:

- (a) reporting to the Board on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors meeting; and
- (b) reviewing, and reporting to the Board on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.