

Preliminary Economic Assessment of a Disseminated Cu-Au-Ag Deposit, Dean River, British Columbia

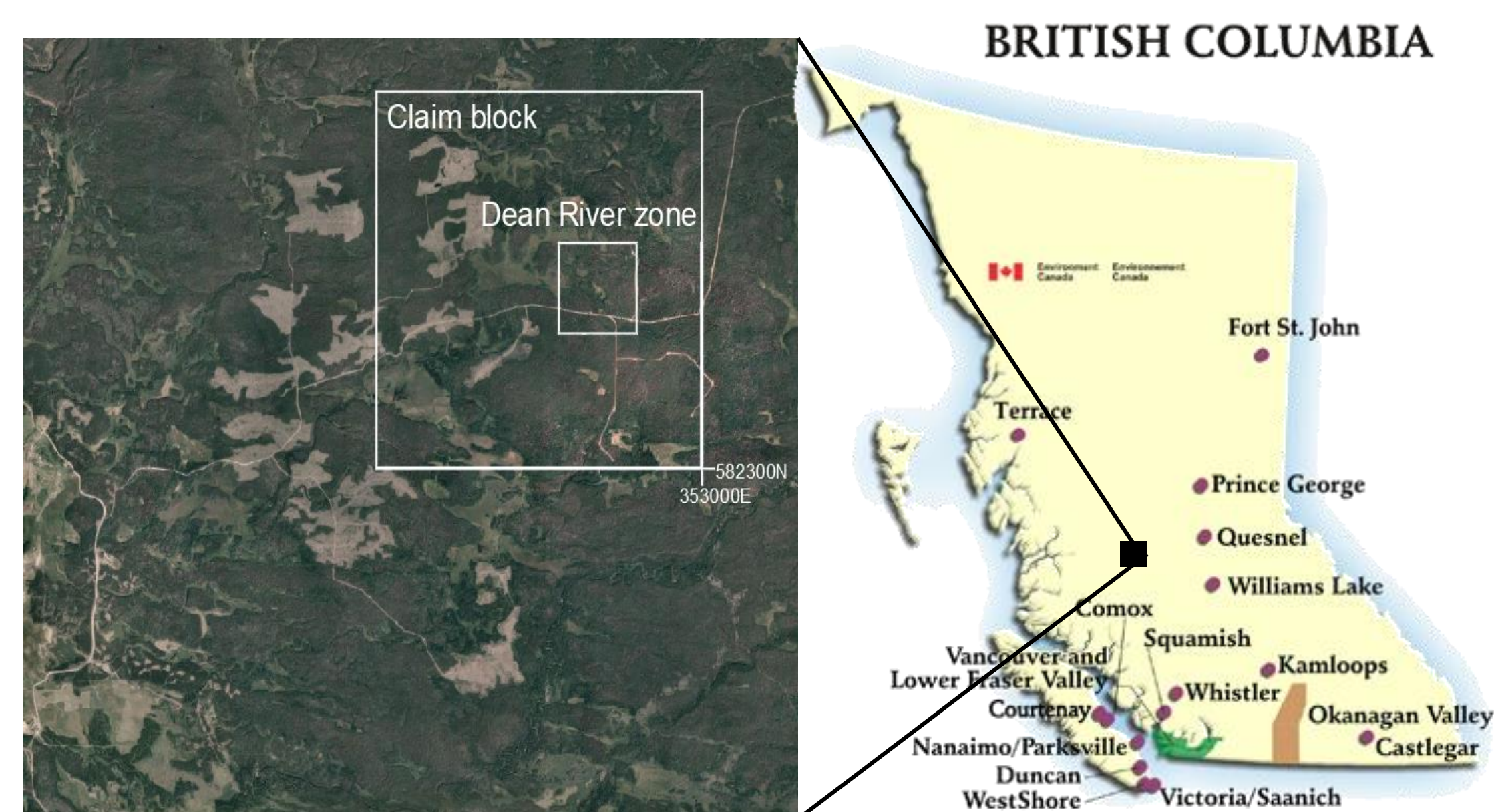
Scope of Work

Tasked with assessing the economic potential and technical feasibility for a mining operation comprised of a copper-gold-silver deposit in Dean River, British Columbia.

Exploration Data

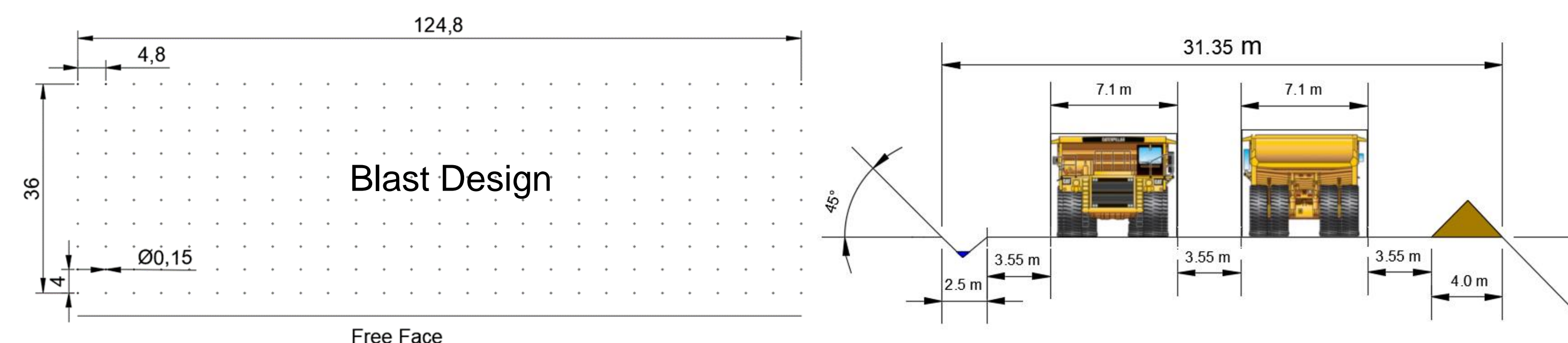
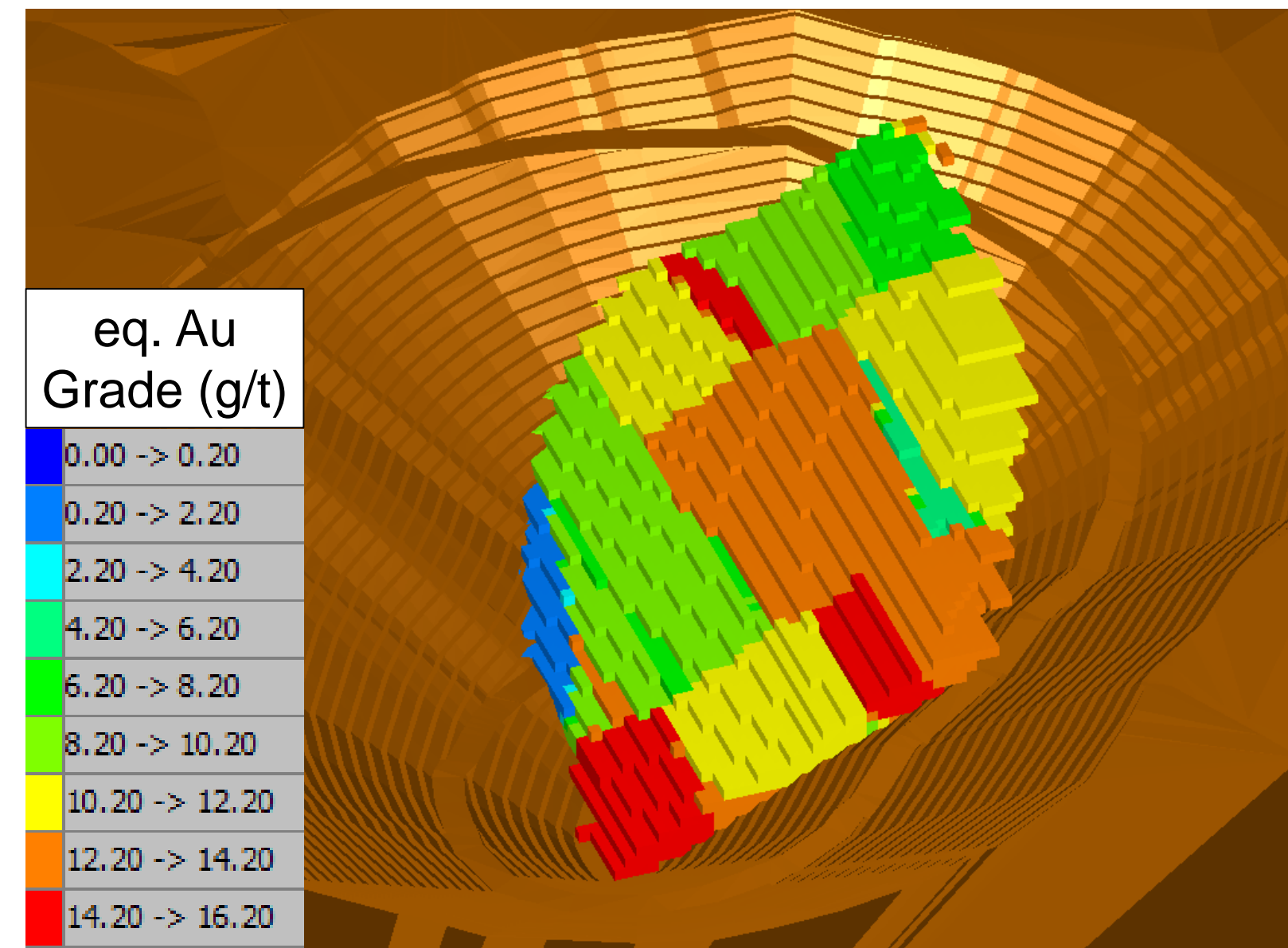
- 37 diamond drill holes in the Dean River zone.
- 180 metre surface trench.
- 28,845 metres of drill core recovered with assay data.
- Equivalent ore grade of 10.64 g/t Au.
- 5 km x 5 km mineral claim.
- 18 different geological units.

Location



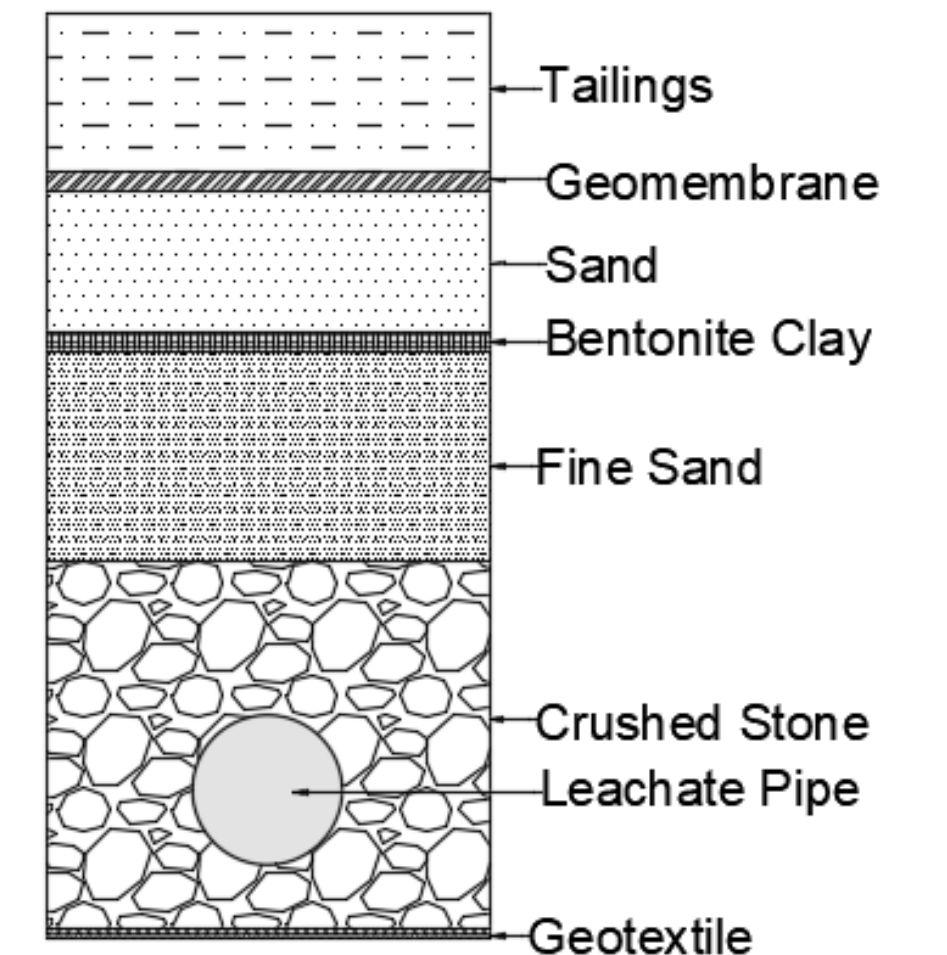
Surface Mine Design

- Tonnage: 24.4 million tonnes
- Mine life: 14 years
- Production rate: 5000 tonnes/day
- Stripping ratio: 13:1
- Dimensions: 950 m x 1300 m x 280 m
- Operations: truck and shovel



Reclamation

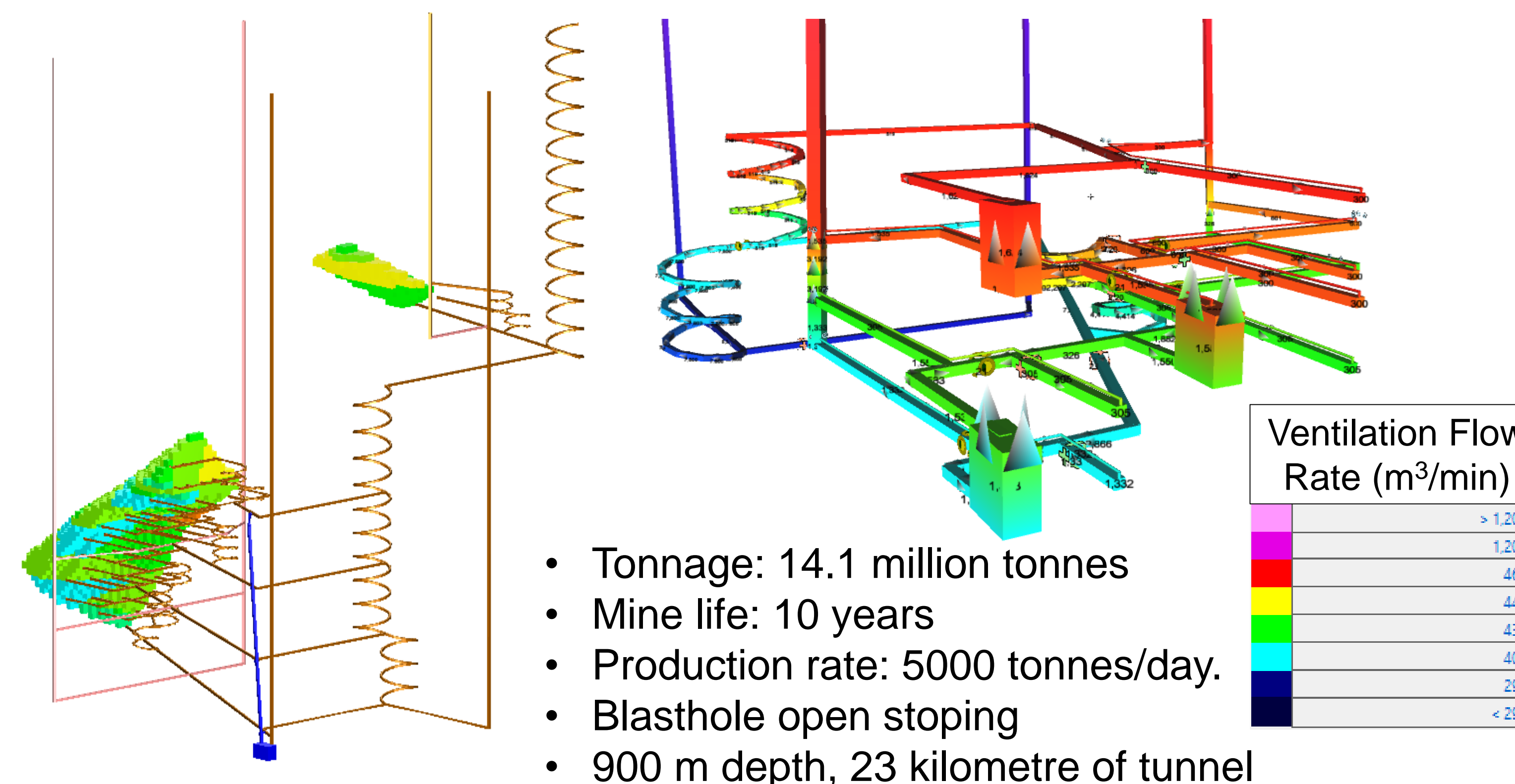
- Initial \$60 million set aside for reclamation purposes.
- Progressive reclamation will begin with surface mine production.
- Engineered impermeable liner optimized for tailings impoundment.
- Water treatment plant designed for removal of arsenic and mercury from water.
- Potential acid generating rock will be neutralized with abundant CaCO₃ and engineered cover.



Project Schedule

ACTIVITY	Start Date	Duration	End Date	Years
Exploration	0	1	2	1-2
Feasibility Study	2	3	5	2-5
Environmental Assessment	4	2	6	4-6
Environmental Impact Statement	5	2	7	5-7
Surface Development	7	1	8	7-8
Surface Mine Development	8	3	11	8-11
Surface Mine Production	11	16	27	11-27
Underground Development	23	7	30	23-30
Underground Production	25	9	35	25-35
Reclamation	12	27	39	12-39
Monitoring	39	1	∞	39-∞

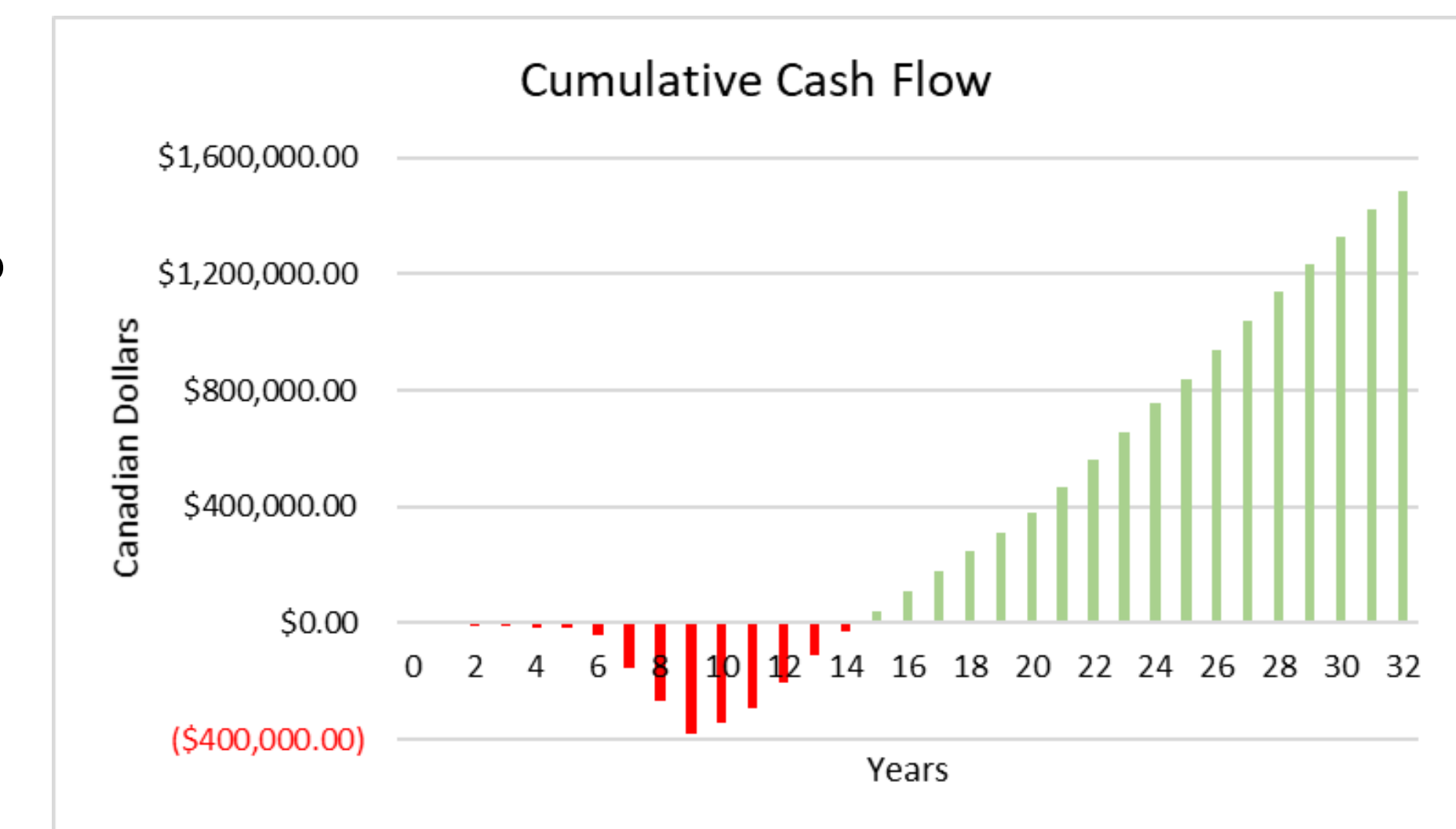
Underground Mine Design



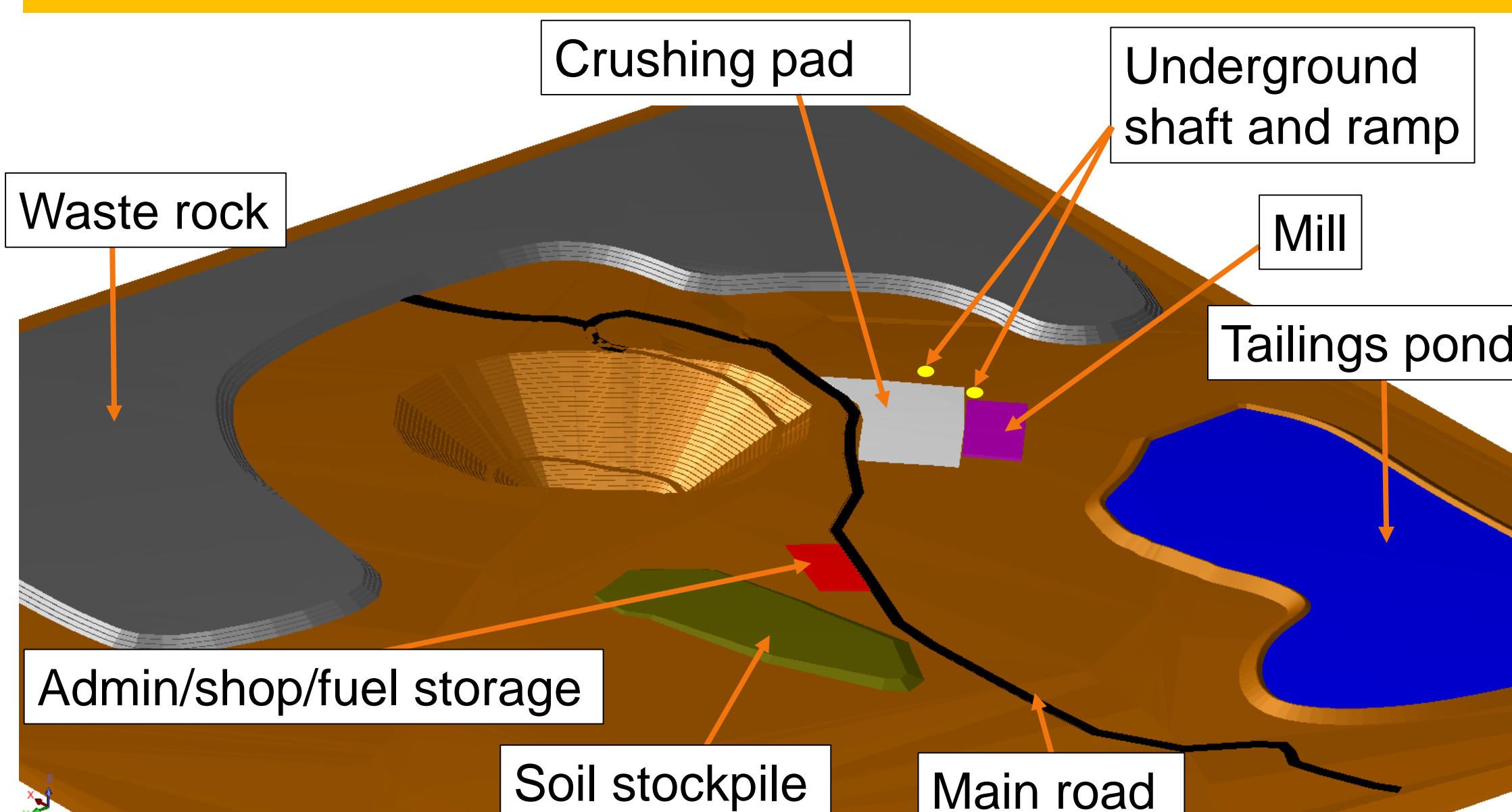
- Tonnage: 14.1 million tonnes
- Mine life: 10 years
- Production rate: 5000 tonnes/day.
- Blasthole open stoping
- 900 m depth, 23 kilometre of tunnel

Economics

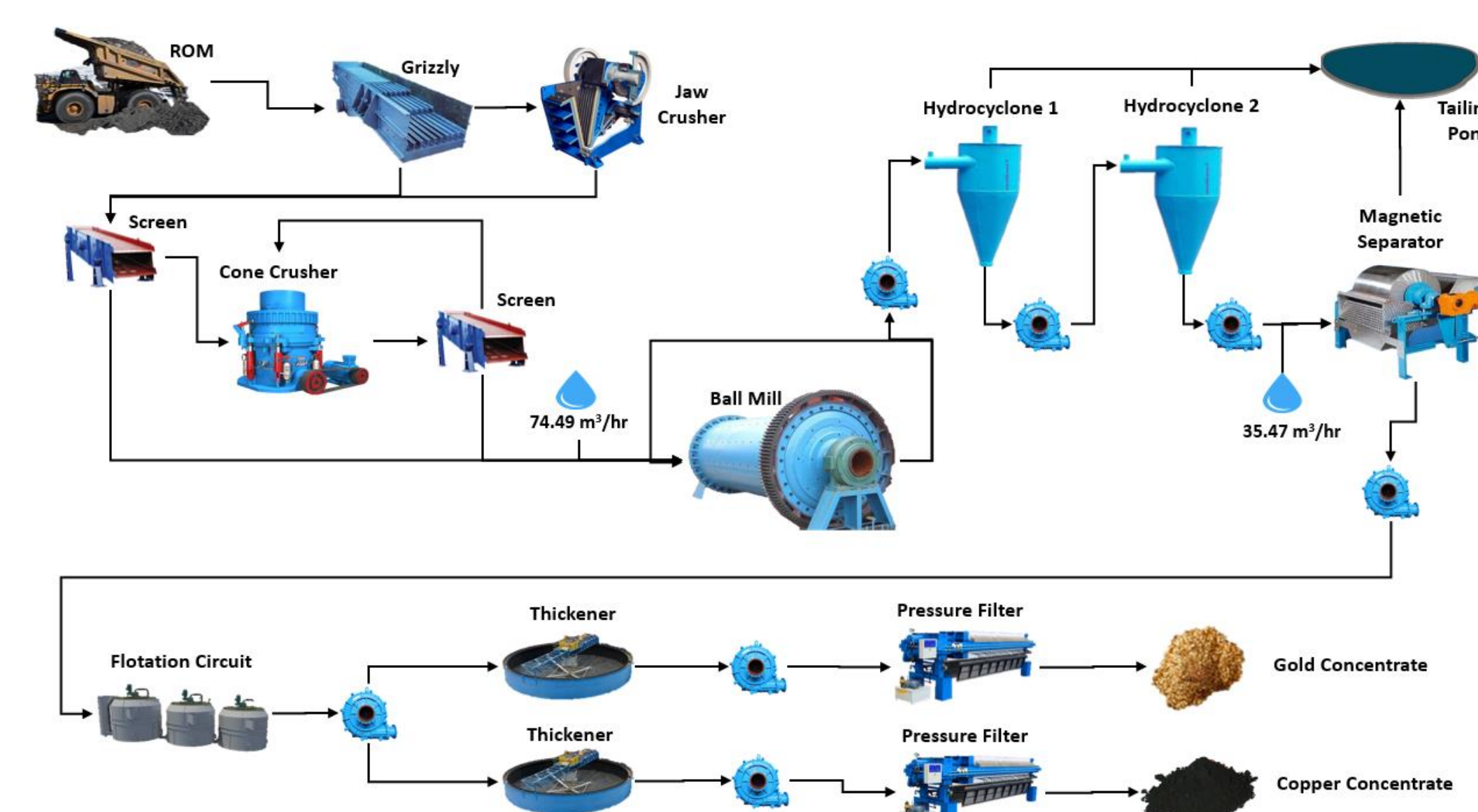
- Provides \$236 million in federal and \$173 million in provincial taxes.
- NPV of \$282 million at 10% discount rate.
- Internal rate of return of 18%.
- Payback period of 8 years into production.
- \$1.5 billion in positive cumulative cash flow.



Surface Infrastructure



Mill Design



- Designed to bring ore to a size of 30 microns.
- Separates Au-Ag and Cu concentrates from gauge material.
- Recovers 70.1 g/t Au and 33 wt% Cu.
- 4191 solid tonnes of tailing material released per day.

Socio-Economic Benefits

- Creation of 382 direct jobs.
- Bring prosperity to Anaheim Lake area.
- Committed to having at least 50% of staff have a First Nations heritage.
- Sponsors local community programs.
- Bring new training and education programs to ensure employable skills after mine closure.

Conclusions & Recommendations

- Expand drill hole program to better understand the size, grade and characteristics of the potential deposit.
- Continue effective consultation with local communities.
- Further studies on surrounding environment to minimize impact.
- Move forward with a more detailed feasibility study.